

**Nomura Real Estate Master Fund, Inc.**

The Report on Financial Results  
and Operational Status

*for the six-month period ended February 28, 2026*

## Independent Auditor's Report

The Board of Directors  
Nomura Real Estate Master Fund, Inc.

### *The Audit of the Financial Statements*

#### **Opinion**

We have audited the accompanying financial statements of Nomura Real Estate Master Fund, Inc. (the Company), which comprise the balance sheet as at February 28, 2026, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2026, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Other information comprises the information included in disclosure documents that contain audited financial statements, but does not include the financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

#### **Responsibilities of Management and the Supervisory Director for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

### ***Fee-related Information***

The fees for the audits of the financial statements of the Company and other services provided by us and other EY member firms for the six-month period ended February 28, 2026 are 26 million yen and 10 million yen, respectively.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

May 28, 2026

Makoto Suzuki

Designated Engagement Partner  
Certified Public Accountant

Hiroki Tanaka

Designated Engagement Partner  
Certified Public Accountant

# Nomura Real Estate Master Fund, Inc.

## 21st Fiscal Period Report on Financial Results and Operational Status

### BALANCE SHEET

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and bank deposits	51,194,010	55,016,761
Rental receivables	1,226,808	931,083
Income taxes receivable	7,249	11,074
Other current assets	1,622,824	1,680,662
Total current assets	54,050,892	57,639,582
<b>Property and Equipment:</b>		
Land	751,692,151	751,699,844
Buildings and structures	391,215,259	394,557,538
Machinery and equipment	2,939,988	3,094,265
Tools, furniture and fixtures	3,387,114	3,735,599
Leased assets	12,417	6,300
Construction in progress	280,236	1,157
Subtotal	1,149,527,167	1,153,094,705
Less accumulated depreciation	(100,801,256)	(106,484,985)
Net property and equipment	1,048,725,911	1,046,609,720
<b>Investments and Other Assets:</b>		
Goodwill	54,120,066	51,497,823
Leasehold rights	20,914,396	20,826,819
Intangible assets	21,367	16,448
Long-term prepaid expenses	1,788,831	1,682,958
Long-term deposits	319,680	325,130
Security deposits	1,172,074	1,161,874
Deferred investment corporation bond issuance costs	167,017	152,859
Total investments and other assets	78,503,434	75,663,915
<b>Total Assets</b>	<b>1,181,280,238</b>	<b>1,179,913,218</b>

The accompanying notes to financial statements are an integral part of these statements.

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Trade accounts payable	2,952,205	3,500,028
Current portion of long-term debt	65,600,000	78,005,000
Lease obligations in trust	1,372	1,155
Other accounts payable	3,078,713	3,706,912
Accrued expenses	369,388	358,129
Accrued income taxes	605	605
Accrued consumption taxes	1,204,936	455,246
Rent received in advance	5,711,106	5,676,819
Other current liabilities	76,852	21,461
Total current liabilities	78,995,180	91,725,357
<b>Long-term Liabilities:</b>		
Investment corporation bonds	35,900,000	35,900,000
Long-term debt	420,720,000	408,315,000
Lease obligations in trust	5,582	5,005
Security deposits from tenants	41,737,524	43,141,118
Asset retirement obligations	776,080	782,998
Total long-term liabilities	499,139,187	488,144,122
<b>Total Liabilities</b>	<b>578,134,367</b>	<b>579,869,480</b>
<b>NET ASSETS</b>		
<b>Unitholders' Equity:</b>		
Unitholders' capital	245,172,235	245,196,256
Surplus		
Capital surplus	394,012,959	394,012,959
Allowance for temporary difference adjustment	(25,976,669)	(25,952,648)
Other deductions from capital surplus	(27,652,345)	(27,676,366)
Total deductions from capital surplus	(53,629,015)	(53,629,015)
Net capital surplus	340,383,943	340,383,943
Retained earnings	17,589,691	14,463,537
Total surplus	357,973,635	354,847,481

Thousands of Yen

	<b>As of August 31, 2025</b>	<b>As of February 28, 2026</b>
Total unitholders' equity	603,145,870	600,043,738
<b>Total Net Assets</b>	603,145,870	600,043,738
<b>Total Liabilities and Net Assets</b>	1,181,280,238	1,179,913,218

The accompanying notes to financial statements are an integral part of these statements.

# STATEMENT OF INCOME AND RETAINED EARNINGS

Thousands of Yen

	For the period from March 1, 2025 to August 31, 2025	For the period from September 1, 2025 to February 28, 2026
<b>OPERATING REVENUES AND EXPENSES</b>		
<b>Operating Revenues:</b>		
Real estate rental revenues	40,386,398	41,186,131
Gain on sales of real estate	3,324,150	
	43,710,549	41,186,131
<b>Operating Expenses:</b>		
Real estate rental expenses	18,107,204	18,554,693
Asset management fees	3,635,859	3,467,073
Asset custody fees	57,668	57,533
Administrative service fees	163,031	160,873
Amortization of goodwill	2,622,242	2,622,242
Other operating expenses	562,744	465,378
	25,148,751	25,327,794
<b>Operating Income</b>	18,561,798	15,858,337
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
<b>Non-Operating Revenues:</b>		
Interest income	47,508	72,310
Reversal of dividends payable	3,096	6,935
Interest on tax refund	-	2
Other non-operating revenues	1,159	34,608
	51,764	113,856
<b>Non-Operating Expenses:</b>		
Interest expenses	1,867,554	1,951,520
Interest expenses on investment corporation bonds	208,460	205,202
Amortization of investment corporation bonds issuance costs	14,157	14,157
Loan arrangement fees	421,518	443,057
Other non-operating expenses	2,345	2,361
	2,514,036	2,616,299
<b>Ordinary Income</b>	16,099,526	13,355,894

Thousands of Yen

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
<b>Extraordinary Gain</b>		
Gain on donation of non-current assets	4,994	-
	4,994	-
<b>Income before Income Taxes</b>	16,104,520	13,355,894
<b>Income Taxes:</b>		
Current	605	605
	605	605
<b>Net Income</b>	16,103,915	13,355,289
Retained earnings brought forward	1,485,776	1,108,248
<b>Retained Earnings at End of Period</b>	17,589,691	14,463,537

The accompanying notes to financial statements are an integral part of these statements.

# STATEMENT OF CHANGES IN NET ASSETS

For the period from March 1, 2025 to August 31, 2025

Thousands of Yen

	Unitholders' Equity						
	Units	Unitholders' capital	Surplus				Net capital surplus
			Capital surplus			Total deductions from capital surplus	
			Capital surplus	Allowance for temporary difference adjustment	Other deductions from capital surplus		
<b>Balance as of March 1, 2025</b>	4,646,364	245,148,642	394,012,959	(26,000,261)	(27,628,753)	(53,629,015)	340,383,943
Distributions of retained earnings	-	-	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	-	23,592	-	23,592	(23,592)	-	-
Net income	-	-	-	-	-	-	-
Total changes of items during the period	-	23,592	-	23,592	(23,592)	-	-
<b>Balance as of August 31, 2025</b>	<b>4,646,364</b>	<b>245,172,235</b>	<b>394,012,959</b>	<b>(25,976,669)</b>	<b>(27,652,345)</b>	<b>(53,629,015)</b>	<b>340,383,943</b>

	Unitholders' Equity		Total net assets	
	Surplus		Total unitholders' equity	Total net assets
	Retained earnings	Total surplus		
<b>Balance as of March 1, 2025</b>	17,553,263	357,937,207	603,085,849	603,085,849
Distributions of retained earnings	(16,043,894)	(16,043,894)	(16,043,894)	(16,043,894)
Reversal of allowance for temporary difference adjustments	(23,592)	(23,592)	-	-
Net income	16,103,915	16,103,915	16,103,915	16,103,915
Total changes of items during the period	36,428	36,428	60,020	60,020
<b>Balance as of August 31, 2025</b>	<b>17,589,691</b>	<b>357,973,635</b>	<b>603,145,870</b>	<b>603,145,870</b>

The accompanying notes to financial statements are an integral part of these statements.

For the period from September 1, 2025 to February 28, 2026

Thousands of Yen

	Unitholders' Equity						
	Surplus						
	Capital surplus						
	Units	Unitholders' capital	Capital surplus	Deductions from capital surplus			Net capital surplus
Allowance for temporary difference adjustment				Deductions from capital surplus	Total deductions from capital surplus		
<b>Balance as of September 1, 2025</b>	4,646,364	245,172,235	394,012,959	(25,976,669)	(27,652,345)	(53,629,015)	340,383,943
Distributions of retained earnings							
Reversal of allowance for temporary difference adjustments	-	24,021	-	24,021	(24,021)	-	-
Net income	-	-	-	-	-	-	-
Total changes of items during the period	-	24,021	-	24,021	(24,021)	-	-
<b>Balance as of February 28, 2026</b>	4,646,364	<b>245,196,256</b>	<b>394,012,959</b>	<b>(25,952,648)</b>	<b>(27,676,366)</b>	<b>(53,629,015)</b>	<b>340,383,943</b>

	Unitholders' Equity		Total net assets	
	Surplus		Total unitholders' equity	Total net assets
	Retained earnings	Total surplus		
<b>Balance as of September 1, 2025</b>	17,589,691	357,973,635	603,145,870	603,145,870
Distributions of retained earnings	(16,457,421)	(16,457,421)	(16,457,421)	(16,457,421)
Reversal of allowance for temporary difference adjustments	(24,021)	(24,021)	-	-
Net income	13,355,289	13,355,289	13,355,289	13,355,289
Total changes of items during the period	(3,126,153)	(3,126,153)	(3,102,132)	(3,102,132)
<b>Balance as of February 28, 2026</b>	<b>14,463,537</b>	<b>354,847,481</b>	<b>600,043,738</b>	<b>600,043,738</b>

The accompanying notes to financial statements are an integral part of these statements.

# STATEMENT OF CASH FLOWS

Thousands of Yen

	For the period from March 1, 2025 to August 31, 2025	For the period from September 1, 2025 to February 28, 2026
<b>CASH FLOWS</b>		
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	16,104,520	13,355,894
Depreciation	5,855,620	5,846,309
Amortization of goodwill	2,622,242	2,622,242
Amortization of investment corporation bonds issuance costs	14,157	14,157
Interest income	(47,508)	(72,310)
Interest expense	2,076,015	2,156,723
Loss on disposal of property and equipment	43,100	38,844
Decrease (Increase) in rental receivables	(329,515)	295,724
Decrease (Increase) in prepaid expenses	(77,122)	49,152
Decrease (Increase) in long-term prepaid expenses	71,277	105,873
Decrease (Increase) in long-term deposits	(6,851)	(5,450)
Increase (Decrease) in trade accounts payable	458,956	613,832
Increase (Decrease) in other accounts payable	(44,363)	(102,275)
Increase (Decrease) in accrued consumption taxes	808,409	(749,689)
Increase (Decrease) in rent received in advance	17,499	(34,287)
Decrease in property and equipment due to sales	10,703,258	-
Decrease in property and equipment in trust due to sales	8,355,382	-
Other	278,441	(167,704)
Subtotal	46,903,522	23,967,038
Interest received	47,508	72,310
Interest paid	(2,045,005)	(2,167,981)
Income taxes paid	(4,666)	(4,429)
<b>Net cash provided by (used in) operating activities</b>	<b>44,901,358</b>	<b>21,866,937</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of property and equipment	(23,003,199)	(3,011,017)
Payments for purchases of leasehold rights and intangible assets	(5,348)	(1,829)
Reimbursement of security deposits to tenants	(1,177,337)	(1,450,157)
Proceeds from security deposits from tenants	1,203,694	2,864,601
Payments for security deposits	-	-
Proceeds from security deposits	-	10,200
<b>Net cash provided by (used in) investing activities</b>	<b>(22,982,190)</b>	<b>(1,588,203)</b>

Thousands of Yen

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of short-term debt	(6,500,000)	-
Proceeds from long-term debt	38,280,000	27,700,000
Repayments of long-term debt	(38,294,200)	(27,700,000)
Payments for investment corporation bond issuance	(3,195)	-
Distributions to unitholders	(16,041,594)	(16,455,267)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(847)	(636)
Other distributions in excess of net earnings	(404)	(78)
<b>Net cash provided by (used in) financing activities</b>	<b>(22,560,241)</b>	<b>(16,455,981)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(641,073)</b>	<b>3,822,751</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>51,835,083</b>	<b>51,194,010</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>51,194,010</b>	<b>55,016,761</b>

The accompanying notes to financial statements are an integral part of these statements.

# NOTES TO FINANCIAL STATEMENTS

## 1. ORGANIZATION

Nomura Real Estate Master Fund, Inc. (“NMF”) is a real estate investment corporation formed to own and invest primarily in office buildings, retail facilities, logistics and residential facilities. NMF is externally managed by a licensed asset management company, Nomura Real Estate Asset Management Co., Ltd. (“NREAM”). NREAM is a wholly-owned subsidiary of Nomura Real Estate Holdings, Inc. NMF was established on October 1, 2015 through the consolidation type merger involving the former Nomura Real Estate Master Fund, Inc. (hereinafter the “former NMF”), Nomura Real Estate Office Fund, Inc. (hereinafter “NOF”) and Nomura Real Estate Residential Fund, Inc. (hereinafter “NRF”), and listed its investment securities (TSE code: 3462) on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on October 2 of the same year.

NMF adopts the basic policy of investing primarily in real estate and other assets to secure stable income and steady growth of assets under management over the medium to long term. 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 has strong tenant demand, while also considering regional diversification through the three major metropolitan areas and cabinet-order designated cities, etc. By combining the “diversified type strategy” in which investments are made in facilities of a variety of sectors such as office buildings, retail facilities, logistics and residential facilities with the “large-scale REIT strategy,” which pursues the effects of diversifying properties and tenants, to make the portfolio more stable as well as with the utilization of the “leasing value chain” with the Nomura Real Estate Group, the sponsor, NMF will aim to increase unitholder value by securing stable income and steady growth of assets under management over the medium to long term.

## 2. BASIS OF PRESENTATION

NMF maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Act of Japan, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of NMF, which were prepared in accordance with Japanese GAAP and were presented in NMF’s Securities Report filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include certain information that might not be required under Japanese GAAP but is presented herein as additional information. Amounts have been rounded to the nearest thousand yen in the accompanying financial statements and the notes thereto, whereas amounts were truncated in the Japanese financial statements prepared in accordance with Japanese GAAP. NMF’s fiscal period is a six-month period which ends at the end of February or August. NMF does not prepare consolidated financial statements because it has no subsidiaries.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments that are highly liquid, readily convertible to cash, with an insignificant risk of market value fluctuation, and with a maturity of three months or less when purchased.

### Property and equipment

Property and equipment are stated at cost, which includes the purchase price and related costs for acquisition, less accumulated depreciation.

Depreciation is calculated by the straight-line method over the estimated useful lives of the fixed assets outlined below:

Buildings	3 - 70 years
Structures	3 - 50 years
Machinery and equipment	3 - 17 years
Tools, furniture and fixtures	2 - 20 years

### **Intangible assets**

Intangible assets are amortized by the straight-line method.

Goodwill is amortized using the straight-line method over 20 years.

Fixed-term land leasehold is amortized using the straight-line method over the contractual period.

### **Long-term prepaid expenses**

Long-term prepaid expenses are amortized by the straight-line method.

### **Deferred investment corporation bond issuance costs**

Deferred investment corporation bond issuance costs are amortized by the straight-line method over the respective terms of the bonds.

### **Allowance for doubtful accounts**

For allowance for doubtful accounts against possible losses arising from default on receivables, the uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.

### **Accounting treatment of beneficial interests in real estate**

All assets and liabilities held in trust, for which the real estate in possession of NMF was entrusted, and all related earnings and expenses incurred are reflected in the accompanying balance sheet and statement of income and retained earnings, respectively.

### **Property related taxes**

Property in Japan is subject to property taxes, urban planning taxes and depreciable property taxes on a calendar year basis. The taxes related to property are generally imposed based on the value of the relevant property and incurred for the fiscal period. The seller of a property is liable for property related taxes for the period from the purchase date through the end of that calendar year because taxes are imposed on the owner registered in the record as of January 1 for the entire year based on the assessment made by the local government. The amount applicable to the buyer of a property is usually settled between each party and capitalized as part of the acquisition cost of the property. The capitalized property related taxes amounted to ¥28,402 thousand for the fiscal period ended August 31, 2025, and are not applicable for the fiscal period ended February 28, 2026.

### **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 NMF is acting as an agent in a transaction, 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.

### **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.

### **Hedge accounting method**

#### (1) Hedge accounting method

Deferral hedge accounting is applied. Special treatment is adopted for interest rate swaps when the requirements for special treatment are fulfilled.

#### (2) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Interest rates on loans

#### (3) Hedging Policy

The Investment Corporation conducts derivative transactions to hedge risks stipulated in the Investment Corporation's articles of incorporation in accordance with the Investment Corporation's basic risk management policy.

(4) Method of evaluating the effectiveness of hedging

The effectiveness of hedging is evaluated by determining the correlation between the market value fluctuation of the hedging instrument and the hedged item.

**UNAPPLIED ACCOUNTING STANDARD, etc.**

- “Accounting Standard for Leases” (Corporate Accounting Standards No. 34 issued by Accounting Standards Board of Japan (“ASBJ”) on September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (Implementation Guidance of Corporate Accounting Standards No.33 issued by ASBJ on September 13, 2024), etc.

(1) Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ considered to develop the Accounting Standard for Leases that would recognize assets and liabilities for all leases held by a lessee, taking into account international accounting standards. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of International Financial Reporting Standards (“IFRS”) 16 rather than adopting all of its provisions although it is based on the single accounting model of IFRS 16. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc.

Regarding the method for allocating the lease expenses in the lessee’s accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of the application

NMF will adopt the accounting standard, etc. from the beginning of the period ending February 29, 2028.

(3) Impact of the application of the respective accounting standard, etc.

NMF is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Leases", etc.

**Accounting Standard for Subsequent Events, etc.**

- “Accounting Standard for Subsequent Events”  
(ASBJ Statement No. 41, January 9, 2026, ASBJ)
- “Implementation Guidance on Accounting Standard for Subsequent Events”  
(ASBJ Guidance No. 35, January 9, 2026, ASBJ), etc.

(1) Overview

The Accounting Standard for Subsequent Events, etc. were established with the priority objective of setting comprehensive accounting standards addressing the definition, accounting treatment, and disclosure of subsequent events. As a basic policy, the accounting-related content presented in Audit Standards Report No. 560, Practical Guideline No. 1, “Audit Considerations Relating to Subsequent Events,” issued by the Auditing and Assurance Standards Committee of the Japanese Institute of Certified Public Accountants, has in principle been carried over and transferred to the Accounting Standards Board of Japan. In accordance with this policy, revisions to the wording and a reorganization of the evaluation period for subsequent events were conducted, and new disclosure requirements were introduced, such as notes regarding the approval of the issuance of financial statements. Accordingly, these standards prescribe the accounting treatment and disclosure related to subsequent events.

(2) Scheduled date of application

NMF will adopt the accounting standards from the beginning of the six months ending February 29, 2028.

(3) Impact from the application of the accounting standard

NMF is currently evaluating the effect on its financial statements by applying the “Accounting Standard for Subsequence Events,” etc.

#### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of August 31, 2025 and February 28, 2026 consist of the following:

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
Cash and bank deposits	51,194,010	55,016,761
Cash and cash equivalents	51,194,010	55,016,761

#### 5. ASSETS PLEDGED AS COLLATERAL AND SECURED LIABILITIES

The assets pledged as collateral are as follows:

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
Buildings in trust	2,930,627	2,921,085
Structures in trust	4,315	4,195
Tools, furniture and fixtures in trust	766	468
Land in trust	6,096,368	6,096,368
<b>Total</b>	<b>9,032,078</b>	<b>9,022,117</b>

The secured liabilities are as follows:

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
Tenant leasehold and security deposits in trust	726,648	726,648
<b>Total</b>	<b>726,648</b>	<b>726,648</b>

#### 6. REDUCTION ENTRY OF PROPERTY AND EQUIPMENT ACQUIRED THROUGH STATE SUBSIDY

Reduction entry of property and equipment acquired through state subsidy was as follows:

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
Buildings	6,800	6,800
Structures	6,872	6,872
<b>Total</b>	<b>13,672</b>	<b>13,672</b>

#### 7. STATUS OF CANCELLATION OF TREASURY INVESTMENT UNITS

Status of cancellation of treasury investment units was as follows:

	As of August 31, 2025	As of February 28, 2026
Total number of units cancelled (Unit)	68,836	68,836
Total amount cancelled (Thousands of Yen)	9,999,854	9,999,854

Note : There were no treasury investment unit cancelled during the current period.

## 8. SCHEDULE OF PROPERTY AND EQUIPMENT

Property and equipment as of August 31, 2025 and February 28, 2026 consist of the following:

Thousands of Yen

	As of August 31, 2025		As of February 28, 2026	
	Acquisition costs	Book value	Acquisition costs	Book value
Land	333,609,590	333,609,590	333,617,283	333,617,283
Buildings and structures	170,129,071	131,910,543	171,244,638	130,779,387
Accumulated depreciation	(38,218,527)		(40,465,250)	
Machinery and equipment	1,398,431	620,274	1,517,008	715,236
Accumulated depreciation	(778,156)		(801,772)	
Tools, furniture and fixtures	1,858,149	1,094,454	2,086,328	1,184,535
Accumulated depreciation	(763,695)		(901,792)	
Land in trust	418,082,560	418,082,560	418,082,560	418,082,560
Buildings and structures in trust	221,086,187	161,879,044	223,312,900	160,965,548
Accumulated depreciation	(59,207,143)		(62,347,351)	
Machinery and equipment in trust	1,541,557	797,724	1,577,257	749,729
Accumulated depreciation	(743,832)		(827,527)	
Tools, furniture and fixtures in trust	1,528,964	445,159	1,649,271	508,680
Accumulated depreciation	(1,083,805)		(1,140,590)	
Lease assets in trust	12,417	6,322	6,300	5,600
Accumulated depreciation	(6,095)		(700)	
Construction in progress	280,236	280,236	1,157	1,157
<b>Total</b>	<b>1,048,725,911</b>	<b>1,048,725,911</b>	<b>1,046,609,720</b>	<b>1,046,609,720</b>

## 9. DEBT FINANCING

Long-term debts as of August 31, 2025 and February 28, 2026 consist of the following:

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on November 26, 2025	1,100,000	1.09830%	-	-
Unsecured loans from a bank due on November 26, 2025	1,100,000	1.06250%	-	-
Unsecured loans from a bank due on November 26, 2025	2,000,000	1.03955%	-	-
Unsecured loans from a bank due on November 26, 2025	2,000,000	0.59639%	-	-
Unsecured loans from a bank due on November 26, 2025	2,000,000	0.60448%	-	-
Unsecured loans from banks due on November 26, 2025	4,200,000	0.64616%	-	-
Unsecured loans from a bank due on November 26, 2025	900,000	0.65123%	-	-
Unsecured loans from a bank due on November 26, 2025	1,300,000	0.64278%	-	-
Unsecured loans from a bank due on November 26, 2025	1,000,000	0.59499%	-	-
Unsecured loans from a bank due on November 26, 2025	500,000	0.56311%	-	-
Unsecured loans from banks due on February 26, 2026	4,000,000	0.74080%	-	-
Unsecured loans from banks due on February 26, 2026	2,500,000	0.59592%	-	-
Unsecured loans from banks due on February 26, 2026	800,000	0.37630%	-	-
Unsecured loans from a bank due on February 26, 2026	500,000	0.39196%	-	-
Unsecured loans from banks due on February 26, 2026	1,500,000	0.17136%	-	-
Unsecured loans from a bank due on February 26, 2026	500,000	0.21500%	-	-
Unsecured loans from a bank due on February 26, 2026	1,800,000	1.02636%	-	-
Unsecured loans from a bank due on May 26, 2026 (Note 2)	2,500,000	0.63995%	2,500,000	0.63995%
Unsecured loans from a bank due on May 26, 2026 (Note 2)	1,100,000	0.65267%	1,100,000	0.65267%
Unsecured loans from banks due on May 26, 2026 (Note 2)	3,600,000	0.60880%	3,600,000	0.60880%
Unsecured loans from a bank due on May 26, 2026 (Note 2)	1,000,000	0.59614%	1,000,000	0.59614%
Unsecured loans from a bank due on May 26, 2026 (Note 2)	1,100,000	0.37000%	1,100,000	0.37000%
Unsecured loans from a bank due on May 26, 2026 (Note 2)	1,500,000	0.25873%	1,500,000	0.25873%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	2,700,000	0.67591%	2,700,000	0.67591%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	2,700,000	0.67591%	2,700,000	0.67591%
Unsecured loans from banks due on August 26, 2026 (Note 2)	3,000,000	0.77669%	3,000,000	0.77669%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	1,000,000	0.70414%	1,000,000	0.70414%
Unsecured loans from banks due on August 26, 2026 (Note 2)	3,000,000	0.67483%	3,000,000	0.67483%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	1,000,000	0.64500%	1,000,000	0.64500%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	1,000,000	0.42118%	1,000,000	0.42118%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	500,000	0.43627%	500,000	0.43627%
Unsecured loans from banks due on August 26, 2026 (Note 2)	1,500,000	0.20880%	1,500,000	0.20880%
Unsecured loans from a bank due on August 26, 2026 (Note 2)	1,000,000	0.30116%	1,000,000	0.30116%
Unsecured loans from banks due on August 26, 2026 (Note 2)	6,700,000	0.76182%	6,700,000	1.02727%
Unsecured loans from banks due on August 26, 2026 (Note 2)	3,000,000	0.76182%	3,000,000	1.02727%
Unsecured loans from a bank due on November 26, 2026 (Note 2)	2,000,000	0.76000%	2,000,000	0.76000%
Unsecured loans from a bank due on November 26, 2026 (Note 2)	2,000,000	0.74229%	2,000,000	0.74229%
Unsecured loans from banks due on November 26, 2026 (Note 2)	4,165,000	0.73506%	4,165,000	0.73506%
Unsecured loans from banks due on November 26, 2026 (Note 2)	4,000,000	0.69956%	4,000,000	0.69956%
Unsecured loans from banks due on November 26, 2026 (Note 2)	1,500,000	0.64999%	1,500,000	0.64999%
Unsecured loans from banks due on November 26, 2026 (Note 2)	2,000,000	0.60750%	2,000,000	0.60750%
Unsecured loans from banks due on November 26, 2026 (Note 2)	1,000,000	0.28000%	1,000,000	0.28000%
Unsecured loans from banks due on November 26, 2026 (Note 2)	1,200,000	0.30000%	1,200,000	0.30000%
Unsecured loans from banks due on November 26, 2026 (Note 2)	6,950,000	0.76182%	6,950,000	1.02727%
Unsecured loans from banks due on February 26, 2027 (Note 2)	2,320,000	0.71500%	2,320,000	0.71500%
Unsecured loans from banks due on February 26, 2027 (Note 2)	1,500,000	0.46630%	1,500,000	0.46630%

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.44859%	500,000	0.44859%
Unsecured loans from banks due on February 26, 2027 (Note 2)	1,000,000	0.48144%	1,000,000	0.48144%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	1,500,000	0.28500%	1,500,000	0.28500%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	1,000,000	0.28500%	1,000,000	0.28500%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	300,000	0.16205%	300,000	0.16205%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.10094%	500,000	0.10094%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.35139%	500,000	0.35139%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.24818%	500,000	0.24818%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	1,000,000	0.29065%	1,000,000	0.29065%
Unsecured loans from banks due on February 26, 2027 (Note 2)	4,670,000	0.94273%	4,670,000	1.39909%
Unsecured loans from banks due on March 26, 2027	1,500,000	0.69068%	1,500,000	0.69068%
Unsecured loans from banks due on May 26, 2027	3,060,000	0.78177%	3,060,000	0.78177%
Unsecured loans from banks due on May 26, 2027	2,300,000	0.74736%	2,300,000	0.74736%
Unsecured loans from a bank due on May 26, 2027	1,800,000	0.70250%	1,800,000	0.70250%
Unsecured loans from a bank due on May 26, 2027	1,400,000	0.32000%	1,400,000	0.32000%
Unsecured loans from banks due on August 26, 2027	4,000,000	0.76843%	4,000,000	0.76843%
Unsecured loans from banks due on August 26, 2027	2,600,000	0.76290%	2,600,000	0.76290%
Unsecured loans from a bank due on August 26, 2027	1,000,000	0.74500%	1,000,000	0.74500%
Unsecured loans from a bank due on August 26, 2027	1,000,000	0.51356%	1,000,000	0.51356%
Unsecured loans from banks due on August 26, 2027	1,500,000	0.29000%	1,500,000	0.29000%
Unsecured loans from a bank due on August 26, 2027	600,000	0.32630%	600,000	0.32630%
Unsecured loans from a bank due on August 26, 2027	1,700,000	0.27130%	1,700,000	0.27130%
Unsecured loans from a bank due on August 26, 2027	1,780,000	0.46190%	1,780,000	0.46190%
Unsecured loans from a bank due on August 26, 2027	1,000,000	0.70164%	1,000,000	0.70164%
Unsecured loans from a bank due on November 26, 2027	2,000,000	0.89209%	2,000,000	0.89209%
Unsecured loans from banks due on November 26, 2027	5,000,000	0.79571%	5,000,000	0.79571%
Unsecured loans from a bank due on November 26, 2027	1,800,000	0.75050%	1,800,000	0.75050%
Unsecured loans from banks due on November 26, 2027	1,700,000	0.70750%	1,700,000	0.70750%
Unsecured loans from banks due on November 26, 2027	2,500,000	0.52234%	2,500,000	0.52234%
Unsecured loans from banks due on November 26, 2027	1,000,000	0.31630%	1,000,000	0.31630%
Unsecured loans from a bank due on November 26, 2027	750,000	0.29630%	750,000	0.29630%
Unsecured loans from banks due on November 26, 2027	1,000,000	0.94773%	1,000,000	1.40409%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.82130%	1,000,000	0.82130%
Unsecured loans from a bank due on February 28, 2028	2,355,000	0.76241%	2,355,000	0.76241%
Unsecured loans from banks due on February 28, 2028	1,500,000	0.78296%	1,500,000	0.78296%
Unsecured loans from a bank due on February 28, 2028	1,800,000	0.79642%	1,800,000	0.79642%
Unsecured loans from a bank due on February 28, 2028	2,650,000	0.54205%	2,650,000	0.54205%
Unsecured loans from banks due on February 28, 2028	1,500,000	0.57365%	1,500,000	0.57365%
Unsecured loans from banks due on February 28, 2028	1,000,000	0.17813%	1,000,000	0.17813%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.41000%	1,000,000	0.41000%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.41000%	1,000,000	0.41000%
Unsecured loans from a bank due on February 28, 2028	500,000	0.39000%	500,000	0.39000%
Unsecured loans from a bank due on February 28, 2028	920,000	0.30000%	920,000	0.30000%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.47023%	1,000,000	0.47023%
Unsecured loans from banks due on February 28, 2028	1,960,000	0.94273%	1,960,000	1.39909%
Unsecured loans from banks due on May 26, 2028	5,000,000	0.79880%	5,000,000	0.79880%
Unsecured loans from a bank due on May 26, 2028	2,000,000	0.75922%	2,000,000	0.75922%
Unsecured loans from a bank due on May 26, 2028	1,550,000	0.55038%	1,550,000	0.55038%

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on May 26, 2028	500,000	0.54010%	500,000	0.54010%
Unsecured loans from banks due on May 26, 2028	2,000,000	0.54750%	2,000,000	0.54750%
Unsecured loans from a bank due on May 26, 2028	1,400,000	0.40500%	1,400,000	0.40500%
Unsecured loans from banks due on May 26, 2028	4,000,000	0.94273%	4,000,000	1.39909%
Unsecured loans from a bank due on May 26, 2028	2,300,000	1.07503%	2,300,000	1.07503%
Unsecured loans from banks due on August 28, 2028	3,600,000	0.84750%	3,600,000	0.84750%
Unsecured loans from a bank due on August 28, 2028	500,000	0.61005%	500,000	0.61005%
Unsecured loans from banks due on August 28, 2028	1,000,000	0.62163%	1,000,000	0.62163%
Unsecured loans from a bank due on August 28, 2028	500,000	0.62025%	500,000	0.62025%
Unsecured loans from a bank due on August 28, 2028	500,000	0.37500%	500,000	0.37500%
Unsecured loans from a bank due on August 28, 2028	1,000,000	0.40380%	1,000,000	0.40380%
Unsecured loans from a bank due on August 28, 2028	1,260,000	0.45375%	1,260,000	0.45375%
Unsecured loans from banks due on August 28, 2028	7,000,000	0.94273%	7,000,000	1.39909%
Unsecured loans from a bank due on August 28, 2028	1,350,000	1.23128%	1,350,000	1.23128%
Unsecured loans from banks due on November 27, 2028	2,000,000	0.81130%	2,000,000	0.81130%
Unsecured loans from banks due on November 27, 2028	3,000,000	0.59375%	3,000,000	0.59375%
Unsecured loans from a bank due on November 27, 2028	1,800,000	0.50880%	1,800,000	0.50880%
Unsecured loans from a bank due on November 27, 2028	500,000	0.39380%	500,000	0.39380%
Unsecured loans from a bank due on November 27, 2028	1,000,000	0.40630%	1,000,000	0.40630%
Unsecured loans from banks due on February 26, 2029	2,500,000	0.65880%	2,500,000	0.65880%
Unsecured loans from banks due on February 26, 2029	1,400,000	0.67098%	1,400,000	0.67098%
Unsecured loans from a bank due on February 26, 2029	2,300,000	0.63692%	2,300,000	0.63692%
Unsecured loans from a bank due on February 26, 2029	500,000	0.63692%	500,000	0.63692%
Unsecured loans from a bank due on February 26, 2029	3,500,000	0.41815%	3,500,000	0.41815%
Unsecured loans from a bank due on February 26, 2029	500,000	0.37000%	500,000	0.37000%
Unsecured loans from a bank due on February 26, 2029	500,000	0.49750%	500,000	0.49750%
Unsecured loans from a bank due on February 26, 2029	1,500,000	0.55565%	1,500,000	0.55565%
Unsecured loans from a bank due on February 26, 2029	1,800,000	0.90134%	1,800,000	0.90134%
Unsecured loans from a bank due on February 26, 2029	800,000	0.97273%	800,000	1.42909%
Unsecured loans from a bank due on February 26, 2029	1,000,000	0.80315%	1,000,000	0.80315%
Unsecured loans from banks due on February 26, 2029	3,470,000	0.96273%	3,470,000	1.41909%
Unsecured loans from a bank due on February 26, 2029	-	-	500,000	1.02727%
Unsecured loans from banks due on May 28, 2029	5,000,000	0.64000%	5,000,000	0.64000%
Unsecured loans from a bank due on May 28, 2029	800,000	0.55190%	800,000	0.55190%
Unsecured loans from a bank due on May 28, 2029	500,000	0.26451%	500,000	0.26451%
Unsecured loans from a bank due on May 28, 2029	1,000,000	0.45875%	1,000,000	0.45875%
Unsecured loans from a bank due on May 28, 2029	1,000,000	0.44880%	1,000,000	0.44880%
Unsecured loans from banks due on May 28, 2029	1,000,000	0.38500%	1,000,000	0.38500%
Unsecured loans from a bank due on May 28, 2029	500,000	0.97273%	500,000	1.42909%
Unsecured loans from banks due on May 28, 2029	2,500,000	0.96273%	2,500,000	1.41909%
Unsecured loans from banks due on August 27, 2029	3,900,000	0.46130%	3,900,000	0.46130%
Unsecured loans from banks due on August 27, 2029	2,000,000	0.46130%	2,000,000	0.46130%
Unsecured loans from banks due on August 27, 2029	2,800,000	0.55845%	2,800,000	0.55845%
Unsecured loans from banks due on August 27, 2029	1,600,000	0.48380%	1,600,000	0.48380%
Unsecured loans from a bank due on August 27, 2029	1,500,000	0.48380%	1,500,000	0.48380%
Unsecured loans from a bank due on August 27, 2029	500,000	0.46380%	500,000	0.46380%
Unsecured loans from banks due on August 27, 2029	1,000,000	0.43880%	1,000,000	0.43880%
Unsecured loans from a bank due on August 27, 2029	1,800,000	0.40500%	1,800,000	0.40500%

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from banks due on August 27, 2029	1,250,000	0.64565%	1,250,000	0.64565%
Unsecured loans from a bank due on August 27, 2029	500,000	0.98711%	500,000	0.98711%
Unsecured loans from a bank due on August 27, 2029	1,000,000	0.86438%	1,000,000	0.86438%
Unsecured loans from a bank due on August 27, 2029	2,430,000	0.88815%	2,430,000	0.88815%
Unsecured loans from a bank due on November 26, 2029	2,000,000	1.12506%	2,000,000	1.12506%
Unsecured loans from a bank due on November 26, 2029	2,000,000	1.12506%	2,000,000	1.12506%
Unsecured loans from a bank due on November 26, 2029	1,200,000	0.59500%	1,200,000	0.59500%
Unsecured loans from a bank due on November 26, 2029	1,000,000	0.59500%	1,000,000	0.59500%
Unsecured loans from a bank due on November 26, 2029	750,000	0.48000%	750,000	0.48000%
Unsecured loans from a bank due on November 26, 2029	500,000	0.59500%	500,000	0.59500%
Unsecured loans from a bank due on November 26, 2029	2,000,000	0.50630%	2,000,000	0.50630%
Unsecured loans from a bank due on November 26, 2029	750,000	0.47380%	750,000	0.47380%
Unsecured loans from banks due on November 26, 2029	4,000,000	0.54904%	4,000,000	0.54904%
Unsecured loans from a bank due on November 26, 2029	1,000,000	1.11690%	1,000,000	1.11690%
Unsecured loans from a bank due on November 26, 2029	-	-	1,100,000	1.45065%
Unsecured loans from banks due on February 26, 2030	4,250,000	0.52000%	4,250,000	0.52000%
Unsecured loans from a bank due on February 26, 2030	1,500,000	0.48000%	1,500,000	0.48000%
Unsecured loans from a bank due on February 26, 2030	600,000	0.40915%	600,000	0.40915%
Unsecured loans from a bank due on February 26, 2030	500,000	0.34054%	500,000	0.34054%
Unsecured loans from banks due on February 26, 2030	1,300,000	0.59482%	1,300,000	0.59482%
Unsecured loans from a bank due on February 26, 2030	1,500,000	0.52446%	1,500,000	0.52446%
Unsecured loans from a bank due on February 26, 2030	1,400,000	0.58630%	1,400,000	0.58630%
Unsecured loans from a bank due on February 26, 2030	1,000,000	0.58630%	1,000,000	0.58630%
Unsecured loans from a bank due on February 26, 2030	1,000,000	0.65249%	1,000,000	0.65249%
Unsecured loans from a bank due on February 26, 2030	1,300,000	1.04887%	1,300,000	1.04887%
Unsecured loans from a bank due on February 26, 2030	1,000,000	0.89688%	1,000,000	0.89688%
Unsecured loans from banks due on February 26, 2030	3,000,000	0.97273%	3,000,000	1.42909%
Unsecured loans from a bank due on February 26, 2030	2,250,000	1.32190%	2,250,000	1.32190%
Unsecured loans from banks due on February 26, 2030	2,000,000	0.97273%	2,000,000	1.42909%
Unsecured loans from banks due on May 27, 2030	7,000,000	0.54630%	7,000,000	0.54630%
Unsecured loans from a bank due on May 27, 2030	800,000	0.52630%	800,000	0.52630%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.53250%	1,000,000	0.53250%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.55988%	1,000,000	0.55988%
Unsecured loans from a bank due on May 27, 2030	500,000	0.50485%	500,000	0.50485%
Unsecured loans from a bank due on May 27, 2030	720,000	0.59399%	720,000	0.59399%
Unsecured loans from a bank due on May 27, 2030	1,430,000	0.45862%	1,430,000	0.45862%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.52437%	1,000,000	0.52437%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.71487%	1,000,000	0.71487%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.71487%	1,000,000	0.71487%
Unsecured loans from a bank due on May 27, 2030	550,000	0.83509%	550,000	0.83509%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.81065%	1,000,000	0.81065%
Unsecured loans from banks due on May 27, 2030	3,500,000	0.97273%	3,500,000	1.42909%
Unsecured loans from banks due on August 26, 2030	2,000,000	0.56500%	2,000,000	0.56500%
Unsecured loans from a bank due on August 26, 2030	1,100,000	0.54500%	1,100,000	0.54500%
Unsecured loans from a bank due on August 26, 2030	300,000	0.54500%	300,000	0.54500%
Unsecured loans from banks due on August 26, 2030	500,000	0.52063%	500,000	0.52063%
Unsecured loans from a bank due on August 26, 2030	1,000,000	0.46000%	1,000,000	0.46000%
Unsecured loans from a bank due on August 26, 2030	1,000,000	0.56068%	1,000,000	0.56068%

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from banks due on August 26, 2030	2,000,000	0.75160%	2,000,000	0.75160%
Unsecured loans from banks due on August 26, 2030	2,300,000	1.13867%	2,300,000	1.13867%
Unsecured loans from a bank due on October 28, 2030	1,100,000	1.92250%	1,100,000	1.92250%
Unsecured loans from a bank due on October 28, 2030	1,100,000	1.91700%	1,100,000	1.91700%
Unsecured loans from a bank due on November 26, 2030	350,000	0.42630%	350,000	0.42630%
Unsecured loans from a bank due on November 26, 2030	500,000	0.53630%	500,000	0.53630%
Unsecured loans from a bank due on November 26, 2030	2,000,000	0.59763%	2,000,000	0.59763%
Unsecured loans from a bank due on November 26, 2030	1,000,000	0.59819%	1,000,000	0.59819%
Unsecured loans from banks due on November 26, 2030	2,000,000	0.89535%	2,000,000	0.89535%
Unsecured loans from a bank due on November 26, 2030	1,000,000	0.97273%	1,000,000	1.42909%
Unsecured loans from a bank due on February 26, 2031	700,000	0.67750%	700,000	0.67750%
Unsecured loans from a bank due on February 26, 2031	2,000,000	0.67750%	2,000,000	0.67750%
Unsecured loans from banks due on February 26, 2031	4,000,000	0.67750%	4,000,000	0.67750%
Unsecured loans from a bank due on February 26, 2031	400,000	0.50000%	400,000	0.50000%
Unsecured loans from a bank due on February 26, 2031	420,000	0.65750%	420,000	0.65750%
Unsecured loans from a bank due on February 26, 2031	2,750,000	0.50226%	2,750,000	0.50226%
Unsecured loans from a bank due on February 26, 2031	1,800,000	0.52198%	1,800,000	0.52198%
Unsecured loans from a bank due on February 26, 2031	2,500,000	0.78474%	2,500,000	0.78474%
Unsecured loans from a bank due on February 26, 2031	1,300,000	1.21160%	1,300,000	1.21160%
Unsecured loans from banks due on February 26, 2031	2,050,000	1.19239%	2,050,000	1.19239%
Unsecured loans from a bank due on February 26, 2031	1,000,000	1.19239%	1,000,000	1.19239%
Unsecured loans from banks due on February 26, 2031	-	-	1,500,000	1.05727%
Unsecured loans from banks due on May 26, 2031	6,000,000	0.64130%	6,000,000	0.64130%
Unsecured loans from a bank due on May 26, 2031	3,500,000	0.64242%	3,500,000	0.64242%
Unsecured loans from a bank due on May 26, 2031	1,000,000	0.60556%	1,000,000	0.60556%
Unsecured loans from banks due on May 26, 2031	1,000,000	0.95338%	1,000,000	0.95338%
Unsecured loans from a bank due on May 26, 2031	2,250,000	0.93910%	2,250,000	0.93910%
Unsecured loans from banks due on May 26, 2031	3,000,000	1.22440%	3,000,000	1.22440%
Unsecured loans from banks due on May 26, 2031	3,000,000	0.99273%	3,000,000	1.44909%
Unsecured loans from a bank due on August 26, 2031	3,500,000	0.78816%	3,500,000	0.78816%
Unsecured loans from banks due on August 26, 2031	200,000	0.85750%	200,000	0.85750%
Unsecured loans from a bank due on August 26, 2031	2,500,000	1.15160%	2,500,000	1.15160%
Unsecured loans from banks due on August 26, 2031	2,200,000	1.09315%	2,200,000	1.09315%
Unsecured loans from banks due on August 26, 2031	-	-	2,800,000	1.92096%
Unsecured loans from a bank due on November 26, 2031	3,000,000	0.64630%	3,000,000	0.64630%
Unsecured loans from a bank due on November 26, 2031	1,900,000	0.47755%	1,900,000	0.47755%
Unsecured loans from a bank due on November 26, 2031	3,500,000	0.73988%	3,500,000	0.73988%
Unsecured loans from a bank due on November 26, 2031	1,500,000	0.88168%	1,500,000	0.88168%
Unsecured loans from a bank due on November 26, 2031	1,500,000	1.01250%	1,500,000	1.01250%
Unsecured loans from a bank due on November 26, 2031	500,000	1.01250%	500,000	1.01250%
Unsecured loans from a bank due on November 26, 2031	2,000,000	1.00034%	2,000,000	1.00034%
Unsecured loans from a bank due on November 26, 2031	1,000,000	1.00034%	1,000,000	1.00034%
Unsecured loans from a bank due on November 26, 2031	1,830,000	1.24910%	1,830,000	1.24910%
Unsecured loans from banks due on February 26, 2032	6,250,000	0.83563%	6,250,000	0.83563%
Unsecured loans from banks due on February 26, 2032	2,050,000	1.32480%	2,050,000	1.32480%
Unsecured loans from a bank due on February 26, 2032	2,750,000	1.25160%	2,750,000	1.25160%
Unsecured loans from banks due on February 26, 2032	4,200,000	1.06273%	4,200,000	1.51909%
Unsecured loans from a bank due on February 26, 2032	500,000	1.06273%	500,000	1.51909%

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on February 26, 2032	-	-	1,000,000	1.97813%
Unsecured loans from banks due on May 26, 2032	4,000,000	0.93188%	4,000,000	0.93188%
Unsecured loans from banks due on May 26, 2032	2,000,000	0.92006%	2,000,000	0.92006%
Unsecured loans from a bank due on May 26, 2032	500,000	0.92006%	500,000	0.92006%
Unsecured loans from banks due on May 26, 2032	1,500,000	1.07101%	1,500,000	1.07101%
Unsecured loans from banks due on May 26, 2032	2,250,000	1.06125%	2,250,000	1.06125%
Unsecured loans from banks due on May 26, 2032	2,300,000	1.12273%	2,300,000	1.57909%
Unsecured loans from banks due on May 26, 2032	2,800,000	1.32707%	2,800,000	1.32707%
Unsecured loans from banks due on May 26, 2032	2,600,000	1.12273%	2,600,000	1.57909%
Unsecured loans from a bank due on May 26, 2032	1,000,000	1.46690%	1,000,000	1.46690%
Unsecured loans from a bank due on May 26, 2032	1,000,000	1.06273%	1,000,000	1.51909%
Unsecured loans from a bank due on August 26, 2032	1,000,000	0.91688%	1,000,000	0.91688%
Unsecured loans from banks due on August 26, 2032	5,000,000	1.28875%	5,000,000	1.28875%
Unsecured loans from a bank due on August 26, 2032	1,000,000	1.28875%	1,000,000	1.28875%
Unsecured loans from banks due on November 26, 2032	5,400,000	1.13063%	5,400,000	1.13063%
Unsecured loans from a bank due on November 26, 2032	1,500,000	1.23446%	1,500,000	1.23446%
Unsecured loans from a bank due on November 26, 2032	1,500,000	1.12273%	1,500,000	1.57909%
Unsecured loans from banks due on February 28, 2033	2,800,000	1.35532%	2,800,000	1.35532%
Unsecured loans from banks due on February 28, 2033	2,600,000	1.12273%	2,600,000	1.57909%
Unsecured loans from a bank due on February 28, 2033	1,000,000	1.12273%	1,000,000	1.57909%
Unsecured loans from a bank due on February 28, 2033	3,350,000	1.67428%	3,350,000	1.67428%
Unsecured loans from banks due on February 28, 2033	2,700,000	1.09273%	2,700,000	1.54909%
Unsecured loans from a bank due on February 28, 2033	1,600,000	1.09273%	1,600,000	1.54909%
Unsecured loans from banks due on February 28, 2033	2,500,000	1.67428%	2,500,000	1.67428%
Unsecured loans from banks due on May 26, 2033	4,500,000	1.15273%	4,500,000	1.60909%
Unsecured loans from a bank due on May 26, 2033	2,000,000	1.15273%	2,000,000	1.60909%
Unsecured loans from a bank due on May 26, 2033	1,000,000	1.60035%	1,000,000	1.60035%
Unsecured loans from banks due on May 26, 2033	-	-	7,000,000	1.85687%
Unsecured loans from banks due on May 26, 2033	-	-	8,000,000	1.54909%
Unsecured loans from banks due on August 26, 2033	2,800,000	1.42188%	2,800,000	1.42188%
Unsecured loans from a bank due on August 26, 2033	500,000	1.42188%	500,000	1.42188%
Unsecured loans from a bank due on August 26, 2033	-	-	2,000,000	2.16738%
Unsecured loans from a bank due on August 26, 2033	-	-	2,000,000	1.17727%
Unsecured loans from a bank due on August 26, 2033	-	-	1,800,000	1.54909%
Unsecured loans from banks due on November 28, 2033	2,550,000	1.51563%	2,550,000	1.51563%
Unsecured loans from banks due on November 28, 2033	2,980,000	1.15273%	2,980,000	1.60909%
<b>Total</b>	<b>486,320,000</b>		<b>486,320,000</b>	

Note 1: The weighted-average interest rate is weighted by the balance of each borrowing at the end of the period and rounded to the nearest fifth decimal place.

As for the borrowings, hedged by interest-rate swaps for the purpose of avoiding interest rate fluctuation risk, the swapped interest rates are used to calculate the weighted-average interest rate.

Note 2: At the end of the period, these loans are accounted for under current liabilities on the balance sheets as the current portion of long-term borrowings.

The scheduled repayment amounts of long-term debt for each of the five years after the balance sheet date are as follows.

	Thousands of Yen				
	Within a year	1-2 years	2-3 years	3-4 years	4-5 years
As of August 31, 2025	65,600,000	65,345,000	69,395,000	60,650,000	68,500,000
As of February 28, 2026	78,005,000	59,175,000	64,030,000	71,480,000	60,170,000

- (1) The Company entered into ¥40,000 million of credit facilities in the form of commitment lines with four financial institutions for the fiscal period ended August 31, 2025. The total unused amount of such credit facilities was ¥40,000 million as of August 31, 2025.
- (2) The Company entered into ¥40,000 million of credit facilities in the form of commitment lines with four financial institutions for the fiscal period ended February 28, 2026. The total unused amount of such credit facilities was ¥40,000 million as of February 28, 2026.

## 10. INVESTMENT CORPORATION BONDS

Details of investment corporation bonds outstanding are summarized as follows.

	As of August 31, 2025		As of February 28, 2026	
	Amount (Thousands of Yen)	Interest rate (Note 1)	Amount (Thousands of Yen)	Interest rate (Note 1)
NMF's 2nd series of unsecured investment corporation bonds due on November 16, 2027	2,000,000	0.590%	2,000,000	0.590%
NOF's 7th series of unsecured investment corporation bonds due on March 17, 2028	4,500,000	2.900%	4,500,000	2.900%
NMF's 8th series of unsecured investment corporation bonds due on July 19, 2029	4,400,000	0.988%	4,400,000	0.988%
NMF's 4th series of unsecured investment corporation bonds due on September 20, 2029 (green bonds)	3,000,000	0.530%	3,000,000	0.530%
NMF's 9th series of unsecured investment corporation bonds due on February 20, 2030 (green bonds)	3,000,000	1.345%	3,000,000	1.345%
NMF's 6th series of unsecured investment corporation bonds due on August 14, 2030 (green bonds)	7,000,000	0.540%	7,000,000	0.540%
NMF's 10th series of unsecured investment corporation bonds due on February 20, 2032	3,500,000	1.551%	3,500,000	1.551%
NMF's 7th series of unsecured investment corporation bonds due on July 8, 2033	2,000,000	0.950%	2,000,000	0.950%
NMF's 3rd series of unsecured investment corporation bonds due on May 21, 2038	1,500,000	1.030%	1,500,000	1.030%
NMF's 5th series of unsecured investment corporation bonds due on September 20, 2039	5,000,000	0.900%	5,000,000	0.900%
<b>Total</b>	<b>35,900,000</b>		<b>35,900,000</b>	

Note 1: The interest rate is rounded to the nearest second decimal place.

The scheduled redemption amounts of investment corporation bonds for each of the five years after the balance sheet date are as follows.

	Thousands of Yen				
	Within a year	1-2 years	2-3 years	3-4 years	4-5 years
As of August 31, 2025	-	-	6,500,000	4,400,000	13,000,000
As of February 28, 2026	-	2,000,000	4,500,000	10,400,000	7,000,000

## 11. UNITHOLDERS' EQUITY

NMF issues only non-par value investment units in accordance with the Investment Trust Act. The entire amount of the issue price of new units is designated as stated capital. NMF is required to maintain net assets of at least ¥50,000 thousand as set forth in the Investment Trust Act.

## 12. ALLOWANCE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

The movement in the allowance for temporary difference adjustments on the Balance Sheet was as follows:

**For the period from March 1, 2025 to August 31, 2025**

### 1. Reason, 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	35,711,554	24,795,907	-	-	24,795,907	-
Land, buildings, etc.	Merger expenses	4,029,135	1,204,353	-	(23,592)	1,180,761	Sales and depreciation of properties for which merger expenses were recorded
Increase - subtotal		-	26,000,261	-	(23,592)	25,976,669	-
<b>Total</b>		-	26,000,261	-	(23,592)	25,976,669	-

### 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, etc., the corresponding amount is scheduled to be reversed.
Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.
Buildings in trust, etc.	Upon depreciation or sale, etc., the corresponding amount is scheduled to be reversed.
Land in trust Leasehold rights Leasehold rights in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.

**For the period from September 1, 2025 to February 28, 2026**

1. Reason, 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	35,711,554	24,795,907	-	-	24,795,907	-
Land, buildings, etc.	Merger expenses	4,029,135	1,180,761	-	(24,021)	1,156,740	Sales and depreciation of properties for which merger expenses were recorded
Increase - subtotal		-	25,976,669	-	(24,021)	25,952,648	-
<b>Total</b>		-	25,976,669	-	(24,021)	25,952,648	-

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, etc., the corresponding amount is scheduled to be reversed.
Land	Upon sale, etc., the corresponding amount is scheduled to be reversed.
Buildings in trust, etc.	Upon depreciation or sale, etc., the corresponding amount is scheduled to be reversed.
Land in trust Leasehold rights Leasehold rights in trust	Upon sale, etc., the corresponding amount is scheduled to be reversed.

### 13. PER UNIT INFORMATION

The net asset values per unit and the net income per unit as of and for the periods ended August 31, 2025 and February 28, 2026 were as follows:

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
Net assets per unit	¥129,810	¥129,142
Net income per unit	¥3,465	¥2,874

Note 1: The net income per unit is calculated by dividing net income by the weighted-average number of units outstanding.

Note 2: The basis for calculating net income per unit is as follows.

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
Net income (Thousands of Yen)	16,103,915	13,355,289
Amount not available to ordinary unitholders (Thousands of Yen)	-	-
Net income available to ordinary unitholders (Thousands of Yen)	16,103,915	13,355,289
Average number of units during the period (Units)	4,646,364	4,646,364

### 14. RELATED PARTY TRANSACTIONS

**For the periods from March 1, 2025 to August 31, 2025 and from September 1, 2025 to February 28, 2026**

Parent Company and major corporate unitholders

Not applicable.

Subsidiaries and affiliates

Not applicable.

Fellow subsidiary companies

Not applicable.

Directors and major individual unitholders

Not applicable.

## 15. INCOME TAXES

The Company, as an investment corporation, is subject to corporate income taxes at a statutory tax rate of approximately 31.46% for the fiscal period ended February 28, 2026. However, the Company may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided such distributions meet the requirements under the Act on Special Measures Concerning Taxation of Japan. Under this act, an investment corporation must meet a number of tax requirements, including a requirement to distribute in excess of 90% of its distributable income for the fiscal period, in order to deduct such amounts. If the investment corporation does not satisfy all of the requirements, the entire taxable income of the investment corporation will be subject to regular corporate income taxes.

Since the Company distributed in excess of 90% of its distributable income in the form of cash distributions totaling ¥16,884,886 thousand for the fiscal period ended February 28, 2026, such distributions were treated as deductible distributions for purposes of corporate income taxes.

The following summarizes breakdown of deferred tax assets and liabilities:

Thousands of Yen

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
Deferred tax asset:		
Valuation difference on other assets acquired by merger	11,733,882	11,589,498
Write-offs for long-term prepaid expenses	149	141
Depreciation costs of trust leasehold rights	3,105	3,330
Asset retirement obligations	105,180	137,552
Other	14,786	-
Subtotal	11,857,104	11,730,522
Valuation allowance	(11,857,104)	(11,730,522)
Total non-current deferred tax assets	-	-
Total deferred tax assets	-	-
Net deferred tax assets	-	-

The following summarizes the significant differences between the statutory tax rate and the effective tax rate.

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(28.79%)	(36.69%)
Valuation of allowance	(7.79%)	(0.95%)
Amortization of goodwill	5.12%	6.18%
Other	0.00%	0.00%
Effective tax rate	0.00%	0.00%

## 16. FINANCIAL INSTRUMENTS

### Overview

#### (1) Policy for Financial Instruments

Upon acquisition of property-related assets, the Company may raise funds through certain financing methods including borrowings, issuance of investment corporation bonds and issuance of investment units. In financing through interest-bearing debt, to secure stable financing capability and reduce future risks of rising interest rates, the Company's investment policy is to secure longer-term, fixed-rate borrowings with well-diversified maturities.

The Company enters into derivative transactions only for the purpose of reducing risk of future interest rate fluctuations and does not engage in speculative transactions.

#### (2) Type and Risk of Financial Instruments and Related Risk Management

Borrowings and investment corporation bonds are primarily used to fund the acquisition of property-related assets as well as the repayment of debts and redemption of investment corporation bonds. The Company is exposed to liquidity risk of being unable to meet its obligations on scheduled due dates. The Company controls and limits such risk by diversifying not only the financial institutions, but also the type of financing to include the effective use of surplus funds and direct financing from the capital markets such as issuance of investment units. In addition, the Company is exposed to the market risk arising from fluctuations in interest rates on its floating-rate debt. However, the effect of such risk on the operation of the Company is limited by maintaining the LTV ratio at low levels and the ratio of long-term fixed-rate debt to total debt at high levels. Furthermore, the Company may utilize derivative transactions (interest-rate swap transactions) as a hedging instrument to reduce the market risk under floating-rate debt by swapping such floating-rate interest payments for fixed-rate interest payments.

Bank deposits are held as a means of investing surplus funds, and the Company is exposed to the credit risk that financial institutions may default. However, the effect of such risk is limited by diversifying the financial institutions with which surplus funds are deposited.

#### (3) Supplementary Explanation on Estimated Fair Value of Financial Instruments

The fair value of financial instruments is based on the quoted market price, if applicable. When there is no quoted market price available, fair value is reasonably estimated. Certain assumptions are used for the estimation of fair value. Accordingly, the result of such estimation may change if different assumptions are used. Furthermore, the contractual amounts of derivative transactions stated in "26. Derivatives and Hedge Accounting" below do not represent the market risk involved in these derivative transactions.

### Fair Value of Financial Instruments

#### For the period from March 1, 2025 to August 31, 2025

Carrying amount, fair value and the difference between the two as of August 31, 2025 are as follows.

"Cash and bank deposits," "Cash and bank deposits in trust," and "Short-term debt" approximate their carrying amounts due to cash and short-term settlements, therefore, notes are omitted.

	Thousands of Yen		
	Carrying value <sup>(Note 1)</sup>	Fair value <sup>(Note 1)</sup>	Difference
(i) Current portion of Investment corporation bonds	-	-	-
(ii) Current portion of long-term debt	(65,600,000)	(65,581,972)	(18,027)
(iii) Investment corporation bonds	(35,900,000)	(33,638,911)	(2,261,088)
(iv) Long-term debt	(420,720,000)	(412,837,945)	(7,882,054)
(v) Derivative transactions	-	-	-

**For the period from September 1, 2025 to February 28, 2026**

Carrying amount, fair value and the difference between the two as of February 28, 2026 are as follows.

"Cash and bank deposits," "Cash and bank deposits in trust," and "Short-term debt" approximate their carrying amounts due to cash and short-term settlements, therefore, notes are omitted.

Thousands of Yen

	Carrying value <sup>(Note 1)</sup>	Fair value <sup>(Note 1)</sup>	Difference
(i) Current portion of Investment corporation bonds	-	-	-
(ii) Current portion of long-term debt	(78,005,000)	(78,251,144)	246,144
(iii) Investment corporation bonds	(35,900,000)	(33,083,696)	(2,816,303)
(iv) Long-term debt	(408,315,000)	(416,917,275)	8,602,275
(v) Derivative transactions	-	-	-

Note 1: The numbers in parenthesis indicate liabilities.

Note 2: Method for determining the fair value of financial instruments and derivative transactions.

(i) Current portion of Investment corporation bonds and (iii) Investment corporation bonds

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

(ii) Current portion of long-term debt and (iv) Long-term debt

For floating-rate long-term debt, the carrying value is reported as it is considered to be approximately equal to the fair value because such debt reflects the market interest rates within a short-term period. (However, the fair value of certain floating-rate long-term debt that qualifies for the special treatment of interest-rate swaps (see "26. Derivatives and Hedge Accounting") is determined by discounting the sum of its principal and interest payments net of any cash flows from the interest-rate swap at a rate reasonably estimated to be applicable to similar fixed-rate debt.) The fair value of fixed-rate long-term debt is determined by discounting the sum of its principal and interest payments at a rate reasonably estimated to be applicable to similar fixed-rate debt.

(v) Derivative transactions

See "26. Derivatives and Hedge Accounting."

Note 3: Redemption schedule for debt as of August 31, 2025

Thousands of Yen

	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Investment corporation bonds	-	-	6,500,000	4,400,000	13,000,000	12,000,000
Long-term debt	65,600,000	65,345,000	69,395,000	60,650,000	68,500,000	156,830,000
Total	65,600,000	65,345,000	75,895,000	65,050,000	81,500,000	168,830,000

Redemption schedule for debt as of February 28, 2026

Thousands of Yen

	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Investment corporation bonds	-	2,000,000	4,500,000	10,400,000	7,000,000	12,000,000
Long-term debt	78,005,000	59,175,000	64,030,000	71,480,000	60,170,000	153,460,000
Total	78,005,000	61,175,000	68,530,000	81,880,000	67,170,000	165,460,000

## 17. 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 46 years), and a discount rate of 1.4 - 2.3%.

### 3. Changes in total asset retirement obligations

	Thousands of Yen	
	Previous period from March 1, 2025 to August 31, 2025	Current period from September 1, 2025 to February 28, 2026
Balance at beginning of period	769,113	776,080
Increase due to purchase of property, plant and equipment	-	-
Adjustments for passage of time	6,966	6,918
Balance at end of period	776,080	782,998

## 18. INVESTMENT AND RENTAL PROPERTIES

The Company owns leasable office, leasable retail facilities, leasable logistics facilities, leasable residential (including land) in Greater Tokyo area and other areas for the purpose of earning revenue from leasing. The following table summarizes the carrying value and the estimated fair value of these properties.

	Thousands of Yen	
	For the period from March 1, 2025 to August 31, 2025	For the period from September 1, 2025 to February 28, 2026
Carrying value		
Balance at beginning of the period	1,072,237,757	1,069,640,307
Amount of increase (decrease) during the period	(2,597,450)	(2,203,766)
Balance at end of the period	1,069,640,307	1,067,436,540
Fair value at end of the period	1,353,321,000	1,376,546,000

Note 1: The carrying value represents the acquisition cost less accumulated depreciation.

Note 2: Of the change in investment and rental properties, the increase during the previous period is mainly attributable to the acquisition of PROUD FLAT Asakusa Tresage (¥3,037,942 thousand), PROUD FLAT Nippori (¥2,008,486 thousand), H1O Nihonbashi Kobunacho (¥4,059,453 thousand), &HOTEL HAKATA (¥3,856,035 thousand), H1O Aoyama (¥4,757,477 thousand). The decrease during the previous period is mainly attributable to the sale of PRIME URBAN Yaotome Chuo (¥362,834 thousand), PRIME URBAN Senzoku (¥438,454 thousand), PRIME URBAN Gyotoku I (¥583,875 thousand), PRIME URBAN Gyotoku II (¥679,220 thousand), PRIME URBAN Gyotoku Ekimae II (¥435,819 thousand), PRIME URBAN Gyotoku III (¥694,973 thousand), PRIME URBAN Meguro Mita (¥1,097,090 thousand), PRIME URBAN Nagamachi Icchome (¥941,374 thousand), PRIME URBAN Izumi (¥3,131,253 thousand), PRIME URBAN Gakugei Daigaku (¥712,322 thousand), PRIME URBAN Yukigaya (¥927,896 thousand), PRIME URBAN Nishi Ogikubo (¥385,585 thousand), PRIME URBAN Kashii (¥312,558 thousand), NMF Takebashi Building (¥8,355,382 thousand), as well as depreciation (¥5,841,772 thousand). The decrease during the current period is mainly attributable to depreciation (¥5,834,272 thousand).

Note 3: Fair value at the end of the period is the appraisal value or investigation value determined by investigation, found by an outside real estate appraiser. However, in the current period, transfer price is used as the fair value for NRE Hiroshima Building and Harumi Island Triton Square Office Tower Z.

The income (loss) in the previous period (from March 1, 2025 to August 31, 2025) and current period (from September 1, 2025 to February 28, 2026) for investment and rental properties is as presented in "21.BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES" later in this report.

## 19. REVENUE RECOGNITION

### 1. Information on disaggregation of revenues from contracts with customers

Previous period (from March 1, 2025 to August 31, 2025)

Thousands of Yen

	Revenues from contracts with customers <sup>(Note 1)</sup>	Sales to external customers
Proceeds from sales of real estate	22,941,490	<sup>(Note 2)</sup> 3,324,150
Utility expense revenues	1,650,620	1,650,620
Other	-	38,735,778
Total	24,592,110	43,710,549

Note 1: Leasing business revenues, which are subject to ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," and real estate transfers, which are subject to the "Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies" of the ASBJ Transferred Guidance No. 10, are not subject 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 September 1, 2025 to February 28, 2026)

Thousands of Yen

	Revenues from contracts with customers <sup>(Note 1)</sup>	Sales to external customers
Proceeds from sales of real estate	-	-
Utility expense revenues	1,482,360	1,482,360
Other	-	39,703,770
Total	1,482,360	41,186,131

Note 1: Leasing business revenues, which are subject to ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," and real estate transfers, which are subject to the "Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies" of the ASBJ Transferred Guidance No. 10, are not subject 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.

### 2. Basic information for understanding revenues from contracts with customers

Previous period (from March 1, 2025 to August 31, 2025)

Refer to the description in "3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES".

Current period (from September 1, 2025 to February 28, 2026)

Refer to the description in "3. SUMMARY OF 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 March 1, 2025 to August 31, 2025	Current period from September 1, 2025 to February 28, 2026
Receivables from contracts with customers (Balance as of the beginning of the fiscal period)	418,740	559,523
Receivables from contracts with customers (Balance as of the end of the fiscal period)	559,523	390,508
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, 2025 to August 31, 2025)

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 September 1, 2025 to February 28, 2026)

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.

## 20. SEGMENT INFORMATION

For the periods from March 1, 2025 to August 31, 2025 and from September 1, 2025 to February 28, 2026

### Segment Information

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

### Related Information

#### 1. Information about products and services

Since revenues from external customers for products and services within a single segment are more than 90 percent of total operating revenues, information about products and services has been omitted.

#### 2. Information about geographical areas

##### (1) Revenues

Since more than 90 percent of the total operating revenues were generated from external customers in Japan, a geographical breakdown of revenues has been omitted.

##### (2) Property and equipment

Since more than 90 percent of the total property and equipment on the balance sheet are located in Japan, a geographical breakdown of property and equipment has been omitted.

#### 3. Information about major clients

For the period from March 1, 2025 to August 31, 2025

Customer name	Revenues (Thousands of Yen)	Related segment name
Nomura Real Estate Partners Co., Ltd.	5,687,517	Rental real estate business

For the period from September 1, 2025 to February 28, 2026

Customer name	Revenues (Thousands of Yen)	Related segment name
Nomura Real Estate Partners Co., Ltd.	5,682,772	Rental real estate business

## 21. BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES

Real estate rental revenues and expenses for the fiscal periods ended August 31, 2025 and February 28, 2026 consist of the following:

Thousands of Yen

	For the period from March 1, 2025 to August 31, 2025	For the period from September 1, 2025 to February 28, 2026
Real estate rental revenues	40,386,398	41,186,131
Rental revenues	36,987,856	36,996,933
Rental revenues	35,072,249	35,190,434
Common area charges	1,915,606	1,806,498
Other rental revenues	3,398,542	4,189,198
Parking revenues	666,337	653,436
Incidental income	2,582,587	2,311,354
Other miscellaneous revenues	149,618	1,224,407
Real estate rental expenses	18,107,204	18,554,693
Property management costs	1,946,180	1,954,296
Property management fees	1,081,852	1,151,383
Property and other taxes	3,604,262	3,546,163
Utility expenses	2,047,218	1,850,349
Casualty insurance	78,414	77,880
Repairs and maintenance	1,803,260	2,398,289
Land rents	321,947	324,211
Depreciation	5,854,566	5,845,255
Other rental expenses	1,369,499	1,406,863
Real estate rental profits	22,279,194	22,631,438

## 22. BREAKDOWN OF GAIN AND LOSS ON SALES OF REAL ESTATE

For the period from March 1, 2025 to August 31, 2025

		Thousands of Yen
PRIME URBAN Yaotome Chuo		
Proceeds from sales of real estate	511,490	
Cost of sales of real estate	362,834	
Other related sales expenses	21,814	
Gain on sales of real estate		<u>126,840</u>

		Thousands of Yen
PRIME URBAN Senzoku, PRIME URBAN Gyotoku I, PRIME URBAN Gyotoku II, PRIME URBAN Gyotoku Ekimae II, PRIME URBAN Gyotoku III, PRIME URBAN Meguro Mita, PRIME URBAN Nagamachi Icchome, PRIME URBAN Izumi		
Proceeds from sales of real estate	10,800,000	
Cost of sales of real estate	8,002,060	
Other related sales expenses	438,430	
Gain on sales of real estate		<u>2,359,508</u>

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
PRIME URBAN Gakugei Daigaku, PRIME URBAN Nishi Ogikubo, PRIME URBAN Yukigaya, PRIME URBAN Kashii		
Proceeds from sales of real estate	2,700,000	
Cost of sales of real estate	2,338,363	
Other related sales expenses	45,478	
Gain on sales of real estate		<u>316,158</u>

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 Takebashi Building		
Proceeds from sales of real estate	8,930,000	
Cost of sales of real estate	8,355,382	
Other related sales expenses	52,974	
Gain on sales of real estate		<u>521,643</u>

For the period from September 1, 2025 to February 28, 2026

Not applicable.

### **23. BREAKDOWN OF EXTRAORDINARY GAIN**

#### **For the period from March 1, 2025 to August 31, 2025**

A profit of ¥4,994 thousand has been recorded as gain on donation of non-current assets following the receipt from tenants of payments in an amount equivalent to construction costs for facilities attached to trust buildings belonging to NMF.

#### **For the period from September 1, 2025 to February 28, 2026**

Not applicable.

### **24. BREAKDOWN OF EXTRAORDINARY LOSS**

#### **For the period from March 1, 2025 to August 31, 2025**

Not applicable.

#### **For the period from September 1, 2025 to February 28, 2026**

Not applicable.

### **25. NOTES TO STATEMENT OF CHANGES IN NET ASSETS**

Total number of investment units issuable and number of units outstanding

	<b>For the period from March 1, 2025 to August 31, 2025</b>	<b>For the period from September 1, 2025 to February 28, 2026</b>
Total number of investment units issuable (Units)	20,000,000	20,000,000
Number of units outstanding (Units)	4,646,364	4,646,364

## 26. LEASES

(As lessee)

The future minimum rental payments to owners under non-cancelable operating leases of properties as of August 31, 2025 and February 28, 2026 are summarized as follows:

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
Due within one year	147,060	147,060
Due after one year	4,894,412	4,831,214
<b>Total</b>	<b>5,041,472</b>	<b>4,978,274</b>

(As lessor)

The future minimum rental revenues from tenants under non-cancelable operating leases of properties as of August 31, 2025 and February 28, 2026 are summarized as follows:

Thousands of Yen

	As of August 31, 2025	As of February 28, 2026
Due within one year	41,359,859	43,446,808
Due after one year	77,497,135	85,229,981
<b>Total</b>	<b>118,856,994</b>	<b>128,676,789</b>

## 27. DERIVATIVES AND HEDGE ACCOUNTING

### Derivative transactions as of August 31, 2025

(1) There were no derivative financial instruments not subject to hedge accounting.

(2) Derivative financial instruments subject to hedge accounting were as follows:

Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount (Note 1)		Fair value <sup>(Note 2)</sup>
				Due after one year	
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	9,300,000	2,200,000	67,376 <sup>(Note 3)</sup>

Note 1: Contract amount is based on notional amount.

Note 2: Fair value is measured by swap counterparty, based on the actual market interest rate, etc.

Note 3: Out of the fair value, ¥67,376 thousand is not marked to market on the Balance Sheet, since adopting special treatment for interest-rate swaps.

### Derivative transactions as of February 28, 2026

(1) There were no derivative financial instruments not subject to hedge accounting.

(2) Derivative financial instruments subject to hedge accounting were as follows:

Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount (Note 1)		Fair value <sup>(Note 2)</sup>
				Due after one year	
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	2,200,000	2,200,000	115,575 <sup>(Note 3)</sup>

Note 1: Contract amount is based on notional amount.

Note 2: Fair value is measured by swap counterparty, based on the actual market interest rate, etc.

Note 3: Out of the fair value, ¥115,575 thousand is not marked to market on the Balance Sheet, since adopting special treatment for interest-rate swaps.

## 28. CASH DISTRIBUTIONS

Yen

	For the period from March 1, 2025 to August 31, 2025	For the period from September 1, 2025 to February 28, 2026
1. Retained earnings at end of period	17,589,691,146	14,463,537,831
2. Distributions in excess of retained earnings	-	2,425,402,008
Of which, allowance for temporary difference adjustment	-	2,216,315,628
Of which, other distributions in excess of net income	-	209,086,380
3. Incorporation into unitholders' capital	24,021,294	3,886,749
Of which, reversal of allowance for temporary difference adjustments	24,021,294	3,886,749
4. Distributions	16,457,421,288	16,884,886,776
[Distributions (per unit)]	(3,542)	(3,634)
Of which, distributions of earnings	16,457,421,288	14,459,484,768
[OF which, distributions of earnings (per unit)]	(3,542)	(3,112)
Of which, allowance for temporary difference adjustments	-	2,216,315,628
[OF which, allowance for temporary difference adjustments (per unit)]	-	(477)
Of which, other distributions in excess of net income	-	209,086,380
[OF which, other distributions in excess of net income (per unit)]	-	(45)
5. Retained earnings carried forward	1,108,248,564	166,314

### Calculation method of distribution amount

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.

For the fiscal period under review, NMF decided to distribute ¥16,884,886,776 (¥3,634 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 prior fiscal periods to net income.

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 ¥14,459,484,768 (¥3,112 per investment unit). Distribution in excess of net income comprises a distribution of ¥2,216,315,628 (¥477 per investment unit) as allowance for temporary difference adjustment and ¥209,086,380 (¥45 per investment unit) in other distribution in excess of net income.

## 29. INFORMATION ON ALLOWANCE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

For the period from March 1, 2025 to August 31, 2025

1. Reason for reversal, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for reversal	Allowance for temporary difference adjustment
Land, Buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(24,021)
<b>Total</b>		(24,021)

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 or 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 or sale, the corresponding amount is scheduled to be reversed.
Land in trust, etc.	Upon sale, the corresponding amount is scheduled to be reversed
Leasehold	
Leasehold in trust	

(3) Long-term deposits

In principle, long-term deposits are not reserved.

**For the period from September 1, 2025 to February 28, 2026**

1. Reason for allowance, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for allowance	Allowance for temporary difference adjustment
Goodwill	Amortization of goodwill	2,622,242
Buildings, etc.	Asset retirement obligations	16,037
Leasehold rights, etc.	Amortization of Leasehold rights	87,576
Long-term deposits	Shortfall of reserve for repair	1,669
Increase subtotal		2,727,526
Buildings, facilities, etc.	Depreciation deficiency equivalent	(460,612)
Other	-	(50,597)
Decrease subtotal		(511,210)
<b>Total</b>		<b>2,216,315</b>

2. Reason for reversal, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for reversal	Allowance for temporary difference adjustment
Land, Buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(3,886)
<b>Total</b>		<b>(3,886)</b>

3. 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 or 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 or sale, the corresponding amount is scheduled to be reversed.
Land in trust, etc.	Upon sale, the corresponding amount is scheduled to be reversed
Leasehold	
Leasehold in trust	

(3) Long-term deposits

In principle, long-term deposits are not reserved.

### 30. SIGNIFICANT SUBSEQUENT EVENTS

Transfer of the asset

NMF sold the following asset after the end of the 21st fiscal period (February 28, 2026).

Property Name	Type of asset	Use	Contract date	Transfer date	Buyer (Note1)	Transfer Price (millions of yen)	Impact on 22nd fiscal period earnings (Scheduled) (millions of yen) (Note2)
Harumi Island Triton Square Office Tower Z	Trust beneficial interest in real estate	Office	March 18, 2026	March 30, 2026	Domestic special purpose company	8,600	380
NRE Hiroshima Building			March 19, 2026	March 26, 2026	Domestic general business company	4,800	1,983

(Note1) Detailed information regarding the transferee is not disclosed, as consent for disclosure has not been obtained from the transferee. As of today, neither the Fund nor the Asset Management Company has any notable capital, personnel or transactional relationships with the transferees, and the transferees are not related parties of either the Fund or the Asset Management Company.

(Note2) The impact on earnings for 22nd fiscal period (March 1, 2026 to August 31, 2026) will be recorded as gain on sales of real estate under operating revenues.