



MASTER  
FUND

Nomura Real Estate Master Fund, Inc.

# Investor Presentation

Fiscal Period Ended February 2018

April 18, 2018

# MASTER FUND





<b>1. Public Offering</b>		<b>7. APPENDIX</b>	
• Overview of the 1st Public Offering	5	• Changes in Various Indices	30
<b>2. Financial Highlights</b>		• Portfolio Summary (as of February 28, 2018)	33
• Financial Highlights for February 2018 (5th) Period	8	• Portfolio Management	34
• Summary of Main Indicators	10	• Asset Management Status - Office -	35
<b>3. External Growth</b>		• Asset Management Status - Retail -	36
• Acquisitions and Dispositions in February 2018(5th) Period	11	• Asset Management Status - Logistics -	37
• Track Record of Sponsor Support by Leasing Value Chain	14	• Asset Management Status - Residentail -	38
• Track Record of Growth since Inception	15	• New Acquisitions (1st PO)	39
<b>4. Internal Growth</b>		• Strong Sponsor Pipelines for External Growth	45
• Internal Growth – Management Status –	17	• Mid- to Long-term Management Strategy - Growth Phase -	47
• Appraisal Valuation	21	• Top 10 Tenants by Leased Space	48
• ESG Initiatives	22	• Portfolio List	49
<b>5. Financial Status</b>		• Profit and Loss	56
• Financial Status	25	• NOI Analysis by Sector	57
<b>6. Earning Forecast</b>		• Balance Sheet	58
• Earning Forecast for Aug.2018 (6th) and Feb.2019(7th) Fiscal period	29	• Changes in Unit Price	59
• Organization and IR Activities	30	• Unitholders	60
		• Internal Reserves Equivalent to Gain on Sale	61
		• Market Review	62



# Public Offering



# Overview of the 1<sup>st</sup> Public Offering - 1 -

**Implemented the Fund's first public offering in February 2018. Promoting our strategy in our growth phase by acquiring prime properties totaling ¥33.4 billion.**

## Highlights

- The 1<sup>st</sup> public offering for sustainable growth in our growth phase (Feb. 2019 FP distribution forecast **+2.7%**)
- Despite the softened market, the Fund obtained approximately 6.6 times demand highly evaluated by increase in distribution and its external growth strategy focusing on the Sponsor developed properties
- Commencement of investment in hotels
- Built up the new branding strategy of the Fund at the same time as the transition to the growth phase

## Summary

Offering type	Domestic
Total number of units offered (incl. Third-party Allotment)	138,670 units
Total number of units issued and outstanding after Third-party Allotment	4,321,800 units
Issue price (Offer price)	¥137,474
Amount to be paid (Issue value)	¥133,125
Launch date	Feb.1, 2018
Pricing date	Feb.13, 2018
Payment date (Third-party Allotment)	Mar.1, 2018 (Mar.20, 2018)
Total amount to be paid (incl. Third-party Allotment)	18.46 billion

## Changes in Main Indicators

	The end of August 2017 Fiscal Period	Acquisition	Disposition	Public Offering	After Public Offering (at the end of April 2018)
Asset size	¥927.3 billion	16.5 billion	23.4 billion	33.4 billion	<b>¥955.9 billion</b>
Number of property	268	5	2	10	281
Average NOI Yield	5.1%	4.2%	5.1%	4.4%	5.0%
Average Building Age	19.0 years	3.5 years	36.0 years	2.6 years	18.4 years
Greater Tokyo Ratio	82.0%	100%	100%	89.2%	82.1%
Distribution per unit	Feb.2018 Forecast ¥3,020	→			Aug. 2018 Forecast <b>¥ 3,081 (+2.0%)</b>
LTV	44.6%				Feb. 2019 Forecast <b>¥ 3,102 (+2.7%)</b> <b>44.4%</b>

(\*) Average building age for 10 properties acquired at public offering is the same figure as that on the PPM.

# Overview of the 1<sup>st</sup> Public Offering - 2 -

Acquired properties recently developed by the Sponsor in greater Tokyo area

Investment unit price outperformed TSE REIT index by 0.63pt (PMO:¥6.4bln, LP:¥15.3bln, PF:¥8.0bln)

## New Acquisitions

Property Name	Sector	Location	Acquisition Price (¥/mln)	Appraisal Value (¥/mln)	Appraisal NOI Yield (%)	Acquisition Date
PMO Nihonbashi Mitsukoshi-mae	Office	Chuo Ward Tokyo	4,310	4,520	3.5%	2018/4/2
PMO Shibadaimon	Office	Minato Ward Tokyo	2,130	2,180	3.9%	2018/4/2
Lp Hachioji II	Logistics	Hachioji City Tokyo	9,230	9,310	4.4%	2018/3/1
Lp Iwatsuki	Logistics	Saitama City Tokyo	6,090	6,110	4.5%	2018/3/1
PF Yoyogi Hachiman	Residential	Shibuya Ward Tokyo	966	1,000	4.4%	2018/4/2
PF Sangenjaya II	Residential	Setagaya Ward Tokyo	2,750	2,800	4.4%	2018/4/2
PF Sotokanda	Residential	Chiyoda Ward Tokyo	2,280	2,370	4.4%	2018/4/2
PF Nakaochiai	Residential	Shinjuku Ward Tokyo	844	873	4.6%	2018/4/2
PF Noborito	Residential	Kawasaki City Kanagawa	1,216	1,260	5.1%	2018/4/2
Watermark Hotel Sapporo	Hotel	Sapporo City Hokkaido	3,600	3,850	5.1%	2018/3/5
Total/Average			33,416	34,273	4.4%	

Average building age : 2.6yrs (\*)  
Greater Tokyo area : 89.2%

Sponsor developed properties



PMO Nihonbashi Mitsukoshi-mae



Landport Hachioji II



PROUD FLAT Sangenjaya II

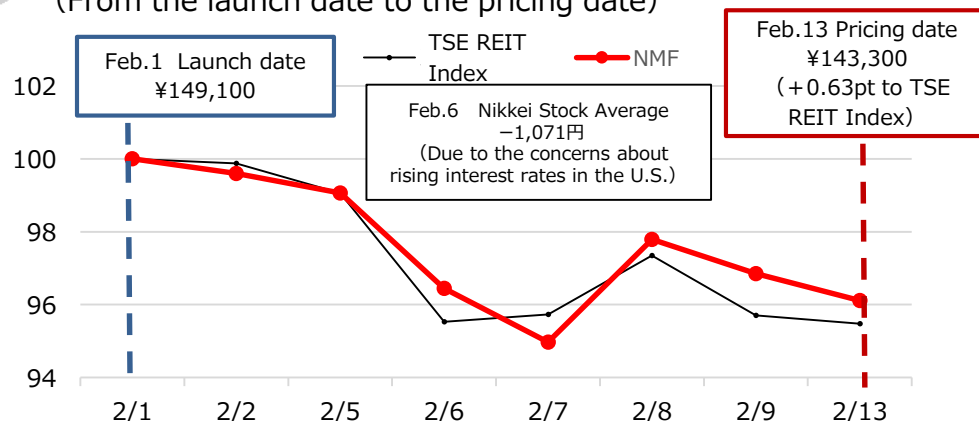
Other property



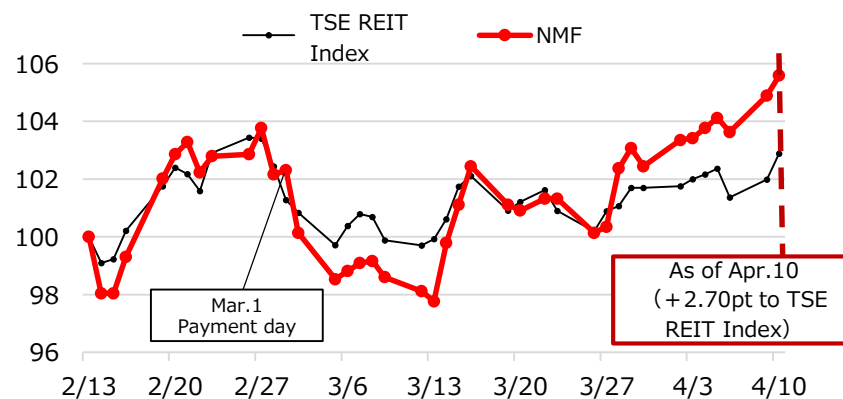
Watermark Hotel Sapporo

(\*) Average building age is the same figure as that on the PPM.

## Changes in Investment Unit Price (From the launch date to the pricing date)



## Changes in Investment Unit Price (Since the pricing date)





## **Financial Highlights**



# Financial Highlights for February 2018 (5th) Period

**DPU : ¥3,047 (+¥27 above forecast)**

(¥ mln)

	Ended Feb.28,2018 (5th FP) Forecasts (A)	Ended Feb.28,2018 (5th FP) Result (B)	Differences (B)-(A)
Operating Revenue	33,365	34,218	853
Rental revenues	30,551	30,724	172
Other rental revenues	2,810	2,907	97
Gain on sales of real estate	3	587	583
Operating Expense	20,860	21,006	145
Rental Business Expenses	14,652	14,785	133
Repair Expenses	1,548	1,758	209
Tax and Public Dues	2,700	2,699	-1
Depreciation and Amortization	4,752	4,737	-15
Others	5,651	5,590	-60
Asset management fees	2,960	3,007	46
Amortization of goodwill	2,622	2,622	-
Other operating expenses	625	591	-34
Operating profit	12,504	13,212	708
Non-operating revenues	-	12	12
Non-operating expenses	2,487	2,509	21
Interest Expenses and other financial costs	2,479	2,457	-22
Investment units issuance costs	-	42	42
Other non-operating expenses	8	9	0
Ordinary income	10,016	10,715	698
Net income	10,015	10,714	699
Net income(excluding realized gain)	10,011	10,127	115
Earnings a	10,286	10,976	690
Distribution in excess of profit b	2,346	1,769	-577
Total distributions a+b	12,633	12,745	112
Internal reserves	3	587	583
Total Internal reserves	3,111	3,694	583
DPU	3,020	3,047	27
Distributions of earnings	2,459	2,624	165
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences]	295	284	-11
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings]	266	139	-127
Total assets	1,085,296	1,089,820	4,523
Acquisition price	922,128	922,568	440
Interest-bearing debt□	482,698	486,198	3,500
LTV	44.5%	44.6%	0.1%
Market Capitalization	-	612,410	-
NOI	23,461	23,583	121
FFO	17,388	17,489	100

► Main factors accounting for differences between forecasts and results in 5<sup>th</sup> FP (¥mln)

## ■ Net Income (excl. Gain on sales) **+115**

### ■ Rental Business profit/loss **+136**

#### ① Rental business profit/loss of existing properties

(1) Rental revenues **(+246)**  
 • Increase in rent revenues and common area charges **+181**

• Incurrence of settlement and penalty fee **+65**

(2) Rental Expenses **(-135)**  
 • Increase in repair expenses **-213**  
 (Restoration work costs -69  
 Emergency preventive maintenance costs -37  
 Renovation cost ⇒ Repair costs-50 )

• Decrease in PM fee (revised fee etc.) **+29**

#### ② Rental business profit/loss of acquired/disposed properties **(+26)**

• Increase in rental revenues **+24**  
 • Decrease in rental expenses **+2**

### ■ Operating expenses excluding rental expenses **-12**

• Increase in asset management fee **-46**  
 • Decrease in other expenses **+34**

### ■ Non-operating profit/loss **-9**

• Decrease in interest expenses, other financial costs **+22**  
 • Investments units issuance costs **-42**

### ■ Gain on sales of real estates, etc. (Internal reserve) **+583**

• Gain on sale of Funabashi LC, etc.

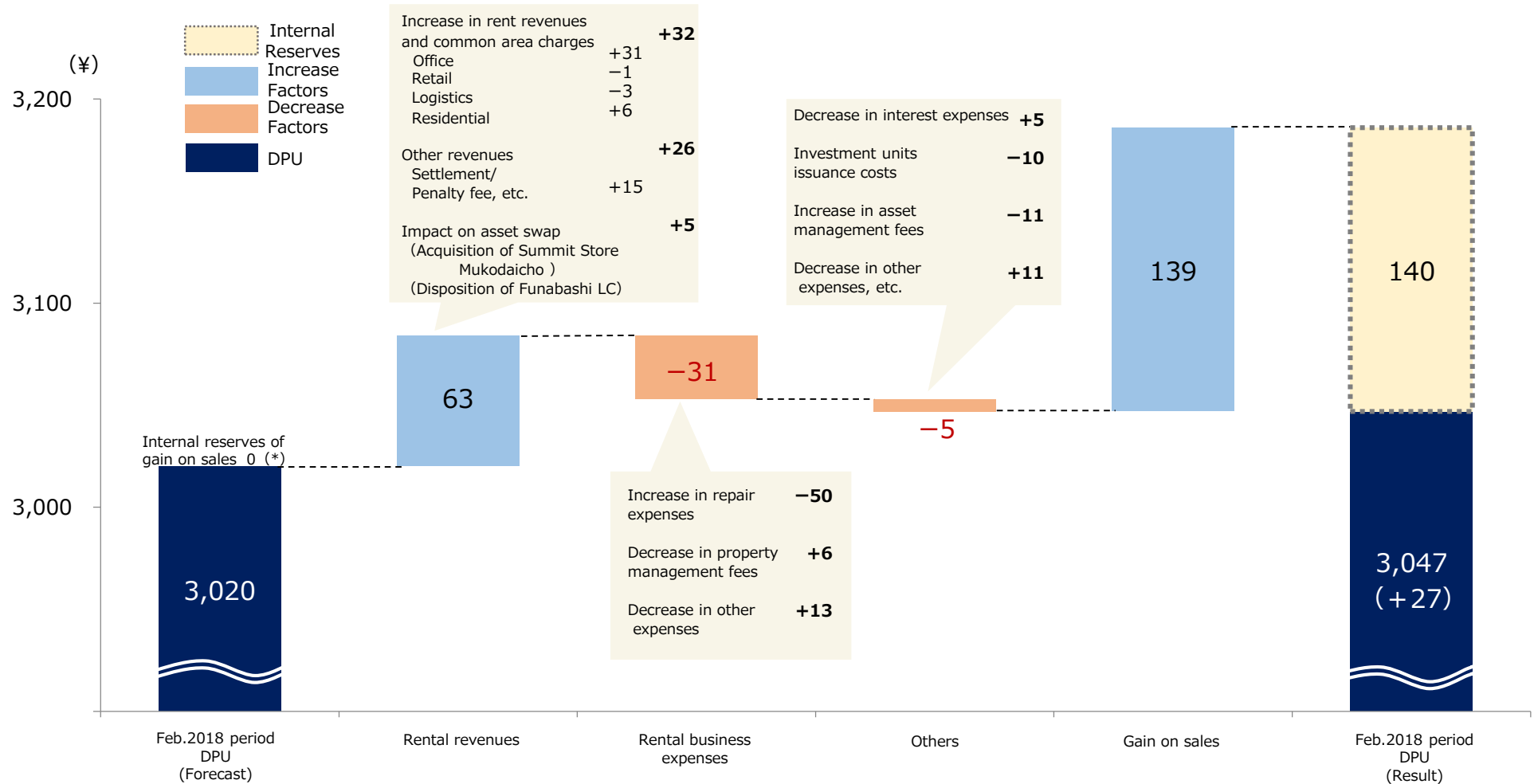
※ “+” and “-” indicates the impact on the net income in Feb.2018 period



# Financial Highlights for February 2018 (5<sup>th</sup> )Period

## ► Factors in change of DPU (¥/ Unit)

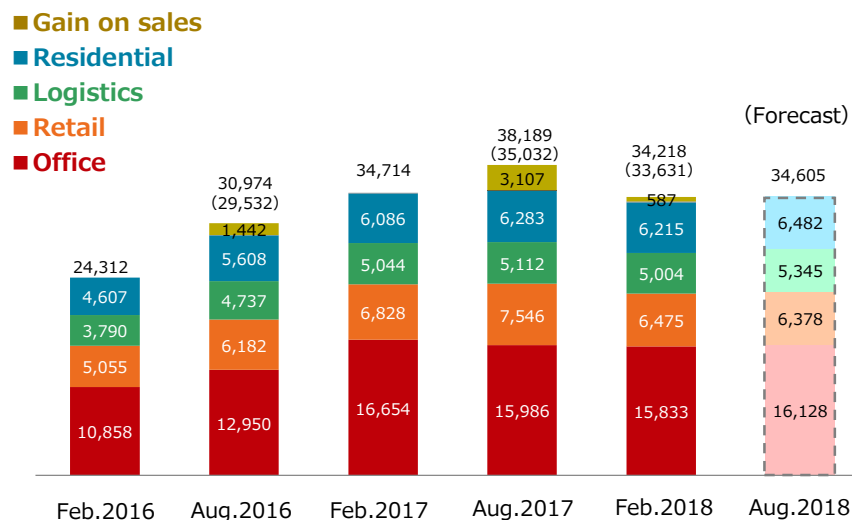
5<sup>th</sup> FP ended February 2018



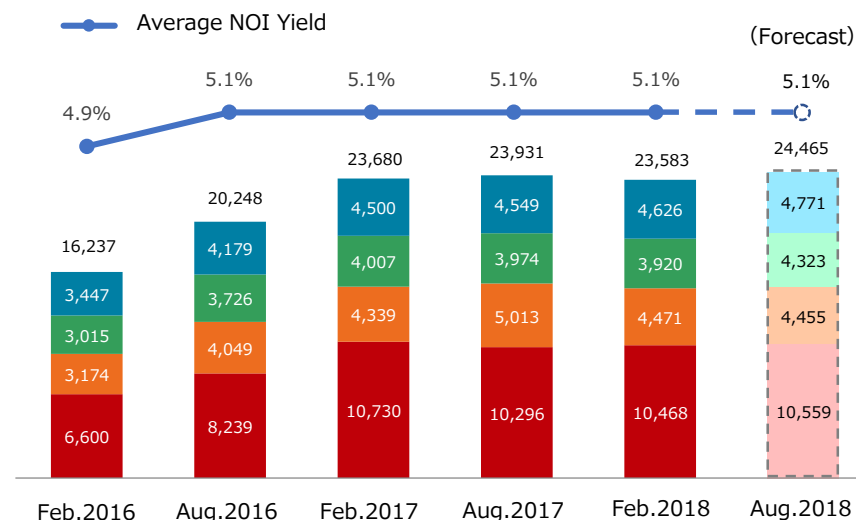
(\*) In February 2018 period forecasts, it was assumed to internally reserved the realized gain of three million yen for Morisia Tsudanuma (¥0 per unit)

# Summary of Main Management Indicators

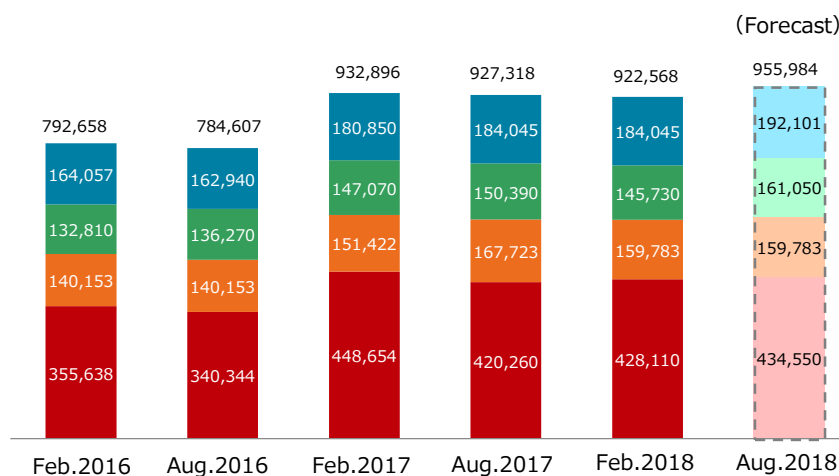
## Operating revenue(mln) ( ) shown total price excluding gain on sales



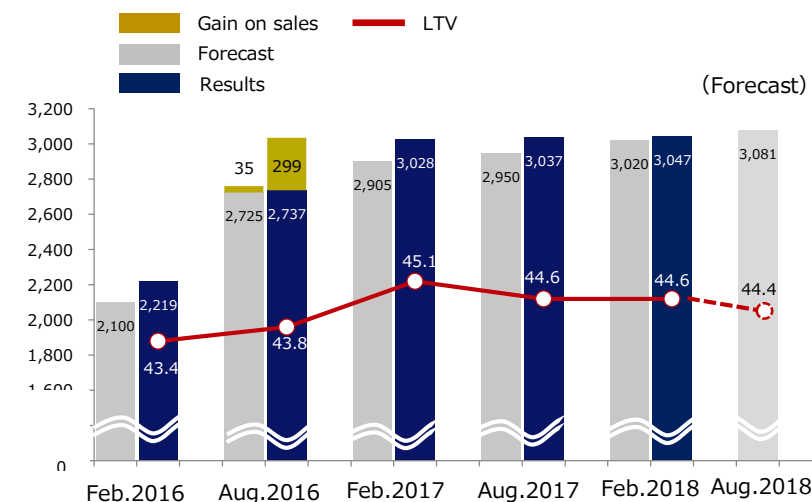
## NOI( ¥ mln)



## 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 "Hotel" and "Other".





## **External Growth**



# Acquisitions and Dispositions in February 2018(5th) Period

Enhanced the portfolio quality by asset swap

## Acquisitions



PMO Shin Nihonbashi  
¥4,440mln  
Acquired on Sep.29,2017



PMO Hirakawa-cho  
¥3,410mln  
Acquired on Sep.29,2017



GEMS Daimon  
¥2,060mln  
Acquired on Sep.29,2017



GEMS Kanda  
¥1,500mln  
Acquired on Sep.29,2017

Transactions  
with the  
sponsor



## Dispositions



Morisia Tsudanuma (38.9 yrs old)  
¥18,000mln  
Disposed on Sep.29,2017



Property Name	Summit Store Mukodaicho
Acquisition Price	¥5,100 million
Location	3-5-74 Mukodaicho, Nishi-Tokyo City,Tokyo
Floor Area	10,659.55㎡
Completion Date	March 19,2009
Acquisition Date	November 30,2017

A rare retail store in the residential area

It is expected to stable sales as it is located near the category one exclusive district for low-rise residential buildings which has limited new store openings due to an architectural regulation.



Funabashi LC (26.3 yrs old)  
¥5,480mln  
Disposed on Jan.19,2018

Realized gain of approximately  
¥570mil was internally reserved.  
⇒Total internal reserves  
¥3.69bil(¥854/unit)(\*)

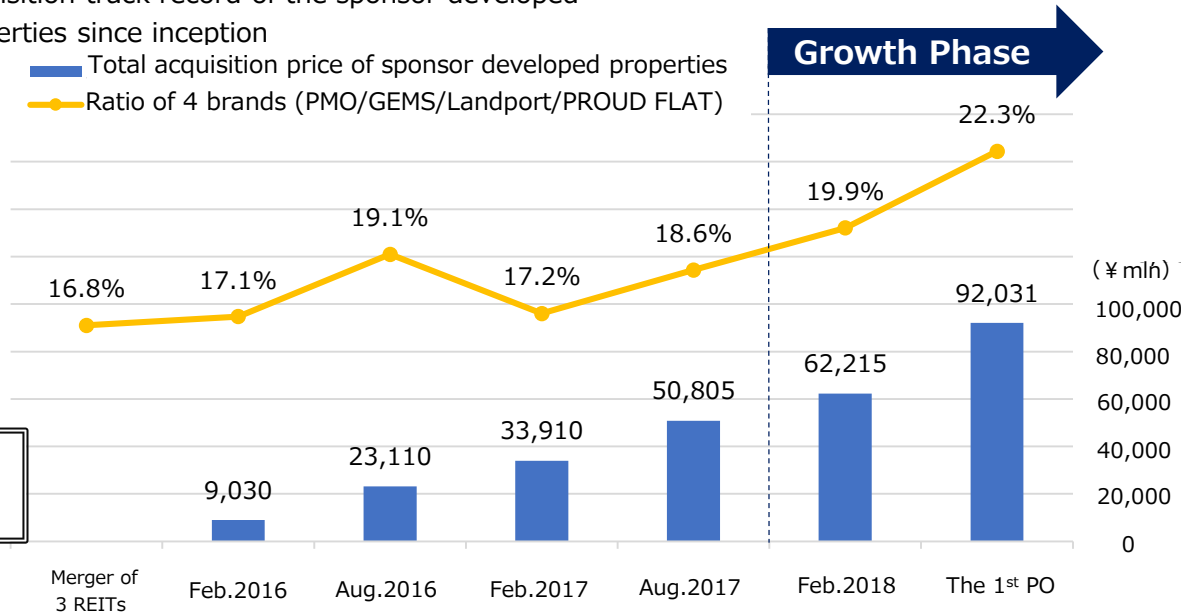
(\*) Internal reserves per unit was calculated based on the total number of investment unit issued and outstanding (4,321,800units) after the completion of public offering.

# Track Record of Leasing Value Chain Supported by the Sponsor

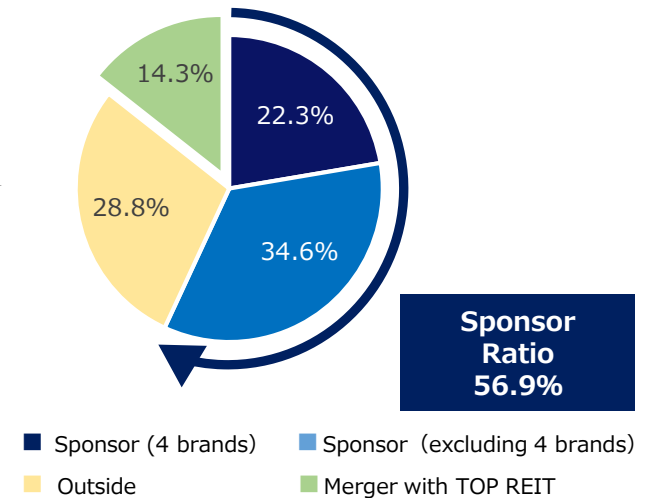
**Acquired the sponsor developed properties totaling over ¥92bln to date since the conclusion of the Leasing Value Chain contract**

Acquisition track record of the sponsor developed properties since inception

— Total acquisition price of sponsor developed properties  
— Ratio of 4 brands (PMO/GEMS/Landport/PROUD FLAT)



Seller breakdown of underlying properties after PO (\*1)



## < Main Properties >



GEMS Ichigaya  
¥2,080mln  
2015/10



NRE Kichijoji Building  
¥10,410mln  
2015/10 (※2)



PMO Tamachi  
¥6,210mln  
2016/3



Landport Kashiwa Shonan II  
¥10,800mln  
2016/9



PROUD FLAT Omori III  
¥1,110mln  
2017/3



Landport Kashiwa Shonan I  
¥9,900mln  
2017/3

(\*1) Sponsor developed properties indicate the properties acquired from Nomura Real Estate Group and the real estate fund related to Nomura Real Estate Group.

(\*2) Nomura Real Estate Kichijoji Building was additionally acquired in March 2017.



# Track Record of Growth Since Inception

**Achieved the asset size expansion with enhancing the portfolio quality by the Strategic Property Replacement**

Quality Phase

Growth Phase

## Major Acquisitions

4props ¥9.0bln



NRE Kichioji Bld.

GEMS Ichigaya



PF Hacchobori

PF Itabashi Honcho

7props ¥24.6bln



PMO Tamachi

PMO Ginza Hacchoume



PMO Shibakoen

PU Meguro Mita

**Merger with TOP**

19props ¥137.4bln



NEC Head Office Bld.

Harumi Triton Y&Z

1prop ¥10.8bln



LP Kashiwa Shonan I

8props ¥38.9bln



Nakaza Cui-daore Bld.



nORBESA

5props ¥16.5bln



PMO Shin Nihonbashi

GEMS Daimon



Summit Store Mukodaicho Store

**The 1st PO**

10props ¥33.4bln



PMO Nihonbashi Mitsukoshi-mae

PF Sangenjaya II



LP Hachioji II

WMH Sapporo

783.6

Merger of 3 REITs

19.3

792.6

Feb.2016

19.5

9

784.6

Aug.2016

18.7

33.6

-34.1

932.8

Feb.2017

19.5

44.4

-34.1

927.3

Aug.2017

19.0

83.4

-81.5

922.5

Feb.2018

18.8

99.9

-105.0

955.9

The 1st PO

21.9yrs (without SPR)

18.4

133.4

-105.0

- Asset Size (bln)
- Total Acquisition Price (bln)
- \* Excluding the acquisition price of the merger with TOP REIT

- Total Disposition Price (bln)

— Average Building Age (yrs)

## Major Dispositions

17props ¥34.1bln

NOF Nihonbashi Honcho Bld.  
NOF Tameike Bld.  
NOF Minami Shinjuku Bld.  
NOF Shinagawa Konan Bld.  
JCB Sapporo Higashi Bld., etc.

11props ¥47.4bln

Ito-Yokado Higashi Narashino  
Mitsubishi Motors (2 lands)  
NOF Technoport Kamata Center Bld.  
Tennozu Parkside Bld.  
Logistics in Gunma (4 props)

2props ¥23.4bln

Morisia Tsudanuma  
Funabashi LC



## **Internal Growth**





# Internal Growth ~Management Status~

## Office

**Average rent for February 2018(5<sup>th</sup>) period was increased by 1.1% from previous period (¥17,795/*tsubo*→¥17,987/*tsubo*)**

### Asset Management Topics

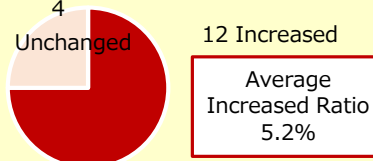
#### > New lease agreement

⇒ Approximately 40% of contract signings shows the increased floor space by the existing tenants.

**Average free rent period: 2.8mos(4<sup>th</sup>)→2.2mos(5<sup>th</sup>)**

#### > Contract renewals of PMOs

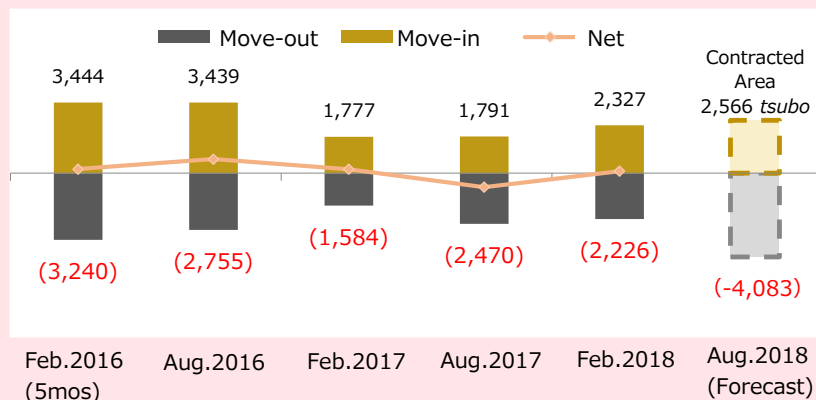
⇒ **12 out of 16 renewed contract** during the period **with rent increased.**



#### <Challenges>

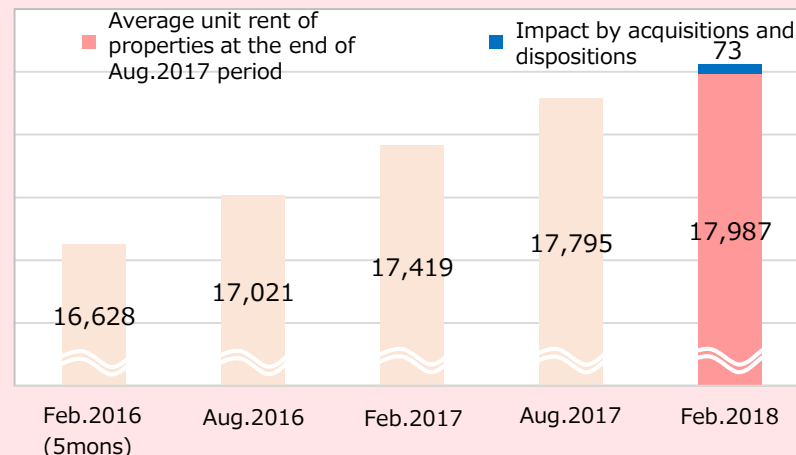
⇒ Out of the scheduled cancellation area of contract during August 2018 period (4,083*tsubo*), 2,566*tsubo*(62.8%) has been lease contracted. (Major reasons for evacuation: Consolidation of business operations, Expansion of office space)

### Change in floor area by move-ins & move-outs (*Tsubo*)



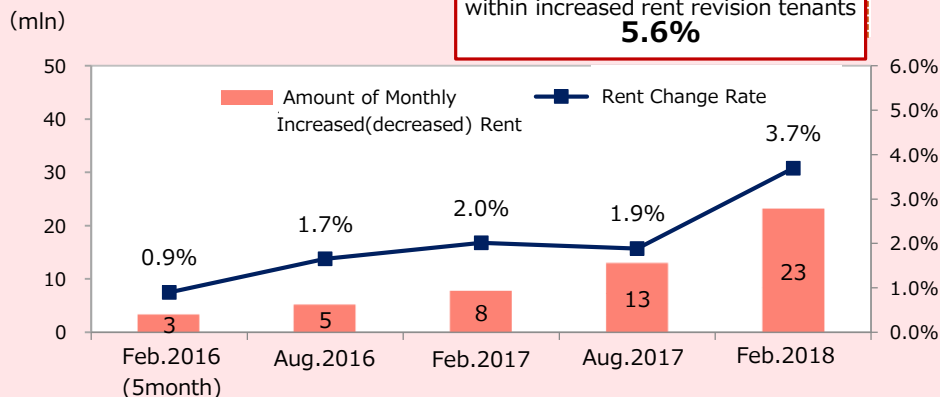
### Average Rent (¥/*tsubo*)

Rent Gaps: the end of Feb. 2018 period + 3.5% (+1.5% above from the end of Aug. 2017 period (+2.1%))



### Amount of monthly increased(decreased) rent and rent change rate upon rent revision (※)

Average rent increase ratio within increased rent revision tenants **5.6%**



(\*) "Amount of Monthly increased (decreased) Rent" and "Monthly Rent Change Rate" shows the comparison between those before and after the rent revision.

# Internal Growth ~Management Status~

## Retail

Seeking internal growth by sales-linked rent in addition to fixed rent  
(sales-linked rent for 5<sup>th</sup> period : ¥245mIn, of which 205mIn for UCW)

### Asset Management Topics

#### > "TAKOPA" renewed from "Takoyaki Museum" was opened in UCW.

- ⇒ • Largely renewed the entrance and the public space to improve visibility and openness.  
• Takoyaki shop increased. (5→6)  
• Expanded the public space.



Before

Increased sales by 16.1%  
Increased rent income by 17.1%  
(Rent increased ¥2,040kilo/mos) (※)



After

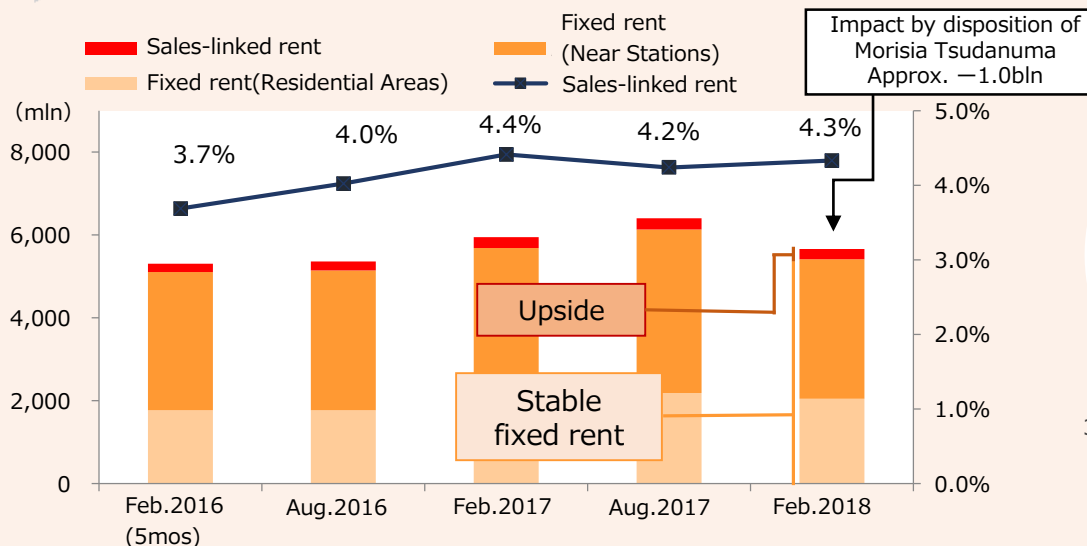
#### > New leasings

- Recipe SHIMOKITA (224tsubo)  
⇒ Dec.2017 rent start
- Ichibancho stear (107tsubo)  
⇒ Apr.2018 rent start

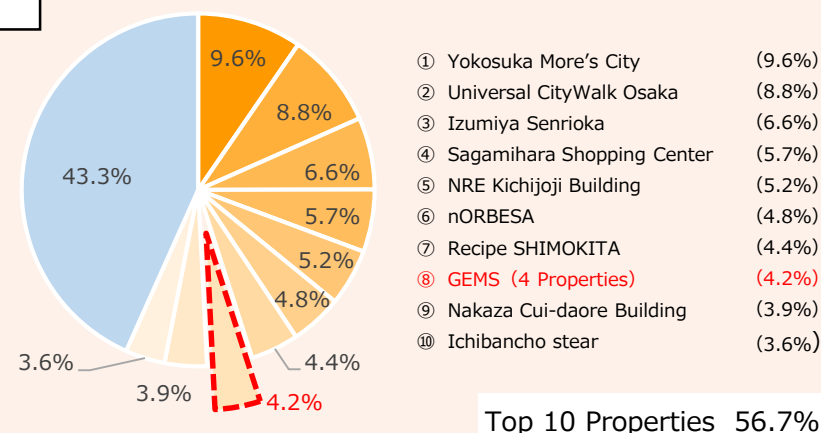


<Challenges> Reviewing MD strategy of Nakaza Cui-daore Building

#### Retail (Overall) : Rent revenue breakdown (mIn•%)



#### NOI breakdown of retail properties at the end of Feb.2018 period



(\*) Ratio of the actual results from Mar. 2, 2018, "Takopa" was opened, to Apr. 10, 2018 compared with the same period of the previous year. The increased rent amount per moth is the amount of 40 days increased rent converted in 30 days.

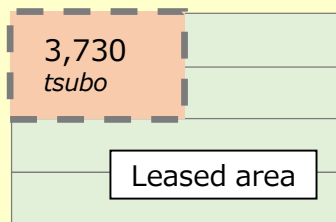
## Logistics

**Completed leasing at Landport Astugi and promoting further lease maturity diversification.**

### Asset Management Topics

#### > Lease-up at Landport Atsugi

Contracted new lease for Zone C (3,730 $tsubo$ ) out of the total 14,518 $tsubo$  (Lease start in Jun. 2018)



#### > Contract renewal at Landport Urayasu

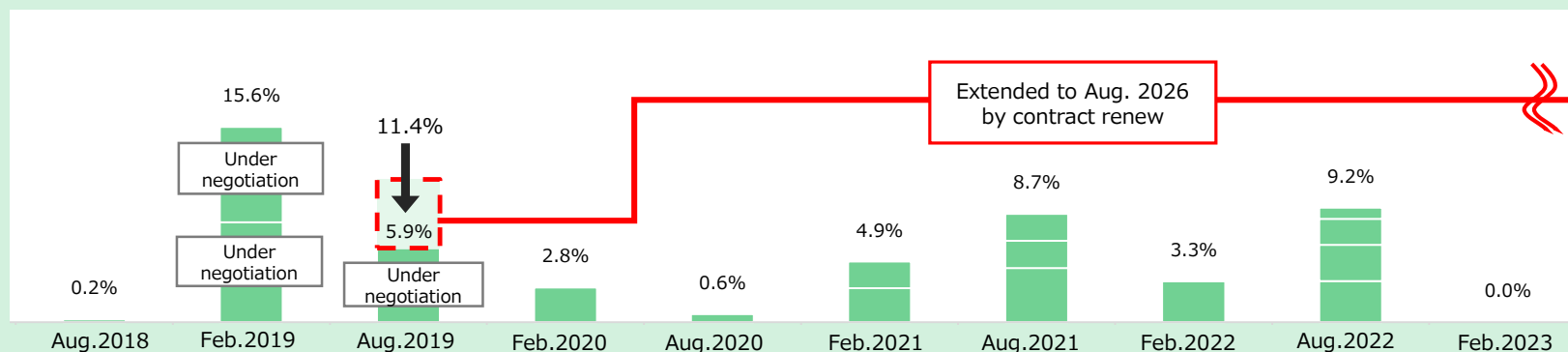
Contract renewed to extend the lease maturity to Aug.2026 from Aug.2019 for 10,619  $tsubo$  out of the total 21,188 $tsubo$



7 years extension  
of the lease  
maturity

**Occupancy rate in overall logistics will reach 100% in June 2018.** Aiming to maintain full occupancy rate and to increase rent by early negotiations with the tenants subject to renew or revise contract.

#### Lease maturities (rent basis)



⇒ Further negotiations with the tenants having lease maturity during Feb.2019 and Aug.2019 and promoting further lease maturity diversification

## Residential

## Achieved steady internal growth receiving stable rent income

### Asset Management Topics

#### > Rent increase at move-ins & move-outs and contract renewals

- ① Rent change at move-ins & move-outs  
Replacements of **571 out of 948 units (60.2%) with rent increase**  
Monthly increased rent 1.7%  
(+¥1,733kilo/month)
- ② Rent change at contract renewals  
**109 out of 1,205 units (9.0%) renewed contract with increased rent**  
Monthly increased rent 0.2%  
(+¥295kilo/month)

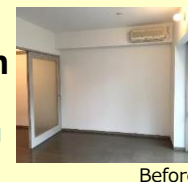
#### <Challenges>

Increasing needs for central office areas in Osaka and Nagoya

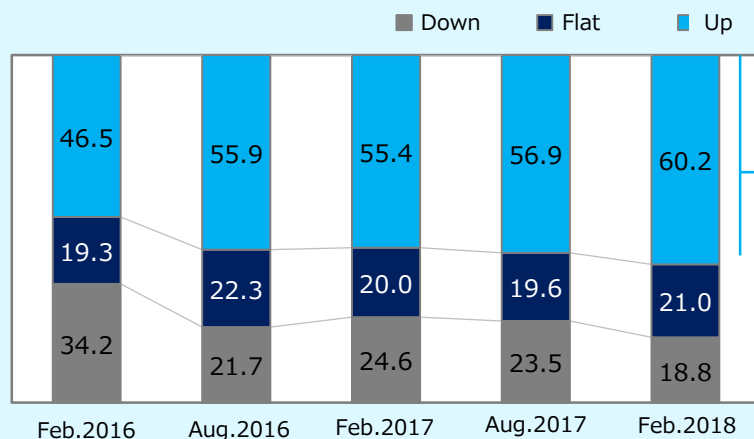
#### > Rent increase by private area renovation

Implemented renovation at 4 properties along with the properties' characteristics and achieved large rent increase at luxury properties.

- Fukasawa House Towers H&I  
3LDK 85.2㎡ ¥330,000 (+¥35,000)
- PRIME URBAN Azabu Juban  
1K 32.8㎡ ¥157,000 (+¥19,000)
- PRIME URBAN Ebisu  
1LDK 51.0㎡ ¥225,000 (+¥14,000)

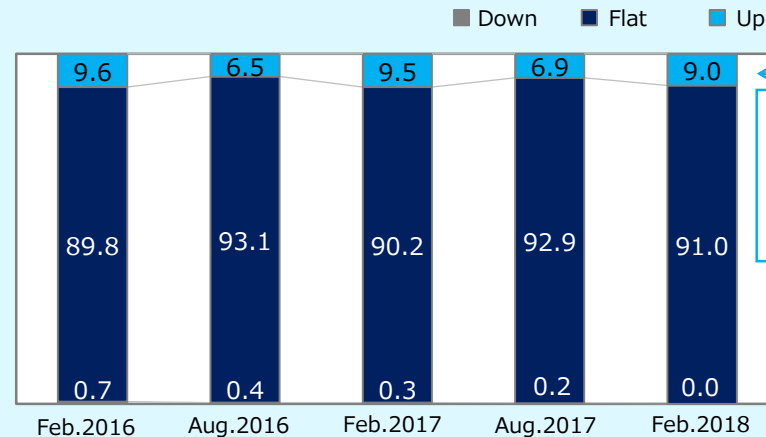


#### ▶ Rent change at move-ins & move-outs (%)



The portion of rent increased continues to grow.

#### ▶ Rent change at renewals (%)



Seeking rent increase upon renewal

# Appraisal Valuation

**Unrealized gain has expanded to ¥86.4bln(+¥7.4bln period-to-period).**  
**Cap rate in office and logistics sector appears to be bottomed out.**

## Appraisal valuation by sector

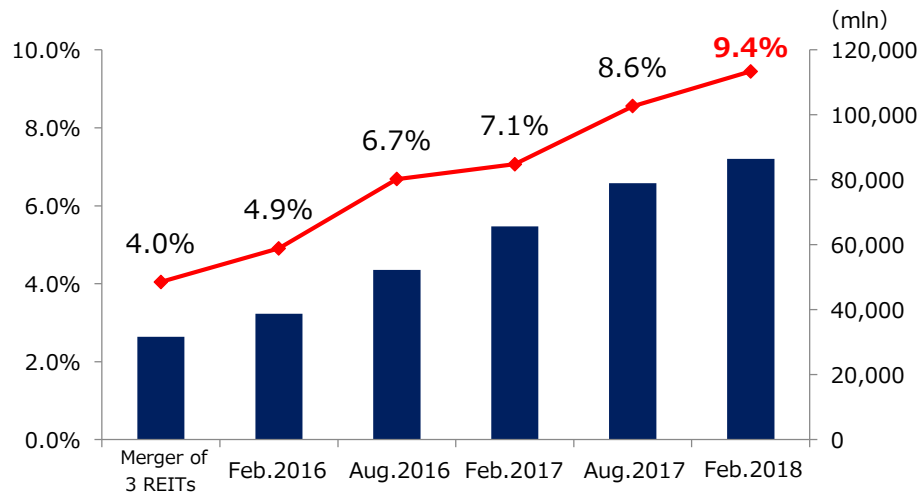
	Aug.2017 Fiscal Period End			Feb.2018 Fiscal Period End		
	Number of Properties	Appraisal Value (¥mln)	Unrealized Loss/Gain (¥mln)	Number of Properties	Appraisal Value (¥mln)	Unrealized Loss/Gain (¥mln)
Office	57	442,060	19,331	59	455,390	25,111
Retail	42	188,914	18,945	44	180,734	20,122
Logistics	18	176,050	31,297	17	170,430	31,147
Residential	150	189,976	9,406	150	189,546	10,020
Other	1	5,130	-6	1	5,150	13
Total	268	1,002,130	78,974	271	1,001,250	86,415

## Period-to-period analysis

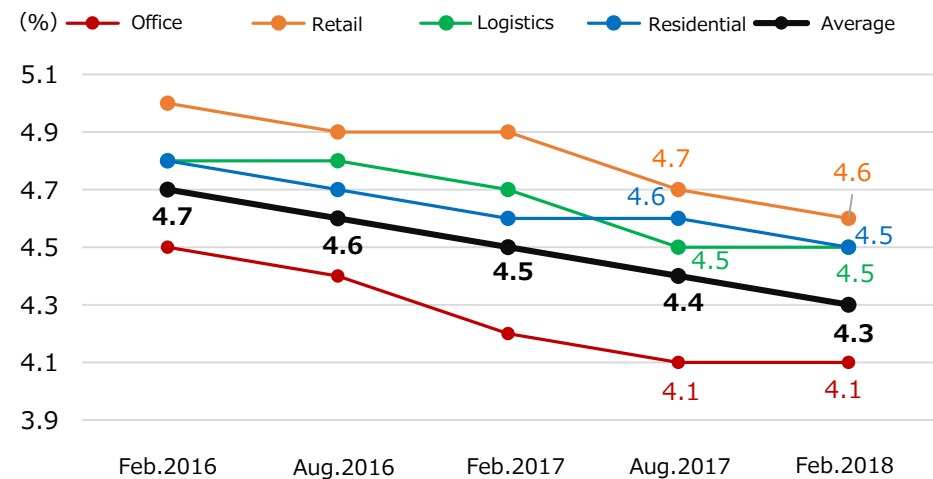
CAP	Aug.2017	Feb.2018
Decrease	145	88
Flat	116	178
Increase	0	0

※ Excluding acquisitions and dispositions during the period.

## Unrealized gain(loss) in the portfolio



## Change in average cap rate by sector



※ The figures are weighted averaged a direct capitalization rate of each property by capitalization approach price (excluding land).

# ESG Initiatives (External Certification)

**NREAM has become the first asset management company to signed on both PRI and UNEP FI as an affiliate of real estate company.**

## Initiatives by NREAM

### Principles for Responsible Investment(PRI)

■ An international network of investors established in 2006 working to realize the Six Principles for the financial industry under the leadership of Kofi Annan who was then the UN Secretary General. As of Apr.2018, about 2,000 institutions have signed on to PRI.

Signatory of:



### United Nations Environment Programme Finance Initiative (UNEP FI)

■ Established in 1992. A partnership between UNEP and financial institutions to promote the adoption of financial systems that integrate economic development and ESG issues. UNEP FI established PRI cooperating with UN Global Compact.



## Initiatives by NMF

### DBJ Green Building Certification

Certified property

43 properties in total, of which 11 properties were certified during Feb. 2018 period.

Certified rate

Increased to **54.1%** at the end of the period (+6.9% period-to-period) (※)



DBJ Green Building

#### < New certified properties during Feb.2018 period >

★★★★★  
NEC Head Office Bld.

★★  
NRE Osaka Bld.  
NRE Yotsubashi Bld.  
nORBESA



NEC Head Office Bld.



Shinjuku Nomura Bld.

★★★★  
Shinjuku Nomura Bld.  
Kojimachi Millennium Garden  
Harumi Island  
Toriton Square  
Office Tower Y・Z

★  
Nakaza Cui-daore Bld.

★★★  
Yokosuka More's City  
PROUD FLAT OmoriⅢ  
(The first certified residential property in the portfolio)



Yokosuka More's City



PROUD FLAT OmoriⅢ



nORBESA

### BELS Certification

18 properties were certified at the end of the period and certified rate was **17.6%** (※)



(※) Total floor area basis



# Initiatives in Each ESG Category

## E: Environmental Initiatives

- Investing capital in owned properties to reduce our environmental impact.

(※) The examples below are from 2017 onwards.

### Saving Energy with LEDs

- Shinjuku Nomura Building
- NRE Osaka Building
- EQUINIA Shinjuku
- NMF Sendai Aoba-dori Building
- Ichibancho stear
- PRIME URBAN Kagurazaka, others



### Saving Energy by Upgrading Air Conditioners and Other Equipment

- NMF Shiba-Koen Building
- NMF Shinjuku Minamiguchi Building
- Sagamihara Shopping Center
- Izumiya Obayashi
- NRE Tennozu Building
- Universal CityWalk Osaka, others



### Saving Water by Installing Smart Irrigation Facilities

Collecting rainwater for autonomous irrigation reduces our environmental impact through the conservation of water resources while creating a reserve for use in times of crisis.

- Landport Kashiwa Shonan II



## S: Social Initiatives

- Signing an agreement with the Kanagawa fire department for Megalos Kanagawa.

We signed an agreement with the Kanagawa Fire Department to use pool water for firefighting when a disaster like a large earthquake strikes.



- Holding summer festivals at the Shinjuku Nomura Building

We hold summer festivals as a way to increase tenant satisfaction and give back to the community.



- Taking safety precautions

PMO Nihonbashi Muromachi is equipped to serve as an emergency crisis shelter. We store enough food, blankets and other supplies for 2,000 people in the building.



## G: Governance Initiatives

- The Investment Corporation's Board of Directors

Composition	Executive directors (1 person): Lawyer
	Supervisory Directors (2 people): Certified public accountant Real estate appraiser
Meeting frequency	1 time a month (and as necessary)
Term	2 years in principle for both executive directors and auditors

To ensure the neutrality of the investment corporation's business execution, all three Board members (one executive director and two supervisory directors) are outside experts.

- Corporate Governance Framework  
The Asset Management Company established a governance framework that prioritizes compliance and pursues thorough risk management, the prevention of conflicts of interest, and legal compliance.

Compliance Committee	Deliberates on such issues as approving major transactions with interested parties and confirms legal compliance
Investment Committee	Deliberates on such issues as basic policies related to managing assets or offering investment advice and makes decisions on behalf of the asset management company

- Conduct Various Kinds of Training at the Asset Management Company

- Compliance training: 12 times a year
- BCP training: 1 time a year in principle
- Encourage acquisition of real estate securitization master certification  
(106 certified masters as of May 2017, the highest number among real estate investment advisory companies)
- Business-related training: When appropriate (includes real estate registration training, ER training, appraisal training)



## **Financial Status**





# Financial Status

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

## Financial status in Feb.2018 period

### Refinance

Repayment Overview	
New funding total	¥28,820mln
Average interest rate	<b>0.99%</b>
Average maturity	<b>5.1years</b>

(※) The average interest rate is a weighted average interest rate at the time of repayment.  
(※) Excluding ¥42.8mln in contractual repayment

New Funding Overview	
New funding total	¥26,320mln
Average interest rate	<b>0.65%</b>
Average maturity	<b>8.5years</b>

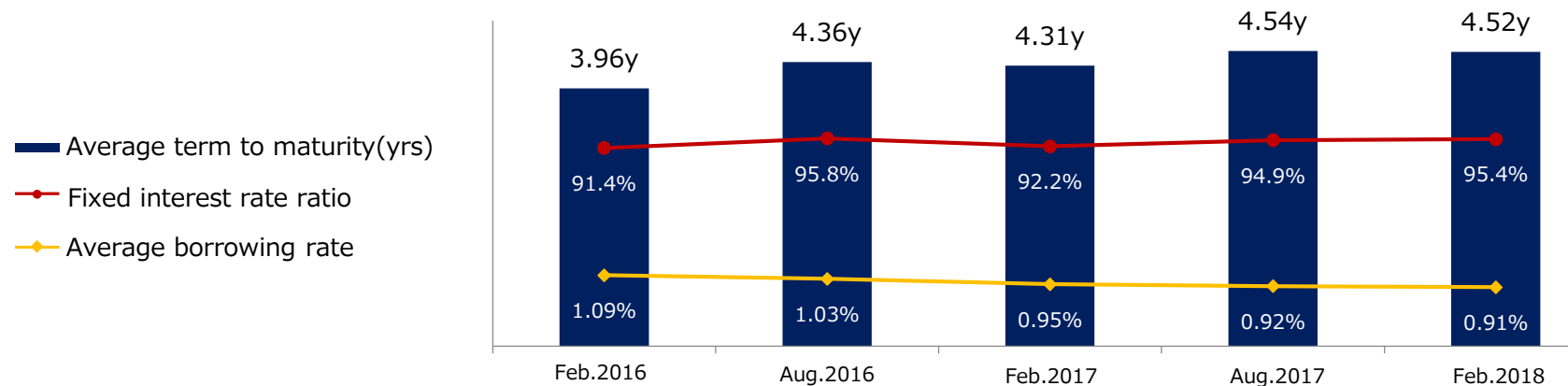
(※) The average interest rate at borrowing is a weighted averaged interest rate at the end of the period.

## Repayment schedule in Aug.2018 period (※)

Total Repayment	¥29,855mln
Average interest rate	0.89%
Average remaining duration	4.9years

(※) Excluding ¥42.8mln in contractual repayment

## Change in financial indicators as at the end of Feb.2018 period

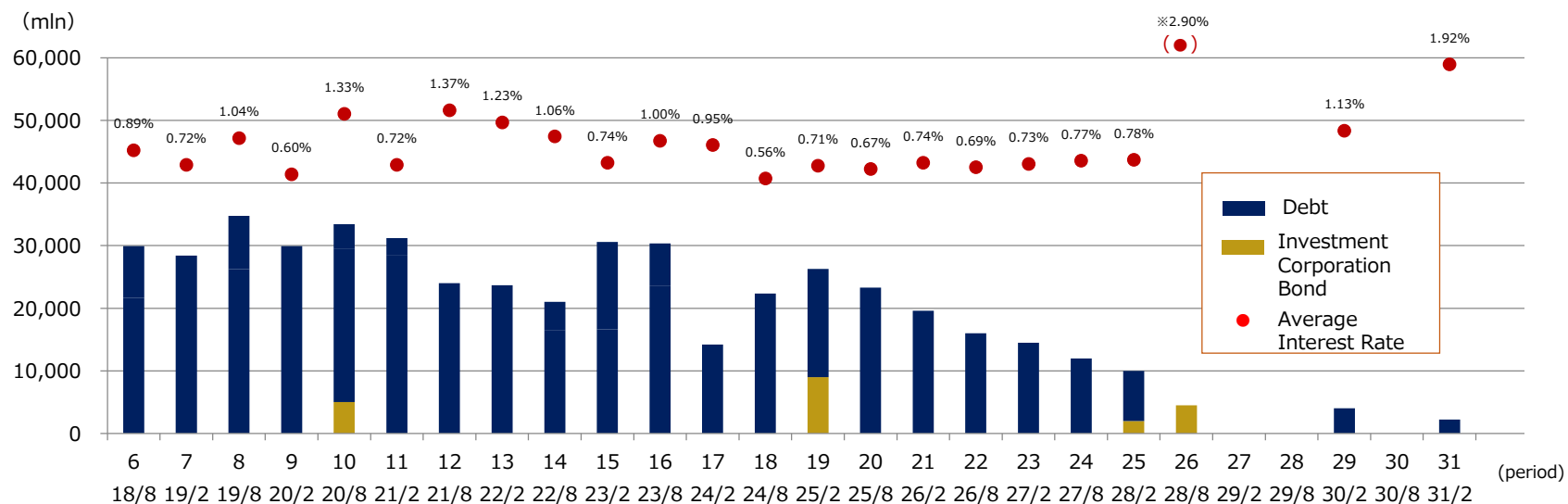


## Interest-bearing debt as at the end of Feb.2018 period

	Feb.2016 (1st FP)	Aug.2016 (2nd FP)	Feb.2017 (3rd FP)	Aug.2017 (4th FP)	Feb.2018 (5th FP)
Total Interest-bearing debt	¥403,164 million	¥409,771 million	498,784 million	488,741 million	<b>486,198 million</b>
Average remaining duration	3.96 years	4.36 years	4.31 years	4.54 years	<b>4.52 years</b>
Average interest rate	1.09 %	1.03 %	0.95 %	0.92 %	<b>0.91 %</b>
Ratio of long-term debt	84.1 %	85.9 %	83.2 %	88.0 %	<b>88.0 %</b>
Ratio of fixed-rate debt	91.4 %	95.8 %	92.2 %	94.9 %	<b>95.4 %</b>
LTV	43.4 %	43.8 %	45.1 %	44.6 %	<b>44.6 %</b>

## Diversified maturity of repayment

Commitment Line ¥50bln + Credit Line ¥30bln





## Earnings Forecast



# Earnings Forecast for Aug.2018(6th) and Feb.2019(7<sup>th</sup>) Fiscal Period

## DPU Forecast

Aug.2018 FP : ¥3,081 Feb.2019 FP : ¥3,102

(¥mln)

	Ended Feb.28,2018 (5th FP) Result (A)	Ended Aug.31,2018 (6th FP) Forecasts (B)	Differences (B)-(A)	Ended Feb.28,2019 (7th FP) Forecasts (C)	Differences (C)-(B)
Operating Revenue	34,218	34,605	386	34,429	-176
Rental revenues	30,724	31,596	872	31,615	18
Other rental revenues	2,907	3,008	101	2,814	-194
Gain on sales of real estate	587	-	-587	-	-
Operating Expense	21,006	21,352	346	21,144	-208
Rental Business Expenses	14,785	15,032	246	14,814	-217
Repair Expenses	1,758	1,535	-223	1,489	-45
Tax and Public Dues	2,699	2,809	110	2,799	-9
Depreciation and Amortization	4,737	4,892	155	4,879	-12
Others	5,590	5,795	204	5,645	-149
Asset management fees	3,007	3,074	66	3,074	0
Amortization of goodwill	2,622	2,622	-	2,622	-
Other operating expenses	591	623	32	632	8
Operating profit	13,212	13,253	40	13,285	32
Non-operating revenues	12	-	-12	-	-
Non-operating expenses	2,509	2,554	45	2,496	-58
Interest Expenses and other financial costs	2,457	2,527	69	2,485	-41
Investment units issuance costs	42	19	-23	-	-19
Other non-operating expenses	9	8	0	10	2
Ordinary income	10,715	10,698	-17	10,789	90
Net income	10,714	10,697	-17	10,788	90
Net income(excluding realized gain)	10,127	10,697	569	10,788	90
Earnings a	10,976	10,692	-284	10,778	86
Distribution in excess of profit b	1,769	2,623	853	2,627	4
Total distributions a+b	12,745	13,315	569	13,406	90
Internal reserves	587	-	-587	-	-
Total Internal reserves	3,694	3,694	-	3,694	-
DPU	3,047	3,081	34	3,102	21
Distributions of earnings	2,624	2,474	-150	2,494	20
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences]	284	312	28	347	35
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings]	139	295	156	261	-34
Total assets	1,089,820	1,118,585	28,765	1,116,043	-2,541
Acquisition price	922,568	955,984	33,416	955,984	-
Interest-bearing debt□	486,198	497,155	10,957	497,112	-42
LTV	44.6%	44.4%	-0.2%	44.5%	0.1%
Market Capitalization	612,410	-	-	-	-
NOI	23,583	24,465	882	24,494	28
FFO	17,489	18,214	725	18,292	78

Main factors accounting for differences between the results in 5<sup>th</sup> FP and the forecast in 6<sup>th</sup> FP (¥mln)

■ Net Income	+569
(excl. Gain on sales)	
■ Rental business profit/loss	+727
① Internal Growth	(+101)
• Increase in rent revenues in the existing properties	+365
• Full-period revenue contribution of properties acquired in 5 <sup>th</sup> period	+125
• Revenue diminishment of properties disposed in 5 <sup>th</sup> period	-335
• Increase in expenses of existing properties	-232
• Decrease in expenses by properties acquired /disposed in 5 <sup>th</sup> period	+178
② External Growth of Properties Acquired in 6 <sup>th</sup> period	(+625)
• Rental revenues	+818
• Rental expenses	-192
■ Operating expenses excluding rental expenses	-99
Increase in asset management fee	-66
Increase in other expenses (administrative service fees)	-32
■ Non-operating profit/loss	-57
Increase in interest expenses, loan arrangement fees	-69
Decrease in investments units issuance costs	+23

Main factors accounting for differences between the forecasts in 6<sup>th</sup> FP and the forecast in 7<sup>th</sup> FP

■ Net Income	+90
■ Rental business profit/loss	+41
■ Other profit/loss	+49

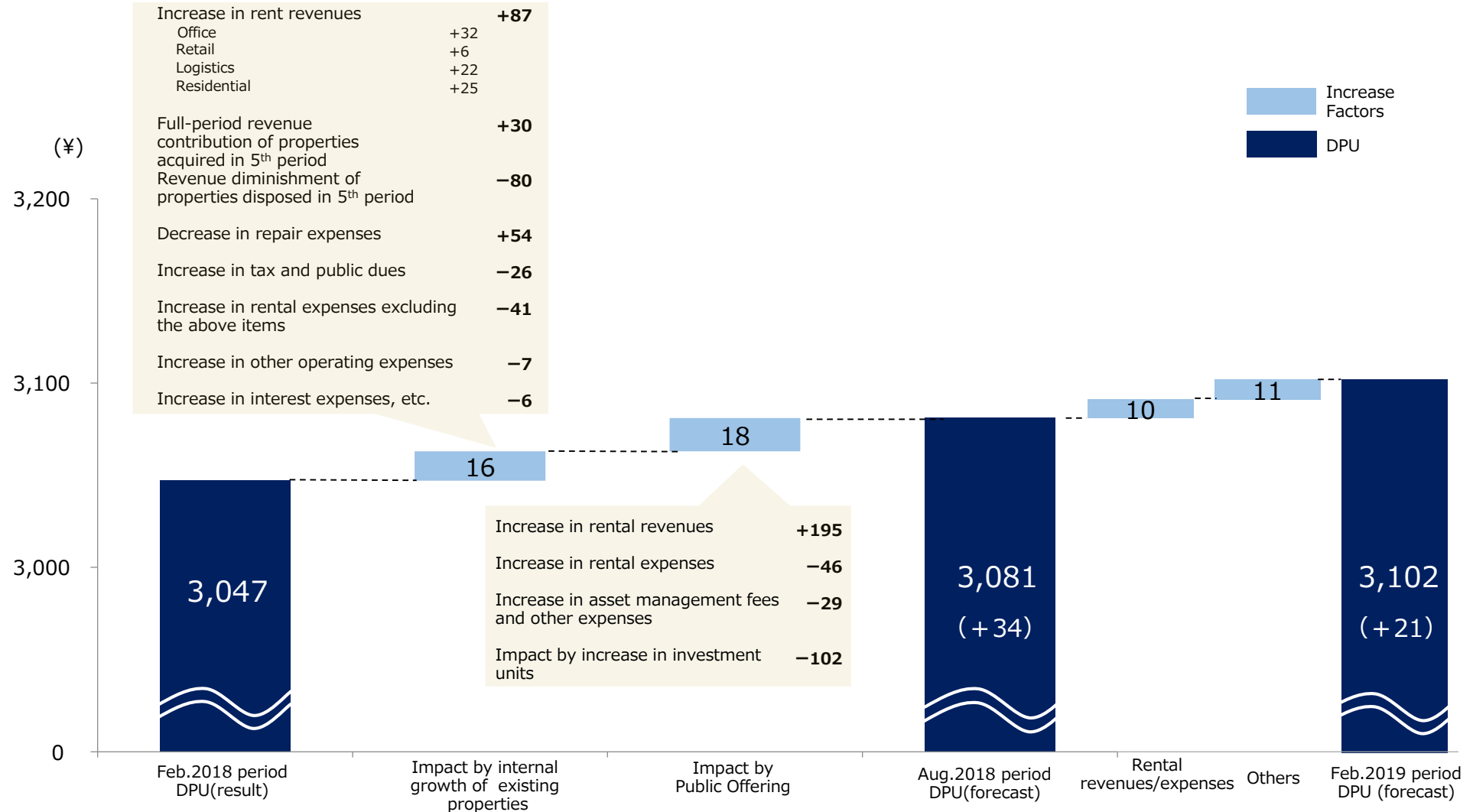
※ “+” and “-” indicates the impact on the net income in Feb.2018 period

# Earnings Forecast for Aug.2018(6th) and Feb.2019(7<sup>th</sup>) Fiscal Period

## Factors in change in DPU (¥/unit)

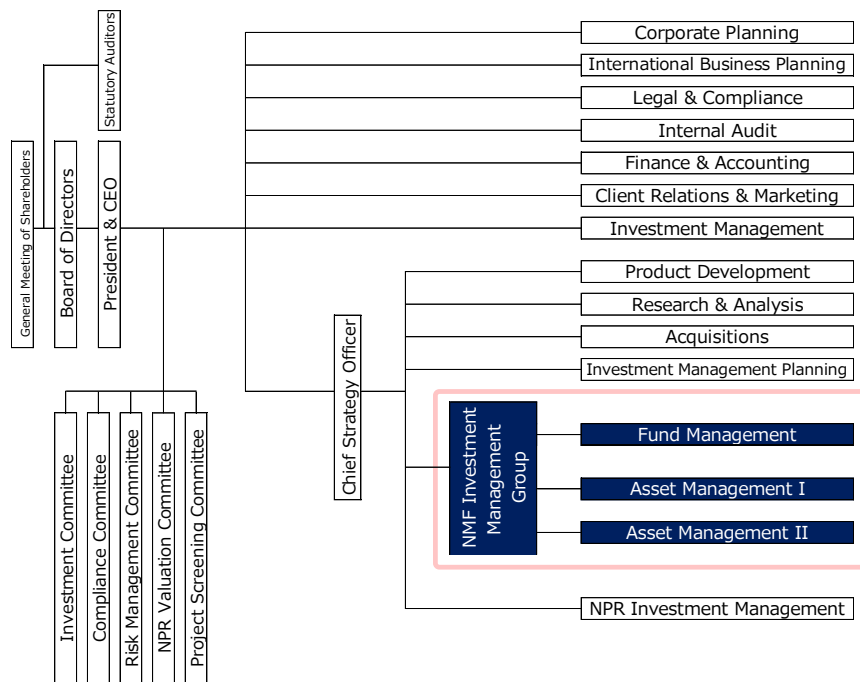
### 6<sup>th</sup> FP ending August 2018

### 7<sup>th</sup> FP ending February 2019



# Organization and IR Activities

## Organization



## Fund Management Team

We are working hard to provide press releases and other IR information aiming to become No.1 brand of J-REITs.



## Investor Relations

- "J-REIT Fair for Individual Investors 2017" (Oct. 27,28, 2017)
- "J-REIT IR Conference" (Hong Kong, Singapore) (Oct.30,2017~Nov.2,2017)
- SMBC Nikko Property Conference in Tokyo 2017(Nov.29,2017)
- Property tour for investors (Landport Urayasu etc.) (Nov.30,2017)
- "Morningstar Seminar for Individual Investors 2017"(Dec.6,2017)

Renewed our website at the timing of the new fund logo.





# Appendix



# Changes in Various Indices

		1st FP	2nd FP	3rd FP	4th FP	5th FP
Operating revenue	million yen	24,313	30,976	34,714	38,139	34,218
Gain on sales of real estate	million yen	-	1,442	-	3,107	587
Leasing NOI	million yen	16,237	20,248	23,680	23,931	23,583
NOI yield (acquisition price basis)	%	4.9	5.1	5.1	5.1	5.1
NOI yield after depreciation (acquisition price basis)	%	3.9	4.0	4.1	4.0	4.1
Operating profit	million yen	6,483	11,682	11,244	15,735	13,212
Net income	million yen	4,048	9,355	8,670	13,190	10,714
Total distributions	million yen	8,259	11,300	12,666	12,704	12,745
Distributions per unit	yen/unit	2,219	3,036	3,028	3,037	3,047
Distributions of earnings	yen/unit	317	2,473	2,073	3,037	2,624
Allowance for adjustment of temporary differences	yen/unit	1,649	-	646	-	284
Other distributions in excess of net earnings	yen/unit	253	563	309	-	139
FFO	million yen	9,222	14,396	16,321	17,568	17,489
FFO per unit	yen/unit	2,477	3,868	3,901	4,199	4,181
AFFO	million yen	6,886	11,184	12,641	15,047	15,490
AFFO per unit	yen/unit	1,850	3,004	3,022	3,597	3,703
Total assets	million yen	928,297	935,964	1,105,979	1,095,828	1,089,820
Interest-bearing debt	million yen	403,164	409,771	498,784	488,741	486,198
Net assets	million yen	477,601	479,311	556,104	556,649	555,090
LTV	%	43.4	43.8	45.1	44.6	44.6
Net assets per unit (after deducting distributions)	yen/unit	126,099	125,741	129,911	130,032	129,650
NAV per unit (after deducting distributions)	yen/unit	136,514	139,790	145,600	148,912	150,308
ROA	%	1.0	2.0	1.7	2.4	2.0
ROE	%	2.0	3.9	3.4	4.7	3.9
Number of properties	properties	261	252	272	268	271
Total acquisition price	million yen	792,658	784,607	932,896	927,318	922,568
Unrealized gain/loss	million yen	38,765	52,291	65,626	78,974	86,415

NOI yield = Annualized leasing NOI of properties owned at the end of the fiscal period (excluding properties sold during the period) ÷ Acquisition price at the end of the period

To annualize leasing NOI, the leasing NOI recorded for a given period for the properties owned at the beginning of the fiscal period is doubled while that recorded for each property acquired during that

FFO = Net income + Depreciation and amortization + Amortization of investment corporation bond issuing expenses + Amortization of goodwill + Impairment loss – Gain on sales of real estate + Loss on

AFFO = FFO – Capital expenditures

Net assets per unit (after deducting distributions) = (Total net assets – Total distributions) ÷ Total issued investment units

NAV per unit (after deducting distributions) = Net assets per unit (after deducting distributions) + (Total appraisal value – Total balance sheet value)

ROA = Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100 \*Annualized

ROE = Net income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100 \*Annualized

To annualize ROA and ROE, the values are divided by the number of days in the period and the results multiplied to approximate the values for one year.

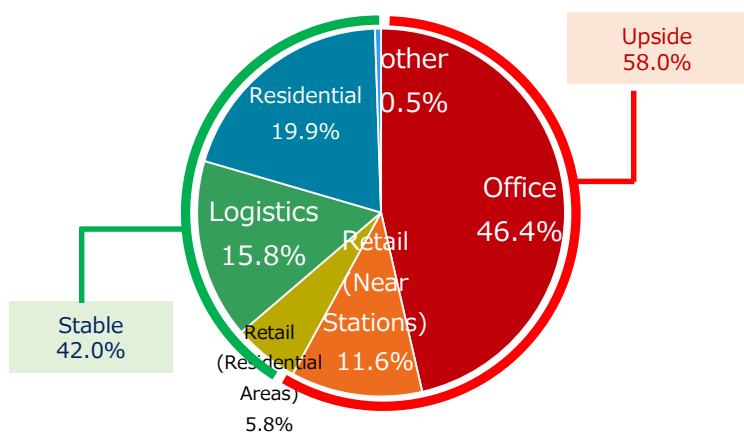


# Portfolio Summary as of February 28, 2018

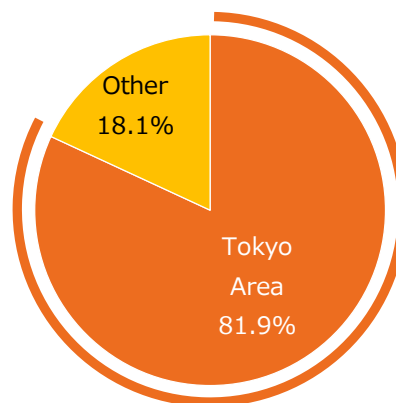
## Portfolio Summary

	Properties	Acquisition price (¥mln)	Appraisal value (¥mln)	Building age (years)	Floor area (㎡)	Leased area (㎡)
Total	271	922,568	1,001,250	18.8	2,244,174.79	1,766,762.16
Office	59	428,110	455,390	24.9	785,359.33	465,372.51
Retail(Near stations)	19	106,617	119,430	16.7	235,465.16	115,205.72
Retail(Residential areas)	25	53,166	61,304	17.9	205,499.69	228,276.70
Logistics	17	145,730	170,430	10.4	660,643.59	650,842.61
Residential	150	184,045	189,546	13.0	357,207.02	292,633.27
Other	1	4,900	5,150	-	-	14,431.35

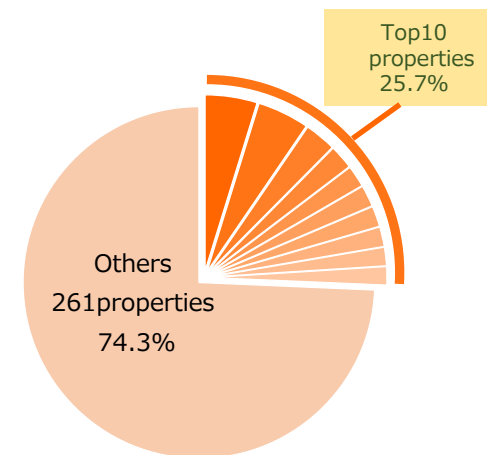
## Portfolio Data



Balanced portfolio mix



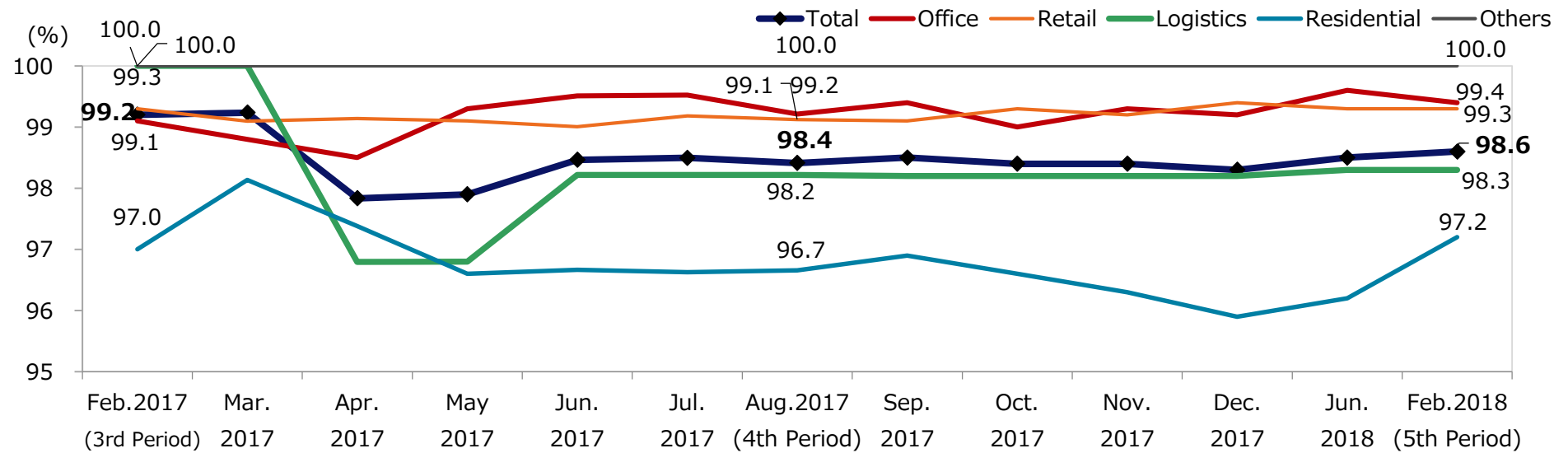
Concentration in Tokyo area



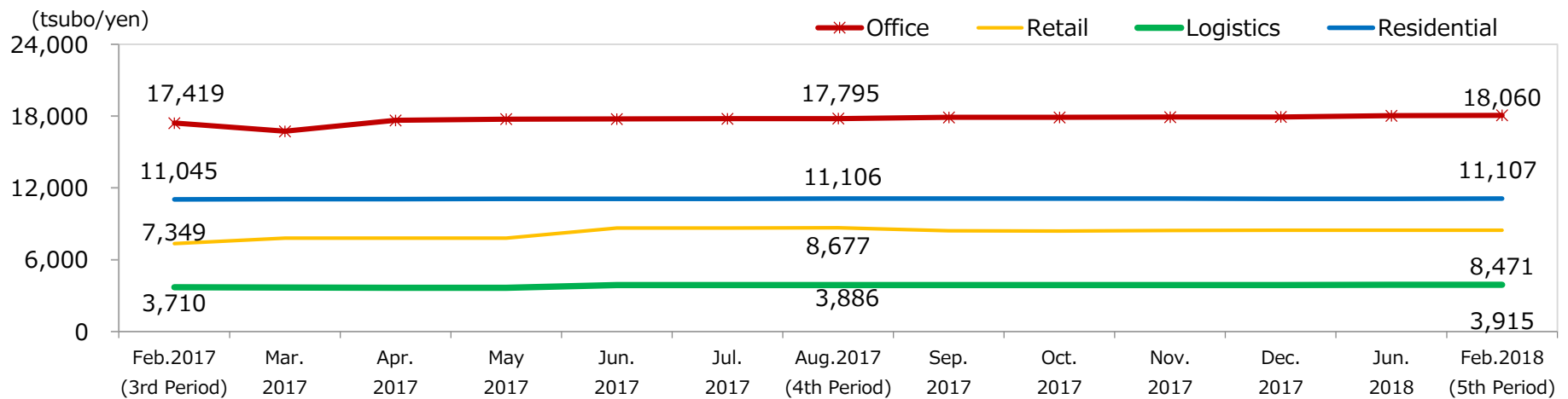
Advanced property diversification

# Portfolio Management

## Occupancy Rate (%)



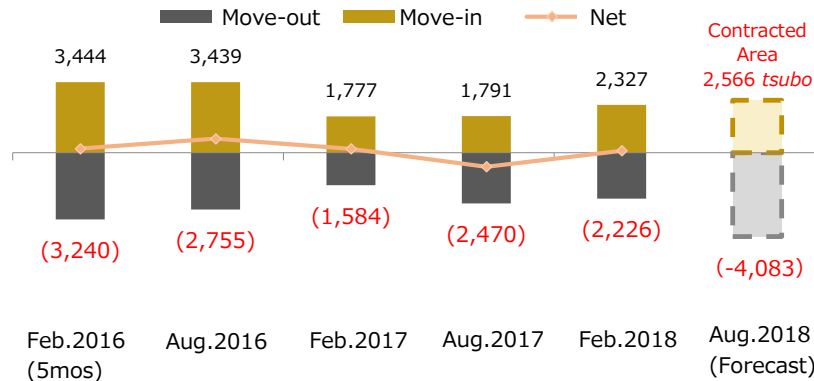
## Average Rent (¥ / tsubo)



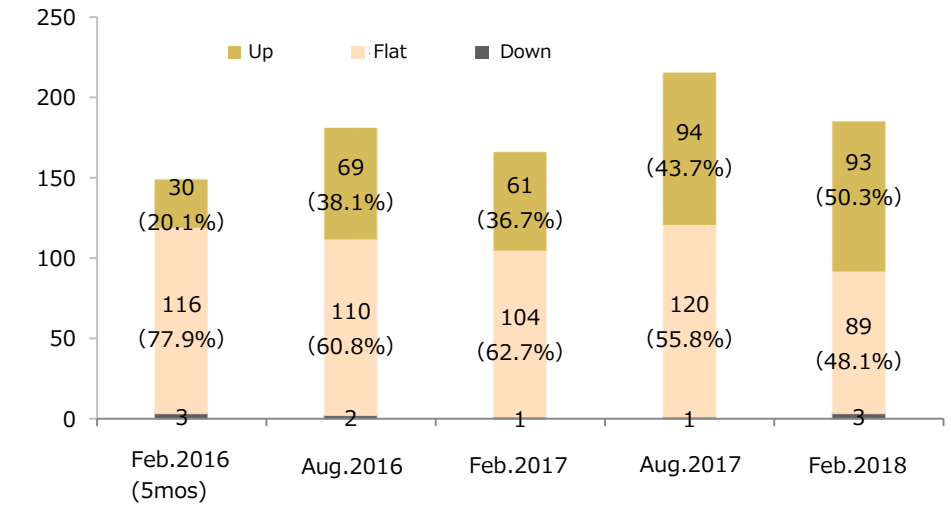
# Asset Management Status - Office -

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

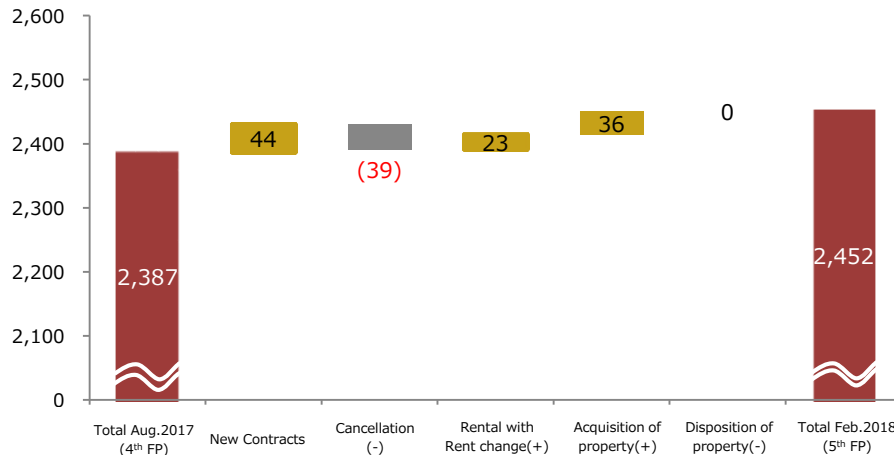
Change in floor area from move-ins & move-outs (tsubo)



Contract renewals (number of renewals)

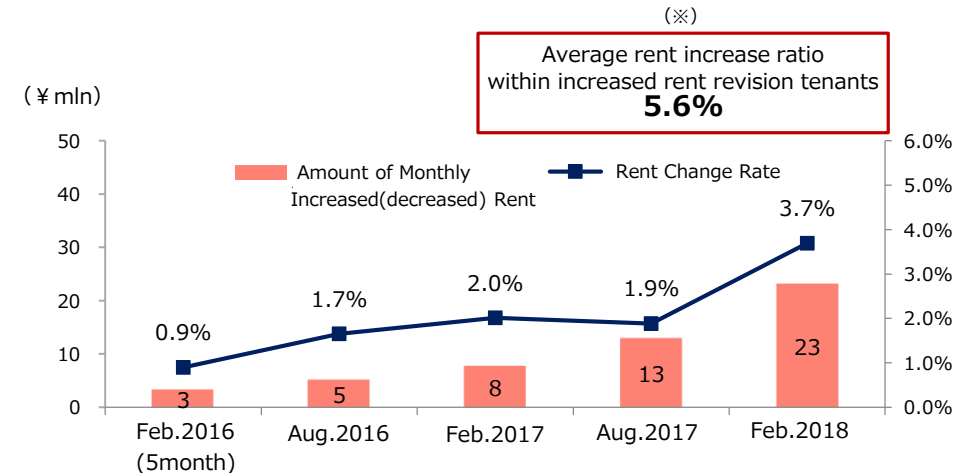


Increase/decrease in monthly contract rent ( ¥ mln) (※)



(※) Regarding to the tenants the revised condition had not been reached as at the end of the period, the prior condition is taken into account.

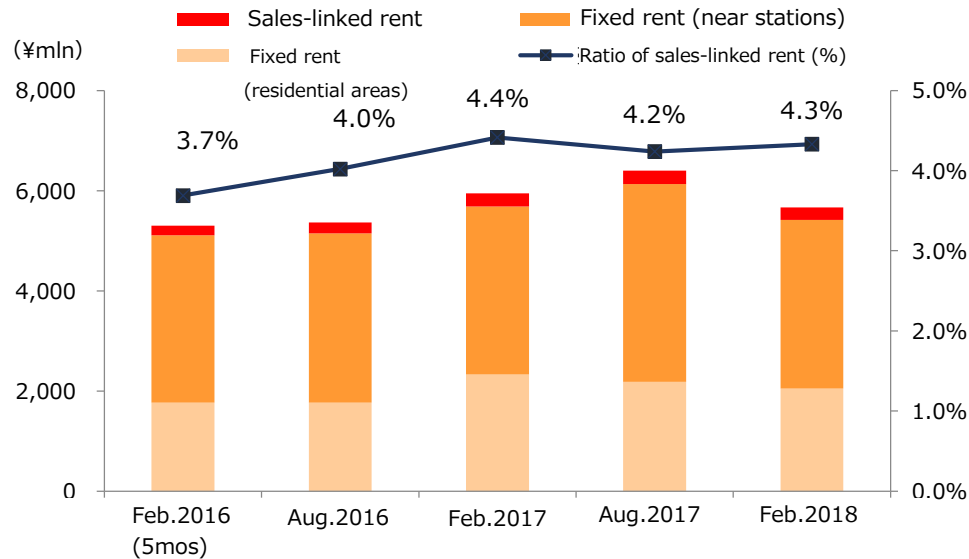
Rent change (amount) status



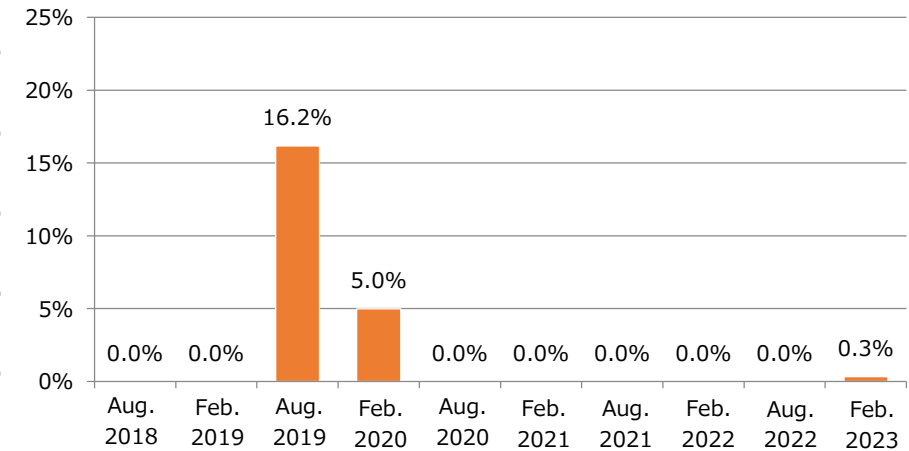
# Asset Management Status – Retail -

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

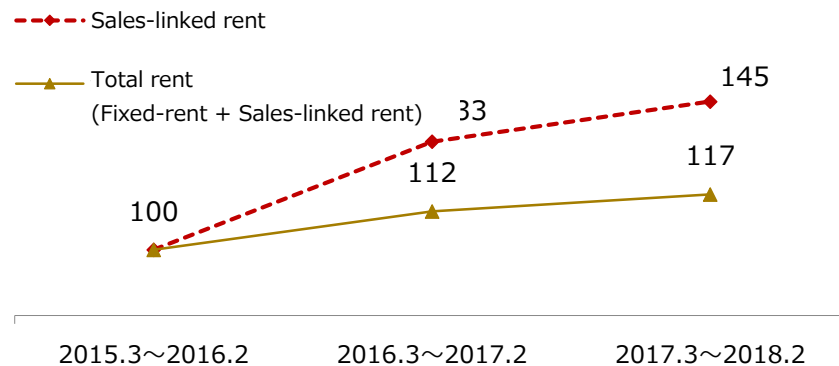
## Rent revenue breakdown



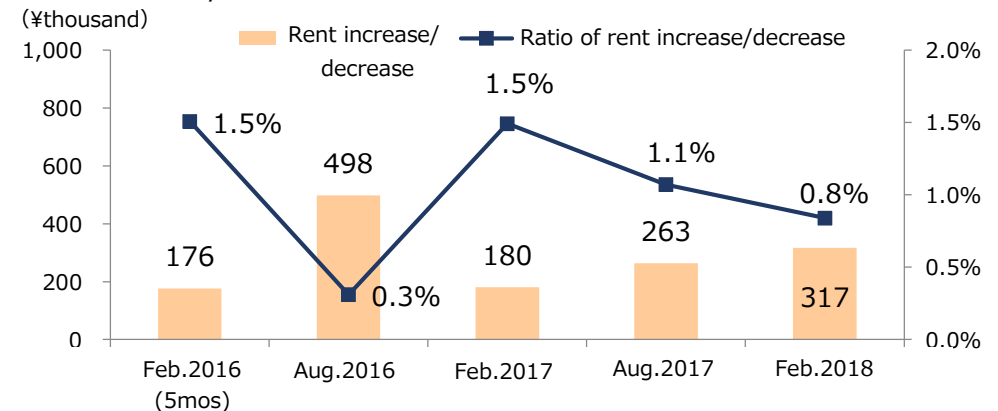
## Retail located in residential areas : Lease term diversification (rent basis)



## UCW: Change in rent (index)

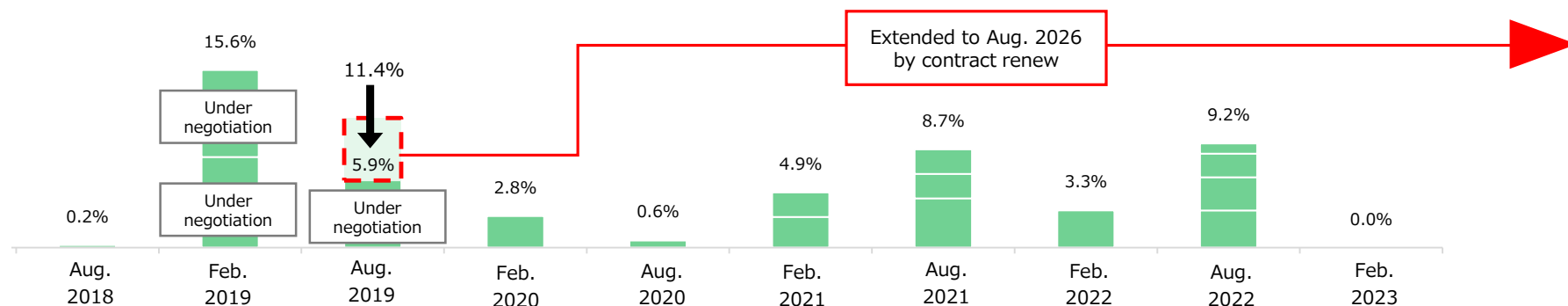


## Retail located near stations : Change in rent increase/decrease of the tenants scheduled to revise rent



# Asset Management Status – Logistics -

## Lease maturities (rent basis)

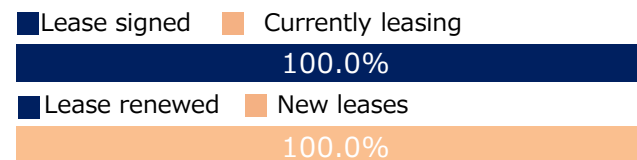


## Contract renewals

Leasing status of lease maturity area during Feb.2018 period

N/A

Leasing status of lease maturity area during Aug.2018 period



## Rent renewals(※)

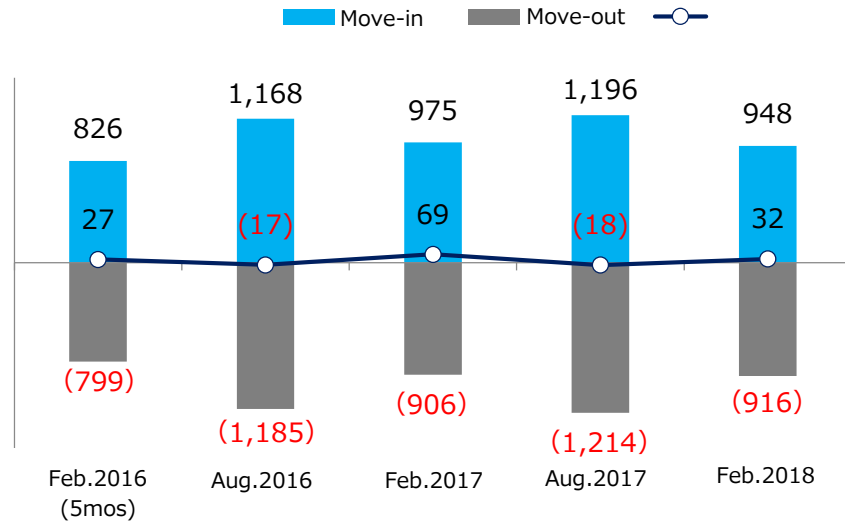
Property	Tenant	Rent type	2018年	2019年		2020年	Remarks
			Aug.	Feb.	Aug.	Feb.	
Kawaguchi Ryoke LC	Undisclosed	Fixed					Negotiating
Hirakata Kuzuha LC	Undisclosed	Fixed					Escalation rent
Sagamihara Onodai LC	FUKUYAMA TRANSPORTING CO.,LTD.	Fixed					Escalation rent
Landport Kasukabe	DIC Corporation	Fixed					Negotiating

(※) Tenants expecting rent renew by February 2020.

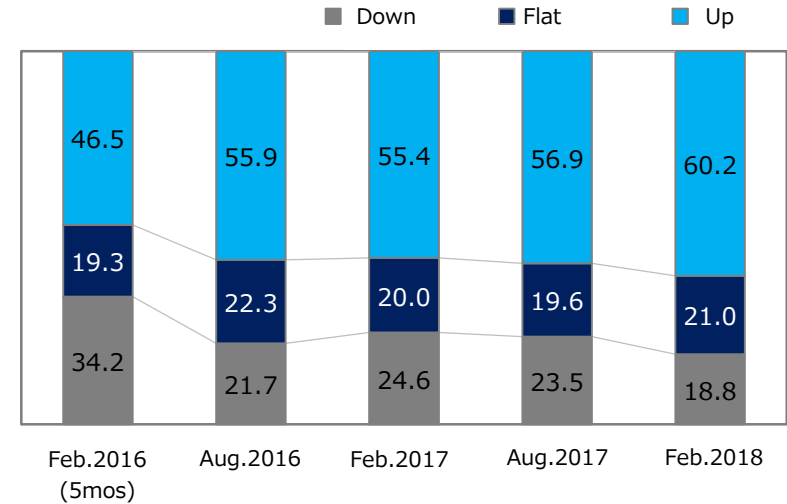
# Asset Management Status – Residential -

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

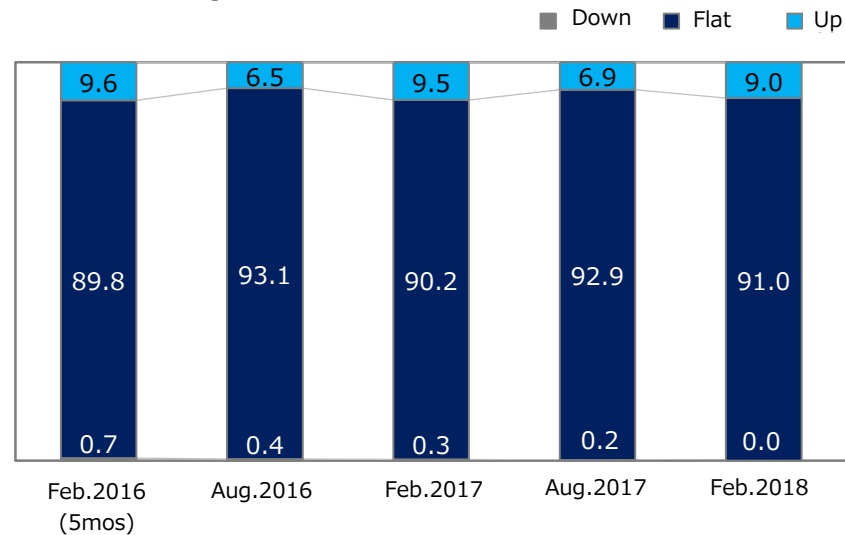
## Change in move-ins and move-outs (unit)



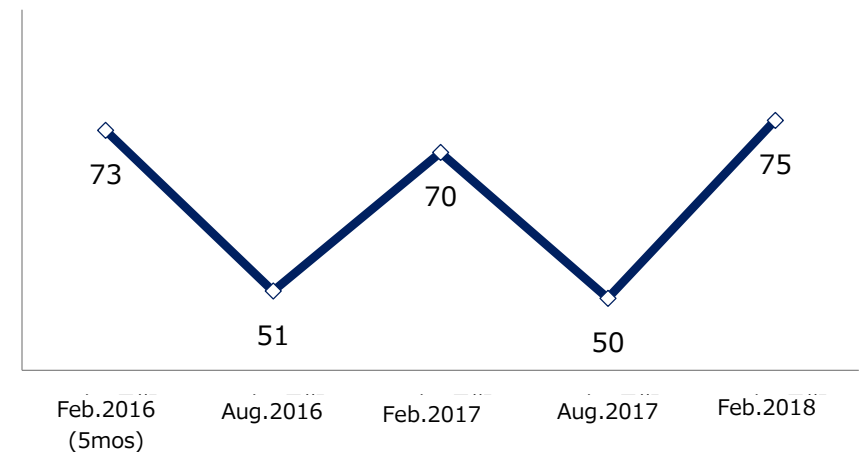
## Rent change at move-ins & move-outs (%)



## Rent change at renewals (%)



## Average vacant period trend (day)

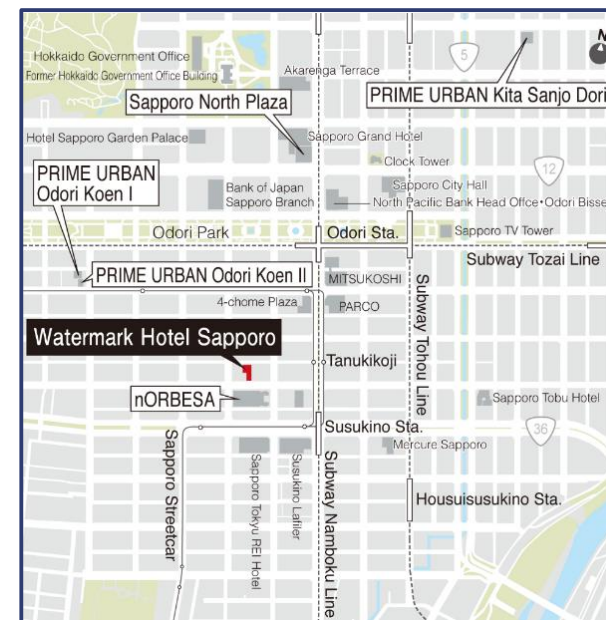
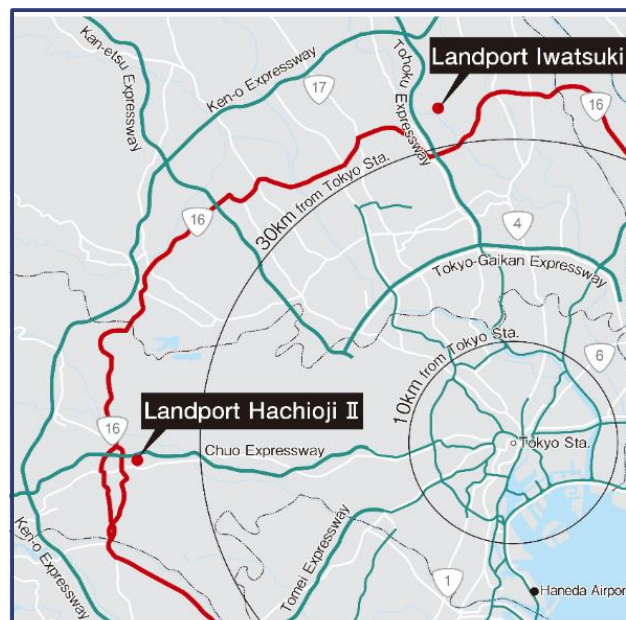
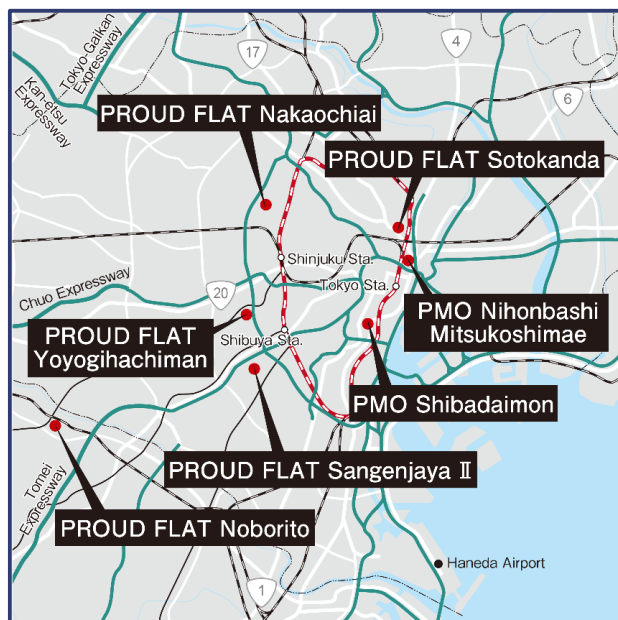


# New Acquisitions (1st Public Offering)

## List of Assets To Be Acquired

Property Name	Sector	Location	Acquisition Price (¥/mln)	Appraisal Value (¥/mln)	Appraisal NOI Yield (%)	Floor area (㎡)	Construction completion	Acquisition Date
PMO Nihonbashi Mitsukoshi-mae	Office	Chuo Ward Tokyo	4,310	4,520	3.5%	2,968.75	2016/5/31	2018/4/2
PMO Shibadaimon	Office	Minato Ward Tokyo	2,130	2,180	3.9%	1,755.21	2014/9/24	2018/4/2
Landport Hachioji II	Logistics	Hachioji City Tokyo	9,230	9,310	4.4%	33,028.63	2016/9/16	2018/3/1
Landport Iwatsuki	Logistics	Saitama City Tokyo	6,090	6,110	4.5%	24,177.15	2016/5/13	2018/3/1
PROUDFLAT Yoyogi Hachiman	Residential	Shibuya Ward Tokyo	966	1,000	4.4%	1,081.03	2016/1/8	2018/4/2
PROUDFLAT Sangenjaya II	Residential	Setagaya Ward Tokyo	2,750	2,800	4.4%	3,522.92	2014/1/14	2018/4/2
PROUDFLAT Sotokanda	Residential	Chiyoda Ward Tokyo	2,280	2,370	4.4%	2,882.48	2016/4/22	2018/4/2
PROUDFLAT Nakaochiai	Residential	Shinjyuku Ward Tokyo	844	873	4.6%	1,333.42	2016/12/6	2018/4/2
PROUDFLAT Noborito	Residential	Kawasaki City Kanagawa	1,216	1,260	5.1%	2,000.91	2016/4/19	2018/4/2
Watermark Hotel Sapporo	Hotel	Sapporo City Hokkaido	3,600	3,850	5.1%	4,348.23	2008/3/25	2018/3/5
合計			33,416	34,273	4.4%	77,098.73		

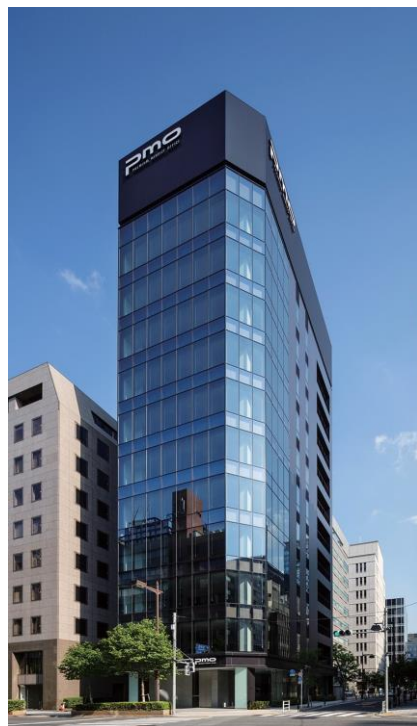
## Location of Asset to be acquired





# New Acquisitions in Office sector (1st Public Offering)

## PMO Nihonbashi Mitsukoshi-mae



### Located in Nihonbashi Honcho area, Chuo Ward

Easy access to Shin-Nihonbashi, Mitsukoshi-mae, and Kanda JR/subway stations. In the surrounding area of the property, Nihonbashi/Muromachi area, *Nihonbashi Revitalization Plan* aiming for new city development with coexistence of tradition and innovation is ongoing.

### Well acknowledged by the dominant strategy

PMOs are originated and well known in Nihonbashi area, with 13 of them fully completed in Chuo Ward alone.

### Excellent design

Covered entirely with glass, with a striking contrast against its overall black, the property boasts a unique presence while taking advantage of the corner plot.

Acquisition Price	¥4,310mln
Acquisition Date	April 2, 2018
Location	3-4-5 Nihonbashi Honcho, Chuo Ward, Tokyo
Total leasable Floor Space	226.86 m2 (68.62 tsubo)
Total Floor Area	2,968.75m2 (898.04 tsubo)
Completion Date	May 2016



## PMO Shibadaimon



### Very rare location in Minato Ward

Easy access to Onarimon, Daimon and Hamamatsu-cho stations and six lines. Direct access to both Narita and Haneda airports, in addition to major business area such as Otemachi and Nijo-bashi.

### Stylish design

The exquisite entrance design that radiates charm day and night gives a sense of pride to office workers and provides a refreshing place to welcome guests, which is expected to strongly appeal to potential tenants.

Acquisition Price	¥2,130mln
Acquisition Date	April 2, 2018
Location	1-10-18 Shibadaimon, Minato Ward, Tokyo
Total leasable Floor Space	182.98 m2 (55.35 tsubo)
Total Floor Area	1,755.21m2 (530.95 tsubo)
Completion Date	September 2014





# New Acquisitions in Logistics sector (1st Public Offering)

## Landport Hachioji II



### Superior access to the central Tokyo

Located near the Hachioji IC on the Chuo Express Way and both National Route 16 and 20. It is directly 36km away from central Tokyo and enables to long-distance transportation across the Tokyo metropolitan area. It is located in the Kita-Hachioji Industrial Park and can be operated 24 hours a day.

### Facility design with optimized and efficient logistics

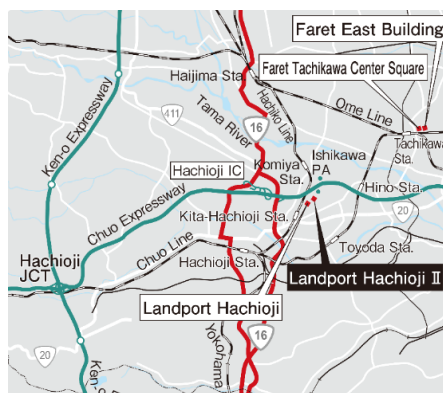
The Property is a four-story, slope-type facility and is designed such that cargo trucks can be parked next to the berths located on the first and third floors. The four freight elevators and four vertical conveyors installed in ensure a high operational efficiency. It is also highly efficient in respect of storage, which is achieved by the 11 m x 11 m grids enhancing rack storage efficiency per 100 m<sup>2</sup> and the “three-dimensional storage” system on the second and fourth floors utilizing the under-beam effective height of 6.5 m.

The Property adopts a base isolation system to be in line with the tenants’ BCPs (Business Continuity Plans), has its own emergency stock repositories and power generators, and can use water from a well. It also has environmentally friendly solar panels on top of the roof.

### Ensuring accessibility for employees of the tenants

Located a 12min walk from Kita-Hachioji Station on the JR Hachiko Line and it has many busses coming from Hino Station and Toyoda Station on the JR Chuo Line. It is well-positioned for tenant companies to recruit employees. It also has a cafeteria in the building to provide a good working environment.

Acquisition Price	¥9,230mln
Acquisition Date	March 1, 2018
Location	2970-3 Ishikawacho, Hachioji City, Tokyo
Type of Use	Multi-tenant
Total Floor Area	33,028.63m <sup>2</sup> (9,991.16 tsubo)
Completion Date	September 2016



## Landport Iwatsuki



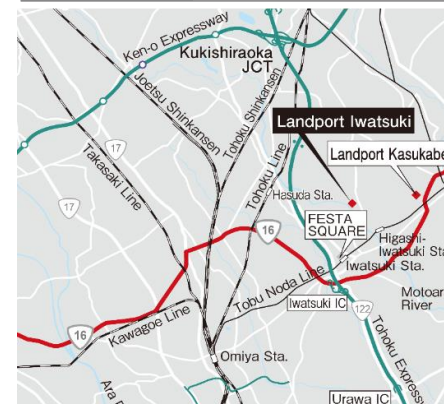
### Superior access to the central Tokyo

Located near the Iwatsuki IC on the Tohoku Expressway and both National Route 16 and 122. It is directly 33km away from central Tokyo and enables to long-distance transportation across the entire area of eastern Japan as well as the Tokyo metropolitan area. It is located in the Hokubu Industrial Park and can be operated 24 hours a day.

### Facility design with optimized and efficient logistics

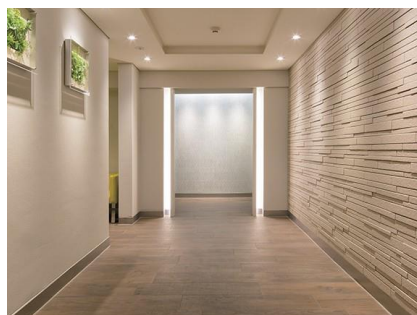
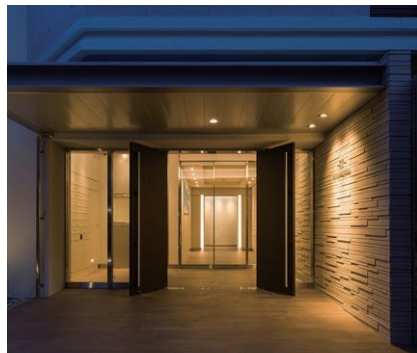
The Property is a three-story building, of utmost practicality, with two freight elevators and three vertical conveyors fully installed. It also features efficiency-driven designs, such as the 11 m x 11 m grids enhancing the rack storage efficiency, and the “three dimensional storage system” on each floor utilizing the under-beam effective height of 6.5 m. Further, the security of the Property is strengthened by a security gate equipped with a car number recognition system that identifies any suspicious cars. It also features rooftop greening and solar panels to support environmental friendliness, and LEDs are used for all the lighting in the building, to reduce power consumption and bulb replacement costs.

Acquisition Price	¥6,090mln
Acquisition Date	March 1, 2018
Location	5-2-9 Ueno, Iwatsuki Ward, Saitama City, Saitama
Type of Use	Multi-tenant
Total Floor Area	24,177.15m <sup>2</sup> (7,313.58 tsubo)
Completion Date	May 2016



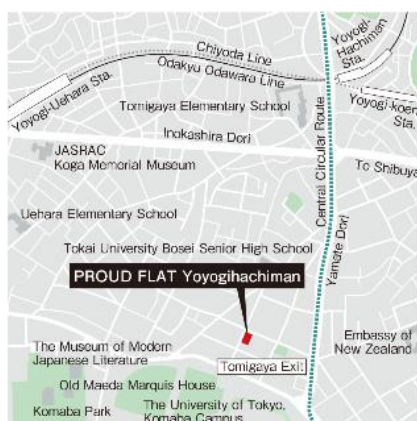
# New Acquisitions in Residential sector (1st Public Offering)

## PROUD FLAT Yoyogi Hachiman



### Tomigaya, a tranquil residential district near Yoyogi Park and Shibuya

Located 10min walk from Yoyogi-Hachiman Station on the Odakyu Odawara Line and 11min walk from Yoyogi-Koen Station on the Tokyo Metro Chiyoda Line. These stations have easy access to major business and commercial areas, such as Shinjuku, Omotesando, Akasaka and Otemachi. It is within walking distance from Harajuku and Shibuya areas, where the younger generation gather, and in the vicinity to the Komaba Campus of the University of Tokyo.



Acquisition Price	¥966mln
Acquisition Date	April 2, 2018
Location	2-16-11 Tomigaya, Shibuya Ward, Tokyo
Number of Units/Type	30 / 1LDK
Completion Date	January 2016

## PROUD FLAT Soto Kanda



### Superior access to various places in central Tokyo

The Property has access to a number of lines, being located 6min walk from Suehiro-cho Station on the Tokyo Metro Ginza Line, 7min walk from Akihabara Station on the JR Yamanote Line, Keihin Tohoku Line and Sobu Line, 8min walk from Ochanomizu Station on the JR Sobu Line, Chuo Line and Tokyo Metro Marunouchi Line, and 8min walk from Shin-Ochanomizu Station on the Tokyo Metro Chiyoda Line. As such, the Property occupies a rare location which has superior access to various places in central Tokyo. In the surrounding area of the Property, Akihabara Station is surrounded by supermarkets, convenience stores, restaurants, and electrical appliance stores, while Ochanomizu Station has many university hospitals and private universities nearby, which is expected to create a demand from medical experts and students, as well as single workers. Alongside the Kanda River located in south of the Property, "Manseibashi elevated bridge" with red blocks, which is located alongside the Kanda River flowing on the south side of the Property, was re-built into "Maach Ecute Kanda Manseibashi", providing bustling area.



Acquisition Price	¥2,280mln
Acquisition Date	April 2, 2018
Location	2-5-9 Sotokanda, Chiyoda Ward, Tokyo
Number of Units/Type	75 / 1K, 1LDK
Completion Date	April 2016



# New Acquisitions in Residential sector (1st Public Offering)

## PROUD FLAT Sangenjaya II



### Popular area in Tokyu Den-en-toshi Line

Located 7min walk from Sangen-Jaya Station on the Tokyu Den-en-toshi Line, which is four minutes away from currently-under-redevelopment JR Shibuya Station by direct train. The Property has easy access to major business and commercial areas, such as Omotesando, Akasaka and Otemachi. As Sangen-Jaya Station is surrounded by various retail facilities, including restaurants, and is also near Shibuya Station, the area is particularly popular among young people.

Acquisition Price	¥2,750mln
Scheduled Acquisition Date	April 2, 2018
Location	1-15-31 Taishido, Setagaya Ward, Tokyo
Number of Units/Type	70 / 2K
Completion Date	January 2014



## PROUD FLAT Nakaochiai



### Simple and elegant design ~Received Good Design Award 2017~

Located 5min walk from Nakai Station on the Seibu Shinjuku Line, 7min walk from Nakai Station on the Toei Oedo, being enables direct access to major business and commercial areas such as Shinjuku, Aoyama 1-chome and Roppongi. Restaurants, convenience stores, laundries, and supermarkets are located around the Property along with calm surrounding for a favorable living environment.

Acquisition Price	¥844mln
Acquisition Date	April 2, 2018
Location	1-6-16 Nakaochiai, Shinjuku Ward, Tokyo
Number of Units/Type	37 / 1K
Completion Date	December 2016



## PROUD FLAT Noborito



### Good living environment in a green area

Located 3min walk from Noborito Station on the JR Nanbu Line and Odakyu Odawara Line with direct access to business areas such as Shinjuku, Omotesando, Kasumigaseki, Hibiya, Otemachi, and Kawasaki. The 11 km long section between Yoyogi-Uehara Station and Izumi-Tamagawa Station on the Odakyu Odawara Line is scheduled to become a quadruple-track by March 2018, strengthening access to business areas in central Tokyo and enhancing the convenience of the Property. Also, Tamagawa River and the surrounding green areas provide a good living environment.

Acquisition Price	¥1,216mln
Acquisition Date	April 2, 2018
Location	3333-1 Aza Shinkochi, Noborito, Tama Ward, Kanagawa
Number of Units/Type	79/ 1K
Completion Date	April 2016



# New Acquisitions in Hotels sector (1st Public Offering)

## Watermark Hotel



### Superior location for sightseers and businesspeople

Located near the Susukino area, the city's busiest entertainment district, while as well as being very close to the Odori area, which serves as the city's business hub. Therefore, the property is thus well-positioned to welcome businesspeople in need of accommodation while also attracting sightseers from elsewhere in Japan and overseas. Moreover, the property is located on the Tanukikoji Shopping Street, an extensive arcade affording easy access to shops in all seasons.

### The city with high growth potential

Only Tokyo's 23 wards have higher net immigration figures than Sapporo, and the city's population is steadily rising. Accordingly, Sapporo is one of Japan's few regional municipal bodies boasting significant growth potential as well as stable business opportunities. In addition, New Chitose Airport has recently completed the renovation of its terminal buildings and increased the number of domestic and international flights it handles. Reflecting the increasing number of tourists visiting Sapporo, sightseeing-related demand, including inbound marketing demand, is expected to grow.

### Rooms pursuing comfortability

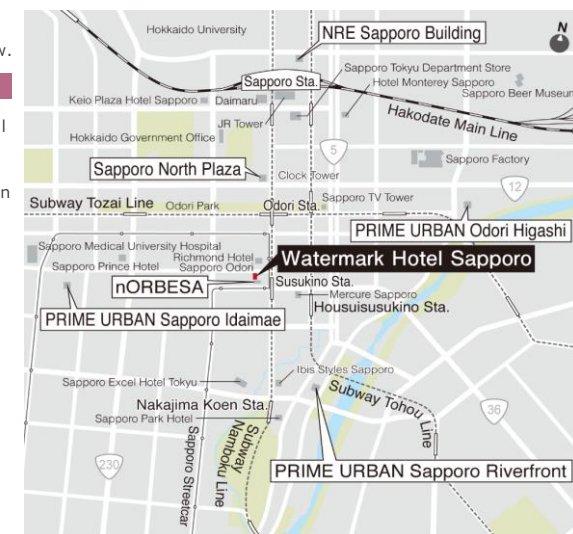
The property's guest rooms comprise 72 large 15 m<sup>2</sup> single rooms, as well as 81 double/twin rooms (including a number of universal access rooms) with floor space ranging from 17 m<sup>2</sup> to 21 m<sup>2</sup>. Unlike typical domestic hotels targeting businesspeople, in which the bathtub, toilet and washbasin are crammed into a single space-saving modular bathroom, each guest room boasts a well-appointed bathroom with discrete fittings.

Acquisition Price	¥3,600mln
Acquisition Date	March 5, 2018
Location	5-16 Minamisanjonishi , Chuou Ward, Sapporo City, and other 2 lots
Number of Rooms	153
Type	Limited-service hotels
Completion Date	March 2008

## Hotel business by the sponsor

### ■ Summary of the company

Company Name	Nomura Real Estate Hotels Co., Ltd.
Head Office	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Capital	JPY 100 million
Shareholder	Nomura Real Estate Holdings, Inc. (100%)
Business Operations	Hotel management business
Established	October 17, 2017



### ■ Hotel development (scheduled)(\*1)

<Private hotel brand "NOHGA HOTEL">



## NOHGA HOTEL

The first hotel development

### NOHGA HOTEL Ueno

Location: 3min walk from Ueno JR Station

Number of Rooms: 130

Start of Operation : Autumn 2018 (scheduled)

Operator: Nomura Real Estate Hotels Co., Ltd.

(\*1)The Fund does not intend to acquire the property as of the date of this material, and there is no assurance that we will acquire the property in the future. This illustration is based on the assumed state of the new building after development, and may differ from actual structure following completion.



# Strong Sponsor Pipelines (※1) for External Growth

## PMO (Office)



PMO Nihonbashi Edo-dori



PMO Kyobashi-Higashi PJ.

	Name	Location	Completion (plan) period	status
✓	1 PMO Shibadaimon	Minato-ku, Tokyo	Completed 2014	NMF Acquired
	2 PMO Nihonbashi Edo-dori (※2)	Chuo-ku, Tokyo	Completed 2016	Operating
✓	3 PMO Nihonbashi Mitsukoshimae	Chuo-ku, Tokyo	Completed 2016	NMF Acquired
	4 PMO Uchi-Kanda PJ.	Chiyoda-ku, Tokyo	Completed 2017	Operating
	5 PMO Shibuya PJ.	Shibuya-ku, Tokyo	Completed 2017	Operating
	6 PMO Hanzomon PJ.	Chiyoda-ku, Tokyo	Completed 2017	Operating
	7 PMO Shinjyuku-gyoen PJ	Shinjyuku-ku, Tokyo	Sep.2018	u/c
	8 PMO Tamachi II PJ.	Minato-ku, Tokyo	Feb.2018	u/c
	9 PMO Higashi-Shinbashi PJ.	Minato-ku, Tokyo	Apr.2018	u/c
	10 PMO Kyobashi-Higashi PJ.	Chuo-ku, Tokyo	Apr.2018	u/c
	11 PMO Ochanomizu PJ.	Chiyoda-ku, Tokyo	Jul.2018	u/c
	12 PMO Hamamatsucho PJ.	Minato-ku, Tokyo	Nov.2018	u/c
	13 PMO Kandasudacho PJ.	Chiyoda-ku, Tokyo	Jan.2020	Planning
	14 PMO Hatchobori Shinkawa PJ. (※2)	Chuo-ku, Tokyo	Apr.2018	u/c
	15 PMO Akihabara-Kita PJ.	Taito-ku, Tokyo	Dec.2018	u/c
	16 PMO Nishi-Shinjyuku PJ.	Shinjyuku-ku, Tokyo	Jun.2019	Planning
	17 PMO Shibuya II PJ.	Shibuya-ku, Tokyo	Aug.2020	Planning
	18 PMO Gotanda PJ.	Shinagawa-ku, Tokyo	Jul.2019	Planning
	19 Minato-ku PJ.	Minato-ku, Tokyo	Jul.2020	Planning

✓ Acquired by NMF as of April 2, 2018

🔄 Development taking advantage of SPR

## PROUD FLAT (Residential)



Tomigaya 2-chome PJ.  
(Former Mitsubishi Motors Shibuya)



Proud Flat Miyazakidai

	Name	Location	Completion (plan) period	status
✓	1 Proud Flat Sangenjaya II	Setagaya-ku, Tokyo	Completed 2014	NMF Acquired
	2 Proud Flat Higashi-Kanda	Chiyoda-ku, Tokyo	Completed 2015	Operating
	3 Proud Flat Mitsukoshi-mae	Chuo-ku, Tokyo	Completed 2015	Operating
✓	4 Proud Flat Yoyogi Hachiman	Shibuya-ku, Tokyo	Completed 2016	NMF Acquired
✓	5 Proud Flat Soto Kanda	Chiyoda-ku, Tokyo	Completed 2016	NMF Acquired
✓	6 Proud Flat Noborito	Kawasaki-shi, Kanagawa	Completed 2016	NMF Acquired
✓	7 Proud Flat Nakaochiai	Shinjuku-ku, Tokyo	Completed 2016	NMF Acquired
	8 Proud Flat Monzen Nakacho V	Koto-ku, Tokyo	Oct.2017	u/c
	9 Proud Flat Miyazakidai	Kawasaki-shi, Kanagawa	Feb.2018	u/c
	10 Proud Flat Togoshi	Shinagawa-ku, Tokyo	Dec.2018	u/c
	11 Proud Flat Asakusabashi II	Taito-ku, Tokyo	Mar.2019	u/c
	12 Proud Flat Higashi-Nihonbashi	Chuo-ku, Tokyo	Oct.2018	u/c
	13 Proud Flat Asakusabashi III	Taito-ku, Tokyo	Aug.2018	u/c
	14 Proud Flat Asakusa Kaminarimon	Taito-ku, Tokyo	Jan.2019	u/c
	15 Proud Flat Ryougoku	Sumida-ku, Tokyo	Aug.2019	Planning
🔄	16 Tomigaya 2-chome PJ.	Shibuya-ku, Tokyo	Feb.2019	Planning
	17 Kiba 5-chome PJ.	Koto-ku, Tokyo	Feb.2020	Planning
	18 Minami-Shinagawa 2-choume PJ.	Shinagawa-ku, Tokyo	Apr.2019	Planning
	19 Kinshicho II PJ.	Sumida-ku, Tokyo	Jan.2020	Planning
	20 Sumida-ku PJ.	Sumida-ku, Tokyo	Nov.2019	Planning
	21 Kameido 6-chome PJ.	Koto-ku, Tokyo	Dec.2022	Planning

(※1) Sourced from Presentation Materials for the Consolidated Financial Results for the 3<sup>rd</sup> Quarter, FY2018

(※2) Joint Venture PJ

# Strong Sponsor Pipelines (※1) for External Growth

## Landport (Logistics)



Landport Higashi-Narashino PJ.  
(Former Ito-Yokado Higashi-Narashino Store)

	Name	Location	Completion (plan) period	status
✓	1 Landport Iwatsuki	Saitama-shi, Saitama	Completed 2016	NMF Acquired
✓	2 Landport Hachioji II	Hachioji-shi, Tokyo	Completed 2016	NMF Acquired
	3 Landport Komaki (※2)	Komaki-shi, Aichi	Completed 2017	Operating
	4 Landport Shinonome PJ.	Koto-ku, Tokyo	Aug.2018	Plannning
	5 Landport Narashino PJ.	Narashino-shi, Chiba	Dec.2019	u/c
	6 Landport Kawaguchi PJ.	Kawaguchi-shi, Saitama	Jan.2020	Plannning
↻	7 Landport Higashi-Narashino PJ.	Narashino-shi, Chiba	Aug.2019	Plannning
	8 Landport Ome I PJ.	Ome-shi, Tokyo	Nov.2018	u/c
	9 Landport Ome II PJ.	Ome-shi, Tokyo	Jun.2020	Plannning
	10 Landport Ome III PJ.	Ome-shi, Tokyo	Jun.2020	Plannning
	11 Landport Koshigaya PJ.	Koshigaya-shi, Saitama	Jun.2020	Plannning
	12 Landport Kasukabe II PJ.	Kasukabe-shi, Saitama	May.2021	Plannning
	13 Landport Atsugi-Aikawamachi PJ. (※2)	Atsugi-shi, Kanagawa	Mar.2020	Plannning

(※1) Sourced from Presentation Materials for the Consolidated Financial Results for the 3<sup>rd</sup> Quarter, FY2018

(※2) Joint Venture PJ

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

✓ Acquired by NMF as of April 2,2018

↻ Development taking advantage of SPR

## GEMS (Retail)



GEMS Jingu-mae PJ.



GEMS Kayabacho PJ.



GEMS Sangenjaya PJ.

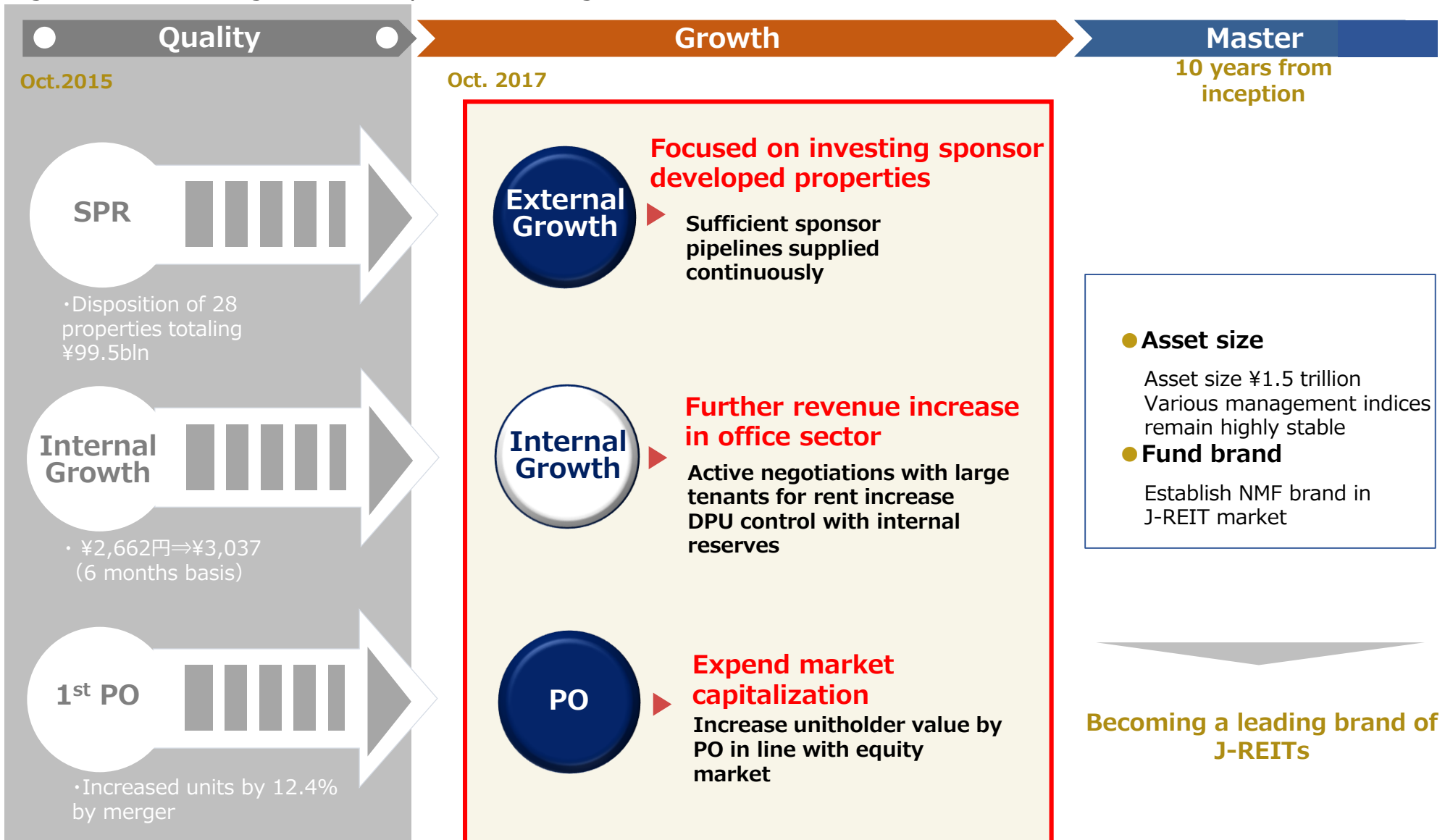
	Name	Location	Completion (plan) period	status
	1 GEMS Jingu-mae PJ.	Shibuya-ku, Tokyo	Apr.2018	u/c
	2 GEMS Kayabacho PJ.	Chuo-ku, Tokyo	Feb.2018	u/c
	3 GEMS Namba PJ.	Osaka-shi, Osaka	Nov.2018	u/c
	4 GEMS Tamachi PJ.	Minato-ku, Tokyo	Feb.2019	u/c
	5 GEMS Nishi-Shinjuku PJ.	Shinjuku-ku, Tokyo	Not fixed	Plannning
	6 GEMS Sangenjaya PJ.	Setagaya-ku, Tokyo	May.2018	u/c
	7 GEMS Shin-Yokohama PJ.	Yokohama-shi, Kanagawa	Jul.2018	u/c
	8 GEMS Shinbashi PJ.	Minato-ku, Tokyo	Sep.2018	u/c
	9 GEMS Sakae PJ.	Nagoya-shi, Aichi	Aug.2019	Plannning
	10 GEMS Yokohama PJ.	Yokohama-shi, Kanagawa	Sep.2019	Plannning

### <Other Retail facilities>

↻	1 Jinbo-cho PJ.	Chiyoda-ku, Tokyo	Jan.2019	Plannning
	2 Suginami PJ.	Suginami-ku, Tokyo	Sep.2018	Plannning
	3 Hiroo PJ.	Shibuya-ku, Tokyo	May.2019	Plannning
	4 Katase-Kaigan PJ.	Hujisawa-shi, Kanagawa	Feb.2019	Plannning
	5 Chayamachi PJ.	Osaka-shi, Osaka	Jul.2020	Plannning

# Medium- to Long-term Management Strategy ~Growth Phase~

Moved on to Growth Phase from October 2017 and promoting growth strategy centering on external growth, internal growth and public offerings.



# Top 10 Tenants by Leased Space

No	Tenant	Asset Type	Property Name	Leased space (m <sup>2</sup> )	Weight in portfolio (%)
1	Nomura Real Estate Partners Co., Ltd.	Office	Shinjuku Nomura Building	200,748.42	11.4
		Office	NRE Yotsubashi Building		
		Residential	PROUD FLAT Shirokane Takanawa etc.		
2	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu	92,389.48	5.2
			Sagamihara Onodai Logistics Center		
3	Ito-Yokado Co., Ltd.	Retail	Sagamihara shopping center	60,991.12	3.5
4	(Not Disclosed)	Logistics	Landport Kawagoe	56,453.36	3.2
5	Neovia Logistics Services, LLC	Logistics	Sagamihara Tana Logistics Center	50,450.00	2.9
6	Yokohama Okadaya Co., Ltd.	Retail	Yokosuka More's City	48,193.96	2.7
			Kawasaki More's		
7	(Not Disclosed)	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	2.0
Top 10 tenants total				660,561.84	37.4



# Portfolio List

					Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018		
					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(%)
Area	Use	Property name	Acquisition price (million yen)												
OF-T-001	Tokyo	Office	Shinjuku Nomura Building	43,900	45,813	49,100	3.7	3,286	45,861	49,200	3.7	3,338	100	0.2	0.0
OF-T-002	Tokyo	Office	NRE Tennozu Building	20,500	20,466	21,700	4.1	1,233	20,455	21,800	4.1	1,344	100	0.5	0.0
OF-T-003	Tokyo	Office	Kojimachi Millennium Garden	26,700	26,586	27,200	4.0	613	26,537	27,200	4.0	662	0	0.0	0.0
OF-T-006	Tokyo	Office	NMF Shinjuku Minamiguchi Building	10,000	10,151	10,600	3.9	448	10,146	11,400	3.8	1,253	800	7.5	-0.1
OF-T-007	Tokyo	Office	NMF Shibuya Koen-dori Building	10,400	10,444	10,600	3.7	155	10,440	10,600	3.7	159	0	0.0	0.0
OF-T-008	Tokyo	Office	Secom Medical Building	11,100	10,963	11,400	4.0	436	10,925	11,300	4.0	374	-100	-0.9	0.0
OF-T-009	Tokyo	Office	NMF Shiba Building	7,040	7,051	7,250	4.2	198	7,062	7,250	4.2	187	0	0.0	0.0
OF-T-010	Tokyo	Office	Nishi Shinjuku Showa Building	8,140	8,151	8,100	4.3	-51	8,144	8,120	4.3	-24	20	0.2	0.0
OF-T-011	Tokyo	Office	NRE Shibuya Dogenzaka Building	5,310	5,317	5,630	3.7	312	5,314	5,760	3.7	445	130	2.3	0.0
OF-T-013	Tokyo	Office	Iwamoto-cho Toyo Building	4,050	4,055	4,180	3.9	124	4,059	4,190	3.9	130	10	0.2	0.0
OF-T-015	Tokyo	Office	NMF Surugadai Building	4,690	4,702	4,890	4.0	187	4,691	5,050	3.9	358	160	3.3	-0.1
OF-T-016	Tokyo	Office	PMO Nihonbashi Honcho	4,320	4,225	4,560	3.8	334	4,203	4,640	3.8	436	80	1.8	0.0
OF-T-017	Tokyo	Office	PMO Nihonbashi Kayabacho	5,010	4,922	5,470	3.8	547	4,898	5,540	3.8	641	70	1.3	0.0
OF-T-018	Tokyo	Office	NMF Gotanda Ekimae Building	4,430	4,601	4,830	4.5	228	4,613	4,920	4.5	306	90	1.9	0.0
OF-T-019	Tokyo	Office	NRE Higashi-nihonbashi Building	3,570	3,546	3,510	4.3	-36	3,555	3,510	4.3	-45	0	0.0	0.0
OF-T-020	Tokyo	Office	PMO Akihabara	4,240	4,152	4,830	3.9	677	4,126	4,830	3.9	703	0	0.0	0.0
OF-T-021	Tokyo	Office	Hatchobori NF Building	2,480	2,464	2,590	4.0	125	2,458	2,660	3.9	201	70	2.7	-0.1
OF-T-022	Tokyo	Office	NMF Kanda Iwamotocho Building	4,160	4,198	4,120	4.1	-78	4,195	4,120	4.1	-75	0	0.0	0.0
OF-T-023	Tokyo	Office	NMF Takanawa Building	2,830	2,819	2,900	4.3	80	2,812	2,900	4.3	87	0	0.0	0.0
OF-T-024	Tokyo	Office	PMO Hatchobori	2,880	2,815	3,220	3.9	404	2,794	3,240	3.9	445	20	0.6	0.0
OF-T-026	Tokyo	Office	PMO Nihonbashi Odenmachi	2,210	2,162	2,570	4.1	407	2,147	2,570	4.1	422	0	0.0	0.0
OF-T-028	Tokyo	Office	PMO Higashi-nihonbashi	1,690	1,645	1,880	4.2	234	1,629	1,890	4.2	260	10	0.5	0.0
OF-T-029	Tokyo	Office	NRE Ueno Building	6,470	6,502	6,640	4.0	137	6,488	6,640	4.0	151	0	0.0	0.0
OF-T-031	Tokyo	Office	NF Hongo Building.	4,890	4,865	5,150	4.5	284	4,857	5,150	4.5	292	0	0.0	0.0
OF-T-034	Tokyo	Office	Crystal Park Building	3,390	3,360	3,420	4.7	59	3,359	3,420	4.7	60	0	0.0	0.0
OF-T-035	Tokyo	Office	NMF Kichijoji Honcho Building	1,780	1,838	1,920	4.7	81	1,849	1,950	4.7	100	30	1.6	0.0
OF-T-036	Tokyo	Office	Faret Tachikawa Center Square	3,850	3,841	4,190	4.7	348	3,839	4,270	4.6	430	80	1.9	-0.1
OF-T-037	Tokyo	Office	NMF Kawasaki Higashiguchi Building	7,830	7,898	8,860	4.8	961	7,903	9,270	4.7	1,366	410	4.6	-0.1
OF-T-038	Tokyo	Office	NMF Yokohama Nishiguchi Building	5,460	5,677	6,440	4.4	762	5,671	6,640	4.3	968	200	3.1	-0.1
OF-T-039	Tokyo	Office	NMF Shin-Yokohama Building	2,620	2,806	2,970	4.9	163	2,818	3,000	4.8	181	30	1.0	-0.1
OF-T-041	Tokyo	Office	PMO Tamachi	6,210	6,253	6,750	3.6	496	6,229	6,910	3.6	680	160	2.4	0.0
OF-T-042	Tokyo	Office	PMO Ginza Hatchome	3,970	3,996	4,410	3.5	413	3,985	4,430	3.5	444	20	0.5	0.0
OF-T-043	Tokyo	Office	PMO Shibakoen	3,900	3,925	4,320	3.7	394	3,909	4,320	3.7	410	0	0.0	0.0
OF-T-044	Tokyo	Office	NEC Head Office Building	44,100	44,184	44,500	3.8	315	44,194	45,100	3.8	905	600	1.3	0.0
OF-T-045	Tokyo	Office	Harumi Island Triton Square Office Tower Y	18,200	18,118	18,600	3.9	481	18,087	18,500	3.9	412	-100	-0.5	0.0
OF-T-046	Tokyo	Office	NMF Aoyama 1-chome Building	10,400	10,419	11,700	3.4	1,280	10,450	11,800	3.4	1,349	100	0.9	0.0
OF-T-047	Tokyo	Office	NMF Takebashi Building	8,330	8,320	8,540	4.0	219	8,304	8,700	3.9	395	160	1.9	-0.1
OF-T-048	Tokyo	Office	Harumi Island Triton Square Office Tower Z	8,180	8,129	8,180	3.9	50	8,105	8,170	3.9	64	-10	-0.1	0.0
OF-T-049	Tokyo	Office	NMF Kayabacho Building	6,070	6,039	6,200	4.2	160	6,035	6,200	4.2	164	0	0.0	0.0
OF-T-050	Tokyo	Office	NMF Shinjuku EAST Building	5,710	5,744	5,790	4.2	45	5,719	5,990	4.1	270	200	3.5	-0.1
OF-T-051	Tokyo	Office	NMF Shiba-Koen Building	3,620	3,637	3,750	3.9	112	3,713	3,760	3.9	46	10	0.3	0.0
OF-T-052	Tokyo	Office	NMF Ginza 4-chome Building	1,850	1,860	1,930	3.8	69	1,871	1,960	3.7	88	30	1.6	-0.1

# Portfolio List

AreaUseProperty nameAcquisition price (million yen)					Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018			
					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-053	Tokyo	Office	Faret East Building	1,850	1,847	1,940	4.7	92	1,838	1,940	4.6	101	0	0.0	-0.1	
Of-T-054	Tokyo	Office	PMO Shinnihonbashi	4,440	-	-	-	-	4,479	4,680	3.8	200	-	-	-	
Of-T-055	Tokyo	Office	PMO Hirakawacho	3,410	-	-	-	-	3,447	3,560	3.6	112	-	-	-	
Of-S-001	Other	Office	Sapporo North Plaza	6,250	6,325	7,080	4.9	754	6,318	7,230	4.8	911	150	2.1	-0.1	
Of-S-002	Other	Office	NRE Sapporo Building	4,140	3,975	4,470	5.0	494	3,934	4,740	4.9	805	270	6.0	-0.1	
Of-S-004	Other	Office	NMF Sendai Aoba-dori Building	2,030	2,160	2,160	5.4	0	2,156	2,480	5.4	323	320	14.8	0.0	
Of-S-005	Other	Office	NMF Utsunomiya Building	2,320	2,600	2,330	5.6	-270	2,573	2,330	5.5	-243	0	0.0	-0.1	
Of-S-006	Other	Office	NMF Nagoya Fushimi Building	2,240	2,156	2,240	4.6	83	2,132	2,310	4.5	177	70	3.1	-0.1	
Of-S-007	Other	Office	NMF Nagoya Yanagibashi Building	2,280	2,312	2,140	5.0	-172	2,341	2,200	4.9	-141	60	2.8	-0.1	
Of-S-008	Other	Office	Omron Kyoto Center Building	18,300	18,198	18,700	5.0	501	18,160	19,100	4.9	939	400	2.1	-0.1	
Of-S-009	Other	Office	SORA Shin-Osaka 21	12,100	12,023	12,100	4.6	76	11,989	12,100	4.5	110	0	0.0	-0.1	
Of-S-010	Other	Office	NRE Osaka Building	6,100	6,326	6,200	4.7	-126	6,373	6,210	4.6	-163	10	0.2	-0.1	
Of-S-011	Other	Office	NRE Nishi-Umeda Building	3,450	3,475	3,630	4.3	154	3,465	3,640	4.3	174	10	0.3	0.0	
Of-S-012	Other	Office	NRE Yotsubashi Building	4,000	4,010	4,140	4.6	129	3,999	4,170	4.5	170	30	0.7	-0.1	
Of-S-013	Other	Office	NRE Hiroshima Building	2,280	2,273	2,580	5.8	306	2,268	2,620	5.7	351	40	1.6	-0.1	
Of-S-014	Other	Office	NMF Hakata Ekimae Building	4,210	4,191	4,630	4.9	438	4,179	4,830	4.8	650	200	4.3	-0.1	
Of-S-015	Other	Office	NMF Tenjin-Minami Building	2,230	2,169	2,330	5.0	160	2,153	2,380	4.9	226	50	2.1	-0.1	
					428,110	422,728	442,060	-	19,331	430,278	455,390	-	25,111	5,090	3.0	-
Rt-T-002	Tokyo	Retail	Yokosuka More's City	13,640	13,805	16,300	5.0	2,494	13,859	16,500	4.9	2,640	200	1.2	-0.1	
Rt-T-003	Tokyo	Retail	Recipe SHIMOKITA	10,407	10,588	10,900	4.0	311	10,554	11,100	4.0	545	200	1.8	0.0	
Rt-T-004	Tokyo	Retail	Kawasaki More's	6,080	6,669	7,810	4.3	1,140	6,779	7,980	4.2	1,200	170	2.2	-0.1	
Rt-T-005	Tokyo	Retail	EQUINIA Shinjuku	4,260	4,305	4,920	3.8	614	4,313	4,920	3.8	606	0	0.0	0.0	
Rt-T-006	Tokyo	Retail	EQUINA Ikebukuro	3,990	4,067	4,490	4.2	422	4,061	4,460	4.2	398	-30	-0.7	0.0	
Rt-T-007	Tokyo	Retail	covirma machida	3,440	3,748	4,320	4.8	571	3,769	4,260	4.7	490	-60	-1.4	-0.1	
Rt-T-008	Tokyo	Retail	Nitori Makuhari	3,080	2,874	3,740	5.0	865	2,846	3,810	4.9	963	70	1.9	-0.1	
Rt-T-009	Tokyo	Retail	Konami Sports Club Fuchu	2,730	2,600	3,400	5.1	799	2,591	3,400	5.1	808	0	0.0	0.0	
Rt-T-010	Tokyo	Retail	FESTA SQUARE	2,600	2,408	3,200	5.3	791	2,383	3,250	5.2	866	50	1.6	-0.1	
Rt-T-011	Tokyo	Retail	GEMS Shibuya	2,490	2,446	2,660	4.4	213	2,434	2,660	4.4	225	0	0.0	0.0	
Rt-T-012	Tokyo	Retail	Sundai Azamino	1,700	1,585	2,060	5.2	474	1,570	2,090	5.1	519	30	1.5	-0.1	
Rt-T-013	Tokyo	Retail	EQUINIA Aobadai	1,560	1,631	1,900	5.2	268	1,624	1,930	5.1	305	30	1.6	-0.1	
Rt-T-014	Tokyo	Retail	Megalos Kanagawa	1,000	983	1,380	5.7	396	977	1,410	5.6	432	30	2.2	-0.1	
Rt-T-015	Tokyo	Retail	Mitsubishi Motors Meguro	2,740	2,764	3,150	5.3	385	2,764	3,190	5.3	425	40	1.3	0.0	
Rt-T-016	Tokyo	Retail	Mitsubishi Motors Chofu	1,760	1,776	1,780	5.2	3	1,776	1,770	5.2	-6	-10	-0.6	0.0	
Rt-T-018	Tokyo	Retail	Mitsubishi Motors Nerima	1,240	1,251	1,400	5.5	148	1,251	1,400	5.5	148	0	0.0	0.0	
Rt-T-019	Tokyo	Retail	Mitsubishi Motors Kawasaki	950	959	1,160	6.3	200	959	1,170	6.2	210	10	0.9	-0.1	
Rt-T-020	Tokyo	Retail	Mitsubishi Motors Takaido	850	859	886	5.1	26	859	884	5.1	24	-2	-0.2	0.0	
Rt-T-021	Tokyo	Retail	Mitsubishi Motors Katsushika	800	808	884	5.3	75	808	882	5.3	73	-2	-0.2	0.0	
Rt-T-022	Tokyo	Retail	Mitsubishi Motors Higashikurume	800	808	882	6.3	73	808	884	6.3	75	2	0.2	0.0	
Rt-T-023	Tokyo	Retail	Mitsubishi Motors Setagaya	770	779	896	5.3	116	779	922	5.3	142	26	2.9	0.0	
Rt-T-025	Tokyo	Retail	Mitsubishi Motors Sekimachi	600	606	680	5.5	73	606	690	5.5	83	10	1.5	0.0	
Rt-T-026	Tokyo	Retail	Mitsubishi Motors Higashiyamato	450	455	511	7.8	55	455	513	7.7	57	2	0.4	-0.1	
Rt-T-027	Tokyo	Retail	Mitsubishi Motors Motosumiyoshi	370	375	385	6.0	9	375	385	6.0	9	0	0.0	0.0	
Rt-T-028	Tokyo	Retail	Mitsubishi Motors Kawagoe	350	355	376	5.5	20	355	379	5.4	23	3	0.8	-0.1	
Rt-T-029	Tokyo	Retail	Mitsubishi Motors Edogawa	200	204	185	5.5	-19	204	184	5.5	-20	-1	-0.5	0.0	

# Portfolio List

AreaUseProperty nameAcquisition price (million yen)				Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018			
				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(%)	
Rt-T-030	Tokyo	Retail	Mitsubishi Motors Sayama	160	163	173	8.1	9	163	175	8.0	11	2	1.2	-0.1
Rt-T-031	Tokyo	Retail	NRE Kichijoji Building	10,410	10,409	11,100	4.0	690	10,377	11,100	4.0	722	0	0.0	0.0
Rt-T-032	Tokyo	Retail	GEMS Ichigaya	2,080	2,092	2,080	3.9	-12	2,084	2,080	3.9	-4	0	0.0	0.0
Rt-T-033	Tokyo	Retail	Sagamihara Shopping Center	6,840	6,814	6,910	5.6	95	6,832	6,900	5.6	67	-10	-0.1	0.0
Rt-T-034	Tokyo	Retail	Musashiurawa Shopping Square	2,720	2,682	2,770	7.2	87	2,666	2,800	7.1	133	30	1.1	-0.1
Rt-T-036	Tokyo	Retail	Summit Store Naritahigashi (Land)	700	744	756	3.9	-	747	776	3.8	28	20	2.6	-0.1
Rt-T-037	Tokyo	Retail	GEMS Daimon	2,060	-	-	-	-	2,077	2,110	3.9	32	-	-	-
Rt-T-038	Tokyo	Retail	GEMS Kanda	1,500	-	-	-	-	1,513	1,530	4.0	16	-	-	-
Rt-T-039	Tokyo	Retail	Summit Store Mukodaicho	5,100	-	-	-	-	5,151	5,160	4.4	8	-	-	-
Rt-S-001	Other	Retail	Universal CityWalk Osaka	15,500	15,567	18,200	4.7	2,632	15,473	18,200	4.7	2,726	0	0.0	0.0
Rt-S-002	Other	Retail	Izumiya Senrioka	8,930	8,606	11,200	5.1	2,593	8,552	10,900	5.0	2,347	-300	-2.7	-0.1
Rt-S-004	Other	Retail	Izumiya Yao	4,406	4,157	5,410	5.4	1,252	4,122	5,510	5.3	1,387	100	1.8	-0.1
Rt-S-005	Other	Retail	Izumiya Obayashi	3,020	3,211	3,890	5.4	678	3,258	3,960	5.3	701	70	1.8	-0.1
Rt-S-006	Other	Retail	Ichibancho stear	4,700	4,575	5,640	4.4	1,064	4,558	5,650	4.3	1,091	10	0.2	-0.1
Rt-S-007	Other	Retail	EQUINIA Aobadori	1,640	1,469	2,020	5.0	550	1,447	2,030	4.9	582	10	0.5	-0.1
Rt-S-008	Other	Retail	MEL Building	1,060	1,055	1,170	5.4	114	1,057	1,190	5.3	132	20	1.7	-0.1
Rt-S-009	Other	Retail	nORBESA	8,500	8,618	8,540	4.9	-78	8,595	8,540	4.9	-55	0	0.0	0.0
Rt-S-010	Other	Retail	Nakaza Cui-daore Building	11,600	12,157	11,300	3.6	-857	12,159	11,100	3.6	-1,059	-200	-1.8	0.0
				159,783	152,027	171,414	-	19,365	160,611	180,734	-	20,122	520	5.4	-
Lg-T-001	Tokyo	Logistics	Landport Urayasu	17,400	16,609	21,500	4.0	4,890	16,504	21,500	4.0	4,995	0	0.0	0.0
Lg-T-002	Tokyo	Logistics	Landport Itabashi	15,710	15,086	19,200	4.2	4,113	14,996	19,200	4.2	4,203	0	0.0	0.0
Lg-T-003	Tokyo	Logistics	Landport Kawagoe	13,700	12,711	16,500	4.7	3,788	12,580	16,500	4.7	3,919	0	0.0	0.0
Lg-T-004	Tokyo	Logistics	Landport Atsugi	11,410	10,815	11,900	4.4	1,084	10,722	11,600	4.4	877	-300	-2.5	0.0
Lg-T-005	Tokyo	Logistics	Sagamihara Tana Logistics Center	10,600	10,296	12,400	4.7	2,103	10,199	12,300	4.7	2,100	-100	-0.8	0.0
Lg-T-006	Tokyo	Logistics	Sagamihara Onodai Logistics Center	8,700	8,186	11,100	4.7	2,913	8,120	11,100	4.7	2,979	0	0.0	0.0
Lg-T-007	Tokyo	Logistics	Landport Hachioji	8,250	7,725	9,650	4.6	1,924	7,650	9,650	4.6	1,999	0	0.0	0.0
Lg-T-008	Tokyo	Logistics	Landport Kasukabe	7,340	6,744	8,710	4.7	1,965	6,665	8,730	4.7	2,064	20	0.2	0.0
Lg-T-010	Tokyo	Logistics	Atsugi Minami Logistics Center B Tower	4,590	4,375	5,590	4.5	1,214	4,334	5,570	4.5	1,235	-20	-0.4	0.0
Lg-T-011	Tokyo	Logistics	Hanyu Logistics Center	3,810	3,596	4,380	5.1	783	3,566	4,380	5.1	813	0	0.0	0.0
Lg-T-012	Tokyo	Logistics	Kawaguchi Logistics Center B Tower	3,750	3,678	4,630	4.6	951	3,668	4,620	4.6	951	-10	-0.2	0.0
Lg-T-013	Tokyo	Logistics	Kawaguchi Logistics Center A Tower	2,830	2,804	3,510	4.8	705	2,802	3,500	4.8	697	-10	-0.3	0.0
Lg-T-014	Tokyo	Logistics	Atsugi Minami Logistics Center A Tower	2,690	2,606	3,390	4.5	783	2,589	3,330	4.5	740	-60	-1.8	0.0
Lg-T-015	Tokyo	Logistics	Kawaguchi Ryoke Logistics Center	10,790	10,686	12,700	4.4	2,013	10,628	13,000	4.3	2,371	300	2.4	-0.1
Lg-T-016	Tokyo	Logistics	Landport Kashiwa Shonan II	10,800	10,817	11,400	4.7	582	10,828	11,400	4.7	571	0	0.0	0.0
Lg-T-017	Tokyo	Logistics	Landport Kashiwa Shonan I	9,900	9,993	10,200	4.8	206	9,991	10,200	4.8	208	0	0.0	0.0
Lg-S-005	Other	Logistics	Hirakata Kuzuha Logistics Center	3,460	3,453	3,850	4.9	396	3,430	3,850	4.9	419	0	0.0	0.0
				145,730	140,188	170,610	-	30,421	139,282	170,430	-	31,147	-180	-0.1	-
Rs-T-001	Tokyo	Residential	PROUD FLAT Shirokane Takanawa	3,400	3,333	3,440	4.1	106	3,316	3,440	4.1	123	0	0.0	0.0
Rs-T-002	Tokyo	Residential	PROUD FLAT Yoyogi Uehara	989	985	1,060	4.2	74	980	942	4.2	-38	-118	-11.1	0.0
Rs-T-003	Tokyo	Residential	PROUD FLAT Hatsudai	713	700	760	4.3	59	698	762	4.3	63	2	0.3	0.0
Rs-T-004	Tokyo	Residential	PROUD FLAT Shibuya Sakuragaoka	750	734	689	4.2	-45	731	689	4.2	-42	0	0.0	0.0
Rs-T-005	Tokyo	Residential	PROUD FLAT Gakugei Daigaku	746	728	788	4.2	59	723	789	4.2	65	1	0.1	0.0
Rs-T-006	Tokyo	Residential	PROUD FLAT Meguro Gyoninzaka	939	920	1,010	4.2	89	914	1,010	4.2	95	0	0.0	0.0

# Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018		
					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-007	Tokyo	Residential	PROUD FLAT Sumida Riverside	2,280	2,212	2,460	4.2	247	2,194	2,480	4.2	285	20	0.8	0.0
Rs-T-008	Tokyo	Residential	PROUD FLAT Kagurazaka	1,590	1,550	1,730	4.2	179	1,538	1,730	4.2	191	0	0.0	0.0
Rs-T-009	Tokyo	Residential	PROUD FLAT Waseda	1,110	1,080	1,190	4.2	109	1,072	1,200	4.2	127	10	0.8	0.0
Rs-T-010	Tokyo	Residential	PROUD FLAT Shinjuku Kawadacho	947	923	929	4.2	5	917	931	4.2	13	2	0.2	0.0
Rs-T-011	Tokyo	Residential	PROUD FLAT Sangen Jaya	1,190	1,156	1,260	4.3	103	1,147	1,260	4.3	112	0	0.0	0.0
Rs-T-012	Tokyo	Residential	PROUD FLAT Kamata	1,160	1,121	1,230	4.4	108	1,110	1,240	4.4	129	10	0.8	0.0
Rs-T-013	Tokyo	Residential	PROUD FLAT Kamata II	3,320	3,219	3,260	4.4	40	3,194	3,330	4.3	135	70	2.1	-0.1
Rs-T-014	Tokyo	Residential	PROUD FLAT Shin-Otsuka	623	602	547	4.4	-55	597	547	4.4	-50	0	0.0	0.0
Rs-T-015	Tokyo	Residential	PROUD FLAT Kiyosumi Shirakawa	928	898	983	4.4	84	892	983	4.4	90	0	0.0	0.0
Rs-T-016	Tokyo	Residential	PROUD FLAT Monzen Nakacho II	652	633	602	4.4	-31	629	605	4.4	-24	3	0.5	0.0
Rs-T-017	Tokyo	Residential	PROUD FLAT Monzen Nakacho I	1,030	996	948	4.4	-48	987	952	4.4	-35	4	0.4	0.0
Rs-T-018	Tokyo	Residential	PROUD FLAT Fujimidai	1,470	1,431	1,630	4.8	198	1,420	1,630	4.8	209	0	0.0	0.0
Rs-T-019	Tokyo	Residential	PROUD FLAT Asakusa Komagata	1,920	1,852	2,080	4.4	227	1,836	2,130	4.3	293	50	2.4	-0.1
Rs-T-020	Tokyo	Residential	PROUD FLAT Monzen Nakacho I	2,090	2,021	2,170	4.6	148	2,004	2,170	4.6	165	0	0.0	0.0
Rs-T-021	Tokyo	Residential	PROUD FLAT Kamioooka	2,710	2,621	2,670	4.8	48	2,603	2,670	4.8	66	0	0.0	0.0
Rs-T-022	Tokyo	Residential	PROUD FLAT Tsurumi II	1,650	1,595	1,760	4.6	164	1,581	1,760	4.6	178	0	0.0	0.0
Rs-T-023	Tokyo	Residential	PRIME URBAN Azabu Juban	1,100	1,101	1,140	4.3	38	1,102	1,140	4.3	37	0	0.0	0.0
Rs-T-024	Tokyo	Residential	PRIME URBAN Akasaka	938	934	903	4.2	-31	932	904	4.2	-28	1	0.1	0.0
Rs-T-025	Tokyo	Residential	PRIME URBAN Tamachi	972	959	1,020	4.5	60	954	932	4.5	-22	-88	-8.6	0.0
Rs-T-026	Tokyo	Residential	PRIME URBAN Shibaura LOFT	1,830	1,783	1,910	4.3	126	1,771	1,950	4.2	178	40	2.1	-0.1
Rs-T-028	Tokyo	Residential	PRIME URBAN Yoyogi	359	351	366	4.4	14	349	321	4.4	-28	-45	-12.3	0.0
Rs-T-029	Tokyo	Residential	PRIME URBAN Ebisu II	1,140	1,130	1,260	4.1	129	1,128	1,260	4.1	131	0	0.0	0.0
Rs-T-030	Tokyo	Residential	PRIME URBAN Bancho	1,090	1,077	1,080	4.4	2	1,073	1,080	4.4	6	0	0.0	0.0
Rs-T-031	Tokyo	Residential	PRIME URBAN Chiyoda Fujimi	679	669	629	4.4	-40	666	648	4.4	-18	19	3.0	0.0
Rs-T-032	Tokyo	Residential	PRIME URBAN Iidabashi	2,040	2,003	2,000	4.4	-3	1,992	2,000	4.4	7	0	0.0	0.0
Rs-T-033	Tokyo	Residential	PRIME URBAN Ebisu	1,260	1,249	1,280	4.5	30	1,246	1,280	4.5	33	0	0.0	0.0
Rs-T-034	Tokyo	Residential	PRIME URBAN Naka Meguro	1,410	1,392	1,440	4.3	47	1,396	1,330	4.3	-66	-110	-7.6	0.0
Rs-T-035	Tokyo	Residential	PRIME URBAN Gakugei Daigaku	775	767	820	4.2	52	762	820	4.2	57	0	0.0	0.0
Rs-T-036	Tokyo	Residential	PRIME URBAN Senzoku	474	469	485	4.3	15	468	485	4.3	16	0	0.0	0.0
Rs-T-037	Tokyo	Residential	PRIME URBAN Meguro Riverside	414	402	441	4.2	38	399	441	4.2	41	0	0.0	0.0
Rs-T-038	Tokyo	Residential	PRIME URBAN Meguro Ohashi Hills	2,970	2,910	3,040	4.2	129	2,893	3,110	4.1	216	70	2.3	-0.1
Rs-T-039	Tokyo	Residential	PRIME URBAN Meguro Aobadai	1,310	1,291	1,430	4.1	138	1,288	1,440	4.1	151	10	0.7	0.0
Rs-T-040	Tokyo	Residential	PRIME URBAN Gakugei Daigaku II	1,080	1,066	1,170	4.1	103	1,063	1,170	4.1	106	0	0.0	0.0
Rs-T-041	Tokyo	Residential	PRIME URBAN Naka Meguro II	2,850	2,838	3,030	4.2	191	2,834	3,030	4.2	195	0	0.0	0.0
Rs-T-042	Tokyo	Residential	PRIME URBAN Kachidoki	2,570	2,573	2,640	4.7	66	2,578	2,390	4.6	-188	-250	-9.5	-0.1
Rs-T-043	Tokyo	Residential	PRIME URBAN Shinkawa	2,100	2,084	2,260	4.5	175	2,082	2,300	4.4	217	40	1.8	-0.1
Rs-T-044	Tokyo	Residential	PRIME URBAN Nihonbashi Yokoyamacho	4,220	4,108	4,400	4.3	291	4,082	4,520	4.2	437	120	2.7	-0.1
Rs-T-045	Tokyo	Residential	PRIME URBAN Nihonbashi Hamacho	1,550	1,520	1,710	4.2	189	1,515	1,710	4.2	194	0	0.0	0.0
Rs-T-046	Tokyo	Residential	PRIME URBAN Hongo Ikizaka	557	545	594	4.3	48	541	603	4.2	61	9	1.5	-0.1
Rs-T-047	Tokyo	Residential	PRIME URBAN Hakusan	866	840	933	4.2	92	832	955	4.1	122	22	2.4	-0.1
Rs-T-048	Tokyo	Residential	PRIME URBAN Yotsuya Gaien Higashi	1,490	1,477	1,580	4.2	102	1,471	1,400	4.2	-71	-180	-11.4	0.0
Rs-T-050	Tokyo	Residential	PRIME URBAN Nishi Shinjuku I	1,090	1,079	1,150	4.3	70	1,071	1,150	4.3	78	0	0.0	0.0
Rs-T-051	Tokyo	Residential	PRIME URBAN Nishi Shinjuku II	885	874	954	4.2	79	868	974	4.1	105	20	2.1	-0.1

# Portfolio List

AreaUseProperty nameAcquisition price (million yen)					Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018		
					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-052	Tokyo	Residential	PRIME URBAN Shinjuku Naitomachi	430	431	458	4.2	26	429	465	4.2	35	7	1.5	0.0
Rs-T-053	Tokyo	Residential	PRIME URBAN Nishi Waseda	421	408	448	4.2	39	405	448	4.2	42	0	0.0	0.0
Rs-T-054	Tokyo	Residential	PRIME URBAN Shinjuku Ochiai	594	596	633	4.7	36	595	637	4.6	41	4	0.6	-0.1
Rs-T-055	Tokyo	Residential	PRIME URBAN Mejiro	1,430	1,414	1,540	4.3	125	1,409	1,540	4.3	130	0	0.0	0.0
Rs-T-056	Tokyo	Residential	PRIME URBAN Kagurazaka	2,900	2,834	3,020	4.2	185	2,817	3,040	4.2	222	20	0.7	0.0
Rs-T-057	Tokyo	Residential	PRIME URBAN Sangen JayaⅢ	718	715	629	4.7	-86	720	629	4.7	-91	0	0.0	0.0
Rs-T-058	Tokyo	Residential	PRIME URBAN Chitose Karasuyama	717	722	754	4.7	31	722	752	4.7	29	-2	-0.3	0.0
Rs-T-060	Tokyo	Residential	PRIME URBAN Sangen Jaya	724	709	771	4.3	61	705	771	4.3	65	0	0.0	0.0
Rs-T-061	Tokyo	Residential	PRIME URBAN Minami Karasuyama	667	649	747	4.5	97	644	754	4.4	109	7	0.9	-0.1
Rs-T-062	Tokyo	Residential	PRIME URBAN Karasuyama Galleria	549	534	573	4.4	38	531	573	4.4	41	0	0.0	0.0
Rs-T-063	Tokyo	Residential	PRIME URBAN Karasuyama Court	338	329	357	4.4	27	327	357	4.4	29	0	0.0	0.0
Rs-T-065	Tokyo	Residential	PRIME URBAN Chitose Funabashi	746	727	710	4.4	-17	724	721	4.3	-3	11	1.5	-0.1
Rs-T-066	Tokyo	Residential	PRIME URBAN Yoga	1,390	1,360	1,490	4.2	129	1,351	1,490	4.2	138	0	0.0	0.0
Rs-T-067	Tokyo	Residential	PRIME URBAN Shinagawa Nishi	494	492	520	4.7	27	490	522	4.7	31	2	0.4	0.0
Rs-T-068	Tokyo	Residential	PRIME URBAN Osaki	1,860	1,832	1,990	4.2	157	1,834	1,800	4.2	-34	-190	-9.5	0.0
Rs-T-069	Tokyo	Residential	PRIME URBAN Oimachi II	1,040	1,042	1,100	4.6	57	1,042	1,100	4.6	57	0	0.0	0.0
Rs-T-070	Tokyo	Residential	PRIME URBAN Yukigaya	951	946	726	4.7	-220	945	725	4.7	-220	-1	-0.1	0.0
Rs-T-071	Tokyo	Residential	PRIME URBAN Omori	905	879	951	4.3	71	874	834	4.3	-40	-117	-12.3	0.0
Rs-T-072	Tokyo	Residential	PRIME URBAN Denenchofu Minami	774	751	708	4.5	-43	744	720	4.4	-24	12	1.7	-0.1
Rs-T-073	Tokyo	Residential	PRIME URBAN Nagahara Kamiikedai	1,720	1,693	1,780	4.3	86	1,686	1,770	4.3	83	-10	-0.6	0.0
Rs-T-075	Tokyo	Residential	PRIME URBAN Nakano Kamitakada	498	483	538	4.6	54	479	547	4.5	67	9	1.7	-0.1
Rs-T-076	Tokyo	Residential	PRIME URBAN Takaido	1,060	1,051	1,120	4.8	68	1,049	1,120	4.8	70	0	0.0	0.0
Rs-T-077	Tokyo	Residential	PRIME URBAN Nishi Ogikubo	414	405	422	4.4	16	403	422	4.4	18	0	0.0	0.0
Rs-T-078	Tokyo	Residential	PRIME URBAN Nishi Ogikubo II	1,790	1,769	1,870	4.1	100	1,763	1,870	4.1	106	0	0.0	0.0
Rs-T-079	Tokyo	Residential	PRIME URBAN Otsuka	730	717	766	4.4	48	712	770	4.4	57	4	0.5	0.0
Rs-T-080	Tokyo	Residential	PRIME URBAN Komagome	437	434	452	4.9	17	434	452	4.9	17	0	0.0	0.0
Rs-T-081	Tokyo	Residential	PRIME URBAN Ikebukuro	3,800	3,713	4,000	4.3	286	3,692	4,000	4.3	307	0	0.0	0.0
Rs-T-082	Tokyo	Residential	PRIME URBAN Monzen Nakacho	2,420	2,366	2,530	4.5	163	2,354	2,530	4.5	175	0	0.0	0.0
Rs-T-083	Tokyo	Residential	PRIME URBAN Kameido	779	753	803	4.8	49	746	803	4.8	56	0	0.0	0.0
Rs-T-084	Tokyo	Residential	PRIME URBAN Sumiyoshi	632	613	647	4.7	33	608	647	4.7	38	0	0.0	0.0
Rs-T-085	Tokyo	Residential	PRIME URBAN Mukojima	528	519	540	4.9	20	529	542	4.9	12	2	0.4	0.0
Rs-T-086	Tokyo	Residential	PRIME URBAN Kinshi Koen	1,290	1,245	1,200	4.7	-45	1,233	1,200	4.7	-33	0	0.0	0.0
Rs-T-087	Tokyo	Residential	PRIME URBAN Kinshicho	758	740	708	5.0	-32	733	708	5.0	-25	0	0.0	0.0
Rs-T-088	Tokyo	Residential	PRIME URBAN Hirai	722	697	753	4.8	55	690	758	4.8	67	5	0.7	0.0
Rs-T-089	Tokyo	Residential	PRIME URBAN Kasai	640	620	648	4.8	27	614	603	4.8	-11	-45	-6.9	0.0
Rs-T-090	Tokyo	Residential	PRIME URBAN Kasai II	981	952	997	4.8	44	941	883	4.8	-58	-114	-11.4	0.0
Rs-T-091	Tokyo	Residential	PRIME URBAN Kasai East	1,140	1,104	1,200	4.6	95	1,094	1,210	4.6	115	10	0.8	0.0
Rs-T-093	Tokyo	Residential	PRIME URBAN Itabashi Kuyakushomae	1,080	1,046	1,150	4.7	103	1,037	1,160	4.6	122	10	0.9	-0.1
Rs-T-094	Tokyo	Residential	PRIME URBAN Asakusa	384	384	296	4.9	-88	388	297	4.9	-91	1	0.3	0.0
Rs-T-095	Tokyo	Residential	PRIME URBAN Machiya South Court	1,910	1,881	1,990	5.1	108	1,874	1,990	5.1	115	0	0.0	0.0
Rs-T-096	Tokyo	Residential	PRIME URBAN Musashi Koganei	1,910	1,907	1,970	5.1	62	1,907	2,000	5.0	92	30	1.5	-0.1
Rs-T-097	Tokyo	Residential	PRIME URBAN Musashino Hills	1,280	1,279	1,320	5.0	40	1,275	1,340	4.9	64	20	1.5	-0.1
Rs-T-098	Tokyo	Residential	PRIME URBAN Koganei Honcho	791	774	838	4.9	63	770	853	4.8	82	15	1.8	-0.1

# Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018		
					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-099	Tokyo	Residential	PRIME URBAN Kumegawa	1,520	1,459	1,420	5.2	-39	1,442	1,420	5.2	-22	0	0.0	0.0
Rs-T-100	Tokyo	Residential	PRIME URBAN Musashi Kosugi comodo	1,940	1,927	2,140	4.8	212	1,932	2,180	4.7	247	40	1.9	-0.1
Rs-T-101	Tokyo	Residential	PRIME URBAN Kawasaki	962	950	1,040	4.8	89	947	1,060	4.7	112	20	1.9	-0.1
Rs-T-102	Tokyo	Residential	PRIME URBAN Shinyurigaoka	1,020	989	1,180	4.7	190	984	1,210	4.6	225	30	2.5	-0.1
Rs-T-103	Tokyo	Residential	PRIME URBAN Tsurumi Teraya	493	486	394	5.2	-92	493	394	5.2	-99	0	0.0	0.0
Rs-T-105	Tokyo	Residential	PRIME URBAN Urayasu	804	783	858	4.7	74	777	748	4.7	-29	-110	-12.8	0.0
Rs-T-106	Tokyo	Residential	PRIME URBAN Gyotoku I	633	616	560	4.9	-56	615	560	4.9	-55	0	0.0	0.0
Rs-T-107	Tokyo	Residential	PRIME URBAN Gyotoku II	730	710	665	4.9	-45	704	664	4.9	-40	-1	-0.2	0.0
Rs-T-108	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae	488	477	509	4.8	31	473	437	4.8	-36	-72	-14.1	0.0
Rs-T-109	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae II	469	459	483	4.9	23	456	483	4.9	26	0	0.0	0.0
Rs-T-110	Tokyo	Residential	PRIME URBAN Gyotoku III	747	733	776	4.9	42	738	776	4.9	37	0	0.0	0.0
Rs-T-111	Tokyo	Residential	PRIME URBAN Nishi Funabashi	761	735	807	4.9	71	727	703	4.9	-24	-104	-12.9	0.0
Rs-T-112	Tokyo	Residential	PRIME URBAN Kawaguchi	1,580	1,541	1,710	5.1	168	1,531	1,710	5.0	178	0	0.0	-0.1
Rs-T-113	Tokyo	Residential	PROUD FLAT Hatchobori	920	946	999	4.1	52	942	1,000	4.1	57	1	0.1	0.0
Rs-T-114	Tokyo	Residential	PROUD FLAT Itabashi Honcho	720	745	782	4.4	36	739	783	4.4	43	1	0.1	0.0
Rs-T-115	Tokyo	Residential	PRIME URBAN Meguro Mita	1,058	1,130	1,110	4.1	-20	1,128	1,110	4.1	-18	0	0.0	0.0
Rs-T-116	Tokyo	Residential	Fukasawa House Towers H&I	7,140	7,085	7,310	4.2	224	7,061	7,310	4.2	248	0	0.0	0.0
Rs-T-117	Tokyo	Residential	PRIME URBAN Toyosu	5,290	5,236	5,390	4.4	153	5,211	5,390	4.4	178	0	0.0	0.0
Rs-T-118	Tokyo	Residential	PRIME URBAN Nihonbashi Kayabacho	2,850	2,832	2,900	4.3	67	2,826	2,900	4.3	73	0	0.0	0.0
Rs-T-119	Tokyo	Residential	PRIME URBAN Yoga II	1,320	1,311	1,330	4.1	18	1,304	1,330	4.1	25	0	0.0	0.0
Rs-T-120	Tokyo	Residential	PRIME URBAN Musashi-Koganei II	1,310	1,292	1,360	4.6	67	1,285	1,380	4.5	94	20	1.5	-0.1
Rs-T-121	Tokyo Area	Residential	PRIME URBAN Gakugei Daigaku Parkfront	1,300	1,397	1,310	4.2	-87	1,394	1,310	4.2	-84	0	0.0	0.0
Rs-T-122	Tokyo Area	Residential	PROUD FLAT Omori III	1,110	1,159	1,170	4.3	10	1,154	1,190	4.2	35	20	1.7	-0.1
Rs-T-123	Tokyo Area	Residential	PROUD FLAT Kinshicho	785	825	858	4.3	32	820	878	4.2	57	20	2.3	-0.1
Rs-S-001	Other	Residential	PROUD FLAT Itsutsubashi	652	621	710	5.2	88	612	711	5.2	98	1	0.1	0.0
Rs-S-002	Other	Residential	PROUD FLAT Kawaramachi	735	697	686	5.3	-11	687	686	5.3	-1	0	0.0	0.0
Rs-S-003	Other	Residential	PROUD FLAT Shin Osaka	1,620	1,545	1,700	4.9	154	1,526	1,700	4.9	173	0	0.0	0.0
Rs-S-005	Other	Residential	PRIME URBAN Kita Jujo Jo	274	264	280	5.2	15	261	282	5.1	20	2	0.7	-0.1
Rs-S-006	Other	Residential	PRIME URBAN Odori Koen I	502	482	530	5.2	47	477	529	5.2	51	-1	-0.2	0.0
Rs-S-007	Other	Residential	PRIME URBAN Odori Koen II	334	322	350	5.2	27	319	349	5.2	29	-1	-0.3	0.0
Rs-S-008	Other	Residential	PRIME URBAN Kita Juichi Jo	547	522	588	5.3	65	516	597	5.2	80	9	1.5	-0.1
Rs-S-009	Other	Residential	PRIME URBAN Miyanosawa	475	450	498	5.4	47	443	504	5.3	60	6	1.2	-0.1
Rs-S-010	Other	Residential	PRIME URBAN Odori Higashi	394	377	418	5.4	40	373	431	5.3	57	13	3.1	-0.1
Rs-S-011	Other	Residential	PRIME URBAN Chiji Kokan	249	236	272	5.3	35	233	274	5.2	40	2	0.7	-0.1
Rs-S-012	Other	Residential	PRIME URBAN Maruyama	229	218	237	5.3	18	215	240	5.2	24	3	1.3	-0.1
Rs-S-013	Other	Residential	PRIME URBAN Kita Nijuyo Jo	437	416	465	5.4	48	411	471	5.3	59	6	1.3	-0.1
Rs-S-014	Other	Residential	PRIME URBAN Sapporo Idaimae	616	588	643	5.3	54	581	654	5.2	72	11	1.7	-0.1
Rs-S-015	Other	Residential	PRIME URBAN Sapporo Riverfront	4,480	4,290	4,580	5.4	289	4,238	4,650	5.3	411	70	1.5	-0.1
Rs-S-016	Other	Residential	PRIME URBAN Kita Sanjo Dori	1,730	1,649	1,830	5.3	180	1,628	1,860	5.2	231	30	1.6	-0.1
Rs-S-017	Other	Residential	PRIME URBAN Nagamachi Ichome	1,140	1,095	1,060	5.4	-35	1,085	1,070	5.3	-15	10	0.9	-0.1
Rs-S-018	Other	Residential	PRIME URBAN Yaotome Chuo	466	447	436	5.5	-11	440	441	5.4	0	5	1.1	-0.1
Rs-S-019	Other	Residential	PRIME URBAN Tsutsumidori Amamiya	949	949	926	5.4	-23	947	926	5.4	-21	0	0.0	0.0
Rs-S-020	Other	Residential	PRIME URBAN Aoi	712	695	737	5.1	41	690	737	5.1	46	0	0.0	0.0

# Portfolio List

AreaUseProperty nameAcquisition price (million yen)				Aug.2017				Feb.2018				Comparison b/w Aug.2017 and Feb.2018			
				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-S-021	Other	Residential	PRIME URBAN Kanayama	553	529	595	5.0	65	522	604	4.9	81	9	1.5	-0.1
Rs-S-022	Other	Residential	PRIME URBAN Tsurumai	1,020	972	1,110	5.0	137	959	1,110	4.9	150	0	0.0	-0.1
Rs-S-023	Other	Residential	PRIME URBAN Kamimaezu	1,590	1,527	1,640	5.0	112	1,511	1,670	4.9	158	30	1.8	-0.1
Rs-S-024	Other	Residential	PRIME URBAN Izumi	3,770	3,631	4,060	4.9	428	3,593	4,120	4.8	526	60	1.5	-0.1
Rs-S-025	Other	Residential	PRIME URBAN Esaka I	652	633	674	4.8	40	626	663	4.8	36	-11	-1.6	0.0
Rs-S-026	Other	Residential	PRIME URBAN Esaka II	794	769	847	4.8	77	761	845	4.8	83	-2	-0.2	0.0
Rs-S-027	Other	Residential	PRIME URBAN Esaka III	1,190	1,137	1,170	4.9	32	1,123	1,180	4.8	56	10	0.9	-0.1
Rs-S-028	Other	Residential	PRIME URBAN Tamatsukuri	1,020	984	1,060	4.9	75	974	1,080	4.8	105	20	1.9	-0.1
Rs-S-029	Other	Residential	PRIME URBAN Sakaisuji Honmachi	1,810	1,741	1,830	4.8	88	1,723	1,830	4.8	106	0	0.0	0.0
Rs-S-030	Other	Residential	PRIME URBAN Hakata	588	566	614	5.1	47	559	614	5.1	54	0	0.0	0.0
Rs-S-031	Other	Residential	PRIME URBAN Yakuin Minami	265	254	281	5.0	26	252	282	5.0	29	1	0.4	0.0
Rs-S-032	Other	Residential	PRIME URBAN Kashii	398	378	338	5.3	-40	374	342	5.3	-32	4	1.2	0.0
Rs-S-033	Other	Residential	PRIME URBAN Hakata Higashi	622	593	529	5.2	-64	587	527	5.2	-60	-2	-0.4	0.0
Rs-S-034	Other	Residential	PRIME URBAN Chihaya	604	582	567	5.2	-15	577	565	5.2	-12	-2	-0.4	0.0
Rs-S-035	Other	Residential	PRIME URBAN Chikusa	1,110	1,190	1,130	4.8	-60	1,182	1,130	4.8	-52	0	0.0	0.0
				184,045	180,569	189,976	-	9,406	179,525	189,546	-	10,020	-430	-0.2	-
Ot-T-001	Tokyo Area	Other	Ryotokuji University Shin-Urayasu Campus(Land) (※1)	4,900	5,136	5,130	3.9	-6	5,136	5,150	-	13	20	0.4	-
				4,900	5,136	5,130	-	-6	5,136	5,150	-	13	20	0.4	-
				922,568	900,672	979,190	-	78,517	914,834	1,001,250	-	86,415	5,020	2.3	

※1 Capitalization rates are discount rates by DCF method.

※2 Properties owned by the fund as at the end of February 2018 are mentioned in Aug.2017 column.



# Profit and Loss

	Ended Aug.31,2017(4th FP) From Mar.1, 2017 To Aug.31, 2017	Ended Feb.28,2018(5th FP) From Sep.1, 2017 To Feb.28, 2018	Result - Forecast	
	Amount (¥ 000)	Amount (¥ 000)	Difference (¥ 000)	Difference Ratio(%)
Operating Revenue	38,139,662	34,218,876	-3,920,786	-10.3
Real Estate Rental Business Revenues	35,032,000	33,631,626	-1,400,373	-4.0
Rental Business Revenues	31,656,774	30,724,009	-932,765	-2.9
Other Rental Business Revenues	3,375,225	2,907,617	-467,608	-13.9
Real Estate Disposition Revenue	-	587,249	-2,520,412	-81.1
Operating Expense	22,403,849	21,006,539	-1,397,310	-6.2
Real Estate Rental Business Expenses	15,962,925	14,785,472	-1,177,453	-7.4
Repair Expenses	2,083,225	1,758,408	-324,816	-15.6
Tax and Public Dues	2,883,602	2,699,055	-184,546	-6.4
Depreciation and Amortization	4,862,343	4,737,224	-125,119	-2.6
Other Rental Business Expenses	6,133,754	5,590,783	-542,971	-8.9
Asset management fees	3,063,128	3,007,249	-55,879	-1.8
Amortization of goodwill	2,622,242	2,622,242	-	-
Other operating expenses	755,552	591,575	-163,977	-21.7
Operating profit	15,735,812	13,212,336	-2,523,476	-16.0
Non-operating revenues	24,939	12,092	-12,847	-51.5
Non-operating expenses	2,569,949	2,509,162	-60,786	-2.4
Interest Expenses and other financial costs	2,563,266	2,457,690	-105,576	-4.1
Investment units issuance costs	-	42,462	42,462	-
Other Non-Operating Expenses	6,682	9,009	2,327	34.8
Ordinary Income	13,190,803	10,715,266	-2,475,537	-18.8
Net Income Before Tax	13,190,803	10,715,266	-2,475,537	-18.8
Corporate Income Tax, etc.	605	605	-	-
Net Income	13,190,198	10,714,661	-2,475,537	-18.8
Retained earnings brought forward	1,547,638	1,835,119	287,480	18.6
Retained earnings at end of period	14,737,836	12,549,780	-2,188,056	-14.8

Distributionis	12,704,165	12,745,997	41,831	0.3
Distributionis per unit (yen)	(3,037)	(3,047)	10	0.3
Distributions of earnings	12,704,165	10,976,533	-1,727,632	-13.6
Distributions of earnings per unit (yen)	(3,037)	(2,624)	-413	-13.6
Allowance for temporary difference	-	1,188,008	1,188,008	-
Allowance for temporary difference per unit (yen)	-	(284)	284	-
Other distributions in excess of net earnings	-	581,455	581,455	-
Other distributions in excess of net earnings (yen)	-	(139)	139	-

# NOI Analysis by Sector

## Office

	Aug.2017	Feb.2018
Number of property	57	59
Acquisition Price (mln)	420,260	428,110

	Ended Aug.31,2017(4th FP) From Mar.1, 2017 To Aug.31, 2017	Ended Feb.28,2018(5th FP) From Sep.1, 2017 To Feb.28, 2018	5th FP - 4th FP	
	Amount ( ¥ 000)	Amount ( ¥ 000)	Amount ( ¥ 000)	Ratio (%)
Property related revenues	15,986,925	15,833,228	-153,697	-1.0
Rental revenues	14,495,864	14,460,810	-35,054	-0.2
Other rental revenues	1,491,061	1,372,418	-118,643	-8.0
property related expenses	7,121,494	6,826,635	-294,858	-4.1
Property management costs	971,795	969,940	-1,854	-0.2
Property management fees	350,757	353,279	2,521	0.7
Property and other taxes	1,614,166	1,535,003	-79,163	-4.9
Utility expenses	1,117,342	1,026,254	-91,088	-8.2
Casualty insurance	21,017	20,321	-695	-3.3
Repairs and maintenance	955,804	815,061	-140,742	-14.7
Land rents	106,482	108,886	2,404	2.3
Depreciation	1,431,415	1,461,710	30,295	2.1
Other rental expenses	552,713	536,177	-16,535	-3.0
Real estate rental profits	8,865,431	9,006,592	141,160	1.6
NOI	10,296,846	10,468,303	171,456	1.7

## Retail

	Aug.2017	Feb.2018
Number of property	42	44
Acquisition Price (mln)	167,723	159,783

	Ended Aug.31,2017(4th FP) From Mar.1, 2017 To Aug.31, 2017	Ended Feb.28,2018(5th FP) From Sep.1, 2017 To Feb.28, 2018	5th FP - 4th FP	
	Amount ( ¥ 000)	Amount ( ¥ 000)	Amount ( ¥ 000)	Ratio (%)
Property related revenues	7,546,217	6,475,652	-1,070,565	-14.2
Rental revenues	6,401,887	5,663,517	-738,369	-11.5
Other rental revenues	1,144,330	812,134	-332,195	-29.0
property related expenses	3,442,322	2,815,014	-627,308	-18.2
Property management costs	357,515	251,693	-105,822	-29.6
Property management fees	177,032	138,737	-38,294	-21.6
Property and other taxes	488,436	400,883	-87,553	-17.9
Utility expenses	619,512	481,337	-138,175	-22.3
Casualty insurance	8,215	6,363	-1,852	-22.5
Repairs and maintenance	371,756	308,239	-63,516	-17.1
Land rents	101,552	101,552	0	0.0
Depreciation	909,563	810,901	-98,661	-10.8
Other rental expenses	408,737	315,305	-93,432	-22.9
Real estate rental profits	4,103,895	3,660,637	-443,257	-10.8
NOI	5,013,458	4,471,539	-541,919	-10.8

## Logistics

	Aug.2017	Feb.2018
Number of property	18	17
Acquisition Price (mln)	150,390	145,730

	Ended Aug.31,2017(4th FP) From Mar.1, 2017 To Aug.31, 2017	Ended Feb.28,2018(5th FP) From Sep.1, 2017 To Feb.28, 2018	5th FP - 4th FP	
	Amount ( ¥ 000)	Amount ( ¥ 000)	Amount ( ¥ 000)	Ratio (%)
Property related revenues	5,112,310	5,004,329	-107,981	-2.1
Rental revenues	4,836,473	4,685,491	-150,981	-3.1
Other rental revenues	275,837	318,837	43,000	15.6
property related expenses	2,352,637	2,236,817	-115,820	-4.9
Property management costs	155,783	157,367	1,583	1.0
Property management fees	78,167	83,550	5,383	6.9
Property and other taxes	447,217	430,043	-17,173	-3.8
Utility expenses	189,581	180,752	-8,828	-4.7
Casualty insurance	9,011	8,455	-556	-6.2
Repairs and maintenance	226,362	190,158	-36,204	-16.0
Land rents	-	-	-	-
Depreciation	1,215,152	1,153,330	-61,821	-5.1
Other rental expenses	31,361	33,158	1,796	5.7
Real estate rental profits	2,759,673	2,767,512	7,838	0.3
NOI	3,974,825	3,920,842	-53,982	-1.4

## Residential

	Aug.2017	Feb.2018
Number of property	150	150
Acquisition Price (mln)	184,045	184,045

	Ended Aug.31,2017(4th FP) From Mar.1, 2017 To Aug.31, 2017	Ended Feb.28,2018(5th FP) From Sep.1, 2017 To Feb.28, 2018	5th FP - 4th FP	
	Amount ( ¥ 000)	Amount ( ¥ 000)	Amount ( ¥ 000)	Ratio (%)
Property related revenues	6,283,245	6,215,116	-68,128	-1.1
Rental revenues	5,819,250	5,810,890	-8,359	-0.1
Other rental revenues	463,995	404,225	-59,769	-12.9
property related expenses	3,039,798	2,900,333	-139,465	-4.6
Property management costs	212,785	213,434	648	0.3
Property management fees	349,107	312,567	-36,539	-10.5
Property and other taxes	327,382	326,727	-655	-0.2
Utility expenses	86,595	96,270	9,675	11.2
Casualty insurance	7,754	8,073	319	4.1
Repairs and maintenance	529,302	444,949	-84,353	-15.9
Land rents	-	-	-	-
Depreciation	1,306,212	1,311,281	5,068	0.4
Other rental expenses	220,658	187,028	-33,630	-15.2
Real estate rental profits	3,243,446	3,314,783	71,336	2.2
NOI	4,549,659	4,626,064	76,404	1.7

# Balance Sheet

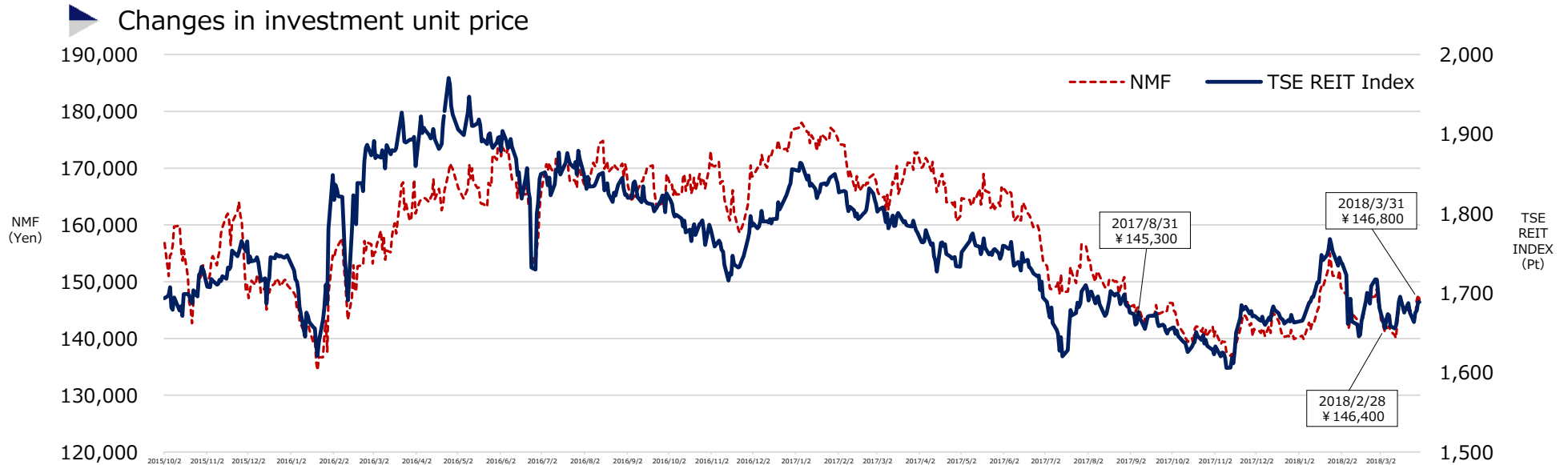
## Assets

	4th Fiscal Period as of Aug. 31, 2017		5th Fiscal Period as of Feb. 28, 2018	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
<b>Current Assets</b>	<b>73,304,471</b>	<b>6.7</b>	<b>78,067,357</b>	<b>7.2</b>
Cash and Cash Equivalents	58,143,774	5.3	64,532,866	5.9
Cash and Cash Equivalent in Trust	13,083,900	1.2	12,004,072	1.1
Other Current Assets	2,076,796	0.2	1,530,418	0.1
<b>Fixed Assets</b>	<b>1,022,504,578</b>	<b>93.3</b>	<b>1,011,711,748</b>	<b>92.8</b>
<b>Tangible Fixed Assets</b>	<b>914,575,096</b>	<b>83.5</b>	<b>905,965,376</b>	<b>83.1</b>
Real Estate	327,122,728	29.9	336,865,877	30.9
Building	112,317,114	10.2	113,841,241	10.4
Land	214,805,613	19.6	223,024,636	20.5
Real Estate in Trust	587,447,139	53.6	569,000,499	52.2
Building in Trust	172,275,288	15.7	162,317,624	14.9
Land in Trust	415,162,899	37.9	406,677,823	37.3
Leased assets	8,950	0.0	5,050	0.0
Construction in progress	5,229	0.0	98,999	0.0
<b>Intangible Fixed Assets</b>	<b>104,689,719</b>	<b>9.6</b>	<b>102,462,945</b>	<b>9.4</b>
Goodwill	96,075,951	8.8	93,453,708	8.6
Leasehold rights	951,943	0.1	1,331,702	0.1
Leasehold rights in trust	7,628,763	0.7	7,628,377	0.7
Other	33,060	0.0	49,156	0.0
<b>Investment and Other Assets</b>	<b>3,239,761</b>	<b>0.3</b>	<b>3,283,426</b>	<b>0.3</b>
Investment securities	3,239,761	0.3	3,283,426	0.3
Long-term Repaid Expenses	1,692,616	0.2	1,725,575	0.2
Long-term deposits	566,019	0.1	537,247	0.0
Security Deposits	945,753	0.1	945,963	0.1
Derivatives Assets	35,372	0.0	74,639	0.0
<b>Deferred Assets</b>	<b>19,666</b>	<b>0.0</b>	<b>40,964</b>	<b>0.0</b>
Investment Corporation Bond Issuing Expenses	19,666	0.0	40,964	0.0
<b>Total Assets</b>	<b>1,095,828,716</b>	<b>100.0</b>	<b>1,089,820,070</b>	<b>100.0</b>

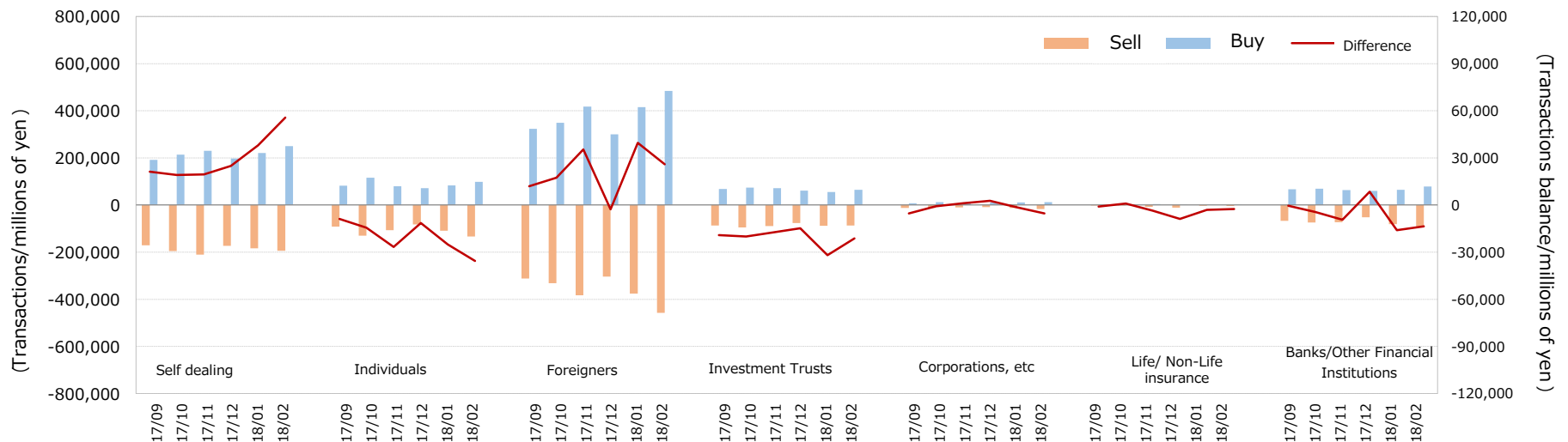
## Liabilities and Net Assets

	4th Fiscal Period as of Aug. 31, 2017		5th Fiscal Period as of Feb. 28, 2018	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
<b>Current liabilities</b>	<b>70,536,637</b>	<b>6.4</b>	<b>68,751,140</b>	<b>6.3</b>
Trade Accounts Payable	3,078,364	0.3	2,223,178	0.2
Short-term debt	3,078,364	0.3	2,223,178	0.2
Current portion of Investment corporation	4,000,000	0.4	0	0.0
Current portion of long-term debt	54,760,600	5.0	58,315,600	5.4
Lease obligations in trust	6,630	0.0	3,797	0.0
Other accounts payable	1,536,890	0.1	2,437,546	0.2
Accrued expenses	333,666	0.0	291,069	0.0
Accrued income taxes	605	0.0	605	0.0
Accrued consumption taxes	1,227,566	0.1	223,118	0.0
Rent Received in Advance	4,942,249	0.5	4,896,718	0.4
Unearned revenue	300,134	0.0	263,512	0.0
Derivatives liabilities	50,648	0.0	49,325	0.0
Other current liabilities	299,281	0.0	46,668	0.0
<b>Fixed Liabilities</b>	<b>468,643,035</b>	<b>42.8</b>	<b>465,978,169</b>	<b>42.8</b>
Investment Corporation Bonds	18,500,000	1.7	20,500,000	1.9
Long-term Loans	411,480,600	37.5	407,382,800	37.4
Lease obligations in trust	2,956	0.0	1,591	0.0
Long-term advanced received	574,827	0.1	449,677	0.0
Security deposits from tenants	9,107,525	0.8	9,737,166	0.9
Security deposits from tenants in trust	27,467,719	2.5	26,788,158	2.5
Derivatives liabilities	1,509,405	0.1	1,118,774	0.1
<b>Total liabilities</b>	<b>539,179,673</b>	<b>49.2</b>	<b>534,729,310</b>	<b>49.1</b>
<b>Total liabilities</b>	<b>558,173,725</b>	<b>50.9</b>	<b>556,184,220</b>	<b>51.0</b>
Unitholders' capital	162,592,573	14.8	162,791,125	14.9
Surplus	395,581,151	36.1	393,393,095	36.1
Capital surplus	394,012,959	36.0	394,012,959	36.2
Allowance for temporary difference adjustments	-7,367,727	-0.7	-7,169,175	-0.7
Other deduction from capital surplus	-5,801,916	-0.5	-6,000,467	-0.6
Total deduction from capital surplus	-13,169,643	-1.2	-13,169,643	-1.2
Retained earnings	14,737,836	1.3	12,549,780	1.2
<b>Valuation and translation adjustments</b>	<b>-1,524,682</b>	<b>-0.1</b>	<b>-1,093,460</b>	<b>-0.1</b>
Valuation and translation adjustments				
Deferred gains or losses on hedges	-1,524,682	-0.1	-1,093,460	-0.1
<b>Total net assets</b>	<b>556,649,043</b>	<b>50.8</b>	<b>555,090,759</b>	<b>50.9</b>
<b>Total liabilities and net assets</b>	<b>1,095,828,716</b>	<b>100.0</b>	<b>1,089,820,070</b>	<b>100.0</b>

# Changes in Investment Unit Price

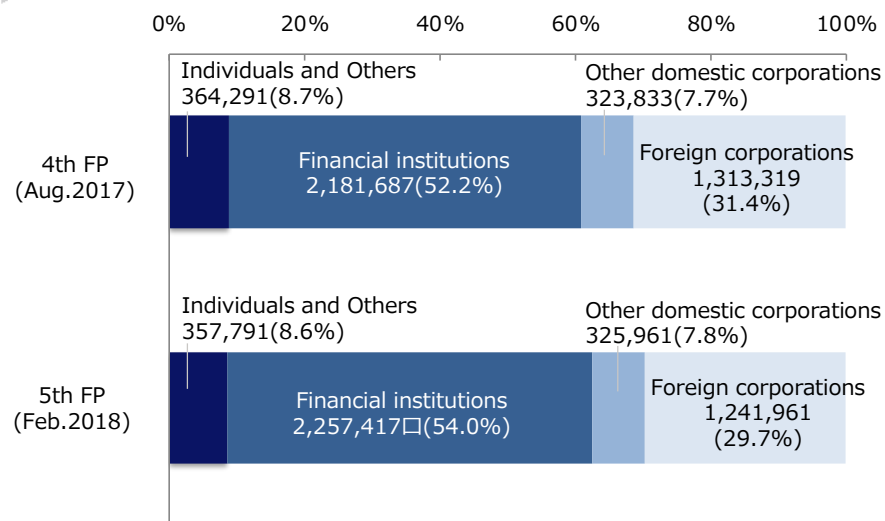


## J-REIT market : Trading volume by investor type

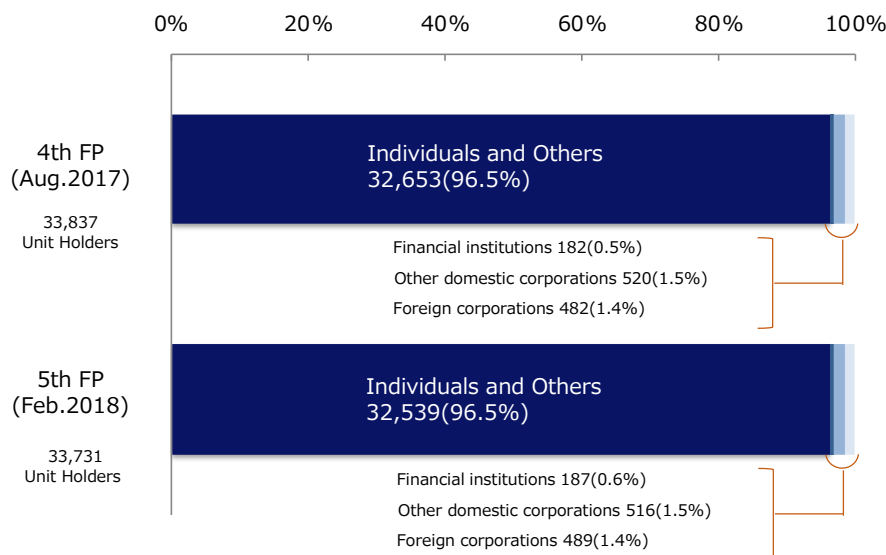


# Unitholders

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



## Number of unitholders



## Breakdown of financial institutions

	Aug. 2017 (4th Period)		Feb. 2018 (5th Period)	
Banks	134,326	3.2%	152,375	3.6%
Trust Banks	1,853,244	44.3%	1,886,174	45.1%
Life Insurance Companies	39,780	1.0%	25,376	0.6%
Non-Life Insurance Companies	25,469	0.6%	20,417	0.5%
Other Financial Institutions, Financial Instruments Business	128,868	3.1%	173,075	4.1%
	2,181,687	52.2%	2,257,417	54.0%

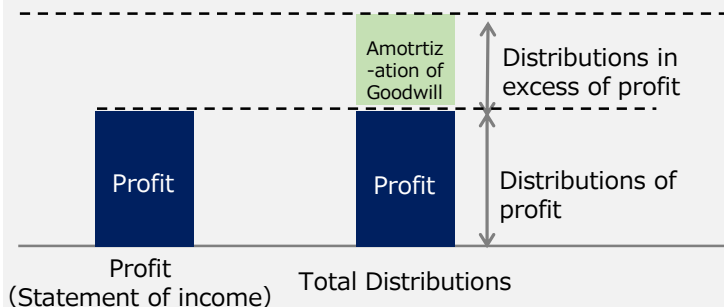
## Top 10 unitholders

	Unitholders	Unit	Ratio
1	Japan Trustee Services Bank, Ltd.	920,651	22.0%
2	The Master Trust Bank of Japan, Ltd.	564,057	13.5%
3	Nomura Real Estate Development Co., Ltd.	210,671	5.0%
4	The Nomura Trust and Banking Co., Ltd.	176,394	4.2%
5	Trust & Custody Services Bank, Ltd.	159,538	3.8%
6	STATE STREET BANK WEST CLIENT – TREATY 505234	124,399	3.0%
7	NOMURA BANK (LUXEMBOURG) S. A.	95,872	2.3%
8	STATE STREET BANK – WEST PENSION FUND CLIENTS – EXEMPT 505233	82,976	2.0%
9	STATE STREET BANK AND TRUST COMPANY 505223	54,826	1.3%
10	STATE STREET BANK AND TRUST COMPANY 505012	47,133	1.1%
	Total	2,436,517	58.2%

# Internal Reserves Equivalent to Gain on Sale

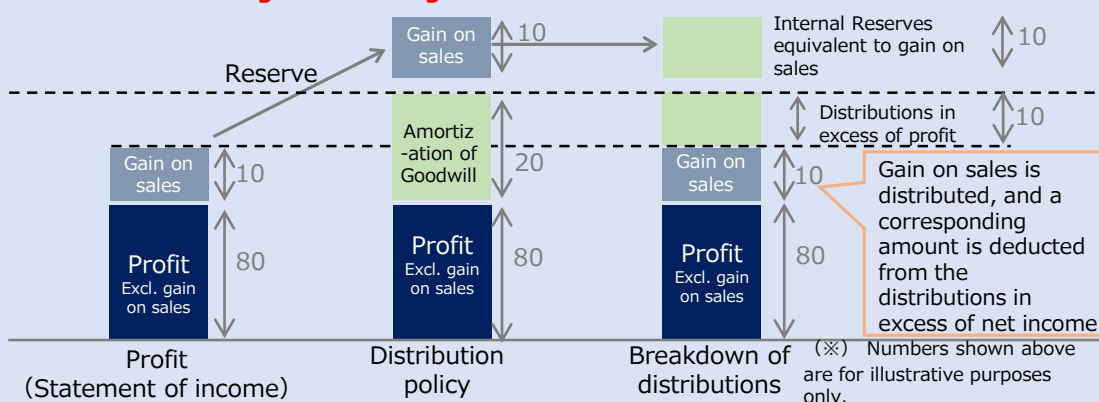
## Basic distribution policy

Distribute net income + amortization of goodwill

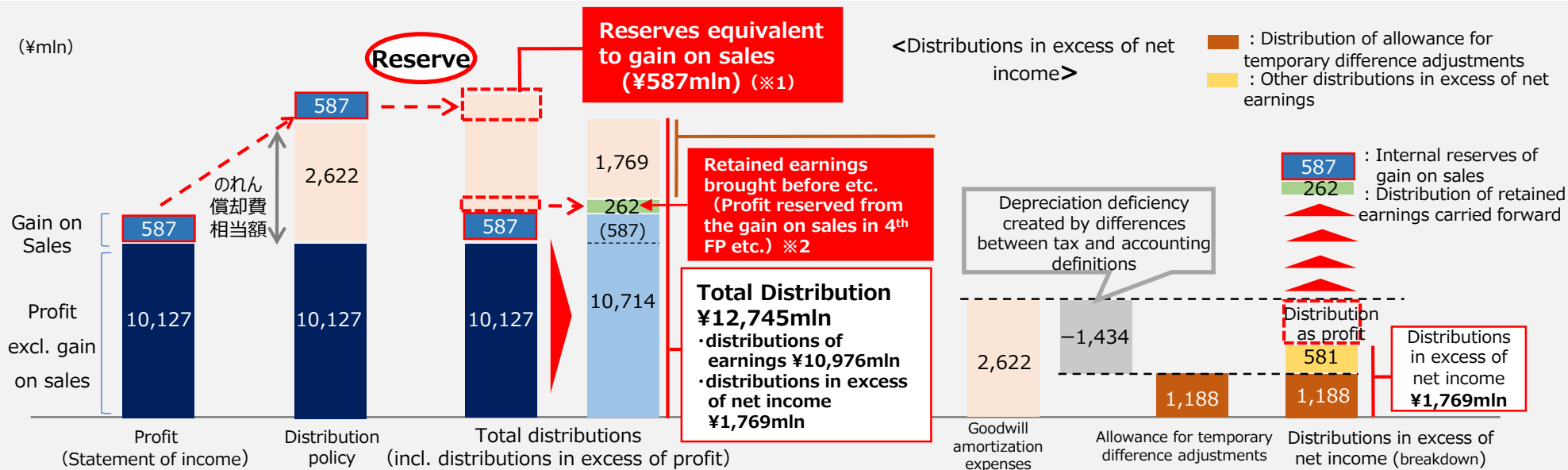


## Distribution Policy if there is gain on sale of real estate

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 5th fiscal period



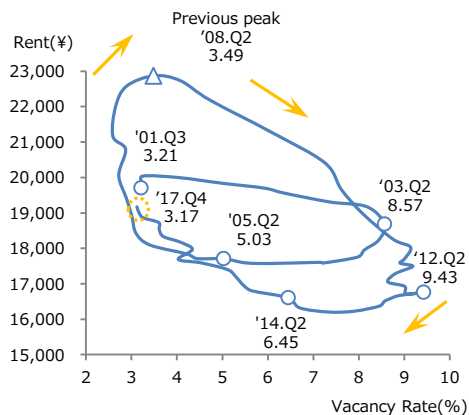
(\*1) When there is a gain on sales, NMF's policy is, in principle, to set aside an amount equivalent to the gain that is not more than the amount of goodwill amortization expenses as retained earnings within the scope that will not be subject to income tax. For the 5th fiscal period, NMF will retain earnings under the amount of distributions in excess of net income (distribution reducing unitholders' capital for tax purposes), and therefore it does not expect the retained earnings equivalent to the period's gain on sales to be taxed.

(\*2) The reversal of allowance for temporary difference adjustments in the fifth fiscal period (¥47 million, excluding those arising from deferred gains or losses on hedges) has been deducted from the ¥310 million gain on sales in the previous fiscal period resulting in ¥262 million in retained earnings.

# Market Review ~Leasing Market~

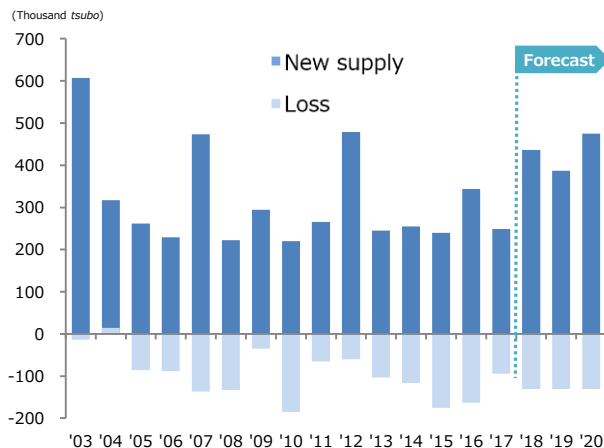
## Office

Rent and Vacancy Rate Matrix  
(Tokyo Central Five Wards)



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

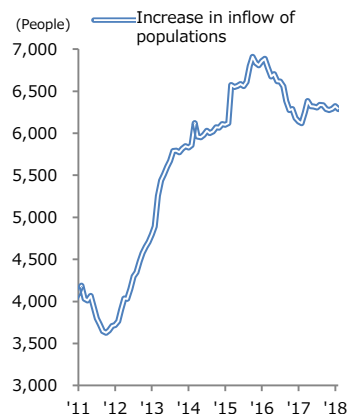
Supply of Office Buildings in Tokyo Five Central Wards



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

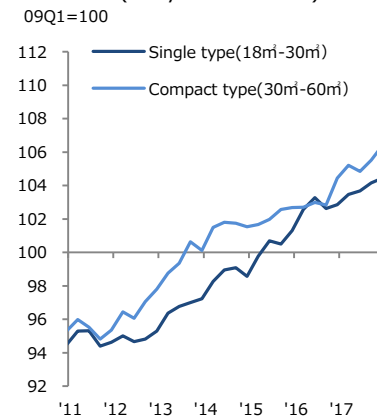
## Residential

Net Population Inflow  
(Tokyo Metropolis)



Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications

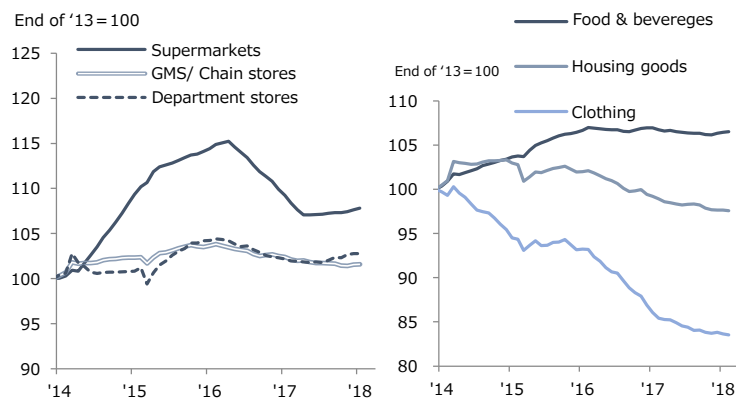
Rental Condominium Rent Index  
(Tokyo's 23 wards)



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

## Retail

<By Store Type> Retail Sales  
<By Product Type>

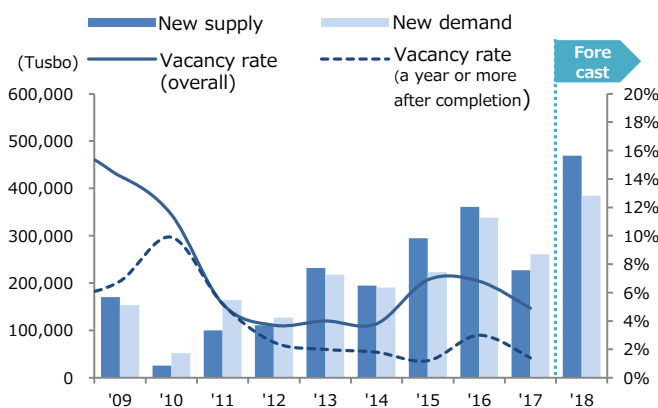


Source: Prepared by NREAM based on data from the Ministry of Economy, Trade and Industry and the Japan Chain Store Association

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

## Logistics

Large-Scale Rental Logistics Facility Supply and Demand in the Tokyo Metropolitan Area (as of Q4 2017)

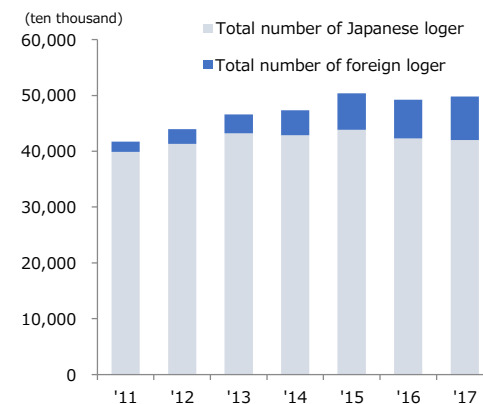


※Forecasts are for years ending December 31.

Source: Prepared by NREAM based on data from CBRE

## Hotel

Total number of logger as of Feb. 2018

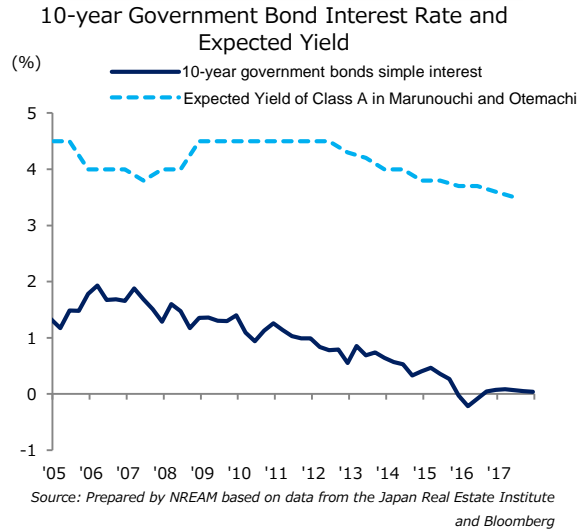


Source: Prepared by NREAM based on data from Tourism Agency

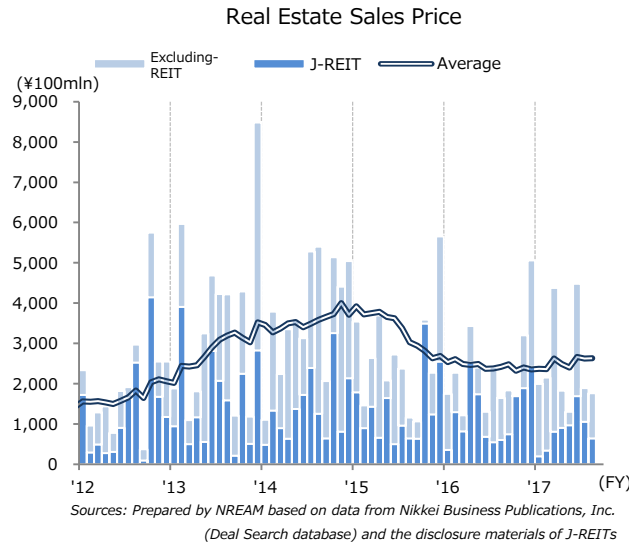


# Market Review ~Sales Market~

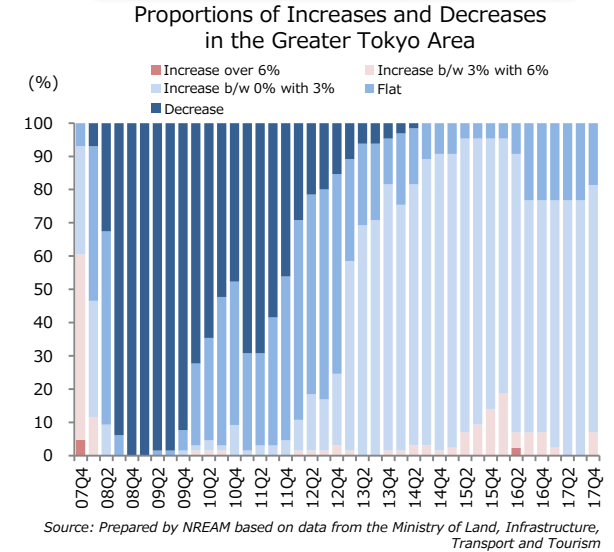
## Expected Yield



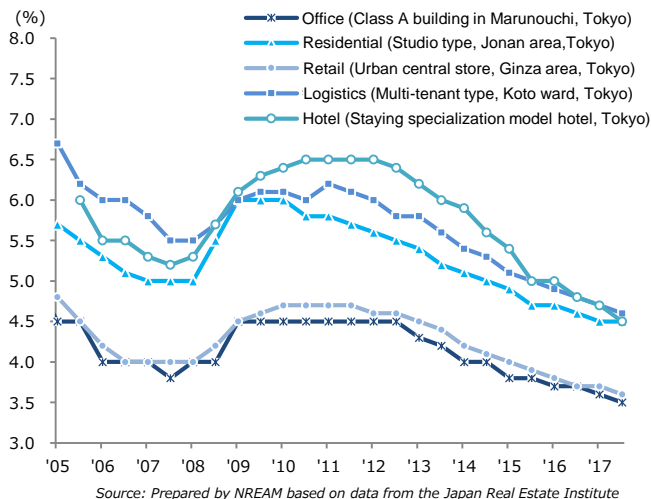
## Transaction Volume



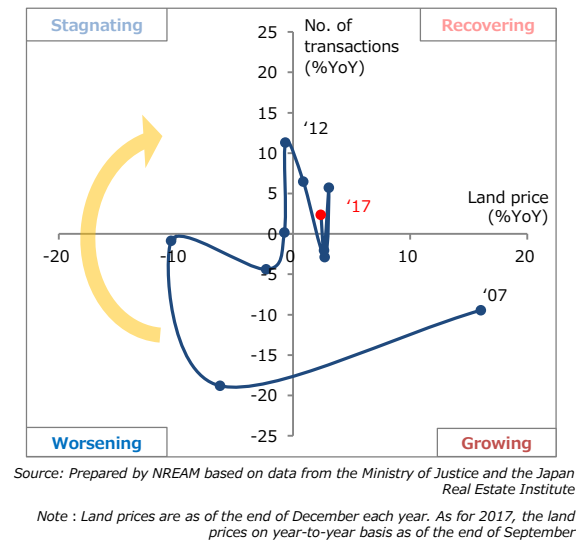
## Land Price/Construction Cost



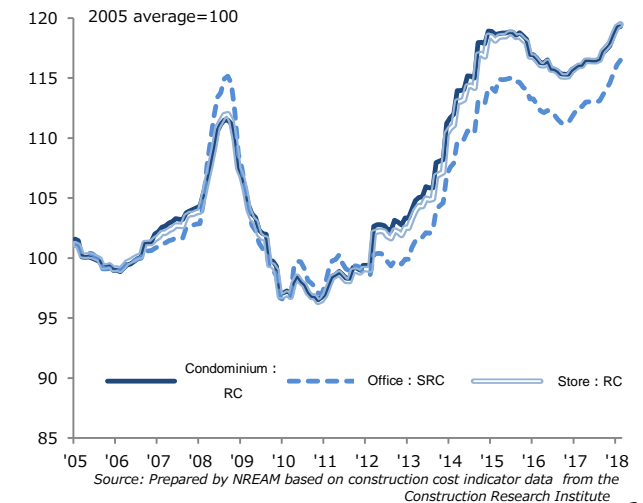
## Real Estate Investors' Expected Yield by Sector



## Tokyo's Real Estate Transaction/Pricing Cycle



## Change in Construction Cost by Sector





# MASTER FUND

This document has been prepared for the purpose of provision of information only, and should not be construed as an offer, solicitation or commercial conduct of any nature associated with any specific products. Investors wishing to purchase the investment units of Nomura Real Estate Master Fund, Inc. should contact their own securities brokers or dealers. A fee may be charged by your financial instruments business operator in relation to the sale or purchase of investment units. For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, etc. The forward-looking statements with respect to the future financial results contained in this document are based on the current facts about the investment policy of the Fund, applicable laws and regulations, the market environment, business practice, etc., as of the preparation date of this document and do not reflect or consider any changes in the circumstances after the preparation date. These forward-looking statements inherently reflect uncertainty about known risks as well as unknown risks and other factors and may deviate from the actual operating and management results, financial conditions, etc., of the Fund. Investment in real estate investment securities may result in a loss due to a decline in the transaction price caused by, for example, changes in the price or the revenue-generating capability of the underlying properties or deterioration of the financial conditions of the issuer. Although the information contained in this document is intended to be complete and thorough, there is no assurance of precision and safety of the same. Please note that the contents of this document is subject to change or cancellation without prior notice. It is prohibited to make duplication, reproduction, distribution or use of any part or whole of the information contained in this document without express prior written consent.