



MASTER  
FUND

Nomura Real Estate Master Fund, Inc.

# Investor Presentation

**8<sup>th</sup>** Fiscal Period Ended August 31, 2019

October 16, 2019

# MASTER FUND

# Table of Contents

<b>1. Financial Highlights</b>		
• Financial Highlights for Aug. 2019 (8th) FP	4	
<b>2. Earning Forecast</b>		
• Earning Forecasts for Feb. 2020 (9th) FP	7	
• Earning Forecasts for Aug. 2020 (10th) FP	8	
• Summary of Main Management Indicators	9	
<b>3. External Growth</b>		
• Acquisitions in August 2019 (8th) Fiscal Period	11	
• Acquisition of Red Planet Naha Okinawa	12	
• Track Record of Growth since Establishment	13	
<b>4. Internal Growth</b>		
• Internal Growth - Management Status -	15	
• Appraisal Valuation	22	
<b>5. Finance</b>		
• Financing Status	24	
<b>6. ESG</b>		
• ESG Measures (External Certification)	27	
• ESG Measures (E : Environment)	28	
• ESG Measures (S : Society G : Governance)	29	
<b>7. Appendix</b>		
• Changes in Various Indices	31	
• NOI Analysis by Sector	32	
• Balance Sheet	33	
• About Internal Reserves Equivalent to Gain on Sales	34	
• Driving Force for External Growth ~Sponsor Pipelines~	35	
• Occupancy Rate and Average Rent	37	
• Asset Management Status - Office -	38	
• Asset Management Status - Retail -	39	
• Asset Management Status - Logistics -	40	
• Asset Management Status - Residential -	41	
• ESG Measures (Materiality)	42	
• ESG Measures (External Certification)	43	
• Top 10 Tenants by Leased Space	44	
• Portfolio Summary as of August 31, 2019	45	
• Portfolio List	46	
• Unitholders	53	
• Market Review ~Leasing Market~	54	
• Market Review ~ Sales Market~	56	
• Organization and IR Activities	57	



# Financial Highlights



# Financial Highlights for August 2019 (8th) Fiscal Period



DPU for August 2019 FP is ¥3,209, up ¥81 (+2.6%) from the February 2019 FP results.

(¥mln)

	Ended	Ended	Differences	Ended	Differences
	Feb.28,2019	Aug.31,2019		Aug.31,2019	
	(7th FP)	(8th FP)	(B)-(A)	(8th FP)	(B)-(C)
	Result (A)	Result (B)		Forecasts (C)	
Operating Revenue	35,428	36,617	1,188	36,394	223
Rental revenues	31,885	33,388	1,503	33,204	184
Other rental revenues	2,857	3,222	365	3,189	32
Gain on sales of real estate	685	6	-679	-	6
Operating Expense	21,372	22,351	979	22,221	130
Rental Business Expenses	14,977	15,887	909	15,720	166
Repair Expenses	1,515	1,727	212	1,576	151
Tax and Public Dues	2,831	2,982	151	2,927	55
Depreciation and Amortization	4,911	5,135	223	5,114	20
Others	5,719	6,041	322	6,102	-60
Loss on sales of real estate	23	-	-23	-	-
Asset management fees	3,124	3,224	100	3,216	7
Amortization of goodwill	2,622	2,622	-	2,622	-
Other operating expenses	625	617	-7	661	-43
Operating profit	14,056	14,265	209	14,172	92
Non-operating revenues	7	5	-1	-	5
Non-operating expenses	2,546	2,578	31	2,609	-31
Interest Expenses and other financial costs	2,462	2,514	51	2,542	-28
Investment units issuance costs	75	55	-19	57	-1
Other non-operating expenses	8	8	0	10	-1
Ordinary income	11,516	11,692	176	11,562	129
Extraordinary gain and loss	45	-	-45	-	-
Net income	11,560	11,690	129	11,561	128
(Net income excluding realized gain)	(10,898)	(11,684)	(785)	(11,561)	(122)
Distribution of Earnings a	11,336	11,691	355	11,554	136
Distribution in excess of net earnings b	2,182	2,901	718	2,914	-13
Total distributions a+b	13,518	14,592	1,073	14,469	122
Internal reserves	662	-282	-	-288	-
(Total Internal reserves)	(4,357)	(4,074)	(-282)	(4,068)	(6)
DPU(¥)	3,128	3,209	81	3,182	27
Distributions of earnings per unit (¥)	2,623	2,571	-52	2,541	30
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences](¥)	361	342	-19	348	-6
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings](¥)	144	296	152	293	3
Total assets	1,117,851	1,164,767	46,915	1,164,883	-115
Acquisition price	955,984	1,011,279	55,295	1,008,644	2,635
Interest-bearing debt□	497,112	510,770	13,657	511,470	-700
LTV	44.5%	43.9%	-0.6%	43.9%	-0.1%
Market Capitalization	659,506	843,524	184,017	-	-
NOI	24,677	25,859	1,182	25,787	71
FFO	18,392	19,447	1,055	19,304	143

## Main factors accounting for differences between the 7th results and the 8th results (¥mln)

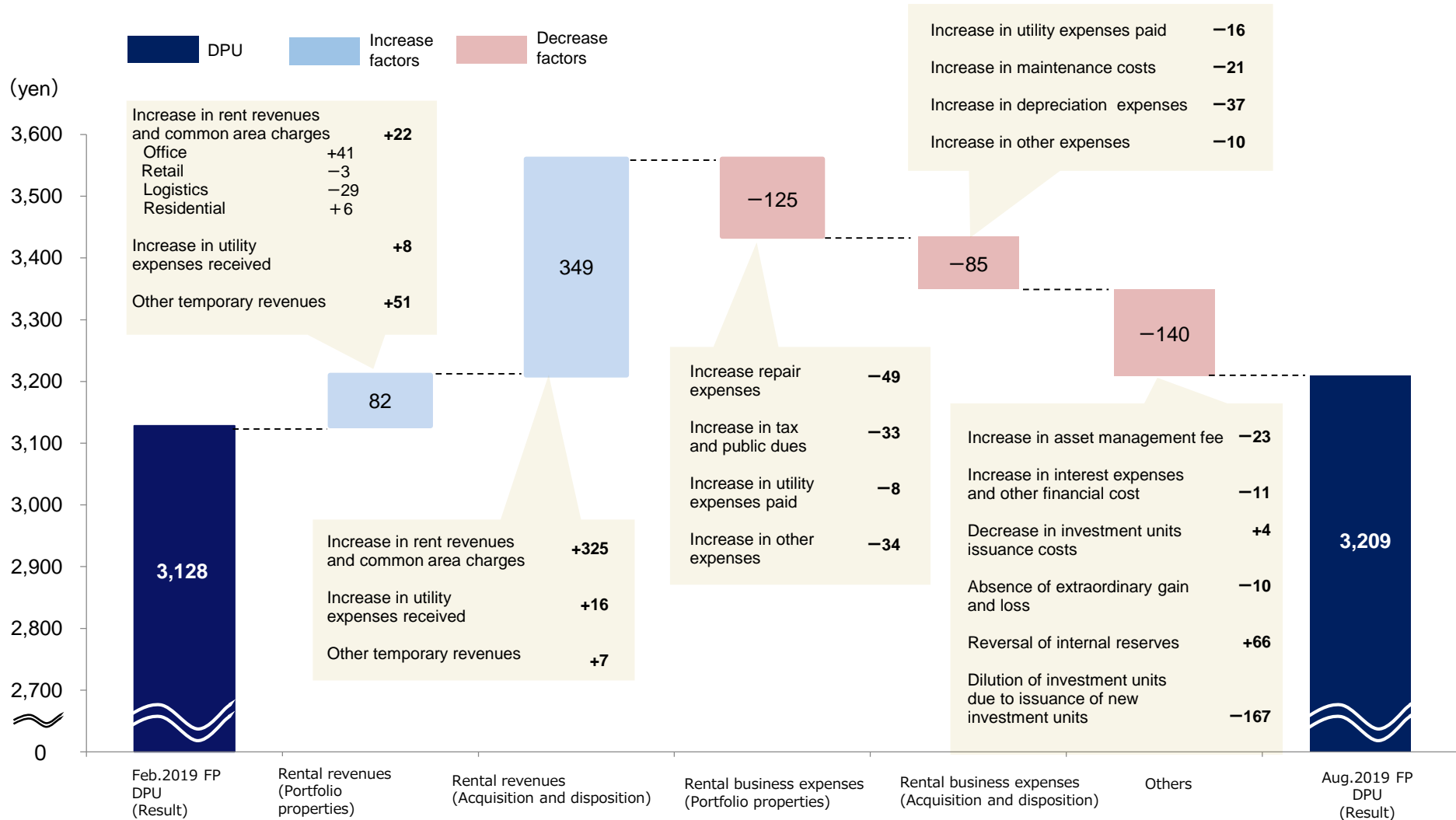
Operating Revenue	1,188
Rental revenues	1,503
Rent and common area charges of portfolio properties (excluding impact of LP Urayasu)	266
Impact of tenant turnover at LP Urayasu	-170
Impact of acquisition/disposition	1,406
Other rental revenues	365
Seasonal changes in utility expenses received, etc.	108
Cancellation penalty fee, etc.	256
Absence of gain on sales (4 residential properties)	-679
Operating Expense	979
Rental Business Expenses	909
Seasonal changes in utility expenses paid, etc.	109
Rental business expenses of portfolio properties (excluding utility expenses paid)	503
Impact of acquisition/disposition (excluding utility expenses paid)	297
Absence of loss on sales (PU Chikusa)	-23
Asset management fees/Other operating expenses	92
Non-operating expenses	31
Interest Expenses and other financial costs	51
Investment units issuance costs	-19
Extraordinary gain and loss	-45
Absence of gain on natural disasters in 7th FP (Insurance income>Restoration expenses)	-45
Net income	129
Reversal of internal reserves	288( ¥ 63/unit)
Amount equivalent to tenant turnover impact at Harumi Triton Z(-105) and LP Urayasu (-183)	

(Note) Apart from the reversal of internal reserves (288 million yen), NMF has newly retained the gain (6 million yen) on the sale of a part of the land of PROUD FLAT Shinjuku Kawadacho.

# Financial Highlights for August 2019 (8th) Fiscal Period

## ▶ Main factors in change of DPU (¥/unit)

### August 2019 FP Results





## Earning Forecast



# Earning Forecasts for February 2020 (9th) Fiscal Period

DPU forecast for February 2020 FP is ¥3,248, up 1.2% from the August 2019 FP results

(¥mln)

	Ended	Ended	Differences
	Aug.31,2019 (8th FP)	Feb.29,2020 (9th FP)	
	Result (A)	Forecasts (B)	(B)-(A)
Operating Revenue	36,617	36,712	95
Rental revenues	33,388	33,730	342
Other rental revenues	3,222	2,981	-240
Gain on sales of real estate	6	-	-6
Operating Expense	22,351	22,277	-74
Rental Business Expenses	15,887	15,719	-167
Repair Expenses	1,727	1,673	-53
Tax and Public Dues	2,982	2,969	-12
Depreciation and Amortization	5,135	5,110	-24
Others	6,041	5,965	-76
Asset management fees	3,224	3,278	54
Amortization of goodwill	2,622	2,622	-
Other operating expenses	617	656	39
Operating profit	14,265	14,435	169
Non-operating revenues	5	-	-5
Non-operating expenses	2,578	2,457	-120
Interest Expenses and other financial costs	2,514	2,444	-69
Investment units issuance costs	55	-	-55
Other non-operating expenses	8	13	4
Ordinary income	11,692	11,977	284
Net income	11,690	11,976	286
(Net income excluding realized gain)	(11,684)	(11,976)	(292)
Distribution of Earnings a	11,691	11,968	277
Distribution in excess of net earnings b	2,901	2,801	-100
Total distributions a+b	14,592	14,769	177
Internal reserves	-282	-174	-
( Total Internal reserves)	(4,074)	(3,900)	(-174)
DPU(¥)	3,209	3,248	39
Distributions of earnings per unit (¥)	2,571	2,632	61
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences] (¥)	342	380	38
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings] (¥)	296	236	-60
Total assets	1,164,767	1,162,579	-2,187
Acquisition price	1,011,279	1,011,279	-
Interest-bearing debt□	510,770	510,727	-42
LTV	43.9%	43.9%	0.1%
Market Capitalization	843,524	-	-
NOI	25,859	26,103	244
FFO	19,447	19,717	269

Main factors accounting for differences between the 8th results and the 9th forecasts (¥mln)

Operating Revenue	95
Rental revenues	342
Rent and common area charges of portfolio properties	285
Impact by full-year contribution of properties acquired in the 8th FP	56
Other rental revenues	-240
Seasonal changes in utility expenses received, etc.	-12
Absence of cancellation penalty fee, etc. (nORBESA)	-228
Absence of gain on sales in the 8th FP (PU Shinjuku Kawadacho *a part of the land)	-6
Operating Expense	-74
Rental Business Expenses	-167
Repair expenses	-53
Rental business expenses of portfolio properties (excluding repair expenses)	-137
Rental business expenses of properties acquired in the 8th FP (excluding repair expenses)	23
Asset management fees/Other operating expenses	93
Non-operating expenses	-120
Interest Expenses and other financial costs	-69
Investment units issuance costs	-55
Net income	286

Reversal of internal reserves  
 Amount equivalent to tenant turnover impact at LP Iwatsuki (-89) and LP Urayasu (-84) 174(¥38/unit)

# Earning Forecasts for August 2020 (10th) Fiscal Period

DPU forecast for August 2020 FP is ¥3,266, up 0.6% from the February 2020 FP forecasts.

(¥mln)

	Ended Feb.29,2020 (9th FP)	Ended Aug.31,2020 (10th FP)	Differences
	Forecasts (A)	Forecasts (B)	(B)-(A)
Operating Revenue	36,712	36,873	160
Rental revenues	33,730	33,802	71
Other rental revenues	2,981	3,070	89
Operating Expense	22,277	22,308	30
Rental Business Expenses	15,719	15,726	7
Repair Expenses	1,673	1,435	-238
Tax and Public Dues	2,969	3,080	111
Depreciation and Amortization	5,110	5,169	58
Others	5,965	6,041	75
Asset management fees	3,278	3,289	10
Amortization of goodwill	2,622	2,622	-
Other operating expenses	656	669	12
Operating profit	14,435	14,565	129
Non-operating expenses	2,457	2,423	-34
Interest Expenses and other financial costs	2,444	2,408	-36
Other non-operating expenses	13	15	2
Ordinary income	11,977	12,141	163
Net income	11,976	12,140	163
Distribution of Earnings a	11,968	12,136	168
Distribution in excess of net earnings b	2,801	2,714	-86
Total distributions a+b	14,769	14,851	81
Internal reserves	-174	-89	-
(Total Internal reserves)	(3,900)	(3,810)	(-89)
DPU(¥)	3,248	3,266	18
Distributions of earnings per unit (¥)	2,632	2,669	37
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences] (¥)	380	390	10
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings] (¥)	236	207	-29
Total assets	1,162,579	1,159,953	-2,626
Acquisition price	1,011,279	1,011,279	-
Interest-bearing debt□	510,727	510,684	-42
LTV	43.9%	44.0%	0.1%
Market Capitalization	-	-	-
NOI	26,103	26,315	211
FFO	19,717	19,941	224

▶ Main factors accounting for differences between the 9th forecasts and the 10th forecasts (¥mln)

Operating Revenue	160
Rental revenues	71
Rent and common area charges of portfolio properties	71
Other rental revenues	89
Seasonal changes in utility expenses received	46
Increase in move-in and renewal fees due to seasonal factors, etc.	42
Operating Expense	30
Rental Business Expenses	7
Repair expenses	-238
Property and other taxes (Expensing of property taxes and city planning taxes for properties acquired in the 8th FP)	111
Seasonal changes in utility expenses paid, etc.	58
Increase in depreciation expenses	58
Non-operating expenses	-34
Net income	163

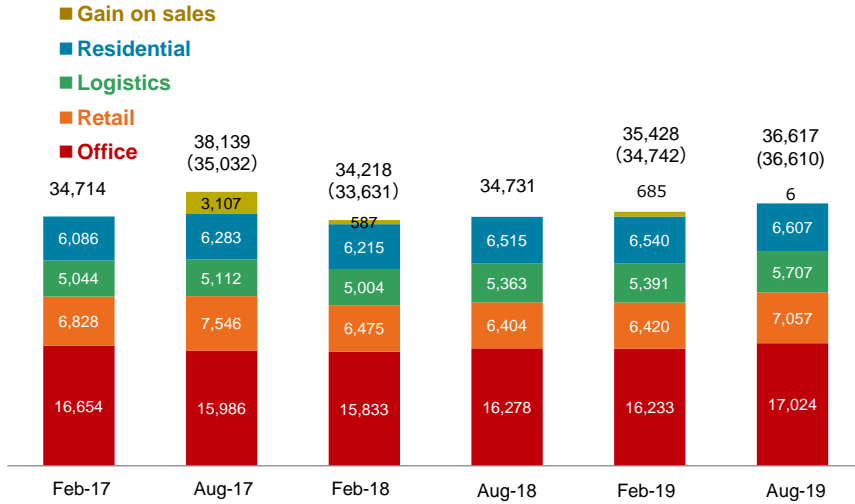
Reversal of internal reserves 89( ¥ 19/unit)  
 Amount equivalent to impact of tenant turnover at LP lwatsuki



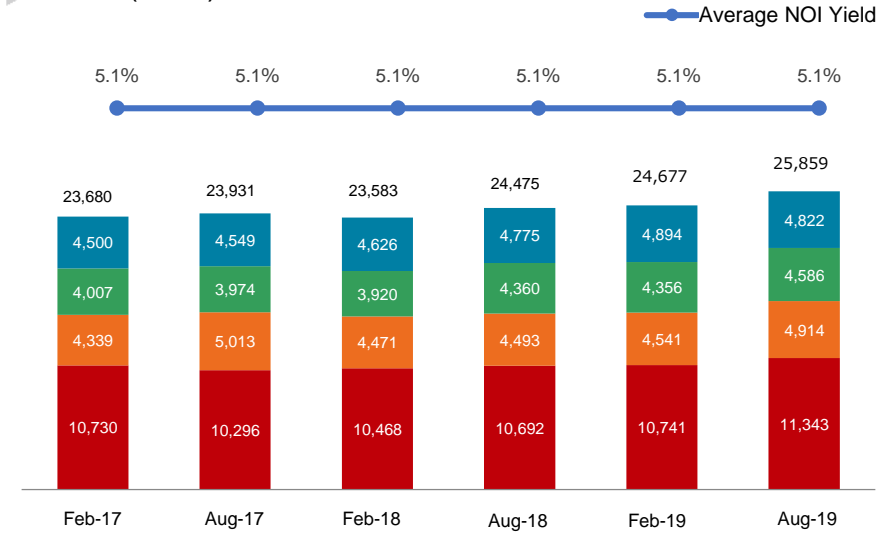
# Summary of Main Management Indicators

## Operating revenues (¥mln)

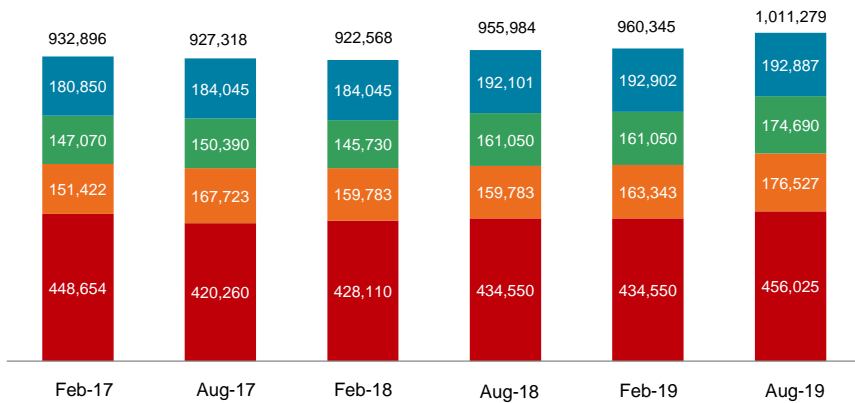
\*Figures in parenthesis indicate total operating revenues excluding gain on sales.



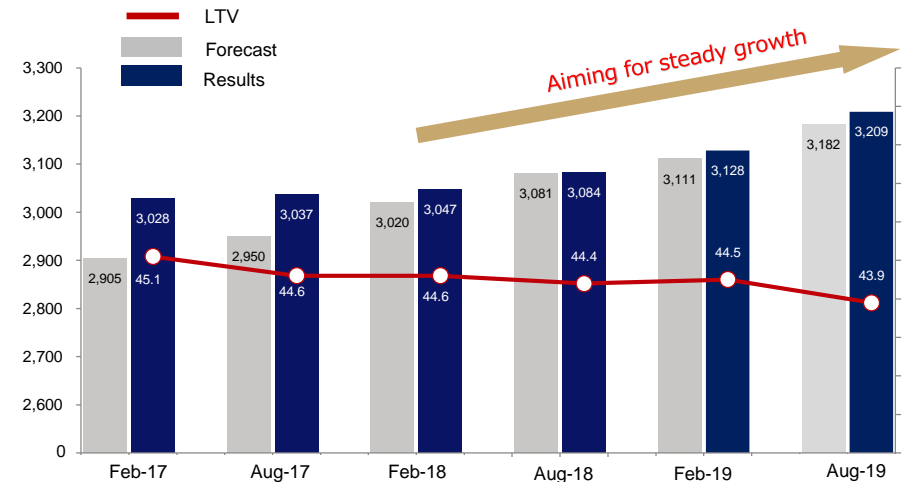
## NOI (¥mln)



## Acquisition price (¥mln)



## DPU(¥) and LTV(%)



(Note) In operating revenues, NOI and acquisition price, the total amount includes each amount for hotels and other properties though it is not indicated individually.



# External Growth



# Acquisitions in August 2019 (8<sup>th</sup>) Fiscal Period

Acquired 11 properties developed by the Sponsor in Greater Tokyo Area with the total acquisition price of 50.9 billion yen (Average building age is 1.1 years).

## Office (Sponsor)



■ PMO Tamachi Higashi  
¥10.9bln  
NOI yield: 3.6%



■ PMO Ochanomizu  
¥3.8bln  
NOI yield: 3.8%



■ PMO Hatchobori Shinkawa  
¥3.8bln  
NOI yield: 3.9%



■ PMO Kyobashi Higashi  
¥2.8bln  
NOI yield: 3.9%

## Logistics (Sponsor)



■ Landport Ome I  
¥13.6bln  
NOI yield: 4.6%

## Hotel (Outside seller)



■ Red Planet Naha Okinawa  
¥2.6bln  
NOI yield: 5.6%

## Retail (Sponsor)



■ GEMS Shinbashi  
¥2.8bln  
NOI yield: 3.9%



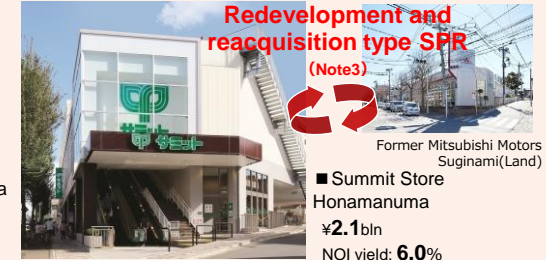
■ GEMS Shin-Yokohama  
¥1.8bln  
NOI yield: 5.4%



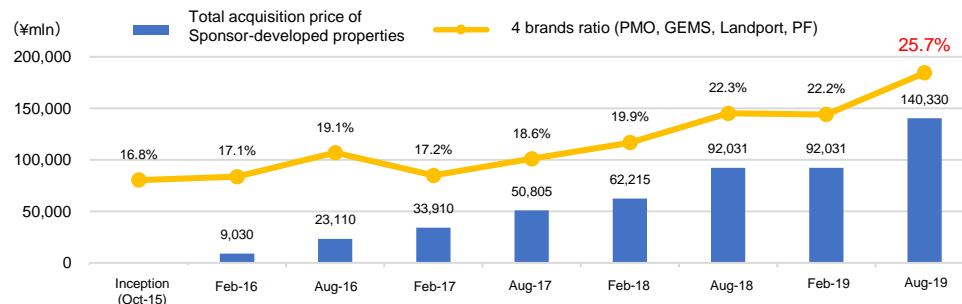
■ GEMS Kayabacho  
¥2.5bln  
NOI yield: 4.4%



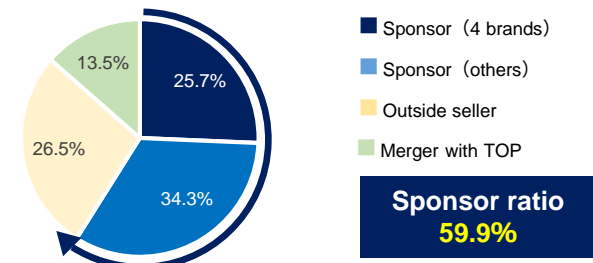
■ GEMS Namba  
¥3.8bln  
NOI yield: 4.4%



## Acquisition track record of Sponsor-developed properties



## Seller breakdown for the properties as at August 2019 fiscal period end (Note 4)



(Note1) In this page, NOI yield refers to appraisal NOI yield at acquisition. (Note2) Average building age is calculated by weighted average of the building age on the acquisition date based on the acquisition price of the property. (Note3) SPR stands for Strategic Property Replacement. (Note4) Sponsor-developed properties indicate the properties acquired from Nomura Real Estate group or its real estate funds etc..

# Acquisition of Red Planet Naha Okinawa

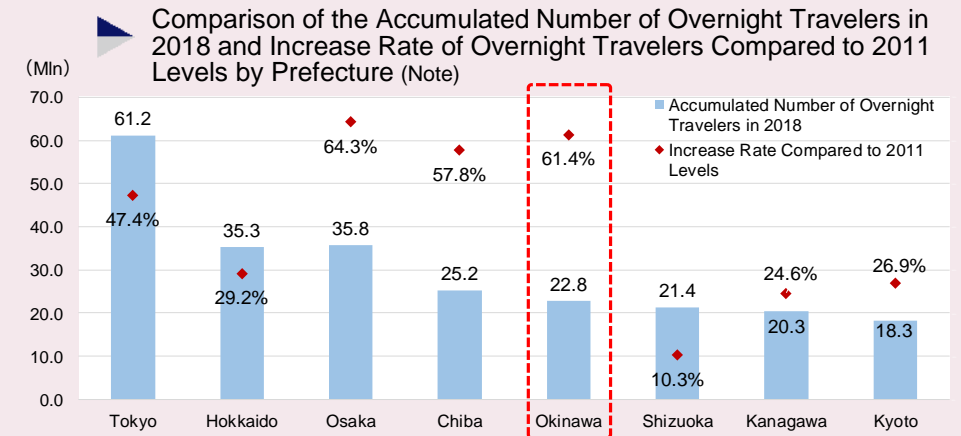
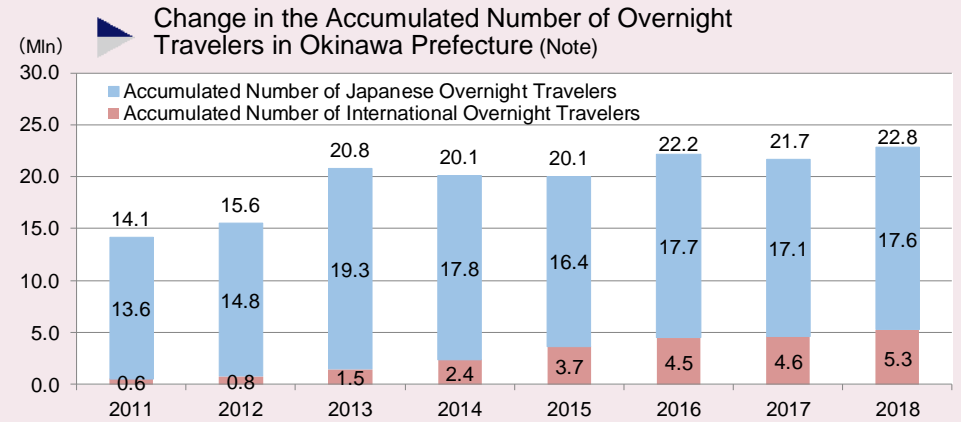
Securing stable earnings through long-term fixed contract with hotel operator and the location where a wide range of demand is expected.

## Red Planet Naha Okinawa

Acquisition Price **¥2.65 bln**

Faced National Route 58 where branch offices of major companies concentrate and located in a walking distance from Kokusai-dori Street, **expecting demands from both tourists and business travelers.**

Location	Naha City, Okinawa
Acquisition price	¥2,650 mln
Appraisal value	¥2,700 mln
Gross floor area	3,350.86㎡
Completion date	June 6, 2008
Acquisition date	June 26, 2019
Contract type	Long-term fixed contract
Hotel operator	K.K RED PLANET HOTELS JAPAN
Room types	56 double rooms 61 twin rooms



#### About Red Planet Group

Red Planet Group is based in Bangkok, Thailand and operates 30 hotels in Asia including 4 hotels in Japan (Asakusa, Nagoya, Sapporo, etc...). Red Planet Japan, Inc., the parent company of the lessee of the property and the hotel operator, is a JASDAQ-listed company focusing on providing customer-oriented services such as multilingual support and mobile apps. for the wide range of customers.

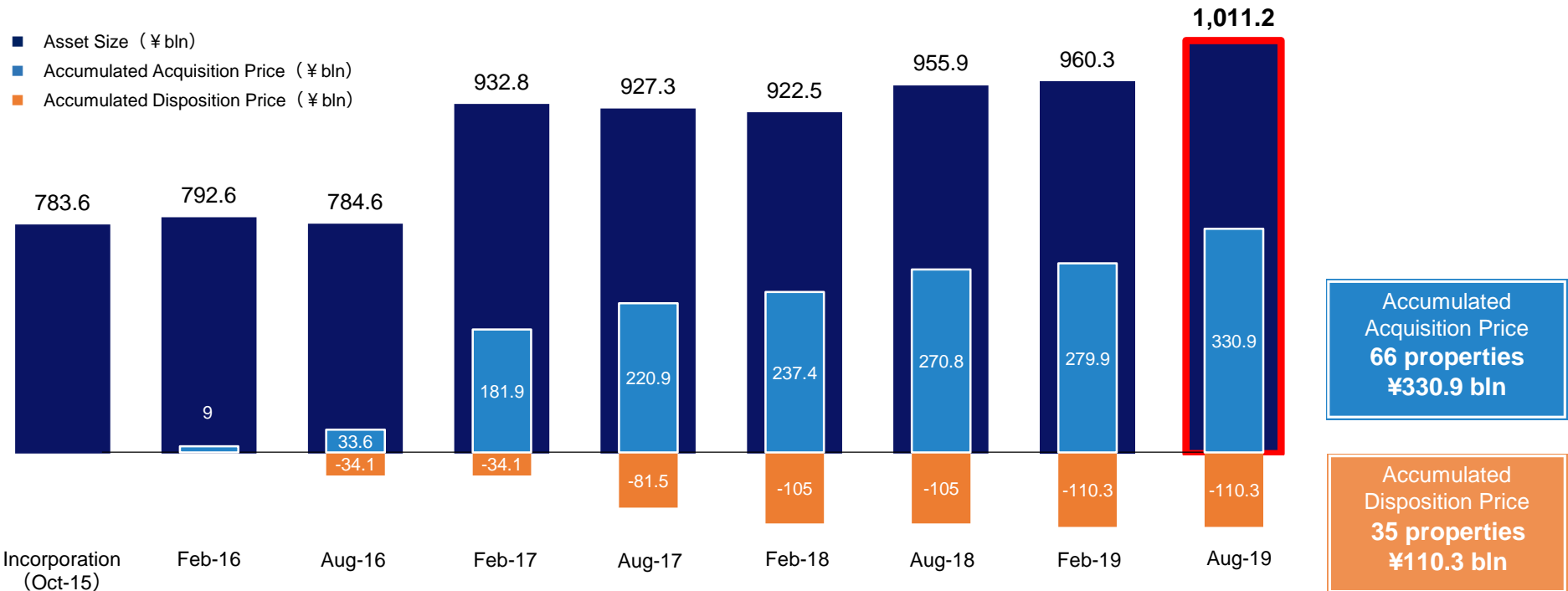
# Track Record of Growth since Establishment

Improved portfolio quality through strategic property replacement supported by the Sponsor and achieved steady increase in distributions.

Incorporation	
257	Number of Properties
26.8%	Ratio of top 10 Properties
79.8%	Ratio of Greater Tokyo area
19.3 years	Average building age
¥2,656	DPU (Note1)

August 2019	
289	Number of Properties
23.1%	Ratio of top 10 Properties
18.8years	Average building age
¥3,209	DPU (+20.8%)

(23.1 years without SPR)  
(Note2)



(Note1) Distributions for February 2016 (the 1<sup>st</sup>) FP are calculated on a six-month basis for 152 operating days. (Note2) It is an average building age without taking into account the effect of property sales from the original portfolio at incorporation until the end of August 2019.



# Internal Growth





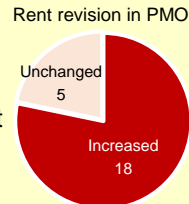
# Internal Growth ~Management Status~

## Office

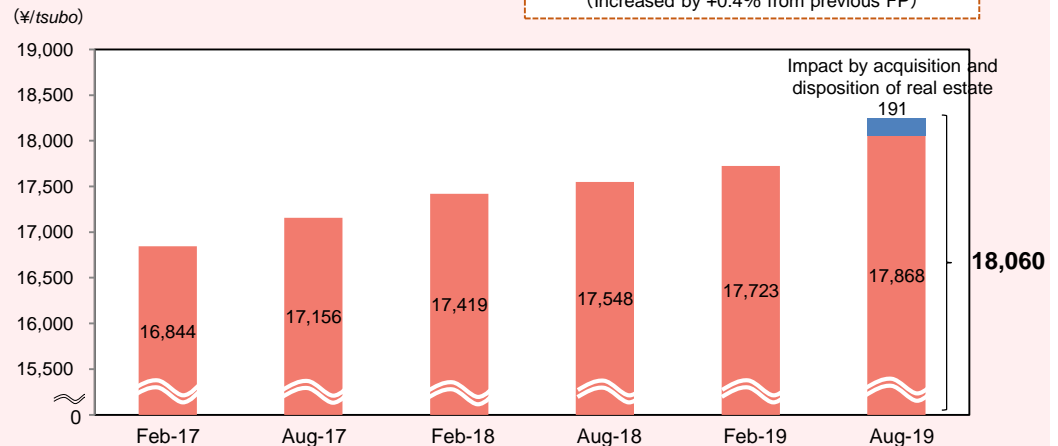
Achieved an increase in average unit rent through tenant replacements and rent revisions (Increased to ¥17,868/*tsubo* (+ 0.8%) from ¥17,723/*tsubo* at the end of last period.)

### Asset Management Topics in August 2019 FP

- The rate of rent increase upon tenant replacement: **+11.4%**  
(The rate of rent increase within tenant replacement with rent increase: +14.2%)
- The rate of rent increase upon rent revision: **+3.3%**  
(The rate of rent increase within rent revision with rent increase: +4.8%)
- The rate of rent increase upon rent revision at PMOs: **+4.1%**
- The rent gap is still expanding. (Note1)  
As of Aug.31, 2019 : **+6.4%** (Up 0.4pt from previous FP)

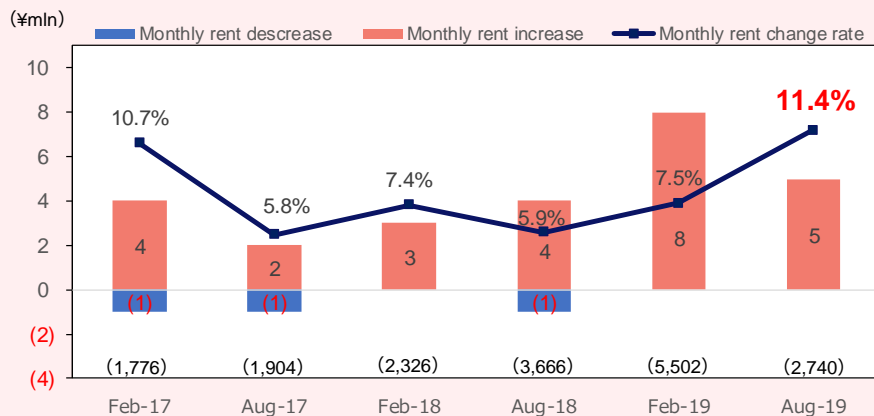


### Average Rent (Note2) (¥/*tsubo*)



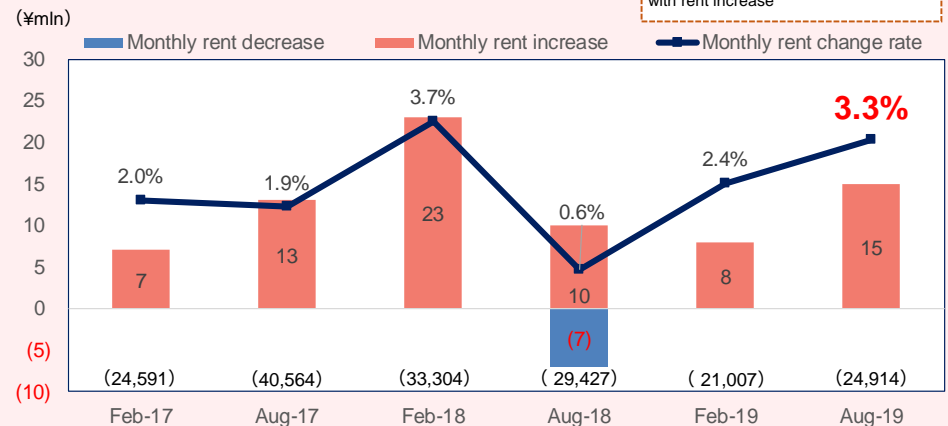
### Amount of change in monthly rent and rate of change in monthly rent upon tenant replacement (Note 3)

Average rate of rent increase within tenant replacement with rent increase **+14.2%**



### Amount of change in monthly rent and rate of change in monthly rent upon rent revision (Note 3)

Average rate of rent increase within rent revision with rent increase **+4.8%**



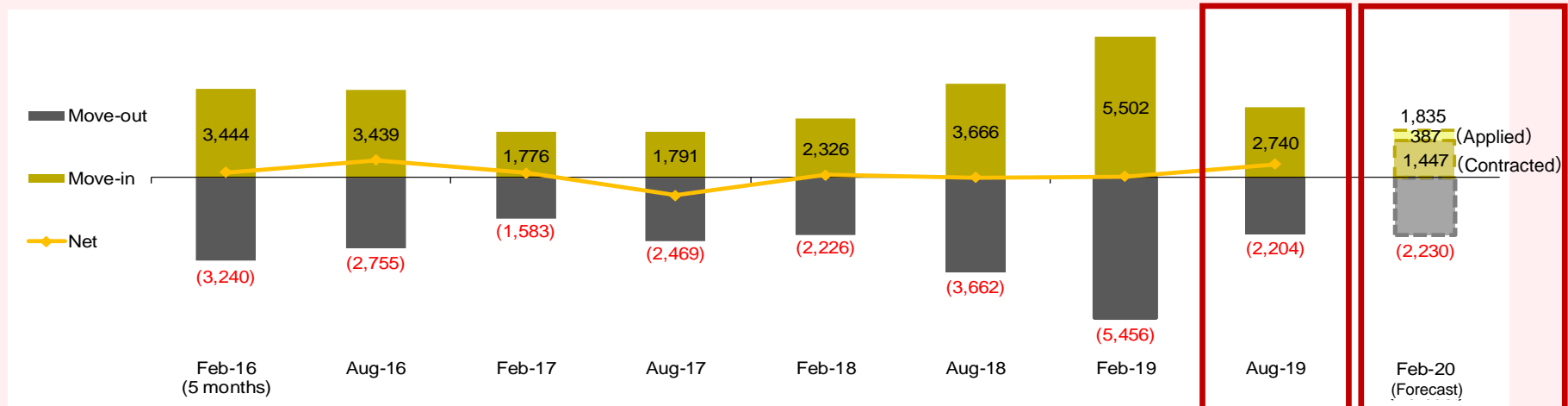
(Note1) It is calculated subject to the properties held by NMF excluding the properties which the entire building leased to one tenant. (Note2) The calculation method of the leased for the properties which the entire building leased to one tenant has been changed from this investors' presentation. (Note3) Figures in parentheses are the floor area upon tenant replacement and the floor area (*Tsubo*) subject to rent revision. The change in monthly rent is calculated as the weighted average of all subjected area.

# Internal Growth ~Management Status~

## Office

Achieved the highest rate of rent increase since incorporation through active leasing activities backed by strong leasing demand.

### Change in floor area from move-ins & move-outs (tsubo)



### <8th FP> Tenant replacement effect

**2,740 tsubo** in total      The rate of rent increase **+11.4%**

<Example> Upper figures show the subjected floor area, and lower figures show rate of rent increase upon tenant replacement.



Harumi Island Triton Square Office Tower Z  
736 tsubo  
(+3.2%)



NMF Aoyama 1-chome Building  
244 tsubo  
(+22.9%)



NMF Shiba Building  
184 tsubo  
(+13.3%)

### <9th FP> Progress on tenant replacement (as of Sep. 30, 2019)

Floor area subject to move-out (scheduled) : **2,230 tsubo** in total

Of the above, floor area subject to move-in (scheduled)

Contracted... 1,447 tsubo  
Applied... 387 tsubo (Note)  
**1,835 tsubo**

The rate of rent increase **+16.2%**

<Example> Upper figures show the subjected floor area, and lower figures show rent increased ratio by tenant turnover.



NRE Higashi-nihonbashi Building  
506 tsubo  
(+20.0%)



PMO Nihonbashi Odenmachi  
70 tsubo  
(+29.5%)



PMO Akihabara  
131 tsubo  
(+27.0%)

(Note) The figure shows floor area for which NMF received an application for occupancy.



## Residential

Achieved continuous rent increase with a focus on the Greater Tokyo area through move-ins and move-outs.

### Asset Management Topics in August 2019 FP

#### Change in monthly rent due to move-ins and move-outs or contract renewal

- ① Change in monthly rent due to move-ins and move-outs  
725 out of 1,187 units (61.1%) replaced with increased rent  
Change in monthly rent **+2.7%** (+¥3,333kilo/mo)
- ② Change in monthly rent due to contract renewals  
72 out of 2,209 units (3.3%) renewed contract with increased rent  
Change in monthly rent **+0.1%** (+¥217kilo/mo)

#### Achieved rent increase mainly in downtown Tokyo area through move-ins and move-outs.

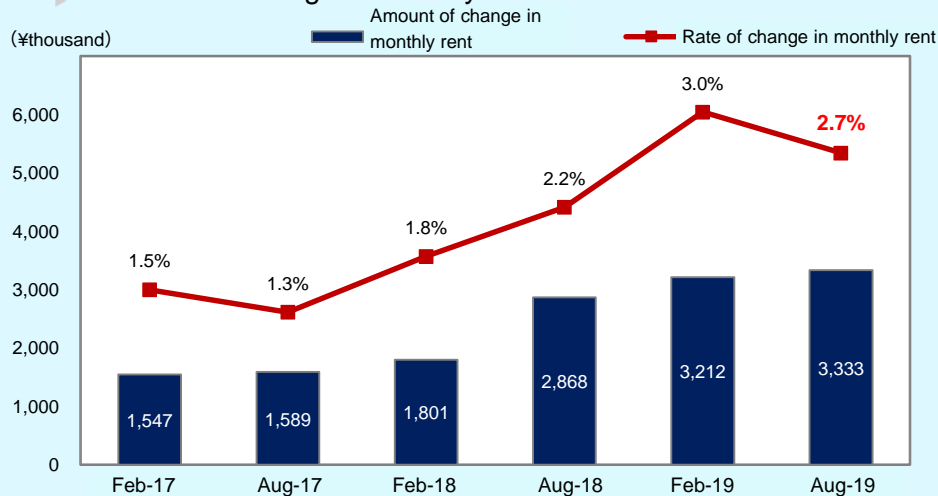
Achieved firm rent increase in multi-family properties and properties in downtown Tokyo through move-ins and move-outs.

Kojimachi Millennium Garden (Residential building)

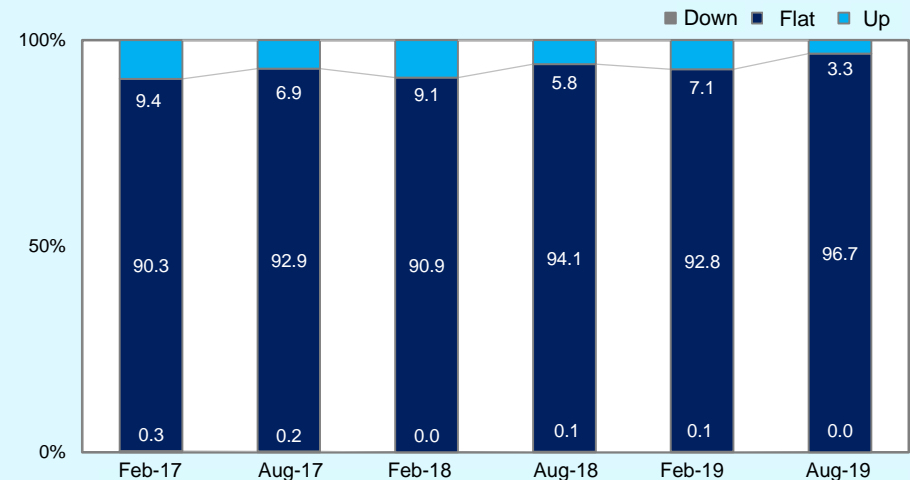


Name of property	Number of units moved-in /out	Average rate of change in monthly rent	Change in monthly rent (¥ thousand/month)
Kojimachi Millennium Garden (Residential)	7	<b>21.2%</b>	442
PRIME URBAN Nihonbashi Yokoyamacho	11	<b>7.0%</b>	123
PRIME URBAN Toyosu	27	<b>6.8%</b>	229
Fukasaawa House Towers H&I	13	<b>6.4%</b>	279

#### Amount of change in monthly rent at move-ins and move-outs



#### Rate of change in monthly rent at renewals



(Note) From this Investors presentation dated October 16, 2019, as to "Amount of change in monthly rent at move-ins and move-outs" and "Rate of change in monthly rent at renewals", it is calculated including figures in the results after replacements and renewals at Kojimachi Millennium Garden (residential building), including the past fiscal period results.

## Retail

Achieved rent increase upon rent revision and tenant replacements, while maintaining stable cash flow by high occupancy rate and fixed rent.

### Asset Management Topics in August 2019 FP

#### Rent change through tenant replacements (excluding tenant with sales-linked rent)

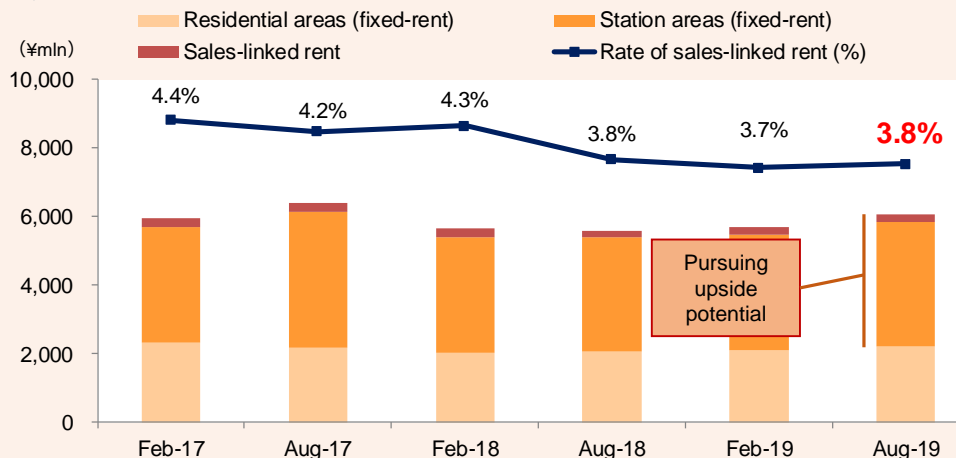
Floor area subject to replacement : 1,055 tsubo  
 Rent change rate **+16.7%** ( + ¥ 2,498 kilo/mo)

< Examples >

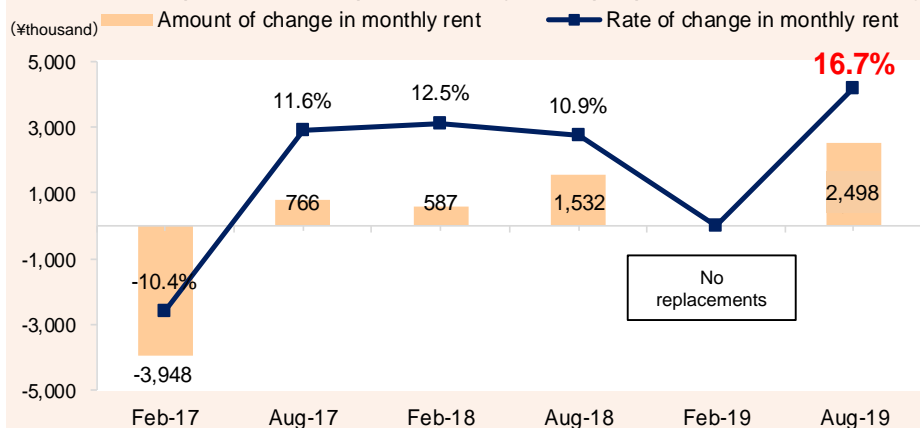
- EQUINIA Shinjuku  
118 tsubo (+36.9%)
- nORBASA  
772 tsubo (+16.4%)



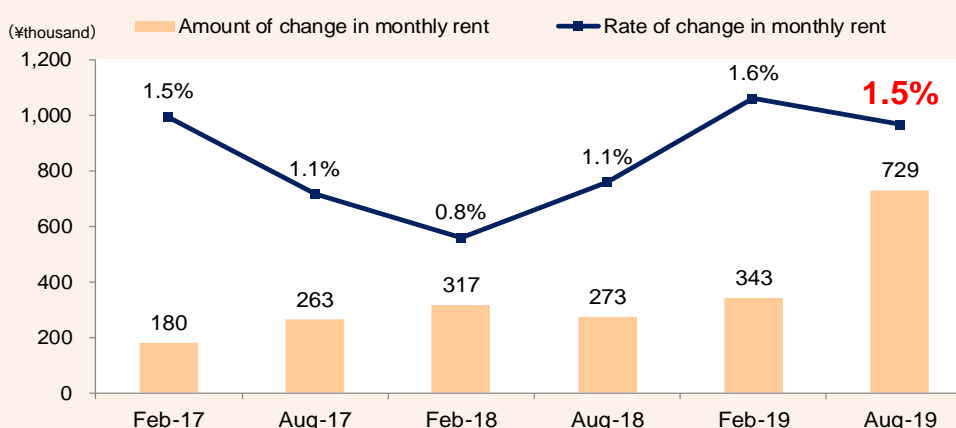
#### Rent Revenue Breakdown (Overall retail)



#### Amount of change in monthly rent and rate of change in monthly rent upon tenant replacement (Retail properties in station area)



#### Amount of change in monthly rent and rate of change in monthly rent upon rent revision (Retail properties in station area)



## Retail

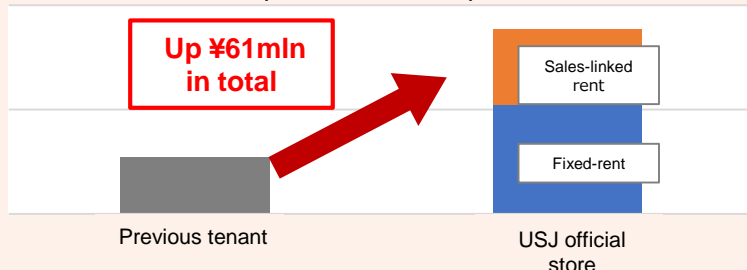
Implementation of strategic measures pursuing future upside potential.

### Tenancy and expansion of USJ official store at Universal CityWalk Osaka

Existing leased area (143 *tsubo*)

- USJ official store has achieved favorable sales since its opening on July 20, 2018. **The total rent (fixed-rent + sales-linked rent) was ¥61 million higher than the previous tenant during the same period.**

<Annual rent comparison with the previous tenant> (Note)



\*The graph present a comparison of sales from July 20,2018 to July 19, 2019 with those in the same period in the previous year

Adjacent new leased area (61 *tsubo*) opened in July 2019.

- Opened new leased area (61 *tsubo*). Further rent revenues can be expected by attracting customers to the entire facility as a large scale store of 204 *tsubo*.



### Renewal plan of Nakaza Cui-daore Building

Considering a value-added plan to maximize **advantages of its location in the center of Dotonbori, Osaka**

- External view (present)



- Improvement measures (draft)

- Restructuring of store composition so that domestic and overseas visitors both can **enjoy food and entertainment**.
- Renovation of exterior wall to make **the building's external view eye-catching**
- Increase the attractiveness from the road **by widening the entrance on the first floor**.
- Increase the attractiveness on the first basement floor by reviewing line of flow and commercial and environment design.

- Schedule (assumption)

- The first phase (in 2020 winter) : Preliminary opening at 4 out of 7 floors.
- The second phase (in 2021 winter) : Grand opening at all floors.

## Logistics

Made leasing progress at Landport Iwatsuki, in addition to rent increase at contract renewal and conclusion of green lease agreement with tenants at Landport properties.

### Asset Management Topics in August 2019 FP

#### > Contract renewal at Hanyu Logistics Center

Due to the expiration of the fixed-lease term, a five-year extension of the contract was concluded with improved economic conditions  
**(Rent increase rate +8.7%)**

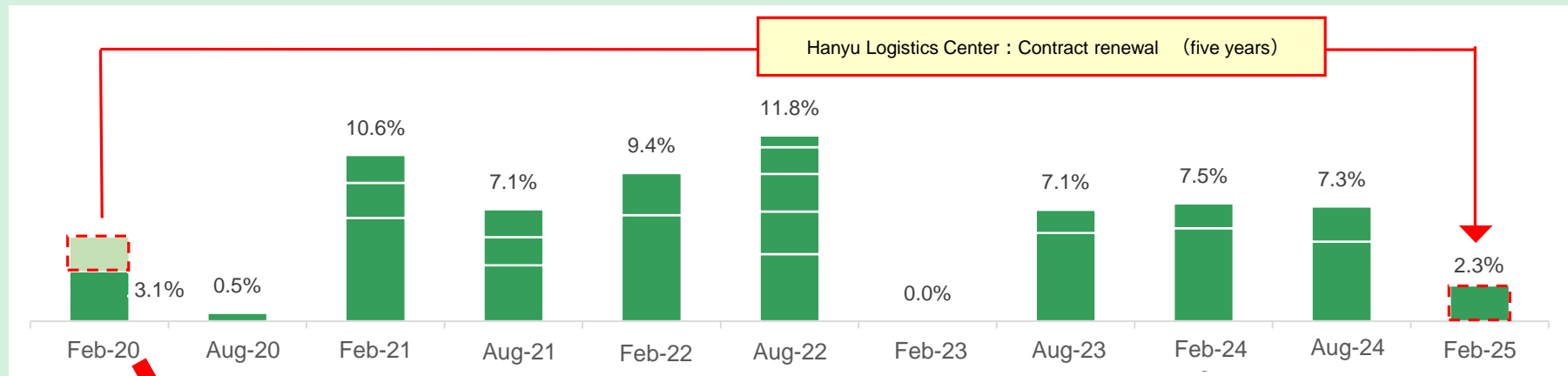


#### > Conclusion of green lease agreement accompanied by LED installment work

Sagamihara Tana Logistics Center (15,261 *tsubo*)

- Achieved rent increase by 0.8% until 2028.
- All repair costs can be recovered during the contract period.
- Expected **annual power reduction of approximately 60%** at sites where LED devices are installed and replaced. (Note)

#### ▶ Lease Maturity (Rent basis)



#### <Landport Iwatsuki>

In the zone of 7,287 $tsubo$ , the departure of the tenant is scheduled on December 1, 2019.

→ NMF has received a application for tenancy regarding approximately 50% (3,535 $tsubo$ ) of the concerning zone, and for the rest of the zone, NMF also has been in discussion with other tenant for tenancy.

## Hotels

### Improved profitability through multilayered value-up measures at Hotel Vista Sapporo Odori.



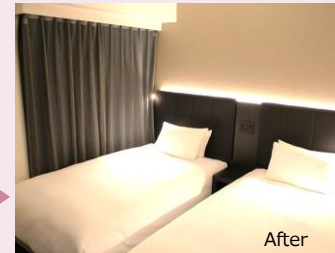
- > RevPAR has been increasing trend since acquisition through promotion of rebranding and renewal.

- ① Rebranding in June 2018
  - Opening under the name of “Hotel Vista Sapporo Odori” upon change of the operator.
- ② Renovation works from October 2018 to April 2019
  - Conversion to Double-room from Single-room (12 rooms), to Twin-room from Double-room (12 rooms)
  - Decoration works in common area (front desk area, corridor etc.)
  - Installation works of laundry room and smoking area
  - Promotion through online booking

- Conversion to Twin-room from Single-room



Before



After

#### 【 Purpose 】

By increasing the number of twin and double rooms, we aim to increase sales per room by making it easier to meet the demand for group guests such as inbound guests.

- > Operational performance before and after renewal

		Rebranded open					
		March	April	May	June	July	August
2018	RevPAR	3,818	3,260	4,682	7,904	9,591	10,374
	Occupancy Rate	55.3%	46.3%	54.9%	80.1%	84.6%	86.0%
	ADR	6,908	7,049	8,521	9,870	11,336	12,063
2019	RevPAR	4,479	4,750	7,245	8,835	10,197	9,932
	Occupancy Rate	66.0%	64.1%	79.4%	84.2%	85.7%	82.9%
	ADR	6,783	7,414	9,125	10,496	11,898	11,986

▲ Completion of renewal works

\* August 2019 was affected by a decrease in the number of foreign visitors to Japan



# Appraisal Valuation

Unrealized gain has expanded to ¥124.0 billion (+16.9 billion period-to-period)

## Appraisal valuation by sector

	Feb.2019 Fiscal Period End			Aug.2019 Fiscal Period End		
	Number of Properties	Appraisal Value (¥ mln)	Unrealized Gain(loss) (¥ mln)	Number of Properties	Appraisal Value (¥ mln)	Unrealized Gain(loss) (¥ mln)
Office	61	474,070	36,445	65	503,810	44,483
Retail	45	185,988	22,573	50	202,154	25,813
Logistics	19	188,100	35,312	20	202,470	36,761
Residential	151	199,676	12,530	151	202,715	16,606
Hotels	1	3,850	91	2	6,560	131
Other	1	5,310	173	1	5,380	243
<b>Total</b>	<b>278</b>	<b>1,056,994</b>	<b>107,126</b>	<b>289</b>	<b>1,123,089</b>	<b>124,039</b>

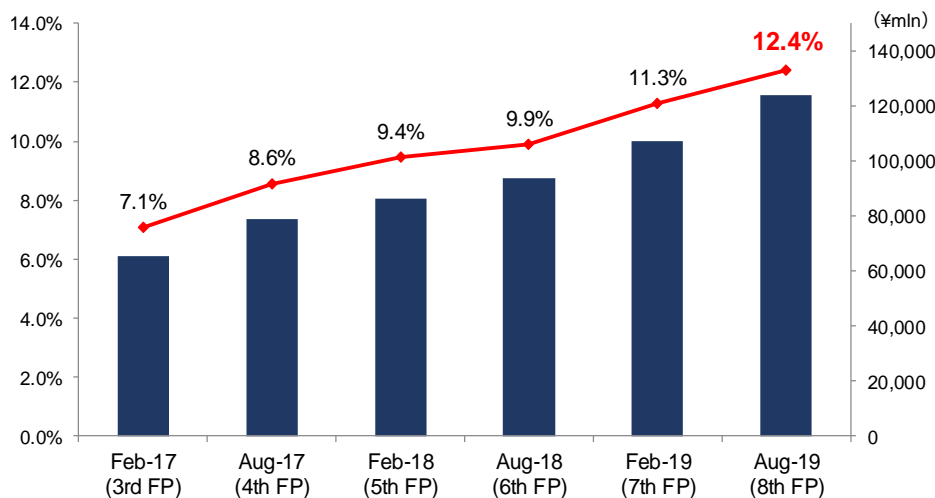
## Period-to-period analysis (Note)

CAP	Feb.2019	Aug.2019
Decrease	94	164
Flat	182	114
Increase	0	0

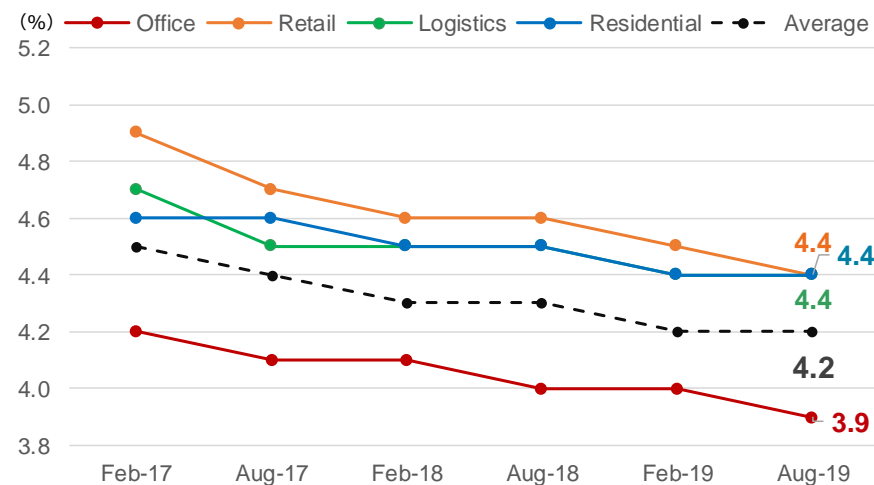
Appraisal Value	Feb.2019	Aug.2019
Increase	161	203
Flat	83	44
Decrease	32	31

(Note) Excluding acquisitions and dispositions during the period

## Amount of change in unrealized gain and rate of change in unrealized gain



## Change in weighted average cap rates by sector (Note)



(Note) The figures are weighted averaged a direct capitalization rate of each property (excluding land) by capitalization approach price.



## Finance



# Financing Status

Pursuing low interest rates and prolonged borrowing periods through refinancing.

## New borrowing during August 2019 FP

New Borrowing Overview (Note1)	
Total amount of new borrowing	¥14,400mln
Average interest rate	0.49%
Average remaining duration	4.5years

## Refinancing during August 2019 FP

Repayment Overview (Note2)(Note3)	
Total amount of repayment	¥35,200mln
Average interest rate	<b>1.03%</b>
Average remaining duration	<b>5.8years</b>



Refinancing Overview (Note4)	
Total amount of refinancing	¥34,500mln
Average interest rate	<b>0.48%</b>
Average remaining duration	<b>9.1years</b>

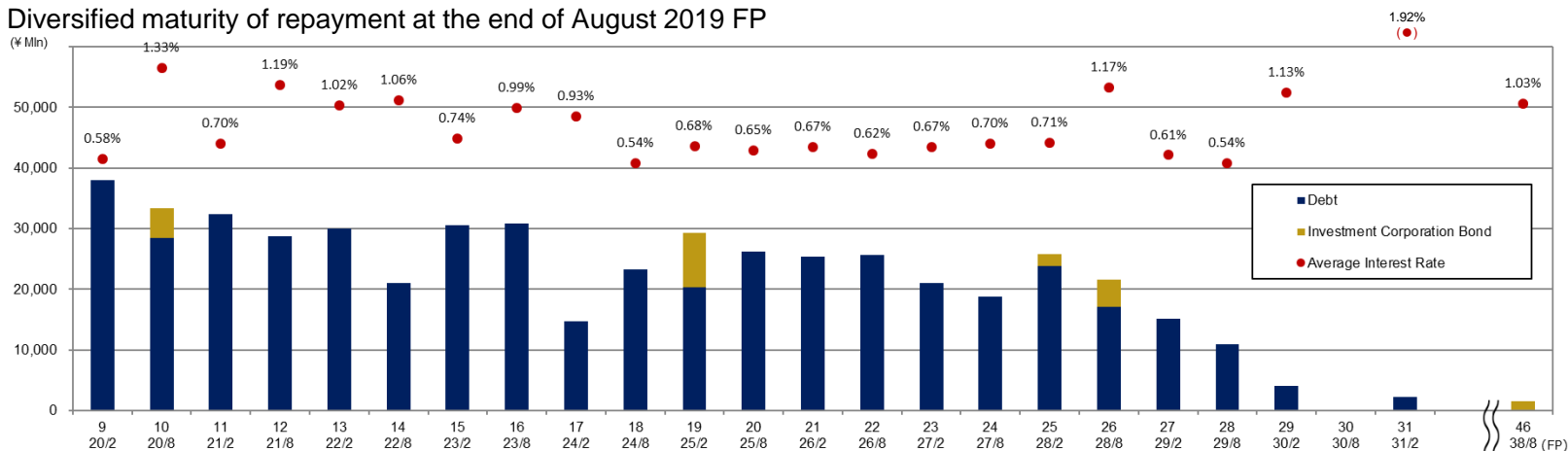
## Scheduled repayment during February 2020 FP

Scheduled Repayment (Note3)	
Total amount of repayment	¥37,900mln
Average interest rate	0.58%
Average remaining duration	3.7years

## Interest-bearing debt at the end of August 2019 FP

	Feb.2016 (1st FP)	Aug.2016 (2nd FP)	Feb.2017 (3rd FP)	Aug.2017 (4th FP)	Feb.2018 (5th FP)	Aug.2018 (6th FP)	Feb.2019 (7th FP)	Aug.2019 (8th FP)
Total Interest-bearing debt	¥403,164 million	¥409,771 million	¥498,784 million	¥488,741 million	¥486,198 million	¥497,155 million	¥497,112 million	<b>¥510,770 million</b>
Average remaining duration	3.96 years	4.36 years	4.31 years	4.54 years	4.52 years	4.61 years	4.52 years	<b>4.64 years</b>
Average interest rate	1.09 %	1.03 %	0.95 %	0.92 %	0.91 %	0.88 %	0.87 %	<b>0.83 %</b>
Ratio of long-term debt	84.1 %	85.9 %	83.2 %	88.0 %	88.0 %	87.2 %	86.9 %	<b>86.0 %</b>
Ratio of fixed-rate debt	91.4 %	95.8 %	92.2 %	94.9 %	95.4 %	95.4 %	95.4 %	<b>94.1 %</b>
LTV	43.4 %	43.8 %	45.1 %	44.6 %	44.6 %	44.4 %	44.5 %	<b>43.9 %</b>

## Diversified maturity of repayment at the end of August 2019 FP



(Note1) Regarding ¥4,000 million that was procured on a commitment line agreement on March 1, it is reflected the figures after refinancing during the period. The ¥8,000 million procured on a commitment line agreement was also fixed for long-term on September 20 through the issuance of investment corporation bonds. (Note2) Average remaining duration is it at the time of borrowing and average interest rate is weighted average interest rate at the time of repayment. (Note3) Excluding ¥42.8 million in contractual repayment. (Note4) Average interest rate and Average remaining duration are those at the time of refinancing.



## Issuance of Investment Corporation Bonds on September 20, 2019

5th Unsecured Investment Corporation Bond	
Total amount of Issuance	¥5,000 mln
Interest rate	0.90%
Payment date	9/20/2019
Redemption date	9/20/2039
Collateral / Guarantee	Not provided

## Issuance of Green Bonds on September 20, 2019

4th Unsecured Investment Corporation Bond (Green Bond)	
Total amount of Issuance	¥3,000 mln
Interest rate	0.53%
Payment date	9/20/2019
Redemption date	9/20/2029
Collateral / Guarantee	Not provided
Use of Proceeds	Used for a part of the refinancing for the borrowings for acquiring PMO Tamachi Higashi.

As part of its efforts to promote ESG activities for a sustainable society, NMF has established a Green Finance Framework (NMF has obtained top rating "Green1 (F)" of "JCR Green Finance Framework Assessment" ) and issued its first Green Bond on September 20, 2019.

The issuance of ¥3,000 million of the Green Bond attracted strong demand, with 15 investors announcing their intent to invest in the bond.

### < Green Finance Framework >

1. Use of Proceeds from Green Finance
2. Eligible Criteria
3. Project Evaluation and Selection Process
4. Management of Funds Procured

(Note)

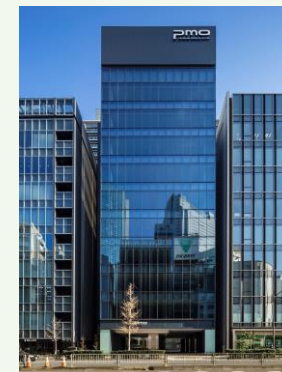
Total book value of eligible green projects	¥367.7 bln
LTV ratio	44.5%
Total eligible green debt amount	¥163.6 bln

### < Eligible Criteria >

- a. 3, 4, or 5 Stars under DBJ Green Building Certification,
- b. 3, 4, or 5 Stars under BELS Certification, or
- c. B+, A or S rank under CASBEE Certification for Real Estate.

### > PMO Tamachi Higashi

Location	Minato-ku, Tokyo
Completion	Feb-18
Total floor area	7,088.17㎡
Acquisition date	Mar-19
DBJ Green building	2018★★★★
BELS	★★★



(Note) The total book value of green eligible projects is as of the end of February 2019. The total amount of eligible green debt amount is calculated by multiplying the total book value of green eligible projects by LTV ratio (44.5%) as of the end of February 2019.

## Ratings

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



**ESG**



# ESG Measures (External Certification)

Included in the MSCI Japan ESG Select Leader's Index and obtained a "5-star" rating for three consecutive years in GRESB real estate assessment.

## ► Inclusion in MSCI Japan ESG Select Leader's Index

NMF has been included in the MSCI Japan ESG Select Leader's Index at regular reconfigurations in May 2019.



(Note) The inclusion of NMF in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of NMF by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

## ⤵ About MSCI Japan ESG Select Leader's Index

The MSCI Japan ESG Select Leaders Index is an index to represent companies with high ESG performance selected based on the data from the MSCI Japan IMI Top 700 Index. The index has been selected by the Government Pension Investment Fund ("GPIF") as one of their ESG indices for their passive investment strategy.



NMF obtained "A" at the MSCI ESG Ratings, upgrading two ranks from "BB" previous year.

Points highly evaluated

- Disclosure of green certification acquisition targets and increase in the ratio of green certification acquisition
- Disclosure of employee training results and satisfaction surveys

## ► GRESB (2019)

⤵ "5-Star"  
in the Real Estate Assessment for three consecutive years



⤵ "A"  
in the Public Disclosure Level for three consecutive years



## ⤵ About GRESB

GRESB is an annual benchmarking program aimed at evaluating environmental, social and governance (ESG) initiatives undertaken by real estate businesses, GRESB was established in 2009 by major Europe's largest pension fund administrators, which have also taken the lead in establishing the UN Principles for Responsible Investment, acting as its advocates. A total of 1,005 entities globally, comprising real estate companies, REITs and funds, participated in the 2019 Assessment.

3rd

40 entities

in Global, Diversified – Listed Sector

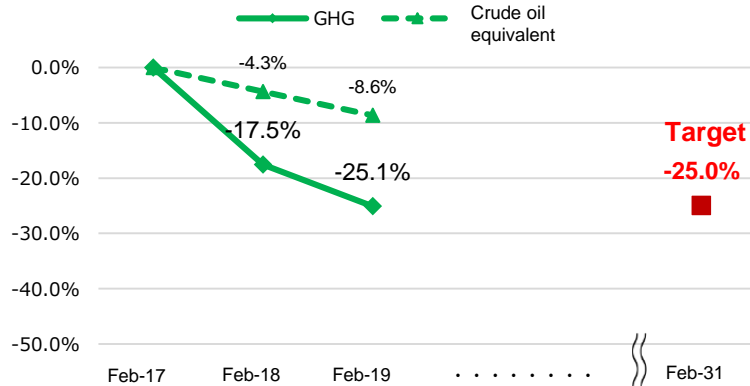
1st

13 entities

in Domestic, Diversified Sector

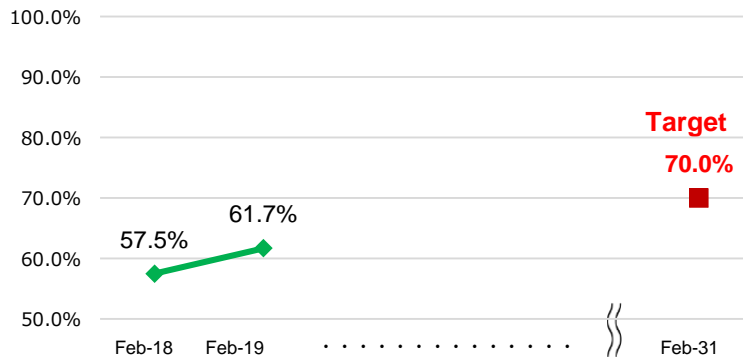
## KPI : Greenhouse gas (GHG) emissions per floor area (intensity)

**[Target]**  
Reduce 25% by FY2030 (compared to 2016 level)



## KPI: Ratio of Green Certification (Note)

**[Target]**  
Raise the ratio to 70% by FY2030 (total floor area basis)



(Note) Our properties with Green Certifications refer to those certified with any of DBJ Green Building Certification, BELS and CASBEE, etc..

## Specific Measures to Reduce Environmental Impact

Invested capital in owned properties to reduce our environmental impact (The examples below are from the 8th FP)

### 1. Saving Energy with LED Lighting

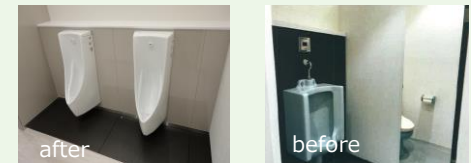
- Shinjuku Nomura Building
- NMF Shin-Yokohama Building
- NMF Aoyama 1-chome Building
- Ichibancho stear
- Sagamiyara Tana LC
- Landport Kawagoe
- Common area of 23 residential properties, others



Total power reduction amount by the works during the 8th FP  
**- 2,152Mwh/year (approx. -59.9%)**

### 2. Saving Water by Upgrading Toilets

- NMF Shinjuku EAST Building



Total power reduction amount by the works during the 8th FP  
**-61Mwh/year (approx. -17.7%)**

### 3. Saving Energy by Upgrading Air Conditioners

- NEC Head Office Building
- Sapporo North Plaza
- NMF Osaka Building

Planned energy-saving work based on the results of the checks

### Conducted energy-saving checks

Plans future energy-saving works based on the results of the checks



**Percentage of checked areas (as of August 31, 2019)**  
**63.2%**  
(Total floor area basis)

## ESG Measures (S: Society)

### Initiatives for resilience against natural disasters

- Utilization of the 250 meters mesh seismic intensity warning mail system (since July 2019)

Based on the seismic intensity information provided by National Research Institute for Earth Science and Disaster Resilience, the NMF is able to receive emails with the estimated seismic intensity of each area where the properties are located and estimated damages to the buildings from the system, utilizing a 250 meters mesh. The initial response can be accelerated by grasping the status of individual properties at an early stage.



Measurement of seismic intensity and sending a warning email on estimated seismic intensity

Linked to individual properties held by NMF

Receipt of an warning email

- Disaster prevention at properties owned



PMO Nihonbashi Muromachi: Functioned as disaster prevention base with emergency necessities (blankets, food, etc.) for 2,000 tenants employees. Shinjuku Nomura Building: Functioned as a temporary evacuation shelter to accommodate stranded people in the event of disaster upon the agreement with Shinjuku City Office.

### Intangible services for the tenants at PMO properties



PMO 10th anniversary event "Managers Networking Event"



Tenants' networking event "Warming Party" (PMO Hamamatsu-cho, PMO Kyobashi Higashi)



## ESG Measures (G: Governance)

### Diversity of Directors of the Investment Corporation

Appointment of one female supervisory director and reappointment of two supervisory directors was resolved at the Second General Meeting of Unitholders held on May 23, 2019. The term of office began on June 1, 2019. Diversity in directors of the investment corporation and further governance is expected to be secured.

Appointed directors		
Executive director	Shuhei Yoshida (Reappointment)	Lawyer
	Mineo Uchiyama (Reappointment)	Accountant
Supervisory directors	Koichi Owada (Reappointment)	Real estate appraiser
	Mika Okada (New appointment)	Lawyer

(\*) Directors are all external experts.

### Compliance training sessions at the Asset Management Company

Month	Training Session Theme	Attendance Rate
Mar-18	Summary of compliance training program for the fiscal year of 2017	98.1%
Apr-18	Schedule of compliance training program for the fiscal year of 2018	100.0%
May-18	Responding to antisocial forces	100.0%
Jun-18	Insider transaction regulations	100.0%
Jul-18	Insider transaction regulations (Web training)	100.0%
Aug-18	Statutory books and legal documents	100.0%
Sep-18	Statutory books and legal documents (Web training)	100.0%
Oct-18	Information management	100.0%
Nov-18	Information management (Web training)	100.0%
Dec-18	Regulations on related party transactions	100.0%
Jan-19	Regulations on related party transactions (Web training)	100.0%
Feb-19	Case study from issues pointed out in inspection to financial instruments business operators by the authority and its member association	100.0%

### Intangible services for the tenants at Shinjuku Nomura Building



"Family Day"



Beer Garden and Music Live



# Appendix



# Changes in Various Indices

		1st FP	2nd FP	3rd FP	4th FP	5th FP	6th FP	7th FP	8th FP
Operating revenue	million yen	24,313	30,976	34,714	38,139	34,218	34,731	35,428	36,617
Gain on sales of real estate	million yen	-	1,442	-	3,107	587	-	685	6
Leasing NOI	million yen	16,237	20,248	23,680	23,931	23,583	24,475	24,677	25,859
NOI yield (acquisition price basis)	%	4.9	5.1	5.1	5.1	5.1	5.1	5.1	5.1
NOI yield after depreciation (acquisition price basis)	%	3.9	4.1	4.1	4.0	4.1	4.1	4.1	4.1
Implied cap rate	%	4.1	4.0	4.1	4.4	4.4	4.3	4.4	3.9
Operating profit	million yen	6,483	11,682	11,244	15,735	13,212	13,285	14,056	14,265
Net income	million yen	4,048	9,355	8,670	13,190	10,714	10,709	11,560	11,690
Total distributions	million yen	8,259	11,300	12,666	12,704	12,745	13,328	13,518	14,592
Distributions per unit	yen/unit	2,219	3,036	3,028	3,037	3,047	3,084	3,128	3,209
Distributions of earnings	yen/unit	317	2,473	2,073	3,037	2,624	2,478	2,623	2,571
Allowance for adjustment of temporary differences	yen/unit	1,649	-	646	-	284	306	361	342
Other distributions in excess of net earnings	yen/unit	253	563	309	-	139	300	144	296
FFO	million yen	11,812	14,772	17,696	17,568	17,489	18,282	18,392	19,447
FFO per unit	yen/unit	3,173	3,968	4,230	4,199	4,181	4,230	4,255	4,276
FFO Dividend payout ratio	%	69.9	76.5	71.6	72.3	72.9	72.9	73.5	75.0
CAPEX	million yen	2,335	3,212	3,679	2,521	1,999	3,255	2,358	2,535
AFFO	million yen	9,477	11,559	14,016	15,047	15,490	15,027	16,034	16,912
AFFO per unit	yen/unit	2,546	3,105	3,350	3,597	3,703	3,477	3,710	3,719
AFFO Dividend payout ratio	%	87.1	97.8	90.4	84.4	82.3	88.7	84.3	86.3
E B I T D A	million yen	13,518	17,885	19,864	22,834	20,138	20,375	21,111	21,549
Total assets	million yen	928,297	935,964	1,105,979	1,095,828	1,089,828	1,118,644	1,117,851	1,164,767
Interest-bearing debt	million yen	403,164	409,771	498,784	488,741	486,198	497,155	497,112	510,770
Net assets	million yen	477,601	479,311	556,104	556,649	555,090	571,836	569,843	600,910
LTV	%	43.4	43.8	45.1	44.6	44.6	44.4	44.5	43.9
Net assets per unit (after deducting distributions)	yen/unit	126,099	125,741	129,911	130,032	129,650	129,230	128,725	128,937
NAV per unit (after deducting distributions)	yen/unit	136,514	139,790	145,600	148,912	150,308	150,918	153,512	156,215
ROA	%	1.0	2.0	1.7	2.4	2.0	1.9	2.1	2.0
ROE	%	2.0	3.9	3.4	4.7	3.9	3.8	4.1	4.0
Number of properties	properties	261	252	272	268	271	281	278	289
Total acquisition price	million yen	792,658	784,607	932,896	927,318	922,568	955,984	960,345	1,011,279
Book Value Total	million yen	790,306	782,457	928,836	923,155	914,834	947,449	949,867	999,049
Appraisal Value Total	million yen	829,072	834,749	994,463	1,002,130	1,001,250	1,041,183	1,056,994	1,123,089
Unrealized gain/loss	million yen	38,765	52,291	65,626	78,974	86,415	93,733	107,126	124,039

NOI yield = Annualized leasing NOI of properties owned at the end of the fiscal period (excluding properties sold during the period) / Acquisition price at the end of the period

Implied cap rate= NOI / (Market capitalization at the end of a given period + Interest-bearing debt – Cash and Bank deposits + Security deposits) \*Annualized

To annualize leasing NOI, the leasing NOI recorded for a given period for the properties owned at the beginning of the fiscal period is doubled while that recorded for each property acquired during that period is divided by the number of days said property has been owned and the result multiplied to approximate one year's NOI.

FFO = Net income + Depreciation and amortization + Amortization of investment corporation bond issuing expenses + Amortization of goodwill + Impairment loss ± Gain(Loss) on sales of real estate ± Extraordinary gain(loss)+Merger expenses

AFFO = FFO – Capital expenditures

FFO Dividend payout ratio = Total distributions/FFO

AFFO Dividend payout ratio = Total distributions /AFFO

EBITDA = Income before income taxes + (Interest expense + Investment corporation bonds interest) + Depreciation and amortization + Amortization of investment corporation bond issuing expenses + Amortization of goodwill ± Extraordinary gain(loss) + Impairment loss +Merger expenses

Net assets per unit (after deducting distributions) = (Total net assets – Total distributions)/Total investment units issued

NAV per unit (after deducting distributions) = {Net assets (after deducting distributions) + (Total appraisal value – Total book value)} / Total investment units issued

ROA = Ordinary income / {(Total assets at beginning of period + Total assets at end of period) / 2} × 100 \*Annualized

ROE = Net income / {(Total assets at beginning of period + Total assets at end of period) / 2} × 100 \*Annualized

To annualize ROA and ROE, the values are divided by the number of days in the period and the results multiplied to approximate the values for one year.



# NOI Analysis by Sector

## Office

	Feb-19	Aug-19
Number of Property	61	65
Acquisition Price (mln)	434,550	456,025

	Ended Feb. 28, 2019(7th FP) From Sep.1, 2018 To Feb.28, 2019	Ended Aug.31,2019(8th FP) From Mar.1, 2019 To Aug.31, 2019	Differences (¥ mln)
	Amount (¥ mln)	Amount (¥ mln)	
Property related revenues	16,233	17,024	791
Rental revenues	14,849	15,554	705
Other rental revenues	1,383	1,469	86
property related expenses	7,115	7,442	326
Property management costs	1,012	1,031	19
Property management fees	330	383	53
Property and other taxes	1,608	1,677	68
Utility expenses	1,056	1,132	75
Casualty insurance	19	19	0
Repairs and maintenance	734	771	36
Land rents	112	106	-6
Depreciation	1,623	1,760	137
Other rental expenses	615	557	-58
Real estate rental profits	9,117	9,582	465
NOI	10,741	11,343	602

### Main factors accounting for differences

< Real estate rental profits of the portfolio properties >

45

Of which, main factors

- Elimination of downtime at Faret East Building 24
- Cancellation penalty fee, etc. at Faret East Building 30
- Increase in repair expenses at Shinjuku Nomura Building -55

< Real estate rental profits of the properties acquired >

419

## Retail

	Feb-19	Aug-19
Number of Property	45	50
Acquisition Price (mln)	163,343	176,527

	Ended Feb.28,2019(7th FP) From Sep.1, 2018 To Feb.28, 2019	Ended Aug.31,2019(8th FP) From Mar.1, 2019 To Aug.31, 2019	Differences (¥ mln)
	Amount (¥ mln)	Amount (¥ mln)	
Property related revenues	6,420	7,057	636
Rental revenues	5,682	6,088	406
Other rental revenues	737	968	230
property related expenses	2,610	2,930	319
Property management costs	234	259	24
Property management fees	116	168	51
Property and other taxes	450	468	17
Utility expenses	435	478	43
Casualty insurance	5	6	0
Repairs and maintenance	235	289	54
Land rents	104	104	0
Depreciation	732	788	55
Other rental expenses	295	367	71
Real estate rental profits	3,809	4,126	317
NOI	4,541	4,914	373

### Main factors accounting for differences

< Real estate rental profit of the portfolio properties >

-24

Of which, main factors

- Downtime at nORBESA -28
- Cancellation penalty fee, etc. at nORBESA 129
- Increase in repair expenses at UCW -30

< Real estate rental profits of the properties acquired >

342

## Logistics

	Feb-19	Aug-19
Number of Property	19	20
Acquisition Price (mln)	161,050	174,690

	Ended Feb. 28, 2019(7th FP) From Sep.1, 2018 To Feb.28, 2019	Ended Aug.31,2019(8th FP) From Mar.1, 2019 To Aug.31, 2019	Differences (¥ mln)
	Amount (¥ mln)	Amount (¥ mln)	
Property related revenues	5,391	5,707	316
Rental revenues	5,086	5,424	338
Other rental revenues	304	282	-21
property related expenses	2,196	2,326	129
Property management costs	158	207	48
Property management fees	120	87	-32
Property and other taxes	429	475	45
Utility expenses	184	187	2
Casualty insurance	8	8	0
Repairs and maintenance	98	125	26
Land rents	-	-	-
Depreciation	1,162	1,206	44
Other rental expenses	35	29	-6
Real estate rental profits	3,194	3,380	186
NOI	4,356	4,586	230

### Main factors accounting for differences

< Real estate rental profits of the portfolio properties >

-164

Of which, main factors

- Absence of free rent during the fiscal period at Hanyu LC 21
- LP Urayasu -141

< Real estate rental profits of the properties acquired >

350

## Residential

	Feb-19	Aug-19
Number of Property	151	151
Acquisition Price (mln)	192,902	192,887

	Ended Feb.28,2019(7th FP) From Sep.1, 2018 To Feb.28, 2019	Ended Aug.31,2019(8th FP) From Mar.1, 2019 To Aug.31, 2019	Differences (¥ mln)
	Amount (¥ mln)	Amount (¥ mln)	
Property related revenues	6,540	6,607	67
Rental revenues	6,110	6,109	-1
Other rental revenues	430	498	68
property related expenses	3,022	3,143	120
Property management costs	220	218	-2
Property management fees	335	364	28
Property and other taxes	335	348	12
Utility expenses	97	84	-12
Casualty insurance	7	7	0
Repairs and maintenance	446	540	93
Land rents	-	-	-
Depreciation	1,376	1,357	-19
Other rental expenses	202	222	19
Real estate rental profits	3,518	3,464	-53
NOI	4,894	4,822	-72

### Main factors accounting for differences

< Real estate rental profits of the portfolio properties >

-66

Of which main factors

- Seasonal factors such as renewal fee etc. 38
- Increase in PM fee (seasonal factor) -32
- Increase in repair expenses -98

< Real estate rental profits of the properties acquired and disposed >

12

(Note) The real estate rental revenues of Kojimachi Millennium Garden (Residential Building) are included in the results of the office sector.



# Balance Sheet

## Assets

	7th Fiscal Period as of Feb. 28, 2019		8th Fiscal Period as of Aug. 31, 2019	
	Amount (¥ mln)	Ratio (%)	Amount (¥ mln)	Ratio (%)
<b>Current Assets</b>	76,280	6.8	76,448	6.6
Cash and Cash Equivalents	61,654	5.5	60,371	5.2
Cash and Cash Equivalent in Trust	12,558	1.1	13,049	1.1
Other Current Assets	2,067	0.2	3,027	0.3
<b>Fixed Assets</b>	1,041,510	93.2	1,088,262	93.4
<b>Tangible Fixed Assets</b>	940,907	84.2	990,090	85.0
Real Estate	369,343	33.0	414,521	35.6
Building	120,704	10.8	131,889	11.3
Land	248,639	22.2	282,632	24.3
Real Estate in Trust	571,556	51.1	575,557	49.4
Building in Trust	161,814	14.5	161,943	13.9
Land in Trust	409,741	36.7	413,608	35.5
Leased assets	1	0.0	4	0.0
Construction in progress	8	0.0	12	0.0
<b>Intangible Fixed Assets</b>	97,211	8.7	94,581	8.1
Goodwill	88,209	7.9	85,586	7.3
Leasehold rights	1,331	0.1	1,331	0.1
Leasehold rights in trust	7,627	0.7	7,627	0.7
Other	43	0.0	35	0.0
<b>Investment and Other Assets</b>	3,391	0.3	3,590	0.3
Long-term Repaid Expenses	1,947	0.2	2,131	0.2
Long-term deposits	492	0.0	508	0.0
Security Deposits	946	0.1	946	0.1
Derivatives Assets	4	0.0	3	0.0
<b>Deferred Assets</b>	59	0.0	56	0.0
Investment Corporation Bond Issuing Expenses	59	0.0	56	0.0
<b>Total Assets</b>	<b>1,117,851</b>	<b>100.0</b>	<b>1,164,767</b>	<b>100.0</b>

## Liabilities and Net Assets

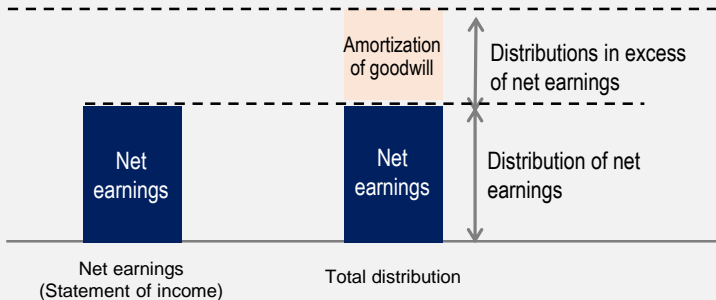
	7th Fiscal Period as of Feb. 28, 2019		8th Fiscal Period as of Aug. 31, 2019	
	Amount (¥ mln)	Ratio (%)	Amount (¥ mln)	Ratio (%)
<b>Current liabilities</b>	76,468	6.8	82,584	7.1
Trade Accounts Payable	1,957	0.2	2,820	0.2
Short-term debt	500	0.0	8,000	0.7
Current portion of Investment corporation	0	0.0	5,000	0.4
Current portion of long-term debt	64,685	5.8	58,385	5.0
Lease obligations in trust	1	0.0	1	0.0
Other accounts payable	2,672	0.2	2,535	0.2
Accrued expenses	316	0.0	344	0.0
Accrued income taxes	0	0.0	1	0.0
Accrued consumption taxes	990	0.1	-	-
Rent Received in Advance	5,036	0.5	5,260	0.5
Unearned revenue	187	0.0	159	0.0
Provision for loss on disaster	43	0.0	-	-
Derivatives liabilities	52	0.0	65	0.0
Other current liabilities	22	0.0	9	0.0
<b>Fixed Liabilities</b>	471,539	42.2	481,271	41.3
Investment Corporation Bonds	22,000	2.0	17,000	1.5
Long-term Loans	409,927	36.7	422,384	36.3
Lease obligations in trust	-	-	4	0.0
Long-term advanced received	261	0.0	187	0.0
Security deposits from tenants in trust	27,744	2.5	28,096	2.4
Security deposits from tenants in trust	27,744	2.5	28,096	2.4
Derivatives liabilities	948	0.1	843	0.1
<b>Total liabilities</b>	<b>548,007</b>	<b>49.0</b>	<b>563,856</b>	<b>48.4</b>
<b>Total unitholder's equity</b>	<b>570,840</b>	<b>51.1</b>	<b>601,816</b>	<b>51.7</b>
Unitholders' capital	182,051	16.3	214,855	18.4
Surplus	388,789	34.8	386,961	33.2
Capital surplus	394,012	35.2	394,012	33.8
Allowance for temporary difference adjustments	-8,879	-0.8	-10,439	-0.9
Other deduction from capital surplus	-8,678	-0.8	-9,301	-0.8
Total deduction from capital surplus	-17,558	-1.6	-19,740	-1.7
Retained earnings	12,334	1.1	12,688	1.1
Valuation and translation adjustments	-997	-0.1	-905	-0.1
Deferred gains or losses on hedges	-997	-0.1	-905	-0.1
<b>Total net assets</b>	<b>569,843</b>	<b>51.0</b>	<b>600,910</b>	<b>51.6</b>



# Internal Reserves Equivalent to Gain on Sales

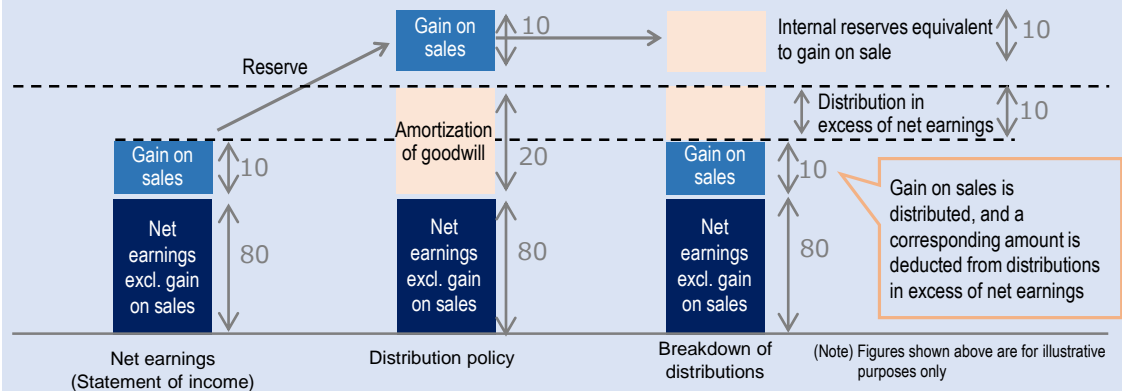
## Basic distribution policy

Distribute net earnings + amortization of goodwill

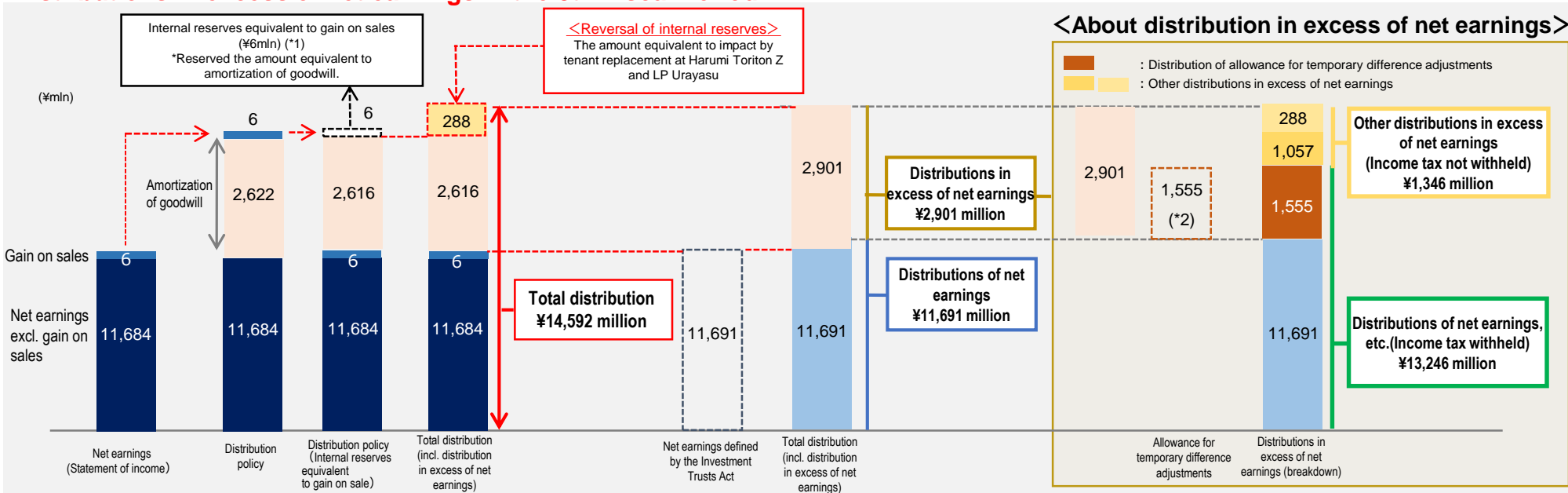


## Distribution policy if gain on sales of real estate occurs

Distributions in excess of net earnings may be adjusted to retain cash of an amount equivalent to gain on sale of real estate to promote stable medium- to long-term management.



## Distributions in excess of net earnings in the 8th Fiscal Period



(\*1) When there is a gain on sales, NMF's policy is, in principle, to set aside an amount equivalent to the gain that is not more than the amount of amortization of goodwill as retained earnings within the scope that will not be subject to income tax. For the 8th fiscal period, NMF will retain earnings under the amount of distributions in excess of net earnings (distribution reducing unitholders' capital for tax purposes) though the gain on sale from the sale of partial land of PRIME URBAN Shinjuku Kawadacho has been generated, and therefore it does not expect the internal reserves equivalent to gain on sales to be taxed.

(\*2) The amount is obtained by deducting underdepreciation, etc. (provision deduction items) attributable to the difference between depreciation in tax and accounting treatments from amortization of goodwill, etc. (provision addition items).

## 4 Property Brands Developed by the Sponsor



16 properties

PMO is a new category of office building that is mid-sized yet offers the functionality and quality of a large sized building to meet the needs of increasingly diverse businesses.

- ① Office buildings where people will be proud to work, strengthening hiring and retention
- ② Offices that enhance corporate image and reputation, helping to attract customers
- ③ Building with one tenant per floor to ensure efficiency, independence and safety
- ④ Places that stimulate employee motivation and communication, fostering enhanced productivity



9 properties

GEMS comprise a variety of restaurants, primarily in urban areas, with a commitment to quality. Brightening and enriching the lives of nearby office workers and residents while proposing new lifestyles.

Landport

11 properties

Landport offers advanced functionality to meet the needs of the changing logistics environment and diverse tenants. Designed for optimized, efficient logistics to enhance tenant satisfaction.

PROUD FLAT

27 properties  
2,394 units

PROUD FLAT is developed on locations optimally suited for urban rental housing selected by leveraging the Nomura Real Estate Group's information network and know-how related to housing development and sales. Quality control and proper operations and management are ensured utilizing Nomura Real Estate Group's proprietary rental housing complex design standards and quality control inspection guidelines.

## PMO (Office)



PMO Akihabara Kita



PMO Hamamatsucho



PMO Higashi-Shinbashi

Name	Location	Completion (planned)	Status
1 PMO Nihonbashi Edo-dori (Note 2)	Chuo-ku, Tokyo	2016/6	Operating
2 PMO Uchi-Kanda	Chiyoda-ku, Tokyo	2017/5	Operating
3 PMO Shibuya	Shibuya-ku, Tokyo	2017/6	Operating
4 PMO Higashi-Shinbashi	Minato-ku, Tokyo	2018/4	Operating
5 PMO Hamamatsucho	Minato-ku, Tokyo	2018/11	Operating
6 PMO Akihabara Kita	Taito-ku, Tokyo	2018/12	Operating
7 PMO Nishi-Shinjuku	Shinjuku-ku, Tokyo	2019/6	Operating
8 PMO Gotanda	Shinagawa-ku, Tokyo	(2019/7)	u/c
9 PMO Kanda-Manseibashi Plan	Chiyoda-ku, Tokyo	(2020/1)	Under development
10 PMO Hamamatsucho Daimonmae	Minato-ku, Tokyo	(2020/7)	u/c
11 PMO Shibuya 3-chome	Shibuya-ku, Tokyo	(2020/8)	u/c
12 PMO Kanda-Iwamotocho 2-chome	Chiyoda-ku, Tokyo	(2021/1)	u/c
13 PMO Kojimachi	Chiyoda-ku, Tokyo	(2021/3)	Planning
14 Minato-ku Plan 1	Minato-ku, Tokyo	(2022/9)	Planning
15 Chuo-ku Plan	Chuo-ku, Tokyo	(2023/3)	Planning
16 Minato-ku Plan 2	Minato-ku, Tokyo	(2025/9)	Planning

(Note 1) Based on NREHD presentation materials for the Consolidated Financial Results for the First Quarter, FY2020. Properties sold as of October 1, 2019 has been excluded.

(Note 2) Joint venture project

(Note 3) As of the date of this presentation materials, NMF does not intend to acquire properties listed above.

# Driving Force for External Growth ~ Sponsor Pipelines (Note 1) ~

## ▶ Landport (Logistics)

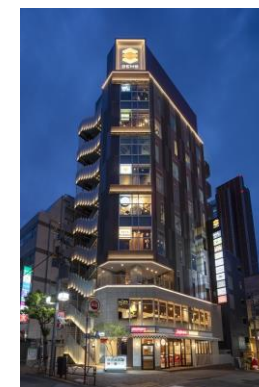


Landport Higashi-Narashino

## ▶ GEMS (Retail)



GEMS Jingu-mae



GEMS Sangenjaya



GEMS Kawasaki Plan

Name	Location	Completion (Planned)	Status
1 Landport Kawaguchi	Kawaguchi-shi, Saitama	2019/6	Operating
2 Landport Higashi-Narashino	Narashino-shi, Chiba	(2019/7)	u/c
3 Landport Narashino	Narashino-shi, Chiba	(2020/1)	u/c
4 Landport Ome II	Ome-shi, Tokyo	(2020/2)	u/c
5 Landport Atsugi Aikawacho (Note2)	Atsugi-shi, Kanagawa	(2020/3)	u/c
6 Landport Shinonome	Koto-ku, Tokyo	(2020/5)	u/c
7 Landport Ome III	Ome-shi, Tokyo	(2020/11)	u/c
8 Landport Koshigaya	Koshigaya-shi, Saitama	(2021/3)	Planning
9 Landport Ageo	Ageo-shi, Saitama	(2022/1)	Planning
10 Landport Kasukabe II	Kasukabe-shi, Saitama	(2024/7)	Planning
11 Landport Tama	Hachioji-shi, Tokyo	TBD	Planning

Name	Location	Completion (Planned)	Status
1 GEMS Jingu-mae	Shibuya-ku, Tokyo	2018/4	Operating
2 GEMS Sangenjaya	Setagaya-ku, Tokyo	2018/5	Operating
3 GEMS Yokohama	Yokohama-shi, Kanagawa	(2019/9)	u/c
4 GEMS Sakae	Nagoya-shi, Aichi	(2019/10)	u/c
5 GEMS Kawasaki Plan	Kawasaki-shi, Kanagawa	(2020/10)	u/c
6 Meguro-ku Plan	Meguro-ku, Tokyo	(2021/1)	Planning
7 Mitato-ku Plan	Minato-ku, Tokyo	(2021/4)	Planning
8 Chiyoda-ku Plan	Chiyoda-ku, Tokyo	(2022/2)	Planning
9 Shinjuku-ku Plan	Shinjuku-ku, Tokyo	TBD	Planning



**Developments taking advantage of property replacement with Sponsor**

(Note 1) Based on NREHD presentation materials for the Consolidated Financial Results for the First Quarter, FY2020. Properties sold as of October 1, 2019 has been excluded.

(Note 2) Joint venture project

(Note 3) As of the date of this presentation materials, NMF does not intend to acquire properties listed above.

# Occupancy Rate and Average Rate

## Occupancy Rate (%)

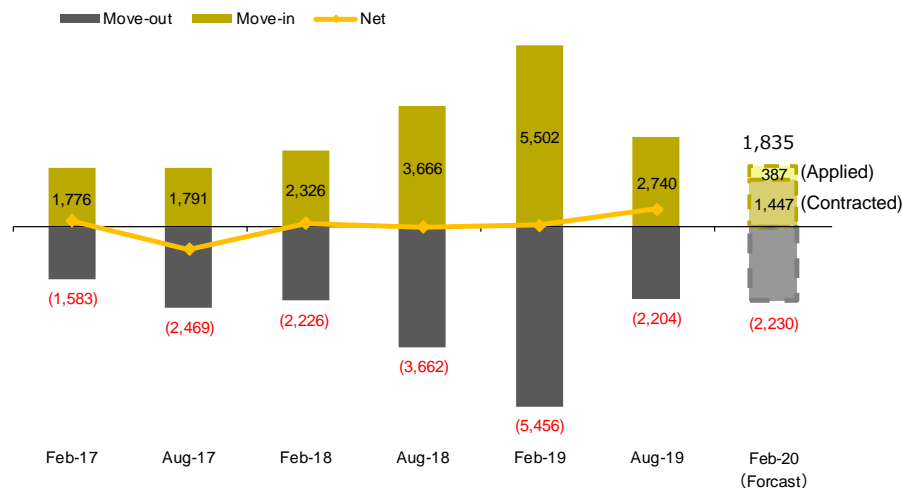
	Feb-17	Aug-17	Feb-18	Aug-18	Feb-19	Aug-19
Office	99.1	99.2	99.4	99.4	99.4	99.8
Retail	99.3	99.1	99.3	99.6	99.6	99.1
Logistics	100.0	98.2	98.3	100.0	100.0	100.0
Residential	97.0	96.7	97.2	97.0	97.2	96.8
Hotels	-	-	-	100.0	100.0	100.0
Others	100.0	100.0	100.0	100.0	100.0	100.0
Total	99.2	98.4	98.6	99.3	99.3	99.3

## Average Rate (¥ / tsubo)

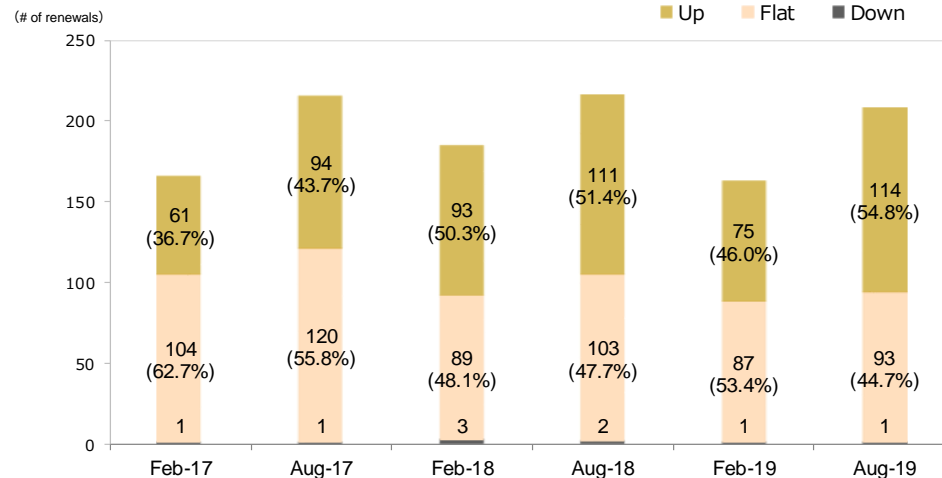
	Feb-17	Aug-17	Feb-18	Aug-18	Feb-19	Aug-19
Office	16,844	17,156	17,419	17,548	17,723	18,060
Retail	7,349	8,731	8,471	8,461	8,255	8,642
Logistics	3,710	3,887	3,915	3,922	3,936	3,983
Residential	11,045	11,106	11,107	11,234	11,327	11,358

# Asset Management Status – Office –

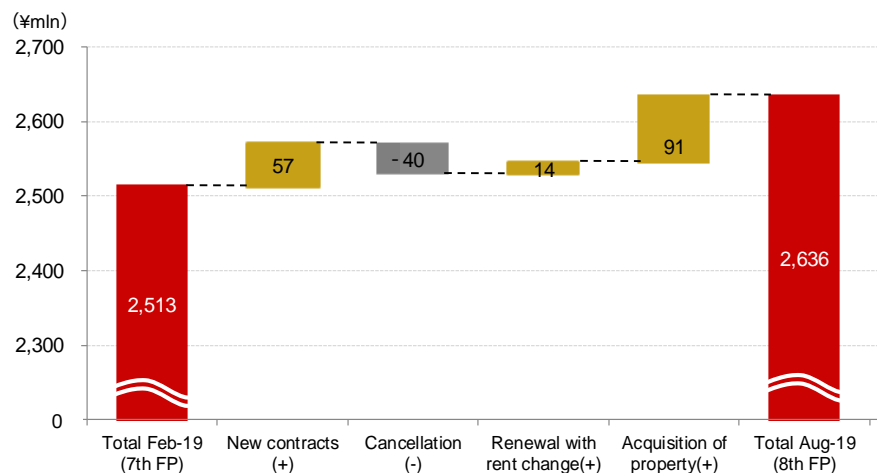
## Change in floor area by move-ins & move-outs (*Tsubo*)



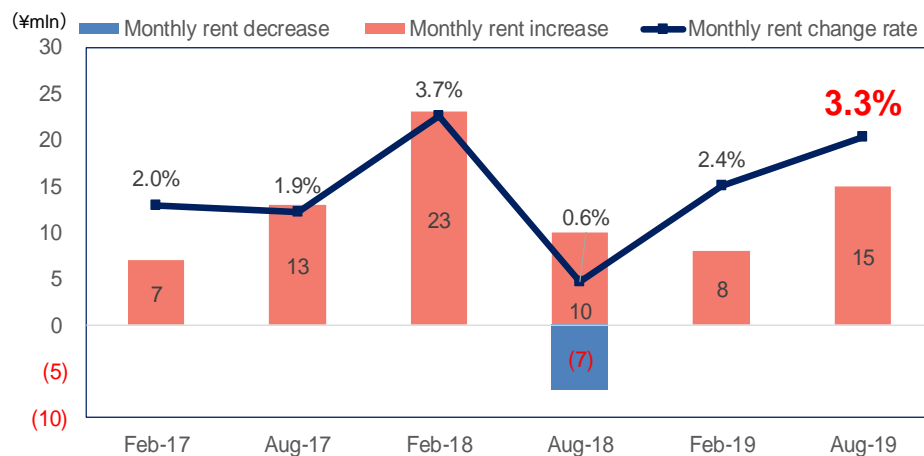
## Contract renewals (number of renewals)



## Increase/decrease in monthly contract rent



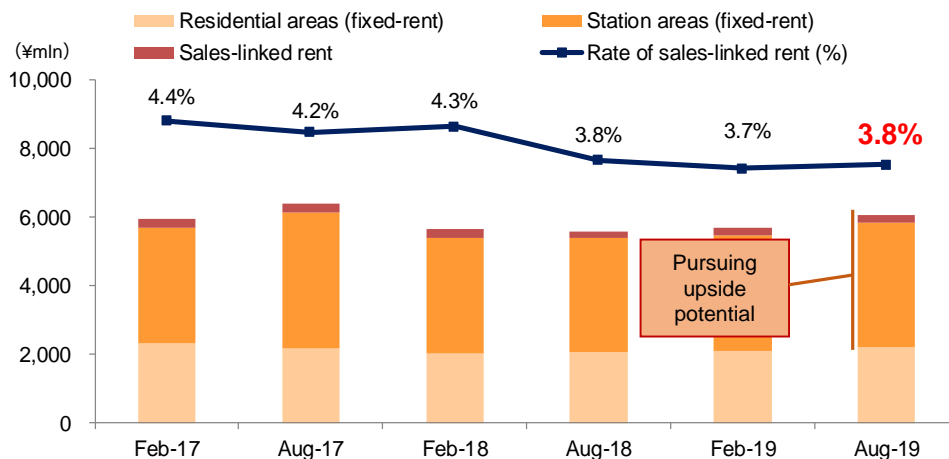
## Rent change (amount) status



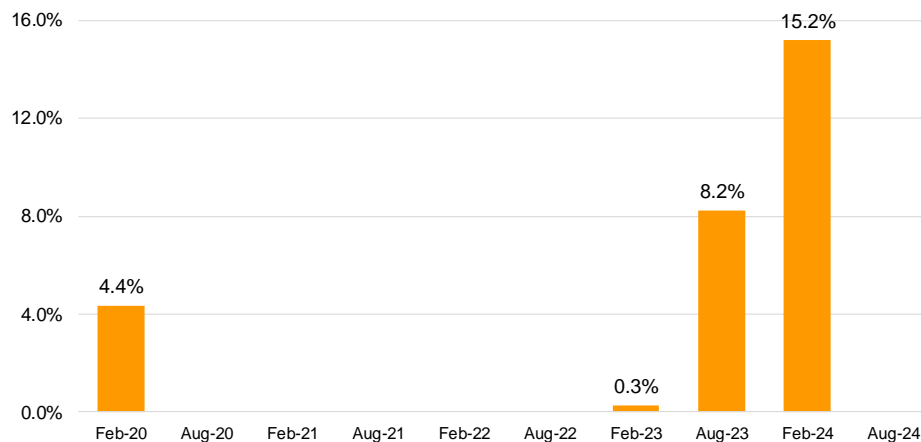
(Note) For tenants whose rent revision conditions have not been finalized at the end of the 8<sup>th</sup> FP, the previous conditions are shown.

# Asset Management Status – Retail –

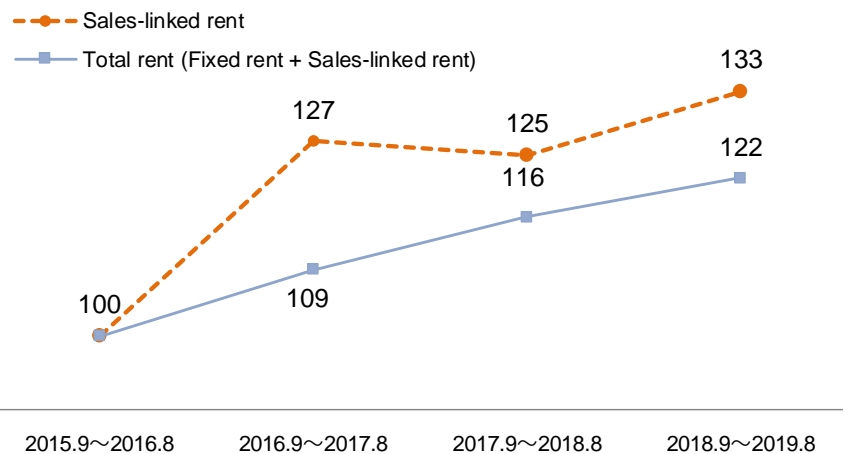
## Rent revenue breakdown



## Retail properties located in residential areas : Lease team diversification (rent basis)

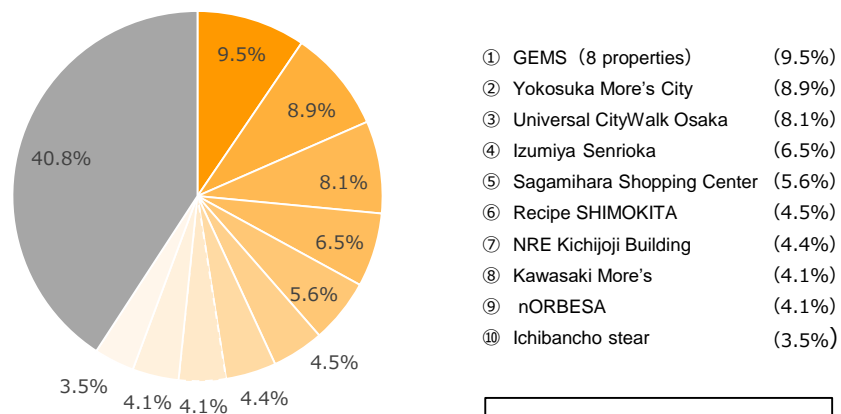


## UCW : Change in rent (index)



(Note) Sales-linked rent and total rent from 2015.9~2016.8 are indexed at 100.

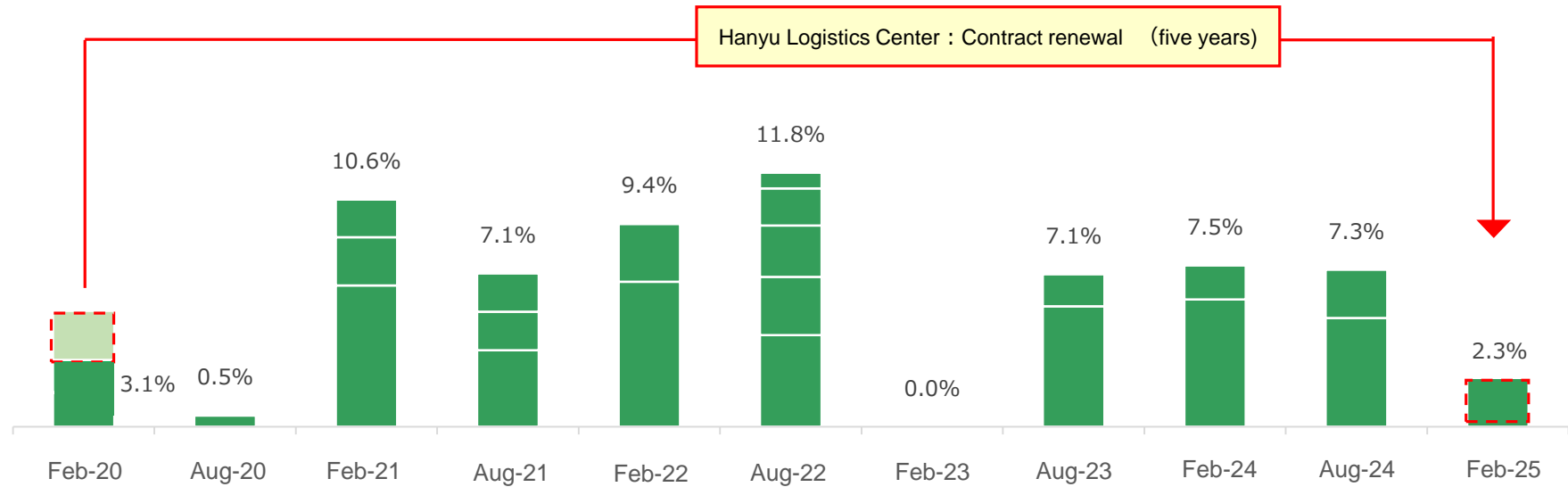
## NOI breakdown of retail properties at the end of Aug. 2019 FP



Top 10 properties 59.2%

# Asset Management Status – Logistics –

## ▶ Lease maturities (rent basis)



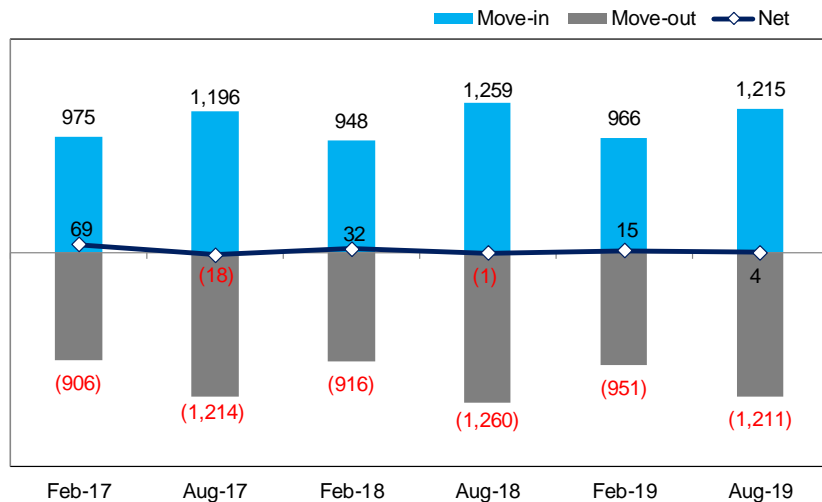
## ▶ Rent renewals

Property	Tenant	Rent type	2020		2021		Remarks
			Feb.	Aug.	Feb.	Aug.	
Landport Hachioji	Nihon Toshi Yuso Co.,Ltd. and other 2 companies	Fixed					Negotiating
Landport Kashiwa-shonan II	Undisclosed and other 1 company	Fixed					Negotiating

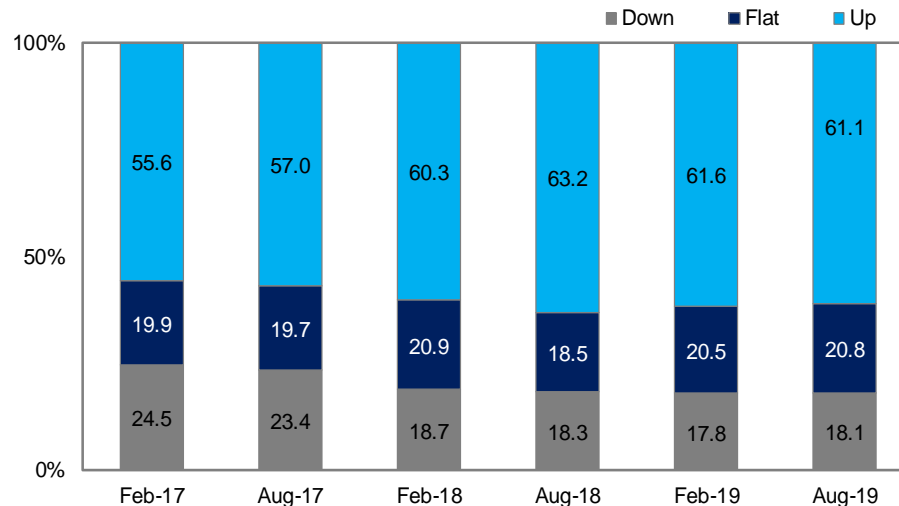


# Asset Management Status – Residential –

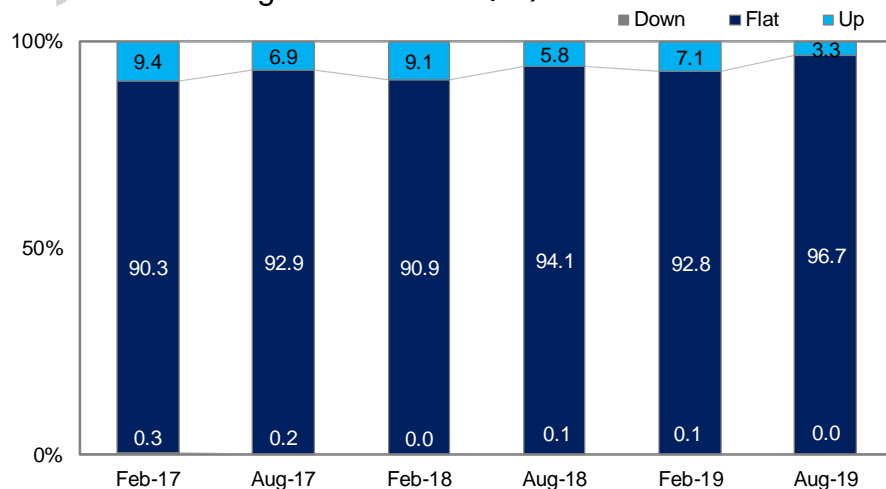
Change in move-ins and move-outs (unit)



Rent change at move-ins and move-outs (%)



Rent change at renewals (%)















Occupancy rate by area

	Feb-17	Aug-17	Feb-18	Aug-18	Feb-19	Aug-19
Total	97.0%	96.7%	97.2%	97.0%	97.2%	96.8%
Tokyo area	97.5%	97.0%	97.3%	97.6%	98.1%	97.1%
Sapporo	97.5%	96.4%	98.2%	96.7%	96.6%	96.3%
Sendai	97.0%	93.1%	96.6%	95.0%	96.5%	97.3%
Nagoya	94.9%	95.9%	97.2%	96.3%	92.1%	94.9%
Osaka	92.2%	95.7%	94.1%	93.0%	91.7%	96.2%
Fukuoka	96.6%	96.9%	99.0%	96.3%	97.4%	96.2%

# ESG Measures (Materiality)

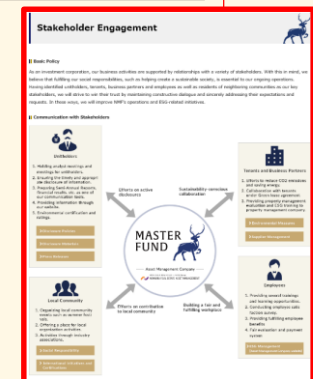
## ESG materiality issues to be addressed by NMF (Materiality)

### NMF's ESG materiality issues in line with SDGs

Materiality	Targets and Key Performance Indicators	Related SDGs
<b>Environment</b> <b>E</b>	<b>Incorporating more green properties into the portfolio</b> <b>Target</b> Raise the ratio of green certified properties in the portfolio to 70% by fiscal 2030 <b>KPI</b> Ratio of green certified properties	 
	<b>Responding to climate change</b> <b>Target</b> Reduce per-floor-area emission (Intensity) of greenhouse gas (GHG) from portfolio properties by 25% (over 2016) by fiscal 2030 <b>KPI</b> Per-floor-area emission (Intensity) of GHG	 
<b>Society</b> <b>S</b>	<b>Ensuring tenant security and safety / enhancing comfort</b> <b>Target</b> Aim to enhance tenant satisfaction through conducting renovations to meet the diversified social needs and expanding tenant support services	 
	<b>Creating a fair workplace that encourages job satisfaction</b> <b>Target</b> Aim to enhance employee satisfaction through offering fair evaluation and remuneration systems and creating work environment that is fair and encouraging job	
	<b>Human resources development and talent management</b> <b>Target</b> Aim to sophisticate human resources through providing continuous employee education and training and promoting self-enlightenment of employees	 
<b>Governance</b> <b>G</b>	<b>Enhancing governance</b> <b>Target</b> <ul style="list-style-type: none"> <li>Aim to establish a highly effective governance system through securing objectiveness and transparency and conducting business operations that put customers first.</li> <li>Aim to establish an investment management system that focus on unitholder interests by sharing interests between unitholders and the Asset Management Company through introducing asset management fees linked to net income.</li> </ul>	
	<b>Thorough implementation of compliance and risk management</b> <b>Target</b> Aim to secure soundness of business management by appropriately managing risks through such measures as confirming compliance to laws and regulations and elimination of conflicts of interests in transactions with interested parties.	
	<b>Stakeholder engagement and timely and appropriate disclosure of information</b> <b>Target</b> Aim to build a strong relationship of trust through timely, appropriate and proactive disclosure of information on financial and non-financial matters and through constructive discussions with stakeholders.	

### Disclosure based on GRI standards

GRI Standards		
<b>GRI Standards</b> Universal Standards		
TOPIC	Disclosure	Location
102 General Disclosures	1 Name of the organization	Corporate Profile
	56 External assurance	-
103 Management Approach	1 Explanation of the material topic and its Boundary	ESG Materiality Identified by NMF
	2 The management approach and its components	ESG Materiality Identified by NMF International Initiatives and Certifications Environmental Measures Social Responsibility Asset Management Company (ESG Management) Governance Securing an Investment Management Structure That Prioritizes Unitholders' Interest Stakeholder Engagement
	3 Evaluation of the management approach	Policies and Management Structure Governance



✖The "GRI Standard" is an international standard for sustainability reporting formulated by GRI, a recognized organization of the United Nations Environment Program (UNEP) and a non-profit organization whose mission is to create and disseminate sustainability reporting.

# ESG Measures (External Certification)

## NMF's Initiatives

### <MSCI Japan ESG Select Leader's Index>



MSCI Japan ESG  
Select Leaders Index

NMF obtained "A" at the MSCI ESG Ratings, upgrading two ranks from "BB" previous year.

### <GRESB>



G R E S B  
★ ★ ★ ★ ★ 2019

"5-Star"

in the Real Estate Assessment for three consecutive years



G R E S B  
PUBLIC DISCLOSURE 2019

"A"

in the Public Disclosure Level for three consecutive years

### < DBJ Green Building Certification > < BELS Certification >



DBJ Green Building

- 79 properties certified in total
- Certified rate is 63.9% (Note)



- 26 properties certified in total
- Certified rate is 19.8% (Note)

### <ESG Annual Report>



NMF's ESG initiatives and activities for fiscal year as well as external environmental certifications acquired are introduced in the report. The first ESG annual report dated June 2019 is available on the official website.

## Initiatives by Asset Management Company

### Principles for Responsible Investment(PRI)

- An international network of investors established in 2006 working to realize the Six Principles for the financial industry under the leadership of Kofi Annan who was then the UN Secretary General

Signatory of:



### United Nations Environment Programme Finance Initiative (UNEP FI)

- Established in 1992. A partnership between UNEP and financial institutions to promote the adoption of financial systems that integrate economic development and ESG issues.



### Principles for Financial Action Towards a Sustainable Society, or Principles for Financial Action for the 21st Century (PFA21)

- The principles were established in October 2011 as a guideline for financial institutions seeking to fulfil their roles and responsibilities in shaping a sustainable society, with the Ministry of Environment taking on the role of secretariat.



(Note) Floor area basis excluding land as of August 31, 2019.

## Top 10 Tenants by Leased Space

No	Tenant	Asset Type	Property Name	Leased space (m <sup>2</sup> )	Weight in portfolio (%)
1	(Not disclosed)	Logistics	Landport Kawagoe Landport Hachioji II	89,812.56	4.6
2	Ito-Yokado Co., Ltd.	Retail	Sagamihara shopping center	60,991.12	3.1
3	(Not disclosed)	Logistics	Landport Ome I	58,383.71	3.0
		Office	Shinjuku Nomura Building		
4	Fukuyama Transporting Co., Ltd.	Logistics	Sagamihara Onodai Logistics Center	57,448.03	3.0
5	Neovia Logistics Services, LLC	Logistics	Sagamihara Tana Logistics Center	50,450.00	2.6
6	Yokohama Okadaya Co., Ltd.	Retail	Yokosuka More's City Kawasaki More's	48,193.96	2.5
7	(Not disclosed)	Logistics	Kawaguchi Ryoke Logistics Center	42,840.91	2.2
8	ASKUL Corporation	Logistics	Landport Itabashi	37,276.71	1.9
9	H2O asset management Co.,Ltd.	Retail	Izumiya Senrioka Izumiya Obayashi	36,113.48	1.9
10	Otsuka Warehouse Co.,Ltd.	Logistics	Landport Urayasu	35,104.40	1.8
Top 10 tenants total				516,614.88	26.5%

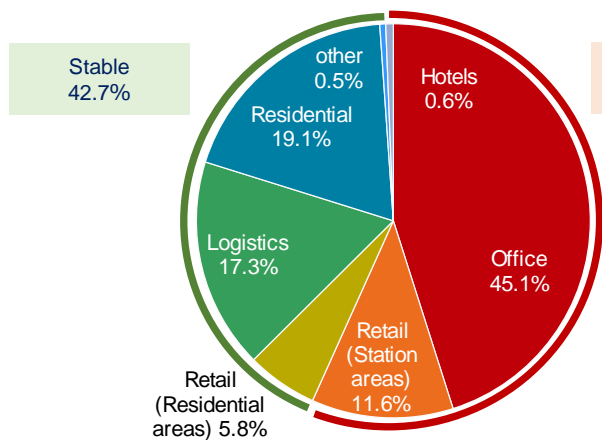
(Note) Pass-through type master lease contracts are excluded from the calculation

# Portfolio Summary as of August 31, 2019

## Portfolio Summary

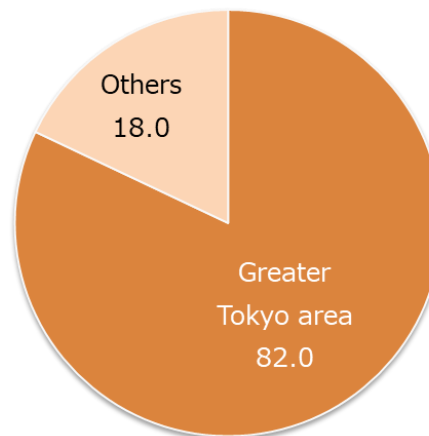
	Number of properties	Acquisition price (¥ mln)	Appraisal value (¥ mln)	Building age (years)	Floor area (㎡)	Leased area (㎡)
<b>Total</b>	<b>289</b>	<b>1,011,279</b>	<b>1,123,089</b>	<b>18.8</b>	<b>2,420,050.57</b>	<b>1,947,127.03</b>
Office	65	456,025	503,810	24.9	806,893.79	482,500.77
Retail	50	176,527	202,154	17.1	465,055.63	367,257.98
Retail(Station areas)	23	117,641	132,650	16.5	242,922.12	121,184.98
Retail(Residential areas)	27	58,886	69,504	18.5	222,133.51	246,073.00
Logistics	20	174,690	202,470	10.3	775,570.71	777,037.51
Residential	151	192,887	202,715	13.7	364,831.35	298,123.20
Hotels	2	6,250	6,560	11.3	7,699.09	7,776.22
Other	1	4,900	5,380	-	-	14,431.35

## Portfolio Data

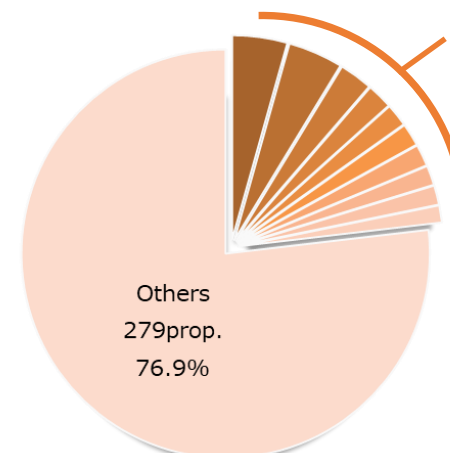


Balanced portfolio mix

Upside  
57.3%



Concentration in Greater Tokyo area



Advanced property diversification

Top 10 Properties  
23.1%

# Portfolio List

Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019			
				Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value (million yen)	Cap rate change(%)	Cap rate change(%)	
				(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)				
Of-T-001	Tokyo	Office	Shinjuku Nomura Building	43,900	46,437	49,700	3.6	3,262	46,403	49,800	3.6	3,396	100	0.2	0.0
Of-T-002	Tokyo	Office	NRE Tennozu Building	20,500	20,486	22,000	4.1	1,513	20,708	22,000	4.1	1,291	0	0.0	0.0
Of-T-003	Tokyo	Office	Kojimachi Millennium Garden	26,700	26,452	27,800	3.9	1,347	26,410	27,600	3.8	1,189	-200	-0.7	-0.1
Of-T-006	Tokyo	Office	NMF Shinjuku Minamiguchi Building	10,000	10,142	11,900	3.6	1,757	10,131	12,300	3.5	2,168	400	3.4	-0.1
Of-T-007	Tokyo	Office	NMF Shibuya Koen-dori Building	10,400	10,447	10,900	3.7	452	10,457	11,000	3.7	542	100	0.9	0.0
Of-T-008	Tokyo	Office	Secom Medical Building	11,100	10,843	11,600	3.9	756	10,805	12,000	3.8	1,194	400	3.4	-0.1
Of-T-009	Tokyo	Office	NMF Shiba Building	7,040	7,050	7,280	4.2	229	7,066	7,360	4.2	293	80	1.1	0.0
Of-T-010	Tokyo	Office	Nishi Shinjuku Showa Building	8,140	8,138	8,050	4.3	-88	8,130	8,050	4.3	-80	0	0.0	0.0
Of-T-011	Tokyo	Office	NRE Shibuya Dogenzaka Building	5,310	5,311	5,770	3.7	458	5,302	5,770	3.7	467	0	0.0	0.0
Of-T-013	Tokyo	Office	Iwamoto-cho Toyo Building	4,050	4,055	4,610	3.8	554	4,057	4,750	3.7	692	140	3.0	-0.1
Of-T-015	Tokyo	Office	NMF Surugadai Building	4,690	4,675	5,560	3.7	884	4,681	5,590	3.7	908	30	0.5	0.0
Of-T-016	Tokyo	Office	PMO Nihonbashi Honcho	4,320	4,162	4,940	3.6	777	4,134	4,840	3.5	705	-100	-2.0	-0.1
Of-T-017	Tokyo	Office	PMO Nihonbashi Kayabacho	5,010	4,852	5,930	3.6	1,077	4,828	6,120	3.5	1,291	190	3.2	-0.1
Of-T-018	Tokyo	Office	NMF Gotanda Ekimae Building	4,430	4,640	5,090	4.4	449	4,630	5,110	4.4	479	20	0.4	0.0
Of-T-019	Tokyo	Office	NRE Higashi-nihonbashi Building	3,570	3,594	3,590	4.2	-4	3,609	4,150	4.1	540	560	15.6	-0.1
Of-T-020	Tokyo	Office	PMO Akihabara	4,240	4,081	5,130	3.8	1,048	4,067	5,490	3.7	1,422	360	7.0	-0.1
Of-T-021	Tokyo	Office	Hatchobori NF Building	2,480	2,451	2,530	3.8	78	2,452	2,530	3.8	77	0	0.0	0.0
Of-T-022	Tokyo	Office	NMF Kanda Iwamotocho Building	4,160	4,218	4,230	4.0	11	4,225	4,340	3.9	114	110	2.6	-0.1
Of-T-023	Tokyo	Office	NMF Takanawa Building	2,830	2,824	3,010	4.1	185	2,831	3,320	4.0	488	310	10.3	-0.1
Of-T-024	Tokyo	Office	PMO Hatchobori	2,880	2,760	3,340	3.8	579	2,745	3,510	3.7	764	170	5.1	-0.1
Of-T-026	Tokyo	Office	PMO Nihonbashi Odenmacho	2,210	2,129	2,630	4.0	500	2,132	2,720	3.9	587	90	3.4	-0.1
Of-T-028	Tokyo	Office	PMO Higashi-nihonbashi	1,690	1,606	1,960	4.1	353	1,590	2,020	4.0	429	60	3.1	-0.1
Of-T-029	Tokyo	Office	NRE Ueno Building	6,470	6,511	6,810	3.9	298	6,531	6,980	3.8	448	170	2.5	-0.1
Of-T-031	Tokyo	Office	NF Hongo Building	4,890	4,858	5,070	4.5	211	4,848	5,040	4.5	191	-30	-0.6	0.0
Of-T-034	Tokyo	Office	Crystal Park Building	3,390	3,352	3,370	4.7	17	3,343	3,370	4.7	26	0	0.0	0.0
Of-T-035	Tokyo	Office	NMF Kichijoji Honcho Building	1,780	1,857	2,060	4.5	202	1,851	2,110	4.4	258	50	2.4	-0.1
Of-T-036	Tokyo	Office	Faret Tachikawa Center Square	3,850	3,823	4,490	4.4	666	3,810	4,610	4.3	799	120	2.7	-0.1
Of-T-037	Tokyo	Office	NMF Kawasaki Higashiguchi Building	7,830	7,946	9,300	4.7	1,353	7,936	9,310	4.7	1,373	10	0.1	0.0
Of-T-038	Tokyo	Office	NMF Yokohama Nishiguchi Building	5,460	5,646	7,100	4.1	1,453	5,639	7,330	4.0	1,690	230	3.2	-0.1
Of-T-039	Tokyo	Office	NMF Shin-Yokohama Building	2,620	2,803	3,070	4.7	266	2,798	3,080	4.7	281	10	0.3	0.0
Of-T-041	Tokyo	Office	PMO Tamachi	6,210	6,179	7,310	3.4	1,130	6,153	7,540	3.3	1,386	230	3.1	-0.1
Of-T-042	Tokyo	Office	PMO Ginza Hatchome	3,970	3,959	4,690	3.3	730	3,946	4,900	3.2	953	210	4.5	-0.1
Of-T-043	Tokyo	Office	PMO Shibakoen	3,900	3,876	4,570	3.5	693	3,859	5,170	3.4	1,310	600	13.1	-0.1
Of-T-044	Tokyo	Office	NEC Head Office Building	44,100	44,198	45,300	3.8	1,101	44,357	45,300	3.8	942	0	0.0	0.0
Of-T-045	Tokyo	Office	Harumi Island Triton Square Office Tower Y	18,200	18,083	18,500	3.9	416	18,011	18,700	3.9	688	200	1.1	0.0
Of-T-046	Tokyo	Office	NMF Aoyama 1-chome Building	10,400	10,469	12,800	3.3	2,330	10,461	13,500	3.2	3,038	700	5.5	-0.1
Of-T-047	Tokyo	Office	NMF Takebashi Building	8,330	8,287	8,850	3.8	562	8,267	8,880	3.8	612	30	0.3	0.0
Of-T-048	Tokyo	Office	Harumi Island Triton Square Office Tower Z	8,180	8,090	8,650	3.9	559	8,084	8,750	3.9	665	100	1.2	0.0
Of-T-049	Tokyo	Office	NMF Kayabacho Building	6,070	6,110	7,020	4.1	909	6,091	7,200	4.0	1,108	180	2.6	-0.1
Of-T-050	Tokyo	Office	NMF Shinjuku EAST Building	5,710	5,680	6,210	3.9	529	5,657	6,280	3.9	622	70	1.1	0.0
Of-T-051	Tokyo	Office	NMF Shiba-Koen Building	3,620	3,777	4,020	3.8	242	3,785	4,120	3.7	334	100	2.5	-0.1
Of-T-052	Tokyo	Office	NMF Ginza 4-chome Building	1,850	1,883	2,060	3.5	176	1,891	2,300	3.5	408	240	11.7	0.0
Of-T-053	Tokyo	Office	Faret East Building	1,850	1,863	2,010	4.4	146	1,887	2,090	4.3	202	80	4.0	-0.1

# Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Of-T-054	Tokyo	Office	PMO Shinnihonbashi	4,440	4,446	4,920	3.6	473	4,429	5,050	3.5	620	130	2.6	-0.1
Of-T-055	Tokyo	Office	PMO Hirakawacho	3,410	3,423	3,750	3.4	326	3,412	4,140	3.3	727	390	10.4	-0.1
Of-T-056	Tokyo	Office	PMO Nihonbashi Mitsukoshi-mae	4,310	4,362	4,780	3.1	417	4,348	4,900	3.0	551	120	2.5	-0.1
Of-T-057	Tokyo	Office	PMO Shibadaimon	2,130	2,154	2,310	3.5	155	2,148	2,370	3.4	221	60	2.6	-0.1
Of-T-058	Tokyo	Office	PMO Tamachi Higashi	10,900	-	-	-	-	11,019	11,700	3.3	680	-	-	-
Of-T-059	Tokyo	Office	PMO Hatchobori Shinkawa	3,805	-	-	-	-	3,849	4,130	3.6	280	-	-	-
Of-T-060	Tokyo	Office	PMO Kyobashi Higashi	2,880	-	-	-	-	2,916	3,090	3.5	173	-	-	-
Of-T-061	Tokyo	Office	PMO Ochanomizu	3,890	-	-	-	-	3,930	4,200	3.4	269	-	-	-
Of-S-001	Other	Office	Sapporo North Plaza	6,250	6,315	7,600	4.6	1,284	6,350	7,760	4.5	1,409	160	2.1	-0.1
Of-S-002	Other	Office	NRE Sapporo Building	4,140	3,845	4,910	4.7	1,064	3,807	4,550	4.6	742	-360	-7.3	-0.1
Of-S-004	Other	Office	NMF Sendai Aoba-dori Building	2,030	2,203	2,510	5.4	306	2,201	2,560	5.4	358	50	2.0	0.0
Of-S-005	Other	Office	NMF Utsunomiya Building	2,320	2,543	2,380	5.3	-163	2,524	2,390	5.3	-134	10	0.4	0.0
Of-S-006	Other	Office	NMF Nagoya Fushimi Building	2,240	2,089	2,420	4.4	330	2,064	2,540	4.3	475	120	5.0	-0.1
Of-S-007	Other	Office	NMF Nagoya Yanagibashi Building	2,280	2,345	2,190	4.9	-155	2,340	2,220	4.9	-120	30	1.4	0.0
Of-S-008	Other	Office	Omron Kyoto Center Building	18,300	18,053	18,600	4.7	546	18,033	19,000	4.6	966	400	2.2	-0.1
Of-S-009	Other	Office	SORA Shin-Osaka 21	12,100	11,943	12,300	4.5	356	11,968	11,100	4.3	-868	-1,200	-9.8	-0.2
Of-S-010	Other	Office	NRE Osaka Building	6,100	7,141	6,390	4.5	-751	7,201	6,410	4.5	-791	20	0.3	0.0
Of-S-011	Other	Office	NRE Nishi-Umeda Building	3,450	3,496	3,670	4.3	173	3,519	3,680	4.3	160	10	0.3	0.0
Of-S-012	Other	Office	NRE Yotsubashi Building	4,000	4,065	4,270	4.4	204	4,071	4,350	4.4	278	80	1.9	0.0
Of-S-013	Other	Office	NRE Hiroshima Building	2,280	2,281	2,690	5.5	408	2,289	2,740	5.5	450	50	1.9	0.0
Of-S-014	Other	Office	NMF Hakata Ekimae Building	4,210	4,170	5,200	4.6	1,029	4,175	5,560	4.5	1,384	360	6.9	-0.1
Of-S-015	Other	Office	NMF Tenjin-Minami Building	2,230	2,115	2,370	4.7	254	2,100	2,440	4.6	339	70	3.0	-0.1
				456,025	437,624	474,070	-	36,445	459,326	503,810	-	44,483	6,620	1.4	-
Rt-T-002	Tokyo	Retail	Yokosuka More's City	13,640	13,814	15,900	4.8	2,085	13,775	15,700	4.8	1,924	-200	-1.3	0.0
Rt-T-003	Tokyo	Retail	Recipe SHIMOKITA	10,407	10,478	11,100	4.0	621	10,436	11,200	4.0	763	100	0.9	0.0
Rt-T-004	Tokyo	Retail	Kawasaki More's	6,080	6,819	8,750	4.1	1,930	6,776	8,710	4.1	1,933	-40	-0.5	0.0
Rt-T-005	Tokyo	Retail	EQUINIA Shinjuku	4,260	4,307	4,950	3.8	642	4,311	5,150	3.8	838	200	4.0	0.0
Rt-T-006	Tokyo	Retail	EQUINA Ikebukuro	3,990	4,051	4,480	4.2	428	4,042	4,490	4.2	447	10	0.2	0.0
Rt-T-007	Tokyo	Retail	covirna machida	3,440	3,792	4,280	4.6	487	3,791	4,380	4.2	588	100	2.3	-0.4
Rt-T-008	Tokyo	Retail	Nitori Makuhari	3,080	2,791	3,890	4.8	1,098	2,764	3,890	4.7	1,125	0	0.0	-0.1
Rt-T-009	Tokyo	Retail	Konami Sports Club Fuchu	2,730	2,574	3,350	5.1	775	2,565	3,350	5.1	784	0	0.0	0.0
Rt-T-010	Tokyo	Retail	FESTA SQUARE	2,600	2,332	3,380	5.0	1,047	2,308	3,400	4.9	1,091	20	0.6	-0.1
Rt-T-011	Tokyo	Retail	GEMS Shibuya	2,490	2,412	2,650	4.4	237	2,402	2,920	4.3	517	270	10.2	-0.1
Rt-T-012	Tokyo	Retail	Sundai Azamino	1,700	1,539	2,040	5.0	500	1,524	2,080	4.9	555	40	2.0	-0.1
Rt-T-013	Tokyo	Retail	EQUINIA Aobadai	1,560	1,606	2,050	5.0	443	1,598	2,490	4.8	891	440	21.5	-0.2
Rt-T-014	Tokyo	Retail	Megalos Kanagawa	1,000	965	1,510	5.4	544	960	1,540	5.3	579	30	2.0	-0.1
Rt-T-015	Tokyo	Retail	Mitsubishi Motors Meguro (※1)	2,740	2,764	3,250	5.3	485	2,764	3,270	5.3	505	20	0.6	0.0
Rt-T-016	Tokyo	Retail	Mitsubishi Motors Chofu (※1)	1,760	1,776	1,760	5.2	-16	1,776	1,760	5.2	-16	0	0.0	0.0
Rt-T-018	Tokyo	Retail	Mitsubishi Motors Nerima (※1)	1,240	1,251	1,400	5.5	148	1,251	1,400	5.5	148	0	0.0	0.0
Rt-T-019	Tokyo	Retail	Mitsubishi Motors Kawasaki (※1)	950	959	1,220	6.1	260	959	1,260	6.1	300	40	3.3	0.0
Rt-T-020	Tokyo	Retail	Mitsubishi Motors Takaide (※1)	850	859	880	5.1	20	859	879	5.1	19	-1	-0.1	0.0
Rt-T-021	Tokyo	Retail	Mitsubishi Motors Katsushika (※1)	800	808	885	5.3	76	808	885	5.3	76	0	0.0	0.0
Rt-T-022	Tokyo	Retail	Mitsubishi Motors Higashikurume (※1)	800	808	889	6.3	80	808	892	6.3	83	3	0.3	0.0



# Portfolio List

Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019			
				Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate	
				(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)	
Rt-T-023	Tokyo	Retail	Mitsubishi Motors Setagaya (※1)	770	779	989	5.3	209	779	1,020	5.3	240	31	3.1	0.0
Rt-T-025	Tokyo	Retail	Mitsubishi Motors Sekimachi (※1)	600	606	691	5.5	84	606	696	5.5	89	5	0.7	0.0
Rt-T-026	Tokyo	Retail	Mitsubishi Motors Higashiyamato (※1)	450	455	531	7.6	75	455	532	7.6	76	1	0.2	0.0
Rt-T-027	Tokyo	Retail	Mitsubishi Motors Motsumiyoshi (※1)	370	375	388	6.0	12	375	396	5.9	20	8	2.1	-0.1
Rt-T-028	Tokyo	Retail	Mitsubishi Motors Kawagoe (※1)	350	355	392	5.3	36	355	399	5.3	43	7	1.8	0.0
Rt-T-029	Tokyo	Retail	Mitsubishi Motors Edogawa (※1)	200	204	183	5.5	-21	204	182	5.5	-22	-1	-0.5	0.0
Rt-T-030	Tokyo	Retail	Mitsubishi Motors Sayama (※1)	160	163	181	7.9	17	163	182	7.9	18	1	0.6	0.0
Rt-T-031	Tokyo	Retail	NRE Kichijoji Building	10,410	10,315	11,100	4.0	784	10,284	11,300	3.9	1,015	200	1.8	-0.1
Rt-T-032	Tokyo	Retail	GEMS Ichigaya	2,080	2,068	2,110	3.9	41	2,061	2,170	3.8	108	60	2.8	-0.1
Rt-T-033	Tokyo	Retail	Sagamihara Shopping Center	6,840	6,849	6,960	5.6	110	6,882	6,960	5.6	77	0	0.0	0.0
Rt-T-034	Tokyo	Retail	Musashirawa Shopping Square	2,720	2,628	2,870	6.9	241	2,609	2,920	6.8	310	50	1.7	-0.1
Rt-T-036	Tokyo	Retail	Summit Store Naritahigashi (Land)	700	747	779	3.8	31	747	801	3.7	53	22	2.8	-0.1
Rt-T-037	Tokyo	Retail	GEMS Daimon	2,060	2,057	2,110	3.9	52	2,047	2,140	3.8	92	30	1.4	-0.1
Rt-T-038	Tokyo	Retail	GEMS Kanda	1,500	1,500	1,530	4.0	29	1,493	1,560	3.9	66	30	2.0	-0.1
Rt-T-039	Tokyo	Retail	Summit Store Mukodaicho	5,100	5,125	5,190	4.4	64	5,111	5,180	4.4	68	-10	-0.2	0.0
Rt-T-040	Tokyo	Retail	GEMS Shinbashi	2,810	-	-	-	-	2,848	2,870	3.7	21	-	-	-
Rt-T-041	Tokyo	Retail	GEMS Kayabacho	2,594	-	-	-	-	2,617	2,730	4.1	112	-	-	-
Rt-T-042	Tokyo	Retail	Summit Store Honamanuma	2,160	-	-	-	-	2,179	2,880	4.5	700	-	-	-
Rt-T-043	Tokyo	Retail	GEMS Shin-Yokohama	1,820	-	-	-	-	1,833	1,890	5.1	56	-	-	-
Rt-S-001	Other	Retail	Universal CityWalk Osaka	15,500	15,392	18,300	4.6	2,907	15,304	18,100	4.5	2,795	-200	-1.1	-0.1
Rt-S-002	Other	Retail	Izumiya Senrioka	8,930	8,472	11,300	4.8	2,827	8,449	11,500	4.7	3,050	200	1.8	-0.1
Rt-S-004	Other	Retail	Izumiya Yao	4,406	4,095	5,590	5.1	1,494	4,072	5,600	5.1	1,527	10	0.2	0.0
Rt-S-005	Other	Retail	Izumiya Obayashi	3,020	3,222	4,120	5.1	897	3,210	4,120	5.1	909	0	0.0	0.0
Rt-S-006	Other	Retail	Ichibancho stear	4,700	4,520	5,650	4.2	1,129	4,513	5,660	4.2	1,146	10	0.2	0.0
Rt-S-007	Other	Retail	EQUINIA Aobadori	1,640	1,406	1,970	4.8	563	1,383	2,000	4.8	616	30	1.5	0.0
Rt-S-008	Other	Retail	MEL Building	1,060	1,052	1,200	5.2	147	1,054	1,200	5.2	145	0	0.0	0.0
Rt-S-009	Other	Retail	nORBESA	8,500	8,552	8,540	4.7	-12	8,630	8,540	4.7	-90	0	0.0	0.0
Rt-S-010	Other	Retail	Nakaza Cui-daore Building	11,600	12,150	11,100	3.5	-1,050	12,139	11,100	3.5	-1,039	0	0.0	0.0
Rt-S-011	Other	Retail	NMF Kobe Myodani Building	3,560	3,601	3,600	4.5	-1	3,598	3,610	4.5	11	10	0.3	0.0
Rt-S-012	Other	Retail	GEMS Namba	3,800	-	-	-	-	3,838	4,270	3.9	431	-	-	-
				176,527	163,414	185,988	-	22,573	176,340	202,154	-	25,813	1,526	0.8	-
Lg-T-001	Tokyo	Logistics	Landport Urayasu	17,400	16,381	22,000	3.9	5,618	16,347	22,200	3.9	5,852	200	0.9	0.0
Lg-T-002	Tokyo	Logistics	Landport Itabashi	15,710	14,812	19,800	4.1	4,987	14,749	19,400	4.1	4,650	-400	-2.0	0.0
Lg-T-003	Tokyo	Logistics	Landport Kawagoe	13,700	12,310	16,600	4.6	4,289	12,193	16,600	4.6	4,406	0	0.0	0.0
Lg-T-004	Tokyo	Logistics	Landport Atsugi	11,410	10,547	12,000	4.2	1,452	10,463	12,000	4.2	1,536	0	0.0	0.0
Lg-T-005	Tokyo	Logistics	Sagamihara Tana Logistics Center	10,600	10,004	12,400	4.7	2,395	9,912	12,700	4.6	2,787	300	2.4	-0.1
Lg-T-006	Tokyo	Logistics	Sagamihara Onodai Logistics Center	8,700	8,039	11,100	4.6	3,060	7,996	11,200	4.6	3,203	100	0.9	0.0
Lg-T-007	Tokyo	Logistics	Landport Hachioji	8,250	7,500	9,840	4.5	2,339	7,447	9,880	4.5	2,432	40	0.4	0.0
Lg-T-008	Tokyo	Logistics	Landport Kasukabe	7,340	6,527	8,620	4.6	2,092	6,452	8,610	4.6	2,157	-10	-0.1	0.0
Lg-T-010	Tokyo	Logistics	Atsugi Minami Logistics Center B Tower	4,590	4,256	5,730	4.3	1,473	4,218	5,730	4.3	1,511	0	0.0	0.0
Lg-T-011	Tokyo	Logistics	Hanyu Logistics Center	3,810	3,477	4,400	5.1	922	3,432	4,490	5.0	1,057	90	2.0	-0.1
Lg-T-012	Tokyo	Logistics	Kawaguchi Logistics Center B Tower	3,750	3,637	4,630	4.6	992	3,618	4,370	4.6	751	-260	-5.6	0.0
Lg-T-013	Tokyo	Logistics	Kawaguchi Logistics Center A Tower	2,830	2,781	3,510	4.8	728	2,769	3,510	4.8	740	0	0.0	0.0

# Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Lg-T-014	Tokyo	Logistics	Atsugi Mnamo Logistics Center A Tower	2,690	2,560	3,440	4.3	879	2,548	3,440	4.3	891	0	0.0	0.0
Lg-T-015	Tokyo	Logistics	Kawaguchi Ryoke Logistics Center	10,790	10,509	13,200	4.2	2,690	10,447	13,200	4.2	2,752	0	0.0	0.0
Lg-T-016	Tokyo	Logistics	Landport Kashiwa Shonan II	10,800	10,720	11,400	4.7	679	10,668	11,500	4.7	831	100	0.9	0.0
Lg-T-017	Tokyo	Logistics	Landport Kashiwa Shonan I	9,900	9,896	10,100	4.8	203	9,851	10,100	4.8	248	0	0.0	0.0
Lg-T-018	Tokyo	Logistics	Landport Hachioji II	9,230	9,284	9,330	4.4	45	9,286	9,290	4.4	3	-40	-0.4	0.0
Lg-T-019	Tokyo	Logistics	Landport Iwatsuki	6,090	6,153	6,110	4.6	-43	6,127	6,080	4.6	-47	-30	-0.5	0.0
Lg-T-020	Tokyo	Logistics	Landport Ome I	13,640	-	-	-	-	13,813	14,200	4.5	386	-	-	-
Lg-S-005	Other	Logistics	Hirakata Kuzuha Logistics Center	3,460	3,385	3,890	4.8	504	3,363	3,970	4.7	606	80	2.1	-0.1
				174,690	152,787	188,100	-	35,312	165,708	202,470	-	36,761	170	0.1	-
Rs-T-001	Tokyo	Residential	PROUD FLAT Shirokane Takanawa	3,400	3,283	3,450	4.1	166	3,264	3,540	4.0	275	90	2.6	-0.1
Rs-T-002	Tokyo	Residential	PROUD FLAT Yoyogi Uehara	989	970	946	4.2	-24	965	971	4.1	5	25	2.6	-0.1
Rs-T-003	Tokyo	Residential	PROUD FLAT Hatsudai	713	691	771	4.3	79	689	789	4.2	99	18	2.3	-0.1
Rs-T-004	Tokyo	Residential	PROUD FLAT Shibuya Sakuragaoka	750	722	694	4.2	-28	720	710	4.1	-10	16	2.3	-0.1
Rs-T-005	Tokyo	Residential	PROUD FLAT Gakugei Daigaku	746	714	785	4.2	70	710	805	4.1	94	20	2.5	-0.1
Rs-T-006	Tokyo	Residential	PROUD FLAT Meguro Gyoninzaka	939	903	1,020	4.2	116	898	1,020	4.1	121	0	0.0	-0.1
Rs-T-007	Tokyo	Residential	PROUD FLAT Sumida Riverside	2,280	2,162	2,510	4.2	347	2,145	2,530	4.1	384	20	0.8	-0.1
Rs-T-008	Tokyo	Residential	PROUD FLAT Kagurazaka	1,590	1,520	1,740	4.2	219	1,510	1,770	4.1	259	30	1.7	-0.1
Rs-T-009	Tokyo	Residential	PROUD FLAT Waseda	1,110	1,056	1,210	4.2	153	1,052	1,140	4.1	87	-70	-5.8	-0.1
Rs-T-010	Tokyo	Residential	PROUD FLAT Shinjuku Kawadacho	932	904	937	4.2	32	885	961	4.1	75	24	2.6	-0.1
Rs-T-011	Tokyo	Residential	PROUD FLAT Sangen Jaya	1,190	1,133	1,260	4.3	126	1,126	1,200	4.2	73	-60	-4.8	-0.1
Rs-T-012	Tokyo	Residential	PROUD FLAT Kamata	1,160	1,089	1,250	4.4	160	1,081	1,220	4.3	138	-30	-2.4	-0.1
Rs-T-013	Tokyo	Residential	PROUD FLAT Kamata II	3,320	3,141	3,390	4.2	248	3,115	3,390	4.2	274	0	0.0	0.0
Rs-T-014	Tokyo	Residential	PROUD FLAT Shin-Otsuka	623	585	547	4.4	-38	580	560	4.3	-20	13	2.4	-0.1
Rs-T-015	Tokyo	Residential	PROUD FLAT Kiyosumi Shirakawa	928	877	937	4.4	59	872	957	4.3	84	20	2.1	-0.1
Rs-T-016	Tokyo	Residential	PROUD FLAT Monzen Nakacho II	652	619	605	4.4	-14	618	619	4.3	0	14	2.3	-0.1
Rs-T-017	Tokyo	Residential	PROUD FLAT Monzen Nakacho I	1,030	970	955	4.4	-15	961	978	4.3	16	23	2.4	-0.1
Rs-T-018	Tokyo	Residential	PROUD FLAT Fujimidai	1,470	1,400	1,660	4.7	259	1,390	1,710	4.6	319	50	3.0	-0.1
Rs-T-019	Tokyo	Residential	PROUD FLAT Asakusa Komagata	1,920	1,803	2,170	4.2	366	1,789	2,240	4.1	450	70	3.2	-0.1
Rs-T-020	Tokyo	Residential	PROUD FLAT Yokohama	2,090	1,971	2,210	4.6	238	1,955	2,280	4.5	324	70	3.2	-0.1
Rs-T-021	Tokyo	Residential	PROUD FLAT Kamioooka	2,710	2,559	2,690	4.8	130	2,535	2,750	4.7	214	60	2.2	-0.1
Rs-T-022	Tokyo	Residential	PROUD FLAT Tsurumi II	1,650	1,554	1,780	4.5	225	1,539	1,820	4.5	280	40	2.2	0.0
Rs-T-023	Tokyo	Residential	PRIME URBAN Azabu Juban	1,100	1,102	991	4.2	-111	1,102	1,010	4.1	-92	19	1.9	-0.1
Rs-T-024	Tokyo	Residential	PRIME URBAN Akasaka	938	929	947	4.1	17	927	970	4.0	42	23	2.4	-0.1
Rs-T-025	Tokyo	Residential	PRIME URBAN Tamachi	972	946	960	4.4	13	942	977	4.3	34	17	1.8	-0.1
Rs-T-026	Tokyo	Residential	PRIME URBAN Shibaura LOFT	1,830	1,762	1,960	4.2	197	1,749	1,960	4.2	210	0	0.0	0.0
Rs-T-028	Tokyo	Residential	PRIME URBAN Yoyogi	359	347	333	4.3	-14	346	339	4.2	-7	6	1.8	-0.1
Rs-T-029	Tokyo	Residential	PRIME URBAN Ebisu II	1,140	1,125	1,310	3.9	184	1,122	1,400	3.7	277	90	6.9	-0.2
Rs-T-030	Tokyo	Residential	PRIME URBAN Bancho	1,090	1,069	1,110	4.3	40	1,069	1,140	4.2	70	30	2.7	-0.1
Rs-T-031	Tokyo	Residential	PRIME URBAN Chiyoda Fujimi	679	661	662	4.3	0	660	677	4.2	16	15	2.3	-0.1
Rs-T-032	Tokyo	Residential	PRIME URBAN Iidabashi	2,040	1,973	1,820	4.3	-153	1,962	1,860	4.2	-102	40	2.2	-0.1
Rs-T-033	Tokyo	Residential	PRIME URBAN Ebisu	1,260	1,251	1,280	4.4	28	1,251	1,300	4.3	48	20	1.6	-0.1
Rs-T-034	Tokyo	Residential	PRIME URBAN Naka Meguro	1,410	1,388	1,380	4.2	-8	1,387	1,410	4.1	22	30	2.2	-0.1
Rs-T-035	Tokyo	Residential	PRIME URBAN Gakugei Daigaku	775	754	810	4.2	55	749	830	4.1	80	20	2.5	-0.1

# Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Rs-T-036	Tokyo	Residential	PRIME URBAN Senzoku	474	466	471	4.3	4	463	474	4.2	10	3	0.6	-0.1
Rs-T-037	Tokyo	Residential	PRIME URBAN Meguro Riverside	414	394	441	4.2	46	391	400	4.1	8	-41	-9.3	-0.1
Rs-T-038	Tokyo	Residential	PRIME URBAN Meguro Ohashi Hills	2,970	2,863	3,140	4.1	276	2,850	3,140	4.1	289	0	0.0	0.0
Rs-T-039	Tokyo	Residential	PRIME URBAN Meguro Aobadai	1,310	1,279	1,550	3.9	270	1,277	1,630	3.7	352	80	5.2	-0.2
Rs-T-040	Tokyo	Residential	PRIME URBAN Gakugei Daigaku II	1,080	1,054	1,230	3.9	175	1,049	1,270	3.8	220	40	3.3	-0.1
Rs-T-041	Tokyo	Residential	PRIME URBAN Naka Meguro II	2,850	2,828	3,160	4.0	331	2,822	3,260	3.8	437	100	3.2	-0.2
Rs-T-042	Tokyo	Residential	PRIME URBAN Kachidoki	2,570	2,589	2,430	4.5	-159	2,586	2,440	4.4	-146	10	0.4	-0.1
Rs-T-043	Tokyo	Residential	PRIME URBAN Shinkawa	2,100	2,075	2,300	4.4	224	2,091	2,300	4.4	208	0	0.0	0.0
Rs-T-044	Tokyo	Residential	PRIME URBAN Nihonbashi Yokoyamacho	4,220	4,025	4,560	4.2	534	4,003	4,570	4.2	566	10	0.2	0.0
Rs-T-045	Tokyo	Residential	PRIME URBAN Nihonbashi Hamacho	1,550	1,505	1,770	4.1	264	1,498	1,820	4.0	321	50	2.8	-0.1
Rs-T-046	Tokyo	Residential	PRIME URBAN Hongo Ikizaka	557	535	610	4.2	74	531	616	4.2	84	6	1.0	0.0
Rs-T-047	Tokyo	Residential	PRIME URBAN Hakusan	866	818	961	4.1	142	810	965	4.1	154	4	0.4	0.0
Rs-T-048	Tokyo	Residential	PRIME URBAN Yotsuya Gaen Higashi	1,490	1,470	1,400	4.2	-70	1,469	1,420	4.1	-49	20	1.4	-0.1
Rs-T-050	Tokyo	Residential	PRIME URBAN Nishi Shinjuku I	1,090	1,063	1,160	4.3	96	1,055	1,200	4.2	144	40	3.4	-0.1
Rs-T-051	Tokyo	Residential	PRIME URBAN Nishi Shinjuku II	885	857	879	4.0	21	850	879	4.0	28	0	0.0	0.0
Rs-T-052	Tokyo	Residential	PRIME URBAN Shinjuku Naitomachi	430	431	430	4.2	-1	430	441	4.1	10	11	2.6	-0.1
Rs-T-053	Tokyo	Residential	PRIME URBAN Nishi Waseda	421	398	451	4.2	52	395	454	4.1	58	3	0.7	-0.1
Rs-T-054	Tokyo	Residential	PRIME URBAN Shinjuku Ochiai	594	596	637	4.6	40	595	635	4.6	39	-2	-0.3	0.0
Rs-T-055	Tokyo	Residential	PRIME URBAN Mejiro	1,430	1,396	1,590	4.2	193	1,392	1,630	4.1	237	40	2.5	-0.1
Rs-T-056	Tokyo	Residential	PRIME URBAN Kagurazaka	2,900	2,784	3,230	4.0	445	2,767	3,310	3.9	542	80	2.5	-0.1
Rs-T-057	Tokyo	Residential	PRIME URBAN Sangen Jaya III	718	721	632	4.7	-89	718	645	4.6	-73	13	2.1	-0.1
Rs-T-058	Tokyo	Residential	PRIME URBAN Chitose Karasuyama	717	738	634	4.7	-104	735	640	4.6	-95	6	0.9	-0.1
Rs-T-060	Tokyo	Residential	PRIME URBAN Sangen Jaya	724	702	710	4.3	7	697	726	4.2	28	16	2.3	-0.1
Rs-T-061	Tokyo	Residential	PRIME URBAN Minami Karasuyama	667	635	759	4.4	123	630	758	4.4	127	-1	-0.1	0.0
Rs-T-062	Tokyo	Residential	PRIME URBAN Karasuyama Galleria	549	523	574	4.4	50	519	587	4.3	67	13	2.3	-0.1
Rs-T-063	Tokyo	Residential	PRIME URBAN Karasuyama Court	338	324	357	4.4	32	322	365	4.3	42	8	2.2	-0.1
Rs-T-065	Tokyo	Residential	PRIME URBAN Chitose Funabashi	746	716	733	4.3	16	711	734	4.3	22	1	0.1	0.0
Rs-T-066	Tokyo	Residential	PRIME URBAN Yoga	1,390	1,337	1,580	4.0	242	1,336	1,610	3.9	273	30	1.9	-0.1
Rs-T-067	Tokyo	Residential	PRIME URBAN Shinagawa Nishi	494	488	403	4.7	-85	486	412	4.6	-74	9	2.2	-0.1
Rs-T-068	Tokyo	Residential	PRIME URBAN Osaki	1,860	1,825	1,840	4.2	14	1,814	1,880	4.1	65	40	2.2	-0.1
Rs-T-069	Tokyo	Residential	PRIME URBAN Oimachi II	1,040	1,075	1,020	4.6	-55	1,083	1,060	4.5	-23	40	3.9	-0.1
Rs-T-070	Tokyo	Residential	PRIME URBAN Yukigaya	951	945	736	4.7	-209	943	752	4.6	-191	16	2.2	-0.1
Rs-T-071	Tokyo	Residential	PRIME URBAN Omori	905	863	852	4.3	-11	868	865	4.2	-3	13	1.5	-0.1
Rs-T-072	Tokyo	Residential	PRIME URBAN Denenchofu Minami	774	734	719	4.4	-15	728	721	4.4	-7	2	0.3	0.0
Rs-T-073	Tokyo	Residential	PRIME URBAN Nagahara Kamiikedai	1,720	1,674	1,790	4.1	115	1,673	1,800	4.0	126	10	0.6	-0.1
Rs-T-075	Tokyo	Residential	PRIME URBAN Nakano Kamitakada	498	471	543	4.5	71	468	543	4.5	74	0	0.0	0.0
Rs-T-076	Tokyo	Residential	PRIME URBAN Takaido	1,060	1,057	789	4.8	-268	1,054	806	4.7	-248	17	2.2	-0.1
Rs-T-077	Tokyo	Residential	PRIME URBAN Nishi Ogikubo	414	402	422	4.4	19	402	426	4.3	23	4	0.9	-0.1
Rs-T-078	Tokyo	Residential	PRIME URBAN Nishi Ogikubo II	1,790	1,755	1,920	4.0	164	1,749	1,950	3.9	200	30	1.6	-0.1
Rs-T-079	Tokyo	Residential	PRIME URBAN Otsuka	730	703	685	4.4	-18	698	700	4.3	1	15	2.2	-0.1
Rs-T-080	Tokyo	Residential	PRIME URBAN Komagome	437	434	391	4.8	-43	435	399	4.7	-36	8	2.0	-0.1
Rs-T-081	Tokyo	Residential	PRIME URBAN Ikebukuro	3,800	3,653	4,160	4.1	506	3,632	4,270	4.0	637	110	2.6	-0.1
Rs-T-082	Tokyo	Residential	PRIME URBAN Monzen Nakacho	2,420	2,330	2,440	4.4	109	2,317	2,480	4.3	162	40	1.6	-0.1

# Portfolio List

	Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Rs-T-083	Tokyo	Residential	PRIME URBAN Kameido	779	736	758	4.7	21	729	769	4.6	39	11	1.5	-0.1
Rs-T-084	Tokyo	Residential	PRIME URBAN Sumiyoshi	632	597	609	4.6	11	593	616	4.5	22	7	1.1	-0.1
Rs-T-085	Tokyo	Residential	PRIME URBAN Mukojima	528	526	465	4.8	-61	522	482	4.7	-40	17	3.7	-0.1
Rs-T-086	Tokyo	Residential	PRIME URBAN Kinshi Koen	1,290	1,208	1,220	4.6	11	1,202	1,240	4.5	37	20	1.6	-0.1
Rs-T-087	Tokyo	Residential	PRIME URBAN Kinshicho	758	722	720	4.9	-2	715	735	4.8	19	15	2.1	-0.1
Rs-T-088	Tokyo	Residential	PRIME URBAN Hirai	722	678	692	4.7	13	671	707	4.6	35	15	2.2	-0.1
Rs-T-089	Tokyo	Residential	PRIME URBAN Kasai	640	606	617	4.7	10	600	628	4.6	27	11	1.8	-0.1
Rs-T-090	Tokyo	Residential	PRIME URBAN Kasai II	981	924	900	4.7	-24	914	915	4.6	0	15	1.7	-0.1
Rs-T-091	Tokyo	Residential	PRIME URBAN Kasai East	1,140	1,077	1,230	4.6	152	1,067	1,250	4.5	182	20	1.6	-0.1
Rs-T-093	Tokyo	Residential	PRIME URBAN Itabashi Kuyakushomae	1,080	1,021	1,170	4.6	148	1,012	1,180	4.6	167	10	0.9	0.0
Rs-T-094	Tokyo	Residential	PRIME URBAN Asakusa	384	385	301	4.8	-84	384	305	4.7	-79	4	1.3	-0.1
Rs-T-095	Tokyo	Residential	PRIME URBAN Machiya South Court	1,910	1,858	1,980	4.9	121	1,849	2,020	4.8	170	40	2.0	-0.1
Rs-T-096	Tokyo	Residential	PRIME URBAN Musashi Koganei	1,910	1,910	2,010	5.0	99	1,909	2,010	5.0	100	0	0.0	0.0
Rs-T-097	Tokyo	Residential	PRIME URBAN Musashino Hills	1,280	1,277	1,340	4.9	62	1,275	1,350	4.9	74	10	0.7	0.0
Rs-T-098	Tokyo	Residential	PRIME URBAN Koganei Honcho	791	763	853	4.8	89	758	869	4.8	110	16	1.9	0.0
Rs-T-099	Tokyo	Residential	PRIME URBAN Kumegawa	1,520	1,412	1,500	5.2	87	1,396	1,530	5.1	133	30	2.0	-0.1
Rs-T-100	Tokyo	Residential	PRIME URBAN Musashi Kosugi comodo	1,940	1,962	2,200	4.7	237	1,964	2,210	4.7	245	10	0.5	0.0
Rs-T-101	Tokyo	Residential	PRIME URBAN Kawasaki	962	941	1,060	4.7	118	941	1,060	4.7	118	0	0.0	0.0
Rs-T-102	Tokyo	Residential	PRIME URBAN Shinyurigaoka	1,020	967	1,220	4.6	252	960	1,220	4.6	259	0	0.0	0.0
Rs-T-103	Tokyo	Residential	PRIME URBAN Tsurumi Teraya	493	489	398	5.0	-91	489	406	4.9	-83	8	2.0	-0.1
Rs-T-105	Tokyo	Residential	PRIME URBAN Urayasu	804	767	765	4.6	-2	763	803	4.5	39	38	5.0	-0.1
Rs-T-106	Tokyo	Residential	PRIME URBAN Gyotoku I	633	607	588	4.7	-19	602	625	4.6	22	37	6.3	-0.1
Rs-T-107	Tokyo	Residential	PRIME URBAN Gyotoku II	730	695	691	4.7	-4	693	719	4.6	25	28	4.1	-0.1
Rs-T-108	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae	488	464	461	4.6	-3	460	477	4.5	16	16	3.5	-0.1
Rs-T-109	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae II	469	453	506	4.7	52	454	525	4.6	70	19	3.8	-0.1
Rs-T-110	Tokyo	Residential	PRIME URBAN Gyotoku III	747	730	811	4.7	80	726	845	4.6	118	34	4.2	-0.1
Rs-T-111	Tokyo	Residential	PRIME URBAN Nishi Funabashi	761	709	732	4.7	22	703	768	4.6	64	36	4.9	-0.1
Rs-T-112	Tokyo	Residential	PRIME URBAN Kawaguchi	1,580	1,512	1,710	5.0	197	1,503	1,710	5.0	206	0	0.0	0.0
Rs-T-113	Tokyo	Residential	PROUD FLAT Hatchobori	920	934	1,050	3.9	115	930	1,090	3.8	159	40	3.8	-0.1
Rs-T-114	Tokyo	Residential	PROUD FLAT Itabashi Honcho	720	728	828	4.2	99	722	853	4.1	130	25	3.0	-0.1
Rs-T-115	Tokyo	Residential	PRIME URBAN Meguro Mita	1,058	1,124	1,110	4.1	-14	1,122	1,110	4.1	-12	0	0.0	0.0
Rs-T-116	Tokyo	Residential	Fukasawa House Towers H&I	7,140	7,055	7,530	4.2	474	7,056	7,670	4.1	613	140	1.9	-0.1
Rs-T-117	Tokyo	Residential	PRIME URBAN Toyosu	5,290	5,150	5,440	4.4	289	5,121	5,650	4.3	528	210	3.9	-0.1
Rs-T-118	Tokyo	Residential	PRIME URBAN Nihonbashi Kayabacho	2,850	2,802	2,900	4.3	97	2,793	3,020	4.2	226	120	4.1	-0.1
Rs-T-119	Tokyo	Residential	PRIME URBAN Yoga II	1,320	1,293	1,330	4.1	36	1,286	1,330	4.1	43	0	0.0	0.0
Rs-T-120	Tokyo	Residential	PRIME URBAN Musashi-Koganei II	1,310	1,275	1,420	4.4	144	1,271	1,420	4.4	148	0	0.0	0.0
Rs-T-121	Tokyo	Residential	PRIME URBAN Gakugei Daigaku Parkfront	1,300	1,387	1,310	4.2	-77	1,382	1,340	4.1	-42	30	2.3	-0.1
Rs-T-122	Tokyo	Residential	PROUD FLAT Omori III	1,110	1,142	1,250	4.0	107	1,136	1,290	3.9	153	40	3.2	-0.1
Rs-T-123	Tokyo	Residential	PROUD FLAT Kinshicho	785	809	920	4.0	110	804	948	3.9	143	28	3.0	-0.1
Rs-T-124	Tokyo	Residential	PROUD FLAT Sangenjyall	2,750	2,832	2,930	4.0	97	2,820	3,000	3.9	179	70	2.4	-0.1
Rs-T-125	Tokyo	Residential	PROUD FLAT Sotokanda	2,280	2,365	2,500	3.9	134	2,354	2,560	3.8	205	60	2.4	-0.1
Rs-T-126	Tokyo	Residential	PROUD FLAT Noborito	1,216	1,272	1,320	4.6	47	1,263	1,350	4.5	86	30	2.3	-0.1
Rs-T-127	Tokyo	Residential	PROUD FLAT Yoyogi Hachiman	966	999	1,060	3.9	60	995	1,090	3.8	94	30	2.8	-0.1

# Portfolio List

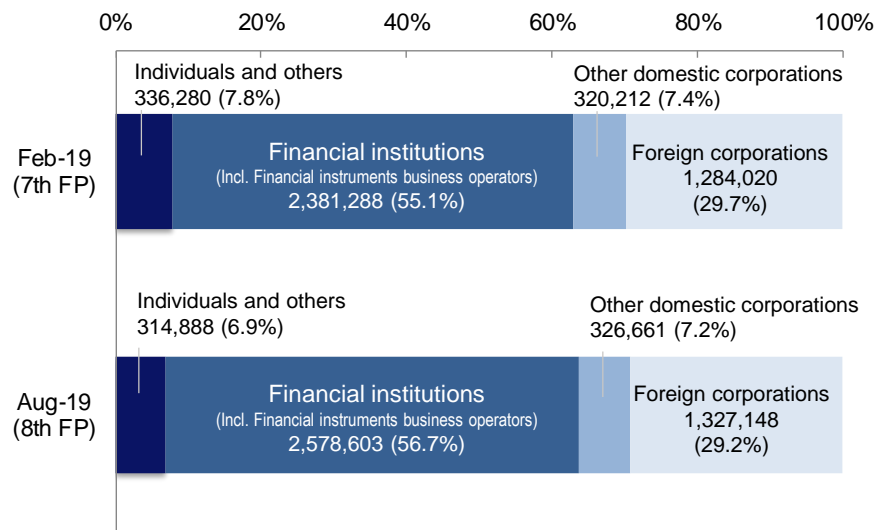
Area	Use	Property name	Acquisition price (million yen)	Feb. 2019				Aug. 2019				Comparison b/w Feb.2019 and Aug.2019			
				Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate	
				(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)	
Rs-T-128	Tokyo	Residential	PROUD FLAT Nakaotiai	844	879	892	4.1	12	874	892	4.1	17	0	0.0	0.0
Rs-S-001	Other	Residential	PROUD FLAT Itsutsubashi	652	597	711	5.2	113	590	682	5.1	91	-29	-4.1	-0.1
Rs-S-002	Other	Residential	PROUD FLAT Kawaramachi	735	668	677	5.2	8	658	692	5.1	33	15	2.2	-0.1
Rs-S-003	Other	Residential	PROUD FLAT Shin Osaka	1,620	1,488	1,730	4.8	241	1,468	1,770	4.7	301	40	2.3	-0.1
Rs-S-005	Other	Residential	PRIME URBAN Kita Juyo Jo	274	255	267	4.9	11	253	267	4.8	13	0	0.0	-0.1
Rs-S-006	Other	Residential	PRIME URBAN Odori Koen I	502	466	476	5.0	9	461	485	4.9	23	9	1.9	-0.1
Rs-S-007	Other	Residential	PRIME URBAN Odori Koen II	334	312	293	5.0	-19	309	298	4.9	-11	5	1.7	-0.1
Rs-S-008	Other	Residential	PRIME URBAN Kita Juichi Jo	547	502	603	5.2	100	496	605	5.2	108	2	0.3	0.0
Rs-S-009	Other	Residential	PRIME URBAN Miyanosawa	475	434	504	5.3	69	428	504	5.3	75	0	0.0	0.0
Rs-S-010	Other	Residential	PRIME URBAN Odori Higashi	394	364	431	5.3	66	360	430	5.3	69	-1	-0.2	0.0
Rs-S-011	Other	Residential	PRIME URBAN Chiji Kokan	249	226	279	5.2	52	223	279	5.2	55	0	0.0	0.0
Rs-S-012	Other	Residential	PRIME URBAN Maruyama	229	209	233	5.2	23	206	232	5.2	25	-1	-0.4	0.0
Rs-S-013	Other	Residential	PRIME URBAN Kita Nijuyo Jo	437	400	471	5.3	70	394	469	5.3	74	-2	-0.4	0.0
Rs-S-014	Other	Residential	PRIME URBAN Sapporo Idaimae	616	566	654	5.2	87	559	651	5.2	91	-3	-0.5	0.0
Rs-S-015	Other	Residential	PRIME URBAN Sapporo Riverfront	4,480	4,145	4,650	5.3	504	4,100	4,650	5.3	549	0	0.0	0.0
Rs-S-016	Other	Residential	PRIME URBAN Kita Sanjo Dori	1,730	1,586	1,860	5.2	273	1,569	1,870	5.2	300	10	0.5	0.0
Rs-S-017	Other	Residential	PRIME URBAN Nagamachi Icchome	1,140	1,062	1,080	5.3	17	1,051	1,080	5.3	28	0	0.0	0.0
Rs-S-018	Other	Residential	PRIME URBAN Yaotome Chuo	466	426	442	5.4	15	420	445	5.4	24	3	0.7	0.0
Rs-S-019	Other	Residential	PRIME URBAN Tsutsumidori Amamiya	949	941	942	5.3	0	936	953	5.2	16	11	1.2	-0.1
Rs-S-020	Other	Residential	PRIME URBAN Aoi	712	678	666	5.0	-12	672	671	4.9	-1	5	0.8	-0.1
Rs-S-021	Other	Residential	PRIME URBAN Kanayama	553	510	604	4.9	93	503	603	4.9	99	-1	-0.2	0.0
Rs-S-022	Other	Residential	PRIME URBAN Tsurumai	1,020	937	1,090	4.9	152	924	1,080	4.9	155	-10	-0.9	0.0
Rs-S-023	Other	Residential	PRIME URBAN Kamimaezu	1,590	1,479	1,660	4.9	180	1,464	1,670	4.9	205	10	0.6	0.0
Rs-S-024	Other	Residential	PRIME URBAN Izumi	3,770	3,517	4,030	4.8	512	3,479	4,010	4.8	530	-20	-0.5	0.0
Rs-S-029	Other	Residential	PRIME URBAN Sakaisuji Honmachi	1,810	1,689	1,890	4.6	200	1,672	1,940	4.5	267	50	2.6	-0.1
Rs-S-030	Other	Residential	PRIME URBAN Hakata	588	547	620	5.1	72	542	595	5.0	52	-25	-4.0	-0.1
Rs-S-031	Other	Residential	PRIME URBAN Yakuin Minami	265	245	282	5.0	36	242	282	4.9	39	0	0.0	-0.1
Rs-S-032	Other	Residential	PRIME URBAN Kashii	398	364	342	5.3	-22	359	344	5.2	-15	2	0.6	-0.1
Rs-S-033	Other	Residential	PRIME URBAN Hakata Higashi	622	572	527	5.2	-45	566	534	5.1	-32	7	1.3	-0.1
Rs-S-034	Other	Residential	PRIME URBAN Chihaya	604	567	566	5.2	-1	561	571	5.1	9	5	0.9	-0.1
Rs-S-036	Other	Residential	Serenite Shinsaibashi Grande	5,567	5,814	5,630	4.2	-184	5,778	5,650	4.1	-128	20	0.4	-0.1
				192,887	187,145	199,676	-	12,530	186,108	202,715	-	16,606	3,039	1.5	-
Ht-S-001	Other	Hotels	Hotel Vista Sapporo Odori	3,600	3,758	3,850	4.5	91	3,742	3,860	4.5	117	10	0.3	0.0
Ht-S-002	Other	Hotels	Red Planet Naha Okinawa	2,650	-	-	-	-	2,686	2,700	4.9	13	-	-	-
				6,250	3,758	3,850	-	91	6,428	6,560	-	131	10	0.3	-
Ot-T-001	Tokyo	Other	Ryotokuji University Shin-Urayasu Campus(Land) (※1)	4,900	5,136	5,310	3.9	173	5,136	5,380	3.9	243	70	1.3	-
				4,900	5,136	5,310	-	173	5,136	5,380	-	243	70	1.3	-
				1,011,279	949,867	1,056,994	-	107,126	999,049	1,123,089	-	124,039	11,435	1.1	-

(\*1) Capitalization rates are discount rates by DCF method.

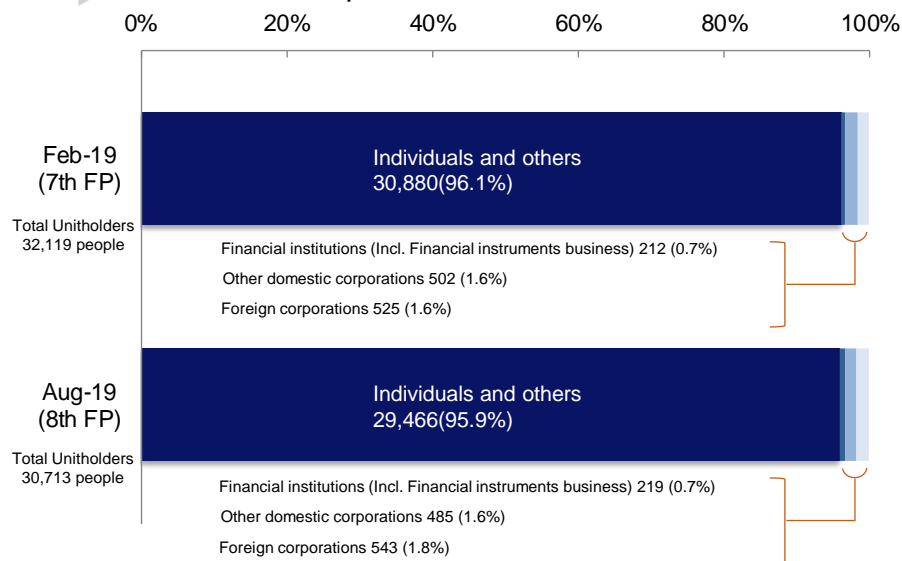
(\*2) Period-to-period change in appraisal value is calculated excluding properties acquired in the August 2019 FP.

# Unitholders

## Number of investment units



## Unitholder composition



## Breakdown of financial institutions (unit)

	Feb.2019 (7th Period)		Aug.2019 (8th Period)	
Banks	168,552	3.9%	148,610	3.3%
Trust Banks	1,892,109	43.8%	2,043,788	44.9%
Life Insurance Companies	26,754	0.6%	24,874	0.5%
Non-Life Insurance Companies	14,371	0.3%	29,993	0.7%
Other Financial Institutions, Financial Instruments Business Operators	279,502	6.5%	331,338	7.3%
<b>Total</b>	<b>2,381,288</b>	<b>55.1%</b>	<b>2,578,603</b>	<b>56.7%</b>

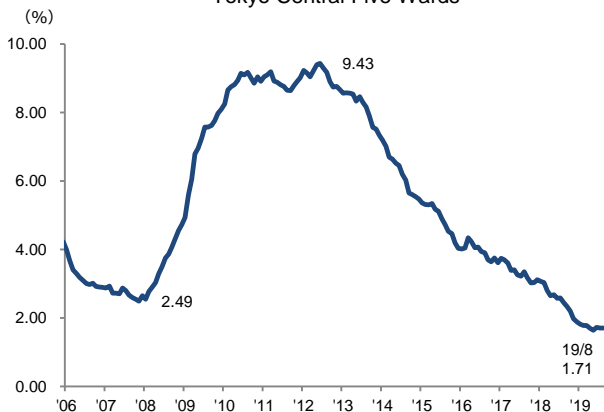
## Top10 unitholders

	Unitholders	Unit	Ratio
1	Japan Trustee Services Bank, Ltd.	957,549	21.1%
2	The Master Trust Bank of Japan, Ltd.	681,352	15.0%
3	Nomura Real Estate Development Co., Ltd.	210,671	4.6%
4	The Nomura Trust and Banking Co., Ltd.	175,745	3.9%
5	STATE STREET BANK WEST CLIENT – TREATY 505234	132,204	2.9%
6	Trust & Custody Services Bank, Ltd.	122,613	2.7%
7	JP Morgan Securities Japan Co., Ltd.	94,765	2.1%
8	STATE STREET BANK AND TRUST COMPANY 505103	55,382	1.2%
9	SSBTC CLIENT OMNIBUS ACCOUNT	54,336	1.2%
10	JP MORGAN CHASE BANK 385771	51,794	1.1%
	<b>Total</b>	<b>2,536,411</b>	<b>55.8%</b>

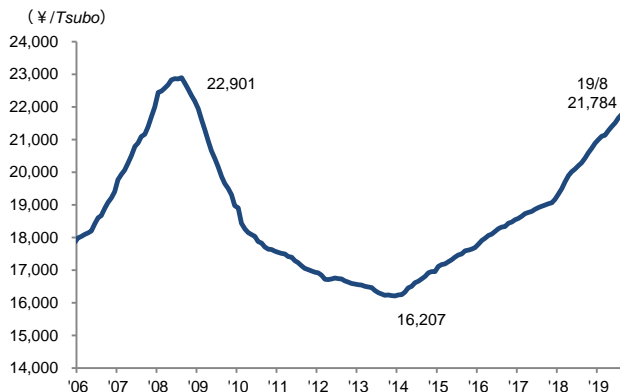
# Market Review ~Leasing Market~

## Office

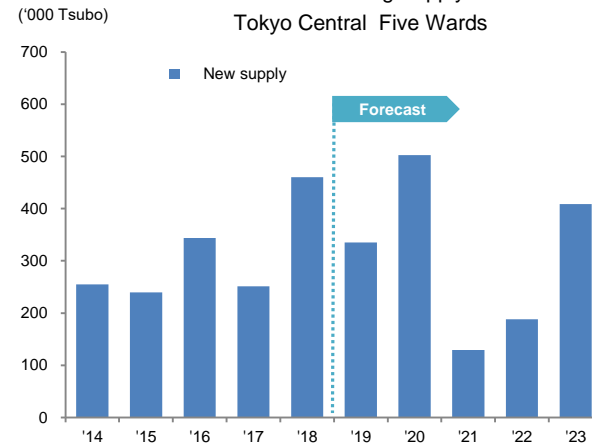
Vacancy Rate  
Tokyo Central Five Wards



Average Monthly Rent  
Tokyo Central Five Wards

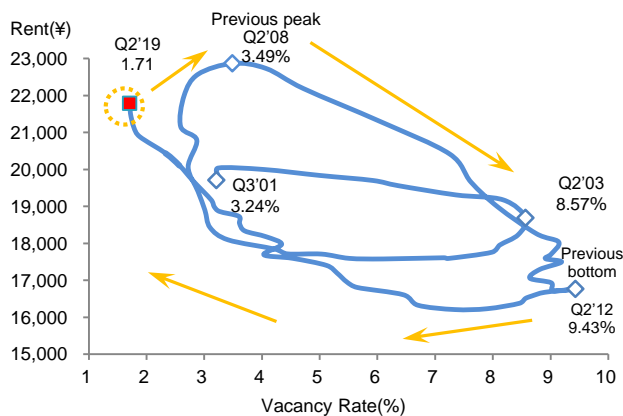


Office Building Supply  
Tokyo Central Five Wards



Source: Prepared by NREAM based on data from Miki Shoji Co., Ltd.

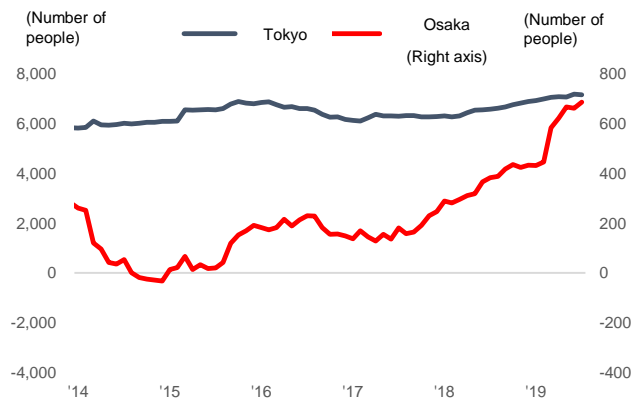
Rent and Vacancy Rate Matrix  
(Tokyo Central Five Wards)



Source: Prepared by NREAM based on data from Miki Shoji Co., Ltd.

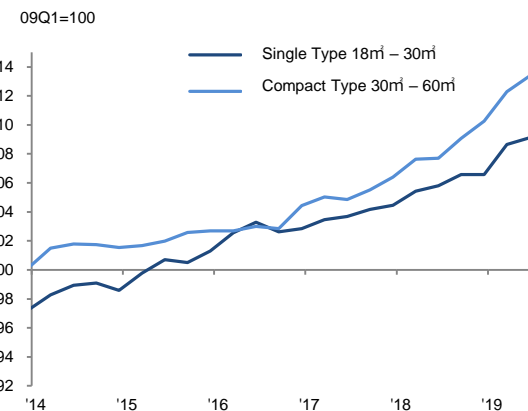
## Residential

Net Population Inflow (12-month moving average)



Source: Prepared by Ministry of Internal Affairs and Communications

Rental Condominium Rent Index (Tokyo's 23 wards)



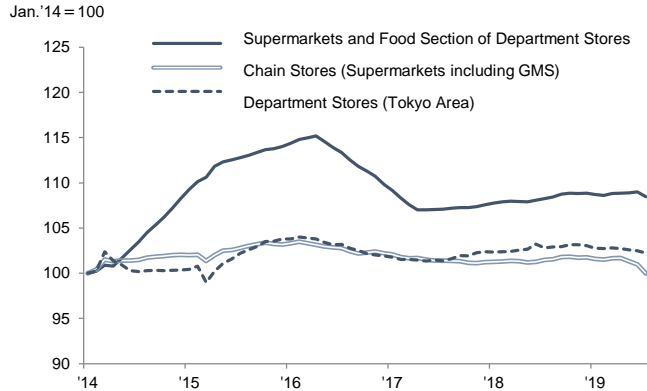
Source: Prepared by NREAM based on data from At Home Co., Ltd. and Sumitomo Mitsui Trust Research Institute Co., Ltd.



# Market Review ~Leasing Market~

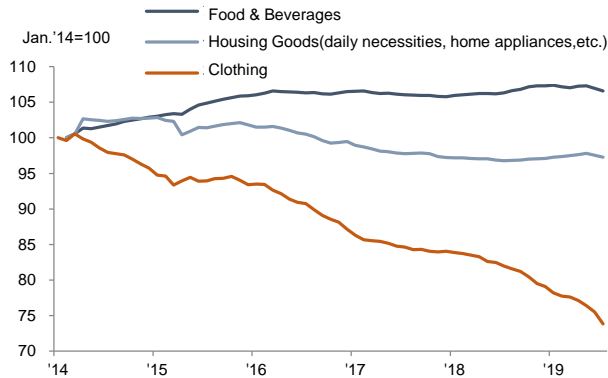
## Retail

Retail Sales Volume by Store Type  
(12-month moving average)



Source: Prepared by NREAM based on data from the Ministry of Economy, Trade and Industry, Japan Chain Store Association, Japan Department Stores Association

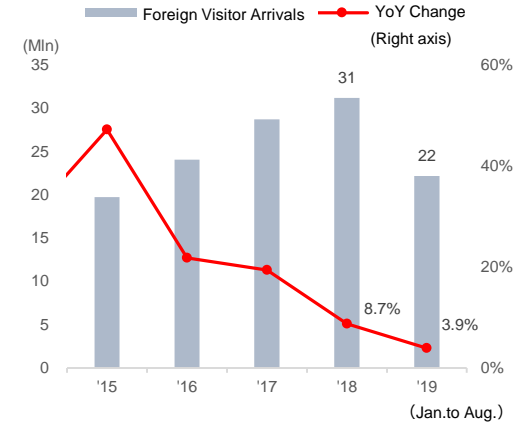
Retail Sales Volume by Product Type  
(12-month moving average)



Source: Prepared by NREAM based on data from Japan Chain Store Association

## Hotel

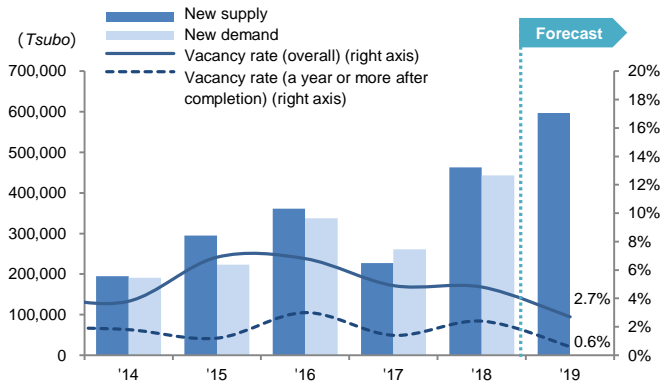
Foreign Visitor Arrivals



Source: Prepared by NREAM based on data from JNTO  
\* Amount in 2019 is estimated.

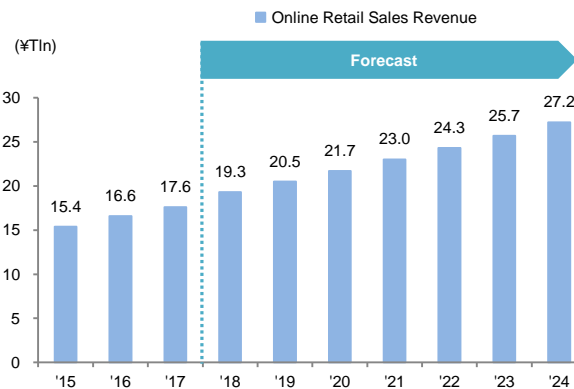
## Logistics

Large-Scale Rental Logistics Facility Supply and Demand  
in the Tokyo Metropolitan Area as of Q2 2019



Source: Prepared by NREAM based on data from CBRD  
\*Vacancy rate until 2018 shows figures as of the end of every December.

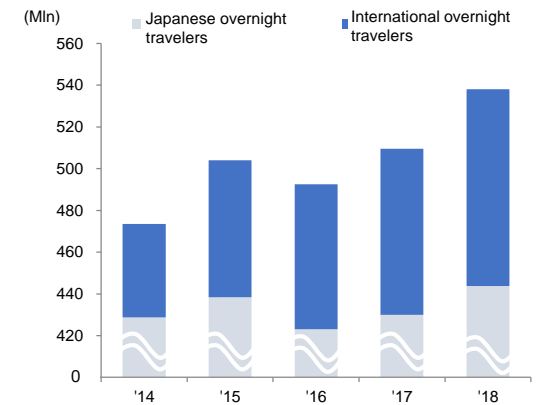
Ecommerce(B2C) Market



Source: Prepared by NREAM based on data from Nomura Research Institute, Ltd.

\*Years show fiscal years

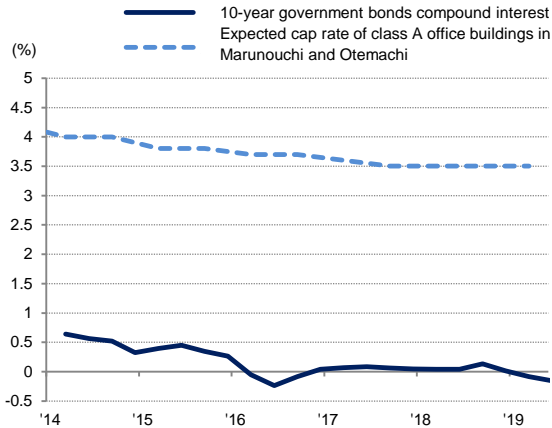
Total Number of Overnight Guests



Source: Prepared by NREAM based on data from Tourism Agency

## Expected Cap Rate

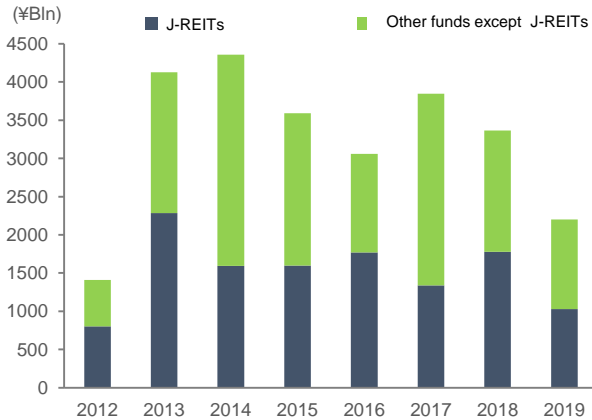
10-year Government Bond Interest Rate and Expected Cap Rate



Source: Prepared by NREAM based on data from the Japan Real Estate Institute and the Ministry of Finance

## Transaction Volume

Total Real Estate Acquisition Prices

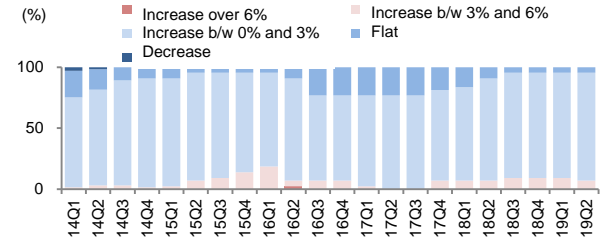


Sources: Prepared by NREAM based on data from disclosure materials by ARES

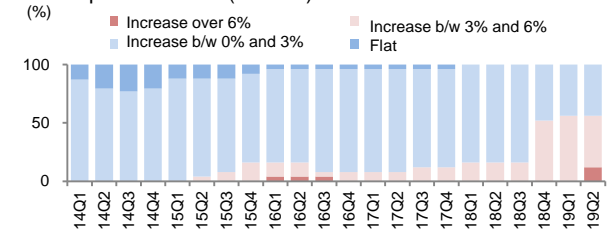
\* Amount in 2019 shows total amount until the end of July 2019.

## Land Price/ Construction Cost

Proportion of Rise(Decline) in Land Prices in Greater Tokyo Area

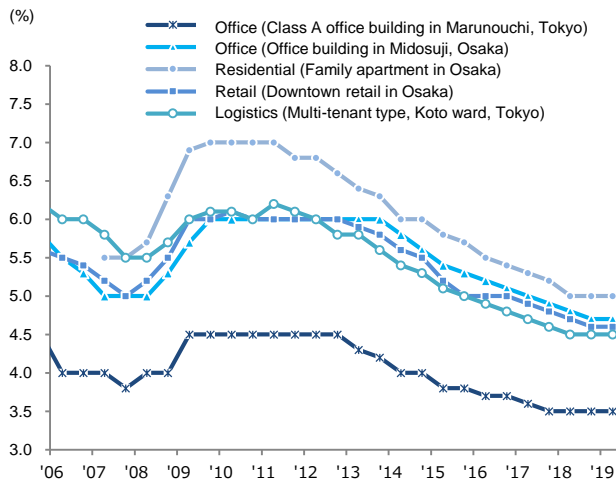


Proportion of Rise(Decline) in Land Prices in Osaka Area



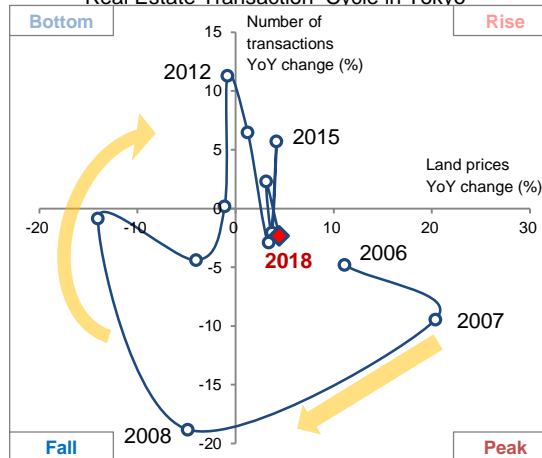
Source: Prepared by NREAM based on data from the Ministry of Land, Infrastructure, Transport and Tourism

Expected Cap Rate by Real Estate Investors



Source: Prepared by NREAM based on data from the Japan Real Estate Institute

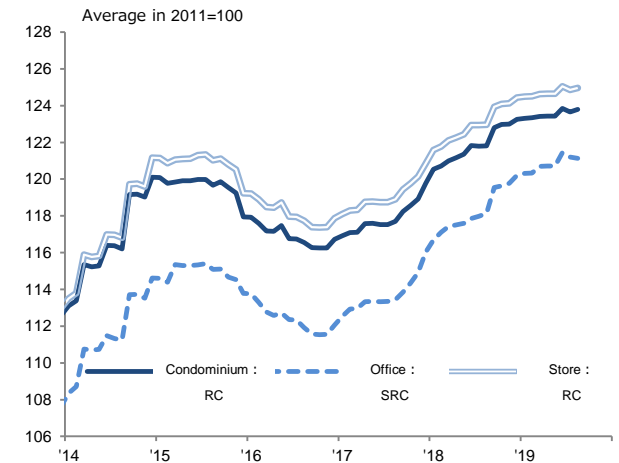
Real Estate Transaction Cycle in Tokyo



Source: Prepared by NREAM based on data from the Ministry of Justice and the Japan Real Estate Institute

\*Land prices used for calculation are those as at the end of every December

Change in Construction Cost by Sector



Source: Prepared by NREAM based on construction cost indicator data from the Construction Research Institute

# Organization and IR Activities

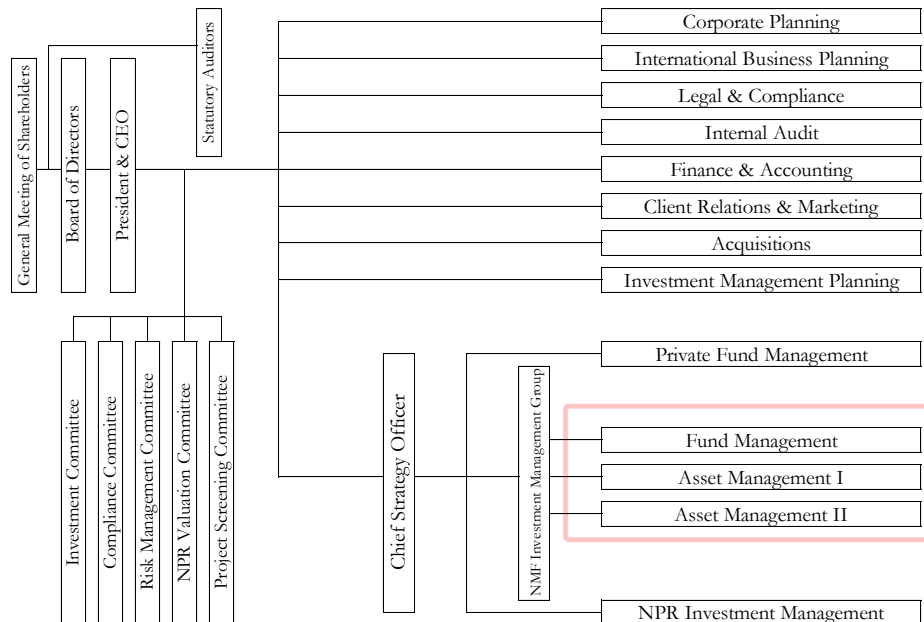
Asset Management Company

Nomura Real Estate Asset Management Co.,Ltd.

> Company Overview

Established	January 2003
Office Location	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023 Japan
Shareholder	Nomura Real Estate Holdings, Inc. (100%)
Employees and Officers	153 (including 6 Executive Officers and 2 Statutory Auditors) *As of April 1st, 2019
Website	<a href="https://www.nre-am.co.jp/english/">https://www.nre-am.co.jp/english/</a>

> Organization Structure



> Nomura Real Estate Master Fund, Inc. - IR Activities

> Official Website



## ESG Annual Report

Our first sustainability report covering our ESG related activities was issued in July.

> IR Activities

- IR tour of the financial results on Feb.2019 period for domestic institutional investors
- Property tour (Harumi Island Triton Square) for the investors
- One-on-one IR meetings with overseas investors in the U.K., the Netherlands and the U.S.A.
- Reported investment management status at the Second General Meeting of Unitholders







# MASTER FUND

野村不動産マスターファンド投資法人

This document has been prepared for the purpose of provision of information only, and should not be construed as an offer, solicitation or commercial conduct of any nature associated with any specific products. Investors wishing to purchase the investment units of Nomura Real Estate Master Fund, Inc. should contact their own securities brokers or dealers. A fee may be charged by your financial instruments business operator in relation to the sale or purchase of investment units. For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, etc. The forward-looking statements with respect to the future financial results contained in this document are based on the current facts about the investment policy of the Fund, applicable laws and regulations, the market environment, business practice, etc., as of the preparation date of this document and do not reflect or consider any changes in the circumstances after the preparation date. These forward-looking statements inherently reflect uncertainty about known risks as well as unknown risks and other factors and may deviate from the actual operating and management results, financial conditions, etc., of the Fund. Investment in real estate investment securities may result in a loss due to a decline in the transaction price caused by, for example, changes in the price or the revenue-generating capability of the underlying properties or deterioration of the financial conditions of the issuer. Although the information contained in this document is intended to be complete and thorough, there is no assurance of precision and safety of the same. Please note that the contents of this document is subject to change or cancellation without prior notice. It is prohibited to make duplication, reproduction, distribution or use of any part or whole of the information contained in this document without express prior written consent.