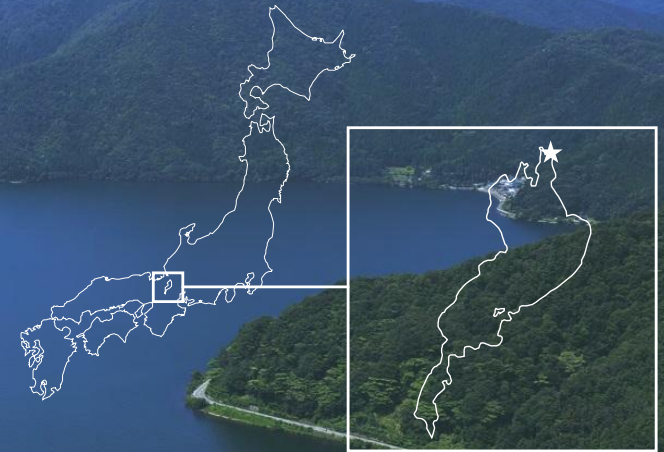


Nomura Real Estate Master Fund

August 2017 Period(4th) Presentation Material



4th

October 17, 2017

Lake Biwa, the largest freshwater lake in Japan, is also the oldest lake in Japan. Japanese proverb, "More haste, less speed.", originally came from Japanese poem in Muromachi era, explained the way to cross the lake. NMF strives to provide a stable fund management with long-term perspective under its steady investment philosophy.

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Highlights for August 2017 Period (4th)

Highlights for August 2017 Period (4th)

4th fiscal period DPU : ¥ 3,037 (¥87 above initial estimate)

5th fiscal period DPU forecast : ¥3,020

	Ended Aug.31,2017 (4th FP)		Differences (B)-(A)	Ended Feb.28,2018 (5th FP)		Differences (C)-(B)
	Forecasts (A)	Result (B)		Forecasts (C)		
Operating Revenue	35,869	38,139	2,269	33,365	-4,774	
Rental revenues	31,620	31,656	36	30,551	-1,105	
Other rental revenues	3,197	3,375	177	2,810	-565	
Gain on sales of real estate	1,052	3,107	2,055	3	-3,103	
Operating Expense	22,457	22,403	-53	20,860	-1,542	
Rental Business Expenses	15,841	15,962	121	14,652	-1,310	
Repair Expenses	1,827	2,083	255	1,548	-534	
Depreciation and Amortization	2,878	2,883	4	2,700	-183	
Tax and Public Dues	4,951	4,862	-89	4,752	-109	
Others	6,183	6,133	-49	5,651	-482	
Asset management fees	3,057	3,063	5	2,960	-102	
Amortization of goodwill	2,622	2,622	0	2,622	0	
Other operating expenses	936	755	-181	625	-129	
Operating profit	13,412	15,735	2,323	12,504	-3,231	
Non-operating revenues	-	24	24	-	-24	
Non-operating expenses	2,634	2,569	-64	2,487	-82	
Interest Expenses and other financial costs	2,627	2,563	-64	2,479	-83	
Other non-operating expenses	6	6	0	8	1	
Ordinary income	10,777	13,190	2,412	10,016	-3,174	
Net income	10,776	13,190	2,413	10,015	-3,174	
Earnings a	10,436	12,704	2,267	10,286	-2,417	
Distribution in excess of profit b	1,903	-	-1,903	2,346	2,346	
Total distributions a+b	12,340	12,704	363	12,633	-71	
Internal reserves c	1,052	3,107	2,055	3	-3,103	
DPU	2,950	3,037	87	3,020	-17	
Distributions of earnings	2,495	3,037	542	2,459	-578	
Distributions in excess of retained earnings per unit	-	-	-	295	295	
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings]	455	-	-455	266	266	
Total assets	1,109,104	1,095,828	-13,275	1,085,296	-10,531	
Acquisition price	939,838	927,318	-12,520	922,128	-5,190	
Interest-bearing debt□	504,941	488,741	-16,200	482,698	-6,042	
LTV	45.5%	44.6%	-0.9%	44.5%	-0.1%	
Market Capitalization	-	607,808	-	-	-	
NOI	23,927	23,931	3	23,461	-469	
FFO	17,299	17,568	269	17,388	-179	

Main factors accounting for differences between Aug. 2017 period forecasts and results



Positive

- Increase rental revenues due to internal growth and acquisitions +¥373mln
- Gain on sales(internal reserves) +¥2,055mln
*details refer to page P.50
- Decrease other operating expenses +¥181mln



Negative

- Decrease rental revenues due to disposition -¥159mln
(Merad Owada, Ota Nitta LC, Ota Higashi-shinmachi LC, Ota Kiyohara LC, Chiyodamachi LC)
- Increase rental expenses -¥121mln
(Increase in repair expenses of existing properties)

Main factors accounting for differences between Aug.2017 period results and Feb.2018 forecasts



Positive

- Increase rental revenues due to acquisition ¥+404mln
- Decrease in rental expenses ¥+1,448mln
(Decrease in repair expenses, tax and property management fees due to disposition)



Negative

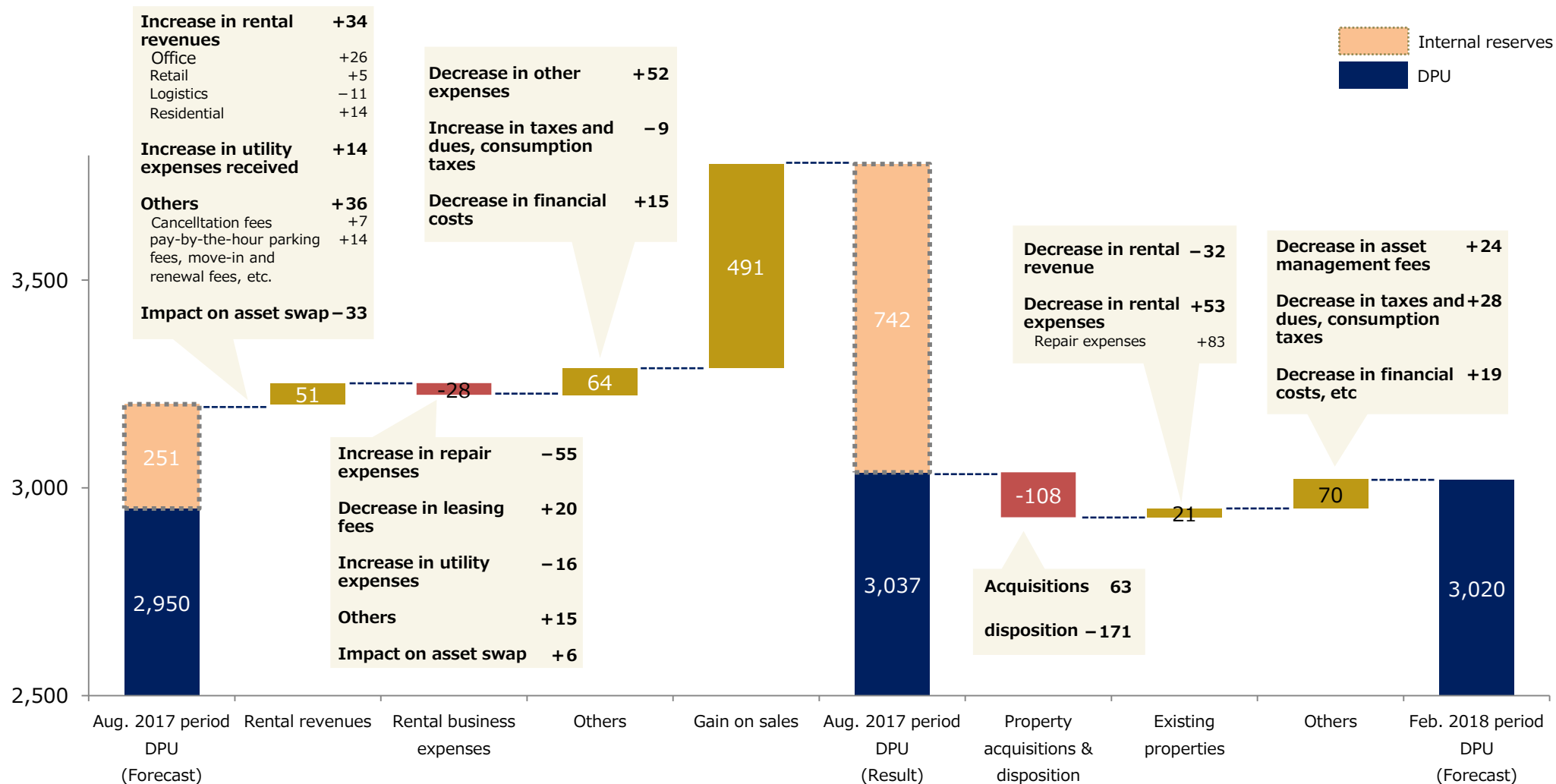
- Decrease in rental revenue due to disposition ¥ - 1,835mln
- Decrease in gain on sales ¥ - 3,103mln

Highlights for August 2017 Period (4th)

Factors in change of DPU (¥ / unit)

August 2017 period (4th)

February 2018 period (Forecast)

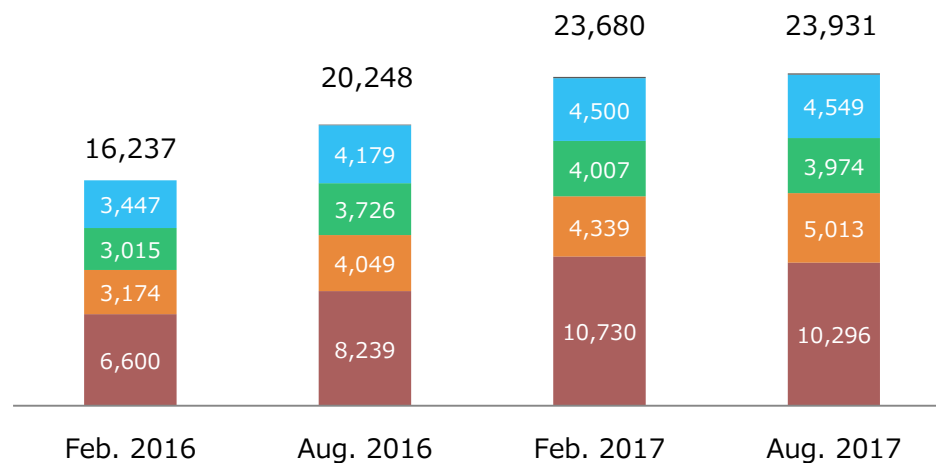
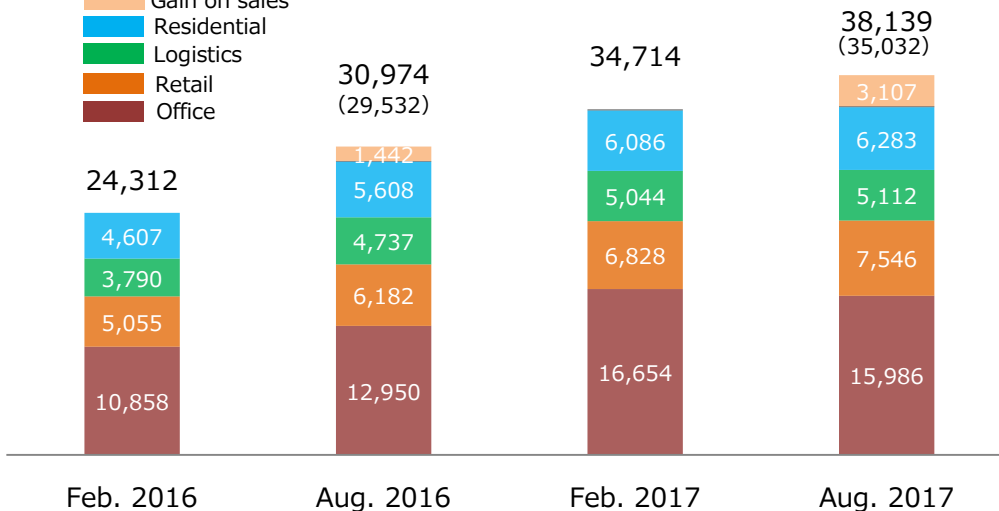


Summary of Main Management Indicators

Operating revenue(mln) () shown total price excluding gain on sales

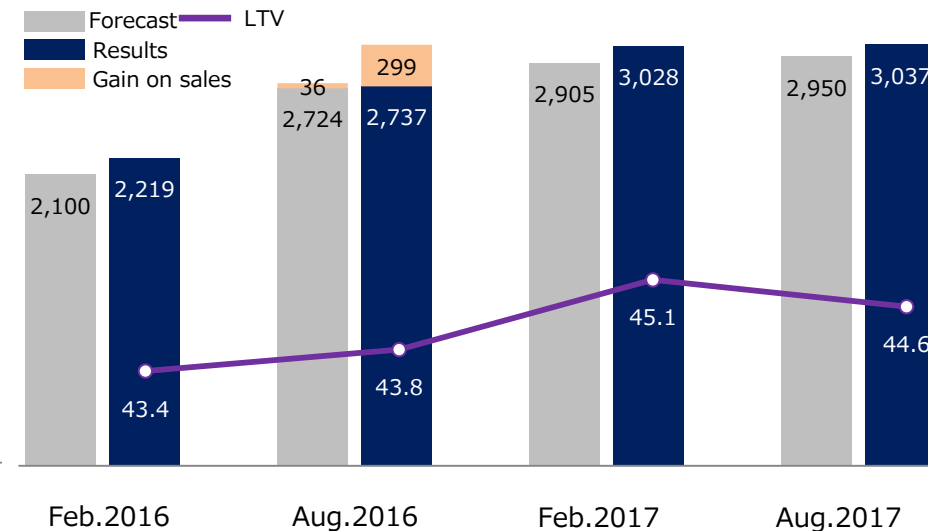
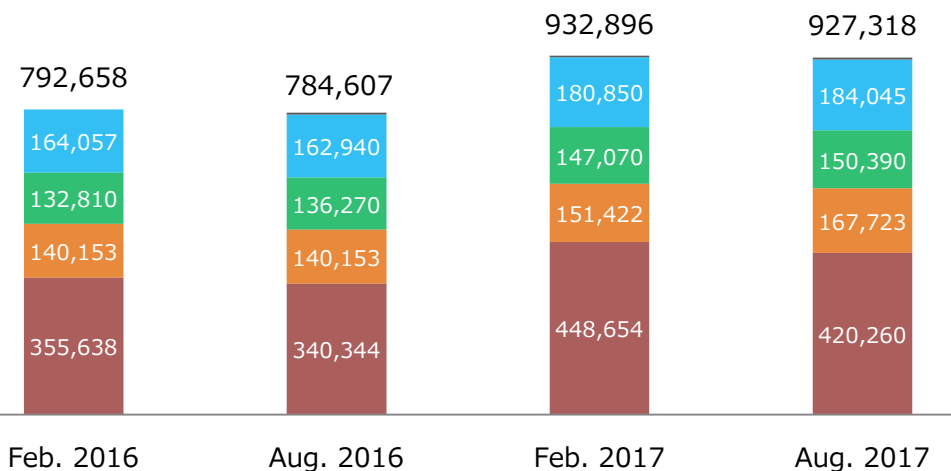
NOI(mln)

- Gain on sales
- Residential
- Logistics
- Retail
- Office



Acquisition price(mln)

DPU(¥) and LTV (%)



(※) The total amount of each period in Operating Revenues, NOI and Acquisition Price shown above includes the amount of land for university campus

External Growth

New Acquisitions (Announced on September 26, 2017)

PMO : Premium Mid-sized Office Series developed by the sponsor

Office	PMO Hirakawacho	Acquisition Price	¥3.41bln
--------	-----------------	-------------------	----------



Address	2-7-3 Hirakawa-cho, Chiyoda-ku, Tokyo
Building Area	2,402.91㎡ (726.88 tsubo)
Typical floor area	207.66㎡ (62.81 tsubo)
Construction completion	January 29, 2016
Date of acquisition	September 29, 2017



Location

- Located in 1min walk from Nagatacho underground station with easy access to Shinjuku, Shibuya, Otemachi and Tokyo within 10mins by five underground lines
- Scarce area with public institutions and lush greenery

Property Features

- Able to create a relaxing and comfortable office space by introducing an open pantry and to contribute to encourage an active communication among employees



Office	PMO Shin-Nishonbashi	Acquisition Price	¥4.44bln
--------	----------------------	-------------------	----------



Address	4-3-6 Nihonbashihoncho, Chiyoo-ku, Tokyo
Building Area	3,721.63㎡ (1,125.79 tsubo)
Typical floor area	371.47㎡ (112.36 tsubo)
Construction completion	November 30, 2016
Date of acquisition	September 29, 2017



Location

- Located 2mins from Shin-Nihonbashi JR station where four lines are available.
- "Nihonbashi Revitalization Plan" is in progress to create a new town with tradition and innovation in the area

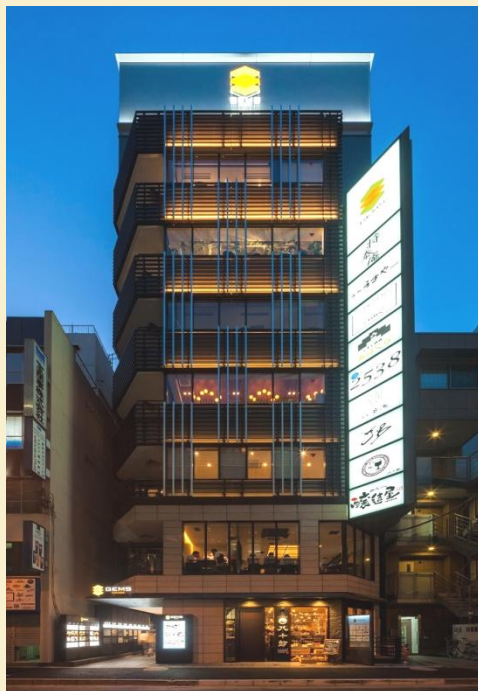
Property Features

- Providing a laboratory space to accommodate special needs for cooking etc...
- Created a gallery on the first floor for exhibitions and meetings

New Acquisitions (Announced on September 26, 2017)

GEMS : Retail Facility Series developed by the sponsor

Retail	GEMS Kanda	Acquisition Price	¥1.5 bln
--------	------------	-------------------	----------



Address	1-9-19 Kajimachi, Chiyoda-ku, Tokyo
Building Area	1,177.49m ² (356.19 tsubo)
Sub sector	Near Stations
Construction completion	June 15, 2016
Date of acquisition	September 29, 2017



Location

- Located 4mins walk from Kanda JR station, close to Shin-Nihonbashi and Mitsukoshimae station
- Having various needs of restaurants in the area where many financial institutions, department stores are located

Property Features

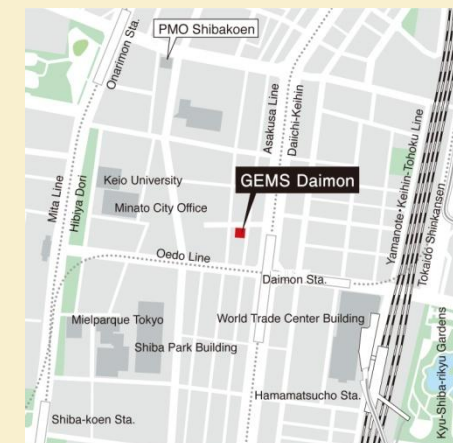
- Comprised of nine restaurants featuring A5-class *wagyu yakiniku* restaurant, Spanish-inspired wine bar and Japanese fused bistro



Retail	GEMS Daimon	Acquisition Price	¥2.06 bln
--------	-------------	-------------------	-----------



Address	1-15-3 Daimon, Minato-ku, Tokyo
Building Area	1,387.89m ² (419.83 tsubo)
Sub sector	Near Stations
Construction completion	February 15, 2016
Date of acquisition	September 29, 2017

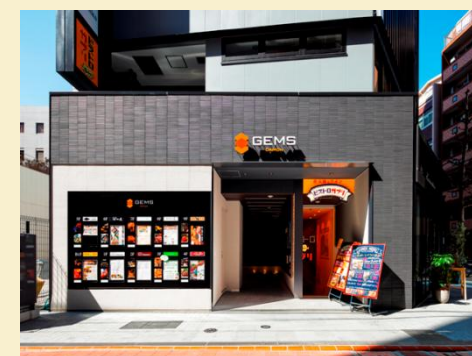


Location

- Located 1min walk from Daimon underground station
- Having various needs of restaurants in the area where the growing population employed

Property Features

- Comprised of nine restaurants featuring *wagyu* beef-specialized BBQ restaurant, charcoal-grilled Japanese *yakitori* restaurant and mackerel specialty restaurant



Overview of SPR^(※1) since March 1, 2017

Acquired wide range of prime properties developed by the sponsor for ¥50.4bln and disposed ¥65.4bln since March 2017



Mar. 2017 – Aug. 2017

Sep. 2017 – Feb. 2018



(※1) "SPR" is an abbreviation for Strategic Property Replacement.

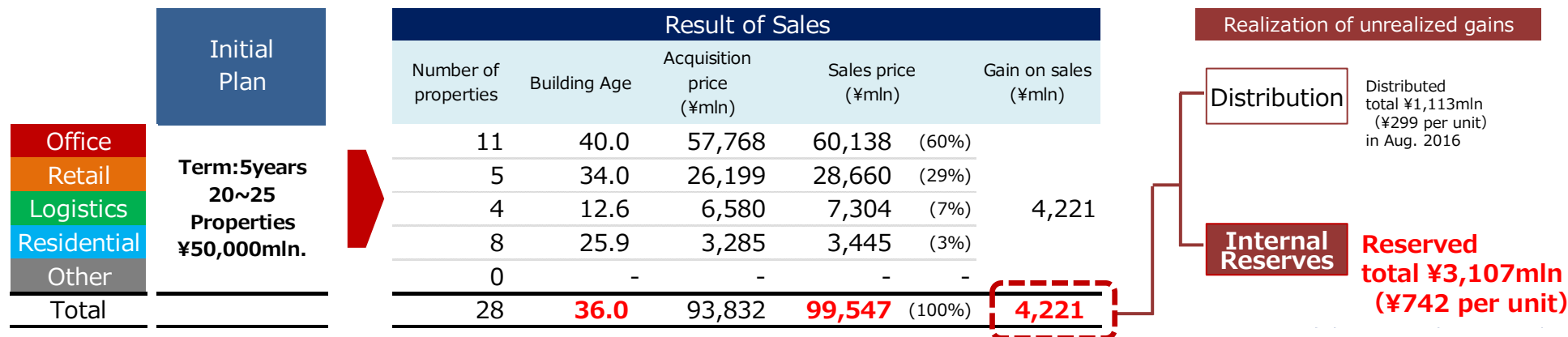
(※2) NOI Yield is calculated using NOI on the appraisal report at acquisition. (※3) The figures show disposition prices.

NOI Yields are calculated based on the actual NOI at the preceding fiscal period at the time of sale, divided by acquisition price.

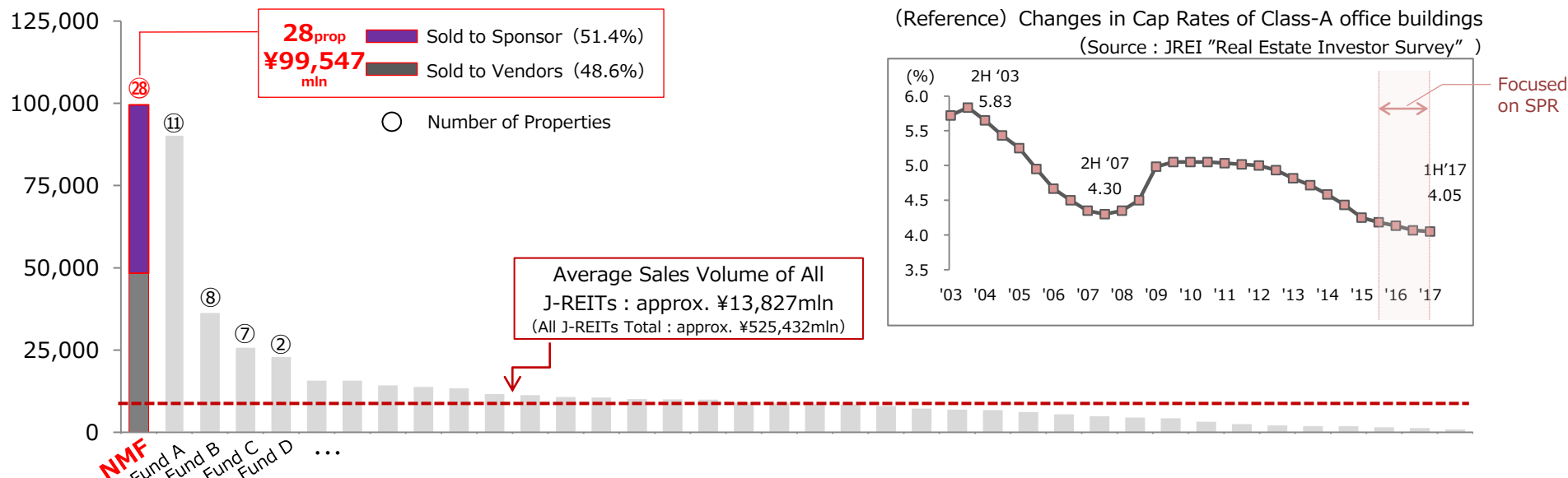
SPR since Fund Inception (Oct. 2015) ~ Disposition ~

SPR has successfully completed increase in portfolio quality with exceeding its initial plan in a favorable real estate market.
Internal reserves (¥3.1bln) generated by realizing gains are to be applied for stable distributions and reinvestments

■ NMF dispositions for the last two years since fund inception in October 2015 (※1)



■ All J-REITs sales volume for the last two years (Millions of Yen : 2015.10~2017.9) (※2)



(※1) The figures show the number of properties NMF has completed dispositions from October 1, 2015 through September 30, 2017. However, the impairment loss as at the 1st Fiscal Period and loss on the sale of Morisia Tsudanuma after the end of the 5th Fiscal Period are excluded from the gains and the losses from sales

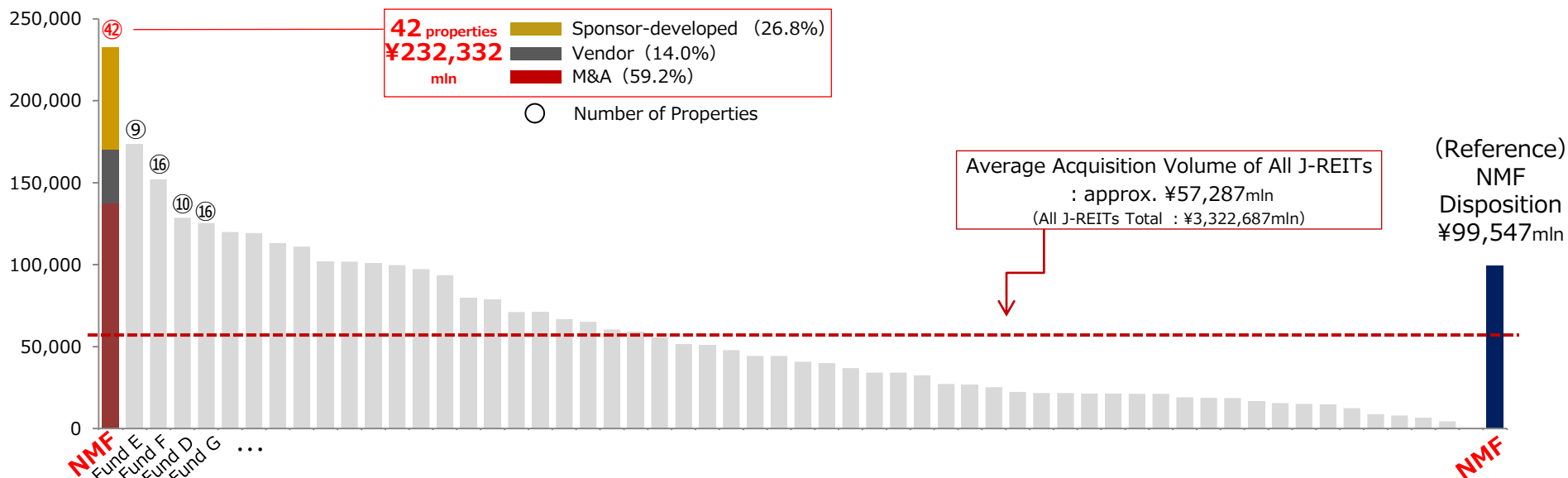
(※2) Total sales volume shows the total sales price by the issuer completed transactions from October 2015 through September 2017.

SPR since Fund Inception (Oct. 2015) ~ Acquisition ~

Achieved one of the largest J-REIT acquisitions of 42 properties for total ¥232.3bln including sponsor-developed properties for ¥62.2bln

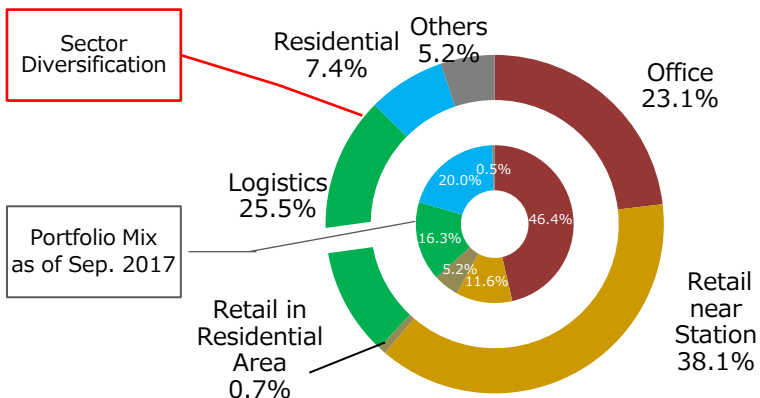
Continue to consistent asset expansion focusing on aggregate market value

■ All J-REITs acquisition volume for the last two years (Millions of Yen : Oct. 2015 ~ Sep.2017) (※1)

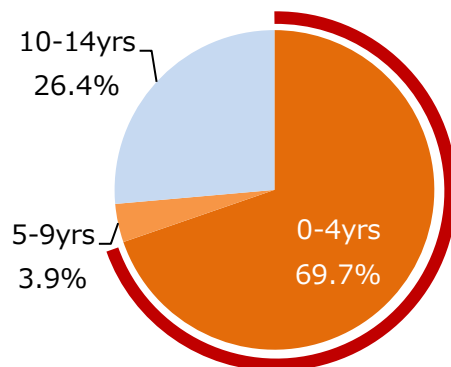


■ Breakdown of acquisitions for the last two years (excluding M&A : Oct. 2015 ~ Sep.2017)

Investing in diversified sectors

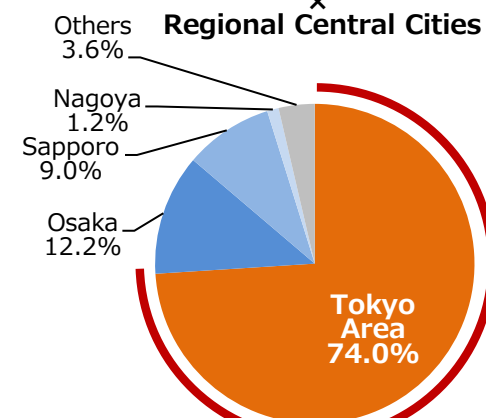


Approximately 70% of properties are completed within 5 years



Tokyo Area

Regional Central Cities

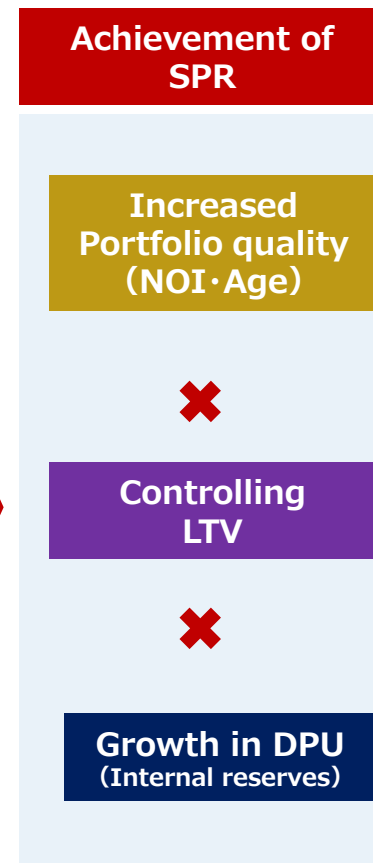
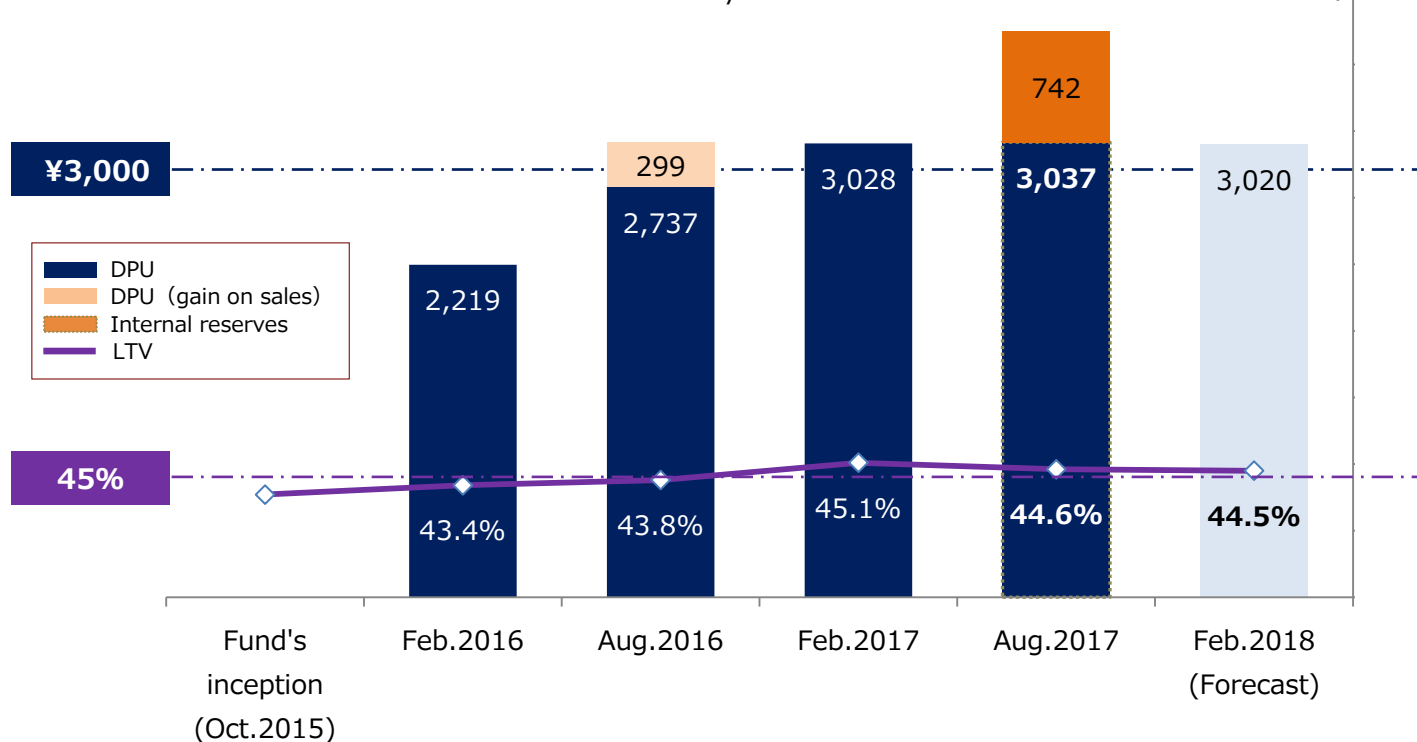
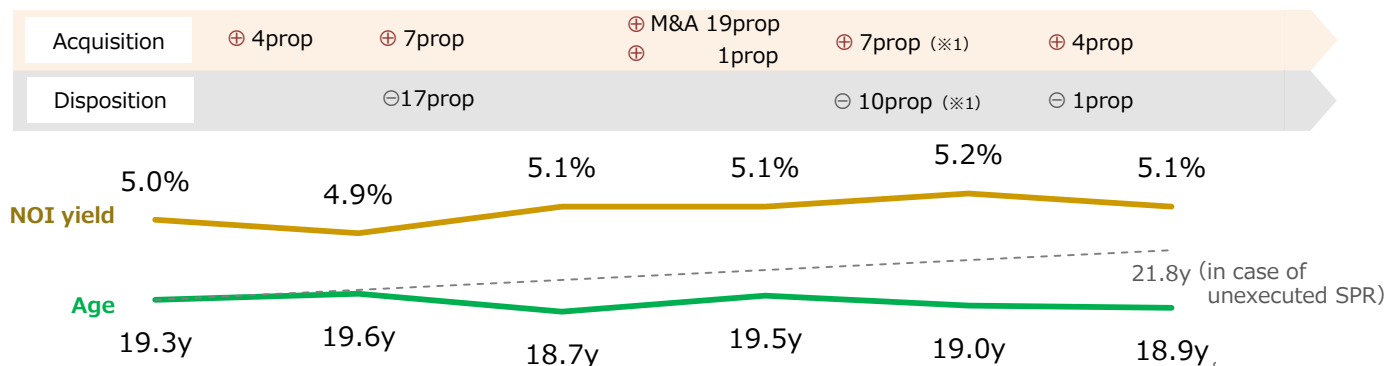


(※2) Total Acquisition Volume shows the total acquisition price with the transactions completed from October 2015 through September 2017. However it excludes the acquisitions by sponsor related REIT merger. 12

SPR since Fund Inception (Oct. 2015) ~Indicators~

Completed increasing a portfolio quality by controlling LTV ratio and distributions

Increased portfolio quality



(※1) Excluded both additional acquisitions and additional dispositions.

Strong Sponsor Pipelines (※1) for External Growth

Real estate stock by the sponsor expanded to ¥270bln based on total investment amount (※1)
Promote redevelopments of sold assets, which the fund has a first refusal right at completion

PMO (Office)



PMO Shibadaimon



PMO Nihonbashi Edodori



PMO Mitsukoshimae

Name	Location	Completion (plan) period	status
PMO Shibadaimon	Minato-ku, Tokyo	Completed 2014	working
☑ PMO Hirakawacho	Chiyoda-ku, Tokyo	Completed 2016	NMF Acquired
PMO Nihonbashi Edo-dori (※2)	Chuo-ku, Tokyo	Completed 2016	working
PMO Nihonbashi Mitsukoshimae	Chuo-ku, Tokyo	Completed 2016	working
☑ PMO Shin-Nihonbashi	Chuo-ku, Tokyo	Completed 2016	NMF Acquired
PMO Kanda Iwamotocho	Chiyoda-ku, Tokyo	Completed 2017	working
PMO Nishi-Shinbashi	Minato-ku, Tokyo	Completed 2017	working
PMO Uchi-Kanda	Chiyoda-ku, Tokyo	Completed 2017	working
PMO Shibuya	Shibuya-ku, Tokyo	Completed 2017	working
PMO Hanzomon	Chiyoda-ku, Tokyo	Completed 2017	working
PMO Shinjyuku-gyoen PJ	Shinjyuku-ku, Tokyo	Sep.2018	u/c
PMO Tamachi II PJ.	Minato-ku, Tokyo	Feb.2018	u/c
PMO Higashi-Shinbashi PJ.	Minato-ku, Tokyo	Apr.2018	u/c
PMO Hatchobori III PJ.	Chuo-ku, Tokyo	Mar.2018	u/c
PMO Otemachi PJ.	Chiyoda-ku, Tokyo	Jul.2020	u/c
PMO Ochanomizu PJ.	Chiyoda-ku, Tokyo	Jul.2018	u/c
PMO Hamamatsucho PJ.	Minato-ku, Tokyo	Nov.2018	u/c
PMO Kandasudacho PJ.	Chiyoda-ku, Tokyo	Apr.2020	Planning
PMO Shinkawa 2-chome PJ. (※2)	Chuo-ku, Tokyo	Apr.2018	u/c
PMO Akihabara III PJ.	Taito-ku, Tokyo	Jan.2019	u/c
PMO Nishi-Shinjyuku PJ.	Shinjyuku-ku, Tokyo	Jun.2019	Planning
PMO Shibuya II PJ.	Shibuya-ku, Tokyo	Aug.2020	Planning
PMO Gotanda PJ.	Shinagawa-ku, Tokyo	Jul.2019	Planning

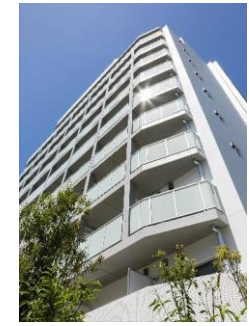
Proud Flat (Residential)



PF Sangenjaya



PF Sotokanda



PF Noborito

Name	Location	Completion (plan) period	status
Proud Flat Sangenjaya II	Setagaya-ku, Tokyo	Completed 2014	Working
Proud Flat Higashi-Kanda	Chiyoda-ku, Tokyo	Completed 2015	Working
Proud Flat Mitsukoshi-mae	Chuo-ku, Tokyo	Completed 2015	Working
Proud Flat Sugamo II	Toshima-ku, Tokyo	Completed 2015	Working
Proud Flat Yoyogi Hachiman	Shibuya-ku, Tokyo	Completed 2016	Working
Proud Flat Soto Kanda	Chiyoda-ku, Tokyo	Completed 2016	Working
Proud Flat Noborito	Kawasaki-shi, Kanagawa	Completed 2016	Working
Proud Flat Nakaochiai	Shinjuku-ku, Tokyo	Completed 2016	Working
Proud Flat Asakusabashi	Taito-ku, Tokyo	Completed 2017	Working
Proud Flat Monzen Nakacho V	Koto-ku, Tokyo	Oct.2017	u/c
Proud Flat Miyazakidai	Kawasaki-shi, Kanagawa	Feb.2018	u/c
Proud Flat Togoshi	Shinagawa-ku, Tokyo	Jan.2019	Planning
Proud Flat Asakusabashi II	Taito-ku, Tokyo	Jan.2019	Planning
Proud Flat Higashi-Nihonbashi	Chuo-ku, Tokyo	Oct.2018	u/c
Proud Flat Asakusabashi III	Taito-ku, Tokyo	Aug.2018	u/c
Proud Flat Asakusa Kaminarimon	Taito-ku, Tokyo	Jan.2019	u/c
Proud Flat Ryougoku	Sumida-ku, Tokyo	Nov.2018	Planning
☑ Tomigaya 2-chome PJ	Shibuya-ku, Tokyo	Feb.2019	Planning
Kiba 5-chome PJ	Koto-ku, Tokyo	Feb.2020	Planning

☑ Acquired by NMF
🔄 Development taking advantage of SPR

(※1) Sourced from Presentation Materials for the Consolidated Financial Results for the 1st Quarter, FY2018

(※2) Joint Venture PJ

※ NMF is not scheduled to acquire the properties stated above as of today (excluding the properties stated NMF has acquired).

Strong Sponsor Pipelines (※1) for External Growth

Landport (Logistics)



Landport Iwatsuki

Name	Location	Completion (plan) period	status
<input checked="" type="checkbox"/> Landport Kashiwa-shyonan II	Kashiwa-shi, Chiba	Completed 2016	NMF Acquired
<input checked="" type="checkbox"/> Landport Kashiwa-shyonan I	Kashiwa-shi, Chiba	Completed 2016	NMF Acquired
Landport Iwatsuki	Saitama-shi, Saitama	Completed 2016	Working
Landport Hachioji II	Hachioji-shi, Tokyo	Completed 2016	Working
Landport Komaki (※2)	Komaki-shi, Aichi	Completed 2017	Working
Landport Shinonome PJ.	Koto-ku, Tokyo	Aug.2018	Plannning
Landport Narashino PJ.	Narashino-shi, Chiba	Dec.2019	Plannning
Landport Kawaguchi PJ.	Kawaguchi-shi, Saitama	Jan.2020	Plannning
<input checked="" type="checkbox"/> Landport Higashi-Narashino PJ.	Narashino-shi, Chiba	Aug.2019	Plannning
Landport Ome I PJ.	Ome-shi, Tokyo	Jan.2019	Plannning
Landport Ome II PJ.	Ome-shi, Tokyo	Jun.2020	Plannning
Landport Ome III PJ.	Ome-shi, Tokyo	Jun.2020	Plannning
Landport Koshigaya PJ	Koshigaya-shi, Saitama	Jun.2020	Plannning

GEMS (Retail)



GEMS Jinguumae



GEMS Kayabacho



GEMS Sangenjaya

Name	Location	Completion (plan) period	status
<input checked="" type="checkbox"/> GEMS Daimon	Minato-ku, Tokyo	Completed 2016	NMF Acquired
<input checked="" type="checkbox"/> GEMS Kanda	Chiyoda-ku, Tokyo	Completed 2016	NMF Acquired
GEMS Ebisu	Shibuya-ku, Tokyo	Completed 2017	Working
GEMS Jingu-mae PJ.	Shibuya-ku, Tokyo	Apr.2018	u/c
GEMS Kayabacho PJ.	Chuo-ku, Tokyo	Feb.2018	u/c
GEMS Namba PJ.	Osaka-shi, Osaka	Nov.2018	u/c
GEMS Tamachi PJ.	Minato-ku, Tokyo	Feb.2019	u/c
GEMS Nishi-Shinjuku PJ.	Shinjuku-ku, Tokyo	Not fixed	Plannning
GEMS Sangenjaya PJ.	Setagaya-ku, Tokyo	May.2018	u/c
GEMS Shin-Yokohama PJ.	Yokohama-shi, Kanagawa	Jul.2018	u/c
GEMS Shinbashi PJ.	Minato-ku, Tokyo	May.2018	u/c
GEMS Sakae PJ.	Nagoya-shi, Aichi	Aug.2019	

<Other Retail facilities>

MIRRAZA Jinguumae PJ.(※3)	Shibuya-ku, Tokyo	Jun. 2017	Working
Jinbo-cho PJ	Chiyoda-ku, Tokyo	May 2019	Plannning
<input checked="" type="checkbox"/> Sugunami PJ	Suginami-ku, Tokyo	Sep.2018	Plannning
Hiroo PJ	Shibuya-ku, Tokyo	May 2019	Plannning

(※1) Sourced from Presentation Materials for the Consolidated Financial Results for the 1st Quarter, FY2018

(※2) Joint Venture PJ

(※3) Renewal project of existing retail property. Completion of the project will be upon the renewal completion

Acquired by NMF
 Development taking advantage of SPR

※ NMF is not scheduled to acquire the properties stated above as of today (excluding the properties stated NMF has acquired).

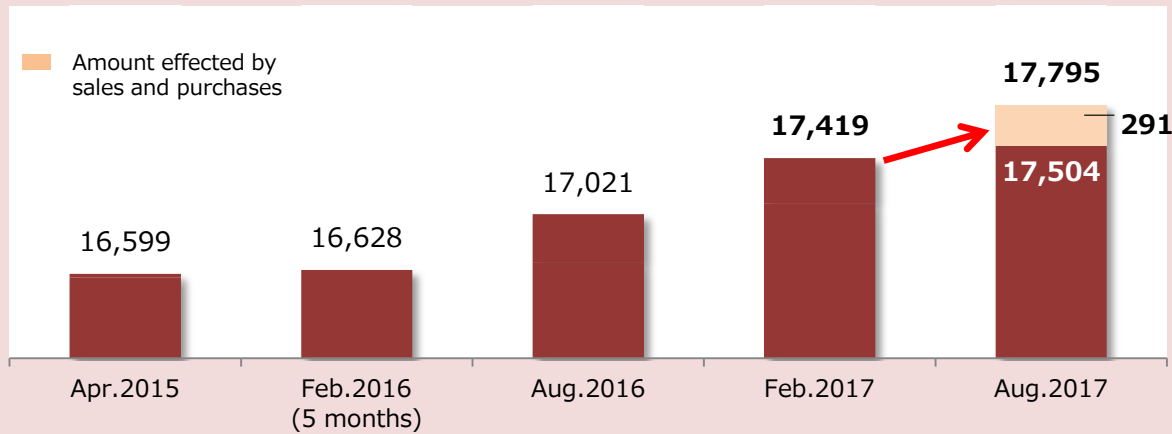


Internal Growth

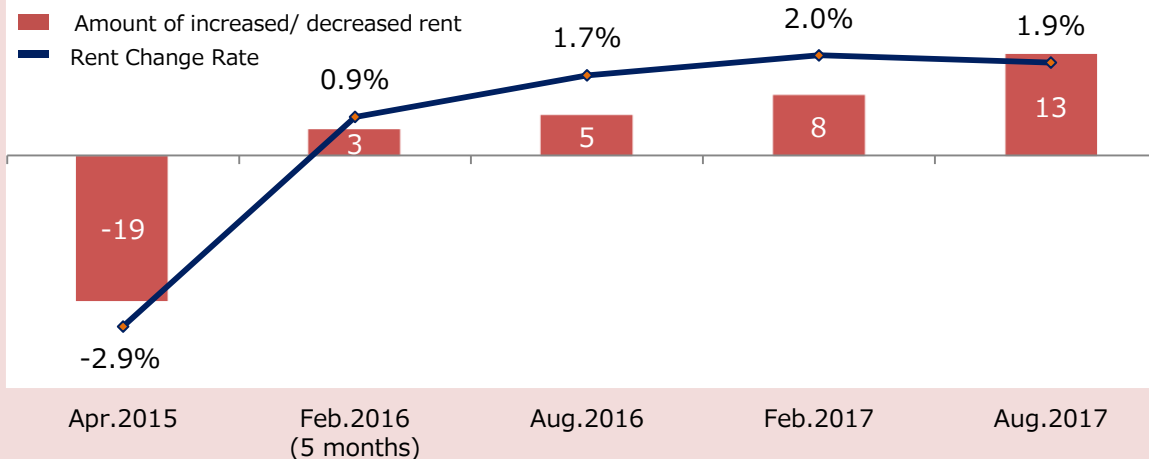
Office

Average rent for 3rd period was increased 0.5% from previous period
(¥17,419/tsubo→¥17,504/tsubo)

■ Average Rent (¥/tsubo)



■ Amount of monthly increased/ decreased rent and rent change rate upon rent revision(mln・%)



■ Individual property

● Increased rent renewal spread to large tenants

Of the tenants with rent increased, **31.4% of those are large tenants leased over 500 tsubo.** (※1)

<Example properties>

Shinjuku Nomura Building

NMF Surugadai Building

NMF Aoyama 1-chome Building

(Succession by M&A)

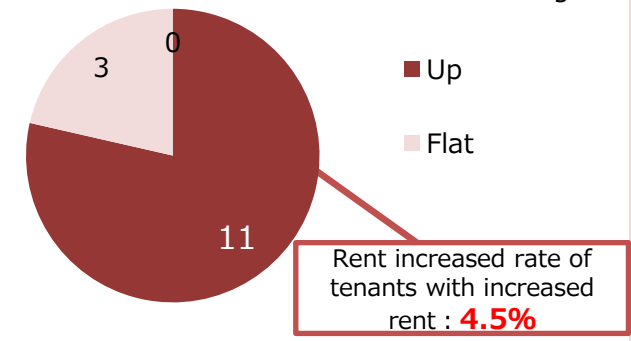
Harumi Island Triton Square Office

Tower Y (Succession by M&A) etc...

● Contract Renewals at PMO series

11 tenants renewed contracts with rent increased out of 14 tenants renewed during the 4th period. No tenants renewed with rent decreased.

Rent increased rate exceeds the average.

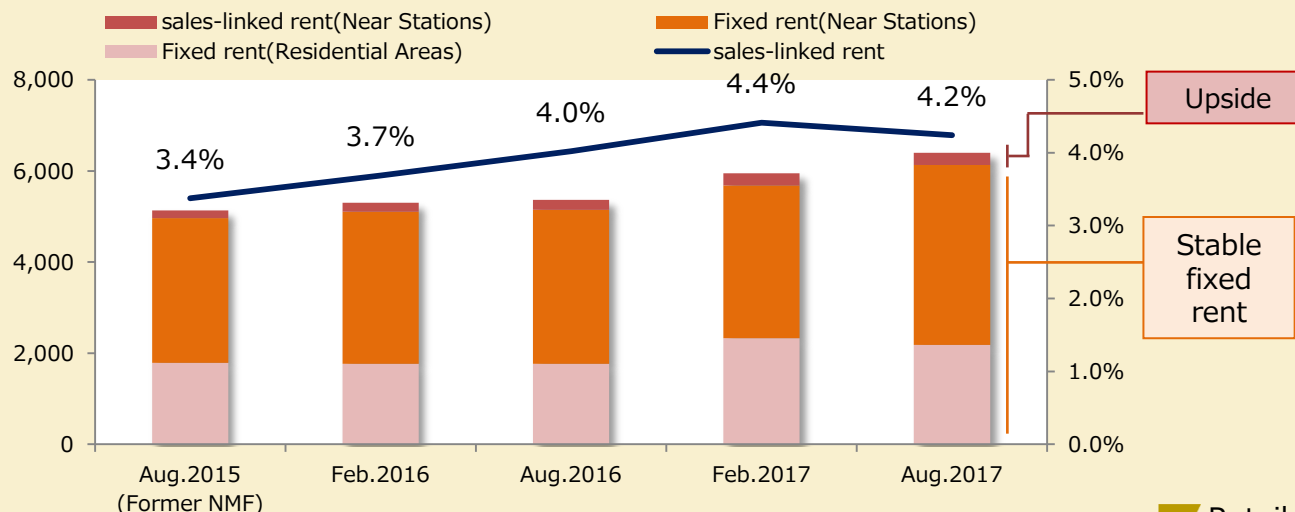


(※1) In case of a property has a co-ownership interest of real estate trust beneficiary rights, the leased area of the applied tenants is not converted to their share of the interests.

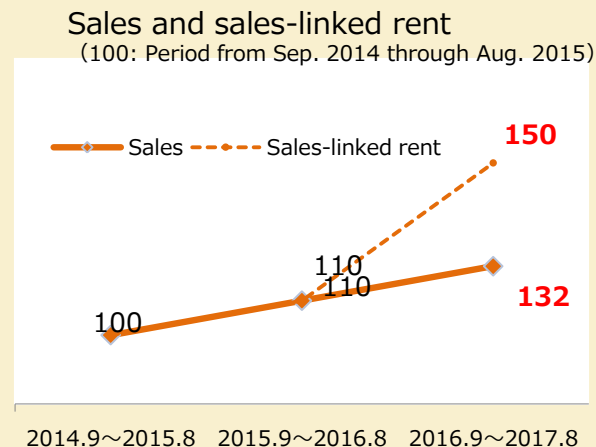
Retail

Seeking internal growth by sales-linked rent in addition to fixed rent (sales-linked rent for 4th period : ¥270mln)

Retail (Overall) : Rent revenue breakdown (mln・%)



Sales at Universal CityWalk Osaka™



Individual property

● nORBESA ※Acquired in Mar. 2017

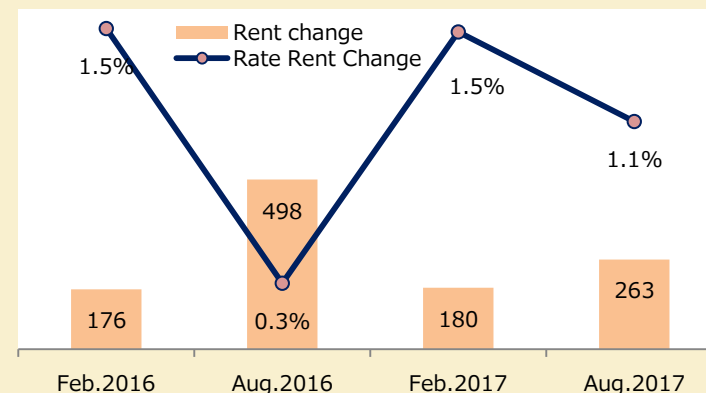
Renewed tenant mix on the 1st floor with 6.5% rent increased to contribute to attract customer's interest during 4th period (Tax free store → Hokkaido featured foods and goods shop)



※ The photos show "Hokkaido Kurashi Hyakuten" opened on the 1st floor in June 2017. The Operator, Sapporo Drug Store, is expanding their business to stimulate the economy in Hokkaido with comprehensive partnership with Hokkaido government office.

Retail near stations :

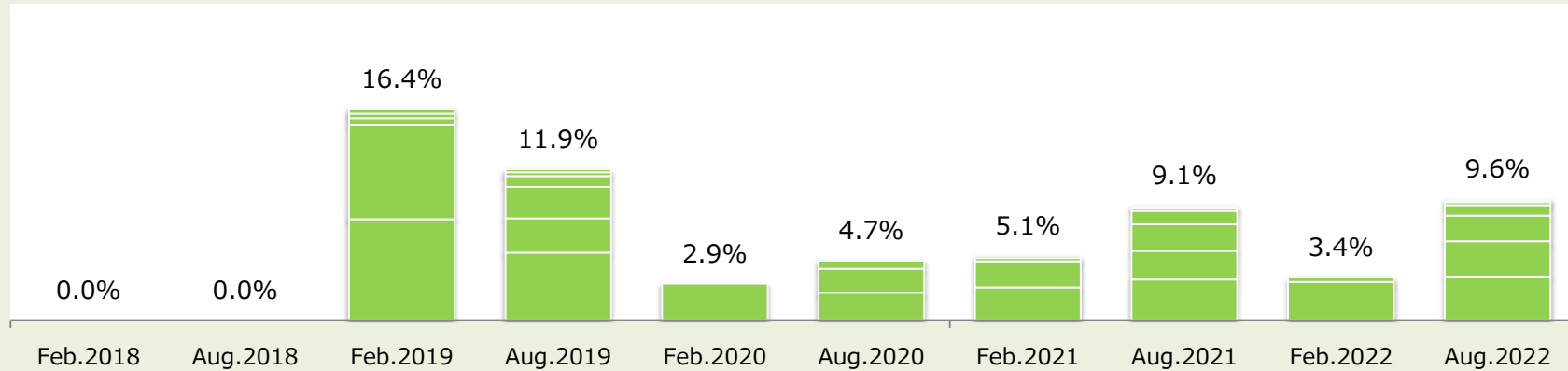
Amount of monthly increased/ decreased rent and rent change rate upon rent revision (thousand・%)



Logistics

Focusing on leasing of Landport Astugi

Lease maturities (rent base)



Individual property

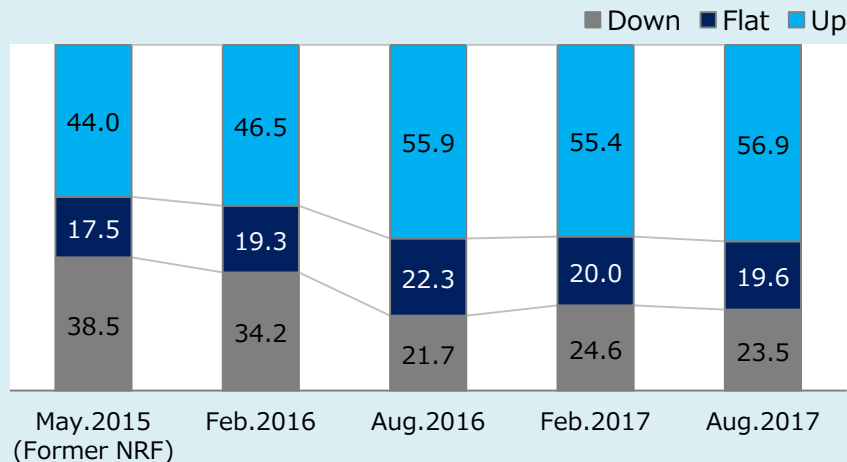
Landport Astugi

Of 14,518 tsubo lease maturity area, renewed lease contract for 7,028 tsubo, **contracted new lease for 3,759 tsubo with rent increased**, and continued leasing for the rest of 3,730 tsubo. The occupancy rate at the end of the period is 98.2%.

Residential

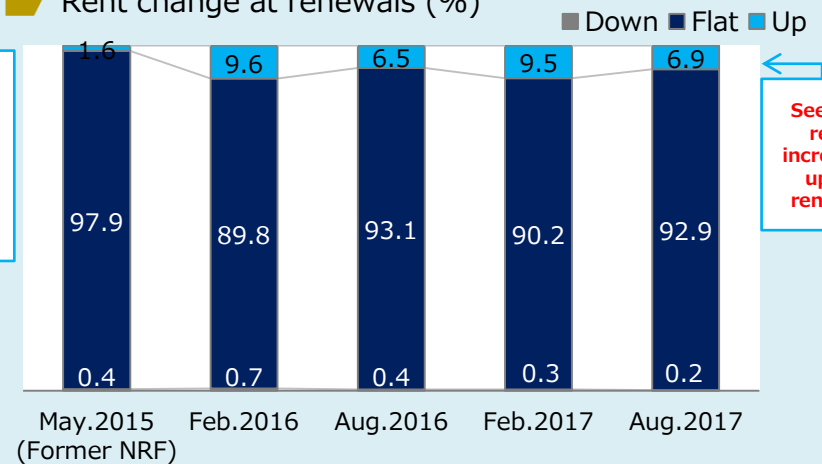
Achieved internal growth receiving stable income gain

Rent change at move-ins & move-outs (%)



The portion of rent increased continues to grow.

Rent change at renewals (%)



Seeking rent increased upon renewal

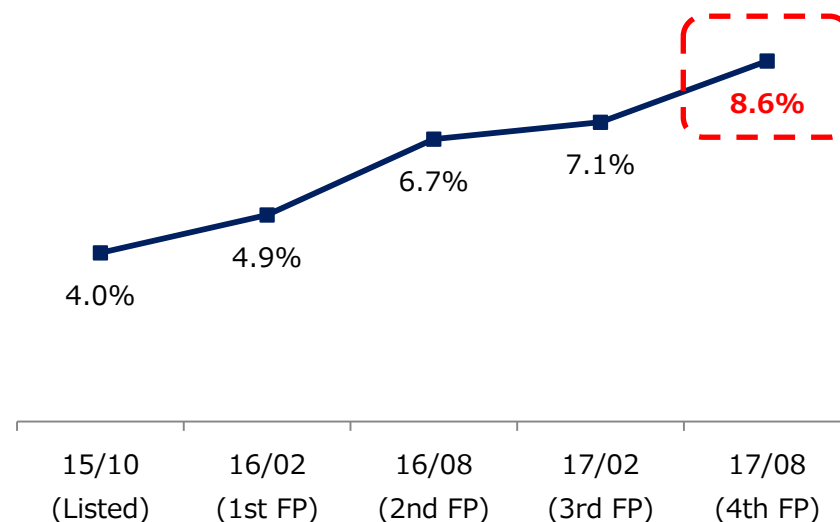
Unrealized gain expanded to ¥78.9bln (+¥13.3bln period-to-period) by increase in real estate appraisal value

Appraisal valuation as of Aug. 31, 2017

Appraisal Value	¥1,002,130mln
Book Value	¥923,155mln
Unrealized Gain	¥78,974mln
Book to market ratio	8.6%

	Aug.2016	Feb.2017	Aug.2017
BPS	¥128,777	¥132,939	¥133,069
NAV per Unit (inc. goodwill)	¥142,826	¥148,627	¥151,948
End-of-period Closing Unit Price	¥170,700	¥168,300	¥145,300
P-NAV	1.20	1.13	0.96

Change in unrealized gain/ loss rate



Appraisal valuation by sector

	Feb.2017 Fiscal Period End			Aug.2017 Fiscal Period End		
	Number of Properties	Appraisal Value (¥mln)	Unrealized Loss/Gain (¥mln)	Number of Properties	Appraisal Value (¥mln)	Unrealized Loss/Gain (¥mln)
Office	60	462,490	11,394	57	442,060	19,331
Retail	43	171,353	18,498	42	188,914	18,945
Logistics	21	170,245	28,776	18	176,050	31,297
Residential	147	185,275	6,993	150	189,976	9,406
Other	1	5,100	-36	1	5,130	-6
Total	272	994,463	65,626	268	1,002,130	78,974

Cap rate (period-to-period)

CAP	Aug.2017
Decrease	145
Flat	116
Increase	0

GRESB

- NMF has the highest rank of "5-Star" both in Management & Policy and in Implementation & Measurement in 2017



< NMF GRESB rating in 2017 >

Management & Policy
Implementation & Measurement
"Green Star" "5-Star"

Public Disclosure
"A"

- NMF becomes one of the leading brands in ESG investment in real estate sector.

<GRESB>

- An annual benchmarking program aimed at evaluating environmental, social and governance (ESG) initiatives undertaken by real estate businesses, GRESB was established in 2009 by two of Europe's largest pension fund administrators, which have also taken the lead in establishing the UN Principles for Responsible Investment, acting as its advocates.
- In its assessment, rather than simply focusing on individual real estate holdings, GRESB evaluates real estate companies, REITs and private real estate funds on the basis of their sustainability initiatives, thus distinguishing itself from other real estate-related ESG benchmarking programs.
- In 2017, 850 real estate companies and funds participated in the assessment, representing more than 77,000 assets across 62 countries, with a value of USD 3.7 trillion.

DBJ Green Building Certification

- Certified Status (Fiscal 2017)

Number of Properties **9 properties are newly certified, 33 properties in total.**

Rate of taking certification **Rose to 47.2% (+11.6% YoY)** (※1)

- Newly certified 9 properties



PMO Tamachi
PMO Ginza Hatchome
Hanyu Logistics Center



Universal CityWalk
Osaka™
PMO Shibakoen
NMF Shunjuku EAST
Building
Sagamihara Shopping
Center



Izumiya Obayashi
Kawaguchi Ryoke Logistics Center

- Seeking to rise the rate of taking DBJ Green Building Certification in consideration of the importance of the environmental evaluation

(※1) The figures are based upon the total floor area.

NMF's ESG Initiatives

Proactively working to reduce environmental burden and implement initiatives in coordination with stakeholders

- ✓ Acquiring certification under BELS (Building-Housing Energy-efficiency Labeling System) → **Acquired for 19.8% of portfolio** (※1)
- ✓ Implementing energy efficiency assessments: Considering further measures to reduce environmental burden
- ✓ Improving water use efficiency
→ Installed water-saving auto-sanitizers and smart irrigation facilities
- ✓ Launched sustainable procurement
→ Added environment-oriented conditions to agreements with contractors
- ✓ Held locally rooted community events
→ Hosted a summer festival at Recipe SHIMOKITA and events at Morisia Tsudanuma
- ✓ Active information disclosure (via website)
→ Began disclosure of information on energy use, water use and greenhouse gas emissions. Expanded information on related initiatives.



Smart irrigation facilities (LP Itabashi)



Recipe SHIMOKITA summer festival event

Helping Reduce Environmental Burden through Urban (Re-)Development

- ✓ **Nomura Real Estate Development plans to build the criteria of DBJ Green Building, BELS and other environmental certifications into its standards** for the building it develops under **the four revenue-generating real estate brands**: PMO (offices), Proud Flat (residential), Landport (logistics) and GEMS (retail)

Working with the sponsor to reduce environmental burden

Provision of low-environmental-impact real estate



Feedbacks on initiatives



Approach to overseas investors engaged in ESG

- Received evaluations by globally known ESG rating agencies. (※2)
Aiming to earn high evaluations in the growing area of ESG investings.



(Oekom Research : Germany)



(Vigeoeiris : France)



(Sustainalytics : Netherlands)

(※1) Calculated on a floor area basis.

(※2) Includes evaluations in progress



Financial Status

Promote lowering an average interest rate and prolonging borrowing period by refinancing existing debt under a low-interest rate environment

Financial status in 4th period (Aug. 2017)

● New Borrowing

New Funding Overview (※1)	
New funding total	26,700mln
Average interest rate	0.48%
Average maturity	1.0years

(※1) Total amount borrowed at commitment line. All was repaid by separate three times on May 26th, June 20th and July 19th, 2017 before maturity. Interesting rate and borrowing period are calculated at the time of borrowing.

● Refinance

Repayment Overview	
New funding total	50,070mln
Average interest rate	0.91%
Average maturity	5.1years



New Funding Overview (※2)	
New funding total	50,070mln
Average interest rate	0.54%
Average maturity	6.5years

(※2) ¥5,000mln of total amount borrowed at commitment line was repaid before maturity on May 26th, 2017. In this borrowing, interesting rate and borrowing period are calculated at the time of borrowing. Concerning other borrowing, interesting rate and borrowing period show figures as at the end of the period.

Liabilities with interest

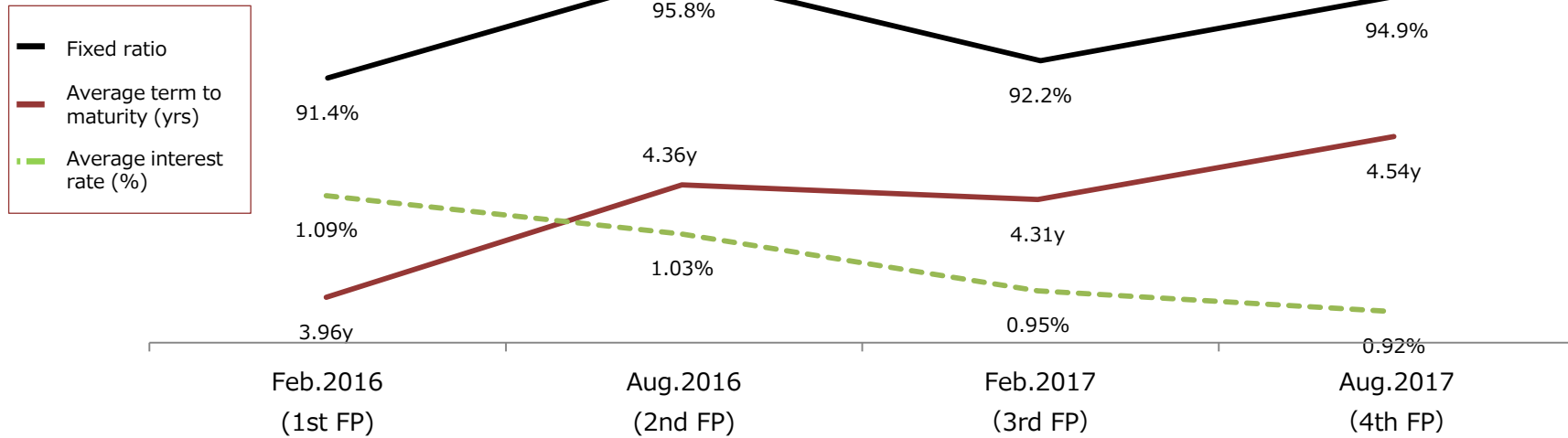
	Feb.2016 (1st FP)	Aug.2016 (2nd FP)	Feb.2017 (3rd FP)	Aug.2017 (4th FP)
Total Interest-bearing debt	¥403,164 million	¥409,771 million	498,784 million	488,741 million
Average remaining duration	3.96 years	4.36 years	4.31 years	4.54 years
Average interest rate	1.09 %	1.03 %	0.95 %	0.92 %
Ratio of long-term debt	84.1 %	85.9 %	83.2 %	88.0 %
Ratio of fixed-rate debt	91.4 %	95.8 %	92.2 %	94.9 %
LTV	43.4 %	43.8 %	45.1 %	44.6 %

Repayment schedule in 5th period (Feb. 2018) (※3)

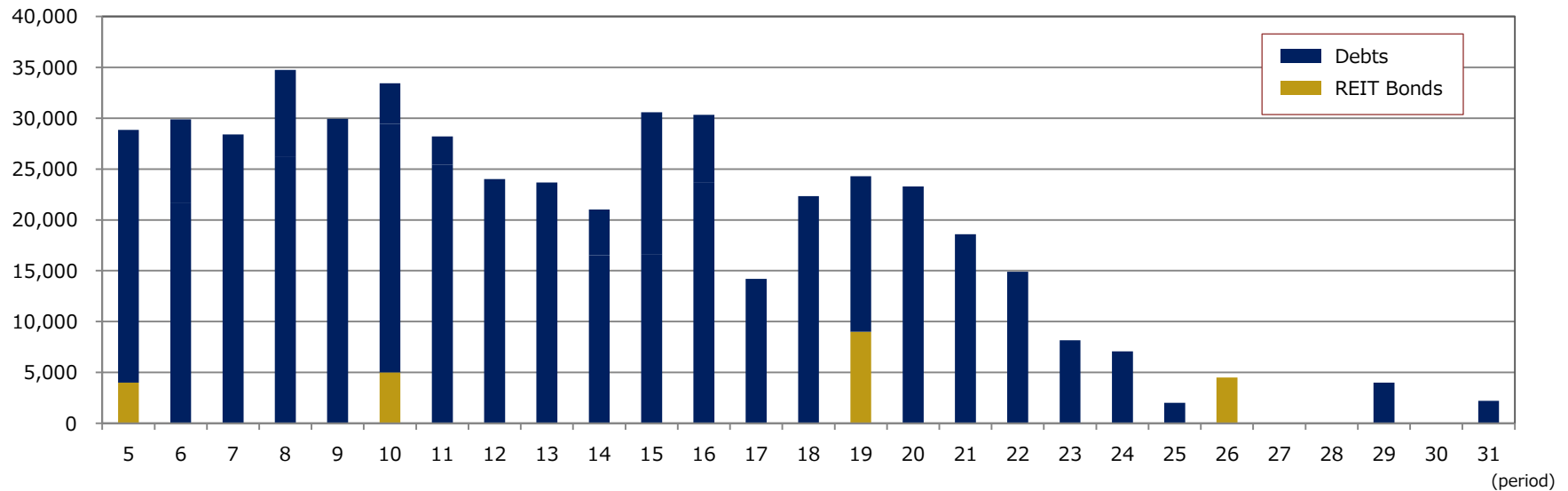
Total Repayment	28,820mln
Average interest rate	0.99%
Average remaining duration	5.1years

(※3) Not included a scheduled payment of ¥42.8mln

Change in financial indicators



Diversification of repayment periods (mln)



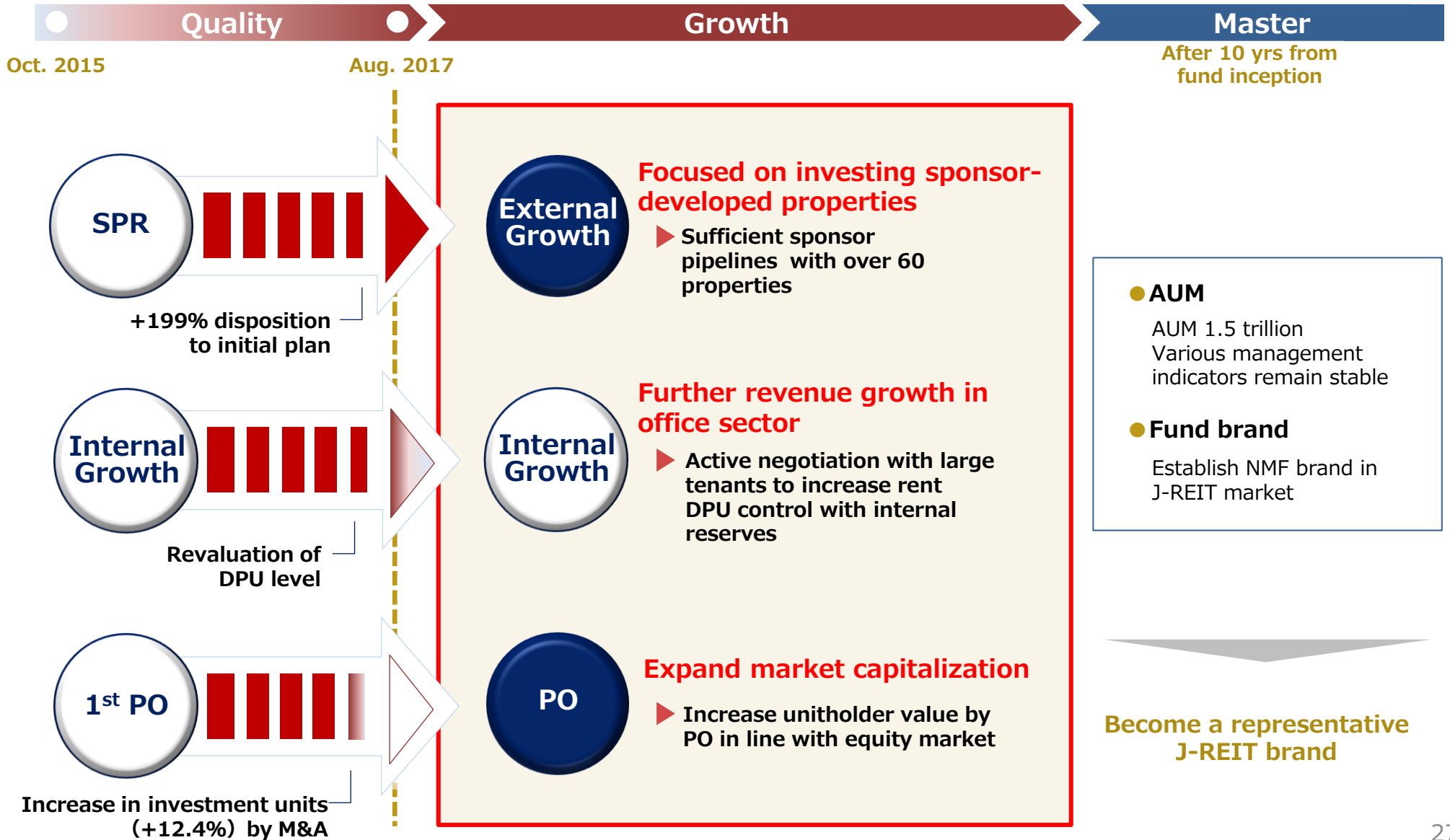


Fund Management Strategy

Medium- to Long-term Management Strategy

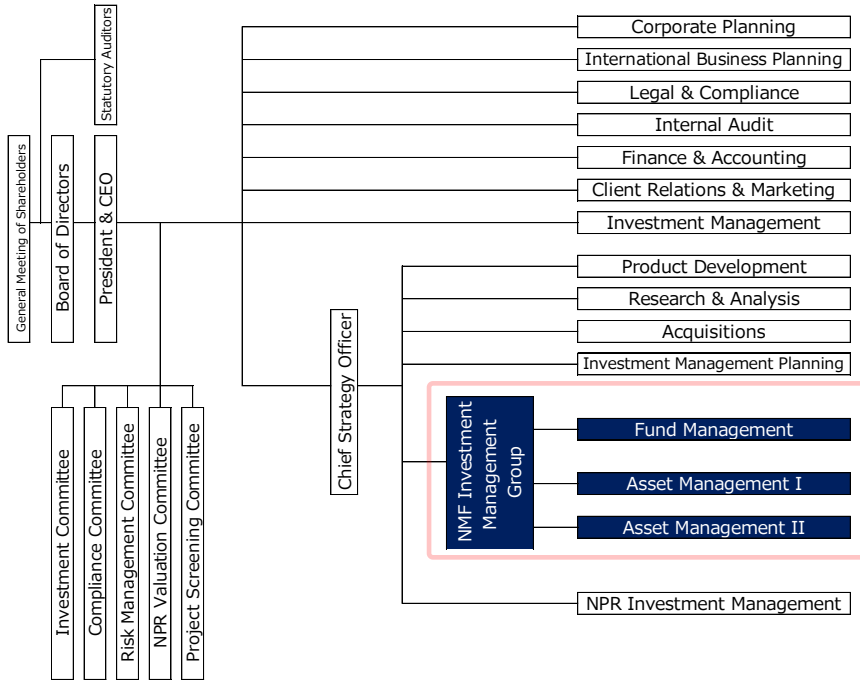
~ Shift to Growth Phase ~

NMF completed its Quality Phase including SPRs in two years, three years ahead of schedule. NMF has moved forward to the Growth phase



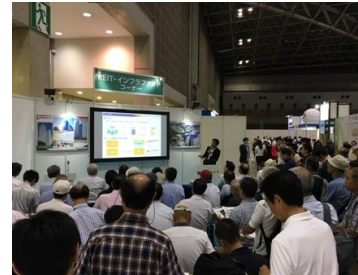
Overview of Asset Management Company

Organization Chart



Investor Relations

- Held the 1st Unitholders Meeting
- Participated in Nomura hosted “ IR Seminar for Personal Investors”
- Participated in “Nikkei IR Investment Fair featuring J-REITs”
Appeared in an article in Nikkei MOOK featuring J-REITs Investments
- Participated in the Global REIT/Real Estate Conference 2017 New York
- IR meetings with overseas Investors: Switzerland, Netherland, UK, USA, Hong Kong, Singapore



Asset Management Team (Residential Sector)



Nikkei MOOK featuring NMF

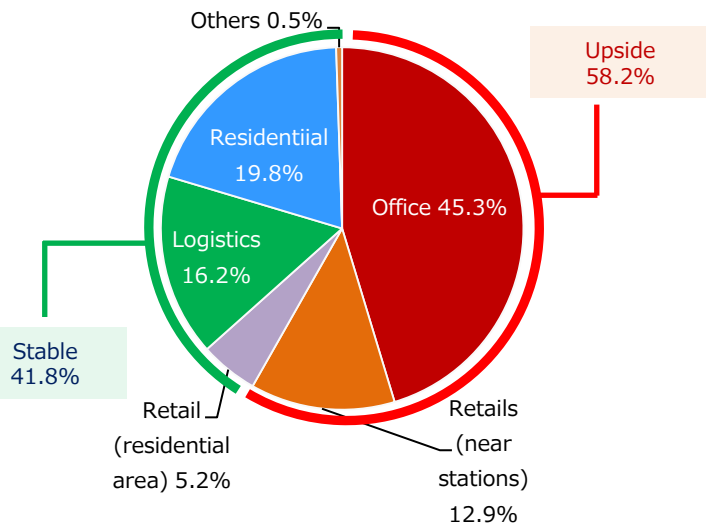
6 Appendix

Portfolio Summary as of August 31, 2017

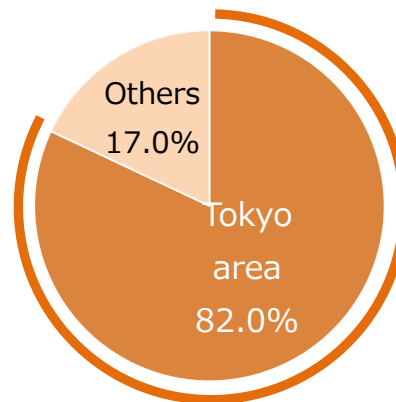
Portfolio Summary

	Properties	Acquisition price (¥mln)	Appraisal value (¥mln)	Building age (years)	Floor area (㎡)
Total	268	927,318	1,002,130	19.0	2,266,670.51
Office	57	420,260	442,060	24.8	779,234.79
Retail(Near stations)	18	119,657	132,910	19.8	244,323.27
Retail(Residential areas)	24	48,066	56,004	18.7	194,840.14
Logistics	18	150,390	176,050	10.5	691,065.29
Residential	150	184,045	189,976	12.5	357,207.02
Other	1	4,900	5,130	-	-

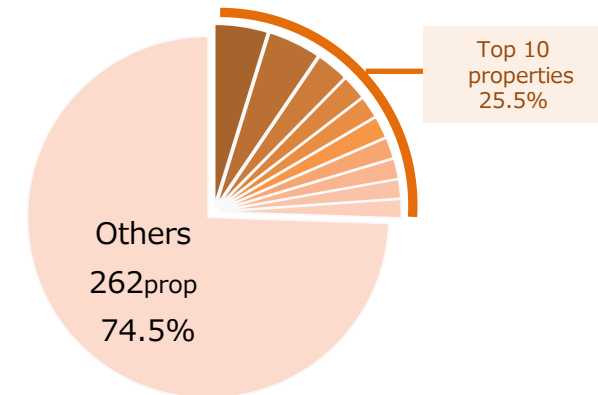
Portfolio Data



Balanced portfolio mix



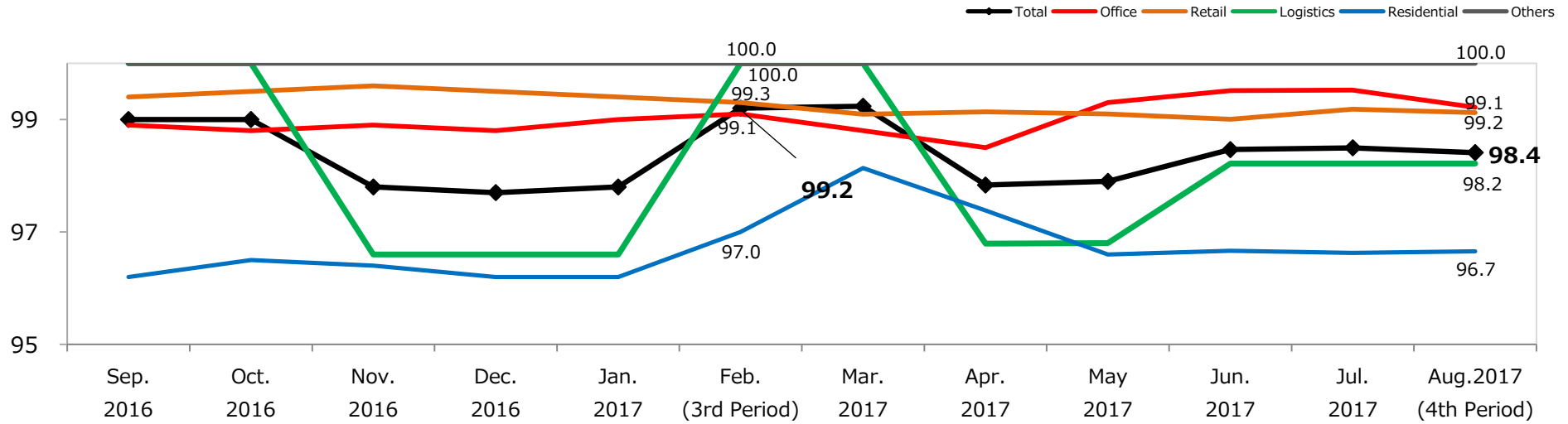
Concentration in Tokyo area



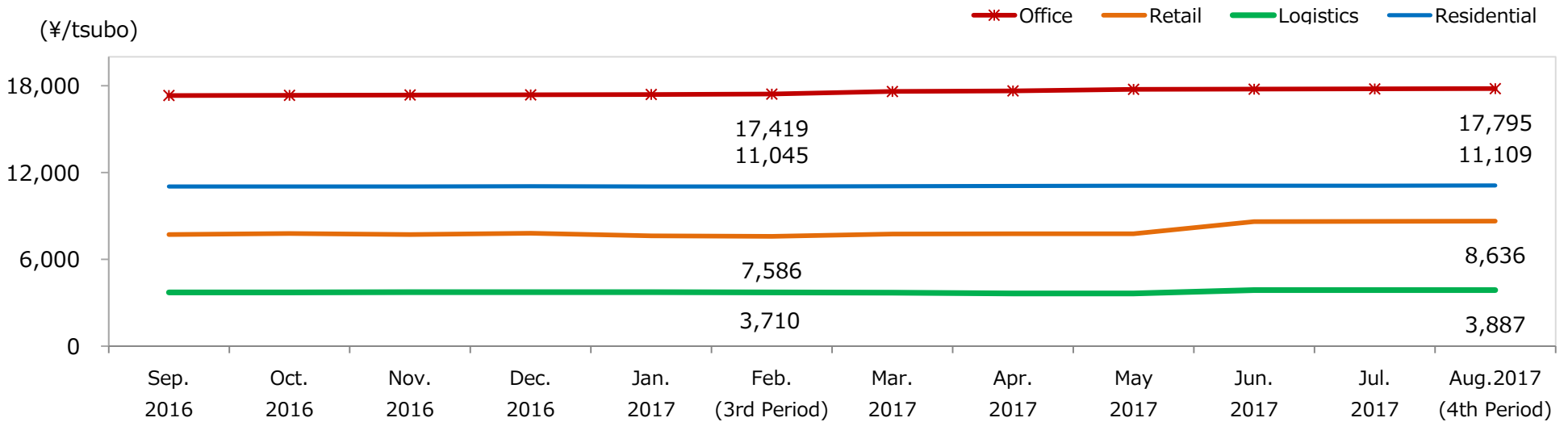
Advanced property diversification

Portfolio Management

Occupancy Rate (%)



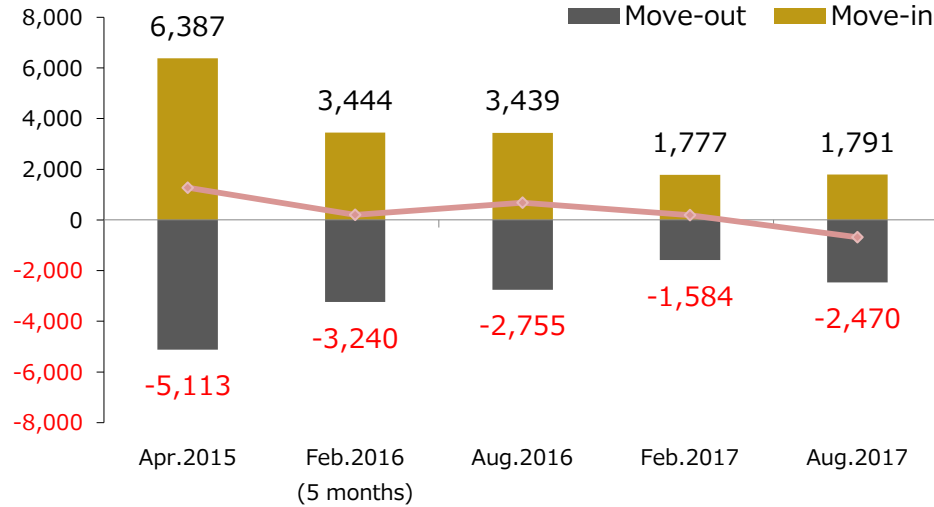
Average Rent (¥ / tsubo)



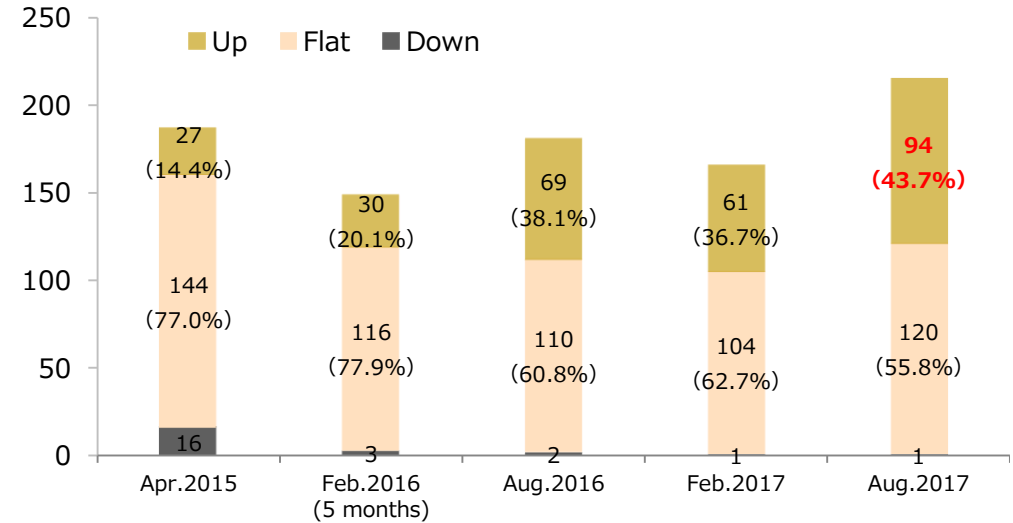
Asset Management - Office -

With favorable management environment, we manage not only to find new tenants with increased rents but to change lease contract with rent increase for further internal growth.

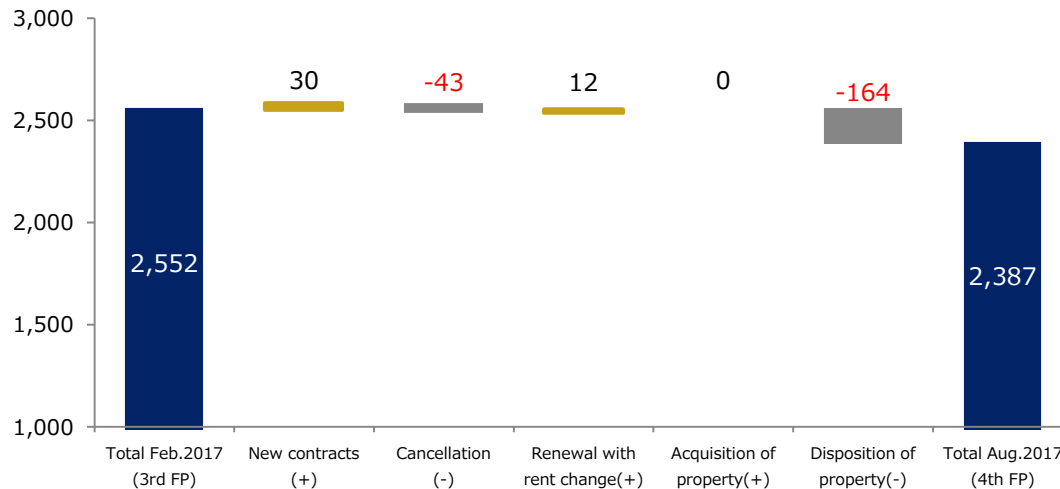
Change in floor area from move-ins & move-outs (Tsubo)



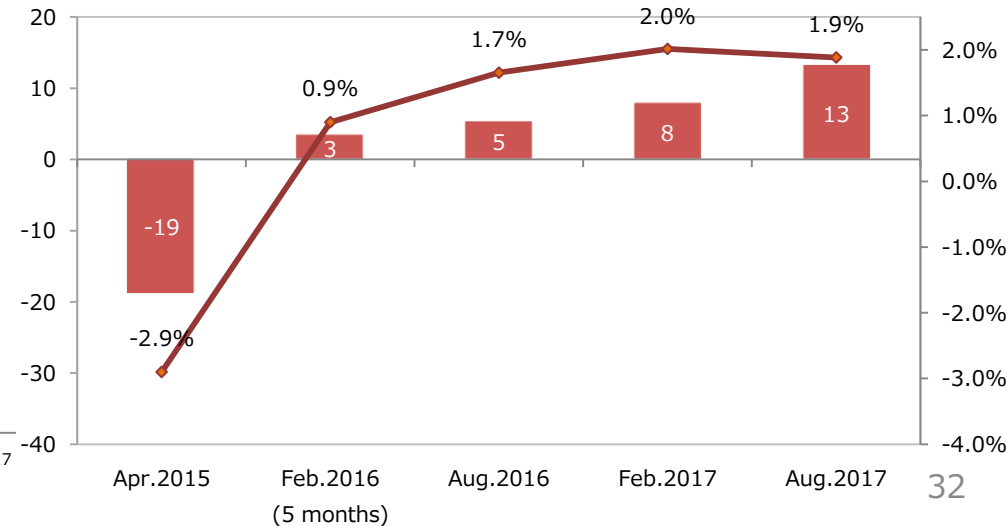
Contract renewals (number of renewals)



Increase/ decrease in monthly contract rent (mln) (※1)



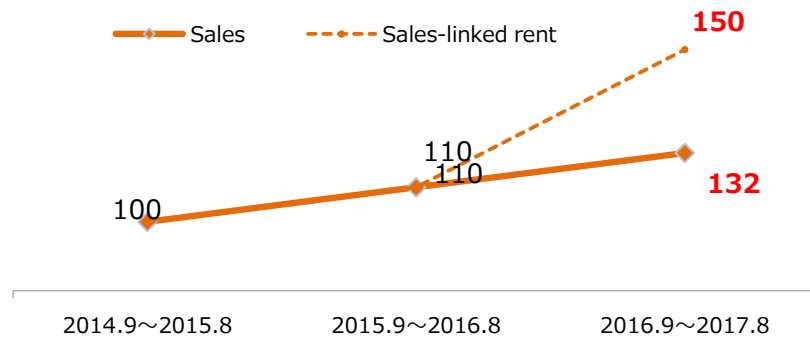
Contract renewals (monthly rent before and after)(mln·ratio)



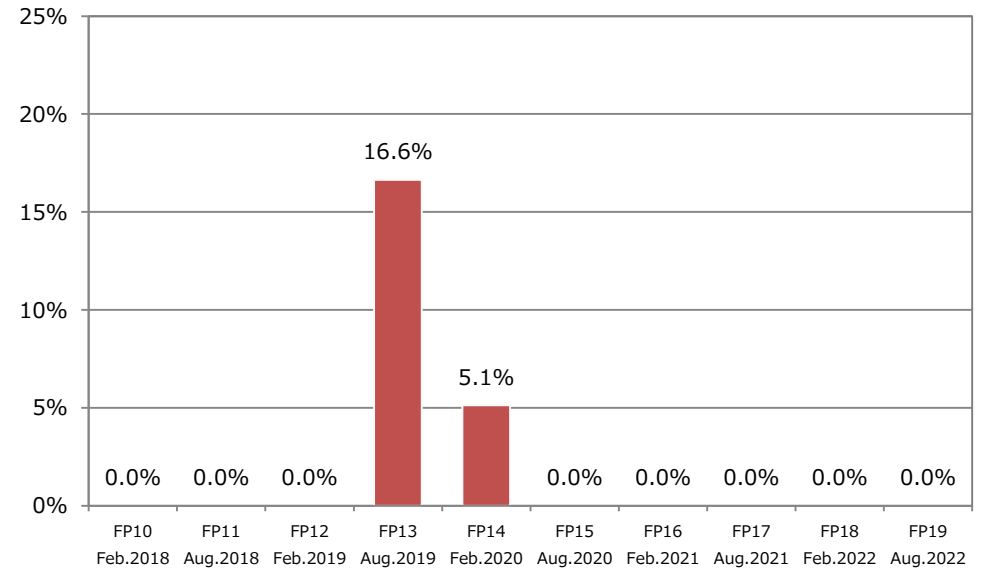
Sales at flagship properties remain in the uptrend on year-to-year basis.

Sales at flagship property

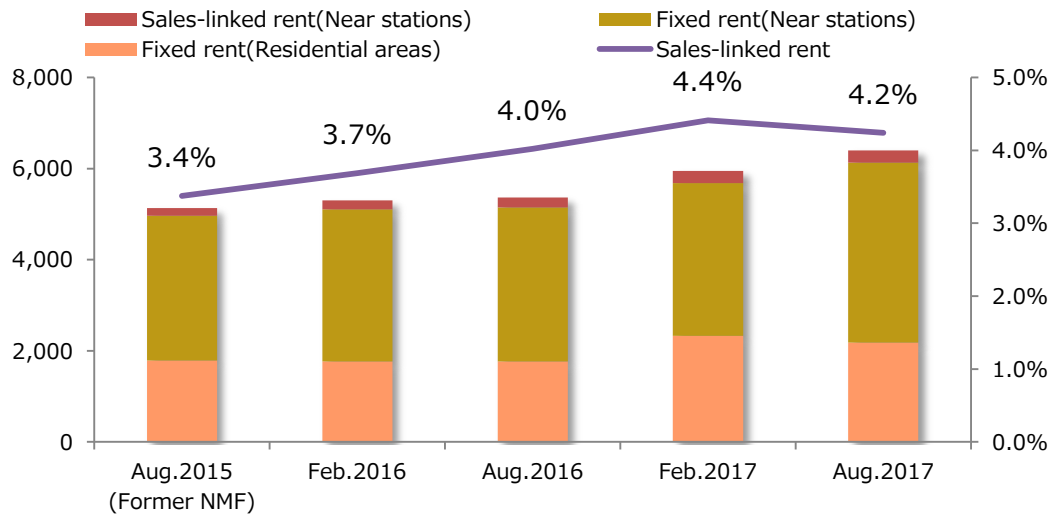
Universal CityWalk Osaka™



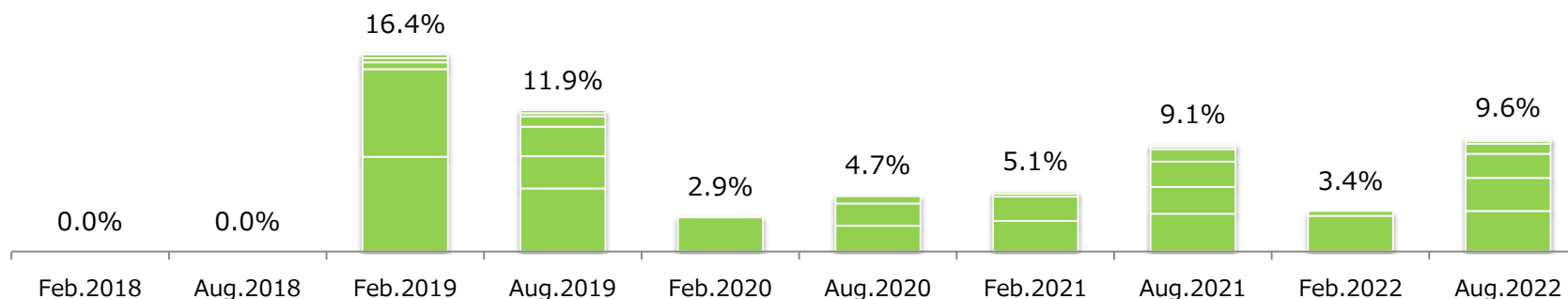
Retail located in residential area : Diversification by rent during lease period



Rental income breakdown in retail portfolio

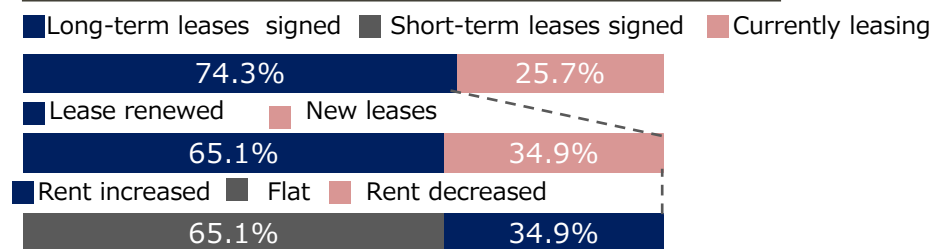


Diversification by rent in lease maturity



Contract renewal

Leasing activity for lease maturity area during 4th period



Leasing activity for lease maturity area during 5th period

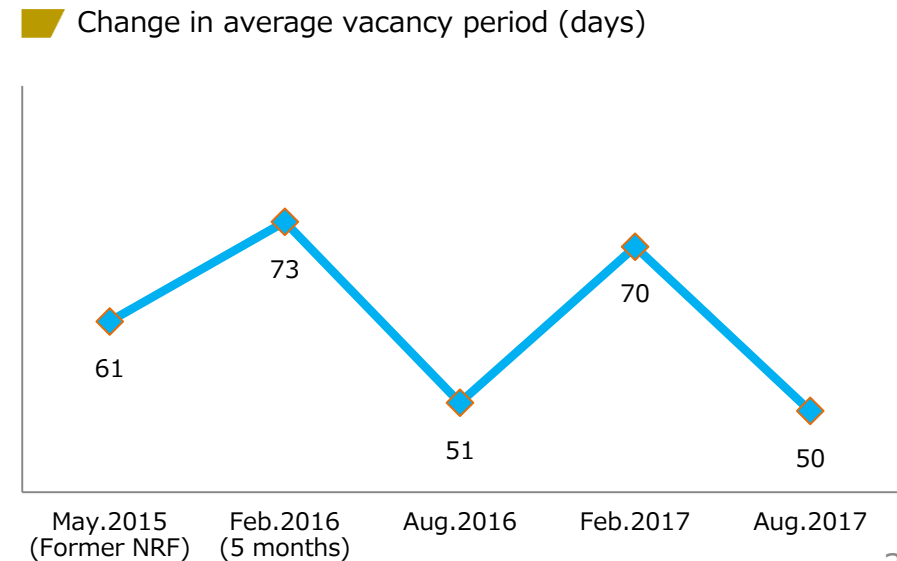
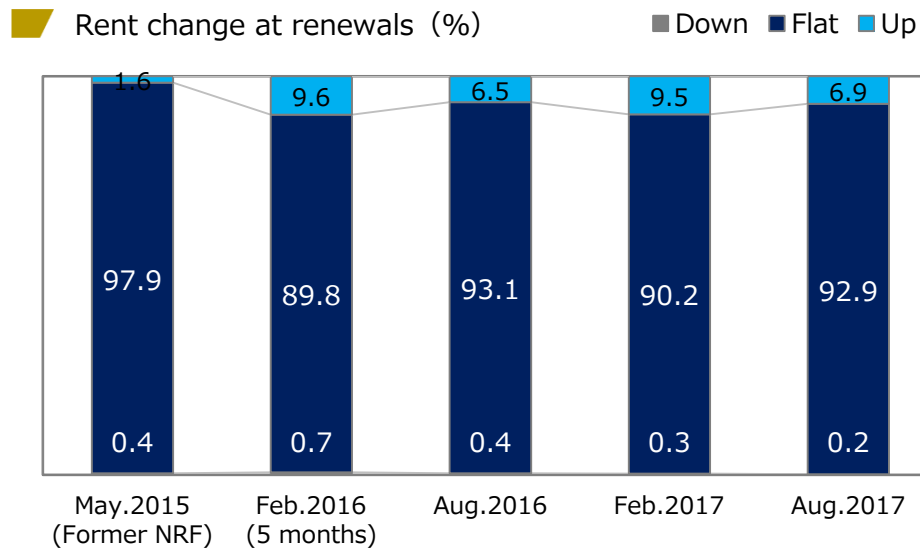
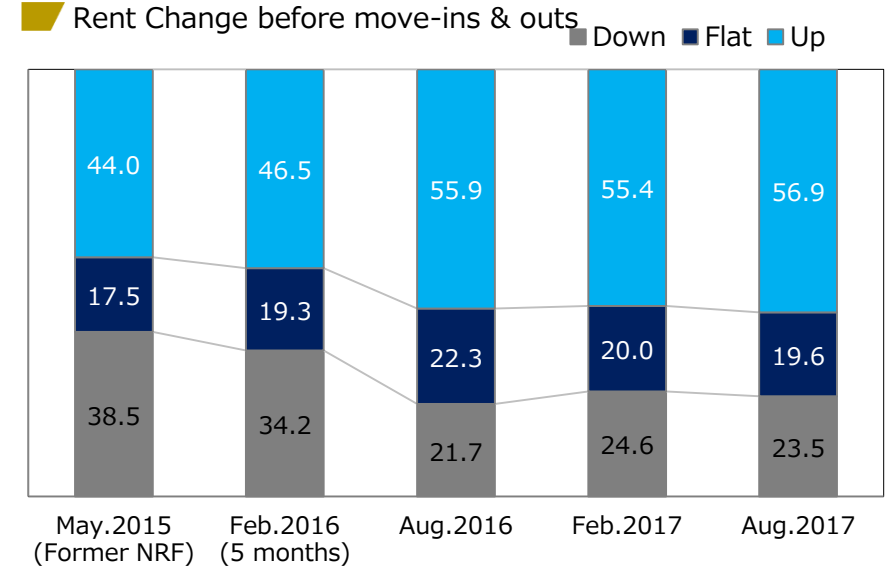
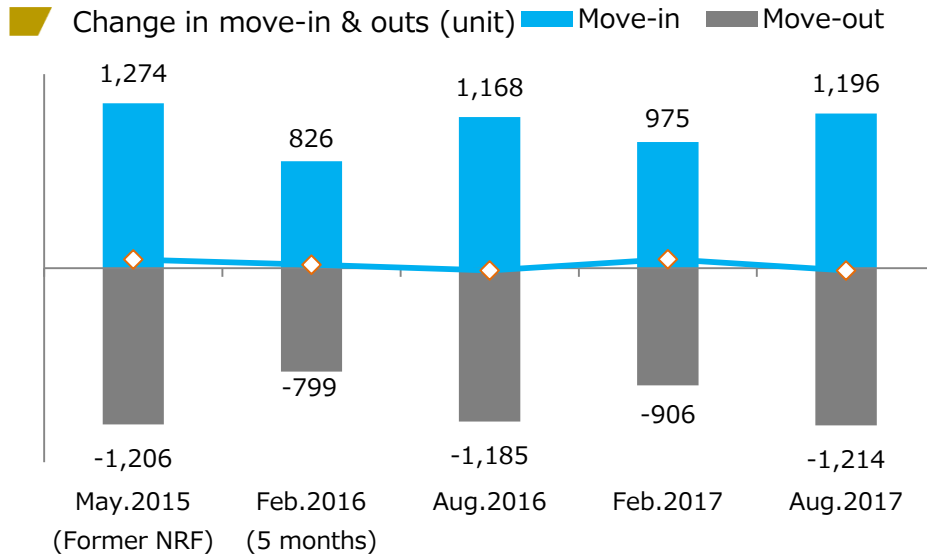
None

Rent renewals (※)

Property	Tenant	Rent type	2018年		2019年		Remarks
			Feb.	Aug.	Feb.	Aug.	
Sagamihara Tana LC	Neovia Logistics Services, LLC	Fixed					Negotiating
Funabashi LC	NTT LOGISCO Inc.	Fixed					
Hirakata Kuzuha LC	ITOCHU LOGISTICS CORP.	Fixed					
Landport Kasukabe	DIC Corporation	Fixed					

(※) Tenants expecting rent renew by Aug. 2019 period

Rent increase ratio at the time of tenant replacement remains in the uptrend



Top 10 Tenants by Leased Space

No	Tenant	Asset Type	Property Name	Leased space (㎡)	Weight in portfolio (%)
1	Nomura Real Estate Partners Co., Ltd.	Office	Shinjuku Nomura Building	200,550.35	11.0
		Office	NRE Yotsubashi Building		
		Residential	PROUD FLAT Shirokane Takanawa etc.		
2	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu	92,389.48	5.1
			Sagamihara Onodai Logistics Center		
3	Ito-Yokado Co., Ltd.	Retail	Sagamihara shopping center	60,991.12	3.4
4	Amazon Japan Logistics K.K.	Logistics	Landport Kawagoe	56,453.36	3.1
5	Neovia Logistics Services, LLC	Logistics	Sagamihara Tana Logistics Center	50,450.00	2.8
6	Yokohama Okadaya Co., Ltd.	Retail	Yokosuka More's City	48,193.96	2.7
			Kawasaki More's		
7	Nippon Express Co., Ltd.	Logistics	Kawaguchi Ryoke Logistics Center	42,840.91	2.4
8	ASKUL Corporation	Logistics	Landport Itabashi	37,276.71	2.1
9	H2O asset management Co.,Ltd.	Retail	Izumiya Senrioka	36,113.48	2.0
			Izumiya Obayashi		
10	Otsuka Warehouse Co.,Ltd.	Logistics	Landport Urayasu	35,104.40	1.9
Top 10 tenants total				660,363.77	36.3

Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Feb.2017				Aug.2017				Comparison b/w Feb.2017 and Aug.2017		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Of-T-001	Tokyo	Office	Shinjuku Nomura Building	43,900	45,760	48,100	3.7	2,339	45,813	49,100	3.7	3,286	1,000	2.1	0.0
Of-T-002	Tokyo	Office	NRE Tennozu Building	20,500	20,497	21,400	4.2	902	20,466	21,700	4.1	1,233	300	1.4	-0.1
Of-T-003	Tokyo	Office	Kojimachi Millennium Garden	26,700	26,636	27,100	4.1	463	26,586	27,200	4.0	613	100	0.4	-0.1
Of-T-004	Tokyo	Office	NOF Nihonbashi Honcho Building	10,914	10,895	11,300	4.2	404	-	-	-	-	-	-	-
Of-T-005	Tokyo	Office	Tennozu Park Side Building	12,700	12,497	12,100	3.9	-397	-	-	-	-	-	-	-
Of-T-006	Tokyo	Office	NMF Shinjuku Minamiguchi Building	10,000	10,110	10,400	4.0	289	10,151	10,600	3.9	448	200	1.9	-0.1
Of-T-007	Tokyo	Office	NMF Shibuya Koen-dori Building	10,400	10,435	10,600	3.7	164	10,444	10,600	3.7	155	0	0.0	0.0
Of-T-008	Tokyo	Office	Secom Medical Building	11,100	11,003	11,100	4.0	96	10,963	11,400	4.0	436	300	2.7	0.0
Of-T-009	Tokyo	Office	NMF Shiba Building	7,040	7,035	7,230	4.2	194	7,051	7,250	4.2	198	20	0.3	0.0
Of-T-010	Tokyo	Office	Nishi Shinjuku Showa Building	8,140	8,137	8,100	4.3	-37	8,151	8,100	4.3	-51	0	0.0	0.0
Of-T-011	Tokyo	Office	NRE Shibuya Dogenzaka Building	5,310	5,325	5,470	3.8	144	5,317	5,630	3.7	312	160	2.9	-0.1
Of-T-013	Tokyo	Office	Iwamoto-cho Toyo Building	4,050	4,061	4,080	4.0	18	4,055	4,180	3.9	124	100	2.5	-0.1
Of-T-015	Tokyo	Office	NMF Surugadai Building	4,690	4,702	4,760	4.1	57	4,702	4,890	4.0	187	130	2.7	-0.1
Of-T-016	Tokyo	Office	PMO Nihonbashi Honcho	4,320	4,250	4,630	3.8	379	4,225	4,560	3.8	334	-70	-1.5	0.0
Of-T-017	Tokyo	Office	PMO Nihonbashi Kayabacho	5,010	4,947	5,310	3.9	362	4,922	5,470	3.8	547	160	3.0	-0.1
Of-T-018	Tokyo	Office	NMF Gotanda Ekimae Building	4,430	4,583	4,790	4.5	206	4,601	4,830	4.5	228	40	0.8	0.0
Of-T-019	Tokyo	Office	NRE Higashi-nihonbashi Building	3,570	3,554	3,420	4.4	-134	3,546	3,510	4.3	-36	90	2.6	-0.1
Of-T-020	Tokyo	Office	PMO Akihabara	4,240	4,178	4,720	4.0	541	4,152	4,830	3.9	677	110	2.3	-0.1
Of-T-021	Tokyo	Office	Hatchobori NF Building	2,480	2,468	2,550	4.1	81	2,464	2,590	4.0	125	40	1.6	-0.1
Of-T-022	Tokyo	Office	NMF Kanda Iwamotocho Building	4,160	4,194	4,110	4.1	-84	4,198	4,120	4.1	-78	10	0.2	0.0
Of-T-023	Tokyo	Office	NMF Takanawa Building	2,830	2,823	2,840	4.4	16	2,819	2,900	4.3	80	60	2.1	-0.1
Of-T-024	Tokyo	Office	PMO Hatchobori	2,880	2,836	3,080	4.0	243	2,815	3,220	3.9	404	140	4.5	-0.1
Of-T-026	Tokyo	Office	PMO Nihonbashi Odenmachi	2,210	2,172	2,470	4.2	297	2,162	2,570	4.1	407	100	4.0	-0.1
Of-T-028	Tokyo	Office	PMO Higashi-nihonbashi	1,690	1,660	1,840	4.3	179	1,645	1,880	4.2	234	40	2.2	-0.1
Of-T-029	Tokyo	Office	NRE Ueno Building	6,470	6,494	6,490	4.1	-4	6,502	6,640	4.0	137	150	2.3	-0.1
Of-T-030	Tokyo	Office	NOF Technoport Kamata Center Building	4,780	4,725	4,550	5.0	-175	-	-	-	-	-	-	-
Of-T-031	Tokyo	Office	NF Hongo Building	4,890	4,869	5,170	4.5	300	4,865	5,150	4.5	284	-20	-0.4	0.0
Of-T-034	Tokyo	Office	Crystal Park Building	3,390	3,369	3,420	4.7	50	3,360	3,420	4.7	59	0	0.0	0.0
Of-T-035	Tokyo	Office	NMF Kichijoji Honcho Building	1,780	1,832	1,850	4.9	17	1,838	1,920	4.7	81	70	3.8	-0.2
Of-T-036	Tokyo	Office	Faret Tachikawa Center Square	3,850	3,854	4,100	4.8	245	3,841	4,190	4.7	348	90	2.2	-0.1
Of-T-037	Tokyo	Office	NMF Kawasaki Higashiguchi Building	7,830	7,885	8,450	4.9	564	7,898	8,860	4.8	961	410	4.9	-0.1
Of-T-038	Tokyo	Office	NMF Yokohama Nishiguchi Building	5,460	5,681	6,180	4.5	498	5,677	6,440	4.4	762	260	4.2	-0.1
Of-T-039	Tokyo	Office	NMF Shin-Yokohama Building	2,620	2,803	2,920	5.0	116	2,806	2,970	4.9	163	50	1.7	-0.1
Of-T-041	Tokyo	Office	PMO Tamachi	6,210	6,278	6,570	3.7	291	6,253	6,750	3.6	496	180	2.7	-0.1
Of-T-042	Tokyo	Office	PMO Ginza Hatchome	3,970	4,009	4,240	3.6	230	3,996	4,410	3.5	413	170	4.0	-0.1

Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Feb.2017				Aug.2017				Comparison b/w Feb.2017 and Aug.2017		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Of-T-043	Tokyo	Office	PMO Shibakoen	3,900	3,941	4,210	3.8	268	3,925	4,320	3.7	394	110	2.6	-0.1
Of-T-044	Tokyo	Office	NEC Head Office Building	44,100	44,134	44,500	3.8	365	44,184	44,500	3.8	315	0	0.0	0.0
Of-T-045	Tokyo	Office	Harumi Island Triton Square Office Tower Y	18,200	18,181	18,300	4.0	118	18,118	18,600	3.9	481	300	1.6	-0.1
Of-T-046	Tokyo	Office	NMF Aoyama 1-chome Building	10,400	10,398	10,900	3.6	501	10,419	11,700	3.4	1,280	800	7.3	-0.2
Of-T-047	Tokyo	Office	NMF Takebashi Building	8,330	8,325	8,330	4.1	4	8,320	8,540	4.0	219	210	2.5	-0.1
Of-T-048	Tokyo	Office	Harumi Island Triton Square Office Tower Z	8,180	8,161	8,140	4.0	-21	8,129	8,180	3.9	50	40	0.5	-0.1
Of-T-049	Tokyo	Office	NMF Kayabacho Building	6,070	6,055	6,100	4.3	44	6,039	6,200	4.2	160	100	1.6	-0.1
Of-T-050	Tokyo	Office	NMF Shinjuku EAST Building	5,710	5,770	5,790	4.3	19	5,744	5,790	4.2	45	0	0.0	-0.1
Of-T-051	Tokyo	Office	NMF Shiba-Koen Building	3,620	3,624	3,680	4.0	55	3,637	3,750	3.9	112	70	1.9	-0.1
Of-T-052	Tokyo	Office	NMF Ginza 4-chome Building	1,850	1,853	1,870	3.9	16	1,860	1,930	3.8	69	60	3.2	-0.1
Of-T-053	Tokyo	Office	Faret East Building	1,850	1,842	1,850	4.8	7	1,847	1,940	4.7	92	90	4.9	-0.1
Of-S-001	Other	Office	Sapporo North Plaza	6,250	6,331	6,950	5.0	618	6,325	7,080	4.9	754	130	1.9	-0.1
Of-S-002	Other	Office	NRE Sapporo Building	4,140	4,022	4,260	5.1	237	3,975	4,470	5.0	494	210	4.9	-0.1
Of-S-004	Other	Office	NMF Sendai Aoba-dori Building	2,030	2,119	2,120	5.4	0	2,160	2,160	5.4	0	40	1.9	0.0
Of-S-005	Other	Office	NOF Utsunomiya Building	2,320	2,605	2,210	5.7	-395	2,600	2,330	5.6	-270	120	5.4	-0.1
Of-S-006	Other	Office	NMF Nagoya Fushimi Building	2,240	2,179	2,190	4.7	10	2,156	2,240	4.6	83	50	2.3	-0.1
Of-S-007	Other	Office	NMF Nagoya Yanagibashi Building	2,280	2,278	2,110	5.1	-168	2,312	2,140	5.0	-172	30	1.4	-0.1
Of-S-008	Other	Office	Omron Kyoto Center Building	18,300	18,247	18,500	5.1	252	18,198	18,700	5.0	501	200	1.1	-0.1
Of-S-009	Other	Office	SORA Shin-Osaka 21	12,100	12,057	12,100	4.7	42	12,023	12,100	4.6	76	0	0.0	-0.1
Of-S-010	Other	Office	NRE Osaka Building	6,100	6,237	6,150	4.8	-87	6,326	6,200	4.7	-126	50	0.8	-0.1
Of-S-011	Other	Office	NRE Nishi-Umeda Building	3,450	3,460	3,610	4.3	149	3,475	3,630	4.3	154	20	0.6	0.0
Of-S-012	Other	Office	NRE Yotsubashi Building	4,000	4,028	4,010	4.7	-18	4,010	4,140	4.6	129	130	3.2	-0.1
Of-S-013	Other	Office	NRE Hiroshima Building	2,280	2,272	2,510	5.9	237	2,273	2,580	5.8	306	70	2.8	-0.1
Of-S-014	Other	Office	NMF Hakata Ekimae Building	4,210	4,205	4,390	5.0	184	4,191	4,630	4.9	438	240	5.5	-0.1
Of-S-015	Other	Office	NMF Tenjin-Minami Building	2,230	2,187	2,270	5.0	82	2,169	2,330	5.0	160	60	2.6	0.0
				448,654	451,095	462,490	-	11,394	422,728	442,060	-	19,331	7,520	1.6	-
Rt-T-001	Tokyo	Retail	Morisia Tsudanuma	16,600	17,675	17,500	5.0	-175	17,919	17,500	5.0	-419	0	0.0	0.0
Rt-T-002	Tokyo	Retail	Yokosuka More's City	13,640	13,728	16,000	5.1	2,271	13,805	16,300	5.0	2,494	300	1.9	-0.1
Rt-T-003	Tokyo	Retail	Recipe SHIMOKITA	10,407	10,625	10,900	4.0	274	10,588	10,900	4.0	311	0	0.0	0.0
Rt-T-004	Tokyo	Retail	Kawasaki More's	6,080	6,599	7,640	4.4	1,040	6,669	7,810	4.3	1,140	170	2.2	-0.1
Rt-T-005	Tokyo	Retail	EQUINIA Shinjuku	4,260	4,311	4,770	3.9	458	4,305	4,920	3.8	614	150	3.1	-0.1
Rt-T-006	Tokyo	Retail	EQUINA Ikebukuro	3,990	4,072	4,470	4.2	397	4,067	4,490	4.2	422	20	0.4	0.0
Rt-T-007	Tokyo	Retail	covirma machida	3,440	3,724	4,320	4.9	595	3,748	4,320	4.8	571	0	0.0	-0.1
Rt-T-008	Tokyo	Retail	Nitori Makuhari	3,080	2,900	3,670	5.1	769	2,874	3,740	5.0	865	70	1.9	-0.1
Rt-T-009	Tokyo	Retail	Konami Sports Club Fuchu	2,730	2,614	3,340	5.2	725	2,600	3,400	5.1	799	60	1.8	-0.1

Portfolio List

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					Book value (million yen)	Appraisal value (million yen)	Cap rate (%)	Gain or Loss (million yen)	Book value (million)	Appraisal value (million yen)	Cap rate (%)	Gain or Loss (million)	Appraisal value		Cap rate
													(million yen)	change(%)	change(%)
Rt-T-010	Tokyo	Retail	FESTA SQUARE	2,600	2,434	3,090	5.4	655	2,408	3,200	5.3	791	110	3.6	-0.1
Rt-T-011	Tokyo	Retail	GEMS Shibuya	2,490	2,457	2,610	4.5	152	2,446	2,660	4.4	213	50	1.9	-0.1
Rt-T-012	Tokyo	Retail	Sundai Azamino	1,700	1,600	2,020	5.3	419	1,585	2,060	5.2	474	40	2.0	-0.1
Rt-T-013	Tokyo	Retail	EQUINIA Aobadai	1,560	1,618	1,840	5.3	221	1,631	1,900	5.2	268	60	3.3	-0.1
Rt-T-014	Tokyo	Retail	Megalos Kanagawa	1,000	989	1,360	5.8	370	983	1,380	5.7	396	20	1.5	-0.1
Rt-T-015	Tokyo	Retail	Mitsubishi Motors Meguro	2,740	2,764	3,110	5.3	345	2,764	3,150	5.3	385	40	1.3	0.0
Rt-T-016	Tokyo	Retail	Mitsubishi Motors Chofu	1,760	1,776	1,780	5.2	3	1,776	1,780	5.2	3	0	0.0	0.0
Rt-T-017	Tokyo	Retail	Mitsubishi Motors Shibuya	1,570	1,586	1,690	5.0	103	-	-	-	-	-	-	-
Rt-T-018	Tokyo	Retail	Mitsubishi Motors Nerima	1,240	1,251	1,390	5.5	138	1,251	1,400	5.5	148	10	0.7	0.0
Rt-T-019	Tokyo	Retail	Mitsubishi Motors Kawasaki	950	959	1,160	6.4	200	959	1,160	6.3	200	0	0.0	-0.1
Rt-T-020	Tokyo	Retail	Mitsubishi Motors Takaido	850	859	887	5.1	27	859	886	5.1	26	-1	-0.1	0.0
Rt-T-021	Tokyo	Retail	Mitsubishi Motors Katsushika	800	808	885	5.3	76	808	884	5.3	75	-1	-0.1	0.0
Rt-T-022	Tokyo	Retail	Mitsubishi Motors Higashikurume	800	808	879	6.3	70	808	882	6.3	73	3	0.3	0.0
Rt-T-023	Tokyo	Retail	Mitsubishi Motors Setagaya	770	779	866	5.4	86	779	896	5.3	116	30	3.5	-0.1
Rt-T-024	Tokyo	Retail	Mitsubishi Motors Suginami	740	748	807	4.7	58	-	-	-	-	-	-	-
Rt-T-025	Tokyo	Retail	Mitsubishi Motors Sekimachi	600	606	664	5.5	57	606	680	5.5	73	16	2.4	0.0
Rt-T-026	Tokyo	Retail	Mitsubishi Motors Higashiyamato	450	455	502	7.9	46	455	511	7.8	55	9	1.8	-0.1
Rt-T-027	Tokyo	Retail	Mitsubishi Motors Motsumiyoshi	370	375	383	6.0	7	375	385	6.0	9	2	0.5	0.0
Rt-T-028	Tokyo	Retail	Mitsubishi Motors Kawagoe	350	355	371	5.6	15	355	376	5.5	20	5	1.3	-0.1
Rt-T-029	Tokyo	Retail	Mitsubishi Motors Edogawa	200	204	185	5.5	-19	204	185	5.5	-19	0	0.0	0.0
Rt-T-030	Tokyo	Retail	Mitsubishi Motors Sayama	160	163	172	8.2	8	163	173	8.1	9	1	0.6	-0.1
Rt-T-031	Tokyo	Retail	NRE Kichijoji Building	5,310	5,299	5,640	4.0	340	10,409	11,100	4.0	690	5,460	96.8	0.0
Rt-T-032	Tokyo	Retail	GEMS Ichigaya	2,080	2,099	2,080	3.9	-19	2,092	2,080	3.9	-12	0	0.0	0.0
Rt-T-033	Tokyo	Retail	Sagamihara Shopping Center	6,840	6,816	6,910	5.6	93	6,814	6,910	5.6	95	0	0.0	0.0
Rt-T-034	Tokyo	Retail	Musashiurawa Shopping Square	2,720	2,700	2,730	7.3	29	2,682	2,770	7.2	87	40	1.5	-0.1
Rt-T-035	Tokyo	Retail	Ito-Yokado Higashi-Narashino Store	649	644	662	5.5	17	-	-	-	-	-	-	-
Rt-T-036	Tokyo	Retail	Summit Store Naritahigashi (Land)	700	-	-	-	-	744	756	3.9	-	-	-	-
Rt-S-001	Other	Retail	Universal CityWalk Osaka	15,500	15,722	17,800	4.8	2,077	15,567	18,200	4.7	2,632	400	2.2	-0.1
Rt-S-002	Other	Retail	Izumiya Senrioka	8,930	8,659	11,100	5.2	2,440	8,606	11,200	5.1	2,593	100	0.9	-0.1
Rt-S-003	Other	Retail	Merad 大和田	6,640	6,527	7,340	6.0	812	-	-	-	-	-	-	-
Rt-S-004	Other	Retail	Izumiya Yao	4,406	4,185	5,290	5.5	1,104	4,157	5,410	5.4	1,252	120	2.3	-0.1
Rt-S-005	Other	Retail	Izumiya Obayashi	3,020	3,192	3,770	5.5	577	3,211	3,890	5.4	678	120	3.2	-0.1
Rt-S-006	Other	Retail	Ichibancho stear	4,700	4,596	5,640	4.5	1,043	4,575	5,640	4.4	1,064	0	0.0	-0.1
Rt-S-007	Other	Retail	EQUINIA Aobadori	1,640	1,492	2,010	5.1	517	1,469	2,020	5.0	550	10	0.5	-0.1
Rt-S-008	Other	Retail	MEL Building	1,060	1,057	1,120	5.5	62	1,055	1,170	5.4	114	50	4.5	-0.1
Rt-S-009	Other	Retail	nORBESA	8,500	-	-	-	-	8,618	8,540	4.9	-	-	-	-
Rt-S-010	Other	Retail	Nakaza Cui-daore Building	11,600	-	-	-	-	12,157	11,300	3.6	-	-	-	-
				172,222	152,854	171,353	-	18,498	169,968	188,914	-	18,945	7,464	4.4	-

Portfolio List

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				Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value (million yen)	Cap rate		
				(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)		change(%)	change(%)	
Lg-T-001	Tokyo	Logistics	Landport Urayasu	17,400	16,711	20,900	4.1	4,188	16,609	21,500	4.0	4,890	600	2.9	-0.1
Lg-T-002	Tokyo	Logistics	Landport Itabashi	15,710	15,167	18,800	4.3	3,632	15,086	19,200	4.2	4,113	400	2.1	-0.1
Lg-T-003	Tokyo	Logistics	Landport Kawagoe	13,700	12,844	16,100	4.8	3,255	12,711	16,500	4.7	3,788	400	2.5	-0.1
Lg-T-004	Tokyo	Logistics	Landport Atsugi	11,410	10,636	11,500	4.5	863	10,815	11,900	4.4	1,084	400	3.5	-0.1
Lg-T-005	Tokyo	Logistics	Sagamihara Tana Logistics Center	10,600	10,393	12,500	4.7	2,106	10,296	12,400	4.7	2,103	-100	-0.8	0.0
Lg-T-006	Tokyo	Logistics	Sagamihara Onodai Logistics Center	8,700	8,248	10,900	4.8	2,651	8,186	11,100	4.7	2,913	200	1.8	-0.1
Lg-T-007	Tokyo	Logistics	Landport Hachioji	8,250	7,799	9,520	4.7	1,720	7,725	9,650	4.6	1,924	130	1.4	-0.1
Lg-T-008	Tokyo	Logistics	Landport Kasukabe	7,340	6,823	8,650	4.7	1,826	6,744	8,710	4.7	1,965	60	0.7	0.0
Lg-T-009	Tokyo	Logistics	Funabashi Logistics Center	4,660	4,586	5,500	4.8	913	4,563	5,440	4.8	876	-60	-1.1	0.0
Lg-T-010	Tokyo	Logistics	Atsugi Minami Logistics Center B Tower	4,590	4,416	5,460	4.6	1,043	4,375	5,590	4.5	1,214	130	2.4	-0.1
Lg-T-011	Tokyo	Logistics	Hanyu Logistics Center	3,810	3,634	4,300	5.2	665	3,596	4,380	5.1	783	80	1.9	-0.1
Lg-T-012	Tokyo	Logistics	Kawaguchi Logistics Center B Tower	3,750	3,691	4,550	4.7	858	3,678	4,630	4.6	951	80	1.8	-0.1
Lg-T-013	Tokyo	Logistics	Kawaguchi Logistics Center A Tower	2,830	2,816	3,440	4.9	623	2,804	3,510	4.8	705	70	2.0	-0.1
Lg-T-014	Tokyo	Logistics	Atsugi Minami Logistics Center A Tower	2,690	2,622	3,320	4.6	697	2,606	3,390	4.5	783	70	2.1	-0.1
Lg-T-015	Tokyo	Logistics	Kawaguchi Ryoke Logistics Center	10,790	10,749	12,400	4.5	1,650	10,686	12,700	4.4	2,013	300	2.4	-0.1
Lg-T-016	Tokyo	Logistics	Landport Kashiwa Shonan II	10,800	10,863	11,300	4.7	436	10,817	11,400	4.7	582	100	0.9	0.0
Lg-T-017	Tokyo	Logistics	Landport Kashiwa Shonan I	9,900	-	-	-	-	9,993	10,200	4.8	206	-	-	-
Lg-S-001	Other	Logistics	Ota Nitta Logistics Center	3,430	3,112	3,750	6.2	637	-	-	-	-	-	-	-
Lg-S-002	Other	Logistics	Ota Higashishinmachi Logistics Center	2,170	1,977	2,450	6.1	472	-	-	-	-	-	-	-
Lg-S-003	Other	Logistics	Ota Kiyohara Logistics Center	650	582	728	6.1	145	-	-	-	-	-	-	-
Lg-S-004	Other	Logistics	Chiyodamachi Logistics Center	330	315	367	6.0	51	-	-	-	-	-	-	-
Lg-S-005	Other	Logistics	Hirakata Kuzuha Logistics Center	3,460	3,475	3,810	5.0	334	3,453	3,850	4.9	396	40	1.0	-0.1
				156,970	141,468	170,245	-	28,776	144,752	176,050	-	31,297	2,900	1.7	-
Rs-T-001	Tokyo	Residential	PROUD FLAT Shirokane Takanawa	3,400	3,352	3,440	4.1	87	3,333	3,440	4.1	106	0	0.0	0.0
Rs-T-002	Tokyo	Residential	PROUD FLAT Yoyogi Uehara	989	989	1,060	4.2	70	985	1,060	4.2	74	0	0.0	0.0
Rs-T-003	Tokyo	Residential	PROUD FLAT Hatsudai	713	704	760	4.3	55	700	760	4.3	59	0	0.0	0.0
Rs-T-004	Tokyo	Residential	PROUD FLAT Shibuya Sakuragaoka	750	738	688	4.2	-50	734	689	4.2	-45	1	0.1	0.0
Rs-T-005	Tokyo	Residential	PROUD FLAT Gakugei Daigaku	746	733	787	4.2	53	728	788	4.2	59	1	0.1	0.0
Rs-T-006	Tokyo	Residential	PROUD FLAT Meguro Gyoninzaka	939	926	1,010	4.2	83	920	1,010	4.2	89	0	0.0	0.0
Rs-T-007	Tokyo	Residential	PROUD FLAT Sumida Riverside	2,280	2,230	2,460	4.2	229	2,212	2,460	4.2	247	0	0.0	0.0
Rs-T-008	Tokyo	Residential	PROUD FLAT Kagurazaka	1,590	1,561	1,730	4.2	168	1,550	1,730	4.2	179	0	0.0	0.0
Rs-T-009	Tokyo	Residential	PROUD FLAT Waseda	1,110	1,088	1,190	4.2	101	1,080	1,190	4.2	109	0	0.0	0.0
Rs-T-010	Tokyo	Residential	PROUD FLAT Shinjuku Kawadacho	947	929	928	4.2	-1	923	929	4.2	5	1	0.1	0.0
Rs-T-011	Tokyo	Residential	PROUD FLAT Sangen Jaya	1,190	1,165	1,260	4.3	94	1,156	1,260	4.3	103	0	0.0	0.0
Rs-T-012	Tokyo	Residential	PROUD FLAT Kamata	1,160	1,131	1,230	4.4	98	1,121	1,230	4.4	108	0	0.0	0.0
Rs-T-013	Tokyo	Residential	PROUD FLAT Kamata II	3,320	3,246	3,200	4.5	-46	3,219	3,260	4.4	40	60	1.9	-0.1

(※1) 記載されている還元利回りは、DCF法の割引率です。

Portfolio List

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					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Rs-T-014	Tokyo	Residential	PROUD FLAT Shin-Otsuka	623	607	547	4.4	-60	602	547	4.4	-55	0	0.0	0.0
Rs-T-015	Tokyo	Residential	PROUD FLAT Kiyosumi Shirakawa	928	906	983	4.4	76	898	983	4.4	84	0	0.0	0.0
Rs-T-016	Tokyo	Residential	PROUD FLAT Monzen Nakacho II	652	638	600	4.4	-38	633	602	4.4	-31	2	0.3	0.0
Rs-T-017	Tokyo	Residential	PROUD FLAT Monzen Nakacho I	1,030	1,005	944	4.4	-61	996	948	4.4	-48	4	0.4	0.0
Rs-T-018	Tokyo	Residential	PROUD FLAT Fujimidai	1,470	1,441	1,580	4.9	138	1,431	1,630	4.8	198	50	3.2	-0.1
Rs-T-019	Tokyo	Residential	PROUD FLAT Asakusa Komagata	1,920	1,870	2,040	4.5	169	1,852	2,080	4.4	227	40	2.0	-0.1
Rs-T-020	Tokyo	Residential	PROUD FLAT Yokohama	2,090	2,039	2,170	4.6	130	2,021	2,170	4.6	148	0	0.0	0.0
Rs-T-021	Tokyo	Residential	PROUD FLAT Kamioooka	2,710	2,644	2,670	4.8	25	2,621	2,670	4.8	48	0	0.0	0.0
Rs-T-022	Tokyo	Residential	PROUD FLAT Tsurumi II	1,650	1,610	1,720	4.7	109	1,595	1,760	4.6	164	40	2.3	-0.1
Rs-T-023	Tokyo	Residential	PRIME URBAN Azabu Juban	1,100	1,098	1,140	4.3	41	1,101	1,140	4.3	38	0	0.0	0.0
Rs-T-024	Tokyo	Residential	PRIME URBAN Akasaka	938	934	955	4.2	20	934	903	4.2	-31	-52	-5.4	0.0
Rs-T-025	Tokyo	Residential	PRIME URBAN Tamachi	972	962	1,010	4.5	47	959	1,020	4.5	60	10	1.0	0.0
Rs-T-026	Tokyo	Residential	PRIME URBAN Shibaura LOFT	1,830	1,796	1,890	4.3	93	1,783	1,910	4.3	126	20	1.1	0.0
Rs-T-028	Tokyo	Residential	PRIME URBAN Yoyogi	359	352	366	4.4	13	351	366	4.4	14	0	0.0	0.0
Rs-T-029	Tokyo	Residential	PRIME URBAN Ebisu II	1,140	1,134	1,220	4.2	85	1,130	1,260	4.1	129	40	3.3	-0.1
Rs-T-030	Tokyo	Residential	PRIME URBAN Bancho	1,090	1,082	1,080	4.4	-2	1,077	1,080	4.4	2	0	0.0	0.0
Rs-T-031	Tokyo	Residential	PRIME URBAN Chiyoda Fujimi	679	669	693	4.4	23	669	629	4.4	-40	-64	-9.2	0.0
Rs-T-032	Tokyo	Residential	PRIME URBAN Iidabashi	2,040	2,010	1,990	4.4	-20	2,003	2,000	4.4	-3	10	0.5	0.0
Rs-T-033	Tokyo	Residential	PRIME URBAN Ebisu	1,260	1,251	1,280	4.5	28	1,249	1,280	4.5	30	0	0.0	0.0
Rs-T-034	Tokyo	Residential	PRIME URBAN Naka Meguro	1,410	1,397	1,440	4.3	42	1,392	1,440	4.3	47	0	0.0	0.0
Rs-T-035	Tokyo	Residential	PRIME URBAN Gakugei Daigaku	775	767	819	4.2	51	767	820	4.2	52	1	0.1	0.0
Rs-T-036	Tokyo	Residential	PRIME URBAN Senzoku	474	469	485	4.3	15	469	485	4.3	15	0	0.0	0.0
Rs-T-037	Tokyo	Residential	PRIME URBAN Meguro Riverside	414	405	440	4.2	34	402	441	4.2	38	1	0.2	0.0
Rs-T-038	Tokyo	Residential	PRIME URBAN Meguro Ohashi Hills	2,970	2,926	3,020	4.2	93	2,910	3,040	4.2	129	20	0.7	0.0
Rs-T-039	Tokyo	Residential	PRIME URBAN Meguro Aobadai	1,310	1,296	1,390	4.2	93	1,291	1,430	4.1	138	40	2.9	-0.1
Rs-T-040	Tokyo	Residential	PRIME URBAN Gakugei Daigaku II	1,080	1,068	1,140	4.2	71	1,066	1,170	4.1	103	30	2.6	-0.1
Rs-T-041	Tokyo	Residential	PRIME URBAN Naka Meguro II	2,850	2,844	2,940	4.3	95	2,838	3,030	4.2	191	90	3.1	-0.1
Rs-T-042	Tokyo	Residential	PRIME URBAN Kachidoki	2,570	2,575	2,630	4.7	54	2,573	2,640	4.7	66	10	0.4	0.0
Rs-T-043	Tokyo	Residential	PRIME URBAN Shinkawa	2,100	2,087	2,250	4.5	162	2,084	2,260	4.5	175	10	0.4	0.0
Rs-T-044	Tokyo	Residential	PRIME URBAN Nihonbashi Yokoyamacho	4,220	4,134	4,380	4.3	245	4,108	4,400	4.3	291	20	0.5	0.0
Rs-T-045	Tokyo	Residential	PRIME URBAN Nihonbashi Hamacho	1,550	1,528	1,650	4.3	121	1,520	1,710	4.2	189	60	3.6	-0.1
Rs-T-046	Tokyo	Residential	PRIME URBAN Hongo Ikizaka	557	548	590	4.3	41	545	594	4.3	48	4	0.7	0.0
Rs-T-047	Tokyo	Residential	PRIME URBAN Hakusan	866	845	929	4.2	83	840	933	4.2	92	4	0.4	0.0
Rs-T-048	Tokyo	Residential	PRIME URBAN Yotsuya Gaien Higashi	1,490	1,482	1,580	4.2	97	1,477	1,580	4.2	102	0	0.0	0.0
Rs-T-050	Tokyo	Residential	PRIME URBAN Nishi Shinjuku I	1,090	1,085	1,150	4.3	64	1,079	1,150	4.3	70	0	0.0	0.0

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					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	(%)		
Rs-T-051	Tokyo	Residential	PRIME URBAN Nishi Shinjuku II	885	871	942	4.3	70	874	954	4.2	79	12	1.3	-0.1	
Rs-T-052	Tokyo	Residential	PRIME URBAN Shinjuku Naitomachi	430	427	458	4.2	30	431	458	4.2	26	0	0.0	0.0	
Rs-T-053	Tokyo	Residential	PRIME URBAN Nishi Waseda	421	411	448	4.2	36	408	448	4.2	39	0	0.0	0.0	
Rs-T-054	Tokyo	Residential	PRIME URBAN Shinjuku Ochiai	594	595	632	4.7	36	596	633	4.7	36	1	0.2	0.0	
Rs-T-055	Tokyo	Residential	PRIME URBAN Mejiro	1,430	1,419	1,490	4.4	70	1,414	1,540	4.3	125	50	3.4	-0.1	
Rs-T-056	Tokyo	Residential	PRIME URBAN Kagurazaka	2,900	2,852	2,950	4.3	97	2,834	3,020	4.2	185	70	2.4	-0.1	
Rs-T-057	Tokyo	Residential	PRIME URBAN Sangen Jaya III	718	715	629	4.7	-86	715	629	4.7	-86	0	0.0	0.0	
Rs-T-058	Tokyo	Residential	PRIME URBAN Chitose Karasuyama	717	720	754	4.7	33	722	754	4.7	31	0	0.0	0.0	
Rs-T-060	Tokyo	Residential	PRIME URBAN Sangen Jaya	724	711	770	4.3	58	709	771	4.3	61	1	0.1	0.0	
Rs-T-061	Tokyo	Residential	PRIME URBAN Minami Karasuyama	667	653	746	4.5	92	649	747	4.5	97	1	0.1	0.0	
Rs-T-062	Tokyo	Residential	PRIME URBAN Karasuyama Galleria	549	538	573	4.4	34	534	573	4.4	38	0	0.0	0.0	
Rs-T-063	Tokyo	Residential	PRIME URBAN Karasuyama Court	338	332	357	4.4	24	329	357	4.4	27	0	0.0	0.0	
Rs-T-065	Tokyo	Residential	PRIME URBAN Chitose Funabashi	746	732	705	4.4	-27	727	710	4.4	-17	5	0.7	0.0	
Rs-T-066	Tokyo	Residential	PRIME URBAN Yoga	1,390	1,368	1,460	4.3	91	1,360	1,490	4.2	129	30	2.1	-0.1	
Rs-T-067	Tokyo	Residential	PRIME URBAN Shinagawa Nishi	494	494	520	4.7	25	492	520	4.7	27	0	0.0	0.0	
Rs-T-068	Tokyo	Residential	PRIME URBAN Osaki	1,860	1,841	1,970	4.2	128	1,832	1,990	4.2	157	20	1.0	0.0	
Rs-T-069	Tokyo	Residential	PRIME URBAN Oimachi II	1,040	1,045	1,100	4.6	54	1,042	1,100	4.6	57	0	0.0	0.0	
Rs-T-070	Tokyo	Residential	PRIME URBAN Yukigaya	951	949	975	4.7	25	946	726	4.7	-220	-249	-25.5	0.0	
Rs-T-071	Tokyo	Residential	PRIME URBAN Omori	905	886	951	4.3	64	879	951	4.3	71	0	0.0	0.0	
Rs-T-072	Tokyo	Residential	PRIME URBAN Denenchofu Minami	774	757	702	4.5	-55	751	708	4.5	-43	6	0.9	0.0	
Rs-T-073	Tokyo	Residential	PRIME URBAN Nagahara Kamiikedai	1,720	1,700	1,730	4.4	29	1,693	1,780	4.3	86	50	2.9	-0.1	
Rs-T-075	Tokyo	Residential	PRIME URBAN Nakano Kamitakada	498	487	532	4.6	44	483	538	4.6	54	6	1.1	0.0	
Rs-T-076	Tokyo	Residential	PRIME URBAN Takaido	1,060	1,054	1,120	4.8	65	1,051	1,120	4.8	68	0	0.0	0.0	
Rs-T-077	Tokyo	Residential	PRIME URBAN Nishi Ogikubo	414	408	422	4.4	13	405	422	4.4	16	0	0.0	0.0	
Rs-T-078	Tokyo	Residential	PRIME URBAN Nishi Ogikubo II	1,790	1,774	1,830	4.2	55	1,769	1,870	4.1	100	40	2.2	-0.1	
Rs-T-079	Tokyo	Residential	PRIME URBAN Otsuka	730	722	765	4.4	42	717	766	4.4	48	1	0.1	0.0	
Rs-T-080	Tokyo	Residential	PRIME URBAN Komagome	437	435	451	4.9	15	434	452	4.9	17	1	0.2	0.0	
Rs-T-081	Tokyo	Residential	PRIME URBAN Ikebukuro	3,800	3,736	3,890	4.4	153	3,713	4,000	4.3	286	110	2.8	-0.1	
Rs-T-082	Tokyo	Residential	PRIME URBAN Monzen Nakacho	2,420	2,380	2,520	4.5	139	2,366	2,530	4.5	163	10	0.4	0.0	
Rs-T-083	Tokyo	Residential	PRIME URBAN Kameido	779	760	802	4.8	41	753	803	4.8	49	1	0.1	0.0	
Rs-T-084	Tokyo	Residential	PRIME URBAN Sumiyoshi	632	617	644	4.7	26	613	647	4.7	33	3	0.5	0.0	
Rs-T-085	Tokyo	Residential	PRIME URBAN Mukojima	528	522	539	4.9	16	519	540	4.9	20	1	0.2	0.0	
Rs-T-086	Tokyo	Residential	PRIME URBAN Kinshi Koen	1,290	1,257	1,320	4.7	62	1,245	1,200	4.7	-45	-120	-9.1	0.0	
Rs-T-087	Tokyo	Residential	PRIME URBAN Kinshicho	758	746	787	5.0	40	740	708	5.0	-32	-79	-10.0	0.0	
Rs-T-088	Tokyo	Residential	PRIME URBAN Hirai	722	704	749	4.8	44	697	753	4.8	55	4	0.5	0.0	

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					(million yen)	(million yen)	(%)	(million yen)	(million)	(million yen)	(%)	(million)	(million yen)	change(%)	change(%)
Rs-T-089	Tokyo	Residential	PRIME URBAN Kasai	640	626	647	4.8	20	620	648	4.8	27	1	0.2	0.0
Rs-T-090	Tokyo	Residential	PRIME URBAN Kasai II	981	961	995	4.8	33	952	997	4.8	44	2	0.2	0.0
Rs-T-091	Tokyo	Residential	PRIME URBAN Kasai East	1,140	1,114	1,200	4.6	85	1,104	1,200	4.6	95	0	0.0	0.0
Rs-T-093	Tokyo	Residential	PRIME URBAN Itabashi Kuyakushomae	1,080	1,054	1,150	4.7	95	1,046	1,150	4.7	103	0	0.0	0.0
Rs-T-094	Tokyo	Residential	PRIME URBAN Asakusa	384	385	296	4.9	-89	384	296	4.9	-88	0	0.0	0.0
Rs-T-095	Tokyo	Residential	PRIME URBAN Machiya South Court	1,910	1,889	1,980	5.2	90	1,881	1,990	5.1	108	10	0.5	-0.1
Rs-T-096	Tokyo	Residential	PRIME URBAN Musashi Koganei	1,910	1,912	1,970	5.1	57	1,907	1,970	5.1	62	0	0.0	0.0
Rs-T-097	Tokyo	Residential	PRIME URBAN Musashino Hills	1,280	1,280	1,330	5.0	49	1,279	1,320	5.0	40	-10	-0.8	0.0
Rs-T-098	Tokyo	Residential	PRIME URBAN Koganei Honcho	791	778	838	4.9	59	774	838	4.9	63	0	0.0	0.0
Rs-T-099	Tokyo	Residential	PRIME URBAN Kumegawa	1,520	1,475	1,400	5.3	-75	1,459	1,420	5.2	-39	20	1.4	-0.1
Rs-T-100	Tokyo	Residential	PRIME URBAN Musashi Kosugi comodo	1,940	1,927	2,080	4.9	152	1,927	2,140	4.8	212	60	2.9	-0.1
Rs-T-101	Tokyo	Residential	PRIME URBAN Kawasaki	962	954	1,020	4.9	65	950	1,040	4.8	89	20	2.0	-0.1
Rs-T-102	Tokyo	Residential	PRIME URBAN Shinyurigaoka	1,020	996	1,150	4.8	153	989	1,180	4.7	190	30	2.6	-0.1
Rs-T-103	Tokyo	Residential	PRIME URBAN Tsurumi Teraya	493	488	394	5.2	-94	486	394	5.2	-92	0	0.0	0.0
Rs-T-105	Tokyo	Residential	PRIME URBAN Urayasu	804	789	840	4.8	50	783	858	4.7	74	18	2.1	-0.1
Rs-T-106	Tokyo	Residential	PRIME URBAN Gyotoku I	633	621	549	5.0	-72	616	560	4.9	-56	11	2.0	-0.1
Rs-T-107	Tokyo	Residential	PRIME URBAN Gyotoku II	730	715	653	5.0	-62	710	665	4.9	-45	12	1.8	-0.1
Rs-T-108	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae	488	481	499	4.9	17	477	509	4.8	31	10	2.0	-0.1
Rs-T-109	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae II	469	461	477	5.0	15	459	483	4.9	23	6	1.3	-0.1
Rs-T-110	Tokyo	Residential	PRIME URBAN Gyotoku III	747	736	759	5.0	22	733	776	4.9	42	17	2.2	-0.1
Rs-T-111	Tokyo	Residential	PRIME URBAN Nishi Funabashi	761	742	790	5.0	47	735	807	4.9	71	17	2.2	-0.1
Rs-T-112	Tokyo	Residential	PRIME URBAN Kawaguchi	1,580	1,552	1,670	5.2	117	1,541	1,710	5.1	168	40	2.4	-0.1
Rs-T-113	Tokyo	Residential	PROUD FLAT Hatchobori	920	951	976	4.2	24	946	999	4.1	52	23	2.4	-0.1
Rs-T-114	Tokyo	Residential	PROUD FLAT Itabashi Honcho	720	751	775	4.5	23	745	782	4.4	36	7	0.9	-0.1
Rs-T-115	Tokyo	Residential	PRIME URBAN Meguro Mita	1,058	1,133	1,110	4.1	-23	1,130	1,110	4.1	-20	0	0.0	0.0
Rs-T-116	Tokyo	Residential	Fukasawa House Towers H&I	7,140	7,112	7,310	4.2	197	7,085	7,310	4.2	224	0	0.0	0.0
Rs-T-117	Tokyo	Residential	PRIME URBAN Toyosu	5,290	5,262	5,390	4.4	127	5,236	5,390	4.4	153	0	0.0	0.0
Rs-T-118	Tokyo	Residential	PRIME URBAN Nihonbashi Kayabacho	2,850	2,842	2,890	4.3	47	2,832	2,900	4.3	67	10	0.3	0.0
Rs-T-119	Tokyo	Residential	PRIME URBAN Yoga II	1,320	1,315	1,330	4.2	14	1,311	1,330	4.1	18	0	0.0	-0.1
Rs-T-120	Tokyo	Residential	PRIME URBAN Musashi-Koganei II	1,310	1,301	1,330	4.7	28	1,292	1,360	4.6	67	30	2.3	-0.1
Rs-T-121	Tokyo Area	Residential	PRIME URBAN Gakugei Daigaku Parkfront	1,300	-	-	-	-	1,397	1,310	4.2	-87	-	-	-
Rs-T-122	Tokyo Area	Residential	PROUD FLAT Omori III	1,110	-	-	-	-	1,159	1,170	4.3	10	-	-	-
Rs-T-123	Tokyo Area	Residential	PROUD FLAT Kinshicho	785	-	-	-	-	825	858	4.3	32	-	-	-
Rs-S-001	Other	Residential	PROUD FLAT Itsutsubashi	652	629	689	5.3	59	621	710	5.2	88	21	3.0	-0.1
Rs-S-002	Other	Residential	PROUD FLAT Kawaramachi	735	707	678	5.4	-29	697	686	5.3	-11	8	1.2	-0.1
Rs-S-003	Other	Residential	PROUD FLAT Shin Osaka	1,620	1,565	1,670	5.0	104	1,545	1,700	4.9	154	30	1.8	-0.1
Rs-S-005	Other	Residential	PRIME URBAN Kita Juyo Jo	274	267	272	5.3	4	264	280	5.2	15	8	2.9	-0.1
Rs-S-006	Other	Residential	PRIME URBAN Odori Koen I	502	487	520	5.3	32	482	530	5.2	47	10	1.9	-0.1

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				(million yen)	(million yen)	(%)	(million yen)	(million)	(million yen)	(%)	(million)	(million yen)	change(%)	change(%)	
Rs-S-007	Other	Residential	PRIME URBAN Odori Koen II	334	325	343	5.3	17	322	350	5.2	27	7	2.0	-0.1
Rs-S-008	Other	Residential	PRIME URBAN Kita Juichi Jo	547	529	570	5.4	40	522	588	5.3	65	18	3.2	-0.1
Rs-S-009	Other	Residential	PRIME URBAN Miyanosawa	475	457	484	5.5	26	450	498	5.4	47	14	2.9	-0.1
Rs-S-010	Other	Residential	PRIME URBAN Odori Higashi	394	382	410	5.5	27	377	418	5.4	40	8	2.0	-0.1
Rs-S-011	Other	Residential	PRIME URBAN Chiji Kokan	249	240	264	5.4	23	236	272	5.3	35	8	3.0	-0.1
Rs-S-012	Other	Residential	PRIME URBAN Maruyama	229	221	230	5.4	8	218	237	5.3	18	7	3.0	-0.1
Rs-S-013	Other	Residential	PRIME URBAN Kita Nijuyo Jo	437	422	453	5.5	30	416	465	5.4	48	12	2.6	-0.1
Rs-S-014	Other	Residential	PRIME URBAN Sapporo Idaimae	616	596	630	5.4	33	588	643	5.3	54	13	2.1	-0.1
Rs-S-015	Other	Residential	PRIME URBAN Sapporo Riverfront	4,480	4,342	4,510	5.5	167	4,290	4,580	5.4	289	70	1.6	-0.1
Rs-S-016	Other	Residential	PRIME URBAN Kita Sanjo Dori	1,730	1,670	1,780	5.4	109	1,649	1,830	5.3	180	50	2.8	-0.1
Rs-S-017	Other	Residential	PRIME URBAN Nagamachi Icchome	1,140	1,107	1,040	5.5	-67	1,095	1,060	5.4	-35	20	1.9	-0.1
Rs-S-018	Other	Residential	PRIME URBAN Yaotome Chuo	466	455	429	5.6	-26	447	436	5.5	-11	7	1.6	-0.1
Rs-S-019	Other	Residential	PRIME URBAN Tsutsumidori Amamiya	949	953	904	5.5	-49	949	926	5.4	-23	22	2.4	-0.1
Rs-S-020	Other	Residential	PRIME URBAN Aoi	712	702	736	5.1	33	695	737	5.1	41	1	0.1	0.0
Rs-S-021	Other	Residential	PRIME URBAN Kanayama	553	536	588	5.1	51	529	595	5.0	65	7	1.2	-0.1
Rs-S-022	Other	Residential	PRIME URBAN Tsurumai	1,020	985	1,080	5.1	94	972	1,110	5.0	137	30	2.8	-0.1
Rs-S-023	Other	Residential	PRIME URBAN Kamimaezu	1,590	1,544	1,610	5.1	65	1,527	1,640	5.0	112	30	1.9	-0.1
Rs-S-024	Other	Residential	PRIME URBAN Izumi	3,770	3,666	3,970	5.0	303	3,631	4,060	4.9	428	90	2.3	-0.1
Rs-S-025	Other	Residential	PRIME URBAN Esaka I	652	635	660	4.9	24	633	674	4.8	40	14	2.1	-0.1
Rs-S-026	Other	Residential	PRIME URBAN Esaka II	794	773	829	4.9	55	769	847	4.8	77	18	2.2	-0.1
Rs-S-027	Other	Residential	PRIME URBAN Esaka III	1,190	1,151	1,140	5.0	-11	1,137	1,170	4.9	32	30	2.6	-0.1
Rs-S-028	Other	Residential	PRIME URBAN Tamatsukuri	1,020	994	1,030	5.0	35	984	1,060	4.9	75	30	2.9	-0.1
Rs-S-029	Other	Residential	PRIME URBAN Sakaisuji Honmachi	1,810	1,759	1,820	4.9	60	1,741	1,830	4.8	88	10	0.5	-0.1
Rs-S-030	Other	Residential	PRIME URBAN Hakata	588	571	610	5.2	38	566	614	5.1	47	4	0.7	-0.1
Rs-S-031	Other	Residential	PRIME URBAN Yakuin Minami	265	256	278	5.1	21	254	281	5.0	26	3	1.1	-0.1
Rs-S-032	Other	Residential	PRIME URBAN Kashii	398	383	335	5.4	-48	378	338	5.3	-40	3	0.9	-0.1
Rs-S-033	Other	Residential	PRIME URBAN Hakata Higashi	622	601	528	5.3	-73	593	529	5.2	-64	1	0.2	-0.1
Rs-S-034	Other	Residential	PRIME URBAN Chihaya	604	588	560	5.3	-28	582	567	5.2	-15	7	1.3	-0.1
Rs-S-035	Other	Residential	PRIME URBAN Chikusa	1,110	1,197	1,140	4.8	-57	1,190	1,130	4.8	-60	-10	-0.9	0.0
				184,045	178,281	185,275	-	6,993	180,569	189,976	-	9,406	1,363	0.7	-
Ot-T-001	Tokyo Area	Other	Ryotokuji University Shin-Urayasu Campus(Land)	4,900	5,136	5,100	3.9	-36	5,136	5,130	3.9	-6	30	0.6	-
				4,900	5,136	5,100	-	-36	5,136	5,130	-	-6	30	0.6	-
				966,791	928,836	994,463	-	65,626	923,155	1,002,130	-	78,974	19,277	0.8	-

Income Statement

	Ended Feb.28,2017(3rd FP)	Ended Aug.31,2017(4th FP)	Result - Forecast	
	From Sep.1, 2016 To Feb.28, 2017	From Mar.1, 2017 To Aug.31, 2017	Difference (¥ 000)	Difference Ratio(%)
	Amount (¥ 000)	Amount (¥ 000)		
Operating Revenue	34,714,978	38,139,662	3,424,683	9.9
Real Estate Rental Business Revenues	34,714,978	35,032,000	317,021	0.9
Rental Business Revenues	31,730,411	31,656,774	-73,636	-0.2
Other Rental Business Revenues	2,984,567	3,375,225	390,657	13.1
Real Estate Disposition Revenue	-	3,107,662	3,107,662	100.0
Operating Expense	23,470,183	22,403,849	-1,066,333	-4.5
Real Estate Rental Business Expenses	15,791,521	15,962,925	171,403	1.1
Repair Expenses	2,135,499	2,083,225	-52,274	-2.4
Tax and Public Dues	3,016,773	2,883,602	-133,170	-4.4
Depreciation and Amortization	4,757,368	4,862,343	104,974	2.2
Other Rental Business Expenses	5,881,880	6,133,754	251,874	4.3
Impairment loss	269,797	-	-269,797	-100.0
Asset management fees	2,783,114	3,063,128	280,014	10.1
Merger expenses	1,374,890	-	-1,374,890	-100.0
Amortization of goodwill	2,622,242	2,622,242	-	-
Other operating expenses	628,616	755,552	126,935	20.2
Operating profit	11,244,795	15,735,812	4,491,016	39.9
Non-operating revenues	23,832	24,939	1,106	4.6
Non-operating expenses	2,596,068	2,569,949	-26,119	-1.0
Interest Expenses and other financial costs	2,589,135	2,563,266	-25,869	-1.0
Other Non-Operating Expenses	6,932	6,682	-250	-3.6
Ordinary Income	8,672,559	13,190,803	4,518,243	52.1
Net Income Before Tax	8,672,559	13,190,803	4,518,243	52.1
Corporate Income Tax, etc.	1,604	605	-999	-62.3
Net Income	8,670,955	13,190,198	4,519,242	52.1
Retained earnings brought forward	2,257,132	1,547,638	-709,494	-31.4
Retained earnings at end of period	10,928,087	14,737,836	3,809,748	34.9

Distributions		12,666,517	12,704,165	37,648	0.3
Distributions per unit	(yen)	(3,028)	(3,037)	9	0.3
Distributions of earnings		8,671,628	12,704,165	4,032,537	46.5
Distributions of earnings per unit	(yen)	(2,073)	(3,037)	964	46.5
Allowance for temporary difference		2,702,301	-	-2,702,301	-100.0
Allowance for temporary difference per unit	(yen)	(646)	-	-646	-100.0
Other distributions in excess of net earnings		1,292,587	-	-1,292,587	-100.0
Other distributions in excess of net earnings	(yen)	(309)	-	-309	-100.0

NOI Analysis by Sector

Office

	Ended Feb.28,2017(3rd FP)	Ended Aug.31,2017(4th FP)	4th FP - 3rd FP	
	From Sep.1, 2016 To Feb.28, 2017	From Mar.1, 2017 To Aug.31, 2017	Amount (¥ 000)	Ratio (%)
Property related revenues	16,653,589	15,986,925	-666,663	-4.0
Rental revenues	15,179,494	14,495,864	-683,630	-4.5
Other rental revenues	1,474,095	1,491,061	16,966	1.2
property related expenses	7,366,024	7,121,494	-244,530	-3.3
Property management costs	1,051,452	971,795	-79,656	-7.6
Property management fees	339,806	350,757	10,951	3.2
Property and other taxes	1,756,020	1,614,166	-141,853	-8.1
Utility expenses	1,075,927	1,117,342	41,415	3.8
Casualty insurance	21,718	21,017	-701	-3.2
Repairs and maintenance	939,668	955,804	16,135	1.7
Land rents	106,499	106,482	-16	-0.0
Depreciation	1,442,766	1,431,415	-11,351	-0.8
Other rental expenses	632,165	552,713	-79,452	-12.6
Real estate rental profits	9,287,565	8,865,431	-422,133	-4.5
NOI	10,730,331	10,296,846	-433,484	-4.0

Retail

	Ended Feb.28,2017(3rd FP)	Ended Aug.31,2017(4th FP)	4th FP - 3rd FP	
	From Sep.1, 2016 To Feb.28, 2017	From Mar.1, 2017 To Aug.31, 2017	Amount (¥ 000)	Ratio (%)
Property related revenues	6,827,755	7,546,217	718,461	10.5
Rental revenues	5,946,068	6,401,887	455,818	7.7
Other rental revenues	881,687	1,144,330	262,643	29.8
property related expenses	3,331,157	3,442,322	111,165	3.3
Property management costs	290,165	357,515	67,349	23.2
Property management fees	175,498	177,032	1,533	0.9
Property and other taxes	524,161	488,436	-35,724	-6.8
Utility expenses	471,510	619,512	148,002	31.4
Casualty insurance	7,811	8,215	404	5.2
Repairs and maintenance	554,294	371,756	-182,538	-32.9
Land rents	101,552	101,552	0	0.0
Depreciation	843,080	909,563	66,482	7.9
Other rental expenses	363,081	408,737	45,655	12.6
Real estate rental profits	3,496,598	4,103,895	607,296	17.4
NOI	4,339,678	5,013,458	673,779	15.5

Logistics

	Ended Feb.28,2017(3rd FP)	Ended Aug.31,2017(4th FP)	4th FP - 3rd FP	
	From Sep.1, 2016 To Feb.28, 2017	From Mar.1, 2017 To Aug.31, 2017	Amount (¥ 000)	Ratio (%)
Property related revenues	5,044,381	5,112,310	67,929	1.3
Rental revenues	4,807,966	4,836,473	28,506	0.6
Other rental revenues	236,415	275,837	39,422	16.7
property related expenses	2,224,840	2,352,637	127,797	5.7
Property management costs	140,974	155,783	14,808	10.5
Property management fees	79,707	78,167	-1,540	-1.9
Property and other taxes	400,947	447,217	46,270	11.5
Utility expenses	167,660	189,581	21,920	13.1
Casualty insurance	8,609	9,011	402	4.7
Repairs and maintenance	219,917	226,362	6,444	2.9
Land rents	-	-	-	-
Depreciation	1,188,158	1,215,152	26,993	2.3
Other rental expenses	18,864	31,361	12,497	66.3
Real estate rental profits	2,819,540	2,759,673	-59,867	-2.1
NOI	4,007,699	3,974,825	-32,874	-0.8

Residential

	Ended Feb.28,2017(3rd FP)	Ended Aug.31,2017(4th FP)	4th FP - 3rd FP	
	From Sep.1, 2016 To Feb.28, 2017	From Mar.1, 2017 To Aug.31, 2017	Amount (¥ 000)	Ratio (%)
Property related revenues	6,085,952	6,283,245	197,293	3.2
Rental revenues	5,693,582	5,819,250	125,667	2.2
Other rental revenues	392,370	463,995	71,625	18.3
property related expenses	2,869,225	3,039,798	170,572	5.9
Property management costs	210,387	212,785	2,398	1.1
Property management fees	306,516	349,107	42,590	13.9
Property and other taxes	335,644	327,382	-8,261	-2.5
Utility expenses	91,987	86,595	-5,392	-5.9
Casualty insurance	7,577	7,754	176	2.3
Repairs and maintenance	421,618	529,302	107,684	25.5
Land rents	-	-	-	-
Depreciation	1,283,362	1,306,212	22,850	1.8
Other rental expenses	212,130	220,658	8,528	4.0
Real estate rental profits	3,216,726	3,243,446	26,720	0.8
NOI	4,500,088	4,549,659	49,570	1.1

Balance Sheet

Assets

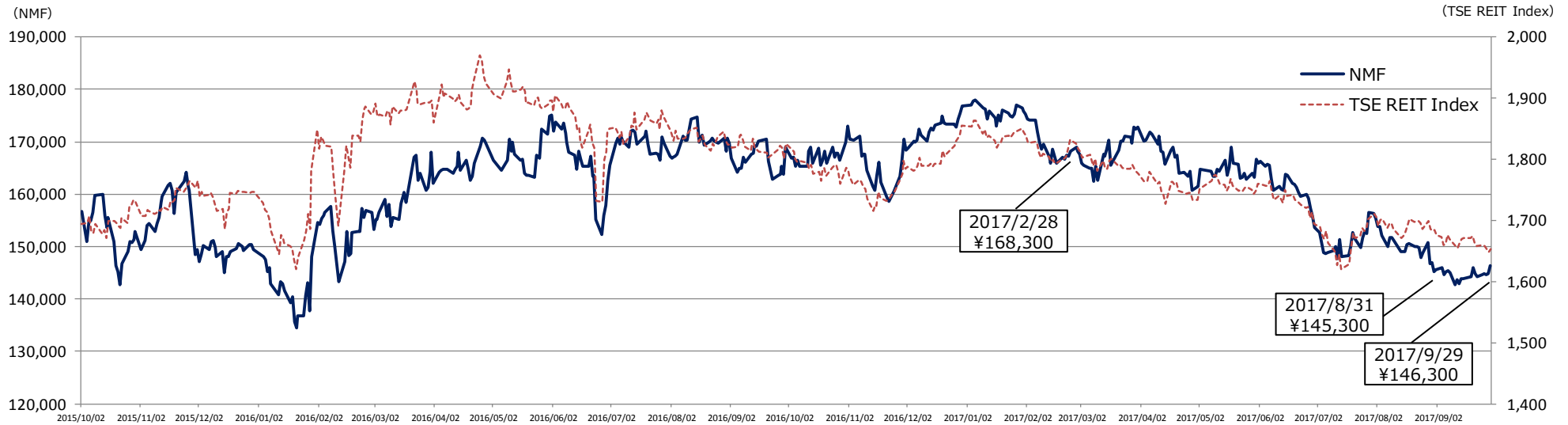
	3rd Fiscal Period as of Feb.28, 2017		4th Fiscal Period as of Aug. 31, 2017	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Assets	75,180,347	6.8	73,304,471	6.7
Cash and Cash Equivalents	59,843,132	5.4	58,143,774	5.3
Cash and Cash Equivalent in Trust	13,487,906	1.2	13,083,900	1.2
Other Current Assets	1,849,309	0.2	2,076,796	0.2
Fixed Assets	1,030,777,780	93.2	1,022,504,578	93.3
Tangible Fixed Assets	920,262,769	83.2	914,575,096	83.5
Real Estate	302,337,511	27.3	327,122,728	29.9
Building	108,351,368	9.8	112,317,114	10.2
Land	193,986,142	17.5	214,805,613	19.6
Real Estate in Trust	617,903,078	55.9	587,447,139	53.6
Building in Trust	182,452,794	16.5	172,275,288	15.7
Land in Trust	435,437,175	39.4	415,162,899	37.9
Leased assets	13,108	0.0	8,950	0.0
Construction in progress	22,179	0.0	5,229	0.0
Intangible Fixed Assets	107,316,156	9.7	104,689,719	9.6
Goodwill	98,698,194	8.9	96,075,951	8.8
Leasehold rights	951,943	0.1	951,943	0.1
Leasehold rights in trust	7,629,150	0.7	7,628,763	0.7
Other	36,867	0.0	33,060	0.0
Investment and Other Assets	3,198,853	0.3	3,239,761	0.3
Investment securities	-	-	-	-
Long-term Repaid Expenses	1,600,245	0.1	1,692,616	0.2
Long-term deposits	533,241	0.0	566,019	0.1
Security Deposits	956,753	0.1	945,753	0.1
Derivatives Assets	108,612	0.0	35,372	0.0
Deferred Assets	21,038	0.0	19,666	0.0
Investment Corporation Bond Issuing Expenses	21,038	0.0	19,666	0.0
Total Assets	1,105,979,166	100.0	1,095,828,716	100.0

Liabilities & Net assets

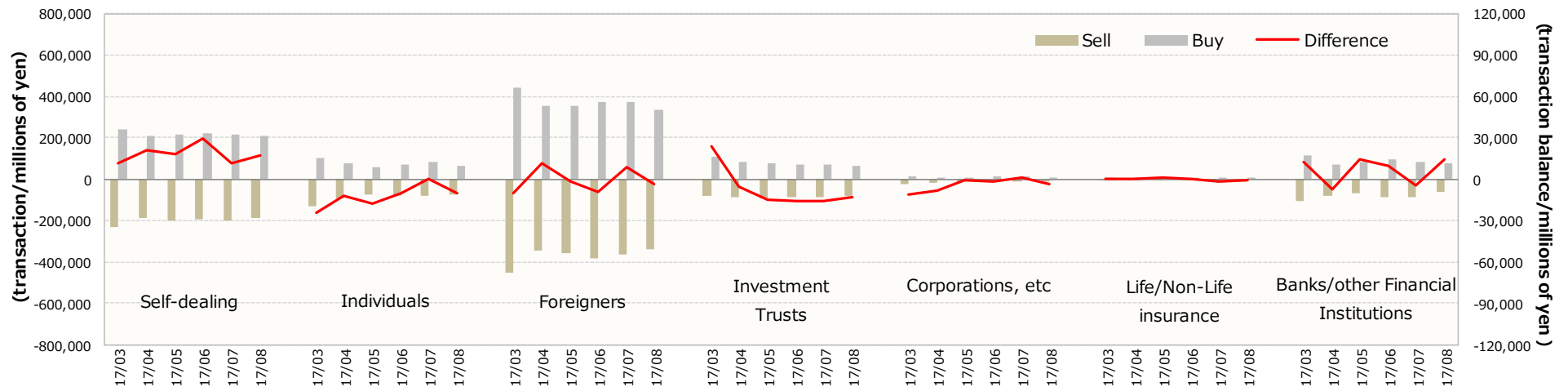
	3rd Fiscal Period as of Feb.28, 2017		4th Fiscal Period as of Aug. 31, 2017	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current liabilities	94,899,417	8.6	70,536,637	6.4
Trade Accounts Payable	2,410,374	0.2	3,078,364	0.3
Short-term debt	5,000,000	0.5	-	-
Current portion of Investment corporation	9,000,000	0.8	4,000,000	0.4
Current portion of long-term debt	69,975,600	6.3	54,760,600	5.0
Lease obligations in trust	8,651	0.0	6,630	0.0
Other accounts payable	2,294,599	0.2	1,536,890	0.1
Accrued expenses	361,542	0.0	333,666	0.0
Accrued income taxes	1,549	0.0	605	0.0
Accrued consumption taxes	-	-	1,227,566	0.1
Rent Received in Advance	5,083,681	0.5	4,942,249	0.5
Unearned revenue	366,627	0.0	300,134	0.0
Derivatives liabilities	98,865	0.0	50,648	0.0
Other current liabilities	297,925	0.0	299,281	0.0
Fixed Liabilities	454,975,337	41.1	468,643,035	42.8
Investment Corporation Bonds	18,500,000	1.7	18,500,000	1.7
Long-term Loans	396,308,400	35.8	411,480,600	37.5
Lease obligations in trust	5,395	0.0	2,956	0.0
Long-term advanced received	713,190	0.1	574,827	0.1
Security deposits from tenants	8,776,373	0.8	9,107,525	0.8
Security deposits from tenants in trust	29,116,596	2.6	27,467,719	2.5
Derivatives liabilities	1,555,380	0.1	1,509,405	0.1
Total liabilities	549,874,755	49.7	539,179,673	49.2
Total liabilities	557,650,045	50.4	558,173,725	50.9
Unitholders' capital	161,883,752	14.6	162,592,573	14.8
Surplus	395,766,292	35.8	395,581,151	36.1
Capital surplus	394,012,959	35.6	394,012,959	36.0
Allowance for temporary difference adjustments	-5,374,246	-0.5	-7,367,727	-0.7
Other deduction from capital surplus	-3,800,508	-0.3	-5,801,916	-0.5
Total deduction from capital surplus	-9,174,754	-0.8	-13,169,643	-1.2
Retained earnings	10,928,087	1.0	14,737,836	1.3
Valuation and translation adjustments	-1,545,633	-0.1	-1,524,682	-0.1
Valuation and translation adjustments	-	-	-	-
Deferred gains or losses on hedges	-1,545,633	-0.1	-1,524,682	-0.1
Total net assets	556,104,411	50.3	556,649,043	50.8
Total liabilities and net assets	1,105,979,166	100.0	1,095,828,716	100.0

Changes in Investment Unit Price

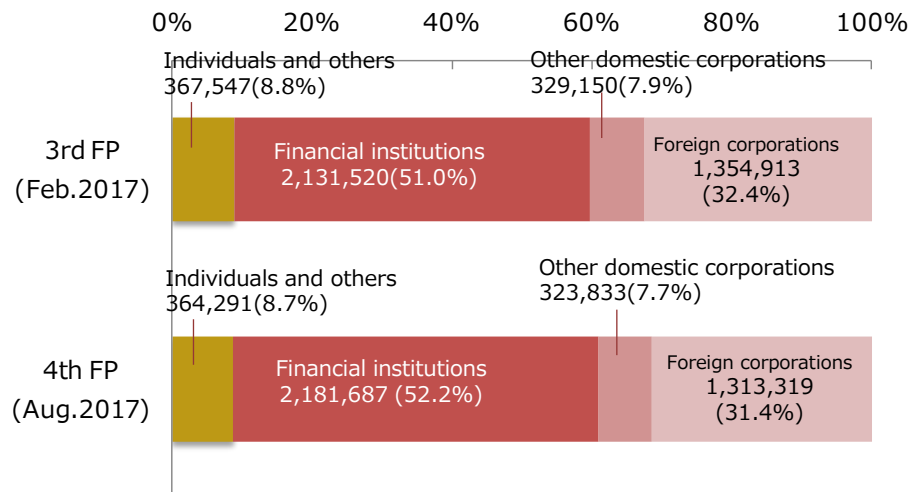
Changes in investment unit price



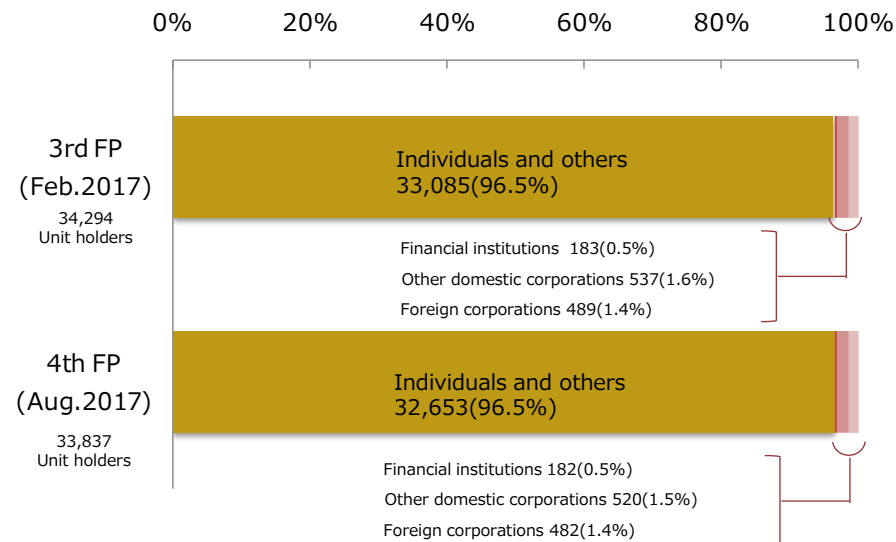
J-REIT market : Trading volume by investor type



Number of investment units (total 4,183,130 units)



Number of unitholders



Breakdown of financial institutions

	Feb. 2017 (3rd Period)		Aug. 2017 (4th Period)	
Banks	133,352	3.2%	134,326	3.2%
Trust Banks	1,810,626	43.3%	1,853,244	44.3%
Life Insurance Companies	39,033	0.9%	39,780	1.0%
Non-Life Insurance Companies	27,350	0.7%	25,469	0.6%
Other Financial Institutions	121,159	2.9%	128,868	3.1%
Total	2,131,520	51.0%	2,181,687	52.2%

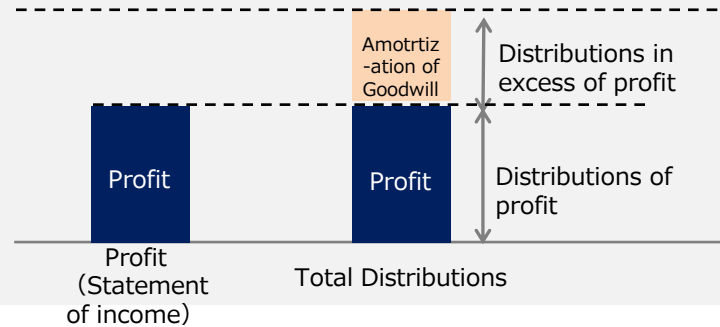
Top 10 unitholders

	Unitholders	Unit	Ratio
1	Japan Trustee Services Bank, Ltd.	894,314	21.38%
2	The Master Trust Bank of Japan, Ltd.	407,922	9.75%
3	Trust & Custody Services Bank, Ltd.	317,891	7.60%
4	Nomura Real Estate Development Co., Ltd.	210,671	5.04%
5	The Nomura Trust and Banking Co., Ltd.	164,166	3.92%
6	NOMURA BANK (LUXEMBOURG) S. A.	109,848	2.63%
7	STATE STREET BANK WEST CLIENT - TREATY 505234	108,689	2.60%
8	STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	79,635	1.90%
9	STATE STREET BANK AND TRUST COMPANY 505012	63,961	1.53%
10	STATE STREET BANK AND TRUST COMPANY 505223	58,622	1.40%
	Total	2,415,719	57.75%

Internal Reserves Equivalent to Gain on Sale

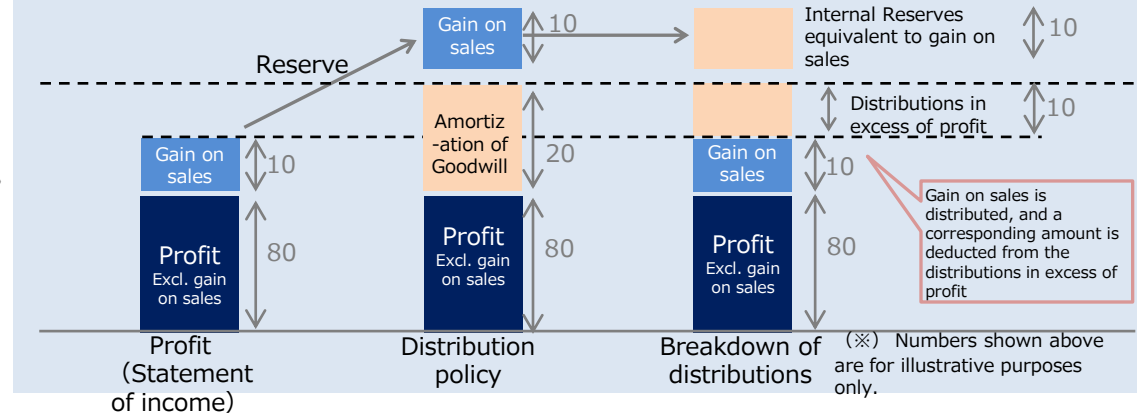
Basic distribution policy

Distribute net income + amortization of goodwill

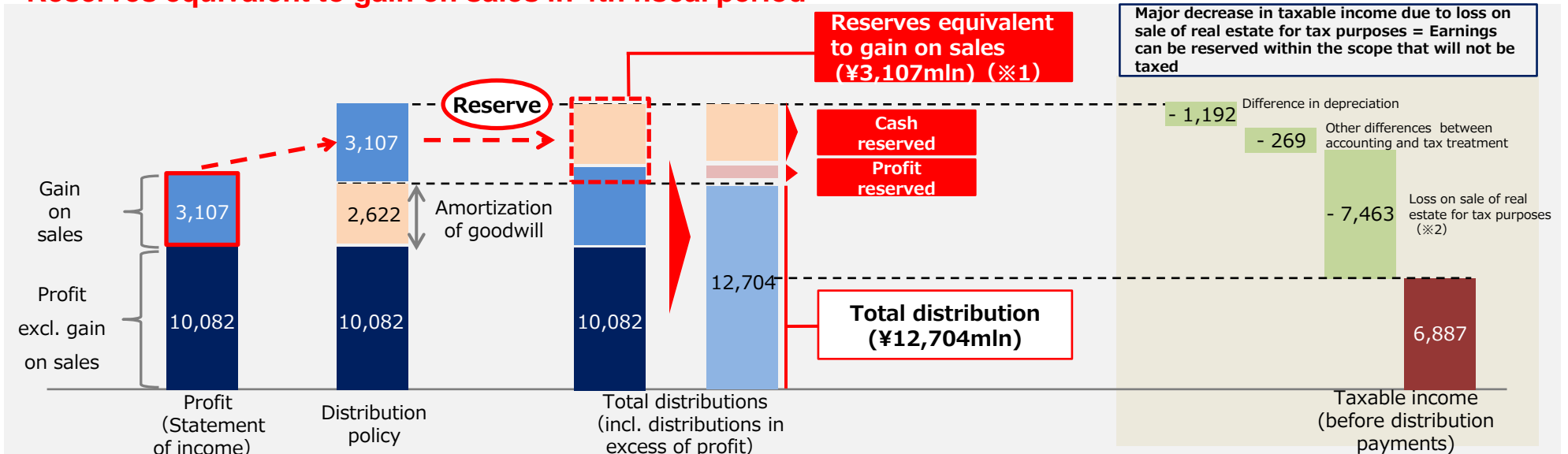


Distribution Policy if there is gain on sale of real estate

Distributions in excess of profit may be adjusted to retain cash of an amount equivalent to gain on sale of real estate to promote stable medium- to long-term management



Reserves equivalent to gain on sales in 4th fiscal period



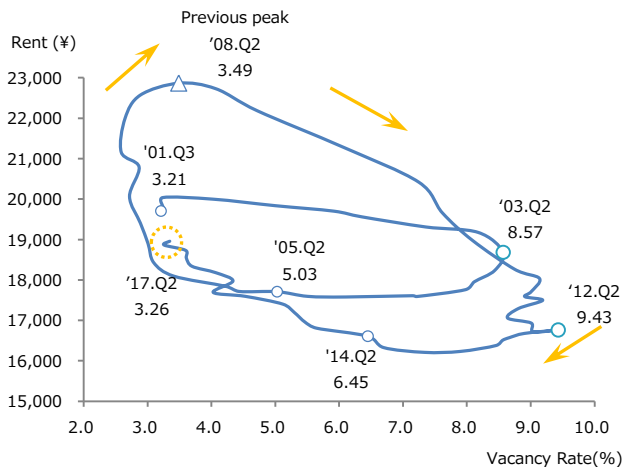
(*) When there is a gain on sales, NMF's policy is, in principle, to set aside an amount equivalent to the gain that is not more than the amount of goodwill amortization expenses as reserves within the scope that will not be subject to income tax. For the 4th fiscal period, NMF will reserve earnings in excess of the amount of distributions in excess of net income (distribution reducing unitholders' capital for tax purposes), but because it recorded a loss on sales for tax purposes and other decreases, it does not expect the reserves equivalent to the period's gain on sales to be taxed.

(**) Because a property's book value for tax purposes is the book value used by absorbed companies prior to their mergers, property sales may result in a loss on sale for tax purposes even when they result in a gain on sale for accounting purposes.

Market Review ~Leasing Market~

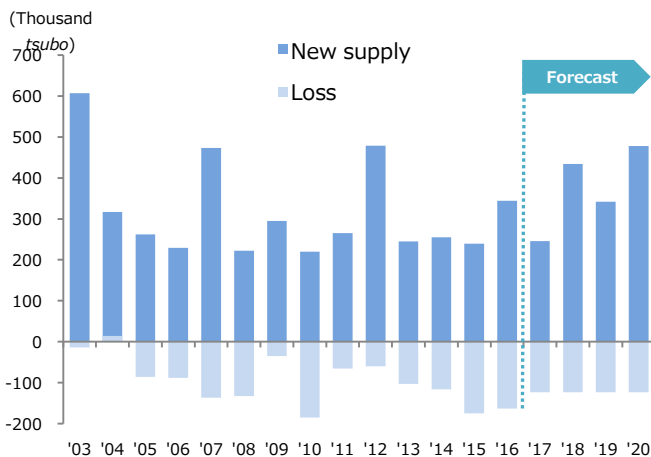
Office

Rent and Vacancy Rate Matrix (Tokyo Central Five Wards)



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

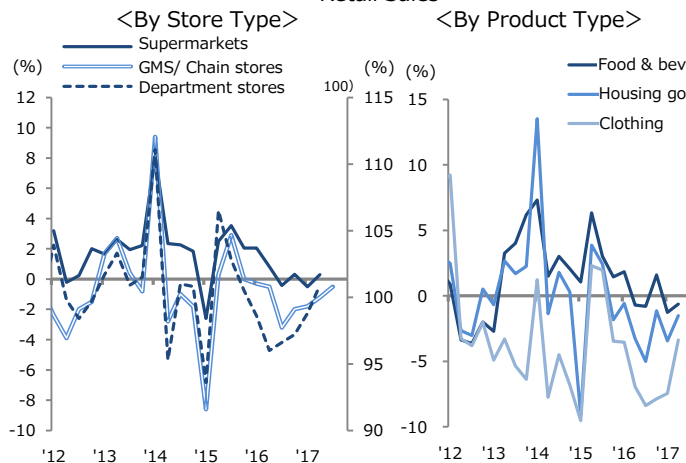
Supply of Office Buildings in Tokyo Five Central Wards



Source: Prepared by NREAM based on data from Miki Shoji Co., Ltd.
*Estimates of floor area demolished from NREAM

Retail

Retail Sales



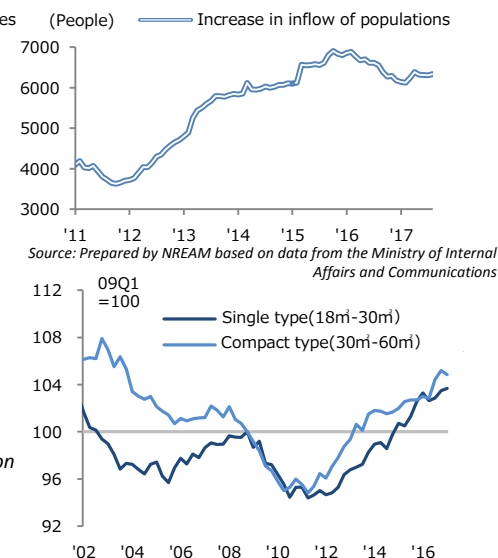
Source: Prepared by NREAM based on data from the Ministry of Economy, Trade and Industry and the Japan Chain Store Association

Source: Prepared by NREAM based on data from the Japan Chain Store Association

Residential

Upper graph: Net Population Inflow (Tokyo Metropolitan)

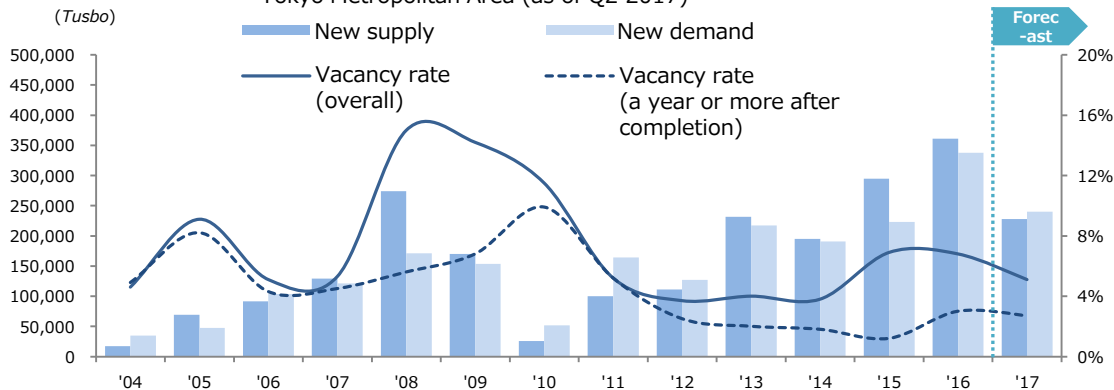
Bottom graph: Rental Condominium Rent Index (Tokyo's 23 wards)



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

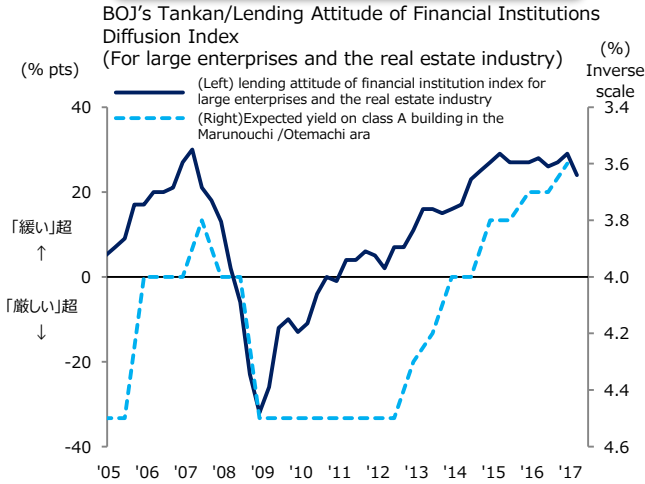
Logistics

Large-Scale Rental Logistics Facility Supply and Demand in the Tokyo Metropolitan Area (as of Q2 2017)



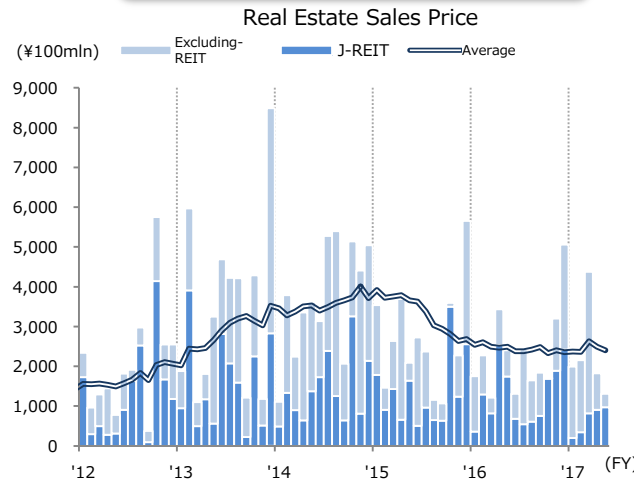
*Forecasts are for years ending December 31. Source: Prepared by NREAM based on data from CBRE

Expected Yield



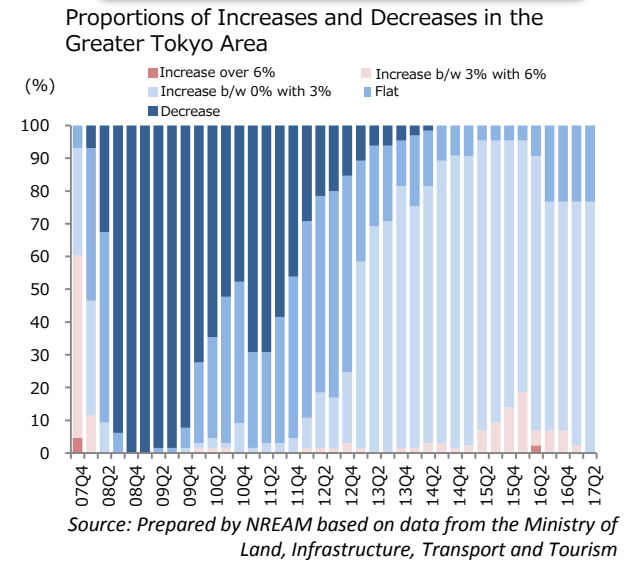
Source: Prepared by NREAM based on data from the Bank of Japan and the Japan Real Estate Institute

Transaction Volume



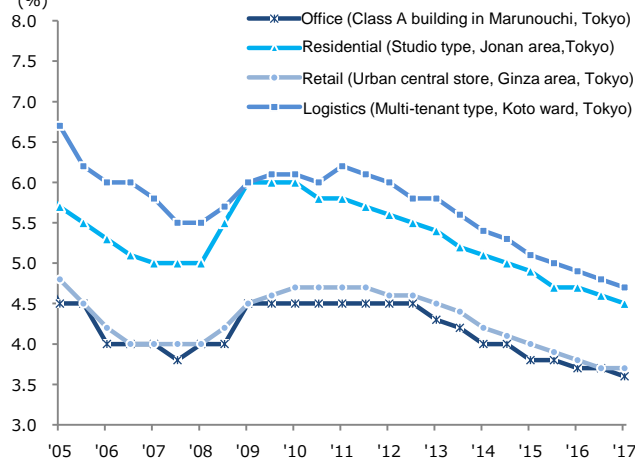
Sources: Prepared by NREAM based on data from Nikkei Business Publications, Inc. (Deal Search database) and the disclosure materials of J-REITs

Land Price/Construction Cost



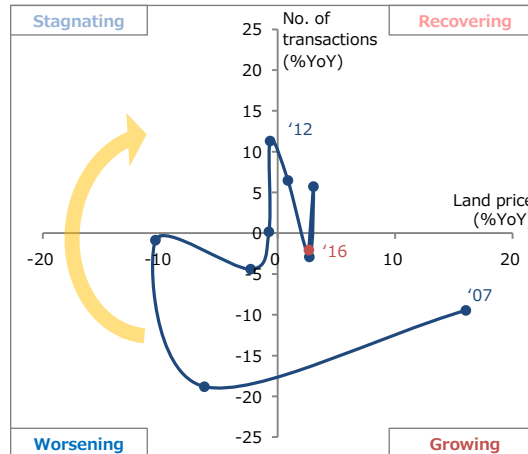
Source: Prepared by NREAM based on data from the Ministry of Land, Infrastructure, Transport and Tourism

Real Estate Investors' Expected Yield by Sector



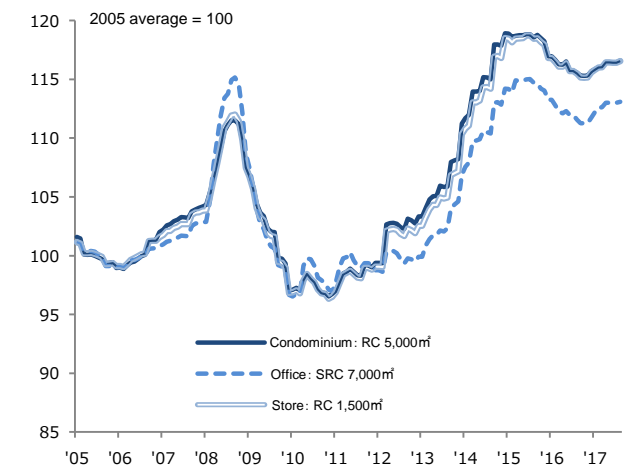
Source: Prepared by NREAM based on data from the Japan Real Estate Institute

Tokyo's Real Estate Transaction/Pricing Cycle



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

Change in Construction Cost by Sector



Source: Prepared by NREAM based on construction cost indicator data from the Construction Research Institute

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