

(Reference) SUMMARY OF FINANCIAL RESULTS (REIT)
For the 10th Fiscal Period Ended August 31, 2020

October 14, 2020

REIT securities issuer: Nomura Real Estate Master Fund, Inc. (“NMF”) Stock exchange listing: Tokyo Stock Exchange
 Securities code: 3462
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Scheduled date of filing of securities report: November 27, 2020
 Scheduled date of commencement of distribution payout: November 20, 2020
 Preparation of supplementary materials on financial results: Yes
 Holding of briefing session on financial results: Yes

[Amounts less than one million yen are truncated]

1. Financial Results for the 10th Fiscal Period (from March 1, 2020 to August 31, 2020)

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

Period ended	Operating revenues		Operating profit		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
August 31, 2020	37,577	1.8	15,212	3.7	12,803	5.2	12,799	5.0
February 29, 2020	36,927	0.8	14,673	2.9	12,175	4.1	12,188	4.3

Period ended	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	yen	%	%	%
August 31, 2020	2,714	2.0	1.1	34.1
February 29, 2020	2,642	2.0	1.0	33.0

(2) Distributions

Period ended	Distribution per unit (excluding distribution in excess of net income)	Total distributions (excluding distribution in excess of net income)	Distribution in excess of net income per unit	Total distributions in excess of net income	Distribution per unit (including distribution in excess of net income)	Total distributions (including distribution in excess of net income)	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
August 31, 2020	2,714	12,797	603	2,843	3,317	15,640	99.9	2.0
February 29, 2020	2,585	12,188	694	3,272	3,279	15,461	100.0	1.9

(Note 1) Of the ¥694 distribution in excess of net income per unit in the fiscal period ended February 29, 2020, ¥368 is a distribution of the allowance for temporary difference adjustments and ¥326 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.003.

Of the ¥603 distribution in excess of net income per unit in the fiscal period ended August 31, 2020, ¥377 is a distribution of the allowance for temporary difference adjustments and ¥226 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.002.

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

Distribution Payout Ratio = Total Distributions (excluding distribution in excess of Net Income) / Net Income × 100

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

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

(3) Financial Position

Period ended	Total assets	Net assets	Net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
August 31, 2020	1,197,766	625,505	52.2	132,657
February 29, 2020	1,193,471	627,868	52.6	133,158

(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
August 31, 2020	19,541	(23,626)	(8,347)	75,166
February 29, 2020	21,958	(22,255)	14,475	87,599

2. Earnings Forecasts for the 11th Fiscal Period (from September 1, 2020 to February 28, 2021) and the 12th Fiscal Period (from March 1, 2021 to August 31, 2021)

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

Period ending	Operating revenues		Operating profit		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of net income)	Distribution in excess of net income per unit	Distribution per unit (including distribution in excess of net income)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
February 28, 2021	38,347	2.0	15,413	1.3	13,085	2.2	13,084	2.2	2,774	556	3,330
August 31, 2021	38,390	0.1	15,197	(1.4)	12,882	(1.5)	12,881	(1.5)	2,731	557	3,288

(Reference) Forecasted net income per unit

For the fiscal period ending February 28, 2021: ¥2,774

For the fiscal period ending August 31, 2021: ¥2,731

*Other

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

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

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

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

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

As of February 29, 2020: 4,715,200 units

② Number of treasury investment units

As of August 31, 2020: – units

As of February 29, 2020: – units

(Note) For the number of investment units used as the basis for calculation of net income per unit, please refer to “Notes on Per Unit Information” on page 30.

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

* Forward-looking statements

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by NMF. Accordingly, actual earnings performance and other results may differ materially due to a variety of factors. Furthermore, such forward-looking statements do not constitute a guarantee of future distributions. For more information on the assumptions underlying forward-looking statements and the use of such statements, please refer to “Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending February 28, 2021 (11th fiscal period: September 1, 2020 to February 28, 2021) and the Fiscal Period Ending August 31, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021)” on page 7.

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

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1. Management Status

(1) Management Status

① Outline of Fiscal Period under Review

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

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

A. Investment Environment

(Japanese Economy)

Recently in the Japanese economy, the revised GDP (seasonally adjusted) for the period from April to June recorded a year-on-year decrease of 28.1 on an annualized basis, the largest decrease in the post-war period. This was due to the emergency declaration made by the government in April 2020 for the purpose of suppressing COVID-19 that resulted in individuals staying indoors and limitations on the operations of stores. On the other hand, economic indicators have been improving recently due to recovery in personal consumption activities and resumption of economic activities with the lifting of the state of emergency and economic measures implemented by the Japanese government.

(Real Estate Leasing Market)

In the real estate leasing market, the situation varies according to sector.

With regard to the office sector, the market had been performing well due to strong demand for increased floor space and expansion-driven relocations in Tokyo up to early spring of 2020. However, due to decreased office demand stemming from fear that COVID-19 would result in an economic depression, the vacancy rate has increased and advertised rents have fallen.

In the retail facility sector, while sales continue to be strong for supermarkets and drugstores even after the spread of COVID-19, sales at convenience stores, department stores, and for the restaurant business subject to the emergency declaration have declined sharply from the same period last year. In particular, the restaurant business is experiencing a severe situation even after the lifting of the emergency declaration especially for *izakaya* (Japanese pubs) since the virus had not been completely contained.

In the logistics facility sector, overall performance has been stable buoyed by the continuing firm demand from e-commerce-related operators and third-party logistics providers ^(Note), NMF's main logistics facility tenants. In the Greater Tokyo area, although a large supply of logistics facilities has continued, the vacancy

rate has decreased due to the greater-than-expected demand.

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

Concerning the rental apartment sector, the number of inquiries and contracts decreased sharply during the period of the emergency declaration, but the majority of main cities have been experiencing a recovery trend since June. Tokyo maintains a high occupancy rate and rents are also performing well. On the other hand, during July, the number of people who moved out of the Greater Tokyo area (Tokyo, Kanagawa, Chiba, and Saitama prefectures) was greater than the number of people moved in, the first occurrence of such since 2013, and future trends must be watched carefully. Occupancy status and rents in other major regional cities such as Osaka and Nagoya are performing favorably overall.

In the hotel sector, the number of visitors fell sharply starting in April, recording a year-on-year decrease of 99.9%, as restrictions were placed on people entering Japan from other countries beginning in March to prevent the spread of COVID-19. The number of domestic tourists also plummeted given the emergency declaration and resulted in the occupancy rate falling significantly nationwide. The occupancy rate has recovered in some regions due to the Go To Travel campaign promoting tourism, but it continues to be low as COVID-19 is yet to be contained.

(Real Estate Transaction Market)

The trading volume of commercial real estate decreased sharply in the second quarter of 2020 (April to June) year on year affected by the emergency declaration, but the trading volume for the third quarter (July to September) is expected to recover since the number of inquiries at real estate appraisers has been on a recovery trend since the lifting of the emergency declaration. Because the monetary easing policy of the Bank of Japan is continuing, investors are keen on acquiring business real estate as an investment vehicle, continuing to ramp up competition for acquisitions and keeping selling prices high.

(J-REIT Market)

Concerning the J-REIT market, the TSE REIT Index had been performing at a high level, closing at 2,250.65 points on February 20, 2020. However, with the sudden decline of the global stock market following the spread of COVID-19, the TSE REIT Index faced a significant adjustment, falling to 1,145.53 points on March 19. Subsequently, given the global trend of monetary easing, the TSE REIT Index recovered, closing at September 30, 2020 points on 1,726.66.

B. Management Performance

Under the circumstances described above in A. Investment Environment, NMF acquired 4 properties (PMO Hamamatsucho, GEMS Sangenjaya, Landport Higashi-Narashino and PROUD FLAT Togoshi-Koen; total acquisition price: ¥20,647 million) during the fiscal period under review (10th fiscal period). As a result, at the end of the fiscal period under review (as of August 31, 2020), NMF held 298 properties (total acquisition price: ¥1,051,686 million), the ratio of investment in the Greater Tokyo area was 82.7%, the gross leasable area of the portfolio was 2,042,127.14m², and the portfolio remained highly diversified.

Furthermore, after the end of the fiscal period under review, NMF acquired 1 property, Landport Ome II (Acquisition price: ¥14,620 million), on October 1, 2020, .

In terms of property and facility management, as described above in A. Investment Environment, rental demand is expanding, backed by the gradual recovery of the Japanese economy. Accordingly, the occupancy rate of the entire portfolio as of the end of the fiscal period under review was stable and high, at 99.1. In the office sector, the rental market has seen particularly notable recovery, with rises in newly advertised rents and successful rent increases upon contract renewal driving the internal growth of the portfolio as a whole. In terms of property and facility management, as described above in A. Investment Environment, there is a difference in impact from the COVID-19 pandemic on respective sectors. Although NMF offered rent reduction/exemption (¥241 million) and deferment of rent as measures to support some of its retail tenants who closed due to the declaration of a state of emergency, the impact on entire portfolio revenue was limited. Furthermore, in the office sector and the rental apartment sector, despite the rise in vacancy rate and decrease in advertised rents alongside other moves in the market as a whole, NMF was able to achieve internal growth through continuous increase in newly advertised rents and successful rent increase upon contract renewal. With stable management utilizing risk diversification, the occupancy rate of NMF's

entire portfolio as of the end of the fiscal period under review was stable and high at 99.1%.

In February 2019, NMF set ESG materiality issues that are of high importance to be addressed by NMF in order to contribute to the realization of a sustainable society by resolving social issues through its business activities. Based on the policies, targets and key performance indicators (KPI) set for each materiality, NMF engages in investment in environmentally friendly properties while working to enhance the efficiency of its energy use by, for example, introducing eco-friendly and energy-saving countermeasures at its properties, striving for building a portfolio with low environmental impact. NMF promotes acquisition of Green certification ^(Note2) under such policy. As of the end of the fiscal period under review, NMF has acquired DBJ Green Building certification for a total of 84 properties and BELS certification for a total of 31 properties. As a result, the percentage of properties ^(Note3) with DBJ Green Building certification stood at 62.7 and that of BELS certification stood at 22.3.

Furthermore, as of the end of the fiscal period under review, the progress toward the newly established KPI, “Achieving 70 of green certification with three stars or more or equivalent up to fiscal year 2030”, reached at 51.2^(Note4). NMF will continue to conduct its operations in consideration of ESG.

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

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

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

C. Status of Fund Procurement

During the fiscal period under review, NMF borrowed ¥900 million on March 10, 2020 and ¥6,300 million on March 25, 2020, to use for a part of the acquisition of specified assets and related expenses. NMF also refinanced ¥33,400 million in interest-bearing liabilities with approaching maturities. In order to extend maturities and diversify financing methods, NMF also issued investment corporation bonds (10-year bonds (green bonds) totaling ¥7,000 million) on August 14, 2020 and allocated the funds to repayment of existing borrowings.

As a result, the balance of interest-bearing liabilities at the end of the fiscal period under review was ¥517,884 million, and the ratio of interest-bearing liabilities to total assets (LTV) was 43.2%.

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

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

D. Business Performance and Distributions

In the 10th fiscal period, operating revenues totaled ¥37,577 million, operating profit reached ¥15,212 million, ordinary income totaled ¥12,803 million, and net income came to ¥12,799 million. NMF calculates cash distributions in accordance with the cash distribution policies specified in Article 36, Paragraph 1 and Paragraph 2 of NMF's Articles of Incorporation.

For the fiscal period under review, NMF decided to implement a total of ¥15,640 million in distributions (¥3,317 per investment unit). This figure was arrived at by adding to ¥12,799 million in net income after taxes ¥2,622 million in amortization of goodwill, and by adding ¥218 million in consideration of temporary decrease in operating revenues due to the impact of COVID-19 pandemic on per-unit distribution.

Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 as amended, hereinafter the Investment Trust Act)

came to ¥12,797 million (¥2,714 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,777 million (¥377 per investment unit) as allowance for temporary difference adjustment and ¥1,065 million (¥226 per investment unit) in other distribution in excess of net earnings.

② Outlook for Next Fiscal Period

Under the conditions described above in ① Outline of Fiscal Period under Review /A. Investment Environment, NMF will continue to target external growth through property acquisition pipelines by leveraging the Nomura Real Estate Group's property development capabilities and internal growth by making maximum use of the property management pipeline with a focus on strengthening its property brands. By doing so, with both the external growth and the internal growth, NMF aims to secure the growth of distribution and increase further unitholder value.

③ Forecasts of the Financial Results

Forecasts of the Financial Results for the fiscal period ending February 28, 2021 (11th fiscal period: September 1, 2020 to February 28, 2021) and the fiscal period ending August 31, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021) are stated below. Assumptions for forecasts of the financial results are referred to the following “Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending February 28, 2021 (11th fiscal period: September 1, 2020 to February 28, 2021) and the Fiscal Period Ending August 31, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021)”.

	11th fiscal period ending February 28, 2021	12th fiscal period ending August 31, 2021
Operating Revenues	¥ 38,347 million	¥ 38,390 million
Operating Profit	¥ 15,413 million	¥ 15,197 million
Ordinary Income	¥ 13,085 million	¥ 12,882 million
Net Income	¥ 13,084 million	¥ 12,881 million
Net Income Per Unit	¥ 2,774	¥ 2,731
Distribution Per Unit (Excluding Distribution in Excess of Net Income)	¥ 2,774	¥ 2,731
Distribution in Excess of Net Income Per Unit	¥ 556	¥ 557
Total Distributions Per Unit (Including Distribution in Excess of Net Income)	¥ 3,330	¥ 3,288

④ Significant Subsequent Events

Not applicable.

(Reference)

A. Property acquisition

With regard to the assets stated below which NMF decided to acquire on September 23, 2020, NMF completed the acquisition of Landport Ome II on October 1, 2020.

Property name	Landport Ome II
Type of asset	Real estate
Location ^(Note 1)	(Registry) 2-9-13, Suehiro-cho, Ome City, Tokyo (Street) 2-9-13, Suehiro-cho, Ome City, Tokyo
Structure ^(Note 1)	RC, Alloy plating copper roofing, 3F
Land area ^(Note 1)	40,826.67 m ²
Floor area ^(Note 1)	63,879.98 m ²

Type of ownership	(Land) Ownership (Building) Ownership
Completion date ^(Note 1)	February 20, 2020
Acquisition price ^(Note 2)	¥14,620 million
Date of agreement	September 23, 2020 (Date of agreement on purchase and sale of real estate)
Date of acquisition	October 1, 2020 (Date of delivery of real estate)
Seller	Nomura Real Estate Development, Co., Ltd.

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

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

Assumptions Underlying Earnings Forecasts
for the Fiscal Period Ending February 28, 2021 (11th fiscal period: September 1, 2020 to February 28, 2021) and the
Fiscal Period Ending August 31, 2021 (12th fiscal period: March 1, 2021 to August 31, 2021)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending February 28, 2021 (11th fiscal period): September 1, 2020 to February 28, 2021 • Fiscal period ending August 31, 2021 (12th fiscal period): March 1, 2021 to August 31, 2021
Assets Under Management	<ul style="list-style-type: none"> • With respect to the 299 properties held by NMF as of this document's publication, it is assumed that there will be no changes in assets under management (new property acquisitions or sales of portfolio properties) through the end of the August 31, 2021 (12th) fiscal period. • The forecasts may be revised due to actual changes in the portfolio.
Operating revenues	<ul style="list-style-type: none"> • Rental revenues are estimated based tenant trends, the presence of competing properties nearby, real estate market conditions and other factors, with the assumption that there will be no delays in payment or failure to pay on the part of tenants.
Operating expenses (excluding amortization expenses for goodwill)	<ul style="list-style-type: none"> • Real estate rental expenses are expected to be ¥16,178 million in the February 28, 2021 (11th) fiscal period and ¥16,455 million in the August 31, 2021 (12th) fiscal period. • It is estimated that property and other taxes of ¥3,112 million in the February 28, 2021 (11th) fiscal period and ¥3,329 million in the August 31, 2021 (12th) fiscal period will be recorded as real estate rental expenses. In general, previous owners are reimbursed for the property taxes and city planning taxes for the portion of the fiscal year in which the acquisition occurs from the time NMF acquires the assets onward. Accordingly, property taxes and city planning taxes for the ten properties acquired in 2020 are expected to be recorded as expenses starting from the August 2021 (12th) fiscal period. • Estimated property management costs (including building management fees and property management fees) of ¥2,876 million in the February 2021 (11th) fiscal period and ¥2,904 million in the August 2021 (12th) fiscal period are expected to be recorded as real estate rental expenses. • Expenses for building repairs and maintenance required for the fiscal period are recorded as real estate rental expenses calculated based on the mid-to-long term repair plans that NMF's Asset Management Company has established. However, the actual expenses for repairs and maintenance for the fiscal period may differ significantly from estimates due to expenses for urgent repairs of damage to buildings caused by difficult to foresee factors, significant year-on-year fluctuations in costs or non-periodic repair expenses. Furthermore, expenses for repairs and maintenance are estimated at ¥1,490 million in the February 2021 (11th) fiscal period and ¥1,346 million in the August 2021 (12th) fiscal period. • Depreciation of ¥5,470 million in the February 2021 (11th) fiscal period and ¥5,581 million in the August 2021 (12th) fiscal period is expected to be recorded as real estate rental expenses. • Other operating expenses (including asset management fees, asset custody fees and general administration fees) are estimated at ¥4,132 million in the February 2021 (11th) fiscal period and ¥4,115 million in the August 2021 (12th) fiscal period.

Item	Assumptions
Amortization expenses for goodwill	<ul style="list-style-type: none"> • Goodwill is scheduled to be amortized using the straight-line method over 20 years pursuant to the Business Combination Accounting Standards. Goodwill amortization expenses are expected to be ¥2,622 million in each the February 2021 (11th) and the August 2021 (12th) fiscal periods. • Amortization of goodwill causes a difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. NMF intends to make distributions in excess of net income for the purpose of securing tax relief during the goodwill amortization period, and it is expected that NMF will be able to avoid such taxation.
Non-operating expenses	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses are estimated to be ¥2,315 million in the February 2021 (11th) fiscal period and ¥2,301 million in the August 2021 (12th) fiscal period.
Interest-bearing liabilities	<ul style="list-style-type: none"> • As of this document's publication, the outstanding interest-bearing liabilities of NMF are ¥517,884 million, consisting of ¥485,884 million in outstanding borrowings and ¥32,000 million in investment corporation bonds. • Regarding the ¥29,442 million in borrowings that will come due by the end of the February 2021 (11th) fiscal period and the ¥28,692 million in borrowings that will come due in the August 2021 (12th) fiscal period (¥58,135 million in total), it is assumed that NMF will make scheduled, partial repayments of ¥42 million in each the February 2021 (11th) fiscal period and the August 2021 (12th) fiscal period using cash on hand, while refinancing the remainder with new borrowings. • It is assumed that there will be no changes in the amount of the outstanding interest-bearing liabilities other than those stated above through the end of the August 2021 (12th) fiscal period.
Investment units	<ul style="list-style-type: none"> • Forecasts are based on the number of investment units issued and outstanding as of this document's publication, 4,715,200 units. NMF assumes that there will be no additional issuance of new investment units through August 31, 2021 (the end of the 12th fiscal period).
Distribution per unit	<ul style="list-style-type: none"> • The distribution per unit is calculated according to the distribution policy outlined in NMF's Articles of Incorporation. • NMF assumes that, of the allowance for temporary difference adjustments ("ATA") accrued up to the present, the amount eliminated in the February 2021 (11th) fiscal period (¥5 million) and the August 2021 (12th) fiscal period (¥5 million) will be reversed from retained earnings at the respective period ends. • In the February 2021 (11th) fiscal period and the August 2021 (12th) fiscal period, NMF assumes there will no change in the per-unit distribution by the change in fair value of interest rate swaps. • The per-unit distribution may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs.
Distribution per unit in excess of earnings per unit	<ul style="list-style-type: none"> • The amount of distribution in excess of net income is estimated on the assumption NMF will distribute the amount of valuation and translation adjustments deducted from the total difference between accounting and tax treatment and the distributable amount as ATA for the purpose of tax relief. The estimate is based on the assumption that, in order to alleviate the impact on distributions of the

Item	Assumptions
	<p>amortization of goodwill and other merger-related expenses (the “Merger Expenses”) and the reversal of ATA, if the total difference between accounting and tax treatment for the relevant fiscal period is less than the sum of the Merger Expenses and the reversal of ATA, NMF will make other distributions in excess of net income in an amount not exceeding this difference and within the limit prescribed by the regulations of the Investment Trusts Association, Japan (the “Investment Trusts Association Japan Regulations”), which restricts the amount to 60/100 of the total amount of accumulated depreciation recorded as of the end of the relevant fiscal period less the total amount of accumulated depreciation recorded as of the end of the immediately preceding fiscal period.</p> <ul style="list-style-type: none"> • The distribution in excess of net earnings per unit for the February 2021(11th) fiscal period is expected to be ¥556, comprising ¥384 in distributions of ATA and ¥172 in other distributions in excess of net earnings. The distribution in excess of net earnings per unit for the August 2021 (12th) fiscal period is expected to be ¥557, comprising ¥389 in distributions of ATA and ¥168 in other distributions in excess of net earnings.
Other	<ul style="list-style-type: none"> • It is assumed that there will be no amendments in legislation, taxation, accounting principles, listing requirements, the regulations of the Investment Trusts Association, Japan, or other laws or regulations that would affect the above forecasts. • It is assumed that there will be no unexpected material changes in general economic conditions and real estate markets.

2. Financial Statements

(1) Balance Sheet

Thousands of Yen

	As of February 29, 2020	As of August 31, 2020
Assets		
Current assets		
Cash and bank deposits	75,057,695	62,537,490
Cash and bank deposits in trust	12,541,371	12,628,868
Rental receivables	593,233	1,067,208
Prepaid expenses	803,222	865,685
Derivatives assets	2,226	1,564
Other	800,785	609,795
Total current assets	89,798,534	77,710,612
Noncurrent assets		
Property and equipment		
Buildings	149,862,536	152,578,120
Less accumulated depreciation	(16,204,854)	(18,455,238)
Buildings, net	133,657,682	134,122,881
Structures	643,022	666,293
Less accumulated depreciation	(315,110)	(341,768)
Structures, net	327,911	324,525
Machinery	834,291	880,429
Less accumulated depreciation	(500,882)	(535,202)
Machinery, net	333,409	345,227
Tools, furniture and fixtures	398,249	458,386
Less accumulated depreciation	(134,487)	(169,698)
Tools, furniture and fixtures, net	263,761	288,687
Land	294,597,869	301,575,945
Buildings in trust	188,908,437	196,980,348
Less accumulated depreciation	(28,109,043)	(31,002,308)
Buildings in trust, net	*3 160,799,393	*3 165,978,040
Structures in trust	1,063,016	1,130,731
Less accumulated depreciation	(885,893)	(898,758)
Structures in trust, net	*3 177,122	*3 231,972
Machinery in trust	681,985	821,977
Less accumulated depreciation	(138,124)	(174,637)
Machinery in trust, net	543,861	647,339
Tools, furniture and fixtures in trust	860,947	930,338
Less accumulated depreciation	(315,398)	(386,069)
Tools, furniture and fixtures in trust, net	*3 545,548	*3 544,269
Land in trust	*3 416,796,827	*3 422,908,935
Leased assets in trust	4,752	4,752
Less accumulated depreciation	(528)	(924)
Leased assets, net	4,224	3,828
Construction in progress	24,761	16,224

Thousands of Yen

	As of February 29, 2020	As of August 31, 2020
Total property and equipment	1,008,072,373	1,026,987,877
Intangible assets		
Goodwill	82,964,737	80,342,494
Leasehold rights	1,331,702	1,331,702
Leasehold rights in trust	7,626,831	7,626,445
Other	32,785	47,510
Total intangible assets	91,956,057	89,348,152
Investments and other assets		
Long-term prepaid expenses	2,065,881	2,090,012
Long-term deposits	519,577	527,473
Security deposits	936,452	936,452
Total investments and other assets	3,521,911	3,553,939
Total noncurrent assets	1,103,550,341	1,119,889,969
Deferred assets		
Investment corporation bond issuance costs	123,090	165,509
Total deferred assets	123,090	165,509
Total assets	1,193,471,967	1,197,766,091

	Thousands of Yen			
	As of February 29, 2020		As of August 31, 2020	
Liabilities				
Current liabilities				
Trade accounts payable		2,559,513		2,536,859
Current portion of investment corporation bonds		5,000,000		—
Current portion of long-term debt		60,885,600		61,135,600
Lease obligations in trust		871		871
Other accounts payable		2,827,990		2,883,286
Accrued expenses		364,346		337,398
Accrued income taxes		2,998		3,774
Accrued consumption taxes		1,158,419		134,705
Rent received in advance		5,380,495		5,584,162
Unearned revenue		132,539		112,213
Provision for loss on disaster		20,244		3,811
Derivatives liabilities		39,952		64,132
Other current liabilities		10,171		36,740
Total current liabilities		<u>78,383,142</u>		<u>72,833,555</u>
Long-term liabilities				
Investment corporation bonds		25,000,000		32,000,000
Long-term debt		419,841,600		424,748,800
Lease obligations in trust		3,775		3,339
Long-term advances received		129,354		75,088
Security deposits from tenants		13,389,379		13,834,812
Security deposits from tenants in trust	*3	28,110,947	*3	28,343,170
Derivatives liabilities		745,604		421,674
Total long-term liabilities		<u>487,220,660</u>		<u>499,426,885</u>
Total liabilities		<u>565,603,803</u>		<u>572,260,441</u>
Net assets				
Unitholders' equity				
Unitholders' capital		244,185,429		244,307,911
Surplus				
Capital surplus		394,012,959		394,012,959
Deductions from capital surplus				
Allowance for temporary difference adjustments	*4	(11,903,126)	*4	(13,515,837)
Other deductions from capital surplus		(10,738,678)		(12,398,315)
Total deduction from capital surplus		<u>(22,641,804)</u>		<u>(25,914,153)</u>
Capital surplus, net		<u>371,371,154</u>		<u>368,098,805</u>
Retained earnings		13,094,910		13,583,176
Total surplus		<u>384,466,064</u>		<u>381,681,981</u>
Total unitholders' equity		<u>628,651,494</u>		<u>625,989,893</u>
Valuation and translation adjustments				
Deferred gains or losses on hedges		(783,330)		(484,242)
Valuation and translation adjustments		<u>(783,330)</u>		<u>(484,242)</u>
Total net assets	*2	<u>627,868,163</u>	*2	<u>625,505,650</u>
Total liabilities and net assets		<u>1,193,471,967</u>		<u>1,197,766,091</u>

(2) Statement of Income and Retained Earnings

	Thousands of Yen			
	Previous period from Sep. 1, 2019 to Feb.29, 2020		Current period from Mar. 1, 2020 to Aug.31, 2020	
Operating revenues				
Rental revenues	*1	33,877,972	*1	34,884,255
Other rental revenues	*1	3,049,384	*1	2,693,169
Total operating revenues		36,927,357		37,577,424
Operating expenses				
Real estate rental expenses	*1	15,720,670	*1	15,678,281
Asset management fees		3,291,289		3,420,656
Asset custody fees		59,207		56,792
Administrative service fees		169,605		170,478
Directors' compensation		7,800		7,800
Amortization of goodwill		2,622,242		2,622,242
Other operating expenses		383,086		408,203
Total operating expenses		22,253,901		22,364,455
Operating profit		14,673,456		15,212,969
Non-operating revenues				
Interest income		415		496
Reversal of dividends payable		4,123		3,561
Interest on refund		3,379		—
Other non-operating revenues		176		15
Total non-operating revenues		8,095		4,073
Non-operating expenses				
Interest expenses		1,813,077		1,809,934
Interest expenses on investment corporation bonds		210,186		160,997
Amortization of investment corporation bond issuance costs		5,584		5,984
Loan arrangement fees		416,210		431,408
Investment units issuance costs		55,727		—
Other non-operating expenses		5,255		5,346
Total non-operating expenses		2,506,040		2,413,671
Ordinary income		12,175,510		12,803,370
Extraordinary gain				
Insurance income	*2	28,611		—
Total extraordinary gain		28,611		—
Extraordinary loss				
Loss on disaster	*3	12,344		—
Total extraordinary loss		12,344		—
Income before income taxes		12,191,777		12,803,370
Income taxes—current		3,057		3,830
Total income taxes		3,057		3,830
Net income		12,188,719		12,799,540
Retained earnings brought forward		906,191		783,636
Retained earnings at end of period		13,094,910		13,583,176

(3) Statement of Changes in Net Assets

Previous period (from September 1, 2019 to February 29, 2020)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Total deduction from capital surplus			Net capital surplus
Allowance for temporary difference adjustment	Deduction from other capital surplus		Total deduction from capital surplus			
Balance at the beginning of the period	214,855,487	394,012,959	(10,439,617)	(9,301,010)	(19,740,627)	374,272,331
Changes of items during the period						
Issuance of new investment units	29,238,273	—	—	—	—	—
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	91,667	—	91,667	(91,667)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,555,176)	—	(1,555,176)	(1,555,176)
Other distributions in excess of net earnings	—	—	—	(1,346,000)	(1,346,000)	(1,346,000)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	29,329,941	—	(1,463,508)	(1,437,668)	(2,901,177)	(2,901,177)
Balance at the end of the period	244,185,429	394,012,959	(11,903,126)	(10,738,678)	(22,641,804)	371,371,154

Thousands of Yen

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	12,688,967	386,961,298	601,816,786	(905,812)	(905,812)	600,910,974
Changes of items during the period						
Issuance of new investment units	—	—	29,238,273	—	—	29,238,273
Distributions of retained earnings	(11,691,108)	(11,691,108)	(11,691,108)	—	—	(11,691,108)
Reversal of allowance for temporary difference adjustments	(91,667)	(91,667)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,555,176)	(1,555,176)	—	—	(1,555,176)
Other distributions in excess of net earnings	—	(1,346,000)	(1,346,000)	—	—	(1,346,000)
Net income	12,188,719	12,188,719	12,188,719	—	—	12,188,719
Net changes of items other than unitholders' equity	—	—	—	122,481	122,481	122,481
Total changes of items during the period	405,943	(2,495,234)	26,834,707	122,481	122,481	26,957,189
Balance at the end of the period	13,094,910	384,466,064	628,651,494	(783,330)	(783,330)	627,868,163

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

Thousands of Yen

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

Thousands of Yen

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

(4) Statement of Cash Distributions

Yen

	Previous period from Sep. 1, 2019 to Feb. 29, 2020	Current period from Mar. 1, 2020 to Aug. 31, 2020
I. Retained earnings at end of period	13,094,910,659	13,583,176,757
II. Distributions in excess of retained earnings	3,272,348,800	2,843,265,600
Of which, allowance for temporary difference adjustment	1,735,193,600	1,777,630,400
Of which, other distributions in excess of net income	1,537,155,200	1,065,635,200
III. Incorporation into unitholders' capital	122,481,948	299,087,803
Of which, reversal of allowance for temporary difference adjustments	122,481,948	299,087,803
IV. Distributions	15,461,140,800	15,640,318,400
[Distributions per unit]	[3,279]	[3,317]
Of which, distributions of earnings	12,188,792,000	12,797,052,800
[Of which, distributions of earnings per unit]	[2,585]	[2,714]
Of which, allowance for temporary difference adjustments	1,735,193,600	1,777,630,400
[Of which, allowance for temporary difference adjustments per unit]	[368]	[377]
Of which, other distributions in excess of net income	1,537,155,200	1,065,635,200
[Of which, other distributions in excess of net income per unit]	[326]	[226]
V. Retained earnings carried forward	783,636,711	487,036,154

Calculation method for distributions		
	<p>NMF calculates distributions in accordance with the cash distribution policies as specified in Article 36, paragraphs 1 and 2 of NMF's Articles of Incorporation.</p> <p>For the fiscal period under review, NMF decided to implement a total of ¥15,461,140,800 in distributions (¥3,279 per unit). This figure was arrived at by excluding the portion for which per-unit distribution comprising the types of dividends laid out below would be less than ¥1 from ¥15,465,559,688 the amount calculated by adding to ¥12,188,719,246 in net income after taxes ¥2,622,242,820 in amortization of goodwill, and by adding ¥654,597,622 in consideration of temporary decrease in operating revenues due to the move out of a large tenant and effect to per-unit distribution due to increase in investment units by issuance of new investment units.</p> <p>Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, paragraph 1 of the Investment Trusts Act came to ¥12,188,792,000 (¥2,585 per investment unit). Distribution in excess of net income comprises a distribution of</p>	<p>NMF calculates distributions in accordance with the cash distribution policies as specified in Article 36, paragraphs 1 and 2 of NMF's Articles of Incorporation.</p> <p>For the fiscal period under review, NMF decided to implement a total of ¥15,640,318,400 in distributions (¥3,317 per investment unit). This figure was arrived at by adding to ¥12,799,540,046 in net income after taxes ¥2,622,242,820 in amortization of goodwill, and by adding ¥218,535,534 in consideration of temporary decrease in operating revenues due to the impact of COVID-19 pandemic on per-unit distribution.</p> <p>Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, paragraph 1 of the Investment Trusts Act came to ¥12,797,052,800 (¥2,714 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,777,630,400 (¥377 per investment unit) as allowance for temporary difference adjustment and ¥1,065,635,200 (¥226 per investment unit) in other distribution in excess of net income.</p>

	¥1,735,193,600 (¥368 per investment unit) as allowance for temporary difference adjustment and ¥1,537,155,200 (¥326 per investment unit) in other distribution in excess of net income.	
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(5) Statement of Cash Flows

Thousands of Yen

	Previous period from Sep. 1, 2019 to Feb.29, 2020	Current period from Mar. 1, 2020 to Aug. 31, 2020
Cash flows from operating activities		
Income before income taxes	12,191,777	12,803,370
Depreciation	5,153,337	5,370,699
Amortization of goodwill	2,622,242	2,622,242
Investment units issuance costs	55,727	—
Amortization of investment corporation bond issuance	5,584	5,984
Increase (decrease) in provision for loss on disaster	20,244	(16,433)
Interest income	(415)	(496)
Interest expenses	2,023,263	1,970,931
Loss on disposal of property and equipment	4,042	5,711
Decrease (increase) in rental receivables	102,448	(476,056)
Decrease (increase) in prepaid expenses	23,650	(62,847)
Decrease (increase) in consumption taxes receivable	657,804	—
Decrease (increase) in long-term prepaid expenses	66,061	(24,131)
Decrease (increase) in long-term deposits	(10,628)	(7,896)
Increase (decrease) in trade accounts payable	(260,939)	(22,653)
Increase (decrease) in other accounts payable	16,901	11,576
Increase (decrease) in accrued consumption taxes	1,158,419	(1,023,713)
Increase (decrease) in accrued expenses	53,619	38,989
Increase (decrease) in rent received in advance	119,954	203,667
Other	45,524	217,376
Subtotal	24,048,621	21,616,320
Interest received	415	496
Interest paid	(2,088,004)	(2,072,086)
Income taxes paid	(2,059)	(3,053)
Net cash provided by (used in) operating activities	21,958,973	19,541,676
Cash flows from investing activities		
Payments for purchase of property and equipment	(16,921,301)	(9,727,485)
Payments for purchase of property and equipment in trust	(5,988,050)	(14,565,510)
Payments for purchase of intangible assets in trust	(4,620)	(13,553)
Reimbursement of security deposits to tenants	(452,444)	(315,568)
Proceeds from security deposits from tenants	1,085,861	763,083
Reimbursement of security deposits to tenants in trust	(413,385)	(280,207)
Proceeds from security deposits from tenants in trust	428,100	512,429
Proceeds from security deposits	10,000	—
Net cash provided by (used in) investing activities	(22,255,840)	(23,626,812)
Cash flows from financing activities		
Proceeds from short-term debt	—	7,000,000
Repayment of short-term debt	(8,000,000)	(7,000,000)
Proceeds from long-term debt	29,900,000	33,600,000
Repayment of long-term debt	(29,942,800)	(28,442,800)
Proceeds from issuance of investment corporation bonds	8,000,000	7,000,000
Repayment of investment corporation bonds	—	(5,000,000)
Payments for issuance of investment corporation bonds	(71,836)	(44,199)
Proceeds from issuance of investment units	29,238,273	—
Payment of investment units issuance expenses	(55,727)	—
Distributions of earnings to unitholders	(11,691,370)	(12,188,068)

Distributions in excess of net earnings from allowance for temporary difference adjustments	(1,554,693)	(1,735,356)
Other distributions in excess of net earnings	(1,346,666)	(1,537,147)
Net cash provided by (used in) financing activities	14,475,179	(8,347,572)
Net increase (decrease) in cash and cash equivalents	14,178,313	(12,432,707)
Cash and cash equivalents at beginning of period	73,420,753	87,599,067
Cash and cash equivalents at end of period	87,599,067	75,166,359

(6) Notes Concerning the Going Concern Assumption

Not applicable.

(7) Notes Concerning Significant Accounting Policies

<p>1. Depreciation of noncurrent assets</p>	<p>(1) Property and equipment (including trust assets) The straight-line method is adopted. The useful lives of major property and equipment are as follows: Buildings 4–70 years Structures 2–45 years Machinery 4–15 years Tools, furniture and fixtures 3–20 years</p> <p>(2) Intangible assets The straight-line method is adopted. Goodwill is amortized using straight-line method over 20 years.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2. Accounting method for deferred assets</p>	<p>(1) Deferred investment corporation bond issuance costs The straight-line method over the respective terms of the bonds.</p> <p>(2) Investment units issuance costs The entire amount is expensed as incurred.</p>
<p>3. Allowance for doubtful accounts</p>	<p>(1) To be ready for possible losses arising from defaults on receivables, the uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on case-by-case examinations for doubtful receivables.</p> <p>(2) Provision for loss on disaster The amount that is reasonably estimated at the end of the previous fiscal period under review is recorded to cover expenditures for restoration etc. following Typhoon Faxai and Hagibis in 2019.</p>
<p>4. Revenue and expenses recognition</p>	<p>Accounting for fixed asset tax, etc. Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held by NMF, the method of charging the amount corresponding to the concerned fiscal period to expenses as real estate rental expenses is adopted. The amount equivalent to fixed asset tax, etc. for the fiscal year in which the acquisition date falls paid to the seller as reimbursement upon acquisition of real estate or trust beneficiary interests in real estate is included in the cost of acquisition of the concerned real estate and not recorded as expenses. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. was ¥67,984 thousand in the previous fiscal period and ¥108,493 thousand in the current fiscal period.</p>
<p>5. Hedge accounting</p>	<p>(1) Method of hedge accounting Deferred hedge accounting is adopted. For interest-rate swap transactions that meet the requirements for special treatment, special treatment is adopted.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest-rate swap transactions Hedged items Interest on loans</p> <p>(3) Hedging policy NMF conducts derivative transactions for the purpose of hedging risks prescribed in the Articles of Incorporation in accordance with the Basic Policy on Risk Management.</p> <p>(4) Method for assessing effectiveness of hedging The effectiveness of hedging is assessed by the correlation between changes in the fair value of hedging instruments and hedged items.</p>

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

(Additional Information)

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

Previous period From Sep. 1, 2019 to Feb. 29, 2020			Current period from Mar. 1, 2020 to Aug. 31, 2020		
1. Reasons, related assets and amounts of allowance Thousands of Yen			1. Reasons, related assets and amounts of allowance Thousands of Yen		
Related assets, etc.	Reason	Allowance temporary difference adjustment for	Related assets, etc.	Reason	Allowance temporary difference adjustment for
Goodwill	Amortization of goodwill	2,622,242	Goodwill	Amortization of goodwill	2,622,242
Long-term deposits	Shortfall of reserve for repair	10,097	Long-term deposits	Shortfall of reserve for repair	5,835
Subtotal		2,632,339	Subtotal		2,628,078
Buildings, facilities, etc.	Depreciation deficiency equivalent	(797,086)	Buildings, facilities, etc.	Depreciation deficiency equivalent	(761,508)
Unearned revenue	Write-down of loss on interest rate swap due to merger	(84,157)	Unearned revenue	Write-down of loss on interest rate swap due to merger	(74,207)
Other	—	(15,902)	Other	—	(14,732)
Subtotal		(897,146)	Subtotal		(850,448)
Total		1,735,193	Total		1,777,630

2. Reasons, related assets and amounts of reversals Thousands of Yen			2. Reasons, related assets and amounts of reversals Thousands of Yen		
Related assets, etc.	Reason	Allowance for temporary difference adjustment	Related assets, etc.	Reason	Allowance for temporary difference adjustment
Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	— (*)	Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	— (*)
Deferred gains or losses on hedges	Changes in fair value of derivatives	(122,481)	Deferred gains or losses on hedges	Changes in fair value of derivatives	(299,087)
Total		(122,481)	Total		(299,087)

(*) The amount of reversal during current period (¥5,534 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.

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

3. Method of reversal		3. Method of reversal	
(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.		(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.	
(2) Merger expenses		(2) Merger expenses	
Item	Method of reversal	Item	Method of reversal
Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.
Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.
Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.
Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.
Leasehold rights			
Leasehold rights in trust			
(3) Long-term deposits In principle, long-term deposits are not reversed.		(3) Long-term deposits In principle, long-term deposits are not reversed.	
(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.		(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.	

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	Thousands of Yen	
	Previous period (Feb. 29, 2020)	Current period (Aug. 31, 2020)
Committed line of credit	10,000,000	10,000,000
Balance of used line	—	—
Balance of unused line	10,000,000	10,000,000

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

	Thousands of Yen	
	Previous period (Feb. 29, 2020)	Current period (Aug. 31, 2020)
Committed line of credit	40,000,000	40,000,000
Balance of used line	—	—
Balance of unused line	40,000,000	40,000,000

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

	Thousands of Yen	
	Previous period (Feb. 29, 2020)	Current period (Aug. 31, 2020)
	50,000	50,000

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

	Thousands of Yen		
	Previous period (Feb. 29, 2020)	Current period (Aug. 31, 2020)	
Assets offered as collateral are as follows.		Assets offered as collateral are as follows.	
Buildings in trust	3,323,304	Buildings in trust	3,298,689
Land in trust	6,096,368	Land in trust	6,096,368
Structures in trust	2,528	Structures in trust	4,530
Tools, furniture and fixtures in trust	122	Tools, furniture and fixtures in trust	733
Total	9,422,323	Total	9,400,322
Liabilities secured by collateral are as follows.		Liabilities secured by collateral are as follows.	
Security deposits from tenants in trust	726,648	Security deposits from tenants in trust	726,648
Total	726,648	Total	726,648

*4. Allowance for temporary difference adjustments

Previous period (from September 1, 2019 to February 29, 2020)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	14,733,612	8,108,244	1,560,840	—	9,669,084	—
Land, buildings, etc.	Merger expenses	4,029,135	1,333,892	(5,663)	—	1,328,228	—
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	997,480	—	(91,667)	905,812	Changes in fair value of derivative transactions
Increase – subtotal		—	10,439,617	1,555,176	(91,667)	11,903,126	—
Total		—	10,439,617	1,555,176	(91,667)	11,903,126	—

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

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

(3) Deferred gains or losses on hedges

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

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

1. Reasons, related assets and amounts

Thousands of Yen

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

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

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

(3) Deferred gains or losses on hedges

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

(Notes to Statement of Income and Retained Earnings)

*1. Breakdown of real estate rental revenues and expenses

	Thousands of Yen			
	Previous period from Sep. 1, 2019 to Feb. 29, 2020		Current period from Mar. 1, 2020 to Aug. 31, 2020	
A. Property related revenues				
Rental revenues				
Rent revenues	31,441,906		32,456,559	
Common area charges	2,436,066	33,877,972	2,427,695	34,884,255
Other rental revenues				
Parking revenues	609,203		619,580	
Incidental income	2,267,052		1,969,384	
Other miscellaneous revenues	173,128	3,049,384	104,204	2,693,169
Property related revenues		36,927,357		37,577,424
B. Property related expenses				
Real estate rental expenses				
Property management costs	1,760,058		1,785,636	
Property management fees	950,345		1,011,292	
Property and other taxes	2,976,127		3,124,623	
Utility expenses	1,829,299		1,605,607	
Casualty insurance	42,831		45,011	
Repairs and maintenance	1,658,591		1,418,953	
Land rents	204,347		204,194	
Depreciation	5,151,274		5,369,703	
Other rental expenses	1,147,795	15,720,670	1,113,258	15,678,281
Property related expenses		15,720,670		15,678,281
C. Real estate rental profits [A – B]		21,206,687		21,899,143

*2. Breakdown of Extraordinary Gain

Previous period (from September 1, 2019 to February 29, 2020)

The insurance amount of ¥71,833 thousand related to the assets damaged by the Typhoons Faxai and Hagibis in 2019 was offset by the loss amount of ¥43,222 thousand. Therefore, the amount of ¥28,611 thousand is recorded as insurance income.

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

Not applicable.

*3. Breakdown of Extraordinary Loss

Previous period (from September 1, 2019 to February 29, 2020)

The loss amount of ¥13,840 thousand related to the assets damaged by the Typhoons Faxai and Hagibis in 2019 was offset by the insurance amount of ¥1,495 thousand. Therefore, the amount of ¥12,344 thousand is recorded as loss on disaster.

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

Not applicable.

(Notes on Investment and Rental Properties)

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

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

Thousands of Yen

	Previous period from Sep. 1, 2019 to Feb. 29, 2020	Current period from Mar. 1, 2020 to Aug. 31, 2020
Carrying amount		
Balance at beginning of period	999,049,393	1,017,019,350
Amount of increase (decrease) during period	17,969,957	18,926,674
Balance at end of period	1,017,019,350	1,035,946,025
Fair value at end of period	1,158,232,000	1,185,682,000

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

(Note 2) Of the change in investment and rental properties, the increase during the previous period is mainly attributable to the acquisition of PMO Akihabara Kita (¥8,547,300 thousand), PMO Higashi-Shinbashi(¥4,801,865 thousand), PROUD FLAT Shibuya Tomigaya(¥4,080,033 thousand), PROUD FLAT Miyazakidai (¥1,461,354 thousand) and PROUD FLAT Asakusabashi III(¥1,282,437 thousand) . The decrease during the previous period is mainly attributable to depreciation expenses (¥5,146,129 thousand). The increase during the current period is mainly attributable to the acquisition of PMO Hamamatsucho(¥4,445,043 thousand), GEMS Sangenjaya(¥1,836,687 thousand), Lndport Higashi-Narashino (¥12,025,405 thousand), PROUD FLAT Togoshi-Koen (¥2,670,972 thousand). The decrease during the current period is mainly attributable to depreciation expenses (¥5,363,528 thousand).

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

The income (loss) in the previous period (from September 1, 2019 to February 29, 2020) and current period (from March 1, 2020 to August 31, 2020) for investment and rental properties is as presented in “Notes to Statement of Income and Retained Earnings” earlier in this report.

(Notes on Per Unit Information)

Yen

	Previous period from Sep. 1, 2019 to Feb. 29, 2020	Current period from Mar. 1, 2020 to Aug. 31, 2020
Net assets per unit	133,158	132,657
Net income per unit	2,642	2,714

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

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

	Previous period from Sep. 1, 2019 to Feb. 29, 2020	Current period from Mar. 1, 2020 to Aug. 31, 2020
Net income (Thousands of Yen)	12,188,719	12,799,540
Amount not attributable to ordinary unitholders (Thousands of Yen)	—	—
Net income attributable to ordinary investment units (Thousands of Yen)	12,188,719	12,799,540
Average number of investment units during period (Units)	4,612,315	4,715,200

(Notes on Significant Subsequent Events)

Not applicable.

[Disclosure Omissions]

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

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

The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the 10th fiscal period (August 31, 2020).

Date	Description	Total number of investment units issued and outstanding (Units)		Unitholders' capital (Millions of Yen) (Note 1)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
October 1, 2015	Consolidation type merger	3,722,010	3,722,010	161,120	161,120	(Note 2)
September 1, 2016	Absorption type merger	461,120	4,183,130	—	161,120	(Note 3)
October 14, 2016	Reversal of allowance for temporary difference adjustments	—	4,183,130	763	161,883	(Note 4)
April 14, 2017	Reversal of allowance for temporary difference adjustments	—	4,183,130	708	162,592	(Note 4)
October 13, 2017	Reversal of allowance for temporary difference adjustments	—	4,183,130	198	162,791	(Note 4)
March 1, 2018	Public offering	132,000	4,315,130	17,572	180,363	(Note 5)
March 20, 2018	Third party allotment increase	6,670	4,321,800	887	181,251	(Note 6)
April 13, 2018	Reversal of allowance for temporary difference adjustments	—	4,321,800	478	181,730	(Note 4)
October 15, 2018	Reversal of allowance for temporary difference adjustments	—	4,321,800	321	182,051	(Note 4)
March 1, 2019	Public offering	214,760	4,536,560	31,241	213,293	(Note 7)
March 26, 2019	Third party allotment increase	10,740	4,547,300	1,562	214,855	(Note 8)
October 15, 2019	Reversal of allowance for temporary difference adjustments	—	4,547,300	91	214,947	(Note 4)
December 20, 2019	Public offering	159,900	4,707,200	27,845	242,792	(Note 9)
January 21, 2020	Third party allotment increase	8,000	4,715,200	1,393	244,185	(Note 10)
April 14, 2020	Reversal of allowance for temporary difference adjustments	—	4,715,200	122	244,307	(Note 4)

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

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

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

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

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

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

- new investment units through public offering.
- (Note 7) NMF issued new investment units through public offering at an issue price of ¥150,223 per unit (issue value: ¥145,471 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 8) NMF issued new investment units through third-party allotment at an issue value of ¥145,471 per unit together with the issuance of new investment units through public offering.
- (Note 9) NMF issued new investment units through public offering at an issue price of ¥179,830 per unit (issue value: ¥174,141 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 10) NMF issued new investment units through third-party allotment at an issue value of ¥174,141 per unit together with the issuance of new investment units through public offering.

3. Reference Information

(1) Investment Status

Type of asset	Use	Area (Note 1)	9th fiscal period As of February 29, 2020		10th fiscal period As of August 31, 2020	
			Total amount held (Millions of Yen) (Note 2)	As a percentage of total amount of assets () (Note 3)	Total amount held (Millions of Yen) (Note 2)	As a percentage of total amount of assets () (Note 3)
Real estate	Office properties	Greater Tokyo area	141,462	11.9□	145,640	12.2
		Other areas	21,348	1.8□	21,319	1.8
		Subtotal	162,810	13.6□	166,959	13.9
	Retail properties	Greater Tokyo area	27,344	2.3□	29,070	2.4
		Other areas	15,964	1.3□	15,947	1.3
		Subtotal	43,309	3.6□	45,018	3.8
	Logistics properties	Greater Tokyo area	49,614	4.2□	49,528	4.1
		Subtotal	49,614	4.2□	49,528	4.1
	Residential properties	Greater Tokyo area	134,917	11.3□	136,921	11.4
		Other areas	30,998	2.6□	30,712	2.6
		Subtotal	165,915	13.9□	167,634	14.0
	Hotel properties	Other areas	3,725	0.3□	3,711	0.3
		Subtotal	3,725	0.3□	3,711	0.3
	Other Properties	Greater Tokyo area	5,136	0.4□	5,136	0.4
Subtotal		5,136	0.4□	5,136	0.4	
		Subtotal	430,512	36.1□	437,988	36.6
Real estate in trust	Office properties	Greater Tokyo area	258,507	21.7□	258,645	21.6
		Other areas	51,518	4.3□	51,896	4.3
		Subtotal	310,025	26.0□	310,541	25.9
	Retail properties	Greater Tokyo area	82,476	6.9□	82,234	6.9
		Other areas	50,149	4.2□	50,158	4.2
		Subtotal	132,625	11.1□	132,393	11.1
	Logistics properties	Greater Tokyo area	111,813	9.4□	123,041	10.3
		Other areas	3,341	0.3□	3,324	0.3
		Subtotal	115,154	9.6□	126,366	10.6
	Residential properties	Greater Tokyo area	26,026	2.2□	25,987	2.2
		Subtotal	26,026	2.2□	25,987	2.2
	Hotel properties	Other areas	2,675	0.2□	2,667	0.2
		Subtotal	2,675	0.2□	2,667	0.2
			Subtotal	586,507	49.1	597,957
Subtotal			1,017,019	85.2□	1,035,946	86.5
Deposits and other assets			176,452	14.8□	161,820	13.5
Total amount of assets			1,193,471	100.0□	1,197,766	100

	9th fiscal period As of February 29, 2020		10th fiscal period As of August 31, 2020	
	Amount (Millions of Yen) (Note 4)	As a percentage of total amount of assets () (Note 3)	Amount (Millions of Yen) (Note 4)	As a percentage of total amount of assets () (Note 3)
Total amount of liabilities	565,603	47.4	572,260	47.8
Total amount of net assets	627,868	52.6	625,505	52.2

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

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

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

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

(2) Investment Assets

① Major Investment Securities

Not applicable.

② Investment Real Estate Properties

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

③ Other Major Investment Assets

The following summarizes the real estate, etc. (298 properties) held as of August 31, 2020, (the end of the 10th fiscal period) by NMF (this real estate and the beneficiary interests of trusts in which real estate properties are the principal trust properties or the real estate that constitutes the underlying assets thereof are hereinafter referred to as the “assets held at the end of the 10th fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of August 31, 2020.

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

(a) Overview of Portfolio and Leasing Status

The following is an overview of the portfolio and leasing status for the assets held at the end of the 10th fiscal period.

Number of properties	298
Gross leasable area (m ²) ^(Note 1)	2,042,127.14
Gross leased area (m ²) ^(Note 2)	2,024,053.57
Total number of tenants ^(Note 3)	1,392
Total of all contracted rent (Thousands of Yen) ^(Note 4)	5,829,879

(Note 1) The sum total of the “leasable area” of each of the assets held at the end of the 10th fiscal period. “Leasable area” is the sum total area of office buildings, retail facilities, logistics facilities, residential facilities, or hotels etc. leasable in each asset (including the area of common-use space, etc., if leased). Leasable area is calculated based not on that presented in the registry, but the area stated in the lease contract and the area calculated based on building completion drawings, etc. Accordingly, the leasable area may not be the same as the floor area based on that presented in the registry and may exceed the floor area. In the case of land with leasehold right, the land area based on that presented in the registry is used as contracted area. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square, the leasable area is the area calculated by multiplying the building’s overall leasable area by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For NRE Tennozu Building, since the rent under the master lease agreement is calculated as the building’s overall rent multiplied by the ownership ratio of the common areas, the leasable area is calculated as the building’s overall leasable area multiplied by the ownership ratio of the common areas. For PMO Hatchobori Shinkawa, upon the master lease agreement, the rent paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building (excluding the exclusive area subject to the selfuse by other compartmentalized owners; the same shall apply hereinafter for PMO Hatchobori Shinkawa) multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.. Therefore, the leasable area of PMO Hatchobori Shinkawa is the sum of (i) the leasable area of the exclusive area owned by NMF and (ii) the leasable area of the common area, etc. of the entire building multiplied by NMF’s share of ownership interest of the common area.

(Note 2) The sum total of “leased area” of each of the assets held at the end of the 10th fiscal period. “Leased area” is the area that is actually leased to an end-tenant (The area stated in the lease contract; provided, however, that such be limited to the area of office properties, retail properties, logistics properties, residential properties, or hotel properties etc. (if all rental units are collectively leased, then the area of the entire rental units) and not include the leased area of parking space, etc. However, if the master lessee has a rent-guaranteed master lease for some or all rental units, the space is included in leased area regardless of whether or not there is a lease agreement with an end-tenant.) in each asset. In the case of land with leasehold right, the leased area of the land is shown. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square, the leased area is the area calculated by multiplying the building’s overall leased area by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, since the rent under the master lease agreement is calculated as the building’s overall rent multiplied by the ownership ratio of the common areas, the leased area is calculated as the building’s overall leased area multiplied by the ownership ratio of the common areas. For PMO Hatchobori Shinkawa, upon the master lease agreement, the rent paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.. Therefore, the leased area of PMO Hatchobori Shinkawa is the sum of (i) the leased area of the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by NMF and (ii) the leased area of the common area, etc. of the entire building multiplied by NMF’s share of ownership interest of the common area.

(Note 3) The sum total of “total number of tenants” of each of the assets held at the end of the 10th fiscal period. In the calculation of “number of tenants,” when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant (sublessee that is the actual user) for subleasing the rental units, the lessee of the master lease agreement is counted as one tenant. However, in the case of assets with a so-called pass-through master lease agreement, where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, the total number of end-tenants is shown. In addition, if multiple rental units in a specific asset are leased to a specific tenant, this is counted as one tenant for the asset and, if multiple assets are leased to a specific tenant, these are counted separately and the total of that number of tenants is shown. For residential facilities or residential portions of “other” sector facilities, when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant for subleasing the rental units, regardless of pass-through master lease agreement, the lessee of the master lease

agreement is counted as one tenant, and the total number of tenants for the building as whole is shown.

(Note 4) The total amount of “total contracted rent” for August 2020 of each of the assets held at the end of the 10th fiscal period (amounts less than one thousand are truncated). “Total contracted rent” for August 2020 refers to the sum total of monthly rent and common area charges in lease agreements actually concluded with end-tenants that are valid as of the last day of August 2020 (This does not include parking space or other fees stated in parking space lease agreements or other such agreements signed in addition to the tenant lease agreement. If common-use space, etc. is leased based on the lease agreement, the rent for such is included and, if rent includes an amount equivalent to the fee for use of parking space, such amount is included. In addition, if the master lessee has a rent-guaranteed master lease for some or all rental units, the rent for the space is based on the rent, etc., in the lease agreement concluded with the master lessee.). Furthermore, regarding tenants who have been exempt from rent payment for a certain period of time in their agreements, such exemption period is not considered in the table above, and the rent is calculated based on the monthly rent and common area charges payable immediately after the exemption period ends. In addition, the standard level of rent is used for tenants with sales-based rent and for tenants with variable rent including cases in which a part of rent is variable rent. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square, the total contracted rent is calculated by multiplying the building’s overall rent revenues by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, the total contracted rent is calculated as the building’s overall rent revenues multiplied by the ratio of the common areas that NMF owns through the trustee. For PMO Hatchobori Shinkawa, the total contract rent is calculated by summing (i) the rent revenues earned from the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by NMF, and (ii) the rent revenues earned from the common area, etc. of the building multiplied by NMF’s share of ownership interest of the common area, etc..

(b) Changes in Occupancy Rate

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

	August 31, 2018 (end of 6th fiscal period)	February 28, 2019 (end of 7th fiscal period)	August 31, 2019 (end of 8th fiscal period)	February 29, 2020 (end of 9th fiscal period)	August 31, 2020 (end of 10th fiscal period)
Portfolio occupancy rate (at end of fiscal period) (%)	99.3	99.3	99.3	98.8	99.1

B. Price and Investment Share

The following is an overview of the assets held at the end of the 10th fiscal period (acquisition price, carrying amount, opinion of value at end of period, investment share and appraiser).

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Office	Greater Tokyo area	Shinjuku Nomura Building (Note 5)	43,900	46,444	49,200	4.1	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Tennozu Building	20,500	20,688	21,600	1.8	Daiwa Real Estate Appraisal Co., Ltd.
		Kojimachi Millennium Garden	26,700	26,412	28,000	2.4	Japan Real Estate Institute
		NMF Shinjuku Minamiguchi Building	10,000	10,134	12,500	1.1	Japan Real Estate Institute
		NMF Shibuya Koen-dori Building	10,400	10,509	10,700	0.9	Daiwa Real Estate Appraisal Co., Ltd.
		Secom Medical Building	11,100	10,727	12,200	1.0	Japan Real Estate Institute
		NMF Shiba Building	7,040	7,093	7,420	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		Nishi-Shinjuku Showa Building	8,140	8,170	8,050	0.7	Appraisal Firm A Square Ltd.
		NRE Shibuya Dogenzaka Building	5,310	5,307	5,840	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		Iwamoto-cho Toyo Building	4,050	4,035	4,950	0.4	Japan Real Estate Institute
		NMF Surugadai Building	4,690	4,686	5,630	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Nihonbashi Honcho	4,320	4,111	5,080	0.4	Japan Real Estate Institute
		PMO Nihonbashi Kayabacho	5,010	4,784	6,210	0.5	Japan Real Estate Institute
		NMF Gotanda Ekimae Building	4,430	4,622	5,280	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Higashi-nihonbashi Building	3,570	3,653	4,310	0.4	Japan Real Estate Institute
		PMO Akihabara	4,240	4,052	5,800	0.5	Japan Real Estate Institute
		Hatchobori NF Building	2,480	2,441	2,540	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kanda Iwamoto-cho Building	4,160	4,202	4,390	0.4	Japan Real Estate Institute
		NMF Takanawa Building	2,830	2,836	3,280	0.3	Japan Real Estate Institute
		PMO Hatchobori	2,880	2,707	3,650	0.3	Japan Real Estate Institute
		PMO Nihonbashi Odenmachi	2,210	2,108	2,940	0.2	Japan Real Estate Institute
		PMO Higashi-nihonbashi	1,690	1,578	2,110	0.2	Japan Real Estate Institute
		NRE Ueno Building	6,470	6,572	7,030	0.6	Japan Real Estate Institute
		NF Hongo Building	4,890	4,895	5,160	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Crystal Park Building	3,390	3,333	3,450	0.3	Appraisal Firm A Square Ltd.
		NMF Kichijoji Honcho Building	1,780	1,841	2,140	0.2	Japan Real Estate Institute
		Faret Tachikawa Center Square	3,850	3,848	4,550	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kawasaki Higashiguchi Building	7,830	8,015	9,350	0.8	Japan Valuers Co., Ltd.
		NMF Yokohama Nishiguchi Building	5,460	5,614	7,580	0.6	Japan Real Estate Institute
		NMF Shin-Yokohama Building	2,620	2,783	3,080	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Tamachi	6,210	6,109	8,200	0.7	Japan Real Estate Institute
		PMO Ginza Hatchome	3,970	3,930	5,100	0.4	Japan Real Estate Institute
PMO Shibakoen	3,900	3,841	5,200	0.4	Japan Real Estate Institute		
NEC Head Office Building (Note 6)	44,100	44,446	45,400	3.8	Daiwa Real Estate Appraisal Co., Ltd.		
Harumi Island Triton Square Office Tower Y	18,200	17,935	18,800	1.6	Daiwa Real Estate Appraisal Co., Ltd.		
NMF Aoyama 1-chome Building	10,400	10,469	13,600	1.1	Japan Real Estate Institute		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Office	Greater Tokyo area	NMF Takebashi Building	8,330	8,377	8,980	0.8	The Tanizawa Sogo Appraisal Co., Ltd.
		Harumi Island Triton Square Office Tower Z	8,180	8,053	8,930	0.8	Daiwa Real Estate Appraisal Co., Ltd.
		NMF Kayabacho Building	6,070	6,089	7,830	0.7	Japan Real Estate Institute
		NMF Shinjuku EAST Building	5,710	5,658	6,370	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Shiba-Koen Building	3,620	3,803	4,280	0.4	Japan Real Estate Institute
		NMF Ginza 4-chome Building	1,850	1,917	2,310	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Faret East Building	1,850	1,864	2,110	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Shinnihonbashi	4,440	4,397	5,170	0.4	Japan Real Estate Institute
		PMO Hirakawacho	3,410	3,387	4,220	0.4	Japan Real Estate Institute
		PMO Nihonbashi Mitsukoshi-mae	4,310	4,320	5,480	0.5	Japan Real Estate Institute
		PMO Shibadaimon	2,130	2,136	2,410	0.2	Japan Real Estate Institute
		PMO Tamachi Higashi(Note 8)	10,900	10,950	12,000	1.0	Japan Real Estate Institute
		PMO Hatchobori Shinkawa	3,805	3,822	4,220	0.4	Japan Real Estate Institute
		PMO Kyobashi Higashi(Note 8)	2,880	2,897	3,180	0.3	Japan Real Estate Institute
		PMO Ochanomizu	3,890	3,906	4,300	0.4	Japan Real Estate Institute
		PMO Akihabara Kita	8,450	8,524	9,110	0.8	Japan Real Estate Institute
	PMO Higashi-Shinbashi	4,730	4,795	5,240	0.4	Japan Real Estate Institute	
	PMO Hamamatsucho	4,380	4,430	4,920	0.4	Japan Real Estate Institute	
	Other areas	Sapporo North Plaza	6,250	6,371	8,200	0.7	Japan Real Estate Institute
		NRE Sapporo Building	4,140	3,786	4,960	0.4	Japan Real Estate Institute
		NMF Sendai Aoba-dori Building	2,030	2,200	2,690	0.2	J.L. Morii Valuation & Advisory K.K.
		NMF Utsunomiya Building	2,320	2,490	2,380	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Nagoya Fushimi Building	2,240	2,022	2,300	0.2	Japan Real Estate Institute
		NMF Nagoya Yanagibashi Building	2,280	2,377	2,190	0.2	Japan Valuers Co., Ltd.
		Omron Kyoto Center Building	18,300	18,023	19,200	1.6	Japan Real Estate Institute
		SORA Shin-Osaka 21	12,100	11,948	11,400	1.0	Japan Valuers Co., Ltd.
		NRE Osaka Building	6,100	7,655	7,240	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Nishi-Umeda Building	3,450	3,562	3,820	0.3	Daiwa Real Estate Appraisal Co., Ltd.
NRE Yotsubashi Building		4,000	4,110	4,690	0.4	The Tanizawa Sogo Appraisal Co., Ltd.	
NRE Hiroshima Building		2,280	2,386	2,740	0.2	The Tanizawa Sogo Appraisal Co., Ltd.	
NMF Hakata Ekimae Building	4,210	4,207	5,700	0.5	Japan Real Estate Institute		
NMF Tenjin-Minami Building	2,230	2,072	2,670	0.2	Japan Real Estate Institute		
Office subtotal			473,585	477,501	531,560	44.8	
Retail	Greater Tokyo area	Yokosuka More's City	13,640	13,730	15,700	1.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,363	11,500	1.0	Japan Valuers Co., Ltd.
		Kawasaki More's	6,080	6,700	8,640	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,299	5,240	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINA Ikebukuro	3,990	4,033	4,540	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		covirna machida	3,440	3,783	4,340	0.4	Japan Real Estate Institute

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Greater Tokyo area	Nitori Makuhari	3,080	2,717	3,960	0.3	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,550	3,350	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,261	3,470	0.3	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,379	2,880	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Sundai Azamino	1,700	1,493	2,120	0.2	Japan Real Estate Institute
		EQUINIA Aobadai	1,560	1,586	2,580	0.2	Japan Real Estate Institute
		Megalos Kanagawa	1,000	952	1,550	0.1	Japan Real Estate Institute
		Mitsubishi Motors Meguro (Land)	2,740	2,764	3,340	0.3	Japan Real Estate Institute
		Mitsubishi Motors Chofu (Land)	1,760	1,776	1,750	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima (Land)	1,240	1,251	1,420	0.1	Japan Real Estate Institute
		Mitsubishi Motors Kawasaki (Land)	950	959	1,300	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Takaido (Land)	850	859	875	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika (Land)	800	808	888	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume (Land)	800	808	895	0.1	Japan Real Estate Institute
		Mitsubishi Motors Setagaya (Land)	770	779	1,090	0.1	Japan Real Estate Institute
		Mitsubishi Motors Sekimachi (Land)	600	606	701	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamato (Land)	450	455	535	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motsumiyoshi (Land)	370	375	403	0.0	Japan Real Estate Institute
		Mitsubishi Motors Kawagoe (Land) (Note 8)	350	355	434	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa (Land)	200	204	181	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama (Land)	160	163	186	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Kichijoji Building	10,410	10,220	11,500	1.0	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Ichigaya	2,080	2,046	2,210	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Shopping Center	6,840	6,849	6,950	0.6	Japan Real Estate Institute
		Musashiurawa Shopping Square (Note 6)	2,720	2,581	2,910	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Summit Store Naritahigashi (Land)	700	747	792	0.1	Japan Real Estate Institute
	GEMS Daimon	2,060	2,028	2,150	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Kanda	1,500	1,481	1,550	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Mukodaicho	5,100	5,085	5,270	0.4	Japan Valuers Co., Ltd.	
	GEMS Shinbashi	2,810	2,831	2,800	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Kayabacho	2,594	2,593	2,740	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Honamanuma	2,160	2,170	2,900	0.2	J.L. Morii Valuation & Advisory K.K.	
	GEMS Shin-Yokohama	1,820	1,815	1,900	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
GEMS Sangenjaya	1,815	1,831	1,780	0.2	J.L. Morii Valuation & Advisory K.K.		
Other areas	Universal CityWalk Osaka	15,500	15,253	17,200	1.5	Japan Valuers Co., Ltd.	
	Izumiya Senrioka	8,930	8,561	11,500	1.0	The Tanizawa Sogo Appraisal Co., Ltd.	
	Izumiya Yao	4,406	4,036	5,620	0.5	The Tanizawa Sogo Appraisal Co., Ltd.	
	Izumiya Obayashi	3,020	3,193	4,120	0.3	The Tanizawa Sogo Appraisal Co., Ltd.	

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Other areas	Ichibancho stear	4,700	4,464	5,660	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,344	2,010	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		MEL Building	1,060	1,049	1,200	0.1	Japan Real Estate Institute
		nORBESA	8,500	8,668	8,930	0.8	Japan Real Estate Institute
		Nakaza Cui-daore Building	11,600	12,125	10,600	0.9	Japan Valuers Co., Ltd.
		NMF Kobe Myodani Building	3,560	3,588	3,650	0.3	Japan Valuers Co., Ltd.
		GEMS Namba	3,800	3,822	4,310	0.4	JLL Morii Valuation & Advisory K.K.
Retail subtotal			178,342	177,411	204,120	17.2	
Logistics	Greater Tokyo area	Landport Urayasu	17,400	16,165	21,900	1.8	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	14,621	19,400	1.6	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	11,943	17,000	1.4	Japan Real Estate Institute
		Landport Atsugi	11,410	10,238	12,000	1.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	9,816	13,000	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	7,977	11,400	1.0	Japan Real Estate Institute
		Landport Hachioji	8,250	7,317	10,100	0.9	Japan Real Estate Institute
		Landport Kasukabe	7,340	6,306	8,610	0.7	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,140	5,730	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,348	4,590	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,586	4,450	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,764	3,560	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Atsugi Minami Logistics Center A Tower	2,690	2,532	3,440	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Kawaguchi Ryoke Logistics Center	10,790	10,323	13,600	1.1	JLL Morii Valuation & Advisory K.K.
		Landport Kashiwa Shonan II	10,800	10,697	11,700	1.0	Japan Valuers Co., Ltd.
		Landport Kashiwa Shonan I	9,900	9,756	10,200	0.9	Japan Valuers Co., Ltd.
		Landport Hachioji II	9,230	9,204	9,530	0.8	Japan Valuers Co., Ltd.
		Landport Iwatsuki	6,090	6,099	6,490	0.5	Japan Valuers Co., Ltd.
		Landport Ome I	13,640	13,771	14,200	1.2	Japan Valuers Co., Ltd.
	Landport Higashi-Narashino	11,872	11,956	15,700	1.3	Japan Valuers Co., Ltd.	
Other areas	Hirakata Kuzuha Logistics Center	3,460	3,324	4,060	0.3	Daiwa Real Estate Appraisal Co., Ltd.	
Logistics subtotal			186,562	175,895	220,660	18.6	
Residential	Greater Tokyo area	PROUD FLAT Shirokane Takanawa	3,400	3,232	3,540	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Yoyogi Uehara	989	964	994	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Hatsudai	713	682	717	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shibuya Sakuragaoka	750	713	725	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Gakugei Daigaku	746	704	844	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Meguro Gyoninzaka	939	887	1,050	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sumida Riverside	2,280	2,112	2,600	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kagurazaka	1,590	1,489	1,650	0.1	Daiwa Real Estate Appraisal Co., Ltd.

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PROUD FLAT Waseda	1,110	1,036	1,170	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shinjuku Kawadacho (Note 7)	932	873	1,020	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sangen Jaya	1,190	1,110	1,220	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata	1,160	1,060	1,250	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata II	3,320	3,063	3,460	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shinotsuka	623	569	573	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kiyosumi Shirakawa	928	857	978	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho II	652	609	643	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho I	1,030	947	1,010	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Fujimidai	1,470	1,371	1,830	0.2	Japan Real Estate Institute
		PROUD FLAT Asakusa Komagata	1,920	1,758	2,250	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Yokohama	2,090	1,928	2,340	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamioooka	2,710	2,493	2,880	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Tsurumi II	1,650	1,512	1,900	0.2	Japan Real Estate Institute
		PRIME URBAN Azabu Juban	1,100	1,098	1,010	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Akasaka	938	923	975	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Tamachi	972	933	1,000	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shibaura LOFT	1,830	1,729	2,040	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Yoyogi	359	343	342	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu II	1,140	1,114	1,490	0.1	Japan Real Estate Institute
		PRIME URBAN Bancho	1,090	1,058	1,140	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chiyoda Fujimi	679	653	684	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Iidabashi	2,040	1,940	1,870	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu	1,260	1,247	1,310	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Naka Meguro	1,410	1,377	1,410	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Gakugei Daigaku	775	743	849	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Senzoku	474	459	484	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Riverside	414	389	413	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Ohashi Hills	2,970	2,823	3,280	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Meguro Aobadai	1,310	1,267	1,700	0.1	Japan Real Estate Institute
		PRIME URBAN Gakugei Daigaku II	1,080	1,043	1,310	0.1	Japan Real Estate Institute
		PRIME URBAN Naka Meguro II	2,850	2,819	3,370	0.3	Japan Real Estate Institute
		PRIME URBAN Kachidoki	2,570	2,605	2,450	0.2	Chuo Real Estate Appraisal Co., Ltd.
PRIME URBAN Shinkawa	2,100	2,125	2,520	0.2	Japan Valuers Co., Ltd.		
PRIME URBAN Nihonbashi Yokoyamacho	4,220	3,951	4,760	0.4	Japan Valuers Co., Ltd.		
PRIME URBAN Nihonbashi Hamacho	1,550	1,489	1,900	0.2	Japan Real Estate Institute		
PRIME URBAN Hongo Ikizaka	557	524	630	0.1	Japan Valuers Co., Ltd.		
PRIME URBAN Hakusan	866	795	930	0.1	Japan Valuers Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Yotsuya Gaien Higashi	1,490	1,457	1,460	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku I	1,090	1,043	1,240	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku II	885	837	897	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Naitomachi	430	428	451	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Waseda	421	389	463	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Ochiai	594	597	639	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Mejiro	1,430	1,381	1,700	0.1	Japan Real Estate Institute
		PRIME URBAN Kagurazaka	2,900	2,735	3,450	0.3	Japan Real Estate Institute
		PRIME URBAN Sangen Jaya III	718	713	659	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Karasuyama	717	730	652	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sangen Jaya	724	691	741	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Minami Karasuyama	667	625	759	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Karasuyama Galleria	549	517	579	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Karasuyama Court	338	319	357	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Funabashi	746	703	756	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yoga	1,390	1,320	1,670	0.1	Japan Real Estate Institute
		PRIME URBAN Shinagawa Nishi	494	505	433	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Osaki	1,860	1,793	1,930	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Oimachi II	1,040	1,091	1,080	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yukigaya	951	939	785	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Omori	905	854	892	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Denenchofu Minami	774	719	740	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Nagahara Kamiikedai	1,720	1,659	1,860	0.2	Japan Real Estate Institute
		PRIME URBAN Nakano Kamitakada	498	461	534	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Takaido	1,060	1,048	821	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo	414	399	431	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo II	1,790	1,739	1,990	0.2	Japan Real Estate Institute
		PRIME URBAN Otsuka	730	688	714	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Komagome	437	441	402	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ikebukuro	3,800	3,593	4,440	0.4	Japan Real Estate Institute
		PRIME URBAN Monzen Nakacho	2,420	2,286	2,500	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kameido	779	714	774	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sumiyoshi	632	581	619	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Mukojima	528	516	484	0.0	Chuo Real Estate Appraisal Co., Ltd.
PRIME URBAN Kinshi Koen	1,290	1,177	1,260	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Kinshicho	758	702	735	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Hirai	722	657	710	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Kasai	640	589	630	0.1	Chuo Real Estate Appraisal Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Kasai II	981	895	918	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai East	1,140	1,046	1,280	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Itabashi Kuyakushomae	1,080	998	1,280	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Asakusa	384	381	310	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Machiya South Court	1,910	1,844	2,120	0.2	Japan Real Estate Institute
		PRIME URBAN Musashi Koganei	1,910	1,922	2,060	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Musashino Hills	1,280	1,298	1,390	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Koganei Honcho	791	749	889	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kumegawa	1,520	1,365	1,520	0.1	Japan Real Estate Institute
		PRIME URBAN Musashi Kosugi comodo	1,940	1,949	2,340	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Kawasaki	962	947	1,090	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Shinyurigaoka	1,020	941	1,280	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumi Teraya	493	484	412	0.0	Japan Real Estate Institute
		PRIME URBAN Urayasu	804	754	846	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku I	633	597	654	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku II	730	689	791	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae	488	452	496	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae II	469	452	544	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku III	747	725	869	0.1	Japan Real Estate Institute
		PRIME URBAN Nishi Funabashi	761	684	806	0.1	Japan Real Estate Institute
		PRIME URBAN Kawaguchi	1,580	1,485	1,720	0.1	Japan Valuers Co., Ltd.
		PROUD FLAT Hatchobori	920	921	1,140	0.1	Japan Real Estate Institute
		PROUD FLAT Itabashi Honcho	720	710	895	0.1	Japan Real Estate Institute
		PRIME URBAN Meguro Mita	1,058	1,116	1,130	0.1	Japan Valuers Co., Ltd.
		Fukasawa House Towers H&I	7,140	7,041	7,830	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Toyosu	5,290	5,060	5,850	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nihonbashi Kayabacho	2,850	2,785	3,140	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yoga II	1,320	1,273	1,340	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Musashi Koganei II	1,310	1,259	1,430	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Gakugei daigaku parkfront	1,300	1,375	1,380	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Omori III	1,110	1,125	1,330	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Kinshicho	785	793	978	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Sangenjaya II	2,750	2,797	3,090	0.3	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Sotkanda	2,280	2,333	2,670	0.2	JLL Morii Valuation & Advisory K.K.
PROUD FLAT Noborito	1,216	1,246	1,390	0.1	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Yoyogi Hachiman	966	988	1,120	0.1	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Nakaochiai	844	865	910	0.1	The Tanizawa Sogo Appraisal Co., Ltd.		
PROUD FLAT Shibuya Tomigaya	3,960	4,060	4,480	0.4	The Tanizawa Sogo Appraisal Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PROUD FLAT Miyazakidai	1,390	1,450	1,490	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Asakusabashi III	1,230	1,283	1,260	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Togoshi-Koen	2,580	2,662	2,630	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
	Other areas	PROUD FLAT Itsutsubashi	652	575	695	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kawaramachi	735	639	705	0.1	Japan Real Estate Institute
		PROUD FLAT Shin Osaka	1,620	1,429	1,790	0.2	Japan Real Estate Institute
		PRIME URBAN Kita Juyo Jo	274	247	270	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Odori Koen I	502	451	496	0.0	Japan Real Estate Institute
		PRIME URBAN Odori Koen II	334	303	305	0.0	Japan Real Estate Institute
		PRIME URBAN Kita Juichi Jo	547	484	580	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Miyanosawa	475	417	480	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Odori Higashi	394	352	419	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Chiji Kokan	249	218	263	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Maruyama	229	204	220	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Kita Nijuyo Jo	437	384	458	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Sapporo Idaimae	616	546	628	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Sapporo Riverfront	4,480	4,009	4,730	0.4	Japan Valuers Co., Ltd.
		PRIME URBAN Kita Sanjo Dori	1,730	1,541	1,910	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Nagamachi Ichome	1,140	1,029	1,100	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yaotome Chuo	466	409	448	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Tsutsumidori Amamiya	949	933	959	0.1	Japan Real Estate Institute
		PRIME URBAN Aoi	712	661	669	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kanayama	553	495	608	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumai	1,020	900	1,060	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kamimaezu	1,590	1,437	1,690	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Izumi	3,770	3,428	4,000	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Sakaisuji Honmachi	1,810	1,638	1,990	0.2	Japan Real Estate Institute
		PRIME URBAN Hakata	588	530	607	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yakuin Minami	265	236	287	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kashii	398	351	356	0.0	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Hakata Higashi	622	552	550	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Chihaya	604	551	583	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
Serenite Shinsaibashi Grande	5,567	5,747	5,770	0.5	Daiwa Real Estate Appraisal Co., Ltd.		
Residential subtotal			202,047	193,622	217,472	18.3	
Hotels	Other areas	Hotel Vista Sapporo Odori	3,600	3,711	3,750	0.3	Japan Valuers Co., Ltd.
		Red Planet Naha Okinawa	2,650	2,667	2,690	0.2	Japan Valuers Co., Ltd.
Hotel subtotal			6,250	6,378	6,440	0.5	
Other	Greater Tokyo area	Ryotokuji University Shin-Urayasu Campus (Land)	4,900	5,136	5,430	0.5	Japan Real Estate Institute

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Other subtotal			4,900	5,136	5,430	0.5	
Total			1,051,686	1,035,946	1,185,682	100.0	

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

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

(Note 3) “Opinion of value at end of period” is the appraisal or investigation value provided by the respective real estate appraiser (the value calculated by the respective real estate appraiser with the date of the 10th fiscal period-end (August 31, 2020) as the effective date of value and the value indicated by the income approach as a standard) in accordance with NMF’s Articles of Incorporation and the Regulations Concerning Accounting of Investment Corporations.

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

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

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

The “discounted cash flow (DCF) approach” is a method where the net income and terminal value arising in multiple successive periods are discounted to present value according to their periods and totaled. It is also a method of seeking the value indicated by the income approach.

(Note 4) “Investment share” is the period-end opinion of value of the respective asset as a percentage of the total amount of the period-end opinion of value of the entire portfolio (298 properties in total). The figures are rounded to the first decimal place. Accordingly, the sum total may not be exactly 100.0.

(Note 5) NMF holds quasi co-ownership of 50.1 of beneficial interest in real estate. For the opinion of value and carrying price in the table above, price of this quasi co-ownership interest ratio is stated for opinion of value and carrying price.

(Note 6) NMF holds quasi co-ownership of 50.0 of beneficial interest in real estate. For the opinion of value and carrying price in the table above, price of this quasi co-ownership interest ratio is stated for opinion of value and carrying price.

(Note 7) NMF has sold a part of land area of the property. Therefore, the acquisition price given represents the acquisition price of the entire asset less the amount equivalent to the book value of the transferred portion at the time of execution of the transfer.

(Note 8) NMF changed the name of the following portfolio properties as of October 1, 2020 after the end of the 10th fiscal period (the end of August 2020). The same shall be applied throughout this document.

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

C. Status of Capital Expenditures

(a) Schedule of Capital Expenditures

Of the scheduled amount of capital expenditures associated with renovation and other work planned (or completed) as of the date of this document's publication for the assets held at the end of the 10th fiscal period, the following are the major capital expenditures. Please note that the scheduled construction cost listed below include the portion charged to expenses in accounting.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Scheduled construction cost (Thousands of Yen)		
			Total amount	Amount paid during the 10th fiscal period	Total amount already paid
NMF Shinjuku EAST Building (Shinjuku Ward, Tokyo)	Renewal of air conditioner at the first and the second floors	From Sep. 2020 To Feb. 2021	97,000	-	-
NMF Takanawa Building (Shinagawa Ward, Tokyo)	Renewal of elevator	From Oct. 2020 To Aug. 2021	32,000	-	-
NRE Osaka Building (Osaka City, Osaka)	Renewal of horizontal water supply and drainage pipe (I/II)	From Apr. 2020 To Jan. 2021	130,000	-	-
NRE Osaka Building (Osaka City, Osaka)	Renewal of horizontal water supply and drainage pipe (II/II)	From Dec. 2020 To Jun. 2021	130,000	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of emergency power generator	From Dec. 2019 To Nov. 2020	83,000	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of passenger elevator (phase I)	From Oct. 2019 To Feb. 2021	95,000	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of passenger elevator (phase II)	From Apr. 2020 To Aug. 2021	95,000	-	-
NMF Ginza 4-chome Building (Chuo Ward, Tokyo)	Renewal of elevator main body	From Sep. 2020 To Feb. 2022	45,000	-	-
NRE Higashi-nihonbashi Building (Chuo Ward, Tokyo)	Renewal of power receiving and transforming equipment (phase III)	From Jul. 2020 To Dec. 2020	36,000	-	-
NMF Hakata Ekimae Building (Fukuoka City, Fukuoka)	Renewal of air-conditioning system	From Oct. 2020 To Dec. 2020	45,100	-	-
PRIME URBAN Shinagawa Nishi (Shinagawa Ward, Tokyo)	Installation of pressure water service system	From Sep. 2020 To Sep. 2020	6,500	-	-
PRIME URBAN Shibaura LOFT (Minato Ward, Tokyo)	Repair of exterior wall	From Sep. 2020 To Feb. 2021	42,800	-	-
PRIME URBAN Nishi Shinjuku II (Shinjuku Ward, Tokyo)	Repair of exterior wall	From Sep. 2020 To Feb. 2021	29,000	-	-
PRIME URBAN Minami Karasuyama (Setagaya Ward, Tokyo)	Repair of exterior wall	From Sep. 2020 To Feb. 2021	12,400	-	-
PRIME URBAN Nishi Funabashi (Funabashi City, Chiba)	Repair of exterior wall	From Sep. 2020 To Feb. 2021	8,210	-	-
PROUD FLAT Shin Osaka (Osaka City, Osaka)	Repair of exterior wall	From Sep. 2020 To Jan. 2021	27,800	-	-

(Note) Total amount already paid does not include the amount paid during the 10th fiscal period.

(b) Capital Expenditures during the 10th Fiscal Period

The following is an overview of the major construction work falling under the category of capital expenditures that was conducted during the 10th fiscal period for the assets held as of the end of the 10th fiscal period. Capital expenditures during the 10th fiscal period were ¥3,261,865 thousand and, when combined with the ¥1,418,953 thousand repair expenses classified as expenses during the 10th fiscal period, a total of ¥4,680,818 thousand in construction work was implemented. The following

construction cost shows the amount equivalent to capital expenditures.

Name of real estate, etc. (Location)	Purpose	Period	Construction cost (Thousands of Yen)
NRE Osaka Building (Osaka City, Osaka)	Renewal of power generator	From Sep. 2019 To .Aug. 2020	250,022
NMF Hakata Ekimae Building (Fukuoka City, Fukuoka)	Renewal of air conditioner	From Mar. 2020 To .May. 2020	46,870
NRE Hiroshima Building (Hiroshima City, Hiroshima)	Renewal of air conditioner	From Mar. 2020 To .Jun. 2020	35,499
PRIME URBAN Musashino Hills (Koganei City, Tokyo)	Renewal of passenger elevator	From Jul. 2020 To .Aug. 2020	15,665
PRIME URBAN Shinagawa Nishi (Shinagawa Ward, Tokyo)	Renewal of passenger elevator	From Jul. 2020 To .Aug. 2020	15,387
PRIME URBAN Komagome (Toshima Ward, Tokyo)	Repair of exterior wall	From Mar. 2020 To .Mar. 2020	8,180
PRIME URBAN Shinagawa Nishi (Shinagawa Ward, Tokyo)	Installation of pressure water service system	From Aug. 2020 To .Aug. 2020	6,750
Other real estate, etc.	Improvement of features	From Mar. 2020 To .Aug. 2020	2,883,489
Total			3,261,865