

(Reference) SUMMARY OF FINANCIAL RESULTS (REIT)
For the 17th Fiscal Period Ended February 29, 2024

April 17, 2024

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 29, 2024
 Scheduled date of commencement of distribution payout: May 24, 2024
 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 17th Fiscal Period (from September 1, 2023 to February 29, 2024)

(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 29, 2024	39,375	(9.8)	15,172	(19.9)	12,958	(22.5)	12,958	(22.6)
August 31, 2023	43,645	9.2	18,931	17.5	16,729	19.9	16,746	20.1

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 29, 2024	2,748	2.1	1.1	32.9
August 31, 2023	3,551	2.7	1.4	38.3

(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 29, 2024	2,890	13,626	524	2,470	3,414	16,097	105.1	2.2
August 31, 2023	3,402	16,041	0	—	3,402	16,041	95.7	2.6

(Note 1) There was no distribution in excess of net income for the period ended August 31, 2023.

Of the ¥524 distribution in excess of net income per unit in the fiscal period ended February 29, 2024, ¥511 is a distribution of the allowance for temporary difference adjustments and ¥13 is other distributions in excess of net income. Furthermore, the ratio of decreasing surplus is 0.001.

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

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

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

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

(3) Financial Position

Period ended	Total assets	Net assets	Net assets to total assets	Net assets per unit
	million yen	million yen	%	yen
February 29, 2024	1,187,285	611,611	51.5	129,710
August 31, 2023	1,192,127	614,690	51.6	130,363

(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 29, 2024	22,414	(12,267)	(16,082)	45,099
August 31, 2023	37,549	(27,926)	(11,682)	51,034

2. Earnings Forecasts for the 18th Fiscal Period (from March 1, 2024 to August 31, 2024) and the 19th Fiscal Period (from September 1, 2024 to February 28, 2025)

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

	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
Period ending August 31, 2024	40,541	3.0	15,513	2.2	13,273	2.4	13,272	2.4	2,810	492	3,302
February 28, 2025	39,850	(1.7)	15,361	(1.0)	13,043	(1.7)	13,042	(1.7)	2,766	612	3,378

(Reference) Forecasted net income per unit

For the fiscal period ending August 31, 2024: ¥2,814

For the fiscal period ending February 28, 2025: ¥2,765

*Other

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

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

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

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

As of February 29, 2024: 4,715,200 units

As of August 31, 2023: 4,715,200 units

② Number of treasury investment units

As of February 29, 2024: – units

As of August 31, 2023: – 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”.

* 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, 2024 (18th fiscal period: March 1, 2024 to August 31 2024) and the Fiscal Period Ending February 28, 2025 (19th fiscal period: September 1, 2024 to February 28 2025)”.

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)

During the fiscal period under review, although Japan's real GDP registered negative growth in the July to September 2023 quarter, underscoring vulnerabilities in the Japanese economy, it returned to a positive growth trajectory in the October to December 2023 quarter. Looking ahead, gradual recovery is expected due in part to improvement in employment and income conditions and the effects of special tax breaks. However, close attention needs to be paid to economic downside risk triggered by overseas factors, such as the greater-than-expected delays in monetary policy shift in Europe and the United States and protectionist policies adopted in major countries.

(Real Estate Leasing Market)

The situation in the real estate leasing market during the fiscal period under review was as described below.

The office sector had seen a rising vacancy rate in Tokyo starting in the second half of 2020 as office demand decreased due to concerns about recession and an increase in remote work associated with COVID-19. However, the vacancy rate is gradually declining, backed by an increase in the number of employees and a recovery in office attendance rates. This has helped stem the fall in advertised rents, and signs of a rise are appearing. Meanwhile, in regional cities, on the back of stable demand for office space, those with low office supplies are seeing vacancy rates fall, stabilizing advertised rents overall.

In the retail facility sector, business continued to be robust at retailers like supermarkets that provide daily necessities, but recovery in restaurant sales varied by area due to changes in people's behavior.

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 strong. In the Greater Tokyo area, the vacancy rate is rising due to a large supply of logistics facilities despite strong demand.

(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, there had been a net outflow of people in Tokyo since July 2020 as more people moved out due to the increase of remote work and fewer people moved in due to changes in employment conditions. However, since 2022, the impact of COVID-19 has lessened and a net inflow returned, bolstering the occupancy rate as of late, with rents on a recovery trend. Regional cities are also showing generally strong occupancy rates.

The hotel sector is showing a continuous recovery trend in the occupancy rate and RevPAR (Revenue Per Available Room), backed by higher numbers of domestic tourists and recovery in the number of tourists from other countries in response to eased restrictions on entry into Japan. On the other hand, some hotels are being forced to limit reservations due to labor shortages, and securing labor has become an issue.

(Real Estate Transaction Market)

The trading volume of commercial real estate in the second half of 2023 increased year on year due to factors such as active acquisition of hotels by J-REITs. In addition, real estate prices remained high, in particular for housing and logistics facilities.

(J-REIT Market)

Further downsides in the REIT Index have continued to be expected since the second half of 2023 due to concerns about rising interest rates associated with the end of monetary easing by the Bank of Japan. The index temporarily turned upward in the beginning of 2024, but fell in February due to concerns about rising interest rates, as well as the spread of moves to sell Japanese REITs, especially among overseas investors, in conjunction with the deterioration of the commercial real estate market in the United States. As a result, the index fell from 1,892.25 points as of the end of August 2023 to 1,698.87 points as of the end of February 2024.

B. Management Performance

Under the circumstances described above in A. Investment Environment, during the fiscal period under review (17th fiscal period) NMF acquired 4 properties (Hotel Wing International Premium Kyoto-Sanjo, PROUD FLAT Shibuya Sasazuka, PROUD FLAT Asakusa DIAGE, and Irise Urayasu) and disposed of 3 properties (PRIME URBAN Kanayama, PRIME URBAN Kamimaezu, and PRIME URBAN Chihaya). As a result, at the end of the fiscal period under review (as of February 29, 2024), NMF held 291 properties (total acquisition price: ¥1,103,573 million), the ratio of investment in the Greater Tokyo area was 84.2%, the gross leasable area of the portfolio was 2,184,580.02m², and the portfolio remained highly diversified.

In terms of property and facility management, as described above in A. Investment Environment, revenues are on a recovery trend for retail facilities and rental apartments. In particular, the market for rental apartments is booming against the backdrop of the penetration of remote work and the inflow of students from abroad, and this has led to increase in the occupancy rate and improvement in rents. On the other hand, the office sector continued to see a rise in the vacancy rate and a decline in advertised rents in the market as a whole. For NMF's owned properties, it is also expected to take some time before rents improve, although an improvement trend in demand is gradually appearing. As a result, the occupancy rate of the whole portfolio at the end of the fiscal period under review remained flat from the end of the previous fiscal period at 98.9%.

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 (Note 1) under such policy. 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 56.8(Note 2). With momentum towards solving social issues through real estate investment growing further in the industry as a whole following the announcement of the "Practical Guidance for 'Social Impact Real

Estate” by the Ministry of Land, Infrastructure, Transport and Tourism in March 2023, NMF also considered fundamental initiatives for solving social issues with the aim of further strengthening efforts, and revised its materiality issues in the Society (S) field in April 2024.

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, 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 the financial impact was qualitatively analyzed and disclosed for each of the identified risks and opportunities. In April 2024, the financial impact was also quantitatively analyzed and disclosed for each of the identified risks and opportunities. Furthermore, to achieve the net-zero GHG emissions target by 2050, NMF has set an 80% reduction in total GHG emissions (from the FY2019 level) as an interim target for FY2030 and is actively implementing various measures. NMF’s policy is to undertake initiatives intended to support the shift to a low-carbon society and increase NMF’s revenue opportunities through GHG 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 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 ¥26,550 million in interest-bearing liabilities that came due.

As a result, the balance of interest-bearing liabilities at the end of the fiscal period under review was ¥521,334 million, and the ratio of interest-bearing liabilities to total assets (LTV) was 43.9%.

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 17th fiscal period, operating revenues totaled ¥ 39,375 million, operating profit reached ¥ 15,172 million, ordinary income totaled ¥12,958 million, and net income came to ¥ 12,958 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 distribute ¥16,097 million (¥3,414 per investment unit), which is the amount obtained by adding amortization of goodwill, amortization of fixed-term land leasehold, and amortization associated with recognition of asset retirement obligations, as well as the portion of the gain on sales of real estate deducted in the previous fiscal period and reversal of reserves for reduction entry, etc. as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation, to net income and deducting a portion of the gain on sale of real estate for the fiscal period under review.

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 ¥13,626 million (¥2,890 per investment unit). Distribution in excess of net income comprises a distribution of ¥2,409 million (¥511 per investment unit) as allowance for temporary difference adjustment and ¥61 million (¥13 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, 2024 (18th fiscal period: March 1, 2024 to August 31, 2024) and the fiscal period ending February 28, 2025 (19th fiscal period: September 1, 2024 to February 28, 2025) 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, 2024 (18th fiscal period: March 1, 2024 to August 31, 2024) and the Fiscal Period Ending February 28, 2025 (19th fiscal period: September 1, 2024 to February 28, 2025)”.

	18th fiscal period ending August 31, 2024	19th fiscal period ending February 28, 2025
Operating Revenues	¥ 40,541 million	¥ 39,850 million
Operating Profit	¥ 15,513 million	¥ 15,361 million
Ordinary Income	¥ 13,273 million	¥ 13,043 million
Net Income	¥ 13,272 million	¥ 13,042 million
Net Income Per Unit	¥ 2,814	¥ 2,765
Distribution Per Unit (Excluding Distribution in Excess of Net Income)	¥ 2,810	¥ 2,766
Distribution in Excess of Net Income Per Unit	¥ 492	¥ 612
Total Distributions Per Unit (Including Distribution in Excess of Net Income)	¥ 3,302	¥ 3,378

④ Significant Subsequent Events

A. Transfer of the asset

(a) NMF sold the following asset after the end of the 17th fiscal period (February 29, 2024).

Property Name	Type of asset	Use	Contract date	Transfer date	Buyer	Transfer Price (millions of yen)	Impact on 18th fiscal period earnings (Scheduled) (millions of yen) (Note)
NRE Ueno Building	Real estate	Office	January 26, 2024	April 1, 2024	Nomura Real Estate Development Co., Ltd.	6,930	281

(Note) The impact on earnings for 18th fiscal period (March 1, 2024 to August 31, 2024) will be recorded as gain on sales of real estate under operating revenues.

(Additional Information)

(a) NMF decided to sell the following asset after the end of the 17th fiscal period (February 29, 2024).

Property Name	Type of asset	Use	Contract date	Transfer date (Scheduled)	Buyer (Scheduled)	Transfer Price(Scheduled) (millions of yen)	Impact on 18th fiscal period earnings (Scheduled) (millions of yen) (Note1)
PRIME URBAN Iidabashi	Trust beneficiary interest in mainly real estate	Residential	February 7, 2024	April 24, 2024	Nomura Real Estate Development Co., Ltd.	2,244	340

(Note 1) The impact on earnings for 18th fiscal period (March 1, 2024 to August 31, 2024) will be recorded as gain on sales of real estate under operating revenues.

(Note 2) With regard to the disposal of the above property, the precondition to the execution of purchase and sale is the definite execution of the purchase and sale of the assets to be acquired stated in (Reference) A.(b).

(Reference)

A. Property acquisition

(a) NMF decided to acquire the assets referred to below and completed the acquisition.

Property name	Hotel Wing International Premium Kanazawa Ekimae
Type of Asset	Real estate(Note 1)
Use	Hotels
Location (Note 2)	(Registry) 75 Horikawashinmachi, Kanazawa City, Ishikawa (Street) 8-13 Horikawashinmachi, Kanazawa City, Ishikawa
Structure (Note 2)	Thirteen-floor steel-framed reinforced structure with a flat roof
Land Area (Note 2)	498.06m ²
Floor area (Note 2)	3,099.88m ²
Type of Ownership	(Land) Ownership (Building) Ownership
Completion Date (Note 2)	February 10, 2018
Acquisition Price (Note 3)	¥2,161 million
Date of Agreement	February 29, 2024
Date of Acquisition	March 1, 2024
Seller	Hyakumangoku Property Godo Kaisha

Property name	MIMARU SUITES Tokyo Asakusa
Type of Asset	Real estate
Use	Hotels
Location (Note 2)	(Registry) 1-5-2 (and nine other parcel of land) Hanakawado, Taito Ward, Tokyo (Street) 1-10-13 Hanakawado, Taito Ward, Tokyo
Structure (Note 2)	Thirteen-floor steel reinforced concrete structure with flat roof
Land Area (Note 2)	483.65m ²
Floor area (Note 2)	2,993.94m ²
Type of Ownership	(Land) Land lease right (Note 4) (Building) Ownership
Completion Date (Note 2)	February 7, 2022
Acquisition Price (Note 3)	¥2,360 million
Date of Agreement	December 14, 2023
Date of Acquisition	April 3, 2024
Seller	COSMOS INITIA Co.,Ltd.

(Note 1) The seller holds the Asset to be Acquired as a beneficial interest in trust of real property, however, through consultation with the seller, the seller will cancel the trust agreement on the same date of the date of acquisition and transfer the asset to be Acquired of as an actual real property.

(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) Land leasehold contract Lessor: Undisclosed as consent has not been obtained from the lessor and The Lessor is not considered a related party under the Act on Investment Trusts and Investment Corporations

Type of leasehold: business periodic subleasehold interest in land

Leasehold period: From June 30, 2020 to May 30, 2070

(b)NMF decided to acquire the assets referred to below on February 6, 2024.

Property name	MEFULL CHITOSEKARASUYAMA
Type of Asset	Real estate
Use	Retail
Location (Note 1)	(Registry) 5-645-16 (and one other parcel of land) Minami Karasuyama, Setagaya Ward, Tokyo (Street) 5-19-11 Minami Karasuyama, Setagaya Ward, Tokyo
Structure (Note 1)	Seven-floor steel reinforced concrete structure with flat roof
Land Area (Note 1)	264.66m ²
Floor area (Note 1)	1,348.55m ²
Type of Ownership	(Land) Ownership (Building) Ownership
Completion Date (Note 1)	January 21, 2021
Anticipated Acquisition Price (Note 2)	¥1,880 million
Date of Agreement	February 7, 2024
Scheduled Date of Acquisition	April 24, 2024
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) Anticipated 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) With regard to the acquisition of the above property, the precondition to the execution of purchase and sale is the definite execution of the purchase and sale of the assets to be disposed of stated in (④Significant Subsequent Events) A.(b).

Assumptions Underlying Earnings Forecasts
for the Fiscal Period Ending August 31, 2024 (18th fiscal period: March 1, 2024 to August 31, 2024) and the Fiscal
Period Ending February 28, 2025 (19th fiscal period: September 1, 2024 to February 28, 2025)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • Fiscal period ending August 31, 2024 (18th fiscal period): March 1, 2024 to August 31, 2024 • Fiscal period ending February 28, 2025 (19th fiscal period): September 1, 2024 to February 28, 2025
Assets Under Management	<ul style="list-style-type: none"> • The 292 properties held by NMF as of this document's publication assumes that MEFULL CHITOSEKARASUYAMA was acquired and PRIME URBAN Iidabashi was disposed of on April 24, 2024, and that there will be no changes in assets under management (new property acquisitions or sales of portfolio properties) through the end of the February 28, 2025 (19th) 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. • NMF expects to recognize ¥622 million as gain on sales of properties in the August 31, 2024 (18th) fiscal period and does not expect to recognize such gain in the February 28, 2025 (19th) fiscal period.
Operating expenses (excluding amortization expenses for goodwill)	<ul style="list-style-type: none"> • Real estate rental expenses are expected to be ¥18,221 million in the August 31, 2024 (18th) fiscal period and ¥17,733 million in the February 28, 2025 (19th) fiscal period. • Regarding property and other taxes, it is estimated that ¥3,625 million in the August 31, 2024 (18th) fiscal period and ¥3,602 million in the February 28, 2025 (19th) 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 will not be recorded as expenses in the August 31, 2024 (18th) fiscal period. • Estimated property management costs (including building management fees and property management fees) of ¥3,003 million in the August 31, 2024 (18th) fiscal period and ¥2,883 million in the February 28, 2025 (19th) fiscal period are expected to be recorded as real estate rental expenses.

Item	Assumptions
	<ul style="list-style-type: none"> • 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 ¥1,748 million in the August 31, 2024 (18th) fiscal period and ¥1,766 million in the February 28, 2025 (19th) fiscal period. • Depreciation of ¥5,765 million in the August 31, 2024 (18th) fiscal period and ¥5,584 million in the February 28, 2025 (19th) fiscal period is expected to be recorded as real estate rental expenses. • Other operating expenses (including asset management fees, asset custody fees and general administration fees) are estimated at ¥4,184 million in the August 31, 2024 (18th) fiscal period and ¥4,132 million in the February 28, 2025 (19th) fiscal period.
Amortization expenses for goodwill	<ul style="list-style-type: none"> • Goodwill is scheduled to be amortized using the straight-line method over 20 years pursuant to the Business Combination Accounting Standards. Goodwill amortization expenses are expected to be ¥2,622 million in each the August 31, 2024 (18th) and the February 28, 2025 (19th)fiscal periods. • Amortization of goodwill causes a difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. NMF intends to make distributions in excess of net income for the purpose of securing tax relief during the goodwill amortization period, and it is expected that NMF will be able to avoid such taxation.
Non-operating expenses	<ul style="list-style-type: none"> • Interest expenses and other borrowing-related expenses are estimated to be ¥ 2,226 million in the August 31, 2024 (18th) fiscal period and ¥2,306 million in the February 28, 2025 (19th)fiscal period.
Interest-bearing liabilities	<ul style="list-style-type: none"> • As of this document's publication, the outstanding interest-bearing liabilities of NMF are ¥521,334 million, consisting of ¥487,334 million in outstanding borrowings and ¥34,000 million in investment corporation bonds. • Regarding the ¥23,342 million in borrowings that will come due by the end of the August 31, 2024 (18th) fiscal period, the ¥27,467 million in borrowings that will come due in the February 28, 2025 (19th) fiscal period, and ¥9,000 million in investment corporation bonds (¥59,810 million in total), it is assumed that NMF will make scheduled, partial repayments of ¥42 million in each of the August 31, 2024 (18th) fiscal period and the February 28, 2025 (19th) fiscal period using cash on hand, while refinancing the remainder. • 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 28, 2025 (19th) fiscal period.

Item	Assumptions
Investment units	<ul style="list-style-type: none"> Forecasts are based on the number of investment units issued and outstanding as of this document's publication, 4,715,200 units. NMF assumes that there will be no additional issuance of new investment units through February 28, 2025 (the end of the 19th fiscal period).
Distribution per unit	<ul style="list-style-type: none"> The distribution per unit is calculated according to the distribution policy outlined in NMF's Articles of Incorporation. The per-unit distribution may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs.
Distribution per unit in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of net income per unit is calculated in accordance with the policy stipulated in NMF's Articles of Incorporation. The forecasts made this time assume that distribution in excess of net income (distribution of temporary difference adjustments and other distributions in excess of net income (repayment of unitholders' capital)) will be made by adding amortization of fixed-term land leasehold and the amount recognized as asset retirement obligations, as well as reversal of temporary difference adjustments, to the amount equivalent to amortization of goodwill. However, it is assumed that gains on sale of real estate, etc. partially will reduce other distributions in excess of net income. The distribution in excess of net earnings per unit for the August 31, 2024 (18th) fiscal period is expected to be ¥492, comprising ¥186 in distributions of ATA and ¥306 in other distributions in excess of net earnings. The distribution in excess of net earnings per unit for the February 28, 2025 (19th) fiscal period is expected to be ¥612, comprising ¥452 in distributions of ATA and ¥160 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, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and bank deposits	37,831,177	32,540,055
Cash and bank deposits in trust	13,203,633	12,559,612
Rental receivables	781,218	749,351
Prepaid expenses	963,344	878,850
Income taxes receivable	-	34
Other	666,152	751,072
Total current assets	53,445,524	47,478,976
Noncurrent assets		
Property and equipment		
Buildings	163,316,777	163,577,577
Less accumulated depreciation	(31,026,231)	(32,850,023)
Buildings, net	132,290,546	130,727,553
Structures	966,533	1,044,373
Less accumulated depreciation	(517,854)	(551,456)
Structures, net	448,678	492,917
Machinery	1,134,785	1,163,409
Less accumulated depreciation	(706,837)	(723,306)
Machinery, net	427,948	440,102
Tools, furniture and fixtures	917,119	1,028,500
Less accumulated depreciation	(422,466)	(482,318)
Tools, furniture and fixtures, net	494,652	546,181
Land	323,187,364	325,877,255
Buildings in trust	211,355,515	214,247,815
Less accumulated depreciation	(47,710,735)	(50,856,905)
Buildings in trust, net	*3 163,644,780	*3 163,390,909
Structures in trust	1,381,468	1,424,323
Less accumulated depreciation	(979,514)	(1,005,000)
Structures in trust, net	*3 401,953	*3 419,322
Machinery in trust	1,319,864	1,400,188
Less accumulated depreciation	(458,486)	(532,287)
Machinery in trust, net	861,378	867,901
Tools, furniture and fixtures in trust	1,336,250	1,347,775
Less accumulated depreciation	(861,219)	(923,309)
Tools, furniture and fixtures in trust, net	*3 475,030	*3 424,465
Land in trust	*3 431,159,406	*3 433,843,789
Leased assets in trust	10,869	10,869
Less accumulated depreciation	(4,484)	(6,064)
Leased assets, net	6,385	4,805
Construction in progress	131,451	439,315
Total property and equipment	1,053,529,575	1,057,474,521

	Thousands of Yen	
	As of August 31, 2023	As of February 29, 2024
Intangible assets		
Goodwill	64,609,037	61,986,794
Leasehold rights	8,392,012	8,366,583
Leasehold rights in trust	8,445,761	8,434,603
Other	42,143	36,207
Total intangible assets	81,488,955	78,824,189
Investments and other assets		
Long-term prepaid expenses	2,097,045	1,942,522
Long-term deposits	377,214	395,944
Security deposits	1,048,372	1,038,372
Total investments and other assets	3,522,633	3,376,839
Total noncurrent assets	1,138,541,164	1,139,675,550
Deferred assets		
Investment corporation bond issuance costs	140,367	131,305
Total deferred assets	140,367	131,305
Total assets	1,192,127,056	1,187,285,832

	Thousands of Yen	
	As of August 31, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Trade accounts payable	3,113,216	1,930,580
Short-term debt	2,000,000	-
Current portion of investment corporation bonds	-	9,000,000
Current portion of long-term debt	47,935,600	50,810,600
Lease obligations in trust	3,476	3,476
Other accounts payable	3,237,588	2,886,403
Accrued expenses	363,992	355,543
Accrued income taxes	567	605
Accrued consumption taxes	567,900	540,550
Rent received in advance	5,634,159	5,606,791
Unearned revenue	2,324	-
Derivatives liabilities	4,094	-
Other current liabilities	26,974	13,334
Total current liabilities	62,889,893	71,147,884
Long-term liabilities		
Investment corporation bonds	34,000,000	25,000,000
Long-term debt	437,442,000	436,524,200
Lease obligations in trust	3,548	1,809
Security deposits from tenants	14,651,063	14,411,627
Security deposits from tenants in trust	*3 28,067,537	*3 28,203,326
Asset retirement obligations	382,713	385,407
Total long-term liabilities	514,546,862	504,526,371
Total liabilities	577,436,756	575,674,255
Net assets		
Unitholders' equity		
Unitholders' capital	245,067,403	245,114,136
Surplus		
Capital Surplus	394,012,959	394,012,959
Deductions from capital surplus		
Allowance for temporary difference adjustments	*4 (23,672,034)	*4 (23,625,301)
Other deductions from capital surplus	(17,486,361)	(17,533,094)
Total deduction from capital surplus	(41,158,395)	(41,158,395)
Capital surplus, net	352,854,563	352,854,563
Voluntary retained earnings		
Reserve for tax purpose reduction entry of replacement assets	-	82,329
Total voluntary retained earnings	-	82,329
Retained earnings	16,772,428	13,560,547
Total surplus	369,626,991	366,497,440
Total unitholders' equity	614,694,394	611,611,576
Valuation and translation adjustments		
Deferred gains or losses on hedges	(4,094)	-
Valuation and translation adjustments	(4,094)	-

Total net assets	*2	614,690,300	*2	611,611,576
Total liabilities and net assets		1,192,127,056		1,187,285,832

(2) Statement of Income and Retained Earnings

	Thousands of Yen			
	Previous period from Mar. 1, 2023 to Aug.31, 2023		Current period from Sep. 1, 2023 to Feb.29, 2024	
Operating revenues				
Rental revenues	*1	35,801,394	*1	35,631,155
Other rental revenues	*1	3,137,925	*1	3,202,103
Gain on sales of real estate	*2	4,706,215	*2	542,158
Total operating revenues		43,645,535		39,375,417
Operating expenses				
Real estate rental expenses	*1	17,622,483	*1	17,404,131
Asset management fees		3,658,994		3,451,062
Asset custody fees		57,120		57,549
Administrative service fees		175,536		164,825
Directors' compensation		6,900		7,800
Amortization of goodwill		2,622,242		2,622,242
Other operating expenses		570,763		495,564
Total operating expenses		24,714,040		24,203,176
Operating profit		18,931,494		15,172,240
Non-operating revenues				
Interest income		849		227
Reversal of dividends payable		4,378		2,792
Other non-operating revenues		137		5,006
Total non-operating revenues		5,365		8,025
Non-operating expenses				
Interest expenses		1,588,858		1,576,088
Interest expenses on investment corporation bonds		174,755		180,813
Amortization of investment corporation bond issuance costs		8,367		9,137
Loan arrangement fees		433,074		453,024
Other non-operating expenses		2,296		2,305
Total non-operating expenses		2,207,352		2,221,369
Ordinary income		16,729,508		12,958,897
Extraordinary gain				
Reversal of provision for loss on disaste	*3	17,909		-
Total extraordinary gain		17,909		-
Income before income taxes		16,747,418		12,958,897
Income taxes—current		605		605
Total income taxes		605		605
Net income		16,746,813		12,958,292
Retained earnings brought forward		25,614		602,255
Retained earnings at end of period		16,772,428		13,560,547

(3) Statement of Changes in Net Assets

Previous period (from March 1, 2023 to August 31, 2023)

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	245,043,416	394,012,959	(22,140,004)	(17,349,209)	(39,489,214)	354,523,744
Changes of items during the period						
Distributions of retained earnings	-	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	23,986	-	23,986	(23,986)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	(1,556,016)	-	(1,556,016)	(1,556,016)
Other distributions in excess of net earnings	-	-	-	(113,164)	(113,164)	(113,164)
Net income	-	-	-	-	-	-
Net changes of items other than unitholders' equity	-	-	-	-	-	-
Total changes of items during the period	23,986	-	(1,532,029)	(137,151)	(1,669,180)	(1,669,180)
Balance at the end of the period	245,067,403	394,012,959	(23,672,034)	(17,486,361)	(41,158,395)	352,854,563

Thousands of Yen

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Total surplus	Total unitholders' equity	Deferred gains or losses on hedges	Valuation and translation adjustments	
Balance at the beginning of the period	13,997,163	368,520,907	613,564,324	(23,838)	(23,838)	613,540,485
Changes of items during the period						
Distributions of retained earnings	(13,947,561)	(13,947,561)	(13,947,561)	-	-	(13,947,561)
Reversal of allowance for temporary difference adjustments	(23,986)	(23,986)	-	-	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	(1,556,016)	(1,556,016)	-	-	(1,556,016)
Other distributions in excess of net earnings	-	(113,164)	(113,164)	-	-	(113,164)
Net income	16,746,813	16,746,813	16,746,813	-	-	16,746,813
Net changes of items other than unitholders' equity	-	-	-	19,744	19,744	19,744
Total changes of items during the period	2,775,264	1,106,083	1,130,070	19,744	19,744	1,149,815
Balance at the end of the period	16,772,428	369,626,991	614,694,394	(4,094)	(4,094)	614,690,300

Current period (from September 1, 2023 to February 29, 2024)

Thousands of Yen

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus				Net capital surplus
		Capital surplus	Total deduction from capital surplus			
	Allowance for temporary difference adjustment		Deduction from other capital surplus	Total deduction from capital surplus		
Balance at the beginning of the period	245,067,403	394,012,959	(23,672,034)	(17,486,361)	(41,158,395)	352,854,563
Changes of items during the period						
Distributions of retained earnings	-	-	-	-	-	-
Provision of reserve for tax purpose reduction entry of replacement assets	-	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	46,732	-	46,732	(46,732)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	-	-	-
Other distributions in excess of net earnings	-	-	-	-	-	-
Net income	-	-	-	-	-	-
Net changes of items other than unitholders' equity	-	-	-	-	-	-
Total changes of items during the period	46,732	-	46,732	(46,732)	-	-
Balance at the end of the period	245,114,136	394,012,959	(23,625,301)	(17,533,094)	(41,158,395)	352,854,563

Thousands of Yen

	Unitholders' equity				
	Surplus				Total unitholders' equity
	Voluntary retained earnings		Retained earnings	Total surplus	
Reserve for tax purpose reduction entry of replacement assets	Total voluntary retained earnings				
Balance at the beginning of the period	-	-	16,772,428	369,626,991	614,694,394
Changes of items during the period					
Provision of reserve for tax purpose reduction entry of replacement assets	82,329	82,329	(82,329)	-	-
Distributions of retained earnings	-	-	(16,041,110)	(16,041,110)	(16,041,110)
Reversal of allowance for temporary difference adjustments	-	-	(46,732)	(46,732)	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	-	-
Other distributions in excess of net earnings	-	-	-	-	-
Net income	-	-	12,958,292	12,958,292	12,958,292
Net changes of items other than unitholders' equity	-	-	-	-	-
Total changes of items during the period	82,329	82,329	(3,211,880)	(3,129,550)	(3,082,817)
Balance at the end of the period	82,329	82,329	13,560,547	366,497,440	611,611,576

Thousands of Yen

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Valuation and translation adjustments	
Balance at the beginning of the period	(4,094)	(4,094)	614,690,300
Changes of items during the period			
Provision of reserve for tax purpose reduction entry of replacement assets	-	-	-
Distributions of retained earnings	-	-	(16,041,110)
Reversal of allowance for temporary difference adjustments	-	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-
Other distributions in excess of net earnings	-	-	-
Net income	-	-	12,958,292
Net changes of items other than unitholders' equity	4,094	4,094	4,094
Total changes of items during the period	4,094	4,094	(3,078,723)
Balance at the end of the period	-	-	611,611,576

4) Statement of Cash Distributions

Yen

	Previous period from Mar. 1, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
I. Retained earnings at end of period	16,772,428,024	13,560,547,559
II. Reversal of voluntary retained earnings		
Reversal of reserve for tax purpose reduction entry of replacement assets	-	82,329,695
III. Distributions in excess of retained earnings	-	2,470,764,800
Of which, allowance for temporary difference adjustment	-	2,409,467,200
Of which, other distributions in excess of net income	-	61,297,600
IV. Incorporation into unitholders' capital	46,732,799	13,640,395
Of which, reversal of allowance for temporary difference adjustments	46,732,799	13,640,395
V. Distributions	16,041,110,400	16,097,692,800
[Distributions per unit]	[3,402]	[3,414]
Of which, distributions of earnings	16,041,110,400	13,626,928,000
[Of which, distributions of earnings per unit]	[3,402]	[2,890]
Of which, allowance for temporary difference adjustments	-	2,409,467,200
[Of which, allowance for temporary difference adjustments per unit]	[-]	[511]
Of which, other distributions in excess of net income	-	61,297,600
[Of which, other distributions in excess of net income per unit]	[-]	[13]
VI. Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry of replacement assets	82,329,695	-
VII. Retained earnings carried forward	602,255,130	2,308,859

	Previous period from Mar. 1, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
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 distribute ¥16,041,110,400 (¥3,402 per investment unit), which is the amount obtained by adding amortization of goodwill, amortization of fixed-term land leasehold and amortization associated with recognition of asset retirement obligations, etc. to net income, and deducting a portion of the gain on sale of real estate and provision of reserves for reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation.</p> <p>Note that, for the fiscal period under review, the distribution consists entirely of the distribution of earnings, and there is no distribution in excess of earnings as defined in Article 36, Paragraph 2 of NMF's Articles of Incorporation.</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 distribute ¥16,097,692,800 (¥3,414 per investment unit), which is the amount obtained by adding amortization of goodwill, amortization of fixed-term land leasehold, and amortization associated with recognition of asset retirement obligations, as well as the portion of the gain on sales of real estate deducted in the previous fiscal period and reversal of reserves for reduction entry, etc. as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation, to net income and deducting a portion of the gain on sale of real estate for the fiscal period under review.</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 ¥13,626,928,000 (¥2,890 per investment unit). Distribution in excess of net income comprises a distribution of ¥2,409,467,200 (¥511 per investment unit) as allowance for temporary difference adjustment and ¥61,297,600 (¥13 per investment unit) in other distribution in excess of net income.</p>

(5) Statement of Cash Flows

	Thousands of Yen	
	Previous period from Mar. 1, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Cash flows from operating activities		
Income before income taxes	16,747,418	12,958,897
Depreciation	5,780,887	5,776,440
Amortization of goodwill	2,622,242	2,622,242
Amortization of investment corporation bond issuance costs	8,367	9,137
Increase (decrease) in provision for loss on disaster	(20,370)	-
Interest income	(849)	(227)
Interest expenses	1,763,613	1,756,901
Loss on disposal of property and equipment	17,887	32,981
Decrease (increase) in rental receivables	(57,880)	31,834
Decrease (increase) in prepaid expenses	(91,717)	84,493
Decrease (increase) in long-term prepaid expenses	14,470	154,523
Decrease (increase) in long-term deposits	(7,707)	(18,719)
Increase (decrease) in trade accounts payable	1,148,781	(1,182,636)
Increase (decrease) in other accounts payable	202,451	(223,011)
Increase (decrease) in accrued consumption taxes	(320,452)	(27,349)
Increase (decrease) in rent received in advance	50,762	(27,368)
Decrease in property and equipment due to sales	4,676,702	2,337,451
Decrease in property and equipment in trust due to sales	6,851,573	-
Other	(94,520)	(102,719)
Subtotal	<u>39,291,661</u>	<u>24,182,872</u>
Interest received	849	227
Interest paid	(1,740,984)	(1,767,674)
Income taxes paid	(1,957)	(602)
Net cash provided by (used in) operating activities	<u>37,549,568</u>	<u>22,414,822</u>
Cash flows from investing activities		
Payments for purchase of property and equipment	(13,755,678)	(6,096,365)
Payments for purchase of property and equipment in trust	(10,543,257)	(6,071,464)
Payments for purchase of intangible assets	(2,807,364)	(5,791)
Payments for purchase of intangible assets in trust	(834,317)	(460)
Reimbursement of security deposits to tenants	(631,926)	(850,690)
Proceeds from security deposits from tenants	1,051,763	611,287
Reimbursement of security deposits to tenants in trust	(1,236,620)	(753,774)
Proceeds from security deposits from tenants in trust	1,003,662	889,562
Reimbursement of security deposits	(172,644)	-
Proceeds from security deposits	45	10,000
Other	-	(10)
Net cash provided by (used in) investing activities	<u>(27,926,338)</u>	<u>(12,267,706)</u>
Cash flows from financing activities		
Proceeds from short-term debt	4,000,000	-
Repayment of short-term debt	(2,000,000)	(2,000,000)
Proceeds from long-term debt	30,800,000	26,550,000
Repayment of long-term debt	(30,842,800)	(24,592,800)
Proceeds from investment corporation bond issuance	2,000,000	-
Reimbursement of investment corporation bond issuance	(23,100)	(122)
Distributions of earnings to unitholders	(13,945,956)	(16,038,393)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(1,556,390)	(211)
Other distributions in excess of net earnings	(114,178)	(730)
Net cash provided by (used in) financing activities	<u>(11,682,426)</u>	<u>(16,082,257)</u>

	Thousands of Yen	
	Previous period from Mar. 1, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Net increase (decrease) in cash and cash equivalents	(2,059,196)	(5,935,142)
Cash and cash equivalents at beginning of period	53,094,006	51,034,810
Cash and cash equivalents at end of period	51,034,810	45,099,668

(6) Notes Concerning the Going Concern Assumption

Not applicable.

(7) Notes Concerning Significant Accounting Policies

1. Depreciation of noncurrent assets	<p>(1) Property and equipment (including trust assets) The straight-line method is adopted. The useful lives of major property and equipment are as follows: Buildings 3–70 years Structures 3–45 years Machinery 6–17 years Tools, furniture and fixtures 2–20 years</p> <p>(2) Intangible assets The straight-line method is adopted. Goodwill is amortized using straight-line method over 20 years. Fixed-term land leasehold is amortized using the straight-line method over the contractual period.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
2. Accounting method for deferred assets	Deferred investment corporation bond issuance costs The straight-line method over the respective terms of the bonds.
3. Allowance for doubtful accounts	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.
4. Revenue and expenses recognition	<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 ¥70,541 thousand in the previous fiscal period and ¥4,793 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>
5. Hedge accounting	<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 ② Buildings in trust; Structures in trust; Machinery in trust; Tools, furniture and fixtures in trust; Land in trust; Leased assets in trust ③ Leasehold rights in trust ④ Lease obligations in trust ⑤ Security deposits from tenants in trust</p> <p>(2) Method of accounting for 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>

(Additional Information)

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

Previous period from Mar. 1, 2023 to Aug. 31, 2023			Current period from Sep. 1, 2023 to Feb. 29, 2024		
1. Reasons, related assets and amounts of reversals 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
Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(26,988)	Goodwill	Amortization of goodwill	2,622,242
Deferred gains or losses on hedges	Changes in fair value of derivatives	(19,744)	Buildings, etc.	Asset retirement obligations	7,428
Total		(46,732)	Leasehold rights, etc.	Amortization of Leasehold rights	36,586
2. Method of reversal			Land	Cost of sales of land	150,750
(1) Amortization of goodwill			Subtotal		2,817,008
In principle, amortization of goodwill is not reversed.			Buildings, facilities, etc.	Depreciation deficiency equivalent	(404,010)
(2) Merger expenses			Unearned revenue	Write-down of loss on interest rate swap due to merger	(2,324)
Item	Method of reversal		Othet	–	(1,206)
Buildings, etc.	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.		Subtotal		(407,541)
Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.		Total		2,409,467
Buildings, etc., in trust	Upon depreciation and sale, the corresponding amounts are scheduled to be reversed.		2. Reasons, related assets and amounts of reversals Thousands of Yen		
Land in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.		Related assets, etc.	Reason	Allowance for temporary difference adjustment
Leasehold rights			Land, buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(9,546)
Leasehold rights in trust			Deferred gains or losses on hedges	Changes in fair value of derivatives	(4,094)
(3) Long-term deposits			Total		(13,640)
In principle, long-term deposits are not reversed.			(*) The amount of reversal during current period (¥17,648 thousand) is included in "Depreciation deficiency equivalent" on "1. Reasons, related assets and amounts of allowance".		
(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.					

3. Method of reversal	
(1) Amortization of goodwill In principle, amortization of goodwill is not reversed.	
(2) Merger expenses and Asset retirement obligations	
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	
(3) Long-term deposits In principle, long-term deposits are not reversed.	
(4) Deferred gains or losses on hedges The amount corresponding to changes in the fair value of derivatives used as hedging instruments is scheduled to be reversed.	

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	Thousands of Yen	
	Previous period (Aug. 31, 2023)	Current period (Feb. 29, 2024)
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, 2023)	Current period (Feb. 29, 2024)
Committed line of credit	40,000,000	40,000,000
Balance of used line	2,000,000	-
Balance of unused line	38,000,000	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, 2023)	Current period (Feb. 29, 2024)
	50,000	50,000

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

		Thousands of Yen	
	Previous period (Aug. 31, 2023)		Current period (Feb. 29, 2024)
Assets offered as collateral are as follows.		Assets offered as collateral are as follows.	
Buildings in trust	3,099,226	Buildings in trust	3,057,257
Land in trust	6,096,368	Land in trust	6,096,368
Structures in trust	4,798	Structures in trust	4,678
Tools, furniture and fixtures in trust	2,192	Tools, furniture and fixtures in trust	1,827
<u>Total</u>	<u>9,202,585</u>	<u>Total</u>	<u>9,160,131</u>
Liabilities secured by collateral are as follows.		Liabilities secured by collateral are as follows.	
Security deposits from tenants in trust	726,648	Security deposits from tenants in trust	726,648
<u>Total</u>	<u>726,648</u>	<u>Total</u>	<u>726,648</u>

*4. Allowance for temporary difference adjustments

Previous period (from March 1, 2023 to August 31, 2023)

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	33,089,311	20,812,776	1,573,664	-	22,386,440	-
Land, buildings, etc.	Merger expenses	4,029,135	1,279,402	(17,648)	-	1,261,754	-
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	47,825	-	(23,986)	23,838	Changes in fair value of derivative transactions
Increase – subtotal		-	22,140,004	1,556,016	(23,986)	23,672,034	-
Total		-	22,140,004	1,556,016	(23,986)	23,672,034	-

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, 2023 to February 29, 2024)

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	33,089,311	22,386,440	-	-	22,386,440	-
Land, buildings, etc.	Merger expenses	4,029,135	1,261,754	-	(26,988)	1,234,766	Sales and depreciation of properties for which merger expenses were recorded
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	23,838	-	(19,744)	4,094	Changes in fair value of derivative transactions
Increase – subtotal		-	23,672,034	-	(46,732)	23,625,301	-
Total		-	23,672,034	-	(46,732)	23,625,301	-

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, 2023 to Aug. 31, 2023		Current period from Sep. 1, 2023 to Feb. 29, 2024	
A. Property related revenues				
Rental revenues				
Rent revenues	33,613,117		33,456,338	
Common area charges	2,188,276	35,801,394	2,174,817	35,631,155
Other rental revenues				
Parking revenues	631,156		631,871	
Incidental income	2,293,552		2,298,042	
Other miscellaneous revenues	213,215	3,137,925	272,189	3,202,103
Property related revenues		38,939,320		38,833,259
B. Property related expenses				
Real estate rental expenses				
Property management costs	1,888,952		1,898,421	
Property management fees	1,109,248		966,131	
Property and other taxes	3,467,680		3,427,452	
Utility expenses	1,993,696		1,903,255	
Casualty insurance	63,957		65,171	
Repairs and maintenance	1,699,739		1,843,267	
Land rents	231,108		262,295	
Depreciation	5,780,256		5,775,315	
Other rental expenses	1,387,844	17,622,483	1,262,821	17,404,131
Property related expenses		17,622,483		17,404,131
C. Real estate rental profits [A-B]		21,316,836		21,429,127

*2. Breakdown of gain on sales of real estate

Previous period (from March 1, 2023 to August 31, 2023)

	Thousands of Yen	
NRE Higashi-nihonbashi Building (Quasi co-ownership of 50%)		
Proceeds from sales of real estate	2,260,000	
Cost of sales of real estate	1,881,159	
Other related sales expenses	27,606	
Gain on sales of real estate		351,234

Thousands of Yen

PRIME URBAN Yoyogi, PRIME URBAN Nishi Shinjuku II, PRIME URBAN Sangen Jaya III, PRIME URBAN Shinagawa Nishi,
PRIME URBAN Komagome, PRIME URBAN Kasai II, PRIME URBAN Asakusa, PRIME URBAN Gyotoku Ekimae

Proceeds from sales of real estate	6,283,000	
Cost of sales of real estate	4,454,711	
Other related sales expenses	274,345	
Gain on sales of real estate		1,553,942

Although the transfer is based on a single sales contract to the same transferee, the sales prices are undisclosed as consent has not been obtained from the transferee to disclose the sale price of each property.

		Thousands of Yen
NMF Nagoya Yanagibashi Building		
Proceeds from sales of real estate	4,410,000	
Cost of sales of real estate	2,527,792	
Other related sales expenses	177,969	
Gain on sales of real estate		<u>1,704,237</u>

		Thousands of Yen
NMF Tenjin-Minami Building		
Proceeds from sales of real estate	3,040,000	
Cost of sales of real estate	2,001,814	
Other related sales expenses	37,099	
Gain on sales of real estate		<u>1,001,085</u>

		Thousands of Yen
PRIME URBAN Otsuka Building		
Proceeds from sales of real estate	772,000	
Cost of sales of real estate	662,798	
Other related sales expenses	13,486	
Gain on sales of real estate		<u>95,714</u>

Current period (from September 1, 2023 to February 29, 2024)

		Thousands of Yen
PRIME URBAN Kanayama Building		
Proceeds from sales of real estate	610,000	
Cost of sales of real estate	460,506	
Other related sales expenses	11,265	
Gain on sales of real estate		<u>138,228</u>

		Thousands of Yen
PRIME URBAN Kamimaezu Building		
Proceeds from sales of real estate	1,754,000	
Cost of sales of real estate	1,358,571	
Other related sales expenses	22,141	
Gain on sales of real estate		<u>373,287</u>

		Thousands of Yen
PRIME URBAN Chibaya Building		
Proceeds from sales of real estate	560,000	
Cost of sales of real estate	518,373	
Other related sales expenses	10,983	
Gain on sales of real estate		<u>30,642</u>

*3. Breakdown of Extraordinary Gain

Previous period (from March 1, 2023 to August 31, 2023)

A reversal of the allowance of ¥17,909 thousand concerning restoration work from the 2021 Fukushima earthquake disaster is recorded.

Current period (from September 1, 2023 to February 29, 2024)

Not applicable.

(Notes on Asset Retirement Obligations)

Asset retirement obligations that are reported on the balance sheet

1. Overview of the asset retirement obligations

The asset retirement obligations represent restoration obligations under fixed-term land leases.

2. Calculation method of the asset retirement obligations

Asset retirement obligations are calculated using the expected period of use, which is the fixed-term land lease term (41 to 42 years), and a discount rate of 1.412%.

3. Changes in total asset retirement obligations

	Thousands of Yen	
	Previous period from Mar. 1, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Balance at beginning of period	-	382,713
Increase due to purchase of property, plant and equipment	381,341	-
Adjustments for passage of time	1,371	2,694
Balance at end of period	382,713	385,407

(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, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Carrying amount		
Balance at beginning of period	1,059,060,348	1,070,367,349
Amount of increase (decrease) during period	11,307,001	3,908,358
Balance at end of period	1,070,367,349	1,074,275,708
Fair value at end of period	1,314,382,000	1,325,449,000

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

(Note 2) The increase during the previous period is mainly attributable to the acquisition of Landport Shinonome / Yasuda Soko (¥5,812,531 thousand), MEFULL Chayamachi (¥3,778,120 thousand), PROUD FLAT Kikukawa (¥2,826,454 thousand), PROUD FLAT Asakusa (¥2,516,055 thousand), PROUD FLAT Kinshicho II (¥2,117,673 thousand), SOMPO CARE La vie Re Residence Yoga (¥3,074,703 thousand), Grapes Tsujido Nishi-Kaigan (¥2,017,070 thousand), SOMPO CARE Sompo no ie Omori-Nishi (¥1,560,133 thousand), SOMPO CARE La vie Re Residence Shonan Tsujido (¥1,267,917 thousand). The decrease during the previous period is mainly attributable to the sale of NRE Higashi-nihonbashi Building (¥1,881,159 thousand), NMF Nagoya Yanagibashi Building (¥2,527,792 thousand), NMF Tenjin-Minami Building (¥2,001,814 thousand), PRIME URBAN Yoyogi (¥340,458 thousand), PRIME URBAN Nishi Shinjuku II (¥802,288 thousand), PRIME URBAN Sangen Jaya III (¥706,752 thousand), PRIME URBAN Shinagawa Nishi (¥502,410 thousand), PRIME URBAN Otsuka (¥662,798 thousand), PRIME URBAN Komagome (¥440,807 thousand), PRIME URBAN Kasai II (¥849,171 thousand), PRIME URBAN Asakusa (¥379,701 thousand), PRIME URBAN Gyotoku Ekimae (¥433,120 thousand), as well as depreciation (¥5,771,728 thousand). The increase during the current period is mainly attributable to the acquisition of Hotel Wing International Premium Kyoto-Snjo (¥3,339,800 thousand), Proud Flat Shibuya Sasazuka (¥2,287,467 thousand), PROUD FLAT Asakusa DIAGE (¥1,357,724 thousand), Irize Urayasu (¥1,173,266 thousand). The decrease during the current period is mainly attributable to the sale of PRIME URBAN Kanayama (¥460,506 thousand), PRIME URBAN Kamimaezu (¥1,358,571 thousand), PRIME URBAN Chihaya (¥518,373 thousand), as well as depreciation (¥5,765,827 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 previous period, transfer price is used as the fair value for PRIME URBAN Kanayama, PRIME URBAN Kamimaezu, PRIME URBAN Chihaya. In the current fiscal period, transfer price is used as the fair value for NMF Ueno Building, the scheduled transfer price is used as the fair value for PRIME URBAN Iidabashi.

The income (loss) in the previous period (March 1, 2023 to August 31, 2023) and current period (from September 1, 2023 to February 29, 2024) 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

Previous period (from March 1, 2023 to August 31, 2023)

Thousands of Yen

	Revenues from contracts with customers ^(Note 1)	Sales to external customers
Proceeds from sales of real estate	6,072,000	^(Note 2) 4,706,215
Utility expense revenues	1,493,677	1,493,677
Other	-	37,445,642
Total	7,565,677	43,645,535

(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.

Current period (from Sep. 1, 2023 to Feb. 29, 2024)

Thousands of Yen

	Revenues from contracts with customers ^(Note 1)	Sales to external customers
Proceeds from sales of real estate	-	^(Note 2) 542,158
Utility expense revenues	1,502,532	1,502,532
Other	-	37,330,726
Total	1,502,532	39,375,417

(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

Previous period (from Mar 1, 2023 to Aug 31, 2023)

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

Current period (from September 1, 2023 to February 29, 2024)

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	
	Previous period from Mar. 1, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Receivables from contracts with customers (balance as of the beginning of the fiscal period)	466,028	463,189
Receivables from contracts with customers (balance as of the end of the fiscal period)	463,189	396,112
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

Previous period (from March 1, 2023 to August 31, 2023)

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.

Current period (from Sep. 1, 2023 to Feb. 29, 2024)

As of February 29, 2024, the transaction price allocated to remaining performance obligations relating to the sale of real estate and other assets was ¥9,174,000 thousands for real estate for which a purchase and sale agreement was concluded on January 26, 2024 and February 7, 2024.

Of the remaining performance obligations, NMF completed the transfer of ¥6,930,000 thousands of the relevant real estate and other assets and plan to complete the transfer of ¥2,244,000 thousands of the relevant real estate and other assets on April 24, 2024 and expect to recognize a gain in the August 31, 2024 (18th) fiscal period.

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, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Net assets per unit	130,363	129,710
Net income per unit	3,551	2,748

(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, 2023 to Aug. 31, 2023	Current period from Sep. 1, 2023 to Feb. 29, 2024
Net income (Thousands of Yen)	16,746,813	12,958,292
Amount not attributable to ordinary unitholders (Thousands of Yen)	-	-
Net income attributable to ordinary investment units (Thousands of Yen)	16,746,813	12,958,292
Average number of investment units during period (Units)	4,715,200	4,715,200

(Notes on Significant Subsequent Events)

Transfer of the asset

(1)NMF sold the following asset after the end of the 17th fiscal period (February 29, 2024).

Property Name	Type of asset	Use	Contract date	Transfer date	Buyer	Transfer Price (millions of yen)	Impact on 18th fiscal period earnings (Scheduled) (millions of yen) (Note)
NRE Ueno Building	Real estate	Office	January 26, 2024	April 1, 2024	Nomura Real Estate Development Co., Ltd.	6,930	281

(Note) The impact on earnings for 18th fiscal period (March 1, 2024 to August 31, 2024) will be recorded as gain on sales of real estate under operating revenues.

(Additional Information)

(1)NMF decided to sell the following asset after the end of the 17th fiscal period (February 29, 2024).

Property Name	Type of asset	Use	Contract date	Transfer date (Schedule d)	Buyer (Scheduled)	Transfer Price (Schedule d) (millions of yen)	Impact on 18th fiscal period earnings (Scheduled) (millions of yen) (Note1)
PRIME URBAN Iidabashi	Trust beneficiary interest in mainly real estate	Residential	February 7, 2024	April 24, 2024	Nomura Real Estate Development Co., Ltd.	2,244	340

(Note 1) The impact on earnings for 18th fiscal period (March 1, 2024 to August 31, 2024) will be recorded as gain on sales of real estate under operating revenues.

(Note 2) With regard to the disposal of the above property, the precondition to the execution of purchase and sale is the definite execution of the purchase and sale of the assets to be acquired stated in (1.Management Status ④Significant Subsequent Events)(Reference) A.(b).

[Disclosure Omissions]

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

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

The following is the increase (decrease) in unitholders' capital and total number of investment units issued and outstanding during the period from the date of incorporation of NMF through the end of the 17th fiscal period (February 29, 2024).

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)
April 19, 2022	Reversal of allowance for temporary difference adjustments	—	4,715,200	102	244,996	(Note 4)

October 18, 2022	Reversal of allowance for temporary difference adjustments	—	4,715,200	46	245,043	(Note 4)
April 18, 2023	Reversal of allowance for temporary difference adjustments	—	4,715,200	23	245,067	(Note 4)
October 18, 2023	Reversal of allowance for temporary difference adjustments	—	4,715,200	46	245,114	(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)	16th fiscal period As of August 31, 2023		17th fiscal period As of February 29, 2024	
			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	145,776	12.2	145,525	12.3
		Other areas	21,274	1.8	21,521	1.8
		Subtotal	167,051	14.0	167,046	14.1
	Retail properties	Greater Tokyo area	28,385	2.4	28,306	2.4
		Other areas	21,852	1.8	21,847	1.8
		Subtotal	50,237	4.2	50,153	4.2
	Logistics properties	Greater Tokyo area	62,944	5.3	62,686	5.3
		Subtotal	62,944	5.3	62,686	5.3
	Residential properties	Greater Tokyo area	149,424	12.5	153,677	12.9
		Other areas	26,853	2.3	24,303	2.0
		Subtotal	176,277	14.8	177,980	15.0
	Hotel properties	Other areas	3,630	0.3	3,623	0.3
		Subtotal	3,630	0.3	3,623	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		465,278	39.0	466,627	39.3	
Real estate in trust	Office properties	Greater Tokyo area	258,678	21.7	258,580	21.8
		Other areas	45,963	3.9	45,891	3.9
		Subtotal	304,641	25.6	304,472	25.6
	Retail properties	Greater Tokyo area	79,577	6.7	79,596	6.7
		Other areas	44,906	3.8	44,993	3.8
		Subtotal	124,484	10.4	124,589	10.5
	Logistics properties	Greater Tokyo area	141,362	11.9	140,776	11.9
		Other areas	3,243	0.3	3,231	0.3
		Subtotal	144,606	12.1	144,007	12.1
	Residential properties	Greater Tokyo area	28,652	2.4	28,537	2.4
		Subtotal	28,652	2.4	28,537	2.4
	Hotel properties	Other areas	2,703	0.2	6,040	0.5
		Subtotal	2,703	0.2	6,040	0.5
		Subtotal	605,088	50.8	607,647	51.2
Subtotal			1,070,367	89.8	1,074,275	90.5
Deposits and other assets			121,759	10.2	113,010	9.5
Total amount of assets			1,192,127	100.0	1,187,285	100.0

	16th fiscal period As of August 31, 2023		17th fiscal period As of February 29, 2024	
	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	577,436	48.4	575,674	48.5
Total amount of net assets	614,690	51.6	611,611	51.5

(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. (291 properties) held as of February 29, 2024, (the end of the 17th 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 17th fiscal period”). Unless otherwise stated, the figures in the tables below are the figures as of February 29, 2024.

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 17th fiscal period.

Number of properties	291
Gross leasable area (m ²) ^(Note 1)	2,184,580.02
Gross leased area (m ²) ^(Note 2)	2,160,006.41
Total number of tenants ^(Note 3)	1,312
Total of all contracted rent (Thousands of Yen) ^(Note 4)	5,975,036

(Note 1) The sum total of the “leasable area” of each of the assets held at the end of the 17th 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 and PROUD FLAT Togoshi-ginza, 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 and PROUD FLAT Togoshi-ginza) 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 and PROUD FLAT Togoshi-ginza 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 17th 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 17th 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 2024 of each of the assets held at the end of the 17th fiscal period (amounts less than one thousand are truncated). “Total contracted rent” for February 2024 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 2024 (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 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 and PROUD FLAT Togoshi-ginza, 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 28, 2022 (end of 13th fiscal period)	August 31, 2022 (end of 14th fiscal period)	February 28, 2023 (end of 15th fiscal period)	August 31, 2023 (end of 16th fiscal period)	February 29, 2024 (end of 17th fiscal period)
Portfolio occupancy rate (at end of fiscal period) (%)	98.7	98.7	98.7	98.9	98.9

B. Price and Investment Share

The following is an overview of the assets held at the end of the 17th 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	46,723	50,500	3.8	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Tennozu Building	20,500	20,507	21,700	1.6	Daiwa Real Estate Appraisal Co., Ltd.
		Kojimachi Millennium Garden	26,700	26,266	30,800	2.3	Japan Real Estate Institute
		NMF Shinjuku Minamiguchi Building	10,000	10,125	13,400	1.0	Japan Real Estate Institute
		NMF Shibuya Koen-dori Building	10,400	10,494	10,600	0.8	Daiwa Real Estate Appraisal Co., Ltd.
		Secom Medical Building	11,100	10,500	12,400	0.9	Japan Real Estate Institute
		NMF Shiba Building	7,040	7,079	7,460	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		Nishi-Shinjuku Showa Building	8,140	8,162	8,110	0.6	Appraisal Firm A Square Ltd.
		NRE Shibuya Dogenzaka Building	5,310	5,364	6,080	0.5	Daiwa Real Estate Appraisal Co., Ltd.
		Iwamoto-cho Toyo Building	4,050	4,134	4,810	0.4	Japan Real Estate Institute
		NMF Surugadai Building	4,690	4,688	5,220	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Nihonbashi Honcho	4,320	4,041	4,970	0.4	Japan Real Estate Institute
		PMO Nihonbashi Kayabacho	5,010	4,684	6,860	0.5	Japan Real Estate Institute
		NMF Gotanda Ekimae Building	4,430	4,507	5,370	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		PMO Akihabara	4,240	3,961	5,800	0.4	Japan Real Estate Institute
		Hatchobori NF Building	2,480	2,433	2,530	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kanda Iwamoto-cho Building	4,160	4,158	4,630	0.3	Japan Real Estate Institute
		NMF Takanawa Building	2,830	2,844	3,610	0.3	Japan Real Estate Institute
		PMO Hatchobori	2,880	2,628	3,540	0.3	Japan Real Estate Institute
		PMO Nihonbashi Odenmachi	2,210	2,038	3,130	0.2	Japan Real Estate Institute
		PMO Higashi-nihonbashi	1,690	1,520	2,060	0.2	Japan Real Estate Institute
		NRE Ueno Building	6,470	6,604	6,900	0.5	Japan Real Estate Institute
		NF Hongo Building	4,890	4,976	5,110	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Crystal Park Building	3,390	3,277	3,490	0.3	Appraisal Firm A Square Ltd.
		NMF Kichijoji Honcho Building	1,780	1,832	2,240	0.2	Japan Real Estate Institute
		Faret Tachikawa Center Square	3,850	3,788	4,490	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Kawasaki Higashiguchi Building	7,830	8,028	9,480	0.7	Japan Valuers Co., Ltd.
		NMF Yokohama Nishiguchi Building	5,460	5,512	8,730	0.7	Japan Real Estate Institute
		NMF Shin-Yokohama Building	2,620	2,782	2,900	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Tamachi	6,210	6,065	8,760	0.7	Japan Real Estate Institute
PMO Ginza Hatchome	3,970	3,892	5,370	0.4	Japan Real Estate Institute		
PMO Shibakoen	3,900	3,787	5,480	0.4	Japan Real Estate Institute		
NEC Head Office Building (Note 6)	44,100	44,511	50,000	3.8	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	Harumi Island Triton Square Office Tower Y	18,200	17,867	17,400	1.3	Daiwa Real Estate Appraisal Co., Ltd.
		NMF Aoyama 1-chome Building	10,400	10,602	13,400	1.0	Japan Real Estate Institute
		NMF Takebashi Building	8,330	8,448	8,980	0.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Harumi Island Triton Square Office Tower Z	8,180	7,979	8,360	0.6	Daiwa Real Estate Appraisal Co., Ltd.
		NMF Kayabacho Building	6,070	5,973	8,440	0.6	Japan Real Estate Institute
		NMF Shinjuku EAST Building	5,710	5,754	6,390	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		NMF Shiba-Koen Building	3,620	3,761	4,670	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	1,783	2,150	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PMO Shinnihonbashi	4,440	4,312	5,620	0.4	Japan Real Estate Institute
		PMO Hirakawacho	3,410	3,325	4,360	0.3	Japan Real Estate Institute
		PMO Nihonbashi Mitsukoshi-mae	4,310	4,270	5,910	0.4	Japan Real Estate Institute
		PMO Shibadaimon	2,130	2,121	2,660	0.2	Japan Real Estate Institute
		PMO Tamachi II	10,900	10,760	13,200	1.0	Japan Real Estate Institute
		PMO Hatchobori Shinkawa	3,805	3,733	4,510	0.3	Japan Real Estate Institute
		PMO Hatchobori III	2,880	2,846	3,420	0.3	Japan Real Estate Institute
		PMO Ochanomizu	3,890	3,832	4,700	0.4	Japan Real Estate Institute
		PMO Akihabara Kita	8,450	8,298	9,530	0.7	Japan Real Estate Institute
		PMO Higashi-Shinbashi	4,730	4,711	5,580	0.4	Japan Real Estate Institute
		PMO Hamamatsucho	4,380	4,338	5,320	0.4	Japan Real Estate Institute
	PMO Hamamatsucho II	5,500	5,494	6,100	0.5	Japan Real Estate Institute	
	Other areas	Sapporo North Plaza	6,250	6,842	9,110	0.7	Japan Real Estate Institute
		NRE Sapporo Building	4,140	3,627	5,510	0.4	Japan Real Estate Institute
		NMF Sendai Aoba-dori Building	2,030	2,197	2,180	0.2	JLL Morii Valuation & Advisory K.K.
		NMF Nagoya Fushimi Building	2,240	1,918	2,650	0.2	Japan Real Estate Institute
		Omron Kyoto Center Building	18,300	18,106	20,700	1.6	Japan Real Estate Institute
		SORA Shin-Osaka 21	12,100	12,293	13,200	1.0	Japan Valuers Co., Ltd.
		NRE Osaka Building	6,100	7,505	7,800	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Nishi-Umeda Building	3,450	3,681	3,950	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		NRE Yotsubashi Building	4,000	4,591	5,460	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
NRE Hiroshima Building		2,280	2,462	2,940	0.2	The Tanizawa Sogo Appraisal Co., Ltd.	
NMF Hakata Ekimae Building	4,210	4,184	6,210	0.5	Japan Real Estate Institute		
Office subtotal		468,685	471,518	549,170	41.4		

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	Yokosuka More's City	13,640	13,639	14,800	1.1	The Tanizawa Sogo Appraisal Co., Ltd.
		Recipe SHIMOKITA	10,407	10,073	10,700	0.8	Japan Valuers Co., Ltd.
		Kawasaki More's	6,080	6,602	8,570	0.6	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Shinjuku	4,260	4,374	5,260	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINA Ikebukuro	3,990	4,009	4,560	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		covirma machida	3,440	3,828	4,010	0.3	Japan Real Estate Institute
		Nitori Makuhari	3,080	2,538	4,040	0.3	Japan Real Estate Institute
		Konami Sports Club Fuchu	2,730	2,497	3,380	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		FESTA SQUARE	2,600	2,114	3,810	0.3	Japan Real Estate Institute
		GEMS Shibuya	2,490	2,311	2,880	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		EQUINIA Aobadai	1,560	1,533	2,890	0.2	Japan Real Estate Institute
		Megalos Kanagawa	1,000	932	1,560	0.1	Japan Real Estate Institute
		Mitsubishi Motors Meguro (Land)	2,740	2,764	3,630	0.3	Japan Real Estate Institute
		Mitsubishi Motors Chofu (Land)	1,760	1,776	1,720	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Nerima (Land)	1,240	1,251	1,550	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	850	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Katsushika (Land) (Note 7)	762	770	888	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashikurume (Land)	800	808	937	0.1	Japan Real Estate Institute
		Mitsubishi Motors Setagaya (Land)	770	779	1,240	0.1	Japan Real Estate Institute
		Mitsubishi Motors Sekimachi (Land)	600	606	766	0.1	Japan Real Estate Institute
		Mitsubishi Motors Higashiyamato (Land)	450	455	538	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Mitsubishi Motors Motsumiyoshi (Land)	370	375	457	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	176	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		Mitsubishi Motors Sayama (Land)	160	163	188	0.0	The Tanizawa Sogo Appraisal Co., Ltd.
		NRE Kichijoji Building	10,410	10,021	11,400	0.9	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Ichigaya	2,080	2,001	2,130	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Shopping Center	6,840	6,662	7,530	0.6	Japan Real Estate Institute
		Musashiurawa Shopping Square (Note 6)	2,720	2,501	2,850	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		Summit Store Naritahigashi (Land)	700	747	843	0.1	Japan Real Estate Institute
		GEMS Daimon	2,060	1,974	2,070	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Shin-Nihonbashi	1,500	1,443	1,530	0.1	Daiwa Real Estate Appraisal Co., Ltd.
Summit Store Mukodaicho	5,100	5,001	5,370	0.4	Japan Valuers Co., Ltd.		
GEMS Shinbashi	2,810	2,777	2,790	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
Retail	Greater Tokyo area	GEMS Kayabacho	2,594	2,516	2,630	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		Summit Store Honamanuma	2,160	2,140	3,000	0.2	JLL Morii Valuation & Advisory K.K.
		GEMS Shin-Yokohama	1,820	1,736	1,820	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		GEMS Sangenjaya	1,815	1,790	1,810	0.1	JLL Morii Valuation & Advisory K.K.
	Other areas	Universal CityWalk Osaka	17,639	16,836	18,600	1.4	Japan Valuers Co., Ltd.
		Izumiya SC Senrioka	8,930	8,401	12,600	1.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya SC Yao	4,406	3,936	5,790	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		Izumiya SC Obayashi	3,020	3,078	3,910	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		EQUINIA Aobadori	1,640	1,326	1,830	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		MEL Building	1,060	1,069	1,210	0.1	Japan Real Estate Institute
		nORBESA	8,500	8,962	8,460	0.6	Japan Real Estate Institute
		Nakaza Cui-daore Building	11,600	12,137	9,780	0.7	Japan Valuers Co., Ltd.
		NMF Kobe Myodani Building	3,560	3,566	3,670	0.3	Japan Valuers Co., Ltd.
		GEMS Namba	3,800	3,750	4,210	0.3	JLL Morii Valuation & Advisory K.K.
MEFULL Chayamachi	3,735	3,775	4,190	0.3	Japan Real Estate Institute		
Retail subtotal		177,779	174,743	201,161	15.2		

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
Logistics	Greater Tokyo area	Landport Urayasu	17,400	15,571	25,500	1.9	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Itabashi	15,710	14,166	22,600	1.7	The Tanizawa Sogo Appraisal Co., Ltd.
		Landport Kawagoe	13,700	11,169	20,100	1.5	Japan Real Estate Institute
		Landport Atsugi	11,410	9,599	13,900	1.0	The Tanizawa Sogo Appraisal Co., Ltd.
		Sagamihara Tana Logistics Center	10,600	9,248	14,500	1.1	Daiwa Real Estate Appraisal Co., Ltd.
		Sagamihara Onodai Logistics Center	8,700	8,033	12,800	1.0	Japan Real Estate Institute
		Landport Hachioji	8,250	6,864	11,300	0.9	Japan Real Estate Institute
		Landport Kasukabe	7,340	5,850	9,860	0.7	Japan Real Estate Institute
		Atsugi Minami Logistics Center B Tower	4,590	3,994	6,720	0.5	The Tanizawa Sogo Appraisal Co., Ltd.
		Hanyu Logistics Center	3,810	3,090	5,290	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center B Tower	3,750	3,463	5,100	0.4	Daiwa Real Estate Appraisal Co., Ltd.
		Kawaguchi Logistics Center A Tower	2,830	2,699	4,000	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		Atsugi Minami Logistics Center A Tower	2,690	2,477	3,950	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		Kawaguchi Ryoke Logistics Center	10,790	10,382	17,000	1.3	JLL Morii Valuation & Advisory K.K.
		Landport Kashiwa Shonan II	10,800	10,329	12,900	1.0	Japan Valuers Co., Ltd.
		Landport Kashiwa Shonan I	9,900	9,457	11,600	0.9	Japan Valuers Co., Ltd.
		Landport Hachioji II	9,230	9,186	11,900	0.9	Japan Valuers Co., Ltd.
		Landport Iwatsuki	6,090	5,924	6,930	0.5	Japan Valuers Co., Ltd.
		Landport Ome I	13,640	13,340	15,300	1.2	Japan Valuers Co., Ltd.
		Landport Higashi-Narashino	11,872	11,450	17,300	1.3	Japan Valuers Co., Ltd.
	Landport Ome II	14,620	14,447	17,000	1.3	Japan Valuers Co., Ltd.	
Landport Ome III	17,000	16,934	20,000	1.5	Japan Valuers Co., Ltd.		
Landport Shinonome / Yasuda Soko (Note 8)	5,750	5,780	6,200	0.5	Daiwa Real Estate Appraisal Co., Ltd.		
Other areas	Hirakata Kuzuha Logistics Center	3,460	3,231	4,530	0.3	Daiwa Real Estate Appraisal Co., Ltd.	
Logistics subtotal			223,932	206,693	296,280	22.4	

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 Shirokane Takanawa	3,400	3,109	4,170	0.3	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Yoyogi Uehara	989	935	1,160	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Hatsudai	713	669	836	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shibuya Sakuragaoka	750	688	813	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Gakugei Daigaku	746	684	930	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Meguro Gyoninzaka	939	864	1,200	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sumida Riverside	2,280	2,020	2,950	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kagurazaka	1,590	1,418	1,880	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Waseda	1,110	990	1,370	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Shinjuku Kawadacho (Note 7)	932	833	1,180	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Sangen Jaya	1,190	1,060	1,390	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata	1,160	997	1,430	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamata II	3,320	2,894	3,800	0.3	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shinotsuka	623	540	615	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kiyosumi Shirakawa	928	810	1,060	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho II	652	577	704	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Monzen Nakacho I	1,030	891	1,060	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Fujimidai	1,470	1,305	2,090	0.2	Japan Real Estate Institute
		PROUD FLAT Asakusa Komagata	1,920	1,639	2,700	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Yokohama	2,090	1,826	2,690	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kamioooka	2,710	2,361	3,070	0.2	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Tsurumi II	1,650	1,432	2,230	0.2	Japan Real Estate Institute
		PRIME URBAN Azabu Juban	1,100	1,088	1,130	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Akasaka	938	917	1,080	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Tamachi	972	911	1,130	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shibaura LOFT	1,830	1,669	2,180	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Ebisu II	1,140	1,095	1,720	0.1	Japan Real Estate Institute
		PRIME URBAN Bancho	1,090	1,038	1,220	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chiyoda Fujimi	679	644	715	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Iidabashi	2,040	1,882	2,090	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Ebisu	1,260	1,227	1,400	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Naka Meguro	1,410	1,347	1,550	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Gakugei Daigaku	775	711	909	0.1	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Senzoku	474	442	529	0.0	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Meguro Riverside	414	373	472	0.0	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	PRIME URBAN Meguro Ohashi Hills	2,970	2,730	3,500	0.3	Japan Valuers Co., Ltd.
		PRIME URBAN Meguro Aobadai	1,310	1,237	2,200	0.2	Japan Real Estate Institute
		PRIME URBAN Gakugei Daigaku II	1,080	1,020	1,520	0.1	Japan Real Estate Institute
		PRIME URBAN Naka Meguro II	2,850	2,788	3,810	0.3	Japan Real Estate Institute
		PRIME URBAN Kachidoki	2,570	2,565	2,910	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinkawa	2,100	2,083	2,730	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Nihonbashi Yokoyamacho	4,220	3,785	5,360	0.4	Japan Valuers Co., Ltd.
		PRIME URBAN Nihonbashi Hamacho	1,550	1,436	2,290	0.2	Japan Real Estate Institute
		PRIME URBAN Hongo Ikizaka	557	511	680	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Hakusan	866	742	994	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yotsuya Gaien Higashi	1,490	1,424	1,570	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Shinjuku I	1,090	1,014	1,370	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Naitomachi	430	421	503	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Nishi Waseda	421	372	517	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Shinjuku Ochiai	594	594	642	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Mejiro	1,430	1,346	1,910	0.1	Japan Real Estate Institute
		PRIME URBAN Kagurazaka	2,900	2,620	4,080	0.3	Japan Real Estate Institute
		PRIME URBAN Chitose Karasuyama	717	726	749	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sangen Jaya	724	668	784	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Minami Karasuyama	667	598	842	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Karasuyama Galleria	549	493	673	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Karasuyama Court	338	307	415	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Chitose Funabashi	746	678	780	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Yoga	1,390	1,275	1,910	0.1	Japan Real Estate Institute
		PRIME URBAN Osaki	1,860	1,740	1,920	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Oimachi II	1,040	1,111	1,420	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yukigaya	951	932	798	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Omori	905	816	981	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Denenchofu Minami	774	682	706	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Nagahara Kamiikedai	1,720	1,608	2,120	0.2	Japan Real Estate Institute
		PRIME URBAN Nakano Kamitakada	498	443	563	0.0	Japan Valuers Co., Ltd.
		PRIME URBAN Nishi Ogikubo	414	388	483	0.0	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Nishi Ogikubo II	1,790	1,702	2,240	0.2	Japan Real Estate Institute		

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Residential	Greater Tokyo area	PRIME URBAN Ikebukuro	3,800	3,455	5,380	0.4	Japan Real Estate Institute
		PRIME URBAN Monzen Nakacho	2,420	2,222	2,740	0.2	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kameido	779	680	784	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Sumiyoshi	632	557	594	0.0	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kinshi Koen	1,290	1,118	1,370	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kinshicho	758	680	812	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Hirai	722	642	732	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai	640	563	679	0.1	Chuo Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kasai East	1,140	993	1,430	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Itabashi Kuyakushomae	1,080	950	1,430	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Machiya South Court	1,910	1,783	2,520	0.2	Japan Real Estate Institute
		PRIME URBAN Musashi Koganei	1,910	1,950	1,970	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Musashino Hills	1,280	1,306	1,440	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Koganei Honcho	791	734	947	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Kumegawa	1,520	1,260	1,730	0.1	Japan Real Estate Institute
		PRIME URBAN Musashi Kosugi comodo	1,940	1,903	2,660	0.2	Japan Valuers Co., Ltd.
		PRIME URBAN Kawasaki	962	944	1,080	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Shinyurigaoka	1,020	896	1,390	0.1	Japan Valuers Co., Ltd.
		PRIME URBAN Tsurumi Teraya	493	483	516	0.0	Japan Real Estate Institute
		PRIME URBAN Urayasu	804	727	836	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku I	633	583	717	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku II	730	674	783	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku Ekimae II	469	439	668	0.1	Japan Real Estate Institute
		PRIME URBAN Gyotoku III	747	702	1,070	0.1	Japan Real Estate Institute
		PRIME URBAN Kawaguchi	1,580	1,444	1,850	0.1	Japan Valuers Co., Ltd.
		PROUD FLAT Hatchobori	920	895	1,320	0.1	Japan Real Estate Institute
		PROUD FLAT Itabashi Honcho	720	670	995	0.1	Japan Real Estate Institute
		PRIME URBAN Meguro Mita	1,058	1,100	1,180	0.1	Japan Valuers Co., Ltd.
		Fukasawa House Towers H&I	7,140	6,878	9,160	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Toyosu	5,290	4,917	6,660	0.5	Daiwa Real Estate Appraisal Co., Ltd.
PRIME URBAN Nihonbashi Kayabacho	2,850	2,719	3,560	0.3	Daiwa Real Estate Appraisal Co., Ltd.		
PRIME URBAN Yoga II	1,320	1,226	1,560	0.1	The Tanizawa Sogo Appraisal Co., Ltd.		

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Residential	Greater Tokyo area	PRIME URBAN Musashi Koganei II	1,310	1,196	1,660	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Gakugei daigaku parkfront	1,300	1,346	1,580	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Omori III	1,110	1,085	1,520	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Kinshicho	785	756	1,060	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Sangenjaya II	2,750	2,798	3,190	0.2	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Sotokanda	2,280	2,261	2,970	0.2	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Noborito	1,216	1,186	1,570	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Yoyogi Hachiman	966	964	1,220	0.1	JLL Morii Valuation & Advisory K.K.
		PROUD FLAT Nakaochiai	844	833	1,040	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Shibuya Tomigaya	3,960	3,971	5,310	0.4	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Miyazakidai	1,390	1,407	1,740	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Asakusabashi III	1,230	1,244	1,450	0.1	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Togoshi-Koen	2,580	2,618	3,040	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Togoshi-Ginza	2,550	2,605	2,900	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PRIME URBAN Higashi Nakano Court	7,020	7,248	8,760	0.7	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Nezu Yanaka	1,400	1,450	1,710	0.1	Daiwa Real Estate Appraisal Co., Ltd.
		PROUD FLAT Kikukawa	2,720	2,806	3,040	0.2	The Tanizawa Sogo Appraisal Co., Ltd.
		PROUD FLAT Asakusa	2,410	2,495	2,870	0.2	Japan Real Estate Institute
	PROUD FLAT Kinshicho II	2,030	2,101	2,250	0.2	Japan Real Estate Institute	
	PROUD FLAT Shibuya Sasazuka	2,200	2,281	2,470	0.2	Japan Real Estate Institute	
	PROUD FLAT Asakusa DIAGE	1,300	1,353	1,460	0.1	Japan Real Estate Institute	
	PROUD FLAT Itsutsubashi	652	526	632	0.0	Daiwa Real Estate Appraisal Co., Ltd.	
	PROUD FLAT Kawaramachi	735	587	553	0.0	Japan Real Estate Institute	
	PROUD FLAT Shin Osaka	1,620	1,308	2,200	0.2	Japan Real Estate Institute	
	PRIME URBAN Kita Juyo Jo	274	234	286	0.0	The Tanizawa Sogo Appraisal Co., Ltd.	
	PRIME URBAN Odori Koen I	502	420	457	0.0	Japan Real Estate Institute	
	PRIME URBAN Odori Koen II	334	284	266	0.0	Japan Real Estate Institute	
	PRIME URBAN Kita Juichi Jo	547	446	595	0.0	Japan Valuers Co., Ltd.	
	PRIME URBAN Miyanosawa	475	382	477	0.0	Japan Valuers Co., Ltd.	
	PRIME URBAN Odori Higashi	394	326	431	0.0	Japan Valuers Co., Ltd.	
	PRIME URBAN Sapporo Idaimae	616	515	637	0.0	Japan Valuers Co., Ltd.	
	PRIME URBAN Sapporo Riverfront	4,480	3,808	4,870	0.4	Japan Valuers Co., Ltd.	
PRIME URBAN Kita Sanjo Dori	1,730	1,440	2,020	0.2	Japan Valuers Co., Ltd.		
PRIME URBAN Nagamachi Icchome	1,140	958	989	0.1	Japan Valuers Co., Ltd.		
PRIME URBAN Yaotome Chuo	466	370	353	0.0	Japan Valuers Co., Ltd.		
PRIME URBAN Tsutsumidori Amamiya	949	928	1,040	0.1	Japan Real Estate Institute		
PRIME URBAN Izumi	3,770	3,189	3,800	0.3	Japan Valuers Co., Ltd.		
PRIME URBAN Sakaisuji Honmachi	1,810	1,535	2,390	0.2	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
Residential	Other areas	PRIME URBAN Hakata	588	496	626	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Yakui Minami	265	221	283	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Kashii	398	317	299	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		PRIME URBAN Hakata Higashi	622	508	514	0.0	Daiwa Real Estate Appraisal Co., Ltd.
		Serenite Shinsaibashi Grande	5,567	5,494	6,410	0.5	Daiwa Real Estate Appraisal Co., Ltd.
	Greater Tokyo area	SOMPO CARE La vie Re Residence Yoga	2,850	3,218	3,350	0.3	Japan Valuers Co., Ltd.
		Grapes Tsujido Nishi-Kaigan (Note 9)	1,820	2,110	2,270	0.2	Japan Valuers Co., Ltd.
		SOMPO CARE Somp no ie Omori-Nishi	1,462	1,552	1,830	0.1	Japan Valuers Co., Ltd.
		SOMPO CARE La vie Re Residence Shonan Tsujido	1,150	1,265	1,580	0.1	Japan Valuers Co., Ltd.
		Irise Urayasu	1,085	1,169	1,150	0.1	Japan Valuers Co., Ltd.
Residential subtotal			218,826	206,518	263,104	19.9	
Hotels	Other areas	Hotel Vista Sapporo Odori	3,600	3,623	3,850	0.3	Japan Valuers Co., Ltd.
		Comfort Inn Naha Tomari Port	2,650	2,711	2,540	0.2	Japan Valuers Co., Ltd.
		Hotel Wing International Premium Kyoto-Sanjo	3,200	3,328	3,580	0.3	Japan Valuers Co., Ltd.
Hotel subtotal			9,450	9,664	9,970	0.8	
Other	Greater Tokyo area	Ryotokuji University Shin-Urayasu Campus (Land)	4,900	5,136	5,580	0.4	Japan Real Estate Institute
Other subtotal			4,900	5,136	5,580	0.4	
Total			1,103,573	1,074,275	1,325,265	100	

(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 17th fiscal period-end (February 29, 2024) 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 (291 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 holds quasi co-ownership of 51.0% 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 9) As of April 1, 2024, Grapes Tsujido Nishi-Kaigan has been renamed as SOMPO CARE La vie Re Residence Tsujido Nishi-Kaigan. The same shall be applied throughout this documents.

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 17th 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 17th fiscal period	Total amount already paid
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase III/IX)	From Mar. 2024 To Aug. 2024	95,915	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase IV/IX)	From Sep. 2024 To Feb. 2025	83,923	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase V/IX)	From Mar. 2025 To Aug. 2025	51,860	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase VI/IX)	From Sep. 2025 To Feb. 2026	75,237	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase VII/IX)	From Mar. 2026 To Aug. 2026	118,757	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase VIII/IX)	From Sep. 2026 To Feb. 2027	105,408	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Repair of restroom (phase IX/IX)	From Mar. 2027 To Jun. 2027	19,770	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Renewal of elevator on the north side (phase I/VI)	From Mar. 2024 To Aug. 2024	35,118	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Renewal of elevator on the north side (phase II/VI)	From Sep. 2024 To Feb. 2025	112,480	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Renewal of elevator on the north side (phase III/VI)	From Mar. 2025 To Aug. 2025	77,362	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Renewal of elevator on the north side (phase IV/VI)	From Sep. 2025 To Feb. 2026	43,770	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Renewal of elevator on the north side (phase V/VI)	From Mar. 2026 To Aug. 2026	87,541	-	-
NRE Tennozu Building (Shinagawa Ward, Tokyo)	Renewal of elevator on the north side (phase VI/VI)	From Sep. 2026 To Feb. 2027	50,896	-	-
NF Hongo Building (Bunkyo Ward, Tokyo)	Renewal of air conditioning (phase II/III)	From Sep. 2023 To Mar. 2024	99,900	-	-
NF Hongo Building (Bunkyo Ward, Tokyo)	Renewal of air conditioning (phase III/III)	From Mar. 2024 To Sep. 2024	97,300	-	-
Sapporo North Plaza (Sapporo City, Hokkaido)	Renewal of emergency power generator	From Oct. 2023 To Apr. 2025	128,518	-	-
NMF Sendai Aoba-dori Building (Sendai City, Miyagi)	Renewal of emergency power generator	From Nov. 2023 To Feb. 2025	104,000	-	-
NRE Nishi-Umeda Building (Osaka City, Osaka)	Renewal of electric board for 9~12 floors	From Dec. 2023 To Aug. 2024	42,000	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of AHU (phase III/V)	From Mar. 2024 To Aug. 2024	51,550	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of AHU (phase IV/V)	From Sep. 2024 To Feb. 2025	51,417	-	-
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of AHU (phase V/V)	From Mar. 2025 To Aug. 2025	52,739	-	-
EQUINIA Aobadori (Sendai City, Miyagi)	Renewal of air conditioner system (phase III/IV)	From Mar. 2024 To Aug. 2024	39,000	-	-

EQUINIA Aobadori (Sendai City, Miyagi)	Renewal of air conditioner system (phase IV/IV)	From Sep. 2024 To Dec. 2024	20,000	-	-
PROUD FLAT Sangen Jaya (Setagaya Ward, Tokyo)	Repair of exterior wall	From Oct. 2023 To Mar. 2024	37,400	-	-
PROUD FLAT Yokohama (Yokohama City, Kanagawa)	Repair of exterior wall	From Oct. 2024 To Feb. 2025	52,000	-	-
PROUD FLAT Hirai (Edogawa Ward, Tokyo)	Repair of exterior wall	From Oct. 2023 To Mar. 2024	29,900	-	-

(Note) Total amount already paid does not include the amount paid during the 17th fiscal period.

(b) Capital Expenditures during the 17th Fiscal Period

The following is an overview of the major construction work falling under the category of capital expenditures that was conducted during the 17th fiscal period for the assets held as of the end of the 17th fiscal period. Capital expenditures during the 17th fiscal period were ¥3,524,595 thousand and, when combined with the ¥1,843,267 thousand repair expenses classified as expenses during the 17th fiscal period, a total of ¥5,367,863 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)
NORBESA (Sapporo City, Hokkaido)	Renewal of GHP outside unit	From Oct. 2023 To Nov. 2023	104,331
NMF Shin-yokohama Building (Yokohama City, Kanagawa)	Renewal of elevator (control system renewal of 3 units)	From Sep. 2023 To Oct. 2023	71,270
EQUINIA Shinjuku (Shinjuku Ward, Tokyo)	Renewal of Packged air Conditioning Equipment (2nd, 4th and 8th floor)	From Oct. 2023 To Jan. 2024	66,954
PROUD FLAT Sangen Jaya II (Setagaya Ward, Tokyo)	Floor plans change	From Dec. 2023 To Feb. 2024	63,172
NRE Sapporo Building (Sapporo City, Hokkaido)	Renewal of air conditioner outdoor unit (phase III/III)	From Aug. 2023 To Nov. 2023	56,715
NRE Yotsubashi Building (Osaka City, Osaka)	Renewal of AHU (phase II/V)	From Sep. 2023 To Jan. 2024	49,062
Iwamoto-cho Toyo Building (Chiyoda ward, Tokyo)	Renewal of generator	From Jun. 2023 To Feb. 2024	42,472
NMF Shibakoen Building (Minato Ward, Tokyo)	Renewal of elevator	From Sep. 2023 To Oct. 2023	38,242
EQUINIA Aobadori (Sendai City, Miyagi)	Renewal of air conditioning (phase II)	From Sep. 2023 To Feb. 2024	32,644
PRIME URBAN Sapporo Idaimae (Sapporo City, Hokkaido)	Renewal of intercom system	From Nov. 2023 To Feb. 2024	11,056
PRIME URBAN Kita Juyo Jo (Sapporo City, Hokkaido)	Renewal of intercom system	From Oct. 2023 To Oct. 2023	2,729
Other real estate, etc.	Improvement of features	From Sep. 2023 To Feb. 2024	2,985,944
Total			3,524,595