

NOMURA  
MASTER  
FUND

NOMURA NOMURA  
Office Fund Residential Fund



**Nomura Real Estate Master Fund, Inc.**  
**Nomura Real Estate Office Fund, Inc.**  
**Nomura Real Estate Residential Fund, Inc.**

**Merger Presentation**  
**May 27, 2015**

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Amortization Cost and Distribution in excess of profit 1

# 1. Executive Summary

## Concepts of the Merger of 3 REITs

- (i) Pursue sustainable growth by transforming from “Specialized type REIT” into “Diversified type REIT”
- (ii) Strengthen stability and enhance growth strategy through benefit of a large scale REIT
- (iii) Accelerate mutual growth with Nomura Real Estate Group by establishing “Leasing Business Value Chain”



**Maximize unitholders' value**

(Secure stable income (mid-to long-term) and steadily increase the portfolio size)

# Outline of “New REIT”

	New REIT <sup>Note1</sup>	NMF <sup>Note2</sup> (ended February 28, 2015)	NOF <sup>Note2</sup> (ended October 31, 2014)	NRF <sup>Note2</sup> (ended November 30, 2014)
Asset size (mil yen; acquisition price basis)	779,174 <sup>Note 3</sup>	255,603	409,529	159,310
Number of properties	257	56	54	150
Total assets (mil yen)	924,504	276,539	435,644	164,852
Unrealized gains and losses (mil yen)	+ 25,566 <sup>Note 4</sup>	+ 25,148	▲53,314	+ 563
LTV (on a total assets basis)	42.7% (46.7%) <sup>Note 5</sup>	35.9% (38.3%) <sup>Note 6</sup>	44.1% (44.7%) <sup>Note 6</sup>	52.7% (52.9%) <sup>Note 8</sup>

Note 1 : The figures of the asset size, number of properties, total assets, unrealized gains or losses, and LTV are estimated figures as of immediately after the Merger, and the total assets include the value of goodwill in an amount of 80,116million yen (a provisional estimated amount). Assets scheduled to be acquired in October 2015 and March 2016 are not included in the estimates.

Note 2 : Calculated based on figures as of or for the most recent fiscal period end the results of which are publicly disclosed. (NMF: February 2015, NOF: October 2014 and NRF: November 2014)

Note 3 : As NMF is scheduled to be the acquiring corporation under the purchase method, it will succeed the assets of NOF and NRF at the fair market value, the total amount of (i) the acquisition price of NMF and (ii) the appraisal value at the end of the most recent fiscal period of NOF and NRF is stated.

Note 4 : Obtained by adding or subtracting the estimated unrealized gains or losses arising from the properties that are scheduled to be acquired or transferred by NMF.

Note 5 : Obtained by deducting the estimated value of goodwill in an amount of 80,116million yen (a provisional estimated amount) from the total assets of the new REIT.

Note 6 : Calculated by taking into consideration the anticipating amount of the loans and repayment resulting from the acquisition and transfer of the real estate, etc., as determined and announced after the end of the most recent fiscal period end.

	New REIT	NMF	NOF	NRF
Number of investment units (units)	3,722,010	1,665,260	372,553	160,800
DPU (yen)	2,710 <sup>Note 7</sup>	2,480 <sup>Note 8</sup>	9,120 <sup>Note 8</sup>	11,600 <sup>Note 8</sup>
<b>Dividend after adjustment of merger ratio (New REIT)</b> <sup>Note9</sup>		<b>2,710</b>	<b>9,756</b>	<b>12,059</b>
(Change in dividend)		(+9.3%)	(+7.0%)	(+4.0%)

Note 7 : Due to the first fiscal period following the Merger being an irregular accounting period of 5 months, the estimated values for the second fiscal period are stated instead of the values of the first fiscal period.

Note 8 : Values of forecast of each investment corporation prior to the Merger are stated. (NMF: August 2015, NOF: October 2015 and NRF: November 2015)

Note 9 : Obtained by multiplying the DPU of New REIT (2,710 yen) by the merger ratio

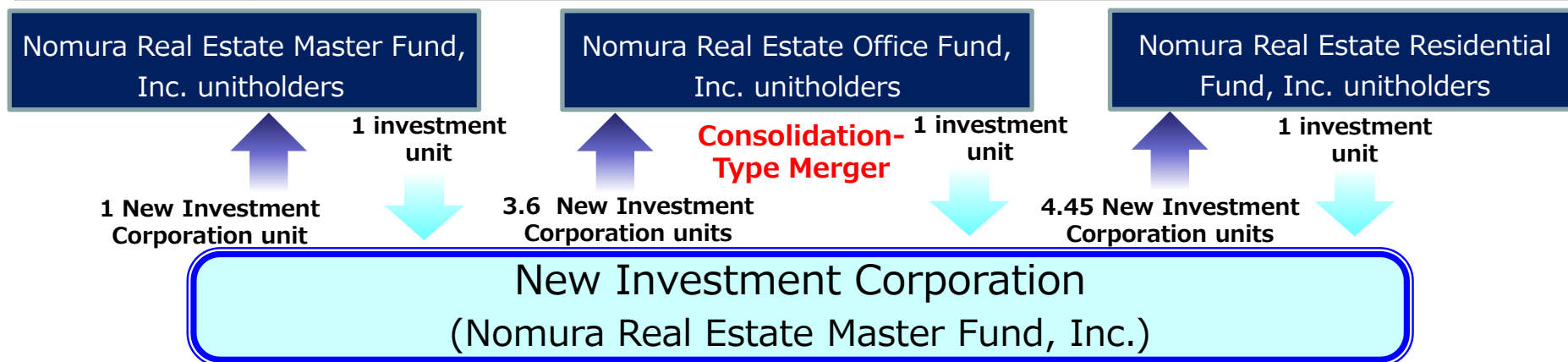
(abbreviation) NMF = Nomura Real Estate Master Fund, Inc., NOF = Nomura Real Estate Office Fund, Inc., NRF = Nomura Real Estate Residential Fund, Inc.

## 2. Overview of the Merger

# Scheme and Schedule of the Merger

## I Scheme

Method of merger	• A “consolidation-type merger” ( <i>shinsetsu gappei</i> ) method whereby NMF, NOF, and NRF are corporations consolidated through the consolidation-type merger (The acquiring corporation is NMF under the Guidance on Accounting Standard for Business Combinations)
Merger ratio	• NMF : NOF : NRF = 1 : 3.6 : 4.45 (1 New Investment Corporation unit to NMF unitholders, 3.6 New Investment Corporation units to NOF unitholders and 4.45 New Investment Corporation units to NRF unitholders (number of New Investment Corporation units allotted per 1 investment unit))
Resolution of general meeting of unitholders	• Extraordinary resolution on the proposal of Merger (Note 1) is necessary at the general meetings of unitholders of each REIT (Approvals at the general meeting of unitholders of all NMF, NOF and NRF are one of the conditions of the Merger)



## I Schedule (planned)

2015	May 27	Execution of the Merger Agreement and determination of the merger ratio	2015	Sep. 28	Delisting of NMF, NOF and NRF
	June 12	Record date for general meeting of unitholders (Note 2) (NMF·NRF)		Oct. 1	The Merger comes into effect (incorporation of New REIT)
	July 30	General meetings of unitholders of NMF and NOF		Oct. 2	Listing of the New REIT on Tokyo Stock Exchange, Inc.
	July 31	General meeting of unitholders of NRF	2016	Feb. 29	First fiscal period end for New REIT (Fiscal Period end in each February and August)

Note 1: The proposal requires a majority of the unitholders to be present and 2/3 or more affirmative votes of voting rights. In case there is no opposing proposal, the deemed affirmative vote system will be applied.

Note 2: The record date for general meeting of unitholders of NOF is April 30, 2015.

# Concepts of the Merger (i)

## 《Transformation from “Specialized type REIT” into “Diversified type REIT”》

**Realize sustainable growth** by returning to **middle-risk and middle-return**, the product feature of REIT

### Transformation from “Specialized type REIT” into “Diversified type REIT”

#### ■ Pursue both stable profitability and growth through diversification of asset types

- Achieve middle-risk and middle-return, the product feature of REIT, by integrating asset types with stable profitability (Note 1) and upside potential (Note 2)

Note 1: Logistics facilities, retail facilities (residential area) and residential facilities  
Note 2: Office buildings and retail facilities (near stations)

#### ■ Realize continuous and stable growth through selective investment in prime properties from wide range of asset types

- Pursue portfolio’s continuous and stable growth by capturing optimal timing of investment, which differs by asset types

#### ■ Broaden acquisition opportunities through diversification of investment asset types

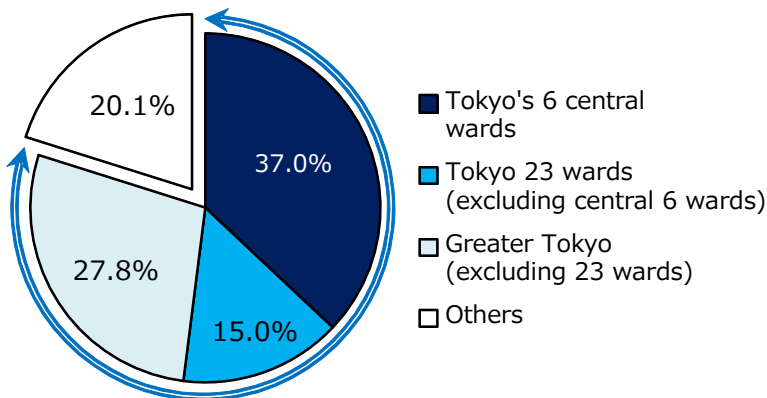
- Pursue the expansion of acquisitions opportunities in response to diversification of asset types which REITs invest in, such as complex facilities, hotels, factories and health care facilities

**Pursue sustainable growth**



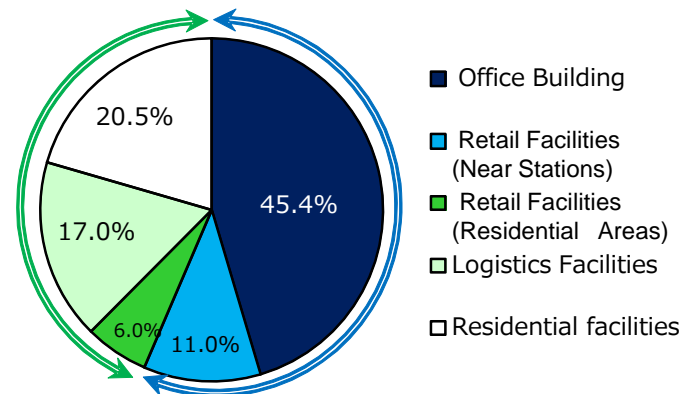
## Area Diversification

Concentration in Tokyo area <sup>Note2</sup> : **79.9%**



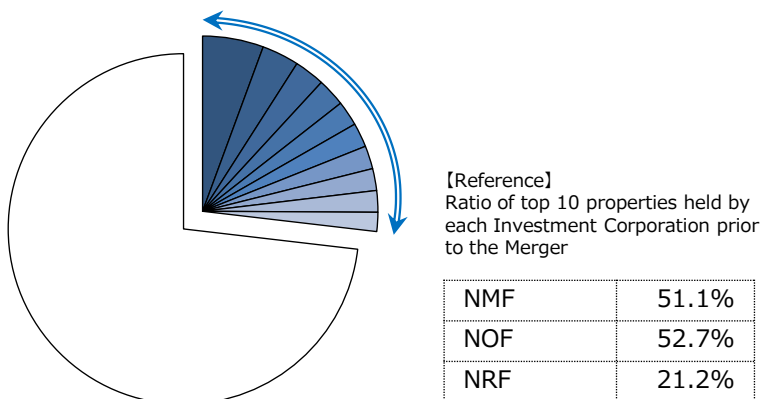
## Asset Type Diversification

Stable profitability : **43.6%**    Upside potential : **56.4%**



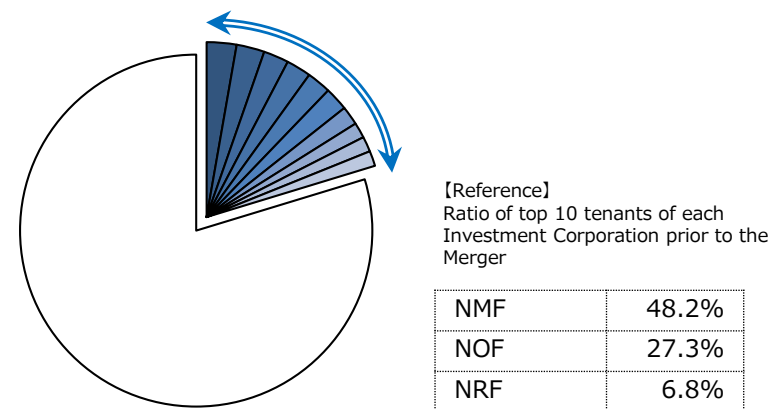
## Property Diversification

Ratio of top 10 properties : **26.9%**



## Tenant Diversification

Ratio of top 10 tenants : **20.3%**



Note 1 : In the tables for "Area Diversification", "Asset Type Diversification" and "Property Diversification", the ratios are calculated on the basis of (anticipated) acquisition price (in the case of NOF and NRF, the valuation amount as at the end of the fiscal period), and in the table for "Tenant Diversification", the ratios are calculated on the basis of rents (including common service expenses).

Note 2 : Tokyo area includes Tokyo, Kanagawa, Chiba and Saitama.

## Concepts of the Merger (ii)

### 《 Utilization of the scale advantage by the Merger 》

Established 13 years ago, the J-REIT market overcame the financial crisis and currently has market size over JPY 10 trillion. However, polarization in size of the REITs is evident; majorities are the small-medium sized REITs.

#### Become a large scale REIT through the Merger

##### ■ Drastic enhancement in stability through expansion of the asset size

- The asset size (acquisition price basis) will be approximately JPY 780 billion. The diversification of properties and tenants will drastically improve the portfolio stability.

##### ■ Actively implement measures to improve portfolio value

- Actively implement measures, such as replacement of properties and reconstructions through sponsor's collaboration, to improve the portfolio value.
- Gain capability to acquire large scale properties and complex facilities by becoming a large scale REIT

##### ■ Enhance financial stability

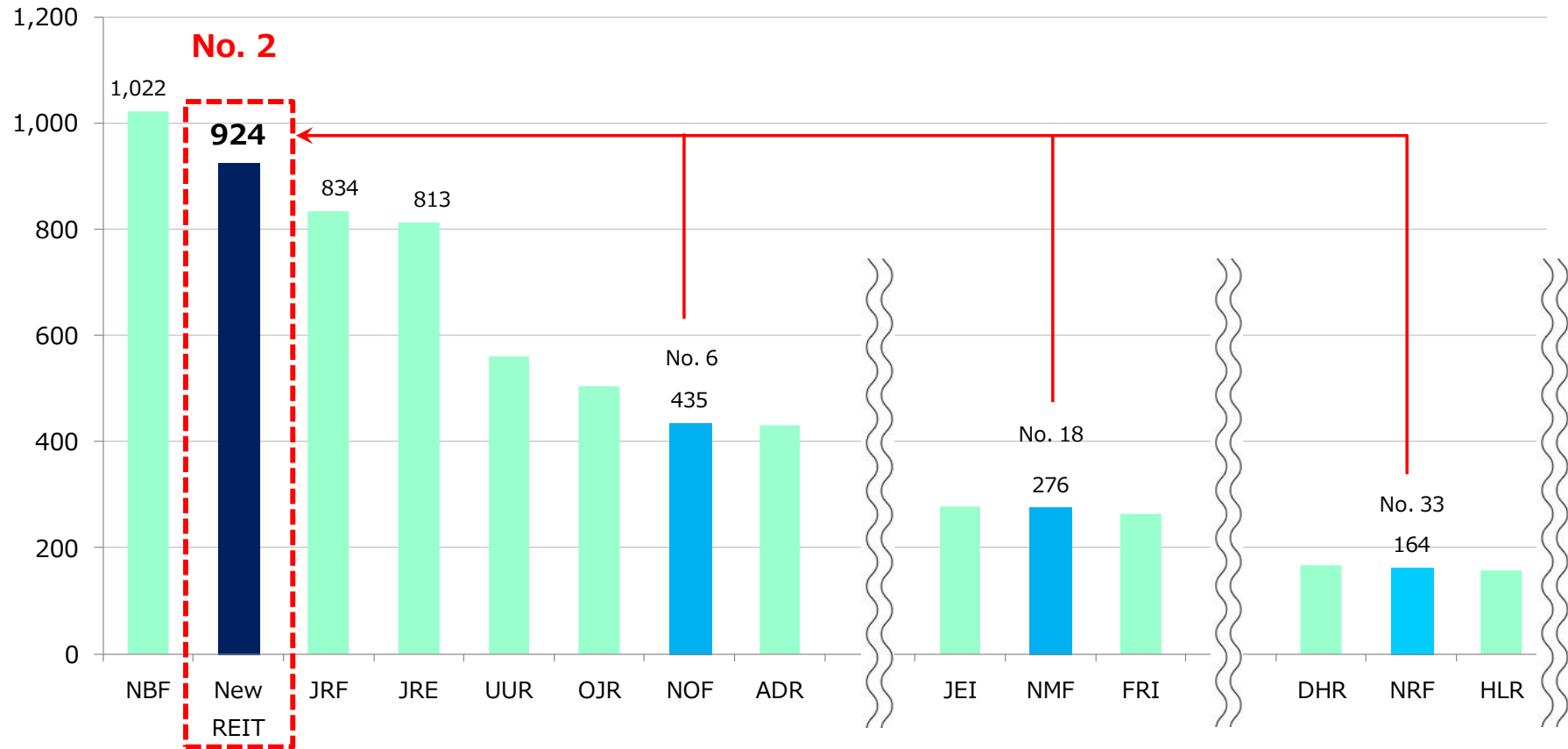
- Promote reduction of funding costs and diversify funding methods through enhancement of fund raising capacity, which can be achieved by expansion of asset size.

**Strengthen stability and enhance growth strategy**

# New REIT to be one of the largest Diversified type REITs in Japan

## Positioning in the J-REIT market (on a total assets basis) Note

(billion yen)



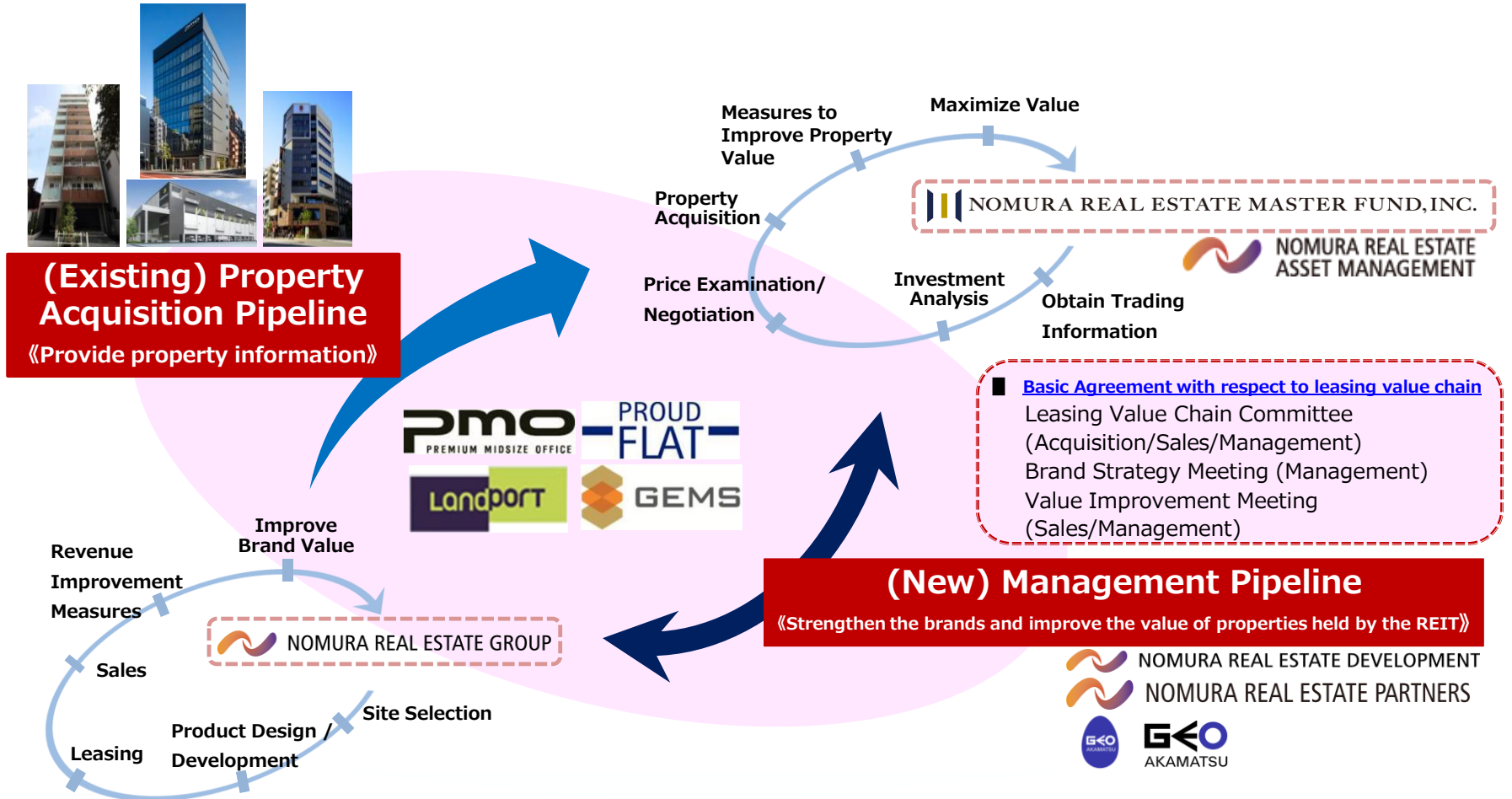
Note: Based on the most recent business results published by each Investment Corporation as of April 30, 2015.  
The value of the New REIT includes estimated goodwill in an amount of 80billion yen.

**To become one of the largest Diversified type REITs in Japan with a leading role in the REIT market.**

# Concepts of the Merger (iii)

## 《Establishment of "Leasing Business Value Chain"》

- Establish "Leasing Business Value Chain" through interactive "management pipeline" in addition to the "property pipeline", with the aim to strengthen the brand and enhance the value of REIT's properties.
- Entered into "Basic agreement with respect to Leasing Business Value Chain" among Nomura Real Estate Group companies and Nomura Real Estate Asset Management Co., Ltd. on May 27, 2015.



**Accelerate an amicable cycle of mutual growth with Nomura Real Estate Group**

# Core Brands bearing Leasing Value Chain

## I PMO

office building

- "PMO (Premium Midsize Office)" are new category of office buildings that accommodate to businesses styles diversifying with time, as well as featuring the same functions and design standards as large-scale buildings despite being medium-scaled.

**pmo**  
PREMIUM MIDSIZE OFFICE



## I PROUD FLAT

residential facilities

- "PROUD FLAT" are rental apartments that stand on location selected utilizing information network/know-how of the development and sales business of Nomura Real Estate Group to suit urban rental apartments, and are controlled excellently and operated/managed appropriately through Nomura Real Estate's unique "design standard for housing complex (rental apartments)", "outline for quality control inspection", etc.

**PROUD  
FLAT**



## I Landport

Logistic Facilities

- "Landport" are logistic facilities with advanced high functions realized through designs for optimization and efficiency, responding to recent changes in logistics environment and various tenant needs.

**Landport**



## I GEMS

retail facilities

- "GEMS" are commercial facilities developed centering on urban areas. They are mainly comprised of various restaurants with original tastes, and brighten and enrich office workers and residents in the area as well as presenting them with ideas for new lifestyle.

 **GEMS**



# Realization of Leasing Business Value Chain (First measure of sponsor supports)

- Agreed to acquire seven properties (retail facilities, residential facilities and office buildings) from Nomura Real Estate subject to the Merger coming into effect. (JPY 23.1 billion in total)
- All developed by Nomura Real Estate, and located in the prime area in Tokyo within 5 min walk from the closest stations.

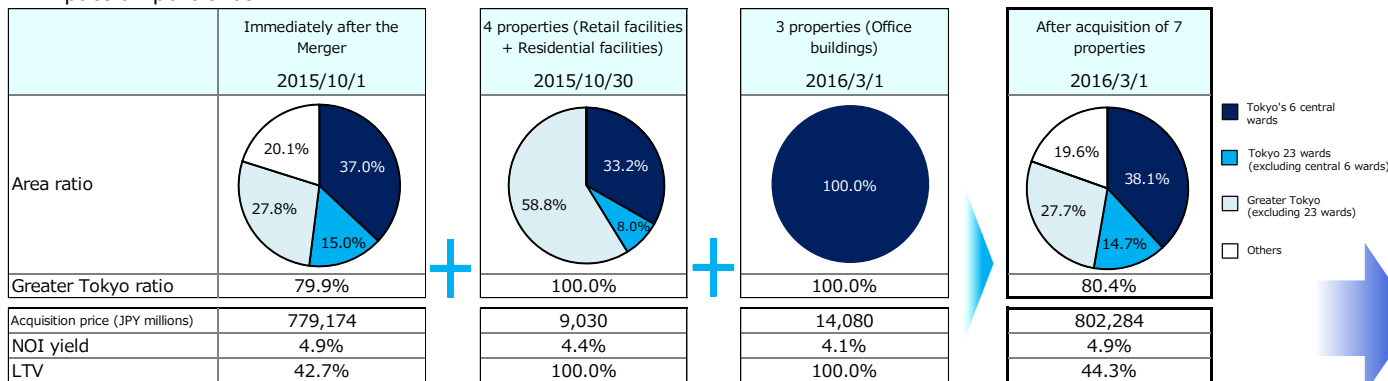
## ■ Property overview

Name of property	NRE Kichijoji Building <sup>Note 1</sup>	GEMS Ichigaya	Proud Flat Hatchobori	Proud Flat Itabashi Honcho	PMO Tamachi	PMO Ginza Hatchome	PMO Shibakoen
Purpose	Retail facility	Retail facility	Residential facility	Residential facility	Office building	Office building	Office building
Photograph							
Anticipated acquisition price (JPY millions)	5,310 (Quasi-co-ownership 51.0%)	2,080	920	720	6,210	3,970	3,900
Date acquired	2015/10/30	2015/10/30	2015/10/30	2015/10/30	2016/3/1	2016/3/1	2016/3/1
Appral NOI yield <sup>Note 2</sup>	4.4%	4.2%	4.6%	4.9%	4.1%	4.0%	4.2%
Address	2-2-17, Honcho, Kichijoji, Musashinoshi	4-3, 6-bancho, Chiyoda-ku	1-8-5, Hatchobori, Chuo-ku	32-9 Honcho, Itabashi-ku	5-31-17, Shiba, Minato-ku	8-12-8, Ginza, Chuo-ku	1-2-1, Shibakoen, Minato-ku
Access	3 minutes walk from JR Kichijoji Station	3 minutes walk from JR Ichigaya Station	3 minutes walk from Tokyo Metro Hatchobori Station	4 minutes walk from Toei Subway Itabashi-Honcho Station	1 minute walk from Toei Subway Mita Station	4 minutes walk from Toei Subway Shiodome Station	2 minutes walk from Toei Subway Onarimon Station
Date of completion	2014/7	2014/10	2014/5	2014/7	2014/2	2014/4	2014/7
Land area (㎡)	923.7	236.5	179.9	326.0	709.5	321.3	547.0
Gross floor area (㎡)	5,550.3	1,477.1	1,163.3	1,401.3	5,171.1	2,487.6	3,362.9

Note 1: The New REIT and Nomura Real Estate Development Co., Ltd. holds quasi-co-ownership of the beneficial interest in the ratio of 51.0% and 49.0%, respectively. The land area and gross floor area are shown for the entire building.

Note 2: Appraisal NOI is the annual NOI provided on the appraisal report as of May 1, 2015.

## ■ Impact on portfolios



Expect to push up the DPU by approx. 50 yen (Note 3) per period (six months) through the acquisition

Note 3: This is only the estimated amount and there is no guarantee to achieve such effects.

# 3. Background of Merger

# Background of Merger

## (i) Performance and Challenges for 3 REIT

	NMF	NOF	NRF
Investment Target	<ul style="list-style-type: none"> <li>Logistics facilities and retail facilities</li> </ul>	<ul style="list-style-type: none"> <li>Office buildings</li> </ul>	<ul style="list-style-type: none"> <li>Residential facilities</li> </ul>
Investment/Management strategy	<ul style="list-style-type: none"> <li>Focusing on the stability of consumption activity</li> <li>Investment in properties in Greater Tokyo with solid demand</li> </ul>	<ul style="list-style-type: none"> <li>Investment in properties mainly in three major metropolitan areas and cities designated by cabinet order, etc. with solid demand for office buildings</li> </ul>	<ul style="list-style-type: none"> <li>Targeting the tenants which is supported by solid demand for leasing</li> <li>Selecting properties with emphasis on rent level × railway line × commuting time</li> </ul>
Management Performance	<ul style="list-style-type: none"> <li>Achieved one of the largest J-REIT IPO</li> <li>Steady external growth based on the selective investment</li> <li>AM company initiated and led the logistics facilities business in the Nomura Real Estate Group, and established "Landport" brand</li> </ul>	<ul style="list-style-type: none"> <li>Stable portfolio management over 11 years</li> <li>Grew into a REIT with more than JPY 400 billion (acquisition price basis)</li> </ul>	<ul style="list-style-type: none"> <li>Stable portfolio management over 8 years</li> <li>Track record in stable dividend</li> <li>Accomplished steady portfolio replacement strategy</li> </ul>
Current Challenges	<ul style="list-style-type: none"> <li>Limited opportunities for acquisition</li> <li>Limited portfolio diversification and internal growth capacity</li> </ul>	<ul style="list-style-type: none"> <li>Unrealized loss and old properties</li> <li>LTV level remaining high (appraisal value basis)</li> </ul>	<ul style="list-style-type: none"> <li>Small asset size</li> <li>LTV level remaining high to maintain EPS</li> </ul>

## (ii) External Environment

➢ Intensified acquisition competition in real estate market

➢ Polarization in size of REIT

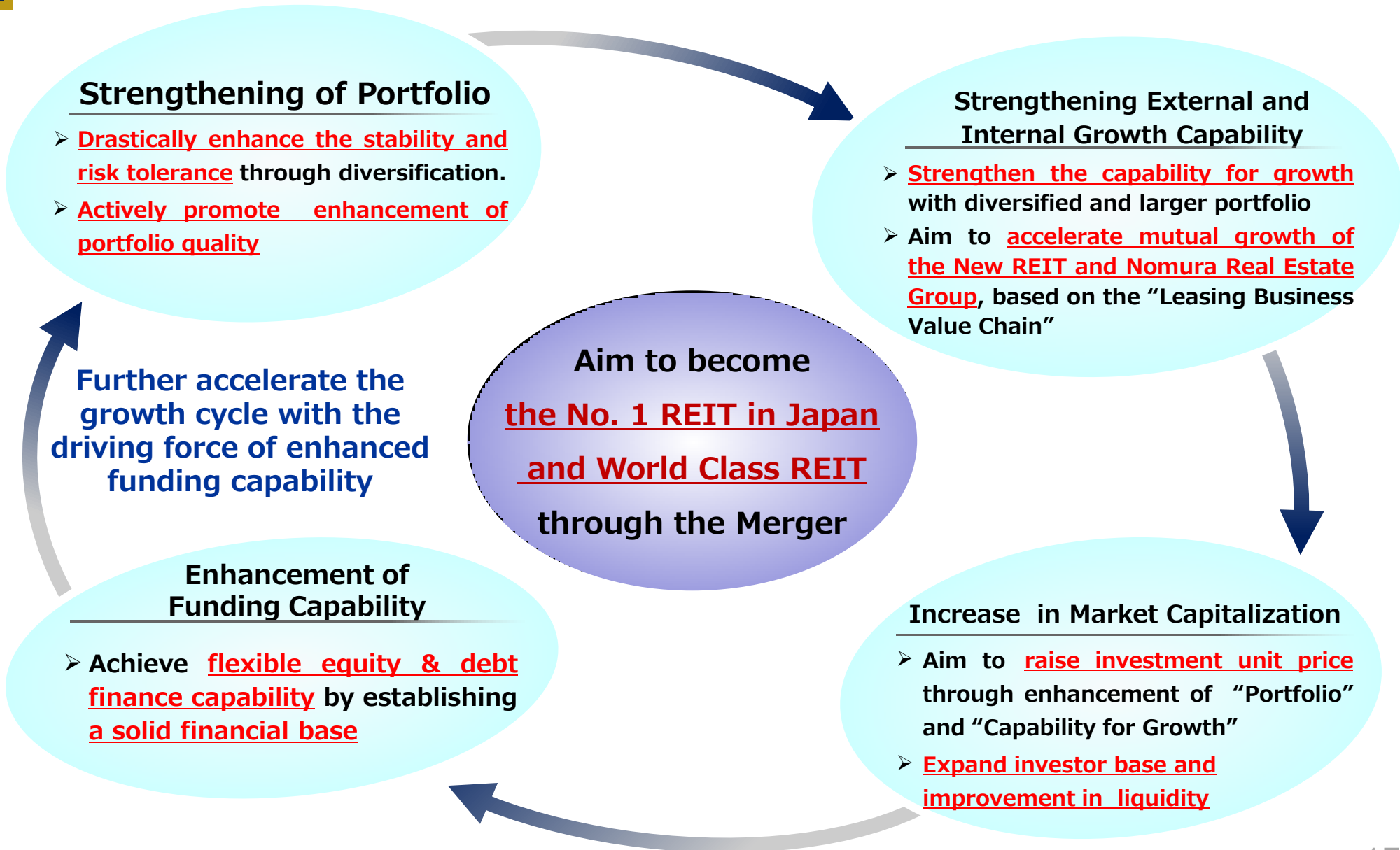
➢ Diversification in investment asset types of J-REITs

➢ Tax reform in 2015 enables the inclusion in expenses of the distribution in excess of net income equivalent to the amortization costs of goodwill



# 4. Growth Strategy of New REIT

# Growth Strategy for the New REIT



# New Investment Policy (Major Items)

Secure stable income (mid-to long-term) and steadily increase the portfolio size

## ■ Investment Target

### ➤ Diversified type REITs

Main investment target is the existing asset types (logistic facilities, retail facilities, office buildings and residential facilities), but not limiting to these asset types.

## ■ Target Region (Area Ratio)

### ➤ 75% or more in Tokyo area

Primarily (75% or more) in the Tokyo area (Tokyo, Kanagawa, Chiba and Saitama), and also in three major metropolitan areas and government-designated cities to diverse the investment.

## ■ LTV Level

### ➤ 45% as a reference (40~50%)

Maintain a LTV level considering the balance between the level of cash distribution to unitholders and financing strategy.

# External Growth Strategy

## (i) Expansion of investment opportunities

### ■ Diversifying investment sectors

- Expand external acquisition opportunities, including bulk transactions, with its strengthened information gathering capability, which is achieved through enhanced market presence.
- Pursue continuous and stable growth of the portfolio by capturing optimal timing of investment, which differs by asset types.

### ■ Enlargement of portfolio

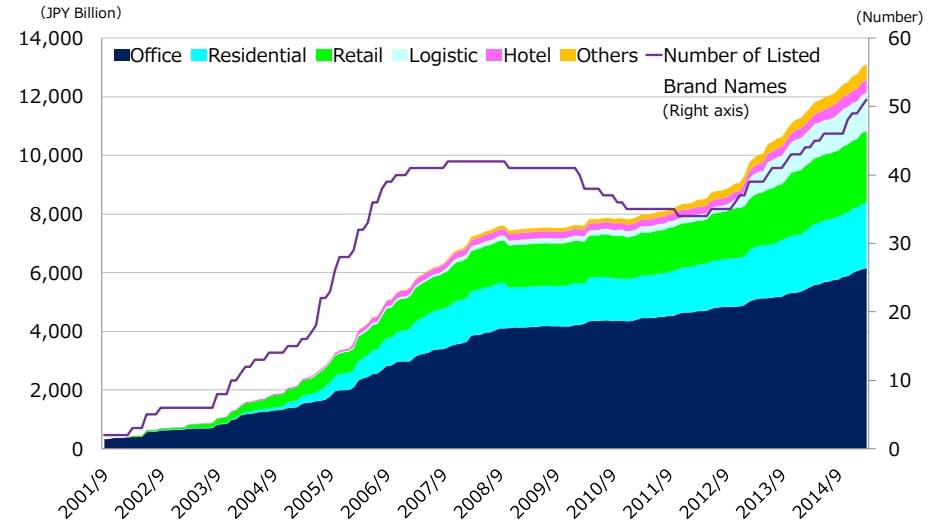
- Actively consider acquisition of large scale properties, which is enabled through enlargement of portfolio and enhancement in the risk tolerance of portfolio



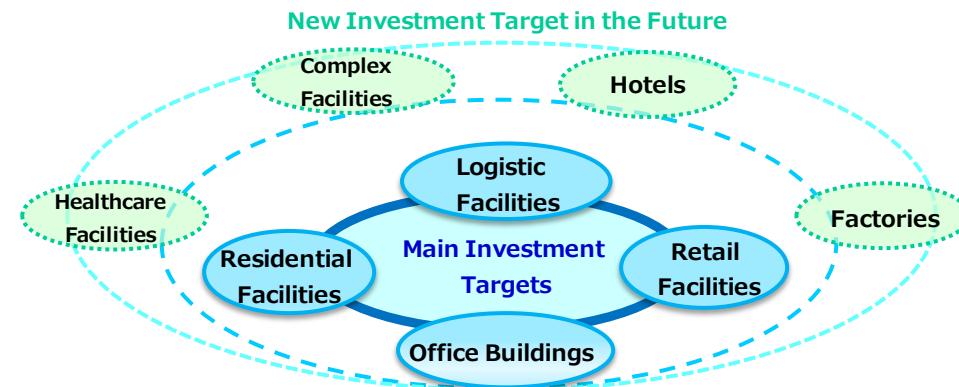
### ■ Investment target of the New REIT

- Consider investments to various sectors such as “complex facilities, hotels, factories and healthcare facilities” as the driving force for future growth, while setting its main investment targets on “logistics facilities, retail facilities, office buildings and residential facilities”.

<Balance of assets held by J-REITs by sectors>



Source: ARES



# External Growth Strategy

## (ii) Mutual growth with sponsors

### Stable acquisition of Property

- Sustain external growth by continuously acquire properties

developed by **Nomura Real Estate**, mainly "PMO, PROUD FLAT, Landport, GEMS", through OTC transaction.



### Approach to Large Scale Redevelopments / Complex Development Businesses

- Consider acquiring large scale redevelopments/complex

development facilities with asset value and rarity, handled by

Nomura Real Estate. **New REIT is aiming to become the No.1**

**J-REIT** by utilizing sponsor group's collective effort.



Yokohama Nomura Bldg.  
(Completion Scheduled 2017)

[Reference] Property Development Chronology <sup>Note 1</sup>

Completion (Scheduled)	2014	2015	2016	After 2017
PMO	Tamachi Ginza Hatchome Shibakoen	Nihonbashi Kayabacho Shibadaimon	Hirakawacho Nihonbashi Mitsukoshimae Nihonbashi Honcho II Nihonbashi Edodori	Hanzomon Uchikanda Nishi-Shinbashi Shinjuku Gyoen Shibuya 1 chome
PROUD FLAT	Sangenjaya II Hatchobori Itabashi Honcho Ohmori III	Kinshicho Higashi-Kanda Mitsukoshimae Gakugei Daigaku II Chitose 2 chome Sugamo II	Yoyogi-hachiman Ochanomizu Noborito	Promote Continued Development
Landport			Kashiwa Shonan I Kashiwa Shonan II	Komaki Takatsuki
GEMS, etc.	Nomura Real Estate Kichijoji Building Ichigaya		Shiba Daimon Kanda	Tamachi Ebisu Nishi-Shinjuku

Note 1: The above is showing the current plans, and is subject to change in the future. The project name may be provisional. Completed: Black, Uncompleted: Gray

[Reference] Large Scale Redevelopments/Major Complex Development Projects <sup>Note 2</sup>

Project Name	Main Application	Anticipated Acquisition Area, Number of Houses	Phase 1 FY March '15 - FY March '16	Phase 2 FY March '17 - FY March '19	Phase 3 FY March '20 - FY March '22
Yokohama Nomura Bldg. <sup>Note 3</sup> <small>Construction Commenced</small>	Office	81,656m <sup>2</sup> (Gross floor area)	Begin Construction	Completion	
Toranomon 1 Chome Redevelopment <sup>Note 3</sup> <small>(National Strategic Economic Growth Area Designated Project)</small>	Office	Approx. 11,000m <sup>2</sup>		Begin Construction	Completion
Soto-Kanda 1 Chome Redevelopment	Office Retail	Approx. 31,000m <sup>2</sup> Approx. 5,500m <sup>2</sup>			Begin Construction
Iidabashi East Gate Redevelopment	Office Residential	Approx. 11,000m <sup>2</sup> Approx. 150 Houses			Begin Construction
Nishi Shinjuku 3 chome Nishi Redevelopment <sup>Note 3</sup>	Retail Residential	Approx. 15,000m <sup>2</sup> Approx. 650 Houses			Begin Construction
Nishi Azabu 3 chome Redevelopment <sup>Note 3</sup> <small>(National Strategic Economic Growth Area Proposed Project)</small>	Retail Residential	Undecided			Undecided
Shinbashi Station West Gate District Redevelopment <sup>Note 3</sup>	Office Retail	Undecided			Undecided
Shibaura 1 chome Reconstruction <sup>Note 3</sup> <small>(National Strategic Economic Growth Area Proposed Project)</small>	Office Retail	Undecided			Undecided
Nihonbashi 1 chome Naka District Redevelopment <sup>Note 3</sup>	Office	Undecided			Undecided
Nomura Real Estate Ginza Bldg. Reconstruction <sup>Note 3</sup> <small>(Ginza MTR Bldg.)</small>	Office	Undecided			Undecided

Note 2: The above is showing the plans as of now, and is subject to change in the future. The project name may be provisional.

Note 3: JV project

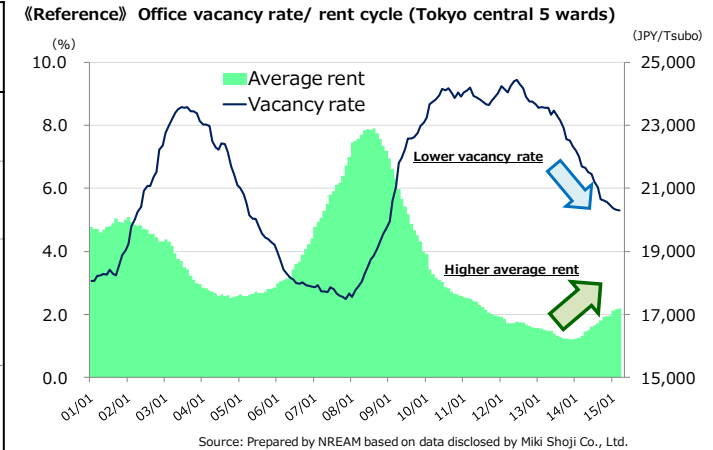
Aiming over JPY 1 trillion in asset size  
with expanded investment opportunities & mutual growth with the sponsor

# Internal Growth Strategy

## (i) Pursue both Stable Profitability and Growth through Diversification of Asset Types

- **Achieve middle-risk and middle return feature** by integrating sectors with various features, such as rent trend, agreement terms.  
(General details of contract)

	Rent, Occupancy rate	Term	Contract form
Office	High economic sensitivity	2 years~ (short to medium term)	Ordinary lease (direct contract)
Retail facilities (near station)			Ordinary lease (direct contract, partially commission type)
Retail facilities (in residential area)	Stable	10 years~ (mainly long-term contract)	Fixed term lease (master lease with fixed rent)
Logistics facilities			Ordinary lease (master lease with pass through rent)
Residential facilities		2 years~ (short to medium term)	



Diversified type REIT	Middle-risk, middle-return	Incorporate internal growth in connection with upturn of economy by a mix of long-term fixed and ordinary lease
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## (ii) Actively Promote Measures to Improve Portfolio Value

### ■ Various internal growth measures utilizing enhanced portfolio stability and risk tolerance

- **Promote enhancement of portfolio through active replacement** of “old property”, “property with impaired competitiveness and profitability”
- **Allocate funds for effective repair and reform** (depreciation: approximately 4.2billion yen per fiscal period)
- **Pursue the most efficient and optimal use** (change of usage, such as office⇔retail, concentrated facility⇔combined facility)

# Financing Strategy(Establishment of Strong Financial Base) Note

## Bank Formation

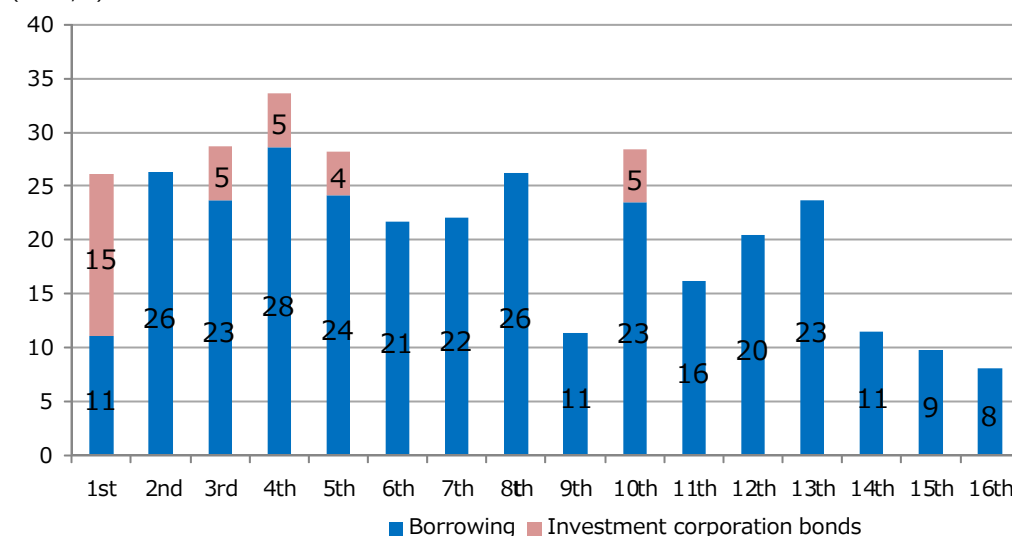
(billion yen)

Name of financial institutions			
The Bank of Tokyo-Mitsubishi UFJ	58.5	The Chugoku Bank	4.0
Sumitomo Mitsui Banking Corporation	57.0	Mitsui Sumitomo Insurance Company	3.2
Mitsubishi UFJ Trust and Banking Corporation	36.3	Daido Life Insurance Company	2.6
Mizuho Bank	30.3	Aozora Bank	2.5
Development Bank of Japan	29.6	Nippon Life Insurance Company	2.5
Sumitomo Mitsui Trust Bank	29.0	The Hachijuni Bank	2.0
Mizuho Trust & Banking	11.8	The Nishi-Nippon City Bank	2.0
The Norinchukin Bank	11.4	The Chiba Bank	1.8
The Nomura Trust and Banking Corporation	7.7	The Hiroshima Bank	1.5
Resona Bank	6.9	The Hyakujushi Bank	1.5
The Bank of Fukuoka	6.5	The 77 Bank	1.5
Taiyo Life Insurance Company	6.0	The Keiyo Bank	1.0
The Dai-ichi Life Insurance Company	5.8	Mitsui Life Insurance Company	1.0
Sumitomo Life Insurance Company	5.0	Sompo Japan Nipponkoa Insurance	1.0
Shinkin Central Bank	4.5	The Bank of Yokohama	0.5
The Iyo Bank	4.5	The Tokyo Tomin Bank	0.5
			(32 Companies) Total borrowings

[Reference] Total investment corporation bonds 47.5

## Debt Maturity Diversification

(billion yen)



## Status of Interest-bearing Debt

<b>Total amount of interest-bearing debt</b> 387.2 billion yen	<b>Total assets LTV</b> 42.7% (46.7%)	<b>Long-term debt ratio</b> 86.7%
<b>Duration</b> 3.9 years	<b>Average funding rate</b> 1.18%	<b>Fixed interest rate ratio</b> 91.7%

**Pursue merger effects such as decline in average funding rate and longer borrowing period by utilizing the enhancement in risk capacity through becoming a large size/diversified type REIT**

## Commitment Line

	Commitment line 1	Commitment line 2
Loan limit	30 billion yen (one year)	10 billion yen (one year)
Participating financial institutions	Tokyo-Mitsubishi UFJ, Sumitomo Mitsui, Mizuho, Mitsubishi UFJ Trust, Sumitomo Mitsui Trust	Tokyo-Mitsubishi UFJ, Sumitomo Mitsui, Mizuho

\* Apart from the above commitment line, a line of credit loan of 20 billion yen (one year) is established to ensure flexible and stable funding facility.

Note: The description is based on borrowing details of 3 REITs as at the end of April 2015.

# Impact of Goodwill

## [Goodwill]

Goodwill ⇒ To be recorded since the merger consideration for the acquired companies (NOF and NRF)<sup>Note 1</sup> exceeds the net asset value of NOF and NRF.<sup>Note 2</sup>

Due to the Merger, **the goodwill is estimated to be JPY 80billion. (As of May 26, 2015)**

Note 1: Merger consideration means an amount derived by multiplying the investment unit price per unit of the New Investment Corporation with the number of allocated units.

Note 2: The assets and liabilities of NOF and NRF will be succeeded at the market value, in accordance with the "Accounting Standards for Business Combination".

Fair value of the acquired companies

Accepted asset (Market value)	Liabilities assumed (Market value)
Merger consideration	
goodwill	

## [Accounting method of the goodwill]

Goodwill is recorded as an intangible asset on the balance sheet.

\* **Amortized using straight-line method over 20 years on a regular basis on the accounting.**

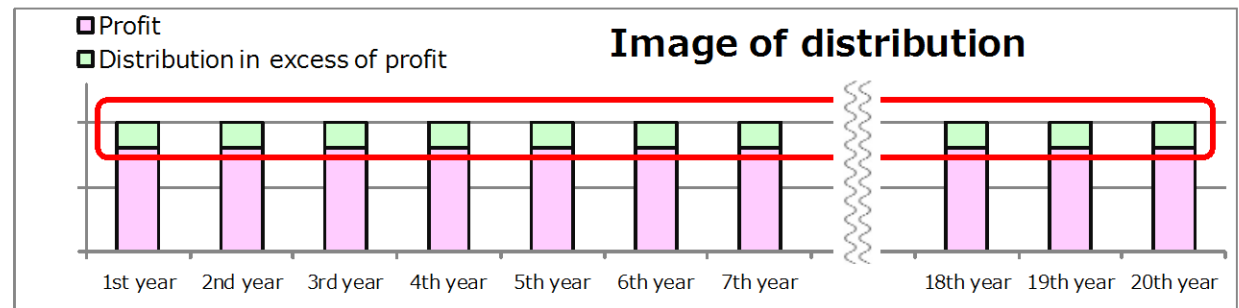
Amortization cost of goodwill is recorded as operating expenses on the income statement.

## [Effects of the goodwill]

[P/L (in the example of the second period)]

Operating income	29billion JPY
Operating expenses	▲18billion JPY
(Goodwill amortization included)	(▲2billion JPY)
Operating profit	10billion JPY
Net income	8billion JPY
Distribution in excess of profit	2billion JPY
Distribution	10billion JPY

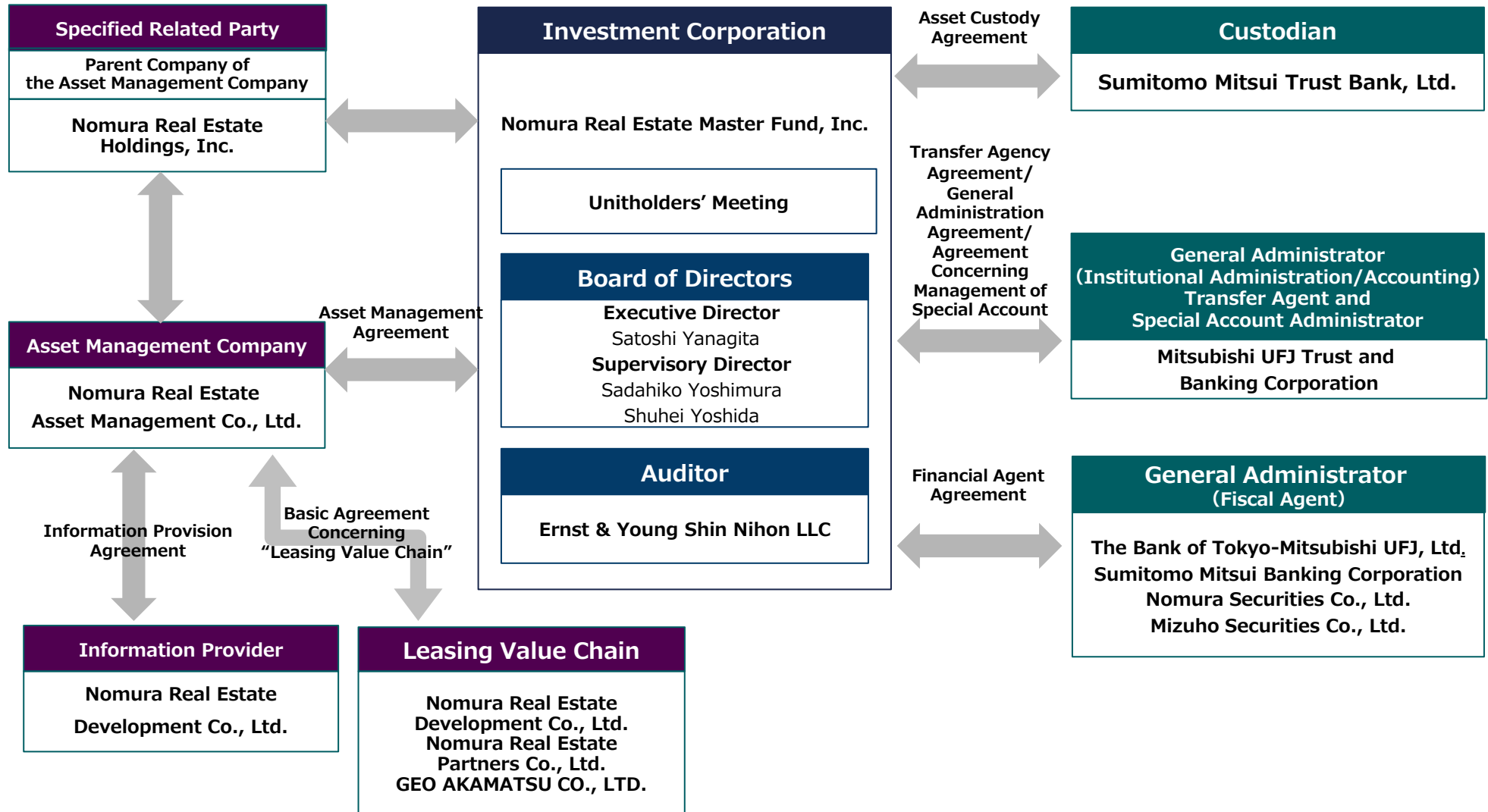
Goodwill amortization is accounted as an expense, but no cash-out is accompanied.



By distributing excess of income that corresponds to amortization of goodwill,  
**the level of dividends for unitholders is not affected by goodwill.**



# Structure of New REIT



# APPENDIX

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

	1st Fiscal Period Forecasts (5 months) (ended Feb. 29, 2016)	2nd Fiscal Period Forecasts (ended Aug. 31, 2016)	Change (comparison with forecasts)
Operating Revenues	24,137 Millions of Yen	29,642 Millions of Yen	22.8 %
Operating Profits	6,292 Millions of Yen	10,662 Millions of Yen	69.4 %
Ordinary Income	3,581 Millions of Yen	8,088 Millions of Yen	125.8 %
Net Income	3,580 Millions of Yen	8,087 Millions of Yen	125.9 %
Net Income Per Unit	962 yen	2,173 yen	125.9 %
Distributions in Excess of Net Income Per Unit <sup>Note</sup>	1,138 yen	537 yen	-52.8 %
Cash Distribution Per Unit	2,100 yen	2,710 yen	29.0 %
Total Assets	928,702 Millions of Yen	943,903 Millions of Yen	1.6 %
Interest-bearing Debt Total	403,664 Millions of Yen	418,271 Millions of Yen	3.6 %
L T V	43.5 %	44.3 %	0.8 %

Note: Distribution in excess of net income per unit consists of distribution of the reserve for temporary difference adjustments and distribution other than that (the "Distribution Reducing Unitholders' Capital for Tax Purpose").

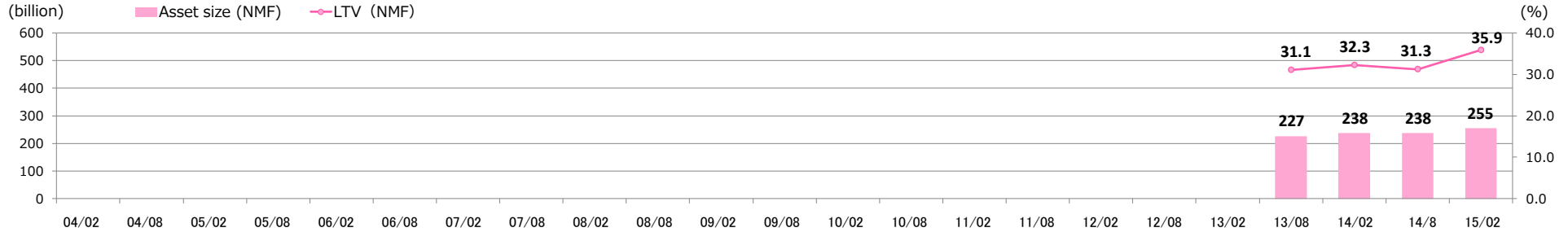
# Company Profile

## Overview of the 3 REITs before the merger

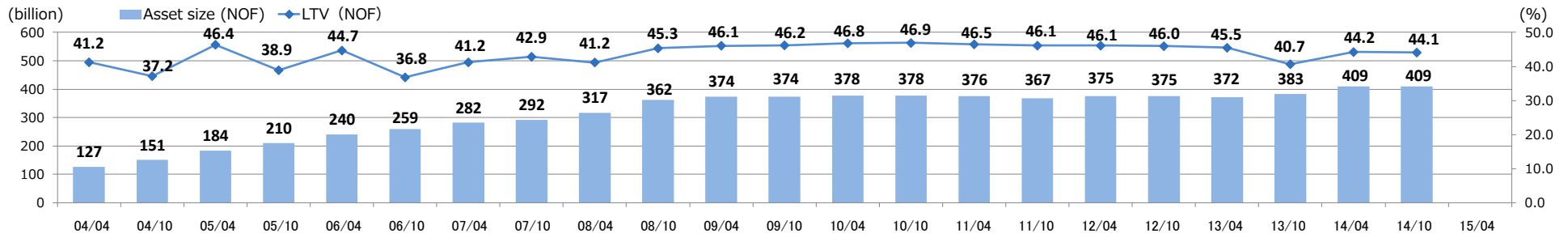
	NMF	NOF	NRF
Name	Nomura Real Estate Master Fund, Inc.	Nomura Real Estate Office Fund, Inc.	Nomura Real Estate Residential Fund, Inc.
Representative	Satoshi YANAGITA	Yoshiyuki ITO	Shozo MATSUMURA
Supervisory Director	Sadahiko YOSHIMURA Shuhei YOSHIDA	Saneaki ICHIJO Naohito MIYA	Eitoku AIKAWA Motoharu YOKOSE
Ticker Code	3285	8959	3240
Listing date	June 12, 2013	December 4, 2003	February 14, 2007
Fiscal period	February and August	April and October	May and November
Total number of investment units issued	1,665,260 units	372,553 units	160,800 units
Total unitholders equity	161,120 million yen	211,430 million yen	73,231 million yen
General Inquiries	Nomura Real Estate Asst Management Co., Ltd.	Nomura Real Estate Asst Management Co., Ltd.	Nomura Real Estate Asst Management Co., Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Administrator of Unitholder's Register	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (Organizational Administration, Accounting)	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
General Administrator (Financial Agent)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Nomura Securities Co., Ltd. Mizuho Securities Co., Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation

# Changes in Asset Size and LTV

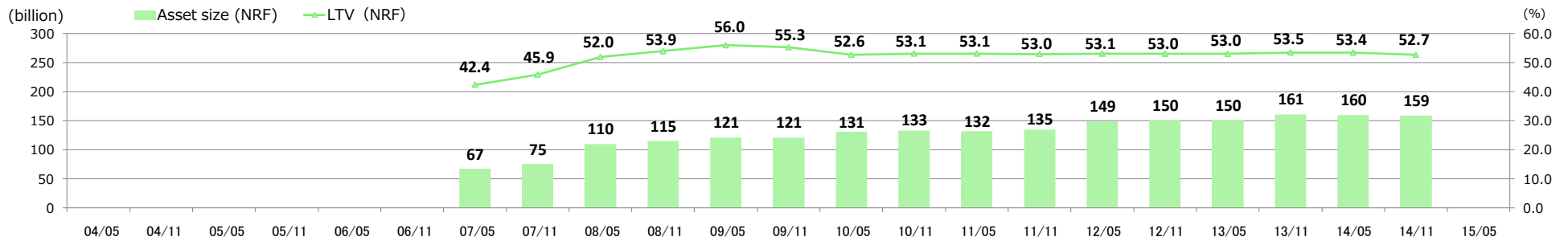
## I NMF



## I NOF

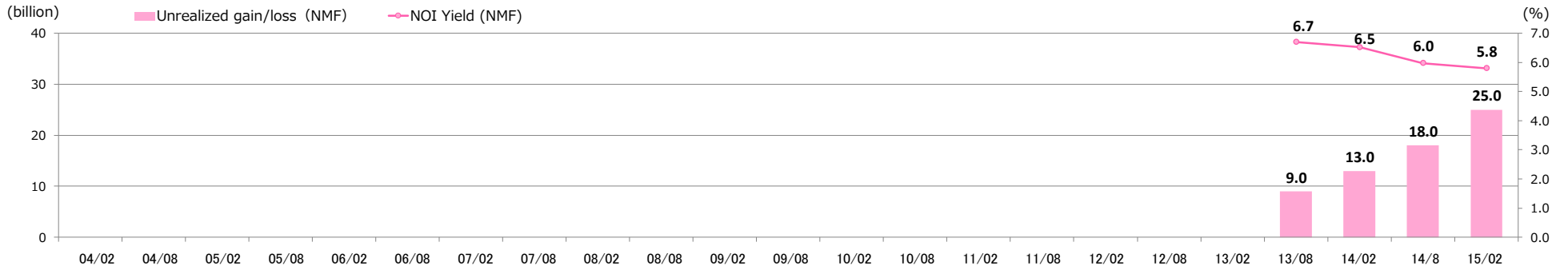


## I NRF

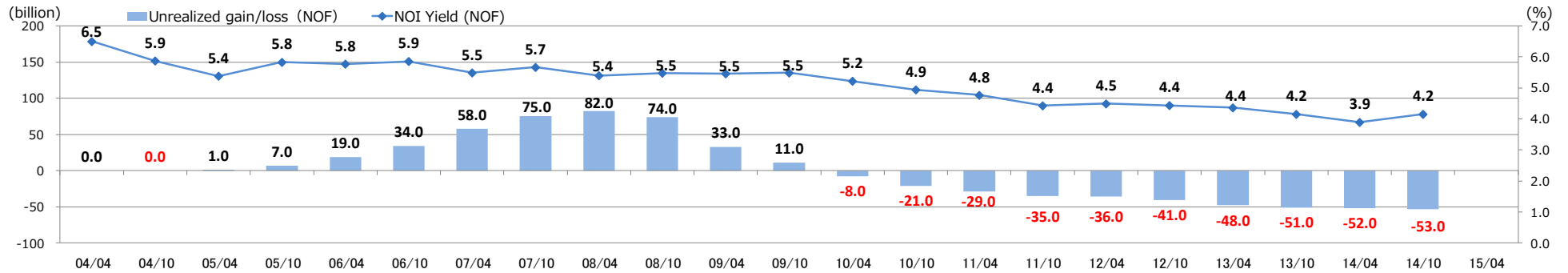


# Changes in Unrealized gain/loss and NOI Yield

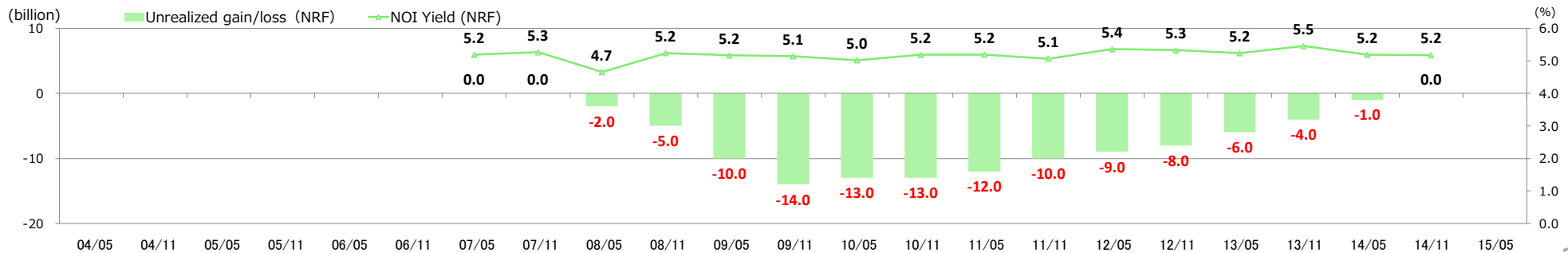
## NMF



## NOF

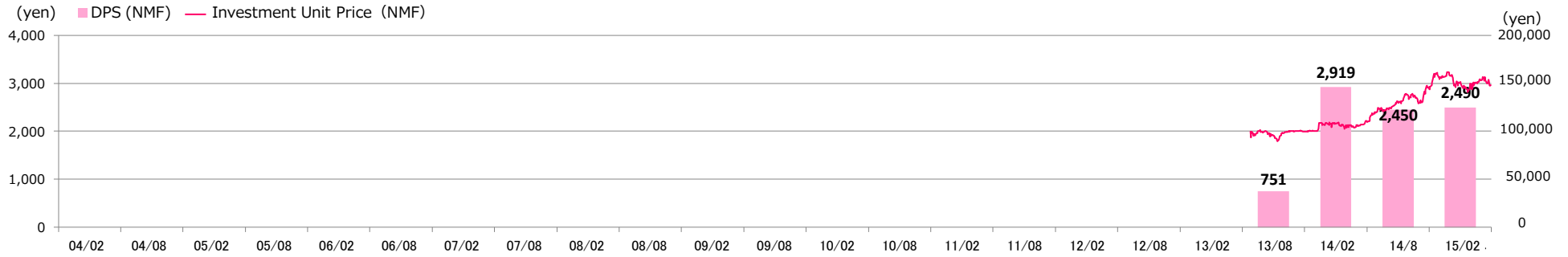


## NRF

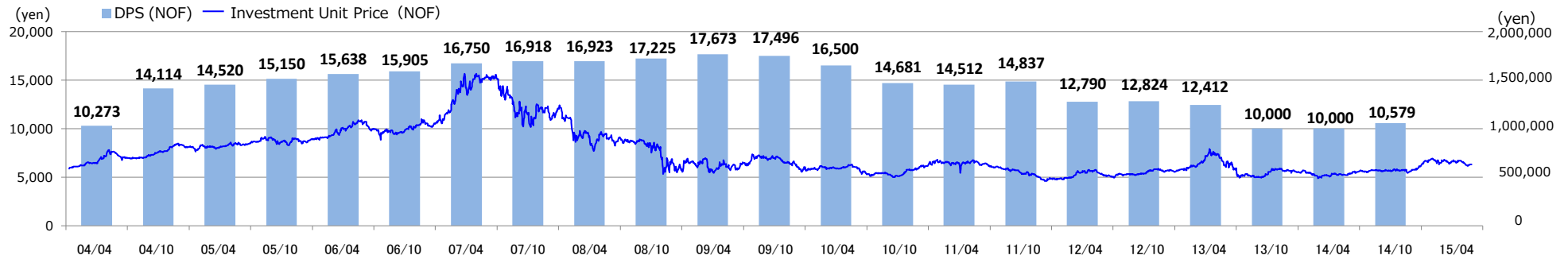


# Changes in DPS and Investment Unit Price

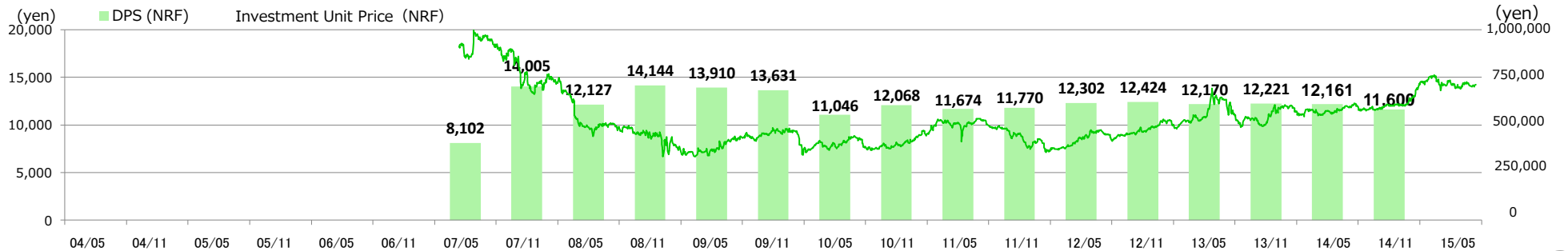
## I NMF



## I NOF



## I NRF



# Portfolio (NMF)

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)	
<b>Logistics</b>								
Greater Tokyo area		Landport Urayasu	Urayasu City, Chiba	17,400	2.2	70,045.85	100.0	
		Landport Itabashi	Itabashi Ward, Tokyo	15,710	2.0	52,794.55	100.0	
		Landport Kawagoe	Kawagoe City, Saitama	13,700	1.7	71,569.89	100.0	
		Landport Atsugi	Atsugi City, Kanagawa	11,410	1.4	47,995.23	100.0	
		Sagamihara Tana Logistics Center	Chuo Ward, Sagamihara City	10,600	1.3	50,450.00	100.0	
		Sagamihara Onodai Logistics Center	Minami Ward, Sagamihara City	8,700	1.1	57,448.03	100.0	
		Landport Hachioji	Hachioji City, Tokyo	8,250	1.0	34,896.32	100.0	
		Landport Kasukabe	Kasukabe City, Saitama	7,340	0.9	29,630.48	100.0	
		Funabashi Logistics Center	Funabashi City, Chiba	4,660	0.6	30,641.98	100.0	
		Atsugi Minami Logistics Center B Tower	Atsugi City, Kanagawa	4,590	0.6	24,909.96	100.0	
		Hanyu Logistics Center	Hanyu City, Saitama	3,810	0.5	24,850.80	100.0	
		Kawaguchi Logistics Center B Tower	Kawaguchi City, Saitama	3,750	0.5	13,648.70	100.0	
		Kawaguchi Logistics Center A Tower	Kawaguchi City, Saitama	2,830	0.4	12,003.57	100.0	
		Atsugi Minami Logistics Center A Tower	Atsugi City, Kanagawa	2,690	0.3	9,825.52	100.0	
	Other areas		Ota Nitta Logistics Center	Ota City, Gunma	3,430	0.4	42,328.00	100.0
			Ota Higashishinmachi Logistics Center	Ota City, Gunma	2,170	0.3	23,584.72	100.0
			Ota Kiyohara Logistics Center	Ota City, Gunma	650	0.1	9,397.38	100.0
			Chiyodamachi Logistics Center	Oura-Gun, Gunma	330	0.0	4,592.00	100.0
Logistics subtotal ( 18 )				122,020	15.2	610,612.98	100.0	
<b>Retail</b>								
Greater Tokyo area		Morisia Tsudanuma	Narashino City, Chiba	16,600	2.1	39,736.87	98.0	
		Yokosuka More's City	Yokosuka City, Kanagawa	13,640	1.7	29,383.65	100.0	
		Recipe SHIMOKITA	Setagaya Ward, Tokyo	10,407	1.3	6,295.22	100.0	
		Kawasaki More's	Kawasaki Ward, Kawasaki City	6,080	0.8	18,810.31	100.0	
		EQUINIA Shinjuku	Shinjuku Ward, Tokyo	4,260	0.5	3,611.59	100.0	
		EQUINA Ikebukuro	Toshima Ward, Tokyo	3,990	0.5	2,693.93	100.0	
		covirna machida	Machida City, Tokyo	3,440	0.4	2,891.32	100.0	
		Nitori Makuhari	Mihama Ward, Chiba City	3,080	0.4	14,367.98	100.0	
		Konami Sports Club Fuchu	Fuchu City, Tokyo	2,730	0.3	12,385.18	100.0	
		FESTA SQUARE	Iwatsuki Ward, Saitama City	2,600	0.3	7,480.63	100.0	
		GEMS Shibuya	Shibuya Ward, Tokyo	2,490	0.3	1,791.34	100.0	
		Sundai Azamino	Aoba Ward, Yokohama City	1,700	0.2	2,286.47	100.0	
		EQUINIA Aobadai	Aoba Ward, Yokohama City	1,560	0.2	2,457.36	100.0	
		Megalos Kanagawa	Kanagawa Ward, Yokohama City	1,000	0.1	6,217.85	100.0	

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)	
<b>Retail</b>								
Kinki area		Universal CityWalk Osaka	Konohana Ward, Osaka City	15,500	1.9	9,733.28	87.2	
		Izumiya Senrioka	Suita City, Osaka	8,930	1.1	24,399.12	100.0	
		Merad Owada	Nishiyodogawa Ward, Osaka City	6,640	0.8	14,941.54 (Retail) 5,856.5 (Logistics)	100.0	
		Izumiya Yao	Yao City, Osaka	4,406	0.5	34,198.01	100.0	
		Izumiya Obayashi	Takarazuka City, Hyogo	3,020	0.4	11,714.36	100.0	
	Other areas		Ichibancho stear	Aoba Ward, Sendai City	4,700	0.6	4,582.81	100.0
			EQUINIA Aobadori	Aoba Ward, Sendai City	1,640	0.2	4,030.37	100.0
<b>Retail (land with leasehold right)</b>								
Greater Tokyo area		Mitsubishi Motors Meguro	Meguro Ward, Tokyo	2,740	0.3	3,381.19	100.0	
		Mitsubishi Motors Chofu	Chofu City, Tokyo	1,760	0.2	4,183.63	100.0	
		Mitsubishi Motors Shibuya	Shibuya Ward, Tokyo	1,570	0.2	1,421.31	100.0	
		Mitsubishi Motors Nerima	Nerima Ward, Tokyo	1,240	0.2	1,725.61	100.0	
		Mitsubishi Motors Kawasaki	Saiwai Ward, Kawasaki City	950	0.1	3,057.02	100.0	
		Mitsubishi Motors Takaido	Suginami Ward, Tokyo	850	0.1	1,923.64	100.0	
		Mitsubishi Motors Katsushika	Katsushika Ward, Tokyo	800	0.1	1,930.05	100.0	
		Mitsubishi Motors Higashikurume	Higashikurume City, Tokyo	800	0.1	4,105.00	100.0	
		Mitsubishi Motors Setagaya	Setagaya Ward, Tokyo	770	0.1	1,305.78	100.0	
		Mitsubishi Motors Suginami	Suginami Ward, Tokyo	740	0.1	1,831.00	100.0	
		Mitsubishi Motors Sekimachi	Nerima Ward, Tokyo	600	0.1	989.77	100.0	
		Mitsubishi Motors Higashiyamato	Higashiyamato City, Tokyo	450	0.1	2,783.79	100.0	
		Mitsubishi Motors Motosumiyoshi	Takatsu Ward, Kawasaki City	370	0.0	1,646.97	100.0	
		Mitsubishi Motors Kawagoe	Kawagoe City, Saitama	350	0.0	2,462.40	100.0	
		Mitsubishi Motors Edogawa	Edogawa Ward, Tokyo	200	0.0	892.56	100.0	
		Mitsubishi Motors Sayama	Sayama City, Saitama	160	0.0	1,793.00	100.0	
	Retail subtotal ( 37 )				132,763	16.5	295,298.41	99.3

Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)
Kinki area	Godō Kaisha Osaka Hirakata Project Silent Partnership Equity Interest	Hirakata City, Osaka	100

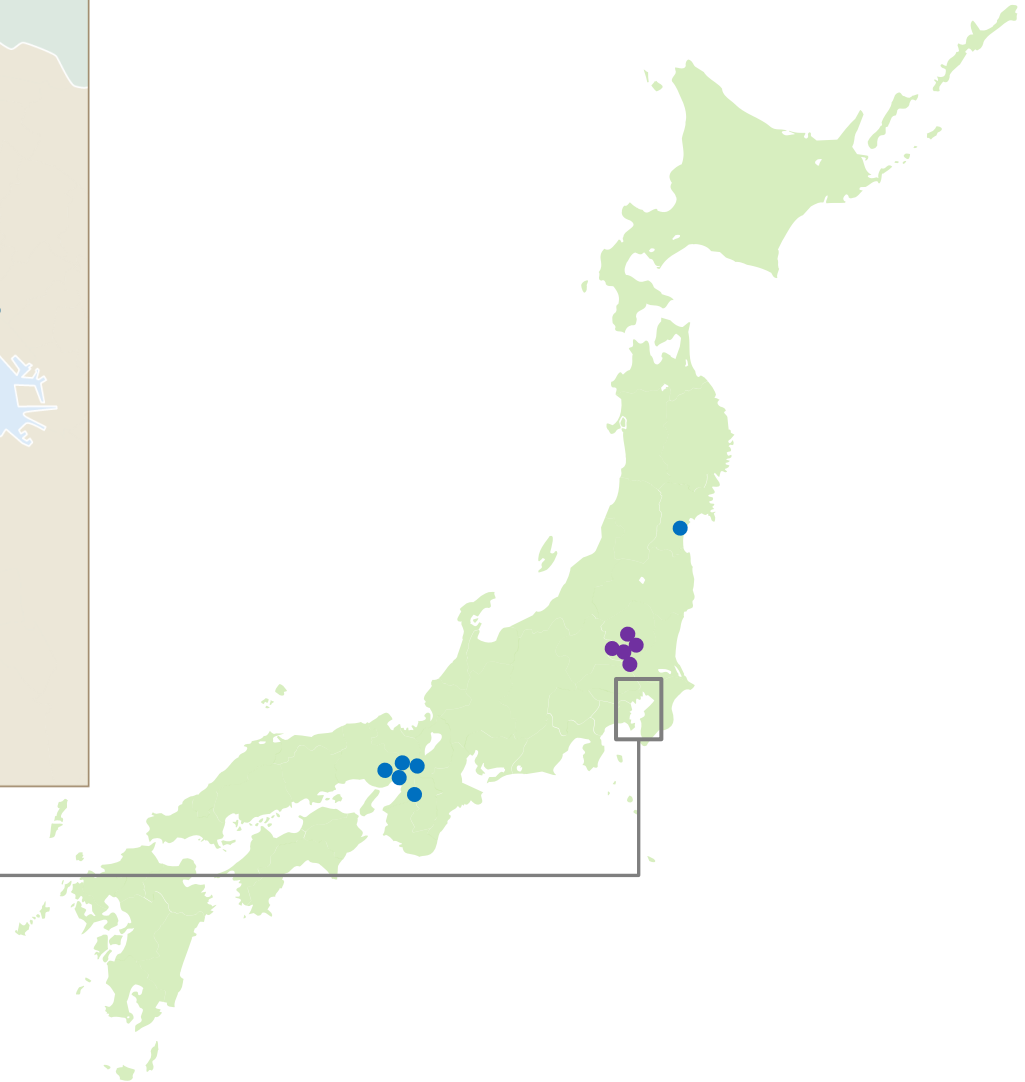
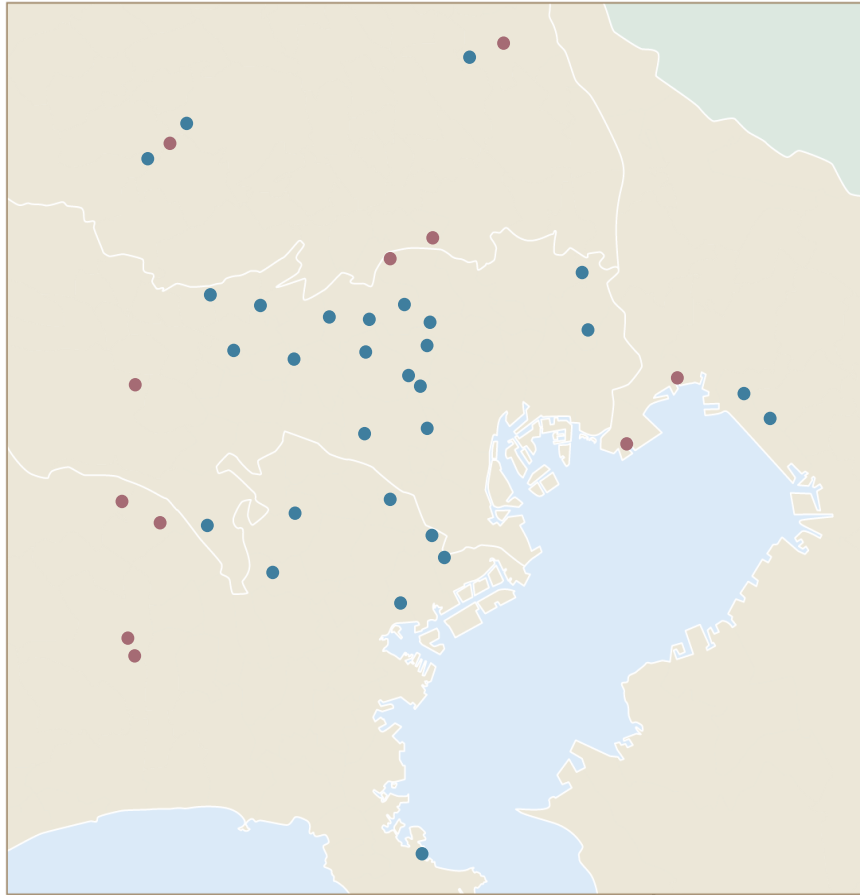
Note 1: Assumed acquisition price indicates the acquisition price for NMF, and the valuation as at the end of the most recent fiscal period for NOF and NRF. Assets scheduled for disposal or scheduled to reach maturity are excluded, and with respect to the assets to be acquired, anticipated acquisition price is indicated.

Note 2: Assumed investment ratio indicates the ratio of each assumed acquisition price to the total assumed acquisition price.

Note 3: For the properties held as of the end of the most recent fiscal period, the figures at the end of the most recent fiscal period are indicated. For the properties acquired after the most recent fiscal period, the figures as of the date that the relevant acquisition was determined are indicated.



# Portfolio Map (NMF)



# Portfolio (NOF)

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m <sup>2</sup> )(Note3)	Occupancy rate (%) (Note3)	
Office								
Central Tokyo		Shinjuku Nomura Bldg.	Shinjuku-ku, Tokyo	43,800	5.5	31,500.89	91.9	
		NRE Tennozu Bldg.	Shinagawa-ku, Tokyo	20,100	2.5	25,127.12	100.0	
		Kojimachi Millennium Garden	Chiyoda-ku, Tokyo	26,700	3.3	16,384.19	96.0	
		NOF Nihonbashi Honcho Bldg.	Chuo-ku, Tokyo	21,800	2.7	19,157.05	100.0	
		Tennozu Park Side Bldg.	Shinagawa-ku, Tokyo	13,100	1.6	18,051.60	84.7	
		NOF Shinjuku Minamiguchi Bldg.	Shibuya-ku, Tokyo	9,790	1.2	6,709.22	87.2	
		NOF Shibuya Koen-dori Bldg.	Shibuya-ku, Tokyo	10,100	1.3	3,419.00	100.0	
		Secom Medical Bldg.	Chiyoda-ku, Tokyo	11,100	1.4	8,821.24	100.0	
		NOF Shiba Bldg.	Minato-ku, Tokyo	6,920	0.9	8,165.10	100.0	
		Nishi-Shinjuku Showa Bldg.	Shinjuku-ku, Tokyo	8,020	1.0	5,686.89	100.0	
		NRE Shibuya Dogenzaka Bldg.	Shibuya-ku, Tokyo	4,710	0.6	3,359.99	100.0	
		NOF Tameike Bldg.	Minato-ku, Tokyo	6,020	0.8	4,715.20	100.0	
		Iwamoto-cho Toyo Bldg.	Chiyoda-ku, Tokyo	3,970	0.5	4,117.26	100.0	
		NOF Shinagawa Konan Bldg.	Shinagawa-ku, Tokyo	4,190	0.5	7,378.55	100.0	
		NOF Surugadai Plaza Bldg.	Chiyoda-ku, Tokyo	4,630	0.6	4,160.94	100.0	
		PMO Nihonbashi Honcho	Chuo-ku, Tokyo	4,220	0.5	2,450.06	100.0	
		PMO Nihonbashi Kayabacho	Chuo-ku, Tokyo	4,960	0.6	3,472.70	36.4	
		Otemachi Tatemono Gotanda Building	Shinagawa-ku, Tokyo	4,340	0.5	5,545.13	100.0	
		NRE Higashi-nihonbashi Bldg.	Chuo-ku, Tokyo	3,530	0.4	4,554.98	89.6	
		PMO Akihabara	Chiyoda-ku, Tokyo	4,180	0.5	3,037.37	100.0	
		Hatchobori NF Bldg.	Chuo-ku, Tokyo	2,420	0.3	2,854.83	100.0	
		NOF Kanda Iwamoto-cho Bldg.	Chiyoda-ku, Tokyo	4,010	0.5	4,076.38	88.2	
		NOF Takanawa Bldg.	Shinagawa-ku, Tokyo	2,650	0.3	3,361.48	100.0	
		PMO Hatchobori	Chuo-ku, Tokyo	2,800	0.3	2,074.66	100.0	
		NOF Minami Shinjuku Bldg.	Shibuya-ku, Tokyo	2,200	0.3	2,464.71	100.0	
		PMO Nihonbashi Odenmachi	Chuo-ku, Tokyo	2,160	0.3	2,054.21	100.0	
		Central Shintomicho Bldg.	Chuo-ku, Tokyo	1,320	0.2	2,465.86	87.4	
		PMO Higashi-nihonbashi	Chuo-ku, Tokyo	1,640	0.2	1,859.43	100.0	
	Greater Tokyo area		NRE Ueno Bldg.	Taito-ku, Tokyo	6,230	0.8	4,869.81	100.0
			NOF Technoport Kamata Center Bldg.	Ota-ku, Tokyo	4,790	0.6	13,847.84	93.9
			NF Hongo Building	Bunkyo-ku, Tokyo	4,830	0.6	3,820.09	100.0
			Toho Edogawabashi Bldg.	Bunkyo-ku, Tokyo	1,140	0.1	2,058.95	94.5
			Toshin Meguro Bldg.	Meguro-ku, Tokyo	911	0.1	1,341.17	100.0
		Crystal Park Bldg.	Musashino City, Tokyo	3,310	0.4	3,900.85	98.6	
		NOF Kichijoji Honcho Bldg.	Musashino City, Tokyo	1,720	0.2	1,936.40	100.0	
		Faret Tachikawa Center Square	Tachikawa City, Tokyo	3,810	0.5	6,851.48	100.0	
		NOF Kawasaki Higashiguchi Bldg.	Kawasaki-ku, Kawasaki City	7,800	1.0	8,266.67	96.7	
		NOF Yokohama Nishiguchi Bldg.	Nishi-ku, Yokohama City	5,230	0.7	6,866.60	97.2	
		NOF Shin-Yokohama Bldg.	Kohoku-ku, Yokohama City	2,600	0.3	8,074.83	100.0	

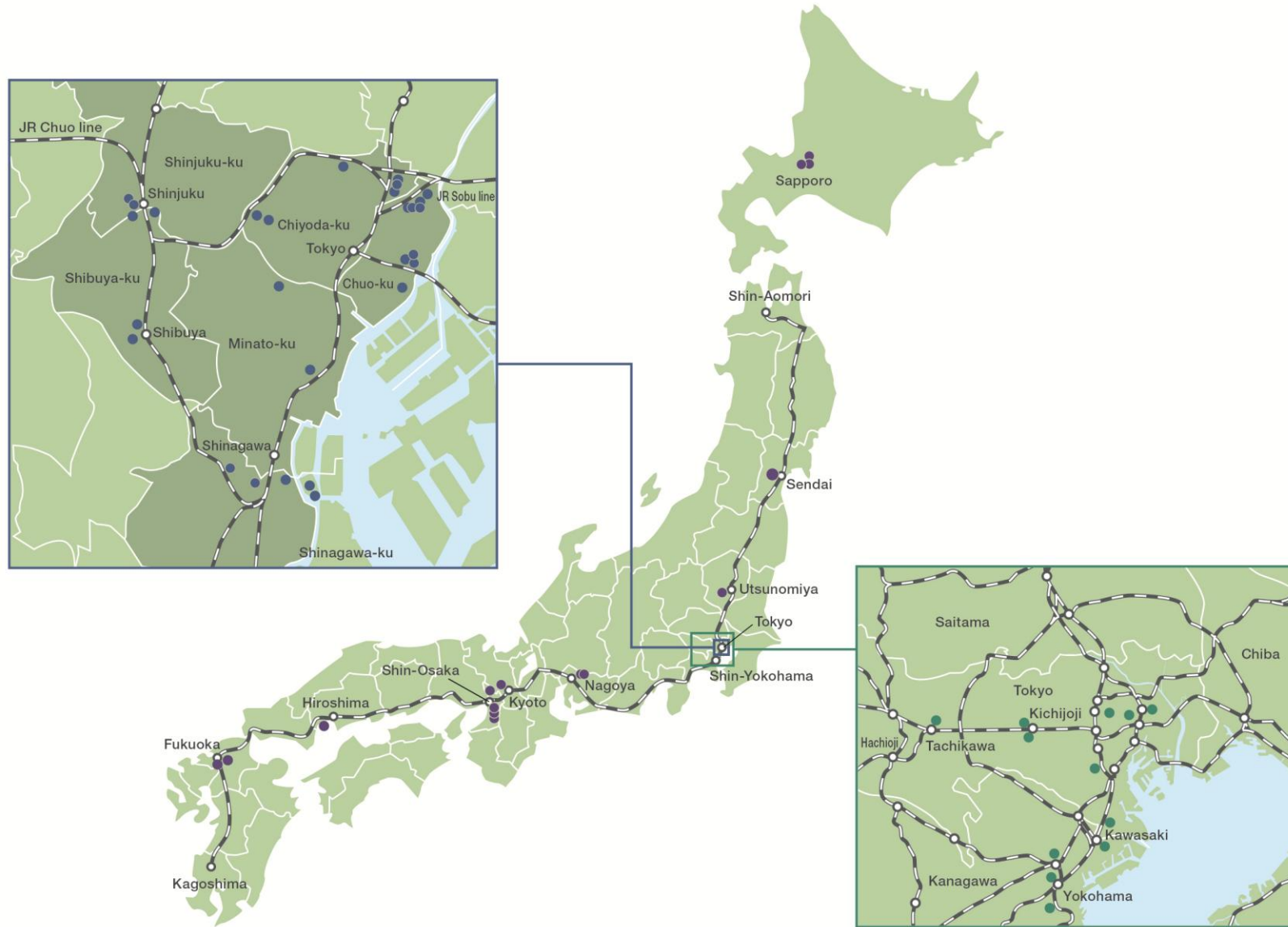
Note 1: Assumed acquisition price indicates the acquisition price for NMF, and the valuation as at the end of the most recent fiscal period for NOF and NRF. Assets scheduled for disposal or scheduled to reach maturity are excluded, and with respect to the assets to be acquired, anticipated acquisition price is indicated.

Note 2: Assumed investment ratio indicates the ratio of each assumed acquisition price to the total assumed acquisition price.

Note 3: For the properties held as of the end of the most recent fiscal period, the figures at the end of the most recent fiscal period are indicated. For the properties acquired after the most recent fiscal period, the figures as of the date that the relevant acquisition was determined are indicated.

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m <sup>2</sup> )(Note3)	Occupancy rate (%) (Note3)
Office							
Other areas		Yokohama Odori Koen Bldg.	naka-ku, Yokohama City	1,910	0.2	4,234.62	93.9
		Sapporo North Plaza	Chuo-ku, Sapporo City	6,020	0.8	13,642.16	100.0
		NRE Sapporo Bldg.	Kita-ku, Sapporo City	4,120	0.5	6,559.34	87.5
		JCB Sapporo Higashi Bldg.	Chuo-ku, Sapporo City	3,260	0.4	9,062.04	100.0
		NOF Sendai Aoba-dori Bldg.	Aoba-ku, Sendai City	1,990	0.2	6,033.70	93.2
		NOF Utsunomiya Bldg.	Utsunomiya City, Tochigi	2,310	0.3	5,882.20	100.0
		NOF Nagoya Fushimi Bldg.	Naka-ku, Nagoya City	2,240	0.3	3,282.90	93.3
		NOF Nagoya Yanagibashi Bldg.	Nakamura-ku, Nagoya City	2,240	0.3	4,655.74	100.0
		Omron Kyoto Center Bldg.	Simogyo-ku, Kyoto City	17,900	2.2	34,616.84	100.0
		SORA Shin-Osaka 21	Yodogawa-ku, Osaka City	11,900	1.5	21,234.65	98.4
		NRE Osaka Bldg.	Chuo-ku, Osaka City	6,090	0.8	16,977.79	100.0
		NRE Nishi-Umeda Bldg.	Kita-ku, Osaka City	3,430	0.4	5,213.02	93.8
		NRE Yotsubashi Bldg.	Nishi-ku, Osaka City	3,980	0.5	11,558.68	100.0
		NRE Hiroshima Bldg.	Naka-ku, Hiroshima City	2,270	0.3	7,827.15	98.2
		NOF Hakata Ekimae Bldg.	Hakata-ku, Fukuoka City	4,190	0.5	7,529.83	94.0
		NOF Tenjin-Minami Bldg.	Chuo-ku, Fukuoka City	2,200	0.3	3,769.34	97.9
Total ( 55 )				353,801	44.1	430,940.73	96.6

# Portfolio Map (NOF)



# Portfolio① (NRF)

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)
Residence							
Greater Tokyo area		PROUD FLAT Shirokane Takanawa	Minato-ku, Tokyo	3,260	0.4	2,950.11	92.6
		PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	942	0.1	1,151.34	97.9
		PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	699	0.1	958.98	100.0
		PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	716	0.1	638.70	96.7
		PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	724	0.1	934.39	95.2
		PROUD FLAT Meguro Gyorinzaka	Meguro-ku, Tokyo	897	0.1	855.23	100.0
		PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,170	0.3	3,055.21	97.8
		PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,550	0.2	1,793.43	97.5
		PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,070	0.1	1,450.91	91.7
		PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	919	0.1	1,102.20	97.1
		PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,160	0.1	1,277.82	94.3
		PROUD FLAT Kamata	Ota-ku, Tokyo	1,100	0.1	1,541.64	95.8
		PROUD FLAT Kamata II	Ota-ku, Tokyo	3,270	0.4	4,051.72	97.5
		PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	593	0.1	752.09	100.0
		PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	892	0.1	1,209.56	100.0
		PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	626	0.1	830.55	100.0
		PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	989	0.1	1,191.08	96.3
		PROUD FLAT Fujimida	Nerima-ku, Tokyo	1,470	0.2	2,222.05	100.0
		PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	1,920	0.2	2,685.39	99.0
		PROUD FLAT Yokohama	Yokohama City, Kanagawa	2,010	0.3	3,118.12	95.4
		PROUD FLAT Kamioooka	Yokohama City, Kanagawa	2,600	0.3	4,872.17	100.0
		PROUD FLAT Tsurumi II	Yokohama City, Kanagawa	1,610	0.2	2,219.74	95.2
		PRIME URBAN Azabu Juban	Minato-ku, Tokyo	1,030	0.1	1,222.13	93.2
		PRIME URBAN Akasaka	Minato-ku, Tokyo	904	0.1	1,062.05	90.0
		PRIME URBAN Tamachi	Minato-ku, Tokyo	937	0.1	1,107.36	100.0
		PRIME URBAN Shibaura LOFT	Minato-ku, Tokyo	1,830	0.2	1,905.39	91.2
		PRIME URBAN Hatagaya	Shibuya-ku, Tokyo	455	0.1	650.60	94.6
		PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	351	0.0	439.56	100.0
		PRIME URBAN Ebisu II	Shibuya-ku, Tokyo	1,120	0.1	1,184.85	100.0
		PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,060	0.1	1,277.04	96.0
		PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	660	0.1	793.87	93.8
		PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,020	0.3	2,087.70	96.8
		PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,220	0.2	1,444.40	92.8
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,360	0.2	1,302.42	91.8	
	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	738	0.1	1,008.39	90.9	
	PRIME URBAN Senzoku	Meguro-ku, Tokyo	467	0.1	655.27	93.7	
	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	401	0.0	453.77	91.5	
	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	2,970	0.4	2,955.74	97.4	
	PRIME URBAN Meguro Aobadai	Meguro-ku, Tokyo	1,280	0.2	1,464.14	97.7	

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)
Residence							
Greater Tokyo area		PRIME URBAN Gakugei Daigaku II	Meguro-ku, Tokyo	1,040	0.1	1,109.87	95.7
		PRIME URBAN Naka Meguro II	Meguro-ku, Tokyo	2,850	0.4	2,393.45	89.8
		PRIME URBAN Kachidoki	Chuo-ku, Tokyo	2,470	0.3	4,524.00	97.2
		PRIME URBAN Shinkawa	Chuo-ku, Tokyo	2,100	0.3	3,600.61	98.3
		PRIME URBAN Nihonbashi Yokoyamacho	Chuo-ku, Tokyo	4,180	0.5	5,926.17	99.2
		PRIME URBAN Nihonbashi Hamacho	Chuo-ku, Tokyo	1,520	0.2	2,026.44	91.2
		PRIME URBAN Hongo Ikizaka	Bunkyo-ku, Tokyo	571	0.1	662.58	100.0
		PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	876	0.1	1,069.82	100.0
		PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,450	0.2	1,759.11	98.2
		PRIME URBAN Ochiai	Shinjuku-ku, Tokyo	333	0.0	517.53	90.9
		PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,050	0.1	1,459.86	100.0
		PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	879	0.1	1,162.55	93.9
		PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	425	0.1	578.18	86.1
		PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	419	0.1	507.11	57.1
		PRIME URBAN Shinjuku Ochiai	Shinjuku-ku, Tokyo	571	0.1	1,053.39	96.1
		PRIME URBAN Mejiro	Shinjuku-ku, Tokyo	1,400	0.2	1,755.52	95.3
		PRIME URBAN Kagurazaka	Shinjuku-ku, Tokyo	2,830	0.4	2,853.82	95.7
		PRIME URBAN Sangen Jaya III	Setagaya-ku, Tokyo	692	0.1	1,018.72	100.0
		PRIME URBAN Chitose Karasuyama	Setagaya-ku, Tokyo	703	0.1	1,774.01	97.3
		PRIME URBAN Sangen Jaya II	Setagaya-ku, Tokyo	464	0.1	810.98	78.8
		PRIME URBAN Sangen Jaya	Setagaya-ku, Tokyo	695	0.1	874.15	97.1
		PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	662	0.1	1,049.73	97.6
		PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	526	0.1	835.05	94.0
		PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	330	0.0	576.20	95.7
		PRIME URBAN Kamikitazawa	Setagaya-ku, Tokyo	591	0.1	1,384.45	86.5
		PRIME URBAN Chitose Funabashi	Setagaya-ku, Tokyo	743	0.1	1,027.44	97.6
		PRIME URBAN Yoga	Setagaya-ku, Tokyo	1,370	0.2	1,773.05	97.6
		PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	481	0.1	961.25	97.9
		PRIME URBAN Osaki	Shinagawa-ku, Tokyo	1,780	0.2	2,106.16	99.0
		PRIME URBAN Oimachi II	Shinagawa-ku, Tokyo	1,030	0.1	1,794.85	96.4
		PRIME URBAN Yukigaya	Ota-ku, Tokyo	947	0.1	1,536.59	94.7
		PRIME URBAN Omori	Ota-ku, Tokyo	869	0.1	1,190.70	98.1
		PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	774	0.1	1,100.17	96.1
	PRIME URBAN Nagahara Kamiikedai	Ota-ku, Tokyo	1,730	0.2	2,282.62	95.4	
	PRIME URBAN Nakano	Nakano-ku, Tokyo	477	0.1	801.30	92.9	
	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	500	0.1	818.75	97.5	
	PRIME URBAN Takaido	Suginami-ku, Tokyo	1,050	0.1	1,746.20	89.9	

Note 1: Assumed acquisition price indicates the acquisition price for NMF, and the valuation as at the end of the most recent fiscal period for NOF and NRF. Assets scheduled for disposal or scheduled to reach maturity are excluded, and with respect to the assets to be acquired, anticipated acquisition price is indicated.

Note 2: Assumed investment ratio indicates the ratio of each assumed acquisition price to the total assumed acquisition price.

Note 3: For the properties held as of the end of the most recent fiscal period, the figures at the end of the most recent fiscal period are indicated. For the properties acquired after the most recent fiscal period, the figures as of the date that the relevant acquisition was determined are indicated.

# Portfolio② (NRF)

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)
Residence							
Greater Tokyo area		PRIME URBAN Nishi Ogikubo	Suginami Ward, Tokyo	404	0.1	543.09	88.1
		PRIME URBAN Nishi Ogikubo II	Suginami Ward, Tokyo	1,790	0.2	2,225.33	97.5
		PRIME URBAN Otsuka	Toshima Ward, Tokyo	680	0.1	944.99	100.0
		PRIME URBAN Komagome	Toshima Ward, Tokyo	428	0.1	991.94	90.5
		PRIME URBAN Ikebukuro	Toshima Ward, Tokyo	3,740	0.5	4,376.95	96.2
		PRIME URBAN Monzen Nakacho	Koto Ward, Tokyo	2,320	0.3	3,207.92	98.3
		PRIME URBAN Kameido	Koto Ward, Tokyo	769	0.1	1,117.34	96.1
		PRIME URBAN Sumiyoshi	Koto Ward, Tokyo	611	0.1	813.52	94.9
		PRIME URBAN Mukojima	Sumida Ward, Tokyo	518	0.1	1,108.91	94.6
		PRIME URBAN Kinshi Koen	Sumida Ward, Tokyo	1,260	0.2	1,886.50	98.7
		PRIME URBAN Kinshicho	Sumida Ward, Tokyo	739	0.1	991.62	100.0
		PRIME URBAN Hirai	Edogawa Ward, Tokyo	692	0.1	1,095.91	94.3
		PRIME URBAN Kasai	Edogawa Ward, Tokyo	635	0.1	905.81	100.0
		PRIME URBAN Kasai II	Edogawa Ward, Tokyo	977	0.1	1,437.84	97.1
		PRIME URBAN Kasai East	Edogawa Ward, Tokyo	1,130	0.1	1,884.62	100.0
		PRIME URBAN Ekoda	Nerima Ward, Tokyo	404	0.1	872.49	100.0
		PRIME URBAN Itabashi Kuyakushomae	Itabashi Ward, Tokyo	1,090	0.1	1,742.64	94.9
		PRIME URBAN Asakusa	Taito Ward, Tokyo	380	0.0	876.70	95.4
		PRIME URBAN Machiya South Court	Arakawa Ward, Tokyo	1,880	0.2	4,141.56	97.7
		PRIME URBAN Musashi Koganei	Koganei City, Tokyo	1,900	0.2	5,999.80	94.9
		PRIME URBAN Musashino Hills	Koganei City, Tokyo	1,370	0.2	2,961.06	95.1
		PRIME URBAN Koganei Honcho	Koganei City, Tokyo	782	0.1	1,604.72	86.9
		PRIME URBAN Kumegawa	HigashiMurayama City, Tokyo	1,500	0.2	2,610.05	95.7
		PRIME URBAN Musashi Kosugi comodo	Nakahara Ward, Kawasaki City	1,900	0.2	3,692.44	98.4
		PRIME URBAN Kawasaki	Kawasaki Ward, Kawasaki City	949	0.1	1,706.46	96.9
		PRIME URBAN Shinyurigaoka	Asao Ward, Kawasaki City	1,160	0.1	1,708.19	100.0
		PRIME URBAN Tsurumi Teraya	Tsurumi Ward, Yokohama City	488	0.1	952.06	92.0
		PRIME URBAN Urayasu II	Urayasu City, Chiba	225	0.0	437.94	100.0
		PRIME URBAN Urayasu	Urayasu City, Chiba	796	0.1	1,264.84	96.7
		PRIME URBAN Gyotoku I	Ichikawa City, Chiba	624	0.1	1,151.36	88.5
		PRIME URBAN Gyotoku II	Ichikawa City, Chiba	719	0.1	1,244.00	100.0
		PRIME URBAN Gyotoku Ekimae	Ichikawa City, Chiba	483	0.1	778.19	91.9
		PRIME URBAN Gyotoku Ekimae II	Ichikawa City, Chiba	511	0.1	927.33	97.8
		PRIME URBAN Gyotoku III	Ichikawa City, Chiba	856	0.1	1,766.47	88.3
	PRIME URBAN Nishi Funabashi	Funabashi City, Chiba	751	0.1	1,237.80	100.0	
	PRIME URBAN Kawaguchi	Kawaguchi City, Saitama	1,590	0.2	2,477.11	100.0	

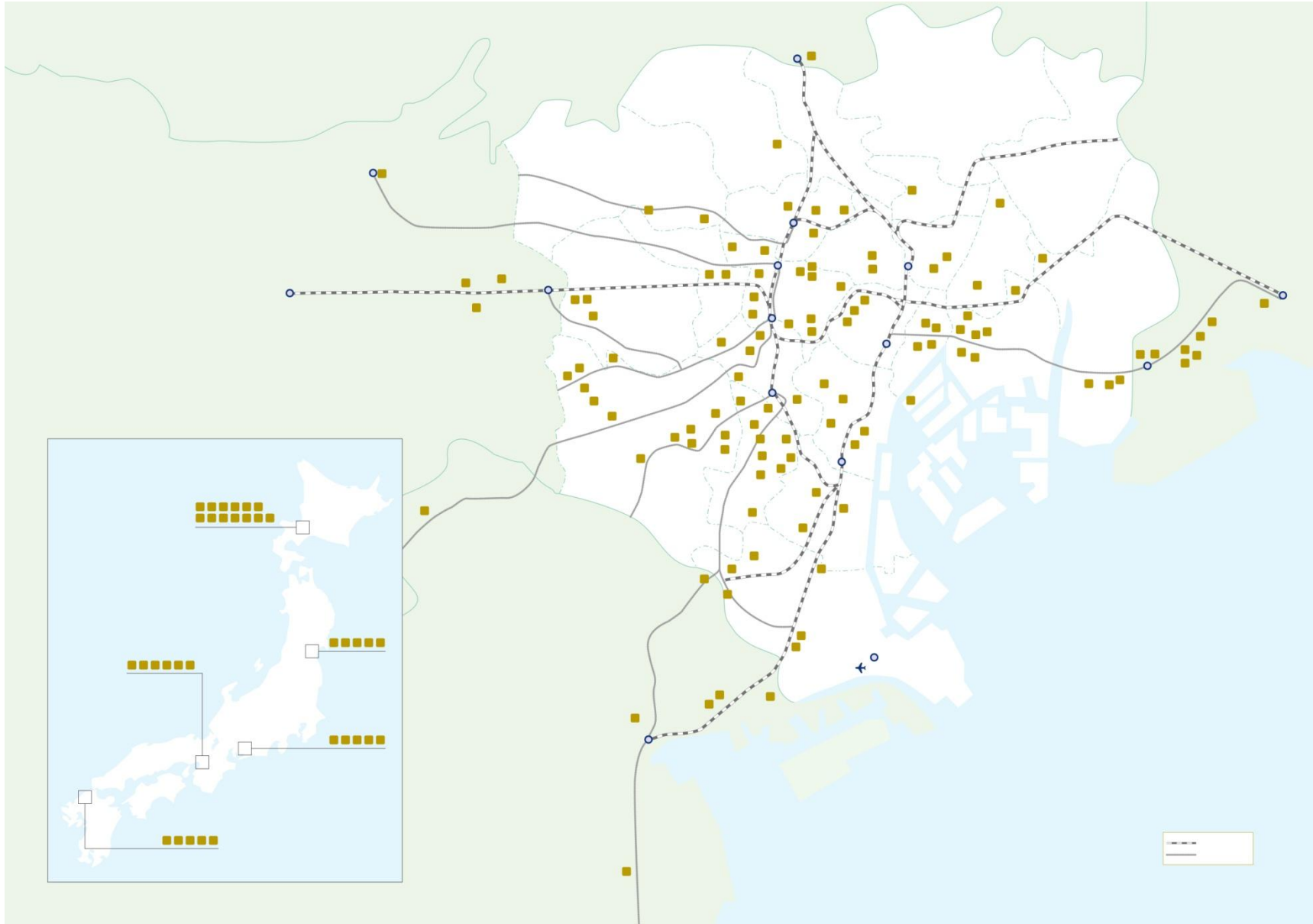
Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)
Residence							
Other areas		PROUD FLAT Itsutsubashi	Aoba Ward, Sendai City	630	0.1	1,861.56	100.0
		PROUD FLAT Kawaramachi	Wakabayashi Ward, Sendai City	717	0.1	1,967.54	95.7
		PROUD FLAT Shin Osaka	Yodogawa Ward, Osaka City	1,580	0.2	2,990.68	98.3
		PRIME URBAN Yamahana	Chuo Ward, Sapporo City	271	0.0	1,518.58	100.0
		PRIME URBAN Kita Jujo Jo	Higashi Ward, Sapporo City	272	0.0	1,155.60	84.9
		PRIME URBAN Odori Koen I	Chuo Ward, Sapporo City	488	0.1	1,850.20	100.0
		PRIME URBAN Odori Koen II	Chuo Ward, Sapporo City	322	0.0	1,148.72	100.0
		PRIME URBAN Kita Juichi Jo	Higashi Ward, Sapporo City	536	0.1	1,851.39	100.0
		PRIME URBAN Miyanosawa	Nishi Ward, Sapporo City	462	0.1	2,114.53	96.2
		PRIME URBAN Odori Higashi	Chuo Ward, Sapporo City	389	0.0	1,494.36	96.8
		PRIME URBAN Chiji Koukan	Chuo Ward, Sapporo City	247	0.0	1,007.30	95.2
		PRIME URBAN Maruyama	Chuo Ward, Sapporo City	226	0.0	911.07	100.0
		PRIME URBAN Kita Nijuyo Jo	Higashi Ward, Sapporo City	426	0.1	1,773.90	100.0
		PRIME URBAN Sapporo Idaimae	Chuo Ward, Sapporo City	607	0.1	2,439.90	96.8
		PRIME URBAN Sapporo Riverfront	Chuo Ward, Sapporo City	4,410	0.5	15,552.59	96.7
		PRIME URBAN Kita Sanjo Dori	Chuo Ward, Sapporo City	1,680	0.2	5,094.29	99.0
		PRIME URBAN Nagamachi Ichhome	Taihaku Ward, Sendai City	1,120	0.1	3,411.24	98.0
		PRIME URBAN Yaotome Chuo	Izumi Ward, Sendai City	457	0.1	1,380.21	100.0
		PRIME URBAN Tsutsumidori Amamiya	Aoba Ward, Sendai City	936	0.1	4,251.91	98.2
		PRIME URBAN Aoi	Higashi Ward, Nagoya City	692	0.1	1,571.04	98.1
		PRIME URBAN Kanayama	Naka Ward, Nagoya City	639	0.1	1,391.02	100.0
		PRIME URBAN Tsurumai	Naka Ward, Nagoya City	1,150	0.1	2,502.11	97.1
		PRIME URBAN Kamimaezu	Kamimaezu Ward, Nagoya City	1,560	0.2	3,541.43	96.2
		PRIME URBAN Izumi	Higashi Ward, Nagoya City	3,710	0.5	7,543.10	96.4
		PRIME URBAN Esaka I	Suita City, Osaka	649	0.1	1,189.12	83.4
		PRIME URBAN Esaka II	Suita City, Osaka	778	0.1	1,392.00	91.4
		PRIME URBAN Esaka III	Suita City, Osaka	1,160	0.1	2,151.67	90.6
		PRIME URBAN Tamatsukuri	Chuo Ward, Osaka City	1,010	0.1	2,373.10	91.3
		PRIME URBAN Sakaisuji Honmachi	Chuo Ward, Osaka City	1,800	0.2	3,909.90	94.8
		PRIME URBAN Hakata	Hakata Ward, Fukuoka City	586	0.1	2,176.23	92.3
		PRIME URBAN Yakuin Minami	Chuo Ward, Fukuoka City	265	0.0	897.84	93.1
		PRIME URBAN Kashii	Higashi Ward, Fukuoka City	393	0.0	1,222.34	88.4
		PRIME URBAN Hakata Higashi	Hakata Ward, Fukuoka City	620	0.1	1,854.13	95.7
		PRIME URBAN Chihaya	Higashi Ward, Fukuoka City	593	0.1	1,740.70	94.1
	Total (146)			159,800	19.9	273,216.29	96.2

Note 1: Assumed acquisition price indicates the acquisition price for NMF, and the valuation as at the end of the most recent fiscal period for NOF and NRF. Assets scheduled for disposal or scheduled to reach maturity are excluded, and with respect to the assets to be acquired, anticipated acquisition price is indicated.

Note 2: Assumed investment ratio indicates the ratio of each assumed acquisition price to the total assumed acquisition price.

Note 3: For the properties held as of the end of the most recent fiscal period, the figures at the end of the most recent fiscal period are indicated. For the properties acquired after the most recent fiscal period, the figures as of the date that the relevant acquisition was determined are indicated.

# Portfolio Map (NRF)



# Portfolio

## ■ Scheduled Acquisitions

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)
Logistics							
	Greater Tokyo area	Kawaguchi Ryoke Logistics Center	Kawaguchi City, Saitama	10,790	1.3	42,840.91	100.0
Retail							
	Greater Tokyo area	NRE Kichijoji Building	Musashino City, Tokyo	5,310	0.7	2,042.08	100.0
		GEMS Ichigaya	Chiyoda-ku, Tokyo	2,080	0.3	1,277.06	100.0
Office							
	Central Tokyo	PMO Tamachi	Minato-ku, Tokyo	6,210	0.8	4,019.84	100.0
		PMO Ginza 8chome	Chuo-ku, Tokyo	3,970	0.5	2,055.53	100.0
		PMO Shibakoen	Minato-ku, Tokyo	3,900	0.5	2,667.77	100.0
Residence							
	Greater Tokyo area	PROUD FLAT hatchobori	Chuo-ku, Tokyo	920	0.1	992.75	89.4
		PROUD FLAT Itabashihoncho	Itabashi-ku, Tokyo	720	0.1	1,192.07	100.0
Total ( 8 )				33,900	4.2	57,088.01	99.8

## ■ 3 REITs Total (Including Scheduled Acquisitions)

Use	Area	Property name	Location	Acquisition price (Scheduled) (million yen)(Note1)	Investment Rate (Scheduled)	Leasable area (m)(Note3)	Occupancy rate (%) (Note3)
Logistics							
	Greater Tokyo area		15	126,230	15.7	573,551.79	100.0
	Other areas		4	6,580	0.8	79,902.10	100.0
	Logistics subtotal		19	132,810	16.6	653,453.89	100.0
Retail							
	Greater Tokyo area		32	95,317	11.9	189,161.56	99.6
	Kinki area		5	38,496	4.8	100,842.81	98.8
	Other areas		2	6,340	0.8	8,613.18	100.0
	Retail subtotal		39	140,153	17.5	298,617.55	99.3
Office							
	Centra Tokyo		31	249,460	31.1	215,769.18	95.2
	Greater Tokyo area		12	44,281	5.5	66,069.31	97.4
	Other areas		15	74,140	9.2	157,845.38	98.2
	Office subtotal		58	367,881	45.9	439,683.87	96.6
Residence							
	Greater Tokyo area		114	130,059	16.2	186,169.81	96.1
	Other areas		34	31,381	3.9	89,231.30	96.3
	Residence subtotal		148	161,440	20.1	275,401.11	96.2
	total		264	802,284	100.0	1,667,156.42	98.4

Note 1: Assumed acquisition price indicates the acquisition price for NMF, and the valuation as at the end of the most recent fiscal period for NOF and NRF. Assets scheduled for disposal or scheduled to reach maturity are excluded, and with respect to the assets to be acquired, anticipated acquisition price is indicated.

Note 2: Assumed investment ratio indicates the ratio of each assumed acquisition price to the total assumed acquisition price.

Note 3: For the properties held as of the end of the most recent fiscal period, the figures at the end of the most recent fiscal period are indicated. For the properties acquired after the most recent fiscal period, the figures as of the date that the relevant acquisition was determined are indicated.

# Financial Status (NMF·NRF)

## I Loans (NMF)

Lender	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
4Lender	4,000	0.23000	2014/9/29	2015/9/26
7Lender	13,000	0.64250	2013/6/13	2016/11/26
1Lender	1,000	0.31000	2014/5/26	2017/3/26
5Lender	5,000	0.31000	2014/9/29	2017/8/26
7Lender	12,200	0.86250	2013/7/18	2018/5/26
4Lender	4,000	0.72500	2013/12/12	2018/11/26
1Lender	1,000	0.48250	2014/9/29	2018/11/26
2Lender	1,700	0.50250	2014/9/29	2018/11/26
6Lender	9,000	1.11750	2013/6/13	2019/5/26
1Lender	1,000	1.04875	2013/6/13	2019/5/26
3Lender	4,000	0.72650	2014/5/26	2019/11/26
5Lender	10,000	1.33750	2013/6/13	2020/5/26
1Lender	800	1.25875	2013/6/13	2020/5/26
2Lender	2,000	0.80832	2014/9/29	2021/2/26
3Lender	8,000	1.56250	2013/6/13	2021/5/26
1Lender	1,000	1.46375	2013/6/13	2021/5/26
1Lender	2,000	1.30289	2013/12/12	2021/11/26
2Lender	2,000	1.11662	2014/5/26	2021/11/26
3Lender	5,500	1.25900	2014/3/26	2022/5/26
4Lender	2,100	0.92280	2014/12/19	2022/11/26
1Lender	2,000	1.89500	2013/7/30	2023/5/26
1Lender	2,000	1.86500	2013/7/30	2023/5/26
1Lender	1,000	1.83875	2013/7/30	2023/5/26
1Lender	925	2.21812	2013/6/13	2025/5/26(Note2)
1Lender	925	2.17000	2013/6/13	2025/5/26(Note2)
Total	96,150	-	-	-

## I Bonds (NMF)

Name	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
Unsecured Bonds	3,000	0.87	2014/10/30	2024/10/30
Total	3,000	-	-	-

Note1 : As of April 30,2015.

Note2 : Repay 10.7 million yen of principal at each repayment date during the period between August 26, 2013, and February 26, 2025, and repay 497.1 million yen on May 26, 2025, the last repayment date.

Note3 : The amount of 40 million yen every Date of Repayment from February 27, 2010 to February 27, 2016, and the repayment of 1,080 million yen on August 27, 2016, the Final Date of Repayment.

Note4 : The amount of 50 million yen every Date of Repayment from August 26, 2010 to August 26, 2016, and 1,350 million yen on February 26, 2017, the last Date of Repayment.

## I Loans (NRF)

Lender	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
3Lender	9,700	1.00900	2012/2/27	2015/8/27
1Lender	4,700	1.00000	2011/12/26	2015/12/26
2Lender	9,400	1.11700	2011/12/26	2016/6/26
1Lender	1,160	2.10000	2009/8/27	2016/8/27(Note2)
1Lender	1,500	2.03000	2010/2/26	2017/2/26(Note3)
3Lender	1,800	0.69000	2013/10/25	2017/2/26
1Lender	750	0.55273	2014/8/27	2017/8/26
3Lender	3,920	1.08500	2012/8/27	2017/8/27
5Lender	3,300	0.51000	2014/12/18	2017/11/26
2Lender	1,500	0.55182	2015/2/27	2018/2/26
6Lender	5,420	1.12013	2012/8/27	2018/2/27
3Lender	5,400	0.99000	2013/9/30	2018/8/26
1Lender	1,100	0.69894	2014/12/18	2019/5/26
4Lender	1,600	1.16500	2012/12/3	2019/11/26
1Lender	1,000	1.48625	2013/5/23	2020/5/27
6Lender	4,700	1.18000	2013/10/25	2020/8/26
1Lender	500	1.15566	2013/10/25	2020/8/26
1Lender	800	1.28277	2013/9/30	2020/8/26
1Lender	2,000	1.17750	2014/2/27	2021/2/26
1Lender	1,000	1.68200	2013/5/23	2021/5/27
1Lender	3,500	1.62500	2013/5/23	2021/5/27
1Lender	2,700	1.24100	2014/2/27	2021/8/26
4Lender	4,900	0.97410	2015/2/27	2021/11/26
5Lender	4,500	1.31850	2014/2/27	2022/2/26
4Lender	2,980	1.19700	2014/9/5	2022/8/26
1Lender	1,300	1.13250	2015/2/27	2023/2/26
Total	81,130	-	-	-

## I Bonds (NRF)

Name	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
Unsecured Bonds	5,000	1.21	2011/2/25	2016/2/25
Unsecured Bonds	5,000	1.03	2012/2/24	2017/2/24
合計	10,000	-	-	-



# Financial Status (NOF)

## I Loans (NOF)

Lender	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
3Lender	8,000	2.31750	2008/6/24	2015/6/24
1Lender	1,000	1.31125	2010/8/26	2015/8/26
1Lender	1,500	0.52000	2013/2/26	2015/8/27
1Lender	1,000	0.52182	2013/8/27	2015/8/27
1Lender	500	0.55000	2012/12/27	2015/12/26
3Lender	5,500	0.90800	2012/2/27	2016/2/27
1Lender	1,000	0.59273	2013/6/24	2016/5/26
1Lender	7,250	1.97000	2009/6/25	2016/6/25 (Note2)
3Lender	3,000	1.10100	2011/8/26	2016/8/26
2Lender	2,000	0.79750	2012/9/25	2016/8/26
2Lender	3,000	0.50000	2014/3/27	2016/8/26
2Lender	1,000	1.07450	2012/3/16	2017/2/26
3Lender	2,000	0.88700	2012/8/27	2017/2/26
3Lender	4,500	0.55000	2014/3/27	2017/2/26
5Lender	5,000	0.45000	2015/3/11	2017/3/11
2Lender	3,900	1.43500	2011/6/10	2017/6/10
5Lender	9,000	1.12850	2012/2/27	2017/8/27
5Lender	12,900	1.03775	2012/6/25	2017/12/26
1Lender	1,000	1.84650	2011/2/28	2018/2/26
1Lender	2,000	1.09000	2013/6/24	2018/6/26
1Lender	2,000	1.03500	2013/8/26	2018/8/26
2Lender	2,000	0.93600	2013/12/9	2018/11/26
3Lender	3,000	0.77650	2014/6/10	2018/11/26
3Lender	3,000	1.44450	2012/3/16	2019/2/26
1Lender	2,000	0.90759	2014/3/19	2019/2/26
8Lender	5,300	0.87695	2014/3/27	2019/2/26
3Lender	5,700	1.25200	2012/8/27	2019/8/26
1Lender	2,200	1.22000	2012/8/27	2019/8/26
3Lender	2,500	1.27625	2012/8/27	2019/8/26
5Lender	4,700	0.81080	2014/8/26	2019/8/26
3Lender	5,750	1.01150	2014/3/27	2020/2/26
1Lender	1,100	1.53674	2012/8/27	2020/8/26
4Lender	4,500	1.08100	2014/2/26	2020/8/26
3Lender	5,000	1.35250	2013/2/26	2021/2/26

Note1 : As of April 30, 2015.

Note2 : Repay 250 million yen of principal at each Repayment Date until December 25, 2015, and repay 6,750 million yen on December 25, 2016, the last repayment date.

Lender	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
2Lender	2,000	1.19211	2014/3/19	2021/2/26
1Lender	3,000	0.86350	2015/2/26	2021/2/26
3Lender	2,120	0.85050	2015/3/3	2021/2/26
2Lender	4,180	1.23920	2014/3/27	2021/7/26
1Lender	3,500	1.48300	2013/12/9	2022/1/26
1Lender	2,750	1.29600	2014/3/27	2022/2/26
2Lender	4,000	1.16000	2014/8/26	2022/2/26
1Lender	3,000	1.09133	2015/2/26	2022/8/26
1Lender	1,800	1.05000	2014/12/24	2022/11/26
4Lender	4,550	1.11000	2014/12/24	2022/11/26
1Lender	1,000	1.15850	2015/3/3	2023/8/26
1Lender	1,000	1.14850	2015/3/3	2023/8/26
1Lender	1,000	1.18032	2015/3/3	2023/8/26
2Lender	2,000	1.75900	2013/12/9	2023/11/26
1Lender	2,750	1.59400	2014/3/27	2024/2/26
Total	162,450	-	-	-

## I Bonds (NOF)

Name	Amount (million)	Interest Rate(%)	Date of Loan	Date of Repayment
Unsecured Bonds No.2	5,000	2.47	2005/3/16	2020/3/16
Unsecured Bonds No.4	10,000	2.05	2005/11/28	2015/11/30
Unsecured Bonds No.6	5,000	2.21	2007/3/19	2017/3/17
Unsecured Bonds No.7	4,500	2.90	2007/3/19	2028/3/17
Unsecured Bonds No.9	4,000	1.52	2010/11/26	2017/11/24
Unsecured Bonds No.10	6,000	1.02	2014/11/25	2024/11/25
Total	34,500	-	-	-

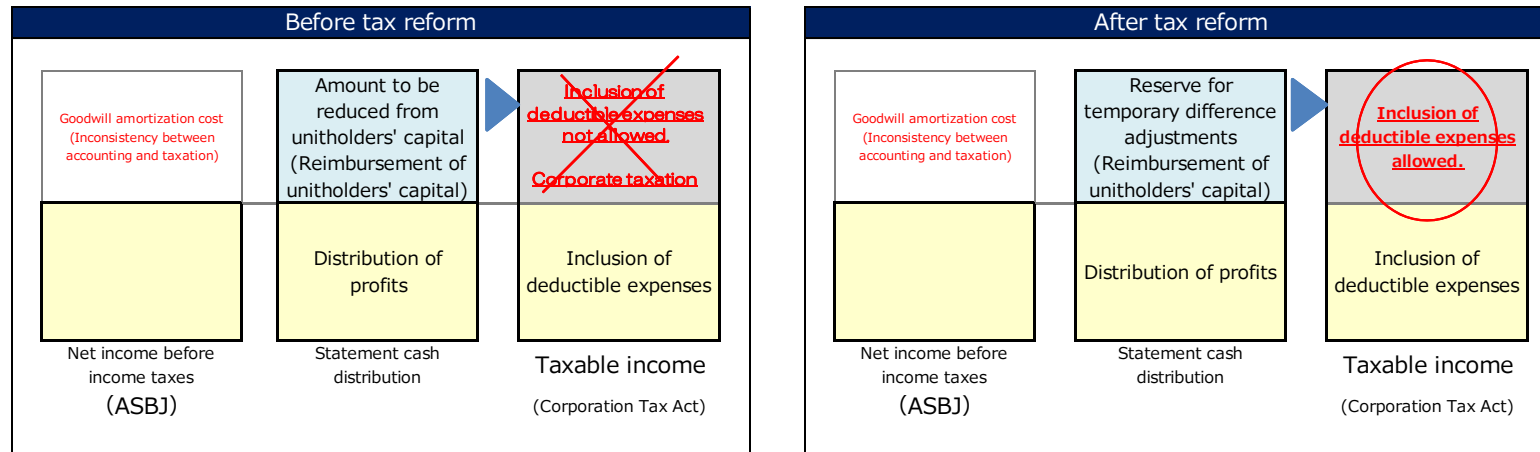
# Inclusion of Deductible Expenses of Goodwill Amortization Cost and Distribution in excess of profit

(Accounting) Positive goodwill is amortized by the straight-line method or other reasonable method within the appropriate depreciation period (up to 20 years).

(Taxation) In case of a qualified merger, carrying value is transferred and positive goodwill (asset adjustment account) is not recorded.



Inconsistency between accounting and taxation



(Before tax reform) A merger which generates positive goodwill was unrealistic since it would have generated tax on the conduit investment corporation.

(After tax reform) Since tax may be mitigated by distribution in excess of profit, a merger which generates positive goodwill became a realistic REIT growth strategy.

[Investors' accounting and tax]

Distribution in excess of profit (reserve for temporary difference adjustments)

(Accounting) **Reimbursement of unitholders' capital**

\* The Investment Trust Association, Japan, released a statement that, with respect to distribution in excess of profit (reserve for temporary difference adjustments), that, "[the amount will be] accounted as dividend or reimbursement of investment, etc., pursuant to the accounting policy, etc., of the investor receiving the distribution."

(Taxation) **Dividend (subject to withholding tax)**

[Reference] Distribution in excess of profit other than reserve for temporary difference adjustments

(Accounting) **Reimbursement of unitholders' capital**

(Taxation) **Proceeds from assignment (partially, deemed dividend <sup>Note</sup>)**

Note: Among the reimbursed unitholders' capital, the portion equivalent to be distributed from retained earning is treated as deemed dividends, and is subject the same tax treatment as regular distribution of profits.

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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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