

Nomura Real Estate Master Fund, Inc.

The Report on Financial Results
and Operational Status

for the six-month period ended August 31, 2024

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 August 31, 2024, 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 August 31, 2024, 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, 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.

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.

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 August 31, 2024 are 26 million yen and 11 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

November 28, 2024

佐藤 賢治

Kenji Sato
Designated Engagement Partner
Certified Public Accountant

井上 裕人

Hiroto Inoue
Designated Engagement Partner
Certified Public Accountant

Nomura Real Estate Master Fund, Inc.

18th Fiscal Period Report on Financial Results and Operational Status

BALANCE SHEET

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
ASSETS		
Current Assets:		
Cash and bank deposits	45,099,668	45,672,669
Rental receivables	749,351	945,972
Income taxes receivable	34	646
Other current assets	1,629,922	1,674,712
Total current assets	47,478,976	48,294,000
Property and Equipment:		
Land	759,721,045	756,016,759
Buildings and structures	380,294,089	384,442,670
Machinery and equipment	2,563,598	2,613,869
Tools, furniture and fixtures	2,376,276	2,668,987
Leased assets	10,869	10,869
Construction in progress	439,315	183,762
Subtotal	1,145,405,194	1,145,936,920
Less accumulated depreciation	(87,930,673)	(92,040,070)
Net property and equipment	1,057,474,521	1,053,896,849
Investments and Other Assets:		
Goodwill	61,986,794	59,364,552
Leasehold rights	16,801,187	17,972,736
Intangible assets	36,207	28,399
Long-term prepaid expenses	1,942,522	2,017,284
Long-term deposits	395,944	307,918
Security deposits	1,038,372	1,144,372
Deferred investment corporation bond issuance costs	131,305	149,473
Total investments and other assets	82,332,334	80,984,737
Total Assets	1,187,285,832	1,183,175,587

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

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
LIABILITIES		
Current Liabilities:		
Trade accounts payable	1,930,580	2,837,079
Short-term debt	-	1,000,000
Current portion of investment corporation bonds	9,000,000	9,000,000
Current portion of long-term debt	50,810,600	61,362,000
Lease obligations in trust	3,476	3,330
Other accounts payable	2,886,403	3,697,460
Accrued expenses	355,543	383,156
Accrued income taxes	605	605
Accrued consumption taxes	540,550	540,589
Rent received in advance	5,606,791	5,576,859
Other current liabilities	13,334	6,906
Total current liabilities	71,147,884	84,407,988
Long-term Liabilities:		
Investment corporation bonds	25,000,000	29,400,000
Long-term debt	436,524,200	420,530,000
Lease obligations in trust	1,809	217
Security deposits from tenants	42,614,953	42,149,878
Asset retirement obligations	385,407	485,153
Total long-term liabilities	504,526,371	492,565,248
Total Liabilities	575,674,255	576,973,237
NET ASSETS		
Unitholders' Equity:		
Unitholders' capital	245,114,136	245,127,776
Surplus		
Capital surplus	394,012,959	394,012,959
Allowance for temporary difference adjustment	(23,625,301)	(26,021,128)
Other deductions from capital surplus	(17,533,094)	(24,607,962)
Total deductions from capital surplus	(41,158,395)	(50,629,090)
Net capital surplus	352,854,563	343,383,868
Voluntary retained earnings		
Reserve for tax purpose reduction entry of replacement assets	82,329	-
Total voluntary retained earnings	82,329	-
Retained earnings	13,560,547	17,690,705
Total surplus	366,497,440	361,074,573

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Total unitholders' equity	611,611,576	606,202,350
Total Net Assets	611,611,576	606,202,350
Total Liabilities and Net Assets	1,187,285,832	1,183,175,587

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 September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
OPERATING REVENUES AND EXPENSES		
Operating Revenues:		
Real estate rental revenues	38,833,259	39,789,047
Gain on sales of real estate	542,158	5,292,522
	39,375,417	45,081,569
Operating Expenses:		
Real estate rental expenses	17,404,131	18,007,498
Asset management fees	3,451,062	3,715,189
Asset custody fees	57,549	57,450
Administrative service fees	164,825	171,333
Amortization of goodwill	2,622,242	2,622,242
Other operating expenses	503,364	566,578
	24,203,176	25,140,293
Operating Income	15,172,240	19,941,276
NON-OPERATING REVENUES AND EXPENSES		
Non-Operating Revenues:		
Interest income	227	4,486
Reversal of dividends payable	2,792	2,716
Other non-operating revenues	5,006	99
	8,025	7,302
Non-Operating Expenses:		
Interest expenses	1,576,088	1,628,538
Interest expenses on investment corporation bonds	180,813	186,978
Amortization of investment corporation bonds issuance costs	9,137	10,061
Loan arrangement fees	453,024	412,853
Other non-operating expenses	2,305	21,145
	2,221,369	2,259,577
Ordinary Income	12,958,897	17,689,001

Thousands of Yen

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Income before Income Taxes	12,958,897	17,689,001
Income Taxes:		
Current	605	605
	605	605
Net Income	12,958,292	17,688,396
Retained earnings brought forward	602,255	2,308
Retained Earnings at End of Period	13,560,547	17,690,705

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

STATEMENT OF CHANGES IN NET ASSETS

For the period from September 1, 2023 to February 29, 2024

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		
Balance as of September 1, 2023	4,715,200	245,067,403	394,012,959	(23,672,034)	(17,486,361)	(41,158,395)	352,854,563
Distributions of retained earnings	-	-	-	-	-	-	-
Provision of reserve for tax purpose reduction entry of replacement assets	-	-	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	-	46,732	-	46,732	(46,732)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	-	-	-	-
Other distributions in excess of net earnings	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-
Total changes of items during the period	-	46,732	-	46,732	(46,732)	-	-
Balance as of February 29, 2024	4,715,200	245,114,136	394,012,959	(23,625,301)	(17,533,094)	(41,158,395)	352,854,563

Thousands of Yen

	Unitholders' Equity				Valuation and Translation Adjustments			
	Surplus				Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
	Voluntary retained earnings		Retained earnings	Total surplus				
Reserve for tax purpose reduction entry of replacement assets	Total voluntary retained earnings							
Balance as of September 1, 2023	-	-	16,772,428	369,626,991	614,694,394	(4,094)	(4,094)	614,690,300
Distributions of retained earnings	-	-	(16,041,110)	(16,041,110)	(16,041,110)	-	-	(16,041,110)
Provision of reserve for tax purpose reduction entry of replacement assets	82,329	82,329	(82,329)	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	-	-	(46,732)	(46,732)	-	-	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	-	-	-	-	-
Other distributions in excess of net earnings	-	-	-	-	-	-	-	-
Net income	-	-	12,958,292	12,958,292	12,958,292	-	-	12,958,292
Net changes of items other than unitholders' equity	-	-	-	-	-	4,094	4,094	4,094
Total changes of items during the period	82,329	82,329	(3,211,880)	(3,129,550)	(3,082,817)	4,094	4,094	(3,078,723)
Balance as of February 29, 2024	82,329	82,329	13,560,547	366,497,440	611,611,576	-	-	611,611,576

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

For the period from March 1, 2024 to August 31, 2024

Thousands of Yen

	Unitholders' Equity						
	Surplus						Net capital surplus
	Capital surplus						
	Units	Unitholders' capital	Capital surplus	Deductions from capital surplus			
Allowance for temporary difference adjustment				Other deductions from capital surplus	Total deductions from capital surplus		
Balance as of March 1, 2024	4,715,200	245,114,136	394,012,959	(23,625,301)	(17,533,094)	(41,158,395)	352,854,563
Distributions of retained earnings	-	-	-	-	-	-	-
Reversal of reserve for tax purpose reduction entry of replacement assets	-	-	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	-	13,640	-	13,640	(13,640)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	(2,409,467)	-	(2,409,467)	(2,409,467)
Other distributions in excess of net earnings	-	-	-	-	(61,297)	(61,297)	(61,297)
Net income	-	-	-	-	-	-	-
Purchase of treasury investment units	-	-	-	-	-	-	-
Cancellation of treasury investment units	(47,756)	-	-	-	(6,999,930)	(6,999,930)	(6,999,930)
Total changes of items during the period	(47,756)	13,640	-	(2,395,826)	(7,074,868)	(9,470,695)	(9,470,695)
Balance as of August 31, 2024	4,667,444	245,127,776	394,012,959	(26,021,128)	(24,607,962)	(50,629,090)	343,383,868

	Thousands of Yen					
	Unitholders' Equity				Total net assets	
	Surplus					
	Voluntary retained earnings					
	Reserve for tax purpose reduction entry of replacement assets	Total voluntary retained earnings	Retained earnings	Total surplus	Treasury investment units	Total unitholders' equity
Balance as of March 1, 2024	82,329	82,329	13,560,547	366,497,440	-	611,611,576
Distributions of retained earnings	-	-	(13,626,928)	(13,626,928)	-	(13,626,928)
Reversal of reserve for tax purpose reduction entry of replacement assets	(82,329)	(82,329)	82,329	-	-	-
Reversal of allowance for temporary difference adjustments	-	-	(13,640)	(13,640)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	(2,409,467)	-	(2,409,467)
Other distributions in excess of net earnings	-	-	-	(61,297)	-	(61,297)
Net income	-	-	17,688,396	17,688,396	-	17,688,396
Purchase of treasury investment units	-	-	-	-	(6,999,930)	(6,999,930)
Cancellation of treasury investment units	-	-	-	(6,999,930)	6,999,930	-
Total changes of items during the period	(82,329)	(82,329)	4,130,157	(5,422,867)	-	(5,409,226)
Balance as of August 31, 2024	-	-	17,690,705	361,074,573	-	606,202,350

	<u>Thousands of Yen</u>
	<u>Total</u>
	<u>net assets</u>
	Total
	net assets
Balance as of	611,611,576
March 1, 2024	
Distributions of retained earnings	(13,626,928)
Reversal of reserve for tax purpose reduction entry of replacement assets	-
Reversal of allowance for temporary difference adjustments	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	(2,409,467)
Other distributions in excess of net earnings	(61,297)
Net income	17,688,396
Purchase of treasury investment units	(6,999,930)
Cancellation of treasury investment units	-
Total changes of items during the period	(5,409,226)
Balance as of	606,202,350
August 31, 2024	

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

STATEMENT OF CASH FLOWS

Thousands of Yen

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
CASH FLOWS		
Cash Flows from Operating Activities		
Income before income taxes	12,958,897	17,689,001
Depreciation	5,776,440	5,761,637
Amortization of goodwill	2,622,242	2,622,242
Amortization of investment corporation bonds issuance costs	9,137	10,061
Interest income	(227)	(4,486)
Interest expense	1,756,901	1,815,516
Loss on disposal of property and equipment	32,981	18,135
Decrease (Increase) in rental receivables	31,834	(196,933)
Decrease (Increase) in prepaid expenses	84,493	(95,770)
Decrease (Increase) in long-term prepaid expenses	154,523	(74,761)
Decrease (Increase) in long-term deposits	(18,719)	88,025
Increase (Decrease) in trade accounts payable	(1,182,636)	906,498
Increase (Decrease) in other accounts payable	(223,011)	311,432
Increase (Decrease) in accrued consumption taxes	(27,349)	39
Increase (Decrease) in rent received in advance	(27,368)	(29,931)
Decrease in property and equipment due to sales	2,337,451	6,604,804
Decrease in property and equipment in trust due to sales	-	19,733,691
Other	(102,719)	(45,513)
Subtotal	24,182,872	55,113,691
Interest received	227	4,486
Interest paid	(1,767,674)	(1,787,903)
Income taxes paid	(602)	(1,216)
Net cash provided by (used in) operating activities	22,414,822	53,329,058
Cash Flows from Investing Activities		
Payments for purchases of property and equipment	(12,167,829)	(27,907,330)
Payments for purchases of leasehold rights and intangible assets	(6,251)	(1,206,570)
Reimbursement of security deposits to tenants	(1,604,465)	(2,364,764)
Proceeds from security deposits from tenants	1,500,850	1,992,466
Payments for security deposits	-	(106,000)
Proceeds from security deposits	10,000	-
Other	(10)	-
Net cash provided by (used in) investing activities	(12,267,706)	(29,592,200)

Thousands of Yen

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Cash Flows from Financing Activities		
Proceeds from short-term debt	-	1,000,000
Repayment of short-term debt	(2,000,000)	-
Proceeds from long-term debt	26,550,000	22,300,000
Repayments of long-term debt	(24,592,800)	(27,742,800)
Proceeds from issuance of investment corporation bonds	-	4,400,000
Payments for investment corporation bond issuance	(122)	(25,230)
Payment for purchase of treasury investment units	-	(6,999,930)
Distributions to unitholders	(16,038,393)	(13,623,931)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(211)	(2,410,319)
Other distributions in excess of net earnings	(730)	(61,644)
Net cash provided by (used in) financing activities	(16,082,257)	(23,163,856)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,935,142)	573,001
Cash and Cash Equivalents at Beginning of Period	51,034,810	45,099,668
Cash and Cash Equivalents at End of Period	45,099,668	45,672,669

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 - 45 years
Machinery and equipment	6 - 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.

Impairment of fixed assets

NMF reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of its fixed assets may not be recoverable. An impairment loss is recognized if the carrying value of an asset exceeds the aggregate estimated future cash flows. If a fixed asset is determined to be impaired, it is written down to its recoverable amount and the write-down is recorded as an impairment loss during the period in which it occurs.

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.

Investment unit issuance expenses

The entire amount is expensed as incurred.

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 ¥4,793 thousand for the fiscal period ended February 29, 2024 and ¥49,580 thousand for the fiscal period ended August 31, 2024.

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.

Income taxes

Deferred tax assets and liabilities are computed based on the differences between the financial statements and income tax bases of assets and liabilities using the applicable statutory tax rates.

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.

Derivative financial instruments

NMF utilizes interest-rate swap contracts as derivative financial instruments only for the purpose of hedging its exposure to changes in interest rates. NMF defers recognition of gains or losses resulting from changes in the fair value of interest-rate swap contracts which meet the criteria for deferral hedge accounting.

Although deferral hedge accounting is generally applied, NMF applies the special treatment to those interest-rate swap contracts that meet the criteria for such special treatment. Under the special treatment, interest-rate swaps are not remeasured at fair value; instead, the net amount paid or received under the interest-rate swap contract is recognized and included in interest expense or income.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of February 29, 2024 and August 31, 2024 consist of the following:

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Cash and bank deposits	45,099,668	45,672,669
Cash and cash equivalents	45,099,668	45,672,669

Important contents of the non-cash transactions:

Not applicable.

5. ASSETS PLEDGED AS COLLATERAL AND SECURED LIABILITIES

The assets pledged as collateral are as follows:

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Buildings in trust	3,057,257	3,018,078
Land in trust	6,096,368	6,096,368
Structures in trust	4,678	4,557
Tools, furniture and fixtures in trust	1,827	1,462
Total	9,160,131	9,120,466

The secured liabilities are as follows:

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Tenant leasehold and security deposits in trust	726,648	726,648
Total	726,648	726,648

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 February 29, 2024	As of August 31, 2024
Structures	-	6,872

7. STATUS OF CANCELLATION OF TREASURY INVESTMENT UNITS

Status of cancellation of treasury investment units was as follows:

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Total number of units cancelled (Unit)	-	47,756
Total amount cancelled (Thousands of Yen)	-	6,999,930

8. SCHEDULE OF PROPERTY AND EQUIPMENT

Property and equipment as of February 29, 2024 and August 31, 2024 consist of the following:

Thousands of Yen

	As of February 29, 2024		As of August 31, 2024	
	Acquisition costs	Book value	Acquisition costs	Book value
Land	325,877,255	325,877,255	324,584,104	324,584,104
Buildings and structures	164,621,950	131,220,470	166,726,583	131,330,601
Accumulated depreciation	(33,401,479)		(35,395,981)	
Machinery and equipment	1,163,409	440,102	1,183,979	428,068
Accumulated depreciation	(723,306)		(755,911)	
Tools, furniture and fixtures	1,028,500	546,181	1,297,119	743,347
Accumulated depreciation	(482,318)		(553,772)	
Land in trust	433,843,789	433,843,789	431,432,654	431,432,654
Buildings and structures in trust	215,672,139	163,810,232	217,716,087	163,936,019
Accumulated depreciation	(51,861,906)		(53,780,067)	
Machinery and equipment in trust	1,400,188	867,901	1,429,889	833,972
Accumulated depreciation	(532,287)		(595,917)	
Tools, furniture and fixtures in trust	1,347,775	424,465	1,371,867	421,093
Accumulated depreciation	(923,309)		(950,774)	
Lease assets in trust	10,869	4,805	10,869	3,225
Accumulated depreciation	(6,064)		(7,644)	
Construction in progress	439,315	439,315	183,762	183,762
Total	1,057,474,521	1,057,474,521	1,053,896,849	1,053,896,849

9. DEBT FINANCING

Short-term debts as of February 29, 2024 and August 31, 2024 consist of the following:

	As of February 29, 2024		As of August 31, 2024	
	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 August 26, 2025	-	-	1,000,000	0.82636%
Total	-	-	1,000,000	-

Long-term debts as of February 29, 2024 and August 31, 2024 consist of the following:

	As of February 29, 2024		As of August 31, 2024	
	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 May 27, 2024	1,100,000	0.51000%	-	-
Unsecured loans from a bank due on May 27, 2024	2,700,000	0.46376%	-	-
Unsecured loans from a bank due on May 27, 2024	2,000,000	0.53676%	-	-
Unsecured loans from a bank due on June 26, 2024	2,700,000	0.85925%	-	-
Unsecured loans from a bank due on June 26, 2024	2,700,000	0.49533%	-	-
Unsecured loans from a bank due on August 26, 2024	3,000,000	0.58175%	-	-
Unsecured loans from a bank due on August 26, 2024	2,430,000	0.49971%	-	-
Unsecured loans from banks due on August 26, 2024	5,670,000	0.49485%	-	-
Unsecured loans from a bank due on August 26, 2024	1,000,000	0.28624%	-	-
Unsecured loans from a bank due on November 26, 2024 (Note 2)	2,250,000	0.50825%	2,250,000	0.50825%
Unsecured loans from banks due on November 26, 2024 (Note 2)	3,000,000	0.58000%	3,000,000	0.58000%
Unsecured loans from a bank due on November 26, 2024 (Note 2)	1,800,000	0.55979%	1,800,000	0.55979%
Unsecured loans from a bank due on November 26, 2024 (Note 2)	500,000	0.52384%	500,000	0.52384%
Unsecured loans from banks due on November 26, 2024 (Note 2)	2,000,000	0.42630%	2,000,000	0.42630%
Unsecured loans from a bank due on November 26, 2024 (Note 2)	800,000	0.21380%	800,000	0.21380%
Unsecured loans from banks due on November 26, 2024 (Note 2)	6,375,000	0.22455%	1,975,000	0.50636%
Unsecured loans from banks due on February 26, 2025 (Note 2)	4,200,000	0.62675%	4,200,000	0.62675%
Unsecured loans from a bank due on February 26, 2025 (Note 2)	1,000,000	0.52140%	1,000,000	0.52140%
Unsecured loans from banks due on February 26, 2025 (Note 2)	3,000,000	0.53936%	3,000,000	0.53936%
Unsecured loans from banks due on February 26, 2025 (Note 2)	1,500,000	0.53880%	1,500,000	0.53880%
Unsecured loans from banks due on February 26, 2025 (Note 2)	1,000,000	0.50604%	1,000,000	0.50604%
Unsecured loans from a bank due on May 26, 2025 (Note 2) (Note 3)	539,900	2.17000%	518,500	2.17000%
Unsecured loans from a bank due on May 26, 2025 (Note 2) (Note 3)	539,900	2.21812%	518,500	2.21812%
Unsecured loans from a bank due on May 26, 2025 (Note 2)	2,000,000	0.60286%	2,000,000	0.60286%
Unsecured loans from a bank due on May 26, 2025 (Note 2)	2,000,000	0.60286%	2,000,000	0.60286%
Unsecured loans from banks due on May 26, 2025 (Note 2)	2,800,000	0.60286%	2,800,000	0.60286%
Unsecured loans from a bank due on May 26, 2025 (Note 2)	1,000,000	0.61434%	1,000,000	0.61434%
Unsecured loans from a bank due on May 26, 2025 (Note 2)	1,000,000	0.50506%	1,000,000	0.50506%
Unsecured loans from banks due on May 26, 2025 (Note 2)	2,000,000	0.46301%	2,000,000	0.46301%
Unsecured loans from a bank due on May 26, 2025 (Note 2)	1,000,000	0.19750%	1,000,000	0.19750%
Unsecured loans from banks due on May 26, 2025 (Note 2)	4,000,000	0.22455%	4,000,000	0.50636%
Unsecured loans from banks due on August 26, 2025 (Note 2)	3,000,000	0.56380%	3,000,000	0.56380%
Unsecured loans from banks due on August 26, 2025 (Note 2)	4,050,000	0.58727%	4,050,000	0.58727%
Unsecured loans from banks due on August 26, 2025 (Note 2)	1,850,000	0.67915%	1,850,000	0.67915%
Unsecured loans from banks due on August 26, 2025 (Note 2)	2,600,000	0.60489%	2,600,000	0.60489%
Unsecured loans from banks due on August 26, 2025 (Note 2)	3,000,000	0.58380%	3,000,000	0.58380%
Unsecured loans from banks due on August 26, 2025 (Note 2)	4,000,000	0.22455%	4,000,000	0.50636%

	As of February 29, 2024		As of August 31, 2024	
	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, 2025 (Note 2)	3,000,000	0.22455%	3,000,000	0.50636%
Unsecured loans from a bank due on November 26, 2025	1,100,000	1.09830%	1,100,000	1.09830%
Unsecured loans from a bank due on November 26, 2025	1,100,000	1.06250%	1,100,000	1.06250%
Unsecured loans from a bank due on November 26, 2025	2,000,000	1.03955%	2,000,000	1.03955%
Unsecured loans from a bank due on November 26, 2025	2,000,000	0.59639%	2,000,000	0.59639%
Unsecured loans from a bank due on November 26, 2025	2,000,000	0.60448%	2,000,000	0.60448%
Unsecured loans from banks due on November 26, 2025	4,200,000	0.64616%	4,200,000	0.64616%
Unsecured loans from a bank due on November 26, 2025	900,000	0.65123%	900,000	0.65123%
Unsecured loans from a bank due on November 26, 2025	1,300,000	0.64278%	1,300,000	0.64278%
Unsecured loans from a bank due on November 26, 2025	1,000,000	0.59499%	1,000,000	0.59499%
Unsecured loans from a bank due on November 26, 2025	500,000	0.56311%	500,000	0.56311%
Unsecured loans from banks due on February 26, 2026	4,000,000	0.74080%	4,000,000	0.74080%
Unsecured loans from banks due on February 26, 2026	2,500,000	0.59592%	2,500,000	0.59592%
Unsecured loans from banks due on February 26, 2026	800,000	0.37630%	800,000	0.37630%
Unsecured loans from a bank due on February 26, 2026	500,000	0.39196%	500,000	0.39196%
Unsecured loans from banks due on February 26, 2026	1,500,000	0.17136%	1,500,000	0.17136%
Unsecured loans from a bank due on February 26, 2026	500,000	0.21500%	500,000	0.21500%
Unsecured loans from a bank due on February 26, 2026	1,800,000	0.22455%	1,800,000	0.50636%
Unsecured loans from a bank due on May 26, 2026	2,500,000	0.63995%	2,500,000	0.63995%
Unsecured loans from a bank due on May 26, 2026	1,100,000	0.65267%	1,100,000	0.65267%
Unsecured loans from banks due on May 26, 2026	3,600,000	0.60880%	3,600,000	0.60880%
Unsecured loans from a bank due on May 26, 2026	1,000,000	0.59614%	1,000,000	0.59614%
Unsecured loans from a bank due on May 26, 2026	1,100,000	0.37000%	1,100,000	0.37000%
Unsecured loans from a bank due on May 26, 2026	1,500,000	0.25873%	1,500,000	0.25873%
Unsecured loans from a bank due on August 26, 2026	2,700,000	0.67591%	2,700,000	0.67591%
Unsecured loans from a bank due on August 26, 2026	2,700,000	0.67591%	2,700,000	0.67591%
Unsecured loans from banks due on August 26, 2026	3,000,000	0.77669%	3,000,000	0.77669%
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.70414%	1,000,000	0.70414%
Unsecured loans from banks due on August 26, 2026	3,000,000	0.67483%	3,000,000	0.67483%
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.64500%	1,000,000	0.64500%
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.42118%	1,000,000	0.42118%
Unsecured loans from a bank due on August 26, 2026	500,000	0.43627%	500,000	0.43627%
Unsecured loans from banks due on August 26, 2026	1,500,000	0.20880%	1,500,000	0.20880%
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.30116%	1,000,000	0.30116%
Unsecured loans from banks due on August 26, 2026	6,700,000	0.22455%	6,700,000	0.50636%
Unsecured loans from banks due on August 26, 2026	3,000,000	0.22455%	3,000,000	0.50636%
Unsecured loans from a bank due on November 26, 2026	2,000,000	0.76000%	2,000,000	0.76000%
Unsecured loans from a bank due on November 26, 2026	2,000,000	0.74229%	2,000,000	0.74229%
Unsecured loans from banks due on November 26, 2026	4,165,000	0.73506%	4,165,000	0.73506%
Unsecured loans from banks due on November 26, 2026	4,000,000	0.69956%	4,000,000	0.69956%
Unsecured loans from banks due on November 26, 2026	1,500,000	0.64999%	1,500,000	0.64999%
Unsecured loans from banks due on November 26, 2026	2,000,000	0.60750%	2,000,000	0.60750%
Unsecured loans from banks due on November 26, 2026	1,000,000	0.28000%	1,000,000	0.28000%
Unsecured loans from banks due on November 26, 2026	1,200,000	0.30000%	1,200,000	0.30000%
Unsecured loans from banks due on November 26, 2026	6,950,000	0.22455%	6,950,000	0.50636%
Unsecured loans from banks due on February 26, 2027	2,320,000	0.71500%	2,320,000	0.71500%
Unsecured loans from banks due on February 26, 2027	1,500,000	0.46630%	1,500,000	0.46630%
Unsecured loans from a bank due on February 26, 2027	500,000	0.44859%	500,000	0.44859%

	As of February 29, 2024		As of August 31, 2024	
	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 February 26, 2027	1,000,000	0.48144%	1,000,000	0.48144%
Unsecured loans from a bank due on February 26, 2027	1,500,000	0.28500%	1,500,000	0.28500%
Unsecured loans from a bank due on February 26, 2027	1,000,000	0.28500%	1,000,000	0.28500%
Unsecured loans from a bank due on February 26, 2027	300,000	0.16205%	300,000	0.16205%
Unsecured loans from a bank due on February 26, 2027	500,000	0.10094%	500,000	0.10094%
Unsecured loans from a bank due on February 26, 2027	500,000	0.35139%	500,000	0.35139%
Unsecured loans from a bank due on February 26, 2027	500,000	0.24818%	500,000	0.24818%
Unsecured loans from a bank due on February 26, 2027	1,000,000	0.29065%	1,000,000	0.29065%
Unsecured loans from banks due on February 26, 2027	4,670,000	0.27091%	4,670,000	0.61727%
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 a bank due on November 26, 2027	1,000,000	0.27591%	1,000,000	0.62227%
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 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%
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%

	As of February 29, 2024		As of August 31, 2024	
	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	1,400,000	0.40500%	1,400,000	0.40500%
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 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	0.30091%	800,000	0.64727%
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	0.63727%
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	0.64727%
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%
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%
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%

	As of February 29, 2024		As of August 31, 2024	
	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, 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 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 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 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%
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 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%

	As of February 29, 2024		As of August 31, 2024	
	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, 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 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%
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%
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 banks due on February 26, 2032	2,750,000	1.25160%	2,750,000	1.25160%
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	0.79727%
Unsecured loans from banks due on May 26, 2032	-	-	2,800,000	1.32707%
Unsecured loans from banks due on May 26, 2032	-	-	2,600,000	0.79727%
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%
Unsecured loans from a bank due on November 26, 2032	-	-	1,500,000	0.79727%
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 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 November 28, 2033	2,550,000	1.51563%	2,550,000	1.51563%
Total	487,334,800		481,892,000	

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.

Note 3: Installments of ¥10.7 million will be made on the 26th day of every third month starting on August 26, 2013, with the remaining payment of ¥497.1 million to be repaid on May 26, 2025.

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 February 29, 2024	50,810,600	65,994,200	78,005,000	57,215,000	45,410,000
As of August 31, 2024	61,362,000	65,600,000	65,345,000	52,785,000	58,150,000

(1) The Company entered into ¥10,000 million of credit facilities in the form of commitment lines with two financial institutions for the fiscal period ended February 29, 2024, which were terminated for the fiscal period ended August 31, 2024. The total unused amount of such credit facilities was ¥10,000 million as of February 29, 2024.

(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 29, 2024. The total unused amount of such credit facilities was ¥40,000 million as of February 29, 2024.

(3) 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, 2024. The total unused amount of such credit facilities was ¥39,000 million as of August 31, 2024.

10. INVESTMENT CORPORATION BONDS

Details of investment corporation bonds outstanding are summarized as follows.

	As of February 29, 2024		As of August 31, 2024	
	Amount (Thousands of Yen)	Interest rate (Note 1)	Amount (Thousands of Yen)	Interest rate (Note 1)
Former NMF's 1st series of unsecured investment corporation bonds due on October 30, 2024	3,000,000	0.870%	3,000,000	0.870%
NOF's 10th series of unsecured investment corporation bonds due on November 25, 2024	6,000,000	1.020%	6,000,000	1.020%
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%
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 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 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%
Total	34,000,000		38,400,000	

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 February 29, 2024	9,000,000	-	-	2,000,000	4,500,000
As of August 31, 2024	9,000,000	-	-	6,500,000	4,400,000

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 September 1, 2023 to February 29, 2024

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

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

Item	Method of reversal
Buildings, etc.	Upon depreciation and sale, 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.

(3) Deferred gains or losses on hedges

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

For the period from March 1, 2024 to August 31, 2024

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	22,386,440	2,409,467	-	24,795,907	-
Land, buildings, etc.	Merger expenses	4,029,135	1,234,766	-	(9,546)	1,225,220	Sales and depreciation of properties for which merger expenses were recorded
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	2,867,594	4,094	-	(4,094)	-	Changes in fair value of derivative transactions
Increase - subtotal		-	23,625,301	2,409,467	(13,640)	26,021,128	-
Total		-	23,625,301	2,409,467	(13,640)	26,021,128	-

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.

(3) Deferred gains or losses on hedges

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

13. PER UNIT INFORMATION

The net asset values per unit and the net income per unit as of and for the periods ended February 29, 2024 and August 31, 2024 were as follows:

	As of / For the period from September 1, 2023 to February 29, 2024	As of / For the period from March 1, 2024 to August 31, 2024
Net assets per unit	129,710	129,878
Net income per unit	2,748	3,759

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.

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Net income (Thousands of Yen)	12,958,292	17,688,396
Amount not available to ordinary unitholders (Thousands of Yen)	-	-
Net income available to ordinary unitholders (Thousands of Yen)	12,958,292	17,688,396
Average number of units during the period (Units)	4,715,200	4,705,277

14. RELATED PARTY TRANSACTIONS

For the periods from September 1, 2023 to February 29, 2024 and from March 1, 2024 to August 31, 2024

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 August 31, 2024. 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 ¥16,102,681 thousand for the fiscal period ended August 31, 2024, 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

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Deferred tax asset:		
Valuation difference on other assets acquired by merger	17,672,946	13,883,355
Deferred gains or losses on hedges	-	-
Unearned revenue	-	-
Write-offs for long-term prepaid expenses	175	166
Depreciation costs of trust leasehold rights	2,431	2,656
Asset retirement obligations	22,744	40,486
Non-deductible accrued enterprise tax	-	-
Provision for loss on disaster	-	-
Other	-	14,786
Subtotal	17,698,296	13,941,451
Valuation allowance	(17,698,296)	(13,941,451)
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.

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(37.51%)	(14.89%)
Valuation of allowance	(0.31%)	(21.24%)
Amortization of goodwill	6.37%	4.66%
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 "24. 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 September 1, 2023 to February 29, 2024

Carrying amount, fair value and the difference between the two as of February 29, 2024 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.

	Carrying value ^(Note 1)	Fair value ^(Note 1)	Difference
(i) Current portion of Investment corporation bonds	(9,000,000)	(9,032,637)	32,637
(ii) Current portion of long-term debt	(50,810,600)	(50,898,948)	88,348
(iii) Investment corporation bonds	(25,000,000)	(24,047,309)	(952,691)
(iv) Long-term debt	(436,524,200)	(432,891,517)	(3,632,682)
(v) Derivative transactions	-	-	-

Thousands of Yen

For the period from March 1, 2024 to August 31, 2024

Carrying amount, fair value and the difference between the two as of August 31, 2024 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 ^(Note 1)	Fair value ^(Note 1)	Difference
(i) Current portion of Investment corporation bonds	(9,000,000)	(9,007,278)	7,278
(ii) Current portion of long-term debt	(61,362,000)	(61,454,180)	92,180
(iii) Investment corporation bonds	(29,400,000)	(28,190,346)	(1,209,653)
(iv) Long-term debt	(420,530,000)	(417,356,833)	(3,173,166)
(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 February 29, 2024

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	9,000,000	-	-	2,000,000	4,500,000	18,500,000
Long-term debt	50,810,600	65,994,200	78,005,000	57,215,000	45,410,000	189,900,000
Total	59,810,600	65,994,200	78,005,000	59,215,000	49,910,000	208,400,000

Redemption schedule for debt as of August 31, 2024

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	9,000,000	-	-	6,500,000	4,400,000	18,500,000
Long-term debt	61,362,000	65,600,000	65,345,000	52,785,000	58,150,000	178,650,000
Total	70,362,000	65,600,000	65,345,000	59,285,000	62,550,000	197,150,000

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 - 2.0%.

3. Changes in total asset retirement obligations

	Thousands of Yen	
	Previous period from September 1, 2023 to February 29, 2024	Current period from March 1, 2024 to August 31, 2024
Balance at beginning of period	382,713	385,407
Increase due to purchase of property, plant and equipment	-	96,214
Adjustments for passage of time	2,694	3,531
Balance at end of period	385,407	485,153

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 September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Carrying value		
Balance at beginning of the period	1,070,367,349	1,074,275,708
Amount of increase (decrease) during the period	3,908,358	(2,406,122)
Balance at end of the period	1,074,275,708	1,071,869,585
Fair value at end of the period	1,325,449,000	1,340,126,000

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 Hotel Wing International Premium Kyoto-Sanjo (¥3,339,800 thousand), Proud Flat Shibuya Sasazuka (¥2,287,467 thousand), PROUD FLAT Asakusa DIAGE (¥1,357,724 thousand), Irize Urayasu (¥1,173,266 thousand). The decrease during the previous period is mainly attributable to the sale of PRIME URBAN Kanayama (¥460,506 thousand), PRIME URBAN Kamimaezu (¥1,358,571 thousand), PRIME URBAN Chihaya (¥518,373 thousand), as well as depreciation (¥5,765,827 thousand). The increase during the current period is mainly attributable to the acquisition of MIMARU SUITES Tokyo Asakusa (¥2,404,512 thousand), Hotel Wing International Premium Kanazawa Ekimae (¥2,204,456 thousand), Kojimachi Millennium Garden (¥285,042 thousand), MEFULL CHITOSEKARASUYAMA (¥1,902,243 thousand), Landport Tama (¥17,657,878 thousand), PRIME URBAN Nishi Nippori (¥1,011,186 thousand). The decrease during the current period is mainly attributable to the sale of NMF Ueno Building (¥6,604,804 thousand), Harumi Island Triton Square Office Tower Y (¥17,853,438 thousand), PRIME URBAN Iidabashi (¥1,880,253 thousand), as well as depreciation (¥5,750,298 thousand).

Note 3: Fair value at the end of the period is the appraisal value or investigation value determined by investigation, found by an outside real estate appraiser. However, in the previous period, transfer price is used as the fair value for NMF Ueno Building, PRIME URBAN Iidabashi. In the current fiscal period, the scheduled transfer price is used as the fair value for NMF Shinjuku Minamiguchi Building.

The income (loss) in the previous period (from September 1, 2023 to February 29, 2024) and current period (from March 1, 2024 to August 31, 2024) for investment and rental properties is as presented in "Notes to Statement of Income and Retained Earnings" earlier in this report.

19. REVENUE RECOGNITION

1. Information on disaggregation of revenues from contracts with customers

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

Thousands of Yen

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

Note 1: Leasing business revenues, which are subject to 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 March 1, 2024 to August 31, 2024)

Thousands of Yen

	Revenues from contracts with customers ^(Note 1)	Sales to external customers
Proceeds from sales of real estate	9,174,000	^(Note 2) 5,292,522
Utility expense revenues	1,595,899	1,595,899
Other	-	38,193,147
Total	10,769,899	45,081,569

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.

2. Basic information for understanding revenues from contracts with customers

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

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

Current period (from March 1, 2024 to August 31, 2024)

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

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

(1) Balances of contract assets and liabilities

Thousands of Yen

	Previous period from September 1, 2023 to February 29, 2024	Current period from March 1, 2024 to August 31, 2024
Receivables from contracts with customers (Balance as of the beginning of the fiscal period)	463,189	396,112
Receivables from contracts with customers (Balance as of the end of the fiscal period)	396,112	511,755
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 September 1, 2023 to February 29, 2024)

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

Of the remaining performance obligations, NMF completed the transfer of ¥6,930,000 thousand of the relevant real estate and other assets on April 1, 2024 and ¥2,244,000 thousand of the relevant real estate and other assets on April 24, 2024 and expects to recognize a gain in the August 31, 2024 (18th) fiscal period.

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

Current period (from March 1, 2024 to August 31, 2024)

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 September 1, 2023 to February 29, 2024 and from March 1, 2024 to August 31, 2024

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 September 1, 2023 to February 29, 2024

Customer name	Revenues (Thousands of Yen)	Related segment name
Nomura Real Estate Partners Co., Ltd.	5,454,536	Rental real estate business

For the period from March 1, 2024 to August 31, 2024

Customer name	Revenues (Thousands of Yen)	Related segment name
Nomura Real Estate Partners Co., Ltd.	5,704,731	Rental real estate business
HarumiY TMK	4,664,488	Rental real estate business

21. BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES

Real estate rental revenues and expenses for the fiscal periods ended February 29, 2024 and August 31, 2024 consist of the following:

Thousands of Yen

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
Real estate rental revenues	38,833,259	39,789,047
Rental revenues	35,631,155	36,444,042
Rental revenues	33,456,338	34,318,132
Common area charges	2,174,817	2,125,910
Other rental revenues	3,202,103	3,345,004
Parking revenues	631,871	632,968
Incidental income	2,298,042	2,480,079
Other miscellaneous revenues	272,189	231,957
Real estate rental expenses	17,404,131	18,007,498
Property management costs	1,898,421	1,918,149
Property management fees	966,131	1,116,093
Property and other taxes	3,427,452	3,614,828
Utility expenses	1,903,255	2,043,024
Casualty insurance	65,171	77,824
Repairs and maintenance	1,843,267	1,737,015
Land rents	262,295	299,402
Depreciation	5,775,315	5,760,583
Other rental expenses	1,262,821	1,440,575
Real estate rental profits	21,429,127	21,781,548

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

For the period from September 1, 2023 to February 29, 2024

	Thousands of Yen
PRIME URBAN Kanayama Building	
Proceeds from sales of real estate	610,000
Cost of sales of real estate	460,506
Other related sales expenses	11,265
Gain on sales of real estate	<u>138,228</u>
PRIME URBAN Kamimaezu Building	
Proceeds from sales of real estate	1,754,000
Cost of sales of real estate	1,358,571
Other related sales expenses	22,141
Gain on sales of real estate	<u>373,287</u>
PRIME URBAN Chihaya Building	
Proceeds from sales of real estate	560,000
Cost of sales of real estate	518,373
Other related sales expenses	10,983
Gain on sales of real estate	<u>30,642</u>

For the period from March 1, 2024 to August 31, 2024

	Thousands of Yen
NRE Ueno Building	
Proceeds from sales of real estate	6,930,000
Cost of sales of real estate	6,604,804
Other related sales expenses	41,019
Gain on sales of real estate	<u>284,176</u>
PRIME URBAN Idabashi	
Proceeds from sales of real estate	2,244,000
Cost of sales of real estate	1,880,253
Other related sales expenses	19,889
Gain on sales of real estate	<u>343,857</u>
Harumi Island Triton Square Office Tower Y	
Proceeds from sales of real estate	22,820,000
Cost of sales of real estate	17,853,438
Other related sales expenses	302,073
Gain on sales of real estate	<u>4,664,488</u>

23. BREAKDOWN OF EXTRAORDINARY GAIN

For the period from September 1, 2023 to February 29, 2024

Not applicable.

For the period from March 1, 2024 to August 31, 2024

Not applicable.

24. BREAKDOWN OF EXTRAORDINARY LOSS

For the period from September 1, 2023 to February 29, 2024

Not applicable.

For the period from March 1, 2024 to August 31, 2024

Not applicable.

25. LEASES

(As lessee)

The future minimum rental payments to owners under non-cancelable operating leases of properties as of February 29, 2024 and August 31, 2024 are summarized as follows:

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Due within one year	124,176	126,360
Due after one year	4,994,836	5,019,380
Total	5,119,012	5,145,740

(As lessor)

The future minimum rental revenues from tenants under non-cancelable operating leases of properties as of February 29, 2024 and August 31, 2024 are summarized as follows:

Thousands of Yen

	As of February 29, 2024	As of August 31, 2024
Due within one year	38,271,196	40,462,244
Due after one year	93,030,027	91,677,048
Total	131,301,224	132,139,292

26. DERIVATIVES AND HEDGE ACCOUNTING

Derivative transactions as of February 29, 2024

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

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

Thousands of Yen

Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount (Note 1)		Fair value ^(Note 2)
				Due after one year	
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	19,739,900	9,797,100	(39,777) ^(Note 3)

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, (¥39,777 thousand) is not marked to market on the Balance Sheet, since adopting special treatment for interest-rate swaps.

Derivative transactions as of August 31, 2024

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

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

Thousands of Yen

Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount (Note 1)		Fair value ^(Note 2)
				Due after one year	
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	14,018,500	9,300,000	11,223 ^(Note 3)

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, ¥11,223 thousand is not marked to market on the Balance Sheet, since adopting special treatment for interest-rate swaps.

27. CASH DISTRIBUTIONS

	For the period from September 1, 2023 to February 29, 2024	For the period from March 1, 2024 to August 31, 2024
1. Retained earnings at end of period	13,560,547,559	17,690,705,467
2. Reversal of voluntary retained earnings		
Of which, reversal of reserve for tax purpose reduction entry of replacement assets	82,329,695	-
3. Distributions in excess of retained earnings	2,470,764,800	-
Of which, allowance for temporary difference adjustment	2,409,467,200	-
Of which, other distributions in excess of net income	61,297,600	-
4. Incorporation into unitholders' capital	13,640,395	20,866,430
Of which, reversal of allowance for temporary difference adjustments	13,640,395	20,866,430
5. Distributions	16,097,692,800	16,102,681,800
[Distributions (per unit)]	(3,414)	(3,450)
Of which, distributions of earnings	13,626,928,000	16,102,681,800
[Of which, distributions of earnings (per unit)]	(2,890)	(3,450)
Of which, allowance for temporary difference adjustments	2,409,467,200	-
[Of which, allowance for temporary difference adjustments (per unit)]	(511)	(-)
Of which, other distributions in excess of net income	61,297,600	-
[Of which, other distributions in excess of net income (per unit)]	(13)	(-)
6. Retained earnings carried forward	2,308,859	1,567,157,237

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 ¥16,102,681,800 (¥3,450 per investment unit), which is the amount obtained by adding amortization of goodwill, amortization of fixed-term land leasehold, and amortization associated with recognition of asset retirement obligations, as well as the portion of the gain on sales of real estate deducted in the previous fiscal period to net income and deducting a portion of the gain on sale of real estate for the fiscal period under review.

The entire amount of ¥16,102,681,800, the amount of distributions calculated as described above, will be paid out as distributions of earnings, as said amount does not exceed net income as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, hereinafter the Investment Trust Act).

28. INFORMATION ON ALLOWANCE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

For the period from September 1, 2023 to February 29, 2024

1. Reason for reversal, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for reversal	Provision of allowance for temporary difference adjustments
Goodwill	Amortization of goodwill	2,622,242
Buildings, etc.	Asset retirement obligations	7,428
Leasehold rights, etc.	Amortization of Leasehold rights	36,586
Land	Cost of sales of land	150,750
Increase subtotal		2,817,008
Buildings, facilities, etc.	Depreciation deficiency equivalent	(404,010)
Unearned revenue, etc.	Write-down of loss on interest rate swap due to merger	(2,324)
Other	-	(1,206)
Decrease subtotal		(407,541)
Total		2,409,467

2. Reason for reversal, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for reversal	Provision of allowance for temporary difference adjustments
Land, Buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(9,546)
Deferred gains or losses on hedges	Changes in fair value of derivatives	(4,094)
Total		(13,640)

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.

(4) Deferred gains or losses on hedges

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

For the period from March 1, 2024 to August 31, 2024

1. Reason for reversal, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for reversal	Provision of allowance for temporary difference adjustments
Land, Buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(20,866)
Total		(20,866)

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.

(4) Deferred gains or losses on hedges

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

29. SIGNIFICANT SUBSEQUENT EVENTS

1. Transfer of the asset

NMF decided to sell the following asset after the end of the 18th fiscal period (August 31, 2024).

Property Name	Type of asset	Use	Contract date	Transfer date	Buyer	Transfer Price (Scheduled) (Millions of yen)	Impact on 19th fiscal period earnings (Scheduled) (Millions of yen) (Note)
NMF Shinjuku Minamiguchi Building	Trust beneficiary interest in mainly real estate	Office	October 8, 2024	December 20, 2024	Nomura Real Estate Development Co., Ltd.	13,500	3,276

(Note) The impact on earnings for 19th fiscal period (September 1, 2024 to February 28, 2025) will be recorded as gain on sales of real estate under operating revenues.

2. Purchase of treasury investment units

NMF decided matters concerning the purchase and cancellation of its treasury investment units at the Board of Directors meeting held on October 17, 2024 in accordance with the provisions of Article 80-2 of the Investment Trust Act as applied by replacement of terms pursuant to the provisions of Article 80-5, Paragraph 2 of the same act, as follows.

(1) Reasons for the purchase of investment units

NMF decided to purchase its treasury investment units after taking into account the price level of the investment unit, the status of cash on hand, the financial situation, the market environment, and other factors and determined that improving capital efficiency and returning profits to unitholders through the purchase and cancellation of investment units will lead to an increase in unitholder value over the medium to long term.

(2) Details of the purchase

Total Number of Purchasable Investment Units	Maximum of 25,000 units Ratio of the number of investment units issued against the total number of units outstanding (excluding treasury investment units) 0.54%
Total Purchase Price of Investment Units	Maximum of 3,000 million yen
Period of Purchase	From October 18, 2024, to December 17, 2024
Method of Purchase	To be purchased through market purchases on the Tokyo Stock Exchange in accordance with the discretionary transaction agreement with a securities company for the purchase of treasury investment units.

(3) Cancellation of treasury investment units

Total Number of Treasury Investment Units to be Cancelled	Total number of the treasury investment units purchased by the purchase according to (2) of treasury investment units
Scheduled Date of Cancellation	January 17, 2025