Investor presentation held on:
October 16, 2019 (Wed.)

Nomura Real Estate Master Fund, Inc.
Investor Presentation for the 8th Fiscal Period Ended August 31, 2019

Summary of Questions and Answers

The Q&A summary at the investor presentation is as follows.

Q.1
In regards to NMF's future property acquisition strategy, will there be an expansion or contraction to the acquisition scale given the current acquisition environment? Will there be any changes to the strategy to use to date?

A.1
For property acquisitions, we do not set yearly acquisition scales, and as we evaluate properties based on whether it suits our needs or not, there will be no change to our policy when deciding upon acquisitions.
Moreover, as the current market environment makes it difficult to acquire external properties, there is a high chance that we will mainly be acquiring sponsor properties for the time being. Based on the fact that our sponsor has not drastically changed the speed at which they are developing properties, one guideline will be the acquisition scale during the past two public offerings.

Q.2
As for the office rent increase results, the rent increase rate for all offices through renewals was +3.3%, which was not that different from the +4.1% for only PMO. As PMOs are highly competitive, can we expect high rates of increase in the future?

A.2
From the beginning, the PMO series has had rent unit prices that have been higher than market value. As such, its upside is often thought to be limited, but in reality, it has accomplished rent renewal record that is similar to, or better than, other properties. We feel as though this is the result of the high evaluation that our product, PMO, has received. We

will continue to pursue similar or better upside potential for PMO, as compared against other properties.

Q.3
Given the status of urban retail facilities, rather than worry about future tenant move-outs, can we expect rental increases through tenant replacement and renewals? Is there a sense that the current market is a lenders' market?

A.3
As opposed to suburban retail facilities, tenant dispersal is advanced in urban retail facilities, so there is no need to worry about move-outs of large-scale tenants. In regards to the leasing environment, we have been able to realize rental increases especially through tenant replacements, so you could say that the environment is favorable. We will continue to proactively pursue upside potential as to not squander this opportunity.

Q.4
Regarding the thought process behind property dispositions, it was once said that properties would be disposed of at a pace of 10 billion yen per year. Will NMF maintain this pace of disposition at 10 billion yen per year? Could you explain the future outlook in regards to property dispositions?

A.4
Since incorporation, we have already completed more than 110-billion-yen worth of property dispositions, and at the moment, we do not have any properties that need to be disposed of in the near future. As for dispositions, we will consider their impact on distributions and portfolio enhancement, and will conduct disposals under the premise that they will be replaced by a newly acquired asset.

Q.5
Some see the ratio of logistics facilities in the sponsor pipeline as high, but will the ratio of logistics facilities in NMF's portfolio also increase in the future? Moreover, there were successive large-scale move-outs at Landport Urayasu and Landport Iwatsuki. What does NMF think about the risk of large-scale move-outs at logistics facilities?

A.5
As a diversified-type REIT, there will be no change to the fact that we will not rely on a

particular sector, and that we will profit off of diversification. We will continue to make property acquisitions upon considering the balance of the portfolio.
Moreover, the major factor contributing to the recent large-scale tenant move-outs has been the tenant's own initiative. Currently, no large-scale tenants have informed us of their intentions to move-out, and we believe that there are no worrisome factors.

Q.6
As to the future external growth strategy, has there been any changes to NMF's perspective on the NOI yields of properties to be acquired? Moreover, NMF has an abundance of experience when it comes to mergers, so could you explain NMF's stance on M&As?

A.6
As for NMF's perspective on the NOI yields of properties to be acquired, we will be conscious of our most recent portfolio NOI of 5.1% (4.1% NOI after depreciation), and will make acquisition decisions upon considering the impact that it could have on the portfolio, using the implied cap rate as the minimum line.
We believe that M&As are not a goal but a means to an end. Our policy is to make decisions about this as one option for external growth, and we will comprehensively consider the impact that this could have on NMF's portfolio and our valued investors.

Q.7
This was a positive financial report for the most part, but what measures should be taken to prepare for future downside risk? Moreover, will NMF be focusing on internal growth over external growth?

A.7
While operation of a fund is a comprehensive matter, we believe that the most important thing for the portfolio is the profitability of existing properties. Given the current favorable environment, we would like to pursue upside potential through internal growth. In terms of finance, on the other hand, we would not wish to miss out on the current favorable financial environment, and we are well aware of how much fruit we can produce during this time. While external growth is subject to the market environment, much of internal growth can be controlled through existing portfolio management and finance. As such, we believe it is important to strengthen our base.