

The background of the slide is a photograph of a spiral-bound notebook. A fountain pen with a dark, textured barrel and a silver-colored nib is resting on the right side of the notebook. The pen has just finished writing the words "Stable Income Return" in a cursive script. The notebook is open, and the spiral binding is visible on the left. The overall lighting is soft and blue-toned.

NOMURA

October 16, 2015

MASTER

FUND

5th

Analyst Meeting Presentation Material

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NOMURA REAL ESTATE MASTER FUND, INC.

October 16, 2015



Investment Highlights

Investment Highlights (1)

Highlights for 5th Fiscal Period (FP)

- Performance** Dividend per Unit 2,217 yen (Forecast 2,130 yen (Revised on August 4), 2,490 yen (summary of financial results dated April 14))
- Acquisition** Concluded Acquisition of Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest and Acquisition of Kawaguchi Ryoke Logistics Center
- Transfer** Concluded Transfer Agreement on Mitsubishi Motors Ibaraki Maintenance Center
- Investment** Early Leasing Activity on Logistics Facilities, Connected Universal CityWalk Osaka™ with Tokyu Hotel with a deck

Investment Strategy

Concluded Acquisition

Kawaguchi Ryoke Logistics Center



Acquisition Price: ¥10,790 mln
Leasable Floor Space: 12,959.37 tsubo
Appraisal Value: ¥11,400 mln
NOI yield (Note): 5.4%

Concluded Acquisition

Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest



Investment Amount: ¥100 mln
Leasable Floor Space: 5,991.67 tsubo
Appraisal Value: ¥3,540 mln
NOI Yield (Note): 5.3%

Concluded Transfer Agreement

Mitsubishi Motors Ibaraki Maintenance Center



Transfer Price: ¥1,133 mln
Appraisal Value: ¥908 mln
Book Value: ¥829 mln
Transfer Date: September 1, 2015

Portfolio Status

	end of 4th FP	end of 5th FP
Number of Properties	56	57
Asset Size	¥255.6 bln	¥266.3 bln
Portfolio NOI Yield	5.8 %	5.7 %
Average Building Age	14.4 year	14.8 year
Average Lease Term	12.5 year	12.4 year
Ratio of Tokyo Area	79.6 %	80.4 %

5th Fiscal Period Financial Overview

Performance of the 5th fiscal period and previous forecast

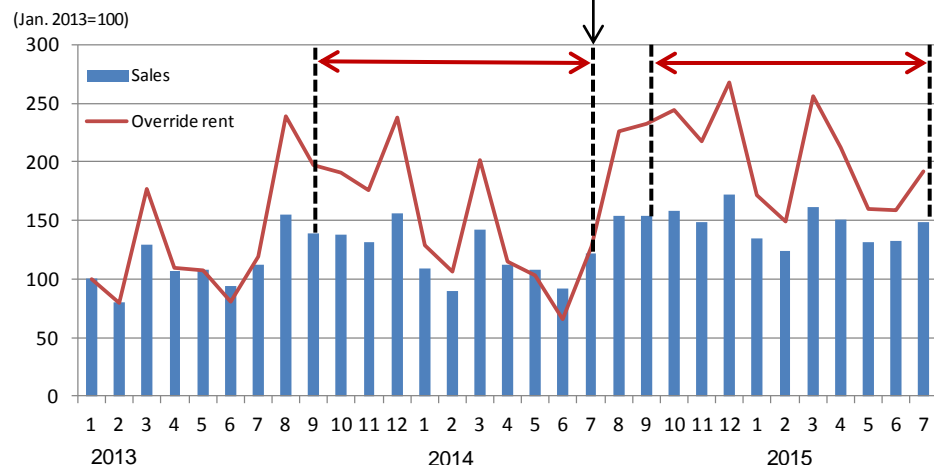
	5th Period (ended August 31, 2015)	5th Period Forecasts (announced on Aug. 4, 2015) (B)	Decrease / Increase (A - B)		5th Period Forecasts (announced on Apr. 14, 2015) (C)	Decrease / Increase (A - C)		Major Difference
Operating Revenues	¥10,406 million	¥10,369 million	+ ¥ 37million	0.4%	¥10,308 million	+ ¥ 98million	1.0%	<p><Difference in NOI></p> <ul style="list-style-type: none"> • Override rent increase in UCW, etc. (+¥46 mln) • Penalty Charges at Morisia Tsudanuma (+¥28 mln) • Early Leasing Up of Landport Hachioji (+¥22 mln) <p><Difference in Operating Profits></p> <ul style="list-style-type: none"> • Additional Recording of the Merger Related Expenses (-¥602 mln) *The entire merger related expenses is ¥659 mln <p><Difference in Net Income></p> <ul style="list-style-type: none"> • Reduction in Interest and Loan Arrangement Fees (+¥19 mln)
NOI	¥7,697 million	¥7,603 million	+ ¥ 93million	1.2%	¥7,575 million	+ ¥ 122million	1.6%	
Rental Profit	¥5,958 million	¥5,861 million	+ ¥ 96million	1.6%	¥5,835 million	+ ¥ 122million	2.1%	
Operating Profits	¥4,328 million	¥4,189 million	+ ¥ 138million	3.3%	¥4,787 million	-¥459million	-9.6%	
Ordinary Income	¥3,693 million	¥3,548 million	+ ¥ 145million	4.1%	¥4,130 million	-¥436million	-10.6%	
Net Income	¥3,692 million	¥3,547 million	+ ¥ 145million	4.1%	¥4,129 million	-¥436million	-10.6%	
Cash Distribution per Unit	¥2,217 /unit	¥2,130 /unit	+ ¥ 87 per unit	4.1%	¥2,480 /unit	-¥263 per unit	-10.6%	
Total Assets	¥287,696 million							
Interest-Bearing Debt	¥110,307 million							
LTV	38.3 %							



5th Fiscal Period Overview

Management Status of Universal CityWalk Osaka™

Transition of Sales and Override Rent "The Wizarding World of Harry Potter™" Opened July 15, 2014



Trends in surrounding areas of Universal CityWalk Osaka™

The Park Front Hotel at Universal Studios Japan® opened on August 1
Connected with Universal CityWalk Osaka™ with a deck



Further vitalization of the whole area



Status of progress in leasing

Attracted tenants with high capacity to attract guests and topicality
opened 5 new stores in July and August in line with the opening of
a new hotel



RED LOBSTER

July 18.2015
GRAND OPEN



551 HORAI

July 17.2015
GRAND OPEN



PIZZANAPOLITANO

July 27.2015
GRAND OPEN



nolboo

July 17.2015
GRAND OPEN



Gottie's BEEF

August 13.2015
GRAND OPEN

Occupancy rate to
exceed 90%
Improvement in
profitability

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Management Status of Logistics Properties

Leasing status

Implemented leasing activities for remaining sections targeted for leasing during 5FP (1,257 tsubo) and for approximately 22,000 tsubo (7.6% of the entire portfolio), of which contracts will end over the next year

Leasing status of contract ending during 5FP

Completed leasing of 5.7% (1,257 tsubo)

Concluded contract **100.0%**
(All are fixed-term lease contract for 5 years or more)

Contract renewal **21.0%** New tenant **79.0%**

Rent increase **51.0%** Rent flat **21.0%** Rent decrease **28.0%**

Leasing status of contract ending between September 2015 and August 2016

Under negotiation: 16.4% (3,631 tsubo)

Concluded contract **83.6%**

Contract renewal **100.0%**

Rent increase **65.7%** Rent flat **34.3%**

Kawaguchi Logistics Center A Tower
(ordinary lease contract renewal period)

Funabashi Logistics Center



Completed leasing by grasping intention of existing lessee to continue its occupancy

Hanyu Logistics Center



Concluded contract with existing lessee at increased rent, although extension is for a short period of time

Chiyodamachi Logistics Center



Successfully renewed the ordinary lease contract under same conditions and for same period

Landport Hachioji



Completed leasing by setting sections that match the needs from surrounding parties

Environmental Measures

Acquisition of “DBJ Green Building” certification

Three logistic facilities and two retail facilities (note) NMF owns acquired “DBJ Green Building” certification on October 9, 2015.

Rank



DBJ Green Building
2015 ∞

Certified as a “Properties with exceptionally high environmental & social awareness” under “DBJ Green Building Certification,” a comprehensive evaluation system for real estate properties with high environmental and social awareness by Development Bank of Japan Inc. (DBJ)

Landport Urayasu



Rank



DBJ Green Building
2015 ∞

Certified as a “Properties with excellent environmental & social awareness” under “DBJ Green Building Certification,” a comprehensive evaluation system for real estate properties with high environmental and social awareness by Development Bank of Japan Inc. (DBJ)



Landport
Atsugi



Atsugi Minami Logistics
Center B Tower



Morisia Tsudanuma

Rank



DBJ Green Building
2015 ∞

Certified as a “Properties with excellent environmental & social awareness” under “DBJ Green Building Certification,” a comprehensive evaluation system for real estate properties with high environmental and social awareness by Development Bank of Japan Inc. (DBJ)



Recipe SHIMOKITA

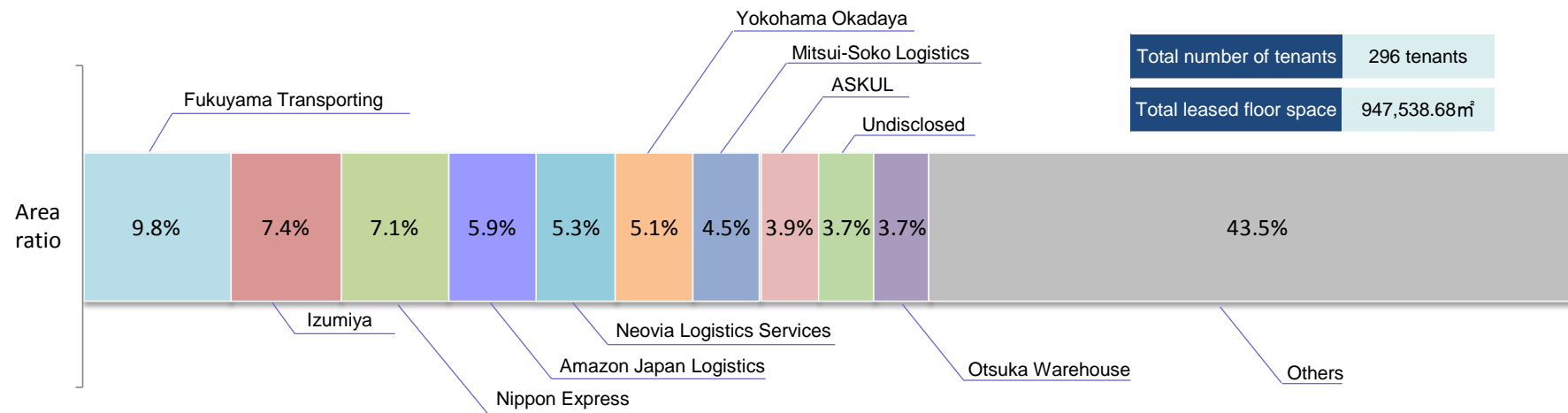
What is “DBJ Green Building” certification?

Green Building certification system is a comprehensive evaluation system established by Development Bank of Japan Inc. (DBJ) to support efforts concerning real estate properties with environmental and social awareness.

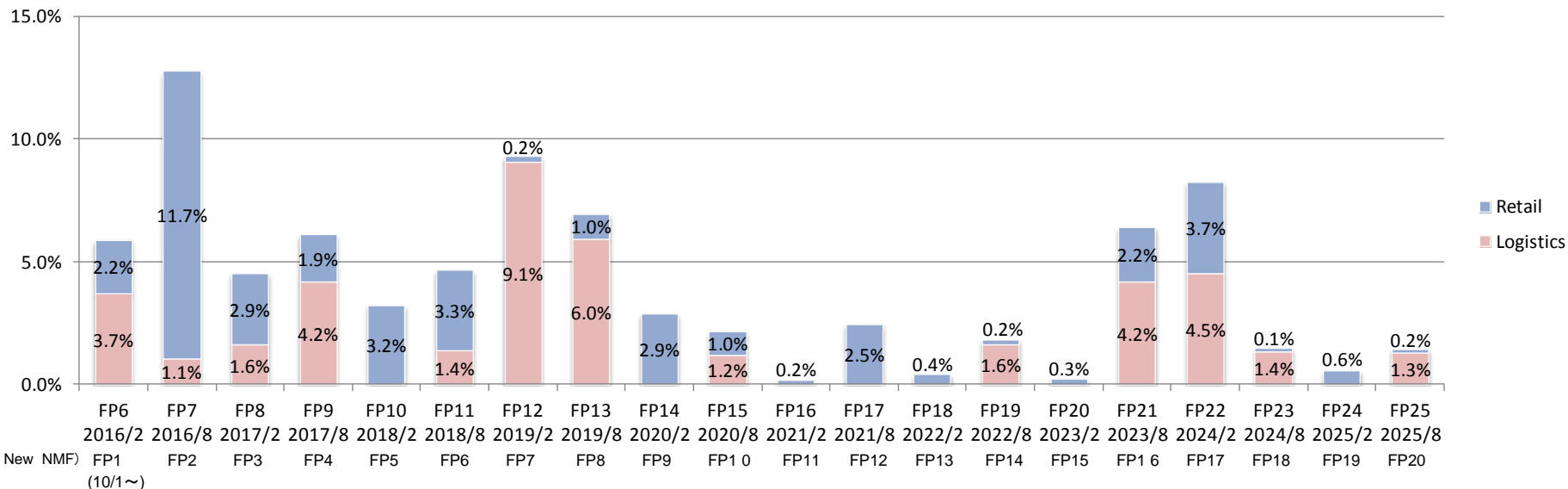
(Note) The concerned assets are succeeded by Nomura Real Estate Master Fund, Inc. established as of October 1, 2015 due to the merger of NMF, Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.

Management Status of Portfolio

Tenant diversification (based on leased floor space)



Diversification of lease maturity (based on rent)



Timing of Tenant Rent Renewals

	(Reference)New NMF		FP1 (10/1~)	FP2	FP3	FP4	FP5	FP6	FP7	FP8	PF9	FP10
Property Name	Tenant Name	Lease Term	FP6 Feb. 2016	FP7 Aug. 2016	FP8 Feb. 2017	FP9 Aug. 2017	FP10 Feb. 2018	FP11 Aug. 2018	FP12 Feb. 2019	FP13 Aug. 2019	FP14 Feb. 2020	FP15 Aug. 2020
Logistics												
Landport Urayasu	Fukuyama Transporting	Fixed										
Kawaguchi Ryoke Logistics Center	Nippon Express	Fixed										
Sagamihara Tana Logistics Center	Neovia Logistics Services	Fixed										
Sagamihara Onodai Logistics Center	Fukuyama Transporting	Normal										
Landport Hachioji	Nihon Tosho Yuso	Fixed										
	Oriental Standard Japan	Fixed										
	KANAGAWA LC	Fixed										
Landport Kasukabe	DIC	Fixed										
Funabashi Logistics Center	NTT LOGISCO①	Fixed										
	NTT LOGISCO②	Fixed										
Hanyu Logistics Center	Nippon Express	Fixed										
Ota Higashishinmachi Logistics Center	Vantec	Normal										
Ota Kiyohara Logistics Center	Ota International Cargo Terminal	Normal										
Chiyodamachi Logistics Center	ITOCHU-SHOKUHIN	Normal										
Retail												
Morisia Tsudanuma	Aeon Retail	Fixed										
Nitori Makuhari	Nitori	Normal										
Konami Sports Club Fuchu	Konami Sports & Life	Normal										
FESTA SQUARE	Yaoko	Fixed										
Sundai Azamino	Sundai Education Promotion	Fixed										
MegalosKanagawa	Megalos	Normal										
Land Only 3 properties (Shibuya, Setagaya, Suginami)	Not disclosed	Fixed										
Land Only (Other than above)	Not disclosed	Fixed										

(Note) Extracted the tenants that the rent renewal becomes due by FP15 (Aug. 2020) and leasing area that is higher than a constant scale

Appraisal Value Status (5th Fiscal Period End)

Status as of the end of 5th FP

Total appraisal value **¥296.1 billion**

Total book value **¥264.5 billion**

Unrealized gain / loss **+ ¥31.6 billion**

<Reference>

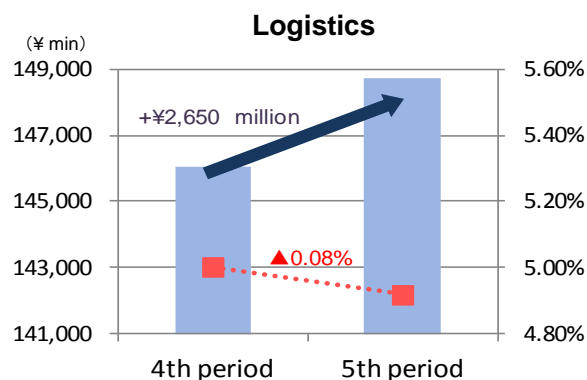
Unrealized gain/loss per unit : + ¥ 18,981

Net asset per unit : ¥ 98,971

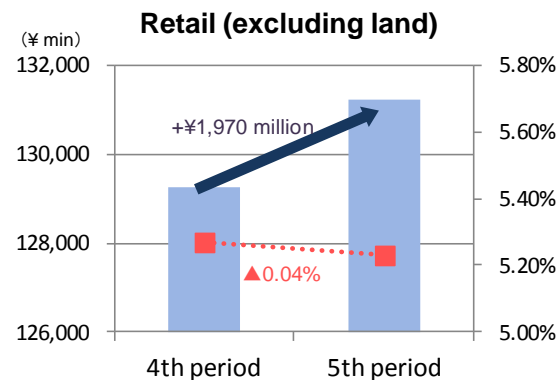
NAV per unit : ¥ 117,952

	End of 4th period	End of 5th period	Comparison
Appraisal value	¥291.3 billion	¥296.1 billion	1.6%
Logistics	¥146.0 billion	¥148.7 billion	1.8%
Retail (excluding land)	¥129.2 billion	¥131.2 billion	1.5%
Retail (land)	¥16.0 billion	¥16.1 billion	0.7%

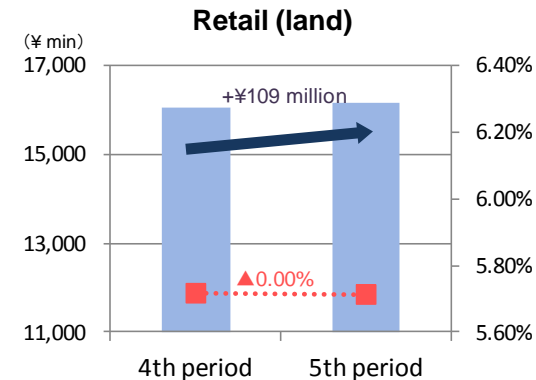
Change in total appraisal value and cap rate



Appraisal value		Cap rate	
Increase	17	Decrease	18
Unchanged	1	Flat	1
Decrease	1	Increase	0



Appraisal value		Cap rate	
Increase	18	Decrease	16
Unchanged	3	Flat	3
Decrease	0	Increase	2



Appraisal value		Cap rate	
Increase	12	Decrease	5
Unchanged	4	Flat	11
Decrease	0	Increase	0

(Note 1) For the 4th period, appraisal at acquisition of properties acquired during 5th period is included

(Note 2) Cap rates are the weighted average of the appraisal value by direct capitalization approach
However, cap rate for Retail(Land) excludes MMC Ibaraki Maintenance Center

Financial Status

Interest-bearing liabilities

Total interest-bearing liabilities
¥110.3 billion

Average interest rate
0.95 %

Ratio of long-term debt
92.6 %

Ratio of fixed-rate debt
87.2 %

* Including fixed interest by IR swap

Average remaining duration
4.0 years

LTV (loan-to-value)
38.3 %

Credit ratings

Rating agency	LT issuer rating	Outlook
JCR	AA -	(Note)

(Note) Designation to credit monitor (direction: positive) was announced in a press release dated May 27, 2015.

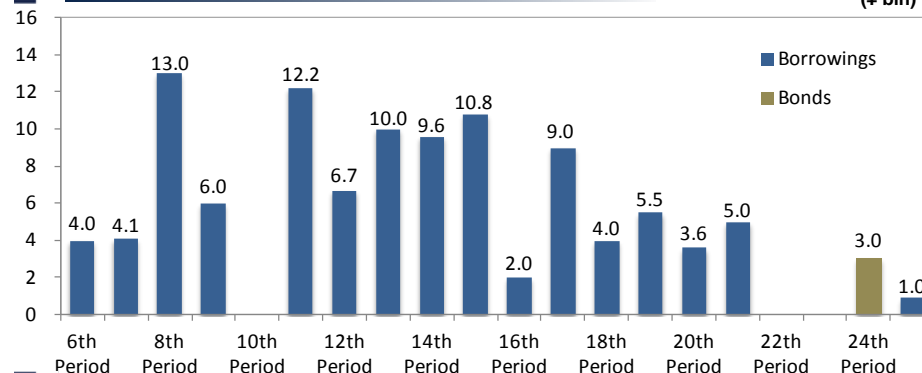
Bank formation

(¥ bln)

Financial institution			
The Bank of Tokyo-Mitsubishi UFJ	20.5	Development Bank of Japan	8.8
Sumitomo Mitsui Banking Corp.	20.5	Mizuho Trust & Banking Co.	8.0
Mizuho Bank	14.4	Resona Bank	2.6
Mitsubishi UFJ Trust and Banking Corp.	9.1	Nippon Life Insurance	2.5
Sumitomo Mitsui Trust Bank	9.1	The Bank of Fukuoka	2.5
The Norinchukin Bank	9.1	Total Debt	107.3
(Reference)		Bond	3.0

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)

Forecasts for the 6th fiscal period

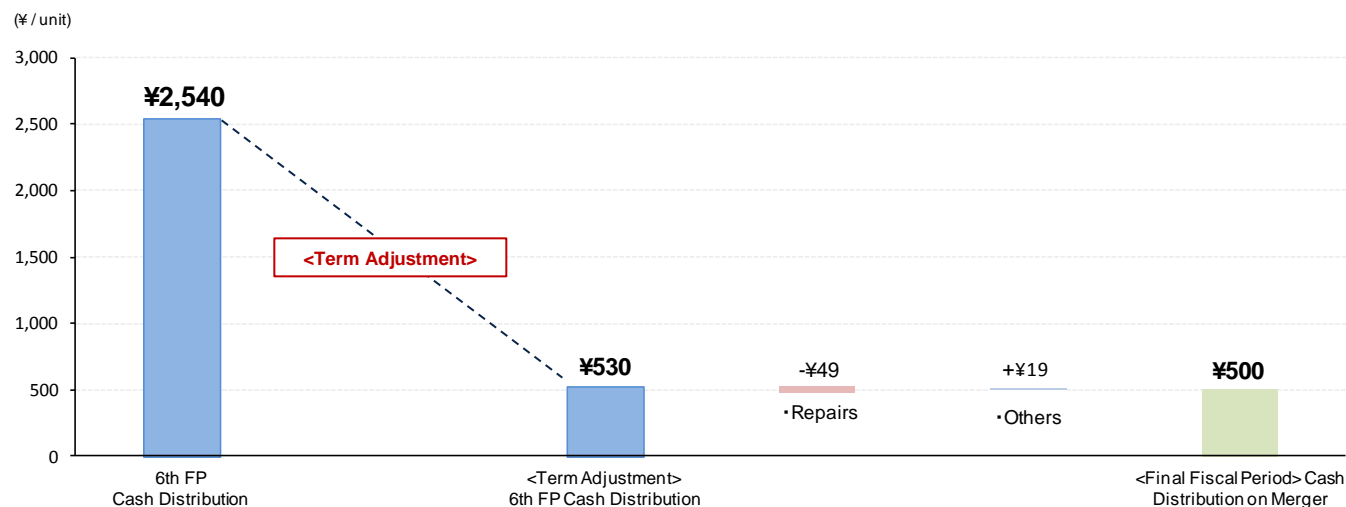
Forecasts for the 6th fiscal period

	6th FP Forecast (Announced April 14) (Ended Feb. 29 2016)	6th FP Forecast (Announced April 14) <Term Adjustment> (Note1)	Cash Distribution on Merger Forecast (Announced August 4) <Final Fiscal Period> (ended September 30, 2015)	(Comparison)
Operating Revenues	¥10,654 million	¥1,987 million	¥2,000 million	0.7%
Operating Profits	¥4,907 million	¥996 million	¥951 million	- 4.5%
Net Income	¥4,229 million	¥882 million	¥832 million	- 5.6%
Cash Distribution	¥2,540 /unit	¥530 /unit	¥500 /unit	- ¥30

(Note 1) The figures are calculation of those equivalent to what occurred in September, the final fiscal period, from the 6th FP Forecast announced in summary of financial results dated April 14, 2015.

(Note 2) Various figures for the fiscal period ended September 30, 2015 (final fiscal period) are forecasts based on "Notice Concerning Revisions of Forecasts of Financial Results and Cash Distribution for the Fiscal Period Ending August 31, 2015 and Forecasts of Financial Results for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period) and Cash Distribution on Merger" which Nomura Master Fund announced on August 4, 2015 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



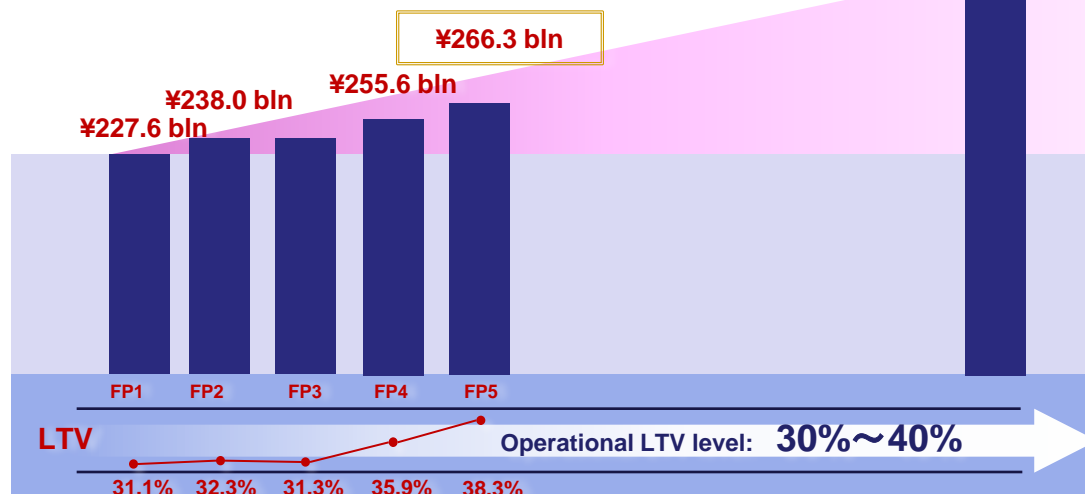


Investment Management Strategy

Background of the Merger

Road map of mid-to long-term growth strategy

Mid-term asset size
target: ¥400 bln



Current challenges

Risk tolerance

- ✓ Risk of large tenants moving out
- ✓ Expansion of asset size is required in order to enhance risk tolerance (enhance portfolio stability by diversifying assets and tenants)

External growth

- ✓ Limited opportunities for acquisition of prime properties (appropriate yield) due to overheated real estate sales market

Internal growth

- ✓ Limited possibility to provide cash distribution with upside potential through internal growth as the number of properties expected to see increase in rent is limited

External environment surrounding J-REIT market

- ❑ Intensified acquisition competition in real estate market
- ❑ Diversification in investment asset types of J-REITs
- ❑ Polarization in sizes of REITs
- ❑ Tax reform in 2015 enables the inclusion in expenses of “the amortization costs of goodwill”

Proposed merger of three REITs (*) as a measure to realize further enhancement of unitholders' value

(*) NMF, Nomura Real Estate Office Fund, Inc. Nomura Real Estate Residential Fund, Inc.

Transformation – into One of the Largest Diversified Type REITs in Japan-

Concepts of the Merger

Diversified REIT Strategy

Pursue sustainable growth by transforming from a Specialized REIT into a Diversified REIT

- Achieve middle-risk and middle-return product feature by integrating asset types
- Enable investment that capture optimal timing of investment, which differs by asset types
- Expand acquisitions opportunities in response to diversification of asset types which REITs invest in, such as complex facilities, hotels, factories and health care facilities

Strategy to Build Large REIT

Strengthen stability and enhance growth strategy through benefit of a large scale REIT

- Drastic enhancement in stability through highly diversified properties and tenants
- Actively implement measures, such as replacement of properties and reconstructions through sponsor's collaboration, to improve asset value
- Promote reduction of funding costs and diversify funding methods through enhancement of fund raising capacity

Leasing Business Value Chain

Accelerate mutual growth with Nomura Real Estate Group by establishing the Leasing Business Value Chain

- Accelerate an amicable cycle of mutual growth with Nomura Real Estate Group by establishing interactive functions of “property pipeline” and “management pipeline”



Aiming to become the No. 1 REIT in Japan

Portfolio Size

Portfolio Quality

Financial Soundness

Performance

Strategy

Credibility

Realization of Leasing Business Value Chain (1) - First measure of sponsor support -



NRE Kichijoji Building



GEMS Ichigaya



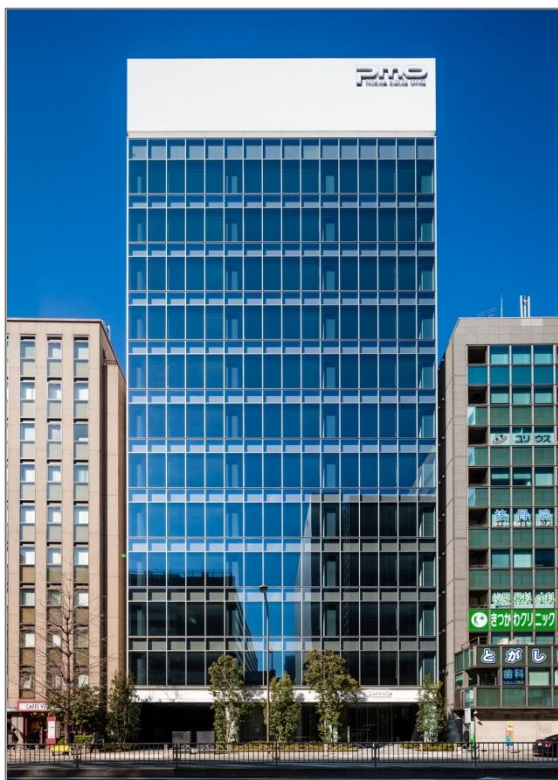
PROUD FLAT Hatchobori



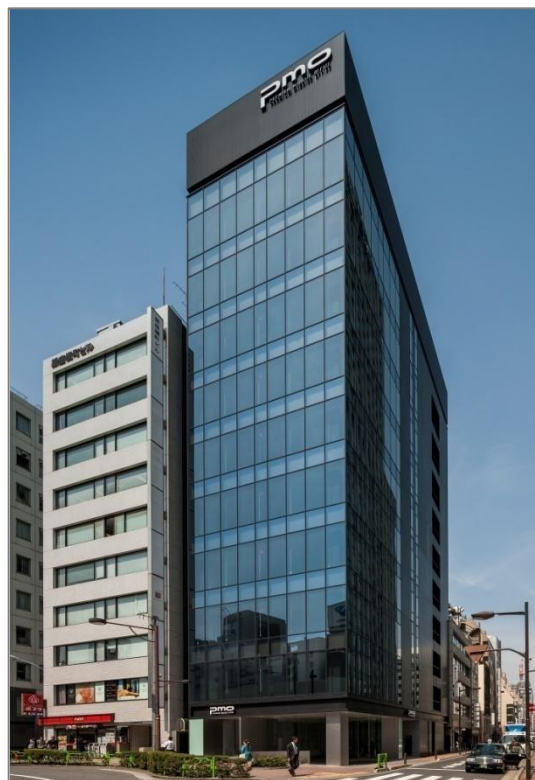
PROUD FLAT Itabashi Honcho

Property Name	Use	Location	Acquisition Price	Appraisal Value	Difference	Estimated NOI yield	Acquisition Due Date
NRE Kichijoji Building	Retail	Kichijoji-Honcho, Musashino-City	¥5,310 million	¥5,330 million	-¥20 million	4.4%	October 30, 2015
GEMS Ichigaya	Retail	Rokubancho, Chiyoda-Ward	¥2,080 million	¥2,090 million	-¥10 million	4.2%	October 30, 2015
PROUD FLAT Hatchobori	Residential	Hatchobori, Chuo-Ward	¥920 million	¥923 million	-¥3 million	4.6%	October 30, 2015
PROUD FLAT Itabashi Honcho	Residential	Honcho, Itabashi-Ward	¥720 million	¥723 million	-¥3 million	4.9%	October 30, 2015

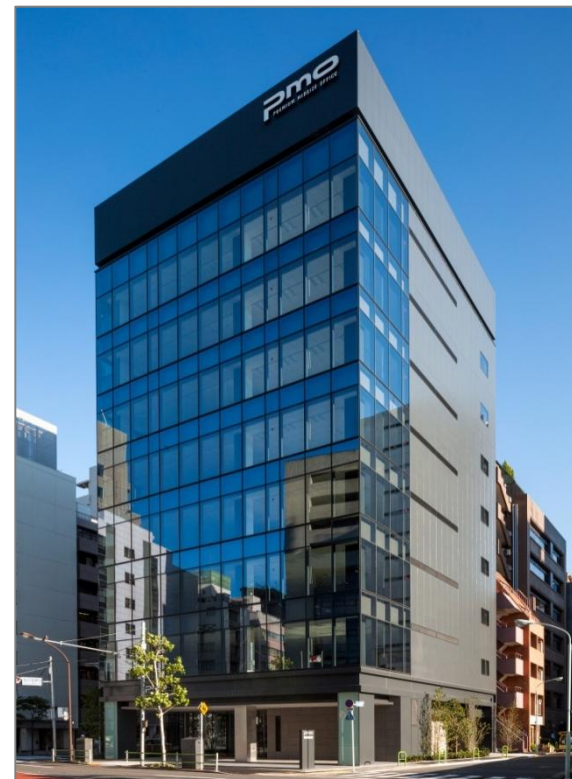
Realization of Leasing Business Value Chain (2) - First measure of sponsor support -



PMO Tamachi



PMO Ginza Hatchome



PMO Shibakoen

Property Name	Use	Location	Acquisition Price	Appraisal Value	Difference	Estimated NOI yield	Acquisition Due Date
PMO Tamachi	Office	Shiba, Minato-Ward	¥6,210 million	¥6,400 million	-¥190 million	4.1%	March 1, 2016
PMO Ginza Hatchome	Office	Ginza, Chuo-Ward	¥3,970 million	¥4,130 million	-¥160 million	4.0%	March 1, 2016
PMO Shibakoen	Office	Shibakoen, Minato-Ward	¥3,900 million	¥3,950 million	-¥50 million	4.2%	March 1, 2016
Total			¥23,100 million	¥23,546 million	-¥436 million	4.2%	—

Forecasts

Forecasts for the 1st and 2nd fiscal periods of the new REIT

	First Fiscal Period Forecasts (announced on Oct. 2, 2015)	Second Fiscal Period Forecasts (announced on Oct. 2, 2015)
Operating Revenues	¥24,288 million	¥29,723 million
Operating Income	¥6,273 million	¥10,801 million
Ordinary Income	¥3,636 million	¥8,178 million
Net Income	¥3,635 million	¥8,177 million
Net Income per unit	¥976 /unit	¥2,197 /unit
Distribution in Excess of Net Income Per Unit	¥1,124 /unit	¥513 /unit
Cash Distribution per Unit	¥2,100 /unit	¥2,710 /unit
Total Assets	¥929,031 million	¥944,342 million
Interest-Bearing Debt	¥403,664 million	¥418,271 million
LTV	43.5 %	44.3 %

(Note) Forecasts of distributions for the periods ending February 29, 2016 and August 31, 2016 are based on the press release "Notice Concerning Revision to Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016" dated October 2, 2015 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.



A P P E N D I X



Income Statement

	4th Fiscal Period From Sep. 1, 2014 To Feb. 28, 2015	5th Fiscal Period From Mar. 1, 2015 To Aug. 31, 2015	5th FP actual - 4th FP actual	
	Amount (¥ 000)	Amount (¥ 000)	Difference (¥ 000)	Difference Ratio (%)
Operating revenues	10,066,094	10,406,793	340,699	3.4
Real estate rental revenues *1	10,049,349	10,379,977	330,627	3.3
Rental revenues	9,068,947	9,253,044	184,096	2.0
Other rental revenues	980,402	1,126,933	146,531	14.9
Parking revenues	91,016	94,516	3,499	3.8
Incidental income *2	801,535	889,790	88,254	11.0
Other miscellaneous revenues *3	87,850	142,626	54,776	62.4
Gain on investments in silent partnership	16,744	26,816	10,071	60.1
Operating expenses	5,315,542	6,078,557	763,014	14.4
Real estate rental expenses *1	4,358,151	4,421,692	63,541	1.5
Repairs and maintenance	258,742	187,661	(71,080)	(27.5)
Property and other taxes	726,772	748,164	21,392	2.9
Depreciation	1,705,559	1,738,832	33,273	2.0
Other rental expenses	1,667,077	1,747,033	79,956	4.8
Asset management fees	787,713	836,589	48,876	6.2
Merger expenses	-	659,323	659,323	-
Other operating expenses *4	169,677	160,950	(8,727)	(5.1)
Operating profit	4,750,552	4,328,236	(422,315)	(8.9)
Non-operating revenues	1,825	4,176	2,351	128.8
Non-operating expenses	605,851	638,647	32,795	5.4
Interest expense	474,074	498,179	24,104	5.1
Investment Corporation Bond Interest	8,700	13,073	4,373	50.3
Other non-operating expenses *5	123,076	127,394	4,317	3.5
Ordinary income	4,146,526	3,693,766	(452,759)	(10.9)
Income before income taxes	4,146,526	3,693,766	(452,759)	(10.9)
Income tax, etc.	746	1,350	604	80.9
Net income	4,145,779	3,692,415	(453,364)	(10.9)
Retained earnings brought forward	959	241	(717)	(74.8)
Retained earnings at end of period	4,146,739	3,692,657	(454,081)	(11.0)

Total cash distribution	4,146,497	3,691,881	(454,615)	(11.0)
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*Reference [5th Fiscal Period]

1. Real estate rental profits: ¥5,958,284 thousand
(Change from previous FP : ¥267,085 thousand)

2. Incidental income
Utility charges : ¥709,185 thousand

3. Other real estate rental revenues
Cancellation penalties, etc.

4. Other operating expenses
Asset custody fee: ¥15,571 thousand
Administrative service fees: ¥61,894 thousand
Directors fee, etc.: ¥7,200 thousand

5. Other non-operating expenses
Loan arrangement fees, etc.: ¥125,499 thousand

(reference) Renovation expenses
Capital expenditure: ¥448,225 thousand
Total: ¥635,887 thousand

*Figures are rounded down to the nearest thousand.

Balance Sheet

Assets

	4th Fiscal Period as of Feb. 28, 2015		5th Fiscal Period as of Aug. 31, 2015	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current assets	19,975,268	7.2	21,873,266	7.6
Cash and bank deposits	12,486,260	4.5	14,457,463	5.0
Cash and bank deposits in trust	6,333,926	2.3	6,663,335	2.3
Other current assets	1,155,080	0.4	752,467	0.3
Noncurrent assets	256,538,143	92.8	265,797,854	92.4
Property and equipment *1	251,007,192	90.8	260,686,439	90.6
Real estate	14,286,858	5.2	14,225,731	4.9
Buildings	3,363,651	1.2	3,302,525	1.1
Land	10,923,206	3.9	10,923,206	3.8
Real estate in trust	236,716,016	85.6	246,440,993	85.7
Buildings in trust	99,574,736	36.0	102,513,245	35.6
Land in trust	137,141,279	49.6	143,927,747	50.0
Construction in Progress	4,317	0.0	19,714	0.0
Intangible assets	3,843,886	1.4	3,843,864	1.3
Leasehold rights in trust	3,828,326	1.4	3,827,940	1.3
Other	15,559	0.0	15,923	0.0
Investment and other assets	1,687,064	0.6	1,267,550	0.4
Investment securities	463,151	0.2	99,667	0.0
Long-term prepaid expenses	588,612	0.2	532,582	0.2
Long-term deposits	89,205	0.0	89,205	0.0
Security deposits	546,095	0.2	546,095	0.2
Deferred Assets	26,527	0.0	25,155	0.0
Investment Corporation Bond Issuing Expenses	26,527	0.0	25,155	0.0
Total assets	276,539,938	100.0	287,696,275	100.0

*1 Property and equipment

(unit : million of yen)

	Acquisition Price	Accumulated Depreciation	(Depreciation for current FP)	Book value at FP end
Real estate, etc.	267,860	7,174	(1,737)	260,686
Buildings	3,532	229	(61)	3,302
Land	10,923	—	—	10,923
Buildings in trust	109,457	6,944	(1,676)	102,513
Land in trust	143,927	—	—	143,927
Construction in Progress	19	—	—	19

Liabilities and net assets

	4th Fiscal Period as of Feb. 28, 2015		5th Fiscal Period as of Aug. 31, 2015	
	Amount	Ratio	Amount	Ratio
Current Liabilities	6,352,365	2.3	10,798,164	3.8
Trade accounts payable	493,922	0.2	439,285	0.2
Short-term debt *2	4,000,000	1.4	8,100,000	2.8
Current portion of long-term debt *2	85,600	0.0	85,600	0.0
Other accounts payable	235,326	0.1	333,448	0.1
Accrued income taxes	549	0.0	751	0.0
Accrued consumption taxes	—	—	103,577	0.0
Accrued expenses	26,211	0.0	37,290	0.0
Rent received in advance	1,509,800	0.5	1,582,911	0.6
Other current liabilities	955	0.0	115,298	0.0
Long-term Liabilities	104,920,428	37.9	112,085,048	39.0
Investment Corporation Bonds *2	3,000,000	1.1	3,000,000	1.0
Long-term debt *2	92,064,600	33.3	99,121,800	34.5
Security deposits from tenants	539,430	0.2	539,430	0.2
Security deposits from tenants in trust	9,316,397	3.4	9,423,817	3.3
Total liabilities	111,272,793	40.2	122,883,212	42.7
Unitholders' equity	165,267,144	59.8	164,813,062	57.3
Unitholders' capital	161,120,405	58.3	161,120,405	56.0
Retained earnings	4,146,739	1.5	3,692,657	1.3
Total net assets	165,267,144	59.8	164,813,062	57.3
Total liabilities and net assets	276,539,938	100.0	287,696,275	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) 110,307

Total asset interest-bearing debt ratio	$\frac{\text{Short-term debt} + \text{Long-term debt} + \text{Investment Corporation Bonds}}{\text{Total assets}}$	38.3%
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Long-term interest-bearing debt ratio	$\frac{\text{Long-term debt} + \text{Investment Corporation Bonds}}{\text{Short-term debt} + \text{Long-term debt} + \text{Investment Corporation Bonds}}$	92.6%
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Cash Flow Statement

	4th Fiscal Period Sep. 1, 2014 - Feb. 28, 2015 (¥000)	5th Fiscal Period Mar. 1, 2015 - Aug. 31, 2015 (¥000)
I. Cash flows from operating activities		
Income before income taxes	4,146,526	3,693,766
Depreciation	1,706,847	1,740,121
Amortization of investment corporation bond issuance	1,143	1,372
Interest income	(1,790)	(1,887)
Interest expenses	482,774	511,253
Decrease (increase) in rental receivables	12,963	(85,026)
Decrease (increase) in prepaid expenses	(32,035)	(25,573)
Decrease (increase) in consumption taxes receivable	(571,565)	571,565
Decrease (increase) in long-term prepaid expenses	25,989	56,030
Decrease (increase) in long-term deposits	(50,000)	—
Increase (decrease) in trade accounts payable	85,472	(54,636)
Increase (decrease) in other accounts payable	(4,822)	48,067
Increase (decrease) in accrued consumption taxes	(275,528)	103,577
Increase (decrease) in rent received in advance	27,519	73,110
Others	(45,631)	48,128
Subtotal	5,507,862	6,679,869
Interest received	1,790	1,887
Interest paid	(481,052)	(500,173)
Income taxes paid	(3,844)	(5,187)
Net cash provided by (used in) operating activities	5,024,754	6,176,395
II. Cash flows from investing activities		
Payments for purchases of property and equipment	(6,375)	(8,027)
Payments for purchases of property and equipment in trust	(18,351,735)	(11,351,806)
Payments for purchases of intangible assets	—	(2,250)
Payments for purchases of intangible assets in trust	(4,489)	—
Purchases of investment securities	—	(104,838)
Proceeds from withdrawal of investment securities	24,321	456,448
Reimbursement of security deposits to tenants in trust	(75,226)	(340,022)
Proceeds from security deposits from tenants in trust	960,736	462,128
Payments for security deposits	(29,968)	—
Net cash provided by (used in) investing activities	(17,482,737)	(10,888,367)
III. Cash flows from financing activities		
Proceeds from short-term debt	7,000,000	4,100,000
Repayment of short-term debt	(3,000,000)	—
Proceeds from long-term debt	11,800,000	7,100,000
Repayment of long-term debt	(42,800)	(42,800)
Proceeds from issuance of investment corporation	3,000,000	—
Payments of investment corporation bonds issuance	(27,670)	—
Distributions to unitholders	(4,079,025)	(4,144,617)
Net cash provided by (used in) financing activities	14,650,504	7,012,582
IV. Net increase (decrease) in cash and cash equivalents	2,192,520	2,300,610
V. Cash and cash equivalents at beginning of period	16,627,667	18,820,187
VI. Cash and cash equivalents at end of period	18,820,187	21,120,798

Overview of Property Acquired During 5th Fiscal Period

Summary of the property (Kawaguchi Ryoke Logistics Center)

Completion Date	October 2003
Location	Kawaguchi-City, Saitama
Access	Approx. 1.5km from Kawaguchi-Motogo Station on the Saitama Railway line Approx. 2.3km from "Kaga IC" and 3.0km from "Shikahamabashi IC" on the Metropolitan Expressway
Contract date	April 10, 2015
Acquisition date	July 1, 2015
Acquisition price	¥10,790 million
Appraisal value	¥11,400 million (as of Aug. 31, 2015)
NOI yield (Note)	5.4%
Leasable floor space	42,840.91m ² (12,959.37 tsubo)
Occupancy rate	100.0% (as of Aug. 31, 2015)

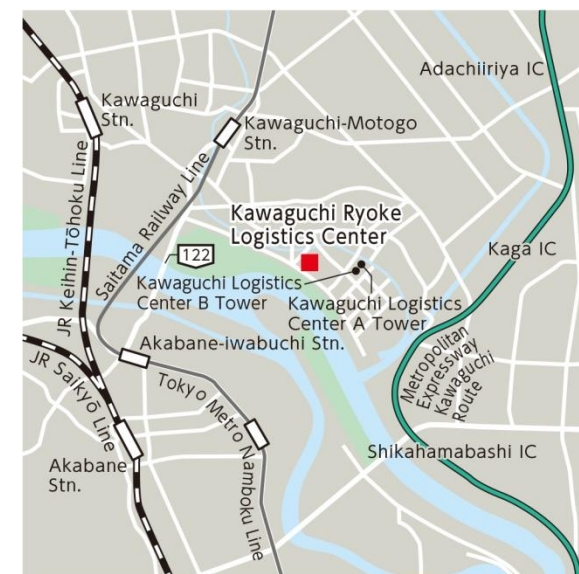
Major Evaluation Point

- Easy access to a wide area toward central Tokyo and Tohoku
- Capable of 24 hour operations and securing sufficient employment
- High-functioning logistics warehouse specifications
- Increase of investment ratio in "Greater Tokyo" area

<Photo>



<MAP>



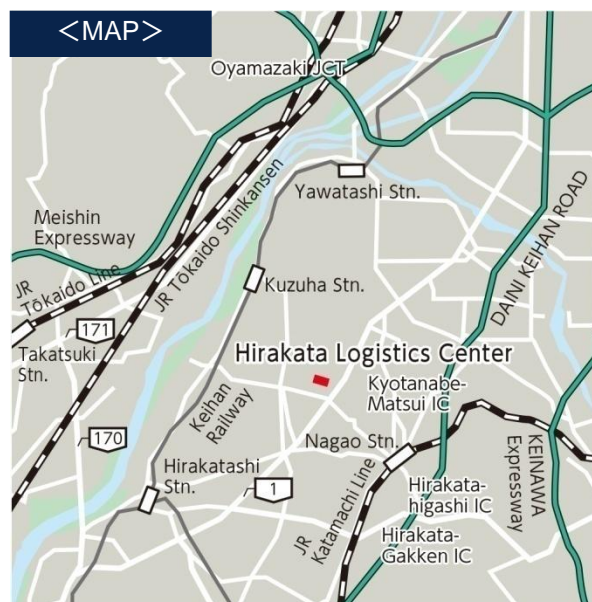
(Note) This indicates NOI yield obtained using direct capitalization approach on the appraisal report for the acquisition price.

Overview of Equity Interest in Silent Partnership During 5th Fiscal Period

Summary of silent partnership equity

Godo Gaisha Osaka Hirakata Project	
Beneficiary interest in real estate in trust, etc. ¥3,692 million	Non-recourse loans ¥2,747 million
	Silent partnership equity ¥945 million

- The Fund acquired ¥100 million (10.6%)
- Obtained preferential right to purchase the beneficiary interest in real estate



Summary of the property (Hirakata Logistics Center)

Completion date	April 2003
Location	Hirakata-City, Osaka
Access	Approx. 4.3km from Hirakata East IC on the Daini Keihan Road
Appraisal value	¥3,540 million (as of Feb. 28, 2015)
Appraisal NOI yield	5.3%
Leasable floor space	19,807.18m ² (5,991.67 tsubo)
Occupancy rate	100.0% (as of Aug. 31, 2015)

Major Evaluation Point

- Two largest markets (Osaka and Kyoto) in the Kansai area within its reach
- Capable of 24 hour operations and securing sufficient employment
- High-functioning logistics warehouse specifications
- Acquisition of preferential negotiation rights for prime properties

Overview of Property Transferred During 5th Fiscal Period

Mitsubishi Motors Ibaraki Maintenance Center (Land)

<Photo before building demolition>



<MAP>



Summary of the property

Location	Ibaraki-City, Osaka
Contract date	April, 30, 2015
Transfer date	September 1, 2015
Scheduled transfer price	¥1,133 million
Appraisal value	¥908 million (as of Aug. 31, 2015)
Book value	¥829 million (as of Aug. 31, 2015)
Leasable floor space	5,704.24m ² (1,725.53 tsubo)

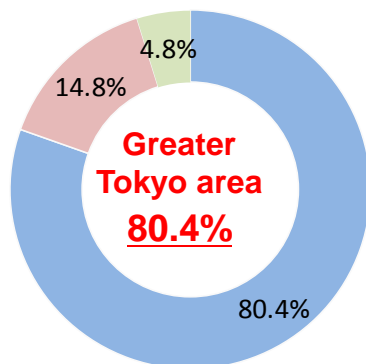
Background to Transfer

- Received “Cancellation Notice” dated June 26, 2014
Date of cancellation: June 30, 2015 (notice one year prior to the cancellation)
- Started considering the transfer in tandem with leasing activities
- Conducted limited bidding
 - <Target>
 - Local companies with needs for own use

Profit from transfer: approx. ¥240 million

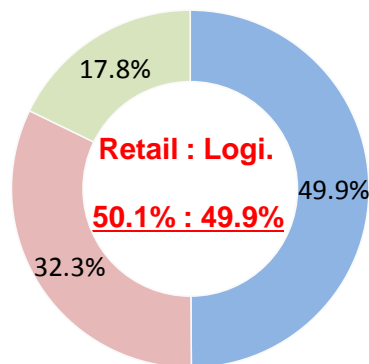
Portfolio Data (as of August 28, 2015)

Diversification by region



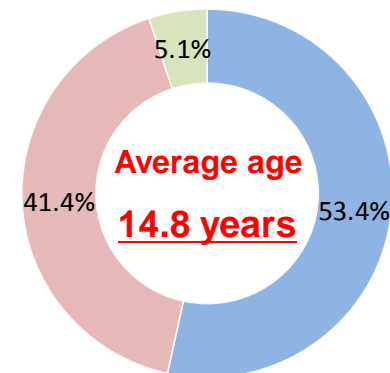
Greater Tokyo area Kinki area Others

Incorporation by use



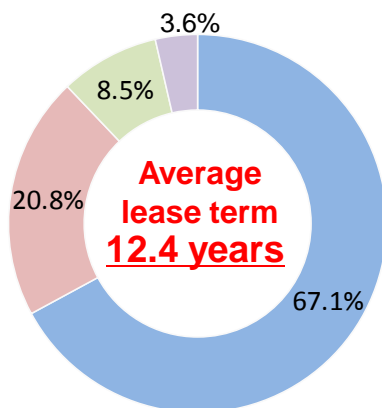
Logistics Retail (station) Retail (residential)

Portfolio building age



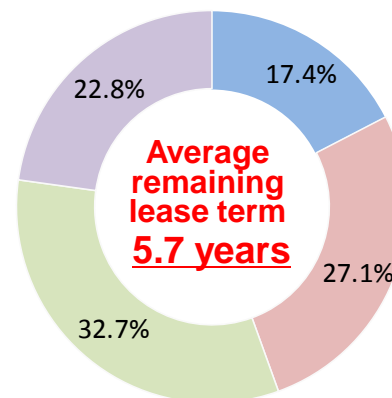
10 years or more 5 to 10 years Less than 5 years

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	6.53170316	19,800	70,045.85	100.0	4.16
		Landport Itabashi	Itabashi-ku, Tokyo	15,710	5.897302106	17,800	52,794.55	100.0	6.42
		Landport Kawagoe	Kawagoe City, Saitama	13,700	5.1	15,500	71,569.89	100.0	3.73
		Landport Atsugi	Atsugi City, Kanagawa	11,410	4.3	12,100	47,995.23	100.0	6.15
		Kawaguchi Ryoke Logistics Center	Sagamihara City, Kanaguchi	10,790	4.1	11,600	42,840.91	100.0	3.91
		Sagamihara Tana Logistics Center	Sagamihara City, Kanagawa	10,600	4.0	11,700	50,450.00	100.0	4.32
		Sagamihara Onodai Logistics Center	Sagamihara City, Kanagawa	8,700	3.3	9,930	57,448.03	100.0	7.30
		Landport Hachioji	Hachioji City, Tokyo	8,250	3.1	9,150	34,837.65	100.0	5.79
		Landport Kasukabe	Kasukabe City, Saitama	7,340	2.8	8,370	29,630.48	100.0	5.90
		Funabashi Logistics Center	Funabashi City, Chiba	4,660	1.7	5,320	30,641.98	100.0	3.40
		Atsugi Mnam Logistics Center B Tower	Atsugi City, Kanagawa	4,590	1.7	5,130	24,931.11	100.0	6.15
		Hanyu Logistics Center	Hanyu City, Saitama	3,810	1.4	4,310	24,850.80	100.0	2.72
		Kawaguchi Logistics Center B Tower	Kawaguchi City, Saitama	3,750	1.4	4,320	13,648.70	100.0	2.92
		Kawaguchi Logistics Center A Tower	Kawaguchi City, Saitama	2,830	1.1	3,270	12,003.57	100.0	2.92
		Atsugi Mnam Logistics Center A Tower	Atsugi City, Kanagawa	2,690	1.0	3,160	9,825.52	100.0	5.36
	Other	Ota Nitta Logistics Center	Ota City, Gunma	3,430	1.3	3,760	42,328.00	100.0	1.40
		Ota Higashishinmachi Logistics Center	Ota City, Gunma	2,170	0.8	2,420	23,584.72	100.0	1.35
		Ota Kiyohara Logistics Center	Ota City, Gunma	650	0.2	715	9,397.38	100.0	1.03
		Chiyodamachi Logistics Center	Oura-Gun, Gunma	330	0.1	361	4,592.00	100.0	3.76
Logistics Subtotal (19 properties)				132,810	49.85491361	148,716	653,416.37	100.0	2.96

Investment Securities

Type	Area	Property name	Location	Acquisition Price (in millions)	Investment Rate (%)	Appraisal Value (in millions)	Leasable Space (㎡)	Occupancy Rate (%)	PML (%)
Tokyo Area		Godo Kaisha Osaka Hirakata Project	Hirakata City, Osaka	100	-	-	-	-	-
		Silent Partnership Equity Interest							

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	6.2	17,400	39,736.87	98.3	4.70
		Yokosuka More's City	Yokosuka City, Kanagawa	13,640	5.1	15,100	29,383.65	100.0	6.89
		Recipe SHIMOKITA	Setagaya-ku, Tokyo	10,407	3.9	10,700	6,295.22	100.0	4.38
		Kawasaki More's	Kawasaki City, Kanagawa	6,080	2.3	7,240	18,810.31	100.0	7.39
		EQUINA Shinjuku	Shinjuku-ku, Tokyo	4,260	1.6	4,560	3,611.59	100.0	5.81
		EQUINA Ikebukuro	Toshima-ku, Tokyo	3,990	1.5	4,320	2,693.93	100.0	8.36
		covima machida	Machida City, Tokyo	3,440	1.3	4,250	2,891.32	100.0	10.85
		Nitori Makuhari	Chiba City, Chiba	3,080	1.2	3,490	14,367.98	100.0	3.90
		Konami Sports Club Fuchu	Fuchu City, Tokyo	2,730	1.0	3,230	12,385.18	100.0	2.76
		FESTA SQUARE	Saitama City, Saitama	2,600	1.0	2,960	7,480.63	100.0	5.40
		GEMS Shibuya	Shibuya-ku, Tokyo	2,490	0.9	2,640	1,791.34	100.0	4.18
		Sundai Azamino	Yokohama City, Kanagawa	1,700	0.6	1,920	2,286.47	100.0	4.89
		EQUINA Aobadai	Yokohama City, Kanagawa	1,560	0.6	1,810	2,457.36	100.0	9.33
		Megalos Kanagawa	Yokohama City, Kanagawa	1,000	0.4	1,320	6,217.85	100.0	9.06
	Kinki Area	Universal CityWalk Osaka	Osaka City, Osaka	15,500	5.8	16,600	9,733.28	94.6	4.42
		Izumiya Senrioka	Suita City, Osaka	8,930	3.4	10,500	24,399.12	100.0	5.43
		Merad Owada	Osaka City, Osaka	6,640	2.5	7,280	14,941.54 (Retail) 5,856.50 (Logistics)	100.0	3.33
		Izumiya Yao	Yao City, Osaka	4,406	1.7	5,010	34,198.01	100.0	3.97
	Other	Izumiya Obayashi	Takarazuka City, Hyogo	3,020	1.1	3,590	11,714.36	100.0	3.89
		Ichibancho steer	Sendai City, Miyagi	4,700	1.8	5,450	4,611.68	100.0	2.42
EQUINA Aobadori		Sendai City, Miyagi	1,640	0.6	1,860	4,030.37	100.0	1.57	
Land-only retail property	Tokyo Area	Mitsubishi Motors Meguro	Meguro-ku, Tokyo	2,740	1.0	2,880	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	0.6	1,740	1,421.31	100.0	—
		Mitsubishi Motors Nerima	Nerima-ku, Tokyo	1,240	0.5	1,310	1,725.61	100.0	—
		Mitsubishi Motors Kawasaki	Kawasaki City, Kanagawa	950	0.4	1,040	3,057.02	100.0	—
		Mitsubishi Motors Takaide	Suginami-ku, Tokyo	850	0.3	898	1,923.64	100.0	—
		Mitsubishi Motors Katsushika	Katsushika-ku, Tokyo	800	0.3	837	1,930.05	100.0	—
		Mitsubishi Motors Higashikurume	Higashikurume City, Tokyo	800	0.3	828	4,105.00	100.0	—
		Mitsubishi Motors Setagaya	Setagaya-ku, Tokyo	770	0.3	810	1,305.78	100.0	—
		Mitsubishi Motors Suginami	Suginami-ku, Tokyo	740	0.3	827	1,831.00	100.0	—
		Mitsubishi Motors Sekimachi	Nerima-ku, Tokyo	600	0.2	627	989.77	100.0	—
		Mitsubishi Motors Higashiyamato	Higashiyamato City, Tokyo	450	0.2	496	2,783.79	100.0	—
		Mitsubishi Motors Motosumiyoshi	Kawasaki City, Kanagawa	370	0.1	377	1,646.97	100.0	—
		Mitsubishi Motors Kawagoe	Kawagoe City, Saitama	350	0.1	369	2,462.40	100.0	—
	Mitsubishi Motors Edogawa	Edogawa-ku, Tokyo	200	0.1	211	892.56	100.0	—	
	Mitsubishi Motors Sayama	Sayama City, Saitama	160	0.1	169	1,793.00	100.0	—	
Kinki Area	Mitsubishi Motors	Ibaraki City, Osaka	820	0.3	908	5,704.24	0.0	—	
	Ibaraki Maintenance Center								
Retail Subtotal (38 properties)				133,583	50.1	147,397	301,031.52	97.7	2.84
Total (57 properties)				266,393	100.0	293,113	954,447.89	99.3	2.56

List of End-of Period Appraisal Value

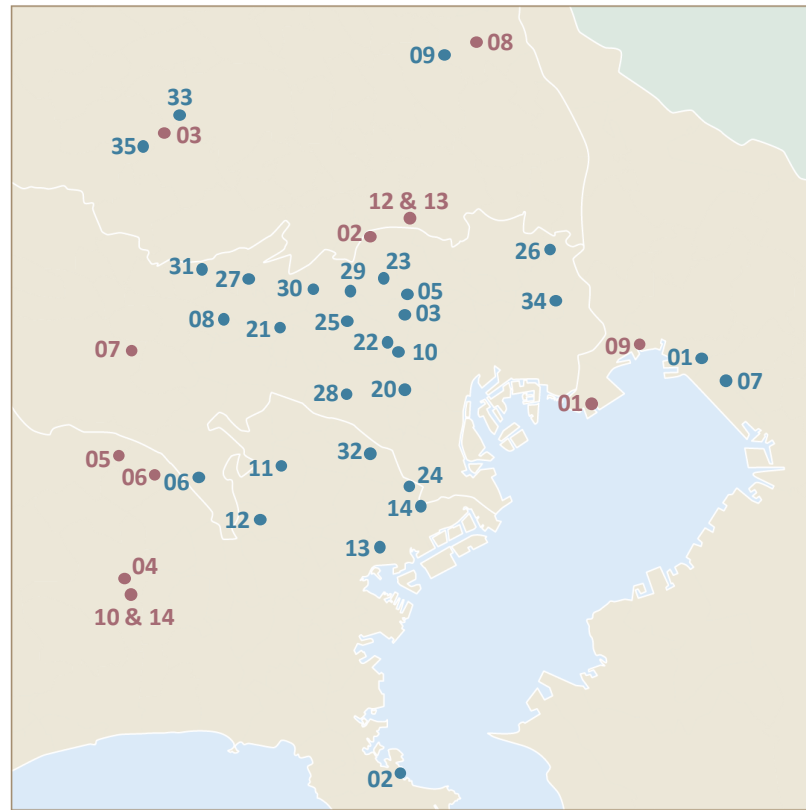
Property Name		Acquisition Price (¥ mln)	Book Value at 5th Period End (¥ mln)	Appraisal Value at 5th Period End (¥ mln)	Appraisal Value at 4th Period End (¥ mln)	Difference between (¥ mln)	Change
Tokyo Area Logistics	Landport Urayasu	17,400	17,033	19,800	19,800	-	-
	Landport Itabashi	15,710	15,420	17,800	17,400	400	2.3%
	Landport Kawagoe	13,700	13,232	15,500	14,900	600	4.0%
	Landport Atsugi	11,410	10,955	12,100	12,500	▲400	▲3.2%
	Kawaguchi Ryoke Logistics Center	10,790	10,923	11,600	11,400	200	1.8%
	Sagamihara Tana Logistics Center	10,600	10,683	11,700	11,400	300	2.6%
	Sagamihara Onodai Logistics Center	8,700	8,450	9,930	9,700	230	2.4%
	Landport Hachioji	8,250	8,031	9,150	8,720	430	4.9%
	Landport Kasukabe	7,340	7,048	8,370	8,200	170	2.1%
	Funabashi Logistics Center	4,660	4,651	5,320	5,190	130	2.5%
	Atsugi Minami Logistics Center B Tower	4,590	4,516	5,130	4,990	140	2.8%
	Hanyu Logistics Center	3,810	3,650	4,310	4,230	80	1.9%
	Kawaguchi Logistics Center B Tower	3,750	3,715	4,320	4,220	100	2.4%
	Kawaguchi Logistics Center A Tower	2,830	2,822	3,270	3,200	70	2.2%
	Atsugi Minami Logistics Center A Tower	2,690	2,643	3,160	3,090	70	2.3%
	Ota Nitta Logistics Center	3,430	3,253	3,760	3,690	70	1.9%
	Ota Higashishinmachi Logistics Center	2,170	2,063	2,420	2,380	40	1.7%
	Ota Kiyohara Logistics Center	650	611	715	702	13	1.9%
	Chiyodamachi Logistics Center	330	324	361	354	7	2.0%
Logistics Subtotal (19 properties)		132,810	130,032	148,716	145,712	2,650	1.8%

Comparison with the previous period

	3rd Period ⇒ 4th Period	4th Period ⇒ 5th Period
Increase	43	47
±0	9	8
Decrease	4	2

Property Name		Acquisition Price (¥ mln)	Book Value at 5th Period End (¥ mln)	Appraisal Value at 5th Period End (¥ mln)	Appraisal Value at 4th Period End (¥ mln)	Difference between (¥ mln)	Change
Tokyo Area Retail other than land-only property	Morisia Tsudanuma	16,600	16,884	17,400	17,300	100	0.6%
	Yokosuka More's City	13,640	13,755	15,100	14,900	200	1.3%
	Recipe SHIMOKITA	10,407	10,733	10,700	10,600	100	0.9%
	Kawasaki More's	6,080	6,167	7,240	7,160	80	1.1%
	EQUINIA Shinjuku	4,260	4,297	4,560	4,480	80	1.8%
	EQUINIA Ikebukuro	3,990	4,020	4,320	4,260	60	1.4%
	covirna machida	3,440	3,640	4,250	4,100	150	3.7%
	Nitori Makuhari	3,080	2,984	3,490	3,490	-	-
	Konami Sports Club Fuchu	2,730	2,673	3,230	3,160	70	2.2%
	FESTA SQUARE	2,600	2,511	2,960	2,950	10	0.3%
	GEMS Shibuya	2,490	2,484	2,640	2,550	90	3.5%
	Sundai Azamino	1,700	1,647	1,920	1,850	70	3.8%
	EQUINIA Aobadai	1,560	1,573	1,810	1,750	60	3.4%
	Megalos Kanagawa	1,000	1,007	1,320	1,320	-	-
	Universal CityWalk Osaka	15,500	15,705	16,600	16,600	-	-
	Izumiya Senrioka	8,930	8,773	10,500	10,300	200	1.9%
	Merad Owada	6,640	6,601	7,280	7,150	130	1.8%
	Izumiya Yao	4,406	4,292	5,010	4,910	100	2.0%
	Izumiya Obayashi	3,020	3,179	3,590	3,560	30	0.8%
	Ichibancho stear	4,700	4,644	5,450	5,050	400	7.9%
	EQUINIA Aobadori	1,640	1,559	1,860	1,820	40	2.2%
	Mitsubishi Motors Meguro	2,740	2,764	2,880	2,840	40	1.4%
	Mitsubishi Motors Chofu	1,760	1,776	1,840	1,840	-	-
	Mitsubishi Motors Shibuya	1,570	1,586	1,740	1,740	-	-
	Mitsubishi Motors Nerima	1,240	1,251	1,310	1,280	30	2.3%
	Mitsubishi Motors Kawasaki	950	959	1,040	1,030	10	1.0%
	Mitsubishi Motors Takaide	850	859	898	898	-	-
	Mitsubishi Motors Katsushika	800	808	837	825	12	1.5%
	Mitsubishi Motors Higashikurume	800	808	828	825	3	0.4%
	Mitsubishi Motors Setagaya	770	779	810	792	18	2.3%
	Mitsubishi Motors Suginami	740	748	827	818	9	1.1%
	Mitsubishi Motors Sekimachi	600	606	627	620	7	1.1%
	Mitsubishi Motors Higashiyamato	450	455	496	492	4	0.8%
	Mitsubishi Motors Motosumiyoshi	370	375	377	376	1	0.3%
	Mitsubishi Motors Kawagoe	350	355	369	366	3	0.8%
	Mitsubishi Motors Edogawa	200	204	211	211	-	-
	Mitsubishi Motors Sayama	160	163	169	168	1	0.6%
	Mitsubishi Motors Ibaraki Maintenance Center	820	829	908	937	▲29	▲3.1%
	Retail Subtotal (38 properties)	133,583	134,471	147,397	145,318	2,079	1.4%
	Total (57 properties)	266,393	264,503	296,113	291,384	4,729	1.6%

Portfolio Map

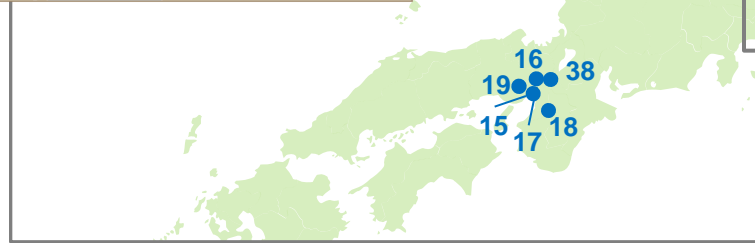


Logistics

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

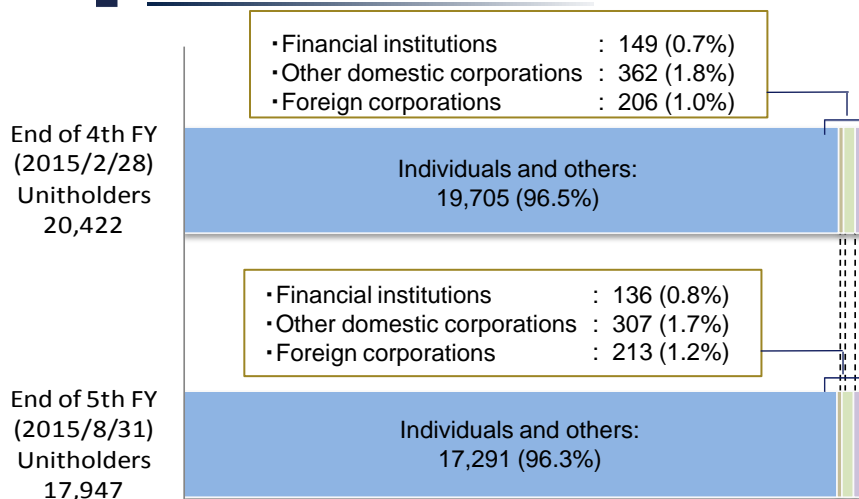
Retail

- 01 Morisia Tsudanuma
- 02 Yokosuka More's City
- 03 Recipe SHIMOKITA
- 04 Kawasaki More's
- 05 EQUINIA Shinjuku
- 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 Universal CityWalk Osaka
- 16 Izumiya Senrioka
- 17 Merad Owada
- 18 Izumiya Yao
- 19 Izumiya Obayashi
- 20 Ichibancho stear
- 21 EQUINIA Aobadori
- 22 Mitsubishi Motors Meguro (Land)
- 23 Mitsubishi Motors Chofu (Land)
- 24 Mitsubishi Motors Shibuya (Land)
- 25 Mitsubishi Motors Nerima (Land)
- 26 Mitsubishi Motors Kawasaki (Land)
- 27 Mitsubishi Motors Takaido (Land)
- 28 Mitsubishi Motors Katsushika (Land)
- 29 Mitsubishi Motors Higashikurume (Land)
- 30 Mitsubishi Motors Setagaya (Land)
- 31 Mitsubishi Motors Suginami (Land)
- 32 Mitsubishi Motors Sekimachi (Land)
- 33 Mitsubishi Motors Higashiyamato (Land)
- 34 Mitsubishi Motors Motosumiyoshi (Land)
- 35 Mitsubishi Motors Kawagoe (Land)
- 36 Mitsubishi Motors Edogawa (Land)
- 37 Mitsubishi Motors Sayama (Land)
- 38 Mitsubishi Motors Ibaraki Maintenance Center (Land)

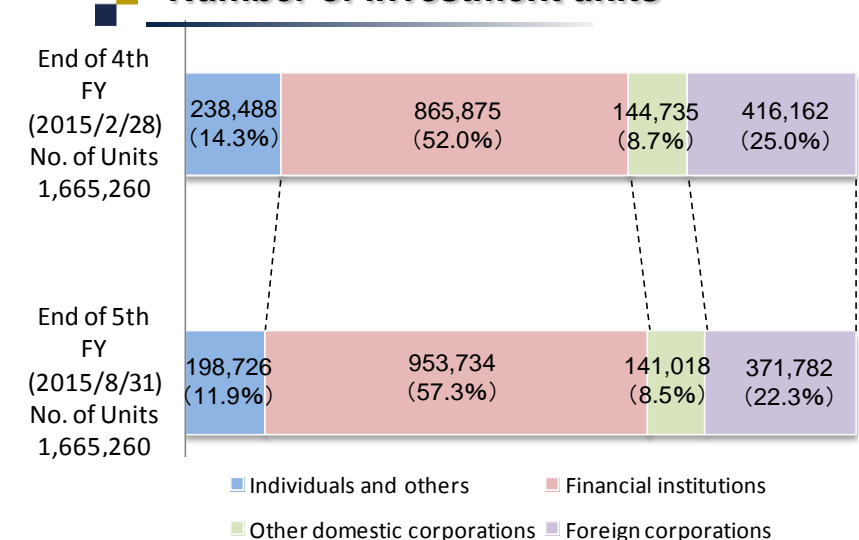


Unitholders (at end of 5th Fiscal Period)

Number of unitholders



Number of investment units



Breakdown of financial institutions

	End of 4th period		End of 5th period	
Banks	64,541 units	3.88%	63,071 units	3.79%
Trust banks	687,427 units	41.28%	786,263 units	47.22%
Life insurance companies	22,648 units	1.36%	31,085 units	1.87%
Non-life insurance companies	1,128 units	0.07%	667 units	0.04%
Other financial institutions	90,131 units	5.41%	72,648 units	4.36%
	865,875 units	52.00%	953,734 units	57.27%

Top 10 unitholders

Unitholder	Number of units	Ratio
1 Japan Trustee Services Bank, Ltd.	393,339	23.62%
2 The Master Trust Bank of Japan, Ltd.	169,052	10.15%
3 Trust & Custody Services Bank, Ltd.	141,894	8.52%
4 Nomura Real Estate Development Co., Ltd.	87,820	5.27%
5 Nomura Bank (Luxembourg) S.A.	85,071	5.11%
6 The Nomura Trust and Banking Co., Ltd.	65,621	3.94%
7 NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	25,057	1.50%
8 CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB OMNIBUS CLIENT ACCOUNT	20,912	1.26%
9 STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT	17,836	1.07%
10 The Gibraltar Life Insurance Co., Ltd.	13,169	0.79%
Total	1,019,771	61.24%

Tenant Status (at end of 5th Fiscal Period)

Top 10 tenants (based on leased area)

	Tenant	Use	Property Name	Total leased area (㎡)	Ratio (%)
1	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu Sagamihara Onodai Logistics Center	92,389.48	9.8
2	Izumiya Co., Ltd.	Retail	Izumiya Senrioka Izumiya Yao Izumiya Obayashi	70,311.49	7.4
3	Nippon Express Co., Ltd.	Logistics	Kawaguchi Ryoke Logistics Center Hanyu Logistics Center	67,691.71	7.1
4	Amazon Japan Logistics K.K.	Logistics	Landport Kawagoe	56,377.76	5.9
5	Neovia Logistics Service	Logistics	Sagamihara Tana Logistics Center	50,450.00	5.3
6	Yokohama Okadaya	Retail	Yokosuka More's City Kawasaki More's	48,193.96	5.1
7	Mitsui-Soko Logistics Co., Ltd.	Logistics	Ota Nitta Logistics Center	42,328.00	4.5
8	ASKUL Corporation	Logistics	Landport Itabashi	37,276.71	3.9
9	Undisclosed (Note)	Retail (land)	Mitsubishi Motors (Total 16 properties)	35,432.72	3.7
10	Otsuka Warehouse Co., Ltd.	Logistics	Landport Urayasu	35,104.40	3.7
Top 10 tenants total				508,465.08	55.9

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

Changes in Financial Performance

		1st FP	2nd FP	3rd FP	4th FP	5th FP
Operating Revenues	million yen	3,683	9,176	9,468	10,066	10,406
Operating Profits	million yen	2,089	5,348	4,638	4,750	4,328
Net Income	million yen	1,251	4,860	4,079	4,145	3,692
Asset Total	million yen	252,265	261,582	257,040	276,539	287,696
Interest-bearing Debt Total	million yen	78,478	84,435	80,393	99,150	110,307
Net Asset	million yen	162,371	165,982	165,201	165,267	164,813
Return on Assets (ROA)	%	2.5	3.8	3.1	3.1	2.6
Return on Equity (ROE)	%	3.5	6.0	4.9	5.1	4.4
FP End Capital Adequacy Ratio	%	64.4	63.5	64.3	59.8	57.3
LTV	%	31.1	32.3	31.3	35.9	38.3
Interest Coverage Ratio	times	9.6	13.2	10.2	9.5	8.2
Weighted Average Interest Rate	%	0.99	0.98	1.12	1.00	0.95
Debt Average Remaining Duration	years	4.8	4.4	5.1	4.6	4.0
Rent NOI	million yen	3,123	7,755	7,127	7,396	7,697
NOI Yield (acquisition price base)	%	6.26	6.57	5.94	5.84	5.73
FFO	million yen	1,950	6,359	5,617	5,853	5,433
Number of Properties	properties	54	55	55	56	57
Acquisition Price Total	million yen	227,616	238,023	238,023	255,603	266,393
Book Value Total	million yen	229,489	239,044	238,207	254,835	264,503
Appraisal Value Total	million yen	239,326	252,818	257,123	279,984	296,113
NAV per Unit	thousand yen	103	107	110	114	117

ROA=Current Profits/[(Total Asset Value at Start of FP+Total Asset Value at FP End):2]x100 *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]x100 *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 x 100

LTV=Total Interest-bearing Debt at FP End/Total Asset at FP End x 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 x 100 *annual basis

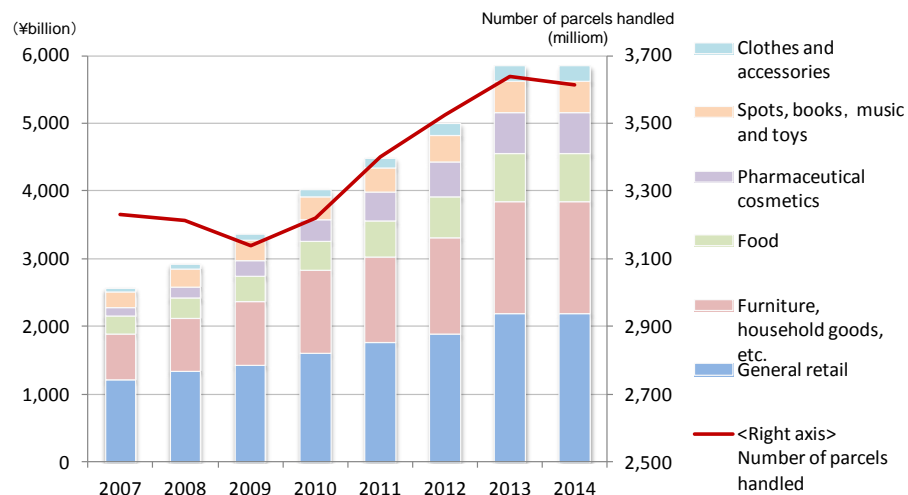
FFO=Net Income+Current FP Depreciation and Amortization+Investment Corporation Bond Issuance Amortization-Real Estate Disposition Profit & Loss

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

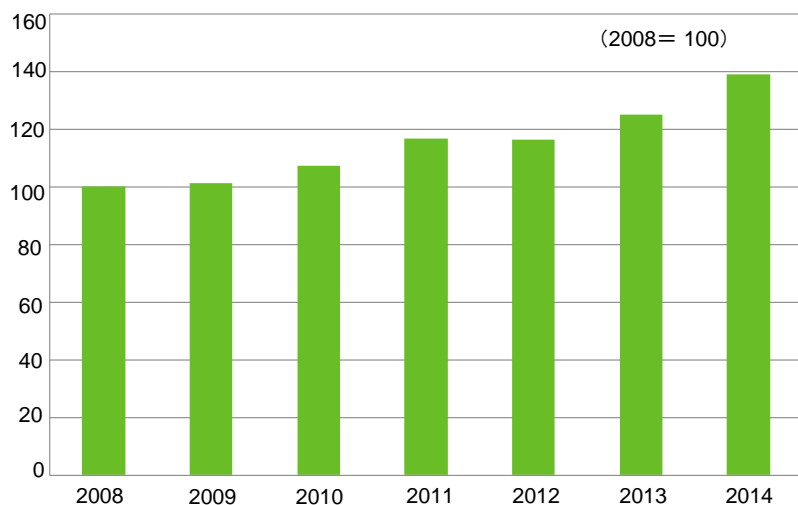
*annual basis=each measure/operating days x 365 days

Logistics Facilities Environment

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

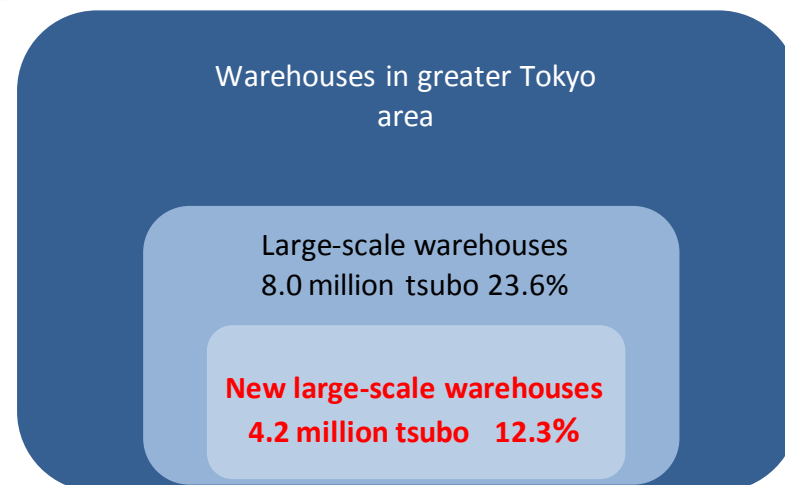


Change in 3PL sales

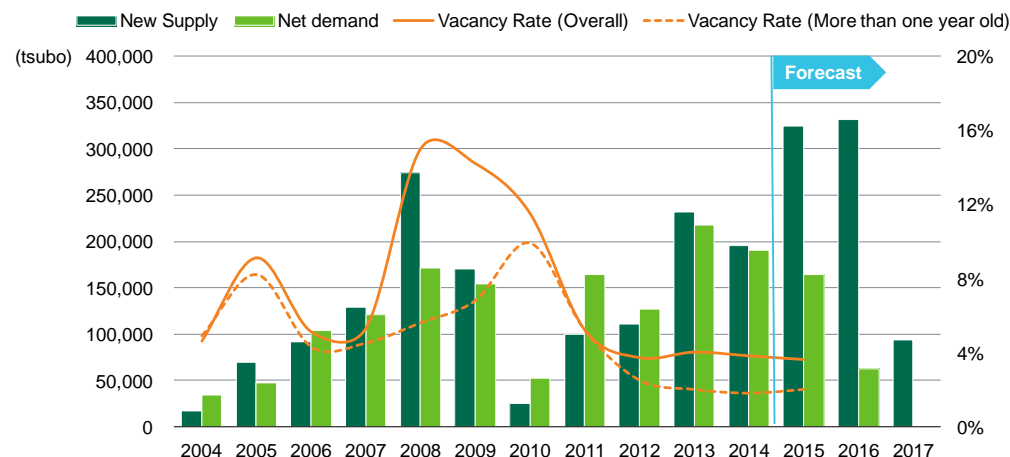


(Source) Prepared by Nomura Real Estate Asset Management Co., Ltd. based on public data of the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism (upper left), public data of the Ministry of Internal Affairs and Communications and the Ministry of Economy,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

Warehouse stock in greater Tokyo area

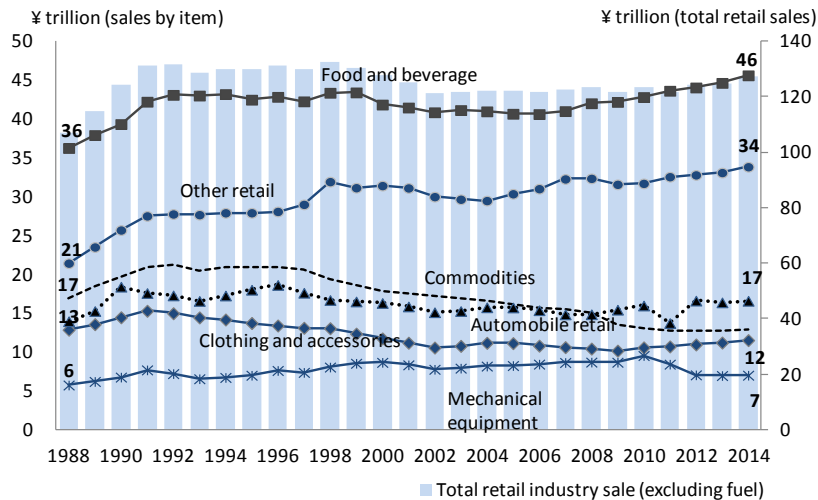


Supply-demand balance of rentable large scale logistics facilities

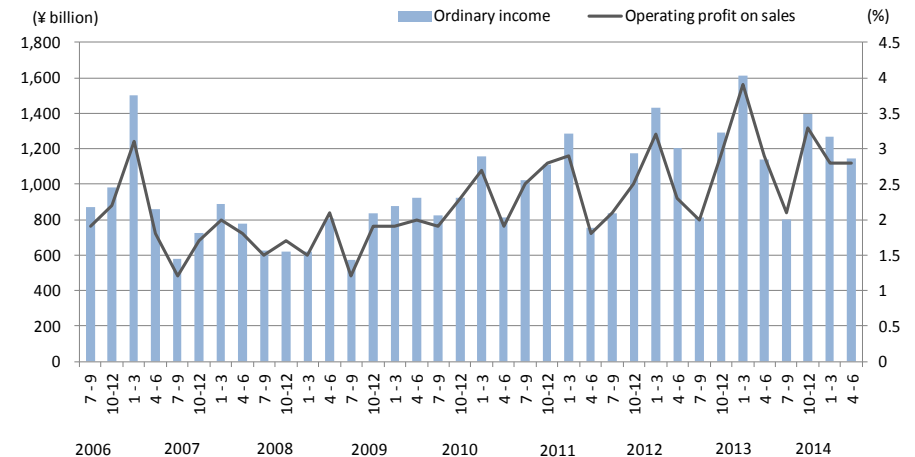


Retail Facilities Environment

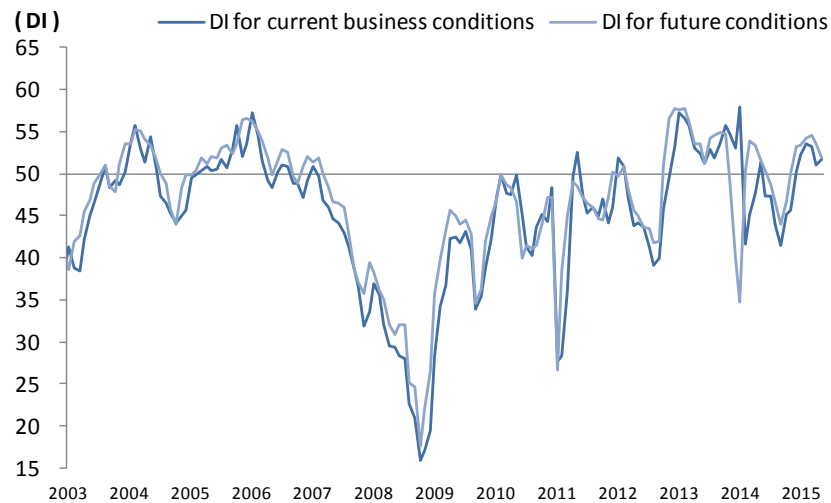
Retail sales (by item)



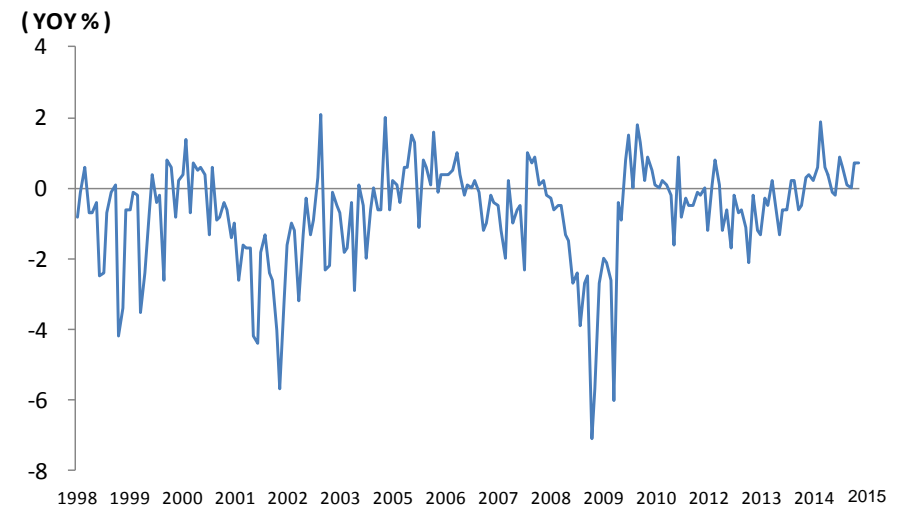
Change in retail industry corporate performance



Change in Economy Watcher's index



Change in cash wage



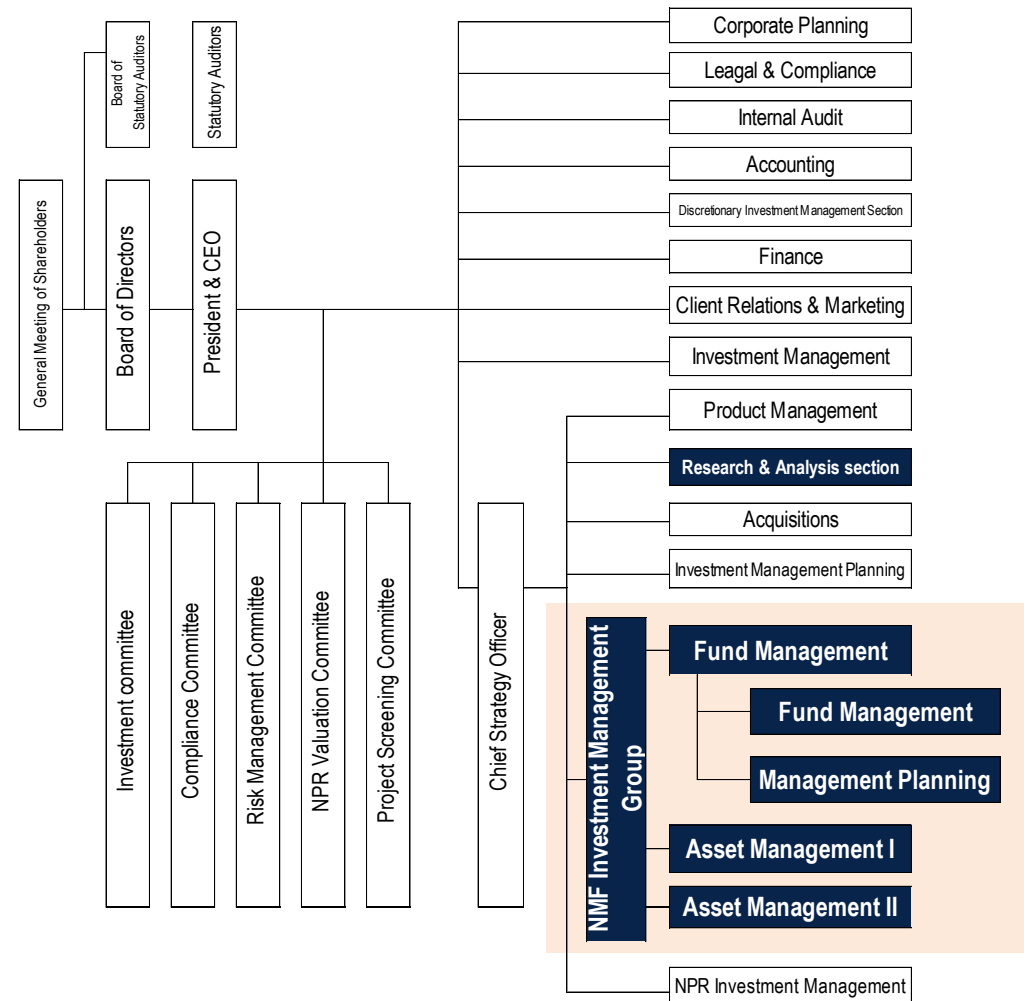
(Source) Prepared by Nomura Real Estate Asset Management Co., Ltd. based on public data of the Ministry of Economy, Trade and Industry (upper left), public data of the Ministry of Finance (upper right), public data of the Cabinet Office (lower left), and public data of Ministry of Health, Labour and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

Overview of the Asset Management Company

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.

Organizational chart



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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.

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