



For Translation Purposes Only

March 31, 2015

**For Immediate Release**

Nomura Real Estate Master Fund, Inc.  
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(Securities Code: 3285)

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**Notice Concerning Property Acquisition**

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announced today that Nomura Real Estate Asset Management Co., Ltd. (“the Asset Management Company”), the asset management company for the Fund, has determined the acquisition of real estate, as stated below.

**1. Summary of the Asset to be Acquired**

- (1) Type of asset: Trust beneficiary interest in mainly real estate
- (2) Property name: Kawaguchi Ryoke Logistics Center (Note 1)
- (3) Acquisition price (Scheduled): ¥10,790 million (Note 2)
- (4) Date of agreement (Scheduled): April 10, 2015 (date of agreement on purchase and sale of beneficial interest in real estate trust)
- (5) Date of acquisition (Scheduled): July 1, 2015 (date of delivery of beneficial interest in real estate trust)
- (6) Seller: Refer to “4. Seller Profile” below
- (7) Financing: Fund on hand and borrowings

(Note 1) Although the current property name is “NIPPON EXPRESS CO., LTD. North Tokyo Distribution Center”, the Fund plans to change the name to the one stated above at the earliest opportunity, after the acquisition.

(Note 2) Excluding property taxes, urban planning taxes, consumption taxes and local consumption taxes

The ownership as assets in trust of the above assets to be acquired, the above building including the land and the land in its entirety shall be referred to as the “Property” hereinafter.

## 2. Grounds

Nomura Master Fund will acquire the Property be acquired in accordance with the Fund's policies as stipulated in its Articles of Incorporation. The seller of the Property is the operator of the silent partnership in which Nomura Master Fund has made investment, and the Fund has exercised, for the acquisition of the Property, the preferential negotiation right granted upon the acquisition of silent partnership equity interest. The Fund values the following factors.

### (1) Location

- Kawaguchi City, where the Property is located, has convenient access to a wide area toward central Tokyo and Tohoku as it is located within 20km from central Tokyo, has favorable approach to expressways as it is located approximately 2.3km from “Kaga IC” and 3.0km from “Shikahamabashi IC” on the Metropolitan Expressway Kawaguchi Route, and is in the immediate vicinity of National Route 122 and Metropolitan Route 318 (Kannana-dori).
- The Property is located in an industrial area and there is little concerns for issues such as noise pollution and mechanical vibrations due to the location's long history of being a place where industrial facilities such as factories and logistics warehouses, etc. have been concentrated. The Property is also capable of 24 hour operations. In addition, it is a location appropriate for logistics facility management as it can expect to secure sufficient employment as residential districts spread across the edge of the industrial area and there is an abundance of bus routes.

### (2) Property Features

- The Property has high specifications with capability for an efficient transfer of cargo inside and outside and storage with 3 truck berths (2 on the 1st floor and 1 on the 2nd floor) and vertical loading equipment (6 elevators and 2 vertical conveyor machines). In addition, the Property has high-functioning facility specifications such as 5.5m of effective height under a lower beam and 1.5t/m<sup>2</sup> of floor load.
- The Property has a facility specification that takes the employees' working environment into consideration such as onsite parking space, office space, resting room and changing room, etc.

### 3. Property Summary

Property Name		Kawaguchi Ryoke Logistics Center				
Asset type		Trust beneficiary interest in mainly real estate				
Trustee		Mizuho Trust & Banking Co., Ltd.				
Trust term		From August 13, 2002 to October 31, 2023				
Location (Note 1)	Registry	5-2114-1 Ryoke, Kawaguchi City, Saitama				
	Street	5-1-57 Ryoke, Kawaguchi City, Saitama				
Access		1.5km from Kawaguchi-Motogo Station on the Saitama Railway Line 2.3km from Kaga IC and 3.0km from Shikahamabashi IC on the Metropolitan Expressway Kawaguchi Route				
Completion Date (Note 1)		October 2003				
Use (Note 1)		Storage, office				
Structure (Note 1)		S/SRC 5F				
Seismic Risk (PML) (Note 2)		3.91% (Sompo Japan Nipponkoa Risk Management Inc.'s Earthquake PML Appraisal Report as of March 2015)				
Architect		Nittsu Real Estate, Tokyo Branch, First-Class Architect				
Structural Strength Calculator		Nittsu Real Estate, Tokyo Branch, First-Class Architect				
Constructor		Matsui Kensetsu, K. K.				
Building Inspection Agency		UHEC				
Area (Note 1)	Land	22,770.72 m <sup>2</sup> (6,888.14 tsubo)				
	Building	41,867.82 m <sup>2</sup> (12,665.01 tsubo)				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Building Coverage Ratio		70% (Note 3)				
Floor Area Ratio		200%				
Collateral		None (Note 4)				
Property Management Company (Note 5)		Nomura Real Estate Development Co., Ltd, Nomura Real Estate Partners Co., Ltd.				
Appraisal Value and Method		¥11,400 million (Based on the capitalization approach as of February 28, 2015) (Appraiser: Morii Appraisal & Investment Consulting, Inc.)				
Appraisal NOI (Note 6)		¥582 million				
Leasing Status (As of March 31, 2015)						
Total Number of Tenants		1				
Tenant Name		NIPPON EXPRESS CO., LTD.				
Total Rental Income		Undisclosed (Note 7)				
Security Deposits		Undisclosed (Note 7)				
Occupancy Rate (Note 8)		100.0%				
Total Leased Floor Space (Note 9)		42,840.91 m <sup>2</sup> (12,959.37 tsubo)				
Total Leasable Floor Space (Note 10)		42,840.91 m <sup>2</sup> (12,959.37 tsubo)				
Occupancy Rates in the Past (Note 11)		February 28, 2011	February 28, 2012	February 28, 2013	February 28, 2014	February 28, 2015
		100.0%	100.0%	100.0%	100.0%	100.0%

(Note 1) Location (registry) and Several Other Items  
“Location (registry)”, “Completion Date”, “Structure” and “Area” are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry.

(Note 2) PML (Probable Maximum Loss)  
PML shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of

buildings) of major earthquake occurring.

- (Note 3) **Building Coverage Ratio**  
The Property is located in an industrial district where the building coverage ratio is 60% in principle. As the building is on a corner lot, however, an increased ratio of 70% applies.
- (Note 4) **Collateral**  
Although a pledge with the lender of the non-recourse loan as the pledgee has been established to the Property, it is planned to be cancelled by the scheduled date of acquisition.
- (Note 5) **Property Management Company**  
Refers to the Property Management Company that is scheduled to be appointed after the acquisition. (The above Property Management Companies are entrusted the property management of the Property by the seller as of today. However, a new property management agreement is planned to be concluded between Nomura Master Fund and each of the above Property Management Companies after the acquisition of the Property by the Fund.)
- (Note 6) **Appraisal NOI**  
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.  
“Appraisal NOI” indicates the annual NOI described in the real estate appraisal report with February 28, 2015 as the appraisal date.
- (Note 7) **Total Rental Income and Security Deposits**  
Undisclosed as consent has not been obtained from the tenant.
- (Note 8) **Occupancy Rate**  
Indicates the ratio of the Total Leased Floor to the Total Leasable Floor Space (rounded to the first decimal place).
- (Note 9) **Total Leased Floor Space**  
Indicates the floor space that is being leased to tenants as of today.
- (Note 10) **Total Leasable Floor Space**  
Indicates the total area of leasable spaces of logistics property (including the area of common-use spaces, etc. if they are leased). The Total Leasable Floor Space is not an indication on the registry but shows the area indicated in the lease agreements or the calculated areas based on the building completion drawings and other documents. As such, the Total Leasable Floor Space is not necessarily equal to the Total Floor Space based on the indications in the registry and may occasionally surpass the Total Floor Space.
- (Note 11) **Occupancy Rates in the Past**  
Based on the information from the seller.

#### 4. Seller Profile

Company Name	Ryoke Capital Godo Kaisha
Head Office	Tokyo Kyodo Accounting Office, 1-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo
Principal Business	1. Acquisition, holding, sale, leasing and management of real estate 2. Acquisition, holding and sale of real estate trust beneficiary rights 3. All operations pertaining to or associated with each of business listed above
Representative	Ryoke Capital General Incorporated Associations, Managing Partner Mitsuru Maeda, Functional Manager
Capital	¥100,000
Established	November 7, 2013
Relationship with the Fund and/or NREAM	
Capital	There is no capital involvement between the said company and the Fund or asset management company. Nomura Master Fund holds silent partnership equity interest investment of ¥ 500 million of Ryoke Capital Godo Kaisha.
Personnel	There is no personnel involvement between the said company and the Fund or asset management company. There is also no personnel involvement between related parties of the said company and related parties of the Fund or asset management company.
Transactions	Apart from the silent partnership equity interest investment stated above, there is no transaction between the said company and the Fund or asset management company. The property management companies, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Partners Co., Ltd., are considered a Related Party under the Law Concerning Investment Trust and Investment Corporation (“Investment Trust Law”).
Status of Related Parties	The said company is not considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trusts Act.

(Note) Ryoke Capital Godo Kaisha is the operator of the silent partnership in which Nomura Master Fund has made investment of 500 million yen (approximately 17.9% of the silent partnership equity interest), and the Fund exercised, for the acquisition, the preferential negotiation right granted upon the acquisition of silent partnership equity interest. For the details of the Silent Partnership Equity Interest and the Preferential Negotiation Right preferential, please refer to “Notice Concerning Acquisition of Investment Assets (Equity Interest in Silent Partnership)” dated November 29, 2013.

#### 5. Status of Owners

This transaction is not with a Seller that not is a specific Related Party of the Fund and the Asset Management Company.

#### 6. Transaction with Related Parties

Transaction concerning Property Management Services for the Property

The property management company of the Property, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Partners Co., Ltd. are Related Parties under the Investment Trust Law. Nomura Master Fund and the Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, etc., pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company’s bylaws and duly authorized by the Compliance Committee and Investment Committee in the Asset Management Company.

## **7. Brokerage Profile**

No brokers were involved in the transaction of the Property.

## **8. Form of Payment, etc.**

### **(1) Form of Payment**

At the time of the turnover of the Property, the Fund plans a package payment of the whole acquisition price through fund on hand and borrowings.

### **(2) Impact on the Fund's Financial Status in Case of Failure of the Forward Commitment, etc.**

The agreement on purchase and sale of real estate concerning the Property (the "Agreement") falls into the Forward Commitment, etc., (Note) as set forth in the Comprehensive Guideline for Supervision of Financial Instruments Business Operators set by the Financial Services Agency. Scheduled details of the cancellation clauses are as follows. However, the obligation of Nomura Master Fund on the Agreement, is scheduled to be conditions precedent for completing the financing relative to the acquisition price on the date of acquisition

- 1) In case there are any significant violations concerning the provisions of the Agreement by the seller or the purchaser (the party hereto, the "defaulting party"), the other party can urge the defaulting party to fulfill the obligation fixing a period of time. When the defaulting party does not correct the violations within that time limit, the other party may cancel the Agreement.
- 2) In case of the cancellation of the Agreement, the other party may make a claim for the penalty equivalent to 5% of the sales price to the defaulting party.
- 3) However, the preceding item shall not preclude the claim for damages exceeding the penalty of 5% of the sales price.

(Note) The forward commitment, etc., refers to postdated sale agreements where the conclusion and delivery of the property is scheduled over one month ahead of the contract date, and other similar agreements.

## **9. Forecasts of Financial Results**

As the impact of the acquisition of the asset to be acquired on Nomura Master Fund's forecasts of financial results for the fiscal period ending February 28, 2015 (September 1, 2014 to February 28, 2015) and the fiscal period ending August 31, 2015 (March 1, 2015 to August 31, 2015) will be minimal, there is no revision to the forecast of financial results.

## 10. Appraisal Summary

Property Name	Kawaguchi Ryoke Logistics Center
Appraisal Value	¥11,400,000,000
Appraiser	Morii Appraisal & Investment Consulting, Inc.
Appraisal Date	February 28, 2015

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	11,400,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	11,500,000,000	Calculated by capitalization rate based on a normalized net cash flow (NCF)
(1) Operating income (a)-(b)	Undisclosed	(Note)
(a) Gross rental income	Undisclosed	
(b) Losses due to vacancies, etc.	Undisclosed	
(2) Operating expenses	Undisclosed	
Maintenance	Undisclosed	
Utilities costs	Undisclosed	
Repair costs	Undisclosed	
Property management fees	Undisclosed	
Advertisement for leasing, etc.	Undisclosed	
Taxes	Undisclosed	
Insurance premium	Undisclosed	
Other expenses	Undisclosed	
(3) Net operating income from leasing business (NOI=(1)-(2))	582,444,000	(Note)
(4) Profit through management of temporary deposits, etc.	Undisclosed	
(5) Capital Expenditure Reserve	Undisclosed	
(6) Net Cash Flow (NCF = (3)+(4)-(5))	565,455,000	
(7) Capitalization rate	4.9%	Assumed based mainly on the yield on investment of similar retail facilities while taking into consideration the area characteristics and specific individual characteristics of the Property
Price calculated by the Discounted Cash Flow Approach	11,200,000,000	
Discount rate	4.7%	Assumed by taking into consideration the individual risks, etc. of the Property
Terminal capitalization rate	5.1%	Assumed based on the capitalization rate as well as future forecast uncertainty
Cost Approach Price	7,240,000,000	
Ratio of land	62.1%	
Ratio of building	37.9%	

Matters noted in reconciliation of indicated value and determination of appraisal value	<p>The neighboring area of the Property has excellent proximity to central Tokyo, which is a large market. In addition, since Kawaguchi City has highly concentrated residential districts, securing sufficient employment is considered smooth. Furthermore, as there are very few regular housing and such in the surrounding area including the neighboring area, using trucks and loading/unloading at night is possible. Concerning the quality of the building, it has normally expected specifications as to effective height under a lower beam, floor load, space between pillars, etc., and also has a truck berth large enough for a truck to turn around. It can be divided vertically for separate leasing and efficiency of logistics operations is relatively high. There seems to be no particular issue in its general versatility. For the above reasons, no particular risk for income fluctuation is recognized and it is judged to hold average-level competitiveness in the same supply-demand zone.</p>
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(Note) The Property is occupied only by a tenant who is a third party not having a special interest relationship with Nomura Master Fund or the Asset Management Company. Thus information on these items have not been disclosed since the lease conditions may be assumed by such and negatively affect the Godo Kaisha's competitiveness and possibly undermining the interests of Nomura Master Fund and unitholders. Furthermore, the information is not disclosed as consent has not been obtained from the tenant.

**【Exhibits】**

Exhibit 1	Portfolio after Acquisition of the Property
Exhibit 2	Property Photo
Exhibit 3	Property Map

\*Nomura Real Estate Master Fund, Inc. URL: <http://www.nre-mf.co.jp/english/>



## Exhibit 1

## Portfolio after Acquisition of the Property

Use	Area (Note 1)	Property Name	Acquisition Price (million yen) (Note 2)	Percentage to Total (%) (Note 3)	Date of Acquisition
Logistics	Greater Tokyo	Landport Urayasu	17,400	6.5	June 14, 2013
		Landport Itabashi	15,710	5.9	June 14, 2013
		Landport Kawagoe	13,700	5.1	July 31, 2013
		Landport Atsugi	11,410	4.3	June 14, 2013
		Kawaguchi Ryoike Logistics Center	10,790	4.1	July 1, 2015
		Sagamihara Tana Logistics Center	10,600	4.0	July 19, 2013
		Sagamihara Onodai Logistics Center	8,700	3.3	June 14, 2013
		Landport Hachioji	8,250	3.1	June 14, 2013
		Landport Kasukabe	7,340	2.8	June 14, 2013
		Funabashi Logistics Center	4,660	1.7	June 14, 2013
		Atsugi-Minami Logistics Center B Tower	4,590	1.7	June 14, 2013
		Hanyu Logistics Center	3,810	1.4	June 14, 2013
		Kawaguchi Logistics Center B Tower	3,750	1.4	June 14, 2013
		Kawaguchi Logistics Center A Tower	2,830	1.1	June 14, 2013
		Atsugi-Minami Logistics Center A Tower	2,690	1.0	June 14, 2013
	Other areas	Ota Nitta Logistics Center	3,430	1.3	June 14, 2013
		Ota Higashi-Shinmachi Logistics Center	2,170	0.8	June 14, 2013
Ota Kiyohara Logistics Center		650	0.2	June 14, 2013	
Chiyodamachi Logistics Center		330	0.1	June 14, 2013	
Logistics Sub-total			132,810	49.9	-
Retail	Greater Tokyo	Morisia Tsudanuma	16,600	6.2	June 14, 2013
		Yokosuka More's City	13,640	5.1	June 14, 2013
		Recipe SHIMOKITA	10,407	3.9	December 13, 2013
		Kawasaki More's	4,000	1.5	June 14, 2013
			2,080	0.8	December 19, 2014
		EQUINIA Shinjuku	4,260	1.6	June 14, 2013
		EQUINIA Ikebukuro	3,990	1.5	June 14, 2013
		covirna Machida	3,440	1.3	June 14, 2013
		Nitori Makuhari	3,080	1.2	June 13, 2013
		Konami Sports Club Fuchu	2,730	1.0	June 13, 2013
		FESTA SQUARE	2,600	1.0	June 13, 2013
		GEMS Shibuya	2,490	0.9	July 31, 2013
		Sundai Azamino	1,700	0.6	June 14, 2013
		EQUINIA Aobadai	1,560	0.6	June 14, 2013
		Megalos Kanagawa	1,000	0.4	June 13, 2013
	Kinki Area	Universal CityWalk Osaka	15,500	5.8	September 30, 2014
		Izumiya Senrioka	8,930	3.4	June 13, 2013
		Merad Owada	6,640	2.5	June 13, 2013
		Izumiya Yao	4,406	1.7	June 13, 2013
		Izumiya Obayashi	3,020	1.1	June 13, 2013
	Other areas	Ichibancho Stear	4,700	1.8	June 14, 2013
		EQUINIA Aobadori	1,640	0.6	June 14, 2013
Retail (land with leasehold interest)	Greater Tokyo	Mitsubishi Motors Meguro	2,740	1.0	June 13, 2013
		Mitsubishi Motors Chofu	1,760	0.7	June 13, 2013
		Mitsubishi Motors Shibuya	1,570	0.6	June 13, 2013
		Mitsubishi Motors Nerima	1,240	0.5	June 13, 2013
		Mitsubishi Motors Kawasaki	950	0.4	June 13, 2013
		Mitsubishi Motors Takaido	850	0.3	June 13, 2013
		Mitsubishi Motors Katsushika	800	0.3	June 13, 2013
		Mitsubishi Motors Higashi-Kurume	800	0.3	June 13, 2013
		Mitsubishi Motors Setagaya	770	0.3	June 13, 2013
		Mitsubishi Motors Suginami	740	0.3	June 13, 2013
		Mitsubishi Motors Sekimachi	600	0.2	June 13, 2013
		Mitsubishi Motors Higashi-Yamato	450	0.2	June 13, 2013
		Mitsubishi Motors Motosumiyoshi	370	0.1	June 13, 2013
		Mitsubishi Motors Kawagoe	350	0.1	June 13, 2013
		Mitsubishi Motors Edogawa	200	0.1	June 13, 2013
	Mitsubishi Motors Sayama	160	0.1	June 13, 2013	
	Kinki Area	Mitsubishi Motors Ibaraki Maintenance Center	820	0.3	June 13, 2013
Retail Sub-total			133,583	50.1	-
Total			266,393	100.0	-

Investment Securities	Greater Tokyo	Ryoke Capital Godo Kaisha Silent Partnership Equity Interest (Note 4)	500	-	March 25, 2014
	Kinki Area	Godo Kaisha Osaka Hirakata Project Partnership Equity Interest	100	-	March 30, 2015

(Note 1) “Greater Tokyo” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Kinki Area” refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture and Nara Prefecture. “Chukyo Area” refers to Aichi Prefecture, Gifu Prefecture and Mie Prefecture. “Other Areas” refers to cabinet-order designated cities, prefectural capitals, and cities having a population of at least 100,000 and their peripheral areas, excluding Greater Tokyo, Kinki Area and Chukyo Area.

(Note 2) The Acquisition Price is the amount (the amount of transaction payment of real estate, etc. described in the sales agreement with condition precedent and the investment amount described in the Silent Partnership Agreement) excluding costs required to acquire the properties, etc. and the Silent Partnership Equity Interest (transaction brokerage fee, taxes and public dues, etc.).

(Note 3) “Percentage to Total” indicates the ratio of the acquisition price of respective properties to the total acquisition price of the entire portfolio (56 properties in total). The calculation of investment ratio excludes the Silent Partnership Equity Interest. Furthermore, as the figures were rounded to the first decimal place, the total may not necessarily be 100%.

(Note 4) In line with the acquisition of the asset to be acquired by Nomura Master Fund, Ryoke Capital Godo Kaisha is planned to be dissolved. The Fund is to receive settlement money in accordance with the silent partnership equity interest.

Photo of Kawaguchi Ryoke Logistics Center



Map of Kawaguchi Ryoike Logistics Center

