

(Reference) SUMMARY OF FINANCIAL RESULTS (REIT)
For the 13th Fiscal Period Ended February 28, 2022

April 19, 2022

REIT securities issuer: Nomura Real Estate Master Fund, Inc. (“NMF”) Stock exchange listing: Tokyo Stock Exchange
 Securities code: 3462
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Scheduled date of filing of securities report: May 27, 2022
 Scheduled date of commencement of distribution payout: May 24, 2022
 Preparation of supplementary materials on financial results: Yes
 Holding of briefing session on financial results: Yes

[Amounts less than one million yen are truncated]

1. Financial Results for the 13th Fiscal Period (from September 1, 2021 to February 28, 2022)

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

Period ended	Operating revenues		Operating profit		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
February 28, 2022	37,520	0.0	14,593	(1.0)	12,380	(0.4)	12,377	(0.5)
August 31, 2021	37,519	(1.4)	14,741	(4.1)	12,435	(4.7)	12,434	(4.5)

Period ended	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	yen	%	%	%
February 28, 2022	2,625	2.0	1.0	33.0
August 31, 2021	2,637	2.0	1.0	33.1

(2) Distributions

Period ended	Distribution per unit (excluding distribution in excess of net income)	Total distributions (excluding distribution in excess of net income)	Distribution in excess of net income per unit	Total distributions in excess of net income	Distribution per unit (including distribution in excess of net income)	Total distributions (including distribution in excess of net income)	Distribution payout ratio	Ratio of distributions to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
February 28, 2022	2,625	12,377	619	2,918	3,244	15,296	99.9	2.0
August 31, 2021	2,637	12,433	651	3,069	3,288	15,503	99.9	2.0

(Note 1) Of the ¥651 distribution in excess of net income per unit in the fiscal period ended August 31, 2021, ¥387 is a distribution of the allowance for temporary difference adjustments and ¥264 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.003. Of the ¥619 distribution in excess of net income per unit in the fiscal period ended February 28, 2022, ¥444 is a distribution of the allowance for temporary difference adjustments and ¥175 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.002.

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

$$\text{Distribution Payout Ratio} = \frac{\text{Total Distributions (excluding distribution in excess of Net Income)}}{\text{Net Income}} \times 100$$

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

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

(3) Financial Position

Period ended	Total assets	Net assets	Net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
February 28, 2022	1,187,420	616,878	52.0	130,827
August 31, 2021	1,192,507	619,901	52.0	131,468

(4) Status of Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Period ended	million yen	million yen	million yen	million yen
February 28, 2022	22,510	(19,837)	(15,547)	50,237
August 31, 2021	21,261	(6,251)	(15,739)	63,111

2. Earnings Forecasts for the 14th Fiscal Period (from March 1, 2022 to August 31, 2022) and the 15th Fiscal Period (from September 1, 2022 to February 28, 2023)

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

Period ending	Operating revenues		Operating profit		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of net income)	Distribution in excess of net income per unit	Distribution per unit (including distribution in excess of net income)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
August 31, 2022	38,762	3.3	15,467	6.0	13,271	7.2	13,220	6.8	2,800	496	3,296
February 28, 2023	38,243	(1.3)	15,069	(2.6)	12,889	(2.9)	12,888	(2.5)	2,732	557	3,289

(Reference) Forecasted net income per unit

For the fiscal period ending August 31, 2022: ¥2,803

For the fiscal period ending February 28, 2023: ¥2,733

*Other

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

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

(Note) For details of ①, please refer to “Notes Concerning Changes in Accounting Policies” on page 23.

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

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

As of February 28, 2022: 4,715,200 units

As of August 31, 2021: 4,715,200 units

② Number of treasury investment units

As of February 28, 2022: – units

As of August 31, 2021: – 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 32.

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

* Forward-looking statements

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by NMF. Accordingly, actual earnings performance and other results may differ materially due to a variety of factors. Furthermore, such forward-looking statements do not constitute a guarantee of future distributions. For more information on the assumptions underlying forward-looking statements and the use of such statements, please refer to “Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31, 2022 (14th fiscal period: March 1, 2022 to August 31 2022) and the Fiscal Period Ending February 28, 2023 (15th fiscal period: September 1, 2022 to February 28 2023)” on page 8.

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

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1. Management Status

(1) Management Status

① Outline of Fiscal Period under Review

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

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

A. Investment Environment

(Japanese Economy)

The Japanese economy during the fiscal period under review continued to recover, especially in manufacturing industries. However, downward pressure increased again for spending on some services such as restaurants and hotels while the difficult situation due to COVID-19 continued. Varied conditions were seen, depending on the industries.

(Real Estate Leasing Market)

As was the case in the previous fiscal period, the situation in the real estate leasing market during the fiscal period under review varied according to the sector.

Although the office sector had seen a rising vacancy rate in Tokyo since the second half of 2020 as office demand decreased due to the economic downturn and expansion of teleworking associated with COVID-19, the current vacancy rate has declined slightly. Meanwhile, new demand shows signs of recovery but remains limited compared to the pre-COVID-19 level, which has resulted in a continued decline in advertised rents. The vacancy rate increased in some regional cities but increases in vacancy rates and declines in advertised rents were generally moderate, due in part to low teleworking rates compared to Tokyo.

In the retail facility sector, business continued to be robust at retailers, especially supermarkets and drug stores. Meanwhile, sales remained weak particularly in the restaurant industry due to the spread of COVID-19 and the subsequent declaration of a state of emergency.

In the logistics sector, demand from providers of third-party logistics (3PL) ^(Note), NMF's main logistics tenants, and e-commerce-related operators continues to be robust. In the Greater Tokyo area, the vacancy rate rose slightly, despite strong demand, due to a large supply of logistics facilities. Meanwhile, the vacancy rate in the Kinki area remained low due to low supply.

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

In the rental apartment sector, the Tokyo metropolitan area maintains a high occupancy rate. However,

demand for rental apartments, especially single type in the city center, continues to weaken, being impacted by more people moving out due to the expansion of teleworking and less people moving in due to changes in employment conditions. Meanwhile, with regard to demographic trends in Tokyo, an overall net outflow of people was recorded since July 2020, but a net inflow was recorded in January 2022, which has resulted in a recent modest recovery in demand for rental apartments.

The hotel sector was temporarily on a recovery trend as COVID-19 settled down but has been in a severe state again following the resurgence of infections.

(Real Estate Transaction Market)

The trading volume of commercial real estate in 2021 saw a slight increase year on year. Some companies sold properties as their financial performance deteriorated due to the COVID-19 pandemic or because they wanted to increase asset efficiency. Meanwhile, there continued to be large-scale acquisitions by overseas investors, real estate companies in Japan, J-REITs and private placement funds.

(J-REIT Market)

After having declined significantly due to the spread of COVID-19 in the first half of 2020, the TSE REIT Index was on a recovery trend in line with the global monetary easing that was implemented and the economic recovery. However, overall downward pressure became strong with the rising U.S. interest rates and other factors in the fiscal period under review, which led to a decline in the index to 1,877.38 points as of February 28, 2022 from 2,142.91 points as of August 31, 2021.

B. Management Performance

Under the circumstances described above in A. Investment Environment, during the fiscal period under review (13th fiscal period), NMF acquired 1 property (Landport Ome III) and disposed of 2 properties (NMF Utsunomiya Building and Sundai Azamino). As a result, at the end of the fiscal period under review (as of February 28, 2022), NMF held 298 properties (total acquisition price: ¥1,081,389 million), the ratio of investment in the Greater Tokyo area was 83.2%, the gross leasable area of the portfolio was 2,166,670.21m², and the portfolio remained highly diversified.

In terms of property and facility management, as described above in A. Investment Environment, the impact of the renewed spread of COVID-19 infections varies according to sector. Although NMF offered rent reduction/exemption (¥65 million) and other relief to support some of its retail tenants that closed or took other measures in response to the renewed spread of COVID-19 infections and the declaration of the second state of emergency, the impact on entire portfolio revenue was limited. Furthermore, the office sector and the rental apartment sector continued to see a rise in the vacancy rate and a decline in advertised rents in the market as a whole. In the meantime, NMF continued to manage the portfolio with an eye to securing stable revenues through internal growth with appropriate and flexible leasing activities based on market trends as well as rent increases upon renewal of contracts with tenants. As a result, the occupancy rate of the whole portfolio was 98.7% at the end of the fiscal period under review, up 0.6 points from the end of the previous fiscal period.

In February 2019, NMF set ESG materiality issues that are of high importance to be addressed by NMF in order to contribute to the realization of a sustainable society by resolving social issues through its business activities. Based on the policies, targets and key performance indicators (KPI) set for each materiality, NMF engages in investment in environmentally friendly properties while working to enhance the efficiency of its energy use by, for example, introducing eco-friendly and energy-saving countermeasures at its properties, striving for building a portfolio with low environmental impact. NMF promotes acquisition of Green certification^(Note2) under such policy. As of the end of the fiscal period under review, NMF has acquired DBJ Green Building certification for a total of 75 properties and BELS certification for a total of 33 properties. As a result, the percentage of properties^(Note3) with DBJ Green Building certification stood at 56.2 and that of BELS certification stood at 27.1.

Furthermore, as of the end of the fiscal period under review, the progress toward the newly established KPI, “Achieving 70 of green certification with three stars or more or equivalent up to fiscal year 2030”, reached at 56.1^(Note4).

In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”) for which Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), the asset management

company to which NMF entrusts management of its assets, expressed its support on July 14, 2020, NMF summarized policies and initiatives of NMF and NREAM according to the four disclosure items recommended by the TCFD—Governance, Strategy, Risk Management, and Metrics and Targets—and disclosed them on NMF’s official website on February 26, 2021. Note that in analyzing and verifying the financial impact in Strategy, NMF first assessed the risks and opportunities that climate change risks bring to NMF. Then, based on future climate forecasts published by various international organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) as the main information sources, three possible scenarios—the 4°C, 2°C, and 1.5°C Scenarios—were set as assumptions in conducting scenario analysis, and financial impacts were analyzed and verified for each of the risks and opportunities identified. NMF’s policy is to promote initiatives aimed at helping the shift to a low-carbon society and expanding NMF’s revenue opportunities through greenhouse gas emissions reduction and other efforts, while adequately managing physical and transition risks associated with climate change.

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

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

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

C. Status of Fund Procurement

During the fiscal period under review, NMF refinanced ¥30,025 million in interest-bearing liabilities with maturities.

As a result, the balance of interest-bearing liabilities at the end of the fiscal period under review was ¥517,756 million, and the ratio of interest-bearing liabilities to total assets (LTV) was 43.6%.

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

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

D. Business Performance and Distributions

In the 13th fiscal period, operating revenues totaled ¥ 37,520 million, operating profit reached ¥ 14,593 million, ordinary income totaled ¥12,380 million, and net income came to ¥ 12,377 million.

NMF calculates cash distributions in accordance with the cash distribution policies specified in Article 36, Paragraph 1 and Paragraph 2 of NMF’s Articles of Incorporation.

For the fiscal period under review, NMF decided to implement a total of ¥15,296 million in distributions (¥3,244 per investment unit). This figure was arrived at by adding to ¥12,377 million in net income after taxes ¥2,622 million in amortization of goodwill and ¥300 million in loss on sale of real estate, and excluding from the amount of ¥15,300 million the portion for which the per-unit distribution comprising the types of dividends referred to below would be less than ¥1.

Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 as amended, hereinafter the Investment Trust Act) came to ¥12,377 million (¥2,625 per investment unit). Distribution in excess of net income comprises a distribution of ¥2,093 million (¥444 per investment unit) as allowance for temporary difference adjustment and ¥825 million (¥175 per investment unit) in other distribution in excess of net earnings.

② Outlook for Next Fiscal Period

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

③ Forecasts of the Financial Results

Forecasts of the Financial Results for the fiscal period ending August 31, 2022 (14th fiscal period: March 1, 2022 to August 31, 2022) and the fiscal period ending February 28, 2023 (15th fiscal period: September 1, 2022 to February 28, 2023) are stated below. Assumptions for forecasts of the financial results are referred to the following “Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31, 2022 (14th fiscal period: March 1, 2022 to August 31, 2022) and the Fiscal Period Ending February 28, 2023 (15th fiscal period: September 1, 2022 to February 28, 2023)”.

	14th fiscal period ending August 31, 2022	15th fiscal period ending February 28, 2023
Operating Revenues	¥ 38,762 million	¥ 38,243 million
Operating Profit	¥ 15,467 million	¥ 15,069 million
Ordinary Income	¥ 13,271 million	¥ 12,889 million
Net Income	¥ 13,220 million	¥ 12,888 million
Net Income Per Unit	¥ 2,803	¥ 2,733
Distribution Per Unit (Excluding Distribution in Excess of Net Income)	¥ 2,800	¥ 2,732
Distribution in Excess of Net Income Per Unit	¥ 496	¥ 557
Total Distributions Per Unit (Including Distribution in Excess of Net Income)	¥ 3,296	¥ 3,289

④ Significant Subsequent Events

A. Transfer of the asset

(a)NMF sold the following asset after the conclusion of the 13th fiscal period (February 28, 2022).

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● Type of asset	Trust beneficiary interest in mainly real estate
● Use	Retail
● Contract date	January 27, 2022
● Transfer date	March 18, 2022
● Transfer price	¥5,382 million
● Buyer	Domestic consolidated company
● Impact on 14th fiscal period earnings (Scheduled)	¥757 million

(b)NMF decided to sell the following asset after the conclusion of the 13th fiscal period (February 28, 2022).

NRE Higashi-nihonbashi Building

● Type of asset	Real estate
● Use	Office
● Contract date	March 8, 2022
● Transfer date(Scheduled)	September 15, 2022 (Quasi co-ownership of 50%) March 15, 2023 (Quasi co-ownership of 50%)
● Transfer price(Scheduled)	¥2,260 million (Quasi co-ownership of 50%) ¥2,260 million (Quasi co-ownership of 50%)
● Buyer	Domestic general business company
● Impact on 15th fiscal period earnings (Scheduled)	¥370 million
● Impact on 16th fiscal period earnings (Scheduled)	¥386 million

The impact of (a) and (b), above, on earnings for the 14th fiscal period (March 1, 2022 to August 31, 2022), 15th fiscal period (September 1, 2022 to February 28, 2023) and 16th fiscal period (March 1, 2023 to August 31, 2023) will be recorded as gain on sales of real estate under operating revenues.

(Reference)

A. Property acquisition

(a) NMF decided to acquire the assets referred to below on January 27, 2022 and completed the acquisition on March 1 and April 1, 2022.

Property name	PMO Hamamatsucho II
Type of asset	Real estate
Location ^(Note 1)	(Registry) 2-101-2 Shibakoen, Minato Ward, Tokyo (Street) 2-3-6 Shibakoen, Minato Ward, Tokyo
Structure ^(Note 1)	Nine-floor steel-framed structure with flat roof
Land area ^(Note 1)	494.24m ²
Floor area ^(Note 1)	3,109.42m ²
Type of ownership	(Land) Land lease right (Building) Ownership
Completion date ^(Note 1)	July 29, 2020
Acquisition price ^(Note 2)	¥5,500 million
Date of agreement	January 28, 2022
Date of acquisition	April 1, 2022
Seller	Nomura Real Estate Development, Co., Ltd.

Property name	PROUD FLAT Togoshi-Ginza
Type of asset	Real estate
Location ^(Note 1)	(Registry) 2-619-2 Hiratsuka, Shinagawa Ward, Tokyo (Street) 2-11-1 Hiratsuka, Shinagawa Ward, Tokyo
Structure ^(Note 1)	Eleven-floor steel-reinforced concrete structure with flat roof
Land area ^(Note 1)	557.74m ² ^(Note 3)
Floor area ^(Note 1)	2,839.75m ² ^(Note 4)
Type of ownership	(Land) Right of site (Building) Compartmentalized ownership (96.2%)
Completion date ^(Note 1)	February 18, 2020
Acquisition price ^(Note 2)	¥2,550 million
Date of agreement	January 28, 2022
Date of acquisition	March 1, 2022
Seller	Nomura Real Estate Development, Co., Ltd.

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

(Note 2) The acquisition price indicates the amount, excluding the various expenses required to acquire the property such as taxes and public dues, etc. (the amount of the transaction payment described in the real estate sale agreement).

(Note 3) “Land Area” is the total area of the entire building site, and the share of the right of site (co-ownership interest) is 227,602/236,682.

(Note 4) “Floor Area” is the total area of the entire building. The exclusive area of the compartmentalized ownership to be acquired by the Fund is 2,180.59 m².

(b) NMF decided to acquire the asset referred to below on March 8, 2022 and completed the acquisition on March 15, 2022.

Property name	PRIME URBAN Higashi Nakano Court ^(Note 1)
Type of asset	Real estate
Location ^(Note 2)	(Registry) 4-9-5, 4-9-4 Kita-Shinjuku, Shinjuku Ward, Tokyo (Street) 4-9-12 Kita-Shinjuku, Shinjuku Ward, Tokyo
Structure ^(Note 2)	Ten-floor steel reinforced concrete structure with flat roof
Land area ^(Note 2)	3,025.78m ²
Floor area ^(Note 2)	9,235.40m ²
Type of ownership	(Land) Ownership (Building) Ownership
Completion date ^(Note 2)	April 20, 2009
Acquisition price ^(Note 3)	¥7,020 million
Date of agreement	March 8, 2022
Date of acquisition	March 15, 2022
Seller	Undisclosed ^(Note 4)

(Note 1) As of June 1, 2022, the name of the property is scheduled to be changed to “PRIME URBAN Higashi Nakano Court” from the present name of “ACOLT Shinjuku Ochiai”.

(Note 2) Location (excluding Street), Structure, Land Area, Floor area and Completion Date are based on the information in the real estate registry.

(Note 3) The acquisition price indicates the amount, excluding the various expenses required to acquire the property such as taxes and public dues, etc. (the amount of the transaction payment described in the real estate sale agreement).

(Note 4) Undisclosed, since a consent has not been obtained from the seller.

Assumptions Underlying Earnings Forecasts
for the Fiscal Period Ending August 31, 2022 (14th fiscal period: March 1, 2022 to August 31, 2022) and the Fiscal
Period Ending February 28, 2023 (15th fiscal period: September 1, 2022 to February 28, 2023)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending August 31, 2022 (14th fiscal period): March 1, 2022 to August 31, 2022 • Fiscal period ending February 28, 2023 (15th fiscal period): September 1, 2022 to February 28, 2023
Assets Under Management	<ul style="list-style-type: none"> • In addition to properties held by the Fund as of the date hereof (300 properties) (the “Acquired Assets”), it is assumed that the Fund will dispose of NRE Higashi-nihonbashi Building (quasi co-ownership: 50%) (the “Asset to be Disposed of”) on September 15, 2022, which is one of the assets to be disposed of announced in the “Notification Concerning Property Acquisition and Disposition” dated March 8, 2022. • The forecasts are based on the assumption that the Asset to be Disposed of is disposed of on the above-mentioned date, and that there will be no other changes in assets under management (new property acquisitions or sales of portfolio properties) through the end of the Fiscal Period Ending February 28, 2023 (15th Fiscal Period). • The forecasts may be revised due to actual changes in the portfolio.
Operating revenues	<ul style="list-style-type: none"> • Rental revenues are estimated based tenant trends, the presence of competing properties nearby, real estate market conditions and other factors, with the assumption that there will be no delays in payment or failure to pay on the part of tenants.
Operating expenses (excluding amortization expenses for goodwill)	<ul style="list-style-type: none"> • Real estate rental expenses are expected to be ¥16,493 million in the August 31, 2022 (14th) fiscal period and ¥16,435 million in the February 28, 2023 (15th) fiscal period. • Regarding property and other taxes, it is estimated that ¥3,325 million for the Fiscal Period Ending August 31, 2022 (14th Fiscal Period) and ¥3,312 million for the Fiscal Period Ending February 28, 2023 (15th Fiscal Period) will be recorded as real estate rental expenses. In general, the fixed asset taxes and urban planning taxes that will be imposed, relevant to the year in which such properties will be acquired, will be divided between the seller and the purchaser on a pro-rata basis based on holding period and settled at the time of acquisition, and such taxes are deemed as acquisition costs and, are not included in the expenses. Therefore, the fixed asset taxes and urban planning taxes regarding the assets to be acquired will not be recorded as expenses for the Fiscal Period Ending August 31, 2022 (14th Fiscal Period) and the Fiscal Period Ending February 28, 2023 (15th Fiscal Period). • Estimated property management costs (including building management fees and property management fees) of ¥2,933 million August 31, 2022 (14th) fiscal period and ¥2,860 million in the February 28, 2023 (15th) fiscal period are expected to be recorded as real estate rental expenses. • Expenses for building repairs and maintenance required for the fiscal period are recorded as real estate rental expenses calculated based on the mid-to-long term repair plans that NMF’s Asset Management Company has established. However, the actual expenses for repairs and maintenance for the fiscal period may differ significantly from estimates due to expenses for urgent repairs of damage to buildings caused by difficult to foresee factors, significant year-on-year fluctuations in costs or non-periodic repair expenses. Furthermore, expenses for repairs and maintenance are estimated at ¥1,271 million in the August 31, 2022 (14th) fiscal period and ¥1,370 million in the February 28, 2023 (15th) fiscal period. • Depreciation of ¥5,751 million in the August 31, 2022 (14th) fiscal period and ¥5,712 million in the February 28, 2023 (15th) fiscal period is expected to be recorded as real estate rental expenses. • Other operating expenses (including asset management fees, asset custody fees and

Item	Assumptions
	<p>general administration fees) are estimated at ¥4,179 million in the August 31, 2022 (14th) fiscal period and ¥4,116 million in the February 28, 2023 (15th) fiscal period.</p>
<p>Amortization expenses for goodwill</p>	<ul style="list-style-type: none"> • Goodwill is scheduled to be amortized using the straight-line method over 20 years pursuant to the Business Combination Accounting Standards. Goodwill amortization expenses are expected to be ¥2,622 million in each the August 31, 2022 (14th) and the February 28, 2023 (15th) fiscal periods. • Amortization of goodwill causes a difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. NMF intends to make distributions in excess of net income for the purpose of securing tax relief during the goodwill amortization period, and it is expected that NMF will be able to avoid such taxation.
<p>Non-operating expenses</p>	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses are estimated to be ¥ 2,186 million in the August 31, 2022 (14th) fiscal period and ¥2,170 million in the February 28, 2023 (15th) fiscal period.
<p>Interest-bearing liabilities</p>	<ul style="list-style-type: none"> • As of this document’s publication, the outstanding interest-bearing liabilities of NMF are ¥517,756 million, consisting of ¥485,756 million in outstanding borrowings and ¥32,000 million in investment corporation bonds. • Regarding the ¥25,022 million in borrowings that will come due by the end of the August 2022 (14th) fiscal period and the ¥33,592 million in borrowings that will come due in the February 2023 (15th) fiscal period (¥58,615 million in total), it is assumed that NMF will make scheduled, partial repayments of ¥42 million in each the August 2022 (14th) fiscal period and the February 2023 (15th) fiscal period using cash on hand, while refinancing the remainder with new borrowings. • It is assumed that there will be no changes in the amount of the outstanding interest-bearing liabilities other than those stated above through the end of the February 2023 (15th) fiscal period.
<p>Investment units</p>	<ul style="list-style-type: none"> • Forecasts are based on the number of investment units issued and outstanding as of this document’s publication, 4,715,200 units. NMF assumes that there will be no additional issuance of new investment units through February 28, 2023 (the end of the 15th fiscal period).
<p>Distribution per unit</p>	<ul style="list-style-type: none"> • The distribution per unit is calculated according to the distribution policy outlined in NMF’s Articles of Incorporation. • NMF assumes that, of the allowance for temporary difference adjustments (“ATA”) accrued up to the present, the amount eliminated in the August 31, 2022 (14th) fiscal period (¥14 million) and the February 28, 2023 (15th) fiscal period (¥8 million) will be reversed from retained earnings at the respective period ends. • In the August 31, 2022 (14th) fiscal period and the February 28, 2023 (15th) fiscal period, NMF assumes there will no change in the per-unit distribution by the change in fair value of interest rate swaps. • The per-unit distribution may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs.
<p>Distribution per unit in excess of earnings per unit</p>	<ul style="list-style-type: none"> • The amount of distribution in excess of net income is estimated on the assumption NMF will distribute the amount of valuation and translation adjustments deducted from the total difference between accounting and tax treatment and the distributable amount as ATA for the purpose of tax relief. The estimate is based on the assumption that, in order to alleviate the impact on distributions of the amortization of goodwill and other merger-related expenses (the “Merger Expenses”) and the reversal of ATA, if the total difference between accounting and tax treatment for the relevant fiscal period is less than the sum of the Merger Expenses and the reversal of

Item	Assumptions
	<p>ATA, NMF will make other distributions in excess of net income in an amount not exceeding this difference and within the limit prescribed by the regulations of the Investment Trusts Association, Japan (the “Investment Trusts Association Japan Regulations”), which restricts the amount to 60/100 of the total amount of accumulated depreciation recorded as of the end of the relevant fiscal period less the total amount of accumulated depreciation recorded as of the end of the immediately preceding fiscal period.</p> <ul style="list-style-type: none"> • The distribution in excess of net earnings per unit for the August 31, 2022 (14th) fiscal period is expected to be ¥496, comprising ¥404 in distributions of ATA and ¥92 in other distributions in excess of net earnings. The distribution in excess of net earnings per unit for the February 28, 2023 (15th) fiscal period is expected to be ¥557, comprising ¥355 in distributions of ATA and ¥202 in other distributions in excess of net earnings.
Other	<ul style="list-style-type: none"> • It is assumed that there will be no amendments in legislation, taxation, accounting principles, listing requirements, the regulations of the Investment Trusts Association, Japan, or other laws or regulations that would affect the above forecasts. • It is assumed that there will be no unexpected material changes in general economic conditions and real estate markets.

2. Financial Statements

(1) Balance Sheet

	Thousands of Yen	
	As of August 31, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and bank deposits	50,213,329	37,690,998
Cash and bank deposits in trust	12,898,209	12,546,482
Rental receivables	722,315	577,103
Prepaid expenses	794,071	846,265
Derivatives assets	—	4,829
Other	488,420	526,178
Total current assets	65,116,347	52,191,857
Noncurrent assets		
Property and equipment		
Buildings	159,432,901	159,801,735
Less accumulated depreciation	(23,101,335)	(25,429,558)
Buildings, net	136,331,566	134,372,177
Structures	820,055	821,082
Less accumulated depreciation	(403,639)	(434,005)
Structures, net	416,415	387,076
Machinery	1,049,441	1,113,640
Less accumulated depreciation	(594,655)	(627,866)
Machinery, net	454,786	485,773
Tools, furniture and fixtures	569,914	620,439
Less accumulated depreciation	(254,552)	(300,902)
Tools, furniture and fixtures, net	315,361	319,536
Land	313,197,582	313,203,327
Buildings in trust	201,463,270	207,049,386
Less accumulated depreciation	(36,928,594)	(39,305,841)
Buildings in trust, net	*3 164,534,675	*3 167,743,545
Structures in trust	1,163,791	1,256,410
Less accumulated depreciation	(918,988)	(928,254)
Structures in trust, net	*3 244,803	*3 328,156
Machinery in trust	968,161	968,086
Less accumulated depreciation	(263,601)	(297,250)
Machinery in trust, net	704,560	670,835
Tools, furniture and fixtures in trust	1,088,132	1,150,284
Less accumulated depreciation	(541,993)	(615,736)
Tools, furniture and fixtures in trust, net	*3 546,139	*3 534,547
Land in trust	*3 422,871,240	*3 431,974,656
Leased assets in trust	4,752	4,752
Less accumulated depreciation	(1,716)	(2,112)
Leased assets, net	3,036	2,640
Construction in progress	124,467	70,431
Total property and equipment	1,039,744,634	1,050,092,704

	Thousands of Yen	
	As of August 31, 2021	As of February 28, 2022
Intangible assets		
Goodwill	75,098,009	72,475,766
Leasehold rights	1,331,702	1,331,702
Leasehold rights in trust	7,625,672	7,625,286
Other	51,714	50,162
Total intangible assets	84,107,098	81,482,917
Investments and other assets		
Long-term prepaid expenses	1,979,162	2,176,053
Long-term deposits	478,665	445,088
Security deposits	925,784	885,773
Derivative assets	6,336	4,632
Total investments and other assets	3,389,950	3,511,547
Total noncurrent assets	1,127,241,683	1,135,087,169
Deferred assets		
Investment corporation bond issuance costs	149,540	141,555
Total deferred assets	149,540	141,555
Total assets	1,192,507,570	1,187,420,582

	Thousands of Yen	
	As of August 31, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Trade accounts payable	2,588,017	1,627,787
Current portion of long-term debt	55,090,600	58,615,600
Lease obligations in trust	871	871
Other accounts payable	2,763,065	2,475,394
Accrued expenses	357,458	317,250
Accrued income taxes	1,125	2,683
Accrued consumption taxes	957,285	182,342
Rent received in advance	5,655,117	5,588,079
Unearned revenue	60,233	26,694
Provision for loss on disaster	30,450	20,370
Derivatives liabilities	61,671	27,412
Other current liabilities	11,188	17,755
Total current liabilities	67,577,084	68,902,241
Long-term liabilities		
Investment corporation bonds	32,000,000	32,000,000
Long-term debt	430,708,200	427,140,400
Lease obligations in trust	2,468	2,032
Long-term advances received	14,854	7,706
Security deposits from tenants	14,203,988	14,028,101
Security deposits from tenants in trust	*3 27,957,577	*3 28,385,395
Derivatives liabilities	141,998	76,619
Total long-term liabilities	505,029,087	501,640,254
Total liabilities	572,606,171	570,542,496
Net assets		
Unitholders' equity		
Unitholders' capital	244,739,887	244,893,909
Surplus		
Capital Surplus	394,012,959	394,012,959
Deductions from capital surplus		
Allowance for temporary difference adjustments	*4 (16,624,976)	*4 (18,295,737)
Other deductions from capital surplus	(14,815,391)	(16,214,225)
Total deduction from capital surplus	(31,440,368)	(34,509,963)
Capital surplus, net	362,572,590	359,502,995
Retained earnings	12,786,253	12,575,751
Total surplus	375,358,843	372,078,747
Total unitholders' equity	620,098,731	616,972,656
Valuation and translation adjustments		
Deferred gains or losses on hedges	(197,332)	(94,570)
Valuation and translation adjustments	(197,332)	(94,570)
Total net assets	*2 619,901,398	*2 616,878,085
Total liabilities and net assets	1,192,507,570	1,187,420,582

(2) Statement of Income and Retained Earnings

	Thousands of Yen			
	Previous period from Mar. 1, 2021 to Aug.31, 2021		Current period from Sep. 1, 2021 to Feb.28, 2022	
Operating revenues				
Rental revenues	*1	34,679,385	*1	34,654,862
Other rental revenues	*1	2,839,881	*1	2,703,224
Gain on sales of real estate		—	*2	162,853
Total operating revenues		37,519,267		37,520,940
Operating expenses				
Real estate rental expenses	*1	16,097,387	*1	15,972,567
Loss on sales of real estate		—	*3	300,369
Asset management fees		3,394,277		3,385,703
Asset custody fees		57,154		57,099
Administrative service fees		178,250		172,567
Directors' compensation		7,800		7,800
Amortization of goodwill		2,622,242		2,622,242
Other operating expenses		420,739		409,372
Total operating expenses		22,777,851		22,927,722
Operating profit		14,741,415		14,593,218
Non-operating revenues				
Interest income		328		292
Reversal of dividends payable		3,024		2,845
Interest on refund		—		7
Other non-operating revenues		1,142		6
Total non-operating revenues		4,494		3,152
Non-operating expenses				
Interest expenses		1,677,807		1,585,499
Interest expenses on investment corporation bonds		173,528		170,560
Amortization of investment corporation bond issuance costs		7,984		7,984
Loan arrangement fees		446,432		449,353
Other non-operating expenses		4,824		2,740
Total non-operating expenses		2,310,577		2,216,139
Ordinary income		12,435,333		12,380,230
Income before income taxes		12,435,333		12,380,230
Income taxes—current		1,171		2,727
Total income taxes		1,171		2,727
Net income		12,434,161		12,377,502
Retained earnings brought forward		352,091		198,249
Retained earnings at end of period		12,786,253		12,575,751

(3) Statement of Changes in Net Assets

Previous period (from March 1, 2021 to August 31, 2021)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Total deduction from capital surplus			Net capital surplus
Allowance for temporary difference adjustment	Deduction from other capital surplus		Total deduction from capital surplus			
Balance at the beginning of the period	244,606,999	394,012,959	(14,994,380)	(13,763,038)	(28,757,419)	365,255,539
Changes of items during the period						
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	132,888	—	132,888	(132,888)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,763,484)	—	(1,763,484)	(1,763,484)
Other distributions in excess of net earnings	—	—	—	(919,464)	(919,464)	(919,464)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	132,888	—	(1,630,596)	(1,052,352)	(2,682,948)	(2,682,948)
Balance at the end of the period	244,739,887	394,012,959	(16,624,976)	(14,815,391)	(31,440,368)	362,572,590

Thousands of Yen

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	13,503,646	378,759,186	623,366,185	(351,354)	(351,354)	623,014,831
Changes of items during the period						
Distributions of retained earnings	(13,018,667)	(13,018,667)	(13,018,667)	—	—	(13,018,667)
Reversal of allowance for temporary difference adjustments	(132,888)	(132,888)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,763,484)	(1,763,484)	—	—	(1,763,484)
Other distributions in excess of net earnings	—	(919,464)	(919,464)	—	—	(919,464)
Net income	12,434,161	12,434,161	12,434,161	—	—	12,434,161
Net changes of items other than unitholders' equity	—	—	—	154,021	154,021	154,021
Total changes of items during the period	(717,393)	(3,400,342)	(3,267,454)	154,021	154,021	(3,113,432)
Balance at the end of the period	12,786,253	375,358,843	620,098,731	(197,332)	(197,332)	619,901,398

Current period (from September 1, 2021 to February 28, 2022)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				
		Capital surplus	Total deduction from capital surplus			Net capital surplus
Allowance for temporary difference adjustment	Deduction from other capital surplus		Total deduction from capital surplus			
Balance at the beginning of the period	244,739,887	394,012,959	(16,624,976)	(14,815,391)	(31,440,368)	362,572,590
Changes of items during the period						
Distributions of retained earnings	—	—	—	—	—	—
Reversal of allowance for temporary difference adjustments	154,021	—	154,021	(154,021)	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	—	(1,824,782)	—	(1,824,782)	(1,824,782)
Other distributions in excess of net earnings	—	—	—	(1,244,812)	(1,244,812)	(1,244,812)
Net income	—	—	—	—	—	—
Net changes of items other than unitholders' equity	—	—	—	—	—	—
Total changes of items during the period	154,021	—	(1,670,760)	(1,398,834)	(3,069,595)	(3,069,595)
Balance at the end of the period	244,893,909	394,012,959	(18,295,737)	(16,214,225)	(34,509,963)	359,502,995

Thousands of Yen

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Valuation and translation adjustments	
	Retained earnings	Total surplus				
Balance at the beginning of the period	12,786,253	375,358,843	620,098,731	(197,332)	(197,332)	619,901,398
Changes of items during the period						
Distributions of retained earnings	(12,433,982)	(12,433,982)	(12,433,982)	—	—	(12,433,982)
Reversal of allowance for temporary difference adjustments	(154,021)	(154,021)	—	—	—	—
Distributions in excess of net earnings from allowance for temporary difference adjustments	—	(1,824,782)	(1,824,782)	—	—	(1,824,782)
Other distributions in excess of net earnings	—	(1,244,812)	(1,244,812)	—	—	(1,244,812)
Net income	12,377,502	12,377,502	12,377,502	—	—	12,377,502
Net changes of items other than unitholders' equity	—	—	—	102,762	102,762	102,762
Total changes of items during the period	(210,501)	(3,280,096)	(3,126,075)	102,762	102,762	(3,023,312)
Balance at the end of the period	12,575,751	372,078,747	616,972,656	(94,570)	(94,570)	616,878,085

(4) Statement of Cash Distributions

	Previous period from Mar. 1, 2021 to Aug. 31, 2021	Current period from Sep. 1, 2021 to Feb. 28, 2022
I. Retained earnings at end of period	12,786,253,162	12,575,751,402
II. Distributions in excess of retained earnings	3,069,595,200	2,918,708,800
Of which, allowance for temporary difference adjustment	1,824,782,400	2,093,548,800
Of which, other distributions in excess of net income	1,244,812,800	825,160,000
III. Incorporation into unitholders' capital	154,021,761	102,762,213
Of which, reversal of allowance for temporary difference adjustments	154,021,761	102,762,213
IV. Distributions	15,503,577,600	15,296,108,800
[Distributions per unit]	[3,288]	[3,244]
Of which, distributions of earnings	12,433,982,400	12,377,400,000
[Of which, distributions of earnings per unit]	[2,637]	[2,625]
Of which, allowance for temporary difference adjustments	1,824,782,400	2,093,548,800
[Of which, allowance for temporary difference adjustments per unit]	[387]	[444]
Of which, other distributions in excess of net income	1,244,812,800	825,160,000
[Of which, other distributions in excess of net income per unit]	[264]	[175]
V. Retained earnings carried forward	198,249,001	95,589,189

Calculation method for distributions		
	<p>NMF calculates distributions in accordance with the cash distribution policies as specified in Article 36, paragraphs 1 and 2 of NMF's Articles of Incorporation.</p> <p>For the fiscal period under review, NMF decided to implement a total of ¥15,503,577,600 in distributions (¥3,288 per investment unit). This figure was arrived at by adding to ¥12,434,161,779 in net income after taxes ¥2,622,242,820 in amortization of goodwill, and by adding ¥447,173,001 in consideration of temporary decrease in operating revenues due to the impact of COVID-19 pandemic on per-unit distribution.</p> <p>Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, paragraph 1 of the Investment Trusts Act came to ¥12,433,982,400 (¥2,637 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,824,782,400 (¥387 per investment unit) as allowance for temporary difference adjustment and ¥1,244,812,800 (¥264 per investment unit) in other distribution in excess of net</p>	<p>NMF calculates distributions in accordance with the cash distribution policies as specified in Article 36, paragraphs 1 and 2 of NMF's Articles of Incorporation.</p> <p>For the fiscal period under review, NMF decided to implement a total of ¥15,296,108,800 in distributions (¥3,244 per investment unit). This figure was arrived at by adding to ¥12,377,502,401 in net income after taxes ¥2,622,242,820 in amortization of goodwill and ¥300,369,335 in loss on sale of real estate, and excluding from the amount of ¥15,300,114,556 the portion for which the per-unit distribution comprising the types of dividends referred to below would be less than ¥1.</p> <p>Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, paragraph 1 of the Investment Trusts Act came to ¥12,377,400,000 (¥2,625 per investment unit). Distribution in excess of net income comprises a distribution of ¥2,093,548,800 (¥444 per investment unit) as allowance for temporary</p>

	income.	difference adjustment and ¥825,160,000 (¥175 per investment unit) in other distribution in excess of net income.
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(5) Statement of Cash Flows

	Thousands of Yen	
	Previous period from Mar. 1, 2021 to Aug. 31, 2021	Current period from Sep. 1, 2021 to Feb. 28, 2022
Cash flows from operating activities		
Income before income taxes	12,435,333	12,380,230
Depreciation	5,587,125	5,610,152
Amortization of goodwill	2,622,242	2,622,242
Amortization of investment corporation bond issuance	7,984	7,984
Increase (decrease) in provision for loss on disaster	(550)	(10,080)
Interest income	(328)	(292)
Interest expenses	1,851,336	1,756,060
Loss on disposal of property and equipment	15,436	5,191
Decrease (increase) in rental receivables	97,507	134,952
Decrease (increase) in prepaid expenses	(15,916)	(52,193)
Decrease (increase) in long-term prepaid expenses	(3,130)	(196,890)
Decrease (increase) in long-term deposits	63,569	33,577
Increase (decrease) in trade accounts payable	105,630	(960,230)
Increase (decrease) in other accounts payable	(108,257)	(15,348)
Increase (decrease) in accrued consumption taxes	404,292	(774,942)
Increase (decrease) in rent received in advance	13,987	(67,037)
Decrease in property and equipment in trust due to sales	—	3,896,189
Other	48,828	(21,112)
Subtotal	23,125,092	24,348,452
Interest received	328	292
Interest paid	(1,862,616)	(1,836,956)
Income taxes paid	(1,074)	(1,170)
Net cash provided by (used in) operating activities	21,261,729	22,510,618
Cash flows from investing activities		
Payments for purchase of property and equipment	(3,222,641)	(641,372)
Payments for purchase of property and equipment in trust	(2,700,281)	(19,527,403)
Payments for purchase of intangible assets in trust	(17,636)	(4,339)
Reimbursement of security deposits to tenants	(538,354)	(623,369)
Proceeds from security deposits from tenants	715,517	491,383
Reimbursement of security deposits to tenants in trust	(1,056,593)	(1,043,034)
Proceeds from security deposits from tenants in trust	568,963	1,470,852
Proceeds from security deposits	—	40,011
Net cash provided by (used in) investing activities	(6,251,026)	(19,837,271)
Cash flows from financing activities		
Proceeds from long-term debt	28,650,000	30,025,000
Repayment of long-term debt	(28,692,800)	(30,067,800)
Distributions of earnings to unitholders	(13,014,277)	(12,434,078)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(1,763,205)	(1,825,166)
Other distributions in excess of net earnings	(919,559)	(1,245,360)
Net cash provided by (used in) financing activities	(15,739,842)	(15,547,404)
Net increase (decrease) in cash and cash equivalents	(729,140)	(12,874,058)
Cash and cash equivalents at beginning of period	63,840,679	63,111,539
Cash and cash equivalents at end of period	63,111,539	50,237,480

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

(7) Notes Concerning Significant Accounting Policies

<p>1. Depreciation of noncurrent assets</p>	<p>(1) Property and equipment (including trust assets) The straight-line method is adopted. The useful lives of major property and equipment are as follows: Buildings 3–70 years Structures 5–45 years Machinery 6–17 years Tools, furniture and fixtures 3–20 years</p> <p>(2) Intangible assets The straight-line method is adopted. Goodwill is amortized using straight-line method over 20 years.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2. Accounting method for deferred assets</p>	<p>Deferred investment corporation bond issuance costs The straight-line method over the respective terms of the bonds.</p>
<p>3. Allowance for doubtful accounts</p>	<p>(1) To be ready for possible losses arising from defaults on receivables, the uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on case-by-case examinations for doubtful receivables.</p> <p>(2) Provision for loss on disaster The amount that is reasonably estimated at the 11th fiscal period under review is recorded to cover expenditures for restoration etc. following the 2021 Fukushima Earthquake.</p>
<p>4. Revenue and expenses recognition</p>	<p>(1) Accounting for fixed asset tax, etc. Of the tax amount assessed and determined for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held by NMF, the method of charging the amount corresponding to the concerned fiscal period to expenses as real estate rental expenses is adopted. The amount equivalent to fixed asset tax, etc. for the fiscal year in which the acquisition date falls paid to the seller as reimbursement upon acquisition of real estate or trust beneficiary interests in real estate is included in the cost of acquisition of the concerned real estate and not recorded as expenses. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. was not applicable in the previous fiscal period and ¥114,569 thousand in the current fiscal period.</p> <p>(2) Revenue recognition Main performance obligations concerning revenues from contracts with NMF's customers and normal points in time when the obligations are satisfied (normal points in time when revenues are recognized) are as follows: ① Disposition of real estate Gains on sale of real estate are recorded at the points in time when customers or the buyers acquire control over the real estate by NMF satisfying delivery obligations stipulated in the contracts on real estate disposition. ② Utility expense revenues Utility expense revenues are recorded according to the supply of electricity, water, etc. to customers or the tenants based on the lease contracts and attached agreements. Among utility expense revenues, when judged that NMF is applicable as an agent, it is NMF's policy to recognize net amounts as revenues after deducting the amounts paid to the suppliers of electricity, gas, etc. from the amounts NMF received as utility charges.</p>

<p>5. Hedge accounting</p>	<p>(1) Method of hedge accounting Deferred hedge accounting is adopted. For interest-rate swap transactions that meet the requirements for special treatment, special treatment is adopted.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest-rate swap transactions Hedged items Interest on loans</p> <p>(3) Hedging policy NMF conducts derivative transactions for the purpose of hedging risks prescribed in the Articles of Incorporation in accordance with the Basic Policy on Risk Management.</p> <p>(4) Method for assessing effectiveness of hedging The effectiveness of hedging is assessed by the correlation between changes in the fair value of hedging instruments and hedged items.</p>
<p>6. Other bases for preparing financial statements</p>	<p>(1) Method of accounting for trust beneficiary interests in real estate, etc. Concerning trust beneficiary interests in real estate, etc., held by NMF, all assets and liabilities within the trust assets as well as all revenues and expenses generated by the trust assets are recorded under the corresponding items of the Balance Sheet and Statement of Income and Retained Earnings. Of the trust assets thus recorded, the following major items are listed as separate items on the balance sheet.</p> <p>① Cash and bank deposits in trust</p> <p>② Buildings in trust; Structures in trust; Machinery in trust; Tools, furniture and fixtures in trust; Land in trust; Leased assets in trust</p> <p>③ Leasehold rights in trust</p> <p>④ Lease obligations in trust</p> <p>⑤ Security deposits from tenants in trust</p> <p>(2) Method of accounting for non-deductible consumption tax, etc. Non-deductible consumption tax, etc., on such items, as noncurrent assets is included in the acquisition costs of individual items.</p>
<p>7. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents in the statement of cash flows consist of cash on hand and cash in trust; deposits and deposits in trust that can be withdrawn at any time; and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>

(8) Notes Concerning Changes in Accounting Policies

1. Adoption of accounting standard concerning revenue recognition

NMF decided that it would adopt the “Accounting Standard for Revenue Recognition” (Corporate Accounting Standard No. 29 issued on March 31, 2020) from the beginning of the accounting period under review, and that it would recognize revenues with the amounts expected to be received in exchange for promised goods or services at the point in time when control over the goods or services is transferred to customers. There is no impact on the financial statements in the accounting period under review due to this change.

In accordance with the transitional treatment stipulated in item 89-3 of the Accounting Standard for Revenue Recognition, the note “Concerning Revenue Recognition” pertaining to the previous accounting period is not presented.

2. Adoption of the accounting standard concerning fair value measurement

NMF decided that it would adopt the “Accounting Standard for Fair Value Measurement” (Corporate Accounting Standard No. 30 issued on July 4, 2019) from the beginning of the accounting period under review, and that it would adopt the new accounting policies stipulated in the Accounting Standard for Fair Value Measurement in the future according to the transitional treatment stipulated in item 19 of the Accounting Standard for Fair Value Measurement and item 44-2 of the “Accounting Standard for Financial Instruments” (Corporate Accounting Standard No. 10 issued on July 4, 2019). There is no impact on the financial statements in the accounting period under review by this change.

(Additional Information)

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

Current period from Mar. 1, 2021 to Aug. 31, 2021			Current period from Sep. 1, 2021 to Feb. 28, 2022		
1. Reasons, related assets and amounts of allowance Thousands of Yen			1. Reasons, related assets and amounts of allowance Thousands of Yen		
Related assets, etc.	Reason	Allowance for temporary difference adjustment	Related assets, etc.	Reason	Allowance for temporary difference adjustment
Goodwill	Amortization of goodwill	2,622,242	Goodwill	Amortization of goodwill	2,622,242
Long-term deposits	Shortfall of reserve for repair	7,161	Long-term deposits	Shortfall of reserve for repair	51,458
Subtotal		2,629,404	Other	—	13,678
Buildings, facilities, etc.	Depreciation deficiency equivalent	(741,188)	Subtotal		2,687,379
Unearned revenue	Write-down of loss on interest rate swap due to merger	(54,234)	Buildings, facilities, etc.	Depreciation deficiency equivalent	(306,277)
Other	—	(9,199)	Unearned revenue	Write-down of loss on interest rate swap due to merger	(40,687)
Subtotal		(804,622)	Land	Cost of sales of land	(246,865)
Total		1,824,782	Subtotal		(593,831)
			Total		2,093,548
2. Reasons, related assets and amounts of reversals Thousands of Yen			2. Reasons, related assets and amounts of reversals Thousands of Yen		
Related assets, etc.	Reason	Allowance for temporary difference adjustment	Related assets, etc.	Reason	Allowance for temporary difference adjustment
Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	— (*)	Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	— (*)
Deferred gains or losses on hedges	Changes in fair value of derivatives	(154,021)	Deferred gains or losses on hedges	Changes in fair value of derivatives	(102,762)
Total		(154,021)	Total		(102,762)
(*) The amount of reversal during current period (¥5,440 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.			(*) The amount of reversal during current period (¥12,575 thousand) is included in “Depreciation deficiency equivalent” on “1. Reasons, related assets and amounts of allowance”.		

<p>3. Method of reversal</p> <p>(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.</p> <p>(2) Merger expenses</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Method of reversal</th> </tr> </thead> <tbody> <tr> <td>Buildings, etc.</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land</td> <td>Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Buildings, etc., in trust</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land in trust</td> <td rowspan="3">Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Leasehold rights</td> </tr> <tr> <td>Leasehold rights in trust</td> </tr> </tbody> </table> <p>(3) Long-term deposits In principle, long-term deposits are not reversed.</p> <p>(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.</p>	Item	Method of reversal	Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Leasehold rights	Leasehold rights in trust	<p>3. Method of reversal</p> <p>(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.</p> <p>(2) Merger expenses</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Method of reversal</th> </tr> </thead> <tbody> <tr> <td>Buildings, etc.</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land</td> <td>Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Buildings, etc., in trust</td> <td>Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.</td> </tr> <tr> <td>Land in trust</td> <td rowspan="3">Upon sale, etc., the corresponding amount is scheduled to be reversed.</td> </tr> <tr> <td>Leasehold rights</td> </tr> <tr> <td>Leasehold rights in trust</td> </tr> </tbody> </table> <p>(3) Long-term deposits In principle, long-term deposits are not reversed.</p> <p>(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.</p>	Item	Method of reversal	Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.	Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.	Leasehold rights	Leasehold rights in trust
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(9) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	Thousands of Yen	
	Previous period (Aug. 31, 2021)	Current period (Feb. 28, 2022)
Committed line of credit	10,000,000	10,000,000
Balance of used line	—	—
Balance of unused line	10,000,000	10,000,000

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

	Thousands of Yen	
	Previous period (Aug. 31, 2021)	Current period (Feb. 28, 2022)
Committed line of credit	40,000,000	40,000,000
Balance of used line	—	—
Balance of unused line	40,000,000	40,000,000

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

	Previous period (Aug. 31, 2021)	Current period (Feb. 28, 2022)
	50,000	50,000

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

Thousands of Yen

	Previous period (Aug. 31, 2021)	Current period (Feb. 28, 2022)	
Assets offered as collateral are as follows.		Assets offered as collateral are as follows.	
Buildings in trust	3,239,960	Buildings in trust	3,212,180
Land in trust	6,096,368	Land in trust	6,096,368
Structures in trust	4,794	Structures in trust	4,696
Tools, furniture and fixtures in trust	<u>3,710</u>	Tools, furniture and fixtures in trust	<u>3,324</u>
Total	9,344,833	Total	9,316,569
Liabilities secured by collateral are as follows.		Liabilities secured by collateral are as follows.	
Security deposits from tenants in trust	<u>726,648</u>	Security deposits from tenants in trust	<u>726,648</u>
Total	726,648	Total	726,648

*4. Allowance for temporary difference adjustments

Previous period (from March 1, 2021 to August 31, 2021)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	22,600,340	13,192,958	1,769,017	—	14,961,976	—
Land, buildings, etc.	Merger expenses	4,029,135	1,317,179	(5,533)	—	1,311,646	—
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	484,242	—	(132,888)	351,354	Changes in fair value of derivative transactions
Increase – subtotal		—	14,994,380	1,763,484	(132,888)	16,624,976	—
Total		—	14,994,380	1,763,484	(132,888)	16,624,976	—

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

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

(3) Deferred gains or losses on hedges

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

Current period (from September 1, 2021 to February 28, 2022)

1. Reasons, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	25,222,583	14,961,976	1,830,223	—	16,792,199	—
Land, buildings, etc.	Merger expenses	4,029,135	1,311,646	(5,440)	—	1,306,205	—
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	351,354	—	(154,021)	197,332	Changes in fair value of derivative transactions
Increase – subtotal		—	16,624,976	1,824,782	(154,021)	18,295,737	—
Total		—	16,624,976	1,824,782	(154,021)	18,295,737	—

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

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

(3) Deferred gains or losses on hedges

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

(Notes to Statement of Income and Retained Earnings)

*1. Breakdown of real estate rental revenues and expenses

	Thousands of Yen			
	Previous period from Mar. 1, 2021 to Aug. 31, 2021		Current period from Sep. 1, 2021 to Feb. 28, 2022	
A. Property related revenues				
Rental revenues				
Rent revenues	32,344,406		32,379,033	
Common area charges	2,334,978	34,679,385	2,275,828	34,654,862
Other rental revenues				
Parking revenues	622,960		629,997	
Incidental income	1,806,838		1,925,291	
Other miscellaneous revenues	410,082	2,839,881	147,934	2,703,224
Property related revenues		37,519,267		37,358,086
B. Property related expenses				
Real estate rental expenses				
Property management costs	1,832,875		1,829,209	
Property management fees	975,826		951,283	
Property and other taxes	3,263,841		3,246,576	
Utility expenses	1,431,766		1,584,054	
Casualty insurance	54,110		59,873	
Repairs and maintenance	1,531,578		1,273,461	
Land rents	201,748		177,522	
Depreciation	5,586,593		5,609,620	
Other rental expenses	1,219,046	16,097,387	1,240,965	15,972,567
Property related expenses		16,097,387		15,972,567
C. Real estate rental profits [A – B]		21,421,880		21,385,518

*2. Breakdown of gain on sales of real estate

Previous period (from March 1, 2021 to August 31, 2021)

Not applicable.

Current period (from September 1, 2021 to February 28, 2022)

	Thousands of Yen	
NMF Utsunomiya Building		
Proceeds from sales of real estate	2,720,000	
Cost of sales of real estate	2,445,354	
Other related sales expenses	111,792	
Gain on sales of real estate		162,853

*3. Breakdown of loss on sales of real estate

Previous period (from March 1, 2021 to August 31, 2021)

Not applicable.

Current period (from September 1, 2021 to February 28, 2022)

	Thousands of Yen	
Sundai Azamino		
Proceeds from sales of real estate	1,200,000	
Cost of sales of real estate	1,450,835	
Other related sales expenses	49,534	
Loss on sales of real estate		300,369

(Notes on Investment and Rental Properties)

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

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

Thousands of Yen

	Previous period from Mar. 1, 2021 to Aug. 31, 2021	Current period from Sep. 1, 2021 to Feb. 28, 2022
Carrying amount		
Balance at beginning of period	1,048,917,843	1,048,702,009
Amount of increase (decrease) during period	(215,834)	10,347,682
Balance at end of period	1,048,702,009	1,059,049,692
Fair value at end of period	1,218,347,000	1,252,960,000

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

(Note 2) Of the change in investment and rental properties, the increase during the previous period is mainly attributable to the acquisition of Universal CityWalk Osaka (Land) (¥2,178,530 thousand). The decrease during the previous period is mainly attributable to depreciation expenses (¥5,578,207 thousand). The increase during the current period is mainly attributable to the acquisition of Landport Ome III (¥17,238,207 thousand). The decrease during the current period is mainly attributable to the sale of NMF Utsunomiya Building (¥2,445,354 thousand) and Sundai Azamino (¥1,450,835 thousand) as well as depreciation (¥5,602,175 thousand).

(Note 3) Fair value at the end of the period is the appraisal value or investigation value determined by investigation, found by an outside real estate appraiser. However, in the current fiscal period, transfer price is used as the fair value for Ichibancho star, and the scheduled transfer price is used as the fair value for NRE Higashi-nihonbashi Building.

The income (loss) in the previous period (from March 1, 2021 to August 31, 2021) and current period (September 1, 2021 to February 28, 2022) for investment and rental properties is as presented in “Notes to Statement of Income and Retained Earnings” earlier in this report.

(Notes Concerning Revenue Recognition)

1. Information classifying revenues from contracts with customers

Current period (from September 1, 2021 to February 28, 2022)

Thousands of Yen

	Revenues from contracts with customers(Note 1)	Sales to external customers
Proceeds from sales of real estate	3,920,000	(Note 2) 162,853
Utility expense revenues	1,331,843	1,331,843
Other	—	36,026,243
Total	5,251,843	37,520,940

(Note 1) Leasing business revenues, which are subject to the Corporate Accounting Standard No. 13, “Accounting Standard for Lease Transactions,” and real estate transfers, which are subject to the “Practical Guidelines Concerning Accounting for the Transferors in Securitization of Real Estate Using SPCs” of the JICPA Accounting System Committee Report No. 15, are not applicable to the Accounting Standard for Revenue Recognition, and are thus not included in the above amount. Note that the main revenues from contracts with customers are gains on sale of real estate and utilities expense revenues.

(Note 2) Gains on sale of real estate are recorded as profits/losses on sale of real estate (the amount after deducting real estate disposition costs and other disposition costs from gains on sale of real estate) in the statement of income and retained earnings. Since NMF records gains on sale of real estate as operating revenues and losses on sale of real estate as operating expenses, only the amounts of gains on sale of real estate are described in the above table.

2. Basic information for understanding revenues from contracts with customers

Current period (from September 1, 2021 to February 28, 2022)

Refer to the description in the notes concerning matters pertaining to significant accounting policies.

3. Information on the satisfaction of performance obligations based on contracts with customers, relationships with cash flows arising from the contracts, and the amounts of revenues which arise from outstanding contracts with customers as of the end of the accounting period under review and will be recognized in the next accounting period onwards, as well as the timing to recognize the revenues

(1) Balances of contract assets and liabilities

	Thousands of Yen
	Current period from Sep. 1, 2021 to Feb. 28, 2022
Receivables from contracts with customers (balance as of the beginning of the fiscal period)	363,492
Receivables from contracts with customers (balance as of the end of the fiscal period)	372,248
Contract assets (balance as of the beginning of the fiscal period)	—
Contract assets (balance as of the end of the fiscal period)	—
Contract liabilities (balance as of the beginning of the fiscal period)	—
Contract liabilities (balance as of the end of the fiscal period)	—

(2) Transaction prices allocated to remaining performance obligations

Not applicable.

Concerning utility expense revenues, NMF recognizes them with the amounts for which it has the right to claim according to item 19 of the Implementation Guidance on the Accounting Standard for Revenue Recognition. This is because NMF has the right to receive the amounts of consideration, which directly correspond to the value for customers or tenants, from customers for the portions where the obligations are satisfied before the end of a fiscal period. Accordingly, adopting the stipulation of item 80-22 (2) of the Accounting Standard for Revenue Recognition, utility expense revenues are not included in the note on transaction prices allocated to remaining performance obligations.

(Notes on Per Unit Information)

	Yen	
	Previous period from Mar. 1, 2021 to Aug. 31, 2021	Current period from Sep. 1, 2021 to Feb. 28, 2022
Net assets per unit	131,468	130,827
Net income per unit	2,637	2,625

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

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

	Previous period from Mar. 1, 2021 to Aug. 31, 2021	Current period from Sep. 1, 2021 to Feb. 28, 2022
Net income (Thousands of Yen)	12,434,161	12,377,502
Amount not attributable to ordinary unitholders (Thousands of Yen)	—	—
Net income attributable to ordinary investment units (Thousands of Yen)	12,434,161	12,377,502
Average number of investment units during period (Units)	4,715,200	4,715,200

(Notes on Significant Subsequent Events)

Transfer of the asset

(a)NMF sold the following asset after the conclusion of the 13th fiscal period (February 28, 2022).

Ichibancho stear

- Type of asset Trust beneficiary interest in mainly real estate
- Use Retail
- Contract date January 27, 2022
- Transfer date March 18, 2022
- Transfer price ¥5,382 million
- Buyer Domestic consolidated company
- Impact on 14th fiscal period earnings ¥757 million

(Scheduled)

(b)NMF decided to sell the following asset after the conclusion of the 13th fiscal period (February 28, 2022).

NRE Higashi-nihonbashi Building

- Type of asset Real estate
- Use Office
- Contract date March 8, 2022
- Transfer date(Scheduled) September 15, 2022 (Quasi co-ownership of 50%)
March 15, 2023 (Quasi co-ownership of 50%)
- Transfer price(Scheduled) ¥2,260 million (Quasi co-ownership of 50%)
¥2,260 million (Quasi co-ownership of 50%)
- Buyer Domestic general business company
- Impact on 15th fiscal period earnings ¥370 million
- Impact on 16th fiscal period earnings ¥386 million

(Scheduled)

The impact of (a) and (b), above, on earnings for the 14th fiscal period (March 1, 2022 to August 31, 2022), 15th fiscal period (September 1, 2022 to February 28, 2023) and 16th fiscal period (March 1, 2023 to August 31, 2023) will be recorded as gain on sales of real estate under operating revenues.

[Disclosure Omissions]

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

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

The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the 13th fiscal period (February 28, 2022).

Date	Description	Total number of investment units issued and outstanding (Units)		Unitholders' capital (Millions of Yen) (Note 1)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
October 1, 2015	Consolidation type merger	3,722,010	3,722,010	161,120	161,120	(Note 2)
September 1, 2016	Absorption type merger	461,120	4,183,130	—	161,120	(Note 3)
October 14, 2016	Reversal of allowance for temporary difference adjustments	—	4,183,130	763	161,883	(Note 4)
April 14, 2017	Reversal of allowance for temporary difference adjustments	—	4,183,130	708	162,592	(Note 4)
October 13, 2017	Reversal of allowance for temporary difference adjustments	—	4,183,130	198	162,791	(Note 4)
March 1, 2018	Public offering	132,000	4,315,130	17,572	180,363	(Note 5)
March 20, 2018	Third party allotment increase	6,670	4,321,800	887	181,251	(Note 6)
April 13, 2018	Reversal of allowance for temporary difference adjustments	—	4,321,800	478	181,730	(Note 4)
October 15, 2018	Reversal of allowance for temporary difference adjustments	—	4,321,800	321	182,051	(Note 4)
March 1, 2019	Public offering	214,760	4,536,560	31,241	213,293	(Note 7)
March 26, 2019	Third party allotment increase	10,740	4,547,300	1,562	214,855	(Note 8)
October 15, 2019	Reversal of allowance for temporary difference adjustments	—	4,547,300	91	214,947	(Note 4)
December 20, 2019	Public offering	159,900	4,707,200	27,845	242,792	(Note 9)
January 21, 2020	Third party allotment increase	8,000	4,715,200	1,393	244,185	(Note 10)
April 14, 2020	Reversal of allowance for temporary difference adjustments	—	4,715,200	122	244,307	(Note 4)
October 14, 2020	Reversal of allowance for temporary difference adjustments	—	4,715,200	299	244,606	(Note 4)
April 14, 2021	Reversal of allowance for temporary difference adjustments	—	4,715,200	132	244,739	(Note 4)
October 13, 2021	Reversal of allowance for temporary difference adjustments	—	4,715,200	154	244,893	(Note 4)

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

- (Note 2) NMF was established through the consolidation type merger of the former Nomura Real Estate Master Fund (hereinafter “former NMF”), Nomura Real Estate Office Fund (hereinafter “NOF”) and Nomura Real Estate Residential Fund (hereinafter “NRF”) on October 1, 2015 (hereinafter “the Merger of the Three REITs”). Upon its establishment, NMF allotted 1 NMF unit per former 1.00 NMF unit, 3.60 NMF units per 1.00 NOF unit and 4.45 NMF units per 1.00 NRF unit.
- (Note 3) On September 1, 2016, as part of the absorption type merger, with NMF as the surviving corporation and TOP REIT, Inc. (hereinafter “TOP”) as the absorbed corporation (hereinafter “the Absorption Type Merger with TOP”), NMF issued 2.62 NMF units per 1.00 TOP unit, resulting in the issue of 461,120 new units. There was no change in the total amount of unitholders’ capital due to this absorption type of merger.
- (Note 4) NMF’s Board of Directors resolved to reverse the allowance for temporary difference adjustments and incorporate the amounts of said reversals into unitholders’ capital at the Board of Directors meeting on each said date.
- (Note 5) NMF issued new investment units through public offering at an issue price of ¥137,474 per unit (issue value: ¥133,125 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 6) NMF issued new investment units through third-party allotment at an issue value of ¥133,125 per unit together with the issuance of new investment units through public offering.
- (Note 7) NMF issued new investment units through public offering at an issue price of ¥150,223 per unit (issue value: ¥145,471 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 8) NMF issued new investment units through third-party allotment at an issue value of ¥145,471 per unit together with the issuance of new investment units through public offering.
- (Note 9) NMF issued new investment units through public offering at an issue price of ¥179,830 per unit (issue value: ¥174,141 per unit) for the purpose of procuring funds to acquire new properties.
- (Note 10) NMF issued new investment units through third-party allotment at an issue value of ¥174,141 per unit together with the issuance of new investment units through public offering.

3. Reference Information

(1) Investment Status

Type of asset	Use	Area (Note 1)	12th fiscal period As of August 31, 2021		13th fiscal period As of February 28, 2022	
			Total amount held (Millions of Yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)	Total amount held (Millions of Yen) (Note 2)	As a percentage of total amount of assets (%) (Note 3)
Real estate	Office properties	Greater Tokyo area	145,396	12.2	145,018	12.2
		Other areas	21,339	1.8	21,282	1.8
		Subtotal	166,735	14.0	166,301	14.0
	Retail properties	Greater Tokyo area	28,831	2.4	28,712	2.4
		Other areas	18,126	1.5	18,119	1.5
		Subtotal	46,957	3.9	46,832	3.9
	Logistics properties	Greater Tokyo area	63,830	5.4	63,533	5.4
		Subtotal	63,830	5.4	63,533	5.4
	Residential properties	Greater Tokyo area	135,572	11.4	134,808	11.4
		Other areas	30,194	2.5	29,883	2.5
		Subtotal	165,767	13.9	164,692	13.9
	Hotel properties	Other areas	3,681	0.3	3,665	0.3
		Subtotal	3,681	0.3	3,665	0.3
	Other Properties	Greater Tokyo area	5,136	0.4	5,136	0.4
Subtotal		5,136	0.4	5,136	0.4	
	Subtotal	452,109	37.9	450,161	37.9	
Real estate in trust	Office properties	Greater Tokyo area	259,266	21.7	259,330	21.8
		Other areas	52,544	4.4	50,453	4.2
		Subtotal	311,811	26.1	309,784	26.1
	Retail properties	Greater Tokyo area	81,767	6.9	80,095	6.7
		Other areas	49,766	4.2	49,537	4.2
		Subtotal	131,534	11.0	129,632	10.9
	Logistics properties	Greater Tokyo area	121,460	10.2	137,866	11.6
		Other areas	3,295	0.3	3,280	0.3
		Subtotal	124,755	10.5	141,147	11.9
	Residential properties	Greater Tokyo area	25,797	2.2	25,641	2.2
		Subtotal	25,797	2.2	25,641	2.2
	Hotel properties	Other areas	2,693	0.2	2,683	0.2
		Subtotal	2,693	0.2	2,683	0.2
		Subtotal	596,592	50.0	608,888	51.3
	Subtotal	1,048,702	87.9	1,059,049	89.2	
Deposits and other assets			143,805	12.1	128,370	10.8
Total amount of assets			1,192,507	100.0	1,187,420	100.0

	12th fiscal period As of August 31, 2021		13th fiscal period As of February 28, 2022	
	Amount (Millions of Yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)	Amount (Millions of Yen) (Note 4)	As a percentage of total amount of assets (%) (Note 3)
Total amount of liabilities	572,606	48.0	570,542	48.0
Total amount of net assets	619,901	52.0	616,878	52.0

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

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

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

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

(2) Investment Assets

- ① Major Investment Securities
Not applicable.

- ② Investment Real Estate Properties
Real estate is listed together with beneficial interests in real estate trusts in ③ Other Major Investment Assets, below.

- ③ Other Major Investment Assets
The following summarizes the real estate, etc. (298 properties) held as of February 28, 2022, (the end of the 13th fiscal period) by NMF (this real estate and the beneficiary interests of trusts in which real estate properties are the principal trust properties or the real estate that constitutes the underlying assets thereof are hereinafter referred to as the “assets held at the end of the 13th fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of February 28, 2022.

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

(a) Overview of Portfolio and Leasing Status

The following is an overview of the portfolio and leasing status for the assets held at the end of the 13th fiscal period.

Number of properties	298
Gross leasable area (m ²) ^(Note 1)	2,166,670.21
Gross leased area (m ²) ^(Note 2)	2,138,525.13
Total number of tenants ^(Note 3)	1,329
Total of all contracted rent (Thousands of Yen) ^(Note 4)	5,916,284

(Note 1) The sum total of the “leasable area” of each of the assets held at the end of the 13th fiscal period. “Leasable area” is the sum total area of office buildings, retail facilities, logistics facilities, residential facilities, or hotels etc. leasable in each asset (including the area of common-use space, etc., if leased). Leasable area is calculated based not on that presented in the registry, but the area stated in the lease contract and the area calculated based on building completion drawings, etc. Accordingly, the leasable area may not be the same as the floor area based on that presented in the registry and may exceed the floor area. In the case of land with leasehold right, the land area based on that presented in the registry is used as contracted area. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square, the leasable area is the area calculated by multiplying the building’s overall leasable area by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For NRE Tennozu Building, since the rent under the master lease agreement is calculated as the building’s overall rent multiplied by the ownership ratio of the common areas, the leasable area is calculated as the building’s overall leasable area multiplied by the ownership ratio of the common areas. For PMO Hatchobori Shinkawa, upon the master lease agreement, the rent paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building (excluding the exclusive area subject to the selfuse by other compartmentalized owners; the same shall apply hereinafter for PMO Hatchobori Shinkawa) multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.. Therefore, the leasable area of PMO Hatchobori Shinkawa is the sum of (i) the leasable area of the exclusive area owned by NMF and (ii) the leasable area of the common area, etc. of the entire building multiplied by NMF’s share of ownership interest of the common area.

(Note 2) The sum total of “leased area” of each of the assets held at the end of the 13th fiscal period. “Leased area” is the area that is actually leased to an end-tenant (The area stated in the lease contract; provided, however, that such be limited to the area of office properties, retail properties, logistics properties, residential properties, or hotel properties etc. (if all rental units are collectively leased, then the area of the entire rental units) and not include the leased area of parking space, etc. However, if the master lessee has a rent-guaranteed master lease for some or all rental units, the space is included in leased area regardless of whether or not there is a lease agreement with an end-tenant.) in each asset. In the case of land with leasehold right, the leased area of the land is shown. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square, the leased area is the area calculated by multiplying the building’s overall leased area by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, since the rent under the master lease agreement is calculated as the building’s overall rent multiplied by the ownership ratio of the common areas, the leased area is calculated as the building’s overall leased area multiplied by the ownership ratio of the common areas. For PMO Hatchobori Shinkawa, upon the master lease agreement, the rent paid to each compartmentalized owner is the sum of (i) the rent to be earned from the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by each compartmentalized owner, and (ii) the rent to be earned from the common area, etc. of the building multiplied by the share interest in ownership of the common area, etc.. Therefore, the leased area of PMO Hatchobori Shinkawa is the sum of (i) the leased area of the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by NMF and (ii) the leased area of the common area, etc. of the entire building multiplied by NMF’s share of ownership interest of the common area.

(Note 3) The sum total of “total number of tenants” of each of the assets held at the end of the 13th fiscal period. In the calculation of “number of tenants,” when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant (sublessee that is the actual user) for subleasing the rental units, the lessee of the master lease agreement is counted as one tenant. However, in the case of assets with a so-called pass-through master lease agreement, where the rent received from the lessee in the master lease agreement is the same amount as the rent that the lessee receives from the end-tenant, the total number of end-tenants is shown. In addition, if multiple rental units in a specific asset are leased to a specific tenant, this is counted as one tenant for the asset and, if multiple assets are leased to a specific tenant, these are counted separately and the total of that number of tenants is shown. For residential facilities or residential portions of “other” sector facilities, when some or all rental units are collectively leased for the purpose of subleasing and the lessee in the lease agreement (master lease agreement) has concluded an agreement with an end-tenant for subleasing the rental units, regardless of pass-through master lease agreement, the lessee of the master lease agreement is counted as one tenant,

and the total number of tenants for the building as whole is shown.

(Note 4) The total amount of “total contracted rent” for February 2022 of each of the assets held at the end of the 13th fiscal period (amounts less than one thousand are truncated). “Total contracted rent” for February 2022 refers to the sum total of monthly rent and common area charges in lease agreements actually concluded with end-tenants that are valid as of the last day of February 2022 (This does not include parking space or other fees stated in parking space lease agreements or other such agreements signed in addition to the tenant lease agreement. If common-use space, etc. is leased based on the lease agreement, the rent for such is included. In addition, if the master lessee has a rent-guaranteed master lease for some or all rental units, the rent for the space is based on the rent, etc., in the lease agreement concluded with the master lessee.). Furthermore, regarding tenants who have been exempt from rent payment for a certain period of time in their agreements, such exemption period is not considered in the table above, and the rent is calculated based on the monthly rent and common area charges payable immediately after the exemption period ends. In addition, the standard level of rent is used for tenants with sales-based rent and for tenants with variable rent including cases in which a part of rent is variable rent. For the Shinjuku Nomura Building, NEC Head Office Building and Musashiurawa Shopping Square, the total contracted rent is calculated by multiplying the building’s overall rent revenues by the quasi co-ownership ratio of the beneficial interest in real estate trust owned by NMF as of the end of the fiscal period. For the NRE Tennozu Building, the the total contracted rent is calculated as the building’s overall rent revenues multiplied by the ratio of the common areas that NMF owns through the trustee. For PMO Hatchobori Shinkawa, the total contract rent is calculated by summing (i) the rent revenues earned from the leasable exclusive area of the entire building multiplied by the ratio of the area of the exclusive area owned by NMF, and (ii) the rent revenues earned from the common area, etc. of the building multiplied by NMF’s share of ownership interest of the common area, etc..

(b) Changes in Occupancy Rate

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

	February 29, 2020 (end of 9th fiscal period)	August 31, 2020 (end of 10th fiscal period)	February 28, 2021 (end of 11th fiscal period)	August 31, 2021 (end of 12th fiscal period)	February 28, 2022 (end of 13th fiscal period)
Portfolio occupancy rate (at end of fiscal period) (%)	98.8	99.1	98.8	98.1	98.7

B. Price and Investment Share

The following is an overview of the assets held at the end of the 13th fiscal period (acquisition price, carrying amount, opinion of value at end of period, investment share and appraiser).

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Office	Greater Tokyo area	Shinjuku Nomura Building (Note 5)	43,900	46,954	50,400	4.0	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Tennozu Building	20,500	20,647	21,600	1.7	Daiwa Real Estate Appraisal Co., Ltd.
		Kojimachi Millennium Garden	26,700	26,446	29,200	2.3	Japan Real Estate Institute
		NMF Shinjuku Minamiguchi Building	10,000	10,131	13,100	1.0	Japan Real Estate Institute
		NMF Shibuya Koen-dori Building	10,400	10,522	10,800	0.9	Daiwa Real Estate Appraisal Co., Ltd.
		Secom Medical Building	11,100	10,611	12,600	1.0	Japan Real Estate Institute
		NMF Shiba Building	7,040	7,115	7,210	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		Nishi-Shinjuku Showa Building	8,140	8,191	8,040	0.6	Appraisal Firm A Square Ltd.
		NRE Shibuya Dogenzaka Building	5,310	5,371	5,790	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		Iwamoto-cho Toyo Building	4,050	4,089	4,880	0.4	Japan Real Estate Institute
		NMF Surugadai Building	4,690	4,705	5,200	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Nihonbashi Honcho	4,320	4,054	4,870	0.4	Japan Real Estate Institute
		PMO Nihonbashi Kayabacho	5,010	4,740	6,610	0.5	Japan Real Estate Institute
		NMF Gotanda Ekimae Building	4,430	4,595	5,340	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Higashi-nihonbashi Building	3,570	3,760	4,350	0.3	Japan Real Estate Institute
		PMO Akihabara	4,240	4,017	5,570	0.4	Japan Real Estate Institute
		Hatchobori NF Building	2,480	2,428	2,540	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kanda Iwamoto-cho Building	4,160	4,185	4,580	0.4	Japan Real Estate Institute
		NMF Takanawa Building	2,830	2,876	3,460	0.3	Japan Real Estate Institute
		PMO Hatchobori	2,880	2,683	3,530	0.3	Japan Real Estate Institute
		PMO Nihonbashi Odenmachi	2,210	2,090	3,030	0.2	Japan Real Estate Institute
		PMO Higashi-nihonbashi	1,690	1,550	2,020	0.2	Japan Real Estate Institute
		NRE Ueno Building	6,470	6,580	7,250	0.6	Japan Real Estate Institute
		NF Hongo Building	4,890	4,912	5,140	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Crystal Park Building	3,390	3,303	3,370	0.3	Appraisal Firm A Square Ltd.
		NMF Kichijoji Honcho Building	1,780	1,835	2,240	0.2	Japan Real Estate Institute
		Faret Tachikawa Center Square	3,850	3,835	4,440	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kawasaki Higashiguchi Building	7,830	8,012	9,570	0.8	Japan Valuers Co., Ltd.
		NMF Yokohama Nishiguchi Building	5,460	5,583	8,430	0.7	Japan Real Estate Institute
		NMF Shin-Yokohama Building	2,620	2,756	2,890	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Tamachi	6,210	6,073	8,820	0.7	Japan Real Estate Institute
		PMO Ginza Hatchome	3,970	3,900	5,360	0.4	Japan Real Estate Institute
PMO Shibakoen	3,900	3,816	5,430	0.4	Japan Real Estate Institute		
NEC Head Office Building (Note 6)	44,100	44,452	47,700	3.8	Daiwa Real Estate Appraisal Co., Ltd.		
Harumi Island Triton Square Office Tower Y	18,200	17,902	17,300	1.4	Daiwa Real Estate Appraisal Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Office	Greater Tokyo area	NMF Aoyama 1-chome Building	10,400	10,546	13,900	1.1	Japan Real Estate Institute
		NMF Takebashi Building	8,330	8,505	8,950	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Harumi Island Triton Square Office Tower Z	8,180	8,006	8,470	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		NMF Kayabacho Building	6,070	6,054	8,110	0.6	Japan Real Estate Institute
		NMF Shinjuku EAST Building	5,710	5,800	6,440	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Shiba-Koen Building	3,620	3,767	4,600	0.4	Japan Real Estate Institute
		NMF Ginza 4-chome Building	1,850	1,961	2,230	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Faret East Building	1,850	1,829	2,100	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Shinnihonbashi	4,440	4,360	5,410	0.4	Japan Real Estate Institute
		PMO Hirakawacho	3,410	3,363	4,300	0.3	Japan Real Estate Institute
		PMO Nihonbashi Mitsukoshi-mae	4,310	4,301	5,760	0.5	Japan Real Estate Institute
		PMO Shibadaimon	2,130	2,132	2,610	0.2	Japan Real Estate Institute
		PMO Tamachi II	10,900	10,860	12,800	1.0	Japan Real Estate Institute
		PMO Hatchobori Shinkawa	3,805	3,786	4,290	0.3	Japan Real Estate Institute
		PMO Hatchobori III	2,880	2,879	3,290	0.3	Japan Real Estate Institute
		PMO Ochanomizu	3,890	3,877	4,590	0.4	Japan Real Estate Institute
		PMO Akihabara Kita	8,450	8,428	9,540	0.8	Japan Real Estate Institute
		PMO Higashi-Shinbashi	4,730	4,754	5,490	0.4	Japan Real Estate Institute
		PMO Hamamatsucho	4,380	4,395	5,130	0.4	Japan Real Estate Institute
	Other areas	Sapporo North Plaza	6,250	6,582	8,980	0.7	Japan Real Estate Institute
		NRE Sapporo Building	4,140	3,695	5,140	0.4	Japan Real Estate Institute
		NMF Sendai Aoba-dori Building	2,030	2,188	2,610	0.2	JLL Morii Valuation & Advisory K.K.
		NMF Nagoya Fushimi Building	2,240	1,975	2,630	0.2	Japan Real Estate Institute
		NMF Nagoya Yanagibashi Building	2,280	2,530	2,290	0.2	Japan Valuers Co., Ltd.
		Omron Kyoto Center Building	18,300	18,206	19,900	1.6	Japan Real Estate Institute
		SORA Shin-Osaka 21	12,100	11,971	12,600	1.0	Japan Valuers Co., Ltd.
		NRE Osaka Building	6,100	7,740	7,540	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Nishi-Umeda Building	3,450	3,640	3,840	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Yotsubashi Building	4,000	4,452	4,960	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Hiroshima Building	2,280	2,460	2,880	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Hakata Ekimae Building	4,210	4,254	6,030	0.5	Japan Real Estate Institute
		NMF Tenjin-Minami Building	2,230	2,036	2,960	0.2	Japan Real Estate Institute
		Office subtotal			471,265	476,085	543,030
Retail	Greater Tokyo area	Yokosuka More's City	13,640	13,729	15,700	1.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,222	11,000	0.9	Japan Valuers Co., Ltd.
		Kawasaki More's	6,080	6,579	8,520	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,271	5,150	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINA Ikebukuro	3,990	4,010	4,540	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		covirna machida	3,440	3,793	4,090	0.3	Japan Real Estate Institute

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Greater Tokyo area	Nitori Makuhari	3,080	2,639	3,960	0.3	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,527	3,390	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,192	3,580	0.3	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,348	2,750	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINIA Aobadai	1,560	1,566	2,630	0.2	Japan Real Estate Institute
		Megalos Kanagawa	1,000	945	1,550	0.1	Japan Real Estate Institute
		Mitsubishi Motors Meguro (Land)	2,740	2,764	3,460	0.3	Japan Real Estate Institute
		Mitsubishi Motors Chofu (Land)	1,760	1,776	1,730	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima (Land)	1,240	1,251	1,470	0.1	Japan Real Estate Institute
		Mitsubishi Motors Kawasaki (Land)	950	959	1,300	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Takaido (Land)	850	859	856	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika (Land) (Note 7)	762	770	880	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume (Land)	800	808	909	0.1	Japan Real Estate Institute
		Mitsubishi Motors Setagaya (Land)	770	779	1,160	0.1	Japan Real Estate Institute
		Mitsubishi Motors Sekimachi (Land)	600	606	733	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamoto (Land)	450	455	537	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motsumiyoshi (Land)	370	375	416	0.0	Japan Real Estate Institute
		Welcia Kawagoe Shinmeicho (Land)	350	355	438	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Edogawa (Land)	200	204	179	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama (Land)	160	163	187	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Kichijoji Building	10,410	10,128	11,400	0.9	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Ichigaya	2,080	2,025	2,110	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Shopping Center	6,840	6,788	7,550	0.6	Japan Real Estate Institute
		Musashiurawa Shopping Square (Note 6)	2,720	2,529	2,830	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
	Summit Store Naritahigashi (Land)	700	747	801	0.1	Japan Real Estate Institute	
	GEMS Daimon	2,060	1,999	2,070	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Kanda	1,500	1,460	1,440	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Mukodaicho	5,100	5,048	5,330	0.4	Japan Valuers Co., Ltd.	
	GEMS Shinbashi	2,810	2,807	2,690	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Kayabacho	2,594	2,561	2,660	0.2	Daiwa Real Estate Appraisal Co., Ltd.	
	Summit Store Honamanuma	2,160	2,157	2,890	0.2	JLL Morii Valuation & Advisory K.K.	
	GEMS Shin-Yokohama	1,820	1,778	1,820	0.1	Daiwa Real Estate Appraisal Co., Ltd.	
	GEMS Sangenjaya	1,815	1,816	1,780	0.1	JLL Morii Valuation & Advisory K.K.	
Other areas	Universal CityWalk Osaka	17,639	17,139	18,600	1.5	Japan Valuers Co., Ltd.	
	Izumiya SC Senrioka (Note 8)	8,930	8,495	11,500	0.9	The Tanizawa Sogo Appraisal Co., Ltd.	
	Izumiya SC Yao (Note 8)	4,406	3,990	5,600	0.4	The Tanizawa Sogo Appraisal Co., Ltd.	
	Izumiya SC Obayashi (Note 8)	3,020	3,145	4,120	0.3	The Tanizawa Sogo Appraisal Co., Ltd.	
	Ichibancho stear	4,700	4,409	5,270	0.4	The Tanizawa Sogo Appraisal Co., Ltd.	

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Retail	Other areas	EQUINIA Aobadori	1,640	1,296	1,820	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		MEL Building	1,060	1,048	1,200	0.1	Japan Real Estate Institute
		nORBESA	8,500	8,617	8,570	0.7	Japan Real Estate Institute
		Nakaza Cui-daore Building	11,600	12,154	9,760	0.8	Japan Valuers Co., Ltd.
		NMF Kobe Myodani Building	3,560	3,577	3,680	0.3	Japan Valuers Co., Ltd.
		GEMS Namba	3,800	3,781	4,300	0.3	JLL Morii Valuation & Advisory K.K.
Retail subtotal			178,744	176,465	200,906	16.0	
Logistics	Greater Tokyo area	Landport Urayasu	17,400	15,855	23,400	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	14,400	21,200	1.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	11,631	18,900	1.5	Japan Real Estate Institute
		Landport Atsugi	11,410	9,891	12,900	1.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	9,563	13,700	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	8,025	12,200	1.0	Japan Real Estate Institute
		Landport Hachioji	8,250	7,128	10,900	0.9	Japan Real Estate Institute
		Landport Kasukabe	7,340	6,107	9,190	0.7	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	4,055	6,320	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,227	4,870	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,530	4,750	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,737	3,800	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Atsugi Minami Logistics Center A Tower	2,690	2,504	3,700	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Kawaguchi Ryoke Logistics Center	10,790	10,253	14,200	1.1	JLL Morii Valuation & Advisory K.K.
		Landport Kashiwa Shonan II	10,800	10,528	12,000	1.0	Japan Valuers Co., Ltd.
		Landport Kashiwa Shonan I	9,900	9,618	11,300	0.9	Japan Valuers Co., Ltd.
		Landport Hachioji II	9,230	9,080	9,960	0.8	Japan Valuers Co., Ltd.
		Landport Iwatsuki	6,090	6,018	6,740	0.5	Japan Valuers Co., Ltd.
		Landport Ome I	13,640	13,582	14,800	1.2	Japan Valuers Co., Ltd.
	Landport Higashi-Narashino	11,872	11,740	16,400	1.3	Japan Valuers Co., Ltd.	
Landport Ome II	14,620	14,704	16,200	1.3	Japan Valuers Co., Ltd.		
Landport Ome III	17,000	17,214	18,700	1.5	Japan Valuers Co., Ltd.		
Other areas	Hirakata Kuzuha Logistics Center	3,460	3,280	4,330	0.3	Daiwa Real Estate Appraisal Co., Ltd.	
Logistics subtotal			218,182	204,680	270,460	21.6	
Residential	Greater Tokyo area	PROUD FLAT Shirokane Takanawa	3,400	3,180	3,750	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Yoyogi Uehara	989	950	1,040	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Hatsudai	713	675	748	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shibuya Sakuragaoka	750	703	736	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Gakugei Daigaku	746	690	884	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Meguro Gyoninzaka	939	875	1,090	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sumida Riverside	2,280	2,068	2,730	0.2	Daiwa Real Estate Appraisal Co., Ltd.

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PROUD FLAT Kagurazaka	1,590	1,456	1,740	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Waseda	1,110	1,012	1,220	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shinjuku Kawadacho (Note 7)	932	856	1,050	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sangen Jaya	1,190	1,083	1,280	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata	1,160	1,028	1,320	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata II	3,320	2,989	3,450	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shinotsuka	623	557	566	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kiyosumi Shirakawa	928	835	1,020	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho II	652	594	641	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho I	1,030	923	975	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Fujimidai	1,470	1,340	1,980	0.2	Japan Real Estate Institute
		PROUD FLAT Asakusa Komagata	1,920	1,705	2,420	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Yokohama	2,090	1,882	2,460	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamioooka	2,710	2,442	2,940	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Tsurumi II	1,650	1,477	2,070	0.2	Japan Real Estate Institute
		PRIME URBAN Azabu Juban	1,100	1,095	1,060	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Akasaka	938	921	1,050	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Tamachi	972	919	1,060	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shibaura LOFT	1,830	1,693	2,060	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Yoyogi	359	340	345	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu II	1,140	1,105	1,610	0.1	Japan Real Estate Institute
		PRIME URBAN Bancho	1,090	1,047	1,150	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chiyoda Fujimi	679	650	726	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Iidabashi	2,040	1,907	1,950	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu	1,260	1,240	1,370	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Naka Meguro	1,410	1,360	1,490	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Gakugei Daigaku	775	728	890	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Senzoku	474	450	506	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Riverside	414	380	433	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Meguro Ohashi Hills	2,970	2,782	3,310	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Meguro Aobadai	1,310	1,252	1,850	0.1	Japan Real Estate Institute
		PRIME URBAN Gakugei Daigaku II	1,080	1,029	1,430	0.1	Japan Real Estate Institute
		PRIME URBAN Naka Meguro II	2,850	2,804	3,620	0.3	Japan Real Estate Institute
		PRIME URBAN Kachidoki	2,570	2,586	2,470	0.2	Chuo Real Estate Appraisal Co., Ltd.
PRIME URBAN Shinkawa	2,100	2,108	2,570	0.2	Japan Valuers Co., Ltd.		
PRIME URBAN Nihonbashi Yokoyamacho	4,220	3,901	4,900	0.4	Japan Valuers Co., Ltd.		
PRIME URBAN Nihonbashi Hamacho	1,550	1,462	2,040	0.2	Japan Real Estate Institute		
PRIME URBAN Hongo Ikizaka	557	515	636	0.1	Japan Valuers Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Hakusan	866	771	948	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yotsuya Gaien Higashi	1,490	1,437	1,520	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku I	1,090	1,022	1,310	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku II	885	817	961	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Naitomachi	430	422	472	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Waseda	421	381	482	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Ochiai	594	599	617	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Mejiro	1,430	1,361	1,780	0.1	Japan Real Estate Institute
		PRIME URBAN Kagurazaka	2,900	2,686	3,810	0.3	Japan Real Estate Institute
		PRIME URBAN Sangen Jaya III	718	707	681	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Karasuyama	717	724	685	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sangen Jaya	724	676	776	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Minami Karasuyama	667	612	782	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Karasuyama Galleria	549	505	608	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Karasuyama Court	338	312	375	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Funabashi	746	689	759	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yoga	1,390	1,298	1,820	0.1	Japan Real Estate Institute
		PRIME URBAN Shinagawa Nishi	494	505	451	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Osaki	1,860	1,761	2,030	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Oimachi II	1,040	1,110	1,150	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yukigaya	951	934	813	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Omori	905	835	913	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Denenchofu Minami	774	702	677	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Nagahara Kamiikedai	1,720	1,638	1,980	0.2	Japan Real Estate Institute
		PRIME URBAN Nakano Kamitakada	498	451	551	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Takaido	1,060	1,038	854	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo	414	394	453	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Ogikubo II	1,790	1,722	2,120	0.2	Japan Real Estate Institute
		PRIME URBAN Otsuka	730	671	750	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Komagome	437	437	429	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ikebukuro	3,800	3,527	4,890	0.4	Japan Real Estate Institute
		PRIME URBAN Monzen Nakacho	2,420	2,247	2,680	0.2	Chuo Real Estate Appraisal Co., Ltd.
PRIME URBAN Kameido	779	695	815	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Sumiyoshi	632	571	662	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Mukojima	528	514	496	0.0	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Kinshi Koen	1,290	1,139	1,340	0.1	Chuo Real Estate Appraisal Co., Ltd.		
PRIME URBAN Kinshicho	758	689	783	0.1	Chuo Real Estate Appraisal Co., Ltd.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PRIME URBAN Hirai	722	649	755	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai	640	574	670	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai II	981	864	977	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai East	1,140	1,017	1,330	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Itabashi Kuyakushomae	1,080	972	1,340	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Asakusa	384	376	322	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Machiya South Court	1,910	1,816	2,280	0.2	Japan Real Estate Institute
		PRIME URBAN Musashi Koganei	1,910	1,928	1,940	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Musashino Hills	1,280	1,307	1,410	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Koganei Honcho	791	737	900	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kumegawa	1,520	1,320	1,630	0.1	Japan Real Estate Institute
		PRIME URBAN Musashi Kosugi comodo	1,940	1,930	2,430	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Kawasaki	962	947	1,080	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Shinyurigaoka	1,020	920	1,310	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumi Teraya	493	492	486	0.0	Japan Real Estate Institute
		PRIME URBAN Urayasu	804	738	960	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku I	633	592	640	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku II	730	683	875	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae	488	439	558	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae II	469	447	610	0.0	Japan Real Estate Institute
		PRIME URBAN Gyotoku III	747	717	988	0.1	Japan Real Estate Institute
		PRIME URBAN Nishi Funabashi	761	656	914	0.1	Japan Real Estate Institute
		PRIME URBAN Kawaguchi	1,580	1,462	1,760	0.1	Japan Valuers Co., Ltd.
		PROUD FLAT Hatchobori	920	909	1,210	0.1	Japan Real Estate Institute
		PROUD FLAT Itabashi Honcho	720	692	942	0.1	Japan Real Estate Institute
		PRIME URBAN Meguro Mita	1,058	1,110	1,130	0.1	Japan Valuers Co., Ltd.
		Fukasawa House Towers H&I	7,140	6,957	8,260	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Toyosu	5,290	4,979	5,980	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nihonbashi Kayabacho	2,850	2,747	3,270	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yoga II	1,320	1,250	1,400	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Musashi Koganei II	1,310	1,228	1,490	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Gakugei daigaku parkfront	1,300	1,361	1,450	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Omori III	1,110	1,107	1,410	0.1	JLL Morii Valuation & Advisory K.K.
PROUD FLAT Kinshicho	785	777	1,010	0.1	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Sangenjaya II	2,750	2,763	3,260	0.3	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Sotkanda	2,280	2,300	2,840	0.2	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Noborito	1,216	1,220	1,470	0.1	JLL Morii Valuation & Advisory K.K.		
PROUD FLAT Yoyogi Hachiman	966	977	1,180	0.1	JLL Morii Valuation & Advisory K.K.		

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Residential	Greater Tokyo area	PROUD FLAT Nakaochiai	844	851	969	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shibuya Tomigaya	3,960	4,023	4,800	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Miyazakidai	1,390	1,438	1,580	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Asakusabashi III	1,230	1,267	1,310	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Togoshi-Koen	2,580	2,654	2,750	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
	Other areas	PROUD FLAT Itsutsubashi	652	553	708	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kawaramachi	735	616	554	0.0	Japan Real Estate Institute
		PROUD FLAT Shin Osaka	1,620	1,377	2,060	0.2	Japan Real Estate Institute
		PRIME URBAN Kita Juyo Jo	274	239	285	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Odori Koen I	502	435	531	0.0	Japan Real Estate Institute
		PRIME URBAN Odori Koen II	334	294	326	0.0	Japan Real Estate Institute
		PRIME URBAN Kita Juichi Jo	547	467	576	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Miyanosawa	475	401	482	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Odori Higashi	394	339	416	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Chiji Kokan	249	209	259	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Maruyama	229	197	215	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Kita Nijuyo Jo	437	368	453	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Sapporo Idaimae	616	527	622	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Sapporo Riverfront	4,480	3,941	4,740	0.4	Japan Valuers Co., Ltd.
		PRIME URBAN Kita Sanjo Dori	1,730	1,495	1,920	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Nagamachi Ichhome	1,140	998	974	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yaotome Chuo	466	393	356	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Tsutsumidori Amamiya	949	927	984	0.1	Japan Real Estate Institute
		PRIME URBAN Aoi	712	646	674	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kanayama	553	478	586	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumai	1,020	863	1,020	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kamimaezu	1,590	1,399	1,650	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Izumi	3,770	3,322	3,910	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Sakaisuji Honmachi	1,810	1,589	2,240	0.2	Japan Real Estate Institute
		PRIME URBAN Hakata	588	519	635	0.1	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Yakuin Minami	265	232	300	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Kashii	398	336	280	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Hakata Higashi	622	537	477	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Chihaya	604	534	514	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
Serenite Shinsaibashi Grande	5,567	5,638	6,100	0.5	Daiwa Real Estate Appraisal Co., Ltd.		
Residential subtotal			202,047	190,333	226,582	18.1	

Use	Area	Property name	Acquisition price (Millions of Yen) (Note 1)	Carrying amount (Millions of Yen) (Note 2)	Opinion of value at end of period (Millions of Yen) (Note 3)	Investment share (%) (Note 4)	Appraiser
Hotels	Other areas	Hotel Vista Sapporo Odori	3,600	3,665	3,730	0.3	Japan Valuers Co., Ltd.
		Comfort Inn Naha Tomari Port	2,650	2,683	2,520	0.2	Japan Valuers Co., Ltd.
Hotel subtotal			6,250	6,348	6,250	0.5	
Other	Greater Tokyo area	Ryotokuji University Shin-Urayasu Campus (Land)	4,900	5,136	5,450	0.4	Japan Real Estate Institute
Other subtotal			4,900	5,136	5,450	0.4	
Total			1,081,389	1,059,049	1,252,678	100.0	

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

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

(Note 3) “Opinion of value at end of period” is the appraisal or investigation value provided by the respective real estate appraiser (the value calculated by the respective real estate appraiser with the date of the 13th fiscal period-end (February 28, 2022) as the effective date of value and the value indicated by the income approach as a standard) in accordance with NMF’s Articles of Incorporation and the Regulations Concerning Accounting of Investment Corporations.

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

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

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

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

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

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

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

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

(Note 8) NMF changed the name of the following portfolio properties as of April 19, 2022.

Use of Property	New Name	Former Name
Retail	Izumiya SC Senrioka	Izumiya Senrioka
	Izumiya SC Yao	Izumiya Yao
	Izumiya SC Obayashi	Izumiya Obayashi

C. Status of Capital Expenditures

(a) Schedule of Capital Expenditures

Of the scheduled amount of capital expenditures associated with renovation and other work planned (or completed) as of the date of this document's publication for the assets held at the end of the 13th fiscal period, the following are the major capital expenditures. Please note that the scheduled construction cost listed below include the portion charged to expenses in accounting.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Scheduled construction cost (Thousands of Yen)		
			Total amount	Amount paid during the 13th fiscal period	Total amount already paid
Sapporo North Plaza (Sapporo City, Hokkaido)	Renewal of air conditioner system (phase III/IV)	From Apr. 2022 To Aug. 2022	78,500	-	-
PRIME URBAN Hakusan (Bunkyo Ward, Tokyo)	Repair of exterior wall	From Feb. 2021 To Aug. 2022	36,700	-	-
PRIME URBAN Yotsuya Gaien Higashi (Shinjuku Ward, Tokyo)	Repair of exterior wall	From Mar. 2022 To Aug. 2022	36,700	-	-
PRIME URBAN Shinyurigaoka (Kawasaki City, Kanagawa)	Repair of exterior wall	From Nov. 2021 To Mar. 2022	36,560	-	-
Musashiurawa Shopping Square (Saitama City, Saitama)	Renewal of air-conditioning system in common-use and the Nitori areas	From Mar. 2022 To May. 2022	34,500	-	-
NMF Kawasaki Higashiguchi Building (Kawasaki City, Kanagawa)	Renewal of emergency power generator	From Apr. 2022 To Aug. 2023	89,000	-	-

(Note) Total amount already paid does not include the amount paid during the 13th fiscal period.

(b) Capital Expenditures during the 13th Fiscal Period

The following is an overview of the major construction work falling under the category of capital expenditures that was conducted during the 13th fiscal period for the assets held as of the end of the 13th fiscal period. Capital expenditures during the 13th fiscal period were ¥2,654,571 thousand and, when combined with the ¥1,273,461 thousand repair expenses classified as expenses during the 13th fiscal period, a total of ¥3,928,033 thousand in construction work was implemented. The following construction cost shows the amount equivalent to capital expenditures.

Name of real estate, etc. (Location)	Purpose	Period	Construction cost (Thousands of Yen)
NMF Nagoya Yanagibashi Building (Nagoya City, Aichi)	Renewal of elevator	From Apr. 2021 To Dec. 2021	151,101
NRE Yotsubashi Building (Osaka City, Osaka)	Installation of double glazed sash windows	From Sep. 2021 To Feb. 2022	88,780
Sapporo North Plaza (Sapporo City, Hokkaido)	Renewal of air conditioner system(II/IV)	From Sep. 2021 To Nov. 2021	72,570
NRE Nishi-Umeda Building (Osaka City, Osaka)	Renewal of elevator (phase II)	From Apr. 2020 To Nov. 2021	45,691
NMF Ginza 4-chome Building (Chuo Ward, Tokyo)	Renewal of elevator body	From Jul. 2021 To Sep. 2021	42,912
covirna machida (Machida City, Tokyo)	Increase the signs and refurbish the facade (separate derivative works on the first, third and fifth floors)	From Jan. 2022 To Feb. 2022	37,906
Other real estate, etc.	Improvement of features	From Sep. 2021 To Feb. 2022	2,215,608
Total			2,654,571