

**SUMMARY OF FINANCIAL RESULTS (REIT)
For the 1st Fiscal Period Ended August 31, 2013**

October 15, 2013

REIT securities issuer: Nomura Real Estate Master Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Securities code: 3285 URL: <http://www.nre-mf.co.jp/>
 Representative: Takashi Kataoka, Executive Director

Asset management company: Nomura Real Estate Asset Management Co., Ltd.
 Representative: Yasuaki Fukui, President and Chief Executive Officer
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Scheduled date of filing of securities report: November 28, 2013
 Scheduled date of commencement of distribution payout: November 15, 2013
 Preparation for supplementary materials on financial results: Yes
 Holding of briefing session on financial results: Yes (for institutional investors)

[Amounts are rounded down to the nearest million yen]

1. Financial Results for the Fiscal Period Ended August 31, 2013 (1st period) (from January 31, 2013 to August 31, 2013)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Period ended August 31, 2013	3,683	(-)	2,089	(-)	1,253	(-)	1,251	(-)

	Net income per unit	Return on Unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	yen	%	%	%
Period ended August 31, 2013	1,948 (751)	3.5	2.5	34.0

- (Note 1) The calculation period for NMF's fiscal period ended August 31, 2013 is a period of 213 days from January 31, 2013 to August 31, 2013, but the actual asset management period is a period of 80 days from June 13, 2013 to August 31, 2013.
- (Note 2) Concerning net income per unit, the net income per unit calculated based on the daily weighted average number of investment units (1,665,260 units) is additionally shown in the round bracket with June 13, 2013, which is the date of commencement of the actual asset management, deemed as the beginning of the fiscal period.
- (Note 3) The return on unitholders' equity and the ratio of ordinary income to total assets are each calculated based on the weighted average equity amount and total assets amount with June 13, 2013, which is the date of commencement of the actual asset management, deemed as the beginning of the fiscal period.
- (Note 4) The percentage figures for operating revenue, operating income, ordinary income and net income are the ratio of increase (decrease) compared with the previous period, and thus are not applicable for the 1st fiscal period.

(2) Distributions

	Distribution per unit (excluding distribution in excess of earnings)	Total distributions	Distribution in excess of earnings per unit	Total distributions in excess of earnings	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	%	%
Period ended August 31, 2013	751	1,250	0	0	99.9	0.8

- (Note) Distribution payout ratio is calculated as follows since new investment units were issued through public offering and the number of investment units issued and outstanding was changed during the period (rounded down to first decimal place):
 Distribution payout ratio = Total distributions (excluding distribution in excess of earnings) ÷ Net income × 100

(3) Financial Position

	Total assets	Net assets	Net Assets to total assets	Net assets per unit
	million yen	million yen	%	yen
Period ended August 31, 2013	252,265	162,371	64.4	97,505

(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
	million yen	million yen	million yen	million yen
Period ended August 31, 2013	△1,510	△221,334	239,305	16,460

2. Earnings Forecasts for the Fiscal Period Ending February 28, 2014 (2nd period) (from September 1, 2013 to February 28, 2014) and August 31, 2014 (3rd period) (from March 1, 2014 to August 31, 2014)

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

Period ending	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	(%)	million yen	(%)	million yen	(%)	million yen	(%)
February 28, 2014	9,099	(147.1)	5,168	(147.3)	4,630	(269.5)	4,629	(269.9)
August 31, 2014	9,250	(1.7)	4,561	(△11.7)	3,964	(△14.4)	3,963	(△14.4)

Period ending	Distribution per unit (excluding distribution in excess of earnings)		Distribution in excess of earnings per unit	
	yen		yen	
February 28, 2014	2,780		-	
August 31, 2014	2,380		-	

(Reference) Forecast net income per unit for the fiscal period ending February 28, 2014: 2,780 yen
for the fiscal period ending August 31, 2014: 2,380 yen

(Note) In principle, NMF is scheduled to announce the earnings forecast for one fiscal period, as at the time of disclosure of each fiscal period's brief report of financial results, for the fiscal period following the fiscal period subject to such report. However, the fixed asset tax, city planning tax, etc. on the 54 properties that NMF acquired during the 1st fiscal period upon commencement of its asset management will not be charged to expenses until the fiscal period ending August 31, 2014 (3rd fiscal period) and the impact of such fixed asset tax, city planning tax, etc. thus will not be reflected into the earnings forecast for the fiscal period ending February 28, 2014 (2nd fiscal period). Therefore, in view of presenting the earnings forecast for the fiscal period ending August 31, 2014 (3rd fiscal period) that will reflect the impact of these taxes and dues into the earnings forecast, NMF hereby announces the earnings forecasts for two fiscal periods – the fiscal period ending February 28, 2014 (2nd fiscal period) and the fiscal period ending August 31, 2014 (3rd fiscal period) – in this 1st fiscal period's brief report of financial results.

3. Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

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

(2) Number of Investment Units Issued and Outstanding

- | | | |
|---|------------------------|-----------------|
| ① Number of investment units issued and outstanding at end of fiscal period
(including treasury investment units): | As of August 31, 2013: | 1,665,260 units |
| ② Number of treasury investment units at end of fiscal period | As of August 31, 2013: | - 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 23.

- * Presentation of the status of implementation of audit procedures
At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.
- * Explanation of the appropriate use of the forecast for management status, and other matters of special note
The outlook for management status and other forward-looking statements contained in this report are based on information currently available to and certain assumptions deemed reasonable by NMF. Accordingly, actual management status, etc. may differ materially due to a variety of factors. In addition, the forecast is not a guarantee of the amount of distributions. For the matters to note in the use of the assumptions underlying the forecast for management status and the forecast for management status, etc., please refer to "2. Management Policy and Management Status; (2) Management Status" on page 3.

Attachment

1. Affiliated Corporations of the Investment Corporation

Disclosure is omitted, since there are no significant changes from the “Structure of the Investment Corporation” presented in the securities registration statement (filed on May 9, 2013).

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted, since there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” presented in the securities registration statement (filed on May 9, 2013).

(2) Management Status

① Outline of Fiscal Period under Review

NMF was incorporated on January 31, 2013 by Nomura Real Estate Asset Management Co., Ltd. under the Act on Investment Trusts and Investment Corporations, and listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. on June 12, 2013 (securities code: 3285).

NMF adopts the basic asset management policy of investing mainly in specified assets of real estate, etc. and real estate backed securities to secure stable income and steady growth of assets under management over the medium- to long-term. NMF has set primarily logistics facilities and retail facilities as main investment targets to achieve the basic policy described above. Both types of facilities are regarded as being essential to economic activities, with logistics facilities as industrial infrastructure and retail facilities as infrastructure supporting consumption activities.

Based on an investment strategy of building a balanced portfolio of logistics facilities and retail facilities and also focusing on the Greater Tokyo area, where strong demand is expected, NMF will aim to secure stable income over the medium to long term.

(Note) The Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951) is hereinafter referred to as the “Investment Trusts Act.”

“Assets under management” refers to assets that belong to NMF.

For the purposes of this report, real estate includes rights of lease and superficies of real estate. Unless otherwise stated, the same applies hereinafter.

“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 the “property.”

“Greater Tokyo area” refers to Tokyo, Kanagawa, Chiba and Saitama prefectures.

A. Investment Environment and Management Performance

The Japanese economy showed trends of weaker yen and higher stock prices, backed by the various policies for pulling out of deflation and sustainable economic growth through so-called “Abenomics” after the change of government at the end of 2012. In correlation, improvement was seen in export-related and other corporate earnings. In addition, personal consumption was robust due to improvement in consumer confidence.

With such improvement in the business sentiment, as well as expectation for monetary easing and the economy to pull out of deflation, leading to the continuous inflow of funds into the J-REIT market, and backed by a favorable financing environment, there were active new J-REIT listings and property acquisitions accompanying capital raisings through public offering by existing J-REITs. These have resulted in the amount of property acquisitions by J-REITs since the start of 2013 already reaching a level that exceeds the 2012 level.

Concerning logistics facilities market trends, supported by demand from e-commerce and internet mail-order and the fashion/apparel industry, as well as demand from the accompanying third-party logistics business expansion, supply-demand is tight and the vacancy rate of large logistics facilities continues to be at a low level.

Concerning the environment surrounding retail facilities, the trends of improvement in the domestic economy and consumer confidence have led to signs of recovery starting to show in consumption trends as well, and the business performance of retail companies has also been trending toward improvement since last year. According to the Ministry of Economy, Trade and Industry’s “Current Survey of Commerce,” retail sales value was stable in 2012 and that trend currently still continues. Supported by robust personal consumption, strong demand is expected to continue.

Under such circumstances, using proceeds from the issuance of new investment units through public offering and borrowings, NMF commenced management with the acquisition of 25 properties (total acquisition price of 47,576 million yen) on June 13, 2013, and acquired 26 properties (total acquisition

price of 153,250 million yen) on June 14, 2013, 1 property (acquisition price of 10,600 million yen) on July 19, 2013 and 2 properties (total acquisition price of 16,190 million yen) on July 31, 2013 of real estate and trust beneficiary interests in real estate (“real estate trust beneficiary interests”). The acquisition of properties was based on an investment strategy of constructing a balanced portfolio of logistics facilities and retail facilities and also focusing on the Greater Tokyo area, where strong demand is expected, with an aim to secure stable income over the medium- to long-term.

As a result, the number of properties held by NMF at the end of the 1st fiscal period was 54 properties (total acquisition price of 227,616 million yen), investment ratio in the Greater Tokyo area accounted for 83.9% and gross leasable area was 890,795.63 m². In addition, the occupancy rate of the entire portfolio at the end of the 1st fiscal period was stable at a high level of 99.8%.

B. Status of Fund Procurement

NMF implemented an issuance of new investment units through public offering (1,663,260 units) with June 11, 2013 as the payment date, and listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange on June 12, 2013. As a result, unitholders’ capital was 161,120 million yen and the number of investment units issued and outstanding was 1,665,260 units at the end of the fiscal period under review.

In addition, NMF borrowed 52,800 million yen on June 13, 2013, 12,200 million yen on July 18, 2013 and 13,500 million yen on July 30, 2013 to fund the acquisition of specified assets and related miscellaneous expenses. In addition, NMF made partial loan repayment using cash on hand. As a result, the balance of loans outstanding was 78,478.6 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 31.1% at the end of the 1st fiscal period.

The following is the rating obtained by NMF as at the end of the 1st fiscal period. The rating is not a rating of NMF investment units. Concerning NMF investment units, there are no credit ratings that credit rating agencies have provided or made available for inspection and there are no 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

C. Business Performance and Distributions

As a result of the management described above, business performance for the 1st fiscal period was as follows: operating revenue of 3,683 million yen, operating income of 2,089 million yen, ordinary income of 1,253 million yen and net income of 1,251 million yen.

Concerning distributions in the 1st fiscal period, in order to have the maximum amount of distributions of earnings included in deductible expenses by applying special measures for the tax treatment (Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957)), NMF decided to distribute almost the entire amount of unappropriated retained earnings, excluding fractions of the distribution per investment unit that are less than 1 yen. Accordingly, NMF declared distribution per investment unit of 751 yen.

② Outlook for Next Fiscal Period

A. Future Management Policy and Challenges

Based on the pickup in exports due to trends of weaker yen, as well as the various policies for pulling out of deflation and revitalizing the economy, the Japanese economy is anticipated to see improvement in corporate earnings leading to increase in capital investment and improvement in the employment environment continuing and to see economic recovery gain momentum. In addition, in the J-REIT market, profit-taking after April 2013 and subsequent long-term interest rate instability caused the TSE REIT Index to show stronger signs of adjustment, but is recently settling down. Considering that the J-REIT financing environment is still favorable, active movements for property acquisition will likely continue to be seen.

Based on such recognition, NMF will engage in management based on the following policy in order to secure stable income and steady growth of assets under management over the medium to long term.

(a) Expand asset size based on clear investment strategy

NMF will aim to secure stable income over the medium- to long-term based on an investment strategy of focusing on the Greater Tokyo area, where strong demand is expected.

NMF will expand asset size in this manner and thereby diversify real estate under management to reduce risks of income fluctuation and lower operational management costs through economies of scale.

In view of making selective and effective investment in prime properties when investing in new properties, NMF will work to obtain property sale information early and promote negotiated transactions through further expansion of independent property sourcing routes and collaboration with the Nomura Real Estate Group, as well as conduct adequate due diligence to identify investment risks.

(b) Property operations from the medium- to long-term perspective

The logistics facilities and retail facilities located in residential areas that NMF invests in are regarded as having the potential to generate stable cash flows from long-term lease agreements with tenants, while retail facilities located near train stations are regarded as having internal cash flow growth potential. When operating logistics facilities and retail facilities located in residential areas, NMF will operate with income stability in mind by striving to make the lease agreement a long-term agreement at the time of agreement renewal. In addition, when operating retail facilities located near train stations, NMF will operate with sights set on enhancing income by increasing the rent amount, etc. through, among others, renewal of agreements and replacement of tenants in the economic recovery phase based on an accurate grasp of the market environment.

Moreover, NMF will make utmost use of the Nomura Real Estate Group's leasing, operation, building management and other management capabilities and strive to achieve a high and stable level of occupancy rate and maintain and enhance the rent level in pursuit of stable portfolio income over the medium- to long-term.

(c) Maintain and enhance stable financial base

When borrowing funds and issuing investment corporation bonds, NMF will conduct fund procurement, taking into consideration the fund procurement flexibility and financial stability. In addition, while closely monitoring financial market trends, use of interest-rate swaps, etc. for conversion of the interest rate to a fixed rate, extension of the loan period, procurement with diversified repayment dates will be positioned at the core of the financial strategy and these will be executed to build a stable financial base.

③ Significant Subsequent Events

Not applicable.

(Reference)

The Fund entered into the purchase and sales agreement of “Recipe SHIMOKITA” on September 30, 2013, after the end of 1st fiscal period (August 31, 2013).

Type of asset	Real Estate
Property Name	Recipe SHIMOKITA
Location (Note 1)	(Registry) 2-1045-7 Kitazawa, Setagaya-ku, Tokyo, etc. (Street) 2-20-17 Kitazawa, Setagaya-ku, Tokyo
Structure (Note 1)	S/RC, B2/8F
Land Area (Note 1)	1,716.03 m ²
Building Area (Note 1)	8,552,53 m ²
Type of Ownership	(Land) Ownership (Building) Ownership
Completion Date (Note 1)	July, 2011
Acquisition Price (Scheduled) (Note 2)	10,407 million yen
Date of Agreement	September 30, 2013 (date of execution of the purchase and sale agreement)
Scheduled date of acquisition	December 13, 2013 (date of delivery of real estate)
Seller (Note 3)	Undisclosed
Financing	Own fund and borrowings

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

(Note 2) The Acquisition Price (Scheduled) is the amount set forth in the relevant purchase agreement and does not include expenses such as brokers’ commission or taxes.

(Note 3) As the Seller does not approve disclosure, this information is not disclosed.

Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending February 28, 2014 (2nd period) (from September 1, 2013 to February 28, 2014) and August 31, 2014 (3rd period) (from March 1, 2014 to August 31, 2014)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> • 2nd fiscal period: from September 1, 2013 to February 28, 2014 • 3rd fiscal period: from March 1, 2014 to August 31, 2014
Assets under management	<ul style="list-style-type: none"> • The Fund assumes that the investment portfolio consisting of 54 properties owned by the Fund as at the end of the 1st fiscal period (ending August 31, 2013) (the “Acquired Assets”) and “Recipe SHIMOKITA” to be acquired on December 13, 2013 (the “Assets to be Acquired in the 2nd fiscal period”) will remain unchanged (with no assets acquired or disposed of) thereafter until the end of the 3rd fiscal period (August 31, 2014). • In practice, the investment portfolio is subject to potential change.
Operating revenue	<ul style="list-style-type: none"> • The forecast of operating revenues is based upon the operating revenues from Acquired Assets and Assets to be Acquired in the 2nd fiscal period (after acquisition). • The forecast of the level of the rent and vacancy rates are based on the trend of tenants, competing buildings in the neighborhood, and the recent real estate market trend, etc. • Assumed that there is no rent in arrears and nonpayment of the rent.
Operating expenses	<ul style="list-style-type: none"> • In general, the fixed asset taxes and city planning taxes imposed on the properties in the tax year (including the date) of transaction are distributed to the seller and the purchaser on a daily pro-rata basis and settled at the time of acquisition, and such taxes are deemed as the acquisition costs rather than expenses. • Taxes and dues, relating to the 55 properties including Assets to be Acquired in the 2nd fiscal period are calculated as rental expenses, estimated amount of ¥732 million for the 3rd fiscal period (ending August 31, 2014) (with no amount attributable to the 2nd fiscal period (ending February 28, 2014)). • Outsourcing expenses are estimated at ¥525 million for the 2nd fiscal period (ending February 28, 2014) and ¥562 million for the 3rd fiscal period (ending August 31, 2014). • As for the repair and maintenance, the Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.) estimates the required amounts for the respective properties for each of the fiscal periods based on the medium- and long-term repair plans. However, it is possible that the actual repair expenses for the fiscal periods may differ significantly from the estimates since (i) an unforeseeable event might cause serious damage to a building requiring emergent repair expenditure, (ii) amounts might vary year by year, and (iii) certain types of repair expenses are not required every year. • Rental revenues after deducting the rental expenses (including depreciation costs) is estimated at ¥6,123 million for the 2nd fiscal period (ending February 28, 2014) and ¥5,561 million for the 3rd fiscal period (ending August 31, 2014). Depreciation costs are estimated at ¥1,493 million for the 2nd fiscal period (ending February 28, 2014) and ¥1,532 million for the 3rd fiscal period (ending August 31, 2014). • The operating expenses other than the rental expenses (including asset management fees, asset custody fees and general administration fees) are estimated at ¥955 million for the 2nd fiscal period (ending February 28, 2014) and ¥999 million for the 3rd fiscal period (ending August 31, 2014).
Non-operating expenses	<ul style="list-style-type: none"> • Interest payable and other borrowing related expenses are estimated at ¥529 million for the 2nd fiscal period (ending February 28, 2014) and ¥593 million for the 3rd fiscal period (ending August 31, 2014).
Interest-bearing liabilities	<ul style="list-style-type: none"> • The amount of the Fund’s interest-bearing debts outstanding as of the date of this report is ¥78,478 million. • The Fund assumes to procure loans of ¥11,000 million in December 2013 for the funds to acquire the Assets to be Acquired in the 2nd fiscal period. Concerning the borrowings of ¥16,585 million, which will be due by the last business day of the 3rd fiscal period (ending August 31, 2014), the Fund assumes that the entire amount will be refinanced excluding the scheduled repayment of ¥85 million. • The Fund assumes that there will be no changes in the interest-bearing debts outstanding other than the changes in amount stated above.
Investment units	<ul style="list-style-type: none"> • The Fund assumes that there will be no changes in the number of investment units issued and outstanding as of the date of this report of 1,665,260 units and there will be no additional issues of new investments units by the end of the 3rd fiscal period (ending August 31, 2014).

Item	Assumption
Distribution per unit	<ul style="list-style-type: none"> • Distribution per unit is calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. • Distribution per unit may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs.
Distribution per unit in excess of earnings per unit	<ul style="list-style-type: none"> • The Fund does not currently plan for any distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> • The Fund assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and Investment Trusts Association regulations, which will affect the above forecasts. • The Fund assumes that there will be no material changes in general economic conditions and real estate markets.

3. Financial Statements

(1) Balance Sheet

	Thousands of Yen
	As of August 31, 2013
Assets	
Current assets	
Cash and bank deposits	5,054,509
Cash and bank deposits in trust	11,405,579
Rental receivables	138,211
Prepaid expenses	228,972
Deferred tax assets	48
Consumption taxes receivable	4,713,348
Other	20,341
Total current assets	21,561,011
Noncurrent assets	
Property and equipment	
Buildings	1,090,499
Less accumulated depreciation	(6,160)
Buildings, net	1,084,338
Structures	18,622
Less accumulated depreciation	(311)
Structures, net	18,310
Land	2,440,333
Buildings in trust	93,246,841
Less accumulated depreciation	(656,794)
Buildings in trust, net	92,590,046
Structures in trust	865,045
Less accumulated depreciation	(35,237)
Structures in trust, net	829,807
Tools, furniture and fixtures in trust	573
Less accumulated depreciation	(8)
Tools, furniture and fixtures in trust, net	565
Land in trust	128,704,544
Total property and equipment	225,667,946
Intangible assets	
Leasehold rights in trust	3,821,371
Other	11,444
Total intangible assets	3,832,815
Investments and other assets	
Long-term prepaid expenses	648,601
Long-term deposits	39,101
Security deposits	515,926
Total investments and other assets	1,203,629
Total noncurrent assets	230,704,391
Total assets	252,265,402

		Thousands of Yen
		As of August 31, 2013
Liabilities		
Current liabilities		
Trade accounts payable		262,587
Short-term debt	※1	16,500,000
Current portion of long-term debt		85,600
Other accounts payable		1,085,077
Accrued expenses		10,657
Accrued income taxes		1,522
Rent received in advance		1,335,425
Other current liabilities		47,050
Total current liabilities		<u>19,327,922</u>
Long-term liabilities		
Long-term debt		61,893,000
Security deposits from tenants		167,762
Security deposits from tenants in trust		8,504,761
Total long-term liabilities		<u>70,565,524</u>
Total liabilities		<u>89,893,446</u>
Net assets		
Unitholders' equity		
Unitholders' capital		161,120,405
Surplus		
Retained earnings		1,251,550
Total surplus		<u>1,251,550</u>
Total unitholders' equity		<u>162,371,955</u>
Total net assets	※2	<u>162,371,955</u>
Total liabilities and net assets		<u>252,265,402</u>

(2) Statement of Income and Retained Earnings

	Thousands of Yen	
	Current period from Jan. 31, 2013 to Aug. 31, 2013	
Operating revenues		
Rental revenues	※1	3,392,015
Other rental revenues	※1	291,114
Total operating revenues		<u>3,683,130</u>
Operating expenses		
Real estate rental expenses	※1	1,258,501
Asset management fees		277,764
Asset custody fee		3,992
Administrative service fees		23,540
Directors' compensations		5,600
Other operating expenses		24,101
Total operating expenses		<u>1,593,500</u>
Operating profit		<u>2,089,629</u>
Non-operating revenues		
Interest income		889
Other non-operating revenues		4
Total non-operating revenues		<u>893</u>
Non-operating expenses		
Interest expenses		144,738
Loan arrangement fees		147,198
Investment units issuance costs		293,249
Other offering costs associated with the issuance of investment units		149,006
Organization expenses		100,000
Other non-operating expenses		3,125
Total non-operating expenses		<u>837,317</u>
Ordinary income		<u>1,253,205</u>
Income before income taxes		<u>1,253,205</u>
Income taxes-current		1,703
Income taxes-deferred		(48)
Total income taxes		<u>1,654</u>
Net income		<u>1,251,550</u>
Retained earnings at end of period		<u>1,251,550</u>

(3) Statement of Changes in Net Assets

	Thousands of Yen
	Current period from Jan. 31, 2013 to Aug. 31, 2013
Unitholders' equity	
Unitholders' capital	
Balance at the beginning of current period	—
Changes of items during the period	
Issuance of investment units	161,120,405
Total changes of items during the period	161,120,405
Balance at the end of current period	※1 161,120,405
Surplus	
Retained earnings	
Balance at the beginning of current period	—
Changes of items during the period	
Net income	1,251,550
Total changes of items during the period	1,251,550
Balance at the end of current period	1,251,550
Total surplus	
Balance at the beginning of current period	—
Changes of items during the period	
Net income	1,251,550
Total changes of items during the period	1,251,550
Balance at the end of current period	1,251,550
Total unitholders' equity	
Balance at the beginning of current period	—
Changes of items during the period	
Issuance of new investment units	161,120,405
Net income	1,251,550
Total changes of items during the period	162,371,955
Balance at the end of current period	162,371,955
Total net assets	
Balance at the beginning of current period	—
Changes of items during the period	
Issuance of new investment units	161,120,405
Net income	1,251,550
Total changes of items during the period	162,371,955
Balance at the end of current period	162,371,955

(4) Statement of Cash Distributions

	Current period from Jan. 31, 2013 to Aug. 31, 2013
I. Retained earnings at end of period	1,251,550,888 yen
II. Amount of distributions	1,250,610,260 yen
[Amount of distributions per investment unit]	[751 yen]
III. Retained earnings brought forward	940,628 yen

Calculating method for distribution amount	Pursuant to the policy that “distributions shall be in excess of an amount equivalent to 90% of NMF’s amount of earnings available for distribution as prescribed in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation” as provided in Article 36, Paragraph 1, Item 2 of NMF’s Articles of Incorporation, NMF decided to distribute almost the entire amount of retained earnings. Accordingly, NMF declared distributions of earnings of 1,250,610,260 yen. NMF will not distribute cash in excess of earnings as provided in Article 36, Paragraph 2 of the Articles of Incorporation.
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(5) Statement of Cash Flows

	Thousands of Yen	
	Current period from Jan. 31, 2013 to Aug. 31, 2013	
Cash flows from operating activities		
Income before income taxes		1,253,205
Depreciation		699,118
Investment units issuance costs		293,249
Interest income		(889)
Interest expenses		144,738
Decrease (increase) in rental receivables		(138,211)
Decrease (increase) in prepaid expenses		(228,972)
Decrease (increase) in consumption taxes receivable		(4,713,348)
Decrease (increase) in long-term prepaid expenses		(648,601)
Decrease (increase) in long-term deposits		(39,101)
Increase (decrease) in trade accounts payable		262,587
Increase (decrease) in other accounts payable		376,561
Increase (decrease) in rent received in advance		1,335,425
Other		26,709
Subtotal		<u>(1,377,528)</u>
Interest received		889
Interest paid		(134,081)
Income taxes paid		(180)
Net cash provided by (used in) operating activities		<u>(1,510,901)</u>
Cash flows from investing activities		
Payments for purchase of property and equipment		(3,548,856)
Payments for purchase of property and equipment in trust		(222,115,087)
Payments for purchase of intangible assets		(7,900)
Payments for purchase of intangible assets in trust		(3,819,519)
Proceeds from security deposits from tenants		167,762
Reimbursement of security deposits to tenants in trust		(23,066)
Proceeds from security deposits from tenants in trust		8,527,827
Payments for security deposits		(515,926)
Net cash provided by (used in) investing activities		<u>(221,334,766)</u>
Cash flows from financing activities		
Proceeds from short-term debt		16,500,000
Proceeds from long-term debt		62,000,000
Repayment of long-term debt		(21,400)
Proceeds from issuance of investment units		161,120,405
Payments for investment units issuance costs		(293,249)
Net cash provided by (used in) financing activities		<u>239,305,755</u>
Net increase (decrease) in cash and cash equivalents		<u>16,460,088</u>
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at end of period	※1	<u>16,460,088</u>

(6) Notes Concerning the Going Concern Assumption
 Not applicable.

(7) Notes Concerning Significant Accounting Policies

<p>1. Depreciation of noncurrent assets</p>	<p>① Property and equipment (including trust assets) The straight-line method is adopted. The useful lives of major property and equipment are as follows: Buildings 3~70 years Structures 2~10 years Tools, furniture and fixtures 6 years</p> <p>② Intangible assets The straight-line method is adopted.</p> <p>③ Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2. Accounting method for deferred assets</p>	<p>① Investment units issuance costs The entire amount is expensed as incurred.</p> <p>② Organization expenses The entire amount is expensed as incurred.</p>
<p>3. 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, the method of charging the amount corresponding to the concerned fiscal period to expenses as expenses related to rent business is adopted. The amount equivalent to fixed asset tax, etc. for the fiscal year including the acquisition date 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. in the fiscal period under review is 768,771 thousand yen.</p>
<p>4. Hedge accounting</p>	<p>① Method of hedge accounting Deferred hedge accounting is adopted. For interest-rate swap transactions 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>
<p>5. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>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 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>
<p>6. Other significant matters forming basis for preparation of financial statements</p>	<p>① Accounting for trust beneficiary interests in real estate, etc. Concerning trust beneficiary interests in real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account item of the balance sheet and statement of income and retained earnings. The following material items of the trust assets recorded in the relevant account item are separately listed on the balance sheet.</p>

	(1) Cash and bank deposits in trust (2) Buildings in trust; structures in trust; tools, furniture and fixtures in trust; and land in trust (3) Leasehold rights in trust (4) Security deposits from tenants in trust ② Accounting for consumption taxes. Concerning accounting for consumption tax and local consumption tax, these taxes are not included.
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(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

NMF has concluded a commitment line agreement with 3 lending financial institutions.

	Current period (Aug. 31, 2013)
Committed line of credit	10,000,000 thousand yen
Balance of used line	— thousand yen
Balance of unused line	10,000,000 thousand yen

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

	Current period (Aug. 31, 2013)
	50,000 thousand yen

(Notes to Statement of Income and Retained Earnings)

*1. Breakdown of real estate rental revenues and expenses

(Unit: thousand yen)

	Current period from Jan. 31, 2013 to Aug. 31, 2013	
A. Property related revenues		
Rental revenues		
Rent revenues	3,291,203	
Common area charges	100,812	3,392,015
Other rental revenues		
Parking revenues	34,578	
Incidental income	253,525	
Other miscellaneous revenues	3,010	291,114
Property related revenues		3,683,130
B. Property related expenses		
Real estate rental expenses		
Property management costs	131,204	
Property management fees	60,335	
Utility expenses	223,475	
Casualty insurance	7,385	
Repairs and maintenance	58,104	
Land rents	30,673	
Depreciation	698,512	
Other rental expenses	48,808	1,258,501
Property related expenses		1,258,501
C. Real estate rental profits [A – B]		2,424,629

(Notes to Statement of Changes in Net Assets)

	Current period from Jan. 31, 2013 to Aug. 31, 2013
*1. Total number of investment units authorized and total number of investment units issued and outstanding	
Total number of investment units authorized	20,000,000 units
Total number of investment units issued and outstanding	1,665,260 units

(Notes to Statement of Cash Flows)

*1. Reconciliation of cash and cash equivalents at end of period to balance sheet accounts

(Unit: thousand yen)

	Current period from Jan. 31, 2013 to Aug. 31, 2013
Cash and bank deposits	5,054,509
Cash and bank deposits in trust	11,405,579
Cash and cash equivalents	16,460,088

(Notes on Lease Transactions)
 Operating lease transactions (as lessor)
 Future lease payments receivable

(Unit: thousand yen)

	Current period (Aug. 31, 2013)
Due within 1 year	13,165,342
Due after 1 year	36,701,720
Total	49,867,063

(Notes on Tax Effect Accounting)

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	Current period (Aug. 31, 2013)
Deferred tax assets	
Non-deductible accrued enterprise tax	48
Total deferred tax assets	48
Net deferred tax assets	48

2. Breakdown of major components that caused significant differences between statutory tax rate and effective tax rate after application of tax effect accounting

	Current period (Aug. 31, 2013)
Statutory tax rate	36.59%
(Adjustments)	
Deductible cash distributions	△36.51%
Other	0.05%
Effective tax rate after application of tax effect accounting	0.13%

(Notes on Financial Instruments)

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

NMF procures funds through debt financing, issuance of investment corporation bonds, issuance of investment units, etc. upon acquisition of real estate related assets. In procuring funds through interest-bearing liabilities, NMF adopts the basic financial policy of procuring funds with due consideration for extending the loan period, converting the interest rate to a fixed rate and laddering the repayment dates, etc. for interest-bearing liabilities.

NMF enters into derivative transactions for the purpose of hedging risks of future interest rates rising and adopts the policy of not engaging in speculative transactions.

(2) Description of financial instruments and associated risks, and risk management structure

Funds from debts and investment corporation bonds are primarily used to fund the acquisition of real estate related assets and to fund the repayment of debts and redemption of investment corporation bonds. These are exposed to liquidity risks of failure to procure alternative funds at the time of repayment or redemption. NMF controls and limits the concerned risks by diversifying the lending financial institutions, as well as considering and implementing effective use of surplus funds, procurement of funds from the capital market through issuance of investment units, etc. and other various procurement of funds. In addition, floating interest rates debts are exposed to risks of the interest rate payable rising. NMF limits the impact that the interest rate payable rising has on NMF's operations by keeping LTV (ratio of interest-bearing liabilities to total assets) at a low level and keeping the ratio of borrowings that are long-term and fixed-rate borrowings at a high level. Furthermore, derivative transactions (interest-rate swap transactions, etc.) are available as a hedging instrument for hedging risks of floating interest rates rising and converting the interest expenses to a fixed payment.

Deposits are those for investing NMF's surplus funds and are exposed to risks of failure of the financial institutions that are holding the deposits and other credit risks, but NMF limits the risks by diversifying the financial institutions that are holding the deposits.

(3) Supplementary explanation on matters concerning fair value, etc. of financial instruments

The fair value of financial instruments, aside from values based on market price, includes values based on reasonable calculation when there is no market price. Certain assumptions are adopted in the calculation of the concerned values. Accordingly, there may be cases where the concerned values will vary when different assumptions are adopted. In addition, concerning the contract amount, etc. of derivative transactions presented in "Notes on Derivative Transactions" later in this report, the amount itself does not represent the market risk involved in these derivative transactions.

2. Matters concerning fair value, etc. of financial instruments

The following are the carrying amount and fair value as of August 31, 2013, and the difference between these amounts.

(Unit: thousand yen)

	Carrying amount (Note 1)	Fair value (Note 1)	Amount of difference
(1) Cash and bank deposits	5,054,509	5,054,509	—
(2) Cash and bank deposits in trust	11,405,579	11,405,579	—
(3) Short-term debt	[16,500,000]	[16,500,000]	—
(4) Current portion of long-term debt	[85,600]	[86,521]	921
(5) Long-term debt	[61,893,000]	[62,528,385]	635,385
(6) Derivative transactions	—	—	—

(Note 1) Items that are charged to liabilities are shown in brackets [].

(Note 2) Matters concerning method for calculating fair value of financial instruments and derivative transactions

(1) Cash and bank deposits; (2) Cash and bank deposits in trust, (3) Short-term debt

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(4) Current portion of long-term debt; (5) Long-term debt

As long-term debt with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be approximately the same as the book value and is thus stated at that book value (However, the fair value of long-term debt with floating interest rates that are subject to special treatment for interest-rate swaps (please refer to "Notes on Derivative Transactions" later in this report) is based on the method of calculating by discounting the sum total amount of principal and interest accounted for as one transaction together with the concerned interest-rate swap by the interest rate that is reasonably estimated as being applicable in the event of drawdown of a similar debt financing.). In addition, the fair value of long-term debt with fixed interest rates is calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is reasonably estimated as being applicable in the event of drawdown of a similar debt financing.

(6) Derivative transactions

Please refer to "Notes on Derivative Transactions" later in this report.

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts (August 31, 2013)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, within 2 years	Due after 2 years, within 3 years	Due after 3 years, within 4 years	Due after 4 years, within 5 years	Due after 5 years
Cash and bank deposits	5,054,509	—	—	—	—	—
Cash and bank deposits in trust	11,405,579	—	—	—	—	—
Total	16,460,088	—	—	—	—	—

(Note 4) Amount of repayment of long-term debt and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts (August 31, 2013)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, within 2 years	Due after 2 years, within 3 years	Due after 3 years, within 4 years	Due after 4 years, within 5 years	Due after 5 years
Short-term debt	16,500,000	—	—	—	—	—
Long-term debt	85,600	85,600	85,600	13,085,600	12,285,600	36,350,600
Total	16,585,600	85,600	85,600	13,085,600	12,285,600	36,350,600

(Notes on Derivative Transactions)

1. Transactions not subject to hedge accounting

Current period (As of August 31, 2013)

Not applicable.

2. Transactions subject to hedge accounting

Current period (As of August 31, 2013)

The following is the contract amount or the amount equivalent to the principal provided in the contract, etc. as of the date of settlement of accounts for each method of hedge accounting.

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method for calculating fair value
				Due after 1 year		
Special treatment for interest-rate swaps	Interest-rate swap transaction Floating receivable Fixed payable	Long-term debt	55,189,300	55,146,500	*	

* Since derivative transactions qualifying for special treatment for interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these is included in the fair value of “(4) Current portion of long-term debt” and “(5) Long-term debt” in “Notes on Financial Instruments; 2. Matters concerning fair value, etc. of financial instruments” earlier in this report.

(Notes on Investment and Rental Properties)

NMF owns leasable logistics facilities and leasable retail facilities (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.

(Unit: thousand yen)

	Current period from Jan. 31, 2013 to Aug. 31, 2013
Carrying amount	
Balance at beginning of period	—
Amount of increase (decrease) during period	229,489,317
Balance at end of period	229,489,317
Fair value at end of period	239,326,000

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

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase during current period is mainly attributable to acquisition of 54 properties including Landport Urayasu (total 230,163,004 thousand yen) and decrease during current period is depreciation (total 698,512 thousand yen).

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

The income (loss) in the current period for investment and rental properties is as presented in “Notes to Statement of Income and Retained Earnings” earlier in this report.

(Notes on Segment Information)

(Segment Information)

Since the Fund has been engaged in the real estate leasing business as a single segment, segment information has been omitted.

(Related Information)

Current period (from January 31, 2013 to August 31, 2013)

1. Information by product and service

Disclosure is omitted, since revenues from external customers of a single product/service category is more than 90% of the operating revenues on statement of income and retained earnings.

2. Information by geographical area

(1) Revenues

Disclosure is omitted, since revenues from external customers in Japan is more than 90% of the operating revenues on statement of income and retained earnings.

(2) Property and equipment

Disclosure is omitted, since the amount of property and equipment located in Japan is more than 90% of the amount of property and equipment on balance sheet.

3. Information by major customer

Since no single external client represents 10% or more of the Fund's total operating revenues, information about major customer has been omitted.

(Notes on Transactions with Related Parties)

1. Parent company and major corporate unitholders
Current period (from January 31, 2013 to August 31, 2013)
Not applicable.
2. Subsidiaries and affiliates
Current period (from January 31, 2013 to August 31, 2013)
Not applicable.
3. Fellow subsidiaries
Current period (from January 31, 2013 to August 31, 2013)
Not applicable.
4. Directors and major individual unitholders
Current period (from January 31, 2013 to August 31, 2013)
Not applicable.

(Notes on Per Unit Information)

	Current period from Jan. 31, 2013 to Aug. 31, 2013
Net assets per unit	97,505 yen
Net income per unit	1,948 yen

(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 diluted investment units.

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

	Current period from Jan. 31, 2013 to Aug. 31, 2013
Net income (thousand yen)	1,251,550
Amount not attributable to ordinary unitholders (thousand yen)	—
Net income attributable to ordinary investment units (thousand yen)	1,251,550
Average number of investment units during period (units)	642,316

(Notes on Significant Subsequent Events)

	Current period from Jan. 31, 2013 to Aug. 31, 2013
Not applicable.	

[Omission of Disclosure]

Disclosure of matters to note on securities, retirement benefit plans, equity method income and retained earnings, etc. and asset retirement obligations is omitted, because there is thought to be no large necessity for disclosure in the brief report of financial results.

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

The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the current fiscal period (August 31, 2013).

Date	Description	Unitholders' capital (million yen)		Total number of investment units issued and outstanding (units)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
January 31, 2013	Incorporation through private placement	200	200	2,000	2,000	(Note 1)
June 11, 2013	Capital increase through public offering	160,920	161,120	1,663,260	1,665,260	(Note 2)

(Note 1) Investment units were issued at an issue price (paid-in amount) of 100,000 yen per unit upon incorporation of NMF.

(Note 2) New investment units were additionally issued through a public offering at an offer price of 100,000 yen (paid-in amount: 96,750 yen) per unit for the purpose of procuring funds for acquisition of new properties, and thereby management of assets was commenced.

4. Changes in Directors

(1) Changes in NMF Directors

Timely disclosure of changes in directors will be made at the time that details are determined.
 The following is the status of directors of NMF as of the date of this report.

Position	Name	Brief personal history	Number of investment units held
Executive Director	Takashi Kataoka	Apr. 1991 Nomura Real Estate Development Co., Ltd., Hiroshima Branch June 1996 Accounting Department Apr. 2003 Finance & Accounting Department of Nomura Real Estate Asset Management Co., Ltd., Aug. 2009 General Manager of the Finance Department of Nomura Real Estate Investment Management Co., Ltd., Oct. 2010 General Manager of the Management Department and General Manager of Finance Department Oct. 2011 General Manager of the Fund Management Department of Nomura Real Estate Asset Management Co., Ltd. Oct. 2012 Executive Officer, General Manager of the Fund Management Department Jan. 2013 Currently serves as Executive Officer, Chief Investment Officer, NMF Jan. 2013 Currently serves as Executive Officer of Nomura Real Estate Master Fund, Inc.	—
Supervisory Director	Sadahiko Yoshimura	May 1996 Director of Showa Ota & Co. (currently known as Ernst & Young ShinNihon LLC) May 2002 Executive Director of Shin Nihon & Co. (currently known as Ernst & Young ShinNihon LLC) May 2004 Vice-president Aug. 2008 Senior Advisor Jul. 2009 Currently serves as Corporate Auditor of Ishihara Holdings Co., Ltd. Apr. 2010 Currently serves as Special Professor of the Department of Professional Accountancy at the Graduate School of Aoyama Gakuin University Jun. 2010 Corporate Auditor of JAFCO Co., Ltd. Jan. 2012 Currently serves as Corporate Auditor of PGM Holdings K.K. Jun. 2012 Currently serves as Full-time Corporate Auditor of JAFCO Co., Ltd. Jan. 2013 Currently serves as Supervisory Director of Nomura Real Estate Master Fund, Inc.	—

Position	Name	Brief personal history	Number of investment units held
Supervisory Director	Shuhei Yoshida	<p>Apr. 1982 Registered as Japanese lawyer (with Daiichi Tokyo Bar Association)</p> <p>Apr. 1982 Law Office Toshio Shitara</p> <p>Apr. 1986 Currently serves as Partner of Law Office Shuhei Yoshida</p> <p>Apr. 1994 Currently serves as Conciliation Commissioner of Tokyo Family Court</p> <p>Jun. 1994 Corporate Auditor of Satellite Consulting Partners Co., Ltd.</p> <p>Aug. 1995 Currently serves as Corporate Auditor of Asset Partners Co., Ltd.</p> <p>Apr. 1998 Lecturer at the Faculty of Law of Kanagawa University</p> <p>Mar. 2000 Currently serves as Director of Yahirokai Social Welfare Organization</p> <p>Apr. 2005 Part-time lecturer (special lecture on insolvency proceedings laws) at the School of Law of Kanagawa University</p> <p>Aug. 2005 Supervisory Director of Nomura Real Estate Office Fund, Inc.</p> <p>Nov. 2006 Supervisory Director of Nomura Real Estate Residential Fund, Inc.</p> <p>Dec. 2007 Currently serves as visiting professor at the National Graduate Institute for Policy Studies</p> <p>Feb. 2008 Currently serves as Corporate Auditor of Business Accounting Club K.K.</p> <p>Nov. 2008 Currently serves as Auditor of the non-profit organization the Accounting Advisor Support Center</p> <p>Sep. 2009 Currently serves as Corporate Auditor of M.H. Group Ltd.</p> <p>May 2010 Currently serves as Vice-president of the non-profit organization the Tokyo Metropolitan Area Fixed-term Rented Land and House Leasehold Promotion Organization</p> <p>Jan. 2013 Currently serves as Supervisory Director of Nomura Real Estate Master Fund, Inc.</p> <p>Apr. 2013 Currently serves as Councilor of Foundation for Senior Citizens' Housing</p> <p>Sep. 2013 Currently serves as Vice Chairman of The Japanese Inheritance Association</p>	-

(2) Changes in Asset Management Company Directors and Statutory Auditors

Timely disclosure of changes in directors and statutory auditors will be made at the time that details are determined.

The following is the status of directors and statutory auditors of the asset management company as of the date of this report.

Position	Name	Brief personal history	Number of shares held
Representative Director, President and Chief Executive Officer In charge of the Investment Performance Analysis Section and the Investment Management Department	Yasuaki Fukui	Apr. 1976 Nomura Securities Co., Ltd. June 1990 Head of the Syndicate & New Product & Swap Department of Nomura Securities International, Inc. (NSI) June 1995 General Manager of the Investment Trust Department of Nomura Securities Co., Ltd. June 1997 General Manager of the Marketing and Sales Promotion Department June 1998 General Manager based at the Head Office Jan. 1999 Executive Managing Director of The Nomura Fundnet Securities Co., Ltd. June 2000 Job Categories Headquarter and Investment Trust & DC Headquarter of Nomura Securities Co., Ltd. June 2000 Director, Job Categories Headquarter and Investment Trust & DC Headquarter Aug. 2001 Director, Job Categories Headquarter and Investment Trust & Pension Fund Business Headquarter Apr. 2005 President and Executive Officer of Nomura Funds Research and Technologies Co., Ltd. (NFRT) Apr. 2005 Chairman of Nomura Funds Research and Technologies America, Inc. (NFRTA) Oct. 2007 Director of Private Equity Funds Research and Investments Co., Ltd. (PEFRI) President and Executive Officer of Nomura Funds Research and Technologies Co., Ltd., and Chairman of Nomura Funds Research and Technologies America, Inc. Apr. 2010 Statutory Auditor of Nomura Real Estate Development Co., Ltd. June 2010 Statutory Auditor of Nomura Real Estate Holdings, Inc. June 2010 Statutory Auditor of Megalos Co., Ltd. Apr. 2012 Representative Director, President of Nomura Real Estate Asset Management Co., Ltd. May 2012 Currently serves as Executive Officer, in charge of asset management, of Nomura Real Estate Holdings, Inc. Oct. 2012 Representative Director, President and Chief Executive Officer of Nomura Real Estate Asset Management Co., Ltd. Apr. 2013 Representative Director, President and Chief Executive Officer, in charge of the Investment Performance Analysis Section, of Nomura Real Estate Asset Management Co., Ltd. Oct. 2013 Currently serves as Representative Director, President and Chief Executive Officer, in charge of the Investment Performance Analysis Section and the Investment Department, of Nomura Real Estate Asset Management Co., Ltd.	–

Position	Name	Brief personal history	Number of shares held
Representative Director, Vice President and Executive Officer Investment General Manager of the Fund Management Department Manager of the Finance Department, the Accounting Department, the Internal Audit Department, the Compliance Department and the Corporate Planning Department	Kenichi Shinbashi	Apr. 1978 Nomura Securities Co., Ltd. June 1997 General Manager of Public Relations Department June 1999 General Manager of General Coordination and Policy Planning Department Apr. 2002 Director, Risk Management Department and System Planning Department Apr. 2003 Director, Job Categories Headquarter and Investment Trust & Pension Fund Business Headquarter June 2003 Executive Officer, Job Categories Headquarter and Investment Trust & Pension Fund Business Headquarter Apr. 2004 Director July 2006 General Manager of the Policy Making Headquarters of Japan Securities Dealers Association July 2010 Corporate Advisor of Nomura Land and Building Co., Ltd. Apr. 2012 Representative Director, Vice President of Nomura Real Estate Asset Management Co., Ltd. May 2012 General Manager of the Finance & Accounting Headquarters Oct. 2012 Representative Director, Vice President and Executive Officer, Investment General Manager of the Fund Management Department, manager of the Investment Advisory Section, the Finance Department, the Accounting Department, the Internal Audit Department, the Compliance Department, the Corporate Planning Department and the Business Promotion Division Apr. 2013 Currently serves as Representative Director, Vice President and Executive Officer, Investment General Manager of the Fund Management Department, manager of the Finance Department, the Accounting Department, the Internal Audit Department, the Compliance Department and the Corporate Planning Department	—
Representative Director and Executive Managing Officer Manager of the Client Relations & Marketing Department, the Asset Management Department and the Investment Management Planning Section In charge of the Acquisitions Department and the Research & Analysis Section Chief Strategy Officer	Masaomi Katayama	Apr. 1989 Nomura Real Estate Development Co., Ltd. Apr. 2006 General Manager of the Public Relations Department Apr. 2006 General Manager of the Corporate Communications & Investor Relations Department of Nomura Real Estate Holdings, Inc. Apr. 2010 General Manager of the Human Resources Department of Nomura Real Estate Development Co., Ltd. Apr. 2012 Executive Officer, General Manager of the Human Resources Department May 2012 Executive Officer, in charge of the Group Human Resources Department, General Manager of the Group Human Resources Department of Nomura Real Estate Holdings, Inc. Apr. 2013 Representative Director and Executive Managing Officer, manager of the Client Relations & Marketing Department, the Asset Management Department, the Investment Management Department and the Investment Management Planning Section and in charge of the Acquisitions Department and the Research & Analysis Section, of Nomura Real Estate Asset Management Co., Ltd. Oct. 2013 Currently serves as Representative Director and Executive Managing Officer, manager of the Client Relations & Marketing Department, the Asset Management Department and the Investment Management Planning Section and in charge of the Acquisitions Department and the Research & Analysis Section, of Nomura Real Estate Asset Management Co., Ltd., Chief Strategy Officer	—

Position	Name	Brief personal history	Number of shares held
Director and Executive Officer In charge of the Compliance Department	Yasuhiko Furuse	Apr. 1984 Nomura Securities Co., Ltd. June 1995 Chief of the Archives Division of the Legal Department Apr. 2003 Chief of the Administrative Division of the Wealth Management Business Department Dec. 2009 General Manager of the Corporate Legal Section of Nomura Asset Management Co., Ltd. Oct. 2012 Currently serves as Director and Executive Officer, in charge of the Compliance Department, of Nomura Real Estate Asset Management Co., Ltd.	—
Director and Executive Officer In charge of the Finance Department and the Internal Audit Department Chief of the Accounting Department	Yutaka Saito	Apr. 1982 Nomura Real Estate Development Co., Ltd. June 1998 Chief of the General Affairs Division of the Sapporo Branch Oct. 2000 Chief of the General Affairs Division of the Kanto Residential Business Headquarter June 2002 Chief of the Operation Division of the Residential Company May 2010 Assistant Branch Chief of the Osaka Branch of the Residential Company Oct. 2012 Director and Executive Officer, in charge of the Finance Department, the Accounting Department and the Internal Audit Department, of Nomura Real Estate Asset Management Co., Ltd. Apr. 2013 Currently serves as Director and Executive Officer, in charge of the Finance Department and the Internal Audit Department, and Chief of the Accounting Department	—
Director and Executive Officer Chief of the Fund Management Department	Shoji Yoshihara	Apr. 1987 Nomura Real Estate Development Co., Ltd. Apr. 2001 Chief of the Development Section-I of the Development Business Department of the Tokyo Residential Business Headquarter Apr. 2005 Assistant General Manager and Chief of the Development Planning Division of Development Business Department-II of the Residential Company Apr. 2009 General Manager of the Business Group Development Department-III of the Residential Company Apr. 2010 Chief of the Corporate Secretariat Division Oct. 2012 Director and Executive Officer, in charge of the Fund Management Department, of Nomura Real Estate Asset Management Co., Ltd. Jan. 2013 Currently serves as Director and Executive Officer, and Chief of the Fund Management Department	—

Position	Name	Brief personal history	Number of shares held
Director and Executive Officer In charge of the Asset Management Department, the New Products & Marketing Department and the Investment Management Planning Section	Toshihiko Kobayashi	Apr. 1989 Nomura Real Estate Development Co., Ltd. Apr. 2005 General Manager of the Asset Sales Department-I of Nomura Real Estate Urban Net Co., Ltd. Apr. 2006 General Manager of the Corporate Partner Business Department Apr. 2007 General Planning Division of Nomura Real Estate Development Co., Ltd. Apr. 2007 General Planning Division of Nomura Real Estate Holdings, Inc. Apr. 2012 Assistant General Manager of the Investment Management Headquarter of Nomura Real Estate Asset Management Co., Ltd. June 2012 Director and General Manager of the Investment Management Headquarter Oct. 2012 Director and Executive Officer in charge of the Acquisitions Department, the Asset Management Department, the Investment Management Department and the Investment Management Planning Section Apr. 2013 Director and Executive Officer in charge of the Asset Management Department, the Investment Management Department and the Investment Management Planning Section July 2013 Director and Executive Officer in charge of the Asset Management Department, the Investment Management Department, the New Products & Marketing Department and the Investment Management Planning Section Oct. 2013 Currently serves as Director and Executive Officer in charge of the Asset Management Department, the New Products & Marketing Department and the Investment Management Planning Section	-
Director and Executive Officer In charge of the Client Relations & Marketing Department	Motomi Uki	Apr. 1991 Nomura Real Estate Development Co., Ltd. Apr. 1998 Business Planning Department Apr. 2000 Asset Management Business Department Feb. 2002 Real Estate Investment Business Department of Nomura Real Estate Investment Management Co., Ltd. Apr. 2006 Leader of the Real Estate Investment Group of the Residential Management Headquarter of Nomura Real Estate Asset Management Co., Ltd. Oct. 2008 Chief of the JOFI Management Division of Nomura Real Estate Investment Management Co., Ltd. Apr. 2009 General Manager of the Project Planning Department June 2010 General Manager of the Fund Management Department Oct. 2011 General Manager of the Client Relations & Marketing Department of Nomura Real Estate Asset Management Co., Ltd. Apr. 2012 Director, General Manager of the Sales Headquarter Oct. 2012 Director and Executive Officer in charge of the Client Relations & Marketing Department Apr. 2013 Director and Executive Officer in charge of the Client Relations & Marketing Department and Overseas Client Relations & Marketing Department July 2013 Currently serves as Director and Executive Officer in charge of the Client Relations & Marketing Department	-

Position	Name	Brief personal history	Number of shares held
Statutory Auditor	Takahiko Nagaki	<p>Apr. 1980 Nomura Real Estate Development Co., Ltd.</p> <p>June 2001 Chief of the IT Strategy Promotion Section</p> <p>Jan. 2003 Chief of the Corporate Company Planning Section</p> <p>Apr. 2011 General Manager of the Planning Section of the Asset Management Company</p> <p>Oct. 2011 Currently serves as Statutory Auditor of Nomura Real Estate Asset Management Co., Ltd.</p>	—
Statutory Auditor (part-time)	Shigeaki Yoshioka	<p>Apr. 1979 Nomura Real Estate Development Co., Ltd.</p> <p>June 1998 General Manager of the Human Resources Department</p> <p>Apr. 2001 General Manager of the General Affairs Department</p> <p>June 2003 Director, General Manager of the General Affairs Department</p> <p>Apr. 2007 Executive Managing Director, the Home Service Division of the General Affairs Inquiry Section of the General Affairs Department</p> <p>Apr. 2008 Corporate Advisor</p> <p>June 2008 Currently serves as Statutory Auditor</p> <p>June 2008 Currently serves as Statutory Auditor of Nomura Real Estate Holdings, Inc.</p> <p>Oct. 2011 Currently serves as Statutory Auditor of Nomura Real Estate Asset Management Co., Ltd.</p> <p>June 2012 Currently serves as Statutory Auditor of Megalos Co., Ltd.</p>	—
Statutory Auditor (part-time)	Mitsuru Nakajima	<p>Apr. 1976 Nomura Securities Co., Ltd.</p> <p>Apr. 2003 Chief of the Statutory Auditor's Office of Nomura Holdings, Inc.</p> <p>July 2006 Chief of the Group Auditing Service Section</p> <p>Apr. 2008 General Manager of the General Affairs Department of Nomura Land and Building Co., Ltd.</p> <p>June 2008 Director, General Manager of the General Affairs Department</p> <p>June 2008 Director of Saitama Development Co., Ltd.</p> <p>June 2008 Outside Statutory Auditor of Nomura Real Estate Development Co., Ltd.</p> <p>June 2008 Outside Statutory Auditor of Nomura Real Estate Holdings, Inc.</p> <p>June 2010 Director in charge of the General Affairs Department of Nomura Land and Building Co., Ltd.</p> <p>June 2010 Director of Nomura China Investment Co., Ltd.</p> <p>July 2010 Administration Officer of Okura Garden Hotel Shanghai</p> <p>Apr. 2012 Executive Managing Director in charge of the General Affairs Department of Nomura Land and Building Co., Ltd.</p> <p>June 2012 Currently serves as Outside Statutory Auditor of Nomura Real Estate Asset Management Co., Ltd.</p>	—

5. Reference Information

(1) Investment Status

Type of asset	Use	Area (Note 1)	1st fiscal period As of August 31, 2013	
			Total amount held (million yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)
Real estate	Retail properties	Greater Tokyo area	3,542	1.4
		Subtotal	3,542	1.4
Real estate in trust	Logistics properties	Greater Tokyo area	116,420	46.2
		Other areas	6,609	2.6
		Subtotal	123,030	48.8
	Retail properties	Greater Tokyo area	72,544	28.8
		Kinki area	23,991	9.5
		Other areas	6,379	2.5
Subtotal		102,915	40.8	
Subtotal			229,489	91.0
Deposits and other assets			22,776	9.0
Total amount of assets			252,265	100.0

	1st fiscal period As of August 31, 2013	
	Amount (million yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)
Total amount of liabilities	89,893	35.6
Total amount of net assets	162,371	64.4

(Note 1) “Greater Tokyo area” refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Kinki area” refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture and Nara Prefecture. “Chukyo area” refers to Aichi Prefecture, Gifu Prefecture and Mie 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, Kinki area and Chukyo area (hereinafter the same).

(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 total may not add up to 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 Issue of Investment Securities
Not applicable.

② Investment Real Estate Properties

The following summarizes the real estate, etc. (54 properties) held as of August 31, 2013 (end of the 1st fiscal period) by NMF (the real estate, and the beneficiary interests of trusts in which real estate properties are the principal trust properties or the real estate that are the underlying assets thereof, are hereinafter

referred to as the “assets held at the end of the 1st fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of August 31, 2013.

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

(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 1st fiscal period.

Number of properties		54
Acquisition price (thousand yen) (Note 1) (As a percentage of total acquisition price (%))	Total	227,616,141 (100.0)
	Logistics total	122,020,000 (53.6)
	Greater Tokyo area	115,440,000
	Other areas	6,580,000
	Retail total	105,596,141 (46.4)
	Greater Tokyo area	75,440,000
	Kinki area	23,816,141
	Other areas	6,340,000
	Total of opinion of value at end of period (thousand yen) (Note 2)	
Gross leasable area (m ²) (B) (Note 3)		890,795.63
Gross leased area (m ²) (A) (Note 4)		888,992.03
Portfolio occupancy rate (%) (A)÷(B) (Note 5)		99.8
Total number of tenants (Note 6)		241
Total of all contracted rent (thousand yen) (Note 7)		1,384,754
Total of all deposits, etc. (thousand yen) (Note 8)		8,795,418

(Note 1) “Acquisition price” is the amount excluding transaction brokerage commission, real estate taxes and the other various expenses required for the acquisition of the real estate, etc. (the amount at which the real estate, etc. is transacted as stated in the real estate sale and purchase contract or trust beneficiary interest sale and purchase contract, etc. (“sale and purchase agreement, etc.”)). Percentage figures as presented in a percentage of the sum total of acquisition price is rounded to first decimal place.

(Note 2) “Opinion of value at end of period” is the appraisal value or investigation value provided by the respective real estate appraiser. For the opinion of value at the end of the period for real estate, please refer to (Note 1) of “D. Overview of Opinion of Value at End of Period” below in this report.

(Note 3) The sum total of “leasable area” of each of the assets held at the end of the 1st fiscal period. “Leasable area” is the sum total area of logistics properties or retail properties, 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 based on 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 possibly exceed the floor area. In the case of land with leasehold right, the land area based on that presented in the registry is shown as contracted area.

(Note 4) The sum total of “leased area” of each of the assets held at the end of the 1st 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 logistics properties or retail properties (if all of 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.

(Note 5) Gross leased area as a percentage of leasable area (rounded to first decimal place).

(Note 6) The sum total of “total number of tenants” of each of the assets held at the end of the 1st 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.

(Note 7) The total amount of “total contracted rent” for August 2013 of each of the assets held at the end of the 1st fiscal period (rounded down to the nearest thousand yen). “Total contracted rent” for August 2013 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 August 2013 (If common-use space, etc. is leased based on the lease agreement, the rent for such is included and, if rent includes the 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.

(Note 8) The total amount of “total deposits, etc.” of each of the assets held at the end of the 1st fiscal period (rounded down to the nearest thousand yen). “Total deposits, etc.” is the sum total amount of the balance of leasehold and security deposits stated in the respective lease contract with end-tenants of each asset as of August 31, 2013 (rounded down to the nearest thousand yen). Accordingly, the sum total of “leasehold and security deposits” of the respective property may not add up to the amount shown in the total columns.

(b) Changes in Occupancy Rate, Etc.

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

	August 31, 2013 (end of 1st fiscal period)
Number of properties	54
Total number of tenants	241
Gross leasable area (m ²)	890,795.63
Portfolio occupancy rate (at end of fiscal period) (%)	99.8

B. Price and Investment Share

The following is an overview of the assets held at the end of the 1st fiscal period (acquisition price, carrying amount, opinion of value at end of period, investment share and appraiser).

Use	Area	Property name	Acquisition price (million yen) (Note 1)	Carrying amount (million yen) (Note 2)	Opinion of value at end of period (million yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Logistics	Greater Tokyo area	Landport Urayasu	17,400	17,477	18,200	7.6	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	15,791	16,500	6.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	13,770	13,900	5.8	Japan Real Estate Institute
		Landport Atsugi	11,410	11,441	12,000	5.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	11,071	11,100	4.6	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	8,752	9,180	3.8	Japan Real Estate Institute
		Landport Hachioji	8,250	8,284	8,690	3.6	Japan Real Estate Institute
		Landport Kasukabe	7,340	7,361	7,560	3.2	Japan Real Estate Institute
		Funabashi Logistics Center	4,660	4,694	4,840	2.0	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,612	4,750	2.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,822	4,180	1.7	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,774	4,070	1.7	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,855	3,030	1.3	Daiwa Real Estate Appraisal Co., Ltd.
	Atsugi Minami Logistics Center A Tower	2,690	2,707	2,910	1.2	The Tanizawa Sogo Appraisal Co., Ltd.	
	Other areas	Ota Nitta Logistics Center	3,430	3,440	3,690	1.5	Daiwa Real Estate Appraisal Co., Ltd.
		Ota Higashishinmachi Logistics Center	2,170	2,178	2,380	1.0	Daiwa Real Estate Appraisal Co., Ltd.
		Ota Kiyohara Logistics Center	650	654	700	0.3	Daiwa Real Estate Appraisal Co., Ltd.
Chiyodamachi Logistics Center		330	335	354	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
Logistics subtotal			122,020	123,030	128,034	53.5	
Retail	Greater Tokyo area	Morisia Tsudanuma	16,600	16,730	17,200	7.2	Daiwa Real Estate Appraisal Co., Ltd.
		Yokosuka More's City	13,640	13,723	14,200	5.9	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,301	4,330	1.8	Daiwa Real Estate Appraisal Co., Ltd.
		Kawasaki More's	4,000	4,048	4,220	1.8	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Ikebukuro	3,990	4,020	4,140	1.7	Daiwa Real Estate Appraisal Co., Ltd.
		covirna machida	3,440	3,469	3,780	1.6	Japan Real Estate Institute
		Nitori Makuhari	3,080	3,095	3,310	1.4	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,751	2,990	1.2	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,613	2,810	1.2	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,520	2,500	1.0	Daiwa Real Estate Appraisal Co., Ltd.
		Sundai Azamino	1,700	1,708	1,760	0.7	Japan Real Estate Institute
		EQUINIA Aobadai	1,560	1,576	1,690	0.7	Japan Real Estate Institute
		Megalos Kanagawa	1,000	1,022	1,190	0.5	Japan Real Estate Institute
	Kinki area	Izumiya Senrioka	8,930	8,977	9,820	4.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Merad Owada	6,640	6,693	6,960	2.9	Daiwa Real Estate Appraisal Co., Ltd.
		Izumiya Yao	4,406	4,442	4,640	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya Obayashi	3,020	3,048	3,190	1.3	The Tanizawa Sogo Appraisal Co., Ltd.

Use	Area	Property name	Acquisition price (million yen) (Note 1)	Carrying amount (million yen) (Note 2)	Opinion of value at end of period (million yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Other areas	Ichibancho stear	4,700	4,732	5,090	2.1	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,646	1,740	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Meguro	2,740	2,764	2,800	1.2	Japan Real Estate Institute
		Mitsubishi Motors Chofu	1,760	1,776	1,820	0.8	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Shibuya	1,570	1,586	1,690	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima	1,240	1,251	1,270	0.5	Japan Real Estate Institute
		Mitsubishi Motors Kawasaki	950	959	1,010	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Takaido	850	859	889	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika	800	808	810	0.3	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume	800	808	813	0.3	Japan Real Estate Institute
		Mitsubishi Motors Setagaya	770	779	777	0.3	Japan Real Estate Institute
		Mitsubishi Motors Suginami	740	748	781	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Sekimachi	600	606	612	0.3	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamato	450	455	484	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motsumiyoshi	370	375	374	0.2	Japan Real Estate Institute
		Mitsubishi Motors Kawagoe	350	355	353	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa	200	204	207	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama	160	163	165	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Kinki area	Mitsubishi Motors Ibaraki Maintenance Center	820	829	877	0.4
Retail subtotal			105,596	106,458	111,292	46.5	
Total			227,616	229,489	239,326	100.0	

(Note 1) “Acquisition price” is the amount excluding transaction brokerage commission, real estate taxes and the other various expenses required for the acquisition of the real estate, etc. (the amount at which the real estate, etc. is transacted as stated in the sale and purchase agreement, etc.).

(Note 2) “Carrying amount” is the sum total amount of the acquisition value (including various expenses required for the acquisition) of land, buildings, structures, tools, furniture and fixtures, 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 1st fiscal period-end (August 31, 2013) 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 (Cabinet Office Ordinance No. 47 of 2006). For the opinion of value at the end of the period for real estate, please refer to (Note 1) of “D. Overview of Opinion of Value at End of Period” below in this report.

(Note 4) “Investment share,” which is based on the opinion of value at the end of the period, is the opinion of value at the end of the period of the respective asset as a percentage of the total amount of the opinion of value at the end of the period of the entire portfolio (54 properties in total). The figures are rounded to first decimal place. Accordingly, the sum total may not add up to 100.0%.

C. Overview of Buildings, Etc.

The following is an overview of the buildings, etc. of the assets held at the end of the 1st fiscal period (use, area, property name, location, construction completion, leasable area, leased area, occupancy rate, number of tenants, operating revenue from property leasing and that as a percentage of total operating revenue from property leasing, and leasehold and security deposits).

Use	Area	Property name	Location	Construction completion	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Operating revenue from property leasing (million yen) (Note 5)	As a percentage of total operating revenue from property leasing (%) (Note 6)	Leasehold and security deposits (million yen) (Note 7)
Logistics	Greater Tokyo area	Landport Urayasu	Urayasu-shi, Chiba	May 2008	70,045.85	70,045.85	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Landport Itabashi	Itabashi, Tokyo	January 2008	52,794.55	52,794.55	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Landport Kawagoe	Kawagoe-shi, Saitama	May 2009	71,569.89	71,569.89	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Landport Atsugi	Atsugi-shi, Kanagawa	March 2007	47,995.23	47,995.23	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Sagamihara Tana Logistics Center	Sagamihara-shi, Kanagawa	October 2007	50,450.00	50,450.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Sagamihara Onodai Logistics Center	Sagamihara-shi, Kanagawa	August 2000	57,448.03	57,448.03	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Landport Hachioji	Hachioji-shi, Tokyo	November 2008	34,896.32	34,896.32	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Landport Kasukabe	Kasukabe-shi, Saitama	June 2009	29,630.48	29,630.48	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Funabashi Logistics Center	Funabashi-shi, Chiba	September 1991	30,641.98	30,641.98	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Atsugi Minami Logistics Center B Tower	Atsugi-shi, Kanagawa	May 2005	24,909.96	24,909.96	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Hanyu Logistics Center	Hanyu-shi, Saitama	February 2006	24,850.80	24,850.80	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Kawaguchi Logistics Center B Tower	Kawaguchi-shi, Saitama	April 1996	13,648.70	13,648.70	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Kawaguchi Logistics Center A Tower	Kawaguchi-shi, Saitama	September 1991	12,003.57	12,003.57	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Atsugi Minami Logistics Center A Tower	Atsugi-shi, Kanagawa	October 2003	9,825.52	9,825.52	100.0	1	(Note 8)	(Note 8)	(Note 8)	
	Other areas	Ota Nitta Logistics Center	Ota-shi, Gunma	March 2003	42,328.00	42,328.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Ota Higashishinmachi Logistics Center	Ota-shi, Gunma	August 2008	23,584.72	23,584.72	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Ota Kiyohara Logistics Center	Ota-shi, Gunma	May 2004	9,397.38	9,397.38	100.0	1	(Note 8)	(Note 8)	(Note 8)
Chiyodamachi Logistics Center		Ora-gun, Gunma	January 1999	4,592.00	4,592.00	100.0	1	(Note 8)	(Note 8)	(Note 8)	
Logistics subtotal			-	-	610,612.98	610,612.98	100.0	23	1,649	44.8	3,915
Retail	Greater Tokyo area	Morisia Tsudanuma	Narashino-shi, Chiba	Low-rise retail building: October 1978 Parking building: November 1987	39,301.49	38,218.16	97.2	115	522	14.2	846
		Yokosuka More's City	Yokosuka-shi, Kanagawa	July 1997	29,383.65	29,383.65	100.0	1	(Note 8)	(Note 8)	(Note 8)
		EQUINIA Shinjuku	Shinjuku-ku, Tokyo	March 1988	3,611.57	2,933.09	81.2	10	65	1.8	397
		Kawasaki More's	Kawasaki-shi, Kanagawa	August 1980	14,446.48	14,446.48	100.0	1	(Note 8)	(Note 8)	(Note 8)
		EQUINIA Ikebukuro	Toshima-ku, Tokyo	October 1973	2,701.66	2,693.93	99.7	14	66	1.8	239

Use	Area	Property name	Location	Construction completion	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Operating revenue from property leasing (million yen) (Note 5)	As a percentage of total operating revenue from property leasing (%) (Note 6)	Leasehold and security deposits (million yen) (Note 7)
Retail	Greater Tokyo area	covirna machida	Machida-shi, Tokyo	September 1981	2,891.32	2,891.32	100.0	7	74	2.0	124
		Nitori Makuhari	Chiba-shi, Chiba	November 2007	14,367.98	14,367.98	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Konami Sports Club Fuchu	Fuchu-shi, Tokyo	February 2000	12,385.18	12,385.18	100.0	1	(Note 8)	(Note 8)	(Note 8)
		FESTA SQUARE	Saitama-shi, Saitama	September 2008	7,480.63	7,480.63	100.0	1	(Note 8)	(Note 8)	(Note 8)
		GEMS Shibuya	Shibuya-ku, Tokyo	September 2012	1,791.34	1,791.34	100.0	10	18	0.5	128
		Sundai Azamino	Yokohama-shi, Kanagawa	November 2008	2,286.47	2,286.47	100.0	1	(Note 8)	(Note 8)	(Note 8)
		EQUINIA Aobadai	Yokohama-shi, Kanagawa	November 1982	2,457.36	2,423.30	98.6	8	36	1.0	135
		Megalos Kanagawa	Yokohama-shi, Kanagawa	May 2002	6,217.85	6,217.85	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Kinki area	Izumiya Senrioka	Suita-shi, Osaka	Annex: July 1999 Main building: June 2000	24,399.12	24,399.12	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Merad Owada	Osaka-shi, Osaka	Store: September 1994 Logistics: July 2000	14,941.54 5,856.50	14,941.54 5,856.50	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Izumiya Yao	Yao-shi, Osaka	Newly built: July 2003 Expansion: April 2012	34,198.01	34,198.01	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Izumiya Obayashi	Takarazuka-shi, Hyogo	Newly built: September 1973 Expansion: October 1977 Expansion: January 2001	11,714.36	11,714.36	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Other areas	Ichibancho stear	Sendai-shi, Miyagi	February 2006	4,582.81	4,582.81	100.0	7	101	2.7	311
		EQUINIA Aobadori	Sendai-shi, Miyagi	June 2008	4,030.37	4,030.37	100.0	19	69	1.9	255
	Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Meguro	Meguro-ku, Tokyo	-	3,381.19	3,381.19	100.0	1	(Note 8)	(Note 8)
Mitsubishi Motors Chofu			Chofu-shi, Tokyo	-	4,183.63	4,183.63	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Shibuya			Shibuya-ku, Tokyo	-	1,421.31	1,421.31	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Nerima			Nerima-ku, Tokyo	-	1,725.61	1,725.61	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Kawasaki			Kawasaki-shi, Kanagawa	-	3,057.02	3,057.02	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Takaido			Suginami-ku, Tokyo	-	1,923.64	1,923.64	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Katsushika			Katsushika-ku, Tokyo	-	1,930.05	1,930.05	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Higashikurume			Higashikurume-shi, Tokyo	-	4,105.00	4,105.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Setagaya			Setagaya-ku, Tokyo	-	1,305.78	1,305.78	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Suginami			Suginami-ku, Tokyo	-	1,831.00	1,831.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Sekimachi			Nerima-ku, Tokyo	-	989.77	989.77	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Higashiyamato			Higashiyamato-shi, Tokyo	-	2,783.79	2,783.79	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Motosumiyoshi			Kawasaki-shi, Kanagawa	-	1,646.97	1,646.97	100.0	1	(Note 8)	(Note 8)	(Note 8)
Mitsubishi Motors Kawagoe			Kawagoe-shi, Saitama	-	2,462.40	2,462.40	100.0	1	(Note 8)	(Note 8)	(Note 8)

Use	Area	Property name	Location	Construction completion	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Operating revenue from property leasing (million yen) (Note 5)	As a percentage of total operating revenue from property leasing (%) (Note 6)	Leasehold and security deposits (million yen) (Note 7)
Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Edogawa	Edogawa-ku, Tokyo	-	892.56	892.56	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Sayama	Sayama-shi, Saitama	-	1,793.00	1,793.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Kinki area	Mitsubishi Motors Ibaraki Maintenance Center	Ibaraki-shi, Osaka	-	5,704.24	5,704.24	100.0	1	(Note 8)	(Note 8)	(Note 8)
Retail subtotal			-	-	280,182.65	278,379.05	99.4	218	2,034	55.2	4,879
Total			-	-	890,795.63	888,992.03	99.8	241	3,683	100.0	8,795

(Note 1) “Leasable area” is the sum total area of logistics properties or retail properties, etc. leasable in each asset (including the area of common-use space, etc., if leased). The leasable area is calculated based not on that presented in the registry, but based on 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 possibly exceed the floor area. In the case of land with leasehold right, the land area based on that presented in the registry is shown as contracted area.

(Note 2) “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 logistics properties or retail properties (if all of 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.

(Note 3) “Occupancy rate” is the leased area as a percentage of leasable area in each asset (rounded to first decimal place).

(Note 4) 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 in the subtotal and total columns.

(Note 5) “Operating revenue from property leasing” is the operating revenue from property leasing in the 1st fiscal period (the operating revenue from property leasing for on and after the date of acquisition).

(Note 6) “As a percentage of total operating revenue from property leasing” is the operating revenue from property leasing of each asset as a percentage of the sum total of operating revenue from property leasing (total operating revenue from property leasing). The figures are rounded to first decimal place. Accordingly, the sum total may not add up to 100.0%.

(Note 7) “Leasehold and security deposits” is the sum total amount of the balance of leasehold and security deposits stated in the respective lease contract with end-tenants of each asset as of August 31, 2013 (rounded down to the nearest million yen). Accordingly, the sum total of “leasehold and security deposits” of the respective property may not add up to the amount shown in the respective subtotal and total columns.

(Note 8) Not disclosed, because consent has not been obtained from the tenant. Logistics subtotal, Retail subtotal and Total figures are the sum of the figures not disclosed, since consent has not been obtained from the tenant.

D. Overview of Opinion of Value at End of Period

The following is an overview of the opinion of value at the end of the period (① opinion of value at end of period, ② value by income approach and capitalization rate using direct capitalization approach, ③ value by income approach, discount rate and terminal capitalization rate using DCF approach), ④ NOI, and ⑤ NOI yield (NOI / acquisition price).

Use	Property name	Opinion of value at end of period (million yen) (Note 1)	Direct capitalization approach		DCF approach			NOI (million yen) (Note 2)	NOI yield (NOI / acquisition price) (%) (Note 3)
			Value by income approach (million yen)	Cap rate (%)	Value by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)		
Logistics	Landport Urayasu	18,200	18,300	4.8	18,100	4.9 5.0 (Note 4)	5.0	886	5.1
	Landport Itabashi	16,500	16,600	5.0	16,500	5.0 5.1 (Note 5)	5.2	830	5.3
	Landport Kawagoe	13,900	14,000	5.5	13,800	5.2	5.7	782	5.7
	Landport Atsugi	12,000	12,000	5.2	12,000	5.1 5.3 (Note 6)	5.4	626	5.5
	Sagamihara Tana Logistics Center	11,100	11,200	5.3	11,000	5.2	5.6	608	5.7
	Sagamihara Onodai Logistics Center	9,180	9,200	5.5	9,160	5.1	5.7	525	6.0
	Landport Hachioji	8,690	8,730	5.4	8,640	5.1	5.6	472	5.7
	Landport Kasukabe	7,560	7,610	5.4	7,500	5.0	5.7	411	5.6
	Funabashi Logistics Center	4,840	4,880	5.5	4,790	5.2	5.8	291	6.3
	Atsugi Minami Logistics Center B Tower	4,750	4,780	5.3	4,740	5.2 5.4 (Note 7)	5.5	252	5.5
	Hanyu Logistics Center	4,180	4,210	6.0	4,160	5.8	6.2	257	6.8
	Kawaguchi Logistics Center B Tower	4,070	4,090	5.3	4,060	5.1	5.5	221	5.9
	Kawaguchi Logistics Center A Tower	3,030	3,040	5.7	3,020	5.5	5.9	173	6.1
	Atsugi Minami Logistics Center A Tower	2,910	2,920	5.3	2,910	5.2 5.4 (Note 8)	5.5	156	5.8
	Ota Nitta Logistics Center	3,690	3,700	6.4	3,680	6.2	6.6	242	7.1
	Ota Higashishinmachi Logistics Center	2,380	2,390	6.3	2,370	6.1	6.5	154	7.1
	Ota Kiyohara Logistics Center	700	701	6.3	700	6.1	6.5	46	7.1
Chiyodamachi Logistics Center	354	354	6.2	354	6.0	6.4	24	7.6	
Logistics subtotal		128,034	-	-	-	-	-	6,965	5.7
Retail	Morisia Tsudanuma	17,200	16,700	5.7	17,400	5.5	5.9	1,126	6.8
	Yokosuka More's City	14,200	14,300	5.8	14,100	5.8	6.0	880	6.5
	EQUINIA Shinjuku	4,330	4,270	4.4	4,350	4.2	4.6	200	4.7
	Kawasaki More's	4,220	4,210	5.1	4,220	5.1	5.3	263	6.6
	EQUINIA Ikebukuro	4,140	4,060	4.7	4,170	4.5	4.9	195	4.9
	covirna machida	3,780	3,820	5.8	3,730	5.4	5.8	226	6.6
	Nitori Makuhari	3,310	3,350	5.7	3,270	5.5	6.0	190	6.2
	Konami Sports Club Fuchu	2,990	3,000	5.9	2,990	5.7	6.1	169	6.2
	FESTA SQUARE	2,810	2,820	6.0	2,790	5.7	6.2	168	6.5
	GEMS Shibuya	2,500	2,500	5.1	2,500	4.9	5.3	126	5.1
	Sundai Azamino	1,760	1,770	6.1	1,750	5.7	6.4	108	6.4
	EQUINIA Aobadai	1,690	1,700	6.1	1,680	5.9	6.3	110	7.1

Use	Property name	Opinion of value at end of period (million yen) (Note 1)	Direct capitalization approach		DCF approach			NOI (million yen) (Note 2)	NOI yield (NOI / acquisition price) (%) (Note 3)
			Value by income approach (million yen)	Cap rate (%)	Value by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)		
Retail	Megalos Kanagawa	1,190	1,190	6.7	1,180	6.3	7.0	84	8.4
	Izumiya Senrioka	9,820	9,650	5.9	9,890	5.7 6.1 (Note 9)	6.1	585	6.6
	Merad Owada	6,960	6,900	6.4	6,980	6.2	6.6	459	6.9
	Izumiya Yao	4,640	4,720	6.2	4,610	6.0 6.4 (Note 10)	6.4	307	7.0
	Izumiya Obayashi	3,190	3,210	6.3	3,180	6.1 6.5 (Note 11)	6.5	221	7.3
	Ichibancho stear	5,090	4,840	5.2	5,200	5.2 5.4 (Note 12)	5.4	250	5.3
	EQUINIA Aobadori	1,740	1,570	5.8	1,810	6.0	6.0	101	6.2
Retail (land with leasehold right)	Mitsubishi Motors Meguro	2,800	-	-	2,800	5.5	-	155	5.7
	Mitsubishi Motors Chofu	1,820	-	-	1,820	5.3	-	93	5.3
	Mitsubishi Motors Shibuya	1,690	-	-	1,690	5.1	-	86	5.5
	Mitsubishi Motors Nerima	1,270	-	-	1,270	5.6	-	70	5.7
	Mitsubishi Motors Kawasaki	1,010	-	-	1,010	7.0	7.4	73	7.8
	Mitsubishi Motors Takaido	889	-	-	889	5.2	-	44	5.3
	Mitsubishi Motors Katsushika	810	-	-	810	5.5	-	44	5.6
	Mitsubishi Motors Higashikurume	813	-	-	813	7.0	-	55	6.9
	Mitsubishi Motors Setagaya	777	-	-	777	5.6	-	43	5.7
	Mitsubishi Motors Suginami	781	-	-	781	5.3	5.7	39	5.3
	Mitsubishi Motors Sekimachi	612	-	-	612	5.6	-	34	5.8
	Mitsubishi Motors Higashiyamato	484	-	-	484	8.5	8.9	42	9.5
	Mitsubishi Motors Motosumiyoshi	374	-	-	374	6.0	-	22	6.0
	Mitsubishi Motors Kawagoe	353	-	-	353	6.2	6.6	22	6.4
	Mitsubishi Motors Edogawa	207	-	-	207	5.6	-	10	5.2
	Mitsubishi Motors Sayama	165	-	-	165	8.8	9.2	14	9.2
Mitsubishi Motors Ibaraki Maintenance Center	877	-	-	877	6.1	-	48	6.0	
Retail subtotal		111,292	-	-	-	-	-	6,681	6.3
Total		239,326	-	-	-	-	-	13,646	6.0

(Note 1) "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 1st fiscal period-end (August 31, 2013) as the effective date of value and the value indicated by the income approach as a standard) listed in "B. Price and Investment Share" earlier in this report 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), 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 based on 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.

"Direct capitalization approach" is a method where the net revenue in a certain period is capitalized by the capitalization rate, among methods 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).

"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, among methods of seeking the value indicated by the income approach.

- (Note 2) “NOI” is, in the case of properties other than properties on land with leasehold right, the net operating income using the direct capitalization approach stated in the appraisal report or investigation report and, in the case of properties on land with leasehold right, the initial-year net operating income using the DCF approach stated in the appraisal report or investigation report (rounded down to the nearest million yen). Accordingly, the sum total of “NOI” of the respective property may not add up to the amount shown in the respective subtotal and total columns.
- (Note 3) “NOI yield (NOI / acquisition price)” is the amount NOI divided by the acquisition price (rounded to first decimal place). Logistics subtotal, Retail subtotal and Total figures are the sum of NOI divided by the sum of acquisition price for the properties in each categories, held at the end of 1st fiscal period (rounded to first decimal place).
- (Note 4) The discount rate of “Landport Urayasu” is 4.9% for the 1st year and 5.0% for the 2nd to 11th years since the effective date of value.
- (Note 5) The discount rate of “Landport Itabashi” is 5.0% for the 1st to 2nd years and 5.1% for the 3rd to 11th years since the effective date of value.
- (Note 6) The discount rate of “Landport Atsugi” is 5.1% for the 1st to 4th years and 5.3% for the 5th to 11th years since the effective date of value.
- (Note 7) The discount rate of “Atsugi Minami Logistics Center B Tower” is 5.2% for the 1st to 2nd years and 5.4% for the 3rd to 11th years since the effective date of value.
- (Note 8) The discount rate of “Atsugi Minami Logistics Center A Tower” is 5.2% for the 1st to 10th years and 5.4% for the 11th year after the effective date of value.
- (Note 9) The discount rate of “Izumiya Senrioka” is 5.7% for the 1st to 10th years and 6.1% for the 11th year after the effective date of value.
- (Note 10) The discount rate of “Izumiya Yao” is 6.0% for the 1st to 10th years and 6.4% for the 11th year after the effective date of value.
- (Note 11) The discount rate of “Izumiya Obayashi” is 6.1% for the 1st to 5th years and 6.5% for the 6th to 11th years since the effective date of value.
- (Note 12) The discount rate of “Ichibancho stear” is 5.2% for the 1st to 2nd years and 5.4% for the 3rd to 11th years after the effective date of value.

E. Overview of Trust Beneficiary Interests

The following is an overview of the trust of individual assets of the assets held at the end of the 1st fiscal period (name of trustee and trust period). The entry for the respective item is “—” in the case of each asset of which NMF has acquired the real estate itself.

Hereafter, concerning assets for which the trust period is due to expire, whether to continue the trust or to hold the real estate itself by being issued the real estate in trust in kind upon the end of the trust will be determined based on a comprehensive consideration of the economic rationality and other factors.

Name of property subject to trust	Name of trustee	Trust period	
		Date of setting	Date of expiration
Landport Urayasu	Sumitomo Mitsui Trust Bank, Limited	2007/6/29	2023/6/30
Landport Itabashi	Mitsubishi UFJ Trust and Banking Corporation	2008/1/31	2023/6/30
Landport Kawagoe	Mitsubishi UFJ Trust and Banking Corporation	2007/9/21	2023/6/30
Landport Atsugi	Sumitomo Mitsui Trust Bank, Limited	2005/12/14	2023/6/30
Sagamihara Tana Logistics Center	Sumitomo Mitsui Trust Bank, Limited	2013/4/26	2023/7/31
Sagamihara Onodai Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2003/3/31	2023/6/30
Landport Hachioji	Sumitomo Mitsui Trust Bank, Limited	2007/3/29	2023/6/30
Landport Kasukabe	Mitsubishi UFJ Trust and Banking Corporation	2009/7/29	2023/6/30
Funabashi Logistics Center	Sumitomo Mitsui Trust Bank, Limited	2005/9/29	2023/6/30
Atsugi Minami Logistics Center B Tower	Mitsubishi UFJ Trust and Banking Corporation	2006/3/30	2023/6/30
Hanyu Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2005/8/26	2023/6/30
Kawaguchi Logistics Center B Tower	Mizuho Trust & Banking Co., Ltd.	2004/1/29	2023/6/30
Kawaguchi Logistics Center A Tower	Mizuho Trust & Banking Co., Ltd.	2004/1/29	2023/6/30
Atsugi Minami Logistics Center A Tower	Mitsubishi UFJ Trust and Banking Corporation	2006/3/30	2023/6/30
Ota Nitta Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2006/12/27	2023/6/30
Ota Higashishinmachi Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2008/12/19	2023/6/30
Ota Kiyohara Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2006/12/27	2023/6/30
Chiyodamachi Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2006/9/27	2023/6/30
Morisia Tsudanuma	Sumitomo Mitsui Trust Bank, Limited	2006/8/30	2023/6/30
Yokosuka More's City	Mitsubishi UFJ Trust and Banking Corporation	2006/5/31	2023/6/30
EQUINIA Shinjuku	Mitsubishi UFJ Trust and Banking Corporation	2006/3/24	2023/6/30
Kawasaki More's	Mitsubishi UFJ Trust and Banking Corporation	2006/9/28	2023/6/30
EQUINIA Ikebukuro	Mitsubishi UFJ Trust and Banking Corporation	2003/2/14	2023/6/30
covirna machida	Sumitomo Mitsui Trust Bank, Limited	2004/6/1	2023/6/30
Nitori Makuhari	Sumitomo Mitsui Trust Bank, Limited	2008/4/24	2023/6/30
Konami Sports Club Fuchu	Mitsubishi UFJ Trust and Banking Corporation	Building : 2008/9/25 Land : 2009/11/27	2023/6/30
FESTA SQUARE	Sumitomo Mitsui Trust Bank, Limited	2008/10/29	2023/6/30
GEMS Shibuya	—	—	—
Sundai Azamino	Mitsubishi UFJ Trust and Banking Corporation	2008/11/28	2023/6/30
EQUINIA Aobadai	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Megalos Kanagawa	—	—	—

Name of property subject to trust	Name of trustee	Trust period	
		Date of setting	Date of expiration
Izumiya Senrioka	Sumitomo Mitsui Trust Bank, Limited	2005/8/11	2023/6/30
Merad Owada	Mizuho Trust & Banking Co., Ltd.	Retail : 2001/3/29 Logistics:2007/9/28	2023/6/30
Izumiya Yao	Sumitomo Mitsui Trust Bank, Limited	2005/8/11	2023/6/30
Izumiya Obayashi	Sumitomo Mitsui Trust Bank, Limited	2005/8/30	2023/6/30
Ichibancho stear	Mizuho Trust & Banking Co., Ltd.	2005/1/31	2023/6/30
EQUINIA Aobadori	Sumitomo Mitsui Trust Bank, Limited	2008/6/30	2023/6/30
Mitsubishi Motors Meguro	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Chofu	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Shibuya	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30
Mitsubishi Motors Nerima	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Kawasaki	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Takaido	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Katsushika	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Higashikurume	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Setagaya	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30
Mitsubishi Motors Suginami	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30
Mitsubishi Motors Sekimachi	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Higashiyamato	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Motosumiyoshi	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Kawagoe	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Edogawa	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Sayama	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Ibaraki Maintenance Center	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30

(Note) The following is a breakdown of the assets held at the end of the 1st fiscal period.

- Properties of which real estate itself is held 2 properties
- Properties of which are subject to trust 52 properties

F. Leasing Summary and Income/Loss Status

The status of income/loss in the 1st fiscal period is stated in accordance with “Notes Concerning Significant Accounting Policies” in “3. Financial Statements” presented above in this report. NOI, which stands for net operating income, refers to the amount of total operating revenue from property leasing, less total operating expenses from property leasing (excluding depreciation).

These figures do not represent or guarantee figures in the future.

Amounts are rounded down to the nearest thousand yen. Accordingly, the figures shown may not necessarily add up to the total figure.

1st fiscal period (from January 31, 2013 to August 31, 2013)

(Unit: thousand yen)

Property name	Landport Urayasu (Note 1)	Landport Itabashi (Note 1)	Landport Kawagoe (Note 2)	Landport Atsugi (Note 1)	Sagamihara Tana Logistics Center (Note 3)
Number of business days during the 1st fiscal period	79	79	32	79	44
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	208,449	201,427	79,724	154,570	83,179
④ Depreciation	55,884	47,130	45,621	62,715	32,693
⑤ Real estate rental profits (③-④)	152,564	154,297	34,102	91,854	50,485

1st fiscal period (from January 31, 2013 to August 31, 2013)

(Unit: thousand yen)

Property name	Sagamihara Onodai Logistics Center (Note 1)	Landport Hachioji (Note 1)	Landport Kasukabe (Note 1)	Funabashi Logistics Center (Note 1)	Atsugi Minami Logistics Center B Tower (Note 1)
Number of business days during the 1st fiscal period	79	79	79	79	79
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	126,693	108,829	95,240	67,209	60,204
④ Depreciation	37,880	39,439	38,144	13,975	19,819
⑤ Real estate rental profits (③-④)	88,812	69,389	57,096	53,233	40,384

(Unit: thousand yen)

Property name	Hanyu Logistics Center (Note 1)	Kawaguchi Logistics Center B Tower (Note 1)	Kawaguchi Logistics Center A Tower (Note 1)	Atsugi Minami Logistics Center A Tower (Note 1)	Ota Nitta Logistics Center (Note 1)
Number of business days during the 1st fiscal period	79	79	79	79	79
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	58,735	52,035	41,423	34,600	55,523
④ Depreciation	21,556	8,454	5,156	8,193	23,127
⑤ Real estate rental profits (③-④)	37,179	43,580	36,266	26,407	32,396

1st fiscal period (from January 31, 2013 to August 31, 2013)

(Unit: thousand yen)

Property name	Ota Higashishinmachi Logistics Center (Note 1)	Ota Kiyohara Logistics Center (Note 1)	Chiyodamachi Logistics Center (Note 1)	Morisia Tsudanuma (Note 1)	Yokosuka More's City (Note 1)
Number of business days during the 1st fiscal period	79	79	79	79	79
Rental revenues				382,278	
Other rental revenues				140,237	
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	522,516	(Note 5)
Property management costs				61,482	
Property management fees				26,947	
Utility expenses				108,427	
Casualty insurance				1,232	
Repairs and maintenance				16,515	
Land rents				—	
Other rental expenses				24,119	
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	238,724	(Note 5)
③ NOI (①-②)	35,845	10,775	8,544	283,791	203,885
④ Depreciation	14,452	5,403	2,010	42,066	22,067
⑤ Real estate rental profits (③-④)	21,393	5,372	6,533	241,724	181,817

(Unit: thousand yen)

Property name	EQUINIA Shinjuku (Note 1)	Kawasaki More's (Note 1)	EQUINIA Ikebukuro (Note 1)	covirna machida (Note 1)	Nitori Makuhari (Note 4)
Number of business days during the 1st fiscal period	79	79	79	79	80
Rental revenues	54,972		58,535	59,652	
Other rental revenues	10,591		8,373	14,998	
① Property related revenues	65,564	(Note 5)	66,908	74,650	(Note 5)
Property management costs	4,383		1,930	5,280	
Property management fees	972		1,591	1,075	
Utility expenses	8,411		5,757	11,774	
Casualty insurance	87		53	61	
Repairs and maintenance	757		2,435	3,392	
Land rents	—		—	—	
Other rental expenses	932		876	3,016	
② Property related expenses	15,545	(Note 5)	12,644	24,601	(Note 5)
③ NOI (①-②)	50,018	68,253	54,264	50,048	47,373
④ Depreciation	3,665	4,075	2,731	2,426	13,985
⑤ Real estate rental profits (③-④)	46,352	64,177	51,533	47,622	33,387

1st fiscal period (from January 31, 2013 to August 31, 2013)

(Unit: thousand yen)

Property name	Konami Sports Club Fuchu (Note 4)	FESTA SQUARE (Note 4)	GEMS Shibuya (Note 2)	Sundai Azamino (Note 1)	EQUINIA Aobadai (Note 1)
Number of business days during the 1st fiscal period	80	80	32	79	79
Rental revenues			13,980		31,214
Other rental revenues			4,088		4,803
① Property related revenues	(Note 5)	(Note 5)	18,069	(Note 5)	36,018
Property management costs			828		2,726
Property management fees			464		666
Utility expenses			4,406		4,278
Casualty insurance			13		44
Repairs and maintenance			—		137
Land rents			—		—
Other rental expenses			18		429
② Property related expenses	(Note 5)	(Note 5)	5,731	(Note 5)	8,282
③ NOI (①-②)	41,341	39,861	12,337	24,660	27,736
④ Depreciation	9,731	12,792	3,533	7,743	2,538
⑤ Real estate rental profits (③-④)	31,609	27,069	8,804	16,916	25,197

(Unit: thousand yen)

Property name	Megalos Kanagawa (Note 4)	Izumiya Senrioka (Note 4)	Merad Owada (Note 4)	Izumiya Yao (Note 4)	Izumiya Obayashi (Note 4)
Number of business days during the 1st fiscal period	80	80	80	80	80
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	20,863	146,541	116,028	75,873	53,686
④ Depreciation	2,939	26,642	12,882	19,010	4,826
⑤ Real estate rental profits(③-④)	17,924	119,898	103,145	56,862	48,860

1st fiscal period (from January 31, 2013 to August 31, 2013)

(Unit: thousand yen)

Property name	Ichibancho steer (Note 1)	EQUINIA Aoadori (Note 1)	Mitsubishi Motors Meguro (Note 4)	Mitsubishi Motors Chofu (Note 4)	Mitsubishi Motors Shibuya (Note 4)
Number of business days during the 1st fiscal period	79	79	80	80	80
Rental revenues	89,453	58,446			
Other rental revenues	11,791	11,082			
① Property related revenues	101,245	69,528	(Note 5)	(Note 5)	(Note 5)
Property management costs	2,835	3,323			
Property management fees	1,546	1,320			
Utility expenses	10,512	6,415			
Casualty insurance	90	90			
Repairs and maintenance	1,026	264			
Land rents	—	14,872			
Other rental expenses	3,679	836			
② Property related expences	19,691	27,124	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	81,553	42,403	34,445	20,722	19,326
④ Depreciation	11,610	11,580	—	—	—
⑤ Real estate rental profits(③-④)	69,943	30,823	34,445	20,722	19,326

(Unit: thousand yen)

Property name	Mitsubishi Motors Nerima (Note 4)	Mitsubishi Motors Kawasaki (Note 4)	Mitsubishi Motors Takaido (Note 4)	Mitsubishi Motors Katsushika (Note 4)	Mitsubishi Motors Higashikurume (Note 4)
Number of business days during the 1st fiscal period	80	80	80	80	80
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expences	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	15,643	16,031	9,911	9,847	12,252
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	15,643	16,031	9,911	9,847	12,252

1st fiscal period (from January 31, 2013 to August 31, 2013)

(Unit: thousand yen)

Property name	Mitsubishi Motors Setagaya (Note 4)	Mitsubishi Motors Suginami (Note 4)	Mitsubishi Motors Sekimachi (Note 4)	Mitsubishi Motors Higashiyamato (Note 4)	Mitsubishi Motors Motosumiyoshi (Note 4)
Number of business days during the 1st fiscal period	80	80	80	80	80
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	9,709	8,720	7,576	9,336	4,796
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	9,709	8,720	7,576	9,336	4,796

(Unit: thousand yen)

Property name	Mitsubishi Motors Kawagoe (Note 4)	Mitsubishi Motors Edogawa (Note 4)	Mitsubishi Motors Sayama (Note 4)	Mitsubishi Motors Ibaraki Maintenance Center (Note 4)
Number of business days during the 1st fiscal period	80	80	80	80
Rental revenues				
Other rental revenues				
① Property related revenues	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Property management costs				
Property management fees				
Utility expenses				
Casualty insurance				
Repairs and maintenance				
Land rents				
Other rental expenses				
② Property related expenses	(Note 5)	(Note 5)	(Note 5)	(Note 5)
③ NOI (①-②)	4,943	2,309	3,187	10,844
④ Depreciation	—	—	—	—
⑤ Real estate rental profits(③-④)	4,943	2,309	3,187	10,844

(Note 1) Acquired on June 14, 2013. Accordingly, the figures in the table are the figures for on and after the acquisition date.

(Note 2) Acquired on July 31, 2013. Accordingly, the figures in the table are the figures for on and after the acquisition date.

(Note 3) Acquired on July 19, 2013. Accordingly, the figures in the table are the figures for on and after the acquisition date.

(Note 4) Acquired on June 13, 2013. Accordingly, the figures in the table are the figures for on and after the acquisition date.

(Note 5) Not disclosed, because consent has not been obtained from the tenant.

G. Overview of Engineering Report and Earthquake Risk Analysis

Upon acquisition of assets under management (excluding properties on land with leasehold right), NMF entrusts a building investigation to and obtains a report of the concerned investigation (“engineering report”) from an independent outside investigator with no vested interest. The following is the repair expenses, etc. stated in the engineering reports for each of the assets held at the end of the 1st fiscal period. However, the content of the reports is no more than an opinion of the preparers of the engineering reports stated below and there is no guarantee as to the accuracy of the content.

In addition, the following estimated amounts are as of the date of preparation of the engineering report and not as of the date of this report.

Furthermore, inflation rates and consumption taxes are not taken into account in the calculation of future repair and renewal expenses.

The portfolio PML for the assets held at the end of the 1st fiscal period, excluding properties on land with leasehold right, to total 37 properties was 5.28% and the PML for each of the assets held at the end of the 1st fiscal period is as follows. PML in the table below refers to the probable maximum loss that a property will experience in the assumed scheduled use period (50 years = useful life of a general building) due to an earthquake event of the assumed maximum scale (large earthquake with a probability of occurring once in 475 years = large earthquake with a 10% probability of occurrence in 50 years), expressed as the estimated cost associated with restoring a property damaged in connection with such an earthquake event to its condition prior to that event as a percentage of the replacement cost associated with the property, based on the report prepared by Sompo Japan Nipponkoa Risk Management Inc.

Please note that, as of the date of this report, no earthquake insurance has been or is scheduled to be taken out.

Use	Property name	Preparer of engineering report	Preparation date	Emergency repair expenses (million yen) (Note 1)	Short-term repair expenses (million yen) (Note 2)	Long-term repair expenses (million yen) (Note 3)	PML (%)
Logistics	Landport Urayasu	Shimizu Corporation	February 2013	—	—	292	4.61
	Landport Itabashi	Shimizu Corporation	February 2013	—	—	176	6.17
	Landport Kawagoe	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2013	—	—	310	4.85
	Landport Atsugi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	101	10.06
	Sagamihara Tana Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2013	—	—	162	4.92
	Sagamihara Onodai Logistics Center	Shimizu Corporation	February 2013	—	—	427	12.96
	Landport Hachioji	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	83	11.29
	Landport Kasukabe	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	78	7.33
	Funabashi Logistics Center	Shimizu Corporation	February 2013	—	—	425	5.24
	Atsugi Minami Logistics Center B Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	10	12.38
	Hanyu Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	84	5.15
	Kawaguchi Logistics Center B Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	155	5.05
	Kawaguchi Logistics Center A Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	193	6.32
	Atsugi Minami Logistics Center A Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	87	12.35

Use	Property name	Preparer of engineering report	Preparation date	Emergency repair expenses (million yen) (Note 1)	Short-term repair expenses (million yen) (Note 2)	Long-term repair expenses (million yen) (Note 3)	PML (%)
Logistics	Ota Nitta Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	113	2.01
	Ota Higashishinmachi Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	56	1.39
	Ota Kiyohara Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	22	1.39
	Chiyodamachi Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	53	7.23
Logistics subtotal		-	-	—	—	2,835	5.76
Retail	Morisia Tsudanuma	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	0	—	2,540	5.93
	Yokosuka More's City	Shimizu Corporation	February 2013	—	144	814	12.79
	EQUINIA Shinjuku	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	221	7.5
	Kawasaki More's	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	0	1	731	11.24
	EQUINIA Ikebukuro	Shimizu Corporation	February 2013	0	0	144	10.82
	covirna machida	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	300	120	14.8
	Nitori Makuhari	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	77	5.93
	Konami Sports Club Fuchu	Shimizu Corporation	February 2013	—	—	204	2.4
	FESTA SQUARE	Shimizu Corporation	February 2013	—	—	43	6.36
	GEMS Shibuya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2013	—	—	14	1.81
	Sundai Azamino	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	31	6.93
	EQUINIA Aobadai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	137	9.91
	Megalos Kanagawa	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	94	11.24
	Izumiya Senrioka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	239	14.44
	Merad Owada	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	270	10.16
	Izumiya Yao	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	168	14.37
	Izumiya Obayashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	236	12.95
	Ichibancho stear	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	66	2.76
EQUINIA Aobadori	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	81	0.34	
Retail subtotal		-	-	0	445	6,238	5.60
Total		-	-	0	445	9,073	5.28

(Note 1) Emergency repair expenses are the repair expenses for items having failures that will functionally hinder daily operations or items that are legally instructed for improvement but are yet to be renovated (rounded down to the nearest million yen). However, for the properties that have been estimated for emergency repair expenses in the engineering reports stated above (Morisia Tsudanuma, Kawasaki More's and EQUINIA Ikebukuro), the repairs for the estimated items have been already completed as of the date of this report.

(Note 2) Short-term repair expenses are the repair expenses required within one year, such as for items for which early renovation is desirable due to deterioration progressing and items for which failure is thought to arise if left unattended, other than expenses associated with standard repairs or renewal of interior finishing and equipment (rounded down to the nearest million yen).

(Note 3) The estimated amount of long-term repair expenses is the sum total amount of the long-term repair expenses projection (12-year period) (rounded down to the nearest million yen).

H. Status of Capital Expenditures

(i) Schedule of Capital Expenditures

Of the scheduled amount of capital expenditures associated with renovation work, etc. planned (or completed) to the date of this report for the assets held at the end of the 1st fiscal period, the following are the major capital expenditures. Please note that the scheduled construction amount below includes the portion charged to expenses in accounting.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Scheduled construction amount (thousand yen)		
			Total amount	Amount paid during period	Total amount already paid
Izumiya Obayashi (Takarazuka-shi, Hyogo)	Seismic strengthening	From Dec. 2013 To Mar. 2014	283,300	-	-
covirna machida (Machida-shi, Tokyo)	Renewal of the air-conditioning system (Note)	From Oct. 2013 To Apr. 2014	175,000	-	-
Morisia Tsudanuma (Narashino-shi, Chiba)	Installation of automatic door on 1st floor	From Feb. 2014 To Feb. 2014	20,000	-	-
Morisia Tsudanuma (Narashino-shi, Chiba)	Renewal of the entrance door on west side of 2nd floor	From Feb. 2014 To Feb. 2014	20,000	-	-
Funabashi Logistics Center (Funabashi-shi, Chiba)	Leakage control on the wall surface	From Dec. 2013 To Feb. 2014	20,000	-	-

(Note) Already begun as of the date of this report.

(ii) Capital Expenditures During the Fiscal Period

The following is an overview of the major construction work falling under the category of capital expenditures that were conducted during the 1st fiscal period for the assets held as of the end of the 1st fiscal period. Capital expenditures during the 1st fiscal period were 24,825 thousand yen and, when combined with the 58,104 thousand yen repair expenses charged to expenses during the 1st fiscal period, a total of 82,930 thousand yen in construction was implemented.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction amount (thousand yen)
Sagamihara Onodai Logistics Center (Sagamihara-shi, Kanagawa)	Waterproofing work and water stoppage work on drive way	From Aug. 2013 To Aug. 2013	2,961
Morisia Tsudanuma (Narashino-shi, Chiba)	Replacement of automatic door in office tower	From Aug. 2013 To Aug. 2013	2,632
Morisia Tsudanuma (Narashino-shi, Chiba)	Reinforcement work on backyard wall	From Aug. 2013 To Aug. 2013	2,417
EQUINIA Aobadai (Yokohama-shi, Kanagawa)	Renewal of new retail compartment	From Aug. 2013 To Aug. 2013	1,617
Other Properties	Improvement of features	From June 2013 To Aug. 2013	15,196
Total			24,825

(iii) Cash Reserved for Long-Term Repair Plans (Reserve for Repairs)

Based on long-term repair plans formed for each property, NMF sets aside the cash reserves to provide for medium- to long-term future large-scale repairs, etc. from cash flows during the period.

However, NMF have not made cash reserve during 1st fiscal period.

I. Status of Major Tenants

The following is the leasing status of those tenants of the assets held at the end of the 1st fiscal period of which a tenant's leased area (in the case where a single tenant occupies several assets of the assets held at the end of the 1st fiscal period, the sum total of the leased area thereof) at August 31, 2013 accounts for 10% or more of the leased area of all of the assets held as of the same date.

Tenant name (Note 1)	Business type	Property name	Annual rent (Note 2)	Leased area (m ²)	Contract termination date	Leasehold and security deposits (Note 2)	Other relevant info (contract extension method, etc.) (Note 2)
Fukuyama Transporting Co., Ltd.	Land transportation	Landport Urayasu	Not disclosed	34,941.45	April 30, 2019	Not disclosed	Not disclosed
		Sagamihara Onodai Logistics Center	Not disclosed	57,448.03	March 31, 2023	Not disclosed	Not disclosed

(Note 1) In the case of assets with a so-called pass-through master lease agreement where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, only the end-tenant is shown as the tenant and the master lessee is not shown as the tenant.

(Note 2) "Annual rent," "leasehold and security deposits" and "other relevant info (contract extension method, etc.," are not disclosed, due to unavoidable circumstances.

J. Top 10 Tenants by Leased Area

The following are those tenants of the assets held at the end of the 1st fiscal period of which rank in the top ten when a tenant's leased area is expressed as a percentage of the sum total of the leased area of the entire portfolio as at August 31, 2013.

No	Tenant name	Use	Property name	Total leased area (m ²)	Share (%) (Note 1)
1	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu	92,389.48	10.4
			Sagamihara Onodai Logistics Center		
2	Izumiya Co., Ltd.	Retail	Izumiya Senrioka	70,311.49	7.9
			Izumiya Yao		
			Izumiya Obayashi		
3	Amazon Japan Logistics K.K.	Logistics	Landport Kawagoe	56,377.76	6.3
4	Caterpillar Logistics Services LLC (Note 2)	Logistics	Sagamihara Tana Logistics Center	50,450.00	5.7
5	Yokohama Okadaya Co., Ltd.	Retail	Yokosuka More's City	43,830.13	4.9
			Kawasaki More's		
6	Mitsui-Soko Logistics Co., Ltd.	Logistics	Ota Nitta Logistics Center	42,328.00	4.8
7	Not disclosed	Retail (land with leasehold right)	Total for 17 Mitsubishi Motors properties	41,136.96	4.6
8	ASKUL Corporation	Logistics	Landport Itabashi	37,276.71	4.2
9	Otsuka Warehouse Co., Ltd.	Logistics	Landport Urayasu	35,104.40	3.9
10	Shinkai Transport Systems, Ltd.	Logistics	Landport Hachioji	34,896.32	3.9
Total for top 10 tenants				504,101.25	56.7

- (Note 1) “Share” is the sum total of leased area of the respective tenant as a percentage of the sum total of leased area of the entire portfolio of assets held by NMF at the end of this fiscal period. The tenant name is not disclosed for some tenants, due to unavoidable circumstances.
- (Note 2) The company has announced that will changed its trade name to Neovia Logistics Services, LLC.
- (Note 3) 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, end-tenants is shown as an tenant, and lessee is not shown as an tenant.

K. Status of Major Properties

Not applicable.

L. Overview of Leasing to Interested Parties

Tenant name	Property name	Leased area (m ²)
Megalos Co., Ltd.	Megalos Kanagawa	6,217.85
Geo Akamatsu Co., Ltd.	Morisia Tsudanuma	39,301.49
	GEMS Shibuya	1,791.34

M. Collateral

Not applicable.

③ Other Major Investment Assets

Real estate trust beneficiary interests are all presented together with real estate in “② Investment Real Estate Properties” above in this report. There are no other investment assets other than those presented in the item.