



**For Immediate Release**

To Whom It May Concern

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

Securities Code: 3462

Shuhei Yoshida, Executive Director

Asset Management Company: Nomura Real Estate Asset Management Co., Ltd.

Masaomi Katayama, President & Chief Executive Officer

Inquiries: Hiroyuki Masuko

Executive Officer

Head of NMF Investment Management Group

TEL +81-3-3365-8767 nmf3462@nomura-re.co.jp

**Notice Concerning Acquisition of Trust Beneficial Interest in Domestic Real Estate  
and Disposition of Trust Beneficial Interest in Domestic Real Estate**

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announces the decision made today by Nomura Real Estate Asset Management Co., Ltd., a licensed asset management company retained by the Fund to provide asset management services, to acquire and dispose of properties (the “Acquisition” or the “Disposition” or collectively the “Transaction”), as described below.

1. Summary of Assets to Be Acquired/Disposed of

(1) Summary of Asset to Be Acquired

Property Name	Use	Scheduled Date of Purchase and Sale Agreement	Scheduled Date of Acquisition	Seller	Presence of Intermediary	Anticipated Acquisition Price (¥ million)(Note 1)
Landport Tama	Logistics	July 10, 2024	August 1, 2024	Nomura Real Estate Development, Co., Ltd.	None	17,520

(Note 1) The amounts stated exclude acquisition related costs, property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) The asset to be acquired is trust beneficial interest in trust of real estate.

The above property to be acquired is referred to hereinafter as the “Asset to Be Acquired.”

(2) Summary of Asset to Be Disposed of

Property Name	Use	Scheduled Date of Purchase and Sales Agreement	Scheduled Date of Disposition	Transferee	Presence of Intermediary	Scheduled Transfer Price (Note 1) (¥ million)	Book Value (Note 2) (¥ million)	Difference (Note 3) (¥ million)
Harumi Island Triton Square Office Tower Y	Office	July 10, 2024	July 31, 2024	Undisclosed (Note 4)	None	22,820	17,829	4,990

(Note 1) The amount stated excludes adjustment amounts of both property taxes and city planning taxes, as well as consumption taxes and local consumption tax.

(Note 2) Anticipated book value at the date of disposition.

(Note 3) This is only a reference value which is the difference between the scheduled transfer price and the anticipated book value, therefore, it is different from gain or loss on sale.

(Note 4) The transferee is undisclosed because consent to the disclosure has not been obtained from the transferee.

(Note 5) The asset to be disposed of is a trust beneficial interest in trust of real estate.



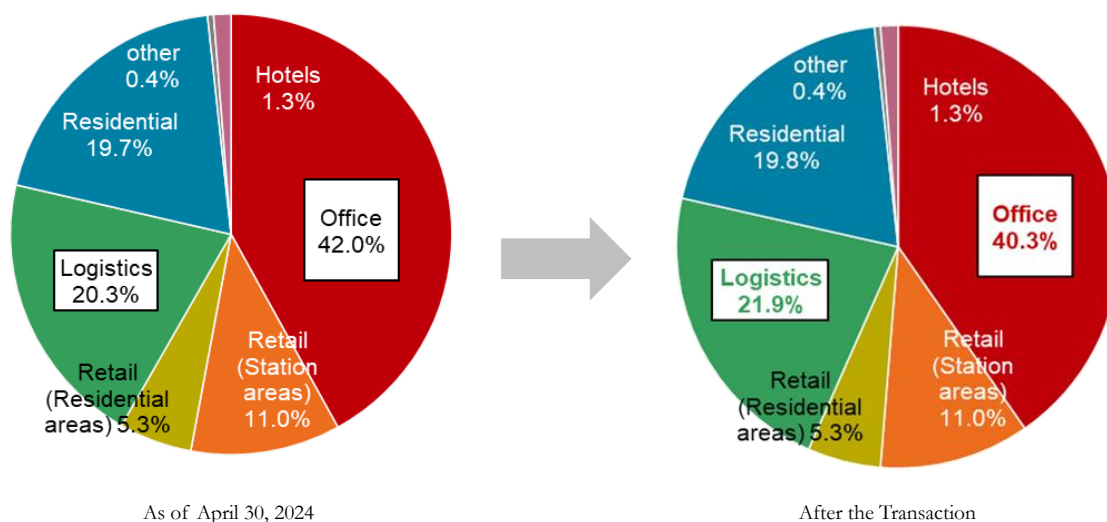
The above property is referred to hereinafter as the “Asset to Be Disposed of.” The Asset to Be Acquired and Asset to Be Disposed of may be separately referred to as the “Asset.”

## 2. Reasons for the Transaction

The Fund determined that the Transaction would help secure stable income and steady growth of the Fund’s portfolio over the medium to long term, in line with the asset management objectives and policies specified in the Fund’s Articles of Incorporation.

On October 18, 2023, the Fund announced strategies to decrease the ratio of the office building sector, and the Transaction will be used to facilitate the strategies.

(Reference) Changes in the portfolio asset type diversification (based on the acquisition price (anticipated))



The Asset to Be Disposed of was succeeded upon the merger with Top REIT, Inc., and thus its book values for accounting purposes and tax purposes are the value at the time of the merger and the value registered by Top REIT, Inc. respectively. Accordingly, the book value for accounting purposes is higher than that for tax purposes, and the Disposition results in a gain on sale for accounting purposes and a loss on sale for tax purposes, so the gain on sale for accounting purposes will not be taxable income. Therefore, internally reserving a portion of the gain on sale for accounting purposes resulting from the Asset to Be Disposed of while satisfying conduit taxation requirements, etc. enables the Fund to utilize the residual gain as free cash. Based on the Disposition of the Asset to Be Disposed of, the Fund plans to utilize a portion of the amount equivalent to the gain on sale from the Disposition to acquire own investment units as a new unit shareholder return measure. Additionally, regarding the amount equivalent to the gain on sale remaining after utilizing it for the acquisition of own investment units, the Fund will continue to evenly distribute across four fiscal periods—from the fiscal period ending August 31, 2024 to the fiscal period ending February 28, 2026—based on the above-mentioned strategies (Note).

For details on the reasons for the acquisition of the Asset to Be Acquired and the disposition of the Asset to Be Disposed of, as well as details on the acquisition of own investment units, please refer to “3. Summary of Assets to Be Acquired/Disposed of,” “Supplement Documentation for Press Release” dated today, and “Notice Concerning Determination of Matters Relating to Purchase and Retirement of Own Investment Units” described below.

(Note) The Fund plans to retain a portion of the gain on sale arising in the period of sale as internal reserves and make distributions in excess of earnings for the amount of the portion over the three fiscal periods starting from the following fiscal period. In principle, the amount will be evenly distributed across the four fiscal periods including the period of sale, but even distributions may not be possible as there is a certain limit on the amount that can be held as internal reserves while avoiding tax payment.



### 3. Summary of Asset to Be Acquired/Disposed of

#### (1) Summary of Asset to Be Acquired

##### Landport Tama

##### <Reasons for the Acquisition>

The main strengths of the Asset to be Acquired are as follows.

- The Asset is located approximately 8.7 km away from the Sagamihara IC on the Metropolitan Inter-City Expressway and approximately 12.0 km from the Hachioji IC on the Chuo Expressway, making it a logistics facility conveniently located to broadly cover the metropolitan area, including central Tokyo, the top consumption area in Japan, Kanagawa, and Saitama.
- The Asset is approximately 13 minutes away by bus from Hashimoto Station of the JR Yokohama Line and Keio Sagamihara Line. It is also easily commutable from the nearest station, making the Asset excellent from the viewpoint of securing labor for tenant companies.
- The Asset is divided into three parts over two floors and can accommodate up to three tenants, making it a warehouse that can flexibly address tenants' needs. The Asset is part of the Landport Series of logistics facilities developed by Nomura Real Estate, and it has the specifications of a highly functional logistics facility with an 11 m x 10.5 m grid, an effective height of 5.5 m under the beam, and a floor loading capacity of 1.5 t/m<sup>2</sup>. Therefore, the Asset is expected to be stably operated over the medium- to long-term.
- The Property obtains the five stars (★★★★★) rating of BELS (Building Energy-Efficiency Labeling System) and the evaluation of “ZEB (Net Zero Energy Building)” and has high environmental performance.

##### <Summary of the Asset to Be Acquired>

Property Name		Landport Tama
Type of Asset		Trust beneficial interest in trust of real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Term of Trust Agreement		From August 1, 2024 to August 31, 2034
Location (Note 1)	Registry	2-108-4 Yarimizu, Hachioji City, Tokyo
	Street	2-108-4 Yarimizu, Hachioji City, Tokyo <sup>(Note 2)</sup>
Access		23-minute walk from Hashimoto Station of the JR Yokohama and Keio Lines 24-minute walk from from Tamasakai Station of the Keio Line Approximately 8.7 km from the Sagamihara IC on the Ken-O Expressway and 12.0 km from the Hachioji IC on the Chuo Expressway
Line Completion Date <sup>(Note 1)</sup>		June 30, 2022
Use <sup>(Note 1)</sup>		Logistics
Structure <sup>(Note 1)</sup>		Two-floor reinforced-concrete steel-frame structure with alloy-plated steel sheet roofing
Architect		JFE Civil Engineering & Construction Corp. 1st Class Registered Architect's Office
Builder		JFE Civil Engineering & Construction Corp.
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	49,452.25 m <sup>2</sup>
	Floor Area	49,813.74 m <sup>2</sup>
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio (Note 3)		70%
Floor Area Ratio		200%
Collateral		None
Property Management Company (Note 4)		Nomura Real Estate Development Co., Ltd. Nomura Real Estate Retail Properties Co., Ltd.
Master Leasing Company		—
Type of Master Leasing		—



Seismic Risk (PML) (Note 5)	6.0% (Based on the Earthquake PML Appraisal Report as of January 2024 by Sompo Risk Management Inc.)				
Notes	Nomura Real Estate Development Co., Ltd. And Nomura Real Estate Retail Properties Co. Ltd., the property management company, are considered a related party under the Act on Investment Trusts and Investment Corporations.				
Anticipated Acquisition Price	¥17,520 million				
Appraisal Value and Method	¥18,800 million (Based on the capitalization approach as of June 1, 2024) (Appraiser: Japan Valuers Co., Ltd.)				
Appraisal NOI <sup>(Note 6)</sup>	¥689 million				
Leasing Status (As of July 9, 2024) <sup>(Note 7)</sup>					
Total Number of Tenants	1				
Name of Tenants	Not disclosed				
Total Rental Income (Annual)	Not disclosed				
Security Deposits	Not disclosed				
Occupancy Rate	100.0%				
Total Leased Floor Space	49,851.90 m <sup>2</sup>				
Total Leasable Floor Space	49,851.90 m <sup>2</sup>				
Historical Occupancy Rates <sup>(Note 8)</sup>	May 2020	May 2021	May 2022	May 2023	May 2024
	—	—	—	100.0%	100.0%

(Note 1) Location and Other Items

Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Street Address

As the Street Address is not indicated officially, the building location in the real estate registry is noted.

(Note 3) Building Coverage Ratio

As the location of the Asset is within a neighboring commercial zone, a building coverage ratio of 60% is normally applied; however, the applied ratio has been increased to 70% because the Asset is built in a corner plot.

(Note 4) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) PML(Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to occur once every 475 years, or once every 50 years with a 10% probability, during the anticipated period of use (i.e., 50 years as the useful life of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 6) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with June 1, 2024 as the appraisal date.

(Note 7) Leasing Status

“Total Number of Tenants” is the total number of end tenant actually leasing space in the building of the Asset to be Acquired as of today.

“Name of Tenants”, “Total Rental Income (annual)” and “Security Deposits” are not disclosed because consent of the end tenant to such disclosure has not been obtained.

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of today by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of today.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset to be Acquired that can be leased as of today (If the common area, etc. is leased, the floor space thereof is included).

(Note 8) Historical Occupancy Rates

There are no applicable occupancy rates for the end of May 2022 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.



(2) Summary of Asset to Be Disposed of

Harumi Island Triton Square Office Tower Y

<Reasons for the Disposition>

The Disposition is determined by comprehensively considering the possibility of future decreases in the competitiveness of the Asset to Be Disposed of due to its location and other factors as part of property replacement measures to improve the portfolio quality.

<Summary of the Asset to Be Disposed of>

Property Name		Harumi Island Triton Square Office Tower Y			
Type of Asset		Trust beneficial interest in trust of real estate			
Trustee		Sumitomo Mitsui Trust Bank, Ltd.			
Location (Note 1)	Registry	1-85 Harumi, Chuo Ward, Tokyo			
	Street	1-8-11 Harumi, Chuo Ward, Tokyo			
Access		7-minute walk from Kachidoki Station on the Toei Oedo Line			
Completion Date <sup>(Note 1)</sup>		October 1, 2001			
Use <sup>(Note 1)</sup>		Office			
Structure <sup>(Note 1)</sup>		S・RC・SRC, B4/40F			
Area <sup>(Note 1)</sup>	Land	39,569.53 m <sup>2</sup> <sup>(Note 2)</sup>			
	Floor Area	24,000.76 m <sup>2</sup> <sup>(Note 3)</sup>			
Type of Ownership	Land	Co-ownership (Co-ownership ratio :16,884,921/100,000,000)			
	Building	Compartmentalized ownership			
Building Coverage Ratio		83% <sup>(Note 4)</sup>			
Floor Area Ratio		770% <sup>(Note 5)</sup>			
Collateral		None			
Property Management Company		Nomura Real Estate Development Co., Ltd.			
Master Leasing Company		—			
Type of Master Leasing		—			
Seismic Risk (PML) <sup>(Note 6)</sup>		2.7% (Based on the Earthquake PML Appraisal Report as of March 2024 by Sampo Risk Management Inc.)			
Notes		Nomura Real Estate Development Co., Ltd., the property management company, is considered a related party under the Act on Investment Trusts and Investment Corporations.			
Acquisition Price		¥18,200 million			
Scheduled Transfer Price		¥22,820 million			
Book Value <sup>(Note 7)</sup>		¥17,829 million			
Difference		¥4,990 million			
Appraisal Value and Method		¥17,400 million (Based on the capitalization approach as of February 29, 2024)(Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)			
Appraisal NOI <sup>(Note 8)</sup>		¥735 million			
Leasing Status (As of July 9, 2024) <sup>(Note 9)</sup>					
Total Number of Tenants		7			
Total Rental Income (Annual)		¥1,414 million (including common area charges)			
Security Deposits		¥1,144 million			
Occupancy Rate		98.2%			
Total Leased Floor Space		23,838.77 m <sup>2</sup>			
Total Leasable Floor Space		24,288.08 m <sup>2</sup>			
Historical Occupancy Rates	May 2020	May 2021	May 2022	May 2023	May 2024
	100.0%	100.0%	100.0%	96.3%	98.2%

(Note 1) Location and Other Items

Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.



(Note 2) Land Area

The area of the entire site (the entire West District) of the building including the Asset. It also includes the area designated as a road under Article 42, Paragraph 1, Clause 5 of the Building Standards Act and the area incorporated into the road area.

(Note 3) Floor Area

The area of the exclusive portion held by the Fund through the trustee.

(Note 4) Building Coverage Ratio

The building coverage ratio for the location of the Asset is designated as 80%, but the applied ratio has been increased to 83% due to the Tokyo Metropolitan Government Redevelopment District Plan (Harumi 1-chome district).

(Note 5) Floor Area Ratio

The floor area ratio for the location of the Asset is designated as 500%, but the applied ratio has been increased to 770% due to the Tokyo Metropolitan Government Redevelopment District Plan (Harumi 1-chome district).

(Note 6) PML(Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to occur once every 475 years, or once every 50 years with a 10% probability, during the anticipated period of use (i.e., 50 years as the useful life of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 7) Book Value

Anticipated book value at the date of disposition.

(Note 8) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with February 29, 2024 as the appraisal date.

(Note 9) Leasing Status

“Total Number of Tenants” is the total number of end tenants actually leasing space in the building of the Asset as of today.

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of today, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

“Security Deposits” indicates the amount of security and other deposits specified in the aforementioned lease agreements (rounded down to the nearest million yen).

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of today.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset that can be leased as of today (if the common area, etc. is leased, the floor space thereof is included).

#### 4. Profile of Seller of the Asset to be Acquired

Company Name	Nomura Real Estate Development Co., Ltd.
Head Office	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Daisaku Matsuo, President & CEO
Principal Business	Real Estate
Capital	¥2,000 million (as of April 1, 2024)
Established	April 15, 1957
Net Assets	¥218.5 billion (as of March 31, 2024)
Total Assets	¥1,989.5 billion (as of March 31, 2024)
Major Shareholder (Shareholding Ratio)	Nomura Real Estate Holdings, Inc. (100%)
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	Nomura Real Estate Development Co., Ltd. holds 7.01% of the Fund's investment units (as of February 29, 2024). As a wholly owned subsidiary of Nomura Real Estate Holdings, Inc., which also holds 100% interests in the shares of the Asset Management Company, Nomura Real Estate Development Co., Ltd. is a related party of the Asset Management Company as defined in the Investment Trust Act.
Personal	The Asset Management Company's employees and officers are seconded from Nomura Real Estate Development Co., Ltd.
Transactions	Nomura Real Estate Development Co., Ltd. is a property management company of the Fund and a lessee of real estate properties owned by the Fund. Moreover, the Asset Management Company has entered into an agreement on provision of information and a basic agreement on the leasing value chain with the said company.



Related Party Status	Nomura Real Estate Development Co., Ltd. does not fall under the definition of a related party of the Fund for the accounting purpose. However, the said company is a related party of the Asset Management Company as it is a subsidiary of a common parent company, as stated above.
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#### 5. Profile of Transferee of the Asset to Be Disposed of

Detailed information other than that the transferee is domestic specific purpose company is not disclosed because consent to the disclosure of detailed information has not been obtained from the transferees.

As of today, neither the Fund nor the Asset Management Company has any notable capital, personnel or transactional relationships with the transferees, and the transferees are not related parties of either the Fund or the Asset Management Company.

#### 6. Status of Owner of the Asset to be Acquired

Status of Owner	Current Owner and/or Trustee	Previous Owner and/or Trustee
Company Name	Nomura Real Estate Development Co., Ltd.	—
Relationship with Parties with Special Interest	Please refer to “4. Summary of Seller of Asset to Be Acquired and Buyer of Asset to Be Disposed of” above	—
Background/Reasons for Acquisition, etc.	For development for later sale Newly built in June 2022	—
Acquisition Price (Including Other Related Expenses)	—(Note)	—
Acquisition Date	—	—

(Note) Omitted because, for the land, the current owner owned for more than one year, and, for the building, there is no previous owner.

#### 7. Transactions with Related Parties

##### (1) Transactions Related to the Acquisition of the Asset to Be Acquired

The acquisition of the Asset to be Acquired is considered to fall under transactions with a related party under the Investment Trust Act as stated above. Accordingly, the acquisitions of each property, the acquisition prices, and other relevant terms have been duly examined and authorized by the Asset Management Company’s compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

##### (2) The property management of Landport Tama

The property management companies of Landport Tama, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Partners Co., Ltd., are considered a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management related to Landport Tama have been duly examined and authorized by the Asset Management Company’s compliance committee and investment committee pursuant to relevant internal rules and guidelines.

Since neither (1) nor (2) above falls under the category of transactions between the Fund and a related party of an asset management company as set forth in Article 201-2, Paragraph 1 of the Investment Trust Act, the approval of the Board of Directors of the Fund has not been obtained.





8. Form of Payment, etc.

(1) Form of Payment

Regarding the Acquisition, on the scheduled date of acquisition, the Fund will pay the seller the entire purchase price of the Assets to be Acquired in a lump sum by using cash on hand.

In addition, regarding the Disposition, on the scheduled date of disposition, the Fund will receive from the transferee the sale price of the Asset to be Disposed of.

The Fund plans to use the funds to be obtained through the Disposition for funds on hand used at the time of the Acquisition.

9. Schedule for the Transaction

July 10, 2024	Conclusion of sale agreement for the acquisition of the Asset Conclusion of sale agreement for the disposition of the Asset
July 31, 2024 August 1, 2024	Disposition of the Asset to be Disposed of Acquisition of the Asset to be Acquired

10. Outlook

For the impact of the Transaction on the operating status of the Fund for the fiscal period ending August 2024 (March 1, 2024 to August 31, 2024), please refer to “Notice Concerning Revised Forecasts of Financial Result and Distribution for the Fiscal Period Ending August 31, 2024 ” below. Also, as the effect of the Transaction on the operating status of the entire portfolio for the fiscal period ending February 2025 (September 1, 2024 to February 28, 2025) is immaterial, there is currently no change in the outlook for the fiscal period ending February 2025.





## 11. Appraisal Summary

### (1) Assets to be Acquired

Property Name	Landport Tama
Appraisal Value	¥18,800,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	June 1, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	18,800,000,000	Determined by referring to the price calculated with the direct capitalization approach and the price calculated with the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	19,200,000,000	
(1) Operating Income(a)-(b)	Undisclosed	
(a) Gross Rental Income	Undisclosed	
(b) Losses due to Vacancies, etc.	Undisclosed	
(2) Operating Expenses	Undisclosed	
Maintenance Costs	Undisclosed	
Utilities Costs	Undisclosed	
Repair Costs	Undisclosed	(Note)
Property Management Fees	Undisclosed	
Advertisement for Leasing	Undisclosed	
Taxes	Undisclosed	
Insurance Premium	Undisclosed	
Other Expenses	Undisclosed	
(3) Net Operating Income from Leasing Business ((1) - (2))	689,650,036	
(4) Profit through Management of Temporary Deposits, etc.	Undisclosed	(Note)
(5) Capital Expenditure Reserve	Undisclosed	
(6) Net Cash Flow ((3) + (4) - (5))	689,818,827	
(7) Capitalization Rate	3.6%	Calculated based on capitalization rates of surrounding properties and with consideration for the location and unique characteristics of the Property
Price Calculated by the Discounted Cash Flow Approach	18,300,000,000	
Discount Rate	3.4%	Calculated based on capitalization rates of surrounding properties and with consideration for the location and unique characteristics of the Property
Terminal Capitalization Rate	3.8%	Calculated with consideration of the above-mentioned capitalization rate, the trend of investment yields in future, etc.
Cost Approach Price	16,200,000,000	
Ratio of Land	70.0%	
Ratio of Building	30.0%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>The Property is a logistics facility located in Hachioji City. The neighborhood and surrounding area has logistics facilities and roadside shops along major streets with detached houses behind them. The area is equipped with good access to ICs on surrounding expressways and major roads, providing the Property with a high geographical advantage as a distribution hub to the city center and as a wide-area logistics hub through expressways. The Property's plot is surrounded by roads on three sides and is in a large, irregular shape, providing efficiency for use as a logistics site. The Building, which has been properly maintained and repaired, is expected to stably operate over a long time.</p> <p>In view of the above factors, the appraisal value was determined with an emphasis on the capitalization approach price appropriately reflecting the value for typical investors.</p>	

(Note) These items contain information for which the Fund owes a duty of confidentiality to the lessees or information that could be used to calculate such information. The disclosure of these items could result in a breach of said duty of confidentiality, which could negatively impact the Fund and thus the interests of its unitholders. Accordingly, these items are undisclosed.



## (2) Assets to be Disposed

Property Name	Harumi Island Triton Square Office Tower Y
Appraisal Value	¥17,400,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	February 29, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	17,400,000,000	Calculated by taking the price calculated with the discounted cash flow approach as the standard and examining it with the price calculated by the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	17,500,000,000	Calculated by reducing stable medium- to long-term net income based on the capitalization rate
(1) Operating Income ((a) - (b))	1,456,344,770	
(a) Gross Rental Income	1,569,345,392	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	113,000,622	Calculated based on appropriate occupancy rates recognized as stable over the medium- to long-term
(2) Operating Expenses	721,150,753	
Maintenance Costs	272,895,480	Recorded by examining the levels of maintenance costs at similar properties and referring to actual costs in past years
Utilities Costs	172,833,804	Recorded by examining the levels of utilities costs at similar properties and referring to actual costs in past years.
Repair Costs	21,646,136	Recorded based on the annual average amount of repair costs given in the Engineering Report
Property Management Fees	26,214,206	Recorded by examining the levels of property management fees at similar properties in light of the contract rate, determining that the current building management duty is roughly at the standard level
Advertisement for Leasing	8,579,500	Recorded based on the move-ins and move-outs calculated by applying the anticipated rate of move-ins to and move-outs from rooms for rent and parking with consideration of the advertisement for leasing costs, etc. calculated based on their levels at similar properties
Taxes	212,462,500	Calculated based on actual costs in the fiscal year 2023
Insurance Premium	6,519,127	Recorded by examining the levels of the premium rates at similar properties, determining the actual costs to be appropriate
Other Expenses	0	None
(3) Net Operating Income from Leasing Business ((1) - (2))	735,194,017	
(4) Profit through Management of Temporary Deposits, etc.	10,098,607	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	98,591,098	Calculated based on the annual average repair and renewal costs given in the Engineering Report with consideration of the CM fees
(6) Net Cash Flow ((3) + (4) - (5))	646,701,526	
(7) Capitalization Rate	3.7%	
Price Calculated by the Discounted Cash Flow Approach	17,400,000,000	
Discount Rate	3.5%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors
Terminal Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	25,300,000,000	
Ratio of Land	81.3%	
Ratio of Building	18.7%	



Matters Noted in  
Reconciliation of Indicated  
Value and Determination of  
Appraisal Value

We determined that the Property is located in the same supply and demand zone as the commercial area and the residential and mixed (residential and commercial) areas in Harumi, Tsukishima, and Kachidoki districts in Chuo Ward and the surrounding area. Considering the property's competitiveness in the rental housing market and the real estate market, we determined that the best use would be keeping the property as a building with offices. While demanders in the real estate market, in which the property is involved, are assumed to be mainly investors, the demanders show a strong tendency to make transactions with a focus on the property's profitability and investment profitability. Therefore, we decided that the capitalization approach price would be more convincing than the cumulative price in the Transaction.



[Exhibit]

Exhibit 1 Overview of the Portfolio after the Transaction

Exhibit 2 Photo and Map of the Asset to Be Acquired

\*Nomura Real Estate Master Fund, Inc.'s [website: https://www.nre-mf.co.jp/en/](https://www.nre-mf.co.jp/en/)



## Overview of the Portfolio after the Transaction

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Others (Note 1)	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (%) (Note 2)
Office	379,175	65,100	444,275	40.3
Retail	111,768	67,890	179,659	16.3
Logistics	237,992	3,460	241,452	21.9
Residential (including healthcare facilities)	189,833	27,934	217,767	19.8
Hotels	2,360	11,611	13,971	1.3
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	926,029	175,996	1,102,025	100.0
Investment Ratio (%) (Note 2)	84.0	16.0	100.0	

(Note 1) “Greater Tokyo Area” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Other Areas” refers to cabinet-order designated cities, prefectural capitals, and cities having a population of at least 100,000 and their peripheral areas, excluding those in Greater Tokyo Area.

(Note 2) “Investment Ratio” indicates the ratio of the (anticipated) total acquisition price of properties for each use or in each area to the (anticipated) total acquisition price of the entire portfolio. As the figures are rounded to the first decimal place, they may not add up to exactly 100%.



Photo and Map of the Asset to be Acquired

Landport Tama

