MASTER FUND
Nomura Real Estate Master Fund, Inc.

[For Translation Purposes Only]

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For Immediate Release
To Whom It May Concern

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Notice Concerning Acquisition of Property in Japan and Disposition of Property in Japan

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)
PROUD FLAT Asakusa Tresage	Residential	March 5, 2025	March 25, 2025	Nomura Real Estate Development, Co., Ltd.	None	2,932
PROUD FLAT Nippori						1,925
Total						4,857

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

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)
PRIME URBAN Yaotome Chuo	Residential	March 7, 2025	March 7, 2025	Kubota Honten Co., Ltd.	Yes (Note 4)	511	362	148

(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 brokerage involved in the disposition is not considered a related party under the Act on Investment Trust Act

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 has continuously replaced assets as an external growth strategy mainly by acquiring sponsor developed properties and selling properties where there are concerns about their future competitive advantage The Fund determined that the acquisition would help secure stable income and steady growth of the Fund's portfolio over the medium to long term in light of the description in "3. Summary of Asset to Be Acquired/Disposed of (1) Summary of Asset to Be Acquired" herein and in line with "Asset Management Objectives and Policies" specified in the Fund's Articles of Incorporation.

In this transaction, we have acquired rental housing within the 23 wards of Tokyo, which are newly developed properties by the sponsor. This acquisition is based on the favorable rental market conditions driven by the increasing demand due to population influx into the Tokyo metropolitan area. We believe this will contribute to future internal growth.

For details on the reasons for acquiring the property and the reasons for transferring the property, please refer to "3. Summary of Asset to Be Acquired/Disposed of'"below.

3. Summary of Asset to Be Acquired/Disposed of

(1) Summary of Asset to Be Acquired

PROUD FLAT Asakusa Tresage

＜Reasons for the Acquisition＞

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

- The Asset is an 11 minute walk from Asakusa Station on the Tokyo Metro Ginza Line. Travel time is 5 minutes to Ueno Station, 14 minutes to Nihombashi Station, and 19 minutes to Shimbashi Station from the Asset via the Tokyo Metro Ginza Line. Accordingly, the Asset has a good access to terminal stations and major business and commercial areas, making it excellent in terms of convenient transportation.

- Approximately 30% of the floor plans consist of 1LDK type or larger type units, including more spacious layouts,, and also, there are many restaurants and goods retailers in the surrounding area of the nearest Asakusa Station and also convenient facilities for daily living such as supermarkets, convenience stores, and restaurants on Umamichi Dori and Kototoi Dori near to the Asset.

<Summary of the Asset to Be Acquired>

Property Name		PROUD FLAT Asakusa Tresage
Type of Asset		Real estate
Location(Note 1)	Registry	6-408-3 Asakusa, Taito Ward, Tokyo
	Street	6-25-11 Asakusa, Taito Ward, Tokyo
Access		11-minute walk from Asakusa Station on the Tokyo Metro Ginza Line 10-minute walk from Asakusa Station on the Tobu Sky Tree Line/ Isesaki Line
Completion Date(Note 1)		May 24, 2022
Use(Note 1)		Apartment, parking area
Structure(Note 1)		15-floor steel-reinforced concrete structure with a flat roof
Leasing Units		77
Architect		Form Architect Planning Co.,Ltd.
Builder		Raito Kogyo Co., Ltd.
Building Inspection Agency		Ippan Zaidan Hojin Jutaku Kinyu Fukyu Kyokai

Area(Note 1)	Land	630.79 m²(Note 2)
	Floor Area	3,011.70 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		80%
Floor Area Ratio		400%
Collateral		None
Property Management Company(Note 3)		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 4)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing(Note 4)		Pass through
Seismic Risk (PML)(Note 5)		4.2% (Based on the Earthquake PML Appraisal Report as of February 2025 by Sompo Risk Management Inc.)
Notes		Nomura Real Estate Partners Co., Ltd., the property management company, is considered a related party under the Act on Investment Trusts and Investment Corporations.
Anticipated Acquisition Price		¥2,932 million
Appraisal Value and Method		¥3,370 million (Based on the capitalization approach as ofFebruary 1, 2025) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)
Appraisal NOI(Note 6)		¥109 million

Leasing Status (As of Junuary 31, 2025) (Note 7)					
Total Number of Tenants	1 (Leasing Units 75)				
Total Rental Income (Annual)	¥128 million				
Security Deposits	¥11 million				
Occupancy Rate	97.3%				
Total Leased Floor Space	2,364.91 m²				
Total Leasable Floor Space	2,430.57 m²				
Historical Occupancy Rates(Note 8)	January 2020	January 2021	January 2022	January 2023	January 2024
	—	—	—	76.8%	96.3%

(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

This includes an open space of approximately 38.08 ㎡ based on the Taito Ward Ordinance on the Construction and Management of Collective Housing.

(Note 3) Property Management Company

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

(Note 4) Master Lease

The master lease scheme that is scheduled to apply after the Acquisition is stated. Note that the "pass-through type" is a scheme where a master lease company pays the same amounts as the rents stipulated in lease agreements with end-tenants.

(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 Febrauary 1, 2025 as the appraisal date.

(Note 7) Leasing Status

"Total Number of Tenants" is stated as "1" because, for the purpose of subleasing, all of the rooms are leased as a block , and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. "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 January 31 , 2025, actually leasing space in the building of the Asset (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). "Occupancy Rate" is calculated by dividing Total Leased Floor Space as of January 31 , 2025, by Total Leasable Floor Space. "Total Leased Floor Space" indicates the total floor space leased to end tenants as of January 31 , 2025. "Total Leasable Floor Space" is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31 , 2025 (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 January 2022 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.

PROUD FLAT Nippori

＜Reasons for the Acquisition＞

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

- The Asset is a 4-minute walk from Mikawashima Station on the JR Joban Line. Travel time is 5 minutes to Ueno Station and 13 minutes to Tokyo Station. Accordingly, the Asset has good access to terminal stations and major business and commercial areas, making it excellent in terms of convenient transportation.
- Half of the floor plans consist of 2LDK type units, and also, there are many supermarkets, convenience stores, restaurants and other stores in the neighborhood, making the Asset excellent in competitiveness.

<Summary of the Asset to be Acquired>

Property Name		PROUD FLAT Nippori
Type of Asset		Real estate
Location (Note 1)	Registry	1336-11, 1564-3 Higashi-Nippori, Arakawa Ward, Tokyo
	Street	6-6-6 Higashi-Nippori, Arakawa Ward, Tokyo
Access		4-minute walk from Mikawashima Station on the JR Joban Line 10-minute walk from Nippori Station on the Nippori-Toneri Liner 11-minute walk from Nippori Station on the JR Yamanote Line, Keihin-Tohoku Line, Joban Line, Keisei Main Line, Narita Sky Access Line
Completion Date (Note 1)		May 31, 2022
Use (Note 1)		Apartment, parking, bicycle parking area
Structure (Note 1)		Fourteen-floor steel reinforced concrete structure with flat roof
Leasing Units		44
Architect		Disk Co., Ltd.
Builder		Koshin Construction Co., Ltd.
Building Inspection Agency		Ippan Zaidan Hojin Jutaku Kinyu Fukyu Kyokai
Area (Note 1)	Land	347.93 m²
	Floor Area	2,281.25 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		500%
Collateral		None
Property Management Company (Note 3)		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 4)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML) (Note 5)		8.9% (Based on the Earthquake PML Appraisal Report as of Febrauary 2025 by Sompo Risk Management Inc.)
Notes		Nomura Real Estate Partners Co., Ltd., the property management company, is considered a related party under the Investment Trust Act.
Anticipated Acquisition Price		¥1,925 million
Appraisal Value and Method		¥2,140 million (Based on the capitalization approach as of Febrauary 1, 2025) (Appraiser: Japan Real Estate Institute)

Appraisal NOI (Note 6)	¥72 million				
Leasing Status (As of January 31, 2025) (Note 7)					
Total Number of Tenants	1 (Leasing Units 42)				
Total Rental Income (Annual)	¥83 million				
Security Deposits	¥7 million				
Occupancy Rate	94.0%				
Total Leased Floor Space	1,558.59 m²				
Total Leasable Floor Space	1,658.61 m²				
Historical Occupancy Rates (Note 8)	January 2020	January 2021	January 2022	January 2023	January 2024
	—	—	—	87.9%	92.4%

(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) As the location of the Asset is within a neighboring commercial zone, a building coverage ratio of 80% is normally applied; however, the applied ratio has been increased to 100% because the Asset is built in a corner plot.

(Note 3) Property Management Company

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

(Note 4) Master Lease

The master lease scheme that is scheduled to apply after the Acquisition is stated. Note that the "pass-through type" is a scheme where a master lease company pays the same amounts as the rents stipulated in lease agreements with end-tenants.

(Note 5) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime 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 Febrauary 1, 2025 as the appraisal date.

(Note7) Leasing Status

"Total Number of Tenants" is stated as "1" because, for the purpose of subleasing, all of the rooms are leased as a block , and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. "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 January 31 , 2025, actually leasing space in the building of the Asset (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). "Occupancy Rate" is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space. "Total Leased Floor Space" indicates the total floor space leased to end tenants as of January 31 , 2025. "Total Leasable Floor Space" is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31 , 2025 (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 January 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

PRIME URBAN Yaotome Chuo

＜Reasons for the Disposition＞

- The Fund decided to implement the Disposition pursuant to comprehensive consideration of the possibility of rising repair costs as the buildings age as well as a future decline in competitiveness.

<Summary of the Asset to Be Disposed of>

Property Name		PRIME URBAN Yaotome Chuo
Type of Asset		Real Estate
Location (Note 1)	Registry	3-311-2,-9 Yaotome Chuo, Izumi-ku Sendai-shi, Miyagi
	Street	3-8-70 Yaotome Chuo, Izumi-ku Sendai-shi, Miyagi
Access		4-minute walk to Yaotome Station on the Sendai Municipal Subway Namboku Line.
Completion Date(Note 1)		January 15, 2008
Use(Note 1)		Apartment
Structure(Note 1)		Eight-floor steel reinforced concrete structure with flat roof
Leasing Units		43
Area(Note 1)	Land	894.53 m²
	Floor Area	1,473.76 m²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%
Floor Area Ratio		163.6%(Note 2)
Collateral		None
Property Management Company		REI Co., Ltd.
Master Leasing Company(Note 3)		REI Co., Ltd.
Type of Master Leasing(Note 3)		Pass-through Structure
Seismic Risk (PML)(Note 4)		2.6％ (Based on the Earthquake PML Appraisal Report as of September 2024 by Sompo Risk Management Inc.)
Notes		—
Acquisition Price		¥466 million
Scheduled Transfer Price		¥511 million
Book Value (Note 5)		¥362 million
Difference		¥148 million
Appraisal Value and Method		¥354 million (Based on the capitalization approach as of August 31, 2024)(Appraiser: Japan Valuers Co., Ltd.)
Appraisal NOI(Note 6)		¥24 million

Leasing Status (As of January 31, 2025) (Note 7)					
Total Number of Tenants	1 (Leasing Units 35)				
Total Rental Income (Annual)	¥30 million (including common area charges)				
Security Deposits	¥4 million				
Occupancy Rate	91.2%				
Total Leased Floor Space	1,258.46 m²				
Total Leasable Floor Space	1,380.21 m²				
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	82.6%	100.0%	97.6%	100.0%	90.0%

(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) Floor Area

The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.09 meters×40%) is prioritized.

(Note 3) Master Lease

The master lease agreement to be concluded is a "pass-through type" lease, which takes a form such that a master lease company pays the

Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 4) 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 5) Book Value

Anticipated book value at the date of disposition.

(Note 6) 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 7) Leasing Status

"Total Number of Tenants" is stated as "1" because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants.

"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 January 31, 2025, 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).

"Occupancy Rate" is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

"Total Leased Floor Space" indicates the total floor space leased to end tenants as of January 31, 2025.

"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 January 31, 2025 (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 7.08% of the Fund's investment units (as of August 31, 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.

5. Summary of Transferee of the Asset to Be Disposed of

Company Name		Kubota Honten Co., Ltd.
Head Office		4-4-33 Ichiban-chou, Aoba-ku, Sendai-shi, Miyagi
Representative		Sadamu Kubota, Representative director
Principal Business		General real estate business (leasing, sales, brokerage and management), solar power generation business
Capital		¥3,000 million (as of December 31, 2023)
Established		October 6, 1952
Net Assets		¥1,408 million (as of December 31, 2023)
Total Assets		¥16,953 million (as of December 31, 2023)
Major Shareholder (Shareholding Ratio)		Kubota Holdings Co., Ltd. (100%)
Relationships with the Fund and/or the Asset Management Company and the Seller		
	Capital	Neither the Fund nor the Asset Management Company has any notable capital relationship with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable capital relationship with those associated with the relevant company.
	Personal	Neither the Fund nor the Asset Management Company has any notable personal relationship with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable personal relationship with those associated with the relevant company.
	Transactions	Neither the Fund nor the Asset Management Company has any notable transactions with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable transactions with those associated with the relevant company.
	Related Party Status	The said company does not fall under a related party of either the Fund or the Asset Management Company. In addition, the persons or companies associated with the said company do not fall under 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 PROUD FLAT Asakusa Tresage Newly built in May 2022 PROUD FLAT Nippori Newly built in May 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 Assets

In these transactions, the seller, Nomura Real Estate Development Co., Ltd. falls under the category of interested parties, etc. as defined in the Investment Trust Law, 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) Transaction related to the property management and master lease

Nomura Real Estate Partners, Inc., the property management company and master lease company, falls under the category of interested parties, etc. as defined in the Investment Trust Law, as described above. Accordingly, outsourcing the property management services, fees and other terms for each of those properties, as well as other relevant terms and conditions for the lease such as the lease period and rent, has 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.

Since none of the transactions describe in (1) and (2) above fall s 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

Regarding the disposition, on the scheduled sale date, the Fund will receive from the seller the entire purchase price of the Property in a lump sum. The Fund plans to use the funds obtained through the Disposition for funds on hand used at the time of the Acquisition.

Also, regarding the acquisition, the Fund will complete settlement by lump sum payment on the date of acquisition by paying the agreed price for the property in full to the seller using cash on hand.

9. Schedule for the Transaction

March 5, 2025	Conclusion of the purchase agreement for the acquisition of the Assets
March 7, 2025	Conclusion of the sale agreements for the transfer of the Assets subject to the transfer
March 7, 2025	Transfer of the Assets subject to the transfer
March 25, 2025	Acquisition of the Assets

10. Outlook

Since the Acquisition will be made after the end of the fiscal period ending February 2025 (August 1, 2024 to February 28, 2025), there will be no impact on the operating status for the fiscal period ending February 2025. Also, the use of the amount equivalent to the capital gain is currently under examination, taking financial status into consideration. Accordingly, the performance forecast for the fiscal period ending August 2025 (March 1, 2025 to August 31, 2025), including the impact of the amount equivalent to the capital gain from this transfer, will be announced in the brief report of financial results for the fiscal period ending February 2025 scheduled for April 17, 2025.

11. Appraisal Summary

(1) Assets to be Acquired

Property Name	PROUD FLAT Asakusa Tresage
Apprasal Value	¥3,370,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	February 1, 2025

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	3,370,000,000	Calculated by evaluating the capitalization approach price with the direct capitalization approach, using the capitalization approach price calculated by the discounted cash flow approach as the baseline
Price Calculated by the Direct Capitalization Approach	3,490,000,000	Calculated by reducing the standardized net cash flow recognized as stable over the medium to long term by the capitalization rate
(1) Operating Income (a)-(b)	135,891,330	
(a) Gross Rental Income	141,928,412	
(b) Losses due to Vacancies, etc.	6,037,082	Calculated on the premise of the occupancy level recognized as stable over the medium to long term
(2) Operating Expenses	26,033,042	
Maintenance Costs	5,381,040	Recorded by examining the levels at similar properties determining that the amount of the scheduled contract is reasonable
Utilities Costs	1,411,008	Recorded by examining the levels at similar properties and referring to actual costs in past years
Repair Costs	1,527,857	Repair cost: Assessed to be equivalent to 0.12% of the building replacement cost Tenant replacement cost: Maintenance cost associated with tenants' move-out is assessed at 4,000 yen/tsubo in consideration of restoration by tenants.
Property Management Fees	4,012,865	Recorded by examining the levels of property management fees at similar properties in light of the contract rate and determining that the terms and conditions of the scheduled contract are roughly at the standard level
Advertisement for Leasing Costs, etc.	5,654,172	Recorded with reference to the actual amount and in consideration of the advertisement for leasing costs, etc. assessed based on their levels of similar properties
Taxes	6,676,300	Calculated based on actual amounts recorded in the fiscal year 2024.
Insurance Premium	177,660	Recorded by examining the levels at similar properties and determining that the estimated amount is reasonable
Other Expenses	1,192,140	Internet connection fees, town council fees and other miscellaneous fees are assessed by referring to the contract amounts, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	109,858,288	
(4) Profit through Management of Temporary Deposits, etc.	102,216	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	1,818,687	Recorded with the assessment of the amount equivalent to 0.28% of building replacement cost after considering CM fees.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	108,141,817	
(7) Capitalization Rate	3.1%	Calculated in comprehensive consideration of the property's conditions of location, building and agreement
Price Calculated by the Discounted Cash Flow Approach	3,320,000,000	
Discount Rate	2.9%	Calculated by comparing to similar real estate transaction cases and considering the yield of the financial asset with the property's specific characteristics taken into account
Terminal Capitalization Rate	3.3%	Calculated in consideration of factors such as the capitalization rate, the characteristics of net cash flow adopted, future uncertainties, liquidity and marketability
Cost Approach Price	3,160,000,000	
Ratio of Land	79.9%	
Ratio of Building	20.1%	

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 residential area and the residential and mixed (residential and commercial) areas in Taito Ward. Considering the property's competitiveness in the rental housing market and the real estate market, we determined that the best use would be maintaining the property as a high-rise residential complex. 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 relatively be more convincing than the cumulative price in the Transaction.

Property Name	PROUD FLAT Nippori
Apprasal Value	¥2,140,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	Febrauary 1, 2025

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,140,000,000	Calculated by evaluating the capitalization approach price with the direct capitalization approach, using the capitalization approach price calculated by the discounted cash flow approach as the baseline
Price Calculated by the Direct Capitalization Approach	2,160,000,000	Calculated by reducing the standardized net cash flow recognized as stable over the medium to long term by the capitalization rate
(1) Operating Income (a)-(b)	93,048,000	
(a) Gross Rental Income	97,218,000	Calculated based on appropriate rent levels recognized as stable over the medium to long term
(b) Losses due to Vacancies, etc.	4,170,000	Calculated on the premise of the occupancy level recognized as stable over the medium to long term
(2) Operating Expenses	20,920,000	
Maintenance Costs	4,000,000	Recorded by examining the levels at similar properties determining that the amount of the scheduled contract is reasonable
Utilities Costs	1,150,000	Recorded by examining the levels at similar properties and referring to actual costs in past years
Repair Costs	1,137,000	Repair cost: Assessed to be equivalent to 0.12% of the building replacement cost Tenant replacement cost: Maintenance cost associated with tenants' move-out is assessed at 4,000 yen/tsubo in consideration of restoration by tenants.
Property Management Fees	2,689,000	Recorded by examining the levels of property management fees at similar properties in light of the contract rate and determining that the terms and conditions of the scheduled contract are roughly at the standard level
Advertisement for Leasing Costs, etc.	4,711,000	Recorded with reference to the actual amount and in consideration of the advertisement for leasing costs, etc. assessed based on their levels of similar properties
Taxes	6,367,000	Calculated based on actual amounts recorded in the fiscal year 2024.
Insurance Premium	123,000	Recorded by examining the levels at similar properties and determining that the estimated amount is reasonable
Other Expenses	743,000	Internet connection fees, town council fees and other miscellaneous fees are assessed by referring to the contract amounts, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	72,128,000	
(4) Profit through Management of Temporary Deposits, etc.	69,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	924,000	Recorded with the assessment of the amount equivalent to 0.28% of building replacement cost after considering CM fees.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	71,273,000	
(7) Capitalization Rate	3.3%	Calculated in comprehensive consideration of the property's conditions of location, building and agreement
Price Calculated by the Discounted Cash Flow Approach	2,110,000,000	
Discount Rate	3.1%	Calculated by comparing to similar real estate transaction cases and considering the yield of the financial asset with the property's specific characteristics taken into account
Terminal Capitalization Rate	3.4%	Calculated in consideration of factors such as the capitalization rate, the characteristics of net cash flow adopted, future uncertainties, liquidity and marketability
Cost Approach Price	2,030,000,000	
Ratio of Land	76.0%	
Ratio of Building	24.0%	

Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The Higashi-Nippori area, where the Asset is located, has relatively good traffic access to central Tokyo, and thus, stable demand from tenants can be expected. The subject property is designed as a rental condominium for single-person or small households who prioritize traffic convenience to central Tokyo. Since it was built in 2022, the facilities and specifications are also of a high standard. The appraisal value was determined taking the above factors into consideration.

(2) Assets to be Disposed

Property Name	PRIME URBAN Yaotome Chuo
Appraisal Value	¥354,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	354,000,000	Calculated with an emphasis on the price calculated with the discounted cash flow approach, and also referring to the price calculated with the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	358,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1)Operating Income (a)-b))	37,836,754	
(a) Gross Rental Income	41,133,004	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	3,296,250	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2)Operating Expenses	13,522,273	
Maintenance Costs	1,134,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	1,090,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	4,264,703	The total amount of small-scale repair costs and restoration costs is recorded.
Property Management Fees	1,376,607	The total amount of property management fees and construction management fees is recorded.
Advertisement for Leasing Costs, etc.	1,894,193	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	2,535,894	The most recent results were adopted.
Insurance Premium	97,967	The most recent results were adopted.
Other Expenses	1,128,909	Remote parking lot, communication expenses, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	24,314,481	
(4) Profit through Management of Temporary Deposits, etc.	51,827	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	6,841,333	To record large-scale repair costs and facility renewal costs expected to be incurred equally in each year, the annual average amount of renewal costs estimated in an Engineering Report is recorded
(6)Net Cash Flow (NCF=(3)+(4)-(5))	17,524,975	
(7)Capitalization Rate	4.9%	Calculated with consideration of the property's characteristics in terms of geographical conditions, building specifications, rights relationships, etc., referring to yields on investment for transactions of similar properties and others
Price Calculated by the Discounted Cash Flow Approach	350,000,000	
Discount Rate	4.7%	Calculated with comprehensive consideration of the property's characteristics and reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	5.1%	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	203,000,000	
Ratio of Land	59.1%	
Ratio of Building	40.9%	

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

[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/

Exhibit 1

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	369,175	65,100	434,275	39.2
Retail	111,768	67,890	179,658	16.2
Logistics	237,992	3,460	241,452	21.8
Residential (including healthcare facilities)	194,690	27,468	230,525	20.1
Hotels	2,360	22,141	24,501	2.2
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	920,886	186,060	1,106,946	100.0
Investment Ratio (%) (Note 2)	83.2	16.8	100.0	

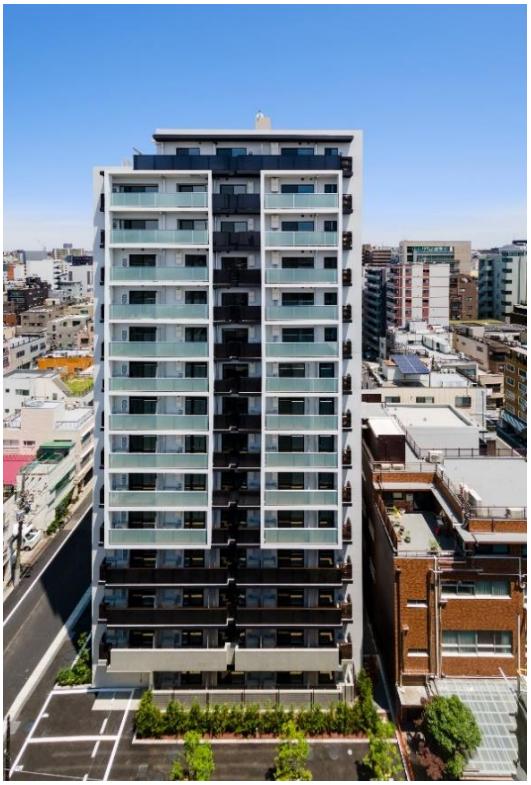
(Note 1) "Greater Tokyo Area" refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. "Other Areas" refers to cabinet-order designated cities, prefectural capitals, and cities having a population of at least 100,000 and their peripheral areas, excluding those in Greater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

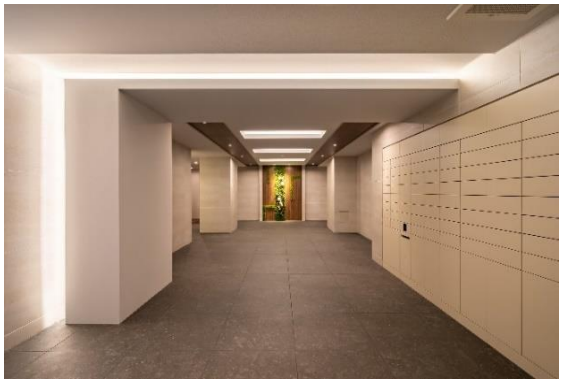
(Note 2) "Investment Ratio" indicates the ratio of the (anticipated) total acquisition price of properties for each use or in each area to the (anticipated) total acquisition price of the entire portfolio. As the figures are rounded to the first decimal place, they may not add up to exactly 100.0%.

Exhibit 2

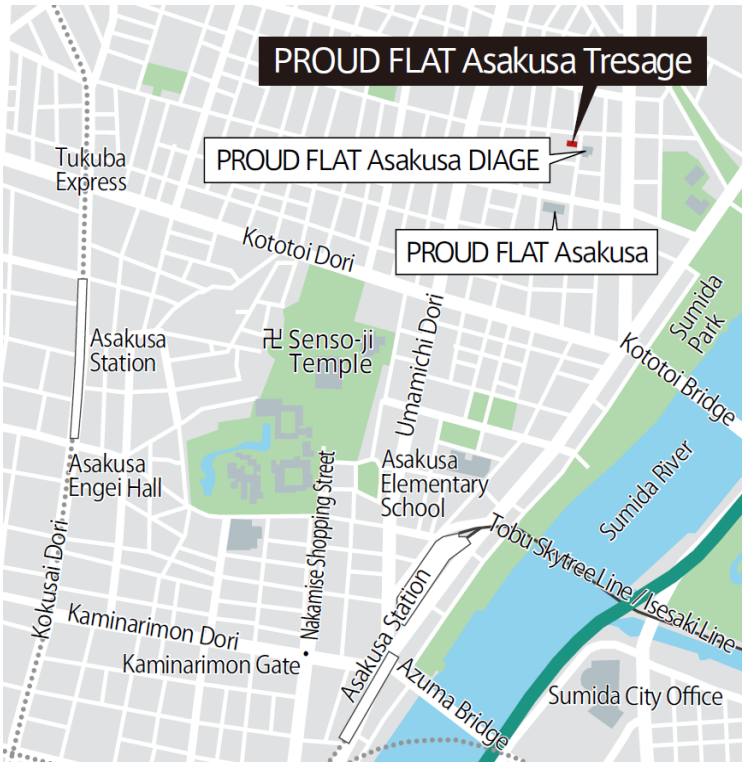
Photo and Map of the Asset to be Acquired

PROUD FLAT Asakusa Tresage









PROUD FLAT Nippori





