



For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

Shuhei Yoshida, Executive Director

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

Masaomi Katayama, President & Chief Executive Officer

Inquiries: Hiroyuki Masuko

Executive Officer

Head of NMF Investment Management Group

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

Notice Concerning Acquisition of Property in Japan and Disposition of Trust Beneficial Interest in 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)
H ¹ O Aoyama	Office	August 28, 2025	August 28, 2025	Nomura Real Estate Development, Co., Ltd	None	4,700

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

(Note 2) The acquisition of the above asset to be acquired is subject to the precondition that: as of the scheduled date of acquisition, the purchase and sale agreement for the asset to be disposed of as described in (2) has been entered into and remains in full force and effect; no grounds for default, cancellation, rescission, or invalidation of the purchase and sale agreement exist; and it is reasonably expected that the seller will pay the entire purchase price for the trust beneficial interest under the purchase and sale agreement on the transaction date.

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)
NMF Takebashi Building	Office	August 28, 2025	August 28, 2025	Nomura Real Estate Development, Co., Ltd	None	8,930	8,355	574

(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 disposition of the above asset to be disposed of is subject to the precondition that: as of the scheduled date of disposition, the purchase and



sale agreement for the asset to be acquired as described in (1) has been entered into and remains in full force and effect; no grounds for default, cancellation, rescission, or invalidation of the purchase and sale agreement exist; and it is reasonably expected that the Fund will pay the entire purchase price for the property under the purchase and sale agreement on the transaction date.

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

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

The Transaction is a transaction for the replacement of assets through a mutual sale and purchase with Nomura Real Estate Development Co., Ltd. (the “Sponsor”), whereby the Fund will dispose of an office property with limited potential for income growth to the Sponsor and newly acquire an office property from the Sponsor.

The Asset to be Acquired is part of the H’O quality small office brand developed by the Sponsor and is a recently built, high-quality serviced office property located in central Tokyo. The Fund decided to acquire the Asset based on its assessment that it can be expected to continue generating stable profits and internal growth.

Meanwhile, the decision regarding the Asset to be Disposed of was based on a comprehensive consideration of the possibility of a future decline in competitiveness due to rising repair costs as the building ages. Furthermore, given that the purchase and sale agreement associated with the Disposition is expected to stipulate that the Fund will be afforded priority negotiation rights should the Sponsor dispose of the Asset in the future, including in the event the Asset has been redeveloped by the Sponsor, it was determined that the purchase and sale agreement is in the Fund’s interest as it secures an opportunity to acquire a prime property in the future.

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.



3. Summary of Assets to Be Acquired/Disposed of

(1) Summary of Assets to Be Acquired

H¹O Aoyama

<Reasons for the Acquisition>

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

- The Asset is accessible from Gaemmae Station on the Tokyo Metro Ginza Line and Omote-sando Station on the Ginza, Chiyoda, and Hanzomon Lines. Given that the Jingu Gaien area is also scheduled for redevelopment, foot traffic is expected to increase, along with demand for the area as a business hub.
- The area surrounding the Asset has a high concentration of IT-related companies due to its proximity to Shibuya Station, a major terminal. There is also a high concentration of apparel-related companies due to the high number of flagship stores of luxury brands and outlets of fast fashion brands along Omotesando and Meiji Dori. Another feature of the area is the high concentration of beauty, media, advertising, and bridal services companies that prefer the flamboyant image portrayed by the “Aoyama” brand as a location.
- Although relatively small in scale as an office building, the Asset is a serviced office offering high-quality services, including a staffed reception for visitors, well-appointed shared lounges, and cleaning of private areas. Given its location and specifications, it has strong appeal for use as a base for small- and medium-sized enterprises or as a headquarters for small-scale businesses, and is expected to maintain steady leasing demand going forward.

<Summary of the Assets to be Acquired>

Property Name		H ¹ O Aoyama
Type of Asset		Real estate
Street ^(Note 1)	Registry	3-1-5 Jingu-mae, Shibuya Ward, Tokyo
	Street	3-1-30 Jingu-mae, Shibuya Ward, Tokyo
Access		4 minutes walk from Gaemmae Station on the Tokyo Metro Ginza Line 8 minutes walk from Omote-sando Station on the Tokyo Metro Ginza Line, Chiyoda Line and Hanzomon Line
Completion Date ^(Note 1)		August 31, 2022
Use ^(Note 1)		Office
Structure ^(Note 1)		Seven-floor steel-framed, wooden structure with a flat roof
Architect		Nomura Real Estate Development Co., Ltd., First Class Architect Office
Builder		Kumagai Gumi Co., Ltd
Building Inspection Agency		Urban Housing Evaluation Center
Area ^(Note 1)	Land	453.07 m ²
	Building	1,781.07 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		70% ^(Note 2)
Floor Area Ratio		370.92% ^(Note 3)
Collateral		None
Property Management Company ^(Note 4)		Nomura Real Estate Development Co., Ltd.
Master Leasing Company ^(Note 5)		Nomura Real Estate Development Co., Ltd.
Type of Master Leasing ^(Note 5)		Pass through
Seismic Risk (PML) ^(Note 6)		Less than 7.0% (Based on the Earthquake PML Appraisal Report as of July 2025 by Sompo Risk Management Inc.)



Notes	The property management company and master leasing company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Investment Trust Act.				
Green certification status	BELS Certification: ★★★★★ CASBEE: ★★★★★(A) DBJ Certification: ★★★★★(2022)				
Anticipated Acquisition Price	¥4,700 million				
Appraisal Value and Method	¥5,160 million (Based on the capitalization approach as of July 1, 2025) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI ^(Note 7)	¥164 million				
Leasing Status (As of June 30, 2025) ^(Note 8)					
Total Number of Tenants	41				
Total Rental Income (Annual)	¥259 million				
Security Deposits	¥29,061 thousand				
Occupancy Rate	97.4%				
Total Leased Floor Space	973.03 m ²				
Total Leasable Floor Space	998.76 m ²				
Historical Occupancy Rates ^(Note 9)	June 2020	June 2021	June 2022	June 2023	June 2024
	-	-	-	92.6%	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 Asset is located in a residential zone where the building coverage ratio is 60% in principle. However, because the Asset is a certified fireproof building in a fire prevention zone, the applied coverage ratio is 70%.

(Note 3) Floor Area Ratio

The land of the Asset is located in a category 2 residential zone (400%) and a category 1 residential zone (300%). The weighted average figure calculated according to the area ratio is applied.

(Note 4) Property Management Company

Property Management Company refers to the one that is scheduled to be appointed after acquisition.

(Note 5) Master Lease

Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Nomura Real Estate Development Co., Ltd., under which the entire building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Development Co., Ltd. At the same timing, Nomura Real Estate Development Co., Ltd. plans to enter into a master lease agreement with Nomura Real Estate Partners Co., Ltd., under which the entire building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Partners Co., Ltd. for the purpose of subleasing and granting the right to use a serviced office to each end-tenant. These master lease agreements adopt a “pass-through type” scheme, in which the same amount as the total sum of the rents and serviced office usage fees based on the lease agreements concluded with each end-tenant will be paid to the Fund through each master lease company.

(Note 6) 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 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with July 1, 2025 as the appraisal date.

(Note 8) Leasing Status

“Total Number of Tenants” is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as June 30, 2025.

“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 June 30, 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 June 30, 2025 by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as June 30, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels,



etc. within the Asset to be Acquired that can be leased as June 30 , 2025 (If the common area, etc. is leased, the floor space thereof is included).

(Note 9) Historical Occupancy Rates

There are no applicable occupancy rates for the end of June 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 the Asset to be Disposed of

NMF Takebashi Building

<Reasons for the Disposition>

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

- The Asset is more than 50 years old, leading to a decline in its competitiveness. Furthermore, since major repair work is planned, a decline in cash flow is expected in the future.
- Through the mutual sale and purchase, the acquisition of a recently built high-quality property is expected to enhance the quality of the portfolio.
- The Fund is expected to be afforded priority negotiation rights in the event the Sponsor disposes of the Asset in the future after redevelopment. This secures an opportunity to acquire a prime property in a favorable location, even in an increasingly competitive acquisition environment.

<Summary of the Asset to be Disposed of>

Property Name		NMF Takebashi Building
Type of Asset		Trust beneficial interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Location (Note 2)	Registry	3-11-1 (and two other parcels of land) Kanda Nishiki-cho, Chiyoda Ward, Tokyo
	Street (Note 1)	3-11-1 Kandanishiki-cho, Chiyoda Ward, Tokyo
Access		3 minutes walk from Takebashi Station on the Tokyo Metro Tozai Line
Completion Date (Note 2)		March 30, 1973
Use (Note 2)		Office, Parking
Structure (Note 2)		Nine-floor steel-framed steel-reinforced concrete structure with a flat roof and two basement floors
Area (Note 2)	Land	2,105.12 m ²
	Floor Area	12,169.78 m ²
Type of Ownership	Land	Ownership
	Building	
Building Coverage Ratio		100% (Note 3)
Floor Area Ratio		700/600% (Note 4)
Collateral		None
Property Management Company		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company		-
Type of Master Leasing		-
Seismic Risk (PML) (Note 5)		6.5% (Based on the Earthquake PML Appraisal Report as of March 2025 by Sompo Risk Management Inc.)
Notes		The property management company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Investment Trust Act.
Acquisition Price		¥8,330 million
Scheduled Transfer Price		¥8,930 million
Book Value (Note 6)		¥8,355 million
Difference		¥574 million
Appraisal Value and Method		¥8,870 million (Based on the capitalization approach as of February 28, 2025) (Appraiser: The Tanizawa Sogo Appraisal Co., Ltd.)
Appraisal NOI (Note 7)		¥346 million
Leasing Status (As of June 30, 2025) (Note 8)		
Total Number of Tenants		9
Total Rental Income (Annual)		¥346 million (including common area charges)
Security Deposits		¥289 million
Occupancy Rate		69.1%



Total Leased Floor Space	5,333.60 m ²				
Total Leasable Floor Space	7,719.04 m ²				
Historical Occupancy Rates	June 2020	June 2021	June 2022	June 2023	June 2024
	100.0%	100.0%	100.0%	100.0%	79.0%

(Note 1) Street Address

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

(Note 2) Location and Other Items

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

(Note 3) Building Coverage Ratio

The Asset is located in a commercial zone where the building coverage ratio is 80% in principle. However, because the Asset is a certified fireproof building in a fire prevention zone, the applied coverage ratio is 100%.

(Note 4) Floor Area Ratio

The land of the Asset is located in a commercial zone (designated floor area ratio 700%) and a commercial zone (designated floor area ratio 600%). The weighted average figure calculated according to the area ratio is applied.

(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 the total number of end tenants actually leasing space in the building of the Asset to be Acquired as June 30, 2025.

“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 June 30, 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 June 30, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of June 30, 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 June 30, 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	Nomura Real Estate Development Co., Ltd.
Head Office	BLUE FRONT SHIBAURA TOWER S,1-1-1 Shibaura, Minato-ku, Tokyo
Representative	Daisaku Matsuo, President & CEO
Principal Business	Real Estate
Capital	¥2,000 million (as of March 31, 2025)
Established	April 15, 1957
Net Assets	¥250.8 billion (as of March 31, 2025)
Total Assets	¥2,408.4 billion (as of March 31, 2025)
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 7.12% of the Fund's investment units (as of February 28, 2025). 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. 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 the Asset to Be Acquired and Transferee of the Asset to Be Disposed of	—
Background/Reasons for Acquisition, etc.	For development for later sale	—
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.

6. Transactions with Related Parties

(1) Transactions related to the acquisition of the Assets

The transactions with Nomura Real Estate Development Co., Ltd. for acquisition of the asset to be acquired and the disposition of the asset to be disposed of are considered transactions with a related party under the Investment Trust Act, as stated above. Accordingly, the acquisition of the asset to be acquired, the acquisition price, the disposition of the asset to be disposed of, the disposition price, 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 Development Co., Ltd., 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.

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 Asset in a lump sum by using cash on hand.

Regarding the Disposition, on the scheduled date of disposition, the Fund will receive from the transferee payment of the disposition price for the Asset. The cash obtained through the Disposition will be fully allocated toward the purchase price of the Asset to be Acquired.

8. Schedule for the Transactions

August 28, 2025	Conclusion of sale agreements for acquisition of the Asset and transfer of the Assets subject to the transfer
August 28, 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 ¥574 million (Note 1), and the entire amount will be evenly distributed across four fiscal periods, from the fiscal period ending February 2026 to the fiscal period ending August 2027 (Note 2).

(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 profits on sale arising in the period of disposition as internal reserves and make distributions in excess of earnings for the amount of the portion over the four 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 disposition, 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	H ¹ O Aoyama
Appraisal Value	¥5,160,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	July 1, 2025

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	5,160,000,000	Estimated by reconciling the capitalization approach prices derived from the direct capitalization approach and the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach (Revised Inwood Method)	5,230,000,000	Calculated by dividing stable medium- to long-term net cash flow by the capitalization rate
(1) Operating Income (a) -b))	255,602,000	
a) Gross Rental Income	276,775,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
b) Losses due to Vacancies, etc.	21,173,000	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses	91,543,000	
Maintenance Costs	52,000,000	Maintenance and management costs are calculated based on past actual costs, cost levels for similar properties and other factors
Utilities Costs	8,200,000	Calculated based on past actual costs and actual costs at similar properties, taking into consideration factors such as the occupancy rate of the leased portion of the property.
Repair Costs	841,000	Calculated taking into account future management and operation plans, cost levels for similar properties, the average annual repair and renewal costs given in the engineering report and other factors
Property Management Fees	11,201,000	Calculated based on the anticipated compensation fee rate, compensation fee rates adopted for similar properties and other factors
Advertisement for Leasing	507,000	Recorded the annual average calculated based on the assumed tenant turnover period
Taxes	18,543,000	Calculated based on the tax base amount in the fiscal year 2025 and other factors
Insurance Premium	151,000	Recorded with reference to insurance quotes, premium rates for similar properties and other factors
Other Expenses	100,000	Recorded neighborhood association fees, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	164,059,000	
(4) Profit through Management of Temporary Deposits, etc.	0	Assumed that there will be no exchange of security deposits in the medium to long term
(5) Capital Expenditure Reserve	2,070,000	Calculated in consideration of the capital expenditure levels at similar properties, the building's age, and the annual average repair and renewal costs given in the Engineering Report, based on the assumption of leveled accumulation in each period
(6) Net Cash Flow (NCF=(3)+(4)-(5))	161,989,000	
(7) Capitalization Rate	3.1%	
Price Calculated by the Discounted Cash Flow Approach	5,090,000,000	
Discount Rate	2.9%	Calculated with a comprehensive consideration of the property's characteristics with reference to the yields on investments in similar properties and other factors
Terminal Capitalization Rate	3.2%	Calculated based on a comprehensive consideration of such factors as future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rates, and the trends of real estate prices and rents with reference to the yields on investments in similar properties and other factors
Cost Approach Price	5,030,000,000	
Ratio of Land	87.6%	
Ratio of Building	12.4%	



<p>Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value</p>	<p>The area where the subject property is located is about a 4-minutes walk from Gaemmae Station and about an 8-minutes walk from Omote-sando Station, providing excellent access to various office areas in central Tokyo.</p> <p>The subject building is part of the H'O series, designed as a high-value-added serviced office building despite its medium size. It possesses strong competitiveness in terms of interior design, specifications and facilities.</p> <p>In view of the above factors, the appraisal value was determined.</p>
--	--



(2) Assets to be Disposed of

Property Name	NMF Takebashi Building	
Appraisal Value	¥8,870,000,000	
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal Date	February 28, 2025	
(Yen)		
Item	Amount or Percentage	Grounds
Capitalization Approach Price	8,870,000,000	Calculated based on the evaluation according to the direct capitalization approach using the price calculated by the discounted cash flow approach as the baseline
Price Calculated by the Direct Capitalization Approach	8,970,000,000	Calculated by dividing the standardized net cash flow (NCF) by the capitalization rate
(1) Operating Income (a)-(b)	508,563,548	
(a) Gross Rental Income	536,481,461	Calculated based in part on market rent levels
(b) Losses due to Vacancies, etc.	27,917,913	Calculated based on the medium-to long term leveled vacancy rate
(2) Operating Expenses	162,089,913	
Maintenance Costs	39,654,187	Calculated based on the management agreement, actual income and expenditure and other factors
Utilities Costs	38,731,997	Calculated based on actual income and expenditure and other factors
Repair Costs	11,670,000	Calculated based on building age, similar cases and other factors, with reference to the engineering report
Property Management Fees	10,171,271	Calculated based on the property management agreement.
Advertisement for Leasing	4,761,189	Calculated based on the property management agreement.
Taxes	52,503,900	Calculated based on fiscal 2024 taxation data
Insurance Premium	1,037,424	Calculated based on property insurance documents and other factors
Other Expenses	3,559,945	Calculated based on actual income and expenditure and other factors
(3) Net Operating Income from Leasing Business (NOI = (1) - (2))	346,473,635	
(4) Profit through Management of Temporary Deposits, etc.	3,760,200	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	27,230,000	Calculated based on building age, similar cases and other factors, with reference to the engineering report
(6) Net Cash Flow (NCF = (3) + (4) - (5))	323,003,835	
(7) Capitalization Rate	3.6%	Calculated based mainly on the yields of similar office buildings, adjusted for the property's local and specific characteristics and other factors
Price calculated by the discounted cash flow approach	8,820,000,000	
Discount Rate	3.7%	Calculated taking into consideration the individual risks for the property and other factors
Terminal Capitalization Rate	3.8%	Calculated based on the capitalization rate, with consideration given to levels of future uncertainty and other factors
Cost Approach Price	9,280,000,000	
Ratio of Land	93.4%	
Ratio of Building	6.6%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The property is an income-producing property that serves as an office building with retail space. Despite its age, a full renovation has been completed. 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.	

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	369,545	65,100	434,645	39.5
Retail	111,768	67,890	179,659	16.3
Logistics	237,992	3,460	241,452	22.0
Residential	188,439	22,160	210,599	19.2
Hotels	2,360	25,941	28,301	2.6
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	915,005	184,552	1,099,557	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%.



Photos and Access Map of the Asset to be Acquired

H¹O Aoyama

