



## For Immediate Release

To Whom It May Concern

### Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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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 Assets to Be Acquired

Property Name	Use	Scheduled Date of Purchase and Sales Agreement	Scheduled Date of Acquisition	Seller	Presence of Intermediary	Anticipated Acquisition Price (¥ million) (Note 1)
&HOTEL HAKATA	Hotels	May 29, 2025	June 25, 2025	B-Lot Company Limited	None	3,800

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

(Note 2) With regard to the acquisition of the above property, the precondition to the execution of purchase and sale is the definite execution of the purchase and sale of the assets to be disposed of below.

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

#### (2) Summary of Assets to Be Disposed of

Property Name	Use	Date of Purchase and Sales Agreement	Scheduled Date of Disposition	Transferee	Intermediary	Scheduled Transfer Price (¥ million) (Note 1)	Book Value (¥ million) (Note 2)	Difference (¥ million) (Note 3)
PRIME URBAN Gakugei Daigaku	Residential	May 29, 2025	June 25, 2025	B-Lot Company Limited	Yes (Note 4)	2,700 (Note 5)	712	362 (Note 5)
PRIME URBAN Nishi Ogikubo							385	
PRIME URBAN Yukigaya							928	



PRIME URBAN Kashii	Residential	May 29, 2025	June 25, 2025	B-Lot Company Limited	Yes (Note 4)		312	
Total						2,700	2,337	362

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

(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 Investment Trust Act.

(Note 5) Each of the above dispositions are based on a single sale agreement with the same transferee. The planned transfer prices of individual properties are undisclosed as consent has not been obtained from the transferee. Accordingly, the differences between the planned transfer prices and the book values of individual properties are also undisclosed. The planned transfer price of PRIME URBAN Yukigaya falls below the anticipated book value at the time of disposition. However, the planned transfer prices for the other three properties, as well as the total for all four properties, exceed their respective anticipated book values at the time of disposition. Furthermore, the planned transfer prices for all four properties are equal to or higher than their respective appraisal values as of the most recent fiscal period end (February 28, 2025).

(Note 6) With regard to the disposal of the above property, the precondition to the execution of purchase and sale is the definite execution of the purchase and sale of the assets to be acquired stated in (1).

The above properties are collectively referred to hereinafter as the “Assets to be Disposed of.” The Assets to be Acquired and Assets to be Disposed of may be separately referred to as the “Assets.”

## 2. Reasons for the Transaction

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 line with the asset management objectives and policies specified in the Fund’s Articles of Incorporation.

The transaction is a mutual trading, replacing assets with a seller, and is a crossover deal that straddles sectors, which is unique to comprehensive REIT.

The property to be acquired is a hotel located in Fukuoka City, Fukuoka Prefecture, which has the largest population in the Kyushu region. Fukuoka Prefecture ranks 8th in Japan in terms of the total number of hotel guests, with approximately 23.16 million total guests in 2024 (Note 1), and the ratio of inbound tourists among hotel guests is approximately 30% (Note 1), the 4th highest in Japan. Furthermore, Fukuoka City, the center of the region, boasts high popularity among inbound tourists, especially those from East Asia, due to its close physical proximity and convenient access to Fukuoka Airport by public transportation, in addition to the stable demand for hotels from domestic guests for tourism and business purposes. Fukuoka Airport's second runway went into operation in March 2025, which is expected to further increase the number of hotel guests.

With the acquisition of the Property above, the Fund will hold 8 properties in the hotel sector and the amount allocated to the sector will be 28.3 billion yen (Note 2), representing 2.6% of all sectors (Note 2). As the hotel properties are located in tourism-dependent areas, we believe that the thriving market as stated above will continue to drive the hotel sector forward.

In addition, the Fund has considered that securing profits on sale from disposition of the Assets can achieve enhancement of the investors’ returns, and decided on the disposition.

Please refer to 3. Summary of Assets to Be Acquired/Disposed of below for details of the reasons for acquisition of Assets to be Acquired and the reasons for disposition of Assets to be Disposed of.

(Note 1) Source: Overnight Travel Statistics Survey announced on February 28, 2025, Japan Tourism Agency

(Note 2) Based on the (scheduled) acquisition



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

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

##### &HOTEL HAKATA

##### <Reasons for the Acquisition>

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

- The Asset is a 4-minute walk from Gion Station on the Fukuoka City Subway Airport Line, and a 7-minute walk from Kushida Shrine Station on the Fukuoka City Subway Nanakuma Line, making it convenient to access from multiple stations. The property is also within walking distance of Hakata Station, Canal City and the Nakasu area, making it a location well-suited for tourism. Further, nearby is Marine Messe (an event venue with a total floor area of approximately 40,000 m<sup>2</sup> and a maximum capacity of 15,000 people) where events like concerts and academic conferences are held, making the location as a hotel highly competitive for attracting tourists.
- There are four types of rooms in total that can accommodate a variety of needs, ranging from compact and functional rooms to rooms that can comfortably accommodate a large number of people like groups and families.
- The operator, Local Design Inc., boasts a track record of operating 6 hotels in Fukuoka City (as of May 27, 2025), and is particularly strong at operating small hotels. The company developed and utilizes a hotel cleaning management system and is expected to provide stable operations due to their extensive knowledge in reducing operating costs.

##### <Summary of the Assets to be Acquired>

Property Name		&HOTEL HAKATA
Type of Asset		Real estate
Street(Note 1)	Registry	414-1 Reisenmachi, Hakata Ward, Fukuoka City, Fukuoka
	Street	9-6 Reisenmachi, Hakata Ward, Fukuoka City, Fukuoka
Access		4 minute-walk from Gion Station on the Fukuoka City Subway Airport Line 7 minute-walk from Kushida Shrine Station on the Fukuoka City Subway Nanakuma Line
Completion Date (Note 1)		June 18, 2021
Use (Note 1)		Hotels
Structure (Note 1)		Nine-floor-steel-reinforced concrete structure with a flat roof
Architect		Junichi Watanabe - Architecture firm Registered first-class architect's office - Moririe Kenchiku & Design
Builder		NIHON KENSETSU CO. LTD. Fukuoka Branch
Building Inspection Agency		The Building Center of Japan
Area (Note 1)	Land	539.10 m <sup>2</sup>
	Building	1,934.05 m <sup>2</sup>
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		346.80% (Note 3)
Collateral		None
Property Management Company (Note 4)		THE DAI-ICHI BUILDING CO., LTD.
Master Leasing Company		-
Type of Master Leasing		-
Seismic Risk (PML) (Note 5)		Less than 0.1% (Based on the Earthquake PML Appraisal Report as of May 2025 by Sompo Risk Management Inc.)
Notes		Not applicable.



Anticipated Acquisition Price	¥3,800 million				
Appraisal Value and Method	¥5,080 million (Based on the capitalization approach as of May 1, 2025) (Appraiser: The Tanizawa Sogo Appraisal Co., Ltd.)				
Appraisal NOI <sup>(Note 6)</sup>	¥213 million				
Leasing Status (As of May 27, 2025) <sup>(Note 7)</sup>					
Total Number of Tenants	1				
Name of Tenant	Local Design Inc.				
Hotel Operator	Local Design Inc.				
Total Rental Income (Annual)	Undisclosed (fixed-rent-plus-variable-rent type contract)				
	Of which, hotel fixed rent		Undisclosed		
	Of which, hotel variable rent		In addition to the fixed rent, the variable rent is added by applying the following formula. GOP - fixed rent – (sales or GOP x predetermined rate)		
Security Deposits	Undisclosed				
Occupancy Rate	100.0%				
Total Leased Floor Space	1,998.65 m <sup>2</sup>				
Total Leasable Floor Space	1,998.65 m <sup>2</sup>				
Historical Occupancy Rates <sup>(Note 8)</sup>	March 2020	March 2021	March 2022	March 2023	March 2024
	-	-	100.0%	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) Building Coverage Ratio

The applied building coverage ratio is 100% because the Asset is a certified fireproof building in a quasi-fire prevention zone, and it benefits from a corner lot relaxation as it qualifies as a corner lot designated by the designated administrative agency.

(Note 3) Floor Area Ratio

While the maximum floor area ratio for the Asset is designated as 400% in principle, the regulation on the width of the front road (5.78m x 60%) is prioritized, and the applied floor-area ratio is 346.80%.

(Note 4) Property Management Company

Property Management Company refers to the one 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 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 May 1, 2025 as the appraisal date.

(Note 7) Leasing Status

“Total Number of Tenants” is based on a fixed-term lease contract that is expected to go into effect on the date of acquisition.

“Name of Tenant” is based on a fixed-term lease contract that is expected to go into effect on the date of acquisition.

“Total Rental Income” and “Security Deposits” are both undisclosed as the consent from the tenant has not been obtained.

“Total Leased Floor Space” indicates the total floor space presented based on a fixed-term lease contract that is expected to go into effect on the date of acquisition.

(Note 8) Historical Occupancy Rates

The historical occupancy rates are based on the information from the seller.



(2) Summary of the Asset to be Disposed of

<Reasons for the Disposition>

The Fund selected the properties and decided on the Dispositions based mainly on the points below.

- Since repair costs have been increasing as the buildings age, and no major repair work has been carried out yet, a decline in cash flow is expected in the future.
- Since PRIME URBAN Gakugei Daigaku and PRIME URBAN Nishi Ogikubo do not have elevators installed yet, they have relatively low competitiveness when leasing them.

PRIME URBAN Gakugei Daigaku

<Summary of the Asset to be Disposed of>

Property Name		PRIME URBAN Gakugei Daigaku
Type of Asset		Real estate
Location (Note 1)	Registry	2-106-5 Takaban, Meguro Ward, Tokyo
	Street	2-14-14 Takaban, Meguro Ward, Tokyo
Access		4 minute-walk from Gakugei-daigaku Station on the Tokyu Toyoko Line
Completion Date (Note 1)		December 4, 2006
Use (Note 1)		Apartment
Structure (Note 1)		Four-floor-steel-reinforced concrete structure with a flat roof
Leasing Units		32
Area (Note 1)	Land	423.46 m <sup>2</sup>
	Floor Area	1,203.79 m <sup>2</sup>
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%(Note 2)
Floor Area Ratio		200%(Note 3)
Collateral		None
Property Management Company		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)		5.2% (Based on the Earthquake PML Appraisal Report as of March 2025 by Sompo Risk Management Inc.)
Notes		Not applicable.
Acquisition Price		¥775 million
Scheduled Transfer Price		Undisclosed
Book Value (Note 6)		¥712 million
Difference		Undisclosed (Note 6)
Appraisal Value and Method		¥928 million (Based on the capitalization approach as of February 28, 2025) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)
Appraisal NOI (Note 7)		¥35 million
Leasing Status (As of March 31, 2025) (Note 8)		
Total Number of Tenants		1 (Leasing Units 30)
Total Rental Income (Annual)		¥45 million (including common area charges)
Security Deposits		¥3 million
Occupancy Rate		94.2%
Total Leased Floor Space		949.70 m <sup>2</sup>
Total Leasable Floor Space		1,008.39 m <sup>2</sup>



Historical Occupancy Rates	March 2020	March 2021	March 2022	March 2023	March 2024
	93.3%	93.2%	86.7%	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) Building Coverage Ratio

1. The area from the road boundary of the road located approximately 20m west to 20m east and the area from the road boundary line of the road south of the property to 20m north is commercial zone of 80%, 2. The area from the road boundary of the road located approximately 20m west to 20m east and the area from the road boundary of the road on the south side to 20m north, and the portion other than "1" is neighborhood commercial zone of 80%, and areas outside "1" and "2" are category 1 exclusive medium-to-high-rise residential zone of 60%. The weighted average of the land area ratio is used for these calculations.

(Note 3) Floor Area Ratio

The land of the Asset is located in a commercial zone of 400%, neighborhood commercial zone of 200%, category 1 exclusive medium-to-high-rise residential zone of 200%. The weighted average of the land area ratio is used for these calculations.

(Note 4) 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 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) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

"Appraisal NOI" is the annual NOI (operating income operating expenses) described in the real estate appraisal report with February 28, 2025 as the appraisal date.

(Note 8) 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 March 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 March 31, 2025, by Total Leasable Floor Space.

"Total Leased Floor Space" indicates the total floor space leased to end tenants as of March 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 March 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

## PRIME URBAN Nishi Ogikubo

### <Summary of the Asset to be Disposed of>

Property Name		PRIME URBAN Nishi Ogikubo
Type of Asset		Real estate
Location (Note 1)	Registry	2-319-23 Nishi Ogiminami, Suginami Ward, Tokyo
	Street	2-27-5 Nishi Ogiminami, Suginami Ward, Tokyo
Access		3 minute-walk from Nishi Ogikubo Station on the JR Chuo Line and Sobu Line
Completion Date (Note 1)		February 11, 2003
Use (Note 1)		Apartment
Structure (Note 1)		Four-floor-steel-reinforced concrete structure with a flat roof
Leasing Units		24



Area <sup>(Note 1)</sup>	Land	260.88 m <sup>2</sup>			
	Floor Area	666.91 m <sup>2</sup>			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		60% <sup>(Note 2)</sup>			
Floor Area Ratio		150% <sup>(Note 3)</sup>			
Collateral		None			
Property Management Company		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company <sup>(Note 4)</sup>		Nomura Real Estate Partners Co., Ltd.			
Type of Master Leasing <sup>(Note 4)</sup>		Pass through			
Seismic Risk (PML) <sup>(Note 5)</sup>		4.5% (Based on the Earthquake PML Appraisal Report as of March 2025 by Sompo Risk Management Inc.)			
Notes		Not applicable.			
Acquisition Price		¥414 million			
Scheduled Transfer Price		Undisclosed			
Book Value <sup>(Note 6)</sup>		¥385 million			
Difference		Undisclosed <sup>(Note 6)</sup>			
Appraisal Value and Method		¥510 million (Based on the capitalization approach as of February 28, 2025) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)			
Appraisal NOI <sup>(Note 7)</sup>		¥20 million			
Leasing Status (As of March 31, 2025) <sup>(Note 8)</sup>					
Total Number of Tenants		1 (Leasing Units 24)			
Total Rental Income(Annual)		¥28 million (including common area charges)			
Security Deposits		¥2 million			
Occupancy Rate		100.0%			
Total Leased Floor Space		543.09 m <sup>2</sup>			
Total Leasable Floor Space		543.09 m <sup>2</sup>			
Historical Occupancy Rates	March 2020	March 2021	March 2022	March 2023	March 2024
	95.9%	100.0%	100.0%	100.0%	91.2%

(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) Building Coverage Ratio

In the first 20 meters of the Property from the west road boundary, land is neighboring commercial zone of 80%. Past 20m is category 1 exclusive low-rise residential building zone of 60%. The weighted average of the land area ratio is used for these calculations.

(Note 3) Floor Area Ratio

The land of the Asset is located in a neighborhood commercial zone of 300% and category 1 exclusive low-rise residential zone of 150%. The weighted average of the land area ratio is used for these calculations.

(Note 4) 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 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) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with February 28, 2025 as the appraisal date.

(Note 8) 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 March 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 March 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of March 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 March 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

## PRIME URBAN Yukigaya

### <Summary of the Asset to be Disposed of>

Property Name		PRIME URBAN Yukigaya
Type of Asset		Real estate
Location (Note 1)	Registry	53-2(and four other parcels of land), Kita Minemachi, Ota Ward, Tokyo
	Street	34-10 Kita Minemachi, Ota Ward, Tokyo
Access		3 minute-walk from Ontakesan Station on the Tokyu Ikegami Line
Completion Date (Note 1)		October 31, 1987
Use (Note 1)		Apartment
Structure (Note 1)		Six-floor-steel-reinforced concrete structure with a flat roof
Leasing Units		94
Area (Note 1)	Land	885.92 m <sup>2</sup>
	Floor Area	1,629.90 m <sup>2</sup>
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%
Floor Area Ratio		218%(Note 2)
Collateral		None
Property Management Company		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 3)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 3)		Pass through
Seismic Risk (PML) (Note 4)		5.9% (Based on the Earthquake PML Appraisal Report as of March 2025 by Sampo Risk Management Inc.)
Notes		Not applicable.
Acquisition Price		¥951 million
Scheduled Transfer Price		Undisclosed
Book Value (Note 5)		¥928 million
Difference		Undisclosed
Appraisal Value and Method		¥818 million (Based on the capitalization approach as of February 28, 2025) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)
Appraisal NOI (Note 6)		¥51 million
Leasing Status (As of March 31, 2025) (Note 7)		
Total Number of Tenants		1 (Leasing Units 94)
Total Rental Income (Annual)		¥73 million (including common area charges)
Security Deposits		¥5 million
Occupancy Rate		100.0%
Total Leased Floor Space		1,536.59 m <sup>2</sup>
Total Leasable Floor Space		1,536.59 m <sup>2</sup>





Historical Occupancy Rates	March 2020	March 2021	March 2022	March 2023	March 2024
	98.9%	98.9%	97.8%	97.9%	98.9%

(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 Ratio

While the maximum floor area ratio for the Asset is designated as 300% in principle, the regulation on the width of the front road (5.45m x 40%) is prioritized, and the applied floor-area ratio is 218%.

(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 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 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 28, 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 of March 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 March 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of March 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 March 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

## PRIME URBAN Kashii

### <Summary of the Asset to be Disposed of>

Property Name		PRIME URBAN Kashii
Type of Asset		Real estate
Location (Note 1)	Registry	2-734-64 Kashii Ekimae, Higashi Ward, Fukuoka City, Fukuoka
	Street	2-3-7 Kashii Ekimae, Higashi Ward, Fukuoka City, Fukuoka
Access		8 minute-walk from Kashii Station on the JR Kagoshima Main Line and Kashii Line
Completion Date (Note 1)		February 14, 2008
Use (Note 1)		Apartment
Structure (Note 1)		Eleven-floor-steel-reinforced concrete structure with a flat roof
Leasing Units		39
Area (Note 1)	Land	369.88 m <sup>2</sup>
	Floor Area	1,345.08 m <sup>2</sup>
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		80%
Floor Area Ratio		354% (Note 2)



Collateral	None				
Property Management Company	Sanwa Estate K.K.				
Master Leasing Company <sup>(Note 3)</sup>	Sanwa Estate K.K.				
Type of Master Leasing <sup>(Note 3)</sup>	Pass through				
Seismic Risk (PML) <sup>(Note 4)</sup>	0.5% (Based on the Earthquake PML Appraisal Report as of March 2025 by Sompo Risk Management Inc.)				
Notes	Not applicable.				
Acquisition Price	¥398 million				
Scheduled Transfer Price	Undisclosed				
Book Value <sup>(Note 5)</sup>	¥312 million				
Difference	Undisclosed				
Appraisal Value and Method	¥306 million (Based on the capitalization approach as of February 28, 2025) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Appraisal NOI <sup>(Note 6)</sup>	¥20 million				
Leasing Status (As of March 31, 2025) <sup>(Note 7)</sup>					
Total Number of Tenants	1 (Leasing Units 39)				
Total Rental Income(Annual)	¥31 million (including common area charges)				
Security Deposits	¥57 thousand				
Occupancy Rate	100.0%				
Total Leased Floor Space	1,222.34 m <sup>2</sup>				
Total Leasable Floor Space	1,222.34 m <sup>2</sup>				
Historical Occupancy Rates	March 2020	March 2021	March 2022	March 2023	March 2024
	97.7%	97.7%	100.0%	97.7%	97.7%

(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 Ratio

While the maximum floor area ratio for the Asset is designated as 400% in principle, the regulation on the width of the front road (5.90m x 60%) is prioritized, and the applied floor area ratio is 354%.

(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 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 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 28, 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 of March 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 March 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of March 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 March 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).



4. Summary of Seller of the Assets to Be Acquired and Transferee of the Assets to Be Disposed of

Company Name	B-Lot Company Limited
Head Office	1-11-7 Shimbashi, Minato-Ward, Tokyo
Representative	Masahiro Mochizuki, President
Principal Business	Real estate investment and development business Real estate consulting business Real estate management business
Capital	¥1,992,532,283(As of December 31, 2024)
Established	October 10, 2008
Net Assets	¥17,670 million(As of December 31, 2024)
Total Assets	¥56,900 million(As of December 31, 2024)
Major Shareholder (Shareholding Ratio)	Masahiro Mochizuki (10.83%)
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	Neither the Fund nor the Asset Management Company has any 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 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 the definition of a related party of the Fund or the Asset Management Company for the accounting purpose. In addition, any persons or companies associated with the said company does not fall under the definition of a related party of the Fund or the Asset Management Company for the accounting purpose.

5. Status of Owner of the Asset to be Acquired

The Asset to be Acquired is not acquired from parties who have special interests in the Fund or the Asset Management Company.

6. Transactions with Related Parties

There is no transaction with related parties.

7. Form of Payment, etc.

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

Regarding the dispositions, on the scheduled sale date, the Fund will receive from the seller payment for the price of the Properties to be sold. The Fund plans to use the cash obtained through the sale of the transfers for part of the payment for the property acquisition.



## 8. Schedule for the Transactions

May 29, 2025	Conclusion of sale agreements for acquisition of the Asset and transfer of the Assets subject to the transfer
June 25, 2025	Acquisition of the Asset and transfer of the Assets subject to the transfer

## 9. Outlook

Since the Transaction will have a minor impact on the overall portfolio for the fiscal period ending August 2025 (March 1, 2025 to August 31, 2025) and fiscal period ending February 2026 (September 1, 2025 to February 28, 2026), there are no changes to the performance forecast at this time.

The Fund expects the Disposition to generate profits on sale of ¥362 million (Note 1), and the entire amount will be evenly distributed across four fiscal periods, from the fiscal period ending August 2025 to the fiscal period ending February 2027.

(Note 1) 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 2) 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 addition, 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.



## 10. Appraisal Summary

Property Name	&HOTEL HAKATA
Appraisal Value	¥5,080,000,000
Appraiser	The Tanizawa SōGō Appraisal Co.,Ltd.
Appraisal Date	May 1, 2025

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	5,080,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach
Price Calculated by the Direct Capitalization Approach (Revised Inwood Method)	5,210,000,000	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))	Undisclosed	(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	
Property Management Fees	Undisclosed	
Advertisement for Leasing	Undisclosed	
Taxes	Undisclosed	
Insurance Premium	Undisclosed	
Other Expenses	Undisclosed	
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	213,610,069	
(4) Profit through Management of Temporary Deposits, etc.	Undisclosed	(Undisclosed)
(5) Capital Expenditure Reserve	Undisclosed	(Undisclosed)
(6) Net Cash Flow (NCF=(3)+(4)-(5))	208,370,069	
(7) Capitalization Rate	4.0%	Calculated by comparing with multiple investment yields in neighboring or similar areas within the same supply and demand zone, while taking into account expected future fluctuations of net income, as well as the relationship with net cash flow
Price Calculated by the Discounted Cash Flow Approach	5,020,000,000	
Discount Rate	4.1%	A base yield for the hotel was set by a cost approach, etc. based on the yields of financial instruments and then calculated by incorporating individual risks of the property to this base yield and reviewing trading comps.
Terminal Capitalization Rate	4.2%	Calculated based on the capitalization rate, with consideration given to levels of future forecast uncertainty
Cost Approach Price	4,170,000,000	
Ratio of Land	86.3%	
Ratio of Building	13.0%	
Ratio of FF&E	0.7%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The hotel is nearby Nakasu and Canal City Hakata, has relatively easy access to large event facilities such as Fukuoka Sunpalace and Marine Messe Fukuoka, and is located at a very convenient location for a hotel. In terms of features, the 68 hotel rooms are mostly double rooms, and are designed to attract groups such as the rooms that can accommodate up to four people. Based on the above, the appraisal value was determined based on the capitalization approach price, taking into consideration the price formation process and the purpose of the request, etc., which emphasizes the profitability of the property by market participants.	

(Note) The information that is subject to a confidentiality obligation to the lessee and information that can be used to calculate the said information is included. Therefore, that information is not disclosed because disclosure of such information may cause a disadvantage to NMF due to a breach of confidentiality obligations, etc., and ultimately may be detrimental to the interests of unitholders.



(2) Assets to be Disposed of

Property Name		PRIME URBAN Gakugei Daigaku	
Appraisal Value		¥928,000,000	
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date		February 28, 2025	
(Yen)			
Item		Amount or Percentage	Grounds
Capitalization Approach Price		928,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach
Price Calculated by the Direct Capitalization Approach		950,000,000	Calculated by reducing stable medium -to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)		45,957,435	
(a) Gross Rental Income		48,355,442	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.		2,398,007	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses		10,940,621	
Maintenance Costs		1,584,396	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Utilities Costs		292,886	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Repair Costs		2,823,760	Repair cost: Calculated based on the annual average amount of repair cost given in the engineering report Tenant replacement cost: Calculated in consideration of the replacement and vacancy rates
Property Management Fees		1,379,854	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing		2,173,766	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Taxes		2,242,400	Calculated based on actual amounts recorded in fiscal 2024
Insurance Premium		94,393	Recorded based on the assessment that the actual amount is reasonable, with reference to the levels of similar properties
Other Expenses		349,166	Recorded based on actual amounts
(3) Net Operating Income from Leasing Business (NOI = (1) - (2))		35,016,814	
(4) Profit through Management of Temporary Deposits, etc.		36,229	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve		3,697,450	Assessment of the annual average amount in the engineering report, taking into account the CM fee
(6) Net Cash Flow (NCF = (3) + (4) - (5))		31,355,593	
(7) Capitalization Rate		3.3%	Calculated by standardizing the method of comparison with similar property transactions and considering various factors, including geographical conditions, building specifications, contract terms, and rights relationships, while also referring to investors' opinions
Price calculated by the discounted cash flow approach		919,000,000	
Discount Rate		3.1%	Calculated based on such factors as comparison with discount rates on transactions of similar properties and yields on other financial instruments
Terminal Capitalization Rate		3.5%	Calculated with consideration of the capitalization rate and other factors such as the marketability of the property as of the expiry of holding period
Cost Approach Price		865,000,000	
Ratio of Land		78.0%	
Ratio of Building		22.0%	
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 and the residential and mixed (residential and commercial) areas extending within walking distance around Gakugei-daigaku Station on the Tokyu Toyoko Line. 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 mid 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		PRIME URBAN Nishi Ogikubo		
Appraisal Value		¥510,000,000		
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.		
Appraisal Date		February 28, 2025		
(Yen)				
Item		Amount or Percentage	Grounds	
Capitalization Approach Price		510,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach	
Price Calculated by the Direct Capitalization Approach	520,000,000		Calculated by reducing stable medium -to long-term net cash flow based on the capitalization rate	
	(1) Operating Income (a)-(b)		26,463,574	
	(a) Gross Rental Income		27,843,862	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
	(b) Losses due to Vacancies, etc.		1,380,288	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
	(2) Operating Expenses		5,971,938	
	Maintenance Costs		1,026,000	Calculated based on actual costs in past years, cost levels for similar properties and other factors
	Utilities Costs		394,368	Calculated based on actual costs in past years, cost levels for similar properties and other factors
	Repair Costs		1,041,624	Repair cost: Calculated based on the annual average amount of repair cost given in the engineering report Tenant replacement cost: Calculated in consideration of the replacement and vacancy rates
	Property Management Fees		799,726	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
	Advertisement for Leasing		1,236,343	Calculated based on actual costs in past years, cost levels for similar properties and other factors
	Taxes		1,229,900	Calculated based on actual amounts recorded in fiscal 2024
	Insurance Premium		43,977	Recorded based on the assessment that the actual amount is reasonable, with reference to the levels of similar properties
	Other Expenses		200,000	Recorded based on actual amounts
	(3) Net Operating Income from Leasing Business (NOI = (1) - (2))		20,491,636	
	(4) Profit through Management of Temporary Deposits, etc.		20,606	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve		1,787,625	Assessment of the annual average amount in the engineering report, taking into account the CM fee
	(6) Net Cash Flow (NCF = (3) + (4) - (5))		18,724,617	
(7) Capitalization Rate		3.6%	Calculated by standardizing the method of comparison with similar property transactions and considering various factors, including geographical conditions, building specifications, contract terms, and rights relationships, while also referring to investors' opinions	
Price calculated by the discounted cash flow approach		506,000,000		
Discount Rate		3.4%	Calculated based on such factors as comparison with discount rates on transactions of similar properties and yields on other financial instruments	
Terminal Capitalization Rate		3.8%	Calculated with consideration of the capitalization rate and other factors such as the marketability of the property as of the expiry of holding period	
Cost Approach Price		431,000,000		
Ratio of Land		84.2%		
Ratio of Building		15.8%		
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 areas nearby Nishi Ogikubo and Ogikubo stations on the JR Chuo Line, etc. 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 mid 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	PRIME URBAN Yukigaya	
Appraisal Value	¥818,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	February 28, 2025	

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	818,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	829,000,000	Calculated by reducing stable medium -to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	67,493,356	
(a) Gross Rental Income	70,978,381	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	3,485,025	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses	15,836,546	
Maintenance Costs	2,431,200	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Utilities Costs	1,003,687	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Repair Costs	4,142,702	Repair cost: Calculated based on the annual average amount of repair cost given in the engineering report Tenant replacement cost: Calculated in consideration of the replacement and vacancy rates
Property Management Fees	2,021,306	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	3,098,884	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Taxes	2,423,600	Calculated based on actual amounts recorded in fiscal 2024
Insurance Premium	169,167	Recorded based on the assessment that the actual amount is reasonable, with reference to the levels of similar properties
Other Expenses	546,000	Recorded based on actual amounts
(3) Net Operating Income from Leasing Business (NOI = (1) - (2))	51,656,810	
(4) Profit through Management of Temporary Deposits, etc.	51,648	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	20,210,763	Assessment of the annual average amount in the engineering report, taking into account the CM fee
(6) Net Cash Flow (NCF = (3) + (4) - (5))	31,497,695	
(7) Capitalization Rate	3.8%	Calculated by standardizing the method of comparison with similar property transactions and considering various factors, including geographical conditions, building specifications, contract terms, and rights relationships, while also referring to investors' opinions
Price calculated by the discounted cash flow approach	813,000,000	
Discount Rate	3.6%	Calculated based on such factors as comparison with discount rates on transactions of similar properties and yields on other financial instruments
Terminal Capitalization Rate	4.0%	Calculated with consideration of the capitalization rate and other factors such as the marketability of the property as of the expiry of holding period
Cost Approach Price	816,000,000	
Ratio of Land	88.2%	
Ratio of Building	11.8%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>We determined that the property is located in the same supply and demand zone as the residential areas extending within west Ota Ward nearby areas along Tokyu Railway's Ikegami Line and Tamagawa Line.</p> <p>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 mid rise residential complex.</p> <p>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.</p> <p>Therefore, we decided that the capitalization approach price would relatively be more convincing than the cumulative price in the Transaction.</p>	



Property Name	PRIME URBAN Kashii
Appraisal Value	¥306,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	February 28, 2025

(Yen)		
Item	Amount or Percentage	Grounds
Capitalization Approach Price	306,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	306,000,000	Calculated by reducing stable medium -to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	31,434,294	
(a) Gross Rental Income	33,412,037	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	1,977,743	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses	11,410,000	
Maintenance Costs	1,551,000	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Utilities Costs	1,109,220	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Repair Costs	3,753,048	Repair cost: Calculated based on the annual average amount of repair cost given in the engineering report Tenant replacement cost: Calculated in consideration of the replacement and vacancy rates
Property Management Fees	1,569,568	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	733,572	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Taxes	2,527,900	Calculated based on actual amounts recorded in fiscal 2024
Insurance Premium	94,460	Recorded based on the assessment that the actual amount is reasonable, with reference to the levels of similar properties
Other Expenses	71,232	Recorded based on actual amounts
(3) Net Operating Income from Leasing Business (NOI = (1) - (2))	20,024,294	
(4) Profit through Management of Temporary Deposits, etc.	0	Since security deposits, etc. are not expected, profit through management of temporary deposits, etc. will not be recorded
(5) Capital Expenditure Reserve	6,581,680	Assessment of the annual average amount in the engineering report, taking into account the CM fee
(6) Net Cash Flow (NCF = (3) + (4) - (5))	13,442,614	
(7) Capitalization Rate	4.4%	Calculated by standardizing the method of comparison with similar property transactions and considering various factors, including geographical conditions, building specifications, contract terms, and rights relationships, while also referring to investors' opinions
Price calculated by the discounted cash flow approach	306,000,000	
Discount Rate	4.2%	Calculated based on such factors as comparison with discount rates on transactions of similar properties and yields on other financial instruments
Terminal Capitalization Rate	4.6%	Calculated with consideration of the capitalization rate and other factors such as the marketability of the property as of the expiry of holding period
Cost Approach Price	276,000,000	
Ratio of Land	31.6%	
Ratio of Building	68.4%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>We determined that the property is located in the same supply and demand zone as the residential and the residential and mixed (residential and commercial) areas extending within walking distance around the section centered on Nishitetsu Kashii Station on the Nishitetsu Kaizuka Line and Kashii Station on the JR Kagoshima Main Line, from the center and south areas of Higashi Ward.</p> <p>In addition, considering the competitiveness of the property in the rental market and the sales market, we determined the most effective use is to continue to use the property as it is now 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.</p> <p>Therefore, we decided that the capitalization approach price would relatively be more convincing than the cumulative price in the Transaction.</p>	



## **Exhibits**

Exhibit 1 Overview of the Portfolio after the Transaction

Exhibit 2 Photos and Maps of the Asset to be Acquired

\*Nomura Real Estate Master Fund, Inc.'s website: <https://www.nre-mf.co.jp/en/>



## Overview of the Portfolio after the Transaction

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Other Areas	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (%) (Note 2)
Office	373,175	65,100	438,275	39.7
Retail	111,768	67,890	179,659	16.3
Logistics	237,992	3,460	241,452	21.9
Residential	188,439	22,160	210,599	19.1
Hotels	2,360	25,941	28,301	2.6
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	918,635	184,552	1,103,187	100.0
Investment Ratio (%) (Note 2)	83.3	16.7	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%.



Photos and Access Map of the Asset to be Acquired  
&HOTEL HAKATA

