MASTER FUND
Nomura Real Estate Master Fund, Inc.

[For Translation Purposes Only]

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For Immediate Release

To Whom It May Concern

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Notice Concerning Property Acquisition

Nomura Real Estate Master Fund, Inc. ("Nomura Master Fund" or the "Fund") announces the decision made today by Nomura Real Estate Asset Management Co., Ltd., a licensed asset management company retained by the Fund to provide asset management services, to acquire properties (the "Acquisitions"), as described below.

1. Overview of the Acquisition

No.	Property Name	Use	Date of Purchase and Sale Agreement	(Scheduled) Date of Acquisition	Seller	Anticipated Acquisition Price (¥ million) (Note 1)
1	PMO Tamachi Higashi	Office	February 7, 2019	March 1, 2019	Nomura Real Estate Development Co., Ltd.	10,900
2	PMO Hatchobori Shinkawa (Note 2)	Office				3,805
3	PMO Kyobashi Higashi	Office				2,880
4	PMO Ochanomizu	Office		April 1, 2019		3,890
5	GEMS Shinbashi	Retail		March 1, 2019		2,810
6	GEMS Kayabacho	Retail				2,594
7	Summit Store Honamanuma	Retail				2,160
8	GEMS Shin-Yokohama	Retail				1,820

9	GEMS Namba	Retail				3,800
10	Landport Ome I	Logistics				13,640
Total						48,299

(Note 1) The amounts stated exclude acquisition-related costs, property tax, city planning tax, consumption tax and local consumption tax.
(Note 2) The asset to be acquired is a compartmentalized ownership building, and the Fund is to acquire a part of the building.
(Note 3) The assets to be acquired are a trust beneficial interest in trust of real estate as for Summit Store Honamanuma, and real estate properties as for the other assets to be acquired.
(Note 4) The assets to be acquired are planned to be acquired though the proceeds from the issuance of new investment units (see Note 5), new anticipated borrowings and cash on hand.
(Note 5) For details of the issuance of new investment units, please refer to the press release, "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" dated today.

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

2. Reasons for the Acquisitions

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

3. Summary of the Assets to be Acquired

(1) PMO Tamachi Higashi

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

・The Asset to be Acquired is located in the area between Tokyo station and Shinagawa station on the JR Yamanote Line and other lines. This area is surrounded by residential areas such as Azabu and Kamiyama-cho and has a direct access via the JR Keihin Tohoku Line from dormitory suburbs in the Saitama and Kanagawa areas.

・The Asset to be Acquired has high transportation convenience with access to two stations on four lines. It is located two-minute walk from Mita Station on the Toei Asakusa Line and Mita Line, and five-minute walk from Tamachi Station on the JR Yamanote Line and Keihin-Tohoku Line.

・The Asset to be Acquired has good access to major areas in central Tokyo, such as, via the JR Yamanote Line, six minutes to Tokyo Station, three minutes to Shinagawa Station and two minutes to Hamamatsu-cho Station. Furthermore, the Asset to be Acquired is convenient for boarding on the Shinkansen from Shinagawa Station and has direct access to the airport (It takes 21 minutes to Haneda Airport Domestic Terminal Station via the Toei Asakusa Line.).

・There are many head offices of large companies in the vicinity of the Asset to be Acquired, such as NEC Corporation, Morinaga & Co., Ltd., and Mitsubishi Motors Corporation, and headquarters of a wide range of industries (including affiliates of the aforementioned companies) are concentrated in the area.

・Given the standard floor area of 604.61m², its high convenience of transportation and its area characteristics, high tenant demand is expected, particularly from foreign-affiliated companies and companies with head offices in local areas.

・The Asset to be Acquired has an excellent structure and equipment level which meets the tenants' needs of BCP (Business Continuity Plans). For instance, it has Class I Structure with 1.5 times stronger earthquake resistance than the new earthquake resistance standards (Note 1) and is installed with emergency power generator (emergency power supply: 15 VA/m², 24 hours) for the tenant's exclusive portions. In addition, the Asset to be Acquired has obtained "four stars" under the DBJ Green Building Certification Program (Note 2) and has high reputation for its environmental and social considerations.

(Note 1) Meaning the current earthquake resistance standards based on the Building Standards Act.
(Note 2) The DBJ Green Building Certification Program is a certification system established by the Development Bank of Japan (DBJ) to support real estates with environmental and social considerations. Their evaluation is made in terms of not only environmental performance but also convenience, comfort, disaster mitigation, crime prevention, energy conservation and community involvement. The evaluation results are shown on a five-star to one-star scale. The same applies hereinafter.

Summary of the Asset to be Acquired

Property Name		PMO Tamachi Higashi
Type of Asset		Real estate
Location (Note 1)	Registry	4-210-9 Shiba, Minato Ward, Tokyo and 3 other lots
	Street	4-13-3 Shiba, Minato Ward, Tokyo
Access		2-minute walk from Mita Station on the Toei Asakusa Line and Mita Line 5-minute walk from Tamachi Station on the JR Yamanote Line and Keihin-Tohoku Line
Completion Date (Note 1)		February 28, 2018
Use (Note 1)		Office
Structure (Note 1)		Flat-roofed steel-frame, 10F
Architect		Toda Corporation, First-Class Architect Office
Builder		Toda Corporation Tokyo Branch
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	965.44 m² (Note 2)
	Floor Area	7,088.17 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 3)
Floor Area Ratio		700%
Collateral		None
Property Management Company (Note 4)		Nomura Real Estate Development, Co., Ltd.
Master Leasing Company (Note 5)		Nomura Real Estate Development, Co., Ltd.
Type of Master Leasing (Note 5)		Pass through
Seismic Risk (PML) (Note 6)		7.00% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		DBJ Green Building Certificate 2017★★★★

Notes	・The property management company and master leasing company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Act on Investment Trusts and Investment Corporations ("Investment Trust Act").				
Anticipated Acquisition Price	¥10,900 million				
Appraisal Value and Method	¥11,400 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI (Note 7)	¥394 million				
Leasing Status (As of November 30, 2018) (Note 8)					
Total Number of Tenants	7				
Total Rental Income(Annual)	¥528 million				
Security Deposits	¥478 million				
Occupancy Rate	100.0%				
Total Leased Floor Space	5,441.49 m²				
Total Leasable Floor Space	5,441.49 m²				
Historical Occupancy Rates (Note 9)	August 2014	August 2015	August 2016	August 2017	August 2018
	—	—	—	—	77.8%

(Note 1) Location and Other Items
Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Land Area
Includes the setback area (10.37 m²) to be deemed part of a road under Article 42, Paragraph 2 of the Building Standards Act.

(Note 3) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 4) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Nomura Real Estate Development Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Development Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which Nomura Real Estate Development Co., Ltd., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 6) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 7) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with December 1, 2018 as the appraisal date.

(Note 8) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the Asset to be Acquired is actually leased as of November 30, 2018 multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of November 30, 2018 (If the common area, etc. is leased, the floor space thereof is included.).

(Note 9) Historical Occupancy Rates
There are no applicable occupancy rates for August 2017 and before because the building was not yet completed.

(2) PMO Hatchobori Shinkawa

Strengths of the Asset to be Acquired

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

- The Asset to be Acquired is located within walking distance to Tokyo Station on the JR Yamanote Line, etc., and is located one-minute walk from Hatchobori Station on the JR Keiyo Line, four-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line, and seven-minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line and Tozai Line. It is highly convenient for transportation to major areas in the city center via two train stations and three lines.
- The Asset to be Acquired is located in the east side of Tokyo Station on the JR Yamanote Line, etc. The north side of this area is adjacent to the Kayabacho area, which is a financial district. On the contrary, on the south side, there are many enterprises engaged in fisheries because of the proximity to the Tsukiji area. In addition, there is a convention hall sponsored by iron and steel-related companies and many long-established enterprises engaged in iron and steel-related businesses in this area. Therefore, it is considered that demand for a wide range of tenants can be expected, including the use of the headquarters of iron and steel-related enterprises and the needs of regional headquarters in Tokyo.
- As the PMO series, 15 buildings (including PMO Kyobashi Higashi) have been completed in Chuo Ward (Note) and thus, the Asset to be Acquired is expected to be highly recognized in the ward.
- The Asset to be Acquired is operated under the consideration of the business continuity of the tenant, for example, by installing an emergency generator for the tenant's exclusive portions. In addition, the Asset to be Acquired, with excellent level of facilities such as seismic performance, has also obtained "Four Stars" under the DBJ Green Building Certification Program and has high reputation for its environmental and social considerations.

(Note) Includes properties which the Fund has not decided to acquire as of the date hereof and there is no guarantee to acquire these properties in the future.

Summary of the Asset to be Acquired

Property Name		PMO Hatchobori Shinkawa
Type of Asset		Real estate
Location (Note 1)	Registry	2-1 Shinkawa, Chuo Ward, Tokyo
	Street	2-9-11 Shinkawa, Chuo Ward, Tokyo
Access		1-minute walk from Hatchobori Station on the JR Keiyo Line 4-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line 7-minute walk from Kayabacho Station on the Tokyo Metro Hibiya and Tozai Line
Completion Date (Note 1)		April 20, 2018

Use (Note 1)		Office			
Structure (Note 1)		Flat-roofed steel-frame, 9F			
Architect		Nomura Real Estate Development Co., Ltd., First-Class Architect Office			
Builder		JFE Civil Engineering & Construction Corporation			
Building Inspection Agency		Urban Housing Evaluation Center			
Area (Note 1)	Land	830.08 m^2 (Note 2)			
	Floor Area	5,000.86 m^2 (Note 3)			
Type of Ownership	Land	Right of site			
	Building	Compartmentalized ownership			
Building Coverage Ratio		100% (Note 4)			
Floor Area Ratio		500%, 700% (Note 5)			
Collateral		None			
Property Management Company (Note 6)		Nomura Real Estate Development, Co., Ltd.			
Master Leasing Company (Note 7)		Nomura Real Estate Development, Co., Ltd.			
Type of Master Leasing (Note 7)		Pass through			
Seismic Risk (PML) (Note 8)		5.34% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)			
Environmental Assessment		DBJ Green Building Certification 2018★★★★			
Notes		・The property management company and master leasing company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Investment Trust Act. ・A Memorandum of Understanding has been concluded with other compartmentalized owners, which stipulates restrictions on the transfer of a compartmentalized ownership, such as a prior notice to other compartmentalized owners and a right to consider purchasing the compartmentalized ownerships prior to other potential purchasers.			
Anticipated Acquisition Price		¥3,805 million			
Appraisal Value and Method		¥3,990 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: Japan Real Estate Institute)			
Appraisal NOI (Note 9)		¥149 million			
Leasing Status (As of November 30, 2018) (Note 10)					
Total Number of Tenants		5			
Total Rental Income (Annual)		¥206 million			
Security Deposits		¥206 million			
Occupancy Rate		100.0%			
Total Leased Floor Space		2,533.55 m^2			
Total Leasable Floor Space		2,533.55 m^2			
Historical Occupancy Rates (Note 11)		August 2014	August 2015	August 2016	August 2017	August 2018
		—	—	—	—	83.3%

(Note 1) Location and Other Items
Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry. The land area is the total area of the entire building site, and the share of the right of site (co-ownership interest) is 625/1,000. The floor area is the total floor area of the entire building, and the exclusive area of the compartmentalized ownership to be acquired by the Fund is 2,533.55 ㎡.

(Note 2) Land Area
The land area is the total area of the entire building site, and the share of the right of site (co-ownership interest) is 625/1,000.

(Note 3) Floor Area
The floor area is the total area of the entire building. The exclusive area of the compartmentalized ownership to be acquired by the Fund is 2,533.55 ㎡.

(Note 4) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 5) Floor Area Ratio
As part of the land of the Asset to be Acquired is located in a commercial district with a floor area ratio of 500% and the other part is located in one with a floor area ratio of 700%, a weighted average figure based on the area ratio (561.09%) will be applied.

(Note 6) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 7) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Nomura Real Estate Development Co., Ltd. Under this agreement, the entire building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Development Co., Ltd. for the purpose of subleasing excluding the exclusive area subject to the self-use by other compartmentalized owners. The master lease agreement is a pass-through scheme, in which Nomura Real Estate Development Co., Ltd., the master lease company, pays to each compartmentalized owner the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants. Under the master lease agreement, the rent to be paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building (excluding the exclusive area subject to the self-use by other compartmentalized owners; the same shall apply hereinafter for the Asset to be Acquired) multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.

(Note 8) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 9) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with December 1, 2018 as the appraisal date.

(Note 10) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the part of the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the Asset to be Acquired is actually leased as of November 30, 2018. The figure is the sum (rounded down to the nearest million yen) of (i) the amount obtained by multiplying the rent, etc. of the leasable exclusive area of the entire building by 12 times the ratio of the area of the exclusive area to be acquired by the Fund, and (ii) the amount obtained by multiplying the rent, etc. of the common area, etc. of the entire building by 12 times the share of co-ownership interest to be acquired by the Fund. 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 part of the amount of security and other deposits specified in the aforementioned lease agreements. The figure is the sum (rounded down to the nearest million yen) of (i) the amount obtained by multiplying the amount of the security deposit and guarantee related to the leasable exclusive area of the entire building by the ratio of the area of the exclusive area to be acquired by the Fund, and (ii) the amount obtained by multiplying the security deposit and guarantee related to the common area, etc. of the entire building by the share of co-ownership interest to be acquired by the Fund.
"Occupancy Rate" is calculated by dividing the leased floor space as of November 30, 2018 by the leasable floor space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018. The master lease agreement stipulates that the rent is the sum of (i) the amount obtained by multiplying the rent obtained from the

leasable exclusive area of the entire building by the area ratio of such exclusive area, and (ii) the amount obtained by multiplying the rent obtained from the common area, etc. of the entire building by the share of co-ownership interest. Therefore, the figure mentioned above is the sum of (x) the area obtained by multiplying the leased area of the leasable exclusive area of the entire building by the area ratio of the exclusive area to be acquired by the Fund, and (y) the area obtained by multiplying the leased area of the common area, etc. of the entire building by the share of co-ownership interest to be acquired by the Fund.

"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of November 30, 2018 (If the common area, etc. is leased, the floor space thereof is included.). The master lease agreement stipulates that the rent is the sum of (i) the amount obtained by multiplying the rent obtained from the leasable exclusive area of the entire building by the area ratio of the exclusive area owned by each compartmentalized owner, and (ii) the amount obtained by multiplying the rent obtained from the common area, etc. of the entire building by the share of co-ownership interest. Therefore, the leasable area is the exclusive area to be acquired by the Fund plus the area obtained by multiplying the leasable common area, etc. of the entire building by the share of co-ownership interest to be acquired by the Fund.

(Note 11) Historical Occupancy Rates

There are no applicable occupancy rates for August 2017 and before because the building was not yet completed.

(3) PMO Kyobashi Higashi

Strengths of the Asset to be Acquired

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

- The Asset to be Acquired is located within walking distance from Tokyo Station on the JR Yamanote Line, etc. In addition, it is two-minute walk from Hatchobori Station on the JR Keiyo Line, one-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line, five-minute walk from Takaracho Station on the Toei Asakusa Line, seven-minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line and Tozai Line and eight-minute walk from Kyobashi Station on the Tokyo Metro Ginza Line. As above, it has high transportation convenience to major areas in central Tokyo with access to four train stations and five lines.
- The Asset to be Acquired is located in the area with a high concentration of securities business on the north side due to being adjacent to Kayabacho area, which is financial district, and fishing business on the south side due to being located near Tsukiji area. Also, there is a convention hall sponsored by iron and steel-related companies and many long-established enterprises engaged in iron and steel-related businesses in this area. As such, thanks to the needs for headquarters of iron and steel-related companies and its high transportation convenience, the Asset to be Acquired is expected to benefit from a wide range of tenant demand including the needs of the companies which intend to locate their headquarters in the area with good access to Tokyo Station and the regional companies which intend to have their bases in Tokyo.
- The Asset to be Acquired introduces the "Pantry Select Plan" in which the layout of the pantry can be selected from three plans and thus, it can respond flexibly to changes in the tenant's work style.
- As the PMO series, 15 buildings (including PMO Hatchobori Shinkawa) have been completed in Chuo Ward (Note) and thus, the Asset to be Acquired is expected to be highly recognized in the ward.
- The Asset to be Acquired has excellent level of facilities such as seismic performance. It has also obtained "Three Stars" under the DBJ Green Building Certification Program and has high reputation for its environmental and social considerations.

(Note) Includes properties which the Fund has not decided to acquire as of the date hereof and there is no guarantee to acquire these properties in the future.

Summary of the Asset to be Acquired

Property Name		PMO Kyobashi Higashi
Type of Asset		Real estate
Location (Note 1)	Registry	3-6-3 Hatchobori, Chuo Ward, Tokyo
	Street	3-18-6 Hatchobori, Chuo Ward, Tokyo
Access		1-minute walk from Hatchobori Station on the Tokyo Metro Hibiya Line 2-minute walk from Hatchobori Station on the JR Keiyo Line 7-minute walk from Kayabacho Station on the Tokyo Metro Hibiya Line and Tozai Line 8-minute walk from Kyobashi Station on the Tokyo Metro Ginza Line 5-minute walk from Takaracho Station on the Toei Asakusa Line
Completion Date (Note 1)		May 11, 2018
Use (Note 1)		Office
Structure (Note 1)		Flat-roofed steel-frame, 10F
Architect		Nomura Construction Industrial Co., Ltd., First-Class Architect Office
Builder		Nomura Construction Industrial Co., Ltd., Tokyo Head Office
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	279.17 m^2
	Floor Area	2,051.35 m^2
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		600%, 700% (Note 3)
Collateral		None
Property Management Company (Note 4)		Nomura Real Estate Development Co., Ltd.
Master Leasing Company (Note 5)		Nomura Real Estate Development Co., Ltd.
Type of Master Leasing (Note 5)		Pass through
Seismic Risk (PML) (Note 6)		5.89% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		DBJ Green Building Certificate 2018★★★
Notes		・The property management company and master leasing company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Investment Trust Act.
Anticipated Acquisition Price		¥2,880 million
Appraisal Value and Method		¥3,020 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: Japan Real Estate Institute)
Appraisal NOI (Note 7)		¥110 million
Leasing Status (As of November 30, 2018) (Note 8)		
Total Number of Tenants		8
Total Rental Income (Annual)		¥143 million
Security Deposits		¥136 million
Occupancy Rate		88.9%

Total Leased Floor Space	1,521.76 m²				
Total Leasable Floor Space	1,711.98 m²				
Historical Occupancy Rates (Note 9)	August 2014	August 2015	August 2016	August 2017	August 2018
	—	—	—	—	66.7%

(Note 1) Location and Other Items
Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 3) Floor Area Ratio
As part of the land of the Asset to be Acquired is located in a commercial district with a floor area ratio of 600% and the other part is located in one with a floor area ratio of 700%, a weighted average figure based on the area ratio (699.52%) will be applied.

(Note 4) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Nomura Real Estate Development Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Development Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which Nomura Real Estate Development Co., Ltd., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 6) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 7) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with December 1, 2018 as the appraisal date.

(Note 8) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the Asset to be Acquired is actually leased as of November 30, 2018 multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of November 30, 2018 (If the common area, etc. is leased, the floor space thereof is included.).

(Note 9) Historical Occupancy Rates
There are no applicable occupancy rates for August 2017 and before because the building was not yet completed.

(4) PMO Ochanomizu

Strengths of the Asset to be Acquired

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

・The Asset to be Acquired is located one-minute walk from Shinochanomizu Station on the Tokyo Metro Chiyoda Line, two-minute walk from Ochanomizu Station on the JR Chuo Line and Sobu Line, six-minute walk from Ogawamachi Station on the Toei Shinjuku Line, six-minute walk from Awajicho Station on the Tokyo Metro Marunouchi Line and eight-minute walk from Akihabara Station on the JR Chuo-Sobu Line, and has high transportation convenience to major areas in central Tokyo with access to five train stations and ten lines.

・The Asset to be Acquired is located in the area with a high concentration of educational institutions (such as Meiji University, Tokyo Medical and Dental University and professional training colleges) and medical facilities (such as Tokyo Medical and Dental University Medical Hospital and Nihon University Hospital) and is expected to benefit from a wide range of tenant demand including educational, medical and pharmaceutical industry. In addition, in recent years, in the area southeast of Ochanomizu Station on the JR Sobu-Chuo Line, large complex facilities were built as part of redevelopment, such as "WATERRAS Tower" and "Ochanomizu Soracity" containing large and multipurpose offices, residences and commercial facilities. These days, moving in of major companies and concentration of offices (For instance, Nippon Paper Industries Co., Ltd. and Hitachi Building Systems Co., Ltd. have their head offices in the above-mentioned large complex facilities and Mizuho Securities Co., Ltd. also has an office therein.) is enhancing this area's value as a business district and the Asset to be Acquired is expected to benefit from stable tenant demand.

・The Asset to be Acquired has excellent level of facilities such as seismic performance. It has also obtained "Four Stars" under the DBJ Green Building Certification Program and has high reputation for its environmental and social considerations.

Summary of the Asset to be Acquired

Property Name		PMO Ochanomizu
Type of Asset		Real estate
Location (Note 1)	Registry	4-4-1, Kanda-Surugadai, Chiyoda Ward, Tokyo and 1 other lot
	Street	4-4-1, Kanda-Surugadai, Chiyoda Ward, Tokyo and 1 other lot (Note 2)
Access		1-minute walk from Shinochanomizu Station on the Tokyo Metro Chiyoda Line 2-minute walk from Ochanomizu Station on the JR Chuo Line and Sobu Line 6-minute walk from Ochanomizu Station on the Tokyo Metro Marunouchi Line 6-minute walk from Ogawamachi Station on the Toei Shinjuku Line 6-minute walk from Awajicho Station on the Tokyo Metro Marunouchi Line 8-minute walk from Akihabara Station on the JR Yamanote Line, etc.
Completion Date (Note 1)		July 31, 2018
Use (Note 1)		Office
Structure (Note 1)		Flat-roofed steel-frame, 9F
Architect		Nomura Construction Industrial Co., Ltd., First-Class Architect Office
Builder		Nomura Construction Industrial Co., Ltd., Tokyo Head Office
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	403.76 m²
	Floor Area	2,670.12 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 3)

Floor Area Ratio	500%, 600% (Note 4)
Collateral	None
Property Management Company (Note 5)	Nomura Real Estate Development Co., Ltd.
Master Leasing Company (Note 6)	Nomura Real Estate Development Co., Ltd.
Type of Master Leasing (Note 6)	Pass through
Seismic Risk (PML) (Note 7)	5.08% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment	DBJ Green Building Certificate 2018★★★★
Notes	・The property management company and master leasing company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Investment Trust Act.
Anticipated Acquisition Price	¥3,890 million
Appraisal Value and Method	¥4,080 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: Japan Real Estate Institute)
Appraisal NOI (Note 8)	¥146 million
Leasing Status (As of November 30, 2018) (Note 9)	
Total Number of Tenants	6
Total Rental Income (Annual)	¥195 million
Security Deposits	¥188 million
Occupancy Rate	100.0%
Total Leased Floor Space	1,975.66 m²
Total Leasable Floor Space	1,975.66 m²

Historical Occupancy Rates (Note 10)	August 2014	August 2015	August 2016	August 2017	August 2018
	—	—	—	—	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) The Street Address
As the Street Address is not indicated officially, the building location in the real estate registry is noted.

(Note 3) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 4) Floor Area Ratio
As part of the land of the Asset to be Acquired is located in a commercial district with a floor area ratio of 500% and the other part is located in one with a floor area ratio of 600%, a weighted average figure based on the area ratio (585.06%) will be applied.

(Note 5) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 6) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Nomura Real Estate Development Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Development Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which Nomura Real Estate Development Co., Ltd., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with

end tenants.

(Note 7) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 8) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 9) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the Asset to be Acquired is actually leased as of November 30, 2018 multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of November 30, 2018 (If the common area, etc. is leased, the floor space thereof is included).

(Note 10) Historical Occupancy Rates
There are no applicable occupancy rates for August 2017 and before because the building was not yet completed.

(5) GEMS Shinbashi

Strengths of the Asset to be Acquired

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

- The property is a four-minute walk from Shinbashi Station on JR Lines and the Tokyo Metro Ginza Line and a three-minute walk from Uchisaiwaicho Station on the Toei Mita Line, and is situated in a good location offering excellent access.
- As the Shinbashi area is surrounded by various eateries and sales outlets, attracting a large number of nearby office workers, such as from Uchisaiwaicho, Shiodome and Toranomon looking for restaurants and shops, strong customer needs can be expected. In addition, the leased area per floor of the property ranges from around 37 tsubo to 49 tsubo, which is an fit size for operating restaurants. As such, the Fund expects that the property will provide stable tenant demand.
- With respect to the present composition of tenants, the property attracts a variety of stores that satisfy the diverse needs of the customers, differentiating the property from surrounding restaurant buildings that rent their spaces mainly to chain-store type Japanese "izakaya" pub businesses. Therefore, the property is expected to be competitive by maintaining a tenant composition of a wide-range of businesses that are capable of accommodating the variety of needs of the customers.

Summary of the Asset to be Acquired

Property Name		GEMS Shinbashi
Type of Asset		Real estate
Location	Registry	2-5-8, Shinbashi, Minato Ward, Tokyo

(Note 1)	Street	2-12-8, Shinbashi, Minato Ward, Tokyo
Access		4-minute walk from Shinbashi Station on JR Lines and the Tokyo Metro Ginza Line 3-minute walk from Uchisaiwaicho Station on the Toei Mita Line
Completion Date (Note 1)		May 24, 2018
Use (Note 1)		Store
Structure (Note 1)		Flat-roofed steel-frame/steel reinforced concrete, B1F/9F
Architect		Ichiken Co., Ltd., Tokyo Office, Registered Architect's Office
Builder		Ichiken Co., Ltd., Tokyo Office
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	261.08 m²
	Floor Area	1,478.44 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		700%
Collateral		None
Property Management Company (Note 3)		Geo-Akamatsu Co., Ltd.
Master Leasing Company (Note 4)		Geo-Akamatsu Co., Ltd.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML) (Note 5)		4.62% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		Under application (Note 6)
Notes		・ The property management company and master leasing company, Geo-Akamatsu Co., Ltd., falls under a related party under the Investment Trust Act. ・ Pursuant to a contract with Nomura Real Estate Development Co., Ltd., the use, for no consideration, of the trademark "GEMS Shinbashi" is subject to the property management agreement and the master lease agreement with Geo-Akamatsu Co., Ltd. remaining in full force and effect.
Anticipated Acquisition Price		¥2,810 million
Appraisal Value and Method		¥2,870 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: DAIWA REAL ESTATE APPRAISAL CO., LTD.)
Appraisal NOI (Note 7)		¥108 million
Leasing Status (As of November 30, 2018) (Note 8)		
Total Number of Tenants		9
Total Rental Income (Annual)		¥141 million
Security Deposits		¥110 million
Occupancy Rate		100.0%
Total Leased Floor Space		1,257.14 m²
Total Leasable Floor Space		1,257.14 m²

Historical Occupancy Rates (Note 9)	August 2014	August 2015	August 2016	August 2017	August 2018

	—	—	—	—	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 to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 3) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 4) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Geo-Akamatsu Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Geo-Akamatsu Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which Geo-Akamatsu Co., Ltd., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 5) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 6) Environmental Assessment
As of the end of January 2019, DBJ Green Building Certification is being applied for. There is no assurance that the certification can be obtained and the contents of the certification, if obtained, is not yet determined.

(Note 7) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 8) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the building of the Asset to be Acquired is actually leased as of November 30, 2018, multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired as of November 30, 2018, that can be leased (If the common area, etc. is leased, the floor space thereof is included.).

(Note 9) Historical Occupancy Rates
There are no applicable occupancy rates for August 2017 and before because the building was not yet completed. Also, the occupancy rates for August 2018 is indicated as 0% because the leases in this building have not commenced yet.

(6) GEMS Kayabacho

Strengths of the Asset to be Acquired

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

・The property is a two-minute walk from Kayabacho Station on the Tokyo Metro Hibiya and Tozai Lines. As such, the property has excellent access, which contributes to the good living environment of the area. In addition, the property is easily visible along the shores of the Kamejima River.

・Located nearby waterways and parks, equipped with terraces and other refreshing spaces, the property provides a sense of freedom to visitors. The property is expected to attract office workers in the Nihonbashi-Kayabacho area, where securities companies and leading cosmetic companies are located. In addition, the leased area per floor of the property ranges from around 39 tsubo to 50 tsubo, which is a fit size for restaurant operation. As such, it is expected that the property will provide stable tenant demand.

- With respect to the present composition of tenants, the property attracts a variety of stores that satisfy the diverse needs of the customers, differentiating the property from surrounding restaurant buildings that rent their spaces mainly to chain-store type Japanese “izakaya” pub businesses. Therefore, the property is expected to be competitive by maintaining a tenant composition of a wide-range of businesses that are capable of accommodating the variety of needs of the customers.
- The property has high quality facilities such as in light of seismic performance, and has received "Two Stars" under the DBJ Green Building Certification, as a property with high environmental and social awareness.

Summary of the Asset to be Acquired

Property Name		GEMS Kayabacho
Type of Asset		Real estate
Location (Note 1)	Registry	1-9-1 Shinkawa, Chuo Ward, Tokyo, and 1 other lot
	Street	1-1-7 Shinkawa, Chuo Ward, Tokyo
Access		2-minute walk from Kayabacho Station on the Tokyo Metro Hibiya and Tozai Lines
Completion Date (Note 1)		February 13, 2018
Use (Note 1)		Store
Structure (Note 1)		Flat-roofed steel-frame, 10F
Architect		Konoike Construction Co., Ltd., Tokyo Head Office, Registered Architect’s Office
Builder		Konoike Construction Co., Ltd., Tokyo Head Office
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	318.26 m^2
	Floor Area	1,779.29 m^2
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		500%, 700% (Note 3)
Collateral		None
Property Management Company (Note 4)		Geo-Akamatsu Co., Ltd.
Master Leasing Company (Note 5)		Geo-Akamatsu Co., Ltd.
Type of Master Leasing (Note 5)		Pass through
Seismic Risk (PML) (Note 6)		6.12% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		DBJ Green Building Certification 2017★★
Notes		・The property management company and master leasing company, Geo-Akamatsu Co., Ltd., falls under a related party under the Investment Trust Act. ・Pursuant to a contract with Nomura Real Estate Development Co., Ltd., the use, for no consideration, of the trademark “GEMS Kayabacho” is subject to the property management agreement and the master lease agreement with Geo-Akamatsu Co., Ltd. remaining in full force and effect.

Anticipated Acquisition Price	¥2,594 million				
Appraisal Value and Method	¥2,720 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: DAIWA REAL ESTATE APPRAISAL CO., LTD.)				
Appraisal NOI (Note 7)	¥112 million				
Leasing Status (As of November 30, 2018) (Note 8)					
Total Number of Tenants	10				
Total Rental Income(Annual)	¥142 million				
Security Deposits	¥115 million				
Occupancy Rate	100.0%				
Total Leased Floor Space	1,495.49 m²				
Total Leasable Floor Space	1,495.49 m²				
Historical Occupancy Rates (Note 9)	August 2014	August 2015	August 2016	August 2017	August 2018
	—	—	—	—	100.0%

(Note 1) Location and Other Items
Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 3) Floor Area Ratio
As part of the land of the Asset to be Acquired is located in a commercial district with a floor area ratio of 500% and the other part is located in one with a floor area ratio of 700%, a weighted average figure based on the area ratio (529.15%) will be applied.

(Note 4) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Geo-Akamatsu Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Geo-Akamatsu Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which Geo-Akamatsu Co., Ltd, the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 6) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 7) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 8) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the building of the Asset to be Acquired is actually leased as of November 30, 2018, multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.

"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired as of November 30, 2018, that can be leased (If the common area, etc. is leased, the floor space thereof is included.).

(Note 9) Historical Occupancy Rates
There are no applicable occupancy rates for August 2017 and before because the building was not yet completed.

(7) Summit Store Honamanuma

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

- The vicinity of the property has abundant north-south direction bus traffic lines, and it is accessible to Ogikubo Station on the JR Chuo-Sobu Line and the Tokyo Metro Marunouchi Line, Asagaya Station on the JR Chuo-Sobu Line and Shimoigusa Station on the Seibu Shinjuku Line. In addition, the vicinity is located in an area that is highly popular as a detached housing area with a high percentage of category 1 exclusive district for low-rise residential buildings.
- The number of households in the commercial area within a radius of 1 km from the property is 30,000, and the vicinity has an excellent market as a commercial area.
- In the vicinity of the property, the percentage of category 1 exclusive district for low-rise residential buildings is high, and the site for future store development is limited. As a result, competition will not be so harsh so that the property is expected to bring stable retail business.
- The property was newly opened on October 2, 2018, and it is expected that the property will be able to differentiate itself by offering easy-to-buy and comfortable sales floor services, including the adoption of a new layout for sales floor, the installation of eating spaces such as "Sami Cafe", and the placement of dedicated "information staff."
- The property has high quality facilities such as in light of seismic performance, and has obtained "Three stars" rated by the DBJ Green Building Certification System and is highly evaluated for its environmental and social considerations.

Summary of the Asset to be Acquired

Property Name		Summit Store Honamanuma
Type of Asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Term of Trust Agreement		From March 31, 2004 to September 13, 2048
Location (Note 1)	Registry	2-185-1 Honamanuma, Suginami Ward, Tokyo
	Street	2-42-11 Honamanuma, Suginami Ward, Tokyo
Access		12-minute walk from Shimoigusa Station on the Seibu Shinjuku Line 1-minute walk from Shimoigusa 1 chome Bus Stop on the Kanto Bus
Completion Date (Note 1)		September 4, 2018
Use (Note 1)		Store
Structure (Note 1)		Flat-roofed steel-frame, 3F
Architect		Fukuda Corporation, Tokyo Office, Registered Architect's Office
Builder		Fukuda Corporation, Tokyo Head Office
Building Inspection Agency		Awey Building Evaluation Network Inc.
Area (Note 1)	Land	1,831.00 m²

	Floor Area	2,014.36 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%, 90% (Note 2)
Floor Area Ratio		100%, 200% (Note 3)
Collateral		None
Property Management Company (Note 4)		Geo-Akamatsu Co., Ltd.
Master Leasing Company		—
Type of Master Leasing		—
Seismic Risk (PML) (Note 5)		6.94% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		DBJ Green Building Certification 2018★★★
Notes		・The property management company, Geo-Akamatsu Co., Ltd., fall under a related party under the Investment Trust Act.
Anticipated Acquisition Price		¥2,160 million
Appraisal Value and Method		¥2,880 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: JLL Morii Valuation & Advisory K.K.)
Appraisal NOI (Note 6)		¥130 million
Leasing Status (As of November 30, 2018) (Note 7)		
Total Number of Tenants		1
Name of Tenant		SUMMIT,INC.
Total Rental Income (Annual)		Not Disclosed
Security Deposits		Not Disclosed
Occupancy Rate		100.0%
Total Leased Floor Space		3,176.84 m²
Total Leasable Floor Space		3,176.84 m²

Historical Occupancy Rates (Note 8)	August 2014	August 2015	August 2016	August 2017	August 2018
	—	—	—	—	—

(Note 1) Location and Other Items
Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Building Coverage Ratio
As part of the land of the Asset to be Acquired is located in a category 1 low-rise exclusive residential district with a building coverage ratio of 50% and the other part is located in neighborhood commercial district with a building coverage ratio of 80% in principle. However, because the Asset to be Acquired is in a corner lot, the building coverage ratios have increased to 60% and 90%, respectively, and as a result, a weighted average figure based on the area ratio (79.41%) will be applied.

(Note 3) Floor Area Ratio
As part of the land of the Asset to be Acquired is located in a district with a floor area ratio of 100% and the other part is located in one with a floor area ratio of 200%, a weighted average figure based on the area ratio (164.71%) will be applied.

(Note 4) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 6) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 7) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" and "Security Deposits" are not disclosed because consent of the end tenant to such disclosure has not been obtained.
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of November 30, 2018 (if the common area, etc. is leased, the said area is included).

(Note 8) Historical Occupancy Rates
There are no applicable occupancy rates for August 2018 and before because the building was not yet completed.

(8) GEMS Shin-Yokohama

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

- The property is located in a convinient location with excellent traffic access, 4-minute walk from Shin-Yokohama Station on the JR Tokaido Shinkansen Line and the JR Yokohama Line and 2-minute walk from Shin-Yokohama Station on the Yokohama Subway Blue Line. As, at Shin-Yokohama Station, the Tokaido Shinkansen arrives and departs and airport shuttle buses to the Tokyo International Airport and Narita International Airport are operating, it has good access to each cities in Japan and to overseas. Furthermore, in the fiscal year 2022, the Shin-Yokohama Station (tentative name) on the Sotetsu Shin-Yokohama Line and the Tokyu Shin-Yokohama Line is scheduled to open in the area. Through the use of these lines, direct operation between Nishiya Station on the Sotetsu Line and Hiyoshi Station on the Tokyu Toyoko Line and Meguro Line via Shin-Yokohama Station will be realized, and it is expected that the access and convenience of the central part of the city will be improved further.
- The property is located in the Shin-Yokohama area, where office workers flourish on weekdays because, at the area, there are many automobile related companies and foreign-invested enterprises and on weekends visitors flourish to attend events and concerts. Therefore, it is expected that there will be strong demand from nearby office workers and visitors. In addition, the leased area per floor of the property ranges from approximately 38 tsubo to 44 tsubo, which is a fit size for restaurant operation. As such, stable demand by tenants is expected.
- The current tenant composition of the property is differentiated from that of nearby restaurant buildings in which most restaurants are operated by izakaya-type chain stores by attracting stores that are focused on local Kanagawa local food and ingredients, therefore, it is expected that the property will be able to maintain its competitiveness by maintaining the tenant composition which includes a wide range of stores with various business structures that can respond to various needs.
- The property has excellent level of facilities such as seismic performance, and has also obtained "Two stars" rated by the DBJ Green Building Certification System and is highly evaluated for its environmental and social considerations.

Summary of the Asset to be Acquired

Property Name		GEMS Shin-Yokohama
Type of Asset		Real estate
Location (Note 1)	Registry	2-5-17 Shin-Yokohama, Kohoku Ward, Yokohama City, Kanagawa, and other 1 lot
	Street	2-5-17 Shin-Yokohama, Kohoku Ward, Yokohama City, Kanagawa, and other 1 lot (Note 2)
Access		4-minute walk from Shin-Yokohama Station on the JR Tokaido Shinkansen Line and the JR Yokohama Line 2-minute walk from Shin-Yokohama Station on the Yokohama Subway Blue Line
Completion Date (Note 1)		May 11, 2018
Use (Note 1)		Store
Structure (Note 1)		Flat-roofed steel-frame, B1F/10F
Architect		Fukuda Corporation, Tokyo Office, Registered Architect's Office
Builder		Fukuda Corporation, Tokyo Head Office
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	352.00 m^2 (Note 3)
	Floor Area	1,777.40 m^2
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 4)
Floor Area Ratio		800%
Collateral		None
Property Management Company (Note 5)		Geo-Akamatsu Co., Ltd.
Master Leasing Company (Note 6)		Geo-Akamatsu Co., Ltd.
Type of Master Leasing (Note 6)		Pass through
Seismic Risk (PML) (Note 7)		6.11% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		DBJ Green Building Certification 2018★★
Notes		・The property management company and master leasing company, Geo-Akamatsu Co., Ltd., fall under a related party under the Investment Trust Act. ・Pursuant to a contract with Nomura Real Estate Development Co., Ltd., the use, for no consideration, of the trademark "GEMS Shin-Yokohama" is subject to the property management agreement and the master lease agreement with Geo-Akamatsu Co., Ltd. remaining in full force and effect.
Anticipated Acquisition Price		¥1,820 million
Appraisal Value and Method		¥1,890 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: DAIWA REAL ESTATE APPRAISAL CO.,LTD.)
Appraisal NOI (Note 8)		¥97 million
Leasing Status (As of November 30, 2018) (Note 9)		
Total Number of Tenants		10

Total Rental Income(Annual)	¥126 million				
Security Deposits	¥95 million				
Occupancy Rate (Note 10)	100.0%				
Total Leased Floor Space	1,517.44 m^2				
Total Leasable Floor Space	1,517.44 m^2				
Historical Occupancy Rates (Note 11)	August 2014	August 2015	August 2016	August 2017	August 2018
	―	―	―	―	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) The Street Address
As the Street Address is not indicated officially, the building location in the real estate registry is noted.

(Note 3) Floor Area
Includes setback area (approximately 27.05 m^2) pursuant to Shin-Yokohama north area urban development consultation principles, etc.

(Note 4) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 5) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 6) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Geo-Akamatsu Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Geo-Akamatsu Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which Geo-Akamatsu Co., Ltd., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 7) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 8) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 9) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of November 30, 2018.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the building of the Asset to be Acquired is actually leased as of November 30, 2018 multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of November 30, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of November 30, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of November 30, 2018 (If the common area, etc. is leased, the floor space thereof is included.).

(Note 10) Occupancy Rate
As there is a tenant which vacated as of the end of December, 2018 due to the termination of the agreement, the occupancy rate after the vacation is 93.6%.

(Note 11) Historical Occupancy Rates
There are no applicable occupancy rates for August 2017 and before because the building was not yet completed.

(9) GEMS Namba

<u>Strengths of the Asset to be Acquired</u>

The main strengths of the asset to be acquired are as follows.

- The property is located in a favorable location with good access of one-minute walk from Namba Station on the Osaka Metro Lines, two-minute walk from Osaka Namba Station on the Kintestu Railway Line and the Hanshin Railway Line, two-minute walk from Namba Station on the Nankai Railway Line, and seven-minute walk from JR Namba Station on the JR Kansai Honsen Line. In addition, it faces the Midosuji Street of Osaka and has excellent visibility.
- The Namba area in which the property is located, has station buildings, department stores, shopping districts, underground malls centered around the terminal station Namba Station forming a large commercial area, and strong demand is expected from station users and tourists. In addition, the property consists of goods stores on the first and second floors, and restaurants on the third floor and above, and one floor ranges from approximately 42 tsubo to 47 tsubo. As the size of the property is good for restaurants to operate, stable demand by tenants is expected.
- The current structure of tenants is differentiated from that of restaurant buildings centered on izakaya-type chain stores located in the vicinity of the property, and it is considered that the property will be able to maintain its competitiveness by maintaining the tenant composition which includes a wide range of stores with various business structures that can respond to diverse needs.

<u>Summary of the Asset to be Acquired</u>

Property Name		GEMS Namba
Type of Asset		Real estate
Location (Note 1)	Registry	3-42-20 Namba, Chuo Ward, Osaka City, Osaka
	Street	3-7-19 Namba, Chuo Ward, Osaka City, Osaka
Access		1-minute walk from Namba Station on Osaka Metro Lines 2-minute walk from Osaka Namba Station on the Kintesu Railway Line and Hanshin Railway Line 7-minute walk from JR Namba Station on the JR Kansai Honsen Line 2-minute walk from Namba Station on the Nankai Railway Line
Completion Date (Note 1)		November 30, 2018
Use (Note 1)		Store, Bicycle parking
Structure (Note 1)		S, SRC B1F/13F
Architect		Konoike Construction Co., Ltd., Osaka Head Office, Class 1 Architect Office
Builder		Konoike Construction Co., Ltd., Osaka Head Office
Building Inspection Agency		General Building Research Corporation of Japan
Area (Note 1)	Land	256.09 m^2 (Note 2)
	Floor Area	2,421.83 m^2
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 3)
Floor Area Ratio		1000%
Collateral		None

Property Management Company (Note 4)	Geo-Akamatsu Co., Ltd.				
Master Leasing Company (Note 5)	Geo-Akamatsu Co., Ltd.				
Type of Master Leasing (Note 5)	Pass through				
Seismic Risk (PML) (Note 6)	6.38% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)				
Environmental Assessment	Under application (Note 7)				
Notes	・The property management company and master leasing company, Geo-Akamatsu Co., Ltd., fall under a related party under the Investment Trust Act. ・Pursuant to a contract with Nomura Real Estate Development Co., Ltd., the use, for no consideration, of the trademark "GEMS Namba" is subject to the property management agreement and the master lease agreement with Geo-Akamatsu Co., Ltd. remaining in full force and effect.				
Anticipated Acquisition Price	¥3,800 million				
Appraisal Value and Method	¥4,260 million (Based on the capitalization approach and as of December 1, 2018) (Appraiser: JLL Morii Valuation & Advisory K.K.)				
Appraisal NOI (Note 8)	¥167 million				
Leasing Status (As of December 1, 2018) (Note 9)					
Total Number of Tenants	12				
Total Rental Income (annual)	¥210 million				
Security Deposits	¥180 million				
Occupancy Rate	100.0%				
Total Leased Floor Space	1,959.37 m²				
Total Leasable Floor Space	1,959.37 m²				
Historical Occupancy Rates (Note 10)	August 2014	August 2015	August 2016	August 2017	August 2018
	—	—	—	—	—

(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 setback area (around 14.18 m²) pursuant to the Osaka Building Aesthetic Area Guidance System.

(Note 3) Building Coverage Ratio
The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. Because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, however, the applied coverage ratio is 100%.

(Note 4) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) Master Lease
Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Geo-Akamatsu Co., Ltd. Under this agreement, the building of the Asset to be Acquired will be collectively leased to Geo-Akamatsu Co., Ltd. for the purpose of subleasing. The master lease agreement is a pass-through scheme, in which the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 6) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 7) Environmental Assessment
As of the end of January 2019, DBJ Green Building Certification is being applied for. There is no assurance that the certification can be obtained and the contents of the certification, if obtained, is not yet determined.

(Note 8) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 9) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of December 1, 2018, the date on which the lease with respect to the building of the Asset to be Acquired commenced.
"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the building of the Asset to be Acquired is actually leased as of December 1, 2018 multiplied by 12 (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 (truncated at the nearest million yen).
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of December 1, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of December 1, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of December 1, 2018 (If the common area, etc. is leased, the floor space thereof is included.).

(Note 10) Historical Occupancy Rates
There are no applicable occupancy rates for August 2018 and before because the building was not yet completed.

(10) Landport Ome I

Strengths of the Asset to be Acquired

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

・This property is located approximately 2.8 kilometers from the Ome Interchange on the Metropolitan Inter-City Expressway and near National Route 16, so it is located in a favorable location allowing for wide-area delivery to the entire Tokyo metropolitan area.

・This property is located in the Nishi-Tokyo Industrial Park, which is 11 minute walk from "Ozaku" Station on the JR Ome Line, the nearest station, so it can operate 24 hours a day, 365 days a year, enabling tenants to maintain a steady flow of workers.

・This property is a three-story slope facility, in which cars can park at both berths (Note 1) on the first and second floors. The interior of the building is equipped with three elevators and three vertical conveyors. The building also offers improved rack storage efficiency (Note 1) by adopting an 11 m x 11 m grid (Note 1) and a beam effective height of 6.5 m, and is environment-friendly by adopting LED lighting in the whole building. In addition to the versatile specifications that ensure high operational efficiency, the building is a logistics facility that pursues optimization and efficiency by adopting a category-wide multi-function (Note 2) that adds functions specific to the target tenant's industry needs.

(Note 1) A "berth" is a space where cargo trucks can stop for loading and unloading, a "grid" is a lattice-shaped space formed by pillars and joists and "rack storage efficiency" refers to the storage efficiency of a rack.

(Note 2) A "category-wide multi-function" refers to a logistic facilities equipped with functions specific to the target tenant's identified industry needs, in addition to standard specifications.

Summary of the Asset to be Acquired

Property Name		Landport Ome I
Type of Asset		Real estate
Location (Note 1)	Registry	2-9-1, Suehiro-cho, Ome City, Tokyo
	Street	2-9-1, Suehiro-cho, Ome City, Tokyo (Note 2)
Access		11-minute walk from Ozaku Station on the JR Ome Line 2.8 km from the Ome Interchange on the Metropolitan Inter-City Expressway
Completion Date (Note 1)		November 30, 2018
Use (Note 1)		Warehouse
Structure (Note 1)		RC, Alloy plating copper roofing 3F
Architect		The Zenitaka Corporation, Class 1 Architect Office
Builder		The Zenitaka Corporation, Tokyo Branch
Building Inspection Agency		Japan Constructive Inspect Association
Area (Note 1)	Land	39,391.90 m²
	Floor Area	57,721.34 m²
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.
Master Leasing Company		—
Type of Master Leasing		—
Seismic Risk (PML) (Note 5)		2.64% (Based on the Earthquake PML Appraisal Report (as of January, 2019) by Sompo Risk Management Inc.)
Environmental Assessment		Under application (Note 6)
Notes		• The property management companies, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Partners Co., Ltd. fall under related parties under the Investment Trust Act.
Anticipated Acquisition Price		¥13,640 million
Appraisal Value and Method		¥14,200 million (Based on the capitalization approach as of December 1, 2018) (Appraiser: Japan Valuers Co., Ltd.)
Appraisal NOI (Note 7)		¥628 million

Leasing Status (As of December 1, 2018) (Note8)					
Total Number of Tenants	1				
Name of Tenants	Not disclosed				
Total Rental Income (annual)	Not disclosed				
Security Deposits	Not disclosed				
Occupancy Rate	100.0%				
Total Leased Floor Space	57,751.27 m²				
Total Leasable Floor Space	57,751.27 m²				
Historical Occupancy Rates (Note 9)	August 2014	August 2015	August 2016	August 2017	August 2018

	—	—	—	—	—

(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) The Street Address
As the Street Address is not indicated officially, the building location in the real estate registry is noted.

(Note 3) Building Coverage Ratio
The Asset to be Acquired is located in an industrial zone where the building coverage ratio is 60% in principle. Because the Asset to be Acquired is in a corner lot, however, the applied coverage ratio is 70%.

(Note 4) Property Management Company
Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) PML (Probable Maximum Loss)
PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 6) Environmental Assessment
As of the end of January 2019, DBJ Green Building Certification is being applied for. There is no assurance that the certification can be obtained and the contents of the certification, if obtained, is not yet determined.

(Note 7) Appraisal NOI
"Appraisal NOI" is the annual NOI (operating income - operating expenses) described in the real estate appraisal report, with December 1, 2018 as the appraisal date.

(Note 8) Leasing Status
"Total Number of Tenants" is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of December 1, 2018, the date on which the lease with respect to the building of the Asset to be Acquired commenced.
"Name of Tenants," "Total Rental Income (annual)," and "Security Deposits" are not disclosed because consent of the end tenant to such disclosure has not been obtained.
"Occupancy Rate" is calculated by dividing the Total Leased Floor Space as of December 1, 2018 by the Total Leasable Floor Space.
"Total Leased Floor Space" indicates the total floor space leased to end tenants as of December 1, 2018.
"Total Leasable Floor Space" is the total floor space of offices, commercial facilities, logistics facilities, residential facilities, lodging facilities, etc. within the Asset to be Acquired that can be leased as of December 1, 2018 (If the common area, etc. is leased, the floor space thereof is included).

(Note 9) Historical Occupancy Rates
There are no applicable occupancy rates for August 2018 and before because the building was not yet completed.

4. Profile of Seller of the Assets to be Acquired

Company Name		Nomura Real Estate Development, Co., Ltd.
Head Office		1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative		Seiichi Miyajima, President & CEO
Principal Business		Real Estate
Capital		¥2,000 million (as of April 1, 2018)
Established		April 15, 1957
Net Assets		¥161.7 billion (as of March 31, 2018)
Total Assets		¥1,188.4 billion (as of March 31, 2018)
Major Shareholder (Shareholding Ratio)		Nomura Real Estate Holdings, Inc. (100.0%) (as of March 31, 2018)
Relationships with the Fund and/or the Asset Management Company and the Seller		
	Capital	Nomura Real Estate Development, Co., Ltd. holds 4.87% of the Fund's investment units (as of August 31, 2018). As a wholly owned subsidiary of Nomura Real Estate

		Holdings, Inc., which also holds 100% interests in the shares of the Asset Management Company, Nomura Real Estate Development, Co., Ltd. is a related party of the Asset Management Company as defined in the Investment Trust Act.
	Personal	The Asset Management Company's employees and officers are seconded from Nomura Real Estate Development, Co., Ltd.
	Transactions	Nomura Real Estate Development, Co., Ltd. is a property management company of the Fund and a lessee of real estate properties owned by the Fund. Moreover, the Asset Management Company has entered into an agreement on provision of information and a basic agreement on the leasing value chain with the said company.
	Related Party Status	Nomura Real Estate Development, Co., Ltd. does not fall under the definition of a related party of the Fund for the accounting purpose. However, the said company is a related party of the Asset Management Company as it is a subsidiary of a common parent company, as stated above.

5. Status of Owner of the Assets to Be Acquired

Status of Owner (Note)		Current Owner and/or Trustee	Previous Owner and/or Trustee
	Company Name	Nomura Real Estate Development, Co., Ltd.	—
	Relationship With Parties with Special Interest	Please refer to "4. Profile of Seller of Assets to Be Acquired" above	—
	Background/Reasons for Acquisition, etc.	For development for later sale	—
	Acquisition Price (Including Other Related Expenses)	—	—
	Acquisition Date	—	—

(Note) All Assets to Be Acquired subject to the Acquisitions have the same owner.

6. Transactions with Related Parties

(1) Transactions related to the acquisition of the Assets to be Acquired
The acquisition of the Assets to be Acquired are considered to fall under transactions with a related party under the Investment Trust Act as stated above. Accordingly, the acquisitions of each property, the acquisition prices, and other relevant terms have been duly examined and authorized by the Asset Management Company's compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

(2) The property management and master lease transactions of PMO Tamachi Higashi, PMO Hatchobori Shinkawa, PMO Kyobashi Higashi and PMO Ochanomizu
The property management company and master lease company of PMO Tamachi Higashi, PMO Hatchobori Shinkawa, PMO Kyobashi Higashi and PMO Ochanomizu, Nomura Real Estate Development Co., Ltd., is considered to fall under a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management as well as the lease period, rental rate, and other

leasing terms related to PMO Tamachi Higashi, PMO Hatchobori Shinkawa, PMO Kyobashi Higashi and PMO Ochanomizu have been duly examined and authorized by the Asset Management Company's compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

(3) The property management and master lease transactions of GEMS Shinbashi, GEMS Kayabacho, GEMS Shin-Yokohama and GEMS Namba

The property management company and master lease company of GEMS Shinbashi, GEMS Kayabacho, GEMS Shin-Yokohama and GEMS Namba, Geo-Akamatsu Co., Ltd., is considered to fall under a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management as well as the lease period, rental rate, and other leasing terms related to GEMS Shinbashi, GEMS Kayabacho, GEMS Shin-Yokohama and GEMS Namba 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.

(4) The property management transaction of Summit Store Honamanuma

The property management company of Summit Store Honamanuma, Geo-Akamatsu Co., Ltd., is considered to fall under a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management related to Summit Store Honamanuma 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.

(5) The property management transactions of Landport Ome I

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

There is no brokerage involved in the acquisition of the Assets to be Acquired.

8. Form of Payment, etc.

(1) Form of Payment

The Fund will complete settlement by a lump-sum payment on the date of acquisition by paying the agreed price for the property in full to the seller using proceeds from the issuance of new investment units resolved at the Board of Directors meeting held today (Note), borrowings and cash on hand.

(Note) For details, please refer to "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" released today.

(2) Impact on the Financial Position of the Fund in Case of a Failure to Fulfill Our Forward Commitment

The purchase and sale agreement to be executed in connection with the acquisition of PMO Ochanomizu is considered to be a forward commitment (Note) as stipulated in the Financial Services Agency's Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. The said contract includes the provisions below.

(Note) Defined as purchase and sale agreements or similar contract which are signed one month or more in advance of the actual date on which the purchase price is paid and the property is transferred to the purchaser.

i. Under the said contract, procuring funds through the issuance of new investment units by the acquisition date is set forth as a condition precedent for the obligation of the buyer.
ii. Where there is material breach of terms of the contract by the seller or buyer (hereinafter such seller or buyer shall be referred to as the "violating party"), the other party may cancel the contract if such breach is not remedied after the passage of a prescribed period following the date of the non-violating party issuance of a notification requiring the violating party to perform its obligation or if such breach is objectively and reasonably deemed impossible to remedy.
iii. If the contract is cancelled in accordance with paragraph ii) above, the non-violating party may require the violating party to pay a penalty charge that is equivalent to 20% of the acquisition price. A non-violating party may not request to increase or decrease the amount of the penalty charge even if monetary damage it has actually suffered due to the breach is in excess of or falls short of 20% of the acquisition price.
iv. The buyer may negotiate with the seller to change the acquisition price if the buyer has obtained an appraisal report the Asset to be Acquired and the appraisal value shown in the appraisal report goes below the acquisition price. In such case, the buyer may cancel the contract without any indemnification or compensation, if the parties have failed to agree on the acquisition price by the scheduled date of acquisition.

9. Schedule for the Acquisitions

February 7, 2019	Conclusion of purchase and sale agreements for the Assets to be Acquired
March 1, 2019	Acquisition of PMO Tamachi Higashi, PMO Hatchobori Shinkawa, PMO Kyobashi Higashi, GEMS Shinbashi, GEMS Kayabacho, GEMS Shin-Yokohama, GEMS Namba and Landport Ome I (delivery of real estate) and acquisition of Summit Store Honamanuma (delivery of trust beneficial interest)
April 1, 2019	Acquisition of PMO Ochanomizu (delivery of real estate)

10. Outlook

There is no impact of the Acquisitions on operations in the fiscal period ending February 28, 2019 (September 1, 2018 to February 28, 2019) as the Acquisitions are scheduled to be completed in the fiscal period ending August 31, 2019 (March 1, 2019 to August 31, 2019). Regarding impact of the Acquisitions on operations in the fiscal period ending August 31, 2019 (March 1, 2019 to August 31, 2019) and in the fiscal period ending February 29, 2020 (September 1, 2019 to February 29,2020), please refer to the "Notice Concerning Forecasts of the Financial Results for the Fiscal Periods Ending August 31, 2019 and February 29, 2020" announced today.

11. Appraisal Summary

Property Name	PMO Tamachi Higashi
Appraisal Value	¥11,400,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	11,400,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	11,500,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	508,690,000	
(a) Gross Rental Income	538,398,000	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	29,708,000	Calculated based on the expected medium- to long-term stable occupancy rate.
(2) Operating Expenses	114,197,000	
Maintenance Costs	25,136,000	Calculated based on scheduled maintenance and management costs and the costs at similar buildings.
Utilities Costs	28,880,000	Calculated based on costs at similar properties and the occupancy rate of the leased portion of the property.
Repair Costs	2,970,000	Calculated based on costs at similar properties and the average annual maintenance and renewal fees given in the engineering report.
Property Management Fees	12,717,000	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	4,053,000	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	39,945,000	Calculated based on taxes paid in the 2018 tax year (depreciable asset tax is an assumed amount)
Insurance Premium	316,000	Calculated based on insurance quotes and the premiums of similar properties.
Other Expenses	180,000	Residents' association membership fee recorded as other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	394,493,000	
(4) Profit through Management of Temporary Deposits, etc.	4,406,000	Estimated profit based on an investment yield of 1.0%.

(5) Capital Expenditure Reserve	7,280,000	Calculated based on the assumption of average allocations each period, with reference to capital expenditure levels at similar properties, the building's age and the average annual maintenance and renewal fees given in the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	391,619,000	
(7) Capitalization Rate	3.4%	
Price Calculated by the Discounted Cash Flow Approach	11,200,000,000	
Discount Rate	3.2%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the Property's specific characteristics.
Terminal Capitalization Rate	3.6%	Calculated based on a comprehensive consideration of such factors as the yield on investment of similar buildings, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price	11,400,000,000	
Ratio of Land	79.8%	
Ratio of Building	20.2%	

Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The Tamachi district, where the Property is located, has a good access to the central Tokyo, the Haneda Airport and the other major areas such as Kawasaki and Yokohama, and it has traditionally been an area where strong demand for rentals is expected, particularly in the manufacturing industry such as electrical equipment manufacturers. In such area, the property has good location for office buildings because it is close to the JR Line and Toei Subway stations. The Building is newly-built and designed as a high-value-added office building, offering superior quality and high-standard facilities compared to the office buildings of similar size. In view of the above factors, the appraisal value was determined.

Property Name	PMO Hatchobori Shinkawa
Appraisal Value	¥3,990,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	3,990,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	4,010,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	197,630,000	

(a) Gross Rental Income	208,490,000	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	10,860,000	Calculated based on the expected medium- to long-term stable occupancy rate.
(2) Operating Expenses	47,829,000	
Maintenance Costs	12,181,000	Calculated based on scheduled maintenance and management costs and the costs at similar buildings.
Utilities Costs	13,440,000	Calculated based on costs at similar properties and the occupancy rate of the leased portion of the property.
Repair Costs	1,291,000	Calculated based on costs at similar properties and the average annual maintenance and renewal fees given in the engineering report.
Property Management Fees	5,341,000	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	1,561,000	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	13,818,000	Calculated based on taxes paid in the 2018 tax year (depreciable asset tax is an assumed amount).
Insurance Premium	137,000	Calculated based on insurance quotes and the premiums of similar properties.
Other Expenses	60,000	Residents' association membership fee recorded as other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	149,801,000	
(4) Profit through Management of Temporary Deposits, etc.	1,844,000	Estimated profit based on an investment yield of 1%.
(5) Capital Expenditure Reserve	3,170,000	Calculated based on the assumption of average allocations each period, with reference to capital expenditure levels at similar properties, the building's age and the average annual maintenance and renewal fees given in the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	148,475,000	
(7) Capitalization Rate	3.7%	
Price Calculated by the Discounted Cash Flow Approach	3,960,000,000	
Discount Rate	3.4%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the property's specific characteristics.
Terminal Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of such factors as the yield on investment of similar buildings, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price	3,800,000,000	

	Ratio of Land	76.9%	
	Ratio of Building	23.1%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The Hatchobori and Shinkawa areas, where the property is located, are close to the Nihonbashi and Kyobashi areas, which both are the main office areas in central Tokyo. Therefore, steady rental demands can be expected due to expanded demands from these areas. Furthermore, as the property is located close to Hatchobori Station on the Tokyo Metro Hibiya Line and the JR Keiyo Line, which are the nearest stations, it is more competitive in the areas. The Building is relatively new and designed as a high-value-added office building, offering superior quality and high-standard facilities compared to the office buildings of similar size. In view of the above factors, the appraisal value was determined.		

Property Name	PMO Kyobashi Higashi
Appraisal Value	¥3,020,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	3,020,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	3,060,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	148,960,000	
(a) Gross Rental Income	157,128,000	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	8,168,000	Calculated based on the expected medium- to long-term stable occupancy rate.
(2) Operating Expenses	38,059,000	
Maintenance Costs	11,673,000	Calculated based on scheduled maintenance and management costs and the costs at similar buildings.
Utilities Costs	9,600,000	Calculated based on costs at similar properties and the occupancy rate of the leased portion of the property.
Repair Costs	845,000	Calculated based on costs at similar properties and the average annual maintenance and renewal fees given in the engineering report.
Property Management Fees	3,724,000	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	1,182,000	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	10,945,000	Calculated based on taxes paid in the 2018 tax year (depreciable asset tax is an assumed amount).
Insurance Premium	90,000	Calculated based on insurance quotes and the premiums of similar properties.

Other Expenses		0	No particular expenses to be recorded as other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))		110,901,000	
(4) Profit through Management of Temporary Deposits, etc.		1,358,000	Estimated profit based on an investment yield of 1.0%.
(5) Capital Expenditure Reserve		2,080,000	Calculated based on the assumption of average allocations each period, with reference to capital expenditure levels at similar properties, the building's age and the average annual maintenance and renewal fees given in the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		110,179,000	
(7) Capitalization Rate		3.6%	
Price Calculated by the Discounted Cash Flow Approach		2,980,000,000	
	Discount Rate	3.4%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the Property's specific characteristics.
	Terminal Capitalization Rate	3.8%	Calculated based on a comprehensive consideration of such factors as the yield on investment of similar buildings, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price		2,900,000,000	
	Ratio of Land	77.4%	
	Ratio of Building	22.6%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The Hatchobori area, where the property is located, is close to the Nihonbashi and Kyobashi areas, which are the main office areas in central Tokyo. Therefore, steady rental demands can be expected due to expanded demands from these areas. Furthermore, as the property is located close to Hatchobori Station on the Tokyo Metro Hibiya Line and the JR Keiyo Line, which are the nearest stations, it is more competitive in the areas. The Building is newly-built and designed as a high-value-added office building, offering superior quality and high-standard facilities compared to the office buildings of similar size. In view of the above factors, the appraisal value was determined.		

Property Name	PMO Ochanomizu
Appraisal Value	¥4,080,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	4,080,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.

Price Calculated by the Direct Capitalization Approach	4,150,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	189,149,000	
(a) Gross Rental Income	200,089,000	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	10,940,000	Calculated based on the expected medium- to long-term stable occupancy rate.
(2) Operating Expenses	42,811,000	
Maintenance Costs	13,125,000	Calculated based on scheduled maintenance and management costs and the costs at similar buildings.
Utilities Costs	10,400,000	Calculated based on costs at similar properties and the occupancy rate of the leased portion of the property.
Repair Costs	1,153,000	Calculated based on costs at similar properties and the average annual maintenance and renewal fees given in the engineering report.
Property Management Fees	4,729,000	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	1,508,000	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	11,775,000	Calculated based on taxes paid in the 2018 tax year (depreciable asset tax is an assumed amount).
Insurance Premium	121,000	Calculated based on insurance quotes and the premiums of similar properties.
Other Expenses	0	No particular expenses to be recorded as other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	146,338,000	
(4) Profit through Management of Temporary Deposits, etc.	1,746,000	Estimated profit based on an investment yield of 1.0%.
(5) Capital Expenditure Reserve	2,830,000	Calculated based on the assumption of average allocations each period, with reference to capital expenditure levels at similar properties, the building's age and the average annual maintenance and renewal fees given in the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	145,254,000	
(7) Capitalization Rate	3.5%	
Price Calculated by the Discounted Cash Flow Approach	4,010,000,000	
Discount Rate	3.3%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the Property's specific characteristics.

Terminal Capitalization Rate	3.7%	Calculated based on a comprehensive consideration of such factors as the yield on investment of similar buildings, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price	4,050,000,000	
Ratio of Land	77.5%	
Ratio of Building	22.5%	

Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The Ochanomizu district, where the property is located, has good access to each office area in central Tokyo. It is close to the Shin-Ochanomizu Station on the Tokyo Metro Chiyoda Line, which are the nearest stations, and it is also accessible via several other lines, including the JR line. Furthermore, this district has recently developed as business district, following the completion of the large-scale buildings such as "Ochanomizu Solacity" and "WATERRAS Tower," and this district is located in Chiyoda Ward. Therefore, there is strong tenant demand and this district meets the requirements for excellent office area. The Building is newly-built and designed as a high-value-added office building, offering superior quality and high-standard facilities compared to the office buildings of similar size. In view of the above factors, the appraisal value was determined.

Property Name	GEMS Shinbashi
Appraisal Value	¥2,870,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,870,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	2,930,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	164,648,430	
(a) Gross Rental Income	168,572,832	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	3,924,402	Calculated based on the expected medium- to long-term occupancy rate.
(2) Operating Expenses	55,753,783	
Maintenance Costs	9,161,400	Examined based on the costs at similar buildings and calculated based on scheduled maintenance and management costs.
Utilities Costs	22,813,800	Calculated based on costs at similar properties and the occupancy rate of the leased portion of the Property.
Repair Costs	563,640	Calculated based on costs at similar properties and the building replacement values.
Property Management Fees	4,209,885	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.

Advertisement for Leasing Costs, etc.	1,152,746	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	11,850,500	Calculated based on taxes paid in the 2018 tax year.
Insurance Premium	89,260	Examined based on the premiums of similar properties and calculated based on insurance quotes obtained by the clients.
Other Expenses	5,912,552	Examined based on the other expenses of similar properties and calculated on the sales promotion costs and various costs.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	108,894,647	
(4) Profit through Management of Temporary Deposits, etc.	1,068,038	Estimated profit based on an investment yield of 1.0%.
(5) Capital Expenditure Reserve	1,409,100	Calculated based on the building replacement values in consideration of capital expenditure reserve of similar properties and recorded in consideration of CM fee.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	108,553,585	
(7) Capitalization Rate	3.7%	Calculated based on a comprehensive consideration of conditions of location, building and contract
Price Calculated by the Discounted Cash Flow Approach	2,850,000,000	
Discount Rate	3.5%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the Property's specific characteristics.
Terminal Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of such factors as the yield on investment of similar buildings, the probable future movement of the yield on investment, risks of the Property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price	2,610,000,000	
Ratio of Land	80.1%	
Ratio of Building	19.9%	

Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The property is a restaurant building located near Uchisaiwai-cho Station on the Toei Mita Subway Line and JR Shinbashi Station. Since the area of the office extends to the surrounding area, the property is located in an area where there is strong demand by office workers for food and drink. In addition, since the property is occupied by tenants with a wide variety, demand from a wide range of customers is expected, and it is expected that the property will continue to operate stably in the future. Typical users of the property are mainly investors who intend to acquire the property for the purpose of earning profits. In consideration of the above, the appraisal value was determined with an emphasis on the value indicated by income capitalization, which appropriately reflects the profit value of investment.

Property Name	GEMS Kayabacho
Appraisal Value	¥2,720,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,720,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	2,750,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	168,027,042	
(a) Gross Rental Income	172,042,132	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	4,015,090	Calculated based on the expected medium- to long-term occupancy rate.
(2) Operating Expenses	55,110,723	
Maintenance Costs	9,106,800	Examined based on the costs at similar buildings and calculated based on scheduled maintenance and management costs.
Utilities Costs	27,139,800	Calculated based on the actual costs in the past fiscal years and the occupancy rate of the leased portion of the Property.
Repair Costs	600,000	Calculated based on costs at similar properties and the building replacement values.
Property Management Fees	4,168,952	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	1,141,377	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	7,044,700	Calculated based on taxes paid in the 2018 tax year.
Insurance Premium	94,900	Examined based on the premiums of similar properties and calculated based on insurance quotes obtained by the clients.
Other Expenses	5,814,194	Examined based on the other expenses of similar properties and calculated on the sales promotion costs and consumables costs.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	112,916,319	
(4) Profit through Management of Temporary Deposits, etc.	1,141,376	Estimated profit based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	1,460,000	Calculated based on the building replacement values in consideration of capital expenditure reserve of similar properties and recorded in consideration of CM fee.

(6) Net Cash Flow (NCF = (3)+(4)-(5))	112,597,695	
(7) Capitalization Rate	4.1%	Calculated based on a comprehensive consideration of conditions of location, building and contract
Price Calculated by the Discounted Cash Flow Approach	2,700,000,000	
Discount Rate	3. 9%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the Property's specific characteristics.
Terminal Capitalization Rate	4.3%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar buildings, the probable future movement of the yield on investment, risks of the Property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price	1,910,000,000	
Ratio of Land	71.1%	
Ratio of Building	29.0%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The property is a restaurant building located near Kayaba-cho Station on the Tokyo Metro Tozai Line and Hibiya Line. Kayaba-cho is an office area where finance related companies mainly gather as well as residential area extending to the surrounding area, and the property is located in an area where there is strong demand by office workers for food and drink. In addition, since the property is occupied by tenants with a wide variety, demand from a wide range of customers is expected, and it is expected that the property will continue to operate stably in the future. Typical users of the property are mainly investors who intend to acquire the property for the purpose of earning profits. In consideration of the above, the appraisal value was determined with an emphasis on the value indicated by income capitalization, which appropriately reflects the profit value of investment.	

Property Name	Summit Store Honamanuma
Appraisal Value	¥2,880,000,000
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,880,000,000	An income-based value was calculated using the capitalization approach by using the value calculated using the discounted cash flow approach as the baseline and evaluating it using the income-based approach.
Price Calculated by the Direct Capitalization Approach	2,920,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate
(1) Operating Income (a)-(b)	Undisclosed	(Note)
(a) Gross Rental Income	Undisclosed	
(b) Losses due to Vacancies, etc.	Undisclosed	

	(2) Operating Expenses	Undisclosed	
	Maintenance Costs	Undisclosed	
	Utilities Costs	Undisclosed	
	Repair Costs	Undisclosed	
	Property Management Fees	Undisclosed	
	Advertisement for Leasing Costs, etc.	Undisclosed	
	Taxes	Undisclosed	
	Insurance Premium	Undisclosed	
	Other Expenses	Undisclosed	
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	130,323,000	(Note)
	(4) Profit through Management of Temporary Deposits, etc.	Undisclosed	(Note)
	(5) Capital Expenditure Reserve	Undisclosed	
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	131,451,000	
	(7) Capitalization Rate	4.5%	Calculated based in part on the past capitalization rate of the property and of J-REITs judged to be adequately representative, with reference to revenues based on the discount rate and the risk of capital fluctuations.
	Price Calculated by the Discounted Cash Flow Approach	2,830,000,000	
	Discount Rate	4.3%	Calculated based on a comprehensive consideration of such factors as investor surveys, REIT performance and real estate market conditions, with yields on suburban large shopping center metropolitan area of Tokyo as the base yield, taking into account interest rates on long-term sovereign bonds. Consideration was given to risks related to the area and specific property in light of such factors as the conditions of the Property's location, building, contract and rights-related issues.
	Terminal Capitalization Rate	4.7%	Calculated based on the capitalization rate, with consideration given to uncertainty regarding initial predictions of changes in net cash flow, future building deterioration and sale-related risk.
Cost Approach Price		1,930,000,000	
	Ratio of Land	82.7%	

	Ratio of Building	17.3%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	Neighboring areas are located along Waseda Street, which has a large traffic volume. In the background of the neighboring area, detached houses and apartment houses expand, making it highly convenient for residents outside the walking area using vehicles as a means of transportation and for neighboring residents to use as stores for everyday use. In the vicinity of the property, most of the supermarkets are small-sized, targeting neighborhood residents and railway users. Since there are no medium-sized supermarkets equipped with parking lots such as the property, there is a superiority in location and store structure. In addition, as a result of examining tenant attributes, etc., there will be low possibility of vacation by the tenant. In addition, judging from the information disclosed with respect to the tenant and the materials presented by the client, and it is concluded that there is no serious concern about the performance of the company who is the tenant, and there is no particular problem with the tenant credit. Based on the above, it was judged that the property has standard competitiveness in the primary market area.		

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

Property Name	GEMS Shin-Yokohama
Appraisal Value	¥1,890,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,890,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	1,900,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	155,102,515	
(a) Gross Rental Income	158,808,280	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	3,705,765	Calculated based on the expected medium- to long-term occupancy rate.
(2) Operating Expenses	57,373,028	
Maintenance Costs	9,151,200	Examined based on the costs at similar buildings and calculated based on scheduled maintenance and management costs.
Utilities Costs	27,537,000	Calculated based on the actual costs in the past fiscal years and the occupancy rate of the leased portion of the Property.
Repair Costs	697,440	Calculated based on the repair costs at similar properties and the building replacement values.
Property Management Fees	3,758,591	Calculated based on agreed-upon fee rates, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	1,027,387	Calculated as an annualized amount based on assumed tenant turnover rates.

Taxes		7,556,700	Calculated based on taxes paid in the 2018 tax year.
Insurance Premium		103,230	Examined based on the premiums of similar properties and calculated based on insurance quotes obtained by the clients.
Other Expenses		7,541,480	Examined based on the other expenses of similar properties and calculated on the sales promotion costs and consumables costs.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))		97,729,487	
(4) Profit through Management of Temporary Deposits, etc.		821,909	Estimated profit based on an investment yield of 1.0%
(5) Capital Expenditure Reserve		1,743,600	Calculated based on the capital expenditure reserve of similar properties in consideration of CM fee based on the building replacement values.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		96,807,796	
(7) Capitalization Rate		5.1%	Calculated based on a comprehensive consideration of conditions of location, building and contract
Price Calculated by the Discounted Cash Flow Approach		1,890,000,000	
Discount Rate		4.9%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the Property's specific characteristics.
Terminal Capitalization Rate		5.3%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar buildings, the probable future movement of the yield on investment, risks of the Property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price		1,440,000,000	
Ratio of Land		55.2%	
Ratio of Building		44.8%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The property is a restaurant building located near Shin-Yokohama Station on JR Tokaido Shinkansen, JR Yokohama Line and Yokohama Subway Blue Line. Since the area of the office extends to the surrounding area, the property is located in an area where there is strong demand for food and drink by office workers and the audiences of the surrounding event halls. In addition, since the property is occupied by tenants with a wide variety, demand from a wide range of customers is expected, and it is expected that the property will continue to operate stably in the future. Typical users of the property are mainly investors who intend to acquire the Property for the purpose of earning profits. In consideration of the above, the appraisal value was determined with an emphasis on the value indicated by income capitalization, which appropriately reflects the profit value of investment.		

Property Name	GEMS Namba
Appraisal Value	¥4,260,000,000
Appraiser	JLL Morii Valuation & Advisory K.K.

Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	4,260,000,000	An income-based value was calculated using the capitalization approach by using the value calculated using the discounted cash flow approach as the baseline and evaluating it using the income-based approach.
Price Calculated by the Direct Capitalization Approach	4,330,000,000	Calculated by reducing the expected level of stable net revenue over the medium to long term by the capitalization rate
(1) Operating Income (a)-(b)	233,363,000	
(a) Gross Rental Income	238,496,000	Calculated the medium- to long-term stable rent based on the rent under the current agreement and the rent if the Property is newly leased and recorded the rent revenue. Calculated the utilities cost revenues and the parking lot revenues based on such revenues of similar properties.
(b) Losses due to Vacancies, etc.	5,133,000	The expected medium- to long-term stable vacancy rate was calculated and recorded based on typical rates and demand balance and the particular characteristics of the Property. Since the credit losses are secured by the deposits, etc., it will not be recorded.
(2) Operating Expenses	65,420,000	
Maintenance Costs	11,449,000	Calculated based on the scheduled agreement and medium- to long-term maintenance fee with reference to that of similar properties.
Utilities Costs	23,471,000	Calculated with reference to the actual costs of similar properties.
Repair Costs	419,000	The estimates of the Engineering Report were judged to be reasonable based in part on the levels of similar properties, and 30% of the standard value for such properties was also recorded.
Property Management Fees	4,935,000	Calculated the fee rate based on the scheduled agreement, with reference to rates for similar properties.
Advertisement for Leasing Costs, etc.	2,756,000	Calculated the eviction rate in consideration of the vacancy rate and calculated and recorded the advertisement for leasing etc., arising at the change of the rent room based on the scheduled agreement and local practices.
Taxes	15,845,000	Calculated taking into account movement in land prices for the land and appraised tax amount and age depreciation for the building and depreciable assets with reference to actual amount equivalent.
Insurance Premium	131,000	Calculated based on the estimates provided by Nomura Master Fund which is judged to be reasonable with reference to the levels of similar properties.

			Other Expenses	6,414,000	Calculated based on the contracts provided by Nomura Master Fund which is judged to be reasonable with reference to the levels of similar properties.
		(3) Net Operating Income from Leasing Business (NOI=(1)-(2))		167,943,000	
		(4) Profit through Management of Temporary Deposits, etc.		1,770,000	Profit through management of temporary deposit is calculated by multiplying the assumed interest rate with comprehensive consideration given to interest rates, etc., of long-term government bonds, etc., by the security deposits, etc., after deducting the amount equivalent to security deposits, etc. of vacant rooms from the amount of security deposits, etc. upon full occupancy.
		(5) Capital Expenditure Reserve		978,000	The estimates of the Engineering Report were judged to be reasonable based in part on the levels of similar properties, and 70% of the standard value for such properties was recorded.
		(6) Net Cash Flow (NCF = (3)+(4)-(5))		168,735,000	
		(7) Capitalization Rate		3.9%	Calculated based in part on the past capitalization rate of the Property and of J-REITs judged to be adequately representative, with reference to revenues based on the discount rate and the risk of capital fluctuations.
	Price Calculated by the Discounted Cash Flow Approach			4,180,000,000	
		Discount Rate		3.7%	Calculated based on a comprehensive consideration of such factors as investor surveys, REIT performance and real estate market conditions, with yields on boutiques in Ginza area of Tokyo as the base yield, taking into account interest rates on long-term sovereign bonds. Consideration was given to risks related to the area and specific property in light of such factors as the conditions of the Property's location, building, contract and rights-related issues.
		Terminal Capitalization Rate		4.1%	Calculated based on the capitalization rate, with consideration given to uncertainty regarding initial predictions of changes in net cash flow, future building deterioration and sale-related risk.
Cost Approach Price				3,500,000,000	
		Ratio of Land		76.6%	
		Ratio of Building		23.4%	

Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The property is located in the Namba Shinsaibashi area, which is recognized as a commercial area representing Osaka. This is a retail building with Osaka Metro Namba Station as the closest station and the main restaurant building adjacent to the above-ground stairs of the station. Namba Station has multiple routes such as Kintetsu, and Nankai Namba Station is also known as the gateway to Kansai Airport, and is located in an area with a convenience and ability to attract customers. 11 varied restaurants and 1 retail outlet are located and it is expected to attract business customers, general shoppers and tourists. This is the first GEMS brand in the Kansai region, and it is considered that there are no problems with the planning and operation system due to the appropriate placement of tenants according to consumer trends in the GEMS series, which has already been in operation in Tokyo. A city hotel is scheduled to open in the autumn of 2019 in the former Kabuki-za site on the opposite side of Midosuji. After such opening, it is considered to have a positive impact on the flow of people in neighboring areas, including neighboring areas. Based on the above, it was judged that the property has standard competitiveness in the primary market area.

Property Name	Landport Ome I
Appraisal Value	¥14,200,000,000
Appraiser	Japan Valuers Co., ltd.
Appraisal Date	December 1, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	14,200,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	13,900,000,000	Calculated the standard level of stable net revenue over the medium to long term based on a comprehensive consideration of such factors as the cash flow analysis using the discounted cash flow approach, and calculated by reducing the capitalization rate
(1) Operating Income (a)-(b)	Undisclosed	(Note)
(a) Gross Rental Income	Undisclosed	
(b) Losses due to Vacancies, etc.	Undisclosed	
(2) Operating Expenses	Undisclosed	
Maintenance Costs	Undisclosed	
Utilities Costs	Undisclosed	
Repair Costs	Undisclosed	
Property Management Fees	Undisclosed	
Advertisement for Leasing Costs, etc.	Undisclosed	
Taxes	Undisclosed	
Insurance Premium	Undisclosed	

	Other Expenses	Undisclosed	
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	628,491,623	
	(4) Profit through Management of Temporary Deposits, etc.	Undisclosed	(Note)
	(5) Capital Expenditure Reserve	Undisclosed	
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	625,390,539	
	(7) Capitalization Rate	4.5%	Calculated by considering the yield of surrounding property transactions, with reference to the characteristics of the area surrounding the property and the property's particular characteristics.
Price Calculated by the Discounted Cash Flow Approach		14,500,000,000	
	Discount Rate	4.3%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the property's specific characteristics.
	Terminal Capitalization Rate	4.7%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar buildings, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price		16,200,000,000	
	Ratio of Land	64.3%	
	Ratio of Building	35.7%	

Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	Landport Ome I is a large-scale logistics facility and premises located in Ome, Tokyo, in the area known to have industrial parks from early days. Located near a major highway and easy access from the Ome IC on the Metropolitan Inter-City Expressway, the property has convenient access, and is well-situated as a logistic property. The property is newly built logistic facility at such location with high versatility and operational efficiency. Landport Ome I is a multi-category logistics facility, which is equipped with versatile specifications to meet the specific needs of various industries. The property is expected to provide stable rent over the medium to long term. In view of the above factors, the appraisal value was determined, attaching importance to reflecting the investment profitability value of the Property.

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

Exhibits

Exhibit 1 Overview of the Portfolio after the Acquisitions

Exhibit 2 Photos and Maps of the Assets to be Acquired

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

Exhibit 1

Overview of the Portfolio after the Acquisitions

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Other Areas	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (Note 2)
Office	384,095	71,930	456,025	45.2
Retail	109,811	66,716	176,527	17.5
Logistics	171,230	3,460	174,690	17.3
Residential	159,574	33,328	192,902	19.1
Hotels	-	3,600	3,600	0.4
Others	4,900	-	4,900	0.5
(Anticipated) Total Acquisition Price (by Area)	829,610	179,034	1,008,644	100.0
Investment Ratio (Note 2)	82.3	17.7	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.

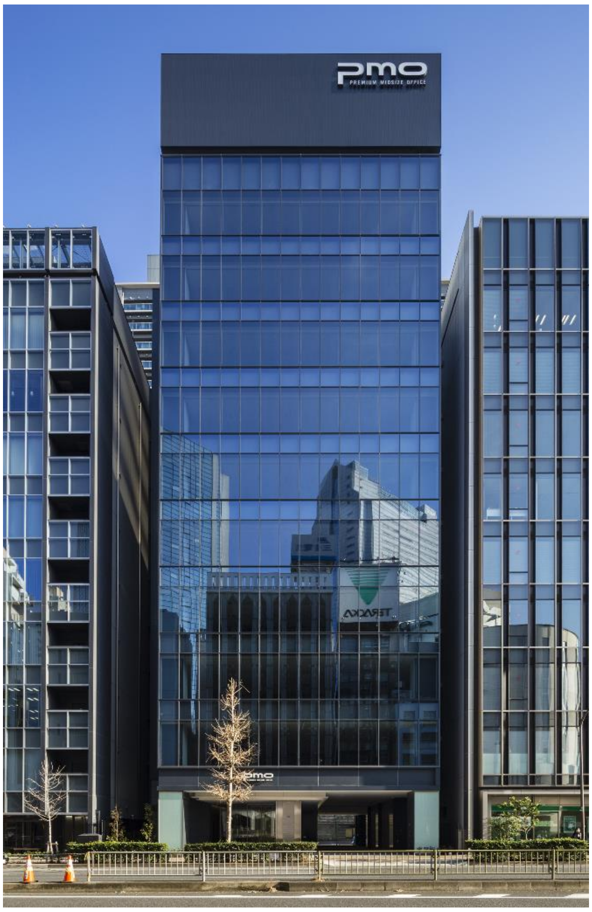
(Note 2) "Investment Ratio" indicates the ratio of the (anticipated) total acquisition price of properties for each use or in each area to the (anticipated) total acquisition price of the entire portfolio. As the figures are rounded to the first decimal place, they may not add up to exactly 100%.

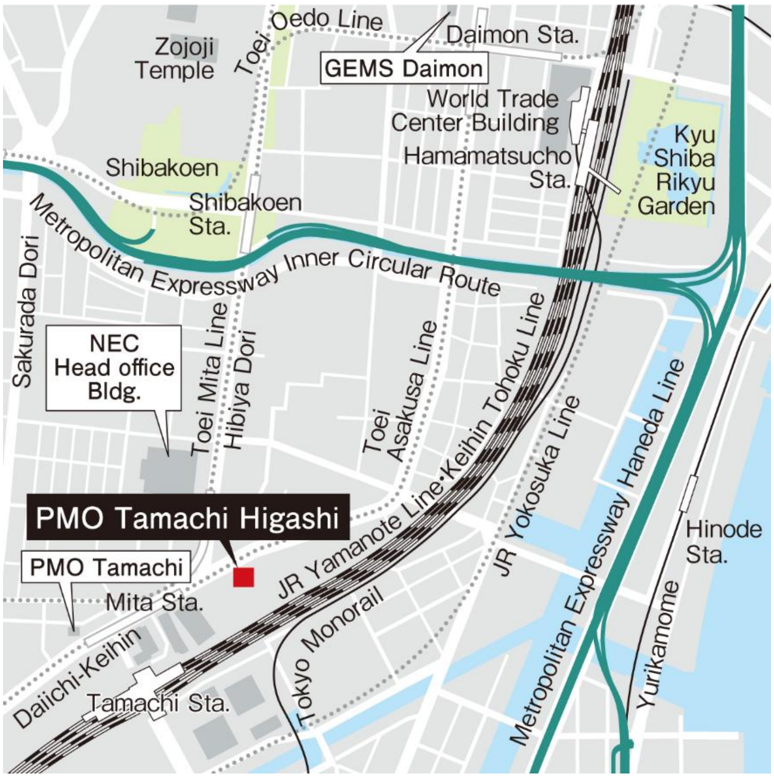
(Note 3) The figures are based on the assumption that the dispositions of Prime Urban Esaka I, Prime Urban Esaka II, Prime Urban Esaka III, Prime Urban Tamatsukuri and Prime Urban Chikusa announced in the press release "Notice Concerning Property Disposition" dated January 15, 2019 has been completed.

Exhibit 2

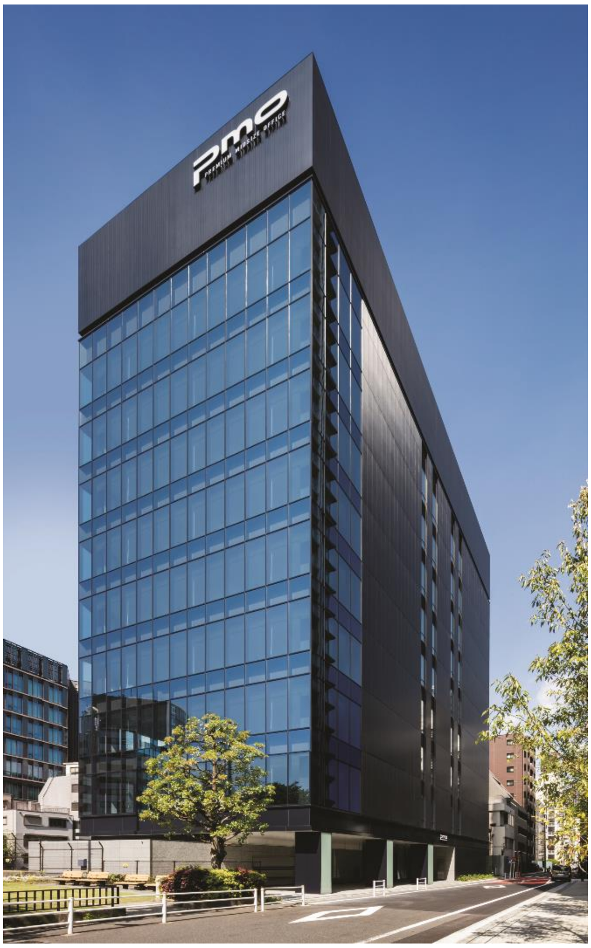
Photos and Access Map of the Assets to be Acquired

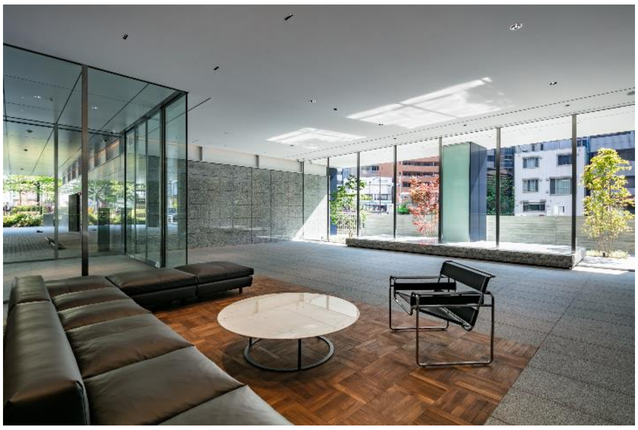
PMO Tamachi Higashi





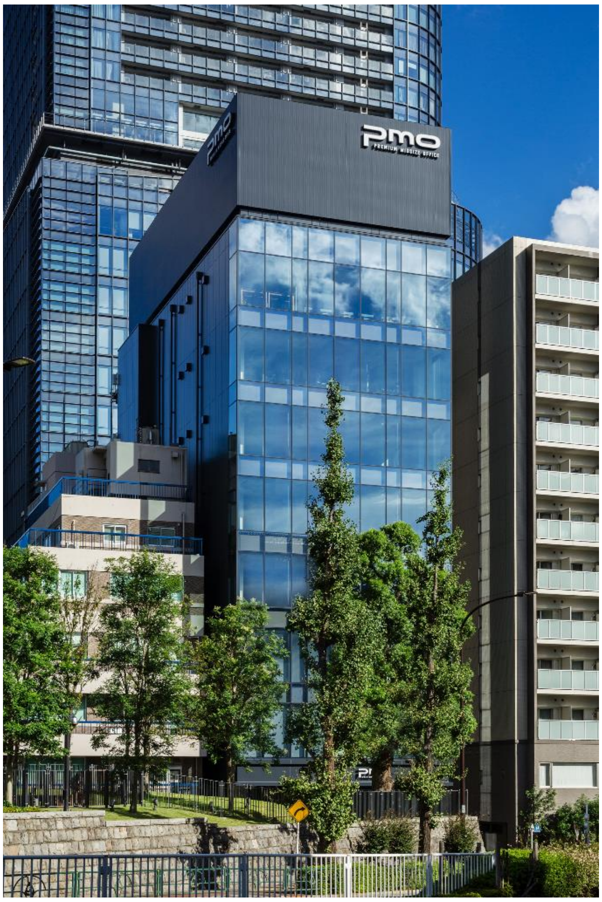
PMO Hatchobori Shinkawa



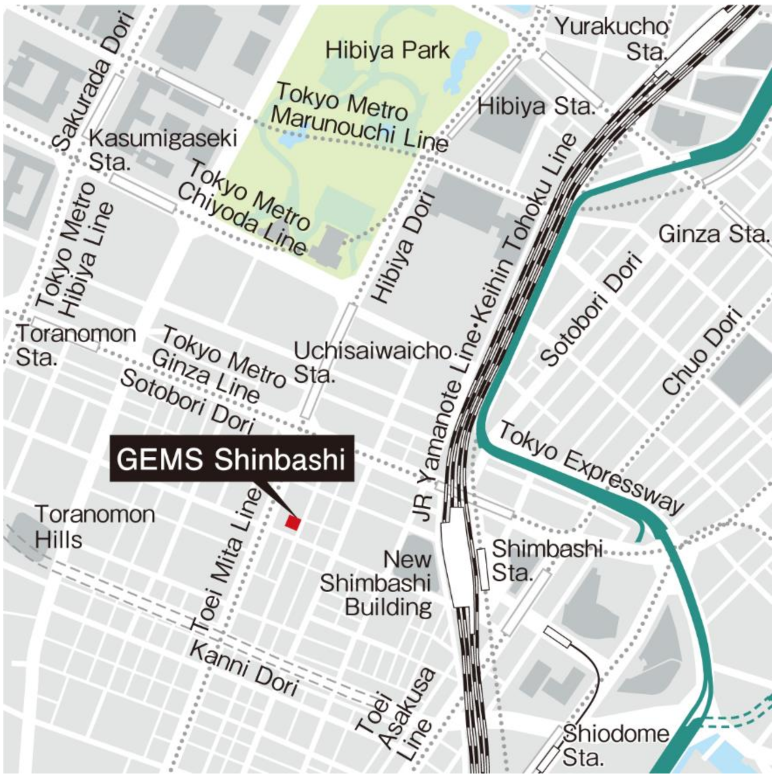


PMO Kyobashi Higashi

PMO Ochanomizu

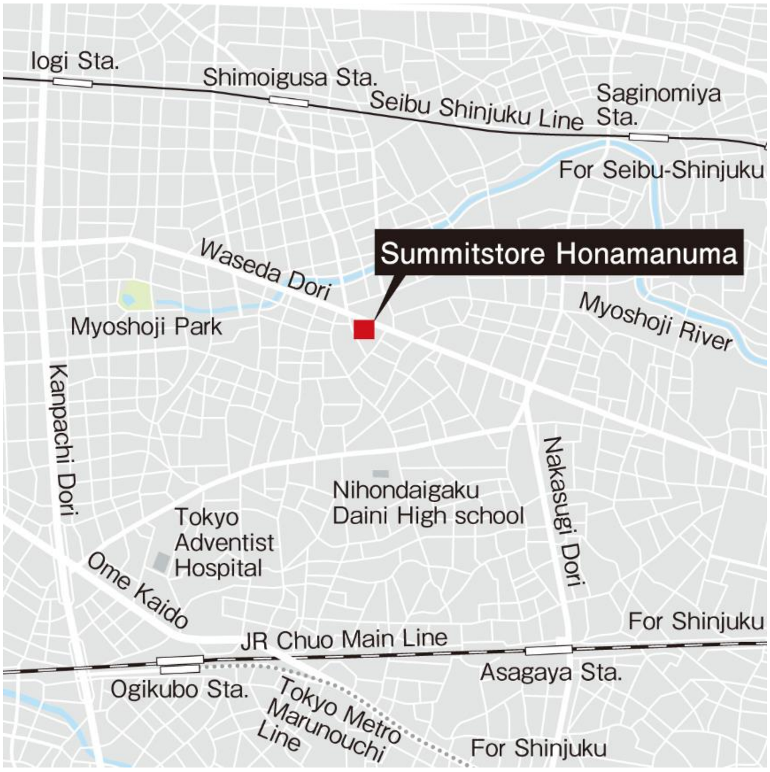


GEMS Shinbashi



GEMS Kayabacho

Summit Store Honamanuma



GEMS Shin-Yokohama

GEMS Namba


難波本通


Nishi-Ohashi Sta.
Subway Nagahori
Tsurumi-ryokuchi Line
Nagahori Dori
Yotsubashi Sta.
Shinsaibashi
Sta.
Nagahoribashi Sta.
Naniwa-suji
Yotsubashi-suji
Mido-suji
Shinsaibashi-suji
Sakai-suji
Hanshin Expressway
Route1 Loop Route
Subway
Sennichimae
Line
Dotonbori River
GEMS Namba
Hanshin
Namba
Line
Namba Sta.
Nippombashi Sta.
Kintetsu
Nippombashi
Sta.
Kintetsu
Namba Line
Marui
JR Namba Sta.
Osaka Namba Sta.
Namba Sta.
JR Kansai Main Line
Nankai Main
Line
Matsuya-machi-suji

Landport Ome I