



For Translation Purposes Only

October 2, 2015

For Immediate Release

Nomura Real Estate Master Fund, Inc.

Satoshi Yanagita, Executive Director

(Securities Code: 3462)

Asset Management Company:

Nomura Real Estate Asset Management Co., Ltd.

Norio Ambe, President and Chief Executive Officer

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**Notice Concerning Summary of Financial Results
For the 5th Fiscal Period Ended August 31, 2015 of
(Old) Nomura Real Estate Master Fund, Inc. (Consolidated Investment Corporation)**

Nomura Real Estate Master Fund, Inc. (“Old NMF”) merged with Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc. on October 1, 2015 and was dissolved as of today, and this press release is posted to announce the summary of financial results of Old NMF (consolidated investment corporation) for the fiscal period ended August 2015.

Please note that the summary of financial results describes the status of Old NMF prior to the merger, except when indicated by the context or otherwise specified, and does not describe the status of Nomura Real Estate Master Fund, Inc. (current investment corporation) which is the new corporation established by the merger.

(Attachment)

(Reference) SUMMARY OF FINANCIAL RESULTS (REIT) For the 5th Fiscal Period Ended August 31, 2015

*<Nomura Real Estate Master Fund, Inc> URL: <http://www.nre-mf.co.jp/english/>

(Reference) SUMMARY OF FINANCIAL RESULTS (REIT)
For the 5th Fiscal Period Ended August 31, 2015

October 2, 2015

REIT securities issuer: Nomura Real Estate Master Fund, Inc. (“NMF”) Stock exchange listing: Tokyo Stock Exchange
 Securities code: 3285 (Note 1) (Note 1)
 Representative: Satoshi Yanagita, Executive Director URL: <http://www.nre-mf.co.jp/english/>
 Asset management company: Nomura Real Estate Asset Management Co., Ltd.
 Representative: Norio Ambe, President and Chief Executive Officer
 Inquiries: Motomi Uki, Head of NMF Investment Management Group TEL: +81-3-3365-8767

Scheduled date of filing of securities report: November 27, 2015 (Note 2)
 Scheduled date of commencement of distribution payout: November 19, 2015
 Preparation for supplementary materials on financial results: Yes
 Holding of briefing session on financial results: No

(Note 1) NMF was delisted on September 28, 2015 by the consolidation-type merger with Nomura Real Estate Office Fund, Inc. (“NOF”) and Nomura Real Estate Residential Fund, Inc. (“NRF”).

In their place, Nomura Real Estate Master Fund, Inc. (the “New Investment Corporation”), the new investment corporation established through the merger, was listed today on the Tokyo Stock Exchange REIT market (securities code: 3462).

(Note 2) The securities report for NMF’s fiscal period ending August 2015 (March 1, 2015 to August 31, 2015) before the merger mentioned above will be submitted.

[Amounts are rounded down to the nearest million yen]

1. Financial Results for the Fiscal Period Ended August 31, 2015 (5th period) (from March 1, 2015 to August 31, 2015)

(1) Operating Results

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

	Operating Revenues		Operating Profit		Ordinary Income		Net Income	
Period ended	million yen	%	million yen	%	million yen	%	million yen	%
August 31, 2015	10,406	(3.4)	4,328	(△8.9)	3,693	(△10.9)	3,692	(△10.9)
February 28, 2015	10,066	(6.3)	4,750	(2.4)	4,146	(1.6)	4,145	(1.6)

	Net Income per Unit	Return on Unitholders’ Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Operating Revenue
Period ended	yen	%	%	%
August 31, 2015	2,217	2.2	1.3	35.5
February 28, 2015	2,489	2.5	1.6	41.2

(2) Distributions

	Distribution per Unit (excluding distribution in excess of earnings)	Total Distributions (excluding distribution in excess of earnings)	Distribution in excess of Net Income per Unit	Total Distributions in Excess of Net Income	Distribution Payout Ratio	Ratio of Distributions to Net Assets
Period ended	yen	million yen	yen	million yen	%	%
August 31, 2015	2,217	3,691	0	0	99.9	2.2
February 28, 2015	2,490	4,146	0	0	100.0	2.5

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
Period ended	million yen	million yen	%	yen
August 31, 2015	287,696	164,813	57.3	98,971
February 28, 2015	276,539	165,267	59.8	99,244

(4) Status of Cash Flows

	Net Cash Provided by (used in) Operating Activities	Net Cash Provided by (used in) Investing Activities	Net Cash Provided by (used in) Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	million yen	million yen	million yen	million yen
August 31, 2015	6,176	△10,888	7,012	21,120
February 28, 2015	5,024	△17,482	14,650	18,820

*Other

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

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

(2) Number of Investment Units Issued and Outstanding

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

As of August 31, 2015: 1,665,260 units

As of February 28, 2015: 1,665,260 units

② Number of treasury investment units

As of August 31, 2015: – units

As of February 28, 2015: – units

(Note) For the number of investment units used as the basis for calculation of net income per unit, please refer to “Notes on Per Unit Information” on page 28.

* Presentation of the status of implementation of audit procedures

At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948) have not been completed.

* Explanation of forward-looking statements

The outlook for management status and other forward-looking statements contained in this report are based on information currently available to and certain assumptions deemed reasonable by NMF. Accordingly, actual management status, etc. may differ materially due to a variety of factors.

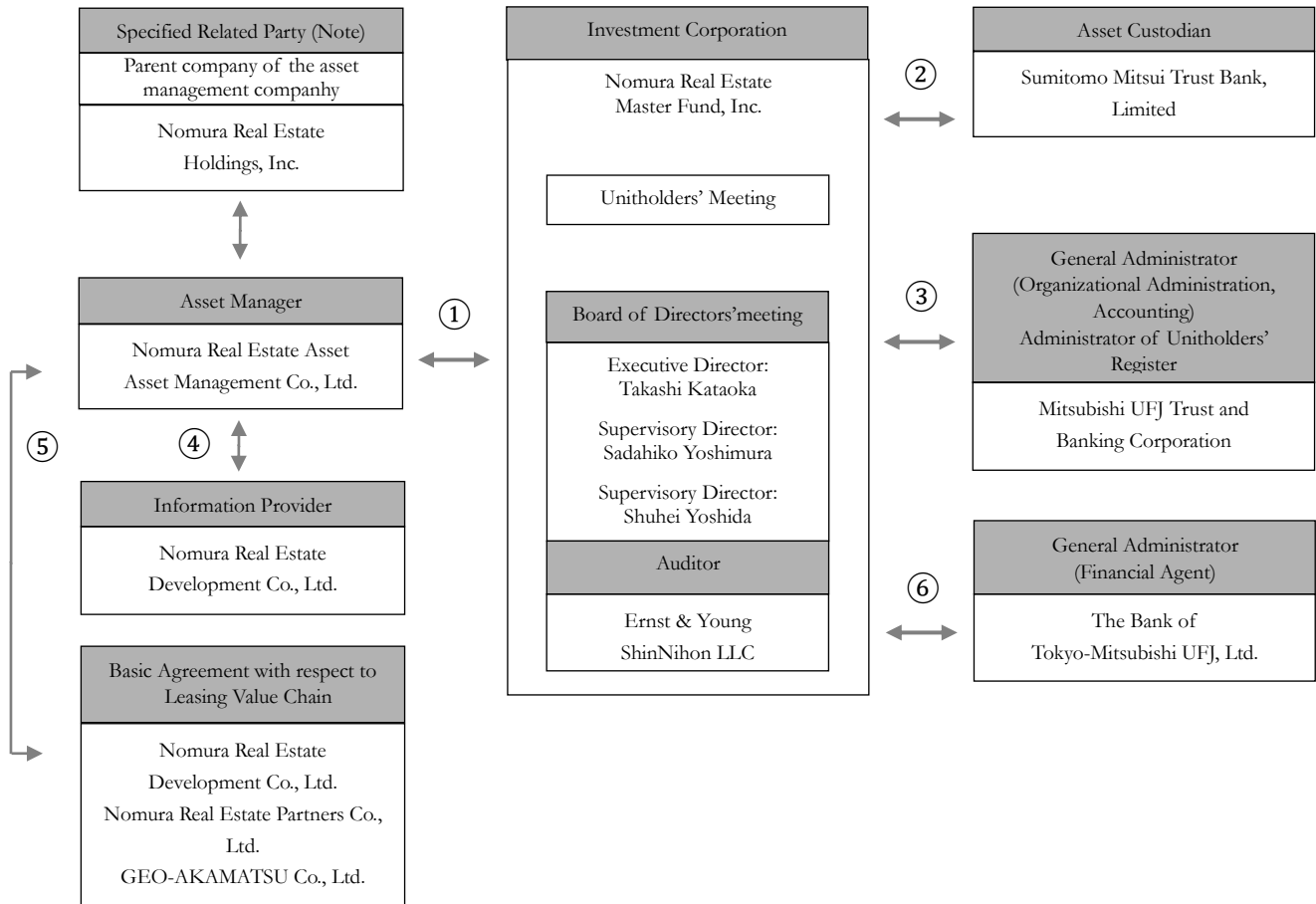
This is an English language translation of the original Japanese announcement of the financial statements (“Kessan Tanshin”). This translation is provided for information purpose only. Should there be any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Attachment

1. Related Corporations of the Investment Corporation

① Structure of the Investment Corporation

The followings are company name and outline of related business of NMF's related parties and other relevant parties.



(Note) There is no company made transactions pursuant to the provisions of Article 2-3, Paragraph 3, each items of the Order for Enforcement of the Financial Instruments and Exchange Act, out of the related parties of the asset management company.

Type of Agreements
① Asset Management Agreement
② Asset Custody Agreement
③ Transfer Agency Agreement, General Administration Agreement
④ Information Provision Agreement
⑤ Basic Agreement with respect to Leasing Value Chain
⑥ Financial Agent Agreement

(Note) With the merger of NMF, NOF and NRF, changes have been made to the Information Provision Agreements regarding logistics facilities and retail facilities to add office buildings, the investment target of NOF, and residential facilities, the investment target of NRF, among other items as information provision. Due to this change, Nomura Real Estate Development Co., Ltd. will continue to supply property information to the Asset Management Company including information on office buildings and residential facilities even after the merger.

② Names of company and related companies, their management roles and its related business outline

Name	Management role	Related business outline
Nomura Real Estate Master Fund, Inc.	Investment Corporation	NMF invests in specific assets, mainly real estate and real-estate securities, with the aim of securing stable medium- and long-term income and delivering steady portfolio growth.
Nomura Real Estate Asset Management Co., Ltd.	Asset management company	Pursuant to the Asset Management Agreement (stated in ① above), and at the request of NMF, the Asset Management Company shall manage the assets held by NMF in accordance with NMF's articles of incorporation and the investment targets and policies prescribed therein.
Sumitomo Mitsui Trust Bank, Limited	Asset Custodian	Pursuant to the Asset Custody Agreement (stated in ② above), and at the request of NMF, Sumitomo Mitsui Trust Bank shall provide custodian services with regard to the assets held by NMF.
Mitsubishi UFJ Trust and Banking Corporation	General Administrator (Organizational Administration, Accounting)	Pursuant to the General Administration Agreement (stated in ③ above), and at the request of NMF, Mitsubishi UFJ Trust and Banking shall perform administration relating to the management of NMF (administration as prescribed in Article 117, item 4 of the Investment Trust Law, excluding administration performed by the administrator of the unitholders' register), administration relating to NMF's accounts (administration as prescribed in Article 117, item 5 of the Investment Trust Law), administration relating to the preparation of accounting books (administration as prescribed in Article 117, item 6 of the Investment Trust Law and in Article 169, paragraph 2, item 6 of the Ordinance for Enforcement thereof (includes item 129 of the Prime Minister's Ordinance of 2000 and subsequent revisions and is hereinafter referred to as the "Ordinance for Enforcement of the Investment Trust Law")), administration relating to taxes (administration as prescribed in Article 117, item 6 of the Investment Trust Law and in Article 169, paragraph 2, item 7 of the Ordinance for Enforcement of the Investment Trust Law).

	Administrator of Unitholders' Register	Pursuant to the Transfer Agency Agreement (stated in ③ above), and at the request of NMF, Mitsubishi UFJ Trust and Banking shall perform administration relating to the preparation, management, and safekeeping of the unitholder register and other books, administration relating to distributing invitations for general unitholders' meetings, preparation and tallying of voting papers and proxies, and administration relating to the payment of distributions to unitholders.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	General Administrator for Investment Corporation Bonds	Pursuant to the fiscal agency agreement (stated in ⑥ above), The Bank of Tokyo-Mitsubishi UFJ performs the operation services related to the issuance of Corporate Bond, the operation services related to the interest payment of Corporate Bond, the operation services related to the original registers of Corporate Bond, and other related services.
Nomura Real Estate Development Co., Ltd.	Information Provider	Nomura Real Estate Development shall provide information regarding real estate for sale in accordance with the Information Provision Agreement (stated in ④ above). Please refer to "2. Investment Policy / (1) Investment Policy / 6 Value Chain of Nomura Real Estate Group / D. Utilizing Pipeline Support from Sponcer" presented in the Securities Report (filed on May 25, 2015).
Nomura Real Estate Holdings, Inc.	Parent Company of asset management company	Nomura Real Estate Holdings holds 100% of the shares outstanding of asset management company and concerned as parent company of the asset management company scribed in the Regulation for Terminology, Forms and Preparation of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963). Furthermore, NMF have no contract or do not intend to have contract with the said company.
Nomura Real Estate Development Co., Ltd. Nomura Real Estate Partners Co., Ltd. GEO-AKAMATSU Co., Ltd	Partners of information sharing and joint reviewers of measures	With the purpose of sharing information and know-how regarding rental real estate and jointly reviewing measures such as for increasing the brand value, a basic agreement (⑤ in the figure above) is concluded among the Asset Management Company, Nomura Real Estate Development Co., Ltd, Nomura Real Estate Partners Co., Ltd. and Geo-Akamatsu Co., Ltd. regarding a leasing value chain prescribing the setting of regular meetings, etc.

③ Figure of silent partnership in which NMF invests

A. Godo Kaisha Osaka Hirakata Project Silent Partnership

Godo Kaisha Osaka Hirakata Project (Note 1)	
Beneficiary interest in real estate in trust, etc. (Note 2) ¥3,692 million	Non-recourse loans ¥2,747 million
	Silent partnership equity interest, etc. (Note 3) ¥945 million

(Note 1) Mizuho Trust & Banking Co., Ltd. is appointed as the asset manager of the G.K.

(Note 2) The asset is beneficiary interest in real estate in trust mainly in “Hirakata Logistics Center”.

(Note 3) NMF has invested 100 million yen (approx. 10.6%) in the silent partnership equity, etc.

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted, since there are no significant changes from the “Investment Policy,” “Investment Targets” and “Distribution Policy” presented in the securities report (filed on May 25, 2015).

(2) Management Status

① Outline of Fiscal Period under Review

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

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

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

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

“Specified assets of real estate” refers to that which is stipulated in the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Prime Minister’s Ordinance No. 129 of 2000).

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

Furthermore, “Real estate, etc.” refers to assets defined in Article 29, Paragraph 1 (1) or (2) of NMF’s Articles of Incorporation, and “real estate backed securities” refers to assets defined in Article 29, Paragraph 1 (3) of NMF’s Articles of Incorporation in this report (“Real estate, etc.” and “real estate backed securities” are hereinafter collectively referred to as “real estate related assets.”).

Real estate and the underlying real estate of real estate related assets are together referred to as the “real estate under management” or the “property.”

A. Investment Environment and Management Performance

The Japanese economy has continuously been on a moderate recovery trend. Furthermore, the postponement of the consumption tax hike and price decrease due to low crude oil price, in addition to the progressing depreciation of the yen and high stock prices affected by the additional monetary easing conducted by the Bank of Japan, are serving as a tailwind for the economy as evidenced by the reinforced improving trends in the confidence for future economic conditions among companies and households since December 2014 indicated in “Economy Watchers Survey” conducted by the Cabinet office. Going forward, personal consumption and capital investments are expected to lead the growth against the backdrop of improvement in the employment and income environment as well as strong corporate earnings.

Under such an environment, the J-REIT market has been experiencing inflow of both domestic and foreign investment capital due to expectation for recovery of the Japanese economy and the real estate market. Furthermore, the upward trend of the TSE REIT Index grew, partly due to the Bank of Japan implementing additional monetary easing in October 2014 with decision to further purchase J-REIT investment units. Although it recently turned downward, it still remains at a high level. In addition, reviewing of the composition of the portfolio of Government Pension Investment Fund, the largest pension fund operator in Japan, and led to part of their vast fund being invested in the J-REIT market has also become a tailwind. Backed by such favorable financing environment among other factors, there were continuous active property acquisitions accompanying new J-REIT listings and capital increases through public offering by existing J-REITs.

Concerning the environment surrounding retail facilities, consumer confidence has been steadily improving since November 2014 due to the postponement of the consumption tax hike and price decrease brought by low crude oil prices while retail sales have been on an improving trend centering on non-durable goods (beverages, food, etc.). Under such circumstances, the retail industry is showing a high level of capital investment and the appetite for opening new shops is increasing in the industry as demand is expected to continue increasing such as due to the continued inflow of populations particularly into major urban zones and the increase in consumption by foreign visitors to Japan. On the other hand, since new store developments are being suppressed backed by the intensification of competition to acquire lots and rising land prices, the rarity of existing commercial accumulations on prime lots is increasing and it is forecast that the rent level of shops will continue to increase gradually centering on prime properties.

Concerning logistics facilities market trends, supported by activated demand from the food wholesale business in addition to demand from e-commerce and internet mail-orders and the fashion/apparel industry, serving as the demand-driving forces, as well as demand from the accompanying third-party logistics (Note 1) business expansion, supply-demand remains tight and the vacancy rate of large logistics facilities continues to be at a low level. Although large new supply is expected in 2015 through 2016, the ratio of highly-functional logistics facilities needed for realizing an efficient delivery network is still small in the entire stock, thus strong demand for such prime properties is expected to continue for the time being.

In the real estate transaction market, appetite for property acquisition continues to be strong centering on J-REITs and other real estate funds inside and outside Japan and real estate companies backed by the favorable financing environment in Japan due to monetary easing, etc., recovering moves in the leasing market and other factors. On the other hand, some cases of overheated transactions are observed in property acquisition competition due to the increased number of transaction participants and the anticipated increase in asset prices.

Under such circumstances, NMF acquired Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest (investment amount of 100 million yen) on March 30, 2015 and, along with the acquisition, preferential negotiation right to purchase trust beneficiary interest in mainly Hirakata Logistics Center. Furthermore, on July 1, 2015, NMF acquired Kawaguchi Ryoke Logistics Center. Ryoke Capital Godo Kaisha is the operator of the silent partnership in which NMF has made investment of 500 million yen (approximately 17.9% of the silent partnership equity interest), and NMF exercised, for the conclusion of the purchase and sale agreement, the preferential negotiation right granted upon the acquisition of silent partnership equity interest.

As a result, the number of properties held by NMF (excluding an equity interest in a silent partnership) at the end of the 5th fiscal period was 57 properties (total acquisition price of 266,393 million yen), investment ratio in the Greater Tokyo area (Note 2) accounted for 80.4% and gross leasable area was 954,447.89m². In addition, the occupancy rate of the entire portfolio at the end of the 5th fiscal period was stable at a high level of 99.3%.

In addition, on September 1, 2015 subsequent to the end of the 5th fiscal period (end of August 2015), NMF transferred trust beneficiary interest in mainly Mitsubishi Motors Ibaraki Maintenance Center.

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

(Note 2) "Greater Tokyo area" refers to Tokyo, Kanagawa, Chiba and Saitama prefectures.

B. Status of Fund Procurement

During the period under review, NMF borrowed 11,200 million yen on June 30, 2015 to fund part of the acquisition of a specified asset and related expenses. As a result, the balance of interest-bearing liabilities was 110,307 million yen and the ratio of interest-bearing liabilities to total assets (LTV) was 38.3% at the end of the 4th fiscal period.

The following is the rating obtained by NMF as at the end of the 5th fiscal period. The rating is not a rating of NMF investment units. Concerning NMF investment units, there are no credit ratings that credit rating agencies have provided or made available for inspection and there are no credit ratings that credit rating agencies are scheduled to provide or make available for inspection at the request of NMF. Japan Credit Rating Agency, Ltd. has released a press release dated May 27, 2015 regarding the credit rating of NMF for the reason that NMF concluded a merger agreement on May 27, 2015 as stated below in “C. Merger with Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.”

Credit rating agency	Rating description	Note
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA-	Rating outlook: (Note)

(Note) Designation to credit monitor (direction: positive) was announced in a press release dated May 27, 2015.

C. Merger with Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.

NMF, Nomura Real Estate Office Fund, Inc. (“NOF”) and Nomura Real Estate Residential Fund, Inc. (“NRF”; and NMF, NOF and NRF are individually referred to as the “Consolidated Investment Corporation” hereinafter) respectively have determined at each of the board of directors meetings held on May 27, 2015, to implement a consolidation-type merger (the “Merger”) as mentioned below, whereby October 1, 2015 is set as the date of incorporation of investment corporation (the “New Investment Corporation”) incorporated through the consolidation-type merger, and have entered into a merger agreement dated May 27, 2015. Moreover, the merger agreement was approved at the general meetings of unitholders of NMF and NOF held on July 30, 2015 and the general meeting of unitholders of NRF held on July 31, 2015.

1. Purpose of Merger

The Consolidated Investment Corporations each entrusted their asset management to Nomura Real Estate Asset Management Co., Ltd. and were provided support by the Nomura Real Estate Group and had established stable track records. However, in recent years the companies were faced by environmental changes such as intensified acquisition competitions, polarization of size in J-REITs and diversification of investment types of J-REITs.

Confronting such changes in business environment, the Consolidated Investment Corporations have respectively considered measures to maximize sustainable growth of unitholders’ value and have shared a common view that there is a need to expand the asset size, diversify portfolio and strengthen the stability of financing basis in order to strengthen capacity for future growth, and discussions and deliberations have been carried out as measures for increasing unitholder value.

By becoming a top-class domestic diversified type J-REIT with an asset size of more than JPY 900 billion, with increased asset size and diversified investment types of assets, it is believed the merger will contribute to expand acquisition opportunities, stabilize the portfolio, enhance risk tolerance, gain competitive strength for asset acquisitions and stabilize the financial basis. In addition, it is believed that both growth and stability can be achieved in managing the portfolio by making the best use of the Asset Management Company’s abundant and professional expertise accumulated through management of the Consolidated Investment Corporations and effectively leveraging wide-range know-hows and brands held by Nomura Real Estate Group, one of the major comprehensive real estate developers in Japan.

In particular, the Consolidated Investment Corporations believe the following demonstrates the concept of the merger.

- i. Pursue sustainable growth by transforming from a “specialized type J-REIT” to a “diversified type J-REIT”
- ii. Strengthen stability and enhance growth strategy through benefit of a large scale REIT
- iii. Accelerating mutual growth with Nomura Real Estate Group by establishing a “leasing value chain”

After the merger, the New Investment Corporation, with the above-mentioned concepts of the merger in mind, aims to secure stable medium- to long-term income and maximize unitholders’ value through steadily increasing the portfolio size. In addition, it is expected, as a positive effect of the merger, market price of investment units could be more stabilized due to increase in cash distribution through external and internal growth and improved liquidity of investment units.

2. Merger Ratio

With the merger, 1 unit of the New Investment Corporation will be allotted for 1 unit of NMF, 3.60 units of the New Investment Corporation will be allotted for 1 unit of NOF and 4.45 units of the New Investment Corporation will be allotted for 1 unit of NRF. Therefore there will be fractions of one investment unit generated for unitholders of NOF and NRF. As such, such fractions shall be disposed pursuant to the relevant laws through market transactions and the proceeds from the unit sales will be distributed to holders of such fractions according to the fractions each unitholder has.

3. Cash Distribution on Merger

Instead of cash distributions for each Consolidated Investment Corporation's final fiscal period ending on September 30, 2015 (in the case of NMF; the period from September 1, 2015 to September 30, 2015; in the case of NOF, the period from May 1, 2015 to September 30, 2015; and in the case of NRF, the period from June 1, 2015 to September 30, 2015), the New Investment Corporation will make a cash distribution on merger to the unitholders listed or recorded on the final unitholders register of each of the Consolidated Investment Corporations as of the day immediately prior to the date of incorporation of the New Investment Corporation (excluding each Consolidated Investment Corporation and the dissenting unitholders of each Consolidated Investment Corporation who demand for repurchase of investment units pursuant to Article 149-3 of the Act on Investment Trusts and Investment Corporations) (the "Allotted Investors"), in an amount equivalent to the cash distributions for the final fiscal period based on each Consolidated Investment Corporation's distributable profit (the payment on merger will be (i) the amount of distributable profit of each Consolidated Investment Corporation as of the day immediately prior to the date of incorporation of the New Investment Corporation divided by (ii) the number of investment units that is obtained by deducting (a) the number of investment units held by the unitholders other than the Allotted Investors of each Consolidated Investment Corporation from (b) the number of investment units issued and outstanding of each of such Consolidated Investment Corporation, as of the day immediately prior to the date of incorporation of the New Investment Corporation (amounts less than one yen are rounded down)). The details will be announced once they are determined.

D. Business Performance and Distributions

As a result of the management described above, business performance for the 5th fiscal period was as follows: operating revenue of 10,406 million yen, operating income of 4,328 million yen, ordinary income of 3,693 million yen and net income of 3,692 million yen.

Concerning distributions in the 5th fiscal period, in order to have the maximum amount of distributions of earnings included in deductible expenses by applying special measures for the tax treatment (Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957)), NMF decided to distribute almost the entire amount of unappropriated retained earnings, excluding fractions of the distribution per investment unit that are less than 1 yen. Accordingly, NMF declared distribution per investment unit of 2,217 yen.

② Outlook for Next Fiscal Period

A. Future Management Policy and Challenges

The Japanese economy ahead is anticipated to see the moderate recovery trend continue due to such factors as the recovery in corporate earnings and pickup in capital investment as well as improvement in the employment and income environments.

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

With such a view on the economic environment, NMF merged with NOF and NRF and the merger became effective as of October 1, 2015. The New Investment Corporation thereby established will start management based on the following policies in order to secure stable income in the medium to long term and realize steady growth of assets under management.

(a) Realizing stable growth through investment in diverse real estate (diversified type strategy)

Through its diversified type strategy, the Investment Corporation will aim to pursue both stability and growth potential of income through the effects of sector diversification while promoting selective investment in prime properties and increase of investment opportunities with the greater capacity to collect property information.

The portfolio of the New Investment Corporation is comprised of properties with stable profitability not easily affected by economic fluctuations such as logistics facilities, retail facilities (located in residential areas) and residential facilities, as well as properties whose income can be expected to grow through economic fluctuations such as retail facilities (located near stations) and office buildings. It is believed that both stability and growth potential of income can be pursued through investment that focuses on differences in lease transaction practices such as contract periods and contract types (normal lease and fixed-term lease) as well as in property-specific income features.

Furthermore, investment targets in the J-REIT market, initially centering on offices, are becoming more diversified, incorporating retail facilities, residential facilities, logistics facilities and even hotels, factories, infrastructure and healthcare facilities. Further expansion of this trend is expected going forward with the growth of the J-REIT market. Given these circumstances around the J-REIT market, the New Investment Corporation will pursue further growth by responding to the diversification of investment targets utilizing the features of being a diversified type REIT.

(b) Portfolio management that utilizes the diversification effect (large-scale REIT strategy)

The New Investment Corporation which is one of the largest in Japan will manage its properties actively and effectively through the effects of a diversified portfolio which decreases the risks of decreased revenues and maldistribution of portfolio properties as well as the risks associated with tenant concentration. Responding to the aging of portfolio properties is a matter that can't be avoided for the New Investment Corporation which will own real estate and such for long periods of time. Therefore, measures aimed at increasing the portfolio value will be actively promoted such as implementing value-adding work utilizing depreciation, replacement of properties and rebuilding in collaboration with the sponsor. Furthermore, internal growth will be enhanced by advancing consolidation and efficiency in property management and endeavoring to reduce various expenses.

In addition to such measures, the New Investment Corporation will promote the increase of the asset size and market size, reduction of financial costs and diversification of funding methods in an aim to increase financial stability backed by increased funding capabilities.

(c) Utilizing leasing value chain with Nomura Real Estate Group (sponsor pipeline)

The Nomura Real Estate Group is a corporate group comprised of the consolidated subsidiaries, etc. of Nomura Real Estate Holdings such as Nomura Real Estate Development Co., Ltd. Business segments are divided into the Residential Business, Leasing Business, Asset Management Business, Property Brokerage and CRE Business, Property & Facility Management Business and Other Businesses. This diverse range of businesses is operated as a comprehensive real estate corporate group.

Nomura Real Estate Asset Management Co., Ltd., the asset management company of the New Investment Corporation, in addition to receiving external growth support through the property acquisition pipeline by way of provision of information on real estate, etc. from Nomura Real Estate Development Co., Ltd., has established a management pipeline with the dual functions of sharing information and know-how regarding rental revenue real estate among Nomura Real Estate Group companies as well as jointly deliberating and promoting measures necessary for increasing brand value

and profitability of properties in both hard and soft aspects, and will actively promote the strengthening of the brand powers of properties developed by the sponsor such as PMO, PROUD FLAT, GEMS and Landport as well as increase the value of the New Investment Corporation's portfolio properties. Through this, a positive cycle of mutual growth will be established among the New Investment Corporation and Nomura Real Estate Group companies in an aim to increase unitholder value.

By maximally utilizing the planning, development and management capabilities associated with real estate of various sectors in the Nomura Real Estate Group, the New Investment Corporation will promote optimal portfolio management and the steady growth of the asset size backed by the rich pipeline and aim to secure stable income in the medium to long term.

③ Significant Subsequent Events

A. Transfer of the Asset

NMF has transferred “Mitsubishi Motors Ibaraki Maintenance Center” on September 1, 2015, after the end of 5th fiscal period (August 31, 2015).

Type of Asset	Trust beneficiary interest in mainly real estate
Property Name	Mitsubishi Motors Ibaraki Maintenance Center
Transfer Price (Note)	¥1,133 million
Date of Agreement	April 30, 2015 (date of agreement on purchase and sale of beneficial interest in real estate trust)
Transfer Date	September 1, 2015 (date of delivery of beneficial interest in real estate trust)
Transferee	Japanese General Operating Company
Impact on Earnings	The Fund is scheduled to record around ¥240 million of transfer profit (including miscellaneous expenses) as Operating Revenues on final fiscal period (from September 1, 2015 to September 30, 2015)

(Note) Excluding property taxes, urban planning taxes.

(Reference)

A. Acquisition of the asset

The Fund concluded the purchase and sale agreement of assets stated below on May 27, 2015, subject to the merger.

Type of asset	Trust beneficiary interest in mainly real estate	Real estate
Name of asset	NRE Kichijoji Building	GEMS Ichigaya
Location (Note 1)	(Registry) 2-2017-216 Kichijoji Honcho, Musashino City, Tokyo and 10 others (Street) 2-2-17 Kichijoji Honcho, Musashino City, Tokyo	(Registry) 4-3 Rokubancho, Chiyoda Ward, Tokyo (Street) 4-3 Rokubancho, Chiyoda Ward, Tokyo (Note 2)
Structure (Note 1)	S/RC B2/7F	S/SRC B1/9F
Land Area (Note 1)	923.73m ² (279.42 tsubo) (Note 3)	236.59m ² (71.56 tsubo)
Building Area (Note 1)	5,550.35m ² (1,678.98 tsubo) (Note 3)	1,477.10m ² (446.82tsubo)
Type of Ownership	(Land) Ownership (51.0%) (Note 4) (Building) Ownership (51.0%) (Note 4)	(Land) Ownership (Building) Ownership
Completion Date (Note 1)	July 10, 2014	October 31, 2014
Scheduled Acquisition Price (Note 5)	¥5,310 million	¥2,080 million
Date of agreement	May 27, 2015 (date of agreement on purchase and sale of beneficial interest in real estate trust)	May 27, 2015 (date of agreement on purchase and sale of real estate)
Scheduled date of Acquisition	October 30, 2015 (date of delivery of beneficial interest in real estate trust)	October 30, 2015 (date of delivery of real estate)
Seller	Nomura Real Estate Development, Co., Ltd.	Nomura Real Estate Development, Co., Ltd.
Financing	Scheduled to finance from borrowings in New Investment Corporation	Scheduled to finance from borrowings in New Investment Corporation

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

(Note 2) Concerning location of the Property, Street has not been officially indicated.

(Note 3) Area for land and building indicates area for the entire land and building of the Property.

(Note 4) The ratio of ownership is indicated as 51%, which is the ratio of quasi co-ownership of trust beneficiary interest in real estate planned to be acquired by the New Investment Corporation.

(Note 5) Excluding property taxes, urban planning taxes, consumption taxes and local consumption taxes

3. Financial Statements

(1) Balance Sheet

Thousands of Yen

	As of February 28, 2015	As of August 31, 2015
Assets		
Current assets		
Cash and bank deposits	12,486,260	14,457,463
Cash and bank deposits in trust	6,333,926	6,663,335
Rental receivables	206,479	291,505
Prepaid expenses	269,318	294,892
Deferred tax assets	5	39
Income taxes receivable	3,609	7,614
Consumption taxes receivable	571,565	—
Other	104,101	158,415
Total current assets	19,975,268	21,873,266
Noncurrent assets		
Property and equipment		
Buildings	3,502,973	3,503,532
Less accumulated depreciation	(163,530)	(223,636)
Buildings, net	3,339,443	3,279,895
Structures	28,932	28,932
Less accumulated depreciation	(4,723)	(6,302)
Structures, net	24,208	22,629
Land	10,923,206	10,923,206
Buildings in trust	103,956,034	108,535,911
Less accumulated depreciation	(4,998,376)	(6,596,671)
Buildings in trust, net	98,957,658	101,939,239
Structures in trust	866,502	866,502
Less accumulated depreciation	(266,616)	(341,485)
Structures in trust, net	599,886	525,017
Tools, furniture and fixtures in trust	20,397	55,193
Less accumulated depreciation	(3,205)	(6,205)
Tools, furniture and fixtures in trust, net	17,191	48,988
Land in trust	137,141,279	143,927,747
Construction in progress	4,317	19,714
Total property and equipment	251,007,192	260,686,439
Intangible assets		
Leasehold rights in trust	3,828,326	3,827,940
Other	15,559	15,923
Total intangible assets	3,843,886	3,843,864
Investments and other assets		
Investment securities	463,151	99,667
Long-term prepaid expenses	588,612	532,582
Long-term deposits	89,205	89,205
Security deposits	546,095	546,095
Total investments and other assets	1,687,064	1,267,550
Total noncurrent assets	256,538,143	265,797,854
Deferred assets		
Investment corporation bond issuance costs	26,527	25,155
Total deferred assets	26,527	25,155
Total assets	276,539,938	287,696,275

Thousands of Yen

	As of February 28, 2015	As of August 31, 2015
Liabilities		
Current liabilities		
Trade accounts payable	493,922	439,285
Short-term debt	*1 4,000,000	*1 8,100,000
Current portion of long-term debt	85,600	85,600
Other accounts payable	235,326	333,448
Accrued expenses	26,211	37,290
Accrued income taxes	549	751
Accrued consumption taxes	—	103,577
Rent received in advance	1,509,800	1,582,911
Other current liabilities	955	115,298
Total current liabilities	6,352,365	10,798,164
Long-term liabilities		
Investment corporation bonds	3,000,000	3,000,000
Long-term debt	92,064,600	99,121,800
Security deposits from tenants	539,430	539,430
Security deposits from tenants in trust	9,316,397	9,423,817
Total long-term liabilities	104,920,428	112,085,048
Total liabilities	111,272,793	122,883,212
Net assets		
Unitholders' equity		
Unitholders' capital	161,120,405	161,120,405
Surplus		
Retained earnings	4,146,739	3,692,657
Total surplus	4,146,739	3,692,657
Total unitholders' equity	165,267,144	164,813,062
Total net assets	*2 165,267,144	*2 164,813,062
Total liabilities and net assets	276,539,938	287,696,275

(2) Statement of Income and Retained Earnings

	Thousands of Yen			
	Previous period from Sep. 1, 2014 to Feb. 28, 2015		Current period from Mar. 1, 2015 to Aug. 31, 2015	
Operating revenues				
Rental revenues	*1	9,068,947	*1	9,253,044
Other rental revenues	*1	980,402	*1	1,126,933
Gain on investments in silent partnership		16,744		26,816
Total operating revenues		10,066,094		10,406,793
Operating expenses				
Real estate rental expenses	*1	4,358,151	*1	4,421,692
Asset management fees		787,713		836,589
Asset custody fee		14,508		15,571
Administrative service fees		63,680		61,894
Directors' compensations		6,000		7,200
Merger expenses		—		659,323
Other operating expenses		85,488		76,284
Total operating expenses		5,315,542		6,078,557
Operating profit		4,750,552		4,328,236
Non-operating revenues				
Interest income		1,790		1,887
Interest on refund		—		2,236
Other non-operating revenues		35		52
Total non-operating revenues		1,825		4,176
Non-operating expenses				
Interest expenses		474,074		498,179
Interest expenses on investment corporation bonds		8,700		13,073
Amortization of investment corporation bond issuance costs		1,143		1,372
Loan arrangement fees		121,433		125,499
Other non-operating expenses		499		522
Total non-operating expenses		605,851		638,647
Ordinary income		4,146,526		3,693,766
Income before income taxes		4,146,526		3,693,766
Income taxes-current		722		1,384
Income taxes-deferred		24		(33)
Total income taxes		746		1,350
Net income		4,145,779		3,692,415
Retained earnings brought forward		959		241
Retained earnings at end of period		4,146,739		3,692,657

(3) Statement of Changes in Net Assets

Previous period (from September 1, 2014 to February 28, 2015)

(Unit: thousand yen)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Retained earnings	Total surplus		
Balance at the beginning of current period	161,120,405	4,080,846	4,080,846	165,201,251	165,201,251
Changes of items during the period					
Cash distribution paid		(4,079,887)	(4,079,887)	(4,079,887)	(4,079,887)
Net income		4,145,779	4,145,779	4,145,779	4,145,779
Total changes of items during the period	—	65,892	65,892	65,892	65,892
Balance at the end of current period	*1 161,120,405	4,146,739	4,146,739	165,267,144	165,267,144

Current period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Retained earnings	Total surplus		
Balance at the beginning of current period	161,120,405	4,146,739	4,146,739	165,267,144	165,267,144
Changes of items during the period					
Cash distribution paid		(4,146,497)	(4,146,497)	(4,146,497)	(4,146,497)
Net income		3,692,415	3,692,415	3,692,415	3,692,415
Total changes of items during the period	—	(454,081)	(454,081)	(454,081)	(454,081)
Balance at the end of current period	*1 161,120,405	3,692,657	3,692,657	164,813,062	164,813,062

(4) Statement of Cash Distributions

	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
I. Retained earnings at end of period	4,146,739,268 yen	3,692,657,521 yen
II. Amount of distributions	4,146,497,400 yen	3,691,881,420 yen
[Amount of distributions per investment unit]	[2,490 yen]	[2,217 yen]
III. Retained earnings brought forward	241,868 yen	776,101 yen

Calculating method for distribution amount	Pursuant to the policy that “distributions shall be in excess of an amount equivalent to 90% of NMF’s amount of earnings available for distribution as prescribed in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation” as provided in Article 36, Paragraph 1, Item 2 of NMF’s Articles of Incorporation, NMF decided to distribute almost the entire amount of retained earnings. Accordingly, NMF declared distributions of earnings of 4,146,497,400 yen. NMF will not distribute cash in excess of earnings as provided in Article 36, Paragraph 2 of the Articles of Incorporation.	Pursuant to the policy that “distributions shall be in excess of an amount equivalent to 90% of NMF’s amount of earnings available for distribution as prescribed in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation” as provided in Article 36, Paragraph 1, Item 2 of NMF’s Articles of Incorporation, NMF decided to distribute almost the entire amount of retained earnings. Accordingly, NMF declared distributions of earnings of 3,691,881,420 yen. NMF will not distribute cash in excess of earnings as provided in Article 36, Paragraph 2 of the Articles of Incorporation.
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(5) Statement of Cash Flows

	Thousands of Yen	
	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
Cash flows from operating activities		
Income before income taxes	4,146,526	3,693,766
Depreciation	1,706,847	1,740,121
Amortization of investment corporation bond issuance costs	1,143	1,372
Interest income	(1,790)	(1,887)
Interest expenses	482,774	511,253
Decrease (increase) in rental receivables	12,963	(85,026)
Decrease (increase) in prepaid expenses	(32,035)	(25,573)
Decrease (increase) in consumption taxes receivable	(571,565)	571,565
Decrease (increase) in long-term prepaid expenses	25,989	56,030
Decrease (increase) in long-term deposits	(50,000)	—
Increase (decrease) in trade accounts payable	85,472	(54,636)
Increase (decrease) in other accounts payable	(4,822)	48,067
Increase (decrease) in accrued consumption taxes	(275,528)	103,577
Increase (decrease) in rent received in advance	27,519	73,110
Other	(45,631)	48,128
Subtotal	5,507,862	6,679,869
Interest received	1,790	1,887
Interest paid	(481,052)	(500,173)
Income taxes paid	(3,844)	(5,187)
Net cash provided by (used in) operating activities	5,024,754	6,176,395
Cash flows from investing activities		
Payments for purchase of property and equipment	(6,375)	(8,027)
Payments for purchase of property and equipment in trust	(18,351,735)	(11,351,806)
Payments for purchase of intangible assets	—	(2,250)
Payments for purchase of intangible assets in trust	(4,489)	—
Purchases of investment securities	—	(104,838)
Proceeds from withdrawal of investment securities	24,321	456,448
Reimbursement of security deposits to tenants in trust	(75,226)	(340,022)
Proceeds from security deposits from tenants in trust	960,736	462,128
Payments for security deposits	(29,968)	—
Net cash provided by (used in) investing activities	(17,482,737)	(10,888,367)
Cash flows from financing activities		
Proceeds from short-term debt	7,000,000	4,100,000
Repayment of short-term debt	(3,000,000)	—
Proceeds from long-term debt	11,800,000	7,100,000
Repayment of long-term debt	(42,800)	(42,800)
Proceeds from issuance of investment corporation bonds	3,000,000	—
Payments of investment corporation bonds issuance costs	(27,670)	—
Distributions to unitholders	(4,079,025)	(4,144,617)
Net cash provided by (used in) financing activities	14,650,504	7,012,582
Net increase (decrease) in cash and cash equivalents	2,192,520	2,300,610
Cash and cash equivalents at beginning of period	16,627,667	18,820,187
Cash and cash equivalents at end of period	*1 18,820,187	*1 21,120,798

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

(7) Notes Concerning Significant Accounting Policies

1. Investment securities	Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method. For equity interests in a silent partnership, NMF adopts the method of factoring in the net amount of silent partnership income (loss) in proportion to its equity interests.								
2. Depreciation of noncurrent assets	<p>① Property and equipment (including trust assets) The straight-line method is adopted. The useful lives of major property and equipment are as follows:</p> <table> <tr> <td>Buildings</td><td>3~70 years</td></tr> <tr> <td>Structures</td><td>2~20 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2~10 years</td></tr> </table> <p>② Intangible assets The straight-line method is adopted.</p> <p>③ Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	3~70 years	Structures	2~20 years	Tools, furniture and fixtures	2~10 years		
Buildings	3~70 years								
Structures	2~20 years								
Tools, furniture and fixtures	2~10 years								
3. Deferred investment corporation bond issuance costs	Deferred investment corporation bond issuance costs are amortized by the straight-line method over the respective terms of the bonds.								
4. Revenue and expenses recognition	<p>Accounting for fixed asset tax, etc.</p> <p>Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held, the method of charging the amount corresponding to the concerned fiscal period to expenses as expenses related to rent business is adopted.</p> <p>The amount equivalent to fixed asset tax, etc. for the fiscal year including the acquisition date paid to the seller as reimbursement upon acquisition of real estate or trust beneficiary interests in real estate is included in the cost of acquisition of the concerned real estate and not recorded as expenses. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. in the previous period is 12,000 thousand yen and in the fiscal period is 40,919 thousand yen.</p>								
5. Hedge accounting	<p>① Method of hedge accounting Deferred hedge accounting is adopted. For interest-rate swap transactions meet the requirements for special treatment, special treatment is adopted.</p> <p>② Hedging instruments and hedged items</p> <table> <tr> <td>Hedging instruments</td><td></td></tr> <tr> <td>Interest-rate swap transactions</td><td></td></tr> <tr> <td>Hedged items</td><td></td></tr> <tr> <td>Interest on loans</td><td></td></tr> </table> <p>③ Hedging policy NMF conducts derivative transactions for the purpose of hedging risks prescribed in the Articles of Incorporation in accordance with the Basic Policy on Risk Management.</p> <p>④ Method for assessing effectiveness of hedging The effectiveness of hedging is assessed by the correlation between changes in the fair value of hedging instruments and hedged items.</p>	Hedging instruments		Interest-rate swap transactions		Hedged items		Interest on loans	
Hedging instruments									
Interest-rate swap transactions									
Hedged items									
Interest on loans									
6. Cash and cash equivalents as stated in the Statement of Cash Flows	Cash and cash equivalents in the statement of cash flows consist of cash on hand and cash in trust; deposits and deposits in trust that can be withdrawn at any time; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.								

7. Other significant matters forming basis for preparation of financial statements	<p>① Accounting for trust beneficiary interests in real estate, etc. Concerning trust beneficiary interests in real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account item of the balance sheet and statement of income and retained earnings. The following material items of the trust assets recorded in the relevant account item are separately listed on the balance sheet.</p> <ul style="list-style-type: none"> (1) Cash and bank deposits in trust (2) Buildings in trust; structures in trust; tools, furniture and fixtures in trust; and land in trust (3) Leasehold rights in trust (4) Security deposits from tenants in trust <p>② Accounting for consumption taxes Concerning accounting for consumption tax and local consumption tax, these taxes are not included.</p>
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(8) Changes in Accounting Policy

(Application of the Accounting Standard for Business Combinations)

The “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, revised on September 13, 2013) and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, revised on September 13, 2013) could be applied from the beginning of the accounting period after April 1, 2014. Accordingly, NMF applied these accounting standards from the accounting period ended August 31, 2015. In addition, NMF recorded acquisition-related costs as expenses in the fiscal periods in which the costs are incurred.

Regarding business combinations, from the beginning of the accounting period ended August 31, 2015, NMF changed the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the financial statements that includes the acquisition date.

NMF has adopted these accounting standards from the beginning of the accounting period ended August 31, 2015, following transitional treatment based on Article 58-2 (4) of “Accounting Standard for Business Combinations,” and Article 57-4 (4) of “Accounting Standard for Business Divestitures”.

As a result, Operating profit, Ordinary income and Net income decreased 659 million yen each for the Current period.

(9) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	Previous period (Feb. 28, 2015)	Current period (Aug. 31, 2015)
Committed line of credit	10,000,000 thousand yen	10,000,000 thousand yen
Balance of used line	— thousand yen	— thousand yen
Balance of unused line	10,000,000 thousand yen	10,000,000 thousand yen

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

	Previous period (Feb. 28, 2015)	Current period (Aug. 31, 2015)
	50,000 thousand yen	50,000 thousand yen

(Notes to Statement of Income and Retained Earnings)

*1. Breakdown of real estate rental revenues and expenses

	(Unit: thousand yen)			
	Previous period from Sep. 1, 2014 to Feb. 28, 2015		Current period from Mar. 1, 2015 to Aug. 28, 2015	
A. Property related revenues				
Rental revenues				
Rent revenues	8,763,843		8,940,456	
Common area charges	305,104	9,068,947	312,587	9,253,044
Other rental revenues				
Parking revenues	91,016		94,516	
Incidental income	801,535		889,790	
Other miscellaneous revenues	87,850	980,402	142,626	1,126,933
Property related revenues		10,049,349		10,379,977
B. Property related expenses				
Real estate rental expenses				
Property management costs	391,935		404,300	
Property management fees	270,561		235,392	
Property and other taxes	726,772		748,164	
Utility expenses	672,710		723,142	
Casualty insurance	18,404		18,840	
Repairs and maintenance	258,742		187,661	
Land rents	96,479		101,585	
Depreciation	1,705,559		1,738,832	
Other rental expenses	216,985	4,358,151	263,772	4,421,692
Property related expenses		4,358,151		4,421,692
C. Real estate rental profits [A—B]		5,691,198		5,958,284

(Notes to Statement of Changes in Net Assets)

	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
*1. Total number of investment units authorized and total number of investment units issued and outstanding		
Total number of investment units authorized	20,000,000 units	20,000,000 units
Total number of investment units issued and outstanding	1,665,260 units	1,665,260 units

(Notes to Statement of Cash Flows)

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

	(Unit: thousand yen)	
	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
Cash and bank deposits	12,486,260	14,457,463
Cash and bank deposits in trust	6,333,926	6,663,335
Cash and cash equivalents	18,820,187	21,120,798

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

(Unit: thousand yen)

	Previous period (Feb. 28, 2015)	Current period (Aug. 31, 2015)
Due within 1 year	14,445,033	14,251,817
Due after 1 year	44,639,620	48,290,073
Total	59,084,653	62,541,890

(Notes on Financial Instruments)

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

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

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

The following are the carrying amount and fair value as of February 28, 2015, and the difference between these amounts.

(Unit: thousand yen)

	Carrying amount (Note 1)	Fair value (Note 1)	Amount of difference
(1) Cash and bank deposits	12,486,260	12,486,260	—
(2) Cash and bank deposits in trust	6,333,926	6,333,926	—
(3) Short-term debt	[4,000,000]	[4,000,000]	—
(4) Current portion of long-term debt	[85,600]	[86,641]	1,041
(5) Investment corporation bonds	[3,000,000]	[3,033,783]	33,783
(6) Long-term debt	[92,064,600]	[94,134,935]	2,070,335
(7) Derivative transactions	—	—	—

The following are the carrying amount and fair value as of August 31, 2015, and the difference between these amounts.

(Unit: thousand yen)

	Carrying amount (Note 1)	Fair value (Note 1)	Amount of difference
(1) Cash and bank deposits	14,457,463	14,457,463	—
(2) Cash and bank deposits in trust	6,663,335	6,663,335	—
(3) Short-term debt	[8,100,000]	[8,100,000]	—
(4) Current portion of long-term debt	[85,600]	[86,657]	1,057
(5) Investment corporation bonds	[3,000,000]	[3,029,544]	29,544
(6) Long-term debt	[99,121,800]	[101,175,312]	2,053,512
(7) Derivative transactions	—	—	—

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

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

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

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

(4) Current portion of long-term debt; (6) Long-term debt

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

(5) Investment corporation bonds

The fair value of investment corporation bonds issued by the Company is determined based on their market prices.

(7) Derivative transactions

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

(Note 3) Financial instruments for which fair value is deemed extremely difficult to determine

(Unit: thousand yen)

Type of asset	Carrying amount	
	Previous period (Feb. 28, 2015)	Current period (Aug. 31, 2015)
Investment securities	463,151	99,667

*Investment securities (ownership interests in a silent partnership) do not have a readily available market price and reasonable estimates of cash flows from the underlying properties cannot be made, so the fair value is deemed extremely difficult to determine. Accordingly, they are excluded from fair value disclosures.

(Note 4) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts (February 28, 2015)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, within 2 years	Due after 2 years, within 3 years	Due after 3 years, within 4 years	Due after 4 years, within 5 years	Due after 5 years
Cash and bank deposits	12,486,260	—	—	—	—	—
Cash and bank deposits in trust	6,333,926	—	—	—	—	—
Total	18,820,187	—	—	—	—	—

Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts (August 31, 2015)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, within 2 years	Due after 2 years, within 3 years	Due after 3 years, within 4 years	Due after 4 years, within 5 years	Due after 5 years
Cash and bank deposits	14,457,463	—	—	—	—	—
Cash and bank deposits in trust	6,663,335	—	—	—	—	—
Total	21,120,798	—	—	—	—	—

(Note 5) Amount of repayment of investment corporation bond, long-term debt and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts (February 28, 2015)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, within 2 years	Due after 2 years, within 3 years	Due after 3 years, within 4 years	Due after 4 years, within 5 years	Due after 5 years
Short-term debt	4,000,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,000,000
Long-term debt	85,600	13,085,600	6,085,600	18,985,600	14,085,600	39,822,200
Total	4,085,600	13,085,600	6,085,600	18,985,600	14,085,600	42,822,200

Amount of repayment of investment corporation bond, long-term debt and other interest-bearing liabilities scheduled to be due after the date of settlement of accounts (August 31, 2015)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year, within 2 years	Due after 2 years, within 3 years	Due after 3 years, within 4 years	Due after 4 years, within 5 years	Due after 5 years
Short-term debt	8,100,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,000,000
Long-term debt	85,600	19,085,600	12,285,600	16,785,600	20,485,600	30,479,400
Total	8,185,600	19,085,600	12,285,600	16,785,600	20,485,600	33,479,400

(Notes on securities)

Previous period (As of February 28, 2015)

Not applicable.

Current period (As of August 31, 2015)

Not applicable.

(Notes on Derivative Transactions)

1. Transactions not subject to hedge accounting

Previous period (As of February 28, 2015)

Not applicable.

Current period (As of August 31, 2015)

Not applicable.

2. Transactions subject to hedge accounting

Previous period (As of February 28, 2015)

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

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method for calculating fair value
				Due after 1 year		
Special treatment for interest-rate swaps	Interest-rate swap transaction Floating receivable Fixed payable	Long-term debt	72,425,100	72,382,300	*	

* Since derivative transactions qualifying for special treatment for interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these is included in the fair value of “(4) Current portion of long-term debt” and “(6) Long-term debt” in “Notes on Financial Instruments; 2. Matters concerning fair value, etc. of financial instruments” earlier in this report.

Current period (As of August 31, 2015)

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

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value	Method for calculating fair value
				Due after 1 year		
Special treatment for interest-rate swaps	Interest-rate swap transaction Floating receivable Fixed payable	Long-term debt	78,003,700	77,960,900	*	

* Since derivative transactions qualifying for special treatment for interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these is included in the fair value of “(4) Current portion of long-term debt” and “(6) Long-term debt” in “Notes on Financial Instruments; 2. Matters concerning fair value, etc. of financial instruments” earlier in this report.

(Notes on retirement benefit plans)

Previous period (As of February 28, 2015)

Not applicable.

Current period (As of August 31, 2015)

Not applicable.

(Notes on Tax Effect Accounting)

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

	Previous period (Feb. 28, 2015)	Current period (Aug. 31, 2015)
Deferred tax assets		
Non-deductible accrued enterprise tax	5	39
Amortization of leasehold right in trust	263	374
Subtotal deferred tax assets	269	413
Valuation allowance	(263)	(374)
Total deferred tax assets	5	39
Net deferred tax assets	5	39

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

	Previous period (Feb. 28, 2015)	Current period (Aug. 31, 2015)
Statutory tax rate	34.16%	34.15%
(Adjustments)		
Deductible cash distributions	(34.16%)	(34.13%)
Other	0.02%	0.02%
Effective tax rate after application of tax effect accounting	0.02%	0.04%

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

Previous period (from September 1, 2014 to February 28, 2015)

Not applicable.

Current period (from March 1, 2015 to August 31, 2015)

Not applicable.

(Notes on Transactions with Related Parties)

1. Parent company and major corporate unitholders
Previous period (from September 1, 2014 to February 28, 2015)
Not applicable.

Current period (from March 1, 2015 to August 31, 2015)
Not applicable.
2. Subsidiaries and affiliates
Previous period (from September 1, 2014 to February 28, 2015)
Not applicable.

Current period (from March 1, 2015 to August 31, 2015)
Not applicable.
3. Fellow subsidiaries
Previous period (from September 1, 2014 to February 28, 2015)
Not applicable.

Current period (from March 1, 2015 to August 31, 2015)
Not applicable.
4. Directors and major individual unitholders
Previous period (from September 1, 2014 to February 28, 2015)
Not applicable.

Current period (from March 1, 2015 to August 31, 2015)
Not applicable.

(Notes on asset retirement obligations)

- Previous period (from September 1, 2014 to February 28, 2015)
Not applicable.

Current period (from March 1, 2015 to August 31, 2015)
Not applicable.

(Notes on Investment and Rental Properties)

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

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

(Unit: thousand yen)

	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
Carrying amount		
Balance at beginning of period	238,207,919	254,835,518
Amount of increase (decrease) during period	16,627,599	9,668,407
Balance at end of period	254,835,518	264,503,926
Fair value at end of period	280,180,000	296,338,000

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

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase during previous period is mainly attributable to acquisition of Universal CityWalk Osaka (15,961,434 thousand yen) and Kawasaki More's (2,110,212 thousand yen) and decrease during previous period is depreciation (1,705,224 thousand yen). The amount of increase during current period is mainly attributable to acquisition of Kawaguchi Ryoike Logistics Center (10,944,386 thousand yen) and decrease during current period is depreciation (1,738,235 thousand yen).

(Note 3) Fair value at the end of the period is the appraisal value or investigation value found by an outside real estate appraiser. However, the scheduled transferred price for the Mitsubishi Motors Ibaraki Maintenance Center is used for the fair value at the end of the previous period and current period.

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

(Notes on Segment Information)

(Segment Information)

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

(Related Information)

Previous period (from September 1, 2014 to February 28, 2015)

1. Information by product and service

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

2. Information by geographical area

(1) Revenues

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

(2) Property and equipment

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

3. Information by major customer

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

Current period (from March 1, 2015 to August 31, 2015)

1. Information by product and service

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

2. Information by geographical area

(1) Revenues

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

(2) Property and equipment

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

3. Information by major customer

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

(Notes on Per Unit Information)

	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
Net assets per unit	99,244 yen	98,971 yen
Net income per unit	2,489 yen	2,217 yen

(Note 1) Net income per unit is calculated by dividing net income by the average number of investment units during the period.

In addition, the diluted net income per unit is not stated, since there are no diluted investment units.

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

	Previous period from Sep. 1, 2014 to Feb. 28, 2015	Current period from Mar. 1, 2015 to Aug. 31, 2015
Net income (thousand yen)	4,145,779	3,692,415
Amount not attributable to ordinary unitholders (thousand yen)	—	—
Net income attributable to ordinary investment units (thousand yen)	4,145,779	3,692,415
Average number of investment units during period (units)	1,665,260	1,665,260

(Notes on Significant Subsequent Events)

Transfer of the asset

The Fund has transferred “Mitsubishi Motors Ibaraki Maintenance Center” on September 1, 2015, after the end of 5th fiscal period (August 31, 2015).

Mitsubishi Motors Ibaraki Maintenance Center

Type of Asset	Trust beneficiary interest in mainly real estate
Date of Agreement	April 30, 2015
Transfer Date	September 1, 2015
Transfer Price	¥1,133,000 thousand
Transferee	Japanese General Operating Company
Impact on Earnings	The Fund is scheduled to record around ¥240 million of transfer profit (including miscellaneous expenses) as Operating Revenues on final fiscal period (from September 1, 2015 to September 30, 2015).

(Additional Information)

Merger with Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.

NMF, NOF, and NRF respectively have determined at each of the board of directors meetings held on May 27, 2015 to implement a consolidation-type merger (the “Merger”), whereby October 1, 2015 is set as the date of incorporation of the New Investment Corporation, and that the companies have entered into a merger agreement (the “Merger Agreement”) dated May 27, 2015. A proposal of the Merger Agreement was approved at the general meeting of unitholders of NMF and NOF on July 30, 2015, and at the general meeting of unitholders of NRF on July 31, 2015. Accordingly, each Consolidated Investment Corporation were delisted from Tokyo Stock Exchange REIT market on September 28, 2015. Moreover, New Investment Corporation was approved by Tokyo Stock Exchange to be listed on September 1, 2015, and was listed on October 2, 2015.

(1) Purpose of Merger

NMF believes that the Merger will expand acquisition opportunities, stabilize the portfolio, enhance risk tolerance, increase competitive strength for asset acquisitions and stabilize the financial base by increasing the asset size and diversifying target investment sectors. In addition, NMF believes that it can achieve both growth and stable management by effectively leveraging the wide-range of know-hows and brands held by Nomura Real Estate Group, one of the major comprehensive real estate developers in Japan. As such, NMF is confident that the Merger is the best option for its unitholders and has therefore entered into the Merger Agreement.

(2) Merger Ratio

Upon the merger, 1 New Investment Corporation units was allotted for each NMF unit, 3.60 New Investment Corporation units was for each NOF unit, and 4.45 New Investment Corporation units was allotted for each NRF unit.

(3) Cash Distribution on Merger

Instead of cash distributions for NMF's final fiscal period ending on September 30, 2015 (the period from September 1, 2015 to September 30, 2015), the New Investment Corporation will make a cash distribution on merger to the unitholders listed or recorded on the final unitholders register of NMF as of the day immediately prior to the date of incorporation of the New Investment Corporation, in an amount equivalent to the cash distributions for the final fiscal period based on NMF's distributable profit.

(4) Overview of Preceding Periods of the Consolidated Investment Corporations (NOF (period ended April 2015) and NRF (period ended May 2015))

NOF (period ended April 2015)

Line of business: Management as investment in specific assets, mainly assets, based on the Investment Trust Act

Operating revenue	13,025 million yen
Net income	3,613 million yen
Assets	439,861 million yen
Liabilities	224,662 million yen
Net assets	215,198 million yen

NRF (period ended May 2015)

Line of business: Management as investment in specific assets, mainly assets, based on the Investment Trust Act

Operating revenue	5,678 million yen
Net income	1,872 million yen
Assets	169,316 million yen
Liabilities	94,161 million yen
Net assets	75,155 million yen

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

There were no changes in the total number of investment units issued and outstanding during the current fiscal period (from March 1, 2015 to August 31, 2015). The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the current fiscal period (August 31, 2015).

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

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

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

4. Changes in Directors

(1) Changes in NMF Directors

Timely disclosure of changes in directors will be made at the time that details are determined.
There were no changes in directors during the 5th fiscal period.

(2) Changes in Asset Management Company Directors and Audit & Supervisory

Timely disclosure of changes in directors and Audit & Supervisory will be made at the time that details are determined.

The following is the status of directors and Audit & Supervisory of the Asset Management Company as of the date of this report.

Position	Name	Brief personal history		Number of shares held
Representative Director, President and Chief Executive Officer	Norio Ambe	Apr. 1980	Nomura Securities Co., Ltd.	—
		Jul. 2001	Managing Director of the Institutional Sales Department	
		Dec. 2005	Managing Director of the Financial Institution Marketing Department of Nomura Asset Management Co., Ltd.	
		Apr. 2006	Senior Managing Director of the Financial Institution Marketing Department, and in charge of the Product Services Department and the Financial Institution Marketing Department	
		Apr. 2008	Senior Managing Director of Nomura Asset Management Co., Ltd.	
		Apr. 2008	Chairman of Nomura Asset Management Singapore Limited	
		Apr. 2008	Chairman of Nomura Asset Management Hong Kong Limited	
		Apr. 2009	Senior Corporate Managing Director of Nomura Asset Management Co., Ltd.	
		Apr. 2013	Executive Vice President, Manager of the Institutional Clients Division and the Overseas Clients Division	
		Apr. 2014	Representative Director, Vice President and Executive Officer of Nomura Real Estate Asset Management Co., Ltd., Supervisor of the Client Relations & Marketing Department, the Investment Management Department, the New Products & Marketing Department, and the Finance Department	
		Oct. 2014	Representative Director, Vice President and Executive Officer, Supervisor of the Finance Department, the Client Relations & Marketing Department, the Investment Management Department, and the Product Management Department	
		Apr. 2014	Currently serves as Executive Officer, in charge of asset management, of Nomura Real Estate Holdings, Inc.	
		Apr. 2014	Currently serves as Representative Director, President and Chief Executive Officer of Nomura Real Estate Asset Management Co., Ltd.	

Position	Name	Brief personal history		Number of shares held
Representative Director, Executive Vice President Supervisor of the Corporate Planning Department, the Compliance Department, the Internal Audit Department, and the Accounting Department In charge of the Discretionary Investment Management Section	Kenichi Shinbashi	Apr. 1978	Nomura Securities Co., Ltd.	—
		Jun. 1997	General Manager of Public Relations Department	
		Jun. 1999	General Manager of General Coordination and Policy Planning Department	
		Apr. 2002	Director, in charge of Risk Management Department and System Planning Department	
		Apr. 2003	Director, in charge of Job Categories Headquarter and Investment Trust & Pension Fund Business Headquarter	
		Jun. 2003	Executive Officer, in charge of Job Categories Headquarter and Investment Trust & Pension Fund Business Headquarter	
		Apr. 2004	Director	
		Jul. 2006	General Manager of the Policy Making Headquarters of Japan Securities Dealers Association	
		Jul. 2010	Corporate Advisor of Nomura Land and Building Co., Ltd.	
		Apr. 2012	Representative Director, Executive Vice President of Nomura Real Estate Asset Management Co., Ltd.	
		May 2012	Representative Director, Executive Vice President, General Manager of the Finance & Accounting Headquarters	
		Oct. 2012	Representative Director, Executive Vice President, Supervisor of the Fund Management Department, the Investment Officers, the Investment Advisory Section, the Finance Department, the Accounting Department, the Internal Audit Department, the Compliance Department, the Corporate Planning Department and the Business Promotion Division	
		Apr. 2013	Representative Director, Executive Vice President, Supervisor of the Fund Management Department, of the Investment Officers, the Finance Department, the Accounting Department, the Internal Audit Department, the Compliance Department and the Corporate Planning Department	
		Apr. 2014	Representative Director, Executive Vice President, Supervisor of the Corporate Planning Department, the Compliance Department, the Internal Audit Department, and the Accounting Department, and in charge of the Investment Performance Analysis Section	
		Oct. 2014	Representative Director, Executive Vice President, Supervisor of the Corporate Planning Department, the Compliance Department, the Internal Audit Department, and the Accounting Department, and in charge of the Investment Performance Analysis Section and Discretionary Investment Management Section	
		Oct. 2015	Currently serves as Representative Director, Executive Vice President, Supervisor of the Corporate Planning Department, the Compliance Department, the Internal Audit Department, and the Accounting Department, and in charge of Discretionary Investment Management Section	

Position	Name	Brief personal history		Number of shares held
Representative Director and Senior Managing Executive Officer, Supervisor of the Acquisitions Department, the Investment Management Planning Department, the NMF Investment Management Group, and the NPR Investment Management Department In charge of the Research & Analysis Section Chief Strategy Officer	Hiroshi Kurokawa	Apr. 1990 Apr. 2009 Apr. 2012 Apr. 2012 Apr. 2013 Apr. 2014 Apr. 2015 Oct. 2015	Nomura Real Estate Development Co., Ltd. General Manager of the Pair System Management Department General Manager of the Development Department I Director, GEO-AKAMATSU Co., Ltd. Executive Officer, in charge of the Architectural Design Office, the Retail Property Department, and the Logistic Property Department, General Manager of the Asset Management Department of Nomura Real Estate Development Co., Ltd. Executive Officer, in charge of the Retail Property Department, and the Logistic Property Department Representative Director and Senior Managing Executive Officer, Supervisor of the Acquisitions Department, the Investment Management Planning Department, the NOF Investment Management Department, the NRF Investment Management Department, the NMF Investment Management Department, and the NPR Investment Management Department, in charge of the Research & Analysis Section, Chief Strategy Officer of Nomura Real Estate Asset Management Co., Ltd. Currently serves as Representative Director and Senior Managing Executive Officer, Supervisor of the Acquisitions Department, the Investment Management Planning Department, the NMF Investment Management Group, and the NPR Investment Management Department, in charge of the Research & Analysis Section, Chief Strategy Officer	—
Director and Managing Executive Officer In charge of the Compliance Department General Manager of the Internal Audit Department	Yasuhiko Furuse	Apr. 1984 Jun. 1995 Apr. 2003 Dec. 2009 Oct. 2012 Apr. 2014 Apr. 2015	Nomura Securities Co., Ltd. Chief of the Archives Division of the Legal Department Chief of the Administrative Division of the Wealth Management Business Department General Manager of the Corporate Legal Section of Nomura Asset Management Co., Ltd. Director and Executive Officer, in charge of the Compliance Department, of Nomura Real Estate Asset Management Co., Ltd. Director and Executive Officer, in charge of the Compliance Department, General Manager of the Internal Audit Department Currently serves as Director and Managing Executive Officer, in charge of the Compliance Department, General Manager of the Internal Audit Department	—
Director and Managing Executive Officer In charge of the Client Relations & Marketing Department, and the Product Management Department	Seiichiro Wada	Apr. 1986 Jul. 2008 Jul. 2009 Apr. 2013 Jul. 2013 Apr. 2014 Oct. 2014 Apr. 2015 Oct. 2015	Nomura Securities Co., Ltd. Managing Director, Head of the Real Estate Investment Management Managing Director, Head of the Asset Finance Strategy General Manager of the Overseas Client Relations & Marketing Department of Nomura Real Estate Asset Management Co., Ltd. General Manager of the New Products & Marketing Department Executive Officer, General Manager of the New Products & Marketing Department Director and Executive Officer, in charge of the Product Management Department Director and Managing Executive Officer, in charge of the Client Relations & Marketing Department, and the Product Management Department Currently serves as Director and Managing Executive Officer, in charge of the Client Relations & Marketing Department, Investment Management Department and the Product Management Department	—

Position	Name	Brief personal history		Number of shares held
Director and Managing Executive Officer General Manager of the Corporate Planning Department, the Accounting Department, and the Finance Department	Masato Yamauchi	Apr. 1991 Jun. 2003 Apr. 2005 Oct. 2008 Oct. 2009 Oct. 2011 Oct. 2012 Apr. 2014 Oct. 2014 Apr. 2015	Nomura Real Estate Development Co., Ltd. Chief of Management Division of Building Development Department Chief of Wages and Welfare Division of Human Resource Department Manager of Planning Section of Asset Management Company Leader of the Asset Management Group of the Office Management Headquarter of Nomura Real Estate Asset Management Co., Ltd. General Manager of the Finance Department Executive Officer, General Manager of the Finance Department Executive Officer, General Manager of the Finance Department and the Accounting Department Director and Executive Officer, General Manager of the Corporate Planning Department, the Accounting Department, and the Finance Department Currently serves as Director and Managing Executive Officer, General Manager of the Corporate Planning Department, the Accounting Department, and the Finance Department	—
Director and Managing Executive Officer Head of the NMF Investment Management Group General Manager of the Fund Management Department, NMF Investment Management Group	Motomi Uki	Apr. 1991 Apr. 1998 Apr. 2000 Feb. 2002 Apr. 2006 Oct. 2008 Apr. 2009 Jun. 2010 Oct. 2011 Apr. 2012 Oct. 2012 Apr. 2013 Jul. 2013 Apr. 2014 Oct. 2014 Apr. 2015 Oct. 2015	Nomura Real Estate Development Co., Ltd. Business Planning Department Asset Management Business Department Real Estate Investment Business Department of Nomura Real Estate Investment Management Co., Ltd. Leader of the Real Estate Investment Group of the Residential Management Headquarter of Nomura Real Estate Asset Management Co., Ltd. General Manager of the JOFI Management Section of Nomura Real Estate Investment Management Co., Ltd. General Manager of the Project Planning Department General Manager of the Fund Management Department General Manager of the Client Relations & Marketing Department of Nomura Real Estate Asset Management Co., Ltd. Director, General Manager of the Sales Headquarter Director and Executive Officer in charge of the Client Relations & Marketing Department Director and Executive Officer in charge of the Client Relations & Marketing Department and Overseas Client Relations & Marketing Department Director and Executive Officer in charge of the Client Relations & Marketing Department Director and Executive Officer, and General Manager of the Asset Management Department Director and Executive Officer, and General Manager of the NMF Investment Management Department Director and Managing Executive Officer, and General Manager of the NMF Investment Management Department Currently serves as Director and Managing Executive Officer, Head of the NMF Investment Management Group, and General Manager of the Fund Management Department, NMF Investment Management Group	—

Position	Name	Brief personal history		Number of shares held
Director and Executive Officer General Manager of the Asset Management Department I, NMF Investment Management Group	Shoji Yoshihara	Apr. 1987 Apr. 2009 Apr. 2010 Oct. 2012 Jan. 2013 Oct. 2014 Oct. 2015	Nomura Real Estate Development Co., Ltd. General Manager of the Business Group Development Department-III General Manager of the Corporate Secretariat Section Director and Executive Officer, in charge of the Fund Management Department, of Nomura Real Estate Asset Management Co., Ltd. Director and Executive Officer, and General Manager of the Fund Management Department Director and Executive Officer, and General Manager of the NOF Investment Management Department Currently serves as Director and Executive Officer, and General Manager of the Asset Management Department I, NMF Investment Management Group	—
Audit & Supervisory Board Member	Takahiko Nagaki	Apr. 1980 Jun. 2001 Jan. 2003 Apr. 2011 Oct. 2011	Nomura Real Estate Development Co., Ltd. General Manager of the IT Strategy Promotion Section General Manager of the Planning Section of the Corporate Company General Manager of the Planning Section of the Asset Management Company Currently serves as Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd.	—
Audit & Supervisory Board Member	Tadanao Takagoshi	Apr. 1981 Jun. 1997 Jun. 2002 Apr. 2006 Apr. 2007 Jan. 2009 June 2009 June 2012 Sep. 2012 Apr. 2014	Nomura Real Estate Development Co., Ltd. Branch Chief of the Sapporo Branch Director of Nomura Real Estate Urban Net Co., Ltd. Managing Director, Assistant General Manager of the Sales Headquarter of Megalos Co., Ltd. Managing Director, in charge of Sales Headquarter and Business Development Headquarter Managing Director, in charge of Sales Headquarter, and General Manager of the Business Development Headquarter Managing Director, and General Manager of the Administrative Headquarter Managing Director, in charge of Sales Headquarter, and General Manager of the Business Headquarter Managing Director, General Manager of the Business Headquarter Currently serves as Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd.	—

Position	Name	Brief personal history		Number of shares held
Audit & Supervisory Board Member (part-time)	Shigeki Fujitani	Apr. 1981	Nomura Securities Co., Ltd.	—
		Apr. 2008	Senior Managing Director of Nomura Asset Management Co., Ltd.	
		Oct. 2008	Senior Managing Director of Nomura Holdings, Inc., in charge of the Transision Group	
		Apr. 2009	Senior Managing Director, Deputy CFO, deputy in charge of Corporate Planning	
		Apr. 2011	Senior Managing Director, Deputy CFO	
		Apr. 2012	Senior Managing Director, Co-Deputy CFO	
		Apr. 2013	Currently serves as Audit & Supervisory Board Member of Nomura Real Estate Development Co., Ltd.	
		Jun. 2013	Currently serves as Audit & Supervisory Board Member of Nomura Real Estate Urban Net Co., Ltd.	
		Jun. 2013	Audit & Supervisory Board Member of Nomura Living Support Co., Ltd.	
		Jun. 2013	Currently serves as Audit & Supervisory Board Member of Nomura Building Management Co., Ltd.	
		Jun. 2013	Audit & Supervisory Board Member of Nomura Real Estate Holdings, Inc.	
		Apr. 2014	Currently serves as Audit & Supervisory Board Member of Prime X Co. Ltd.	
		Jun. 2014	Currently serves as Audit & Supervisory Board Member of NREG Toshiba Building Co., Ltd.	
		Jun. 2014	Currently serves as Audit & Supervisory Board Member of Nomura Real Estate Asset Management Co., Ltd.	
		Jun. 2015	Currently serves as Director (Audit & Supervisory Committee Member) Nomura Real Estate Holdings, Inc.	

5. Reference Information

(1) Investment Status

Type of asset	Use	Area (Note 1)	4th fiscal period As of February 28, 2015		5th fiscal period As of August 31, 2015	
			Total amount held (million yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)
Real estate	Retail properties	Greater Tokyo area	14,286	5.2	14,225	4.9
		Subtotal	14,286	5.2	14,225	4.9
Real estate in trust	Logistics properties	Greater Tokyo area	113,721	41.1	123,779	43.0
		Other areas	6,342	2.3	6,252	2.2
		Subtotal	120,063	43.4	130,032	45.2
	Retail properties	Greater Tokyo area	74,639	27.0	74,660	26.0
		Kinki area	39,597	14.3	39,381	13.7
		Other areas	6,246	2.3	6,203	2.2
		Subtotal	120,484	43.6	120,245	41.8
	Subtotal		254,835	92.2	264,503	91.9
Silent Partnership Equity Interest (Note 4)		463	0.2	99	0.0	
Deposits and other assets		21,241	7.7	23,092	8.0	
Total amount of assets		276,539	100.0	287,696	100.0	

	4th fiscal period As of February 28, 2015		5th fiscal period As of August 31, 2015	
	Amount (million yen) (Note 5)	As a percentage of total amount of assets (%) (Note 3)	Amount (million yen) (Note 5)	As a percentage of total amount of assets (%) (Note 3)
Total amount of liabilities	111,272	40.2	122,883	42.7
Total amount of net assets	165,267	59.8	164,813	57.3

(Note 1) “Greater Tokyo area” refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Kinki area” refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture and Nara Prefecture. “Chukyo area” refers to Aichi Prefecture, Gifu Prefecture and Mie Prefecture. “Other areas” refers to cabinet-order-designated cities, prefectural capitals, and cities with a population of 100,000 persons or more as well as surrounding areas of these cities, that are not included in the Greater Tokyo area, Kinki area and Chukyo area (hereinafter the same).

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

(Note 3) The figures are rounded off to first decimal place. Accordingly, the sum total may not add up to 100.0%.

(Note 4) For 4th fiscal period, Ryoke Capital Godo Kaisha Silent Partnership Equity Interest. Furthermore, In line with the acquisition of “Kawaguchi Ryoke Logistics Center” by Nomura Master Fund (acquisition date: July 1, 2015), Ryoke Capital Godo Kaisha is planned to be dissolved. The Fund received settlement money in accordance with the silent partnership equity interest. For 5th fiscal period, Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest.

(Note 5) Total amount of liabilities and total amount of net assets are the amounts as stated in the balance sheet as total liabilities and total net assets.

(2) Investment Assets

① ☐ Major Issue of Investment Securities

The following summarizes the investment securities held as of August 31, 2015 (end of the 5th fiscal period) by NMF.

Name	Type of asset	Units	Book value		Market value (Note 1)		Unrealized gain/loss (million yen)	Remarks
			Unit price	Total price (million yen)	Unit price	Total price (million yen)		
Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest (Note 2)	Silent partnership equity interest	—	—	99	—	99	—	—
Total	—	—	—	99	—	99	—	—

(Note 1) Book value is noted as market value.

(Note 2) Investing in real estate in trust beneficiary interest as Hirakata Logistics Center for main trust asset.

② Investment Real Estate Properties

Real estate are all presented together with real estate trust beneficiary interests in “③ Other Major Investment Assets”

③ Other Major Investment Assets

The following summarizes the real estate, etc. (57 properties) held as of August 31, 2015 (end of the 5th fiscal period) by NMF (the real estate, and the beneficiary interests of trusts in which real estate properties are the principal trust properties or the real estate that are the underlying assets thereof, are hereinafter referred to as the “assets held at the end of the 5th fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of August 31, 2015.

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

(a) Overview of Portfolio and Leasing Status

The following is an overview of the portfolio and leasing status for the assets held at the end of the 5th fiscal period.

Number of properties		57
Acquisition price (thousand yen) (Note 1) (As a percentage of total acquisition price (%))	Total	266,393,141 (100.0)
	Logistics total	132,810,000 (49.9)
	Greater Tokyo area	126,230,000
	Other areas	6,580,000
	Retail total	133,583,141 (50.1)
	Greater Tokyo area	87,927,000
	Kinki area	39,316,141
	Other areas	6,340,000
Total of opinion of value at end of period (thousand yen) (Note 2)		296,113,000
Gross leasable area (m ²) (B) (Note 3)		954,447.89
Gross leased area (m ²) (A) (Note 4)		947,538.68
Portfolio occupancy rate (%) (A)÷(B) (Note 5)		99.3
Total number of tenants (Note 6)		296
Total of all contracted rent (thousand yen) (Note 7)		1,561,405
Total of all security deposits, etc. (thousand yen) (Note 8)		9,759,815

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

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

(Note 3) The sum total of “leasable area” of each of the assets held at the end of the 5th fiscal period. “Leasable area” is the sum total area of logistics properties or retail properties, etc. leasable in each asset (including the area of common-use space, etc., if leased). “Leasable area” is calculated based not on that presented in the registry, but based on the area stated in the lease contract and the area calculated based on building completion drawings, etc. Accordingly, the leasable area may not be the same as the floor area based on that presented in the registry and may possibly exceed the floor area. In the case of land with leasehold right, the land area based on that presented in the registry is shown as contracted area.

(Note 4) The sum total of “leased area” of each of the assets held at the end of the 5th fiscal period. “Leased area” is the area that is actually leased to an end-tenant (The area stated in the lease contract; provided, however, that such be limited to the area of logistics properties or retail properties (if all of rental units are collectively leased, then the area of the entire rental units) and not include the leased area of parking space, etc. However, if the master lessee has a rent-guaranteed master lease for some or all rental units, the space is included in leased area regardless of whether or not there is a lease agreement with an end-tenant.) in each asset. In the case of land with leasehold right, the leased area of the land is shown.

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

(Note 6) The sum total of “total number of tenants” of each of the assets held at the end of the 5th fiscal period. In the calculation of “number of tenants,” when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master

lease agreement) has concluded an agreement with an end-tenant (sublessee that is the actual user) for subleasing the rental units, the lessee of the master lease agreement is counted as one tenant. However, in the case of assets with a so-called pass-through master lease agreement where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, the total number of end-tenants is shown. In addition, if multiple rental units in a specific asset are leased to a specific tenant, this is counted as one tenant for the asset and, if multiple assets are leased to a specific tenant, these are counted separately and the total of that number of tenants is shown.

(Note 7) The total amount of “total contracted rent” for August 2015 of each of the assets held at the end of the 5th fiscal period (rounded down to the nearest thousand yen). “Total contracted rent” for August 2015 refers to the sum total of monthly rent and common area charges in lease agreements actually concluded with end-tenants that are valid as of the last day of August 2015 (If common-use space, etc. is leased based on the lease agreement, the rent for such is included and, if rent includes the amount equivalent to the fee for use of parking space, such amount is included. In addition, if the master lessee has a rent-guaranteed master lease for some or all rental units, the rent for the space is based on the rent, etc. in the lease agreement concluded with the master lessee.). Furthermore, regarding tenants who have been exempt from rent payment for a certain period of time in their agreements, such exemption period is not considered in the table above and the rent is calculated based on the monthly rent and common area charges payable immediately after the exemption period ends. In addition, the standard level of rent is used for tenants with sales-based rent.

(Note 8) The total amount of “all security deposits, etc.” of each of the assets held at the end of the 5th fiscal period (rounded down to the nearest thousand yen). “All security deposits, etc.” is the sum total amount of the balance of leasehold and security deposits stated in the respective lease contract with end-tenants of each asset as of August 31, 2015 (rounded down to the nearest thousand yen). Accordingly, the sum total of “leasehold and security deposits” of the respective property may not add up to the amount shown in the total columns.

(b) Changes in Occupancy Rate, Etc.

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

	August 31, 2013 (end of 1st fiscal period)	February 28, 2014 (end of 2nd fiscal period)	August 31, 2014 (end of 3rd fiscal period)	February 28, 2015 (end of 4th fiscal period)	August 31, 2015 (end of 5th fiscal period)
Number of properties	54	55	55	56	57
Total number of tenants	241	251	243	284	296
Gross leasable area (m ²)	890,795.63	897,089.54	897,406.28	911,615.63	954,447.89
Portfolio occupancy rate (at end of fiscal period) (%)	99.8	99.8	99.9	99.8	99.3

B. Price and Investment Share

The following is an overview of the assets held at the end of the 5th fiscal period (acquisition price, carrying amount, opinion of value at end of period, investment share and appraiser).

Use	Area	Property name	Acquisition price (million yen) (Note 1)	Carrying amount (million yen) (Note 2)	Opinion of value at end of period (million yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Logistics	Greater Tokyo area	Landport Urayasu	17,400	17,033	19,800	6.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	15,420	17,800	6.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	13,232	15,500	5.2	Japan Real Estate Institute
		Landport Atsugi	11,410	10,955	12,100	4.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Kawaguchi Ryoke Logistics Center	10,790	10,923	11,600	3.9	Morii Appraisal & Investment Consulting, Inc.
		Sagamihara Tana Logistics Center	10,600	10,683	11,700	4.0	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	8,450	9,930	3.4	Japan Real Estate Institute
		Landport Hachioji	8,250	8,031	9,150	3.1	Japan Real Estate Institute
		Landport Kasukabe	7,340	7,048	8,370	2.8	Japan Real Estate Institute
		Funabashi Logistics Center	4,660	4,651	5,320	1.8	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,516	5,130	1.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,650	4,310	1.5	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,715	4,320	1.5	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,822	3,270	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		Atsugi Minami Logistics Center A Tower	2,690	2,643	3,160	1.1	The Tanizawa Sogo Appraisal Co., Ltd.
	Other areas	Ota Nitta Logistics Center	3,430	3,253	3,760	1.3	Daiwa Real Estate Appraisal Co., Ltd.
		Ota Higashishinmachi Logistics Center	2,170	2,063	2,420	0.8	Daiwa Real Estate Appraisal Co., Ltd.
		Ota Kiyohara Logistics Center	650	611	715	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Chiyodamachi Logistics Center	330	324	361	0.1	Daiwa Real Estate Appraisal Co., Ltd.
Logistics subtotal			132,810	130,032	148,716	50.2	
Retail	Greater Tokyo area	Morisia Tsudanuma	16,600	16,884	17,400	5.9	Daiwa Real Estate Appraisal Co., Ltd.
		Yokosuka More's City	13,640	13,755	15,100	5.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,733	10,700	3.6	Japan Valuers Co., Ltd.
		Kawasaki More's	6,080	6,167	7,240	2.4	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,297	4,560	1.5	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINIA Ikebukuro	3,990	4,020	4,320	1.5	Daiwa Real Estate Appraisal Co., Ltd.
		covirna machida	3,440	3,640	4,250	1.4	Japan Real Estate Institute
		Nitori Makuhari	3,080	2,984	3,490	1.2	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,673	3,230	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,511	2,960	1.0	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,484	2,640	0.9	Daiwa Real Estate Appraisal Co., Ltd.
		Sundai Azamino	1,700	1,647	1,920	0.6	Japan Real Estate Institute
		EQUINIA Aobadai	1,560	1,573	1,810	0.6	Japan Real Estate Institute
		Megalos Kanagawa	1,000	1,007	1,320	0.4	Japan Real Estate Institute
		Kinki area	Universal CityWalk Osaka	15,500	15,705	16,600	5.6
	Izumiya Senrioka		8,930	8,773	10,500	3.5	The Tanizawa Sogo Appraisal Co., Ltd.
	Merad Owada		6,640	6,601	7,280	2.5	Daiwa Real Estate Appraisal Co., Ltd.

Use	Area	Property name	Acquisition price (million yen) (Note 1)	Carrying amount (million yen) (Note 2)	Opinion of value at end of period (million yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Kinki area	Izumiya Yao	4,406	4,292	5,010	1.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya Obayashi	3,020	3,179	3,590	1.2	The Tanizawa Sogo Appraisal Co., Ltd.
	Other areas	Ichibancho stear	4,700	4,644	5,450	1.8	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,559	1,860	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Meguro	2,740	2,764	2,880	1.0	Japan Real Estate Institute
		Mitsubishi Motors Chofu	1,760	1,776	1,840	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Shibuya	1,570	1,586	1,740	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima	1,240	1,251	1,310	0.4	Japan Real Estate Institute
		Mitsubishi Motors Kawasaki	950	959	1,040	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Takaido	850	859	898	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika	800	808	837	0.3	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume	800	808	828	0.3	Japan Real Estate Institute
		Mitsubishi Motors Setagaya	770	779	810	0.3	Japan Real Estate Institute
		Mitsubishi Motors Suginami	740	748	827	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Sekimachi	600	606	627	0.2	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamato	450	455	496	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motosumiyoshi	370	375	377	0.1	Japan Real Estate Institute
		Mitsubishi Motors Kawagoe	350	355	369	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa	200	204	211	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama	160	163	169	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
	Kinki area	Mitsubishi Motors Ibaraki Maintenance Center	820	829	908	0.3	Daiwa Real Estate Appraisal Co., Ltd.
Retail subtotal			133,583	134,471	147,397	49.8	
Total			266,393	264,503	296,113	100.0	

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

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

(Note 3) “Opinion of value at end of period” is the appraisal or investigation value provided by the respective real estate appraiser (the value calculated by the respective real estate appraiser with the date of the 5th fiscal period-end (August 31, 2015) as the effective date of value and the value indicated by the income approach as a standard) in accordance with NMF’s Articles of Incorporation and the Regulations Concerning Accounting of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006). For the opinion of value at the end of the period for real estate, please refer to (Note 1) of “D. Overview of Opinion of Value at End of Period” below in this report.

(Note 4) “Investment share,” which is based on the opinion of value at the end of the period, is the opinion of value at the end of the period of the respective asset as a percentage of the total amount of the opinion of value at the end of the period of the entire portfolio (57 properties in total). The figures are rounded to first decimal place. Accordingly, the sum total may not add up to 100.0.

C. Overview of Buildings, Etc.

The following is an overview of the buildings, etc. of the assets held at the end of the 5th fiscal period (use, area, property name, location, construction completion, leasable area, leased area, occupancy rate, number of tenants, operating revenue from property leasing and that as a percentage of total operating revenue from property leasing, and leasehold and security deposits).

Use	Area	Property name	Location	Construction completion	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Operating revenue from property leasing (million yen) (Note 5)	As a percentage of total operating revenue from property leasing (%) (Note 6)	Leasehold and security deposits (million yen) (Note 7)
Logistics	Greater Tokyo area	Landport Urayasu	Urayasu-shi, Chiba	May 2008	70,045.85	70,045.85	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Landport Itabashi	Itabashi-ku, Tokyo	January 2008	52,794.55	52,794.55	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Landport Kawagoe	Kawagoe-shi, Saitama	May 2009	71,569.89	71,569.89	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Landport Atsugi	Atsugi-shi, Kanagawa	March 2007	47,995.23	47,995.23	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Kawaguchi Ryoke Logistics Center	Kawaguchi-shi, Saitama	October 2003	42,840.91	42,840.91	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Sagamihara Tana Logistics Center	Sagamihara-shi, Kanagawa	October 2007	50,450.00	50,450.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Sagamihara Onodai Logistics Center	Sagamihara-shi, Kanagawa	August 2000	57,448.03	57,448.03	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Landport Hachioji	Hachioji-shi, Tokyo	November 2008	34,837.65	34,837.65	100.0	6	(Note 8)	(Note 8)	(Note 8)
		Landport Kasukabe	Kasukabe-shi, Saitama	June 2009	29,630.48	29,630.48	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Funabashi Logistics Center	Funabashi-shi, Chiba	September 1991	30,641.98	30,641.98	100.0	2	(Note 8)	(Note 8)	(Note 8)
		Atsugi Minami Logistics Center B Tower	Atsugi-shi, Kanagawa	May 2005	24,931.11	24,931.11	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Hanyu Logistics Center	Hanyu-shi, Saitama	February 2006	24,850.80	24,850.80	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Kawaguchi Logistics Center B Tower	Kawaguchi-shi, Saitama	April 1996	13,648.70	13,648.70	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Kawaguchi Logistics Center A Tower	Kawaguchi-shi, Saitama	September 1991	12,003.57	12,003.57	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Atsugi Minami Logistics Center A Tower	Atsugi-shi, Kanagawa	October 2003	9,825.52	9,825.52	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Other areas	Ota Nitta Logistics Center	Ota-shi, Gunma	March 2003	42,328.00	42,328.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Ota Higashishinmachi Logistics Center	Ota-shi, Gunma	August 2008	23,584.72	23,584.72	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Ota Kiyohara Logistics Center	Ota-shi, Gunma	May 2004	9,397.38	9,397.38	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Chiyodamachi Logistics Center	Ora-gun, Gunma	January 1999	4,592.00	4,592.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
Logistics subtotal			-	-	653,416.37	653,416.37	100.0	29	4,398	42.4	3,766
Retail	Greater Tokyo area	Morisia Tsudanuma	Narashino-shi, Chiba	Low-rise retail building: October 1978 Parking building: November 1987	39,736.87	39,060.97	98.3	108	1,147	11.1	799
		Yokosuka More's City	Yokosuka-shi, Kanagawa	July 1997	29,383.65	29,383.65	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Recipe SHIMOKITA	Setagaya-ku, Tokyo	July 2011	6,295.22	6,295.22	100.0	11	327	3.2	370
		Kawasaki More's	Kawasaki-shi, Kanagawa	August 1980	18,810.31	18,810.31	100.0	1	(Note 8)	(Note 8)	(Note 8)

Use	Area	Property name	Location	Construction completion	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Operating revenue from property leasing (million yen) (Note 5)	As a percentage of total operating revenue from property leasing (%) (Note 6)	Leasehold and security deposits (million yen) (Note 7)
Retail	Greater Tokyo area	EQUINIA Shinjuku	Shinjuku-ku, Tokyo	March 1988	3,611.59	3,611.59	100.0	13	173	1.7	480
		EQUINIA Ikebukuro	Toshima-ku, Tokyo	October 1973	2,693.93	2,693.93	100.0	13	150	1.4	234
		covirna machida	Machida-shi, Tokyo	September 1981	2,891.32	2,891.32	100.0	7	165	1.6	124
		Nitori Makuhari	Chiba-shi, Chiba	November 2007	14,367.98	14,367.98	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Konami Sports Club Fuchu	Fuchu-shi, Tokyo	February 2000	12,385.18	12,385.18	100.0	1	(Note 8)	(Note 8)	(Note 8)
		FESTA SQUARE	Saitama-shi, Saitama	September 2008	7,480.63	7,480.63	100.0	1	(Note 8)	(Note 8)	(Note 8)
		GEMS Shibuya	Shibuya-ku, Tokyo	September 2012	1,791.34	1,791.34	100.0	10	98	1.0	127
		Sundai Azamino	Yokohama-shi, Kanagawa	November 2008	2,286.47	2,286.47	100.0	1	(Note 8)	(Note 8)	(Note 8)
		EQUINIA Aobadai	Yokohama-shi, Kanagawa	November 1982	2,457.36	2,457.36	100.0	7	80	0.8	119
		Megalos Kanagawa	Yokohama-shi, Kanagawa	May 2002	6,217.85	6,217.85	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Kinki area	Universal CityWalk Osaka	Osaka-shi, Osaka	June, 2001	9,733.28	9,204.21	94.6	45	782	7.5	638
		Izumiya Senrioka	Suita-shi, Osaka	Annex: July 1999 Main building: June 2000	24,399.12	24,399.12	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Merad Owada	Osaka-shi, Osaka	Store: September 1994 Logistics: July 2000	14,941.54 5,856.50	14,941.54 5,856.50	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Izumiya Yao	Yao-shi, Osaka	Newly built: July 2003 Expansion: April 2012	34,198.01	34,198.01	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Izumiya Obayashi	Takarazuka-shi, Hyogo	Newly built: September 1973 Expansion: October 1977 Expansion: January 2001	11,714.36	11,714.36	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Other areas	Ichibancho stear	Sendai-shi, Miyagi	February 2006	4,611.68	4,611.68	100.0	7	235	2.3	309
		EQUINIA Aobadori	Sendai-shi, Miyagi	June 2008	4,030.37	4,030.37	100.0	19	164	1.6	255
Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Meguro	Meguro-ku, Tokyo	-	3,381.19	3,381.19	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Chofu	Chofu-shi, Tokyo	-	4,183.63	4,183.63	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Shibuya	Shibuya-ku, Tokyo	-	1,421.31	1,421.31	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Nerima	Nerima-ku, Tokyo	-	1,725.61	1,725.61	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Kawasaki	Kawasaki-shi, Kanagawa	-	3,057.02	3,057.02	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Takaido	Suginami-ku, Tokyo	-	1,923.64	1,923.64	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Katsushika	Katsushika-ku, Tokyo	-	1,930.05	1,930.05	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Higashikurume	Higashikurume-shi, Tokyo	-	4,105.00	4,105.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Setagaya	Setagaya-ku, Tokyo	-	1,305.78	1,305.78	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Suginami	Suginami-ku, Tokyo	-	1,831.00	1,831.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Sekimachi	Nerima-ku, Tokyo	-	989.77	989.77	100.0	1	(Note 8)	(Note 8)	(Note 8)

Use	Area	Property name	Location	Construction completion	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Operating revenue from property leasing (million yen) (Note 5)	As a percentage of total operating revenue from property leasing (%) (Note 6)	Leasehold and security deposits (million yen) (Note 7)
Retail (land with leasehold right)	Greater Tokyo area	Mitsubishi Motors Higashiyamato	Higashiyamato-shi, Tokyo	-	2,783.79	2,783.79	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Motosumiyoshi	Kawasaki-shi, Kanagawa	-	1,646.97	1,646.97	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Kawagoe	Kawagoe-shi, Saitama	-	2,462.40	2,462.40	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Edogawa	Edogawa-ku, Tokyo	-	892.56	892.56	100.0	1	(Note 8)	(Note 8)	(Note 8)
		Mitsubishi Motors Sayama	Sayama-shi, Saitama	-	1,793.00	1,793.00	100.0	1	(Note 8)	(Note 8)	(Note 8)
	Kinki area	Mitsubishi Motors Ibaraki Maintenance Center	Ibaraki-shi, Osaka	-	5,704.24	-	-	-	(Note 8)	(Note 8)	(Note 8)
Retail subtotal			-	-	301,031.52	294,122.31	97.7	267	5,981	57.6	5,993
Total			-	-	954,447.89	947,538.68	99.3	296	10,379	100.0	9,759

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

(Note 2) “Leased area” is the area that is actually leased to an end-tenant (The area stated in the lease contract; provided, however, that such be limited to the area of logistics properties or retail properties (if all of rental units are collectively leased, then the area of the entire rental units) and not include the leased area of parking space, etc. However, if the master lessee has a rent-guaranteed master lease for some or all rental units, the space is included in leased area regardless of whether or not there is a lease agreement with an end-tenant.) in each asset. In the case of land with leasehold right, the leased area of the land is shown.

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

(Note 4) In the calculation of “number of tenants,” when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant (sublessee that is the actual user) for subleasing the rental units, the lessee of the master lease agreement is counted as one tenant. However, in the case of assets with a so-called pass-through master lease agreement where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, the total number of end-tenants is shown. In addition, if multiple rental units in a specific asset are leased to a specific tenant, this is counted as one tenant for the asset and, if multiple assets are leased to a specific tenant, these are counted separately and the total of that number of tenants is shown in the subtotal and total columns.

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

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

(Note 7) “Leasehold and security deposits” is the sum total amount of the balance of leasehold and security deposits stated in the respective lease contract with end-tenants of each asset as of August 31, 2015 (rounded down to the nearest million yen). Accordingly, the sum total of “leasehold and security deposits” of the respective property may not add up to the amount shown in the respective subtotal and total columns.

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

D. Overview of Opinion of Value at End of Period

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

Use	Property name	Opinion of value at end of period (million yen) (Note 1)	Direct capitalization approach		DCF approach			NOI (million yen) (Note 2)	NOI yield (NOI / acquisition price) (%) (Note 3)
			Value by income approach (million yen)	Cap rate (%)	Value by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)		
Logistics	Landport Urayasu	19,800	20,100	4.4	19,700	4.4 4.5 4.6 (Note 4)	4.6	892	5.1
	Landport Itabashi	17,800	18,100	4.6	17,600	4.5 4.7 (Note 5)	4.8	835	5.3
	Landport Kawagoe	15,500	15,600	5.0	15,300	4.7	5.2	791	5.8
	Landport Atsugi	12,100	12,100	4.8	12,100	4.7 4.9 (Note 6)	5.0	584	5.1
	Kawaguchi Ryoke Logistics Center	11,600	11,700	4.8	11,400	4.6	5.0	580	5.4
	Sagamihara Tana Logistics Center	11,700	11,800	5.0	11,700	4.9	5.3	605	5.7
	Sagamihara Onodai Logistics Center	9,930	9,960	5.1	9,900	4.7	5.3	527	6.1
	Landport Hachioji	9,150	9,150	4.9	9,140	4.6	5.0	450	5.5
	Landport Kasukabe	8,370	8,450	4.9	8,290	4.5	5.2	414	5.6
	Funabashi Logistics Center	5,320	5,390	5.0	5,240	4.7	5.3	292	6.3
	Atsugi Minami Logistics Center B Tower	5,130	5,140	4.9	5,130	4.8 5.0 (Note 7)	5.1	253	5.5
	Hanyu Logistics Center	4,310	4,340	5.8	4,290	5.6	6.0	257	6.8
	Kawaguchi Logistics Center B Tower	4,320	4,350	5.0	4,300	4.8	5.2	221	5.9
	Kawaguchi Logistics Center A Tower	3,270	3,290	5.3	3,260	5.1	5.5	174	6.2
	Atsugi Minami Logistics Center A Tower	3,160	3,180	4.9	3,150	4.8 5.0 (Note 8)	5.1	157	5.8
	Ota Nitta Logistics Center	3,760	3,780	6.3	3,750	6.1	6.5	243	7.1
	Ota Higashishinmachi Logistics Center	2,420	2,430	6.2	2,410	6.0	6.4	154	7.1
	Ota Kiyohara Logistics Center	715	717	6.2	714	6.0	6.4	46	7.2
	Chiyodamachi Logistics Center	361	362	6.1	361	5.9	6.3	25	7.6
Logistics subtotal		148,716	-	-	-	-	-	7,508	5.7
Retail	Morisia Tsudanuma	17,400	17,100	5.3	17,500	5.1	5.5	1,081	6.5
	Yokosuka More's City	15,100	15,400	5.4	15,000	5.4	5.6	882	6.5
	Recipe SHIMOKITA	10,700	10,800	4.2	10,500	4.0	4.4	446	4.3
	Kawasaki More's	7,240	7,310	4.7	7,210	4.7	4.9	389	6.4
	EQUINIA Shinjuku	4,560	4,480	4.1	4,600	3.9	4.3	196	4.6
	EQUINIA Ikebukuro	4,320	4,260	4.4	4,350	4.2	4.6	192	4.8
	covirna machida	4,250	4,280	5.1	4,220	4.7	5.1	222	6.5
	Nitori Makuhari	3,490	3,540	5.4	3,440	5.2	5.7	191	6.2
	Konami Sports Club Fuchu	3,230	3,240	5.5	3,220	5.3	5.7	170	6.2
	FESTA SQUARE	2,960	2,970	5.7	2,940	5.4	5.9	168	6.5
	GEMS Shibuya	2,640	2,650	4.7	2,640	4.5	4.9	123	5.0

Use	Property name	Opinion of value at end of period (million yen) (Note 1)	Direct capitalization approach		DCF approach			NOI (million yen) (Note 2)	NOI yield (NOI / acquisition price) (%) (Note 3)
			Value by income approach (million yen)	Cap rate (%)	Value by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)		
Retail	Sundai Azamino	1,920	1,930	5.6	1,900	5.2	5.9	108	6.4
	EQUINIA Aobadai	1,810	1,820	5.6	1,790	5.4	5.8	108	7.0
	Megalos Kanagawa	1,320	1,330	6.0	1,310	5.8	6.2	84	8.5
	Universal CityWalk Osaka	16,600	17,000	4.9	16,500	4.7	5.1	904	5.8
	Izumiya Senrioka	10,500	10,400	5.5	10,500	5.3 5.7 (Note 9)	5.7	587	6.6
	Merad Owada	7,280	7,270	6.1	7,280	5.9	6.3	461	7.0
	Izumiya Yao	5,010	5,070	5.8	4,980	5.6 6.0 (Note 10)	6.0	309	7.0
	Izumiya Obayashi	3,590	3,650	5.8	3,560	5.6 6.0 (Note 11)	6.0	230	7.6
	Ichibancho stear	5,450	5,200	4.8	5,560	4.8 5.0 (Note 12)	5.0	248	5.3
	EQUINIA Aobadori	1,860	1,680	5.4	1,940	5.6	5.6	101	6.2
Retail (land with leasehold right)	Mitsubishi Motors Meguro	2,880	-	-	2,880	5.5	-	155	5.7
	Mitsubishi Motors Chofu	1,840	-	-	1,840	5.2	-	93	5.3
	Mitsubishi Motors Shibuya	1,740	-	-	1,740	5.0	-	86	5.5
	Mitsubishi Motors Nerima	1,310	-	-	1,310	5.6	-	70	5.7
	Mitsubishi Motors Kawasaki	1,040	-	-	1,040	6.6	7.0	73	7.7
	Mitsubishi Motors Takaido	898	-	-	898	5.1	-	44	5.3
	Mitsubishi Motors Katsushika	837	-	-	837	5.5	-	44	5.6
	Mitsubishi Motors Higashikurume	828	-	-	828	7.0	-	55	6.9
	Mitsubishi Motors Setagaya	810	-	-	810	5.6	-	43	5.7
	Mitsubishi Motors Suginami	827	-	-	827	4.9	5.3	39	5.3
	Mitsubishi Motors Sekimachi	627	-	-	627	5.6	-	34	5.8
	Mitsubishi Motors Higashiyamato	496	-	-	496	8.1	8.5	42	9.5
	Mitsubishi Motors Motosumiyoshi	377	-	-	377	6.0	-	22	6.0
	Mitsubishi Motors Kawagoe	369	-	-	369	5.8	6.2	22	6.4
	Mitsubishi Motors Edogawa	211	-	-	211	5.5	-	10	5.2
	Mitsubishi Motors Sayama	169	-	-	169	8.4	8.8	14	9.2
	Mitsubishi Motors Ibaraki Maintenance Center (Note 13)	908	-	-	-	-	-	-	-
Retail subtotal		147,397	-	-	-	-	-	8,067	6.0
Total		296,113	-	-	-	-	-	15,575	5.8

(Note 1) “Opinion of value at end of period” is the appraisal or investigation value provided by the respective real estate appraiser (the value calculated by the respective real estate appraiser with the date of the 5th fiscal period-end (August 31, 2015) as the effective date of value and the value indicated by the income approach as a standard) listed in “B. Price and Investment Share” earlier in this report in accordance with NMF’s Articles of Incorporation and the Regulations Concerning Accounting of Investment Corporations.

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

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

verify the value indicated by the income approach.

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

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

(Note 2) “NOI” is, in the case of properties other than properties on land with leasehold right, the net operating income using the direct capitalization approach stated in the appraisal report or investigation report and, in the case of properties on land with leasehold right, the initial-year net operating income using the DCF approach stated in the appraisal report or investigation report (rounded down to the nearest million yen). Accordingly, the sum total of “NOI” of the respective property may not add up to the amount shown in the respective subtotal and total columns.

(Note 3) “NOI yield (NOI / acquisition price)” is the amount NOI divided by the acquisition price (rounded to first decimal place). Logistics subtotal, Retail subtotal and Total figures are the sum of NOI divided by the sum of acquisition price for the properties in each categories, held at the end of the 5th fiscal period (rounded to first decimal place).

(Note 4) The discount rate of “Landport Urayasu” is 4.4 for the 1st year, 4.5 for the 2nd to 4th year, and 4.6 for the 5th to 11th year since the effective date of value.

(Note 5) The discount rate of “Landport Itabashi” is 4.5 for the 1st year and 4.7 for the 2nd to 11th year since the effective date of value.

(Note 6) The discount rate of “Landport Atsugi” is 4.7 for the 1st to 2nd year and 4.9 for the 3rd to 11th year since the effective date of value.

(Note 7) The discount rate of “Atsugi Minami Logistics Center B Tower” is 4.8 for the 1st to 7th year and 5.0 for the 8th to 11th year since the effective date of value.

(Note 8) The discount rate of “Atsugi Minami Logistics Center A Tower” is 4.8 for the 1st to 8th year and 5.0 for the 9th to 11th year after the effective date of value.

(Note 9) The discount rate of “Izumiya Senrioka” is 5.3 for the 1st to 8th year and 5.7 for the 9th to 11th year after the effective date of value.

(Note 10) The discount rate of “Izumiya Yao” is 5.6 for the 1st to 8th year and 6.0 for the 9th to 11th year after the effective date of value.

(Note 11) The discount rate of “Izumiya Obayashi” is 5.6 for the 1st to 10th year and 6.0 for the 11th year after the effective date of value.

(Note 12) The discount rate of “Ichibancho stear” is 4.8 for the 1st year and 5.0 for the 2nd to 11th year after the effective date of value.

(Note 13) For “Mitsubishi Motors Ibaraki Maintenance Center”, since rent is not accrued as of the effective date of value from tenant has evacuated from entireland on June 30, 2015, guideline transaction method is applied instead of income approach for the Opinion of value at end of period. Accordingly, columns of “Direct capitalization approach”, “DCF approach”, “NOI”, and “NOI yield” are not written.

E. Overview of Trust Beneficiary Interests

The following is an overview of the trust of individual assets of the assets held at the end of the 5th fiscal period (name of trustee and trust period). The entry for the respective item is “—” in the case of each asset of which NMF has acquired the real estate itself.

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

Name of property subject to trust	Name of trustee	Trust period	
		Date of setting	Date of expiration
Landport Urayasu	Sumitomo Mitsui Trust Bank, Limited	2007/6/29	2023/6/30
Landport Itabashi	Mitsubishi UFJ Trust and Banking Corporation	2008/1/31	2023/6/30
Landport Kawagoe	Mitsubishi UFJ Trust and Banking Corporation	2007/9/21	2023/6/30
Landport Atsugi	Sumitomo Mitsui Trust Bank, Limited	2005/12/14	2023/6/30
Kawaguchi Ryoike Logistics Center	Mizuho Trust & Banking Co., Ltd.	2002/8/13	2025/7/31
Sagamihara Tana Logistics Center	Sumitomo Mitsui Trust Bank, Limited	2013/4/26	2023/7/31
Sagamihara Onodai Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2003/3/31	2023/6/30
Landport Hachioji	Sumitomo Mitsui Trust Bank, Limited	2007/3/29	2023/6/30
Landport Kasukabe	Mitsubishi UFJ Trust and Banking Corporation	2009/7/29	2023/6/30
Funabashi Logistics Center	Sumitomo Mitsui Trust Bank, Limited	2005/9/29	2023/6/30
Atsugi Minami Logistics Center B Tower	Mitsubishi UFJ Trust and Banking Corporation	2006/3/30	2023/6/30
Hanyu Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2005/8/26	2023/6/30
Kawaguchi Logistics Center B Tower	Mizuho Trust & Banking Co., Ltd.	2004/1/29	2023/6/30
Kawaguchi Logistics Center A Tower	Mizuho Trust & Banking Co., Ltd.	2004/1/29	2023/6/30
Atsugi Minami Logistics Center A Tower	Mitsubishi UFJ Trust and Banking Corporation	2006/3/30	2023/6/30
Ota Nitta Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2006/12/27	2023/6/30
Ota Higashishinmachi Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2008/12/19	2023/6/30
Ota Kiyohara Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2006/12/27	2023/6/30
Chiyodamachi Logistics Center	Mitsubishi UFJ Trust and Banking Corporation	2006/9/27	2023/6/30
Morisia Tsudanuma	Sumitomo Mitsui Trust Bank, Limited	2006/8/30	2023/6/30
Yokosuka More's City	Mitsubishi UFJ Trust and Banking Corporation	2006/5/31	2023/6/30
Recipe SHIMOKITA	—	—	—
Kawasaki More's	Mitsubishi UFJ Trust and Banking Corporation	2006/9/28	2023/6/30
		2004/12/1	2023/6/30
EQUINIA Shinjuku	Mitsubishi UFJ Trust and Banking Corporation	2006/3/24	2023/6/30
EQUINIA Ikebukuro	Mitsubishi UFJ Trust and Banking Corporation	2003/2/14	2023/6/30
covirna machida	Sumitomo Mitsui Trust Bank, Limited	2004/6/1	2023/6/30
Nitori Makuhari	Sumitomo Mitsui Trust Bank, Limited	2008/4/24	2023/6/30
Konami Sports Club Fuchu	Mitsubishi UFJ Trust and Banking Corporation	Building : 2008/9/25 Land : 2009/11/27	2023/6/30
FESTA SQUARE	Sumitomo Mitsui Trust Bank, Limited	2008/10/29	2023/6/30
GEMS Shibuya	—	—	—

Name of property subject to trust	Name of trustee	Trust period	
		Date of setting	Date of expiration
Sundai Azamino	Mitsubishi UFJ Trust and Banking Corporation	2008/11/28	2023/6/30
EQUINIA Aobadai	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Megalos Kanagawa	—	—	—
Universal CityWalk Osaka	Sumitomo Mitsui Trust Bank, Limited	2012/12/28	2020/12/31
Izumiya Senrioka	Sumitomo Mitsui Trust Bank, Limited	2005/8/11	2023/6/30
Merad Owada	Mizuho Trust & Banking Co., Ltd.	Retail : 2001/3/29 Logistics:2007/9/28	2023/6/30
Izumiya Yao	Sumitomo Mitsui Trust Bank, Limited	2005/8/11	2023/6/30
Izumiya Obayashi	Sumitomo Mitsui Trust Bank, Limited	2005/8/30	2023/6/30
Ichibancho stear	Mizuho Trust & Banking Co., Ltd.	2005/1/31	2023/6/30
EQUINIA Aobadori	Sumitomo Mitsui Trust Bank, Limited	2008/6/30	2023/6/30
Mitsubishi Motors Meguro	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Chofu	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Shibuya	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30
Mitsubishi Motors Nerima	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Kawasaki	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Takaido	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Katsushika	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Higashikurume	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Setagaya	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30
Mitsubishi Motors Suginami	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30
Mitsubishi Motors Sekimachi	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Higashiyamato	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Motosumiyoshi	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Kawagoe	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Edogawa	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Sayama	Mitsubishi UFJ Trust and Banking Corporation	2002/3/27	2023/6/30
Mitsubishi Motors Ibaraki Maintenance Center	Mitsubishi UFJ Trust and Banking Corporation	2004/3/31	2023/6/30

(Note) The following is a breakdown of the assets held at the end of the 5th fiscal period.

- Properties of which real estate itself is held 3 properties
- Properties of which are subject to trust 54 properties

F. Leasing Summary and Income/Loss Status

The status of income/loss in the 5th fiscal period is stated in accordance with “Notes Concerning Significant Accounting Policies” in “3. Financial Statements” presented above in this report. NOI, which stands for net operating income, refers to the amount of total operating revenue from property leasing, less total operating expenses from property leasing (excluding depreciation).

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

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

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	Landport Urayasu	Landport Itabashi	Landport Kawagoe	Landport Atsugi	Kawaguchi Ryoke Logistics Center (Note 2)
Number of business days during the 5th fiscal period	184	184	184	184	62
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Property and other taxes					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	459,585	430,661	392,584	332,960	109,355
④ Depreciation	110,487	93,108	135,114	123,893	20,743
⑤ Real estate rental profits (③-④)	349,098	337,553	257,470	209,066	88,612

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	Sagamihara Tana Logistics Center	Sagamihara Onodai Logistics Center	Landport Hachioji	Landport Kasukabe	Funabashi Logistics Center
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Property and other taxes					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①－②)	314,827	258,831	164,558	205,509	140,429
④ Depreciation	97,147	75,643	79,073	78,445	31,424
⑤ Real estate rental profits (③－④)	217,680	183,188	85,485	127,063	109,005

(Unit: thousand yen)

Property name	Atsugi Minami Logistics Center B Tower	Hanyu Logistics Center	Kawaguchi Logistics Center B Tower	Kawaguchi Logistics Center A Tower	Atsugi Minami Logistics Center A Tower
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Property and other taxes					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①－②)	87,534	126,918	112,103	89,951	78,762
④ Depreciation	41,819	43,101	17,576	10,660	15,765
⑤ Real estate rental profits (③－④)	45,714	83,816	94,527	79,291	62,996

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	Ota Nitta Logistics Center	Ota Higashishinmachi Logistics Center	Ota Kiyohara Logistics Center	Chiyodamachi Logistics Center	Morisia Tsudanuma
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues					863,077
Other rental revenues					284,475
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	1,147,553
Property management costs					145,796
Property management fees					67,226
Property and other taxes					63,885
Utility expenses					238,462
Casualty insurance					2,707
Repairs and maintenance					15,211
Land rents					—
Other rental expenses					69,502
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	602,792
③ NOI (①-②)	119,563	77,190	22,139	12,077	544,760
④ Depreciation	46,828	28,638	10,683	4,033	95,797
⑤ Real estate rental profits (③-④)	72,734	48,551	11,455	8,044	448,962

(Unit: thousand yen)

Property name	Yokosuka More's City	Recipe SHIMOKITA	Kawasaki More's	EQUINIA Shinjuku	EQUINIA Ikebukuro
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues		268,554		147,388	133,340
Other rental revenues		58,996		25,752	16,925
① Property related revenues	(Note 1)	327,550	(Note 1)	173,140	150,265
Property management costs		26,336		10,466	4,696
Property management fees		3,302		2,740	2,497
Property and other taxes		15,418		17,424	8,757
Utility expenses		38,439		18,403	11,568
Casualty insurance		255		193	121
Repairs and maintenance		2,082		2,820	6,136
Land rents		—		—	—
Other rental expenses		9,546		1,975	1,517
② Property related expenses	(Note 1)	95,381	(Note 1)	54,024	35,295
③ NOI (①-②)	421,400	232,169	194,815	119,115	114,970
④ Depreciation	47,616	44,841	15,410	7,896	6,036
⑤ Real estate rental profits (③-④)	373,784	187,327	179,405	111,219	108,933

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	covima machida	Nitori Makuhari	Konami Sports Club Fuchu	FESTA SQUARE	GEMS Shibuya
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues	138,868				80,496
Other rental revenues	26,566				18,141
① Property related revenues	165,435	(Note 1)	(Note 1)	(Note 1)	98,637
Property management costs	12,588				4,828
Property management fees	6,302				2,730
Property and other taxes	8,896				5,633
Utility expenses	17,960				18,942
Casualty insurance	135				72
Repairs and maintenance	2,643				954
Land rents	—				—
Other rental expenses	6,792				4,435
② Property related expenses	55,319	(Note 1)	(Note 1)	(Note 1)	37,596
③ NOI (①-②)	110,115	99,965	84,588	84,469	61,040
④ Depreciation	10,924	27,849	19,441	25,524	10,923
⑤ Real estate rental profits (③-④)	99,191	72,116	65,147	58,944	50,117

(Unit: thousand yen)

Property name	Sundai Azamino	EQUINIA Aobadai	Megalos Kanagawa	Universal CityWalk Osaka	Izumiya Senrioka
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues		71,923		520,320	
Other rental revenues		8,370		262,555	
① Property related revenues	(Note 1)	80,293	(Note 1)	782,875	(Note 1)
Property management costs		6,258		49,577	
Property management fees		1,294		45,540	
Property and other taxes		4,938		22,253	
Utility expenses		8,401		149,685	
Casualty insurance		101		818	
Repairs and maintenance		2,184		9,531	
Land rents		—		29,958	
Other rental expenses		1,042		109,262	
② Property related expenses	(Note 1)	24,220	(Note 1)	416,628	(Note 1)
③ NOI (①-②)	54,318	56,072	33,095	366,247	316,859
④ Depreciation	15,403	5,547	5,957	159,588	53,585
⑤ Real estate rental profits (③-④)	38,914	50,525	27,138	206,658	263,274

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	Merad Owada	Izumiya Yao	Izumiya Obayashi	Ichibancho stear	EQUINIA Aobadori
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues				188,847	138,566
Other rental revenues				46,990	26,092
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	235,838	164,659
Property management costs				6,628	7,752
Property management fees				5,349	3,376
Property and other taxes				13,494	5,076
Utility expenses				25,046	15,069
Casualty insurance				199	202
Repairs and maintenance				4,875	314
Land rents				—	34,737
Other rental expenses				12,497	1,259
② Property related expences	(Note 1)	(Note 1)	(Note 1)	68,091	67,788
③ NOI (①-②)	240,116	154,174	119,140	167,747	96,870
④ Depreciation	25,523	36,618	13,885	23,015	23,256
⑤ Real estate rental profits(③-④)	214,593	117,556	105,254	144,732	73,613

(Unit: thousand yen)

Property name	Mitsubishi Motors Meguro	Mitsubishi Motors Chofu	Mitsubishi Motors Shibuya	Mitsubishi Motors Nerima	Mitsubishi Motors Kawasaki
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Property and other taxes					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expences	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	77,539	46,493	43,199	35,297	36,698
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	77,539	46,493	43,199	35,297	36,698

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	Mitsubishi Motors Takaido	Mitsubishi Motors Katsushika	Mitsubishi Motors Higashikurume	Mitsubishi Motors Setagaya	Mitsubishi Motors Suginami
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Property and other taxes					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	22,196	22,249	27,596	21,735	19,461
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	22,196	22,249	27,596	21,735	19,461

(Unit: thousand yen)

Property name	Mitsubishi Motors Sekimachi	Mitsubishi Motors Higashiyamato	Mitsubishi Motors Motosumiyoshi	Mitsubishi Motors Kawagoe	Mitsubishi Motors Edogawa
Number of business days during the 5th fiscal period	184	184	184	184	184
Rental revenues					
Other rental revenues					
① Property related revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Property management costs					
Property management fees					
Property and other taxes					
Utility expenses					
Casualty insurance					
Repairs and maintenance					
Land rents					
Other rental expenses					
② Property related expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	17,150	21,148	10,689	11,098	5,099
④ Depreciation	—	—	—	—	—
⑤ Real estate rental profits(③-④)	17,150	21,148	10,689	11,098	5,099

5th fiscal period (from March 1, 2015 to August 31, 2015)

(Unit: thousand yen)

Property name	Mitsubishi Motors Sayama	Mitsubishi Motors Ibaraki Maintenance Center
Number of business days during the 5th fiscal period	184	184
Rental revenues		
Other rental revenues		
① Property related revenues	(Note 1)	(Note 1)
Property management costs		
Property management fees		
Property and other taxes		
Utility expenses		
Casualty insurance		
Repairs and maintenance		
Land rents		
Other rental expenses		
② Property related expenses	(Note 1)	(Note 1)
③ NOI (①-②)	7,199	64,660
④ Depreciation	—	—
⑤ Real estate rental profits(③-④)	7,199	64,660

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

(Note 2) Acquired on July 1, 2015. Accordingly, the figures in the table are the figures for on and after the acquisition date.

G. Overview of Engineering Report and Earthquake Risk Analysis

Upon acquisition of assets under management (excluding properties on land with leasehold right), NMF entrusts a building investigation to and obtains a report of the concerned investigation (“engineering report”) from an independent outside investigator with no vested interest. The following is the repair expenses, etc. stated in the engineering reports for each of the assets held at the end of the 5th fiscal period. However, the content of the reports is no more than an opinion of the preparers of the engineering reports stated below and there is no guarantee as to the accuracy of the content.

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

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

The portfolio PML for the assets held at the end of the 5th fiscal period, excluding properties on land with leasehold right, to total 40 properties was 2.56% and the PML for each of the assets held at the end of the 5th fiscal period is as follows. PML in the table below refers to the probable maximum loss that a property will experience in the assumed scheduled use period (50 years = useful life of a general building) due to an earthquake event of the assumed maximum scale (large earthquake with a probability of occurring once in 475 years = large earthquake with a 10% probability of occurrence in 50 years), expressed as the estimated cost associated with restoring a property damaged in connection with such an earthquake event to its condition prior to that event as a percentage of the replacement cost associated with the property, based on the report prepared by Sompo Japan Nipponkoa Risk Management Inc.

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

Use	Property name	Preparer of engineering report	Preparation date	Emergency repair expenses (million yen) (Note 1)	Short-term repair expenses (million yen) (Note 2)	Long-term repair expenses (million yen) (Note 3)	PML (%)
Logistics	Landport Urayasu	Shimizu Corporation	February 2013	—	—	292	4.16
	Landport Itabashi	Shimizu Corporation	February 2013	—	—	176	6.42
	Landport Kawagoe	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2013	—	—	310	3.73
	Landport Atsugi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	101	6.15
	Kawaguchi Ryoke Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2015	—	—	348	3.91
	Sagamihara Tana Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2013	—	—	162	4.32
	Sagamihara Onodai Logistics Center	Shimizu Corporation	February 2013	—	—	427	7.30
	Landport Hachioji	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	83	5.79
	Landport Kasukabe	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	78	5.90
	Funabashi Logistics Center	Shimizu Corporation	February 2013	—	—	425	3.40
	Atsugi Minami Logistics Center B Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	10	6.15
	Hanyu Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	84	2.72
	Kawaguchi Logistics Center B Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	155	2.92
	Kawaguchi Logistics Center A Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	193	2.92
	Atsugi Minami Logistics Center A Tower	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	87	5.36

Use	Property name	Preparer of engineering report	Preparation date	Emergency repair expenses (million yen) (Note 1)	Short-term repair expenses (million yen) (Note 2)	Long-term repair expenses (million yen) (Note 3)	PML (%)
Logistics	Ota Nitta Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	113	1.40
	Ota Higashishinmachi Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	56	1.35
	Ota Kiyohara Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	22	1.03
	Chiyodamachi Logistics Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	53	3.76
Logistics subtotal		—	—	—	—	3,183	2.96
Retail	Morisia Tsudanuma	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	0	—	2,540	4.70
	Yokosuka More's City	Shimizu Corporation	February 2013	—	144	814	6.89
	Recipe SHIMOKITA	Tokio Marine & Nichido Risk Consulting Co., Ltd.	September 2013	—	—	29	4.38
	Kawasaki More's	Shimizu Corporation	February 2013 December 2014	0	1	749	7.39
	EQUINIA Shinjuku	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	221	5.81
	EQUINIA Ikebukuro	Shimizu Corporation	February 2013	0	0	144	8.36
	covirna machida	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	300	120	10.85
	Nitori Makuhari	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	77	3.90
	Konami Sports Club Fuchu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	204	2.76
	FESTA SQUARE	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	43	5.40
	GEMS Shibuya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2013	—	—	14	4.18
	Sundai Azamino	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	31	4.89
	EQUINIA Aobadai	Shimizu Corporation	February 2013	—	—	137	9.33
	Megalos Kanagawa	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	94	9.06
	Universal CityWalk Osaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2014	—	—	434	4.42
	Izumiya Senrioka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	239	5.43
	Merad Owada	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	270	3.33
	Izumiya Yao	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	168	3.97
	Izumiya Obayashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	236	3.89
	Ichibancho stear	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	66	2.42
	EQUINIA Aobadori	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2013	—	—	81	1.57
Retail subtotal		—	—	0	445	6,720	2.84
Total		—	—	0	445	9,904	2.56

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

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

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

H. Status of Capital Expenditures

(i) Schedule of Capital Expenditures

Of the scheduled amount of capital expenditures associated with renovation work, etc. planned (or completed) to the date of this report for the assets held at the end of the 5th fiscal period, the following are the major capital expenditures. Please note that the scheduled construction amount below includes the portion charged to expenses in accounting.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Scheduled construction amount (thousand yen)		
			Total amount	Amount paid during period	Total amount already paid
Unicursal CityWalk Osaka (Osaka-shi, Osaka)	Guid sign installation works of the center cort	From Jan. 2016 To Feb. 2016	100,000	-	-
Morisia Tsudanuma (Narashino-shi, Chiba)	Renewal of the escalator of restaurant tower 1st phase	From Dec. 2015 To Feb. 2016	80,000	-	-
Kawasaki More's (Kawasaki-shi, Kanagawa)	Renwal of the escalator 1st phase	From Oct. 2015 To Feb. 2016	71,140	-	-
Unicursal CityWalk Osaka (Osaka-shi, Osaka)	Renewal of the LED vision	From Oct. 2015 To Nov. 2015	49,800	-	-
Morisia Tsudanuma (Narashino-shi, Chiba)	Renewal of the parking fee settlement machine	From Jan. 2016 To Feb. 2016	44,000	-	-

(ii) Capital Expenditures During the Fiscal Period

The following is an overview of the major construction work falling under the category of capital expenditures that were conducted during the 5th fiscal period for the assets held as of the end of the 5th fiscal period. Capital expenditures during the 5th fiscal period were 448,225 thousand yen and, when combined with the 187,661 thousand yen repair expenses charged to expenses during the 5th fiscal period, a total of 635,887 thousand yen in construction was implemented.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction amount (thousand yen)
Yokosuka More's City (Yokosuka-shi, Kanagawa)	Renwal of the exterior package 2nd phase	From May 2014 To Mar. 2015	89,814
Landport Hachioji (Hachioji-shi, Tokyo)	Room divisional works	From Apr 2015 To May. 2015	55,458
Morisia Tsudanuma (Narashino-shi, Chiba)	Installation of LED lighting	From Jun. 2015 To Jul. 2015	22,912
Morisia Tsudanuma (Narashino-shi, Chiba)	Catwalk renovation of restaurant tower	From May 2015 To Aug. 2015	20,610
Other Properties	Improvement of features	From Mar 2015 To Aug. 2015	259,430
Total			448,225

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

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

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

(millions of Yen)

	1st fiscal period from Jan. 31, 2013 to Aug. 31, 2013	2nd fiscal period from Sep. 1, 2013 to Feb. 28, 2014	3rd fiscal period from Mar. 1, 2014 to Aug. 31, 2014	4th fiscal period from Sep. 1, 2014 to Feb. 28, 2015	5th fiscal period from Mar. 1, 2015 to Aug. 31, 2015
Reserve for the beginning of the period	—	—	396	1,064	1,603
Reserve for the current fiscal period	—	396	667	538	430
Reversal of reserve for the current fiscal period	—	—	—	—	—
Reserve brought forward	—	396	1,064	1,603	2,034

I. Status of Major Tenants

Not applicable.

J. Top 10 Tenants by Leased Area

The following are those tenants of the assets held at the end of the 5th fiscal period of which rank in the top ten when a tenant's leased area is expressed as a percentage of the sum total of the leased area of the entire portfolio as at August 31, 2015.

No.	Tenant name (Note 1)	Use	Property name	Total leased area (m ²)	Share (%) (Note 2)
1	Fukuyama Transporting Co., Ltd.	Logistics	Landport Urayasu Sagamihara Onodai Logistics Center	92,389.48	9.8
2	Izumiyama Co., Ltd.	Retail	Izumiyama Senrioka Izumiyama Yao Izumiyama Obayashi	70,311.49	7.4
3	Nippon Express Co., Ltd.	Logistics	Kawaguchi Ryoke Logistics Center Hanyu Logistics Center	67,691.71	7.1
4	Amazon Japan Logistics K.K.	Logistics	Landport Kawagoe	56,377.76	5.9
5	Neovia Logistics Services, LLC	Logistics	Sagamihara Tana Logistics Center	50,450.00	5.3
6	Yokohama Okadaya Co., Ltd.	Retail	Yokosuka More's City Kawasaki More's	48,193.96	5.1
7	Mitsui-Soko Logistics Co., Ltd.	Logistics	Ota Nitta Logistics Center	42,328.00	4.5
8	ASKUL Corporation	Logistics	Landport Itabashi	37,276.71	3.9
9	Not disclosed	Retail (land with leasehold right)	Total for 16 Mitsubishi Motors properties	35,432.72	3.7
10	Otsuka Warehouse Co., Ltd.	Logistics	Landport Urayasu	35,104.40	3.7
Total for top 10 tenants				535,556.23	56.5

(Note 1) In the case of assets with a so-called pass-through master lease agreement where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, end-tenants is shown as a tenant, and lessee is not shown as a tenant. "Tenant name" is not disclosed for some tenants, due to unavoidable circumstances.

(Note 2) "Share" is the sum total of leased area of the respective tenant as a percentage of the sum total of leased area of the entire portfolio of assets held by NMF at the end of this fiscal period.

K. Status of Major Properties

Not applicable.

L. Overview of Leasing to Interested Parties

Tenant name	Property name	Leased area (m ²)
Megalos Co., Ltd.	Megalos Kanagawa	6,217.85
Geo Akamatsu Co., Ltd.	Morisia Tsudanuma	39,736.87
	GEMS Shibuya	1,791.34
	Universal CityWalk Osaka	9,733.28

M. Collateral

Not applicable.