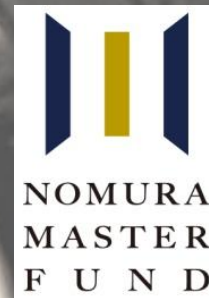


NOMURA MASTER FUND



2nd

Analyst Meeting Presentation Material

April 17, 2014

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NOMURA REAL ESTATE MASTER FUND, INC.

April 17, 2014



Investment Highlights

Investment Highlights

Highlights for 2nd Fiscal Period

- Dividend per Unit 2,919 yen (Forecast 2,780 yen)
- Acquisition of Recipe SHIMOKITA (December 13, 2013)
- Concluded Purchase Agreement of Equity Interest in Silent Partnership of Ryoke Capital G.K. (November 29, 2013)
- Seismic Strengthening Works for Izumiya Obayashi
- Renewal of Morisia Tsudanmua

Investment Strategy

Acquisition of Recipe SHIMOKITA

Acquisition Price	:	¥10,407 mln
Leasable Floor Space	:	6,295.22 m ²
Age (As of Feb. 28, 2014)	:	2.6 years



Concluded Purchase Agreement of Equity Interest in Silent Partnership of Ryoke Capital G.K.

Investment Amount	:	¥500 mln
Leasable Floor Space	:	42,840.91 m ²
Age (As of Feb. 28, 2014)	:	10.4 years



Portfolio Status

	end of 1st FP	end of 2nd FP
Number of Properties	54	55
Asset Size	¥227.6 bln	¥238.0 bln
Portfolio NOI Yield	6.7 %	6.6 %

	end of 1st FP	end of 2nd FP
Average Building Age	13.3 years	13.3 years
Average Lease Term	12.2 years	12.4 years
Ratio of Tokyo Area	83.9 %	84.6 %

Investment Highlights

Management Strategy

- Generation of stable cash flow backed by long lease periods

Ratio of contracts of 10 years or more:	1st FP 71.3%	2nd FP 70.9%
--	------------------------	------------------------

- Maintenance of high occupancy rate through management skills backed by the management experience of the Asset Management Company

[Period-end Occupancy Rate] [Period-end Average Rent]

	1st FP	2nd FP	1st FP	2nd FP
Total	: 99.8 %	99.8 %	¥5,149/tsubo	¥5,308/tsubo
Logistics	: 100.0 %	100.0 %	¥3,707/tsubo	¥3,707/tsubo
Retail	: 99.4 %	99.4 %	¥8,312/tsubo	¥8,737/tsubo

- Increase of appraisal value

	End of 1st FP	End of 2nd FP
Total Appraisal Value	: ¥239.3 bln	¥252.8 bln
Total Book Value	: ¥229.4 bln	¥239.0 bln
Unrealized Gain	: + ¥9.8 bln	+ ¥13.7 bln

Financial Strategy

- Financed ¥11 bln on December 12, 2013 for the acquisition of Recipe SHIMOKITA
- Repaid ¥5 bln on January 6, 2014

- Diversification of repayment dates

	1st FP	2nd FP
Average Duration:	4.8 years	4.4 yeras

- Financial management that takes stability into consideration

	1st FP	2nd FP
LTV:	31.1%	32.3%

- Low level of Average Interest Rate

	1st FP	2nd FP
Average Interest Rate:	0.99%	0.98%

- Long-term issuer rating

Japan Credit Rating Agency, Ltd. (JCR):	AA – (Stable)
---	----------------------

2nd Fiscal Period Financial Overview

Performance of the 2nd fiscal period and previous forecast

	2nd Period (ended Feb. 28, 2014)	2nd Period Forecasts (announced on Oct. 15, 2013)	Decrease / Increase (comparison)		Major Difference
Operating Revenues	¥9,176 million	¥9,099 million	+¥76million	0.8%	<p><Difference in NOI></p> <p>Penalty Charges (+¥38 mln)</p> <p>Reduction in Repairs (+¥91 mln)</p> <p><Difference in Operating Profits></p> <p>Reduction in Other Fees (+¥51 mln)</p> <p><Difference in Net Income></p> <p>Interest in Refund of Consumption Tax (+¥22 mln)</p> <p>Reduction in Interest, Loan Arrangement Fees (+¥22 mln)</p>
NOI	¥7,755 million	¥7,616 million	+¥138million	1.8%	
Rental Profit	¥6,257 million	¥6,123 million	+¥134million	2.2%	
Operating Profits	¥5,348 million	¥5,168 million	+¥180million	3.5%	
Ordinary Income	¥4,861 million	¥4,630 million	+¥231million	5.0%	
Net Income	¥4,860 million	¥4,629 million	+¥231million	5.0%	
Cash Distribution per Unit	¥2,919 /unit	¥2,780 /unit	+¥139million	5.0%	
Total Assets	¥261,582 million	- million	—	—	
Interest-Bearing Debt	¥84,435 million	- million	—	—	
LTV	32.3 %	- %	—	—	



2nd Fiscal Period Overview

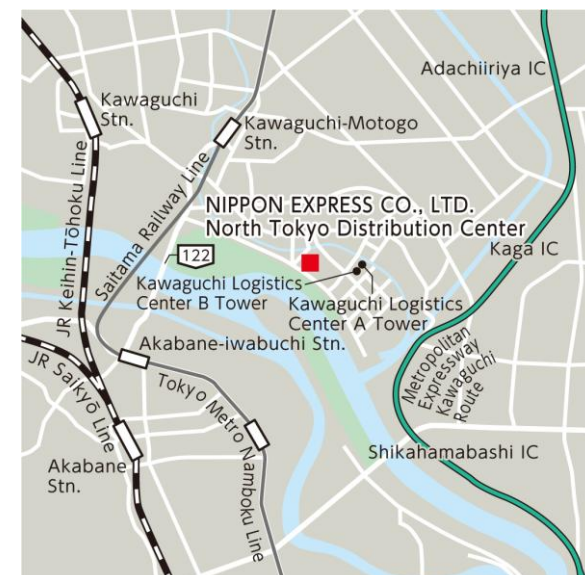


Overview of Equity Interest in Silent Partnership

Summary of silent partnership equity

Ryoke Capital Godo Gaisha	
Beneficiary interest in real estate in trust, etc. ¥11,440 million	Non-recourse loans ¥8,640 million
	Silent partnership equity ¥2,800 million

- The Fund acquired ¥500 million (17.9%)
- Obtained preferential right to purchase the beneficiary interest in real estate



Summary of the property (NIPPON EXPRESS CO., LTD. North Tokyo Distribution Center)

Completion Date	October 2003
Location	Ryoke, Kawaguchi-City, Saitama
Access	1.5km from Kawaguchi-Motogo Station on the Saitama Railway line
Appraisal Value	¥11,000 million (as of Oct. 31, 2013)
Appraisal NOI yield	5.2%
Leasable floor space	42,840.91m ² (12,959.37 tsubo)
Occupancy rate	100.0% (as of Feb. 28, 2014)

GEMS Shibuya

Leasing policy

Implemented leasing aiming to improve the freshness of the entire facility and capacity to attract customers by inviting a wide variety of businesses that differed from existing tenants.

- 1st floor, GABURI SHARE (American and international cuisine) opened on April 4
- 8th floor, Chinese Dining Kahin (Chinese restaurant) concluded new lease agreement (lease started on April 1, opening scheduled for June 10)



Izumiya Senrioka

Efforts to extend leasehold/building lease agreements

Extended leasehold period for the land and the building leasing period (6 months), so the agreements will end at the same time.

- Improved stability of each agreement
- Expect activation through further investments in stores by tenants going forward



Asset Management: Renewal of Morisia Tsudanuma

Purpose of renewal

- Gain foothold toward becoming No.1 local retail facility
- Strategic tenant replacement taking advantage of expiration of fixed-term lease agreements at the 6th anniversary since opening
- Differentiation through practical tenant structure that local families can use daily
- Improve the facility with consideration given to development trends in the surrounding areas
- Create a facility that is amiable with locals
⇒ Promote sales by utilizing mascot

Utilization Example

Make visits to local kindergartens and form partnership with local sports team

Introduction of Mascot

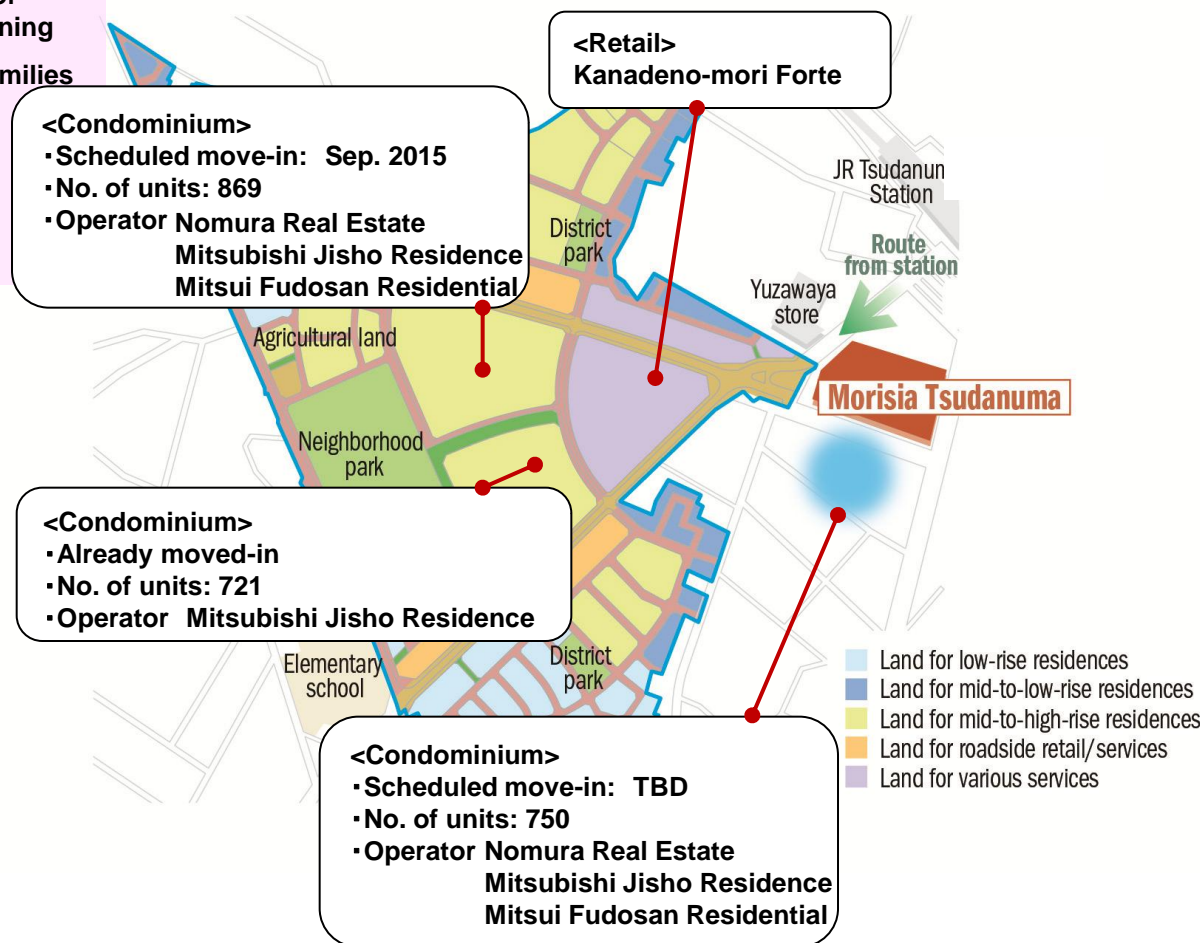
Original Morisia character
Forest fairy “**Tsudanun**”

Helping everyone's
“a little bit of happiness”



<Kanade-no-Mori Land use plan>

Planned population increase: approx. 7,000 (20% increase in 1km radius)



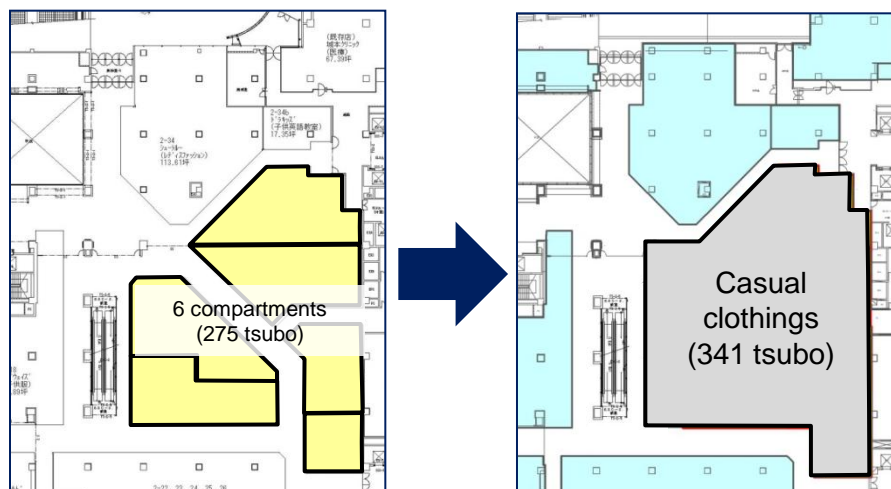
(Source) Prepared by Nomura Real Estate Asset Management Co., Ltd. based on Narashino-City JR Tsudanuma Station South Exit Land Readjustment Associations

Asset Management: Renewal of Morisia Tsudanuma

Overview of renewal

- Simplify people traffic within the building by integrating spaces
⇒ Improve mobility

<2F Consolidation of compartments, Attraction of core tenant >



<West Corridor, 1F>

(Before)



(After)



<West Deck, 2F>

(Before)



(After)



Aims of renewal

- Improve awareness of facility by providing topics of interest
⇒ Increase number of visitors
- Promote shopping-around by making it easier to move around
⇒ Increase average spending per customer
- Improve tenant satisfaction through increased sales
⇒ Plan rent increase through future tenant replacements and contract renewals

<Effect of Renewal (Forecast)>

Items	Before Renewal	After Renewal	Difference
Number of Customers (10 thousands / year)	1,097	Apporx. 1,105	+8
Average Sales per Customer (¥)	842	Approx. 878	+36
Sales (¥ mln / year)	9,246	Apporx. 9,700	+460
Rent (¥ mln / year)	916	Approx. 970	+50

(Note) Number of Customers, Average Sales per Customer, and Sales are based on estimate by Geo Akamatsu. Rent is based on hearing to the tenants

Asset Management: Seismic Strengthening Works for Izumiya Obayashi

Plotting and implementing work that takes into consideration the business of tenants
(Work period: Dec. 2013 to Mar. 2014)

Devisal of NMF

- Minimize the impact on shop layouts by mainly conducting renovations in the back portions of shops
- Minimize the impact on the business of tenants by thoroughly conducting discussions with tenants in advance
 - ⇒ **Completed work without shops suspending operations**
- Budget: ¥238 million Actual: ¥174 million
 - ⇒ Realized **reduction of ¥109 million**

Effect of Seismic Strengthening Works

- Realized rent increase (**+3.4%/year**)
- Realized extension of leasing periods
 - ⇒ Expiration of fixed-term leases **extended 15 years**
- Increased appraisal price (lower cap rate)
 - ⇒ Satisfied new earthquake resistant standards **-10bps**,
-10bps due to reflecting sales market

<Installment of steel frame brace at escalator side on each floor>

(Before)



(After)



<Installment of new RC wall in store backyard>

(Before)



(After)



Approach to Photovoltaic Power Generation

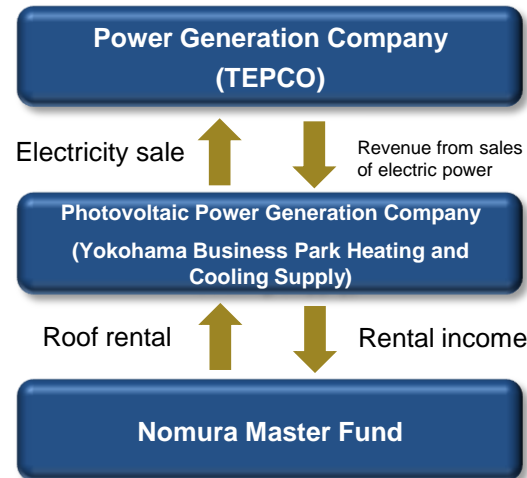
Significance of installing photovoltaic power generation equipment

Social contribution	Environment-conscious facility that generates energy without CO ₂ emissions
Tenant contribution	Thermal barrier/energy-saving effect from solar panels
BCP measures	Able to use electricity even during unexpected power outages
Increase income	Receive stable income from lending roof areas (expected annual rent: ¥18 million)

Schedule

Jan. 2014	Approval by METI
Aug. 2014	Start construction
Sep. 2014	Completion of construction
Oct. 2014	Start power generation

Structure



Yokohama Business Park Heating and Cooling Supply

Location : Yokohama-City, Kanagawa

Established : April, 1987

Parent Co. : Nomura Real Estate Holdings

Business outline : District heating and cooling of the Yokohama business park by the supply of the heat source for air-conditioning, hot water supply

<Target Properties>

Landport Kawagoe



Landport Atsugi



Landport Urayasu



Landport Kasukabe

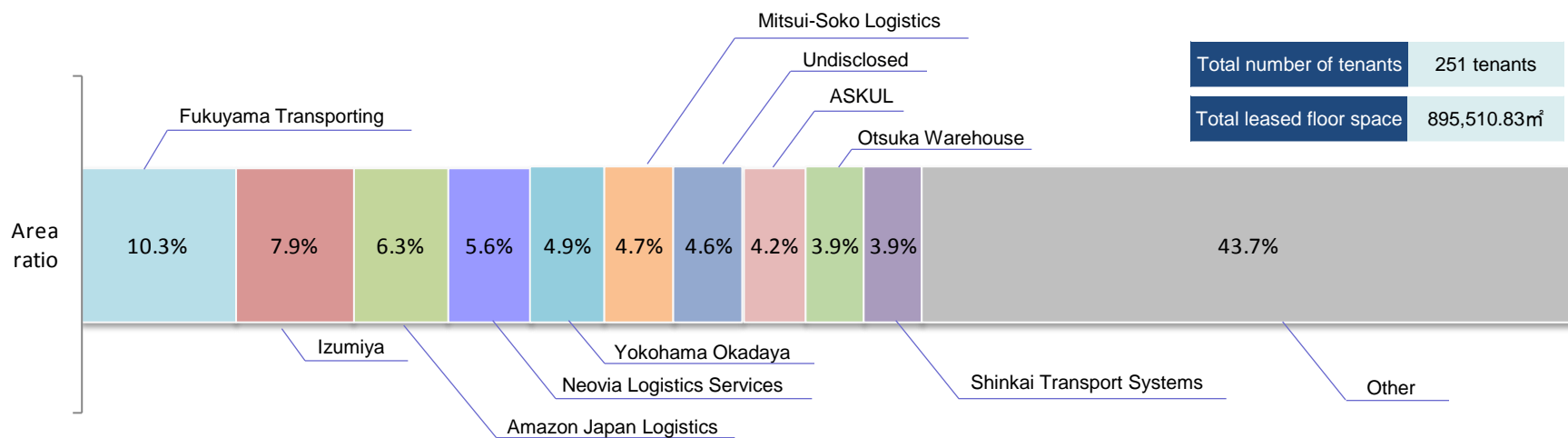


Landport Hachioji

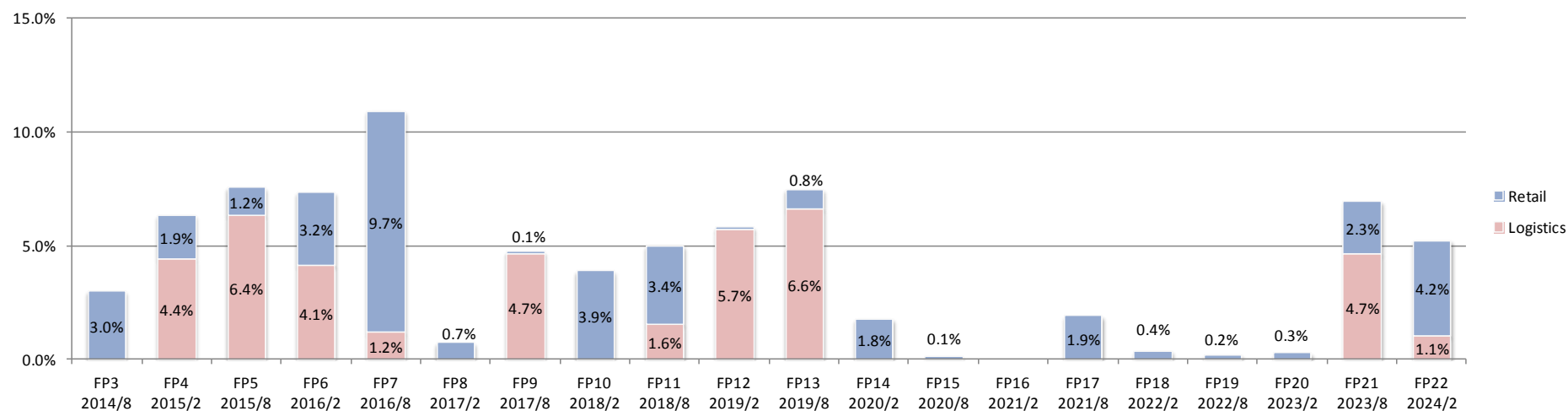


Management Status of Portfolio

Tenant diversification (based on leased floor space)



Diversification of lease maturity (based on rent)



Timing of Tenant Rent Renewals

Property Name	Tenant Name	Lease Term	FP3 Aug. 2014	FP4 Feb. 2015	FP5 Aug. 2015	FP6 Feb. 2016	FP7 Aug. 2016	FP8 Feb. 2017	FP9 Aug. 2017	FP10 Feb. 2018	FP11 Aug. 2018	FP12 Feb. 2019
Logistics												
Landport Urayasu	Fukuyama Transporting	Fixed										
	Otsuka Warehouse 1	Fixed										
	Otsuka Warehouse 2	Fixed										
Landport Kawagoe	KEIAI	Fixed										
Sagamihara Tana Logistics Center	Neovia Logistics Services	Fixed										
Sagamihara Onodai Logistics Center	Fukuyama Transporting	Normal										
Landport Kasukabe	DIC	Fixed										
Hanyu Logistics Center	Nippon Express	Fixed										
Ota Nitta Logistics Center	Mitsui-Soko Logistics	Normal										
Ota Higashishinmachi Logistics Center	Vantec	Normal										
Ota Kiyohara Logistics Center	Ota International Cargo Terminal	Normal										
Retail												
Morisia Tsudanuma	Yamada Denki	Fixed										
	Aeon Retail	Fixed										
Nitori Makuhari	Nitori	Normal										
Konami Sports Club Fuchu	Konami Sports & Life	Normal										
FESTA SQUIRE	Yaoko	Fixed										
Sundai Azamino	Sundai Education Promotion	Fixed										
Megalos Kanagawa	Megalos	Normal										
Merad Owada (Retail)	Kansai Super Market	Normal										
Merad Owada (Logistics)	Kansai Super Market	Normal										
Land Only 4 properties (Shibuya, Setagaya, Suginami, Ibaraki)	Not disclosed	Fixed										
Land Only (Other than above)	Not disclosed	Fixed										

Appraisal Value Status (2nd Fiscal Period End)

Status as of the end of 2nd FP

Total appraisal value **¥252.8 billion**

Total book value **¥239.0 billion**

Unrealized gain / loss **+ ¥13.7 billion**

<Reference>

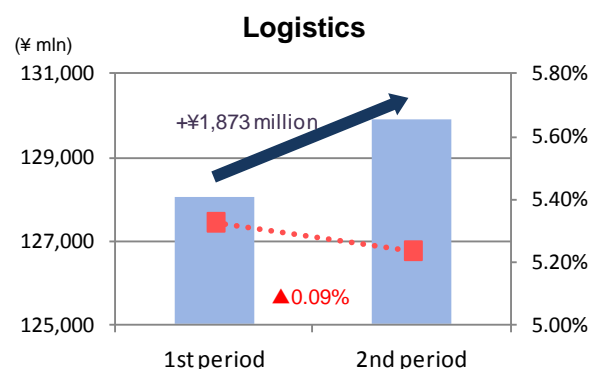
Unrealized gain/loss per unit : + ¥ 8,270

Net asset per unit : ¥ 99,673

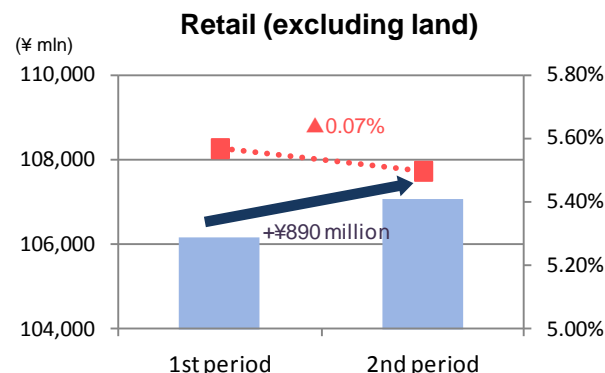
NAV per unit : ¥ 107,944

	End of 1st period	End of 2nd period	Comparison
Appraisal value	¥249.9 billion	¥252.8 billion	1.2%
Logistics	¥128.0 billion	¥129.9 billion	1.5%
Retail (excluding land)	¥106.1 billion	¥107.0 billion	0.8%
Retail (land)	¥15.7 billion	¥15.8 billion	0.6%

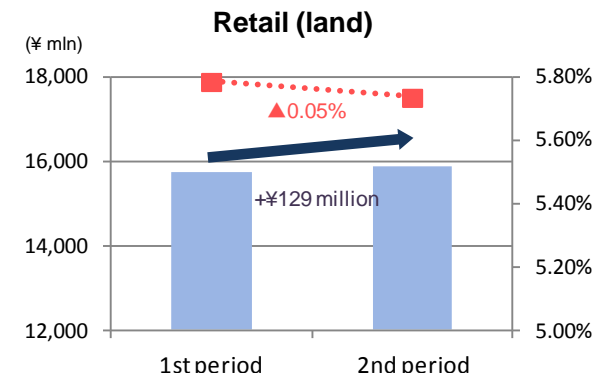
Change in total appraisal value and cap rate



Appraisal value	Cap rate
Increase 15	Decrease 12
Unchanged 3	Flat 6
Decrease 0	Increase 0



Appraisal value	Cap rate
Increase 12	Decrease 14
Unchanged 7	Flat 6
Decrease 1	Increase 0



Appraisal value	Cap rate
Increase 15	Decrease 9
Unchanged 2	Flat 8
Decrease 0	Increase 0

(Note 1) For the 1st period, appraisal of Recipe SHIMOKITA at acquisition is included

(Note 2) Cap rates are the weighted average of the appraisal value by direct capitalization approach

Financial Status

Interest-bearing liabilities

Total Interest-bearing liabilities
¥84.4 billion

Average interest rate
0.98 %

Ratio of long-term debt
80.4 %

Ratio of fixed-rate debt
80.5 %

* Including fixed interest by IR swap

Average remaining duration
4.4 years

LTV (loan-to-value)
32.3 %

Credit ratings

Rating agency	LT issuer rating	Outlook
JCR	AA -	Stable

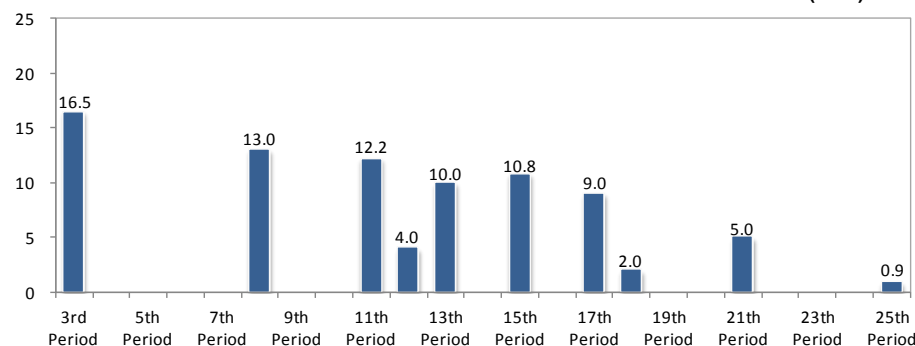
Bank formation

(¥ bln)

Financial institution			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	19.9	Sumitomo Mitsui Trust Bank, Ltd.	6.8
Sumitomo Mitsui Banking Corporation	19.9	The Norinchukin Bank	6.8
Mizuho Bank, Ltd.	13.5	Development Bank of Japan	5.8
Mitsubishi UFJ Trust and Banking Corporation	6.8	Mizuho Trust & Banking Co., Ltd.	4.8
Total Debt			84.4

Diversification of repayment dates

(¥ bln)



Commitment line

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation
Mizuho Bank, Ltd.

Commitment line agreement

¥10 billion

(Commitment period: 1 year)

Financial Strategy: Establish Strong Financial Base Supporting Target AUM of ¥400 Billion

Approach for FP3

● Further promotion of long-term fixed interest rate loan agreements and diversification of repayment dates

Refinancing of short-term debt
(¥16.5 bln)

(Due May 26, 2014)

- Partial early repayment of debt (¥8.5 billion) and converted ¥5.5 billion into long-term debt with fixed interest rate taking into consideration the fluctuation risks of interest rates
- With remaining ¥8.0 billion, plan to convert part (¥6.0 billion) into long-term debt with fixed interest rate

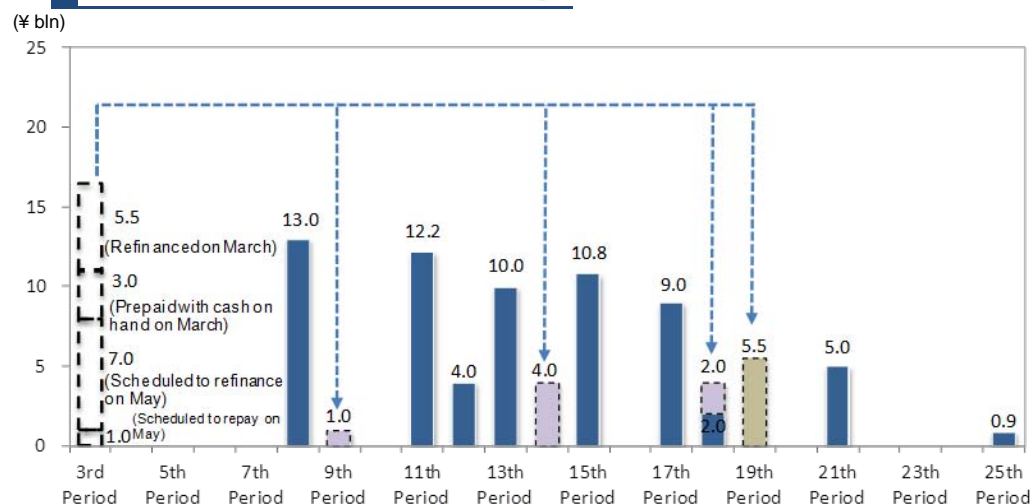
Execution Date (Scheduled)	Measures	Effect
March 26, 2014	<ul style="list-style-type: none"> • Repaid ¥8.5 billion with ¥3.0 billion cash on hand and ¥5.5 billion long-term debt • Fix interest rate by concluding interest-rate swap agreement (¥5.5 billion) 	<div>Fixed</div> <div>Cash efficiency improvement</div> <div>Prolonged</div>
May 26, 2014	<ul style="list-style-type: none"> • Plan partial repayment with ¥1.0 billion cash on hand and refinancing of ¥7.0 billion into long-term debt • Plan to fix interest rate for part of debt (¥6.0 billion) by concluding interest-rate swap agreement • Consider fund procurement from new lenders by taking into account the securing of stability of funds and diversification of lenders 	<div>Fixed</div> <div>Cash efficiency improvement</div> <div>Prolonged</div> <div>Lender diversification</div>

Promotion of long-term fixed interest rate

	Today	End of FP3 (Assumed)
Average Duration	4.9 years	5.1 years
Long-Term Ratio	90.1%	99.9%
Fixed Ratio	90.2%	98.8%

➤ Construction of stable financial constitution

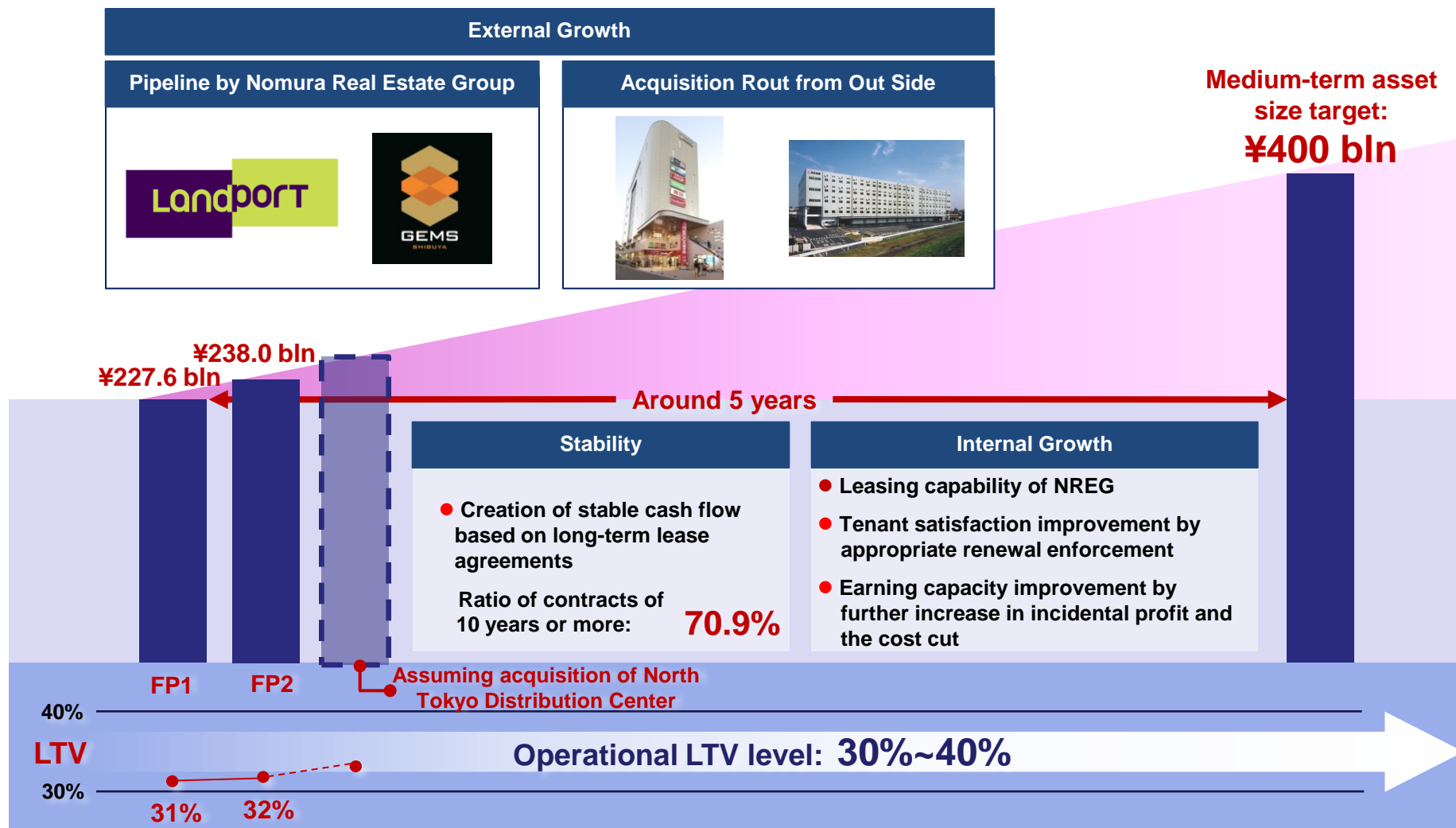
Diversification of maturity





Investment Management Strategy

Road Map of Growth Strategy



Aim to diversify real estate under management and tenants by expanding asset size, and realize the building of an increasingly stable portfolio

(Note) Based on an assumption that the acquisition of the North Tokyo Distribution Center (Trust Beneficiary Interest) was realized. NMF has not determined to acquire the Trust Beneficiary Interest, and NMF does not guarantee to acquire the Trust Beneficiary Interest as of today.

Main Property Development Status of the Sponsor (1)



GEMS Ichigaya



(Tentative name) Landport Kashiwa-Shonan



(Tentative name) Landport Hachioji II

	Property Name	Location	Completion Date	Total Floor Space
Retail	GEMS Ichigaya	Rokubancho, Chiyoda-Ward	Oct. 2014	452 Tsubo
Logistics	(Tentative Name) Landport Kashiwa-Shonan	Kashiwa South-Central Land readjustment project place	May 2016	15,344 Tsubo
Logistics	(Tentative name) Landport Hachioji II	Ishikawa-cho, Hachioji-City	May 2016	10,987 Tsubo

Main Property Development Status of the Sponsor (2)



NREG Kawasaki Logistics Center



Landport Atsugi Kaneda



(Tentative name) Kichijoji Project

	Property Name	Location	Completion Date	Total Floor Space
Logistics	NREG Kawasaki Logistics Center	Kawasaki-Ward, Kawasaki-City	Mar. 2014	15,017 Tsubo
Logistics	Landport Atsugi Kaneda	Kaneda, Atsugi-City	Jan. 2015	11,694 Tsubo
Retail	(Tentative name) Kichijoji Project	Kichijoji-Honcho, Musashino-City	Jul. 2014	1,982 Tsubo

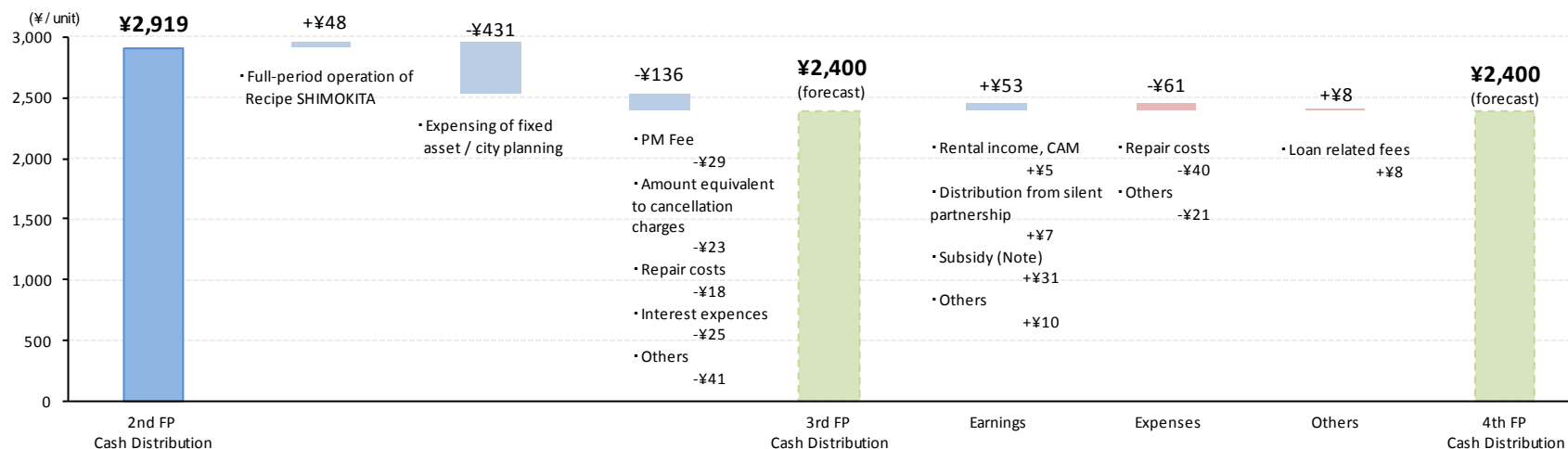
Future Distribution Level

Forecasts for the 3rd and 4th fiscal periods

	2nd Period (ended Feb. 28, 2014)	3rd Period Forecasts (will end Aug. 31, 2014)	(Comparison)	4th Period Forecasts (will end Feb. 28, 2015)	(Comparison)
Operating Revenues	¥9,176 million	¥9,294 million	1.3%	¥9,383 million	1.0%
Operating Profits	¥5,348 million	¥4,564 million	-14.7%	¥4,552 million	-0.3%
Net Income	¥4,860 million	¥3,998 million	-17.7%	¥3,996 million	-0.0%
Cash Distribution per Unit	¥2,919 /unit	¥2,400 /unit	-¥519	¥2,400 /unit	¥0
LTV	32.3 %	31.2 %	-1.1%	31.2 %	0.0%

(Note) Forecasts of distributions for the periods ending August 31, 2014 and February 28, 2015 are based on Nomura Master Fund's summary of financial results dated April 15, 2014 and may change in the future depending on acquisitions and sales of real estate, etc., changes in the real estate market, etc. and other circumstances surrounding Nomura Master Fund. Moreover, the above forecasts do not guarantee the amounts of distributions.

Change in distributions



Analyst Coverage, Inclusion to the Index

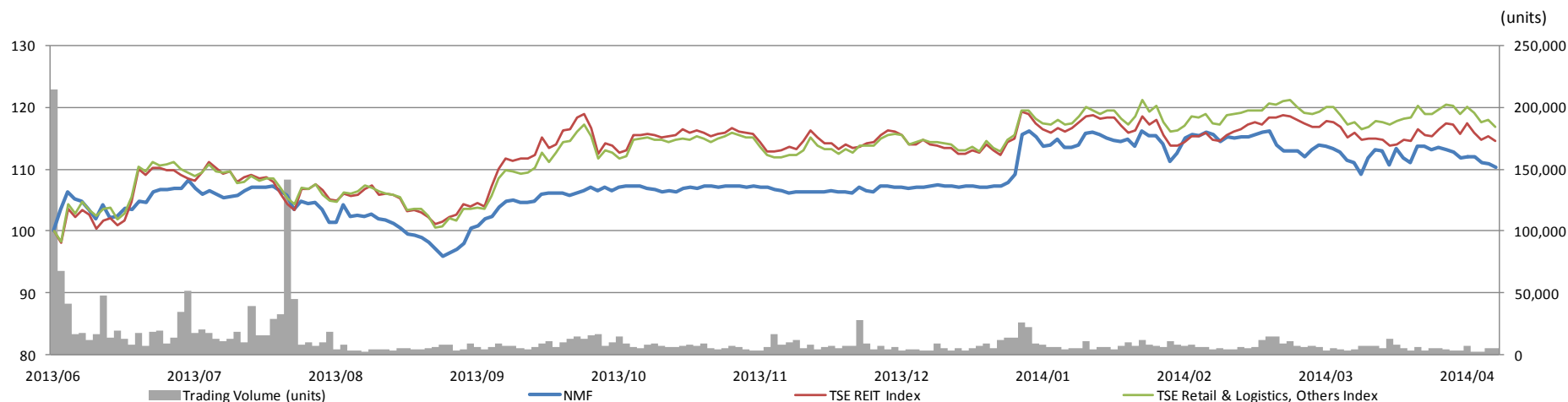
Analyst coverage

Security Firm	Analyst	Coverage Date
Nomura	Tomohiro Araki	July 26, 2013
SMBC Nikko	Hiroshi Torii	January 10, 2014
Mitsubishi UFJ Morgan Stanley	Kazufumi Takeuchi	January 16, 2014
Daiwa	Tomohiro Sumiya	March 12, 2014

Inclusion to the index

Index	Inclusion Date
FTSE EPRA/NA-REIT Global Real Estate Index	June 24, 2013
TSE REIT Index	July 31, 2013
Russel Global Index	October 1, 2013
MSCI Japan Small Cap Index	November 26, 2013
S&P Global Property Index	March 24, 2014

Trading status after listing



(Note) Indexed with the closing price of listing date as 100.

(Source) Prepared by Nomura Real Estate Asset Management Co., Ltd. based on Bloomberg



APPENDIX



Income Statement

	1st Fiscal Period From Jan. 31, 2013 To Aug. 31, 2013	2nd Fiscal Period From Sep. 1, 2013 To Feb. 28, 2014	Difference from forecast (2nd FP actual - 1st FP actual)	
	Amount (¥ 000)	Amount (¥ 000)	Difference (¥ 000)	Difference Ratio (%)
Operating revenues	3,683,130	9,176,390	5,493,260	149.1
Real estate rental revenues *1	3,683,130	9,176,390	5,493,260	149.1
Rental revenues	3,392,015	8,478,425	5,086,409	150.0
Other rental revenues	291,114	697,965	406,850	139.8
Parking revenues	34,578	78,086	43,508	125.8
Incidental income *2	253,525	578,563	325,038	128.2
Other miscellaneous rever *3	3,010	41,315	38,304	1,272.2
Operating expenses	1,593,500	3,827,980	2,234,480	140.2
Real estate rental expenses *1	1,258,501	2,918,848	1,660,347	131.9
Repairs and maintenance	58,104	185,676	127,572	219.6
Depreciation	698,512	1,497,862	799,349	114.4
Other rental expenses	501,883	1,235,309	733,425	146.1
Asset management fees	277,764	750,575	472,811	170.2
Other operating expenses *4	57,235	158,556	101,321	177.0
Operating profit	2,089,629	5,348,409	3,258,780	156.0
Non-operating revenues	893	24,096	23,202	2,597.2
Non-operating expenses	837,317	510,792	(326,524)	(39.0)
Interest expense	144,738	398,386	253,647	175.2
Investment units issuance costs	293,249	-	(293,249)	(100.0)
Other offering costs associated with the issuance of investment units	149,006	-	(149,006)	(100.0)
Organization expenses	100,000	-	(100,000)	(100.0)
Other non-operating expenses *5	150,323	112,406	(37,916)	(25.2)
Ordinary income	1,253,205	4,861,713	3,608,507	287.9
Income before income taxes	1,253,205	4,861,713	3,608,507	287.9
Income tax, etc.	1,654	904	(750)	(45.3)
Net income	1,251,550	4,860,808	3,609,257	288.4
Retained earnings brought forward	-	940	940	-
Retained earnings at end of period	1,251,550	4,861,749	3,610,198	288.5
Total cash distribution	1,250,610	4,860,893	3,610,283	288.7

*Reference [2nd Fiscal Period]

- Real estate rental profits : ¥6,257,542 thousand
(Change from previous FP : ¥3,832,913 thousand)
 - Incidental income
Utility charges : ¥490,853 thousand
 - Other real estate rental revenues
Cancellation penalties, etc.
 - Other operating expenses
Asset custody fee : ¥14,248 thousand
Administrative service fees : ¥64,036 thousand
Directors fee, etc. : ¥4,800 thousand
 - Other non-operating
Loan arrangement fees, etc. : ¥108,656 thousand
- (reference) Renovation expenses
Repairs and maintenance : ¥185,676 thousand
Capital expenditure : ¥153,681 thousand
Total : ¥339,358 thousand
(22.7% of depreciation)

*Figures are rounded down to the nearest thousand.

Balance Sheet

Assets

	1st Fiscal Period as of Aug. 31, 2013		2nd Fiscal Period as of Feb. 28, 2014	
	Amount	Ratio	Amount	Ratio
Current assets	21,561,011	8.5	21,357,367	8.2
Cash and bank deposits	5,054,509	2.0	8,271,101	3.2
Cash and bank deposits in trust	11,405,579	4.5	12,717,717	4.9
Other current assets	5,100,922	2.0	368,548	0.1
Noncurrent assets	230,704,391	91.5	240,225,504	91.8
Property and equipment *1	225,667,946	89.5	235,215,801	89.9
Real estate	3,542,982	1.4	14,377,435	5.5
Buildings	1,102,648	0.4	3,460,368	1.3
Land	2,440,333	1.0	10,917,067	4.2
Real estate in trust	222,124,964	88.1	220,815,140	84.4
Buildings in trust	93,420,419	37.0	92,115,158	35.2
Land in trust	128,704,544	51.0	128,699,981	49.2
Construction in Progress	-	-	23,225	0.0
Intangible assets	3,832,815	1.5	3,840,489	1.5
Leasehold rights in trust	3,821,371	1.5	3,829,099	1.5
Other	11,444	0.0	11,389	0.0
Investment and other assets	1,203,629	0.5	1,169,214	0.4
Security deposits	515,926	0.2	516,126	0.2
Long-term prepaid expenses	648,601	0.3	613,881	0.2
Other	39,101	0.0	39,205	0.0
Total assets	252,265,402	100.0	261,582,872	100.0

*1 Property and equipment

(unit : million of yen)

	Acqisition Price	Accumulated Depreciation	(Depreciation for current FP)	Book value at FP end
Real estate, etc.	237,412	2,196	(1,497)	235,215
Buildings	3,505	45	(38)	3,460
Land	10,917	-	-	10,917
Buildings in trust	94,266	2,150	(1,458)	92,115
Land in trust	128,699	-	-	128,699
Construction in Progress	23	-	-	23

Liabilities and net assets

	1st Fiscal Period as of Aug. 31, 2013		2nd Fiscal Period as of Feb. 28, 2014	
	Amount	Ratio	Amount	Ratio
Current Liabilities	19,327,922	7.7	18,774,345	7.2
Trade accounts payable	262,587	0.1	330,137	0.1
Short-term debt *2	16,500,000	6.5	16,500,000	6.3
Current portion of long-term debt *2	85,600	0.0	85,600	0.0
Other accounts payable	1,085,077	0.4	207,946	0.1
Accrued income taxes	1,522	0.0	651	0.0
Accrued consumption taxes	-	-	179,119	0.1
Accrued expenses	10,657	0.0	10,053	0.0
Rent received in advance	1,335,425	0.5	1,459,897	0.6
Other current liabilities	47,050	0.0	939	0.0
Long-term Liabilities	70,565,524	28.0	76,826,372	29.4
Long-term debt *2	61,893,000	24.5	67,850,200	25.9
Security deposits from tenants	167,762	0.1	525,160	0.2
Security deposits from tenants in trust	8,504,761	3.4	8,451,011	3.2
Total liabilities	89,893,446	35.6	95,600,717	36.5
Unitholders' equity	162,371,955	64.4	165,982,154	63.5
Unitholders' capital	161,120,405	63.9	161,120,405	61.6
Retained earnings	1,251,550	0.5	4,861,749	1.9
Total net assets	162,371,955	64.4	165,982,154	63.5
Total liabilities and net assets	252,265,402	100.0	261,582,872	100.0

*2 Debt (long-term debt due within a year are included in the short-term debt)

Balance of interest-bearing debt (millions of yen) 84,435

Total asset interest-bearing debt ratio $\left[\frac{\text{Short-term debt} + \text{Long-term debt}}{\text{Total assets}} \right]$ 32.3%

Long-term interest-bearing debt ratio $\left[\frac{\text{Long-term debt}}{\text{Short-term debt} + \text{Long-term debt}} \right]$ 80.4%

Cash Flow Statement

	1st Fiscal Period Jan. 31, 2013 - Aug. 31, 2013 (¥000)	2nd Fiscal Period Sep. 1, 2013 - Feb. 28, 2014 (¥000)
I. Cash flows from operating activities		
Income before income taxes	1,253,205	4,861,713
Depreciation	699,118	1,499,067
Investment units issuance costs	293,249	—
Interest income	(889)	(1,873)
Interest expenses	144,738	398,386
Decrease (increase) in rental receivables	(138,211)	30,301
Decrease (increase) in prepaid expenses	(228,972)	30,880
Decrease (increase) in consumption taxes receivable	(4,713,348)	4,713,348
Decrease (increase) in long-term prepaid expenses	(648,601)	34,719
Decrease (increase) in long-term deposits	(39,101)	(104)
Increase (decrease) in trade accounts payable	262,587	67,549
Increase (decrease) in other accounts payable	376,561	(327,789)
Increase (decrease) in accrued consumption taxes	—	179,119
Increase (decrease) in rent received in advance	1,335,425	124,471
Othe	26,709	(88,137)
Subtotal	(1,377,528)	11,521,651
Interest received	889	1,873
Interest paid	(134,081)	(398,990)
Income taxes paid	(180)	(1,903)
Net cash provided by (used in) operating activities	(1,510,901)	11,122,630
II. Cash flows from investing activities		
Payments for purchases of property and equipment	(3,548,856)	(10,873,920)
Payments for purchases of property and equipment in trust	(222,115,087)	(743,476)
Payments for purchases of intangible assets	(7,900)	(5,350)
Payments for purchases of intangible assets in trust	(3,819,519)	(9,155)
Reimbursement of security deposits to tenants	—	(11,364)
Proceeds from security deposits from tenants	167,762	368,763
Reimbursement of security deposits to tenants in trust	(23,066)	(103,402)
Proceeds from security deposits from tenants in trust	8,527,827	49,652
Payments for security deposits	(515,926)	(200)
Net cash provided by (used in) investing activities	(221,334,766)	(11,328,454)
III. Cash flows from financing activities		
Proceeds from short-term debt	16,500,000	5,000,000
Repayment of short-term debt	—	(5,000,000)
Proceeds from long-term debt	62,000,000	6,000,000
Repayment of long-term debt	(21,400)	(42,800)
Proceeds from issuance of investment units	161,120,405	—
Payments for investment units issuance costs	(293,249)	—
Distributions to unitholders	—	(1,222,645)
Net cash provided by (used in) financing activities	239,305,755	4,734,554
IV. Net increase (decrease) in cash and cash equivalents	16,460,088	4,528,730
V. Cash and cash equivalents at beginning of period	—	16,460,088
VI. Cash and cash equivalents at end of period	16,460,088	20,988,819

Forecasts for the 3rd and 4th Fiscal Period

	2nd FP Result From Sep. 1, 2013 To Feb. 28, 2014	3rd FP Forecast From Mar. 1, 2014 To Aug. 31, 2014	4th FP Forecast From Sep. 1, 2014 To Feb. 28, 2015	Difference (3rd FP - 2nd FP)	Difference (4th FP - 3rd FP)
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
Operating revenue	9,176	9,294	9,383	117	88
Real estate rental revenues	9,176	9,294	9,383	117	88
Operating expenses	3,827	4,729	4,830	901	100
Real estate rental expenses	2,918	3,808	3,854	889	46
Repairs and maintenance	185	216	282	30	66
Tax and public dues	-	733	733	733	0
Depreciation	1,497	1,531	1,544	33	12
Asset management fees	750	792	766	41	(25)
Other operating expenses	158	129	209	(29)	79
Operating profit	5,348	4,564	4,552	(784)	(11)
Non-operating revenues	24	-	-	(24)	-
Non-operating expenses	510	565	554	54	(10)
Interest expenses, loan arrangement fees	507	563	554	56	(9)
Ordinary income	4,861	3,999	3,997	(862)	(1)
Net income	4,860	3,998	3,996	(862)	(1)

Number of investment units issued (units)	1,665,260	1,665,260	1,665,260	0	0
Cash distribution per unit (yen)	2,919	2,400	2,400	(519)	0
Number of properties	55	55	55	0	0

Assumptions

【Properties】

Number of properties * : 55 properties

* Does not include Silent Partnership Interest of Ryoke Capital Godo Gaisha

Total amount of acquisition price : ¥238,023 million

【Repair expenses】

¥807 million for 3rd fiscal period (¥590 million of which is capital expenditure)

Example)

Morisia Tsudanuma (Store renewal) : ¥208 million

covima machida (Renewal of the air-conditioning system) : ¥175 million

Izumiya Obayashi (Seismic strengthening) : ¥174 million

¥485 million for 4th Fiscal Period (¥203 million of which is capital expenditure)

Example)

Yokosuka More's City (Renewal of the exterior package 1st phase) : ¥108 million

Morisia Tsudanuma (Installation of LED) : ¥44 million

【Loans】

Total Interest-bearing debt (as of Feb. 28, 2014) : ¥84,435 million

Interest-bearing debt repayment due during 3rd FP

Repayment through loans (March 2014, May 2014) : ¥13,500 million

Agreed repayment (March 2014, May 2014, Aug. 2014) : ¥3,042 million

Interest-bearing debt repayment due during 4th FP

Repayment through loans (-) : — million

Agreed repayment (Nov. 2014, Feb. 2015) : ¥42 million

Realizing **Stable growth**

**Enhance investment
unit price**

Secure stable income

**Maximize real estate
value**

Investment strategy

- **Set mid-term asset size target**
- **Construct a stable portfolio**
- **Expand outside acquisition routs**

Management strategy

- Based on long-term lease contracts,**
- **Maintain high occupancy rate**
 - **Maintain and improve rent level**

Financial strategy

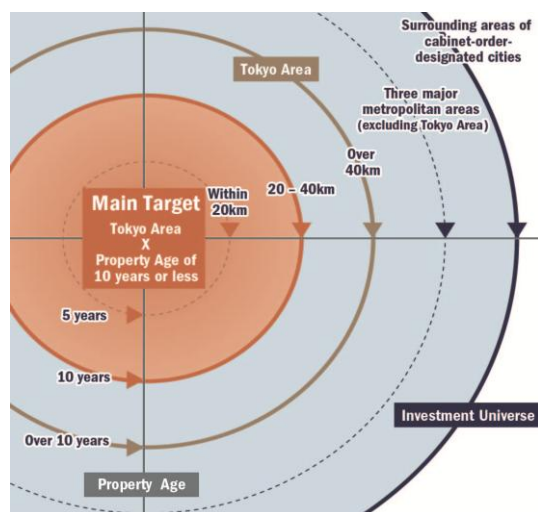
- **Establish stable financial base**
- **Oversee finance along the market**

Aim for stable distributions based on explicit concepts

External Growth Strategy

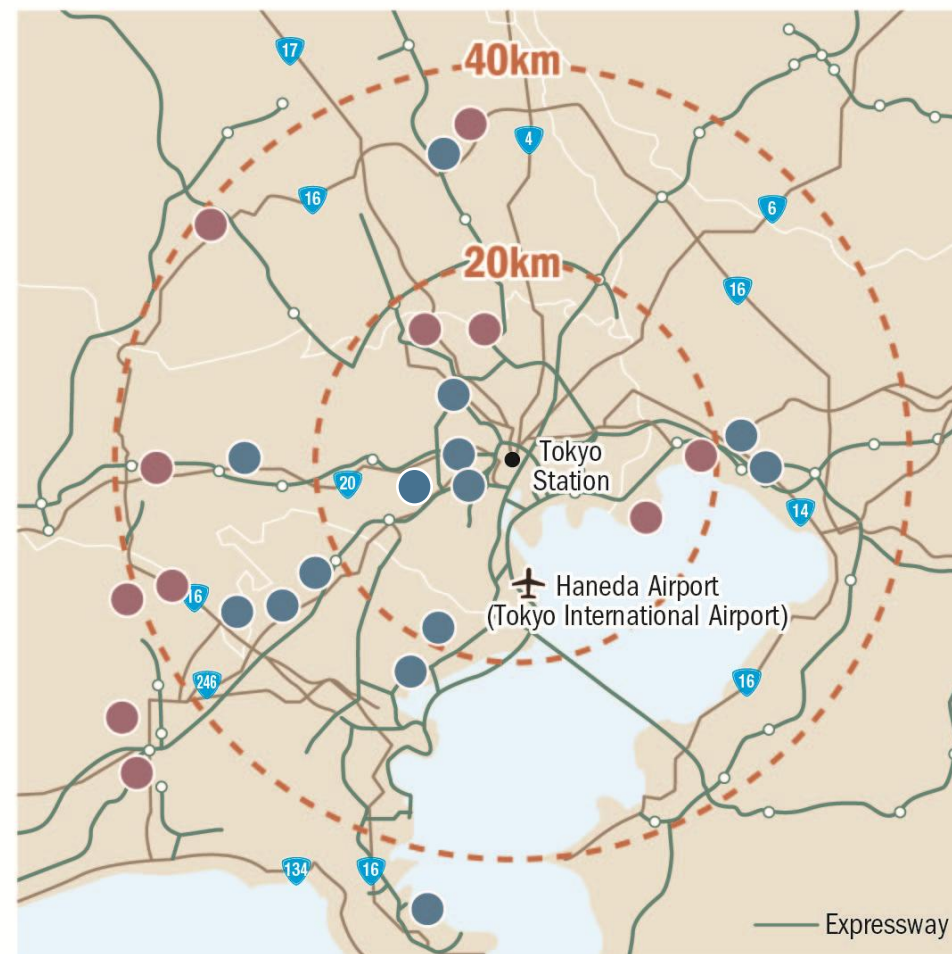
Investment target

- Invest with greater Tokyo area as core (at least 80% in principle) with strong demand
- Acquire competitive properties no older than 10 years



Sector	Yield target	Comments
Logistics	5.0% ~ 6.0%	High-functioning logistics facilities in competitive locations with quality specs regardless of size
Retail (residential area)	5.0% ~ 6.0%	NSC centering on food supermarkets with dense population areas
Retail (station area)	Around 4.5%	Retail buildings (services, sales and restaurants) near train stations in areas of commercial accumulation

Locations of properties owned



● : Logistics

● : Retail

Overview of Property Acquired During 2nd Fiscal Period

Recipe SHIMOKITA

Retail
(station area)



Overview of property

Completion	July 2011
Location	Kitazawa, Setagaya-ku, Tokyo
Nearest station	Approx. 1-minute walk from Shimokitazawa station (Odakyu Odawara Line, Keio Inokashira Line)
Acquisition date	December 13, 2013
Agreement date	September 30, 2013
Acquisition price	¥10,407 million
Estimated NOI yield	4.4%
Total leasable floor space	6,295.22m ² (1,904.30 tsubo)
Occupancy rate	99.5% (February 28)

<MAP>



<Key evaluation points>

- Excellent location a 1-minute walk from Shimokitazawa Station on the Odakyu Odawara and Keio Inokashira lines
- Further enhancement of the ratio of investment in greater Tokyo area
- Completed in 2011, the property is new

<Portfolio status>

Greater Tokyo area

84.6% (+0.7%)

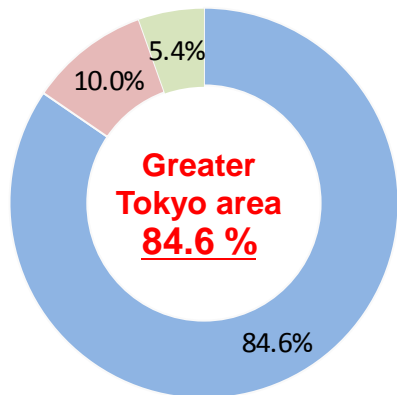
* Based on acquisition price

Average age

13.3 y(-0.5 y)

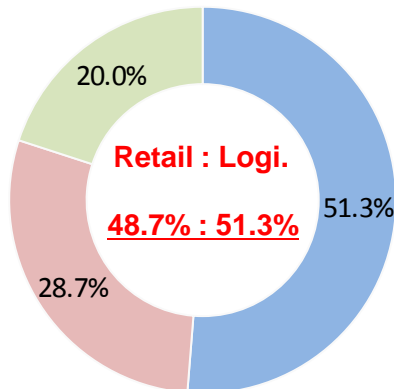
* As of Feb. 28, 2014

Diversification by region



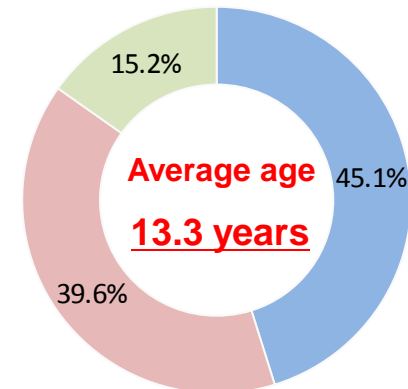
Greater Tokyo area Kinki area Others

Incorporation by use



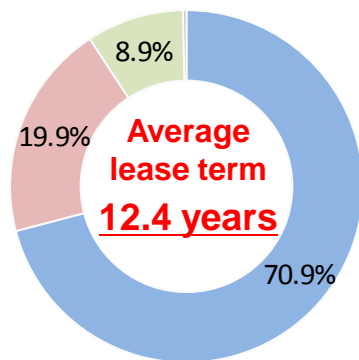
Logistics Retail (station) Retail (residential)

Portfolio building age



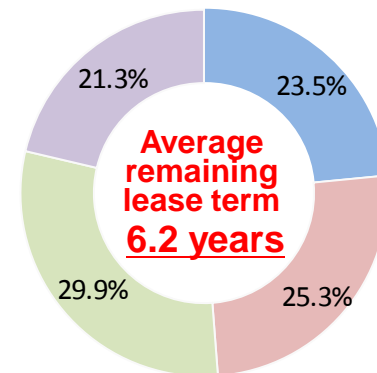
10 years or more 5 to 10 years Less than 5 years

Lease term (based on leased floor space)



10 years or more 5 to 10 years
2 to 5 years Less than 2 years

Lease term remaining (based on leased floor space)



10 years or more 5 to 10 years
2 to 5 years Less than 2 years

Portfolio List

Type	Area	Property name	Location	Acquisition Price (in millions)	Investment Rate (%)	Appraisal Value (in millions)	Leasable Space (㎡)	Occupancy Rate (%)	PML (%)
Logistics	Tokyo Area	Landport Urayasu	Urayasu City, Chiba	17,400	7.3	18,600	70,045.85	100.0	4.61
		Landport Itabashi	Itabashi-ku, Tokyo	15,710	6.6	16,900	52,794.55	100.0	6.17
		Landport Kawagoe	Kawagoe City, Saitama	13,700	5.8	14,000	71,569.89	100.0	4.85
		Landport Atsugi	Atsugi City, Kanagawa	11,410	4.8	12,100	47,995.23	100.0	10.06
		Sagamihara Tana Logistics Center	Sagamihara City, Kanagawa	10,600	4.5	11,300	50,450.00	100.0	4.92
		Sagamihara Onodai Logistics Center	Sagamihara City, Kanagawa	8,700	3.7	9,360	57,448.03	100.0	12.96
		Landport Hachioji	Hachioji City, Tokyo	8,250	3.5	8,710	34,896.32	100.0	11.29
		Landport Kasukabe	Kasukabe City, Saitama	7,340	3.1	7,710	29,630.48	100.0	7.33
		Funabashi Logistics Center	Funabashi City, Chiba	4,660	2.0	4,930	30,641.98	100.0	5.24
		Atsugi Minami Logistics Center B Tower	Atsugi City, Kanagawa	4,590	1.9	4,850	24,909.96	100.0	12.38
		Hanyu Logistics Center	Hanyu City, Saitama	3,810	1.6	4,180	24,850.80	100.0	5.15
		Kawaguchi Logistics Center B Tower	Kawaguchi City, Saitama	3,750	1.6	4,080	13,648.70	100.0	5.05
		Kawaguchi Logistics Center A Tower	Kawaguchi City, Saitama	2,830	1.2	3,090	12,003.57	100.0	6.32
		Atsugi Minami Logistics Center A Tower	Atsugi City, Kanagawa	2,690	1.1	2,970	9,825.52	100.0	12.35
	Other	Ota Nitta Logistics Center	Ota City, Gunma	3,430	1.4	3,690	42,328.00	100.0	2.01
		Ota Higashishinmachi Logistics Center	Ota City, Gunma	2,170	0.9	2,380	23,584.72	100.0	1.39
		Ota Kiyohara Logistics Center	Ota City, Gunma	650	0.3	702	9,397.38	100.0	1.39
		Chiyodamachi Logistics Center	Oura-Gun, Gunma	330	0.1	355	4,592.00	100.0	7.23
Logistics Subtotal (18 properties)				122,020	51.3	129,907	610,612.98	100.0	5.76

Type	Area	Property name	Location	Acquisition Price (in millions)	Investment Rate (%)	Appraisal Value (in millions)	Leasable Space (㎡)	Occupancy Rate (%)	PML (%)
Retail other than land-only property	Tokyo Area	Morisita Tsudanuma	Narashino City, Chiba	16,600	7.0	17,300	39,300.16	97.6	5.93
		Yokosuka More's City	Yokosuka City, Kanagawa	13,640	5.7	14,400	29,383.65	100.0	12.79
		Recipe SHIMOKITA	Setagaya-ku, Tokyo	10,407	4.4	10,600	6,295.22	99.5	2.71
		EQUINIA Shinjuku	Shinjuku-ku, Tokyo	4,260	1.8	4,330	3,611.59	88.3	7.5
		Kawasaki More's	Kawasaki City, Kanagawa	4,000	1.7	4,200	14,446.48	100.0	11.24
		EQUINA Ikebukuro	Toshima-ku, Tokyo	3,990	1.7	4,140	2,701.66	99.7	10.82
		covima machida	Machida City, Tokyo	3,440	1.4	3,840	2,891.32	100.0	14.8
		Nitori Makuhari	Chiba City, Chiba	3,080	1.3	3,310	14,367.98	100.0	5.93
		Konami Sports Club Fuchu	Fuchu City, Tokyo	2,730	1.1	3,050	12,385.18	100.0	2.4
		FESTA SQUARE	Saitama City, Saitama	2,600	1.1	2,810	7,480.63	100.0	6.36
		GEMS Shibuya	Shibuya-ku, Tokyo	2,490	1.0	2,500	1,791.34	89.9	1.81
		Sundai Azamino	Yokohama City, Kanagawa	1,700	0.7	1,790	2,286.47	100.0	6.93
		EQUINIA Aobadai	Yokohama City, Kanagawa	1,560	0.7	1,700	2,457.36	100.0	9.91
		Megalos Kanagawa	Yokohama City, Kanagawa	1,000	0.4	1,210	6,217.85	100.0	11.24
	Kinki Area	Izumiya Senrioka	Suita City, Osaka	8,930	3.8	10,000	24,399.12	100.0	14.44
		Merad Owada	Osaka City, Osaka	6,640	2.8	6,960	14,941.54 (Retail) 5,856.50 (Logistics)	100.0	10.16
		Izumiya Yao	Yao City, Osaka	4,406	1.9	4,710	34,198.01	100.0	14.37
		Izumiya Obayashi	Takarazuka City, Hyogo	3,020	1.3	3,270	11,714.36	100.0	12.95
	Other	Ishibanchou star	Sendai City, Miyagi	4,700	2.0	5,170	4,582.81	100.0	2.76
		EQUINIA Aobadori	Sendai City, Miyagi	1,640	0.7	1,760	4,030.37	100.0	0.34
	Tokyo Area	Mitsubishi Motors Meguro	Meguro-ku, Tokyo	2,740	1.2	2,810	3,381.19	100.0	—
		Mitsubishi Motors Chofu	Chofu-shi, Tokyo	1,760	0.7	1,840	4,183.63	100.0	—
		Mitsubishi Motors Shibuya	Shibuya-ku, Tokyo	1,570	0.7	1,740	1,421.31	100.0	—
		Mitsubishi Motors Nerima	Nerima-ku, Tokyo	1,240	0.5	1,270	1,725.61	100.0	—
		Mitsubishi Motors Kawasaki	Kawasaki City, Kanagawa	950	0.4	1,010	3,057.02	100.0	—
		Mitsubishi Motors Takaide	Suginami-ku, Tokyo	850	0.4	898	1,923.64	100.0	—
		Mitsubishi Motors Katsushika	Katsushika-ku, Tokyo	800	0.3	815	1,930.05	100.0	—
		Mitsubishi Motors Higashikurume	Higashikurume City, Tokyo	800	0.3	815	4,105.00	100.0	—
		Mitsubishi Motors Setagaya	Setagaya-ku, Tokyo	770	0.3	783	1,305.78	100.0	—
		Mitsubishi Motors Suginami	Suginami-ku, Tokyo	740	0.3	793	1,831.00	100.0	—
		Mitsubishi Motors Sekimachi	Nerima-ku, Tokyo	600	0.3	614	989.77	100.0	—
		Mitsubishi Motors Higashiyamato	Higashiyamato City, Tokyo	450	0.2	488	2,783.79	100.0	—
		Mitsubishi Motors Motomiyoshi	Kawasaki City, Kanagawa	370	0.2	375	1,646.97	100.0	—
		Mitsubishi Motors Kawagoe	Kawagoe City, Saitama	350	0.1	356	2,462.40	100.0	—
		Mitsubishi Motors Edogawa	Edogawa-ku, Tokyo	200	0.1	210	892.56	100.0	—
		Mitsubishi Motors Sayama	Sayama City, Saitama	160	0.1	166	1,793.00	100.0	—
	Kinki Area	Mitsubishi Motors Ibaraki Maintenance Center	Ibaraki City, Osaka	820	0.3	878	5,704.24	100.0	—
Retail Subtotal (37 properties)				116,003	48.7	122,911	286,476.56	99.4	5.53
Total (55 properties)				227,616	100.0	252,818	897,089.54	99.8	5.24

List of End-of Period Appraisal Value

Property Name		Acquisition Price (¥ mln)	Book Value at 2nd Period End (¥ mln)	Appraisal Value at 2nd Period End (¥ mln)	Appraisal Value at 1st Period End (¥ mln)	Difference between (¥ mln)	Change
Tokyo Area	Landport Urayasu	17,400	17,364	18,600	18,200	400	2.2%
	Landport Itabashi	15,710	15,699	16,900	16,500	400	2.4%
	Landport Kawagoe	13,700	13,637	14,000	13,900	100	0.7%
	Landport Atsugi	11,410	11,322	12,100	12,000	100	0.8%
	Sagamihara Tana Logistics Center	10,600	10,974	11,300	11,100	200	1.8%
	Sagamihara Onodai Logistics Center	8,700	8,676	9,360	9,180	180	2.0%
	Landport Hachioji	8,250	8,206	8,710	8,690	20	0.2%
	Landport Kasukabe	7,340	7,283	7,710	7,560	150	2.0%
	Funabashi Logistics Center	4,660	4,692	4,930	4,840	90	1.9%
	Atsugi Mnam Logistics Center B Tower	4,590	4,573	4,850	4,750	100	2.1%
	Hanyu Logistics Center	3,810	3,779	4,180	4,180	-	-
	Kawaguchi Logistics Center B Tower	3,750	3,760	4,080	4,070	10	0.2%
	Kawaguchi Logistics Center A Tower	2,830	2,845	3,090	3,030	60	2.0%
	Atsugi Mnam Logistics Center A Tower	2,690	2,691	2,970	2,910	60	2.1%
Other	Ota Nitta Logistics Center	3,430	3,393	3,690	3,690	-	-
	Ota Higashishinmachi Logistics Center	2,170	2,149	2,380	2,380	-	-
	Ota Kiyohara Logistics Center	650	643	702	700	2	0.3%
Chiyodamachi Logistics Center		330	332	355	354	1	0.3%
Logistics Subtotal (18 properties)		122,020	122,029	129,907	128,034	1,873	1.5%

Comparison with the previous period

	At acquisition ⇒ 1st Period	1st Period ⇒ 2nd Period
Increase	40	42
±0	11	12
Decrease	3	1

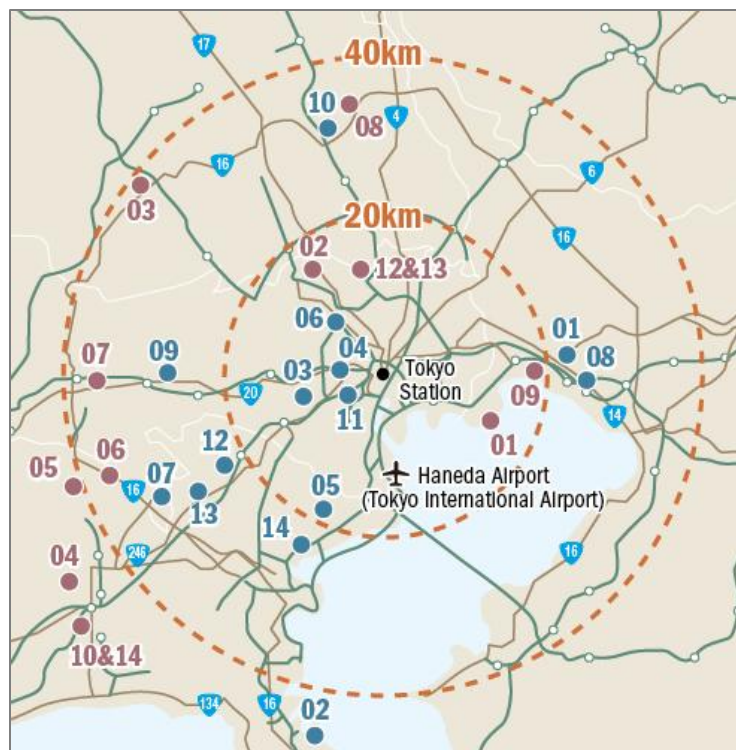
Property Name		Acquisition Price (¥ mln)	Book Value at 2nd Period End (¥ mln)	Appraisal Value at 2nd Period End (¥ mln)	Appraisal Value at 1st Period End (¥ mln)	Difference between (¥ mln)	Change
Tokyo Area	Morisita Tsudanuma	16,600	16,730	17,300	17,200	100	0.6%
	Yokosuka More's City	13,640	13,681	14,400	14,200	200	1.4%
	Recipe SHIMOKITA	10,407	10,858	10,600	10,600	-	-
	EQUINIA Shinjuku	4,260	4,297	4,330	4,330	-	-
	Kawasaki More's	4,000	4,052	4,200	4,220	▲20	▲0.5%
	EQUINIA Ikebukuro	3,990	4,015	4,140	4,140	-	-
	covima machida	3,440	3,465	3,840	3,780	60	1.6%
	Nitori Makuhari	3,080	3,067	3,310	3,310	-	-
	Konami Sports Club Fuchu	2,730	2,732	3,050	2,990	60	2.0%
	FESTA SQUARE	2,600	2,587	2,810	2,810	-	-
	GEMS Shibuya	2,490	2,517	2,500	2,500	-	-
	Sundai Azamino	1,700	1,693	1,790	1,760	30	1.7%
	EQUINIA Aobadai	1,560	1,570	1,700	1,690	10	0.6%
	Megalos Kanagawa	1,000	1,024	1,210	1,190	20	1.7%
Kinki Area	Izumiyu Senrioka	8,930	8,931	10,000	9,820	180	1.8%
	Merad Owada	6,640	6,667	6,960	6,960	-	-
	Izumiyu Yao	4,406	4,405	4,710	4,640	70	1.5%
Other	Izumiyu Obayashi	3,020	3,046	3,270	3,190	80	2.5%
	Ichibancho stear	4,700	4,710	5,170	5,090	80	1.6%
	EQUINIA Aobadori	1,640	1,624	1,760	1,740	20	1.1%
	Mitsubishi Motors Meguro	2,740	2,764	2,810	2,800	10	0.4%
	Mitsubishi Motors Chofu	1,760	1,776	1,840	1,820	20	1.1%
	Mitsubishi Motors Shibuya	1,570	1,586	1,740	1,690	50	3.0%
	Mitsubishi Motors Nerima	1,240	1,251	1,270	1,270	-	-
	Mitsubishi Motors Kawasaki	950	959	1,010	1,010	-	-
	Mitsubishi Motors Takaido	850	859	898	889	9	1.0%
	Mitsubishi Motors Katsushika	800	808	815	810	5	0.6%
	Mitsubishi Motors Higashikurume	800	808	815	813	2	0.2%
	Mitsubishi Motors Setagaya	770	779	783	777	6	0.8%
	Mitsubishi Motors Suginami	740	748	793	781	12	1.5%
	Mitsubishi Motors Sekimachi	600	606	614	612	2	0.3%
Land-only retail property	Mitsubishi Motors Higashiyamato	450	455	488	484	4	0.8%
	Mitsubishi Motors Motosumiyoshi	370	375	375	374	1	0.3%
	Mitsubishi Motors Kawagoe	350	355	356	353	3	0.8%
	Mitsubishi Motors Edogawa	200	204	210	207	3	1.4%
	Mitsubishi Motors Sayama	160	163	166	165	1	0.6%
	Mitsubishi Motors Ibaraki Maintenance Center	820	829	878	877	1	0.1%
Retail Subtotal (37 properties)		116,003	117,015	122,911	121,892	1,019	0.8%
Total (55 properties)		238,023	239,044	252,818	249,926	2,892	1.2%

Difference between Book Value and Appraisal Value
(B) - (A)

¥13,773 mln

(¥8,270/unit)

Portfolio Map

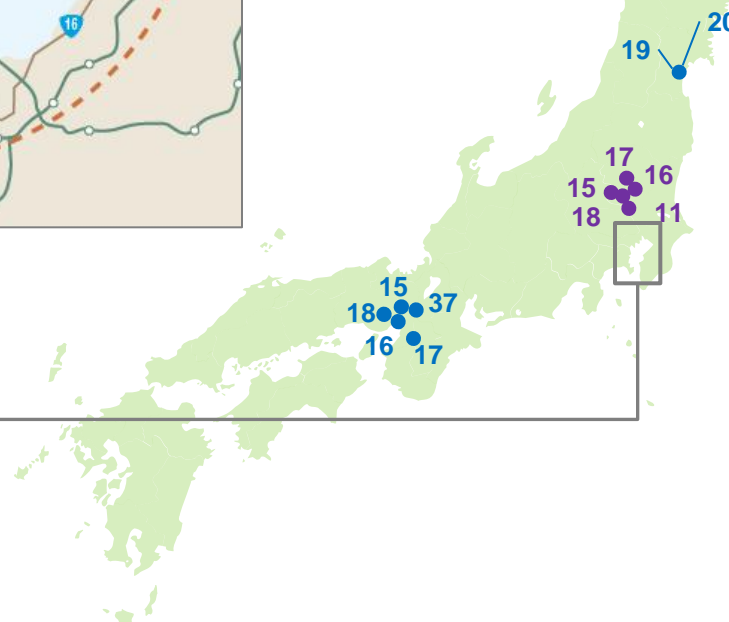


Logistics

- 01 Landport Urayasu
- 02 Landport Itabashi
- 03 Landport Kawagoe
- 04 Landport Atsugi
- 05 Sagamihara Tana Logistics Center
- 06 Sagamihara Onodai Logistics Center
- 07 Landport Hachioji
- 08 Landport Kasukabe
- 09 Funabashi Logistics Center
- 10 Atsugi-Minami Logistics Center B Tower
- 11 Hanyu Logistics Center
- 12 Kawaguchi Logistics Center B Tower
- 13 Kawaguchi Logistics Center A Tower
- 14 Atsugi-Minami Logistics Center A Tower
- 15 Ota Nitta Logistics Center
- 16 Ota Higashi-Shinmachi Logistics Center
- 17 Ota Kiyohara Logistics Center
- 18 Chiyodamachi Logistics Center

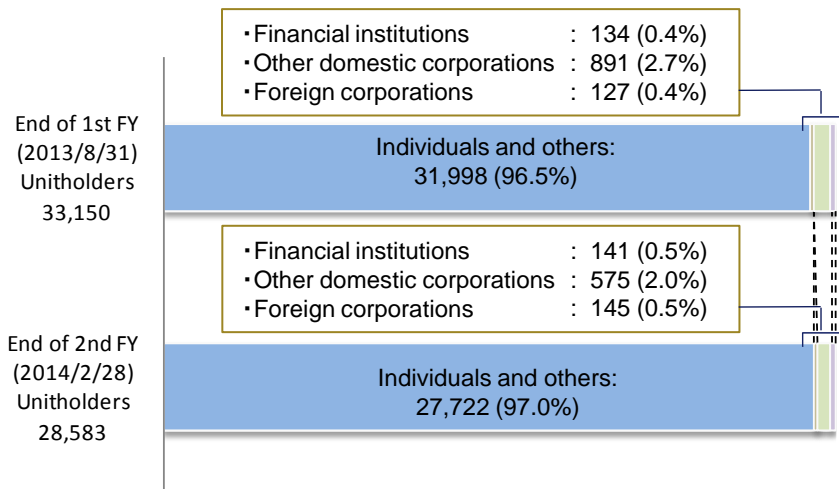
Retail

- 01 Morisia Tsudanuma
- 02 Yokosuka More's City
- 03 Recipe SHIMOKITA
- 04 EQUINIA Shinjuku
- 05 Kawasaki More's
- 06 EQUINIA Ikebukuro
- 07 Covirna machida
- 08 Nitori Makuhari
- 09 Konami Sports Club Fuchu
- 10 FESTA SQUARE
- 11 GEMS Shibuya
- 12 Sundai Azamino
- 13 EQUINIA Aobadai
- 14 Megalos Kanagawa
- 15 Izumiya Senrioka
- 16 Merad Owada
- 17 Izumiya Yao
- 18 Izumiya Obayashi
- 19 Ichibancho stear
- 20 EQUINIA Aobadori
- 21 Mitsubishi Motors Meguro (Land)
- 22 Mitsubishi Motors Chofu (Land)
- 23 Mitsubishi Motors Shibuya (Land)
- 24 Mitsubishi Motors Nerima (Land)
- 25 Mitsubishi Motors Kawasaki (Land)
- 26 Mitsubishi Motors Takaido (Land)
- 27 Mitsubishi Motors Katsushika (Land)
- 28 Mitsubishi Motors Higashikurume (Land)
- 29 Mitsubishi Motors Setagaya (Land)
- 30 Mitsubishi Motors Suginami (Land)
- 31 Mitsubishi Motors Sekimachi (Land)
- 32 Mitsubishi Motors Higashiyamato (Land)
- 33 Mitsubishi Motors Motosumiyoshi (Land)
- 34 Mitsubishi Motors Kawagoe (Land)
- 35 Mitsubishi Motors Edogawa (Land)
- 36 Mitsubishi Motors Sayama (Land)
- 37 Mitsubishi Motors Ibaraki Maintenance Center (Land)

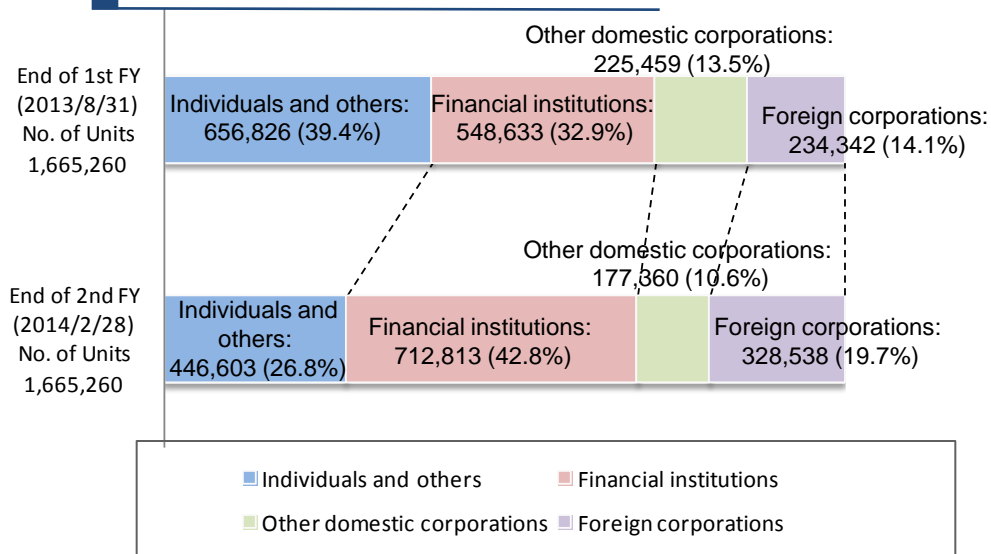


Unitholders (at end of 2nd Fiscal Period)

Number of unitholders



Number of investment units



Breakdown of financial institutions

	End of 1st period		End of 2nd period	
Banks	27,131 units	1.63%	40,102 units	2.41%
Trust banks	415,931 units	24.98%	570,945 units	34.29%
Life insurance companies	25,640 units	1.54%	23,299 units	1.40%
Non-life insurance companies	2,100 units	0.13%	703 units	0.04%
Other financial institutions	77,831 units	4.67%	77,764 units	4.67%
Total	548,633 units	32.95%	712,813 units	42.80%

Top 10 unitholders

Unitholder	Number of units	Ratio
1 Japan Trustee Services Bank, Ltd.	282,629	16.97%
2 Trust & Custody Services Bank, Ltd.	90,669	5.44%
3 Nomura Real Estate Development Co., Ltd.	87,820	5.27%
4 The Master Trust Bank of Japan, Ltd.	86,967	5.22%
5 The Nomura Trust and Banking Co., Ltd.	85,617	5.14%
6 Nomura Bank Luxembourg SA	51,443	3.09%
7 The Bank of New York, Non-Treaty JASDEC Account	30,273	1.82%
8 Credit Suisse Securities (Europe) Limited PB Omnibus Client Account	20,775	1.25%
9 Northern Trust Co. (AVFC) RE 10PCT Treaty Account	17,267	1.04%
10 State Street Bank and Trust Company	15,948	0.96%
Total	769,408	46.20%

Tenant Status (at end of 2nd Fiscal Period)

Top 10 tenants (based on leased area)

	Tenant	Use	Property Name	Total leased area (m ²)	Ratio (%)
1	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu Sagamihara Onodai Logistics Center	92,389.48	10.3
2	Izumiya Co., Ltd.	Retail	Izumiya Senrioka Izumiya Yao Izumiya Obayashi	70,311.49	7.9
3	Amazon Japan Logistics K.K.	Logistics	Landport Kawagoe	56,377.76	6.3
4	Neovia Logistics Service	Logistics	Sagamihara Tana Logistics Center	50,450.00	5.6
5	Yokohama Okadaya	Retail	Yokosuka More's City Kawasaki More's	43,830.13	4.9
6	Mitsui-Soko Logistics Co., Ltd.	Logistics	Ota Nitta Logistics Center	42,328.00	4.7
7	Undisclosed (Note)	Retail (land)	Mitsubishi Motors (Total 17 properties)	41,136.96	4.6
8	ASKUL Corporation	Logistics	Landport Itabashi	37,276.71	4.2
9	Otsuka Warehouse Co., Ltd.	Logistics	Landport Urayasu	35,104.40	3.9
10	Shinkai Transport Systems, Ltd.	Logistics	Landport Hachioji	34,896.32	3.9
Top 10 tenants total				504,101.25	56.3

(Note) The name of the tenant is undisclosed due to unavoidable circumstances.

Changes in Financial Performance

		1st FP	2nd FP
Operating Revenues	million yen	3,683	9,176
Operating Profits	million yen	2,089	5,348
Net Income	million yen	1,251	4,860
Asset Total	million yen	252,265	261,582
Interest-bearing Debt Total	million yen	78,478	84,435
Net Asset	million yen	162,371	165,982
Return on Assets (ROA)	%	2.5	3.8
Return on Equity (ROE)	%	3.5	6.0
FP End Capital Adequacy Ratio	%	64.4	63.5
LTV	%	31.1	32.3
Interest Coverage Ratio	times	9.6	13.2
Weighted Average Interest Rate	%	0.99	0.98
Debt Average Remaining Duration	years	4.8	4.4
Rent NOI	million yen	3,123	7,755
NOI Yield (acquisition price base)	%	6.26	6.57
FFO	million yen	1,950	6,359
Number of Properties	properties	54	55
Acquisition Price Total	million yen	227,616	238,023
Book Value Total	million yen	229,489	239,044
Appraisal Value Total	million yen	239,326	252,818
NAV per Unit	thousand yen	103	107

ROA=Current Profits/((Total Asset Value at Start of FP+Total Asset Value at FP End)÷2)×100 *annual basis

*For the total asset value at start of 1st FP, total assets amount on the date of commencement of the actual asset management (June 13, 2013) is used

ROE=Net Income/((Net Asset at FP Start+Net Asset at FP End)÷2)×100 *annual basis

*For the net asset at start of 1st FP, total net asset amount on the date of commencement of the actual asset management (June 13, 2013) is used

Capital Adequacy Ratio at FP End=Net Asset at FP End/Total Asset at FP End × 100

LTV=Total Interest-bearing Debt at FP End/Total Asset at FP End × 100

Interest Coverage Ratio=Net Income Before Interest Depreciation/(Interest Expenses+Investment Corporation Bond Interest)

Rent NOI=Real Estate Rental Business Revenues-Real Estate Rental Business Income+Current FP Depreciation and Amortization

NOI Yield (Acquisition Price Base)=Rent NOI/Total Acquisition Price × 100 *annual basis

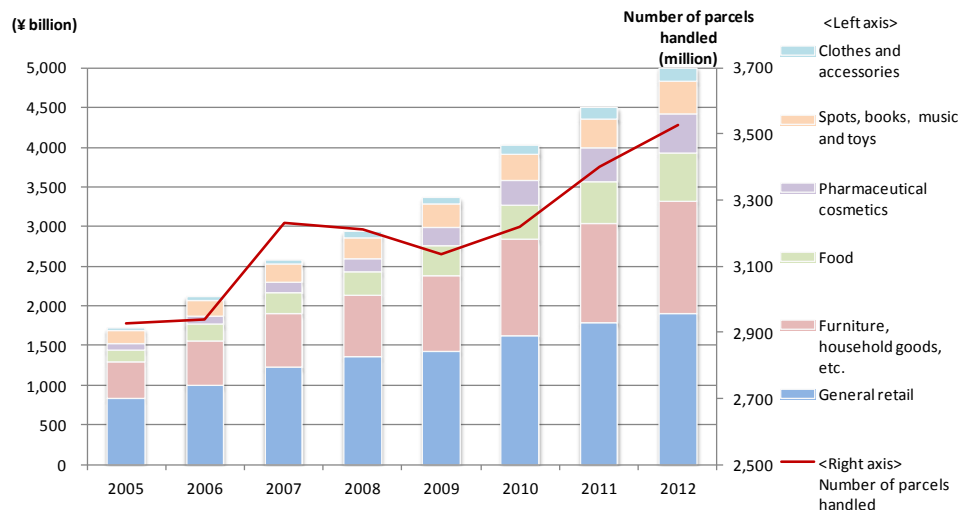
FFO=Net Income+Current FP Depreciation and Amortization+Investment Corporation Bond Issuance Amortization-Real Estate Disposition Profit & Loss

NAV per Unit=(Net Asset Total-(Income Statement Total-Appraisal Value Total))/Total Number of Investment Units Issued

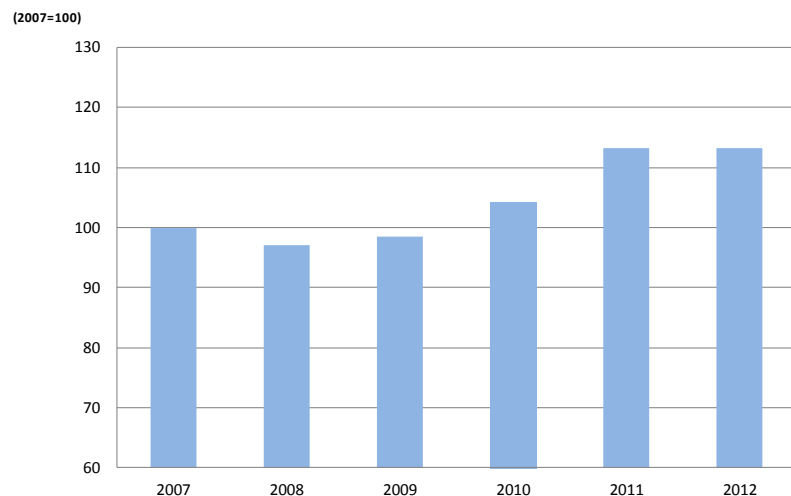
*annual basis=each measure/operating days × 365 days

Logistics Facilities Environment

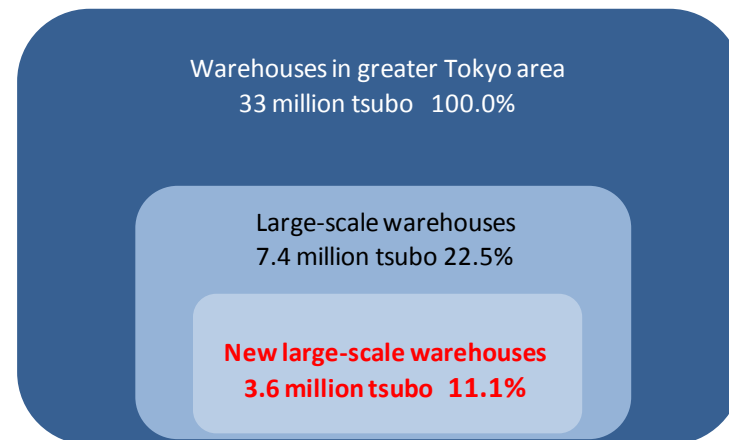
Change in the size of the e-commerce retail market and the number of home delivery service



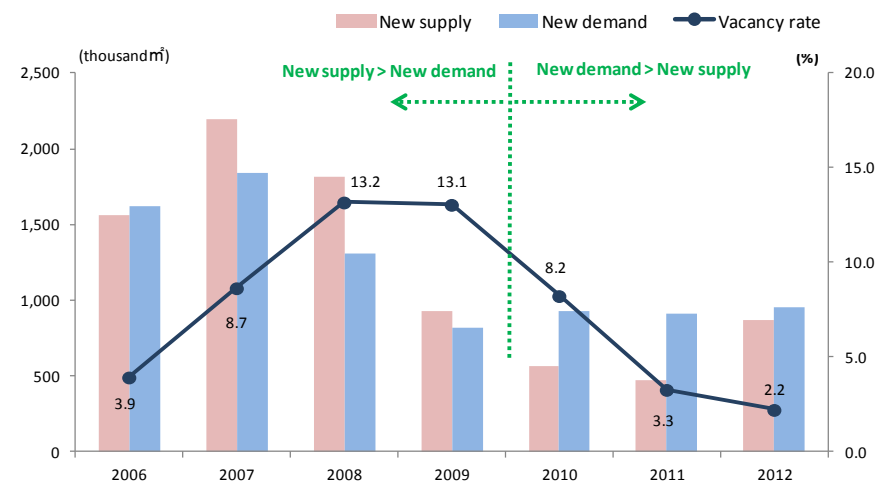
Change in 3PL sales



Warehouse stock in greater Tokyo area



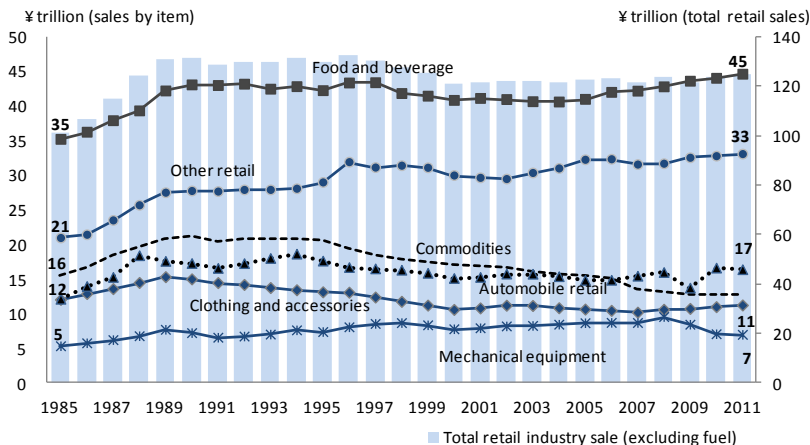
Supply-demand balance of rentable large scale logistics facilities



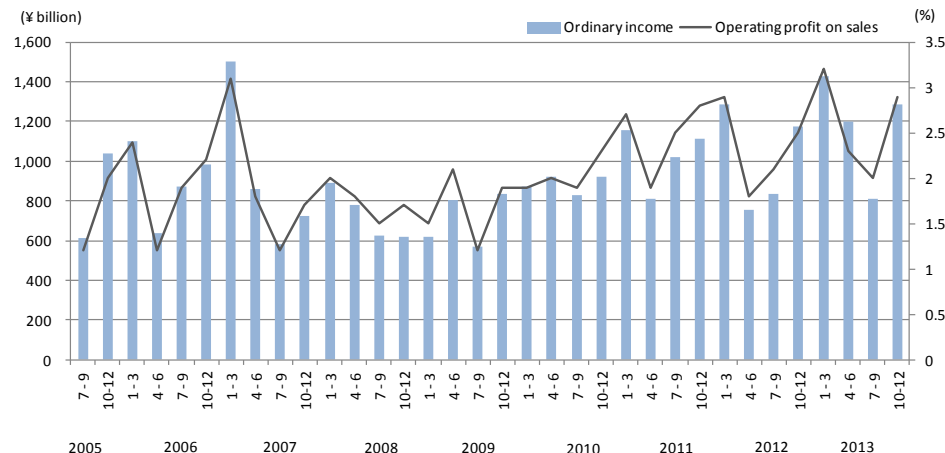
(Source) Prepared by Nomura Real Estate Asset Management Co., Ltd. based on public data of the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism (upper left), public data of the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry (upper right), CBRE, Inc. (lower left) and Ichigo Real Estate Service Co. Ltd. (lower right).

Retail Facilities Environment

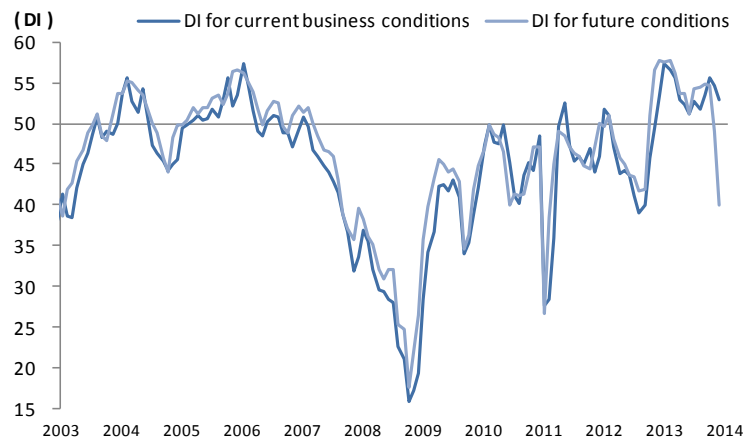
Retail sales (by item)



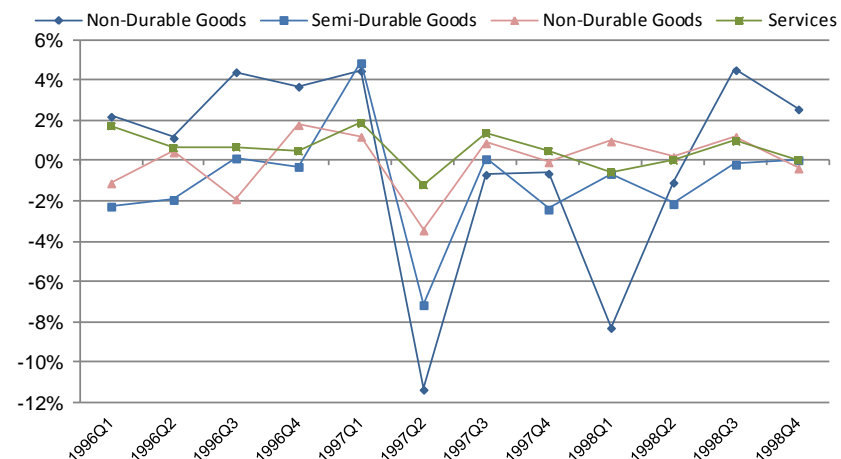
Change in retail industry corporate performance



Change in Economy Watcher's index



(Reference) Impact of consumption tax hike (April 1997)



Limited impact on non-durable goods (beverages, food, etc.) and services

(Source) Prepared by Nomura Real Estate Asset Management Co., Ltd. based on public data of the Ministry of Economy, Trade and Industry (upper left), public data of the Ministry of Finance (upper right) and public data of the Cabinet Office (lower left and lower right).

Overview of Nomura Master Fund

Structure

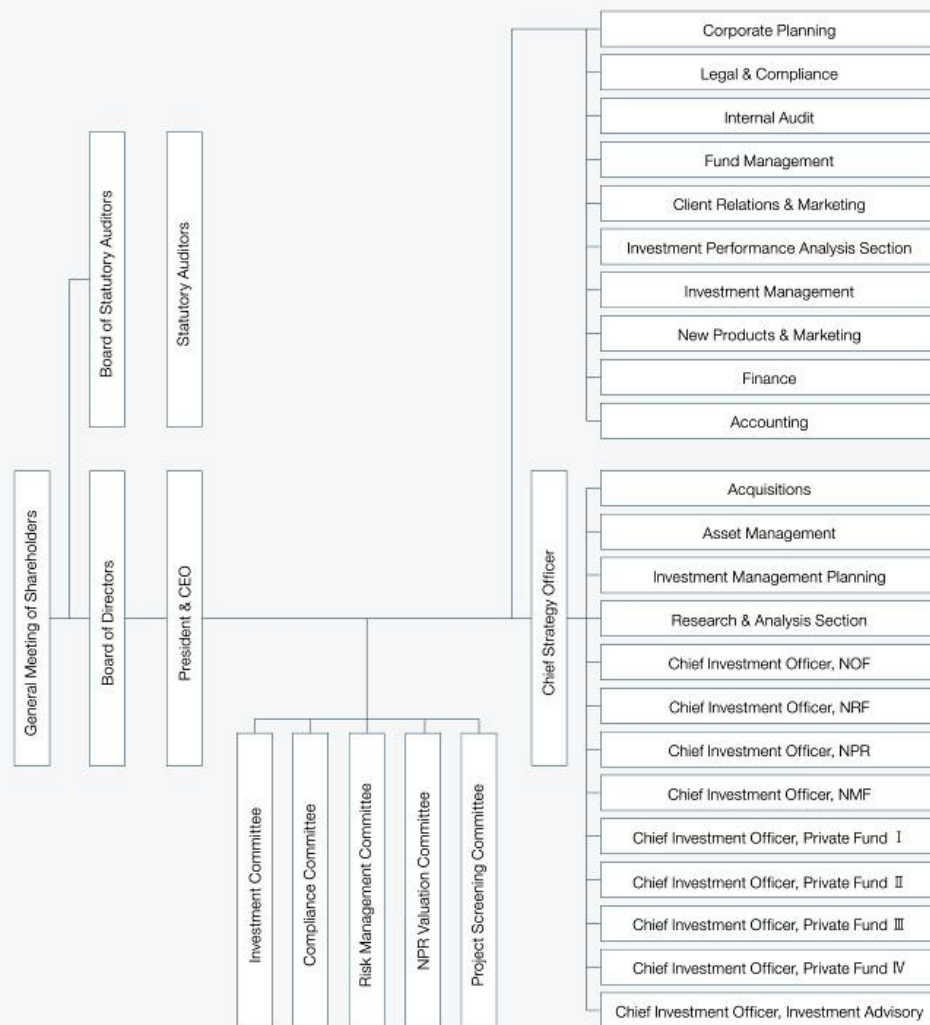


History

- January 28, 2013
 - Filing of incorporation by the founder (Nomura Real Estate Asset Management Co., Ltd) under Article 69 of the Investment Trusts Act.
- January 31, 2013
 - Registration of incorporation under Article 166 of the Investment Trusts Act, Incorporation of NMF
- February 1, 2013
 - Application for registration under Article 188 of the Investment Trusts Act.
- February 22, 2013
 - Registered with the Prime Minister of Japan under Article 187 of the Investment Trusts Act.
 - (Registration No. 82, Kanto Local Finance Bureau)
- June 12, 2013
 - Listed on the Tokyo Stock Exchange

Overview of the Asset Management Company

Organizational chart



Overview

Company name	Nomura Real Estate Asset Management Co., Ltd.
Shareholder	Nomura Real Estate Holdings, Inc. (100%)
Location	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Contact Information	+81-3-3365-8767 nmf3285@nomura-re.co.jp
Registration, License, etc.	<ul style="list-style-type: none"> Financial instruments business operator registration: Commissioner of the Kanto Local Finance Bureau (Financial Instruments) No. 374 Licensed for discretionary proxy in realty trading: Minister of Land, Infrastructure and Transport Permit No.18 Licensed for real estate trading: Governor of Tokyo (3) No. 81679
Memberships	<ul style="list-style-type: none"> The Investment Trusts Association, Japan; The Japan Investment Advisers Association, The Association for Real Estate Securitization, etc.

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For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, asset management reports, etc.

The forward-looking statements with respect to the future financial results contained in this document are based on the current facts about the investment policy of the Fund, applicable laws and regulations, the market environment, business practice, etc., as of the preparation date of this document and do not reflect or consider any changes in the circumstances after the preparation date. These forward-looking statements inherently reflect uncertainty about known risks as well as unknown risks and other factors and may deviate from the actual operating and management results, financial conditions, etc., of the Fund.

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