

(Reference) SUMMARY OF FINANCIAL RESULTS (REIT)
For the 11th Fiscal Period Ended February 28, 2021

April 14, 2021

REIT securities issuer: Nomura Real Estate Master Fund, Inc. (“NMF”) Stock exchange listing: Tokyo Stock Exchange
 Securities code: 3462
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Scheduled date of filing of securities report: May 27, 2021
 Scheduled date of commencement of distribution payout: May 20, 2021
 Preparation of supplementary materials on financial results: Yes
 Holding of briefing session on financial results: Yes

[Amounts less than one million yen are truncated]

1. Financial Results for the 11th Fiscal Period (from September 1, 2020 to February 28, 2021)

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

Period ended	Operating revenues		Operating profit		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
February 28, 2021	38,064	1.3	15,370	1.0	13,048	1.9	13,016	1.7
August 31, 2020	37,577	1.8	15,212	3.7	12,803	5.2	12,799	5.0

Period ended	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	yen	%	%	%
February 28, 2021	2,760	2.1	1.1	34.3
August 31, 2020	2,714	2.0	1.1	34.1

(2) Distributions

Period ended	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	%	%
February 28, 2021	2,761	13,018	569	2,682	3,330	15,701	100.0	2.0
August 31, 2020	2,714	12,797	603	2,843	3,317	15,640	99.9	2.0

(Note 1) Of the ¥603 distribution in excess of net income per unit in the fiscal period ended August 31, 2020, ¥377 is a distribution of the allowance for temporary difference adjustments and ¥226 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.002. Of the ¥569 distribution in excess of net income per unit in the fiscal period ended February 28, 2021, ¥374 is a distribution of the allowance for temporary difference adjustments and ¥195 is other distributions in excess of net income. 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

Period ended	Total assets	Net assets	Net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
February 28, 2021	1,196,357	623,014	52.1	132,129
August 31, 2020	1,197,766	625,505	52.2	132,657

(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, 2021	22,057	(17,701)	(15,681)	63,840
August 31, 2020	19,541	(23,626)	(8,347)	75,166

2. Earnings Forecasts for the 12th Fiscal Period (from March 1, 2021 to August 31, 2021) and the 13th Fiscal Period (from September 1, 2021 to February 28, 2022)

[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, 2021	37,627	(1.1)	14,796	(3.7)	12,489	(4.3)	12,488	(4.1)	2,647	641	3,288
February 28, 2022	37,450	(0.5)	14,599	(1.3)	12,373	(0.9)	12,372	(0.9)	2,623	557	3,180

(Reference) Forecasted net income per unit

For the fiscal period ending August 31, 2021: ¥2,648

For the fiscal period ending February 28, 2022: ¥2,623

*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, 2021: 4,715,200 units

As of August 31, 2020: 4,715,200 units

② Number of treasury investment units

As of February 28, 2021: – units

As of August 31, 2020: – 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 28.

* This summary of financial results is not subject to audit procedures by a certified public accountant or an audit firm.

* 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, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021) and the Fiscal Period Ending February 28, 2022 (13th fiscal period: September 1, 2021 to February 28, 2022)” on page 6.

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. Management Status

(1) 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 ^(Note). 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" which enables sustainable growth by investing in a variety of facilities, such as offices, retail facilities, logistics facilities, residential facilities and other facilities, the "large-scale REIT strategy" which increases portfolio stability through property and tenant diversification, the "portfolio centered on the Greater Tokyo area" which is expected to improve cash flow stability through investment area diversification, and a strong property supply and operation support system based on 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

(Japanese Economy)

Although the Japanese economy during the fiscal period under review continued to face difficult conditions due to the impact of the COVID-19 pandemic, business conditions in the manufacturing industry improved helped by a recovery in exports, and there were signs of a turnaround in the service industry toward early fall. However, the economy, mainly the service sector, again found itself in a tough situation due to, among other factors, the renewed spread of COVID-19 in the latter half of 2020 and the subsequent declaration of the second state of emergency.

(Real Estate Leasing Market)

As was the case in the previous fiscal period, the situation in the real estate leasing market during the fiscal period under review varies according to sector.

The office sector continued to see a higher vacancy rate and lower advertised rents in Tokyo as office demand decreased mainly among small- and medium-sized companies due to a COVID-19-induced economic downturn and expansion of teleworking.

The retail facility sector was overall on a recovery track toward early fall, but sales plummeted again, particularly in the restaurant industry, due to the renewed spread of COVID-19 infections and the subsequent declaration of a state of emergency.

The hotel sector, too, was on a recovery trend overall toward early fall, mainly through the GO TO Travel campaign, but the occupancy rate again declined sharply after the renewed spread of COVID-19 infections and the subsequent declaration of the second state of emergency.

In the logistics sector, overall performance was firm as demand from third-party logistics ^(Note) providers, NMF's main logistics tenants, and e-commerce-related operators remained strong. In the Greater Tokyo area and the Kinki area, the vacancy rate declined due to stronger-than-expected demand, despite a continued

large supply of logistics facilities.

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

In the rental apartment sector, Tokyo continued to maintain a high occupancy rate but rents were weaker as it recorded a net outflow of people for the seventh month in a row since July 2020, with more people moving out due to the expansion of teleworking and less people moving in due to deterioration in employment conditions. Occupancy status and rents in other major regional cities such as Osaka and Nagoya showed favorable performance overall with limited impact of COVID-19.

(Real Estate Transaction Market)

Since April 2020, the trading volume of commercial real estate declined sharply year on year, affected by the declaration of the first state of emergency. In the latter half of the year, however, acquisitions mainly by overseas investors in addition to J-REIT picked up, resulting in a trading volume for the full year 2020 that is almost flat year on year.

(J-REIT Market)

Although the TSE REIT Index fell significantly due to the impact of COVID-19, closing at 1,145.53 points on March 19, 2020, it was subsequently on a recovery trend following the global trend of monetary easing and economic recovery. While lagging behind the strong stock market and favoring stable dividends, the Index has remained on a rising trend in 2021 and showed resilience by briefly recovering to 2,000 points during the trading hours on February 17.

B. Management Performance

Under the circumstances described above in A. Investment Environment, during the fiscal period under review (11th fiscal period), NMF acquired 1 property (Landport Ome II; acquisition price: ¥14,620 million), and sold a part of the land area of 1 property (Mitsubishi Motors Katsushika (Land); sale price: ¥35 million). As a result, at the end of the fiscal period under review (as of February 28, 2021), NMF held 299 properties (total acquisition price: ¥1,066,269 million), the ratio of investment in the Greater Tokyo area was 83.0%, the gross leasable area of the portfolio was 2,106,258.56m², and the portfolio remained highly diversified.

In terms of property and facility management, as described above in A. Investment Environment, the impact of the renewed spread of COVID-19 infections varies according to sector. Although NMF offered rent reduction/exemption (¥159 million) and other relief to support some of its retail tenants that closed or took other measures in response to the renewed spread of COVID-19 infections and the declaration of the second state of emergency, the impact on entire portfolio revenue was limited. Furthermore, the office sector and the rental apartment sector saw a rise in the vacancy rate and a decrease in advertised rents alongside other moves in the market as a whole. While properties held by NMF were impacted by an increase in the number of contract terminations and a longer period of tenant recruitment, NMF continued to manage the properties with an eye to securing stable revenues through internal growth, with appropriate and flexible leasing activity based on market trends as well as rent increases upon tenant change or contract renewal. As a result, NMF maintained a high occupancy rate as of the end of the fiscal period under review at 98.8%, down 0.3% from the previous fiscal period.

In February 2019, NMF set ESG materiality issues that are of high importance to be addressed by NMF in order to contribute to the realization of a sustainable society by resolving social issues through its business activities. Based on the policies, targets and key performance indicators (KPI) set for each materiality, NMF 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, striving for building a portfolio with low environmental impact. NMF promotes acquisition of Green certification^(Note2) under such policy. As of the end of the fiscal period under review, NMF has acquired DBJ Green Building certification for a total of 87 properties and BELS certification for a total of 32 properties. As a result, the percentage of properties^(Note3) with DBJ Green Building certification stood at 66.2 and that of BELS certification stood at 24.7.

Furthermore, as of the end of the fiscal period under review, the progress toward the newly established KPI, “Achieving 70 of green certification with three stars or more or equivalent up to fiscal year 2030”, reached at 56.3^(Note4).

In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”) for which Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), the asset management company to which NMF entrusts management of its assets, expressed its support on July 14, 2020, NMF summarized policies and initiatives of NMF and NREAM according to the four disclosure items recommended by the TCFD—Governance, Strategy, Risk Management, and Metrics and Targets—and disclosed them on NMF’s official website on February 26, 2021. Note that in analyzing and verifying the financial impact in Strategy, NMF first assessed the risks and opportunities that climate change risks bring to NMF. Then, based on future climate forecasts published by various international organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) as the main information sources, three possible scenarios—the 4°C, 2°C, and 1.5°C Scenarios—were set as assumptions in conducting scenario analysis, and financial impacts were analyzed and verified for each of the risks and opportunities identified. NMF’s policy is to promote initiatives aimed at helping the shift to a low-carbon society and expanding NMF’s revenue opportunities through greenhouse gas emissions reduction and other efforts, while adequately managing physical and transition risks associated with climate change.

(Note 1) Green certification refers to either DBJ Green Building Certification, BELS Certification, or CASBEE for Real Estate.

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

(Note 3) The percentage of properties which certified either DBJ Green Building Certification (three stars or more), BELS Certification (three stars or more), or CASBEE for Real Estate (B+ or higher) are calculated based on total floor areas subject to properties excluding land owned by NMF.

C. Status of Fund Procurement

During the fiscal period under review, NMF refinanced ¥32,400 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 ¥517,841 million, and the ratio of interest-bearing liabilities to total assets (LTV) was 43.3%.

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: AA-	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 11th fiscal period, operating revenues totaled ¥38,064 million, operating profit reached ¥15,370 million, ordinary income totaled ¥13,048 million, and net income came to ¥13,016 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 ¥15,701 million in distributions (¥3,330 per investment unit). This figure was arrived at by adding to ¥13,016 million in net income after taxes ¥2,622 million in amortization of goodwill, and by adding ¥62 million in consideration of temporary decrease in operating revenues due to the impact of COVID-19 pandemic on per-unit distribution.

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 ¥13,018 million (¥2,761 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,763 million (¥374 per investment unit) as allowance for temporary difference adjustment and ¥919 million (¥195 per investment unit) in other distribution in excess of net earnings.

② Outlook for Next Fiscal Period

Under the conditions described above in ① Outline of Fiscal Period under Review /A. Investment Environment, NMF will continue to target external growth through property acquisition pipelines 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 distribution and increase further unitholder value.

③ Forecasts of the Financial Results

Forecasts of the Financial Results for the fiscal period ending August 31, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021) and the fiscal period ending February 28, 2022 (13th fiscal period: September 1, 2021 to February 28, 2022) are stated below. Assumptions for forecasts of the financial results are referred to the following “Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31,, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021) and the Fiscal Period Ending February 28, 2022 (13th fiscal period: September 1, 2021 to February 28, 2022)”.

	12th fiscal period ending August 31, 2021	13th fiscal period ending February 28, 2022
Operating Revenues	¥ 37,627 million	¥ 37,450 million
Operating Profit	¥ 14,796 million	¥ 14,599 million
Ordinary Income	¥ 12,489 million	¥ 12,373 million
Net Income	¥ 12,488 million	¥ 12,372 million
Net Income Per Unit	¥ 2,648	¥ 2,623
Distribution Per Unit (Excluding Distribution in Excess of Net Income)	¥ 2,647	¥ 2,623
Distribution in Excess of Net Income Per Unit	¥ 641	¥ 557
Total Distributions Per Unit (Including Distribution in Excess of Net Income)	¥ 3,288	¥ 3,180

④ Significant Subsequent Events

Not applicable.

(Reference)

A. Resolutions to Be Considered at the Third Unitholders' Meeting

At the 3rd General Meeting of Unitholders to be held on May 26, 2021, NMF will propose the appointment of one Executive Director and three Supervisory Directors, as well as partial amendments to the Articles of Incorporation that will establish new provisions to the effect that deemed approval is not applicable to the resolution of certain proposals.

Assumptions Underlying Earnings Forecasts
for the Fiscal Period Ending August 31, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021) and the Fiscal
Period Ending February 28, 2022 (13th fiscal period: September 1, 2021 to February 28, 2022)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending August 31, 2021 (12th fiscal period): March 1, 2021 to August 31, 2021 • Fiscal period ending February 28, 2022 (13th fiscal period): September 1, 2021 to February 28, 2022
Assets Under Management	<ul style="list-style-type: none"> • In addition to the 299 properties held by NMF as of the date of this document's publication, it is assumed that NMF will acquire part of the land to be leased (8,788.67 m²) (with an area according to quasi co-ownership) in the August 31, 2021 (12th fiscal period) at market value as a vacant site based on the Land Lease Contract for Business Purposes (dated July 30, 2001) and the Memorandum concerning Purchase of City-owned Land on Expiration of the Land Lease Contract for Business Purposes (dated June 26, 2003), which were concluded between the business owner and Osaka City at Universal City Walk Osaka. However, the specific acquisition price will be determined through further discussion. • Except for the above asset acquisition, it is assumed that there will be no changes (acquisition of new properties, sale of existing properties, etc.) in assets under management until the end of the fiscal year ending February 28, 2022 (13th fiscal period). • The forecasts may be revised due to actual changes in the portfolio.
Operating revenues	<ul style="list-style-type: none"> • 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.
Operating expenses (excluding amortization expenses for goodwill)	<ul style="list-style-type: none"> • Real estate rental expenses are expected to be ¥16,177 million in the August 31, 2021 (12th fiscal period) and ¥16,148 million in the February 28, 2022 (13th fiscal period). • It is estimated that property and other taxes of ¥3,287 million in the August 31, 2021 (12th fiscal period) and ¥3,273 million in the February 28, 2022 (13th 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. Accordingly, property taxes and city planning taxes for the ten properties acquired in 2020 are expected to be recorded as expenses starting from the August 2021 (12th) fiscal period. • Estimated property management costs (including building management fees and property management fees) of ¥2,888 million in the August 2021 (12th fiscal period) and ¥2,829 million in the February 2022 (13th fiscal period) are expected to be recorded as real estate rental expenses. • 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 ¥1,287 million in the August 2021 (12th) fiscal period and ¥1,339 million in the February 2022 (13th) fiscal period.

Item	Assumptions
	<ul style="list-style-type: none"> • Depreciation of ¥5,576 million in the August 2021 (12th) fiscal period and ¥5,612 million in the February 2022 (13th) fiscal period is expected to be recorded as real estate rental expenses. • Other operating expenses (including asset management fees, asset custody fees and general administration fees) are estimated at ¥4,090 million in the August 2021 (12th) fiscal period and ¥4,080 million in the February 2022 (13th) fiscal period.
Amortization expenses for goodwill	<ul style="list-style-type: none"> • 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 2021 (12th) and the February 2022 (13th) fiscal periods. • 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.
Non-operating expenses	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses are estimated to be ¥2,294 million in the August 2021 (12th) fiscal period and ¥2,213 million in the February 2022 (13th) fiscal period.
Interest-bearing liabilities	<ul style="list-style-type: none"> • As of this document's publication, the outstanding interest-bearing liabilities of NMF are ¥517,841 million, consisting of ¥485,841 million in outstanding borrowings and ¥32,000 million in investment corporation bonds. • Regarding the ¥24,022 million in borrowings that will come due by the end of the August 2021 (12th) fiscal period and the ¥30,067 million in borrowings that will come due in the February 2022 (13th) fiscal period (¥54,090 million in total), it is assumed that NMF will make scheduled, partial repayments of ¥42 million in each the August 2021 (12th) fiscal period and the February 2022 (13th) fiscal period using cash on hand, while refinancing the remainder with new borrowings. • It is assumed that there will be no changes in the amount of the outstanding interest-bearing liabilities other than those stated above through the end of the February 2022 (13th) fiscal period.
Investment units	<ul style="list-style-type: none"> • Forecasts are based on the number of investment units issued and outstanding as of this document's publication, 4,715,200 units. NMF assumes that there will be no additional issuance of new investment units through February 28, 2022 (the end of the 13th fiscal period).
Distribution per unit	<ul style="list-style-type: none"> • The distribution per unit is calculated according to the distribution policy outlined in NMF's Articles of Incorporation. • Regarding the distributions for the fiscal period ending August 31, 2021 (12th) fiscal period, it is assumed that there will be an additional distribution of ¥393 million (as "Other distribution in excess of net earnings") in order to equalize distributions since a temporary decrease in operating revenues is expected due to the impact of COVID-19. • NMF assumes that, of the allowance for temporary difference adjustments ("ATA") accrued up to the present, the amount eliminated in the August 2021 (12th) fiscal period (¥5 million) and the February 2022 (13th) fiscal period (¥5 million) will be reversed from retained earnings at the respective period ends.

Item	Assumptions
	<ul style="list-style-type: none"> • In the August 2021 (12th) fiscal period and the February 2022 (13th) fiscal period, NMF assumes there will no change in the per-unit distribution by the change in fair value of interest rate swaps. • 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.
<p>Distribution per unit in excess of earnings per unit</p>	<ul style="list-style-type: none"> • 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. • The distribution in excess of net earnings per unit for the August 2022(12th) fiscal period is expected to be ¥641, comprising ¥390 in distributions of ATA and ¥251 in other distributions in excess of net earnings. The distribution in excess of net earnings per unit for the February 2022 (13th) fiscal period is expected to be ¥557, comprising ¥396 in distributions of ATA and ¥161 in other distributions in excess of net earnings.
<p>Other</p>	<ul style="list-style-type: none"> • 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. • It is assumed that there will be no unexpected material changes in general economic conditions and real estate markets.

2. Financial Statements

(1) Balance Sheet

Thousands of Yen

	As of August 31, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and bank deposits	62,537,490	50,887,922
Cash and bank deposits in trust	12,628,868	12,952,757
Rental receivables	1,067,208	848,941
Prepaid expenses	865,685	778,186
Derivatives assets	1,564	—
Other	609,795	589,852
Total current assets	77,710,612	66,057,659
Noncurrent assets		
Property and equipment		
Buildings	152,578,120	158,753,039
Less accumulated depreciation	(18,455,238)	(20,763,354)
Buildings, net	134,122,881	137,989,685
Structures	666,293	810,412
Less accumulated depreciation	(341,768)	(372,179)
Structures, net	324,525	438,233
Machinery	880,429	986,902
Less accumulated depreciation	(535,202)	(563,469)
Machinery, net	345,227	423,433
Tools, furniture and fixtures	458,386	511,319
Less accumulated depreciation	(169,698)	(210,485)
Tools, furniture and fixtures, net	288,687	300,833
Land	301,575,945	311,019,052
Buildings in trust	196,980,348	199,284,376
Less accumulated depreciation	(31,002,308)	(33,935,360)
Buildings in trust, net	*3 165,978,040	*3 165,349,016
Structures in trust	1,130,731	1,153,626
Less accumulated depreciation	(898,758)	(908,652)
Structures in trust, net	*3 231,972	*3 244,974
Machinery in trust	821,977	881,280
Less accumulated depreciation	(174,637)	(217,496)
Machinery in trust, net	647,339	663,784
Tools, furniture and fixtures in trust	930,338	1,062,358
Less accumulated depreciation	(386,069)	(462,875)
Tools, furniture and fixtures in trust, net	*3 544,269	*3 599,483
Land in trust	*3 422,908,935	*3 422,871,240
Leased assets in trust	4,752	4,752
Less accumulated depreciation	(924)	(1,320)
Leased assets, net	3,828	3,432
Construction in progress	16,224	56,913

Thousands of Yen

	As of August 31, 2020	As of February 28, 2021
Total property and equipment	1,026,987,877	1,039,960,082
Intangible assets		
Goodwill	80,342,494	77,720,251
Leasehold rights	1,331,702	1,331,702
Leasehold rights in trust	7,626,445	7,626,058
Other	47,510	60,632
Total intangible assets	89,348,152	86,738,645
Investments and other assets		
Long-term prepaid expenses	2,090,012	1,976,031
Long-term deposits	527,473	542,235
Security deposits	936,452	925,784
Total investments and other assets	3,553,939	3,444,051
Total noncurrent assets	1,119,889,969	1,130,142,780
Deferred assets		
Investment corporation bond issuance costs	165,509	157,524
Total deferred assets	165,509	157,524
Total assets	1,197,766,091	1,196,357,965

Thousands of Yen

	As of August 31, 2020	As of February 28, 2021
Liabilities		
Current liabilities		
Trade accounts payable	2,536,859	2,482,387
Current portion of long-term debt	61,135,600	58,760,600
Lease obligations in trust	871	871
Other accounts payable	2,883,286	3,432,497
Accrued expenses	337,398	314,504
Accrued income taxes	3,774	1,028
Accrued consumption taxes	134,705	552,992
Rent received in advance	5,584,162	5,641,129
Unearned revenue	112,213	94,952
Provision for loss on disaster	3,811	31,000
Derivatives liabilities	64,132	106,143
Other current liabilities	36,740	18,807
Total current liabilities	72,833,555	71,436,916
Long-term liabilities		
Investment corporation bonds	32,000,000	32,000,000
Long-term debt	424,748,800	427,081,000
Lease obligations in trust	3,339	2,904
Long-term advances received	75,088	34,401
Security deposits from tenants	13,834,812	14,049,940
Security deposits from tenants in trust	*3 28,343,170	*3 28,492,760
Derivatives liabilities	421,674	245,210
Total long-term liabilities	499,426,885	501,906,216
Total liabilities	572,260,441	573,343,133
Net assets		
Unitholders' equity		
Unitholders' capital	244,307,911	244,606,999
Surplus		
Capital Surplus	394,012,959	394,012,959
Deductions from capital surplus		
Allowance for temporary difference adjustments	*4 (13,515,837)	*4 (14,994,380)
Other deductions from capital surplus	(12,398,315)	(13,763,038)
Total deduction from capital surplus	(25,914,153)	(28,757,419)
Capital surplus, net	368,098,805	365,255,539
Retained earnings	13,583,176	13,503,646
Total surplus	381,681,981	378,759,186
Total unitholders' equity	625,989,893	623,366,185
Valuation and translation adjustments		
Deferred gains or losses on hedges	(484,242)	(351,354)
Valuation and translation adjustments	(484,242)	(351,354)
Total net assets	*2 625,505,650	*2 623,014,831
Total liabilities and net assets	1,197,766,091	1,196,357,965

(2) Statement of Income and Retained Earnings

	Thousands of Yen			
	Previous period from Mar. 1, 2020 to Aug.31, 2020		Current period from Sep. 1, 2020 to Feb.28, 2021	
Operating revenues				
Rental revenues	*1	34,884,255	*1	35,172,568
Other rental revenues	*1	2,693,169	*1	2,892,037
Total operating revenues		37,577,424		38,064,606
Operating expenses				
Real estate rental expenses	*1	15,678,281	*1	15,973,489
Loss on sales of real estate		—	*2	6,245
Asset management fees		3,420,656		3,441,901
Asset custody fees		56,792		57,100
Administrative service fees		170,478		173,243
Directors' compensation		7,800		7,800
Amortization of goodwill		2,622,242		2,622,242
Other operating expenses		408,203		411,670
Total operating expenses		22,364,455		22,693,693
Operating profit		15,212,969		15,370,912
Non-operating revenues				
Interest income		496		326
Reversal of dividends payable		3,561		2,170
Interest on refund		—		230
Other non-operating revenues		15		4
Total non-operating revenues		4,073		2,732
Non-operating expenses				
Interest expenses		1,809,934		1,716,238
Interest expenses on investment corporation bonds		160,997		170,802
Amortization of investment corporation bond issuance costs		5,984		7,984
Loan arrangement fees		431,408		425,105
Other non-operating expenses		5,346		4,824
Total non-operating expenses		2,413,671		2,324,955
Ordinary income		12,803,370		13,048,689
Extraordinary loss				
Loss on disaster		—	*3	31,000
Total extraordinary loss		—		31,000
Income before income taxes		12,803,370		13,017,689
Income taxes—current		3,830		1,078
Total income taxes		3,830		1,078
Net income		12,799,540		13,016,610
Retained earnings brought forward		783,636		487,036
Retained earnings at end of period		13,583,176		13,503,646

(3) Statement of Changes in Net Assets

Previous period (from March 1, 2020 to August 31, 2020)

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	244,185,429	394,012,959	(11,903,126)	(10,738,678)	(22,641,804)	371,371,154
Changes of items during the period						
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	122,481	—	122,481	(122,481)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,735,193)	—	(1,735,193)	(1,735,193)
Other distributions in excess of net earnings	—	—	—	(1,537,155)	(1,537,155)	(1,537,155)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	122,481	—	(1,612,711)	(1,659,637)	(3,272,348)	(3,272,348)
Balance at the end of the period	244,307,911	394,012,959	(13,515,837)	(12,398,315)	(25,914,153)	368,098,805

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	13,094,910	384,466,064	628,651,494	(783,330)	(783,330)	627,868,163
Changes of items during the period						
Distributions of retained earnings	(12,188,792)	(12,188,792)	(12,188,792)	—	—	(12,188,792)
Reversal of allowance for temporary difference adjustments	(122,481)	(122,481)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,735,193)	(1,735,193)	—	—	(1,735,193)
Other distributions in excess of net earnings	—	(1,537,155)	(1,537,155)	—	—	(1,537,155)
Net income	12,799,540	12,799,540	12,799,540	—	—	12,799,540
Net changes of items other than unitholders' equity	—	—	—	299,087	299,087	299,087
Total changes of items during the period	488,266	(2,784,082)	(2,661,600)	299,087	299,087	(2,362,512)
Balance at the end of the period	13,583,176	381,681,981	625,989,893	(484,242)	(484,242)	625,505,650

Current period (from September 1, 2020 to February 28, 2021)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				Net capital surplus
		Capital surplus	Total deduction from capital surplus			
	Allowance for temporary difference adjustment		Deduction from other capital surplus	Total deduction from capital surplus		
Balance at the beginning of the period	244,307,911	394,012,959	(13,515,837)	(12,398,315)	(25,914,153)	368,098,805
Changes of items during the period						
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	299,087	—	299,087	(299,087)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,777,630)	—	(1,777,630)	(1,777,630)
Other distributions in excess of net earnings	—	—	—	(1,065,635)	(1,065,635)	(1,065,635)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	299,087	—	(1,478,542)	(1,364,723)	(2,843,265)	(2,843,265)
Balance at the end of the period	244,606,999	394,012,959	(14,994,380)	(13,763,038)	(28,757,419)	365,255,539

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	13,583,176	381,681,981	625,989,893	(484,242)	(484,242)	625,505,650
Changes of items during the period						
Distributions of retained earnings	(12,797,052)	(12,797,052)	(12,797,052)	—	—	(12,797,052)
Reversal of allowance for temporary difference adjustments	(299,087)	(299,087)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,777,630)	(1,777,630)	—	—	(1,777,630)
Other distributions in excess of net earnings	—	(1,065,635)	(1,065,635)	—	—	(1,065,635)
Net income	13,016,610	13,016,610	13,016,610	—	—	13,016,610
Net changes of items other than unitholders' equity	—	—	—	132,888	132,888	132,888
Total changes of items during the period	(79,529)	(2,922,795)	(2,623,707)	132,888	132,888	(2,490,819)
Balance at the end of the period	13,503,646	378,759,186	623,366,185	(351,354)	(351,354)	623,014,831

(4) Statement of Cash Distributions

Yen

	Previous period from Mar. 1, 2020 to Aug. 31, 2020	Current period from Sep. 1, 2020 to Feb. 28, 2021
I. Retained earnings at end of period	13,583,176,757	13,503,646,955
II. Distributions in excess of retained earnings	2,843,265,600	2,682,948,800
Of which, allowance for temporary difference adjustment	1,777,630,400	1,763,484,800
Of which, other distributions in excess of net income	1,065,635,200	919,464,000
III. Incorporation into unitholders' capital	299,087,803	132,888,372
Of which, reversal of allowance for temporary difference adjustments	299,087,803	132,888,372
IV. Distributions	15,640,318,400	15,701,616,000
[Distributions per unit]	[3,317]	[3,330]
Of which, distributions of earnings	12,797,052,800	13,018,667,200
[Of which, distributions of earnings per unit]	[2,714]	[2,761]
Of which, allowance for temporary difference adjustments	1,777,630,400	1,763,484,800
[Of which, allowance for temporary difference adjustments per unit]	[377]	[374]
Of which, other distributions in excess of net income	1,065,635,200	919,464,000
[Of which, other distributions in excess of net income per unit]	[226]	[195]
V. Retained earnings carried forward	487,036,154	352,091,383

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 a total of ¥15,640,318,400 in distributions (¥3,317 per investment unit). This figure was arrived at by adding to ¥12,799,540,046 in net income after taxes ¥2,622,242,820 in amortization of goodwill, and by adding ¥218,535,534 in consideration of temporary decrease in operating revenues due to the impact of COVID-19 pandemic on per-unit distribution.</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 ¥12,797,052,800 (¥2,714 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,777,630,400 (¥377 per investment unit) as allowance for temporary difference adjustment and ¥1,065,635,200 (¥226 per investment unit) in other distribution in excess of net income.</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 ¥15,701,616,000 in distributions (¥3,330 per investment unit). This figure was arrived at by adding to ¥13,016,610,801 in net income after taxes ¥2,622,242,820 in amortization of goodwill, and by adding ¥62,762,379 in consideration of temporary decrease in operating revenues due to the impact of COVID-19 pandemic on per-unit distribution.</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 ¥13,018,667,200 (¥2,761 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,763,484,800 (¥374 per investment unit) as allowance for temporary difference adjustment and ¥919,464,000 (¥195 per investment unit) in other distribution in excess of net income.</p>

(5) Statement of Cash Flows

	Thousands of Yen	
	Previous period from Mar. 1, 2020 to Aug. 31, 2020	Current period from Sep. 1, 2020 to Feb. 28, 2021
Cash flows from operating activities		
Income before income taxes	12,803,370	13,017,689
Depreciation	5,370,699	5,483,396
Amortization of goodwill	2,622,242	2,622,242
Amortization of investment corporation bond issuance	5,984	7,984
Increase (decrease) in provision for loss on disaster	(16,433)	27,189
Interest income	(496)	(326)
Interest expenses	1,970,931	1,887,041
Loss on disposal of property and equipment	5,711	8,416
Decrease (increase) in rental receivables	(476,056)	210,746
Decrease (increase) in prepaid expenses	(62,847)	86,868
Decrease (increase) in long-term prepaid expenses	(24,131)	113,980
Decrease (increase) in long-term deposits	(7,896)	(14,761)
Increase (decrease) in trade accounts payable	(22,653)	(54,472)
Increase (decrease) in other accounts payable	11,576	74,558
Increase (decrease) in accrued consumption taxes	(1,023,713)	418,287
Increase (decrease) in accrued expenses	38,989	—
Increase (decrease) in rent received in advance	203,667	56,967
Decrease in property and equipment in trust due to sales	—	37,695
Other	217,376	44,453
Subtotal	21,616,320	24,027,957
Interest received	496	326
Interest paid	(2,072,086)	(1,967,252)
Income taxes paid	(3,053)	(3,824)
Net cash provided by (used in) operating activities	19,541,676	22,057,206
Cash flows from investing activities		
Payments for purchase of property and equipment	(9,727,485)	(15,747,551)
Payments for purchase of property and equipment in trust	(14,565,510)	(2,279,685)
Payments for purchase of intangible assets in trust	(13,553)	(12,390)
Reimbursement of security deposits to tenants	(315,568)	(601,527)
Proceeds from security deposits from tenants	763,083	822,196
Reimbursement of security deposits to tenants in trust	(280,207)	(378,902)
Proceeds from security deposits from tenants in trust	512,429	485,473
Payments for security deposits	—	(52)
Proceeds from security deposits	—	10,720
Net cash provided by (used in) investing activities	(23,626,812)	(17,701,720)
Cash flows from financing activities		
Proceeds from short-term debt	7,000,000	—
Repayment of short-term debt	(7,000,000)	—
Proceeds from long-term debt	33,600,000	32,400,000
Repayment of long-term debt	(28,442,800)	(32,442,800)
Proceeds from issuance of investment corporation bonds	7,000,000	—
Repayment of investment corporation bonds	(5,000,000)	—
Payments for issuance of investment corporation bonds	(44,199)	—
Distributions of earnings to unitholders	(12,188,068)	(12,795,769)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(1,735,356)	(1,777,350)

Other distributions in excess of net earnings	(1,537,147)	(1,065,245)
Net cash provided by (used in) financing activities	(8,347,572)	(15,681,165)
Net increase (decrease) in cash and cash equivalents	(12,432,707)	(11,325,679)
Cash and cash equivalents at beginning of period	87,599,067	75,166,359
Cash and cash equivalents at end of period	75,166,359	63,840,679

(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 4–70 years Structures 3–45 years Machinery 5–17 years Tools, furniture and fixtures 3–20 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>Deferred investment corporation bond issuance costs The straight-line method over the respective terms of the bonds.</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 Hagibis in 2019. In addition, the amount that is reasonably estimated at the end of the fiscal period under review is recorded to cover expenditures for restoration, etc. following the 2021 Fukushima Earthquake.</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 ¥108,493 thousand in the previous fiscal period and ¥4,533 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, 2020 to Aug. 31, 2020			Current period from Sep. 1, 2020 to Feb. 28, 2021		
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 temporary difference adjustment for	Related assets, etc.	Reason	Allowance temporary difference adjustment for
Goodwill	Amortization of goodwill	2,622,242	Goodwill	Amortization of goodwill	2,622,242
Long-term deposits	Shortfall of reserve for repair	5,835	Long-term deposits	Shortfall of reserve for repair	6,013
Subtotal		2,628,078	Subtotal		2,628,256
Buildings, facilities, etc.	Depreciation deficiency equivalent	(761,508)	Buildings, facilities, etc.	Depreciation deficiency equivalent	(792,086)
Unearned revenue	Write-down of loss on interest rate swap due to merger	(74,207)	Unearned revenue	Write-down of loss on interest rate swap due to merger	(57,573)
Other	—	(14,732)	Land	Cost of sales of land	(134)
Subtotal		(850,448)	Other	—	(14,976)
Total		1,777,630	Subtotal		(864,771)
			Total		1,763,484

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	(299,087)	Deferred gains or losses on hedges	Changes in fair value of derivatives	(132,888)
Total		(299,087)	Total		(132,888)

(*) The amount of reversal during current period (¥5,515 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.

(*) The amount of reversal during current period (¥5,533 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.

3. 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 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	

(3) Long-term deposits
In principle, long-term deposits are not reversed.

(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.

3. 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 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	

(3) Long-term deposits
In principle, long-term deposits are not reversed.

(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.

(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, 2020)	Current period (Feb. 28, 2021)
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 both previous period and current period as follows.

	Thousands of Yen	
	Previous period (Aug. 31, 2020)	Current period (Feb. 28, 2021)
Committed line of credit	40,000,000	40,000,000
Balance of used line	—	—
Balance of unused line	40,000,000	40,000,000

*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, 2020)	Current period (Feb. 28, 2021)
	50,000	50,000

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

	Thousands of Yen		
	Previous period (Aug. 31, 2020)	Current period (Feb. 28, 2021)	
Assets offered as collateral are as follows.		Assets offered as collateral are as follows.	
Buildings in trust	3,298,689	Buildings in trust	3,274,450
Land in trust	6,096,368	Land in trust	6,096,368
Structures in trust	4,530	Structures in trust	4,438
Tools, furniture and fixtures in trust	733	Tools, furniture and fixtures in trust	4,095
Total	9,400,322	Total	9,379,352
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, 2020 to August 31, 2020)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	17,355,854	9,669,084	1,740,727	—	11,409,812	—
Land, buildings, etc.	Merger expenses	4,029,135	1,328,228	(5,534)	—	1,322,694	—
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	905,812	—	(122,481)	783,330	Changes in fair value of derivative transactions
Increase – subtotal		—	11,903,126	1,735,193	(122,481)	13,515,837	—
Total		—	11,903,126	1,735,193	(122,481)	13,515,837	—

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, 2020 to February 28, 2021)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	19,978,097	11,409,812	1,783,145	—	13,192,958	—
Land, buildings, etc.	Merger expenses	4,029,135	1,322,694	(5,515)	—	1,317,179	—
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	783,330	—	(299,087)	484,242	Changes in fair value of derivative transactions
Increase – subtotal		—	13,515,837	1,777,630	(299,087)	14,994,380	—
Total		—	13,515,837	1,777,630	(299,087)	14,994,380	—

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, 2020 to Aug. 31, 2020		Current period from Sep. 1, 2020 to Feb. 28, 2021	
A. Property related revenues				
Rental revenues				
Rent revenues	32,456,559		32,764,268	
Common area charges	2,427,695	34,884,255	2,408,300	35,172,568
Other rental revenues				
Parking revenues	619,580		631,536	
Incidental income	1,969,384		1,987,428	
Other miscellaneous revenues	104,204	2,693,169	273,072	2,892,037
Property related revenues		37,577,424		38,064,606
B. Property related expenses				
Real estate rental expenses				
Property management costs	1,785,636		1,837,680	
Property management fees	1,011,292		1,013,518	
Property and other taxes	3,124,623		3,110,231	
Utility expenses	1,605,607		1,561,738	
Casualty insurance	45,011		44,576	
Repairs and maintenance	1,418,953		1,510,977	
Land rents	204,194		206,564	
Depreciation	5,369,703		5,482,712	
Other rental expenses	1,113,258	15,678,281	1,205,488	15,973,489
Property related expenses		15,678,281		15,973,489
C. Real estate rental profits [A – B]		21,899,143		22,091,116

*2. Breakdown of loss on sales of real estate

Previous period (from March 1, 2020 to August 31, 2020)

Not applicable.

Current period (from September 1, 2020 to February 28, 2021)

Thousands of Yen

Mitsubishi Motors Katsushika

(a part of the land area)

Proceeds from sales of real estate	35,012	
Cost of sales of real estate	37,695	
Other related sales expenses	3,562	
Loss on sales of real estate		6,245

*3. Breakdown of Extraordinary Loss

Previous period (from March 1, 2020 to August 31, 2020)

Not applicable.

Current period (from September 1, 2020 to February 28, 2021)

Losses related to assets damaged by the 2021 Fukushima Earthquake totaling ¥31,000 thousand are recorded as loss on disaster.

(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, 2020 to Aug. 31, 2020	Current period from Sep. 1, 2020 to Feb. 28, 2021
Carrying amount		
Balance at beginning of period	1,017,019,350	1,035,946,025
Amount of increase (decrease) during period	18,926,674	12,971,818
Balance at end of period	1,035,946,025	1,048,917,843
Fair value at end of period	1,185,682,000	1,205,558,000

(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 PMO Hamamatsucho(¥4,445,043 thousand), GEMS Sangenjaya(¥1,836,687 thousand), Landport Higashi-Narashino (¥12,025,405 thousand), PROUD FLAT Togoshi-Koen (¥2,670,972 thousand) . The decrease during the previous period is mainly attributable to depreciation expenses (¥5,363,528 thousand). The increase during the current period is mainly attributable to the acquisition of Landport Ome II (¥14,888,784 thousand). The decrease during the current period is mainly attributable to the partial sale of Mitsubishi Motors Katsushika (a part of the land area) (¥37,695 thousand) as well as depreciation expenses(¥5,474,834 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, 2020 to August 31, 2020) and current period (from September 1, 2020 to February 28, 2021) 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, 2020 to Aug. 31, 2020	Current period from Sep. 1, 2020 to Feb. 28, 2021
Net assets per unit	132,657	132,129
Net income per unit	2,714	2,760

(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, 2020 to Aug. 31, 2020	Current period from Sep. 1, 2020 to Feb. 28, 2021
Net income (Thousands of Yen)	12,799,540	13,016,610
Amount not attributable to ordinary unitholders (Thousands of Yen)	—	—
Net income attributable to ordinary investment units (Thousands of Yen)	12,799,540	13,016,610
Average number of investment units during period (Units)	4,715,200	4,715,200

(Notes on Significant Subsequent Events)

Not applicable.

[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 11th fiscal period (February 28, 2021).

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)
March 1, 2019	Public offering	214,760	4,536,560	31,241	213,293	(Note 7)
March 26, 2019	Third party allotment increase	10,740	4,547,300	1,562	214,855	(Note 8)
October 15, 2019	Reversal of allowance for temporary difference adjustments	—	4,547,300	91	214,947	(Note 4)
December 20, 2019	Public offering	159,900	4,707,200	27,845	242,792	(Note 9)
January 21, 2020	Third party allotment increase	8,000	4,715,200	1,393	244,185	(Note 10)
April 14, 2020	Reversal of allowance for temporary difference adjustments	—	4,715,200	122	244,307	(Note 4)
October 14, 2020	Reversal of allowance for temporary difference adjustments	—	4,715,200	299	244,606	(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 Real Estate Master Fund (hereinafter "former NMF"), Nomura Real Estate Office Fund (hereinafter "NOF") and Nomura Real Estate 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.
- (Note 7) NMF issued new investment units through public offering at an issue price of ¥150,223 per unit (issue value: ¥145,471 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 8) NMF issued new investment units through third-party allotment at an issue value of ¥145,471 per unit together with the issuance of new investment units through public offering.
- (Note 9) NMF issued new investment units through public offering at an issue price of ¥179,830 per unit (issue value: ¥174,141 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 10) NMF issued new investment units through third-party allotment at an issue value of ¥174,141 per unit together with the issuance of new investment units through public offering.

3. Reference Information

(1) Investment Status

Type of asset	Use	Area (Note 1)	10th fiscal period As of August 31, 2020		11th fiscal period As of February 28, 2021	
			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	145,640	12.2	145,609	12.2
		Other areas	21,319	1.8	21,359	1.8
		Subtotal	166,959	13.9	166,969	14.0
	Retail properties	Greater Tokyo area	29,070	2.4	28,953	2.4
		Other areas	15,947	1.3	15,962	1.3
		Subtotal	45,018	3.8	44,915	3.8
	Logistics properties	Greater Tokyo area	49,528	4.1	64,127	5.4
		Subtotal	49,528	4.1	64,127	5.4
	Residential properties	Greater Tokyo area	136,921	11.4	136,275	11.4
		Other areas	30,712	2.6	30,422	2.5
		Subtotal	167,634	14.0	166,698	13.9
	Hotel properties	Other areas	3,711	0.3	3,695	0.3
		Subtotal	3,711	0.3	3,695	0.3
	Other Properties	Greater Tokyo area	5,136	0.4	5,136	0.4
Subtotal		5,136	0.4	5,136	0.4	
	Subtotal	437,988	36.6	451,541	37.7	
Real estate in trust	Office properties	Greater Tokyo area	258,645	21.6	259,067	21.7
		Other areas	51,896	4.3	52,225	4.4
		Subtotal	310,541	25.9	311,293	26.0
	Retail properties	Greater Tokyo area	82,234	6.9	81,974	6.9
		Other areas	50,158	4.2	49,951	4.2
		Subtotal	132,393	11.1	131,926	11.0
	Logistics properties	Greater Tokyo area	123,041	10.3	122,317	10.2
		Other areas	3,324	0.3	3,310	0.3
		Subtotal	126,366	10.6	125,627	10.5
	Residential properties	Greater Tokyo area	25,987	2.2	25,870	2.2
		Subtotal	25,987	2.2	25,870	2.2
	Hotel properties	Other areas	2,667	0.2	2,658	0.2
		Subtotal	2,667	0.2	2,658	0.2
		Subtotal	597,957	49.9	597,376	49.9
	Subtotal	1,035,946	86.5	1,048,917	87.7	
Deposits and other assets			161,820	13.5	147,440	12.3
Total amount of assets			1,197,766	100.0	1,196,357	100.0

	10th fiscal period As of August 31, 2020		11th fiscal period As of February 28, 2021	
	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	572,260	47.8	573,343	47.9
Total amount of net assets	625,505	52.2	623,014	52.1

(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. (299 properties) held as of February 28, 2021, (the end of the 11th 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 11th fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of February 28, 2021.

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 11th fiscal period.

Number of properties	299
Gross leasable area (m ²) ^(Note 1)	2,106,258.56
Gross leased area (m ²) ^(Note 2)	2,081,994.04
Total number of tenants ^(Note 3)	1,369
Total of all contracted rent (Thousands of Yen) ^(Note 4)	5,889,001

(Note 1) The sum total of the “leasable area” of each of the assets held at the end of the 11th 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 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. For PMO Hatchobori Shinkawa, upon the master lease agreement, the rent paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building (excluding the exclusive area subject to the selfuse by other compartmentalized owners; the same shall apply hereinafter for PMO Hatchobori Shinkawa) multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.. Therefore, the leasable area of PMO Hatchobori Shinkawa is the sum of (i) the leasable area of the exclusive area owned by NMF and (ii) the leasable area of the common area, etc. of the entire building multiplied by NMF’s share of ownership interest of the common area.

(Note 2) The sum total of “leased area” of each of the assets held at the end of the 11th 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. For PMO Hatchobori Shinkawa, upon the master lease agreement, the rent paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.. Therefore, the leased area of PMO Hatchobori Shinkawa is the sum of (i) the leased area of the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by NMF and (ii) the leased area of the common area, etc. of the entire building multiplied by NMF’s share of ownership interest of the common area.

(Note 3) The sum total of “total number of tenants” of each of the assets held at the end of the 11th 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, regardless of pass-through master lease agreement, 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 2021 of each of the assets held at the end of the 11th fiscal period (amounts less than one thousand are truncated). “Total contracted rent” for February 2021 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 2021 (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 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. For PMO Hatchobori Shinkawa, the total contract rent is calculated by summing (i) the rent revenues earned from the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by NMF, and (ii) the rent revenues earned from the common area, etc. of the building multiplied by NMF’s share of ownership interest of the common area, etc..

(b) Changes in Occupancy Rate

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

	February 28, 2019 (end of 7th fiscal period)	August 31, 2019 (end of 8th fiscal period)	February 29, 2020 (end of 9th fiscal period)	August 31, 2020 (end of 10th fiscal period)	February 28, 2021 (end of 11th fiscal period)
Portfolio occupancy rate (at end of fiscal period) (%)	99.3	99.3	98.8	99.1	98.8

B. Price and Investment Share

The following is an overview of the assets held at the end of the 11th 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	46,761	49,500	4.1	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Tennozu Building	20,500	20,703	21,600	1.8	Daiwa Real Estate Appraisal Co., Ltd.
		Kojimachi Millennium Garden	26,700	26,462	28,000	2.3	Japan Real Estate Institute
		NMF Shinjuku Minamiguchi Building	10,000	10,134	12,500	1.0	Japan Real Estate Institute
		NMF Shibuya Koen-dori Building	10,400	10,516	10,700	0.9	Daiwa Real Estate Appraisal Co., Ltd.
		Secom Medical Building	11,100	10,684	12,200	1.0	Japan Real Estate Institute
		NMF Shiba Building	7,040	7,103	7,150	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		Nishi-Shinjuku Showa Building	8,140	8,211	8,050	0.7	Appraisal Firm A Square Ltd.
		NRE Shibuya Dogenzaka Building	5,310	5,340	5,800	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		Iwamoto-cho Toyo Building	4,050	4,021	4,950	0.4	Japan Real Estate Institute
		NMF Surugadai Building	4,690	4,678	5,600	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Nihonbashi Honcho	4,320	4,091	4,900	0.4	Japan Real Estate Institute
		PMO Nihonbashi Kayabacho	5,010	4,785	6,210	0.5	Japan Real Estate Institute
		NMF Gotanda Ekimae Building	4,430	4,633	5,280	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Higashi-nihonbashi Building	3,570	3,708	4,320	0.4	Japan Real Estate Institute
		PMO Akihabara	4,240	4,042	5,810	0.5	Japan Real Estate Institute
		Hatchobori NF Building	2,480	2,435	2,540	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kanda Iwamoto-cho Building	4,160	4,188	4,510	0.4	Japan Real Estate Institute
		NMF Takanawa Building	2,830	2,846	3,290	0.3	Japan Real Estate Institute
		PMO Hatchobori	2,880	2,706	3,430	0.3	Japan Real Estate Institute
		PMO Nihonbashi Odenmachi	2,210	2,111	2,960	0.2	Japan Real Estate Institute
		PMO Higashi-nihonbashi	1,690	1,575	1,960	0.2	Japan Real Estate Institute
		NRE Ueno Building	6,470	6,572	7,040	0.6	Japan Real Estate Institute
		NF Hongo Building	4,890	4,909	5,150	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Crystal Park Building	3,390	3,323	3,370	0.3	Appraisal Firm A Square Ltd.
		NMF Kichijoji Honcho Building	1,780	1,840	2,180	0.2	Japan Real Estate Institute
		Faret Tachikawa Center Square	3,850	3,839	4,340	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kawasaki Higashiguchi Building	7,830	8,041	9,350	0.8	Japan Valuers Co., Ltd.
		NMF Yokohama Nishiguchi Building	5,460	5,603	7,640	0.6	Japan Real Estate Institute
		NMF Shin-Yokohama Building	2,620	2,793	2,870	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Tamachi	6,210	6,115	8,360	0.7	Japan Real Estate Institute
		PMO Ginza Hatchome	3,970	3,928	5,130	0.4	Japan Real Estate Institute
PMO Shibakoen	3,900	3,839	5,210	0.4	Japan Real Estate Institute		
NEC Head Office Building (Note 6)	44,100	44,377	46,600	3.9	Daiwa Real Estate Appraisal Co., Ltd.		
Harumi Island Triton Square Office Tower Y	18,200	17,919	17,800	1.5	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
Office	Greater Tokyo area	NMF Aoyama 1-chome Building	10,400	10,501	13,900	1.2	Japan Real Estate Institute
		NMF Takebashi Building	8,330	8,446	8,950	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Harumi Island Triton Square Office Tower Z	8,180	8,039	8,470	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		NMF Kayabacho Building	6,070	6,086	7,910	0.7	Japan Real Estate Institute
		NMF Shinjuku EAST Building	5,710	5,727	6,370	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Shiba-Koen Building	3,620	3,786	4,290	0.4	Japan Real Estate Institute
		NMF Ginza 4-chome Building	1,850	1,912	2,310	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Faret East Building	1,850	1,852	2,110	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Shinnihonbashi	4,440	4,382	5,170	0.4	Japan Real Estate Institute
		PMO Hirakawacho	3,410	3,388	4,230	0.4	Japan Real Estate Institute
		PMO Nihonbashi Mitsukoshi-mae	4,310	4,318	5,480	0.5	Japan Real Estate Institute
		PMO Shibadaimon	2,130	2,140	2,420	0.2	Japan Real Estate Institute
		PMO Tamachi II (Note 8)	10,900	10,926	12,000	1.0	Japan Real Estate Institute
		PMO Hatchobori Shinkawa	3,805	3,810	4,240	0.4	Japan Real Estate Institute
		PMO Hatchobori III (Note 8)	2,880	2,898	3,180	0.3	Japan Real Estate Institute
		PMO Ochanomizu	3,890	3,904	4,310	0.4	Japan Real Estate Institute
		PMO Akihabara Kita	8,450	8,490	9,130	0.8	Japan Real Estate Institute
		PMO Higashi-Shinbashi	4,730	4,788	5,250	0.4	Japan Real Estate Institute
		PMO Hamamatsucho	4,380	4,424	4,930	0.4	Japan Real Estate Institute
	Other areas	Sapporo North Plaza	6,250	6,414	8,280	0.7	Japan Real Estate Institute
		NRE Sapporo Building	4,140	3,773	4,980	0.4	Japan Real Estate Institute
		NMF Sendai Aoba-dori Building	2,030	2,219	2,690	0.2	JLL Mori Valuation & Advisory K.K.
		NMF Utsunomiya Building	2,320	2,473	2,380	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Nagoya Fushimi Building	2,240	2,004	2,300	0.2	Japan Real Estate Institute
		NMF Nagoya Yanagibashi Building	2,280	2,375	2,260	0.2	Japan Valuers Co., Ltd.
		Omron Kyoto Center Building	18,300	18,034	19,200	1.6	Japan Real Estate Institute
		SORA Shin-Osaka 21	12,100	12,012	12,000	1.0	Japan Valuers Co., Ltd.
		NRE Osaka Building	6,100	7,757	7,320	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Nishi-Umeda Building	3,450	3,569	3,820	0.3	Daiwa Real Estate Appraisal Co., Ltd.
Retail	Greater Tokyo area	NRE Yotsubashi Building	4,000	4,283	4,720	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Hiroshima Building	2,280	2,377	2,740	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Hakata Ekimae Building	4,210	4,230	5,760	0.5	Japan Real Estate Institute
		NMF Tenjin-Minami Building	2,230	2,060	2,800	0.2	Japan Real Estate Institute
		Office subtotal		473,585	478,262	532,200	44.1
Retail	Greater Tokyo area	Yokosuka More's City	13,640	13,714	15,600	1.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,319	11,500	1.0	Japan Valuers Co., Ltd.
		Kawasaki More's	6,080	6,658	8,630	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,294	5,240	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINA Ikebukuro	3,990	4,025	4,540	0.4	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
Retail	Greater Tokyo area	covirna machida	3,440	3,788	4,140	0.3	Japan Real Estate Institute
		Nitori Makuhari	3,080	2,691	3,960	0.3	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,543	3,350	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,238	3,590	0.3	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,369	2,780	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Sundai Azamino	1,700	1,478	2,120	0.2	Japan Real Estate Institute
		EQUINIA Aobadai	1,560	1,581	2,580	0.2	Japan Real Estate Institute
		Megalos Kanagawa	1,000	948	1,550	0.1	Japan Real Estate Institute
		Mitsubishi Motors Meguro (Land)	2,740	2,764	3,340	0.3	Japan Real Estate Institute
		Mitsubishi Motors Chofu (Land)	1,760	1,776	1,740	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima (Land)	1,240	1,251	1,420	0.1	Japan Real Estate Institute
		Mitsubishi Motors Kawasaki (Land)	950	959	1,300	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Takaido (Land)	850	859	873	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika (Land) (Note 7)	762	770	854	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume (Land)	800	808	895	0.1	Japan Real Estate Institute
		Mitsubishi Motors Setagaya (Land)	770	779	1,090	0.1	Japan Real Estate Institute
		Mitsubishi Motors Sekimachi (Land)	600	606	701	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamato (Land)	450	455	536	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motsumiyoshi (Land)	370	375	403	0.0	Japan Real Estate Institute
		Welcia Kawagoe (Land) (Note 8)	350	355	438	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa (Land)	200	204	180	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama (Land)	160	163	186	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Kichijoji Building	10,410	10,188	11,500	1.0	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Ichigaya	2,080	2,038	2,150	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Shopping Center	6,840	6,836	6,920	0.6	Japan Real Estate Institute
		Musashiurawa Shopping Square (Note 6)	2,720	2,563	2,900	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Summit Store Naritahigashi (Land)	700	747	793	0.1	Japan Real Estate Institute
		GEMS Daimon	2,060	2,018	2,080	0.2	Daiwa Real Estate Appraisal Co., Ltd.
	GEMS Kanda	1,500	1,474	1,480	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Mukodaicho	5,100	5,073	5,320	0.4	Japan Valuers Co., Ltd.	
	GEMS Shinbashi	2,810	2,823	2,700	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Kayabacho	2,594	2,582	2,660	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Honamanuma	2,160	2,166	2,900	0.2	JLL Morii Valuation & Advisory K.K.	
	GEMS Shin-Yokohama	1,820	1,802	1,840	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
GEMS Sengenjaya	1,815	1,827	1,790	0.1	JLL Morii Valuation & Advisory K.K.		
Other areas	Universal CityWalk Osaka	15,500	15,163	16,400	1.4	Japan Valuers Co., Ltd.	
	Izumiya Senrioka	8,930	8,547	11,500	1.0	The Tanizawa Sogo Appraisal Co., Ltd.	
	Izumiya Yao	4,406	4,025	5,610	0.5	The Tanizawa Sogo 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
Retail	Other areas	Izumiya Obayashi	3,020	3,176	4,120	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Ichibancho stear	4,700	4,439	5,270	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,324	1,830	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		MEL Building	1,060	1,046	1,200	0.1	Japan Real Estate Institute
		nORBESA	8,500	8,645	8,870	0.7	Japan Real Estate Institute
		Nakaza Cui-daore Building	11,600	12,152	10,300	0.9	Japan Valuers Co., Ltd.
		NMF Kobe Myodani Building	3,560	3,582	3,650	0.3	Japan Valuers Co., Ltd.
		GEMS Namba	3,800	3,809	4,310	0.4	JLL Morii Valuation & Advisory K.K.
Retail subtotal			178,304	176,841	201,629	16.7	
Logistics	Greater Tokyo area	Landport Urayasu	17,400	16,059	22,400	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	14,547	19,700	1.6	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	11,844	18,100	1.5	Japan Real Estate Institute
		Landport Atsugi	11,410	10,130	12,200	1.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	9,733	13,200	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	8,064	11,600	1.0	Japan Real Estate Institute
		Landport Hachioji	8,250	7,283	10,400	0.9	Japan Real Estate Institute
		Landport Kasukabe	7,340	6,235	8,800	0.7	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,115	6,030	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,313	4,670	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,568	4,540	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,752	3,630	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Atsugi Minami Logistics Center A Tower	2,690	2,522	3,520	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Kawaguchi Ryoke Logistics Center	10,790	10,261	13,900	1.2	JLL Morii Valuation & Advisory K.K.
		Landport Kashiwa Shonan II	10,800	10,640	11,700	1.0	Japan Valuers Co., Ltd.
		Landport Kashiwa Shonan I	9,900	9,708	11,000	0.9	Japan Valuers Co., Ltd.
		Landport Hachioji II	9,230	9,163	9,520	0.8	Japan Valuers Co., Ltd.
		Landport Iwatsuki	6,090	6,072	6,500	0.5	Japan Valuers Co., Ltd.
		Landport Ome I	13,640	13,708	14,200	1.2	Japan Valuers Co., Ltd.
	Landport Higashi-Narashino	11,872	11,885	15,700	1.3	Japan Valuers Co., Ltd.	
Landport Ome II	14,620	14,834	15,100	1.3	Japan Valuers Co., Ltd.		
Other areas	Hirakata Kuzuha Logistics Center	3,460	3,310	4,140	0.3	Daiwa Real Estate Appraisal Co., Ltd.	
Logistics subtotal			201,182	189,755	240,550	20.0	
Residential	Greater Tokyo area	PROUD FLAT Shirokane Takanawa	3,400	3,215	3,550	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Yoyogi Uehara	989	959	994	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Hatsudai	713	681	717	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shibuya Sakuragaoka	750	709	725	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Gakugei Daigaku	746	699	844	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Meguro Gyoninzaka	939	883	1,050	0.1	Daiwa Real Estate Appraisal Co., Ltd.

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Residential	Greater Tokyo area	PROUD FLAT Sumida Riverside	2,280	2,104	2,600	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kagurazaka	1,590	1,477	1,660	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Waseda	1,110	1,028	1,170	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shinjuku Kawadacho (Note 7)	932	868	1,000	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sangen Jaya	1,190	1,101	1,220	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata	1,160	1,049	1,250	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata II	3,320	3,041	3,530	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shinotsuka	623	565	579	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kiyosumi Shirakawa	928	850	976	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho II	652	604	643	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho I	1,030	939	1,010	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Fujimidai	1,470	1,360	1,870	0.2	Japan Real Estate Institute
		PROUD FLAT Asakusa Komagata	1,920	1,740	2,300	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Yokohama	2,090	1,911	2,350	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamioooka	2,710	2,475	2,830	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Tsurumi II	1,650	1,499	1,950	0.2	Japan Real Estate Institute
		PRIME URBAN Azabu Juban	1,100	1,095	1,030	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Akasaka	938	921	1,000	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Tamachi	972	928	1,020	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shibaura LOFT	1,830	1,719	2,060	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Yoyogi	359	342	345	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu II	1,140	1,110	1,520	0.1	Japan Real Estate Institute
		PRIME URBAN Bancho	1,090	1,053	1,160	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chiyoda Fujimi	679	650	698	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Idabashi	2,040	1,929	1,890	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu	1,260	1,245	1,320	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Naka Meguro	1,410	1,372	1,430	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Gakugei Daigaku	775	738	849	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Senszoku	474	456	483	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Riverside	414	386	412	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Ohashi Hills	2,970	2,812	3,270	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Meguro Aobadai	1,310	1,263	1,730	0.1	Japan Real Estate Institute
		PRIME URBAN Gakugei Daigaku II	1,080	1,038	1,350	0.1	Japan Real Estate Institute
PRIME URBAN Naka Meguro II	2,850	2,813	3,450	0.3	Japan Real Estate Institute		
PRIME URBAN Kachidoki	2,570	2,599	2,450	0.2	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Shinkawa	2,100	2,117	2,520	0.2	Japan Valuers Co., Ltd.		
PRIME URBAN Nihonbashi Yokoyamacho	4,220	3,943	4,790	0.4	Japan Valuers Co., Ltd.		
PRIME URBAN Nihonbashi Hamacho	1,550	1,480	1,940	0.2	Japan Real Estate Institute		

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Residential	Greater Tokyo area	PRIME URBAN Hongo Ikizaka	557	522	630	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Hakusan	866	787	930	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yotsuya Gaien Higashi	1,490	1,449	1,460	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku I	1,090	1,035	1,250	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku II	885	831	917	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Naitomachi	430	427	451	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Waseda	421	387	463	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Ochiai	594	595	592	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Mejiro	1,430	1,376	1,710	0.1	Japan Real Estate Institute
		PRIME URBAN Kagurazaka	2,900	2,719	3,550	0.3	Japan Real Estate Institute
		PRIME URBAN Sangen Jaya III	718	711	658	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Karasuyama	717	729	652	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sangen Jaya	724	686	745	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Minami Karasuyama	667	622	760	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Karasuyama Galleria	549	513	579	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Karasuyama Court	338	316	357	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Funabashi	746	699	761	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yoga	1,390	1,312	1,700	0.1	Japan Real Estate Institute
		PRIME URBAN Shinagawa Nishi	494	510	434	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Osaki	1,860	1,781	1,930	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Oimachi II	1,040	1,090	1,080	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yukigaya	951	937	785	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Omori	905	848	892	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Denenchofu Minami	774	714	743	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Nagahara Kamiikedai	1,720	1,653	1,900	0.2	Japan Real Estate Institute
		PRIME URBAN Nakano Kamitakada	498	458	535	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Takaido	1,060	1,045	820	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo	414	397	436	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo II	1,790	1,734	2,030	0.2	Japan Real Estate Institute
		PRIME URBAN Otsuka	730	682	714	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Komagome	437	440	412	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ikebukuro	3,800	3,572	4,590	0.4	Japan Real Estate Institute
		PRIME URBAN Monzen Nakacho	2,420	2,271	2,560	0.2	Chuo Real Estate Appraisal Co., Ltd.
PRIME URBAN Kameido	779	706	776	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Sumiyoshi	632	576	632	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Mukojima	528	522	490	0.0	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Kinshi Koen	1,290	1,164	1,290	0.1	Chuo 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 Kinshicho	758	696	751	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Hirai	722	653	725	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai	640	583	644	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai II	981	886	934	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai East	1,140	1,038	1,280	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Itabashi Kuyakushomae	1,080	989	1,280	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Asakusa	384	379	318	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Machiya South Court	1,910	1,835	2,180	0.2	Japan Real Estate Institute
		PRIME URBAN Musashi Koganei	1,910	1,924	1,900	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Musashino Hills	1,280	1,316	1,370	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Koganei Honcho	791	744	889	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kumegawa	1,520	1,349	1,550	0.1	Japan Real Estate Institute
		PRIME URBAN Musashi Kosugi comodo	1,940	1,947	2,360	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Kawasaki	962	949	1,070	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Shinyurigaoka	1,020	937	1,280	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumi Teraya	493	482	416	0.0	Japan Real Estate Institute
		PRIME URBAN Urayasu	804	747	888	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku I	633	598	685	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku II	730	690	830	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae	488	448	519	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae II	469	451	570	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku III	747	722	915	0.1	Japan Real Estate Institute
		PRIME URBAN Nishi Funabashi	761	674	846	0.1	Japan Real Estate Institute
		PRIME URBAN Kawaguchi	1,580	1,477	1,720	0.1	Japan Valuers Co., Ltd.
		PROUD FLAT Hatchobori	920	917	1,170	0.1	Japan Real Estate Institute
		PROUD FLAT Itabashi Honcho	720	704	915	0.1	Japan Real Estate Institute
		PRIME URBAN Meguro Mita	1,058	1,114	1,130	0.1	Japan Valuers Co., Ltd.
		Fukasawa House Towers H&I	7,140	7,014	7,870	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Toyosu	5,290	5,033	5,800	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nihonbashi Kayabacho	2,850	2,770	3,160	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yoga II	1,320	1,265	1,320	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Musashi Koganei II	1,310	1,249	1,420	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Gakugei daigaku parkfront	1,300	1,371	1,380	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Omori III	1,110	1,119	1,380	0.1	JLL Morii Valuation & Advisory K.K.
PROUD FLAT Kinshicho	785	787	996	0.1	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Sangenjaya II	2,750	2,785	3,170	0.3	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Sotkanda	2,280	2,322	2,770	0.2	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Noborito	1,216	1,238	1,440	0.1	JLL Morii Valuation & Advisory K.K.		

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	PROUD FLAT Yoyogi Hachiman	966	984	1,150	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Nakaochiai	844	860	929	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shibuya Tomigaya	3,960	4,050	4,580	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Miyazakidai	1,390	1,454	1,510	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Asakusabashi III	1,230	1,278	1,270	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Togoshi-Koen	2,580	2,672	2,680	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
	Other areas	PROUD FLAT Itsutsubashi	652	568	693	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kawaramachi	735	632	715	0.1	Japan Real Estate Institute
		PROUD FLAT Shin Osaka	1,620	1,411	1,870	0.2	Japan Real Estate Institute
		PRIME URBAN Kita Juyo Jo	274	244	274	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Odori Koen I	502	446	505	0.0	Japan Real Estate Institute
		PRIME URBAN Odori Koen II	334	300	311	0.0	Japan Real Estate Institute
		PRIME URBAN Kita Juichi Jo	547	479	579	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Miyanosawa	475	412	480	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Odori Higashi	394	348	419	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Chiji Kokan	249	215	263	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Maruyama	229	202	219	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Kita Nijuyo Jo	437	379	458	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Sapporo Idaimae	616	539	630	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Sapporo Riverfront	4,480	3,966	4,730	0.4	Japan Valuers Co., Ltd.
		PRIME URBAN Kita Sanjo Dori	1,730	1,526	1,920	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Nagamachi Icchome	1,140	1,019	1,100	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yaotome Chuo	466	405	449	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Tsutsumidori Amamiya	949	931	975	0.1	Japan Real Estate Institute
		PRIME URBAN Aoi	712	655	672	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kanayama	553	489	597	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumai	1,020	888	1,040	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kamimaezu	1,590	1,423	1,690	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Izumi	3,770	3,393	3,970	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Sakaisuji Honmachi	1,810	1,623	2,090	0.2	Japan Real Estate Institute
		PRIME URBAN Hakata	588	526	607	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yakuin Minami	265	237	288	0.0	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Kashii	398	346	353	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Hakata Higashi	622	552	550	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Chihaya	604	545	583	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
Serenite Shinsaibashi Grande	5,567	5,710	5,770	0.5	Daiwa Real Estate Appraisal Co., Ltd.		
Residential subtotal			202,047	192,568	219,509	18.2	

Hotels	Other areas	Hotel Vista Sapporo Odori	3,600	3,695	3,720	0.3	Japan Ltd. Valuers Co.,
		Red Planet Naha Okinawa (Note 9)	2,650	2,658	2,520	0.2	Japan Ltd. Valuers Co.,
Hotel subtotal			6,250	6,353	6,240	0.5	
Other	Greater Tokyo area	Ryotokuji University Shin-Urayasu Campus (Land)	4,900	5,136	5,430	0.5	Japan Real Estate Institute
Other subtotal			4,900	5,136	5,430	0.5	
Total			1,066,269	1,048,917	1,205,558	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 11th fiscal period-end (February 28, 2021) 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 (299 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 has sold a part of land area of the property. Therefore, the acquisition price given represents the acquisition price of the entire asset less the amount equivalent to the book value of the transferred portion at the time of execution of the transfer.

(Note 8) NMF changed the name of the following portfolio properties as of October 1, 2020. The same shall be applied throughout this document.

Use of Property	New Name	Former Name
Office	PMO Tamachi II	PMO Tamachi Higashi
	PMO Hatchobori III	PMO Kyobashi Higashi
Retail	Welcia Kawagoe (Land)	Mitsubishi Motors Kawagoe (Land)

(Note 9) As of March 29, 2021, Red Planet Naha Okinawa has been renamed as Comfort Inn Naha Tomari Port. The same shall be applied throughout this document.

C. Status of Capital Expenditures

(a) Schedule of Capital Expenditures

Of the scheduled amount of capital expenditures associated with renovation and other work planned (or completed) as of the date of this document's publication for the assets held at the end of the 11th fiscal period, the following are the major capital expenditures. Please note that the scheduled construction cost listed below include the portion charged to expenses in accounting.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Scheduled construction cost (Thousands of Yen)		
			Total amount	Amount paid during the 11th fiscal period	Total amount already paid
NMF Shinjuku EAST Building (Shinjuku Ward, Tokyo)	Renewal of air conditioner at the third and the fourth floors	From Mar. 2021 To Aug. 2021	119,950	-	-
NMF Takanawa Building (Shinagawa Ward, Tokyo)	Renewal of elevator	From Oct. 2020 To Aug. 2021	32,000	-	-
NRE Osaka Building (Osaka City, Osaka)	Renewal of horizontal water supply and drainage pipe (II / II)	From Dec. 2020 To Jun. 2021	130,000	-	-
NRE Nishi-Umeda Building (Osaka City, Osaka)	Renewal of elevator (phase I)	From Apr. 2020 To Aug. 2021	48,900	-	-
NRE Nishi-Umeda Building (Osaka City, Osaka)	Renewal of elevator (phase II)	From Apr. 2020 To Nov. 2021	49,900	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of elevator (phase II)	From Apr. 2020 To Aug. 2021	95,000	-	-
NMF Ginza 4-chome Building (Chuo Ward, Tokyo)	Renewal of elevator	From Sep. 2020 To Feb. 2022	45,000	-	-
Iwamoto-cho Toyo Building (Chiyoda Ward, Tokyo)	Renewal of elevator	From Mar. 2021 To Aug. 2021	60,000	-	-
NMF Nagoya Yanagibashi Building (Nagoya City, Aichi)	Repair of elevator system	From Nov. 2020 To Feb. 2022	166,000	-	-
NRE Hiroshima Building (Hiroshima City, Hiroshima)	Renewal of power generator	From May. 2020 To Mar. 2021	77,000	-	-
NRE Hiroshima Building (Hiroshima City, Hiroshima)	Repair of underground parking slope	From Dec. 2020 To Mar. 2021	23,000	-	-
NMF Hakata Ekimae Building (Fukuoka City, Fukuoka)	Renewal of air conditioner system (phase III)	From Mar. 2021 To May. 2021	59,500	-	-
PRIME URBAN Nishi Ogikubo II (Suginami Ward, Tokyo)	Repair of exterior wall	From Feb. 2021 To Aug. 2021	36,500	-	-
PRIME URBAN Kita Juichi Jo (Sapporo City, Hokkaido)	Repair of exterior wall	From Dec. 2020 To Aug. 2021	30,200	-	-
PRIME URBAN Sapporo Riverfront (Sapporo City, Hokkaido)	Renewal of electric water heater	From Mar. 2021 To Jun. 2021	70,500	-	-
PRIME URBAN Oimachi II (Shinagawa Ward, Tokyo)	Renewal of elevator	From Dec. 2020 To Aug. 2021	13,500	-	-
PRIME URBAN Tsurumi Teraya (Yokohama City, Kanagawa)	Renewal of elevator	From Oct. 2020 To Aug. 2021	14,000	-	-

(Note) Total amount already paid does not include the amount paid during the 11th fiscal period.

(b) Capital Expenditures during the 11th Fiscal Period

The following is an overview of the major construction work falling under the category of capital expenditures that was conducted during the 11th fiscal period for the assets held as of the end of the

11th fiscal period. Capital expenditures during the 11th fiscal period were ¥3,528,173 thousand and, when combined with the ¥1,510,977 thousand repair expenses classified as expenses during the 11th fiscal period, a total of ¥5,039,151 thousand in construction work was implemented. The following construction cost shows the amount equivalent to capital expenditures.

Name of real estate, etc. (Location)	Purpose	Period	Construction cost (Thousands of Yen)
Sagamihara Onodai Logistics Center (Sagamihara City, Kanagawa)	Repair of rooftop waterproof (phase II)	From Sep. 2020 To Feb. 2021	128,977
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of passenger elevator (phase I)	From Oct. 2019 To Feb. 2021	98,050
NMF Shinjuku EAST Building (Shinjuku Ward, Tokyo)	Renewal of air conditioner at the first and the second floors	From Sep. 2020 To Feb. 2021	88,420
NRE Osaka Building (Osaka City, Osaka)	Renewal of horizontal water supply and drainage pipe (I /II)	From Apr. 2020 To Jan. 2021	82,696
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of emergency power generator	From Dec. 2019 To Nov. 2020	80,619
NRE Higashi-nihonbashi Building (Chuo Ward, Tokyo)	Renewal of power receiving and transforming equipment (phase III)	From Dec. 2020 To Dec. 2020	36,953
PRIME URBAN Mukojima (Sumida Ward, Tokyo)	Installation of pressure water service system	From Oct. 2020 To Dec. 2020	10,005
PRIME URBAN Shinagawa Nishi (Shinagawa Ward, Tokyo)	Installation of pressure water service system	From Sep. 2020 To Sep. 2020	7,312
PRIME URBAN Yakuin Minami (Fukuoka City, Fukuoka)	Replacement of electrical components in mechanical parking lots	From Feb. 2021 To Feb. 2021	2,972
Other real estate, etc.	Improvement of features	From Sep. 2020 To Feb. 2021	2,992,165
Total			3,528,173