

**(Reference) SUMMARY OF FINANCIAL RESULTS (REIT)**  
**For the 7th Fiscal Period Ended February 28, 2019**

April 12, 2019

REIT securities issuer: Nomura Real Estate Master Fund, Inc. (“NMF”)      Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 3462  
 Representative: Shuhei Yoshida, Executive Director      URL: <https://www.nre-mf.co.jp/en/>

Asset management company: Nomura Real Estate Asset Management Co., Ltd.  
 Representative: Norio Ambe, President and Chief Executive Officer  
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Scheduled date of filing of securities report: May 29, 2019  
 Scheduled date of commencement of distribution payout: May 17, 2019  
 Preparation of supplementary materials on financial results: Yes  
 Holding of briefing session on financial results: Yes (for institutional investors and analysts)

[Amounts less than one million yen are truncated]

1. Financial Results for the 7th Fiscal Period (from September 1, 2018 to February 28, 2019)

(1) Operating Results      [% figures are the rate of increase (decrease) compared with the previous period]

	Operating revenues		Operating profit		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Period ended								
February 28, 2019	35,428	2.0	14,056	5.8	11,516	7.1	11,560	7.9
August 31, 2018	34,731	1.5	13,285	0.6	10,755	0.4	10,709	(0.0)

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	yen	%	%	%
Period ended				
February 28, 2019	2,675	2.0	1.0	32.5
August 31, 2018	2,478	1.9	1.0	31.0

(2) Distributions

	Distribution per unit (excluding distribution in excess of net income)	Total distributions (excluding distribution in excess of net income)	Distribution in excess of net income per unit	Total distributions in excess of net income	Distribution per unit (including distribution in excess of net income)	Total distributions (including distribution in excess of net income)	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Period ended								
February 28, 2019	2,623	11,336	505	2,182	3,128	13,518	98.0	1.9
August 31, 2018	2,478	10,709	606	2,619	3,084	13,328	99.9	1.8

(Note 1) Of the ¥606 distribution in excess of net income per unit in the fiscal period ended August 31, 2018, ¥306 is a distribution of the allowance for temporary difference adjustments and ¥300 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.003. Of the ¥505 distribution in excess of net income per unit in the fiscal period ended February 28, 2019, ¥361 is a distribution of the allowance for temporary difference adjustments and ¥144 is other distributions in excess of net income (see 2. Management Policy and Management Status, (2) Management Status, D. Business Performance and Distributions, below). Furthermore, the ratio of decreasing surplus is 0.002.

(Note 2) Distribution Payout Ratio is calculated using the below formula and truncated at the first decimal place.

$$\text{Distribution Payout Ratio} = \frac{\text{Total Distributions (excluding distribution in excess of Net Income)}}{\text{Net Income}} \times 100$$

(Note 3) Ratio of Distributions to Net Assets is calculated using the below formula and truncated at the first decimal place.

$$\text{Ratio of Distributions to Net Assets} = \frac{\text{Distribution Per Unit (excluding distribution in excess of Net Income)}}{\{(\text{Net Assets per Unit at the beginning of the fiscal period} + \text{Net Assets per Unit at the end of the fiscal period}) / 2\}} \times 100$$

(3) Financial Position

	Total assets	Net assets	Net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
Period ended				
February 28, 2019	1,117,851	569,843	51.0	131,853
August 31, 2018	1,118,644	571,836	51.1	132,314

## (4) Status of Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Period ended	million yen	million yen	million yen	million yen
February 28, 2019	24,256	(11,217)	(13,383)	74,212
August 31, 2018	17,570	(36,129)	16,579	74,556

## 2. Earnings Forecasts for the 7th Fiscal Period (from March 1, 2019 to August 31, 2019)

[% figures are the ratio of increase (decrease) compared with the previous period]

Period ending	Operating revenues		Operating profit		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of net income)	Distribution in excess of net income per unit	Distribution per unit (including distribution in excess of net income)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
August 31, 2019	36,394	2.7	14,172	0.8	11,562	0.4	11,561	0.0	2,541	641	3,182

(Reference) Forecast net income per unit for the fiscal period ending August 31, 2019 is ¥2,542.

## \*Other

## (1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements

- |   |      |
|---|------|
| ① Changes in accounting policies accompanying amendments to accounting standards, etc.: | None |
| ② Changes in accounting policies other than those in ①:                                 | None |
| ③ Changes in accounting estimates:  | None |
| ④ Retrospective restatements:   | None |

## (2) Number of Investment Units Issued and Treasury Investment Units

## ① Number of investment units issued (including treasury investment units)

As of February 28, 2019: 4,321,800 units  
As of August 31, 2018: 4,321,800 units

## ② Number of treasury investment units

As of February 28, 2019: – units  
As of August 31, 2018: – units

(Note) For the number of investment units used as the basis for calculation of net income per unit, please refer to “Notes on Per Unit Information” on page 34.

## \* Status of audit procedure implementation

At the time of the disclosure of this document, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments) have not been completed.

## \* Forward-looking statements

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by NMF. Accordingly, actual earnings performance and other results may differ materially due to a variety of factors. Furthermore, such forward-looking statements do not constitute a guarantee of future distributions. For more information on the assumptions underlying forward-looking statements and the use of such statements, please refer to “Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31, 2019 (8<sup>th</sup> fiscal period: March 31, 2019 to August 31, 2019) and the Fiscal Period Ending February 29, 2020 (9<sup>th</sup> fiscal period: September 1, 2019 to February 29, 2020)” on page 10.

This is an English language translation of the original Japanese announcement of the financial statements (“Kessan Tanshin”). This translation is provided for information purpose only. Should there be any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

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## 1. Related Corporations of the Investment Corporation

Disclosure is omitted because there are no significant changes from the information presented under “Structure of the Investment Corporation” in the most recently published securities report filed on November 29, 2018.

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure is omitted, since there are no significant changes from the “Investment Policy”, “Investment Targets” and “Distribution Policy” presented in the securities report filed on November 29, 2018.

### (2) Management Status

#### ① Outline of Fiscal Period under Review

NMF’s basic policy is to manage its assets mainly as investments in real estate, etc. (meaning the assets specified in the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Prime Minister’s Office Ordinance No. 129 of 2000, including subsequent amendments)), specifically real estate, leaseholds of real estate, surface rights, and the beneficial interests of trusts formed by entrustment of only these assets, to secure stable income over the medium to long term and steady growth of assets under management<sup>(Note)</sup>. In order to realize this basic policy, NMF adopts an investment strategy that centers on the Greater Tokyo area (Tokyo, Kanagawa, Chiba and Saitama prefectures), which offers strong tenant demand, while also considering regional diversification through investment in all of Japan’s three major metropolitan areas and other major cities. By combining the “diversified type strategy,” in which investments are made in a variety of facilities, such as offices, retail facilities, logistics facilities, residential facilities and other facilities with the “large-scale REIT strategy,” which increases portfolio stability through property and tenant diversification, as well as the “leasing value chain” with the Sponsor, Nomura Real Estate Development Co. Ltd. which is one of the group company of the Nomura Real Estate Group (Nomura Real Estate Holdings, Inc. and its consolidated subsidiaries etc. The same shall apply hereinafter.), NMF aims to increase unitholder value by securing stable income over the medium to long term and the steady growth of assets under management.

(Note) Throughout this document, “assets under management” refers to assets that belong to NMF. Furthermore, “Real estate, etc.” refers to assets defined in Article 29, Paragraph 1 (1) or (2) of NMF’s Articles of Incorporation, and “real estate backed securities” refers to assets defined in Article 29, Paragraph 1 (3) of NMF’s Articles of Incorporation (“Real estate, etc.” and “real estate-backed securities” are hereinafter collectively referred to as “real estate-related assets”). Real estate and the underlying real estate of real estate-related assets are together referred to as the “real estate under management” or “properties.”

#### A. Investment Environment

The Japanese economy faces increasing uncertainty concerning future corporate performance as exports weaken in the wake of U.S.-China trade friction and slowdown of the Chinese economy.

In the J-REIT market, the Tokyo Stock Exchange’s REIT index in February 2019 remained solid, sitting in the range of 1,800 points throughout the month for the first time since January 2017 and backed by the strong real estate leasing market as well as the ongoing monetary easing policy.

With regard to the office market, vacancy rates remained low in Tokyo. In addition, rents continued to gradually climb due to strong demand for increased floor space and expansion-driven relocations. Leasing of large buildings scheduled to be completed in 2019 has been progressing smoothly, and new vacancies created by tenants moving out have little impact. Major cities in less populated regions, where new supply is more limited, have seen vacancy rates remain low and rents continuing to trend upward.

In the retail facility market, private-sector consumption continued to be sluggish and retailers, especially those handling clothing, struggled. In addition, the retail districts of major cities which had been strong saw trends such as a decrease in sales of high-end items at department stores due to regulations on online sales of imported goods and the economic slowdown in China. However, with the continuing upward trend in the number of foreign visitors to Japan, some say the impact of the regulations on the future course is limited.

In the logistics facility market, overall performance has been stable, buoyed by firm demand from online shopping outlets and third-party logistics providers <sup>(Note)</sup>, NMF's main logistics facility tenants. In the greater Tokyo area, a large supply of logistics facilities has continued, leading to our forecast of a temporary rise in the vacancy rate. However, the vacancy rate is likely to soon be improved due to persistent demand.

(Note) Third-party logistics (3PL) refers to logistics services outsourced by shippers for part or all of their logistics functions.

Concerning the rental apartment market, in the Greater Tokyo area, a net population inflow and a dwindling supply of apartments have resulted in consistently high occupancy rates as well as moderate increase in rents. Performance in major cities in less populated regions remained steady overall as well.

In the hotel market, occupancy rates and revenue per available room (RevPAR) were steady overall in the greater Tokyo area and other major urban areas due to the number of foreign visitors, continuing to mark the highest.

In the real estate transaction market, under the ongoing ultra-low interest rate policy, investors continued to lean towards acquiring business real estate as an effective investment vehicle, ramping up competition for acquisitions and keeping selling prices high.

## B. Management Performance

Under the circumstances described above in A. Investment Environment, during the fiscal period under review (the 7th fiscal period), NMF acquired 2 properties (NMF Kobe Myodani Building and Serenite Shinsaibashi Grande; total acquisition price: ¥9,127 million), and sold 5 properties (PRIME URBAN Esaka I, PRIME URBAN Esaka II, PRIME URBAN Esaka III, PRIME URBAN Tamatsukuri and PRIME URBAN Chikusa; total sale price: ¥5,347 million). As a result, at the end of the fiscal period under review (February 28, 2019), NMF held 278 properties (total acquisition price: ¥960,345 million), the ratio of investment in the Greater Tokyo area was 81.8%, the gross leasable area of the portfolio was 1,878,805.81m<sup>2</sup>, and the portfolio remained highly diversified.

After the close of the fiscal period under review, NMF acquired 9 properties (PMO Tamachi Higashi, PMO Hatchobori Shinkawa, PMO Kyobashi Higashi, GEMS Shinbashi, GEMS Kayabacho, Summit Store Honamanuma, GEMS Shin-Yokohama, GEMS Namba and Landport Ome I; total acquisition price: ¥44,409 million) on March 1, 2019, and 1 property (PMO Ochanomizu; acquisition price: ¥3,890 million) on April 1, 2019 by carrying out a public offering and debt financings

In terms of property and facility management, as described above in A. Investment Environment, rental demand is expanding, backed by the gradual recovery of the Japanese economy. Accordingly, the occupancy rate of the entire portfolio as of the end of the fiscal period under review was stable and high, at 99.3%. In the office sector, a key upside sector <sup>(Note 1)</sup>, the rental market has seen particularly notable recovery, with rises in newly advertised rents and successful rent increases upon contract renewal driving the internal growth of the portfolio as a whole.

NMF is striving to minimize environmental burdens attributable to its portfolio. NMF therefore engages in investment in environmentally friendly properties while working to enhance the efficiency of its energy use by, for example, introducing eco-friendly and energy-saving countermeasures at its properties. Based on such policy, NMF promotes acquisition of DBJ Green Building certification and BELS certification by its properties. As of the end of the fiscal period under review, NMF has acquired DBJ Green Building certification for a total of 48 properties while acquiring BELS certification for a total of 19 properties. The percentage <sup>(Note 2)</sup> of properties with DBJ Green Building certification stands at 56.0% and that of properties with BELS certification at 19.6%.

(Note1) Upside sectors refer to sectors for which an increase of rental revenue can be expected, in particular offices, retail facilities in station areas and hotels. The same shall apply hereinafter.

(Note 2) The percentage figures of the certified properties are calculated based on total floor areas for properties excluding land owned by NMF.

## C. Status of Fund Procurement

During the fiscal period under review, NMF refinanced ¥28,375 million in interest-bearing liabilities with maturities. As a result, the balance of interest-bearing liabilities at the end of the fiscal period under review

was ¥497,112 million, and the ratio of interest-bearing liabilities to total assets (LTV) was 44.5%.

NMF's ratings at the end of the fiscal period under review are shown below. These ratings do not represent judgments on NMF investment units. Concerning NMF investment units, there are no credit ratings that credit rating agencies have provided or made available for inspection, nor are there credit ratings that credit rating agencies are scheduled to provide or make available for inspection at the request of NMF.

Credit rating agency	Rating description	Note
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA	Rating outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer rating: A+	Rating outlook: Stable
S&P Global Ratings Japan Inc. (S&P)	Long-term Issuer rating: A	Rating outlook: Stable
	Short-term Issuer rating: A-1	

#### D. Business Performance and Distributions

In the 7th fiscal period, operating revenues totaled ¥35,428 million, operating profit reached ¥14,056 million, ordinary income totaled ¥11,516 million, and net income came to ¥11,560 million. NMF calculates cash distributions in accordance with the cash distribution policies specified in Article 36, Paragraph 1 and Paragraph 2 of NMF's Articles of Incorporation.

For the fiscal period under review, NMF decided to implement a total of ¥13,518 million in distributions (¥3,128 per investment unit). This figure was arrived at by adding to ¥11,560 million in net income after taxes ¥2,622 million in amortization of goodwill, subtracting ¥685 million in gain on sales of real estate, and finally adding ¥23 million in loss on sale of real estate. The portion for which per-unit distribution comprising the types of dividends laid out below would be less than ¥1 was excluded.

Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 as amended, hereinafter the Investment Trust Act) came to ¥11,336 million (¥2,623 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,560 million (¥361 per investment unit) as allowance for temporary difference adjustment and ¥622 million (¥144 per investment unit) in other distribution in excess of net earnings.

#### ② Outlook for Next Fiscal Period

Under the conditions described above in A. Investment Environment, NMF will continue to target external growth by leveraging the Nomura Real Estate Group's property development capabilities and internal growth by making maximum use of the property management pipeline with a focus on strengthening its property brands. By doing so, with both the external growth and the internal growth, NMF aims to secure the growth of income and increase further unitholder value.

#### ③ Significant Subsequent Events

##### A. Issuance of New Investment Units

At the Board of Directors meetings held on February 7, 2019 and February 18, 2019, NMF resolved to issue new investment units, as shown below. Payments for new investment units issued via a public offering concluded on March 1, 2019, and payments for new investment units issued via third-party allocation concluded on March 26, 2019. As a result, unitholders' capital stands at ¥214,855,487 thousand, and the total number of investment units issued and outstanding is 4,547,300.

##### Issuance of New Investment Units through Public Offering (Primary Offering)

Number of units offered	214,760 units
Issue price (offer price)	¥150,223 per unit
Total issue price (total offer price)	¥32,261,891,480
Amount to be paid (issue value)	¥145,471 per unit
Total amount to be paid (total issue value)	¥31,241,351,960
Payment date	March 1, 2019

Issuance of New Investment Units through Third-Party Allotment (Third-Party Allotment)

Number of investment units offered	10,740 units
Amount to be paid (issue value)	¥145,471 per unit
Total amount to be paid (total issue value)	¥1,562,358,540
Payment date	March 26, 2019
Allottee	Nomura Securities Co., Ltd.

Use of proceeds

The proceeds obtained from the Primary Offering were used as partial funds for the acquisition of the 10 properties acquired on March 1, 2019 and April 1, 2019; and the proceeds obtained from the Third-party Allotment were used to repay loans taken out to fund part of the acquisition of the 10 properties.

(Reference)

A. Property acquisition

NMF decided to acquire the assets stated below on February 7, 2019, concluding the acquisition of PMO Tamachi Higashi, PMO Hatchobori Shinkawa, PMO Kyobashi Higashi, GEMS Shinbashi, GEMS Kayabacho, Summit Store Honamanuma, GEMS Shin-Yokohama, GEMS Namba and Lanport Ome I on March 1, 2019 and PMO Ochanomizu on April 1, 2019.

Property name	PMO Tamachi Higashi	PMO Hatchobori Shinkawa
Type of asset	Real estate	Real estate <sup>(Note 4)</sup>
Location <sup>(Note 1)</sup>	(Registry) 4-210-9 Shiba, Minato Ward, Tokyo and 3 other lots (Street) 4-13-3 Shiba, Minato Ward, Tokyo	(Registry) 2-1 Shinkawa, Chuo Ward, Tokyo (Street) 2-9-11 Shinkawa, Chuo Ward, Tokyo
Structure <sup>(Note 1)</sup>	S10F	S9F
Land area <sup>(Note 1)</sup>	965.44 m <sup>2</sup> <sup>(Note 3)</sup>	830.08 m <sup>2</sup> <sup>(Note 5)</sup>
Floor area <sup>(Note 1)</sup>	7,088.17 m <sup>2</sup>	5,000.86 m <sup>2</sup> <sup>(Note 6)</sup>
Type of ownership	(Land) Ownership (Building) Ownership	(Land) Right of site (Building) Compartmentalized ownership
Completion date <sup>(Note 1)</sup>	February 28, 2018	April 20, 2018
Acquisition price <sup>(Note 2)</sup>	¥10,900 million	¥3,805 million
Date of agreement	February 7, 2019 (Date of agreement on purchase and sale of real estate)	February 7, 2019 (Date of agreement on purchase and sale of real estate)
Date of acquisition	March 1, 2019 (Date of delivery of real estate)	March 1, 2019 (Date of delivery of real estate)
Seller	Nomura Real Estate Development, Co., Ltd.	Nomura Real Estate Development, Co., Ltd.

Property name	PMO Kyobashi Higashi	GEMS Shinbashi
Type of asset	Real estate	Real estate
Location <sup>(Note 1)</sup>	(Registry) 3-6-3 Hatchobori, Chuo Ward, Tokyo (Street) 3-18-6 Hatchobori, Chuo Ward, Tokyo	(Registry) 2-5-8 Shinbashi, Minato Ward, Tokyo (Street) 2-12-8 Shinbashi, Minato Ward, Tokyo
Structure <sup>(Note 1)</sup>	S10F	S, SRC B1F/9F
Land area <sup>(Note 1)</sup>	279.17 m <sup>2</sup>	261.08 m <sup>2</sup>
Floor area <sup>(Note 1)</sup>	2,051.35 m <sup>2</sup>	1,478.44 m <sup>2</sup>
Type of ownership	(Land) Ownership (Building) Ownership	(Land) Ownership (Building) Ownership
Completion date <sup>(Note 1)</sup>	May 11, 2018	May 24, 2018
Acquisition price <sup>(Note 2)</sup>	¥2,880 million	¥2,810 million

Date of agreement	February 7, 2019 (Date of agreement on purchase and sale of real estate)	February 7, 2019 (Date of agreement on purchase and sale of real estate)
Date of acquisition	March 1, 2019 (Date of delivery of real estate)	March 1, 2019 (Date of delivery of real estate)
Seller	Nomura Real Estate Development, Co., Ltd.	Nomura Real Estate Development, Co., Ltd.

Property name	GEMS Kayabacho	Summit Store Honamanuma
Type of asset	Real estate	Trust beneficiary interest in real estate
Location (Note 1)	(Registry) 1-9-1 Shinkawa, Chuo Ward, Tokyo and 1 other lot (Street) 1-1-7 Shinkawa, Chuo Ward, Tokyo	(Registry) 2-185-1 Honamanuma, Suginami Ward, Tokyo (Street) 2-42-11 Honamanuma, Suginami Ward, Tokyo
Structure (Note 1)	S10F	S3F
Land area (Note 1)	318.26 m <sup>2</sup>	1,831.00 m <sup>2</sup>
Floor area (Note 1)	1,779.29 m <sup>2</sup>	2,014.36 m <sup>2</sup>
Type of ownership	(Land) Ownership (Building) Ownership	(Land) Ownership (Building) Ownership
Completion date (Note 1)	February 13, 2018	September 4, 2018
Acquisition price (Note 2)	¥2,594 million	¥2,160 million
Date of agreement	February 7, 2019 (Date of agreement on purchase and sale of real estate)	February 7, 2019 (Date of agreement on purchase and sale of trust beneficiary interests in real estate)
Date of acquisition	March 1, 2019 (Date of delivery of real estate)	March 1, 2019 (Date of delivery of trust beneficiary interests in real estate)
Seller	Nomura Real Estate Development, Co., Ltd.	Nomura Real Estate Development, Co., Ltd.

Property name	GEMS Shin-Yokohama	GEMS Namba
Type of asset	Real estate	Real estate
Location (Note 1)	(Registry) 2-5-17 Shin-Yokohama, Kohoku Ward, Yokohama City, Kanagawa and 1 other lot (Street) 2-5-17 Shin-Yokohama, Kohoku Ward, Yokohama City, Kanagawa and 1 other lot (Note 7)	(Registry) 3-42-20 Namba, Chuo Ward, Osaka City, Osaka (Street) 3-7-19 Namba, Chuo Ward, Osaka City, Osaka
Structure (Note 1)	S B1F/10F	S, SRC B1F/13F
Land area (Note 1)	352.00 m <sup>2</sup> (Note 8)	256.09 m <sup>2</sup> (Note 9)
Floor area (Note 1)	1,777.40 m <sup>2</sup>	2,421.83 m <sup>2</sup>
Type of ownership	(Land) Ownership (Building) Ownership	(Land) Ownership (Building) Ownership

Completion date (Note 1)	May 11, 2018	November 30, 2018
Acquisition price (Note 2)	¥1,820 million	¥3,800 million
Date of agreement	February 7, 2019 (Date of agreement on purchase and sale of real estate)	February 7, 2019 (Date of agreement on purchase and sale of real estate)
Date of acquisition	March 1, 2019 (Date of delivery of real estate)	March 1, 2019 (Date of delivery of real estate)
Seller	Nomura Real Estate Development, Co., Ltd.	Nomura Real Estate Development, Co., Ltd.

Property name	Landport Ome I	PMO Ochanomizu
Type of asset	Real estate	Real estate
Location (Note 1)	(Registry) 2-9-1 Suehiro-cho, Ome City, Tokyo (Street) 2-9-1 Suehiro-cho, Ome City, Tokyo (Note 7)	(Registry) 4-4-1 Kanda-Surugadai, Chiyoda Ward, Tokyo and other 1 lot (Street) 4-4-1 Kanda-Surugadai, Chiyoda Ward, Tokyo and other 1 lot (Note 7)
Structure (Note 1)	RC3F	S9F
Land area (Note 1)	39,391.90 m <sup>2</sup>	403.76 m <sup>2</sup>
Floor area (Note 1)	57,721.34 m <sup>2</sup>	2,670.12 m <sup>2</sup>
Type of ownership	(Land) Ownership (Building) Ownership	(Land) Ownership (Building) Ownership
Completion date (Note 1)	November 30, 2018	July 31, 2018
Acquisition price (Note 2)	¥13,640 million	¥3,890 million
Date of agreement	February 7, 2019 (Date of agreement on purchase and sale of real estate)	February 7, 2019 (Date of agreement on purchase and sale of real estate)
Date of acquisition	March 1, 2019 (Date of delivery of real estate)	April 1, 2019 (Date of delivery of real estate)
Seller	Nomura Real Estate Development, Co., Ltd.	Nomura Real Estate Development, Co., Ltd.

(Note 1) Location (registry), Structure, Completion Date, and Land Area, Floor area are based on the information in the real estate registry.

(Note 2) The acquisition price stated is that given on the real estate sale contract (or the sale contract of trust beneficiary interests in real estate) and does not include acquisition-related costs (property and other taxes, etc.).

(Note 3) Includes the setback area (10.37 m<sup>2</sup>) to be deemed part of a road under Article 42, Paragraph 2 of the Building Standard Act (Act No.201 of 1950, as amended).

(Note 4) NMF acquired a part of the compartmentalized ownership of the building.

(Note 5) The land area is the total area of the entire building site, and the share of the right of site (co-ownership interest) is 625/1,000.

(Note 6) The floor area is the total area of the entire building. The exclusive area of the compartmentalized ownership acquired by NMF is 2,533.55 m<sup>2</sup>.

(Note 7) As the street address is not indicated officially, the building location in the real estate registry is noted.

(Note 8) The floor area includes setback area (approximately 27.05 m<sup>2</sup>) pursuant to Shin-Yokohama north area urban development consultation principles, etc.

(Note 9) The land area includes setback area (approximately 14.18 m<sup>2</sup>) pursuant to the Osaka Building Aesthetic Guidance System.

B. Forecast of the Financial Results for the Fiscal Period Ending February 29, 2020 (9th fiscal period: September 1, 2019 to February 29, 2020)

Forecast of the Financial Results for the Fiscal Period Ending February 29, 2020 (9<sup>th</sup> fiscal period: September 1, 2019 to February 29, 2020) is stated below. Assumptions for Forecast of the Financial Results for the Fiscal Period Ending February 29, 2020 (9<sup>th</sup> fiscal period: September 1, 2019 to February 29, 2020) is referred to the following Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31, 2019 (8<sup>th</sup> fiscal period: March 1, 2019 to August 31, 2019) and the Fiscal Period Ending February 29, 2020 (9<sup>th</sup> fiscal period: September 1, 2019 to February 29, 2020).

Operating Revenues	¥ 36,321 million
Operating Profit	¥ 14,434 million
Ordinary Income	¥ 11,927 million
Net Income	¥ 11,926 million
Net Income Per Unit	¥ 2,622
Distribution Per Unit (Excluding Distribution in Excess of Net Income)	¥ 2,622
Distribution in Excess of Net Income Per Unit	¥ 616
Total Distributions Per Unit (Including Distribution in Excess of Net Income)	¥ 3,238

C. Resolutions to Be Considered at the Second Unitholders' Meeting

At the second General Meeting of Unitholders, scheduled for May 23, 2019, NMF plans to propose the election of one executive director and three supervisory directors. In addition, NMF plans to propose partial amendments to the Articles of Incorporation to allow the change in calculation method of asset management fee I to a monthly basis from a daily basis, and the implementation of necessary adjustments to other articles.

Assumptions Underlying Earnings Forecasts  
for the Fiscal Period Ending August 31, 2019 (8<sup>th</sup> fiscal period: March 1, 2019 to August 31, 2019) and  
the Fiscal Period Ending February 29, 2020 (9<sup>th</sup> fiscal period: September 1, 2019 to February 29, 2020)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>• Fiscal period ending August 31, 2019 (8<sup>th</sup> fiscal period): March 1, 2019 to August 31, 2019</li> <li>• Fiscal period ending February 29, 2020 (9<sup>th</sup> fiscal period): September 1, 2019 to February 29, 2020</li> </ul>
Assets Under Management	<ul style="list-style-type: none"> <li>• With respect to the 288 properties held by NMF as of this document's publication, it is assumed that there will be no changes in assets under management (new property acquisitions or sales of portfolio properties) through the end of the February 2020 (9<sup>th</sup>) fiscal period.</li> <li>• The forecasts may be revised due to actual changes in the portfolio.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>• Rental revenues are estimated based tenant trends, the presence of competing properties nearby, real estate market conditions and other factors, with the assumption that there will be no delays in payment or failure to pay on the part of tenants.</li> </ul>
Operating expenses (excluding amortization expenses for goodwill)	<ul style="list-style-type: none"> <li>• Real estate rental expenses are expected to be ¥15,720 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥15,352 million in the February 2020 (9<sup>th</sup>) fiscal period.</li> <li>• It is estimated that property and other taxes of ¥2,927 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥2,914 million in the February 2020 (9<sup>th</sup>) fiscal period will be recorded as real estate rental expenses. In general, previous owners are reimbursed for the property taxes and city planning taxes for the portion of the fiscal year in which the acquisition occurs from the time NMF acquires the assets onward. However, because the amount equivalent to such reimbursement is included in the cost of acquisition and is capitalized, NMF will not record it as property taxes and city planning taxes in the August 2019 (8<sup>th</sup>) fiscal period and the February 2020 (9<sup>th</sup>) fiscal period concerning the properties acquired on both March 1, 2019 and April 1, 2019.</li> <li>• Estimated property management costs (including building management fees and property management fees) of ¥2,687 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥2,613 million in the February 2020 (9<sup>th</sup>) fiscal period are expected to be recorded as real estate rental expenses.</li> <li>• Expenses for building repairs and maintenance required for the fiscal period are recorded as real estate rental expenses calculated based on the mid-to-long term repair plans that NMF's Asset Management Company has established. However, the actual expenses for repairs and maintenance for the fiscal period may differ significantly from estimates due to expenses for urgent repairs of damage to buildings caused by difficult to foresee factors, significant year-on-year fluctuations in costs or non-periodic repair expenses. Furthermore, expenses for repairs and maintenance are estimated at ¥1,576 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥1,489 million in the February 2020 (9<sup>th</sup>) fiscal period.</li> <li>• Depreciation of ¥5,114 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥5,089 million in the February 2020 (9<sup>th</sup>) fiscal period is expected to be recorded as real estate rental expenses.</li> <li>• Other operating expenses (including asset management fees, asset custody fees and general administration fees) are estimated at ¥3,878 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥3,912 million in the February 2020 (9<sup>th</sup>) fiscal period.</li> </ul>

Item	Assumptions
Amortization expenses for goodwill	<ul style="list-style-type: none"> <li>• Goodwill is scheduled to be amortized using the straight-line method over 20 years pursuant to the Business Combination Accounting Standards. Goodwill amortization expenses are expected to be ¥2,622 million in each the August 2019 (8<sup>th</sup>) and the February 2020 (9<sup>th</sup>) fiscal periods.</li> <li>• Amortization of goodwill causes a difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. NMF intends to make distributions in excess of net income for the purpose of securing tax relief during the goodwill amortization period, and it is expected that NMF will be able to avoid such taxation.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• NMF expects one-time expenses in the August 2019 (8<sup>th</sup>) fiscal period of ¥57 million in costs related to the issuance of new investment units resolved at the February 7, 2019 meeting of the Board of Directors (“the issue of new investment units”). Furthermore, interest expenses and other borrowing-related expenses are estimated to be ¥2,542 million in the August 2019 (8<sup>th</sup>) fiscal period and ¥2,497 million in the February 2020 (9<sup>th</sup>) fiscal period.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>• As of this document’s publication, the outstanding interest-bearing liabilities of NMF are ¥511,512 million, consisting of ¥489,512 million in outstanding borrowings and ¥22,000 million in investment corporation bonds.</li> <li>• Regarding ¥26,242 million in borrowings that will come due by the end of the August 2019 (8<sup>th</sup>) fiscal period and the ¥37,942 million in borrowings that will come due by the end of the February 2020 (9<sup>th</sup>) fiscal period (¥64,185 million in total), it is assumed that NMF will make scheduled, partial repayments of ¥42 million in each the August 2019(8<sup>th</sup>) and the February 2020(9<sup>th</sup>) fiscal periods using cash on hand, while refinancing the remainder with new borrowings.</li> <li>• It is assumed that there will be no changes in the amount of the outstanding interest-bearing liabilities other than those stated above by the February 2020(9<sup>th</sup>) fiscal period.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• Forecasts are based on the number of investment units issued and outstanding as of this document’s publication, 4,547,300 units. NMF assumes that there will be no additional issuance of new investment units through February 29, 2020 (the end of the 9th fiscal period).</li> </ul>
Distribution per unit	<ul style="list-style-type: none"> <li>• The distribution per unit is calculated according to the distribution policy outlined in NMF’s Articles of Incorporation.</li> <li>• Distribution for the Fiscal Period Ending August 31, 2019 (8th Fiscal Period) and for the Fiscal Period Ending February 29, 2020 (9th Fiscal Period) are assumed to be conducted with additional distribution of ¥288 million for the 8th Fiscal Period and ¥179 million for the 9th Fiscal Period in order to stabilize distribution which is expected to decline a result of the temporary decline in operating revenues for these fiscal periods due to a vacancy period caused by the departure of a major tenant and the granting of free rent. The additional distribution is to be distributed as other distributions in excess of net earnings.</li> <li>• NMF assumes that, of the allowance for temporary difference adjustments (“ATA”) accrued up to the present, the amount eliminated in the August 2019 (8<sup>th</sup>) fiscal period (¥5 million) and the February 2020 (9<sup>th</sup>) fiscal period (¥5 million) will be reversed from retained earnings at the respective period ends.</li> <li>• In the August 2019 (8<sup>th</sup>) fiscal period and the February 2020 (9<sup>th</sup>) fiscal period, NMF assumes there will no change in the per-unit distribution by the change in fair value of interest rate swaps.</li> <li>• The per-unit distribution may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs.</li> </ul>

Item	Assumptions
Distribution per unit in excess of earnings per unit	<ul style="list-style-type: none"> <li>• The amount of distribution in excess of net income is estimated on the assumption NMF will distribute the amount of valuation and translation adjustments deducted from the total difference between accounting and tax treatment and the distributable amount as ATA for the purpose of tax relief. The estimate is based on the assumption that, in order to alleviate the impact on distributions of the amortization of goodwill and other merger-related expenses (the “Merger Expenses”) and the reversal of ATA, if the total difference between accounting and tax treatment for the relevant fiscal period is less than the sum of the Merger Expenses and the reversal of ATA, NMF will make other distributions in excess of net income in an amount not exceeding this difference and within the limit prescribed by the regulations of the Investment Trusts Association, Japan (the “Investment Trusts Association Japan Regulations”), which restricts the amount to 60/100 of the total amount of accumulated depreciation recorded as of the end of the relevant fiscal period less the total amount of accumulated depreciation recorded as of the end of the immediately preceding fiscal period.</li> <li>• The distribution in excess of net earnings per unit for the August 2019 (8<sup>th</sup>) fiscal period is expected to be ¥641, comprising ¥348 in distributions of ATA and ¥293 in other distributions in excess of net earnings. The distribution in excess of net earnings per unit for the February 2020(9<sup>th</sup>) fiscal period is expected to be ¥616, comprising ¥381 in distributions of ATA and ¥235 in other distributions in excess of net earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• It is assumed that there will be no amendments in legislation, taxation, accounting principles, listing requirements, the regulations of the Investment Trusts Association, Japan, or other laws or regulations that would affect the above forecasts.</li> <li>• It is assumed that there will be no unexpected material changes in general economic conditions and real estate markets.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheet

Thousands of Yen

	As of August 31, 2018	As of February 28, 2019
Assets		
Current assets		
Cash and bank deposits	62,071,925	61,654,628
Cash and bank deposits in trust	12,484,905	12,558,115
Rental receivables	719,156	659,719
Prepaid expenses	749,788	736,985
Consumption taxes receivable	206,657	—
Other	530,464	671,089
Total current assets	76,762,897	76,280,538
Noncurrent assets		
Property and equipment		
Buildings	131,591,703	131,838,208
Less accumulated depreciation	(10,249,808)	(11,918,499)
Buildings, net	121,341,895	119,919,709
Structures	537,118	540,314
Less accumulated depreciation	(213,878)	(247,274)
Structures, net	323,240	293,039
Machinery	650,784	699,374
Less accumulated depreciation	(363,337)	(405,602)
Machinery, net	287,446	293,771
Tools, furniture and fixtures	237,337	275,363
Less accumulated depreciation	(56,101)	(77,742)
Tools, furniture and fixtures, net	181,235	197,620
Land	247,417,363	248,639,023
Buildings in trust	181,115,458	183,254,186
Less accumulated depreciation	(19,907,431)	(22,583,752)
Buildings in trust, net	*3 161,208,027	*3 160,670,434
Structures in trust	974,886	993,054
Less accumulated depreciation	(766,440)	(832,411)
Structures in trust, net	208,445	*3 160,642
Machinery in trust	429,315	559,318
Less accumulated depreciation	(53,443)	(77,583)
Machinery in trust, net	375,871	481,735
Tools, furniture and fixtures in trust	599,842	696,047
Less accumulated depreciation	(141,226)	(194,795)
Tools, furniture and fixtures in trust, net	*3 458,615	*3 501,252
Land in trust	*3 406,677,823	*3 409,741,005
Leased assets in trust	10,107	10,107
Less accumulated depreciation	(7,369)	(8,633)
Leased assets, net	2,737	1,473
Construction in progress	7,228	8,186
Total property and equipment	938,489,931	940,907,896

Thousands of Yen

	As of August 31, 2018	As of February 28, 2019
Intangible assets		
Goodwill	90,831,465	88,209,223
Leasehold rights	1,331,702	1,331,702
Leasehold rights in trust	7,627,991	7,627,604
Other	45,950	43,192
Total intangible assets	99,837,109	97,211,723
Investments and other assets		
Long-term prepaid expenses	1,908,481	1,947,644
Long-term deposits	527,786	492,905
Security deposits	946,367	946,367
Derivatives Assets	109,110	4,384
Total investments and other assets	3,491,745	3,391,301
Total noncurrent assets	1,041,818,787	1,041,510,921
Deferred assets		
Investment corporation bond issuance costs	63,159	59,999
Total deferred assets	63,159	59,999
Total assets	1,118,644,844	1,117,851,458

	Thousands of Yen	
	As of August 31, 2018	As of February 28, 2019
Liabilities		
Current liabilities		
Trade accounts payable	2,558,715	1,957,136
Short-term debt	*1 500,000	*1 500,000
Current portion of long-term debt	63,160,600	64,685,600
Lease obligations in trust	2,728	1,591
Other accounts payable	2,370,672	2,672,988
Accrued expenses	322,498	316,253
Accrued income taxes	2,120	870
Accrued consumption taxes	—	990,633
Rent received in advance	5,069,434	5,036,231
Unearned revenue	228,281	187,784
Provision for loss on disaster	17,922	43,480
Derivatives liabilities	62,643	52,907
Other current liabilities	7,603	22,718
Total current liabilities	74,303,221	76,468,194
Long-term liabilities		
Investment corporation bonds	22,000,000	22,000,000
Long-term debt	411,495,000	409,927,200
Lease obligations in trust	227	—
Long-term advances received	346,546	261,893
Security deposits from tenants	10,647,205	10,656,786
Security deposits from tenants in trust	*3 27,197,704	*3 27,744,947
Derivatives liabilities	818,237	948,957
Total long-term liabilities	472,504,921	471,539,785
Total liabilities	546,808,142	548,007,980
Net assets		
Unitholders' equity		
Unitholders' capital	181,730,086	182,051,777
Surplus		
Capital surplus	394,012,959	394,012,959
Deductions from capital surplus		
Allowance for temporary difference adjustments	*4 (7,878,667)	*4 (8,879,447)
Other deductions from capital surplus	(7,060,439)	(8,678,670)
Total deduction from capital surplus	(14,939,107)	(17,558,118)
Capital surplus, net	379,073,851	376,454,840
Retained earnings	11,804,535	12,334,340
Total surplus	390,878,386	388,789,181
Total unitholders' equity	572,608,472	570,840,958
Valuation and translation adjustments		
Deferred gains or losses on hedges	(771,769)	(997,480)
Valuation and translation adjustments	(771,769)	(997,480)
Total net assets	*2 571,836,702	*2 569,843,478
Total liabilities and net assets	1,118,644,844	1,117,851,458

(2) Statement of Income and Retained Earnings

	Thousands of Yen			
	Previous period from Mar. 1, 2018 to Aug. 31, 2018		Current period from Sep. 1, 2018 to Feb. 28, 2019	
Operating revenues				
Rental revenues	*1	31,695,901	*1	31,885,544
Other rental revenues	*1	3,035,967	*1	2,857,373
Gain on sales of real estate		—	*2	685,596
Total operating revenues		34,731,869		35,428,514
Operating expenses				
Real estate rental expenses	*1	15,158,332	*1	14,977,514
Loss on sales of real estate		—	*3	23,219
Asset management fees		3,074,928		3,124,065
Asset custody fees		55,871		57,154
Administrative service fees		165,937		167,475
Directors' compensation		6,000		6,000
Amortization of goodwill		2,622,242		2,622,242
Other operating expenses		362,580		394,763
Total operating expenses		21,445,892		21,372,436
Operating profit		13,285,976		14,056,078
Non-operating revenues				
Interest income		571		378
Reversal of dividends payable		5,198		5,674
Interest on refund		132		1,213
Other non-operating revenues		103		11
Total non-operating revenues		6,006		7,278
Non-operating expenses				
Interest expenses		1,908,070		1,871,984
Interest expenses on investment corporation bonds		182,048		183,376
Amortization of investment corporation bond issuance costs		2,951		3,160
Loan arrangement fees		418,730		407,627
Investment units issuance costs		19,231		75,287
Other non-operating expenses		5,319		5,280
Total non-operating expenses		2,536,351		2,546,715
Ordinary income		10,755,631		11,516,640
Extraordinary Gain				
Insurance income		—	*4	53,297
Total extraordinary Gain		—		53,297
Extraordinary loss				
Loss on disaster		43,651		8,097
Total extraordinary Loss		43,651		8,097
Income before income taxes		10,711,980		11,561,841
Income taxes—current		2,175		923
Total income taxes		2,175		923
Net income		10,709,804		11,560,917
Retained earnings brought forward		1,094,730		773,423
Retained earnings at end of period		11,804,535		12,334,340

(3) Statement of Changes in Net Assets

Previous period (from March 1, 2018 to August 31, 2018)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Total deduction from capital surplus			Net capital surplus
Allowance for temporary difference adjustment	Deduction from other capital surplus		Total deduction from capital surplus			
Balance at the beginning of the period	162,791,125	394,012,959	(7,169,175)	(6,000,467)	(13,169,643)	380,843,315
Changes of items during the period						
Issuance of new investment units	18,460,443	—	—	—	—	—
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	478,516	—	478,516	(478,516)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,188,008)	—	(1,188,008)	(1,188,008)
Other distributions in excess of net earnings	—	—	—	(581,455)	(581,455)	(581,455)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	18,938,960	—	(709,492)	(1,059,971)	(1,769,463)	(1,769,463)
Balance at the end of the period	181,730,086	394,012,959	(7,878,667)	(7,060,439)	(14,939,107)	379,073,851

Thousands of Yen

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	12,549,780	393,393,095	556,184,220	(1,093,460)	(1,093,460)	555,090,759
Changes of items during the period						
Issuance of new investment units	—	—	18,460,443	—	—	18,460,443
Distributions of retained earnings	(10,976,533)	(10,976,533)	(10,976,533)	—	—	(10,976,533)
Reversal of allowance for temporary difference adjustments	(478,516)	(478,516)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,188,008)	(1,188,008)	—	—	(1,188,008)
Other distributions in excess of net earnings	—	(581,455)	(581,455)	—	—	(581,455)
Net income	10,709,804	10,709,804	10,709,804	—	—	10,709,804
Net changes of items other than unitholders' equity	—	—	—	321,691	321,691	321,691
Total changes of items during the period	(745,244)	(2,514,708)	16,424,251	321,691	321,691	16,745,942
Balance at the end of the period	11,804,535	390,878,386	572,608,472	(771,769)	(771,769)	571,836,702

Current period (from September 1, 2018 to February 28, 2019)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Total deduction from capital surplus			Net capital surplus
Allowance for temporary difference adjustment	Deduction from other capital surplus		Total deduction from capital surplus			
Balance at the beginning of the period	181,730,086	394,012,959	(7,878,667)	(7,060,439)	(14,939,107)	379,073,851
Changes of items during the period						
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	321,691	—	321,691	(321,691)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,322,470)	—	(1,322,470)	(1,322,470)
Other distributions in excess of net earnings	—	—	—	(1,296,540)	(1,296,540)	(1,296,540)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	321,691	—	(1,000,779)	(1,618,231)	(2,619,010)	(2,619,010)
Balance at the end of the period	182,051,777	394,012,959	(8,879,447)	(8,678,670)	(17,558,118)	376,454,840

Thousands of Yen

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	11,804,535	390,878,386	572,608,472	(771,769)	(771,769)	571,836,702
Changes of items during the period						
Distributions of retained earnings	(10,709,420)	(10,709,420)	(10,709,420)	—	—	(10,709,420)
Reversal of allowance for temporary difference adjustments	(321,691)	(321,691)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,322,470)	(1,322,470)	—	—	(1,322,470)
Other distributions in excess of net earnings	—	(1,296,540)	(1,296,540)	—	—	(1,296,540)
Net income	11,560,917	11,560,917	11,560,917	—	—	11,560,917
Net changes of items other than unitholders' equity	—	—	—	(225,710)	(225,710)	(225,710)
Total changes of items during the period	529,805	(2,089,205)	(1,767,514)	(225,710)	(225,710)	(1,993,224)
Balance at the end of the period	12,334,340	388,789,181	570,840,958	(997,480)	(997,480)	569,843,478

(4) Statement of Cash Distributions

Yen

	Previous period from Mar. 1, 2018 to Aug. 31, 2018	Current period from Sep. 1, 2018 to Feb. 28, 2019
I. Retained earnings at end of period	11,804,535,046	12,334,340,732
II. Distributions in excess of retained earnings	2,619,010,800	2,182,509,000
Of which, allowance for temporary difference adjustment	1,322,470,800	1,560,169,800
Of which, other distributions in excess of net income	1,296,540,000	622,339,200
III. Incorporation into unitholders' capital	321,691,082	—
Of which, reversal of allowance for temporary difference adjustments	321,691,082	—
IV. Distributions	13,328,431,200	13,518,590,400
[Distributions per unit]	[3,084]	[3,128]
Of which, distributions of earnings	10,709,420,400	11,336,081,400
[Of which, distributions of earnings per unit]	[2,478]	[2,623]
Of which, allowance for temporary difference adjustments	1,322,470,800	1,560,169,800
[Of which, allowance for temporary difference adjustments per unit]	[306]	[361]
Of which, other distributions in excess of net income	1,296,540,000	622,339,200
[Of which, other distributions in excess of net income per unit]	[300]	[144]
V. Retained earnings carried forward	773,423,564	998,259,332

Calculation method for distributions		
	<p>NMF calculates distributions in accordance with the cash distribution policies as specified in Article 36, paragraphs 1 and 2 of NMF's Articles of Incorporation.</p> <p>For the fiscal period under review, NMF decided to implement ¥13,328,431,200 in distributions, for a distribution per unit of ¥3,084. This figure was calculated as ¥10,709,804,925 in net income plus ¥2,622,242,820 in amortization of goodwill, from which the portion for which per-unit distributions comprising the types of dividends laid out below would be less than ¥1 was excluded.</p> <p>Total distributions comprise distributions of earnings and distributions in excess of net income. Distributions of earnings came to ¥10,709,420,400 (¥2,478 per unit), calculated as income as stipulated in Article 136 Paragraph 1 of the Act on Investment Trusts and Investment Corporations, less reversal of allowance for temporary difference adjustments (hereinafter ATA). Distributions in excess of net income comprise a ¥1,322,470,800 (¥306 per unit) distribution of ATA and ¥1,296,540,000 (¥300 per unit) in other distributions in excess of net earnings.</p>	<p>NMF calculates distributions in accordance with the cash distribution policies as specified in Article 36, paragraphs 1 and 2 of NMF's Articles of Incorporation.</p> <p>For the fiscal period under review, NMF decided to implement a total of ¥13,518,590,400 in distributions (¥3,128 per unit). This figure was arrived at by excluding the portion for which per-unit distribution comprising the types of dividends laid out below would be less than ¥1 from ¥13,520,782,822, the amount calculated by adding to ¥11,560,917,168 in net income after taxes ¥2,622,242,820 in amortization of goodwill, subtracting ¥685,596,431 in gain on sales of real estate, and adding ¥23,219,265 in loss on sale of real estate.</p> <p>Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, Paragraph 1 of the Investment Trusts Act came to ¥11,336,081,400 (¥2,623 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,560,169,800 (¥361 per investment unit) as allowance for temporary difference adjustment and ¥622,339,200</p>

		(¥144 per investment unit) in other distribution in excess of net income.
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(5) Statement of Cash Flows

Thousands of Yen

	Previous period from Mar. 1, 2018 to Aug. 31, 2018	Current period from Sep. 1, 2018 to Feb. 28, 2019
Cash flows from operating activities		
Income before income taxes	10,711,980	11,561,841
Depreciation	4,904,202	4,913,913
Amortization of goodwill	2,622,242	2,622,242
Investment units issuance costs	19,231	75,287
Amortization of investment corporation bond issuance	2,951	3,160
Increase (decrease) in provision for loss on disaster	17,922	25,557
Interest income	(571)	(378)
Interest expenses	2,090,118	2,055,360
Loss on disposal of property and equipment	11,491	2,352
Decrease (increase) in rental receivables	(162,508)	59,436
Decrease (increase) in prepaid expenses	(53,500)	12,308
Decrease (increase) in consumption taxes receivable	(206,657)	206,657
Decrease (increase) in long-term prepaid expenses	(182,905)	(39,163)
Decrease (increase) in long-term deposits	9,460	34,880
Increase (decrease) in trade accounts payable	335,536	(601,578)
Increase (decrease) in other accounts payable	(5,783)	52,250
Increase (decrease) in accrued consumption taxes	(223,118)	990,633
Increase (decrease) in accrued expenses	(830)	55,198
Increase (decrease) in rent received in advance	172,716	(33,203)
Decrease in property and equipment in trust due to sales	—	4,574,369
Other	(294,876)	(126,968)
Subtotal	19,767,104	26,444,158
Interest received	571	378
Interest paid	(2,196,550)	(2,186,260)
Income taxes paid	(605)	(2,174)
Net cash provided by (used in) operating activities	17,570,519	24,256,101
Cash flows from investing activities		
Payments for purchase of property and equipment	(34,624,878)	(6,388,479)
Payments for purchase of property and equipment in trust	(2,817,160)	(5,379,780)
Payments for purchase of intangible assets in trust	(6,913)	(5,698)
Reimbursement of security deposits to tenants	(373,009)	(185,061)
Proceeds from security deposits from tenants	1,283,082	194,912
Reimbursement of security deposits to tenants in trust	(494,332)	(948,038)
Proceeds from security deposits from tenants in trust	903,878	1,495,121
Payments for security deposits	(648)	—
Proceeds from security deposits	210	—
Net cash provided by (used in) investing activities	(36,129,771)	(11,217,024)
Cash flows from financing activities		
Proceeds from short-term debt	2,500,000	—
Repayment of short-term debt	(2,000,000)	—
Proceeds from long-term debt	38,855,000	28,375,000
Repayment of long-term debt	(29,897,800)	(28,417,800)
Proceeds from issuance of investment corporation bonds	1,500,000	—
Payments for issuance of investment corporation bonds	(25,147)	—
Proceeds from issuance of investment corporation bonds	18,460,443	—
Payments of investment corporation bonds issuance costs	(61,693)	(7,400)

Distributions of earnings to unitholders	(10,982,284)	(10,715,350)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(1,188,092)	(1,322,360)
Other distributions in excess of net earnings	(581,282)	(1,295,252)
Net cash provided by (used in) financing activities	<u>16,579,143</u>	<u>(13,383,164)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,980,108)</u>	<u>(344,086)</u>
Cash and cash equivalents at beginning of period	<u>76,536,938</u>	<u>74,556,830</u>
Cash and cash equivalents at end of period	<u>74,556,830</u>	<u>74,212,743</u>

(6) Notes Concerning the Going Concern Assumption

Not applicable.

(7) Notes Concerning Significant Accounting Policies

<p>1. Depreciation of noncurrent assets</p>	<p>(1) Property and equipment (including trust assets)                  The straight-line method is adopted.                  The useful lives of major property and equipment are as follows:                  Buildings 3–70 years                  Structures 2–45 years                  Machinery 2–15 years                  Tools, furniture and fixtures 2–20 years</p> <p>(2) Intangible assets                  The straight-line method is adopted.                  Goodwill is amortized using straight-line method over 20 years.</p> <p>(3) Long-term prepaid expenses                  The straight-line method is adopted.</p>
<p>2. Accounting method for deferred assets</p>	<p>(1) Deferred investment corporation bond issuance costs                  The straight-line method over the respective terms of the bonds.</p> <p>(2) Investment units issuance costs                  The entire amount is expensed as incurred.</p>
<p>3. Allowance for doubtful accounts</p>	<p>(1) To be ready for possible losses arising from defaults on receivables, the uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on case-by-case examinations for doubtful receivables.</p> <p>(2) Provision for loss on disaster                  The amount that is reasonably estimated at the end of the fiscal period under review is recorded to cover expenditures for restoration etc. following Typhoon Trami in 2018.</p>
<p>4. Revenue and expenses recognition</p>	<p>Accounting for fixed asset tax, etc.                  Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held by NMF, the method of charging the amount corresponding to the concerned fiscal period to expenses as real estate rental expenses is adopted.                  The amount equivalent to fixed asset tax, etc. for the fiscal year in which the acquisition date falls paid to the seller as reimbursement upon acquisition of real estate or trust beneficiary interests in real estate is included in the cost of acquisition of the concerned real estate and not recorded as expenses. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. was ¥116,332 thousand in the previous fiscal period, and ¥2,052 thousand in the current fiscal period.</p>
<p>5. Hedge accounting</p>	<p>(1) Method of hedge accounting                  Deferred hedge accounting is adopted. For interest-rate swap transactions that meet the requirements for special treatment, special treatment is adopted.</p> <p>(2) Hedging instruments and hedged items                  Hedging instruments                  Interest-rate swap transactions                  Hedged items                  Interest on loans</p> <p>(3) Hedging policy                  NMF conducts derivative transactions for the purpose of hedging risks prescribed in the Articles of Incorporation in accordance with the Basic Policy on Risk Management.</p> <p>(4) Method for assessing effectiveness of hedging                  The effectiveness of hedging is assessed by the correlation between changes in the fair value of hedging instruments and hedged items.</p>

6. Other important bases for preparing financial statements	<p>① Method of accounting for trust beneficiary interests in real estate, etc. Concerning trust beneficiary interests in real estate, etc., held by NMF, all assets and liabilities within the trust assets as well as all revenues and expenses generated by the trust assets are recorded under the corresponding items of the Balance Sheet and Statement of Income and Retained Earnings. Of the trust assets thus recorded, the following major items are listed as separate items on the balance sheet.</p> <p>(1) Cash and bank deposits in trust (2) Buildings in trust; Structures in trust; Machinery in trust; Tools, furniture and fixtures in trust; Land in trust; Leased assets in trust (3) Leasehold rights in trust (4) Lease obligations in trust (5) Security deposits from tenants in trust</p> <p>② Method of accounting for consumption tax, etc. Consumption tax and local consumption tax is accounted for using the tax-excluded method. However, non-deductible consumption tax, etc., on such items as noncurrent assets is included in the acquisition costs of individual items.</p>
7. Cash and cash equivalents as stated in the Statement of Cash Flows	Cash and cash equivalents in the statement of cash flows consist of cash on hand and cash in trust; deposits and deposits in trust that can be withdrawn at any time; and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and bear only an insignificant risk of price fluctuation.

(Additional Information)

(Notes Concerning Increases in and the Reversal of Allowance for Temporary Difference Adjustments)

Previous period from Mar. 1, 2018 to Aug. 31, 2018			Current period from Sep. 1, 2018 to Feb. 28, 2019		
1. Reasons, related assets and amounts of allowance Thousands of Yen			1. Reasons, related assets and amounts of allowance Thousands of Yen		
Related assets, etc.	Reason	Allowance for temporary difference adjustment	Related assets, etc.	Reason	Allowance for temporary difference adjustment
Goodwill	Amortization of goodwill	2,622,242	Goodwill	Amortization of goodwill	2,622,242
Long-term deposits	Shortfall of reserve for repair	1,613	Long-term deposits	Shortfall of reserve for repair	8,015
Subtotal		2,623,856	Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	225,710
Buildings, facilities, etc.	Depreciation deficiency equivalent	(1,142,482)	Subtotal		2,855,968
Unearned revenue	Write-down of loss on interest rate swap due to merger	(137,860)	Buildings, facilities, etc.	Depreciation deficiency equivalent	(657,016)
other	—	(21,042)	Unearned revenue	Write-down of loss on interest rate swap due to merger	(124,655)
Subtotal		(1,301,385)	Land	Cost of sales of land	(494,720)
Total		1,322,470	other	—	(19,406)
			Subtotal		(1,295,799)
			Total		1,560,169

2. Reasons, related assets and amounts of reversals Thousands of Yen			2. Reasons, related assets and amounts of reversals Thousands of Yen																										
Related assets, etc.	Reason	Allowance for temporary difference adjustment	Related assets, etc.	Reason	Allowance for temporary difference adjustment																								
Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	— (*)	Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	— (*)																								
Deferred gains or losses on hedges	Changes in fair value of derivatives	(321,691)																											
Total		(321,691)	Total		—																								
<p>(*) The amount of reversal during current period (¥5,754 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.</p>			<p>(*) The amount of reversal during current period (¥12,910 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.</p>																										
<p>3. Method of reversal</p> <p>(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.</p> <p>(2) Merger expenses</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Method of reversal</th> </tr> </thead> <tbody> <tr> <td>Buildings, etc.</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land</td> <td>Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Buildings, etc., in trust</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land in trust</td> <td rowspan="3">Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Leasehold rights</td> </tr> <tr> <td>Leasehold rights in trust</td> </tr> </tbody> </table> <p>(3) Long-term deposits In principle, long-term deposits are not reversed.</p> <p>(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.</p>			Item	Method of reversal	Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Leasehold rights	Leasehold rights in trust	<p>3. Method of reversal</p> <p>(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.</p> <p>(2) Merger expenses</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Method of reversal</th> </tr> </thead> <tbody> <tr> <td>Buildings, etc.</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land</td> <td>Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Buildings, etc., in trust</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land in trust</td> <td rowspan="3">Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Leasehold rights</td> </tr> <tr> <td>Leasehold rights in trust</td> </tr> </tbody> </table> <p>(3) Long-term deposits In principle, long-term deposits are not reversed.</p> <p>(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.</p>			Item	Method of reversal	Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Leasehold rights	Leasehold rights in trust
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(8) Notes to Financial Statements

(Notes to Balance Sheet)

\*1. Commitment line agreement

- ① NMF has concluded a commitment line agreement with two lending financial institutions for both previous period and current period as follows.

	Thousands of Yen	
	Previous period (Aug. 31, 2018)	Current period (Feb. 28, 2019)
Committed line of credit	10,000,000	10,000,000
Balance of used line	—	—
Balance of unused line	10,000,000	10,000,000

- ② NMF has concluded a commitment line agreement with four lending financial institutions for previous period and with four lending financial institutions for current period as follows.

	Thousands of Yen	
	Previous period (Aug. 31, 2018)	Current period (Feb. 28, 2019)
Committed line of credit	40,000,000	40,000,000
Balance of used line	500,000	500,000
Balance of unused line	39,500,000	39,500,000

\*2. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	Thousands of Yen	
	Previous period (Aug. 31, 2018)	Current period (Feb. 28, 2019)
	50,000	50,000

\*3. Asset offered as collateral and liabilities secured with collateral

	Thousands of Yen		
	Previous period (Aug. 31, 2018)	Current period (Feb. 28, 2019)	
Assets offered as collateral are as follows.		Assets offered as collateral are as follows.	
Buildings in trust	3,294,755	Buildings in trust	3,324,031
Land in trust	6,096,368	Land in trust	6,096,368
Tools, furniture and fixtures in trust	185	Structures in trust	2,634
Total	9,391,308	Tools, furniture and fixtures in trust	164
		Total	9,423,198
Liabilities secured by collateral are as follows.		Liabilities secured by collateral are as follows.	
Security deposits from tenants in trust	726,648	Security deposits from tenants in trust	726,648
Total	726,648	Total	726,648

\*4. Allowance for temporary difference adjustments

Previous period (from March 1, 2018 to August 31, 2018)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the beginning of current period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	6,866,883	4,244,640	1,188,008	—	5,432,649	—
Land, buildings, etc.	Merger expenses	4,029,135	1,399,852	—	(47,295)	1,352,557	Sale and depreciation of properties for which merger expenses were recorded
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	1,524,682	—	(431,221)	1,093,460	Changes in fair value of derivative transactions
Increase – subtotal		—	7,169,175	1,188,008	(478,516)	7,878,667	—
Total		—	7,169,175	1,188,008	(478,516)	7,878,667	—

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

Item	Method of reversal
Buildings, etc.	Upon depreciation and sale, the corresponding amount is scheduled to be reversed.
Land	Upon sale, the corresponding amount is scheduled to be reversed.
Buildings in trust, etc.	Upon depreciation and sale, the corresponding amount is scheduled to be reversed.
Land in trust	Upon sale, the corresponding amount is scheduled to be reversed.
Leasehold rights	
Leasehold rights in trust	

(3) Deferred gains or losses on hedges

Based on changes in the fair value of derivatives used as hedging instruments, the corresponding amount is scheduled to be reversed.

Current period (from September 1, 2018 to February 28, 2019)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the beginning of current period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	9,489,126	5,432,649	1,328,225	—	6,760,875	—
Land, buildings, etc.	Merger expenses	4,029,135	1,352,557	(5,754)	—	1,346,802	—
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	1,093,460	—	(321,691)	771,769	Changes in fair value of derivative transactions
Increase – subtotal		—	7,878,667	1,322,470	(321,691)	8,879,447	—
Total		—	7,878,667	1,322,470	(321,691)	8,879,447	—

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

Item	Method of reversal
Buildings, etc.	Upon depreciation and sale, the corresponding amount is scheduled to be reversed.
Land	Upon sale, the corresponding amount is scheduled to be reversed.
Buildings in trust, etc.	Upon depreciation and sale, the corresponding amount is scheduled to be reversed.
Land in trust	Upon sale, the corresponding amount is scheduled to be reversed.
Leasehold rights	
Leasehold rights in trust	

(3) Deferred gains or losses on hedges

Based on changes in the fair value of derivatives used as hedging instruments, the corresponding amount is scheduled to be reversed.

(Notes to Statement of Income and Retained Earnings)

\*1. Breakdown of real estate rental revenues and expenses

	Thousands of Yen			
	Previous period from Mar. 1, 2018 to Aug. 31, 2018		Current period from Sep. 1, 2018 to Feb. 28, 2019	
A. Property related revenues				
Rental revenues				
Rent revenues	29,254,971		29,453,615	
Common area charges	2,440,930	31,695,901	2,431,928	31,885,544
Other rental revenues				
Parking revenues	588,545		595,154	
Incidental income	2,376,113		2,189,215	
Other miscellaneous revenues	71,308	3,035,967	73,003	2,857,373
Property related revenues		34,731,869		34,742,917
B. Property related expenses				
Real estate rental expenses				
Property management costs	1,604,399		1,626,785	
Property management fees	980,132		904,698	
Property and other taxes	2,846,279		2,831,124	
Utility expenses	1,882,466		1,774,192	
Casualty insurance	43,614		41,641	
Repairs and maintenance	1,555,208		1,515,609	
Land rents	215,680		217,806	
Depreciation	4,901,925		4,911,636	
Other rental expenses	1,128,627	15,158,332	1,154,020	14,977,514
Property related expenses		15,158,332		14,977,514
C. Real estate rental profits [A – B]		19,573,536		19,765,403

\*2. Breakdown of gain on sale of real estate

Previous period (from March 1, 2018 to August 31, 2018)

Not applicable.

Current period (from September 1, 2018 to February 28, 2019)

		Thousands of Yen
PRIME URBAN Esaka I		
Proceeds from sales of real estate	729,000	
Cost of sales of real estate	612,553	
Other related sales expenses	15,182	
Gain on sales of real estate		<u>101,263</u>
PRIME URBAN Esaka II		
Proceeds from sales of real estate	910,000	
Cost of sales of real estate	743,930	
Other related sales expenses	18,908	
Gain on sales of real estate		<u>147,160</u>
PRIME URBAN Esaka III		
Proceeds from sales of real estate	1,334,000	
Cost of sales of real estate	1,095,159	
Other related sales expenses	27,513	
Gain on sales of real estate		<u>211,327</u>
PRIME URBAN Tamatsukuri		
Proceeds from sales of real estate	1,206,000	
Cost of sales of real estate	955,449	
Other related sales expenses	24,705	
Gain on sales of real estate		<u>225,844</u>

\*3. Breakdown of gain on loss of real estate

Previous period (from March 1, 2018 to August 31, 2018)

Not applicable.

Current period (from September 1, 2018 to February 28, 2019)

		Thousands of Yen
PRIME URBAN Chikusa		
Proceeds from sales of real estate	1,168,000	
Cost of sales of real estate	1,167,276	
Other related sales expenses	23,942	
Loss on sales of real estate		<u>23,219</u>

\*4. Breakdown of Extraordinary Gain

Previous period (from March 1, 2018 to August 31, 2018)

Not applicable.

Current period (from September 1, 2018 to February 28, 2019)

The insurance amount of ¥139,976 thousand related to the assets damaged by the Typhoons Jebi and Trami in 2018 was offset by the loss amount of ¥86,678 thousand. Therefore, the amount of ¥53,297 thousand is recorded as insurance income.

(Notes on Investment and Rental Properties)

NMF owns leasable offices, leasable retail facilities, leasable logistics facilities, leasable residential facilities and leasable hotels, etc. (including land) in Greater Tokyo area and other areas for the purpose of earning revenue from leasing.

The following are the carrying amount, amount of increase (decrease) during the fiscal period and fair value of these investment and rental properties at the end of the fiscal period.

	Thousands of Yen	
	Previous period from Mar. 1, 2018 to Aug. 31, 2018	Current period from Sep. 1, 2018 to Feb. 28, 2019
Carrying amount		
Balance at beginning of period	914,834,180	947,449,625
Amount of increase (decrease) during period	32,615,444	2,417,578
Balance at end of period	947,449,625	949,867,203
Fair value at end of period	1,041,183,000	1,056,994,000

(Note 1) Carrying amount is the cost of acquisition less accumulated depreciation.

(Note 2) Of the change in investment and rental properties, the increase during the previous period is mainly attributable to the acquisition of Landport Hachioji II (¥9,365,947 thousand), Landport Iwatsuki (¥6,176,597 thousand), Hotel Vista Sapporo Odori (¥3,784,521 thousand), PMO Nihonbashi Mitsukoshi-mae (¥4,374,216 thousand), PMO Shibadaimon (¥2,160,398 thousand), PROUD FLAT Sangenjaya II (¥2,836,531 thousand), PROUD FLAT Sotokanda (¥2,384,706 thousand), PROUD FLAT Noborito (¥1,278,507 thousand), PROUD FLAT Yoyogi Hachiman (¥1,005,747 thousand) and PROUD FLAT Nakaochiai (¥880,458 thousand). The decrease during the previous period is mainly attributable to the depreciation expenses (¥4,897,379 thousand). The increase during the current period is mainly attributable to the acquisition of NMF Kobe Myodani Building (¥3,604,747 thousand), Serenite Shinsaibashi Grande (¥5,832,185 thousand). The decrease during the current period is mainly attributable to the sale of PRIME URBAN Esaka I (¥612,553 thousand), PRIME URBAN Esaka II (¥743,930 thousand), PRIME URBAN Esaka III (¥1,095,159 thousand), PRIME URBAN Tamatsukuri (¥955,449 thousand) and PRIME URBAN Chikusa (¥1,167,276 thousand) as well as depreciation expenses (¥4,906,599 thousand).

(Note 3) Fair value at the end of the period is the appraisal value or investigation value determined by investigation, found by an outside real estate appraiser.

The income (loss) in the previous period (from March 1, 2018 to August 31, 2018) and current period (from September 1, 2018 to February 28, 2019) for investment and rental properties is as presented in “Notes to Statement of Income and Retained Earnings” earlier in this report.

(Notes on Per Unit Information)

	Yen	
	Previous period from Mar. 1, 2018 to Aug. 31, 2018	Current period from Sep. 1, 2018 to Feb. 28, 2019
Net assets per unit	132,314	131,853
Net income per unit	2,478	2,675

(Note 1) Net income per unit is calculated by dividing net income by the average number of investment units during the period.  
 In addition, the diluted net income per unit is not stated, since there are no dilutive investment units.

(Note 2) The following is the basis for calculation of net income per unit.

	Previous period from Mar. 1, 2018 to Aug. 31, 2018	Current period from Sep. 1, 2018 to Feb. 28, 2019
Net income (Thousands of Yen)	10,709,804	11,560,917
Amount not attributable to ordinary unitholders (Thousands of Yen)	—	—
Net income attributable to ordinary investment units (Thousands of Yen)	10,709,804	11,560,917
Average number of investment units during period (Units)	4,321,111	4,321,800

(Notes on Significant Subsequent Events)

1. Issuance of New Investment Units

At the Board of Directors meetings held on February 7, 2019 and February 18, 2019, NMF resolved to issue new investment units, as shown below. Payments for new investment units issued via a public offering concluded on March 1, 2019, and payments for new investment units issued via third-party allocation concluded on March 26, 2019. As a result, unitholders' capital stands at ¥214,855,487 thousand, and the total number of investment units issued and outstanding is 4,547,300.

Issuance of New Investment Units through Public Offering (Primary Offering)

Number of units offered	214,760 units
Issue price (offer price)	¥150,223 per unit
Total issue price (total offer price)	¥32,261,891,480
Amount to be paid (issue value)	¥145,471 per unit
Total amount to be paid (total issue value)	¥31,241,351,960
Payment date	March 1, 2019

Issuance of New Investment Units through Third-Party Allotment (Third-Party Allotment)

Number of investment units offered	10,740 units
Amount to be paid (issue value)	¥145,471 per unit
Total amount to be paid (total issue value)	¥1,562,358,540
Payment date	March 26, 2019
Allottee	Nomura Securities Co., Ltd.

Use of proceeds

The proceeds obtained from the Primary Offering were used as partial funds for the acquisition of the 10 properties acquired on March 1, 2019 and April 1, 2019; and the proceeds obtained from the Third-party Allotment were used to repay loans taken out to fund part of the acquisition of the 10 properties.

[Disclosure Omissions]

A disclosure of notes concerning Statement of Changes in Net Assets, Statement of Cash Flows, Lease Transactions, Financial Instruments, Securities, Derivative Transactions, Retirement Benefit Plans, Tax Effect Accounting, Equity Method Income and Retained Earnings, etc., Transactions with Related Parties, Asset Retirement Obligations and Segment Information is omitted because such disclosure in this summary of financial results is judged to be unnecessary.

(9) Increase (Decrease) in Total Number of Investment Units Issued and Outstanding

The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the current fiscal period (February 28, 2019).

Date	Description	Total number of investment units issued and outstanding (Units)		Unitholders' capital (Millions of Yen) (Note 1)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
October 1, 2015	Consolidation type merger	3,722,010	3,722,010	161,120	161,120	(Note 2)
September 1, 2016	Absorption type merger	461,120	4,183,130	—	161,120	(Note 3)
October 14, 2016	Reversal of Allowance for temporary difference adjustments	—	4,183,130	763	161,883	(Note 4)
April 14, 2017	Reversal of Allowance for temporary difference adjustments	—	4,183,130	708	162,592	(Note 4)
October 13, 2017	Reversal of Allowance for temporary difference adjustments	—	4,183,130	198	162,791	(Note 4)
March 1, 2018	Public offering	132,000	4,315,130	17,572	180,363	(Note 5)
March 20, 2018	Third party allotment increase	6,670	4,321,800	887	181,251	(Note 6)
April 13, 2018	Reversal of Allowance for temporary difference adjustments	—	4,321,800	478	181,730	(Note 4)
October 15, 2018	Reversal of Allowance for temporary difference adjustments	—	4,321,800	321	182,051	(Note 4)

(Note 1) Figures have been truncated at the nearest million yen.

(Note 2) NMF was established through the consolidation type merger of the former Nomura Master Fund (hereinafter "former NMF"), Nomura Office Fund (hereinafter "NOF") and Nomura Residential Fund (hereinafter "NRF") on October 1, 2015 (hereinafter "the Merger of the Three REITs"). Upon its establishment, NMF allotted 1 NMF unit per former 1.00 NMF unit, 3.60 NMF units per 1.00 NOF unit and 4.45 NMF units per 1.00 NRF unit.

(Note 3) On September 1, 2016, as part of the absorption type merger, with NMF as the surviving corporation and TOP REIT, Inc. (hereinafter "TOP") as the absorbed corporation (hereinafter "the Absorption Type Merger with TOP"), NMF issued 2.62 NMF units per 1.00 TOP unit, resulting in the issue of 461,120 new units. There was no change in the total amount of unitholders' capital due to this absorption type of merger.

(Note 4) NMF's Board of Directors resolved to reverse the allowance for temporary difference adjustments and incorporate the amounts of said reversals into unitholders' capital at the Board of Directors meeting on each said date.

(Note 5) NMF issued new investment units through public offering at an issue price of ¥137,474 per unit (issue value: ¥133,125 per unit) for the purpose of procuring funds to acquire new properties.

(Note 6) NMF issued new investment units through third-party allotment at an issue value of ¥133,125 per unit together with the issuance of new investment units through public offering.

#### 4. Changes in Directors

##### (1) Changes in NMF Directors

Timely disclosure of changes in directors is made when the relevant details are determined.

During the 7th fiscal period, there was no change in directors. However, at the second General Meeting of Unitholders, scheduled for May 23, 2019, NMF plans to propose the election of one executive director and three supervisory directors. For more details, please refer to the press release “Notice Concerning Amendment of the Article of Incorporation and Election of Directors” announced on April 12, 2019.

##### (2) Changes in Asset Management Company Directors

Timely disclosure of changes in directors is made when the relevant details are determined. After the end of the 7th fiscal period (February 28, 2019), there were some changes in directors as shown below. For more details, please refer to the press releases “Notice Concerning Changes of Director and Important Employees in Asset Management Company” announced on March 1, 2019, “Notice Concerning Changes of Director in Asset Management Company” announced on March 5, 2019 and “Notice Concerning Changes of Director and Important Employee in Asset Management Company” announced on March 15, 2019.

##### Appointments (as of April 1, 2019)

Name	Title (New)	Title (Former)
Hiroyuki Kimura	Representative Director, Vice President and Executive Officer in charge of the Product Development Department, Research & Analysis Department, Investment Management Planning Department, NMF Investment Management Group, NPR Investment Management Department, and Chief Strategy Officer	(New appointment)
Koki Miura	Representative Director, Vice President and Executive Officer in charge of the Corporate Planning Development and Finance & Accounting Department	(New appointment)

##### Resignations (as of March 31, 2019)

Name	Title (New)	Title (Former)
Masato Yamauchi	(Resignation)	Representative Director and Senior Management Executive Officer, Supervisor of the Product Development Department, NMF Investment Management Group, NPR Investment Management Department, in charge of the Research & Analysis Department, Acquisitions Department and Investment Management Planning Department, and Chief Strategy Officer
Ken Okada	(Resignation)	Director and Managing Executive Officer, Head of the NMF Investment Management Group

Other changes (as of April 1, 2019)

Name	Title (New)	Title (Former)
Fumiki Kondo	Representative Director and Senior Managing Executive Officer in charge of the International Business Planning Department and Investment Management Department	Representative Director and Senior Managing Executive Officer Supervisor of the International Business Planning Section, Client Relations & Marketing Department and the Investment Management Department in charge of the Corporate Planning Department and the Finance & Accounting Department
Daisuke Kimura	Managing Executive Officer in charge of the international affairs	Director and Managing Executive Officer in charge of the International Business Planning Section and Investment Management Department
Noriaki Ido	Director and Managing Executive Officer in charge of the Acquisitions Department, and Head of Client Relations & Marketing Department	Director and Managing Executive Officer in charge of the Client Relations & Marketing Department, Product Development Department and NPR Investment Management Department

## 5. Reference Information

### (1) Investment Status

Type of asset	Use	Area (Note 1)	6th fiscal period As of August 31, 2018		7th fiscal period As of February 28, 2019		
			Total amount held (Millions of Yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)	Total amount held (Millions of Yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)	
Real estate	Office properties	Greater Tokyo area	107,074	9.6□	106,886	9.6□	
		Other areas	21,458	1.9□	21,375	1.9□	
		Subtotal	128,532	11.5□	128,261	11.5□	
	Retail properties	Greater Tokyo area	20,316	1.8□	20,230	1.8□	
		Other areas	12,161	1.1□	12,150	1.1□	
		Subtotal	32,478	2.9□	32,381	2.9□	
	Logistics properties	Greater Tokyo area	36,193	3.2□	36,055	3.2□	
		Subtotal	36,193	3.2□	36,055	3.2□	
	Residential properties	Greater Tokyo area	134,093	12.0□	133,499	11.9□	
		Other areas	30,673	2.7□	31,583	2.8□	
		Subtotal	164,766	14.7□	165,082	14.8□	
	Hotel properties	Other areas	3,774	0.3□	3,758	0.3□	
		Subtotal	3,774	0.3□	3,758	0.3□	
	Other properties	Greater Tokyo area	5,136	0.5	5,136	0.5□	
Subtotal		5,136	0.5	5,136	0.5□		
Real estate in trust	Office properties	Greater Tokyo area	258,058	23.1□	258,125	23.1□	
		Other areas	51,009	4.6□	51,237	4.6□	
		Subtotal	309,067	27.6□	309,362	27.7□	
	Retail properties	Greater Tokyo area	80,879	7.2□	80,717	7.2□	
		Other areas	46,925	4.2□	50,316	4.5□	
		Subtotal	127,804	11.4□	131,033	11.7□	
	Logistics properties	Greater Tokyo area	114,154	10.2□	113,346	10.1□	
		Other areas	3,408	0.3□	3,385	0.3□	
		Subtotal	117,563	10.5□	116,732	10.4□	
	Residential properties	Greater Tokyo area	22,131	2.0□	22,063	2.0□	
		Subtotal	22,131	2.0□	22,063	2.0□	
	Subtotal			947,449	84.7	949,867	85.0□
	Deposits and other assets			171,195	15.3□	167,984	15.0□
	Total amount of assets			1,118,644	100.0□	1,117,851	100.0□

	6th fiscal period As of August 31, 2018		7th fiscal period As of February 28, 2019	
	Amount (Millions of Yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)	Amount (Millions of Yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)
Total amount of liabilities	546,808	48.9	548,007	49.0
Total amount of net assets	571,836	51.1	569,843	51.0

(Note 1) “Greater Tokyo area” refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Other areas” refers to cabinet-order-designated cities, prefectural capitals, and cities with a population of 100,000 persons or more as well as surrounding areas of these cities that are not included in the Greater Tokyo area. The same shall apply hereinafter.

(Note 2) Total amount held is the carrying amount (in the case of real estate and real estate in trust, the sum total amount of book value, after depreciation).

(Note 3) The figures are rounded off to first decimal place. Accordingly, the sum may not be exactly 100.0%.

(Note 4) Total amount of liabilities and total amount of net assets are the amounts as stated in the balance sheet as total liabilities and total net assets.

(2) Investment Assets

① Major Investment Securities

Not applicable.

② Investment Real Estate Properties

Real estate is listed together with beneficial interests in real estate trusts in ③ Other Major Investment Assets, below.

③ Other Major Investment Assets

The following summarizes the real estate, etc. (278 properties) held as of February 28, 2019 (the end of the 7th fiscal period) by NMF (this real estate and the beneficiary interests of trusts in which real estate properties are the principal trust properties or the real estate that constitutes the underlying assets thereof are hereinafter referred to as the “assets held at the end of the 7th fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of February 28, 2019.

A. Overview of Portfolio and Leasing Status and Changes in Occupancy Rate

(a) Overview of Portfolio and Leasing Status

The following is an overview of the portfolio and leasing status for the assets held at the end of the 7th fiscal period.

Number of properties	278
Gross leasable area (m <sup>2</sup> ) <sup>(Note 1)</sup>	1,878,805.81
Gross leased area (m <sup>2</sup> ) <sup>(Note 2)</sup>	1,865,794.52
Total number of tenants <sup>(Note 3)</sup>	1,297
Total of all contracted rent (Thousands of Yen) <sup>(Note 4)</sup>	5,322,680

(Note 1) The sum total of the “leasable area” of each of the assets held at the end of the 7th fiscal period. “Leasable area” is the sum total area of office buildings, retail facilities, logistics facilities, residential facilities, or hotels etc. leasable in each asset (including the area of common-use space, etc., if leased). Leasable area is calculated based not on that presented in the registry, but the area stated in the lease contract and the area calculated based on building completion drawings, etc. Accordingly, the leasable area may not be the same as the floor area based on that presented in the registry and may exceed the floor area. In the case of land with leasehold right, the land area based on that presented in the registry is used as contracted area. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square the leasable area is the area calculated by multiplying the building’s overall leasable area by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, since the rent under the master lease agreement is calculated as the building’s overall rent multiplied by the ownership ratio of the common areas, the leasable area is calculated as the building’s overall leasable area multiplied by the ownership ratio of the common areas. Land with leasehold interest indicates the land area in the registry as contracted space.

(Note 2) The sum total of “leased area” of each of the assets held at the end of the 7th fiscal period. “Leased area” is the area that is actually leased to an end-tenant (The area stated in the lease contract; provided, however, that such be limited to the area of office properties, retail properties, logistics properties, residential properties, or hotel properties etc. (if all rental units are collectively leased, then the area of the entire rental units) and not include the leased area of parking space, etc. However, if the master lessee has a rent-guaranteed master lease for some or all rental units, the space is included in leased area regardless of whether or not there is a lease agreement with an end-tenant.) in each asset. In the case of land with leasehold right, the leased area of the land is shown. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square the leased area is the area calculated by multiplying the building’s overall leased area by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, since the rent under the master lease agreement is calculated as the building’s overall rent multiplied by the ownership ratio of the common areas, the leased area is calculated as the building’s overall leased area multiplied by the ownership ratio of the common areas.

(Note 3) The sum total of “total number of tenants” of each of the assets held at the end of the 7th fiscal period. In the calculation of “number of tenants,” when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant (sublessee that is the actual user) for subleasing the rental units, the lessee of the master lease agreement is counted as one tenant. However, in the case of assets with a so-called pass-through master lease agreement, where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, the total number of end-tenants is shown. In addition, if multiple rental units in a specific asset are leased to a specific tenant, this is counted as one tenant for the asset and, if multiple assets are leased to a specific tenant, these are counted separately and the total of that number of tenants is shown. For residential facilities or residential portions of “other” sector facilities, when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant for subleasing the rental units, the lessee of the master lease agreement is counted as one tenant, and the total number of tenants for the building as whole is shown.

(Note 4) The total amount of “total contracted rent” for February 2019 of each of the assets held at the end of the 7th fiscal period (amounts less than one thousand are truncated). “Total contracted rent” for February 2019 refers to the sum total of monthly rent and common area charges in lease agreements actually concluded with end-tenants that are valid as of the last day of February 2019 (This does not include parking space or other fees stated in parking space lease agreements or other such agreements signed in addition to the tenant lease agreement. If common-use space, etc. is leased based on the lease agreement, the rent for such is included and, if rent includes an amount equivalent to the fee for use of parking space, such amount is included. In addition, if the master lessee has a rent-guaranteed master lease for some or all rental units, the rent for the space is based on the rent, etc., in the lease agreement concluded with the master lessee.). Furthermore, regarding tenants who have been exempt from rent payment for a certain period of time in their agreements, such exemption period is not considered in the table above, and the rent is calculated based on the monthly rent and common area charges payable immediately after the exemption period ends. In addition, the standard level of rent is used for tenants with sales-based rent and for tenants with

variable rent including cases in which a part of rent is variable rent. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square the total contracted rent is calculated by multiplying the building's overall rent revenues by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, the the total contracted rent is calculated as the building's overall rent revenues multiplied by the ratio of the common areas that NMF owns through the trustee.

(b) Changes in Occupancy Rate

The following is the changes in the occupancy rate of real estate under management held by NMF.

	February 29, 2016 (end of 1st fiscal period)	August 31, 2016 (end of 2nd fiscal period)	February 28, 2017 (end of 3rd fiscal period)	August 31, 2017 (end of 4th fiscal period)	February 28, 2018 (end of 5th fiscal period)
Portfolio occupancy rate (at end of fiscal period) (%)	98.9	99.1	99.2	98.4	98.6

	August 31, 2018 (end of 6th fiscal period)	February 28, 2019 (end of 7th fiscal period)
Portfolio occupancy rate (at end of fiscal period) (%)	99.3	99.3

B. Price and Investment Share

The following is an overview of the assets held at the end of the 7th fiscal period (acquisition price, carrying amount, opinion of value at end of period, investment share and appraiser).

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Office	Greater Tokyo area	Shinjuku Nomura Building (Note 5)	43,900	46,437	49,700	4.7	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Tennozu Building	20,500	20,486	22,000	2.1	Daiwa Real Estate Appraisal Co., Ltd.
		Kojimachi Millennium Garden	26,700	26,452	27,800	2.6	Japan Real Estate Institute
		NMF Shinjuku Minamiguchi Building	10,000	10,142	11,900	1.1	Japan Real Estate Institute
		NMF Shibuya Koen-dori Building	10,400	10,447	10,900	1.0	Daiwa Real Estate Appraisal Co., Ltd.
		Secom Medical Building	11,100	10,843	11,600	1.1	Japan Real Estate Institute
		NMF Shiba Building	7,040	7,050	7,280	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		Nishi-Shinjuku Showa Building	8,140	8,138	8,050	0.8	Appraisal Firm A Square Ltd.
		NRE Shibuya Dogenzaka Building	5,310	5,311	5,770	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		Iwamoto-cho Toyo Building	4,050	4,055	4,610	0.4	Japan Real Estate Institute
		NMF Surugadai Building	4,690	4,675	5,560	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Nihonbashi Honcho	4,320	4,162	4,940	0.5	Japan Real Estate Institute
		PMO Nihonbashi Kayabacho	5,010	4,852	5,930	0.6	Japan Real Estate Institute
		NMF Gotanda Ekimae Building	4,430	4,640	5,090	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Higashi-nihonbashi Building	3,570	3,594	3,590	0.3	Japan Real Estate Institute
		PMO Akihabara	4,240	4,081	5,130	0.5	Japan Real Estate Institute
		Hatchobori NF Building	2,480	2,451	2,530	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kanda Iwamoto-cho Building	4,160	4,218	4,230	0.4	Japan Real Estate Institute
		NMF Takanawa Building	2,830	2,824	3,010	0.3	Japan Real Estate Institute
		PMO Hatchobori	2,880	2,760	3,340	0.3	Japan Real Estate Institute
		PMO Nihonbashi Odenmachi	2,210	2,129	2,630	0.2	Japan Real Estate Institute
		PMO Higashi-nihonbashi	1,690	1,606	1,960	0.2	Japan Real Estate Institute
		NRE Ueno Building	6,470	6,511	6,810	0.6	Japan Real Estate Institute
		NF Hongo Building	4,890	4,858	5,070	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		Crystal Park Building	3,390	3,352	3,370	0.3	Appraisal Firm A Square Ltd.
		NMF Kichijoji Honcho Building	1,780	1,857	2,060	0.2	Japan Real Estate Institute
		Faret Tachikawa Center Square	3,850	3,823	4,490	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kawasaki Higashiguchi Building	7,830	7,946	9,300	0.9	Japan Valuers Co., Ltd.
		NMF Yokohama Nishiguchi Building	5,460	5,646	7,100	0.7	Japan Real Estate Institute
		NMF Shin-Yokohama Building	2,620	2,803	3,070	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Tamachi	6,210	6,179	7,310	0.7	Japan Real Estate Institute
		PMO Ginza Hatchome	3,970	3,959	4,690	0.4	Japan Real Estate Institute
PMO Shibakoen	3,900	3,876	4,570	0.4	Japan Real Estate Institute		
NEC Head Office Building (Note 6)	44,100	44,198	45,300	4.3	Daiwa Real Estate Appraisal Co., Ltd.		
Harumi Island Triton Square Office Tower Y	18,200	18,083	18,500	1.8	Daiwa Real Estate Appraisal Co., Ltd.		
NMF Aoyama 1-chome Building	10,400	10,469	12,800	1.2	Japan Real Estate Institute		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Office	Greater Tokyo area	NMF Takebashi Building	8,330	8,287	8,850	0.8	The Tanizawa Sogo Appraisal Co., Ltd.
		Harumi Island Triton Square Office Tower Z	8,180	8,090	8,650	0.8	Daiwa Real Estate Appraisal Co., Ltd.
		NMF Kayabacho Building	6,070	6,110	7,020	0.7	Japan Real Estate Institute
		NMF Shinjuku EAST Building	5,710	5,680	6,210	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Shiba-Koen Building	3,620	3,777	4,020	0.4	Japan Real Estate Institute
		NMF Ginza 4-chome Building	1,850	1,883	2,060	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Faret East Building	1,850	1,863	2,010	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Shinnihonbashi	4,440	4,446	4,920	0.5	Japan Real Estate Institute
		PMO Hirakawacho	3,410	3,423	3,750	0.4	Japan Real Estate Institute
		PMO Nihonbashi Mitsukoshi-mae	4,310	4,362	4,780	0.5	Japan Real Estate Institute
		PMO Shibadaimon	2,130	2,154	2,310	0.2	Japan Real Estate Institute
	Other areas	Sapporo North Plaza	6,250	6,315	7,600	0.7	Japan Real Estate Institute
		NRE Sapporo Building	4,140	3,845	4,910	0.5	Japan Real Estate Institute
		NMF Sendai Aoba-dori Building	2,030	2,203	2,510	0.2	JLL Mori Valuation & Advisory K.K.
		NMF Utsunomiya Building	2,320	2,543	2,380	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Nagoya Fushimi Building	2,240	2,089	2,420	0.2	Japan Real Estate Institute
		NMF Nagoya Yanagibashi Building	2,280	2,345	2,190	0.2	Japan Valuers Co., Ltd.
		Omron Kyoto Center Building	18,300	18,053	18,600	1.8	Japan Real Estate Institute
		SORA Shin-Osaka 21	12,100	11,943	12,300	1.2	Japan Valuers Co., Ltd.
		NRE Osaka Building	6,100	7,141	6,390	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Nishi-Umeda Building	3,450	3,496	3,670	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Yotsubashi Building	4,000	4,065	4,270	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Hiroshima Building	2,280	2,281	2,690	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Hakata Ekimae Building	4,210	4,170	5,200	0.5	Japan Real Estate Institute
		NMF Tenjin-Minami Building	2,230	2,115	2,370	0.2	Japan Real Estate Institute
		Office subtotal			434,550	437,624	474,070
Retail	Greater Tokyo area	Yokosuka More's City	13,640	13,814	15,900	1.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,478	11,100	1.1	Japan Valuers Co., Ltd.
		Kawasaki More's	6,080	6,819	8,750	0.8	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,307	4,950	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINA Ikebukuro	3,990	4,051	4,480	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		covirna machida	3,440	3,792	4,280	0.4	Japan Real Estate Institute
		Nitori Makuhari	3,080	2,791	3,890	0.4	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,574	3,350	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,332	3,380	0.3	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,412	2,650	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Sundai Azamino	1,700	1,539	2,040	0.2	Japan Real Estate Institute
		EQUINIA Aobadai	1,560	1,606	2,050	0.2	Japan Real Estate Institute
		Megalos Kanagawa	1,000	965	1,510	0.1	Japan Real Estate Institute

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Greater Tokyo area	Mitsubishi Motors Meguro (Land)	2,740	2,764	3,250	0.3	Japan Real Estate Institute
		Mitsubishi Motors Chofu (Land)	1,760	1,776	1,760	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima (Land)	1,240	1,251	1,400	0.1	Japan Real Estate Institute
		Mitsubishi Motors Kawasaki (Land)	950	959	1,220	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Takaido (Land)	850	859	880	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika (Land)	800	808	885	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume (Land)	800	808	889	0.1	Japan Real Estate Institute
		Mitsubishi Motors Setagaya (Land)	770	779	989	0.1	Japan Real Estate Institute
		Mitsubishi Motors Sekimachi (Land)	600	606	691	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamoto (Land)	450	455	531	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motsumiyoshi (Land)	370	375	388	0.0	Japan Real Estate Institute
		Mitsubishi Motors Kawagoe (Land)	350	355	392	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa (Land)	200	204	183	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama (Land)	160	163	181	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Kichijoji Building	10,410	10,315	11,100	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Ichigaya	2,080	2,068	2,110	0.2	Daiwa Real Estate Appraisal Co., Ltd.
	Sagamihara Shopping Center	6,840	6,849	6,960	0.7	Japan Real Estate Institute	
	Musashiurawa Shopping Square (Note 6)	2,720	2,628	2,870	0.3	The Tanizawa Sogo Appraisal Co., Ltd.	
	Summit Store Naritahigashi (Land)	700	747	779	0.1	Japan Real Estate Institute	
	GEMS Daimon	2,060	2,057	2,110	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Kanda	1,500	1,500	1,530	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Mukodaicho	5,100	5,125	5,190	0.5	Japan Valuers Co., Ltd.	
	Other areas	Universal CityWalk Osaka	15,500	15,392	18,300	1.7	Japan Valuers Co., Ltd.
		Izumiya Senrioka	8,930	8,472	11,300	1.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya Yao	4,406	4,095	5,590	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya Obayashi	3,020	3,222	4,120	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		Ichibancho stear	4,700	4,520	5,650	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,406	1,970	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		MEL Building	1,060	1,052	1,200	0.1	Japan Real Estate Institute
		nORBESA	8,500	8,552	8,540	0.8	Japan Real Estate Institute
Nakaza Cui-daore Building		11,600	12,150	11,100	1.1	Japan Valuers Co., Ltd.	
NMF Kobe Myodani Building	3,560	3,601	3,600	0.3	Japan Valuers Co., Ltd.		
Retail subtotal			163,343	163,414	185,988	17.6	
Logistics	Greater Tokyo area	Landport Urayasu	17,400	16,381	22,000	2.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	14,812	19,800	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	12,310	16,600	1.6	Japan Real Estate Institute
		Landport Atsugi	11,410	10,547	12,000	1.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	10,004	12,400	1.2	Daiwa Real Estate Appraisal Co., Ltd.

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Logistics	Greater Tokyo area	Sagamihara Onodai Logistics Center	8,700	8,039	11,100	1.1	Japan Real Estate Institute
		Landport Hachioji	8,250	7,500	9,840	0.9	Japan Real Estate Institute
		Landport Kasukabe	7,340	6,527	8,620	0.8	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,256	5,730	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,477	4,400	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,637	4,630	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,781	3,510	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Atsugi Minami Logistics Center A Tower	2,690	2,560	3,440	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Kawaguchi Ryoke Logistics Center	10,790	10,509	13,200	1.2	JLL Morii Valuation & Advisory K.K.
		Landport Kashiwa Shonan II	10,800	10,720	11,400	1.1	Japan Valuers Co., Ltd.
		Landport Kashiwa Shonan I	9,900	9,896	10,100	1.0	Japan Valuers Co., Ltd.
		Landport Hachioji II	9,230	9,284	9,330	0.9	Japan Valuers Co., Ltd.
		Landport Iwatsuki	6,090	6,153	6,110	0.6	Japan Valuers Co., Ltd.
	Other areas	Hirakata Kuzuha Logistics Center	3,460	3,385	3,890	0.4	Daiwa Real Estate Appraisal Co., Ltd.
Logistics subtotal			161,050	152,787	188,100	17.8	
Residential	Greater Tokyo area	PROUD FLAT Shirokane Takanawa	3,400	3,283	3,450	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Yoyogi Uehara	989	970	946	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Hatsudai	713	691	771	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shibuya Sakuragaoka	750	722	694	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Gakugei Daigaku	746	714	785	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Meguro Gyoninzaka	939	903	1,020	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sumida Riverside	2,280	2,162	2,510	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kagurazaka	1,590	1,520	1,740	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Waseda	1,110	1,056	1,210	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shinjuku Kawadacho	947	904	937	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sangen Jaya	1,190	1,133	1,260	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata	1,160	1,089	1,250	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata II	3,320	3,141	3,390	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shinotsuka	623	585	547	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kiyosumi Shirakawa	928	877	937	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho II	652	619	605	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho I	1,030	970	955	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Fujimidai	1,470	1,400	1,660	0.2	Japan Real Estate Institute
		PROUD FLAT Asakusa Komagata	1,920	1,803	2,170	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Yokohama	2,090	1,971	2,210	0.2	Daiwa Real Estate Appraisal Co., Ltd.
PROUD FLAT Kamioooka	2,710	2,559	2,690	0.3	Daiwa Real Estate Appraisal Co., Ltd.		
PROUD FLAT Tsurumi II	1,650	1,554	1,780	0.2	Japan Real Estate Institute		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Azabu Juban	1,100	1,102	991	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Akasaka	938	929	947	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Tamachi	972	946	960	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shibaura LOFT	1,830	1,762	1,960	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Yoyogi	359	347	333	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu II	1,140	1,125	1,310	0.1	Japan Real Estate Institute
		PRIME URBAN Bancho	1,090	1,069	1,110	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chiyoda Fujimi	679	661	662	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Idabashi	2,040	1,973	1,820	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu	1,260	1,251	1,280	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Naka Meguro	1,410	1,388	1,380	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Gakugei Daigaku	775	754	810	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Senzoku	474	466	471	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Riverside	414	394	441	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Ohashi Hills	2,970	2,863	3,140	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Meguro Aobadai	1,310	1,279	1,550	0.1	Japan Real Estate Institute
		PRIME URBAN Gakugei Daigaku II	1,080	1,054	1,230	0.1	Japan Real Estate Institute
		PRIME URBAN Naka Meguro II	2,850	2,828	3,160	0.3	Japan Real Estate Institute
		PRIME URBAN Kachidoki	2,570	2,589	2,430	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinkawa	2,100	2,075	2,300	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Nihonbashi Yokoyamacho	4,220	4,025	4,560	0.4	Japan Valuers Co., Ltd.
		PRIME URBAN Nihonbashi Hamacho	1,550	1,505	1,770	0.2	Japan Real Estate Institute
		PRIME URBAN Hongo Ikizaka	557	535	610	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Hakusan	866	818	961	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yotsuya Gaien Higashi	1,490	1,470	1,400	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku I	1,090	1,063	1,160	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku II	885	857	879	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Naitomachi	430	431	430	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Waseda	421	398	451	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Ochiai	594	596	637	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Mejiro	1,430	1,396	1,590	0.2	Japan Real Estate Institute
		PRIME URBAN Kagurazaka	2,900	2,784	3,230	0.3	Japan Real Estate Institute
		PRIME URBAN Sangen Jaya III	718	721	632	0.1	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Chitose Karasuyama	717	738	634	0.1	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Sangen Jaya	724	702	710	0.1	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Minami Karasuyama	667	635	759	0.1	Japan Valuers Co., Ltd.		
PRIME URBAN Karasuyama Galleria	549	523	574	0.1	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Karasuyama Court	338	324	357	0.0	Daiwa Real Estate Appraisal Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Chitose Funabashi	746	716	733	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yoga	1,390	1,337	1,580	0.1	Japan Real Estate Institute
		PRIME URBAN Shinagawa Nishi	494	488	403	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Osaki	1,860	1,825	1,840	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Oimachi II	1,040	1,075	1,020	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yukigaya	951	945	736	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Omori	905	863	852	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Denenchofu Minami	774	734	719	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Nagahara Kamiikedai	1,720	1,674	1,790	0.2	Japan Real Estate Institute
		PRIME URBAN Nakano Kamitakada	498	471	543	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Takaido	1,060	1,057	789	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo	414	402	422	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo II	1,790	1,755	1,920	0.2	Japan Real Estate Institute
		PRIME URBAN Otsuka	730	703	685	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Komagome	437	434	391	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ikebukuro	3,800	3,653	4,160	0.4	Japan Real Estate Institute
		PRIME URBAN Monzen Nakacho	2,420	2,330	2,440	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kameido	779	736	758	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sumiyoshi	632	597	609	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Mukojima	528	526	465	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kinshi Koen	1,290	1,208	1,220	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kinshicho	758	722	720	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Hirai	722	678	692	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai	640	606	617	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai II	981	924	900	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai East	1,140	1,077	1,230	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Itabashi Kuyakushomae	1,080	1,021	1,170	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Asakusa	384	385	301	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Machiya South Court	1,910	1,858	1,980	0.2	Japan Real Estate Institute
		PRIME URBAN Musashi Koganei	1,910	1,910	2,010	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Musashino Hills	1,280	1,277	1,340	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Koganei Honcho	791	763	853	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kumegawa	1,520	1,412	1,500	0.1	Japan Real Estate Institute
PRIME URBAN Musashi Kosugi comodo	1,940	1,962	2,200	0.2	Japan Valuers Co., Ltd.		
PRIME URBAN Kawasaki	962	941	1,060	0.1	Japan Valuers Co., Ltd.		
PRIME URBAN Shinyurigaoka	1,020	967	1,220	0.1	Japan Valuers Co., Ltd.		
PRIME URBAN Tsurumi Teraya	493	489	398	0.0	Japan Real Estate Institute		
PRIME URBAN Urayasu	804	767	765	0.1	Japan Real Estate Institute		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Gyotoku I	633	607	588	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku II	730	695	691	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae	488	464	461	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae II	469	453	506	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku III	747	730	811	0.1	Japan Real Estate Institute
		PRIME URBAN Nishi Funabashi	761	709	732	0.1	Japan Real Estate Institute
		PRIME URBAN Kawaguchi	1,580	1,512	1,710	0.2	Japan Valuers Co., Ltd.
		PROUD FLAT Hatchobori	920	934	1,050	0.1	Japan Real Estate Institute
		PROUD FLAT Itabashi Honcho	720	728	828	0.1	Japan Real Estate Institute
		PRIME URBAN Meguro Mita	1,058	1,124	1,110	0.1	Japan Valuers Co., Ltd.
		Fukasawa House Towers H&I	7,140	7,055	7,530	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Toyosu	5,290	5,150	5,440	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nihonbashi Kayabacho	2,850	2,802	2,900	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yoga II	1,320	1,293	1,330	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Musashi Koganei II	1,310	1,275	1,420	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Gakugei daigaku parkfront	1,300	1,387	1,310	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Omori III	1,110	1,142	1,250	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Kinshicho	785	809	920	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Sangenjaya II	2,750	2,832	2,930	0.3	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Sotkanda	2,280	2,365	2,500	0.2	JLL Morii Valuation & Advisory K.K.
	PROUD FLAT Noborito	1,216	1,272	1,320	0.1	JLL Morii Valuation & Advisory K.K.	
	PROUD FLAT Yoyogi Hachiman	966	999	1,060	0.1	JLL Morii Valuation & Advisory K.K.	
	PROUD FLAT Nakaochiai	844	879	892	0.1	The Tanizawa Sogo Appraisal Co., Ltd.	
	Other areas	PROUD FLAT Itsutsubashi	652	597	711	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kawaramachi	735	668	677	0.1	Japan Real Estate Institute
		PROUD FLAT Shin Osaka	1,620	1,488	1,730	0.2	Japan Real Estate Institute
		PRIME URBAN Kita Juyo Jo	274	255	267	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Odori Koen I	502	466	476	0.0	Japan Real Estate Institute
		PRIME URBAN Odori Koen II	334	312	293	0.0	Japan Real Estate Institute
		PRIME URBAN Kita Juichi Jo	547	502	603	0.1	Japan Valuers Co., Ltd.
PRIME URBAN Miyanosawa		475	434	504	0.0	Japan Valuers Co., Ltd.	
PRIME URBAN Odori Higashi		394	364	431	0.0	Japan Valuers Co., Ltd.	
PRIME URBAN Chiji Kokan		249	226	279	0.0	Japan Valuers Co., Ltd.	
PRIME URBAN Maruyama	229	209	233	0.0	Japan Valuers Co., Ltd.		
PRIME URBAN Kita Nijuyo Jo	437	400	471	0.0	Japan Valuers Co., Ltd.		
PRIME URBAN Sapporo Idaimae	616	566	654	0.1	Japan Valuers Co., Ltd.		
PRIME URBAN Sapporo Riverfront	4,480	4,145	4,650	0.4	Japan Valuers Co., Ltd.		
PRIME URBAN Kita Sanjo Dori	1,730	1,586	1,860	0.2	Japan Valuers Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Other areas	PRIME URBAN Nagamachi Icchome	1,140	1,062	1,080	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yaotome Chuo	466	426	442	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Tsutsumidori Amamiya	949	941	942	0.1	Japan Real Estate Institute
		PRIME URBAN Aoi	712	678	666	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kanayama	553	510	604	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumai	1,020	937	1,090	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kamimaezu	1,590	1,479	1,660	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Izumi	3,770	3,517	4,030	0.4	Japan Valuers Co., Ltd.
		PRIME URBAN Sakaisuji Honmachi	1,810	1,689	1,890	0.2	Japan Real Estate Institute
		PRIME URBAN Hakata	588	547	620	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yakuin Minami	265	245	282	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kashii	398	364	342	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Hakata Higashi	622	572	527	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chihaya	604	567	566	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Serenite Shinsaibashi Grande	5,567	5,814	5,630	0.5	Daiwa Real Estate Appraisal Co., Ltd.
Residential subtotal			192,902	187,145	199,676	18.9	
Hotel	Other areas	Hotel Vista Sapporo Odori	3,600	3,758	3,850	0.4	Japan Valuers Co., Ltd.
Hotel subtotal			3,600	3,758	3,850	0.4	
Other	Greater Tokyo area	Ryotokuji University Shin-Urayasu Campus (Land)	4,900	5,136	5,310	0.5	Japan Real Estate Institute
Other subtotal			4,900	5,136	5,310	0.5	
Total			960,345	949,867	1,056,994	100.0	

(Note 1) “Acquisition Price” refers to the following. Of the assets succeeded as a result of the merger of three REITs, the appraisal value as of September 30, 2015 for NRE Shibuya Dogenzaka Building and as of April 30, 2015 for other assets succeeded from NOF; and the appraisal value as of September 30, 2015 for PRIME URBAN Shinyurigaoka and as of May 31, 2015 for other assets succeeded from NRF are recorded as said assets’ respective acquisition prices. Furthermore, the appraisal value as of March 31, 2016 or April 1, 2016 for other assets succeeded from TOP are recorded as said assets’ respective acquisition prices. For all other assets, “Acquisition price” indicates the amount, excluding the various expenses required to acquire the property, including transaction brokerage fees, taxes and public dues, etc. (the amount of transaction payment for real estate, etc., described in the sales agreement).

(Note 2) “Carrying amount” is the sum total amount of the acquisition price (including various expenses required for the acquisition) of land, buildings, structures, tools, furniture and fixtures, construction in progress, and leasehold rights (including these assets in trust), less accumulated depreciation.

(Note 3) “Opinion of value at end of period” is the appraisal or investigation value provided by the respective real estate appraiser (the value calculated by the respective real estate appraiser with the date of the 7th fiscal period-end (February 28, 2019) as the effective date of value and the value indicated by the income approach as a standard) in accordance with NMF’s Articles of Incorporation and the Regulations Concerning Accounting of Investment Corporations.

The appraisal or investigation value of real estate is no more than an indication of the opinion of the value of the appraised real estate at the time of appraisal by the respective real estate appraiser, etc., conducted in accordance with the Act on Real Estate Appraisal (Act No. 152 of 1963, including subsequent amendments), and real estate appraisal standards, etc. Reappraisal of the same real estate may result in a different appraisal or investigation value, depending on the real estate appraiser conducting the appraisal and the method or timing of the appraisal. In addition, the appraisal of real estate is not a guarantee or promise of the possibility of transactions at present or in the future at the appraised value.

Furthermore, the cost approach and income approach (direct capitalization approach and discounted cash flow approach) are used in appraisal calculations. The appraisal value is determined by the income approach if the subject real estate’s price is estimated with an emphasis on investment profitability in the market and it is seen as an investment target for qualified institutional investors, etc. The value indicated by the cost approach is used as an index to verify the value indicated by the income approach.

The “direct capitalization approach” is a method where the net revenue in a certain period is capitalized by the capitalization rate. It is a method of seeking the value indicated by the income approach (a method of seeking the estimated value of real estate by seeking the sum of the present value of the net revenue the real estate is expected to generate in the future).

The “discounted cash flow (DCF) approach” is a method where the net income and terminal value arising in multiple successive periods are discounted

to present value according to their periods and totaled. It is also a method of seeking the value indicated by the income approach.

- (Note 4) “Investment share” is the period-end opinion of value of the respective asset as a percentage of the total amount of the period-end opinion of value of the entire portfolio (278 properties in total). The figures are rounded to the first decimal place. Accordingly, the sum total may not be exactly 100.0%.
- (Note 5) NMF holds quasi co-ownership of 50.1% of beneficial interest in real estate. For the opinion of value and carrying price in the table above, price of this quasi co-ownership interest ratio is stated for opinion of value and carrying price.
- (Note 6) NMF holds quasi co-ownership of 50.0% of beneficial interest in real estate. For the opinion of value and carrying price in the table above, price of this quasi co-ownership interest ratio is stated for opinion of value and carrying price.
- (Note 7) NMF’s acquisition of quasi co-ownership of the beneficial interest in the property was made in two stages. The acquisition price given is the total for both transactions.

C. Status of Major Tenants

Details concerning the leasing status of major tenants are shown below. Major tenants are those who, as of February 28, 2019, account for 10% or more of the total leased area of the assets held by NMF as of February 28, 2019 (in cases where multiple assets have the same tenant, this is calculated using the total leased area for all assets leased by said tenant).

Tenant name (Note 1)	Business type	Property name	Contract termination date	Contract extension	Leased area (m <sup>2</sup> ) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Leasehold and security deposits (Millions of Yen) (Note 3)
Nomura Real Estate Partners Co., Ltd. (Note 4)	Real estate	Shinjuku Nomura Building	March 31, 2020	(Fixed-term lease contract)	1,021.25	117	93
		NRE Yotsubashi Building	March 31, 2021	(Fixed-term lease contract)	1,024.91	52	35
		Kojimachi Millennium Garden (Residential building)	March 31, 2019		4,461.47	222	29
		PROUD FLAT Shirokane Takanawa	February 29, 2020		2,903.86	187	36
		PROUD FLAT Yoyogi Uehara	February 29, 2020		1,151.34	61	6
		PROUD FLAT Hatsudai	February 29, 2020		958.98	47	4
		PROUD FLAT Shibuya Sakuragaoka	February 29, 2020		638.70	41	5
		PROUD FLAT Gakugei Daigaku	February 29, 2020		908.04	48	4
		PROUD FLAT Meguro Gyoninzaka	February 29, 2020		834.06	52	5
		PROUD FLAT Sumida Riverside	February 29, 2020		3,033.64	150	13
		PROUD FLAT Kagurazaka	February 29, 2020		1,793.43	94	2
		PROUD FLAT Waseda	February 29, 2020		1,428.71	70	6
		PROUD FLAT Shinjuku Kawadacho	February 29, 2020		1,061.32	54	8
		PROUD FLAT Sangen Jaya	February 29, 2020		1,253.17	69	6
		PROUD FLAT Kamata	February 29, 2020		1,541.64	74	6
		PROUD FLAT Kamata II	February 29, 2020		4,051.72	206	21
		PROUD FLAT Shinotsuka	February 29, 2020		730.85	40	3
		PROUD FLAT Kiyosumi Shirakawa	February 29, 2020		1,209.56	59	9
		PROUD FLAT Monzen Nakacho II	February 29, 2020		830.55	41	3
		PROUD FLAT Monzen Nakacho I	February 29, 2020		1,191.08	65	6
		PROUD FLAT Fujimidai	February 29, 2020		2,201.38	109	13
		PROUD FLAT Asakusa Komagata	February 29, 2020		2,577.16	122	15
		PROUD FLAT Yokohama	February 29, 2020		3,118.12	143	15
		PROUD FLAT Kamioooka	February 29, 2020		4,872.17	182	15
		PROUD FLAT Tsurumi II	February 29, 2020		2,198.63	113	20
		PRIME URBAN Azabu Juban	February 29, 2020		1,189.33	66	6
		PRIME URBAN Akasaka	February 29, 2020		1,026.86	56	5
		PRIME URBAN Tamachi	February 29, 2020		1,061.76	60	5
		PRIME URBAN Shibaura LOFT	February 29, 2020		1,802.44	111	9
		PRIME URBAN Yoyogi	February 29, 2020		439.56	23	2
		PRIME URBAN Ebisu II	February 29, 2020		1,160.14	69	5
		PRIME URBAN Bancho	February 29, 2020		1,277.04	67	5
		PRIME URBAN Chiyoda Fujimi	February 29, 2020		793.87	42	4
PRIME URBAN Iidabashi	February 29, 2020		2,087.70	122	15		
PRIME URBAN Ebisu	February 29, 2020		1,444.40	69	6		
PRIME URBAN Naka Meguro	February 29, 2020		1,302.42	80	8		
PRIME URBAN Gakugei Daigaku	February 29, 2020		942.12	47	4		
PRIME URBAN Senzoku	February 29, 2020		613.15	29	2		
PRIME URBAN Meguro Riverside	February 29, 2020		453.77	28	2		

Tenant name (Note 1)	Business type	Property name	Contract termination date	Contract extension	Leased area (m <sup>2</sup> ) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Leasehold and security deposits (Millions of Yen) (Note 3)
Nomura Real Estate Partners Co., Ltd. (Note 4)	Real estate	PRIME URBAN Meguro Ohashi Hills	February 29, 2020	Contract shall be extended for additional terms of one year unless either party notifies the other party in writing of its intention to terminate this contract no later than three months prior to the expiration of the initial term or any extended term thereof.	2,930.65	170	15
		PRIME URBAN Meguro Aobadai	February 29, 2020		1,464.14	77	11
		PRIME URBAN Gakugai Daigaku II	February 29, 2020		1,090.47	61	10
		PRIME URBAN Naka Meguro II	February 29, 2020		2,366.16	154	36
		PRIME URBAN Kachidoki	February 29, 2020		4,484.56	183	18
		PRIME URBAN Nihonbashi Yokoyamacho	February 29, 2020		5,877.37	255	39
		PRIME URBAN Nihonbashi Hamacho	February 29, 2020		1,991.76	95	9
		PRIME URBAN Hongo Ikizaka	February 29, 2020		662.58	33	3
		PRIME URBAN Hakusan	February 29, 2020		1,031.62	50	4
		PRIME URBAN Yotsuya Gaen Higashi	February 29, 2020		1,732.12	90	8
		PRIME URBAN Nishi Shinjuku I	February 29, 2020		1,459.86	75	6
		PRIME URBAN Nishi Shinjuku II	February 29, 2020		1,137.23	56	5
		PRIME URBAN Shinjuku Naitomachi	February 29, 2020		578.18	29	2
		PRIME URBAN Nishi Waseda	February 29, 2020		507.11	28	2
		PRIME URBAN Shinjuku Ochiai	February 29, 2020		1,027.45	40	3
		PRIME URBAN Mejiro	February 29, 2020		1,652.40	84	5
		PRIME URBAN Kagurazaka	February 29, 2020		2,752.40	170	22
		PRIME URBAN Sangen Jaya III	February 29, 2020		1,018.72	48	3
		PRIME URBAN Chitose Karasuyama	February 29, 2020		1,717.06	48	9
		PRIME URBAN Sangen Jaya	February 29, 2020		874.15	46	4
		PRIME URBAN Minami Karasuyama	February 29, 2020		1,049.73	47	3
		PRIME URBAN Karasuyama Galleria	February 29, 2020		809.55	37	3
		PRIME URBAN Karasuyama Court	February 29, 2020		551.20	23	1
		PRIME URBAN Chitose Funabashi	February 29, 2020		1,027.44	47	4
		PRIME URBAN Yoga	February 29, 2020		1,731.25	83	9
		PRIME URBAN Shinagawa Nishi	February 29, 2020		961.25	43	7
		PRIME URBAN Osaki	February 29, 2020		2,085.32	113	10
		PRIME URBAN Oimachi II	February 29, 2020		1,706.88	88	8
		PRIME URBAN Yukigaya	February 29, 2020		1,536.59	71	6
		PRIME URBAN Omori	February 29, 2020		1,168.65	58	6
		PRIME URBAN Denenchofu Minami	February 29, 2020		1,018.34	48	4
		PRIME URBAN Nagahara Kamiikedai	February 29, 2020		2,241.56	98	10
PRIME URBAN Nakano Kamitakada	February 29, 2020	798.48	37	3			
PRIME URBAN Takaido	February 29, 2020	1,714.08	81	6			
PRIME URBAN Nishi Ogikubo	February 29, 2020	516.61	26	2			
PRIME URBAN Nishi Ogikubo II	February 29, 2020	2,141.05	98	9			

Tenant name (Note 1)	Business type	Property name	Contract termination date	Contract extension	Leased area (m <sup>2</sup> ) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Leasehold and security deposits (Millions of Yen) (Note 3)
Nomura Real Estate Partners Co., Ltd. (Note 4)	Real estate	PRIME URBAN Otsuka	February 29, 2020	Contract shall be extended for additional terms of one year unless either party notifies the other party in writing of its intention to terminate this contract no later than three months prior to the expiration of the initial term or any extended term thereof.	904.77	47	4
		PRIME URBAN Komagome	February 29, 2020		952.60	34	4
		PRIME URBAN Ikebukuro	February 29, 2020		4,021.37	215	22
		PRIME URBAN Monzen Nakacho	February 29, 2020		3,101.99	151	16
		PRIME URBAN Kameido	February 29, 2020		1,074.84	51	6
		PRIME URBAN Sumiyoshi	February 29, 2020		773.18	38	3
		PRIME URBAN Mukojima	February 29, 2020		1,089.14	44	2
		PRIME URBAN Kinshi Koen	February 29, 2020		1,886.50	83	8
		PRIME URBAN Kinshicho	February 29, 2020		991.62	46	7
		PRIME URBAN Hirai	February 29, 2020		1,075.36	47	4
		PRIME URBAN Kasai	February 29, 2020		885.60	40	3
		PRIME URBAN Kasai II	February 29, 2020		1,437.84	64	6
		PRIME URBAN Kasai East	February 29, 2020		1,860.40	75	7
		PRIME URBAN Itabashi Kuyakushomae	February 29, 2020		1,612.78	74	7
		PRIME URBAN Asakusa	February 29, 2020		838.00	29	2
		PRIME URBAN Machiya South Court	February 29, 2020		4,081.14	141	34
		PRIME URBAN Musashi Koganei	February 29, 2020		5,876.30	135	13
		PRIME URBAN Musashino Hills	February 29, 2020		2,961.06	89	18
		PRIME URBAN Koganei Honcho	February 29, 2020		1,604.72	57	6
		PRIME URBAN Kumegawa	February 29, 2020		2,538.22	114	40
		PRIME URBAN Musashi Kosugi comodo	February 29, 2020		3,692.44	138	27
		PRIME URBAN Kawasaki	February 29, 2020		1,686.06	68	6
		PRIME URBAN Shinyurigaoka	February 29, 2020		1,627.55	71	11
		PRIME URBAN Tsurumi Teraya	February 29, 2020		895.78	36	3
		PRIME URBAN Urayasu	February 29, 2020		1,243.84	55	7
		PRIME URBAN Gyotoku I	February 29, 2020		1,151.36	44	4
		PRIME URBAN Gyotoku II	February 29, 2020		1,244.00	47	3
		PRIME URBAN Gyotoku Ekimae	February 29, 2020		778.19	33	3
		PRIME URBAN Gyotoku Ekimae II	February 29, 2020		927.33	40	4
		PRIME URBAN Gyotoku III	February 29, 2020		1,766.47	65	6
		PRIME URBAN Nishi Funabashi	February 29, 2020		1,237.80	54	5
		PRIME URBAN Kawaguchi	February 29, 2020		2,415.82	108	27
		PROUD FLAT Hatchobori	February 29, 2020		952.71	56	5
		PROUD FLAT Itabashi Honcho	February 29, 2020		1,110.16	47	5
		PRIME URBAN Meguro Mita	February 29, 2020		980.93	49	4
		PRIME URBAN Gakugei Daigaku Parkfront	February 29, 2020		1,418.36	70	6
		PROUD FLAT Omori III	February 29, 2020		1,392.27	68	7
		PROUD FLAT Kinshicho	February 29, 2020		1,047.57	53	5
		PROUD FLAT Sangenjaya II	February 29, 2020		2,931.43	129	21
		PROUD FLAT Sotkanda	February 29, 2020		2,344.93	134	13
PROUD FLAT Noborito	February 29, 2020	1,749.42	84	8			
PROUD FLAT Yoyogi Hachiman	February 29, 2020	946.99	55	5			
PROUD FLAT Nakaochiai	February 29, 2020	1,069.81	55	5			

Tenant name (Note 1)	Business type	Property name	Contract termination date	Contract extension	Leased area (m <sup>2</sup> ) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Leasehold and security deposits (Millions of Yen) (Note 3)
Nomura Real Estate Partners Co., Ltd. (Note 4)	Real estate	PRIME URBAN Shinkawa	February 29, 2020	Contract shall be extended for additional terms of one year unless either party notifies the other party in writing of its intention to terminate this contract no later than six months prior to the expiration of the initial term or any extended term thereof.	3,477.92	134	40
		PRIME URBAN Toyosu	February 29, 2020		6,697.66	339	36
		PRIME URBAN Nihonbashi Kayabacho	February 29, 2020		3,444.22	179	20
		PRIME URBAN Yoga II	February 29, 2020		1,469.50	74	7
		PRIME URBAN Musashi Koganei II	February 29, 2020		2,025.18	84	9
Total			-	-	211,297.40	10,085	1,332

(Note 1) In the case of assets with a so-called pass-through master lease agreement, where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, the end-tenant is shown as the tenant, and the lessee is not shown as a tenant. However, for residential facilities, the master lessee is shown as the tenant, and the leased area shown is that that actually rented and subject to the tenant agreements with end tenants.

(Note 2) "Annual rent" is calculated by multiplying by 12 the sum of monthly rent and common area charges in lease agreements for each property actually concluded with end-tenants that are valid as of the last day of February 2019 (this does not include parking space or other fees stated in parking space lease agreements or other such agreements signed in addition to the tenant lease agreement. If common-use space, etc. is leased based on the lease agreement, the rent for such is included, and if rent includes an amount equivalent to the fee for use of parking space, such amount is included. In addition, if the master lessee has a rent-guaranteed master lease, the rent for the space covered in said lease is based on the rent, etc., in the lease agreement concluded with the master lessee.); amounts less than one thousand yen are truncated. Accordingly, the sum of each tenant's annual rent may not be exactly the same as the figure given the "Total" row. Furthermore, regarding tenants who have been exempt from rent payment for a certain period of time in their agreements, such exemption period is not considered in the table above.

(Note 3) For residential facilities, the lessee of the master lease agreement shown in the "Tenant name" column receives leasehold and security deposits from the end-tenants and deposits this amount with NMF or the trustee as the leasehold and security deposits of the master lease agreement.

(Note 4) This client is an interested party of NMF as specified in the Investment Trust Act.

#### D. Status of Major Properties

Not applicable.

#### E. Overview of Leasing to Interested Parties

As of February 28, 2019, some of the assets held by NMF at the same date were leased to interested parties as defined in the Investment Trust Act.

The following is an overview of the status of leasing of said assets to interested parties as defined in the Investment Trust Act.

Tenant name	Property name	Leased area (m <sup>2</sup> )
Nomura Real Estate Partners Co., Ltd.	Shinjuku Nomura Building	1,021.25
	NRE Yotsubashi Building	1,024.91
	Total of PROUD FLAT Shirogane-Takanawa, and 120 others	209,251.24
Nomura Real Estate Development Co., Ltd	Shinjuku Nomura Building	6,609.14
	Nishi-Shinjuku Showa Building	256.79
	NMF Yokohama Nishiguchi Building	94.83
	NRE Yotsubashi Building	1,369.84
	NRE Hiroshima Building	141.51
Nomura Real Estate Life & Sports Co., Ltd.	Megalos Kanagawa	6,217.85
Nomura Real Estate Urban Net Co., Ltd.	Shinjuku Nomura Building	1,740.51
	NMF Gotanda Ekimae Building	198.90
	NMF Kichijoji Honcho Building	269.37
	NMF Kawasaki Higashiguchi Building	216.54
	NMF Yokohama Nishiguchi Building	373.27
	NRE Nishi-Umeda Building	404.41
Geo Akamatsu Co., Ltd.	NRE Yotsubashi Building	357.06
Nomura Real Estate Amenity Service Co., Ltd.	NRE Yotsubashi Building	80.01

F. Collateral

Assets held by NMF and offered as collateral at the end of the 7th fiscal period under review are as follows.

Property Name	Type of collateral	Secured party	Recent appraisal value (Millions of Yen)
Konami Sports Club Fuchu	Mortgage	Konami Sports Club Co., Ltd. <sup>(Note)</sup>	3,350
Sagamihara Shopping Center	Mortgage	Ito-Yokado Co., Ltd. <sup>(Note)</sup>	6,960

(Note) The secured claims are rights held by the security interest holders to claim the return of leasehold deposits.