

SUMMARY OF FINANCIAL RESULTS (REIT)
For the 2nd Fiscal Period Ended February 28, 2014

April 15, 2014

REIT securities issuer: Nomura Real Estate Master Fund, Inc. (“NMF”) 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: May 29, 2014
 Scheduled date of commencement of distribution payout: May 20, 2014
 Preparation for supplementary materials on financial results: Yes
 Holding of briefing session on financial results: Yes (for institutional investors and analyst)

[Amounts are rounded down to the nearest million yen]

1. Financial Results for the Fiscal Period Ended February 28, 2014 (2nd period) (from September 1, 2013 to February 28, 2014)

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

	Operating Revenues		Operating Profits		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Period ended								
February 28, 2014	9,176	(149.1)	5,348	(156.0)	4,861	(287.9)	4,860	(288.4)
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
Period ended	yen	%	%	%
February 28, 2014	2,918	3.0	1.9	53.0
August 31, 2013	1,948	0.8	0.5	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 for the fiscal period ended August 31, 2013, the net income per unit calculated based on the daily weighted average number of investment units (1,665,260 units) is 751 yen when June 13, 2013, which is the date of commencement of the actual asset management, is deemed as the beginning of the fiscal period.

(Note 3) The return on unitholders' equity and the ratio of ordinary income to total assets for the fiscal period ended August 31, 2013 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 revenues, operating profits, 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 Net Income per Unit	Total Distributions in Excess of Net Income	Distribution Payout Ratio	Ratio of Distributions to Net Assets
Period ended	yen	million yen	yen	million yen	%	%
February 28, 2014	2,919	4,860	0	0	100.0	3.0
August 31, 2013	751	1,250	0	0	99.9	0.8

(Note) Distribution payout ratio for the fiscal period ended August 31, 2013 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 net income) ÷ Net income × 100

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
Period ended	million yen	million yen	%	yen
February 28, 2014	261,582	165,982	63.5	99,673
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
Period ended	million yen	million yen	million yen	million yen
February 28, 2014	11,122	△11,328	4,734	20,988
August 31, 2013	△1,510	△221,334	239,305	16,460

2. Earnings Forecasts for the Fiscal Period Ending August 31, 2014 (3rd period) (from March 1, 2014 to August 31, 2014) and February 28, 2015 (4th period) (from September 1, 2014 to February 28, 2015)

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

	Operating Revenues		Operating Profits		Ordinary Income		Net Income	
Period ending	million yen	(%)	million yen	(%)	million yen	(%)	million yen	(%)
August 31, 2014	9,294	(1.3)	4,564	(△14.7)	3,999	(△17.7)	3,998	(△17.7)
February 28, 2015	9,383	(1.0)	4,552	(△0.3)	3,997	(△0.0)	3,996	(△0.0)

	Distribution per Unit (excluding distribution in excess of earnings)		Distribution in Excess of Earnings per Unit	
Period ending	yen		yen	
August 31, 2014	2,400		-	
February 28, 2015	2,400		-	

(Reference) Forecast net income per unit for the fiscal period ending August 31, 2014: 2,400 yen
for the fiscal period ending February 28, 2015: 2,400 yen

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 (including treasury investment units)

As of February 28, 2014: 1,665,260 units

As of August 31, 2013: 1,665,260 units

② Number of treasury investment units

As of February 28, 2014: - units

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 28.

* 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 (Act No. 25 of 1948) 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 6.

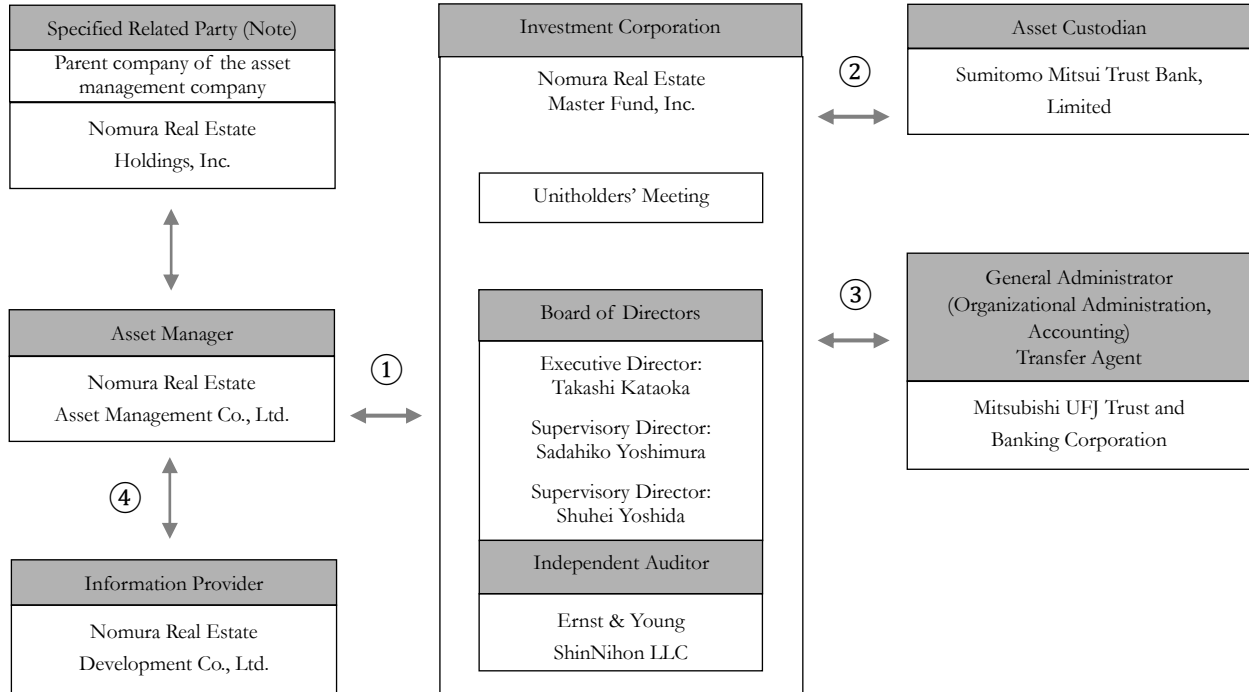
This is an English language translation of the original Japanese announcement of the financial statements ("Kessan Tanshin"). This translation is provided for information purpose only. Should there be any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Attachment

1. Related Corporations of the Investment Corporation

① Structure Chart of the Investment Corporation

The following chart shows names and outline of related business of NMF's related corporations and other relevant parties, as of the date of this report.



(Note) There is no related party if the asset management company which made transactions prescribed in each items of Article 2-3, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act, as of the date of this report.

Type of Agreements
① Asset Management Agreement
② Asset Custody Agreement
③ Transfer Agency Agreement, General Administration Agreement
④ Information Provision Agreement

② Names of investment corporation and its related corporations, their management roles and related business outline

Name	Management role	Related business outline
Nomura Real Estate Master Fund, Inc.	Investment Corporation	NMF invests in specific assets, mainly real estate and real-estate backed securities, with the aim of securing stable medium- to long-term income and delivering steady portfolio growth.
Nomura Real Estate Asset Management Co., Ltd.	Asset Management Company	Pursuant to the Asset Management Agreement (stated in ① above), the Asset Management Company shall manage the assets held by NMF in accordance with NMF's articles of incorporation and the investment targets and policies prescribed therein, as entrusted by NMF.
Sumitomo Mitsui Trust Bank, Limited	Asset Custodian	Pursuant to the Asset Custody Agreement (stated in ② above), Sumitomo Mitsui Trust Bank shall provide custodian services with regard to the assets held by NMF as entrusted by NMF.
Mitsubishi UFJ Trust and Banking Corporation	General Administrator (Organizational Administration, Accounting)	Pursuant to the General Administration Agreement (stated in ③ above), Mitsubishi UFJ Trust and Banking shall perform administration relating to the management of NMF (administration as prescribed in Article 117, item 4 of the Investment Trust Law (defined hereafter), excluding administration performed by the Transfer Agent), administration relating to NMF's accounts (administration as prescribed in Article 117, item 5 of the Investment Trust Law), administration relating to the preparation of accounting books (administration as prescribed in Article 117, item 6 of the Investment Trust Law and in Article 169, paragraph 2, item 6 of the Ordinance for Enforcement thereof (Prime Minister's Ordinance No. 129 of 2000, as amended, and hereinafter referred to as the "Ordinance for Enforcement of the Investment Trust Law")), administration relating to taxes (administration as prescribed in Article 117, item 6 of the Investment Trust Law and in Article 169, paragraph 2, item 7 of the Ordinance for Enforcement of the Investment Trust Law), as entrusted by NMF.

Name	Management role	Related business outline
Mitsubishi UFJ Trust and Banking Corporation	Transfer Agent	Pursuant to the Transfer Agency Agreement (stated in ③ above), Mitsubishi UFJ Trust and Banking shall perform administration relating to the preparation, management, and keeping of the unitholder register and other books, administration relating to distributing convocation notice for general unitholders' meetings, preparation and tallying of voting instructions and proxies, and administration relating to the payment of distributions to unitholders, as entrusted by NMF.
Nomura Real Estate Development Co., Ltd.	Information Provider	Nomura Real Estate Development shall provide information regarding real estate for sale in accordance with the Information Provision Agreement (stated in ④ above).
Nomura Real Estate Holdings, Inc.	Parent Company of asset management company	Nomura Real Estate Holdings holds 100% of the outstanding shares of Asset Management Company and is the parent company of the Asset Management Company as prescribed in Article 8, Paragraph 3 of the Regulation for Terminology, Forms and Preparation of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963). Furthermore, NMF have no contract or do not to have any contract to be entered with the said company.

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted, since there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” presented in the securities report (filed on November 28, 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 continue due to economic measures and monetary easing policies pursued by the Japanese government and Bank of Japan having ripple effects on the real economy, leading to improvement in corporate earnings as well as trends of recovery in corporate capital investment. In addition, personal consumption was robust due, among other things, to improvement in the employment and income environment.

Backed by expectations for improvement in real estate revenue and a favorable financing environment with the improvement in the business sentiment as described above, there were active property acquisitions accompanying new J-REIT listings and capital increases through public offering by existing J-REITs. As a result, new listings (IPOs) were conducted by seven new J-REITs, including NMF, and there were 44 public offerings (POs) implemented by existing J-REITs between the beginning of 2013 and the end day of March 2014. With Bank of Japan’s purchases of J-REIT investment units continuing, the J-REIT market is expected to continue to be active.

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 (Note 1) business expansion, supply-demand is tight and the vacancy rate of large logistics facilities continues to be at a low level. In addition, backed by an active appetite among convenience stores to set up stores and promotion of the omni-channel strategy (Note 2) by major retailers, the construction of an efficient delivery network and demand for highly-functional logistics facilities are expected to continue.

Concerning the environment surrounding retail facilities, improvement in consumer confidence was seen due to such factors as expectation for improvement in the income environment, backed by the wealth effect of the Japanese economy’s upward momentum and higher stock prices, as well as Japanese government requests for companies to increase base pay. According to the Ministry of Economy, Trade and Industry’s “Current Survey of Commerce,” retail sales value in January 2014 increased for the sixth consecutive month with an increase of 4.4% compared with the same period of the previous year driven by an increase in food and beverages retail. Going forward, while there are concerns of a rebound from the last-minute surge in demand associated with the consumption tax rise in April 2014, pickup is expected as the employment and income environment improves.

Under such circumstances, based on an investment strategy of focusing on the Greater Tokyo area, where strong demand is expected, NMF acquired a retail facility Recipe SHIMOKITA (acquisition price of 10,407 million yen) on December 13, 2013, from an external source by leveraging its own acquisition route.

As a result, the number of properties held by NMF at the end of the 2nd fiscal period was 55 properties (total acquisition price of 238,023 million yen), investment ratio in the Greater Tokyo area accounted for 84.6% and gross leasable area was 897,089.54 m². In addition, the occupancy rate of the entire portfolio at the end of the 2nd fiscal period was stable at a high level of 99.8%.

In addition, subsequent to the end of the 2nd fiscal period (end of February 2014), NMF acquired an equity interest in a silent partnership (*tokumeikumiai*) (investment amount of 500 million yen) operated by Ryoke Capital G.K. and an accompanying preferential negotiation right to trust beneficiary interest in mainly NIPPON EXPRESS CO., LTD. North Tokyo Distribution Center on March 25, 2014.

(Note 1) Third-party logistics (3PL) refers to logistics services outsourced by shippers for part or all of their logistics functions.

(Note 2) Omni-channel strategy refers to customer management, inventory management and delivery route consolidation across brick-and-mortar, e-commerce and other channels, creating an environment to offer a seamless shopping experience across all sales channels.

B. Status of Fund Procurement

NMF borrowed 11,000 million yen on December 12, 2013 to fund part of the acquisition of a specified asset and related expenses, and entered into an interest-rate swap agreement on December 10, 2013 to hedge risks of interest rate fluctuations for that borrowing. In addition, NMF made partial loan repayment using cash on hand, including consumption tax refund for the assets acquired in the 1st fiscal period (fiscal period ended August 31, 2013). As a result, the balance of loans outstanding was 84,435 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 32.3% at the end of the 2nd fiscal period.

The following is the rating obtained by NMF as at the end of the 2nd 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 2nd fiscal period was as follows: operating revenue of 9,176 million yen, operating income of 5,348 million yen, ordinary income of 4,861 million yen and net income of 4,860 million yen.

Concerning distributions in the 2nd 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 2,919 yen.

② Outlook for Next Fiscal Period

A. Future Management Policy and Challenges

While there are events to be noted, such as rebound of the last-minute surge in demand associated with the consumption tax rise and impact of the growing tension in Ukraine on the financial market, the Japanese economy ahead is anticipated to see the moderate recovery trend continue, as evident by such factors as recovery in corporate earnings and pickup in capital investment leading to improvement in the employment and income environment.

In addition, in the J-REIT market, with Bank of Japan's monetary easing policies leading to favorable supply of funds to the real estate market and TSE REIT Index continues to be stable, the favorable financial and capital environment is anticipated to continue. On the other hand, with transaction participants showing a strong acquisition appetite backed by the favorable financial and capital environment, the environment for acquiring prime properties is forecast to become harsh.

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 completed the acquisition of the equity interest in a silent partnership operated by Ryoke Capital G.K. on March 25, 2014, after the end of 2nd fiscal period (February 28, 2014) (the “Acuisition”).

Details of the Acuisition

Type of asset	Equity interest in silent partnership investing in trust beneficiary interest in mainly real estate
Name of asset	Ryoke Capital Godo Kaisha Silent Partnership Equity Interest
Trust property	NIPPON EXPRESS CO., LTD. North Tokyo Distribution Center
Investment amount	¥500 million (approximately 17.9% of initial total investment amount in the silent partnership)
Date of agreement	November 29, 2013
Date of acquisition of equity interest	March 25, 2014
Financing	Cash on hand

Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31, 2014 (3rd period) and February 28, 2015 (4th period)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> • 3rd fiscal period: from March 1, 2014 to August 31, 2014 • 4th fiscal period: from September 1, 2014 to February 28, 2015
Assets under management	<ul style="list-style-type: none"> • The Fund assumes that the investment portfolio consisting of 55 properties owned by the Fund as at the end of the 2nd fiscal period (ending February 28, 2014) (the “Acquired Assets as of the end of the 2nd fiscal period”) and Ryoke Capital Godo Kaisha Silent Partnership Equity Interest (the “Acquired Assets during the 3rd fiscal period”) will remain unchanged (with no assets acquired or disposed of) thereafter until the end of the 4th fiscal period (February 28, 2015). • 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 as of the end of the 2nd fiscal period and Acquired Asset during the 3rd fiscal period. • 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 Acquired Assets at the end of the 2nd fiscal period are calculated as rental expenses, estimated amount of ¥733 million for the 3rd fiscal period (ending August 31, 2014) and ¥733 million for the 4th fiscal period (ending February 28, 2015). • Outsourcing expenses are estimated at ¥600 million for the 3rd fiscal period (ending August 31, 2014) and ¥579 million for the 4th fiscal period (ending February 28, 2015). • 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 profits are estimated at ¥5,485 million for the 3rd fiscal period (ending August 31, 2014) and ¥5,528 million for the 4th fiscal period (ending February 28, 2015). • Depreciation costs are estimated at ¥1,531 million for the 3rd fiscal period (ending August 31, 2014) and ¥1,544 million for the 4th fiscal period (ending February 28, 2015). • The operating expenses other than the rental expenses (including asset management fees, asset custody fees and general administration fees) are estimated at ¥921 million for the 3rd fiscal period (ending August 31, 2014) and ¥975 million for the 4th fiscal period (ending February 28, 2015).
Non-operating expenses	<ul style="list-style-type: none"> • Interest payable and other borrowing related expenses are estimated at ¥563 million for the 3rd fiscal period (ending August 31, 2014) and ¥554 million for the 4th fiscal period (ending February 28, 2015).
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 ¥81,435 million. • Concerning the borrowings of ¥8,085 million, which will be due by the last business day of the 4th fiscal period (ending February 28, 2015), 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 4th fiscal period (ending February 28, 2015).

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	As of February 28, 2014
Assets		
Current assets		
Cash and bank deposits	5,054,509	8,271,101
Cash and bank deposits in trust	11,405,579	12,717,717
Rental receivables	138,211	107,910
Prepaid expenses	228,972	198,092
Deferred tax assets	48	12
Income taxes receivable	—	163
Consumption taxes receivable	4,713,348	—
Other	20,341	62,368
Total current assets	21,561,011	21,357,367
Noncurrent assets		
Property and equipment		
Buildings	1,090,499	3,476,850
Less accumulated depreciation	(6,160)	(43,777)
Buildings, net	1,084,338	3,433,073
Structures	18,622	28,859
Less accumulated depreciation	(311)	(1,564)
Structures, net	18,310	27,294
Land	2,440,333	10,917,067
Buildings in trust	93,246,841	93,389,065
Less accumulated depreciation	(656,794)	(2,038,387)
Buildings in trust, net	92,590,046	91,350,677
Structures in trust	865,045	865,458
Less accumulated depreciation	(35,237)	(112,347)
Structures in trust, net	829,807	753,111
Tools, furniture and fixtures in trust	573	11,618
Less accumulated depreciation	(8)	(248)
Tools, furniture and fixtures in trust, net	565	11,370
Land in trust	128,704,544	128,699,981
Construction in progress	—	23,225
Total property and equipment	225,667,946	235,215,801
Intangible assets		
Leasehold rights in trust	3,821,371	3,829,099
Other	11,444	11,389
Total intangible assets	3,832,815	3,840,489
Investments and other assets		
Long-term prepaid expenses	648,601	613,881
Long-term deposits	39,101	39,205
Security deposits	515,926	516,126
Total investments and other assets	1,203,629	1,169,214
Total noncurrent assets	230,704,391	240,225,504
Total assets	252,265,402	261,582,872

Thousands of Yen

	As of August 31, 2013		As of February 28, 2014	
Liabilities				
Current liabilities				
Trade accounts payable		262,587		330,137
Short-term debt	※1	16,500,000	※1	16,500,000
Current portion of long-term debt		85,600		85,600
Other accounts payable		1,085,077		207,946
Accrued expenses		10,657		10,053
Accrued income taxes		1,522		651
Accrued consumption taxes		—		179,119
Rent received in advance		1,335,425		1,459,897
Other current liabilities		47,050		939
Total current liabilities		19,327,922		18,774,345
Long-term liabilities				
Long-term debt		61,893,000		67,850,200
Security deposits from tenants		167,762		525,160
Security deposits from tenants in trust		8,504,761		8,451,011
Total long-term liabilities		70,565,524		76,826,372
Total liabilities		89,893,446		95,600,717
Net assets				
Unitholders' equity				
Unitholders' capital		161,120,405		161,120,405
Surplus				
Retained earnings		1,251,550		4,861,749
Total surplus		1,251,550		4,861,749
Total unitholders' equity		162,371,955		165,982,154
Total net assets	※2	162,371,955	※2	165,982,154
Total liabilities and net assets		252,265,402		261,582,872

(2) Statement of Income and Retained Earnings

Thousands of Yen

	Previous period from Jan. 31, 2013 to Aug. 31, 2013		Current period from Sep. 1, 2013 to Feb. 28, 2014	
Operating revenues				
Rental revenues	※1	3,392,015	※1	8,478,425
Other rental revenues	※1	291,114	※1	697,965
Total operating revenues		3,683,130		9,176,390
Operating expenses				
Real estate rental expenses	※1	1,258,501	※1	2,918,848
Asset management fees		277,764		750,575
Asset custody fee		3,992		14,248
Administrative service fees		23,540		64,036
Directors' compensations		5,600		4,800
Other operating expenses		24,101		75,471
Total operating expenses		1,593,500		3,827,980
Operating profit		2,089,629		5,348,409
Non-operating revenues				
Interest income		889		1,873
Interest on refund		—		22,210
Other non-operating revenues		4		11
Total non-operating revenues		893		24,096
Non-operating expenses				
Interest expenses		144,738		398,386
Loan arrangement fees		147,198		108,656
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		3,750
Total non-operating expenses		837,317		510,792
Ordinary income		1,253,205		4,861,713
Income before income taxes		1,253,205		4,861,713
Income taxes-current		1,703		868
Income taxes-deferred		(48)		35
Total income taxes		1,654		904
Net income		1,251,550		4,860,808
Retained earnings brought forward		—		940
Retained earnings at end of period		1,251,550		4,861,749

(3) Statement of Changes in Net Assets

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

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Retained earnings	Total surplus		
Balance at the beginning of current period	—	—	—	—	—
Changes of items during the period					
Issuance of investment units	161,120,405	—	—	161,120,405	161,120,405
Net income	—	1,251,550	1,251,550	1,251,550	1,251,550
Total changes of items during the period	161,120,405	1,251,550	1,251,550	162,371,955	162,371,955
Balance at the end of current period	161,120,405	1,251,550	1,251,550	162,371,955	162,371,955

Current period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Retained earnings	Total surplus		
Balance at the beginning of current period	161,120,405	1,251,550	1,251,550	162,371,955	162,371,955
Changes of items during the period					
Cash distribution paid	—	(1,250,610)	(1,250,610)	(1,250,610)	(1,250,610)
Net income	—	4,860,808	4,860,808	4,860,808	4,860,808
Total changes of items during the period	—	3,610,198	3,610,198	3,610,198	3,610,198
Balance at the end of current period	161,120,405	4,861,749	4,861,749	165,982,154	165,982,154

(4) Statement of Cash Distributions

	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
I. Retained earnings at end of period	1,251,550,888 yen	4,861,749,480 yen
II. Amount of distributions	1,250,610,260 yen	4,860,893,940 yen
[Amount of distributions per investment unit]	[751 yen]	[2,919 yen]
III. Retained earnings brought forward	940,628 yen	855,540 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.	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 4,860,893,940 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

	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
Cash flows from operating activities		
Income before income taxes	1,253,205	4,861,713
Depreciation	699,118	1,499,067
Investment units issuance costs	293,249	—
Interest income	(889)	(1,873)
Interest expenses	144,738	398,386
Decrease (increase) in rental receivables	(138,211)	30,301
Decrease (increase) in prepaid expenses	(228,972)	30,880
Decrease (increase) in consumption taxes receivable	(4,713,348)	4,713,348
Decrease (increase) in long-term prepaid expenses	(648,601)	34,719
Decrease (increase) in long-term deposits	(39,101)	(104)
Increase (decrease) in trade accounts payable	262,587	67,549
Increase (decrease) in other accounts payable	376,561	(327,789)
Increase (decrease) in accrued consumption taxes	—	179,119
Increase (decrease) in rent received in advance	1,335,425	124,471
Other	26,709	(88,137)
Subtotal	(1,377,528)	11,521,651
Interest received	889	1,873
Interest paid	(134,081)	(398,990)
Income taxes paid	(180)	(1,903)
Net cash provided by (used in) operating activities	(1,510,901)	11,122,630
Cash flows from investing activities		
Payments for purchase of property and equipment	(3,548,856)	(10,873,920)
Payments for purchase of property and equipment in trust	(222,115,087)	(743,476)
Payments for purchase of intangible assets	(7,900)	(5,350)
Payments for purchase of intangible assets in trust	(3,819,519)	(9,155)
Reimbursement of security deposits to tenants	—	(11,364)
Proceeds from security deposits from tenants	167,762	368,763
Reimbursement of security deposits to tenants in trust	(23,066)	(103,402)
Proceeds from security deposits from tenants in trust	8,527,827	49,652
Payments for security deposits	(515,926)	(200)
Net cash provided by (used in) investing activities	(221,334,766)	(11,328,454)
Cash flows from financing activities		
Proceeds from short-term debt	16,500,000	5,000,000
Repayment of short-term debt	—	(5,000,000)
Proceeds from long-term debt	62,000,000	6,000,000
Repayment of long-term debt	(21,400)	(42,800)
Proceeds from issuance of investment units	161,120,405	—
Payments for investment units issuance costs	(293,249)	—
Distributions to unitholders	—	(1,222,645)
Net cash provided by (used in) financing activities	239,305,755	4,734,554
Net increase (decrease) in cash and cash equivalents	16,460,088	4,528,730
Cash and cash equivalents at beginning of period	—	16,460,088
Cash and cash equivalents at end of period	※1 16,460,088	※1 20,988,819

(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 2~15 years Tools, furniture and fixtures 4~10 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. 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 1,493 thousand yen.</p>
<p>3. 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>4. 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>

5. Other significant matters forming basis for preparation of financial statements	<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> <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</p> <p>② Accounting for consumption taxes. Concerning accounting for consumption tax and local consumption tax, these taxes are not included.</p>
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(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

NMF is concluding a commitment line agreement with 3 lending financial institutions.

	Previous period (Aug. 31, 2013)	Current period (Feb. 28, 2014)
Committed line of credit	10,000,000 thousand yen	10,000,000 thousand yen
Balance of used line	— thousand yen	— thousand yen
Balance of unused line	10,000,000 thousand yen	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

	Previous period (Aug. 31, 2013)	Current period (Feb. 28, 2014)
	50,000 thousand yen	50,000 thousand yen

(Notes to Statement of Income and Retained Earnings)

*1. Breakdown of real estate rental revenues and expenses

	(Unit: thousand yen)			
	Previous period from Jan. 31, 2013 to Aug. 31, 2013		Current period from Sep. 1, 2013 to Feb. 28, 2014	
A. Property related revenues				
Rental revenues				
Rent revenues	3,291,203		8,228,546	
Common area charges	100,812	3,392,015	249,878	8,478,425
Other rental revenues				
Parking revenues	34,578		78,086	
Incidental income	253,525		578,563	
Other miscellaneous revenues	3,010	291,114	41,315	697,965
Property related revenues		3,683,130		9,176,390
B. Property related expenses				
Real estate rental expenses				
Property management costs	131,204		337,140	
Property management fees	60,335		152,886	
Utility expenses	223,475		518,251	
Casualty insurance	7,385		18,116	
Repairs and maintenance	58,104		185,676	
Land rents	30,673		71,656	
Depreciation	698,512		1,497,862	
Other rental expenses	48,808	1,258,501	137,257	2,918,848
Property related expenses		1,258,501		2,918,848
C. Real estate rental profits [A – B]		2,424,629		6,257,542

(Notes to Statement of Changes in Net Assets)

	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
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	20,000,000 units
Total number of investment units issued and outstanding	1,665,260 units	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)	
	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
Cash and bank deposits	5,054,509	8,271,101
Cash and bank deposits in trust	11,405,579	12,717,717
Cash and cash equivalents	16,460,088	20,988,819

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

(Unit: thousand yen)

	Previous period (Aug. 31, 2013)	Current period (Feb. 28, 2014)
Due within 1 year	13,165,342	13,530,102
Due after 1 year	36,701,720	44,418,969
Total	49,867,063	57,949,072

(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	—	—	—

The following are the carrying amount and fair value as of February 28, 2014, 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	8,271,101	8,271,101	—
(2) Cash and bank deposits in trust	12,717,717	12,717,717	—
(3) Short-term debt	[16,500,000]	[16,500,000]	—
(4) Current portion of long-term debt	[85,600]	[86,550]	950
(5) Long-term debt	[67,850,200]	[68,906,632]	1,056,432
(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	—	—	—	—	—

Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts (February 28, 2014)

(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	8,271,101	—	—	—	—	—
Cash and bank deposits in trust	12,717,717	—	—	—	—	—
Total	20,988,819	—	—	—	—	—

(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

Amount of repayment of long-term debt and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts (February 28, 2014)

(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	13,085,600	85,600	16,285,600	38,307,800
Total	16,585,600	85,600	13,085,600	85,600	16,285,600	38,307,800

(Notes on securities)

Previous period (As of August 31, 2013)

Not applicable.

Current period (As of February 28, 2014)

Not applicable.

(Notes on Derivative Transactions)

1. Transactions not subject to hedge accounting

Previous period (As of August 31, 2013)

Not applicable.

Current period (As of February 28, 2014)

Not applicable.

2. Transactions subject to hedge accounting

Previous 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.

Current period (As of February 28, 2014)

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	59,167,900	59,125,100	*	

* 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 retirement benefit plans)

Previous period (As of August 31, 2013)

Not applicable.

Current period (As of February 28, 2014)

Not applicable.

(Notes on Tax Effect Accounting)

1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities (Unit: thousand yen)

	Previous period (Aug. 31, 2013)	Current period (Feb. 28, 2014)
Deferred tax assets		
Non-deductible accrued enterprise tax	48	12
Total deferred tax assets	48	12
Net deferred tax assets	48	12

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

	Previous period (Aug. 31, 2013)	Current period (Feb. 28, 2014)
Statutory tax rate	36.59%	36.59%
(Adjustments)		
Deductible cash distributions	△36.51%	△36.58%
Other	0.05%	0.01%
Effective tax rate after application of tax effect accounting	0.13%	0.02%

(Notes on equity method income and retained earnings, etc.)

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

Not applicable.

Current period (from September 1, 2013 to February 28, 2014)

Not applicable.

(Notes on Transactions with Related Parties)

1. Parent company and major corporate unitholders
Previous period (from January 31, 2013 to August 31, 2013)
Not applicable.

Current period (from September 1, 2013 to February 28, 2014)
Not applicable.
2. Subsidiaries and affiliates
Previous period (from January 31, 2013 to August 31, 2013)
Not applicable.

Current period (from September 1, 2013 to February 28, 2014)
Not applicable.
3. Fellow subsidiaries
Previous period (from January 31, 2013 to August 31, 2013)
Not applicable.

Current period (from September 1, 2013 to February 28, 2014)
Not applicable.
4. Directors and major individual unitholders
Previous period (from January 31, 2013 to August 31, 2013)
Not applicable.

Current period (from September 1, 2013 to February 28, 2014)
Not applicable.

(Notes on asset retirement obligations)

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

Not applicable.

Current period (from September 1, 2013 to February 28, 2014)

Not applicable.

(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)

	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
Carrying amount		
Balance at beginning of period	—	229,489,317
Amount of increase (decrease) during period	229,489,317	9,555,584
Balance at end of period	229,489,317	239,044,901
Fair value at end of period	239,326,000	252,818,000

(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 previous period is mainly attributable to acquisition of 54 properties including Landport Urayasu (total 230,163,004 thousand yen) and decrease during previous period is depreciation (698,512 thousand yen). The amount of increase during current period is mainly attributable to acquisition of Recipe SHIMOKITA (10,857,439 thousand yen) and decrease during current period is depreciation (1,497,812 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 previous period and 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)

Previous 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.

Current period (from September 1, 2013 to February 28, 2014)

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 Per Unit Information)

	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
Net assets per unit	97,505 yen	99,673 yen
Net income per unit	1,948 yen	2,918 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.

	Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
Net income (thousand yen)	1,251,550	4,860,808
Amount not attributable to ordinary unitholders (thousand yen)	—	—
Net income attributable to ordinary investment units (thousand yen)	1,251,550	4,860,808
Average number of investment units during period (units)	642,316	1,665,260

(Notes on Significant Subsequent Events)

Previous period from Jan. 31, 2013 to Aug. 31, 2013	Current period from Sep. 1, 2013 to Feb. 28, 2014
Not applicable.	Not applicable.

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

There were no changes in the total number of investment units issued and outstanding during the current fiscal period (from September 1, 2013 to February 28, 2014). The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the current fiscal period (February 28, 2014).

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.
 There were no changes in directors during the 2nd fiscal period.

(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	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)	
		Oct. 2007	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	
Oct. 2013	Representative Director, President and Chief Executive Officer, in charge of the Investment Performance Analysis Section and the Investment Management Department			
Apr. 2014	Currently serves as Representative Director, President and Chief Executive Officer			

Position	Name	Brief personal history	Number of shares held
Representative Director, Vice President and Executive Officer Manager of the Client Relations & Marketing Department, the Investment Management Department, the New Products & Marketing Department, and the Finance Department	Norio Ambe	Apr. 1980 Nomura Securities Co., Ltd. July 2001 Managing Director of the Institutional Sales Department Dec. 2005 Managing Director of the Financial Institution Marketing Department of Nomura Asset Management Co., Ltd. Apr. 2006 Senior Managing Director of the Financial Institution Marketing Department, and in charge of the Product Services Department and the Financial Institution Marketing Department Apr. 2008 Senior Managing Director of Nomura Asset Management Co., Ltd. Apr. 2008 Chairman of Nomura Asset Management Singapore Limited Apr. 2008 Chairman of Nomura Asset Management Hong Kong Limited Apr. 2009 Senior Corporate Managing Director of Nomura Asset Management Co., Ltd. Apr. 2013 Executive Vice President, Manager of the Institutional Clients Division and the Overseas Clients Division Apr. 2014 Currently Serves as Representative Director, Vice President and Executive Officer of Nomura Real Estate Asset Management Co., Ltd., Manager of the Client Relations & Marketing Department, the Investment Management Department, the New Products & Marketing Department, and the Finance Department	-
Representative Director, Vice President and Executive Officer Manager of the Corporate Planning Department, the Compliance Department, the Internal Audit Department, and the Accounting Department In charge of the Investment Performance Analysis Section	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, in charge of Risk Management Department and System Planning Department Apr. 2003 Director, in charge of Job Categories Headquarter and Investment Trust & Pension Fund Business Headquarter June 2003 Executive Officer, in charge of 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 Representative Director, Vice President, General Manager of the Finance & Accounting Headquarters Oct. 2012 Representative Director, Vice President and Executive Officer, manager of the Fund Management Department, of the Investment Officers, 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 Representative Director, Vice President and Executive Officer, manager of the Fund Management Department, of the Investment Officers, the Finance Department, the Accounting Department, the Internal Audit Department, the Compliance Department and the Corporate Planning Department Apr. 2014 Currently serves as Representative Director, Vice President and Executive Officer, manager of the Corporate Planning Department, the Compliance Department, the Internal Audit Department, and the Accounting Department, and in charge of the Investment Performance Analysis Section	-

Position	Name	Brief personal history	Number of shares held
Representative Director and Executive Managing Officer Manager of the Fund Management Department, the Acquisitions Department, the Asset Management Department and the Investment Officers In charge of the Investment Management Planning Section 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 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, Chief Strategy Officer Apr. 2014 Currently serves as Representative Director and Executive Managing Officer, manager of the Fund Management Department, the Acquisitions Department, the Asset Management Department and Investment Officers, and in charge of the Investment Management Planning Section and the Research & Analysis Section, Chief Strategy Officer	—
Director and Executive Officer In charge of the Compliance Department General Manager of the Internal Audit 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 Director and Executive Officer, in charge of the Compliance Department, of Nomura Real Estate Asset Management Co., Ltd. Apr. 2014 Currently serves as Director and Executive Officer, in charge of the Compliance Department, General Manager of the Internal Audit Department	—
Director and Executive Officer General Manager 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 General Manager of the Corporate Secretariat Section 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 General Manager of the Fund Management Department	—

Position	Name	Brief personal history	Number of shares held
Director and Executive Officer General Manager of the Asset Management 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 General Manager of the JOFI Management Section 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 Director and Executive Officer in charge of the Client Relations & Marketing Department Apr. 2014 Currently serves as Director and Executive Officer, and General Manager of the Asset Management Department	—
Statutory Auditor	Takahiko Nagaki	Apr. 1980 Nomura Real Estate Development Co., Ltd. June 2001 Gereranl Manager of the IT Strategy Promotion Section Jan. 2003 General Manager of the Planning Section of the Corporate Company Apr. 2011 General Manager of the Planning Section of the Asset Management Company Oct. 2011 Currently serves as Statutory Auditor of Nomura Real Estate Asset Management Co., Ltd.	—
Statutory Auditor	Tadanao Takagoshi	Apr. 1981 Nomura Real Estate Development Co., Ltd. June 1997 Branch Chief of the Sapporo Branch June 2002 Director of Nomura Real Estate Urban Net Co., Ltd. Apr. 2006 Executive Managing Director, Assistant General Manager of the Sales Headquarter of Megalos Co., Ltd. Apr. 2007 Executive Managing Director, in charge of Sales Headquater and Business Development Headquater Jan. 2009 Executive Managing Director, in charge of Sales Headquater, and General Manager of the Business Development Headquater June 2009 Executive Managing Director, and General Manager of the Administrative Headquater June 2012 Executive Managing Director, in charge of Sales Headquater, and General Manager of the Business Headquater Sep. 2013 Executive Managing Director, General Manager of the Business Headquater Apr. 2014 Currently serves as Statutory Auditor of Nomura Real Estate Asset Management Co., Ltd.	—

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

5. Reference Information

(1) Investment Status

Type of asset	Use	Area (Note 1)	1st fiscal period As of August 31, 2013		2nd fiscal period As of February 28, 2014	
			Total amount held (million yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)	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	14,400	5.5
		Subtotal	3,542	1.4	14,400	5.5
Real estate in trust	Logistics properties	Greater Tokyo area	116,420	46.2	115,508	44.2
		Other areas	6,609	2.6	6,520	2.5
		Subtotal	123,030	48.8	122,029	46.7
	Retail properties	Greater Tokyo area	72,544	28.8	72,399	27.7
		Kinki area	23,991	9.5	23,881	9.1
		Other areas	6,379	2.5	6,334	2.4
Subtotal	102,915	40.8	102,614	39.2		
Subtotal			229,489	91.0	239,044	91.4
Deposits and other assets			22,776	9.0	22,537	8.6
Total amount of assets			252,265	100.0	261,582	100.0

	1st fiscal period As of August 31, 2013		2nd fiscal period As of February 28, 2014	
	Amount (million yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)	Amount (million yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)
Total amount of liabilities	89,893	35.6	95,600	36.5
Total amount of net assets	162,371	64.4	165,982	63.5

(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. (55 properties) held as of February 28, 2014 (end of the 2nd 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 2nd fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of February 28, 2014.

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 2nd fiscal period.

Number of properties		55
Acquisition price (thousand yen) (Note 1) (As a percentage of total acquisition price (%))	Total	238,023,141 (100.0)
	Logistics total	122,020,000 (51.3)
	Greater Tokyo area	115,440,000
	Other areas	6,580,000
	Retail total	116,003,141 (48.7)
	Greater Tokyo area	85,847,000
	Kinki area	23,816,141
	Other areas	6,340,000
Total of opinion of value at end of period (thousand yen) (Note 2)		252,818,000
Gross leasable area (m ²) (B) (Note 3)		897,089.54
Gross leased area (m ²) (A) (Note 4)		895,510.83
Portfolio occupancy rate (%) (A)÷(B) (Note 5)		99.8
Total number of tenants (Note 6)		251
Total of all contracted rent (thousand yen) (Note 7)		1,438,748
Total of all security deposits, etc. (thousand yen) (Note 8)		8,936,296

(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 2nd 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 2nd 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 2nd 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 February 2014 of each of the assets held at the end of the 2nd fiscal period (rounded down to the nearest thousand yen). “Total contracted rent” for February 2014 refers to the sum total of monthly rent and common area charges in lease agreements actually concluded with end-tenants that are valid as of the last day of February 2014 (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 “all security deposits, etc.” of each of the assets held at the end of the 2nd fiscal period (rounded down to the nearest thousand yen). “All security 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 February 28, 2014 (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)	February 28, 2014 (end of 2nd fiscal period)
Number of properties	54	55
Total number of tenants	241	251
Gross leasable area (m ²)	890,795.63	897,089.54
Portfolio occupancy rate (at end of fiscal period) (%)	99.8	99.8

B. Price and Investment Share

The following is an overview of the assets held at the end of the 2nd 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	17,364	18,600	7.4	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	15,699	16,900	6.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	13,637	14,000	5.5	Japan Real Estate Institute
		Landport Atsugi	11,410	11,322	12,100	4.8	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	10,974	11,300	4.5	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	8,676	9,360	3.7	Japan Real Estate Institute
		Landport Hachioji	8,250	8,206	8,710	3.4	Japan Real Estate Institute
		Landport Kasukabe	7,340	7,283	7,710	3.0	Japan Real Estate Institute
		Funabashi Logistics Center	4,660	4,692	4,930	2.0	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,573	4,850	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,779	4,180	1.7	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,760	4,080	1.6	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,845	3,090	1.2	Daiwa Real Estate Appraisal Co., Ltd.
	Atsugi Minami Logistics Center A Tower	2,690	2,691	2,970	1.2	The Tanizawa Sogo Appraisal Co., Ltd.	
	Other areas	Ota Nitta Logistics Center	3,430	3,393	3,690	1.5	Daiwa Real Estate Appraisal Co., Ltd.
		Ota Higashishinmachi Logistics Center	2,170	2,149	2,380	0.9	Daiwa Real Estate Appraisal Co., Ltd.
Ota Kiyohara Logistics Center		650	643	702	0.3	Daiwa Real Estate Appraisal Co., Ltd.	
Chiyodamachi Logistics Center		330	332	355	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
Logistics subtotal			122,020	122,029	129,907	51.4	
Retail	Greater Tokyo area	Morisia Tsudanuma	16,600	16,730	17,300	6.8	Daiwa Real Estate Appraisal Co., Ltd.
		Yokosuka More's City	13,640	13,681	14,400	5.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,858	10,600	4.2	Japan Valuers Co., Ltd.
		EQUINIA Shinjuku	4,260	4,297	4,330	1.7	Daiwa Real Estate Appraisal Co., Ltd.
		Kawasaki More's	4,000	4,052	4,200	1.7	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Ikebukuro	3,990	4,015	4,140	1.6	Daiwa Real Estate Appraisal Co., Ltd.
		covirna machida	3,440	3,465	3,840	1.5	Japan Real Estate Institute
		Nitori Makuhari	3,080	3,067	3,310	1.3	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,732	3,050	1.2	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,587	2,810	1.1	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,517	2,500	1.0	Daiwa Real Estate Appraisal Co., Ltd.
		Sundai Azamino	1,700	1,693	1,790	0.7	Japan Real Estate Institute
		EQUINIA Aobadai	1,560	1,570	1,700	0.7	Japan Real Estate Institute
		Megalos Kanagawa	1,000	1,024	1,210	0.5	Japan Real Estate Institute
	Kinki area	Izumiya Senrioka	8,930	8,931	10,000	4.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Merad Owada	6,640	6,667	6,960	2.8	Daiwa Real Estate Appraisal Co., Ltd.
		Izumiya Yao	4,406	4,405	4,710	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya Obayashi	3,020	3,046	3,270	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	4,710	5,170	2.0	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,624	1,760	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Meguro	2,740	2,764	2,810	1.1	Japan Real Estate Institute
		Mitsubishi Motors Chofu	1,760	1,776	1,840	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Shibuya	1,570	1,586	1,740	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	898	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika	800	808	815	0.3	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume	800	808	815	0.3	Japan Real Estate Institute
		Mitsubishi Motors Setagaya	770	779	783	0.3	Japan Real Estate Institute
		Mitsubishi Motors Suginami	740	748	793	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Sekimachi	600	606	614	0.2	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamato	450	455	488	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motosumiyoshi	370	375	375	0.1	Japan Real Estate Institute
		Mitsubishi Motors Kawagoe	350	355	356	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa	200	204	210	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama	160	163	166	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Kinki area	Mitsubishi Motors Ibaraki Maintenance Center	820	829	878	0.3
Retail subtotal			116,003	117,015	122,911	48.6	
Total			238,023	239,044	252,818	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 2nd fiscal period-end (February 28, 2014) 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 (55 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 2nd 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-ku, 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	4,313	51.0	3,861
Retail	Greater Tokyo area	Morisia Tsudanuma	Narashino-shi, Chiba	Low-rise retail building: October 1978 Parking building: November 1987	39,300.16	38,362.04	97.6	114	1,143	12.5	845
		Yokosuka More's City	Yokosuka-shi, Kanagawa	July 1997	29,383.65	29,383.65	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Recipe SHIMOKITA	Setagaya-ku, Tokyo	July 2011	6,295.22	6,264.31	99.5	10	138	1.5	368
		EQUINIA Shinjuku	Shinjuku-ku, Tokyo	March 1988	3,611.59	3,189.94	88.3	12	183	2.0	238
		Kawasaki More's	Kawasaki-shi, Kanagawa	August 1980	14,446.48	14,446.48	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	Greater Tokyo area	EQUINIA Ikebukuro	Toshima-ku, Tokyo	October 1973	2,701.66	2,693.93	99.7	14	150	1.6	234
		covirna machida	Machida-shi, Tokyo	September 1981	2,891.32	2,891.32	100.0	7	172	1.9	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	1,611.04	89.9	9	99	1.1	116
		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	2,457.36	100.0	8	81	0.9	136
		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	233	2.5	311
		EQUINIA Aobadori	Sendai-shi, Miyagi	June 2008	4,030.37	4,030.37	100.0	19	166	1.8	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)	(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 Motsumiyoshi	Kawasaki-shi, Kanagawa	-	1,646.97	1,646.97	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 Kawagoc	Kawagoc-shi, Saitama	-	2,462.40	2,462.40	100.0	1	(Note 8)	(Note 8)	(Note 8)
		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			-	-	286,476.56	284,897.85	99.4	228	4,863	49.0	5,074
Total			-	-	897,089.54	895,510.83	99.8	251	9,176	100.0	8,936

(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 2nd fiscal period (for the property acquired during the 2nd 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 February 28, 2014 (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 including 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	18,600	18,800	4.7	18,500	4.8 4.9 (Note 4)	4.9	890	5.1
	Landport Itabashi	16,900	17,000	4.9	16,900	4.9 5.0 (Note 5)	5.1	833	5.3
	Landport Kawagoe	14,000	14,100	5.4	13,800	5.1	5.6	773	5.6
	Landport Atsugi	12,100	12,200	5.1	12,100	5.0 5.2 (Note 6)	5.3	626	5.5
	Sagamihara Tana Logistics Center	11,300	11,400	5.2	11,300	5.1	5.5	608	5.7
	Sagamihara Onodai Logistics Center	9,360	9,370	5.4	9,340	5.0	5.6	525	6.0
	Landport Hachioji	8,710	8,750	5.3	8,660	5.0	5.5	465	5.6
	Landport Kasukabe	7,710	7,760	5.3	7,650	4.9	5.6	411	5.6
	Funabashi Logistics Center	4,930	4,970	5.4	4,880	5.1	5.7	291	6.3
	Atsugi Minami Logistics Center B Tower	4,850	4,880	5.2	4,840	5.1 5.3 (Note 7)	5.4	252	5.5
	Hanyu Logistics Center	4,180	4,210	6.0	4,170	5.8	6.2	257	6.8
	Kawaguchi Logistics Center B Tower	4,080	4,090	5.3	4,070	5.1	5.5	221	5.9
	Kawaguchi Logistics Center A Tower	3,090	3,090	5.6	3,090	5.4	5.8	173	6.1
	Atsugi Minami Logistics Center A Tower	2,970	2,980	5.2	2,960	5.1 5.3 (Note 8)	5.4	156	5.8
	Ota Nitta Logistics Center	3,690	3,700	6.4	3,690	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	702	701	6.3	703	6.1	6.5	46	7.1	
Chiyodamachi Logistics Center	355	354	6.2	356	6.0	6.4	24	7.6	
	Logistics subtotal	129,907	-	-	-	-	-	6,955	5.7
Retail	Morisia Tsudanuma	17,300	16,700	5.6	17,500	5.4	5.8	1,111	6.7
	Yokosuka More's City	14,400	14,500	5.7	14,300	5.7	5.9	880	6.5
	Recipe SHIMOKITA	10,600	10,700	4.3	10,400	4.1	4.5	453	4.4
	EQUINIA Shinjuku	4,330	4,250	4.4	4,360	4.2	4.6	199	4.7
	Kawasaki More's	4,200	4,190	5.0	4,210	5.0	5.2	258	6.5
	EQUINIA Ikebukuro	4,140	4,060	4.7	4,170	4.5	4.9	195	4.9
	covirna machida	3,840	3,870	5.7	3,800	5.3	5.7	225	6.5
	Nitori Makuhari	3,310	3,350	5.7	3,270	5.5	6.0	190	6.2
	Konami Sports Club Fuchu	3,050	3,060	5.8	3,050	5.6	6.0	169	6.2
	FESTA SQUARE	2,810	2,820	6.0	2,790	5.7	6.2	168	6.5
	GEMS Shibuya	2,500	2,510	5.0	2,500	4.8	5.2	124	5.0
	Sundai Azamino	1,790	1,800	6.0	1,780	5.6	6.3	108	6.4

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	EQUINIA Aobadai	1,700	1,710	6.0	1,680	5.8	6.2	109	7.0
	Megalos Kanagawa	1,210	1,220	6.5	1,200	6.2	6.9	84	8.4
	Izumiya Senrioka	10,000	9,820	5.8	10,100	5.6 6.0 (Note 9)	6.0	585	6.6
	Merad Owada	6,960	6,900	6.4	6,980	6.2	6.6	459	6.9
	Izumiya Yao	4,710	4,800	6.1	4,670	5.9 6.3 (Note 10)	6.3	307	7.0
	Izumiya Obayashi	3,270	3,280	6.1	3,260	5.9	6.3	230	7.6
	Ichibancho stear	5,170	4,920	5.1	5,270	5.1 5.3 (Note 11)	5.3	249	5.3
	EQUINIA Aobadori	1,760	1,580	5.7	1,830	5.9	5.9	100	6.1
Retail (land with leasehold right)	Mitsubishi Motors Meguro	2,810	-	-	2,810	5.5	-	155	5.7
	Mitsubishi Motors Chofu	1,840	-	-	1,840	5.2	-	93	5.3
	Mitsubishi Motors Shibuya	1,740	-	-	1,740	5.0	-	86	5.5
	Mitsubishi Motors Nerima	1,270	-	-	1,270	5.6	-	70	5.7
	Mitsubishi Motors Kawasaki	1,010	-	-	1,010	6.9	7.3	73	7.8
	Mitsubishi Motors Takaido	898	-	-	898	5.1	-	44	5.3
	Mitsubishi Motors Katsushika	815	-	-	815	5.5	-	44	5.6
	Mitsubishi Motors Higashikurume	815	-	-	815	7.0	-	55	6.9
	Mitsubishi Motors Setagaya	783	-	-	783	5.6	-	43	5.7
	Mitsubishi Motors Suginami	793	-	-	793	5.2	5.6	39	5.3
	Mitsubishi Motors Sekimachi	614	-	-	614	5.6	-	34	5.8
	Mitsubishi Motors Higashiyamato	488	-	-	488	8.4	8.8	42	9.5
	Mitsubishi Motors Motsumiyoshi	375	-	-	375	6.0	-	22	6.0
	Mitsubishi Motors Kawagoe	356	-	-	356	6.1	6.5	22	6.4
	Mitsubishi Motors Edogawa	210	-	-	210	5.5	-	10	5.2
	Mitsubishi Motors Sayama	166	-	-	166	8.7	9.1	14	9.2
	Mitsubishi Motors Ibaraki Maintenance Center	878	-	-	878	6.1	-	48	6.0
	Retail subtotal	122,911	-	-	-	-	-	7,117	6.1
	Total	252,818	-	-	-	-	-	14,072	5.9

(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 2nd fiscal period-end (February 28, 2014) 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) “NOP” 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 “NOP” 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 2nd fiscal period (rounded to first decimal place).
- (Note 4) The discount rate of “Landport Urayasu” is 4.8% for the 1st year and 4.9% for the 2nd to 11th year since the effective date of value.
- (Note 5) The discount rate of “Landport Itabashi” is 4.9% for the 1st year and 5.0% for the 2nd to 11th year since the effective date of value.
- (Note 6) The discount rate of “Landport Atsugi” is 5.0% for the 1st to 3rd year and 5.2% for the 4th to 11th year since the effective date of value.
- (Note 7) The discount rate of “Atsugi Minami Logistics Center B Tower” is 5.1% for the 1st year and 5.3% for the 2nd to 11th year since the effective date of value.
- (Note 8) The discount rate of “Atsugi Minami Logistics Center A Tower” is 5.1% for the 1st to 10th year and 5.3% for the 11th year after the effective date of value.
- (Note 9) The discount rate of “Izumiya Senrioka” is 5.6% for the 1st to 10th year and 6.0% for the 11th year after the effective date of value.
- (Note 10) The discount rate of “Izumiya Yao” is 5.9% for the 1st to 9th year and 6.3% for the 10th to 11th year after the effective date of value.
- (Note 11) The discount rate of “Ichibancho stear” is 5.1% for the 1st to 2nd year and 5.3% for the 3rd to 11th year 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 2nd 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
Recipe SHIMOKITA	—	—	—
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

Name of property subject to trust	Name of trustee	Trust period	
		Date of setting	Date of expiration
Megalos Kanagawa	—	—	—
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 Motsumiyoshi	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 2nd fiscal period.

- Properties of which real estate itself is held 3 properties
- Properties of which are subject to trust 52 properties

F. Leasing Summary and Income/Loss Status

The status of income/loss in the 2nd 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.

2nd fiscal period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

Property name	Landport Urayasu	Landport Itabashi	Landport Kawagoe	Landport Atsugi	Sagamihara Tana Logistics Center
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expences	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	492,775	469,665	451,987	362,089	356,825
④ Depreciation	110,425	93,091	135,047	123,520	97,085
⑤ Real estate rental profits (③-④)	382,349	376,573	316,940	238,568	259,740

2nd fiscal period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

Property name	Sagamihara Onodai Logistics Center	Landport Hachioji	Landport Kasukabe	Funabashi Logistics Center	Atsugi Minami Logistics Center B Tower
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	297,092	261,236	223,463	150,828	140,814
④ Depreciation	75,640	78,053	78,445	29,458	39,617
⑤ Real estate rental profits (③-④)	221,451	183,182	145,017	121,370	101,197

(Unit: thousand yen)

Property name	Hanyu Logistics Center	Kawaguchi Logistics Center B Tower	Kawaguchi Logistics Center A Tower	Atsugi Minami Logistics Center A Tower	Ota Nitta Logistics Center
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	139,777	120,342	98,015	86,956	131,262
④ Depreciation	43,091	17,202	10,335	16,386	46,828
⑤ Real estate rental profits (③-④)	96,686	103,140	87,679	70,569	84,433

2nd fiscal period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

Property name	Ota Higashishinmachi Logistics Center	Ota Kiyohara Logistics Center	Chiyodamachi Logistics Center	Morisia Tsudanuma	Yokosuka More's City
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues				870,789	
Other rental revenues				272,984	
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	1,143,773	(Note 1)
Property management costs				145,751	
Property management fees				66,157	
Utility expenses				226,558	
Casualty insurance				2,824	
Repairs and maintenance				69,616	
Land rents				—	
Other rental expenses				74,563	
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	585,472	(Note 1)
③ NOI (①-②)	83,796	25,177	13,422	558,301	459,810
④ Depreciation	28,638	10,916	3,982	83,661	45,169
⑤ Real estate rental profits (③-④)	55,157	14,261	9,439	474,640	414,640

(Unit: thousand yen)

Property name	Recipe SHIMOKITA (Note 2)	EQUINIA Shinjuku	Kawasaki More's	EQUINIA Ikebukuro	covirna machida
Number of business days during the 2nd fiscal period	78	181	181	181	181
Rental revenues	116,541	130,640		133,319	138,894
Other rental revenues	21,820	52,653		17,035	33,122
① Property related revenues	138,361	183,294	(Note 1)	150,354	172,017
Property management costs	11,538	10,397		4,512	12,288
Property management fees	1,314	3,047		2,495	2,545
Utility expenses	16,163	16,928		11,128	22,859
Casualty insurance	117	200		123	141
Repairs and maintenance	—	1,804		8,042	5,915
Land rents	—	—		—	—
Other rental expenses	1,449	6,363		1,343	9,287
② Property related expenses	30,583	38,742	(Note 1)	27,645	53,037
③ NOI (①-②)	107,778	144,551	148,844	122,709	118,980
④ Depreciation	22,072	7,420	8,591	5,639	4,684
⑤ Real estate rental profits (③-④)	85,706	137,131	140,253	117,070	114,295

2nd fiscal period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

Property name	Nitori Makuhari	Konami Sports Club Fuchu	FESTA SQUARE	GEMS Shibuya	Sundai Azamino
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues				77,533	
Other rental revenues				21,936	
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	99,469	(Note 1)
Property management costs				4,880	
Property management fees				2,748	
Utility expenses				15,407	
Casualty insurance				76	
Repairs and maintenance				832	
Land rents				—	
Other rental expenses				3,086	
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	27,031	(Note 1)
③ NOI (①-②)	109,334	95,417	91,349	72,438	57,524
④ Depreciation	27,849	19,441	25,524	10,893	15,403
⑤ Real estate rental profits (③-④)	81,485	75,975	65,824	61,544	42,120

(Unit: thousand yen)

Property name	EQUINIA Aobadai	Megalos Kanagawa	Izumiya Senrioka	Merad Owada	Izumiya Yao
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues	73,202				
Other rental revenues	8,288				
① Property related revenues	81,491	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs	6,450				
Property management fees	1,271				
Utility expenses	7,622				
Casualty insurance	101				
Repairs and maintenance	1,614				
Land rents	—				
Other rental expenses	1,027				
② Property related expenses	18,089	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	63,401	48,671	328,259	267,400	177,521
④ Depreciation	5,198	5,903	53,183	25,251	38,007
⑤ Real estate rental profits(③-④)	58,203	42,767	275,075	242,148	139,514

2nd fiscal period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

Property name	Izumiya Obayashi	Ichibancho stear	EQUINIA Aobadori	Mitsubishi Motors Meguro	Mitsubishi Motors Chofu
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues		209,205	138,566		
Other rental revenues		23,836	27,939		
① Property related revenues	(Note 1)	233,042	166,506	(Note 1)	(Note 1)
Property management costs		6,628	7,936		
Property management fees		3,633	2,552		
Utility expenses		22,579	16,098		
Casualty insurance		208	208		
Repairs and maintenance		842	599		
Land rents		—	34,767		
Other rental expenses		4,718	845		
② Property related expences	(Note 1)	38,610	63,007	(Note 1)	(Note 1)
③ NOI (①-②)	82,908	194,431	103,498	85,254	51,659
④ Depreciation	10,190	22,945	23,059	—	—
⑤ Real estate rental profits(③-④)	72,717	171,485	80,439	85,254	51,659

(Unit: thousand yen)

Property name	Mitsubishi Motors Shibuya	Mitsubishi Motors Nerima	Mitsubishi Motors Kawasaki	Mitsubishi Motors Takaido	Mitsubishi Motors Katsushika
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expences	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	48,874	38,553	39,414	24,938	24,173
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	48,874	38,553	39,414	24,938	24,173

2nd fiscal period (from September 1, 2013 to February 28, 2014)

(Unit: thousand yen)

Property name	Mitsubishi Motors Higashikurume	Mitsubishi Motors Setagaya	Mitsubishi Motors Suginami	Mitsubishi Motors Sekimachi	Mitsubishi Motors Higashiyamato
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	30,344	24,460	22,021	18,484	22,744
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	30,344	24,460	22,021	18,484	22,744

(Unit: thousand yen)

Property name	Mitsubishi Motors Motosumiyoshi	Mitsubishi Motors Kawagoe	Mitsubishi Motors Edogawa	Mitsubishi Motors Sayama	Mitsubishi Motors Ibaraki Maintenance Center
Number of business days during the 2nd fiscal period	181	181	181	181	181
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	12,234	12,356	6,040	7,829	27,357
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	12,234	12,356	6,040	7,829	27,357

(Note 1) Not disclosed, because consent has not been obtained from the tenant.

(Note 2) Acquired on December 13, 2013. Accordingly, the figures in the table are the figures for on and after the acquisition date.

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 2nd 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 2nd fiscal period, excluding properties on land with leasehold right, to total 38 properties was 5.24% and the PML for each of the assets held at the end of the 2nd 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
	Recipe SHIMOKITA	Tokio Marine & Nichido Risk Consulting Co., Ltd.	September 2013	—	—	29	2.71
	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	6,268	5.53
Total		—	—	0	445	9,103	5.24

(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 2nd 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	174,145	-	-
covirna machida (Machida-shi, Tokyo)	Renewal of the air-conditioning system	From Oct. 2013 To Apr. 2014	175,000	-	-
Yokosuka More's City (Yokosuka-shi, Kanagawa)	Renwal of the exterior package 1st phase	From Apr. 2014 To Oct. 2014	108,930	-	-
Yokosuka More's City (Yokosuka-shi, Kanagawa)	Renwal of the exterior package 2nd phase	From May 2014 To Mar. 2015	108,005	-	-
Morisia Tsudanuma (Narashino-shi, Chiba)	Store renewal	From Mar. 2014 To June 2014	208,320	11,454	11,454

(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 2nd fiscal period for the assets held as of the end of the 2nd fiscal period. Capital expenditures during the 2nd fiscal period were 153,681 thousand yen and, when combined with the 185,676 thousand yen repair expenses charged to expenses during the 2nd fiscal period, a total of 339,358 thousand yen in construction was implemented.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction amount (thousand yen)
Morisia Tsudanuma (Narashino-shi, Chiba)	Installation of automatic door on 1st floor	From Feb. 2014 To Feb. 2014	17,785
Morisia Tsudanuma (Narashino-shi, Chiba)	Renewal of the entrance door on west side	From Feb. 2014 To Feb. 2014	17,246
Funabashi Logistics Center (Funabashi-shi, Chiba)	Waterproofing work on building roof	From Dec. 2013 To Feb. 2014	11,566
Morisia Tsudanuma (Narashino-shi, Chiba)	Renewal of customer's rest room on low rise commercial tower and office tower	From Dec. 2013 To Dec. 2013	10,011
Other Properties	Improvement of features	From Sep. 2013 To Feb. 2014	97,072
Total			153,681

(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 the 1st fiscal period.

(Millions of Yen)

	1st fiscal period from Jan. 31, 2013 to Aug. 31, 2013	2nd fiscal period from Sep. 1, 2013 to Feb. 28, 2014
Reserve for the beginning of the period	—	—
Reserve for the current fiscal period	—	396
Reversal of reserve for the current fiscal period	—	—
Reserve brought forward	—	396

I. Status of Major Tenants

The following is the leasing status of those tenants of the assets held at the end of the 2nd 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 2nd fiscal period, the sum total of the leased area thereof) at February 28, 2014 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 2nd 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 February 28, 2014.

No	Tenant name (Note 1)	Use	Property name	Total leased area (m ²)	Share (%) (Note 2)
1	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu Sagamihara Onodai Logistics Center	92,389.48	10.3
2	Izumiya Co., Ltd.	Retail	Izumiya Senrioka Izumiya Yao Izumiya Obayashi	70,311.49	7.9
3	Amazon Japan Logistics K.K.	Logistics	Landport Kawagoe	56,377.76	6.3
4	Neovia Logistics Services, LLC	Logistics	Sagamihara Tana Logistics Center	50,450.00	5.6
5	Yokohama Okadaya Co., Ltd.	Retail	Yokosuka More's City Kawasaki More's	43,830.13	4.9
6	Mitsui-Soko Logistics Co., Ltd.	Logistics	Ota Nitta Logistics Center	42,328.00	4.7
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	56.3

(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, end-tenants is shown as a tenant, and lessee is not shown as a tenant. "Tenant name" is not disclosed for some tenants, due to unavoidable circumstances.

(Note 2) "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.

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	39,300.16
	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 owned by NMF.