

ESG Annual Report

2019.6.30

Nomura Real Estate Master Fund, Inc.



MASTER FUND

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NMF's principal initiatives and achievements from July 2018 to June 2019	Page
Identification of ESG materiality issues in order to contribute to realize the sustainable society (Materiality)	8
Set policy, target and key performance indicator (KPI) for each materiality.	8
Enhanced disclosure of ESG related information on NMF's website in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Started from February 2019).	14
Participation in Japan Climate Initiative (JCI)	17
Named as "Global Sector Leader" in the listed and diversified sector at GRESB Real Estate Assessment 2018.	18
Included in the MSCI Japan ESG Select Leaders Index.	19
Improved the environmental certification acquisition rate to 67.3% from 59.3% (FY2030 target :70%).	20
Improved environmental performance including GHG reduction by 13.8% (FY2030 target: 25%).	33
Opened NEON, an innovative space for tenants of the building, in Shinjuku Nomura Building.	34
Addition of one Supervisory Director (Appointment of one additional female Supervisory Director who is a lawyer at the Second General Meeting of Unitholders held in May 2019)	42



NMF's Approach to Sustainability

Nomura Real Estate Asset Management Co., Ltd. (NREAM), an asset management company for Nomura Real Estate Master Fund, Inc. (NMF), established the Sustainability Policy in December 2015.

NMF, along with the asset management company, is committed to carrying out asset management that gives due consideration to environmental, social and governance (ESG) issues in order to enhance unitholder value over the medium to long term.

II A Message from Top Management

Since its founding in October 2015, NMF has been adhering to a fundamental philosophy of “securing stable profit over the medium to long term” and “steadily achieving growth in assets under management.” In line with this philosophy, NMF has built a strong track record in the course of developing an excellent asset portfolio and maintaining a stable distribution stream through the strategic execution of asset management policies based on a medium- to long-term perspective. Throughout these efforts, NMF has ceaselessly endeavored to maximize unitholder value, and it has grown into one of a handful of leading J-REITs boasting total assets in excess of ¥1 trillion. Meanwhile, global environmental problems and various other issues society is now confronting are becoming matters of urgency and requiring effective solutions. Given this, United Nations formulated the Sustainable Development Goals (SDGs) while the Paris Agreement was adopted by the international community to define an across-the-board framework for global warming countermeasures. Taking these developments into account, we believe that corporations are being called to fulfill ever greater responsibilities and thereby live up to the expectations of the general public.

Based on the idea that it is essential for our sustainable growth to realize sustainable society, we also believe our contribution to solving social issues through our business is in line with our fundamental philosophy of “securing stable profit over the medium to long term” and “steadily achieving growth in assets under management.” Consequently, it would contribute to improve our unitholder value.

NMF has been pursuing environmentally friendly operations together with the asset management company since its foundation. For taking more active and specific sustainable initiatives, we have identified ESG materiality issues in consideration of expectations from our stakeholders as well as the impact on our business and performance.

Accordingly, NMF and the asset management company are promoting our sustainable initiatives based on our policies and targets set out in our ESG materiality issues and key performance indicator(KPI). In addition, we aspire to promote close, bidirectional communication and work shoulder to shoulder with our unitholders, tenants, employees, supply chains, neighboring communities and other stakeholders through our ESG related disclosures.

Shuhei Yoshida
Executive Director

Sustainability Policies and Systems

1.Efforts to save energy and create energy

We will strive to introduce technologies/facilities that contribute to save and/or create energy while proactively promoting efficient use of energy in real estate management.

2.Efforts to save resources and reduce waste

We will strive to implement water saving and waste reduction (3Rs of reduce, reuse and recycle) for effective utilization of resources required in business activities.

3.Efforts for safety and security as well as improvement of the level of customer satisfaction

We will strive to improve the level of customer satisfaction by promoting disaster prevention/BCP measures for the safety and security of our clients including tenant companies or facility users, and through other means.

4.Efforts to develop in-house systems and educate executives and employees

We will not only fully enforce compliance but also develop in-house systems to promote our initiatives based on this policy, educate executives and employees, and conduct activities to raise awareness.

5.Collaboration with outside stakeholders

We will strive to collaborate with stakeholders including our business partners such as property management companies, our clients such as tenant companies and facility users, and local communities in order to practice initiatives based on this policy.

6.Information disclosure to investors, etc.

We will strive to proactively disclose information on the status of activities related to ESG to stakeholders such as investors.

Sustainability Promotion Structure

Nomura Real Estate Asset Management Co., Ltd. (NREAM), an asset management company for NMF, has in place the following structure to promote initiatives under its Sustainability Policy in a constant and organized manner.

(1) Board of Directors

Main roles : Formulation and revision of the Sustainability Policy, sustainability promotion rules and other in-house policies and rules

(2) Chief Sustainability Officer

Chief Strategy Officer (Director)

(3) Sustainability Operating Officer

Head of NMF Investment Management Group

(4) Investment Committee

Chair : President and Executive Officer

Members: Chief Strategy Officer, Other Executive Officers and Compliance Officer

Main roles: Decision making with regard to sustainability targets and measures

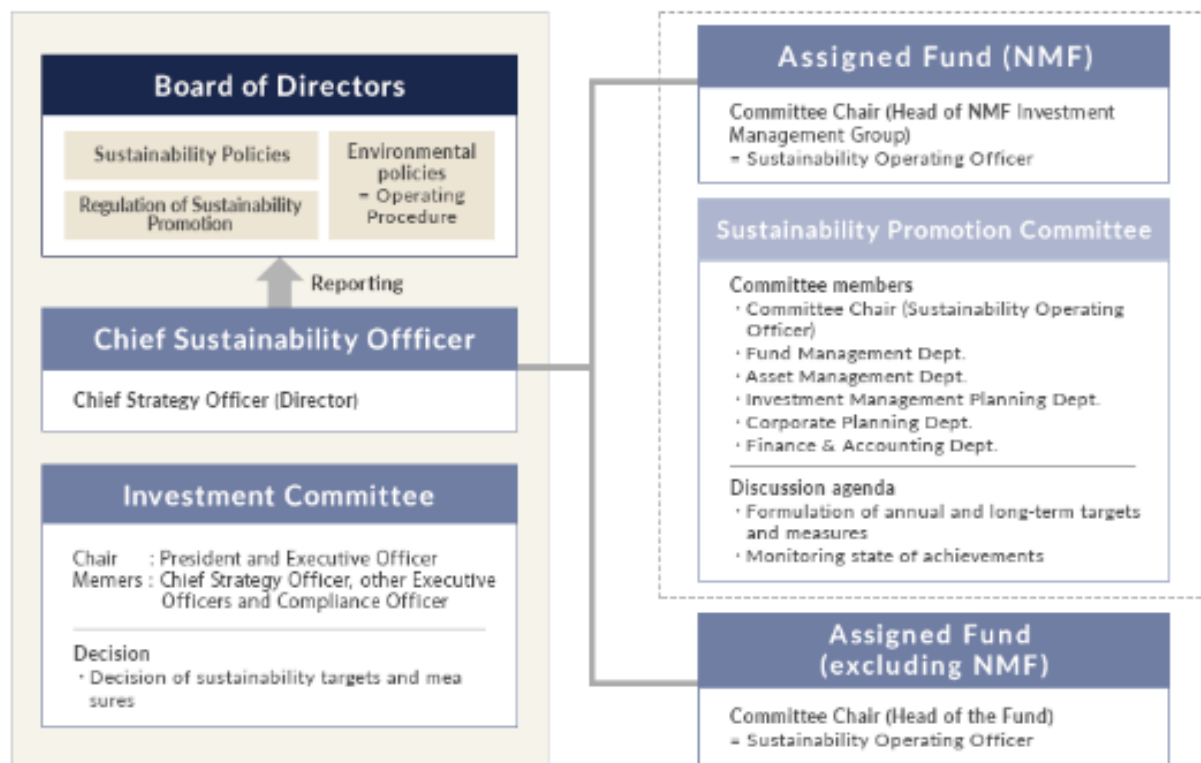
(5) Sustainability Promotion Committee

Chair : Head of NMF Investment Management Group, who concurrently serves as Sustainability Operating Officer

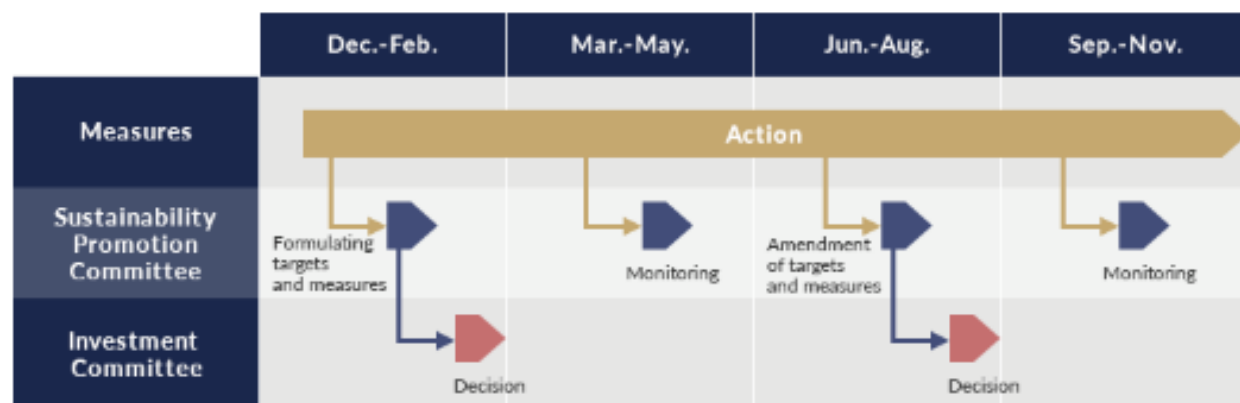
Meeting frequency: Once in a quarter or more

Main roles: Formulation of NMF's sustainability targets and measures and the monitoring of achievement status

<Sustainability Promotion Structure>



<Annual Schedule>



Sustainability Promotion Manuals

Nomura Real Estate Asset Management Co., Ltd. (NREAM) formulated sustainability promotion manuals to provide basic policies with regard to and clarify procedures for its sustainability promotion initiatives, including those aimed at constantly monitoring and reducing the volume of energy and water consumption and greenhouse gas and waste emissions as well as those aimed at promoting green procurement through external collaboration. Through the distribution of these manuals, NREAM is striving to enhance the effectiveness of its sustainability initiatives.

<Overview of Sustainability Promotion Manuals>

Titles	Content
Manuals for energy saving, GHG reduction, water saving and waste reduction	• Basic policies for the constant monitoring of and achieving ongoing reductions in consumption and emission volumes • Procedures for the monitoring, management and analysis of consumption and emission volumes and reporting to the Sustainability Promotion Committee
Green procurement manual	• Additional criteria to be assessed in the course of product and service procurement (energy-saving potential, vendors' efforts to reduce the use of substances leading to environmental pollution, product durability and recyclability and other factors associated with environmental load reduction) • Additional criteria to be assessed in the course of the selection and evaluation of suppliers based on their involvement in sustainability initiatives (sustainability promotion structures, collaboration with environmental load reduction, etc.)

Sustainability Risk Assessments

Our assets under management are subject to periodic sustainability risk assessments.

Whenever assessment results reveal a critical sustainability risk, in-house specialists charged with assessments propose improvement measures at the Sustainability Promotion Committee. In this way, we are ensuring that any sustainability risk is properly identified, monitored and addressed.

Training for Officers and Employees

We aim to empower our officers and employees to play greater roles in sustainability promotion and help raise their sustainability awareness, to this end providing them with special training. At least once a year, these individuals attend training sessions designed to call their attention to the importance of sustainability, address the latest trends in sustainability initiatives and brief them on the status of NMF's sustainability measures and targets and the progress it has made. These training sessions thus help attendees stay acutely aware of and properly updated about various sustainability issues.



ESG Materiality Issues Identified by NMF

Based on the idea that it is essential for our sustainable growth to realize sustainable society, we also believe our contribution to solving social issues through our business is in line with our fundamental philosophy of “securing stable profit over the medium to long term” and “steadily achieving growth in assets under management. Consequently, it would contribute to improve our unitholder value. In order to take specific sustainable initiatives, we have identified ESG materiality issues in consideration of expectations from our stakeholders as well as the impact on our business and performance.

Materiality, Policy and Target			Supporting SDGs	
Environment	Raising the proportion of “green” properties in our investment portfolio		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	
	Target	• Raise the ratio of properties acquiring green certification to 70% by 2030		
	KPI	• Ratio of Green Certification		
	Reported Location	International Initiatives and Certifications/ Raising the Proportion of “Green” Properties in Our Portfolio		
	Countering climate change		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	
	Target	• Achieve a 25% reduction in overall greenhouse gas (GHG) emissions from our portfolio by 2030 (compared with the 2016 level)		
	KPI	• GHG emission volume		
	Reported Location	Environmental Measures/Counting Climate Change		

Society S	Ensuring the safety and security of tenants and improving user comfort	
	Target • Improve tenant satisfaction by carrying out property renewal and renovation aimed at accommodating diversifying social needs and by enhancing the content of tenant assistance services	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES
	Reported Location Social Responsibility/Ensuring the Safety and Security of Tenants and Improving User Comfort	
	Creating a workplace environment in which everyone is treated fairly and empowered to find his/her job rewarding	
	Target • Enhance employee satisfaction via the creation of a sound working environment that ensures impartial evaluation, provides fair compensation and allows everyone to find his/her job rewarding	8 DECENT WORK AND ECONOMIC GROWTH
	Reported Location CSR Management (Asset Management Company website)	
	Human resource development and talent management	
	Target • Help our human resources improve their capabilities by providing them with periodic training and by encouraging them to engage in self-directed studies and acquire job-related certification	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
	Reported Location CSR Management (Asset Management Company website)	
	Strengthening corporate governance	
	Target • Develop a highly effective and transparent governance structure capable of securing an independent perspective and ensuring customer-centric business management • Establish an investment management structure that prioritizes the unitholder's standpoint and unites the interests of unitholders, NMF and the asset management company by determining asset management fees based on net income.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Reported Location Governance/Governance of the Investment Corporation Securing an Investment Management Structure That Prioritizes Unitholders' Interest	

Governance 	Ensuring compliance and risk management		
	Target	• Maintain appropriate risk management and secure the soundness of operations by implementing robust countermeasures, including regularly confirming the status of legal compliance and eradicating the conflict of interest associated with transactions with interested parties	
	Reported Location	Governance/Compliance Governance/Risk Management	
	Stakeholder engagement and timely and appropriate information disclosure		
	Target	• Build solid relationships with and win the trust of all stakeholders by engaging in the timely, appropriate and proactive disclosure of financial/non-financial information and by maintaining constructive dialogue	
	Reported Location	Stakeholder Engagement	

Identifying Process on Materiality Issues

|| Process 1 : Selection of Issues to Be Considered

We have selected issues of particular concern in terms of securing NMF's sustainable growth from among a broad range of environmental, social and governance (ESG) issues. This selection was made in reference to various guidelines, such as SASB(Note1) Standards and GRI Guidelines (Note 2), United Nations SDGs(Note 3), and evaluation criteria specified by ESG rating agencies, including MSCI and Sustainalytics, as well as the status of initiatives undertaken by our peers in the same industry.

(Note 1) The Sustainability Accounting Standards Board:

A U.S.-based non-profit organization aimed at helping businesses identify industry-specific materiality issues that could affect the judgment of rational investors and engaging in the development of standards for sustainability-related information disclosure

(Note 2) The GRI Guidelines:

International guidelines concerning sustainability reporting formulated by GRI (Global Reporting Initiative) which is an official body of the UNEP as well as a non-profit organization whose mission is to create and disseminate a sustainability report.

(Note 3) Sustainable Development Goals:

Adopted at a United Nations Summit in September 2015, SDGs comprise 17 goals and 169 targets for international initiatives to be undertaken to achieve United Nations' 2030 agenda for sustainable development.



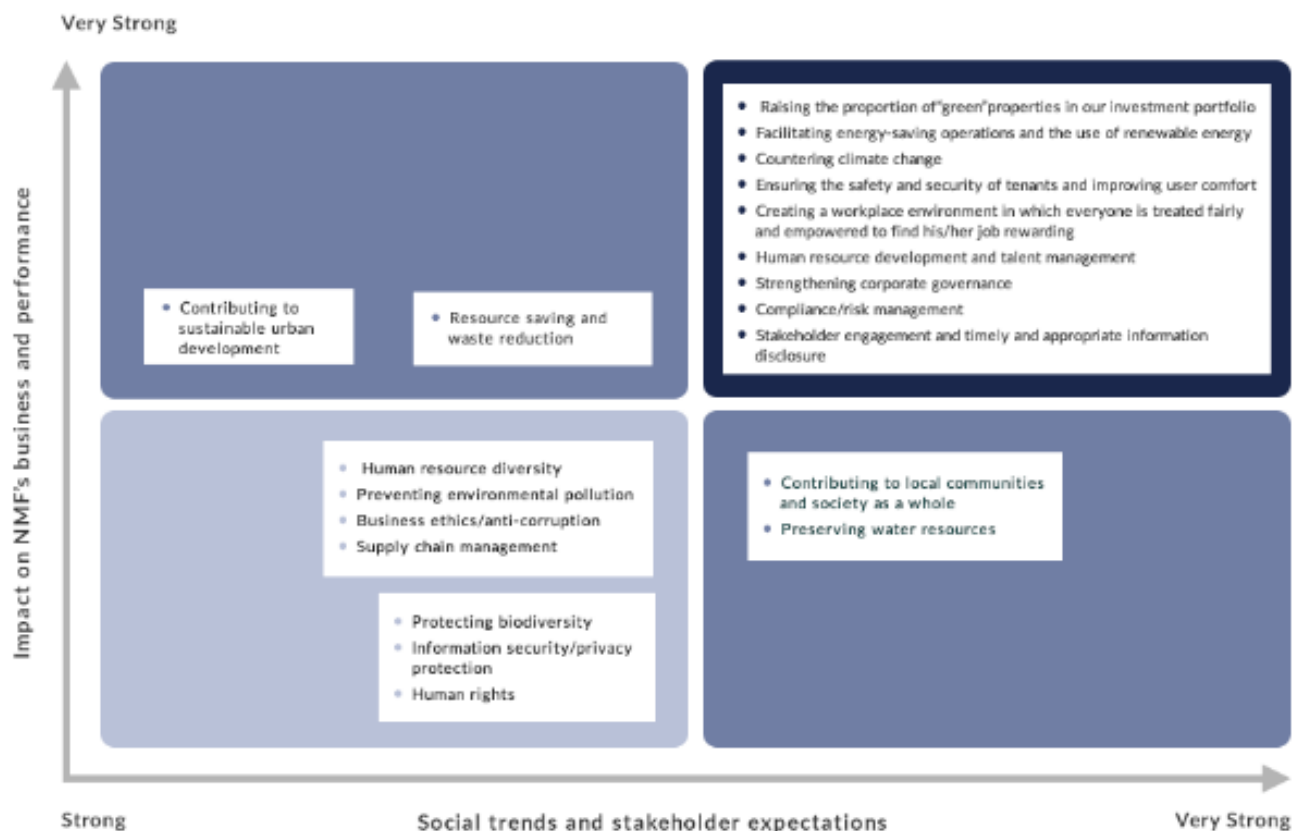
|| Process 2 : Determining Priorities and Preparing a Materiality Matrix

We have determined priorities among the selected issues in line with their materiality by assessing their impact on NMF's business and performance on various fronts, including its corporate philosophies, financial results and business plans. In the course of this process, we have also examined the issues from the perspectives of a variety of stakeholders within and outside the Nomura Real Estate Group. Each issue has thus been prioritized in light of its materiality to NMF's sustainable growth from two aspects—the opportunity arising from it and the risk associated with it—with its positioning being indicated in NMF's materiality matrix.

|| Process 3 : Discussion for Approval on Identifying NMF's Materiality Issues in the Investment Committee

Having determined their priorities, we have discussed these issues at the Sustainability Promotion Committee and officially positioned them as NMF's materiality issues associated with sustainability after obtaining the approval of the Investment Committee, which serves as the highest decision making body.

<Materiality Matrix>



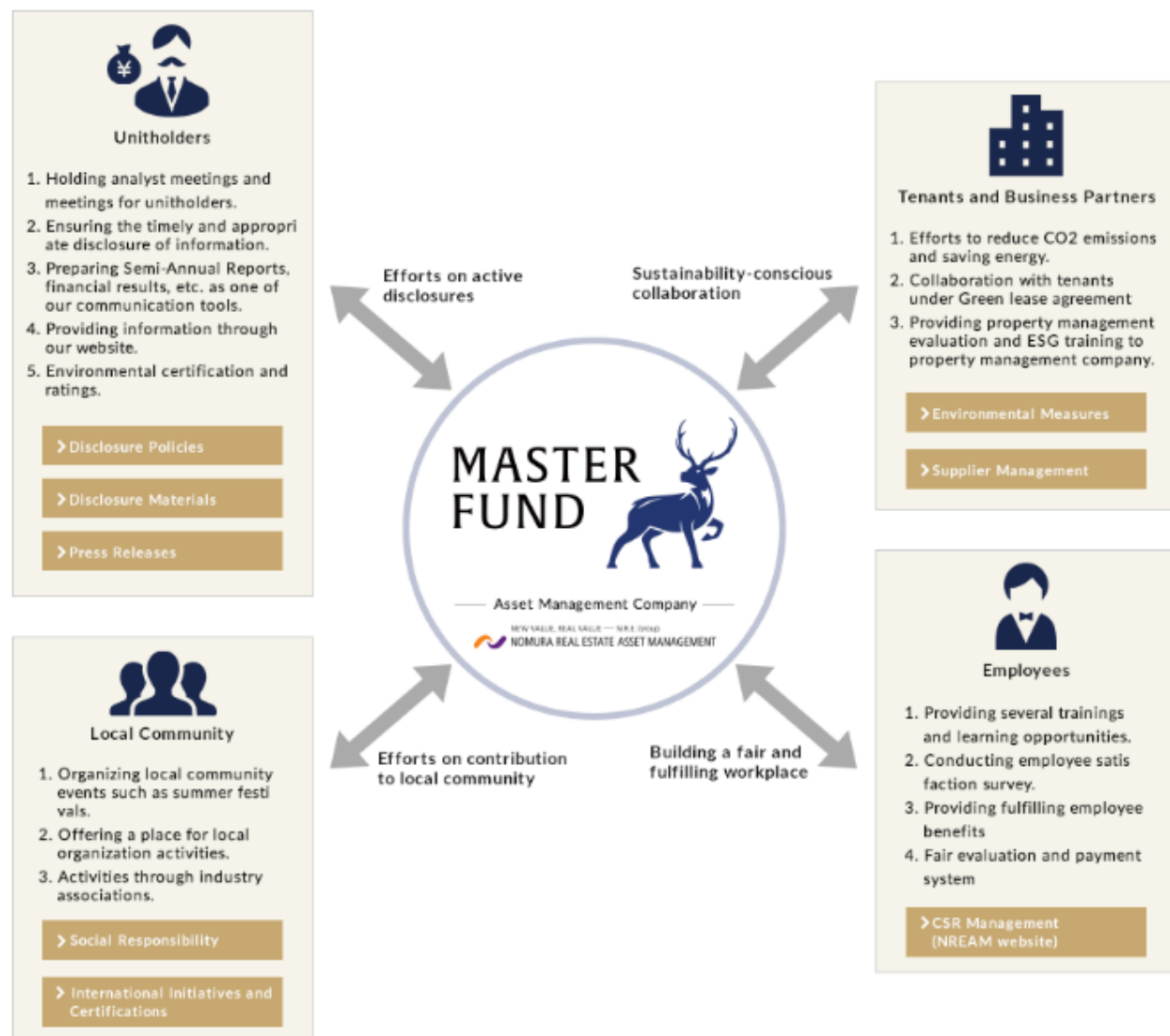
Stakeholder Engagement



Basic Policy

As an investment corporation, our business activities are supported by relationships with a variety of stakeholders. With this in mind, we believe that fulfilling our social responsibilities, such as helping create a sustainable society, is essential to our ongoing operations. Having identified unitholders, tenants, business partners and employees as well as residents of neighboring communities as our key stakeholders, we will strive to win their trust by maintaining constructive dialogue and sincerely addressing their expectations and requests. In these ways, we will improve NMF's operations and ESG-related initiatives.

Communication with Stakeholders





GRI Standards

II Universal Standards

TOPIC	Disclosure	Location
102 General Disclosures		
1	Organizational profile	1 Name of the organization Corporate Profile
		2 Activities, brands, products, and services Strength of NMF Disclosure Materials (Financial Information) Portfolio Summary
		3 Location of headquarters Corporate Profile (Profile and history)
	4 Location of operations Corporate Profile (Profile and history)	
	5 Ownership and legal form Corporate Profile (Profile and history)	
	6 Markets served Articles of Incorporation Portfolio Summary	
	7 Scale of the organization Corporate Profile (Director and Employee Information) Disclosure Materials (Financial Information) Asset Management Company (CSR Management)	
	8 Information on employees and other workers Corporate Profile (Director and Employee Information) Asset Management Company (CSR Management)	
	9 Supply chain Supplier Management Structure	
	10 Significant changes to the organization and its supply chain Not applicable	
2	Strategy	11 Precautionary Principle or approach Policies and Management Structure Governance (Compliance) Governance (Risk Management)
		12 External initiatives International Initiatives and Certifications
		13 Membership of associations International Initiatives and Certifications Asset Management Company (Corporate Profile)
3	Ethics and integrity	14 Statement from senior decision-maker Policies and Management Structure
		15 Key impacts, risks, and opportunities Policies and Management Structure ESG Materiality Identified by NMF
		16 Values, principles, standards, and norms of behavior Policies and Management Structure Asset Management Company (Corporate Philosophy) Nomura Real Estate Group (NREG Code of Action)
	17 Mechanisms for advice and concerns about ethics Governance (Risk Management) Asset Management Company (CSR Management)	

TOPIC		Disclosure	Location
102 General Disclosures			
4	Governance	18 Governance structure	Governance
			Policies and Management Structure
		19 Delegating authority	Policies and Management Structure
		20 Executive-level responsibility for economic, environmental, and social topics	Policies and Management Structure
		21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
			Policies and Management Structure
		22 Composition of the highest governance body and its committees	Governance
		23 Composition of the highest governance body and its committees	Governance
		24 Nominating and selecting the highest governance body	Governance
		25 Conflicts of interest	Governance (Compliance)
			Capital and Major Unitholders
			Structure
		26 Conflicts of interest	Policies and Management Structure
		27 Collective knowledge of highest governance body	-
		28 Evaluating the highest governance body's performance	-
		29 Identifying and managing economic, environmental, and social impacts	Policies and Management Structure
			ESG Materiality Identified by NMF
		30 Effectiveness of risk management processes	-
		31 Review of economic, environmental, and social topics	Policies and Management Structure
		32 Highest governance body's role in sustainability reporting	-
		33 Communicating critical concerns	Policies and Management Structure
			Governance
		34 Nature and total number of critical concerns	-
		35 Remuneration policies	Governance
		36 Process for determining remuneration	Governance
		37 Stakeholders' involvement in remuneration	-
		38 Annual total compensation ratio	-
		39 Percentage increase in annual total compensation ratio	-
5	Stakeholder engagement	40 List of stakeholder groups	Stakeholder Engagement
		41 Collective bargaining agreements	Not applicable as NMF does not have employees.
			Asset Management Company (CSR Management)
		42 Identifying and selecting stakeholders	Stakeholder Engagement
		43 Approach to stakeholder engagement	Stakeholder Engagement
		44 Key topics and concerns raised	ESG Materiality Identified by NMF
	Stakeholder Engagement		

TOPIC		Disclosure		Location
102	General Disclosures			
6	Reporting practice	45	Entities included in the consolidated financial statements	ESG Disclosure Policy and Reporting Framework
		46	Defining report content and topic Boundaries	ESG Disclosure Policy and Reporting Framework
		47	List of material topics	ESG Materiality Identified by NMF
		48	Restatements of information	Not applicable
		49	Changes in reporting	Not applicable
		50	Reporting period	ESG Disclosure Policy and Reporting Framework
		51	Date of most recent report	ESG Disclosure Policy and Reporting Framework
		52	Reporting cycle	ESG Disclosure Policy and Reporting Framework
		53	Contact point for questions regarding the report	ESG Disclosure Policy and Reporting Framework
		54	Claims of reporting in accordance with the GRI Standards	ESG Disclosure Policy and Reporting Framework
		55	GRI content index	GRI Standards
		56	External assurance	-
103	Management Approach			
1	General requirements for reporting the management approach	1	Explanation of the material topic and its Boundary	ESG Materiality Identified by NMF
		2	The management approach and its components	ESG Materiality Identified by NMF
				International Initiatives and Certifications
				Environmental Measures
				Social Responsibility
				Asset Management company (CSR Management)
				Governance
				Securing an Investment Management Structure That Prioritizes Unitholders' Interest
				Stakeholder Engagement
		3	Evaluation of the management approach	Policies and Management Structure
				Governance

II Topic-specific Standards

Location		Disclosure		Location
200 Economic				
201	Economic Performance	1	Direct economic value generated and distributed	-
		2	Financial implications and other risks and opportunities due to climate change	Environmental Measures
				International Initiatives and Certifications
		3	Defined benefit plan obligations and other retirement plans	-
202	Market Presence	4	Financial assistance received from government	-
		1	Ratios of standard entry level wage by gender compared to local minimum wage	-
203	Indirect Economic Impacts	2	Proportion of senior management hired from the local community	-
		1	Infrastructure investments and services supported	-
204	Procurement Practices	2	Significant indirect economic impacts	-
		1	Proportion of spending on local suppliers	-
205	Anti-corruption	1	Operations assessed for risks related to corruption	-
		2	Communication and training about anti-corruption policies and procedures	Governance (Compliance)
		3	Confirmed incidents of corruption and actions taken	-
206	Anti-competitive Behavior	1	Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	-
300 Environmental				
301	Materials	1	Materials used by weight or volume	-
		2	Recycled input materials used	-
		3	Reclaimed products and their packaging materials	-

TOPIC		Disclosure		Location	
102 General Disclosures					
302	Energy	1	Energy consumption within the organization	Environmental Measures (Environmental Performance)	
		2	Energy consumption outside of the organization	-	
		3	Energy intensity	Environmental Measures (Environmental Performance)	
		4	Reduction of energy consumption	Environmental Measures (Environmental Performance)	
		5	Reductions in energy requirements of products and services	-	
303	Water and Effluents	1	Water withdrawal by source	Environmental Measures (Environmental Performance)	
		2	Water sources significantly affected by withdrawal of water	-	
		3	Water recycled and reused	-	
304	Biodiversity	1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	
		2	Significant impacts of activities, products, and services on biodiversity	-	
		3	Habitats protected or restored	-	
		4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	
305	Emissions	1	Direct (Scope 1) GHG emissions	Environmental Measures (Environmental Performance)	
		2	Indirect (Scope 2) GHG emissions	Environmental Measures (Environmental Performance)	
		3	Other indirect (Scope 3) GHG emissions	-	
		4	GHG emissions intensity	Environmental Measures (Environmental Performance)	
		5	Reduction of GHG emissions	Environmental Measures (Environmental Performance)	
		6	Emissions of ozone-depleting substances (ODS)	-	
		7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	
306	Effluents and Waste	1	Water discharge by quality and destination	-	
		2	Waste by type and disposal method	Environmental Measures (Environmental Performance)	
		3	Significant spills	-	
		4	Transport of hazardous waste	-	
		5	Water bodies affected by water discharges and/or runoff	-	
307	Environmental Compliance	1	Non-compliance with environmental laws and regulations	-	
308	Environmental Assessment	1	New suppliers that were screened using environmental criteria	-	
		2	Negative environmental impacts in the supply chain and actions taken	Supplier Management	
400 Social					
401	Employment	1	New employee hires and employee turnover	CSR Management (Basic Data)	
		2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	CSR Management (Creating Fair Work Environments with Meaningful Work)	
		3	Parental leave	CSR Management (Promotion of Diversity)	
402	Labor/Management Relations	1	Minimum notice periods regarding operational changes	-	
403	Occupational Health and Safety	1	Workers' representation in formal joint management-worker health and safety committees	-	
		2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	CSR Management (Health and Safety of Employees)	

TOPIC		Disclosure	Location
302	General Disclosures		
		3 Workers with high incidence or high risk of diseases related to their occupation	-
		4 Health and safety topics covered in formal agreements with trade unions	-
404	Training and Education	1 Average hours of training per year per employee	CSR Management (High Degree of Specialization)
		2 Programs for upgrading employee skills and transition assistance programs	CSR Management (High Degree of Specialization)
		3 Percentage of employees receiving regular performance and career development reviews	-
405	Diversity and Equal Opportunity	1 Diversity of governance bodies and employees	Governance
			CSR Management (Promotion of Diversity)
		2 Ratio of basic salary and remuneration of women to men	-
406	Non-discrimination	1 Incidents of discrimination and corrective actions taken	-
407	Freedom of Association and Collective Bargaining	1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
408	Child Labor	1 Operations and suppliers at significant risk for incidents of child labor	-
409	Forced or Compulsory Labor	1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
410	Security Practices	1 Security personnel trained in human rights policies or procedures	-
411	Rights of Indigenous Peoples	1 Incidents of violations involving rights of indigenous peoples	-
412	Incidents of violations involving rights of indigenous peoples	1 Operations that have been subject to human rights reviews or impact assessments	-
		2 Employee training on human rights policies or procedures	CSR Management (High Degree of Specialization)
		3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
413	Local Communities	1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility
		2 Operations with significant actual and potential negative impacts on local communities	-
414	Supplier Social Assessment	1 New suppliers that were screened using social criteria	-
		2 Negative social impacts in the supply chain and actions taken	Supplier Management
415	Public Policy	1 Political contributions	-
416	Customer Health and Safety	1 Assessment of the health and safety impacts of product and service categories	-
		2 Incidents of non-compliance concerning the health and safety impacts of products and services	-
417	Marketing and Labeling	1 Requirements for product and service information and labeling	-
		2 Incidents of non-compliance concerning product and service information and labeling	-
		3 Incidents of non-compliance concerning marketing communications	-
418	Customer Privacy	1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-
419	Socioeconomic Compliance	1 Non-compliance with laws and regulations in the social and economic area	-

International Initiatives and Certifications



Signatory to PRI and UNEP FI

Nomura Real Estate Asset Management Co., Ltd. (NREAM), to which Nomura Real Estate Master Fund, Inc.(NMF) entrusts the management of its assets, has become a signatory to the Principles for Responsible Investment(PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI) in December 2017 based on the idea that asset management considering ESG is essential to the sustainable growth of the asset value.

Signatory of:



Participation in Japan Climate Initiative (JCI)

NREAM has joined Japan Climate Initiative (JCI) which is a network of various non-state actors such as companies, local governments, organizations and NGOs actively engaged in climate action.



Participation in GRESB Membership

II GRESB

An annual benchmarking program aimed at evaluating environmental, social and governance (ESG) initiatives undertaken by real estate businesses, GRESB was established in 2009 by two of Europe's largest pension fund administrators, which have also taken the lead in establishing the UN Principles for Responsible Investment, acting as its advocates.

In its assessment, rather than simply focusing on individual real estate holdings, GRESB evaluates real estate companies, REITs and private real estate funds on the basis of their sustainability initiatives, thus distinguishing itself from other real estate-related ESG benchmarking programs.

In 2018, 903 real estate companies and funds participated in the assessment, representing more than 79,000 assets across 64 countries, with a total value of USD 3.6 trillion.

II Participation in GRESB Membership

Nomura Real Estate Asset Management Co., Ltd. (NREAM) has become a GRESB Real Estate/ COMPANY & FUND MEMBER to better fulfill its role as an asset manager in light of the growing importance of ESG issues in the investment management industry. Having become a part of the international GRESB initiative, NREAM will engage in networking and information sharing with external corporations that implement cutting-edge ESG activities while introducing best practices undertaken in Japan to its global peers. In this way, NREAM will strive to promote sustainability.



II About GRESB's "Sector Leader"

The GRESB awards the title of "Sector Leader" to real estate companies, REITs and funds which have achieved the highest overall GRESB score within each of the categories such as nature of ownership, sector and region. **NMF was named as "Global Sector Leader", ranking first out of 29 companies globally in listed diversified sector.**



■ About GRESB's "Green Star" and "5-Star" Real Estate Ratings

Under the GRESB program, NMF received a "Green Star" rating for a third consecutive year. The "Green Star" rating is bestowed only to applicants that earn outstanding evaluations in terms of "management & policy" and "implementation & measurement"-two operational dimensions subject to assessment in light of efforts aimed at addressing environmental concerns and sustainability issues. NMF also received a "5-Star" rating for a second consecutive year, the highest under a five-grade evaluation system that reflects global ranking based on an applicant's total scores.



NMF believes that the factors that helped it earn these ratings are as follows.

- Initiatives for enhancing in-house governance system.
- Efforts aimed at enhancing the scope of monitoring such as energy consumption, etc..
- A proactive attitude toward acquiring "Green Building" and other such certifications

■ About an "A" Rating under the GRESB Public Disclosure Level Evaluation Scheme

We received an "A" rating for a second consecutive year, the highest rating given under the five-grade GRESB Public Disclosure Level evaluation scheme introduced in 2017 or our proactive information disclosure practices in connection with environmental and sustainability initiatives.



Inclusion in MSCI Japan ESG Select Leaders Index

The MSCI Japan ESG Select Leaders Index is an index to represent companies with high Environmental, Social and Governance ("ESG") performance selected based on the data from the MSCI Japan IMI Top 700 Index. The index has been selected by the Government Pension Investment Fund ("GPIF") as one of their ESG indices for their passive investment strategy. **MSCI reviews the Index based on the MSCI ESG rating and market capitalization regularly and NMF was included among the real estate sector of the index during their latest review.** NMF sees inclusion in the index as having favorable effects to increase the liquidity of our investment units and further broaden our investor universe.



(Note) The inclusion of NMF in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of NMF by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Raising the Proportion of “Green” Properties in Our Portfolio

Basic Policy

NMF recognizes that helping resolve environmental problems, such as issues associated with climate change, is of critical importance to the success of its business strategies aimed at securing ongoing operations. Based on this recognition, NMF is striving to minimize environmental burdens attributable to its portfolio. NMF therefore engages in investment in environmentally friendly properties while working to enhance the efficiency of its energy use by, for example, introducing eco-friendly and energy-saving countermeasures at its properties.

> Key Performance Indicator

Targeting increase in the ratio of our properties with Green Certifications to **70%** by 2030 (in floor area basis).

※ Our properties with Green Certifications refer to those certified with any of DBJ Green Building Certification, BELS and CASBEE, etc..

※ The figure is calculated based on the floor area of our properties excluding land.

Environmental Certification

	Number of Properties	Floor Area (㎡)	Certified Ratio
Green Certifications	85	1,494,413.83	67.3%
DBJ Green Building Certification	76	1,357,143.30	61.1%
BELS Certification	19	419,436.03	18.9%

(※1) Acquisition status as of Jun. 28, 2019.

(※2) Calculated based on properties in the fund excluding land.

(※3) Calculated based on the floor area multiplied by the fund share of the property or on the floor area of exclusively owned space.

(※4) Total number of properties with environmental certification includes Musashiurawa Shopping Square which has received CASBEE for Real Estate Certifications.

DBJ Green Building Certification

The DBJ Green Building Certification is a certification system created by the Development Bank of Japan (DBJ) to support real estate properties with environmental and social awareness. The certification system evaluates convenience, comfort, disaster/crime prevention, energy-saving, involvement with communities, etc. in addition to environmental performance, and evaluation results are expressed in five-level ratings (5 stars ★★★★★ to 1 star ★).

Properties with the best class environmental & social awareness	Properties with exceptionally high environmental & social awareness	Properties with excellent environmental & social awareness	Properties with high environmental & social awareness	Properties with satisfactory environmental & social awareness
 DBJ Green Building 2018 ★★★★★	 DBJ Green Building 2018 ★★★★	 DBJ Green Building 2018 ★★★	 DBJ Green Building 2018 ★★	 DBJ Green Building 2018 ★

Acquisition Status of DBJ Green Building Certification

The following properties among properties owned by the Fund received the certification.

2017



NEC Head Office Building

2019

2018

2017

2016



Shinjuku Nomura Building



NRE Tennozu Building



Kojimachi Millennium Garden



PMO Tamachi



PMO Ginza Hatchome



Harumi Island Triton Square Office Tower Y・Z



Harumi Island Triton Square Office Tower Y・Z



PMO Tamachi Higashi



PMO Hatchobori Shinkawa



PMO Kyobashi Higashi



PMO Ochanomizu



Sapporo North Plaza



Omron Kyoto Center Building



Landport Urayasu



Landport Itabashi



Landport Kawagoe



Landport Atsugi



Sagamihara Tana Logistics Center



Landport Hachioji



Landport Kasukabe



Atsugi Minami
Logistics Center
B Tower



Hanyu Logistics
Center



Fukasawa House
Towers H&I

2019 ∞

2017 ∞

2016 ∞



PMO Nihonbashi
Honcho



PMO Hatchobori



PMO Nihonbashi
Odenmachi



PMO Higashi-
nihonbashi



PMO Shibakoen



NMF Shinjuku
EAST Building



NRE Sapporo
Building



SORA
Shin-Osaka 21



Yokosuka
More's City



Sagami-hara
Shopping Center



Universal CityWalk
Osaka



Sagami-hara Onodai
Logistics Center



Hirakata Kuzuha
Logistics Center



PROUD FLAT
Shirokane
Takanawa



PROUD FLAT
Kamata II



PROUD FLAT
Tsurumi II



PRIME URBAN
Shinkawa



PRIME URBAN
Nihonbashi
Yokoyamacho



PRIME URBAN
Ikebukuro



PRIME URBAN
Toyosu



PRIME URBAN
Sapporo Riverfront



PROUD FLAT
Omori III

2019 ∞

2018 ∞

2017 ∞

2016 ∞



NRE
Osaka Building



NRE
Yotsubashi Building



Recipe
SHIMOKITA



Kawasaki More's



Izumiya Senrioka



Izumiya Yao



Izumiya Obayashi



nORBESA



Kawaguchi Ryoke
Logistics Center



PROUD FLAT
Sumida Riverside



PROUD FLAT
Asakusa Komagata



PROUD FLAT
Yokohama



PROUD FLAT
Kamioooka



PRIME URBAN
Kagurazaka



PRIME URBAN
Monzen Nakacho



PRIME URBAN
Machiya South
Court



PRIME URBAN
Nihonbashi
Kayabacho



PRIME URBAN
Kita Sanjo Dori



PRIME URBAN
Izumi



PRIME URBAN
Sakaisuji Honmachi



Serenite
Shinsaibashi
Grande

2019 ○

2018 ○

2017 ○

2016 ○



NMF Kawasaki
Higashiguchi
Building



NMF Aoyama
1-chome Building



NMF Kayabacho
Building



Nitori Makuhari



FESTA SQUARE



Nakaza
Cui-daore
Building



PROUD FLAT
Sangenjaya II



PROUD FLAT
Shin Osaka



PRIME URBAN
Tsutsumidori
Amamiya

II Acquisition of BELS Certification

BELS certification is provided under a public evaluation system, which evaluates the energy conservation performance of non-residential buildings based on the Building Energy Efficiency Act.

The assessment is on the basis of the Building Energy Index (BEI) value derived from primary energy consumption based on the building energy efficiency standards provided by the Japanese government.

Third parties evaluate the performance of buildings from various points of view, regardless of whether a building is new or not, and the evaluation result is represented by a number of stars (from one star "★" to five stars "★★★★★").



II Acquisition status of BELS Certification

The following properties among properties owned by the Fund received the certification.



Landport
Atsugi



Landport
Kashiwa Shonan I



Landport
Kawagoe



Landport
Kashiwa Shonan II



PMO
Nihonbashi
Kayabacho



PMO
Nihonbashi
Honcho



PMO
Nihonbashi
Odenmacho



PMO
Tamachi



PMO
Ginza Hatchome



PMO
Shibakoen



GEMS Ichigaya



Landport
Urayasu



Landport
Itabashi



Landport
Kasukabe



Secom
Medical
Building



PMO
Akihabara



PMO
Hatchobori



GEMS Shibuya



PROUD FLAT
Kinshicho



Counting Climate Change

Our Stance on and Basic Policy for Addressing Climate Change Issues

In recent years, the growing implications of climate change are affecting people's living conditions, business activities and human society as a whole. With the 2015 adoption of the Paris Agreement, which defines an overarching framework for countering climate change, the international community has accelerated a number of initiatives aimed at reducing greenhouse gas (GHG) emissions. While national governments play key roles in these initiatives, the private sector's corporate citizens are also expected to fulfill their responsibilities. Accordingly, Nomura Real Estate Master Fund, Inc. (NMF) recognizes that countering climate change via, for example, the reduction of GHG emissions, is of critical importance in light of its business strategies aimed at maintaining ongoing operations. Based on this recognition, NMF will contribute to a shift to a low-carbon society through the reduction of GHG emissions while securing its preparedness to natural disasters and other phenomena arising from climate change.

> Key Performance Indicator (KPI)

Targeting **25% reduction** in GHG emissions in our portfolio by 2030 from 2016 levels.

Solar Power Generation Facilities

We are utilizing renewable energy by installing solar power generation panels on the rooftops of logistics facilities.

(FY2017 actual results)

Number of properties	Annual output
9	9,570,732kWh



Energy Saving via a Switchover to LED Lighting

We are promoting a switchover to LED lighting at our properties to reduce energy consumption.



|| Energy Saving via the Renewal of Air-Conditioning Facilities

We are engaging in the renewal of air-conditioning facilities at our properties to reduce energy consumption.



|| External Assessment of Energy-Saving Measures

We are proactively receiving an external assessment of energy-saving measures we have in place at our properties while drawing on assessment results to improve property management and realize further reductions in energy consumption.



(As of February 2018)

Floor area basis	Number of properties basis
62.0%	17.5%

|| Collaboration with Tenants

> Green Lease Clauses

Standard lease contracts proposed by NMF include the following clauses aimed at ensuring that NMF and tenants work together to reduce environmental burdens.

- Collaboration in the implementation of energy- and water-saving measures and waste reduction efforts to improve environmental performance and acquire relevant external certifications
- Information sharing pertaining to status and goals with regard to energy consumption and other environmental performance indicators

<An example of a green lease scheme >

Under this scheme, NMF and its tenants agreed to share expenses for investment in energy-saving facility upgrades (i.e., a switchover to LED lighting)

- NRE Yotsubashi Building
- SORA Shin-Osaka 21
- Sagami-hara Tana Logistics Center

➤ A System for Making It Easier to Check Energy Consumption (PMO Series)

Tenant Engagement Program

Properties leased under the PREMIUM MIDSIZE OFFICE (PMO) brand are furnished with tablet terminals that make it easier to check the status of energy consumption, with the aim of ensuring that NMF and tenant companies share an acute awareness of the need to pursue eco-friendly operations and reduce environmental burdens.



Replacement of Power Companies

NMF is engaged in the selection of power companies from a broad range of candidates, including Power Producer and Supplier (PPS) companies inaugurated following the liberalization of Japan's electricity market. For each candidate, NMF gives due consideration to such factors as their cost competitiveness and supply stability as well as CO2 emission coefficients attributable to their energy source mixes.

Adaption to Climate Change

We are proactively expanding greenery at our properties to curb rises in temperatures and reduce energy consumption. Also, we are implementing a number of countermeasures to secure resilience against damage attributable to natural disasters arising from climate change.

➤ Expanding Greenery

We are proactively planting grasses and trees on the rooftops of our properties while striving to allocate larger spaces to greenery in the course of facility renovation.



➤ Countermeasures against Flooding

Flood prevention barriers are in place at such facilities as the NRE Tennozu Building and the Sagami-hara Tana Logistics Center to protect them from surges attributable to high tides and heavy rainfalls.



➤ Countermeasures against Heavy Snowfalls

In Sapporo, Hokkaido—the northernmost prefecture in Japan—our properties are equipped with road heating systems to lessen the inconvenience of heavy snowfalls. Moreover, we have improved facilities to prevent the accumulation of snow near the roof edges in order to ensure that passers-by are protected from the sudden heavy falls from above.



Preserving Water Resources

|| Our Stance on and Basic Policy for Preserving Water Resources

Currently, 70% of the Earth's surface is covered by water. However, fresh water, which is essential to human activities, including business activities, constitutes only 2.5% of the Earth's overall water volume. Furthermore, with a portion of the fresh water existing in the form of ice, the ratio of fresh water actually available to human society amounts to less than 1% of overall water volume. Therefore, NMF recognizes that efforts to preserve water resources and maintain the sustainable use of such resources is an integral part of its business operations and sustainability initiatives. In line with this recognition, NMF is striving to ensure the appropriate and efficient use of water while reducing the overall water consumption of its properties.

|| Renewal of Toilet Equipment

We renew toilet equipment in conjunction with tenant turnover. This practice is expected to help reduce water consumption.



|| Installation of Smart Sprinkler Systems

We have installed smart sprinkler systems at some of properties leased under the Landport brand. These systems utilize rainwater stored in tanks and are expected to reduce the properties' water consumption.



|| Proactive Use of Rainwater and Well Water

Other initiatives aimed at reducing water consumption include the use of rainwater and well water for flushing toilets and watering plants.

Rainwater : Some logistics facilities and office properties utilize rainwater to flush toilets and water plants.

Well water : Some commercial facilities are equipped with well-water filtering systems that provide clean water for flushing toilets.



Promoting Waste Reduction

NMF is striving to curb the emission and generation of waste from its properties in an effort to reduce its environmental footprint and take a greater role in environmental protection.

|| Installation of Food-Waste Disposers

We have installed food-waste disposers at some properties in collaboration with tenants, thereby striving to reduce the volume of waste generated.



Prevention of Pollution

|| Due Diligence Prior to Property Acquisition

Prior to making a decision about property acquisition, we address such factors as environmental risk associated with the land subject to possible acquisition. In principle, we green-light investment only when the property in question fulfills both of the following criteria.

- The building engineering report alleges no issues arising from the use or storage of hazardous substances to exist
- There is no potential for soil pollution

Urban Redevelopment

With the aim of reducing its environmental burden, Nomura Real Estate Development Co., Ltd., which serves as NMF's sponsor, is striving to acquire environmental certification for its properties. Currently, properties developed for leasing under four profitable brands (PMO, GEMS, Landport and PROUD FLAT) in the four key development sectors are being certified one by one under the DBJ Green Building, the Building-Housing Energy-efficiency Labeling System and other certification programs and NMF is actively acquiring these properties. NMF also acts in collaboration with its sponsor to re-develop its aged assets. Specifically, NMF sells these assets to the sponsor, which, in turn, takes advantage of its abundant development capabilities to renovate them, thereby reducing the environmental burden attributable to its portfolio.



<Acquisitions of the Properties Developed by the Sponsor>



Environmental Performance

Greenhouse Gas (GHG) Emissions

➤ Key Performance Indicator (KPI)

Targeting **25% reduction** in GHG emissions in our portfolio by 2030 from 2016 levels.

➤ Actual results of our GHG emissions

		FY2016 (Base Year)	FY2017	FY2030 (Target Year)
GHG Emissions	Total GHG Emissions (t-CO ₂)	90,867	77,140	—
	GHG Emissions Intensity (t-CO ₂ /㎡)	0.072	0.062	—
	Reduction Ratio of GHG Emissions Intensity	—	-13.8%	-25.0%

Energy Consumption (crude oil equivalent)

➤ Actual results of our energy consumption

		FY2016 (Base Year)	FY2017
Energy Consumption (crude oil equivalent)	Total Energy Consumption (kl)	38,900	38,072
	Energy Consumption Intensity (kl/㎡)	0.0307	0.0305
	Reduction Ratio of Energy Consumption Intensity	—	-0.6%

Water Use

➤ Actual results of our water use

		FY2016	FY2017
Water Use	Total Water Use (㎡)	723,601	732,547

※ It is targeted for properties or part of the building where NMF possesses control authority.

Waste Disposed

➤ Actual results of our waste disposed

		FY2016	FY2017
Waste Disposed	Total Waste Disposed (t)	8,333	8,530

※ Among the properties NMF held, it is targeted for all of the properties that NMF were able to get the data.



Ensuring the Safety and Security of Tenants and Improving User Comfort

Basic Policy

NMF's main operations include providing tenants and facility users with excellent dwelling spaces and robust business platforms through the leasing of assets. In the course of these operations, NMF offers appropriate property management and other peripheral services while receiving rents determined through optimal pricing calculation.

To date, we have been engaged in portfolio management that gives due consideration to the safety and security of tenants as well as their comfort. In other words, not only do we invest in properties that offer particular advantages in terms of location and innate characteristics, we also focus on renovating the properties' common spaces and upgrading key building facilities while periodically conducting other repair- and maintenance-related tasks.

We are aware of changes in tenant needs associated with property functions and peripheral services. We recognize that today's asset owners are being called on to meet new requirements arising from the diversification of people's value systems, lifestyles and working practices due to a structural shift in Japan's society.

To accommodate the evolving needs of tenants, we will strive to offer better functions and services in addition to upgrading building facilities. While engaging in close communication with our tenants, we will thus step up initiatives to provide them with safety, security and comfort.

Opened the innovative space NEON in Shinjuku Nomura Building



Floor Layout and Concept

The design concept underlying NEON is something we call park life. Like a park, its main area is an open space that fits right in with everyday life—a space where all types of people can come and go freely. Another one of our goals is to help office workers find an appealing spot where they can create a new working style. Inside the facility, we have put up original art and products designed to harmonize with the facility concept to provide patrons with comfort and inspiration upon viewing.



1 Concierge

To build a second community centering on office workers, we have stationed a concierge in the facility to support workers in planning events, building personal networks outside of their company, studying, and other activities.



2 Café

The café offers a menu focused on supporting mental and physical health to heighten office workers' drive. This, of course, includes superb coffee and, for busy workers, daily bento box options from popular chains and bento boxes that come with an extra dish.



2 NEON ROOM

Small meeting rooms that completely alter your state of mind

We have set up 7 types of meeting rooms seating 6 to 12 people and featuring various fragrances and color schemes to pique the five senses. There are four modes of background music to choose from. Regular time slots can be reserved to meet temporary needs for additional floor space, such as project meeting rooms.



Human resource development

Providing employment interview sites (*)



Nihonbashi Muromachi Nomura bldg.

Providing training programs



- Freshman training
- Market analysis training
- Financial statement analysis training

Human resource exchange

Human resource exchange events



CSR assisted programs



Business continuity planning

Disaster prevention base



PMO Nihonbashi Muromachi

- Disaster prevention
- Medical aid
- Stock
- Power supply
- Information gathering / offering

Disaster prevention warehouse



Power supply
72hours

Stocks
2,000people

(*) Limited to PMO tenants for their job interviews, twice a year.

Support for Employees' work environment

Providing shuttlebus services between the nearest station and the property.



Lunch service for workers at the property.

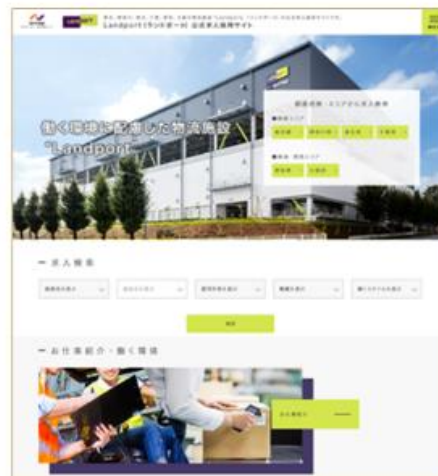


Offering a cafeteria with free Wi-Fi in the property.



Support for securing human resources

Operating a job-searching website aimed at recruiting staff for Landport's tenants



Carrying out promotion campaign making good use of GEMS portal website.



Assisting tenants in kicking off their operations

In addition to assisting tenants in recruiting, we offer a broad range of support by referring them to partnered companies specializing in such tasks as facility construction work, fund procurement and interior layouts.



Support for residents' comfortable lives

We offer "Chintai Hotto Support" exclusively for residents and telephone reception is available for responding to any equipment troubles 24/7, 365 days a year

<Trouble case examples>

➤ Sanitation troubles  • Any failure in drainage • Toilet blockage • Water leakage 24/7 response including repairman arrangement	➤ Window glass troubles  • Broken window glass • Cracks in window glass 24/7 response including repairman arrangement
➤ Electrical troubles  • Any failure in lighting equipment, outlets, air conditioner and circuit breaker 24/7 response including repairman arrangement	➤ Gas equipment troubles  • Any failure in gas stove and hot water heater Response including repairman arrangement from 9:00 to 17:30 (Telephone reception is available 24/7)

Customer Satisfaction Surveys

We undertake customer satisfaction surveys to stay apprised of requests from and the opinions of our tenants, residents and users. The results of these surveys are shared with property managers, building managers, developers and other relevant parties and utilized to enhance the features and equipment of each property as well as services available to tenants. The latest survey was carried out in 2018 and targeted tenants in the office sector, with approximately 70% of respondents indicating their satisfaction.

Contribution for Local Community

Connection with Local Community

We hold several events for active communication with tenants and local residents.

➤ Hosting and Participating in Community Events

Decorating properties' interior spaces in conjunction with a Halloween parade that took place in Sapporo's main street while introducing a costume leasing service plan



Joined in Sendai Tanabata Festival.



Organizing a summer festival at Shinjuku Nomura Building every summer.



➤ Organizing Events for Tenants

Organizing a "family day" event, inviting families of tenant companies' employees to tour their offices and worksites



Holding an event at which toddlers are presented with toys in conjunction with the International Volunteer Day



➤ Agreements with Local Community

Megalos Kanagawa:

We made an agreement with Kanagawa fire department on the use of swimming pool water for firefighting operations in the event of disaster such as large scale earthquakes.



Shinjuku Nomura Building:

We contribute to local disaster prevention by making an agreement with Shinjuku City Office to accommodate the stranded people in the event of disaster such as large scale earthquakes.



➤ Supporting UNHCR campaign:

Offering a space for supporting UNHCR activities.



Cooperation to anti-terrorism training:

We cooperated to anti-terrorism training with Osaka Prefectural Police Department by providing a space in our building.



Health & Welfare

We are contributing to not only a child caring support for both local residents and workers but local health and welfare by leasing our properties to nursery schools and clinics.



Number of the clinics in our properties: 31 (Office 11 / Retail 15/ Apartment 5)

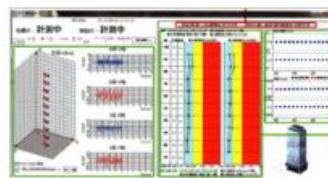
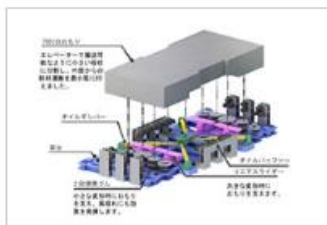
Number of the nursery schools in our properties: 5 (Apartment 5)

Initiatives for Resilience against Natural Disasters

Disaster Prevention and Business Continuity Plan (BCP)

> The long-duration seismic activity measures:

Shinjuku Nomura Building features seismic performance with the engineering works against the long-duration seismic activity which is comparable to the most advanced skyscraper buildings. We prioritize the safety and security of tenants and visitors by installing seismometers on every floor which enables us to analyze the displacement amount of the building and the real time monitor called Yuremoni which we can monitor the safe condition.



➤ Fire drills

We regularly conduct fire drills in our properties to improve the response capability in the event of a disaster:



➤ Initiatives to ensure the safety and security of the tenants and the visitors

Elevators are equipped with emergency disaster kits and disaster kits have been distributed to tenants for the safety and security of tenants and visitors.



Initiatives for Employees

In accordance with the Investment Trust Act, investment corporations are not allowed to hire employees. Because of this, the operations of such corporations, including NMF, are handled by the officers and employees of their asset management companies. Nomura Real Estate Asset Management Co., Ltd. (NREAM) is therefore commissioned by NMF to undertake tasks associated with asset management. As it aims to practice a sophisticated investment management approach, NREAM believes that human resources are the management resource of critical importance. Guided by this belief, NREAM is engaged in a variety of initiatives for employees. Please also visit NREAM's website for more details.

II Promoting Workstyle Reform

Nomura Real Estate Asset Management aims to bring about employees' happiness and realize the company's growth through measures such as promotion of diverse workstyles and reduction of working hours by making operations more efficient.

➤ Reduction of working hours

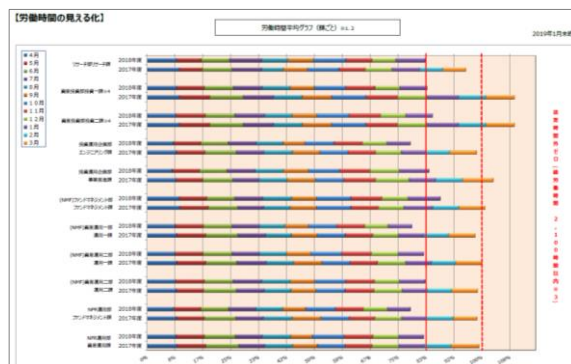
[Annual average working hours of all employees]

Actual for FY2018: -90 hours

Target for FY2019: -113 hours or more
(compared with that in FY2017)

< Major initiatives for reduction of working hours >

- Computerized in-house decision-making
- Proactive promotion of flextime
- Introduction of wireless LAN in meeting rooms
- Visualization of working hours
- Telework experience (implemented to all eligible employees), etc.



Visualization of working hours

➤ Status of paid vacation days taken (*1)

Actual for FY2017: 16.3 days

Actual for FY2018: 16.9 days

Target for FY2019: 15 days + 3 days (summer vacation) (*2)

(*1) Actuals for FY2017 and FY2018 include the number of days of summer vacation.

(*2) Summer vacation (3 days) is provided separately from paid vacation.

➤ Promoted working-style reforms

- Telecommuting: To enable diverse working styles, we will implement a telecommuting system from 2018. By the end of September 2018, all designated employees of the Asset Management Company will be able to use the system.
- Satellite offices: As a way to make operations more efficient and reduce working hours, all employees will be able to work at satellite offices from 2018.



Governance of the Investment Corporation

|| Governance of NMF

The organization of the Investment Corporation consists of the General Meeting of Unitholders which is composed of unitholders, one Executive Director, three Supervisory Directors, the Board of Directors* whose members include Executive Directors and Supervisory Directors, and an Independent Auditor. The Investment Corporation's Independent Auditor is Ernst & Young ShinNihon LLC.

* Based on the Act on Investment Trusts and Investment Corporations and the Investment Corporation's Articles of Incorporation, the number of supervisory directors must be the number of executive directors plus 1 or more.

* Although NMF has a Board of Directors comprised of an executive director and supervisory directors, it is required that operations are outsourced as the use of employees is prohibited under law.

For details on the above organization, see > the latest Securities Report, "Part 1. Fund Information / Section 1. Status of the Fund / 1. Overview of the Investment Corporation / (4) Structure of the Fund". Only available in Japanese.

|| Executive Director and Supervisory Directors

> The status and term of office for the executive director and the supervisory directors

Please see our website. (<https://www.nre-mf.co.jp/en/about/officer.html>)

The term of office has been set as two years in the Articles of Incorporation for both the executive director and the supervisory directors

> Criteria for Electing Executive Director and Supervisory Director

Candidates for directors are elected provided there are no causes for disqualification as stipulated in the Act on Investment Trusts and Investment Corporations (ITA) and other laws and regulations (Articles 98 and 100 of the ITA and Article 244 of Ordinance for Enforcement of the ITA). Moreover, they are appointed under the following reasons upon the passing of a resolution at the General Meeting of Unitholders. The current directors are all external experts (lawyers, accountant, real estate appraiser) who have no special interests in the Investment Corporation.

Title	Name	Reasons for election	Attendance at Board of Directors meetings held in the most recent fiscal period (7th FP)
Executive Director	Shuhei Yoshida	Mr. Yoshida was the Supervisory Director of the former Nomura Real Estate Master Fund, Inc. and NMF, and is an attorney. As such, he is an expert in the ITA and related laws and regulations, specializing in the newest laws and regulations for real estate, particularly land and building leases, fixed-term land lease holdings, fixed-term house rentals, and lifetime leases. Upon considering his abundant experience, Mr. Yoshida was selected as Executive Director as it was determined that he has sufficient knowledge and experience for the position and to exercise his right to represent NMF.	86% (6 times/ 7 times)

Supervisory Director	Mineo Uchiyama	As a certified public accountant, Mr. Uchiyama is well versed in accounting and tax matters. He also has experience auditing the accounts of companies listed on the Tokyo Stock Exchange, and has supervised the Executive Director's tasks as a Supervisory Director for NMF. Mr. Uchiyama was selected as a Supervisory Director as it was determined that he has sufficient knowledge and experience to conduct the work required as a member of the Board of Directors for NMF.	100% (7 times/ 7 times)
Supervisory Director	Koichi Owada	As a real estate auditor, Mr. Owada possesses vast insight regarding the fairness and transparency of real estate transactions. He has also had experience as Director, etc., at multiple corporations and has supervised the Executive Director's tasks as a Supervisory Director for NMF. Mr. Owada was selected as a Supervisory Director as it was determined that he has sufficient knowledge and experience to conduct the work required as a member of the Board of Directors for NMF.	100% (7 times/ 7 times)
Supervisory Director	Mika Okada (Note)	As a lawyer, Ms. Okada is well versed in various related laws and regulations including real estate transactions. She was selected as a Supervisory Director as it was determined that she has sufficient knowledge and experience to supervise the Executive Director's tasks as a Supervisory Director for NMF and to conduct the work required as a member of the Board of Directors for NMF.	—

(Note) Concerning Ms. Okada, the name described above is the former and professional name, but the name on the family register is Mika Furusawa. In addition, her term of office has started from June 1, 2019, therefore, she has not attended the Board of Directors meetings held in the most recent fiscal period.

II Administration Fees, etc.

Administration fees the Investment Corporation pays are as follows:

➤ Compensation for Executive Directors and Supervisory Directors

Compensation for an executive director shall be no more than 800,000 yen per month, while compensation for a supervisory director shall be no more than 700,000 yen per month. The amount of compensation shall be determined by the Board of Directors, taking into account the levels of compensation of directors and statutory auditors performing similar work in similar positions for other companies and legal entities, general economic trends, trends concerning wages and other factors.

For total amounts of compensation by operation period, see ➤ the Asset Management Report, "Overview of the Investment Corporation, (3) Matters Concerning Directors, etc." Only available in Japanese.

Title	Name	Total compensation amount in the latest operating period
Executive Director	Shuhei Yoshida	2,400 thousand yen
Supervisory Director	Mineo Uchiyama	1,800 thousand yen
Supervisory Director	Koichi Owada	1,800 thousand yen
Supervisory Director	Mika Okada	(Note)

(Note) As Ms. Okada's term of office has started from June 1, 2019, therefore, there is no compensation paid in the latest operating period.

➤ Compensation for Independent Auditor

The compensation amount to the independent auditor for each fiscal period subject to audit shall be determined by the Board of Directors within a maximum amount of 30 million yen.

For total amounts of compensation by operation period, see ➤ the Asset Management Report, "Overview of the Investment Corporation, (3) Matters Concerning Directors, etc." Only available in Japanese.

Title	Name	Total compensation amount in the latest operating period
Independent Auditor	Ernst & Young ShinNihon LLC	26,000 thousand yen

(Note) Executive directors, supervisory directors or independent auditors (here and hereafter in this Article, referred to as the "Directors Etc.") are liable for damages to NMF if they have neglected to perform their duties. However, if Directors, Etc., have performed their duties in good faith and without gross negligence, and when NMF finds it particularly necessary, taking into consideration the details of the facts that are the source of liability, the status of the execution of the duties of such Directors Etc., and other circumstances, NMF may, to the extent permitted by laws and regulations, by resolution of the Board of Directors, exempt such Directors Etc., from liability for damages under the Act on Investment Trusts and Investment Corporations and the Investment Corporation's Articles of Incorporation.

➤ Compensation for the Asset Management Company

Compensations for the Asset Management Company are comprised of Management Fees, Acquisition Fees, and Disposition Fees, and are decided by the following calculation method determined in the Investment Corporation's Articles of Incorporation.

As for the compensation structure for the Asset Management Company, a system (Management Fee II) has been implemented to increase or decrease compensation based on the amount of profits for the Investment Corporation. It is thought that this will strengthen the asset management company's sense of commitment in terms property management, such as increasing rents and cutting appropriate costs, and funds procurement, such as negotiating decreases in financing conditionality with lenders. With the implementation of this compensation system, the linkage with net income will rise, and it is thought that this will contribute to further increases in unitholder value.

For total amounts of compensation for each position by operation period, see ➤ the Asset Management Report, "Conditions of Costs and Liabilities, (1) Details of Costs for Operations, etc." Only available in Japanese.

Fee structure	Calculation method
Asset management fee I (Total assets-linked)	Total assets (*1) × 0.45% (annual basis)
Asset management fee II (Net income-linked)	Net income (*2) × 5.5%
Acquisition fee	Acquisition Price × 1.0%
Disposition fee	Disposition Price × 1.0%

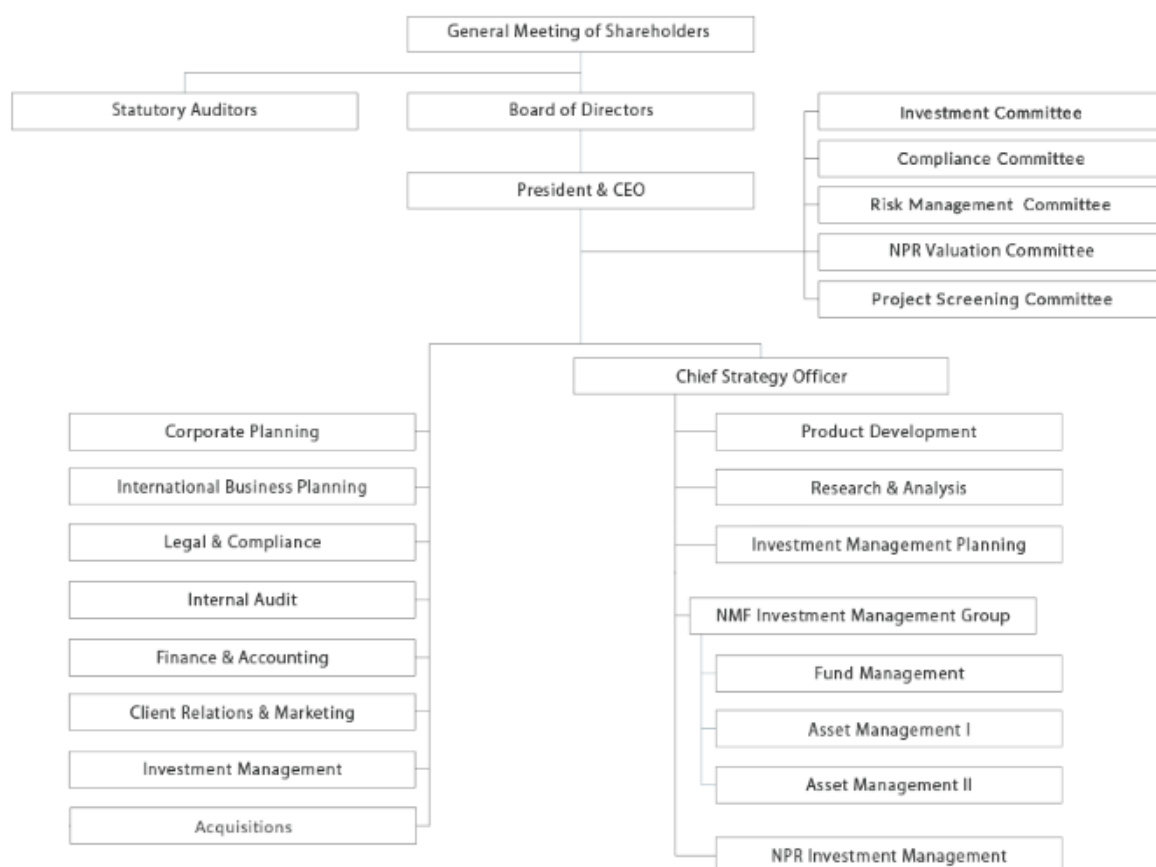
(*1) Excludes unamortized goodwill.

(*2) The amount obtained by adding goodwill amortization cost to Net Income before Deduction of Management Fee II and deducting gain on negative goodwill, after compensation of loss carried forward (if any).

For details on the above compensation for management and compensation for management, etc., of other asset custody companies, general administrative agents (administration, accounting), and administrator of the investors' registries, see ➤ the latest Securities Report, "Part 1. Fund Information / Section 1. Status of the Fund / 4. Commissions, etc., and Taxes." Only available in Japanese.

Management Structure of NMF

NMF has appointed Nomura Real Estate Asset Management Co., Ltd. (NREAM), to perform all asset management services for NMF. NREAM manages NMF's assets in accordance with the Asset Management Agreement conducted between NMF and NREAM. NREAM is entrusted with the management of assets of multiple investment corporations including NMF and other real estate funds in addition to offering advice on investments.



<Overview of Each Committee>

Name of Committee	Overview
Investment Committee	A Committee that deliberates on investment decisions. This committee is charged with the deliberation of Nomura Master Fund's policies governing important matters. Specifically, it discusses the fund's basic policies for asset management and investment advisory activities along with its asset administration policies and finances. Thus, the committee acts as a decision-making body for the Asset Management Company.
Constituents	Chair : President and Executive Officer Members : Chief Strategy Officer, other Executive Officers (Note) and Compliance Officer (Note) Excluding Head of Fund or Head of each department of NMF Investment Management Group and part-time Executive Officer
Frequency of meetings	As a basic rule, the chair calls a meeting once a week. However, a meeting can be held immediately if needed.

Compliance Committee		● A committee that deliberates and makes decisions regarding compliance. In addition to monitoring the status of legal compliance, this committee works to avoid conflicts of interest. To this end, it deliberates on and gives approval for specific transactions as internally defined by the Rules Concerning Transactions with Related Parties.
	Constituents	Chair : Compliance Officer Members : outside experts appointed by the chair (Note) (Note) One lawyer and one professor in graduate school are currently appointed.
	Frequency of meetings	As a basic rule, the chair calls a meeting once every three months. However, a meeting can be held immediately if needed.
Risk Management Committee		● A committee that establishes the risk management structure and regulations and monitors risk. Addressing various risks arising from the Asset Management Company's operations, this committee deliberates on risk management focusing discussions on the formulation, amendment and abolishment of related organizational structures and in-house rules. It is also charged with monitoring asset management risk.
	Constituents	Chair : Executive Officer in charge of the Legal & Compliance Department Members : A supervisor of the Legal & Compliance Department (another executive officer), the Compliance Officer, and the general managers of the Corporate Planning, Client Relations & Marketing, Investment Management Planning, Acquisition, Finance & Accounting, Research & Analysis, and International Business Planning departments, and outside experts separately appointed by the chair.
	Frequency of meetings	The chair calls a meeting at least once every three months. However, a meeting can be held immediately if needed.
Project Screening Committee		● A committee that prevents conflicts of interest between operated funds prior to their occurrence. In order to secure appropriate handling of information where investments overlap between funds, etc., and to prevent conflicts of interest between funds, etc., prior to their occurrence, the Asset Management Company obtains information on a candidate property, the Compliance Officer convenes a committee meeting aimed at determining which subsidiary would take precedence over its counterparts in negotiations for the particular property acquisition.
	Constituents	General manager of the Acquisition Department, managers of business units operating under that department, and the fund managers of each operating funds except the general manager of Investment Management department.

For details regarding the management structure of the asset management company, see ▶ the Securities Report's "Part 2. Detailed Information of the Investment Corporation / Section 4. Status of Related Corporations / 1. Conditions of the Asset Management Company." Only available in Japanese.



Compliance

Basic Policy on Compliance

The Asset Management Company, under the basic recognition that the management operations of NMF's assets comprise the management of the capital of NMF's unitholders, believes that confirming the status of compliance with laws, and sufficiently securing the elimination, etc., of conflicts of interest in transactions with stakeholders, etc., as stipulated in the Act on Investment Trusts and Investment Corporations, and with transactions, etc., where stakeholders, etc., manage the assets or offer advice relating to management or operations, is particularly important in protecting unitholder's profits and securing the trust of unitholders. From this perspective, the Asset Management Company has established the following structure regarding compliance, and has made sufficient considerations to ensure that this gets consistently implemented.

Compliance Structure

Compliance Committee

The Compliance Committee has been established as an organ to confirm the status of compliance with laws and regulations and to deliberate upon transactions, etc., with stakeholders, etc.

Two lawyers have been appointed to the Compliance Committee and attend meetings as external committee members. Both are third parties that do not have conflicts of interest with the Investment Corporation or with sponsor company groups. Because there is a system of checks by independent third parties which is well suited for compliance, we believe that this secures the effectiveness of observing compliance.

Legal & Compliance Department and Compliance Officer

In order to establish an appropriate management structure and to conduct business with clients honestly and fairly by securing the optimization of tasks in Type II Financial Instruments Business, etc., an internal system of checks-and-balances has been secured through the establishment of the Legal & Compliance Department as the department in charge of compliance.

Moreover, the head of the Legal & Compliance Department will be the Compliance Officer, the person in charge of compliance, and will constantly monitor the Asset Management Company's conduct of affairs to ensure that these are being conducted based on laws and regulations. For this reason, the Compliance Officer must ensure that all proposals drafted by the Investment Committee observe laws and regulations and that there are no problems in terms of other compliance issues. In addition, the Compliance Officer will attend meetings held by the Investment Committee (decision-making organ), which is the committee which decides management policies, etc., for each fund, etc. Here they can state their opinion on the situation of compliance in terms of the deliberative process and conclusions for all proposals drafted by the Investment Committee. However, the Compliance Officer does not have the right to vote at the Investment Committee in order to maintain neutrality when it comes to decision-making (this includes cases where the Compliance Officer is also the Executive Director).

(Note) NREAM is contracted for asset management and investment advice for multiple investment corporations (NMF and Nomura Real Estate Private REIT, Inc.) and other real estate funds, etc. (these include special purpose companies and corporations or associations of other structures which are vehicles for investments, settlor companies of investment trusts, and trustees, etc., but are not limited to these.). These multiple investment corporations and other real estate funds, etc., will be called "funds, etc."

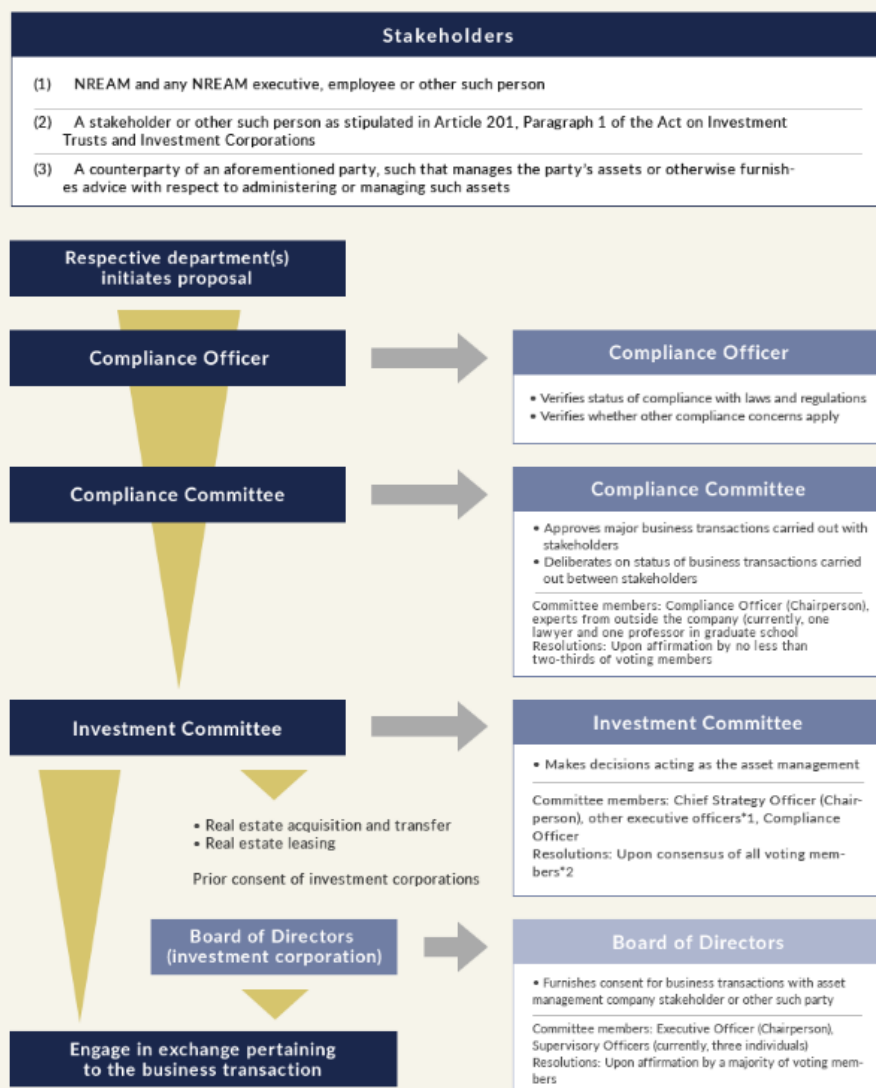
II Decision-Making Process for Investment Management and Prevention of Conflict of Interest in Transactions

At Investment Committee meetings, the Asset Management Company is responsible for deliberating on basic policies related to operating the assets of the Investment Corporation, operation management policies related to assets, and policies regarding important matters such as finance. In addition, the Asset Management Company also deliberates on acquisition or sale of assets based on relevant policies, operation management, and important matters related to operating the assets of the Investment Corporation such as funds procurement, and conducts decision making as the asset management company.

All proposals to be submitted to the Investment Committee are to be screened by the Compliance Officer for violations and conflict with laws and regulations and if they violate any other compliance issues. When a proposal is deemed an "important transaction with stakeholder," as internally defined by the Rules Concerning Transactions with Related Parties, or when it is deemed necessary in view of other details, a Compliance Committee meeting is called and further deliberation is conducted upon the observance of laws and regulations and violation of other compliance issues. Unless proposals have gained approval through this process, they cannot be proposed at the Investment Committee.

Furthermore, subsequent to approval by the Board of Directors of the Asset Management Company, approval from the Investment Corporation's Board of Directors is required prior to a transaction involving the acquisition, disposition or lending of securities or real estate between the Investment Corporation and a related party (as defined in Article 201-1 of the Investment Trust Act) of the Asset Management Company, except certain transactions determined not to have a significant impact on each investment corporation under the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations.

[Flowchart on procedures for carrying out business transactions with stakeholders]



*1 This does not include the Fund Managers or Executive Officers concurrently serving as general managers of respective departments established within the NMF operations group.

*2 Voting rights are possessed neither by Compliance Officers nor by Executive Officers in charge of administrative

II Establishment and Execution of Compliance Manual

Nomura Real Estate Group Code of Action has set the basic standards that all executives and staff of the Group should observe. With the purpose of actualizing the Nomura Real Estate Group Code of Ethics, a Compliance Manual was established which indicates governing laws and regulations (Financial Instruments and Exchange Act, Act on Investment Trusts and Investment Corporations, etc.) that all executives and staff should observe, basic policies and the roles of each organization in executing compliance, and operational procedures for executives and staff.

Based on this Compliance Manual, a Compliance Program is drawn up each fiscal year as a basic rule as a detailed plan to realize compliance, and thorough compliance with laws are aimed for through executing compliance training.

III Compliance Training, Education

In order to observe compliance and cultivate awareness, the Asset Management Company conducts regular compliance training (every month) for all employees, mainly outlining basic policies of compliance and thorough observance standards ensuring that employees master laws and regulations that must be observed. Moreover, individual training for new employees and for those departments that have special characteristics are also conducted.

Moreover, training is also conducted throughout the year based on the Compliance Program set by Nomura Real Estate Group.

Month	Training Content	Attendance Rate
March 2017	Summary of Compliance (overview of current fiscal year, looking towards the next)	90.6%
April 2017	Summary of Compliance (overview of current fiscal year, looking towards the next)	97.5%
May 2017	Information Management <With the enactment of the amended Act on the Protection of Personal Information>	96.3%
June 2017	Information Management <With the enactment of the amended Act on the Protection of Personal Information>	98.8%
July 2017	Regulations on Transactions with Related Parties	98.8%
August 2017	Understanding and Responding to Financial Regulations *Training conducted by Deloitte Touche Tohmatsu LLC	95.1%
September 2017	Regulations on Transactions with Related Parties	94.4%
October 2017	Responding to Antisocial Forces	90.6%
November 2017	Insider Transaction Regulations	99.4%
December 2017	Regarding Statutory Books and Legal Documents for Delivery	98.7%
January 2018	Regarding Statutory Books and Legal Documents for Delivery	99.4%
February 2018	Main things to Indicate when Inspecting Financial Instruments Business Operator	99.4%

II Responding to Antisocial Forces

The Asset Management Company will observe the Code of Ethics implemented by Nomura Real Estate Group, of which it is a part, and its basic policy is to cut all relations with antisocial forces. In addition, the Asset Management Company has established its own “Basic Policies against Antisocial Forces” which takes into consideration “Guideline for How Companies Prevent Damage from Anti-Social Forces (Government policy)” and the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators,” and will deal with antisocial forces with a resolute attitude to cut any relations with them.

In addition to constructing and executing a screening structure to identify antisocial forces during transactions by partnering with Nomura Real Estate Holdings, Inc., we will also execute specific initiatives looking at cutting relations with antisocial forces through implementing articles excluding organized crime from agreements with clients and by ensuring thorough examination when making transactions under the Act on Prevention of Transfer of Criminal Proceeds.

II Preventing Bribery, Corruption

The Asset Management Company will observe the Code of Ethics implemented by Nomura Real Estate Group, of which it is a part, and works towards preventing bribery when entertaining clients or giving gifts. Moreover, with a high regard for the “Guideline to Prevent Bribery of Foreign Public Officials,” formulated by the Ministry of Economy, Trade and Industry, a “Basic Policy on Preventing Bribery of Foreign Public Officials” and has been established and released on its website. Under the same policy, the Asset Management Company has also established “Regulations on Preventing Bribery of Foreign Public Officials” and “Guidelines on Preventing Bribery,” and conducts specific internal processes when dealing with foreign officials such as entertaining, giving gifts, inviting, donating, and utilizing their agencies, etc. In addition, we aim to distribute this knowledge to executives and employees by conducting regular training regarding bribery prevention for executives and employees in Nomura Real Estate Group’s foreign business departments and by incorporating it into the training material for the monthly Compliance Training conducted by the Asset Management Company.

This training was conducted in March 2017 with the 90.6% of the executives and employees’ attendance.



Risk Management

Basic Policy on Risk Management

As an expert in asset management, the Asset Management Company recognizes its responsibility to conduct the best management possible by understanding and managing various risks appropriately, particularly risks involving management. Moreover, understanding that non-thorough risk management damages the assets it manages and thus hurts the profits of its clients, it positions appropriate management and control of risks based on the characteristics of operations and risks as one of its most important tasks in management. From this perspective, the Asset Management Company has established the following structure regarding risk management, and has made sufficient considerations to ensure that this gets consistently implemented.

Risk Management Structure

Risk Management Committee

At the Asset Management Company, the Legal & Compliance Department integrates risk management. While the Compliance Officer is to sufficiently verify the details of risk awareness, analysis, evaluation and management of each department, they also partner with the Board of Directors, statutory auditors, and the Legal & Compliance Department and have established the Risk Management Committee with the purpose of thoroughly managing the risks of the Asset Management Company. The Risk Management Committee manages various risks that occur in relation to the operations of the Asset Management Company, determines specific methods of monitoring, etc., and secures an appropriate risk management structure. The Risk Management Committee has a consultative role as a cross-sectional organ, and establishes, reforms, abolishes, negotiates, and considers organizational structure and regulations, etc., related to risk management and also monitors risks.

Establishment and Execution of Risk Management Manual

In addition to maintaining an appropriate risk management structure by establishing regulations for risk management, managing risks, and specifying monitoring methods, etc., the Asset Management Company works towards thorough risk management through the Risk Management Committee which establishes, reforms, abolishes, negotiates, and considers organizational structure and regulations, etc., related to risk management and also monitors risks. Moreover, it has established a Risk Management Manual which outlines necessary steps to appropriately conduct risk management for executives and employees.

Based on this Risk Management Manual, each department can understand and evaluate the risks that exist within their respective areas of work, appropriately compile potential responses based on the evaluation, and can establish a yearly plan regarding risk. By implementing these, a posture capable of conducting risk management appropriately at the opportune time is enabled, enhancing effectiveness, enabling the prevention of risk manifestation and reduction of adverse effects when risks do manifest.

BCP Measures

In addition to preemptively preventing the expansion of damages during disasters, the Asset Management Company has established the necessary internal structure and a Business Continuity Plan which outlines necessary matters which will help secure the continuation of business operations during disasters and the early return to regular business practices. This plan regulates the flow (process) of operations from the occurrence of a disaster to the full recovery of operations, and clarifies decision-makers and a system of command that will enable flexibly responses to matters affected by the disaster, depending on the details of the disaster and the size of the damages. Moreover, after large-scale disasters occur, we will evaluate the effectiveness of the plan and the important tasks list, and will also identify matters that can be improved. We will continually work to improve the effectiveness of this plan, etc.

Confirmation of Executive and Employee Safety

Nomura Real Estate Group, which the Asset Management Company belongs to, has implemented a safety confirmation system via the internet and email to quickly comprehend the situation of the disaster and the safety of executives and employees during a disaster. A safety confirmation drill is held four times a year to all executives and employees of the Group, and the participation rate in fiscal 2017 was 100%.

Establishment of Inquiry/Assistance Service

Nomura Real Estate Group, which the Asset Management Company belongs to, has set up a Nomura Real Estate Group Helpline at Nomura Real Estate Holdings, Inc. that any executive and employee of the Group can utilize. A similar compliance helpline has been established at Nomura Real Estate Asset Management as well. In addition to setting up an assistance service that can be utilized when one fears that there has been an action taken that breaks the law or corporate ethics, an assistance service has also been established for harassment, human rights, and health issues. The Asset Management Company has prepared a structure that preemptively prevents risks and minimizes adverse effects when issues do occur.



Supplier Management

■ Green Purchasing Manuals

We have formulated Green Purchasing Manuals to clarify procedures for external collaboration. By doing so, we ensure that products and services being purchased in connection with the management of NMF's real estate portfolio are preferentially selected from those satisfying our prescribed standards associated with the reduction of environmental burdens. Moreover, with regard to the selection of suppliers (e.g., property managers (PMs), building managers (BMs) and construction firms), we have made the status of their sustainability initiatives a key consideration alongside such factors as their product quality, price competitiveness, creditworthiness and service content.

■ Periodic Assessments of PMs and BMs

In principle, we annually assess our PMs and BMs, which are commissioned to manage NMF's assets, to determine their financial soundness and quality of their services while engaging in constant monitoring aimed at evaluating such items as the status of their sustainability policies and sustainability promotion frameworks, legal and regulatory compliance and information management. Based on assessment and evaluation results, we provide them with feedback and, if necessary, guidance with regard to areas in need of improvement. We also consider replacing any PM or BM that fails to enact improvements in accordance with such guidance.

■ ESG-Related Training for PMs

We aim to help raise sustainability awareness among PMs and step up collaboration with them, to this end providing them with relevant training sessions at least once a year. With external specialists serving as lecturers, these training sessions are designed to call their attention to the importance of sustainability, address the latest trends in sustainability initiatives and brief them on the status of NMF's sustainability measures and targets and the progress it has made. In these ways, we ensure that all PMs share our acute awareness of sustainability and are properly updated.

ESG Disclosure Policy and Reporting Framework



Information Disclosure Policy

This website was created to help our stakeholders understand the status of initiatives undertaken by Nomura Real Estate Master Fund, Inc. and Nomura Real Estate Asset Management Co., Ltd., which acts as the former's asset management company, to address environmental, social and governance (ESG) issues and concepts behind their initiatives. We are striving to fulfill stakeholder expectations with regard to information disclosure by giving due consideration to international frameworks associated with ESG issues as well as requests from investors and external rating agencies.

Reporting Coverage, Period and Updating Timing

Reporting Coverage : Nomura Real Estate Master Fund, Inc. and Nomura Real Estate Asset Management, Co., Ltd. (Note 1)

Reporting Period : FY 2017 (from March 2017 to February 2018) (Note 2)

Updating Timing : July of each year in principle

(Note 1) Employees at Nomura Real Estate Asset Management Co., Ltd. mainly consist of individuals seconded from Nomura Real Estate Development Co., Ltd. Accordingly, some topics associated with the former as part of overarching initiatives undertaken by the Nomura Real Estate Group (e.g., human resource strategies) may be presented as initiatives undertaken by Nomura Real Estate Holdings, Inc.

(Note 2) This will not apply to any exceptions as provided separately.

Reference Guidelines

NMF refers to Global Reporting Initiative (GRI) standards for reporting on ESG policies and initiatives.

➤ Please refer to GRI Standards for more details.

Inquiries

For your inquiry concerning ESG related matters, please contact to the following.

Asset Management Company	Nomura Real Estate Asset Management, Co., Ltd.
Telephone	+81-(0)3-3365-8767
E-mail	nmf3462@nomura-re.co.jp
Operating Hours	9:30 am – 5:30 pm (Monday to Friday) (Saturday, Sunday and holidays are closed)



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