No.	Question	Answer
The Merger		
1	What is meant by “merger”?	Merger means that the former Nomura Real Estate Master Fund, Inc. (hereinafter the “former NMF”), Nomura Real Estate Office Fund, Inc. (hereinafter “NOF”) and Nomura Real Estate Residential Fund, Inc. (hereinafter “NRF”) were integrated into a single investment corporation. The merger was a consolidation-type merger in which the former NMF, NOF and NRF were eliminated and the Investment Corporation was established through comprehensive succession of the companies’ assets and such.
2	What types of REITs were the three REITs that were eliminated?	The former NMF was a REIT that targeted logistics facilities and retail facilities for investment while NOF targeted offices and NRF targeted residences.
3	What is the meaning of transitioning from a “specialized type” REIT to a “diversified type” REIT?	The former NMF, NOF and NRF were each “specialized type” REITs which limited their scope of investment to a particular sector (NMF targeted logistics facilities and retail facilities, NOF targeted offices and NRF targeted residences). The Investment Corporation established through the merger will not limit its target investment sector as such and will be a “diversified type” REIT which targets logistics facilities, retail facilities, offices, residences and other sectors.
The Schedule of the Merger		
4	What is the schedule for the merger?	The schedule is as follows: May 27, 2015: Conclusion of merger agreement and determination of the merger ratio June 12, 2015: Record date for general meetings of unitholders of former NMF and NRF (April 30 for NOF) July 30, 2015: General meetings of unitholders of former NMF and NOF July 31, 2015: General meeting of unitholders of NRF September 28, 2015: Date of delisting for former NMF, NOF and NRF October 1, 2015: Date of incorporation of the Investment Corporation October 2, 2015: Date of listing of the Investment Corporation Mid to late December 2015: Payments of cash distributions on merger February 29, 2016: End of 1st fiscal period of the Investment Corporation
Allotment of the Investment Corporation’s Investment Units		

No.	Question	Answer
5	What are "fractions of investment units"? How will these be handled?	The fractions of investment units are investment units of a fraction of one unit that are generated as a result of the allotment of the investment units of the Investment Corporation to the unitholders of the eliminated REITs. Pursuant to legal provisions, fractions of one investment unit generated by all unitholders are added up, the number of investment units equivalent to the total are sold on the market and the amount obtained is distributed to unitholders with fractions of investment units according to their fractions. Relevant unitholders are notified of details such as the amount and delivery method by mail and payment is scheduled to commence from mid to late December 2015.
6	How will the allotment of investment units of the Investment Corporation be handled if I owned investment units of the eliminated REITs through multiple securities firms?	In this case, the investment units of the Investment Corporation will be allotted according to the number of the eliminated REITs' investment units owned through each securities firm. If the fractions of investment units for the new REIT for the eliminated REITs' investment units owned through each securities firm adds up to a number larger than 1, the number of investment units according to the integer section are allotted to the securities firm with the greatest number of owned units. For details, please contact your securities firms.
7	Are the "fractions of investment units" added up if I owned investment units of both NRF and NOF?	In this case, the fractions of investment units are not added up since they are fractions from allotments of separate investment corporations. The money in 5 above is distributed according to the fractions generated from the investment units held for each investment corporation.
Cash Distribution on Merger		
8	What is the "cash distribution on merger"?	Cash distribution on merger refers to the money distributed in place of the eliminated REITs' final operating periods before their elimination through merger. Cash distribution on merger is scheduled to be paid out in mid to late December 2015 to unitholders of the eliminated REITs as of September 30, 2015.* *Excluding unitholders who are against the merger and request the purchase of owned investment units according to the relevant provisions of the laws and regulations.
Goodwill		

No.	Question	Answer
9	What is “goodwill”? How does the “amortization costs of goodwill” affect cash distributions?	“Goodwill” is the difference between the fair value of net assets of the acquired companies (NRF and NOF) on merger and the acquisition price of the acquiring company (former NMF) when the later exceeds the former. It is an intangible fixed asset for the purpose of accounting and is amortized regularly using the straight-line method over a period of 20 years. “Amortization costs of goodwill” is calculated as operating expenses for the purpose of accounting, but there is no cash out. Since the Investment Corporation plans to distribute the equivalent of the “amortization costs of goodwill” as distribution in excess of earnings, there is no impact on the cash distribution to unitholders (this approach has become possible with the fiscal 2015 tax reform).
10	What is the difference between “amortization costs of goodwill” and “depreciation and amortization”?	Please see 9 above for “goodwill”. “Depreciation and amortization” is the distribution by period of the acquisition costs of fixed assets according to their service life and differs in cause from “goodwill”. On the other hand, “amortization costs of goodwill” and “depreciation and amortization” are similar in that they are accounting costs which do not entail cash outs. The Investment Corporation plans to distribute the equivalent of the “amortization costs of goodwill” as distribution in excess of earnings alongside the fiscal 2015 tax reform.
11	Other REITs use “negative goodwill” to stabilize cash distributions. Can “goodwill” be used in the same way?	The goodwill generated through the merger will not be used for the purpose of stabilizing cash distributions.
12	What is the difference from other REITs when it comes to distribution in excess of earnings?	Distribution in excess of earnings is the distribution of the amount in excess of the investment corporation’s net income in the period to unitholders as cash distributions. The difference is that, while in other REITs the distribution in excess of earnings is based on “depreciation and amortization,” the Investment Corporation’s distribution in excess of earnings for the 2nd fiscal period onwards will be based on amortization costs of “goodwill,” etc.
Tax Treatment		

No.	Question	Answer
13	Will the gain (loss) of the investment units owned as of October 1, 2015, the date of incorporation of the Investment Corporation, be established?	The gain/loss of investment units will not be established since the investment units of the Investment Corporation to be allotted with the merger will succeed the book value of the investment units currently held, excluding the disposition value of fractions of investment units. For details please contact a tax accountant.
14	If investment units are held through NISA, can the tax exemption still be applied to the allotted investment units?	Yes, the tax exemptions can still be applied. However, if fractions are generated and the sum of owned investment units in specific accounts and general accounts makes a unit, the tax exemption cannot be applied to that unit. For details please contact your securities firm.