Nomura Real Estate Master Fund, Inc.

The Report on Financial Results
and Operational Status

for the six-month period ended August 31, 2026

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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, 2026, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2026, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

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

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

Responsibilities of Management and the Supervisory Director for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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, 2026 are 26 million yen and 8 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 27, 2026

Makoto Suzuki
Designated Engagement Partner
Certified Public Accountant

Hiroki Tanaka
Designated Engagement Partner
Certified Public Accountant

Nomura Real Estate Master Fund, Inc.

22nd Fiscal Period Report on Financial Results and Operational Status

BALANCE SHEET

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
ASSETS		
Current Assets:		
Cash and bank deposits	55,016,761	57,129,066
Rental receivables	931,083	1,177,511
Income taxes receivable	11,074	18,952
Other current assets	1,680,662	1,700,317
Total current assets	57,639,582	60,025,847
Property and Equipment:		
Land	751,699,844	746,398,782
Buildings and structures	394,557,538	397,194,975
Machinery and equipment	3,094,265	3,140,268
Tools, furniture and fixtures	3,735,599	3,922,293
Leased assets	6,300	9,396
Construction in progress	1,157	34,220
Subtotal	1,153,094,705	1,150,699,936
Less accumulated depreciation	(106,484,985)	(111,419,753)
Net property and equipment	1,046,609,720	1,039,280,183
Investments and Other Assets:		
Goodwill	51,497,823	48,875,580
Leasehold rights	20,826,819	25,092,398
Intangible assets	16,448	20,638
Long-term prepaid expenses	1,682,958	1,660,406
Long-term deposits	325,130	335,122
Security deposits	1,161,874	1,161,804
Deferred investment corporation bond issuance costs	152,859	138,702
Total investments and other assets	75,663,915	77,284,654
Total Assets	1,179,913,218	1,176,590,685

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

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
LIABILITIES		
Current Liabilities:		
Trade accounts payable	3,500,028	3,010,033
Current portion of long-term debt	78,005,000	65,345,000
Lease obligations in trust	1,155	1,722
Other accounts payable	3,706,912	3,880,502
Accrued expenses	358,129	439,580
Accrued income taxes	605	605
Accrued consumption taxes	455,246	750,207
Rent received in advance	5,676,819	5,706,591
Other current liabilities	21,461	13,384
Total current liabilities	91,725,357	79,147,627
Long-term Liabilities:		
Investment corporation bonds	35,900,000	35,900,000
Long-term debt	408,315,000	418,975,000
Lease obligations in trust	5,005	7,164
Security deposits from tenants	43,141,118	43,404,023
Asset retirement obligations	782,998	790,097
Total long-term liabilities	488,144,122	499,076,285
Total Liabilities	579,869,480	578,223,913
NET ASSETS		
Unitholders' Equity:		
Unitholders' capital	245,196,256	245,200,143
Surplus		
Capital surplus	394,012,959	394,012,959
Allowance for temporary difference adjustment	(25,952,648)	(28,165,077)
Other deductions from capital surplus	(27,676,366)	(27,889,340)
Total deductions from capital surplus	(53,629,015)	(56,054,417)
Net capital surplus	340,383,943	337,958,541
Retained earnings	14,463,537	15,208,087
Total surplus	354,847,481	353,166,629

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
Total unitholders' equity	600,043,738	598,366,772
Total Net Assets	600,043,738	598,366,772
Total Liabilities and Net Assets	1,179,913,218	1,176,590,685

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, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
OPERATING REVENUES AND EXPENSES		
Operating Revenues:		
Real estate rental revenues	41,186,131	40,774,785
Gain on sales of real estate	-	2,376,650
	41,186,131	43,151,436
Operating Expenses:		
Real estate rental expenses	18,554,693	18,136,710
Asset management fees	3,467,073	3,577,044
Asset custody fees	57,533	57,589
Administrative service fees	160,873	166,274
Amortization of goodwill	2,622,242	2,622,242
Other operating expenses	465,378	540,985
	25,327,794	25,100,846
Operating Income	15,858,337	18,050,589
NON-OPERATING REVENUES AND EXPENSES		
Non-Operating Revenues:		
Interest income	72,310	123,751
Reversal of dividends payable	6,935	3,283
Interest on tax refund	2	6
Other non-operating revenues	34,608	4,354
	113,856	131,396
Non-Operating Expenses:		
Interest expenses	1,951,520	2,325,668
Interest expenses on investment corporation bonds	205,202	208,970
Amortization of investment corporation bonds issuance costs	14,157	14,157
Loan arrangement fees	443,057	422,356
Other non-operating expenses	2,361	2,306
	2,616,299	2,973,459
Ordinary Income	13,355,894	15,208,525

Thousands of Yen

	For the period from September 1, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
Income before Income Taxes	13,355,894	15,208,525
Income Taxes:		
Current	605	605
	605	605
Net Income	13,355,289	15,207,920
Retained earnings brought forward	1,108,248	166
Retained Earnings at End of Period	14,463,537	15,208,087

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, 2025 to February 28, 2026

Thousands of Yen

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

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

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

For the period from March 1, 2026 to August 31, 2026

Thousands of Yen

	Unitholders' Equity						
			Surplus				
			Capital surplus				
	Units	Unitholders' capital	Capital surplus	Deductions from capital surplus			Net capital surplus
				Allowance for temporary difference adjustment	Other deductions from capital surplus	Total deductions from capital surplus	
Balance as of March 1, 2026	4,646,364	245,196,256	394,012,959	(25,952,648)	(27,676,366)	(53,629,015)	340,383,943
Distributions of retained earnings	-	-	-	-	-	-	-
Reversal of allowance for temporary difference adjustments	-	3,886	-	3,886	(3,886)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	-	-	(2,216,315)	-	(2,216,315)	(2,216,315)
Other distributions in excess of net earnings	-	-	-	-	(209,086)	(209,086)	(209,086)
Net income	-	-	-	-	-	-	-
Total changes of items during the period	-	3,886	-	(2,212,428)	(212,973)	(2,425,402)	(2,425,402)
Balance as of August 31, 2026	**4,646,364**	**245,200,143**	**394,012,959**	**(28,165,077)**	**(27,889,340)**	**(56,054,417)**	**337,958,541**

	Unitholders' Equity		Total net assets	
	Surplus		Total unitholders' equity	Total net assets
	Retained earnings	Total surplus		
Balance as of March 1, 2026	14,463,537	354,847,481	600,043,738	600,043,738
Distributions of retained earnings	(14,459,484)	(14,459,484)	(14,459,484)	(14,459,484)
Reversal of allowance for temporary difference adjustments	(3,886)	(3,886)	-	-
Distributions in excess of net earnings from allowance for temporary difference adjustments	-	(2,216,315)	(2,216,315)	(2,216,315)
Other distributions in excess of net earnings	-	(209,086)	(209,086)	(209,086)
Net income	15,207,920	15,207,920	15,207,920	15,207,920
Total changes of items during the period	744,549	(1,680,852)	(1,676,965)	(1,676,965)
Balance as of August 31, 2026	**15,208,087**	**353,166,629**	**598,366,772**	**598,366,772**

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, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
CASH FLOWS		
Cash Flows from Operating Activities		
Income before income taxes	13,355,894	15,208,525
Depreciation	5,846,309	5,890,818
Amortization of goodwill	2,622,242	2,622,242
Amortization of investment corporation bonds issuance costs	14,157	14,157
Interest income	(72,310)	(123,751)
Interest expense	2,156,723	2,534,638
Loss on disposal of property and equipment	38,844	11,486
Decrease (Increase) in rental receivables	295,724	(246,517)
Decrease (Increase) in prepaid expenses	49,152	(30,417)
Decrease (Increase) in long-term prepaid expenses	105,873	22,552
Decrease (Increase) in long-term deposits	(5,450)	(9,991)
Increase (Decrease) in trade accounts payable	613,832	(489,995)
Increase (Decrease) in other accounts payable	(102,275)	125,210
Increase (Decrease) in accrued consumption taxes	(749,689)	294,960
Increase (Decrease) in rent received in advance	(34,287)	29,771
Decrease in property and equipment in trust due to sales	-	10,624,616
Other	(167,704)	(67)
Subtotal	23,967,038	36,478,241
Interest received	72,310	123,751
Interest paid	(2,167,981)	(2,453,188)
Income taxes paid	(4,429)	(8,483)
Net cash provided by (used in) operating activities	21,866,937	34,140,321
Cash Flows from Investing Activities		
Payments into time deposits	-	(22,000,000)
Proceeds from withdrawal of time deposits	-	22,000,000
Payments for purchases of property and equipment	(3,011,017)	(9,053,079)
Payments for purchases of leasehold rights and intangible assets	(1,829)	(4,354,557)
Reimbursement of security deposits to tenants	(1,450,157)	(1,814,737)
Proceeds from security deposits from tenants	2,864,601	2,077,731
Proceeds from security deposits	10,200	70
Net cash provided by (used in) investing activities	(1,588,203)	(13,144,573)

Thousands of Yen

	For the period from September 1, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
Cash Flows from Financing Activities		
Proceeds from short-term debt	-	1,000,000
Repayments of short-term debt	-	(1,000,000)
Proceeds from long-term debt	27,700,000	35,900,000
Repayments of long-term debt	(27,700,000)	(37,900,000)
Distributions to unitholders	(16,455,267)	(14,458,175)
Distributions in excess of net earnings from allowance for temporary difference adjustments	(636)	(2,216,297)
Other distributions in excess of net earnings	(78)	(208,970)
Net cash provided by (used in) financing activities	(16,455,981)	(18,883,443)
Net Increase (Decrease) in Cash and Cash Equivalents	3,822,751	2,112,304
Cash and Cash Equivalents at Beginning of Period	51,194,010	55,016,761
Cash and Cash Equivalents at End of Period	55,016,761	57,129,066

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

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

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

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

2. BASIS OF PRESENTATION

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

The accompanying financial statements are a translation of the audited financial statements of NMF, which were prepared in accordance with Japanese GAAP and were presented in NMF's Securities Report filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include certain information that might not be required under Japanese GAAP but is presented herein as additional information. Amounts have been rounded to the nearest thousand yen in the accompanying financial statements and the notes thereto, whereas amounts were truncated in the Japanese financial statements prepared in accordance with Japanese GAAP.

NMF's fiscal period is a six-month period which ends at the end of February or August. NMF does not prepare consolidated financial statements because it has no subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Property and equipment

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

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

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

Intangible assets
Intangible assets are amortized by the straight-line method.
Goodwill is amortized using the straight-line method over 20 years.
Fixed-term land leasehold is amortized using the straight-line method over the contractual period.

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

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

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

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

Property-related taxes
Property in Japan is subject to property taxes, urban planning taxes and depreciable property taxes on a calendar year basis. The taxes related to property are generally imposed based on the value of the relevant property and incurred for the fiscal period. The seller of a property is liable for property-related taxes for the period from the purchase date through the end of that calendar year because taxes are imposed on the owner registered in the record as of January 1 for the entire year based on the assessment made by the local government. The amount applicable to the buyer of a property is usually settled between each party and capitalized as part of the acquisition cost of the property. The capitalized property-related taxes are not applicable for the fiscal period ended February 28, 2026, and amounted to ¥14,688 thousand for the fiscal period ended August 31, 2026.

Revenue recognition
Main performance obligations concerning revenues from contracts with NMF's customers and normal points in time when the obligations are satisfied (normal points in time when revenues are recognized) are as follows:
(1) Disposition of real estate
Gains on sale of real estate are recorded at the points in time when customers or the buyers acquire control over the real estate by NMF satisfying delivery obligations stipulated in the contracts on real estate disposition.
(2) Utility expense revenues
Utility expense revenues are recorded according to the supply of electricity, water, etc. to customers or the tenants based on the lease contracts and attached agreements.
Among utility expense revenues, when NMF is acting as an agent in a transaction, it is NMF's policy to recognize net amounts as revenues after deducting the amounts paid to the suppliers of electricity, gas, etc. from the amounts NMF received as utility charges.

Method of accounting for non-deductible consumption tax, etc.
Non-deductible consumption tax, etc., on such items, as noncurrent assets is included in the acquisition costs of individual items.

Hedge accounting method
(1) Hedge accounting method
Deferral hedge accounting is applied. Special treatment is adopted for interest rate swaps when the requirements for special treatment are fulfilled.

(2) Hedging instruments and hedged items
Hedging instruments: Interest rate swaps
Hedged items: Interest rates on loans

(3) Hedging Policy

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

(4) Method of evaluating the effectiveness of hedging
The effectiveness of hedging is evaluated by determining the correlation between the market value fluctuation of the hedging instrument and the hedged item.

UNAPPLIED ACCOUNTING STANDARD, etc.

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

(1) Overview
As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ considered to develop the Accounting Standard for Leases that would recognize assets and liabilities for all leases held by a lessee, taking into account international accounting standards. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of International Financial Reporting Standards (“IFRS”) 16 rather than adopting all of its provisions although it is based on the single accounting model of IFRS 16. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc.
Regarding the method for allocating the lease expenses in the lessee’s accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.
(2) Scheduled date of the application
NMF will adopt the accounting standard, etc. from the beginning of the period ending February 29, 2028.
(3) Impact of the application of the respective accounting standard, etc.
NMF is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Leases", etc.

Accounting Standard for Subsequent Events, etc.

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

(1) Overview
The Accounting Standard for Subsequent Events, etc. were established with the priority objective of setting comprehensive accounting standards addressing the definition, accounting treatment, and disclosure of subsequent events. As a basic policy, the accounting-related content presented in Audit Standards Report No. 560, Practical Guideline No. 1, “Audit Considerations Relating to Subsequent Events,” issued by the Auditing and Assurance Standards Committee of the Japanese Institute of Certified Public Accountants, has in principle been carried over and transferred to the Accounting Standards Board of Japan. In accordance with this policy, revisions to the wording and a reorganization of the evaluation period for subsequent events were conducted, and new disclosure requirements were introduced, such as notes regarding the approval of the issuance of financial statements. Accordingly, these standards prescribe the accounting treatment and disclosure related to subsequent events.
(2) Scheduled date of application
NMF will adopt the accounting standards from the beginning of the six months ending February 29, 2028.
(3) Impact from the application of the accounting standard
NMF is currently evaluating the effect on its financial statements by applying the “Accounting Standard for Subsequent Events,” etc.

4. CASH AND CASH EQUIVALENTS

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

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
Cash and bank deposits	55,016,761	57,129,066
Cash and cash equivalents	55,016,761	57,129,066

5. ASSETS PLEDGED AS COLLATERAL AND SECURED LIABILITIES

The assets pledged as collateral are as follows:

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
Buildings in trust	2,921,085	2,920,454
Structures in trust	4,195	4,074
Tools, furniture and fixtures in trust	468	170
Land in trust	6,096,368	6,096,368
Total	9,022,117	9,021,067

The secured liabilities are as follows:

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
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 28, 2026	As of August 31, 2026
Buildings	6,800	6,800
Structures	6,872	6,872
Total	13,672	13,672

7. STATUS OF CANCELLATION OF TREASURY INVESTMENT UNITS

Status of cancellation of treasury investment units was as follows:

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

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

8. SCHEDULE OF PROPERTY AND EQUIPMENT

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

Thousands of Yen

	As of February 28, 2026		As of August 31, 2026	
	Acquisition costs	Book value	Acquisition costs	Book value
Land	333,617,283	333,617,283	336,213,856	336,213,856
Buildings and structures Accumulated depreciation	171,244,638 (40,465,250)	130,779,387	174,915,535 (42,771,375)	132,144,160
Machinery and equipment Accumulated depreciation	1,517,008 (801,772)	715,236	1,563,499 (854,707)	708,791
Tools, furniture and fixtures Accumulated depreciation	2,086,328 (901,792)	1,184,535	2,254,619 (1,052,200)	1,202,419
Land in trust	418,082,560	418,082,560	410,184,925	410,184,925
Buildings and structures in trust Accumulated depreciation	223,312,900 (62,347,351)	160,965,548	222,279,439 (64,678,776)	157,600,663
Machinery and equipment in trust Accumulated depreciation	1,577,257 (827,527)	749,729	1,576,769 (888,839)	687,930
Tools, furniture and fixtures in trust Accumulated depreciation	1,649,271 (1,140,590)	508,680	1,667,673 (1,172,543)	495,130
Lease assets in trust Accumulated depreciation	6,300 (700)	5,600	9,396 (1,311)	8,085
Construction in progress	1,157	1,157	34,220	34,220
Total	1,046,609,720	1,046,609,720	1,039,280,183	1,039,280,183

9. DEBT FINANCING

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

	As of February 28, 2026		As of August 31, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on May 26, 2026	2,500,000	0.63995%	-	-
Unsecured loans from a bank due on May 26, 2026	1,100,000	0.65267%	-	-
Unsecured loans from banks due on May 26, 2026	3,600,000	0.60880%	-	-
Unsecured loans from a bank due on May 26, 2026	1,000,000	0.59614%	-	-
Unsecured loans from a bank due on May 26, 2026	1,100,000	0.37000%	-	-
Unsecured loans from a bank due on May 26, 2026	1,500,000	0.25873%	-	-
Unsecured loans from a bank due on August 26, 2026	2,700,000	0.67591%	-	-
Unsecured loans from a bank due on August 26, 2026	2,700,000	0.67591%	-	-
Unsecured loans from banks due on August 26, 2026	3,000,000	0.77669%	-	-
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.70414%	-	-
Unsecured loans from banks due on August 26, 2026	3,000,000	0.67483%	-	-
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.64500%	-	-
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.42118%	-	-
Unsecured loans from a bank due on August 26, 2026	500,000	0.43627%	-	-
Unsecured loans from banks due on August 26, 2026	1,500,000	0.20880%	-	-
Unsecured loans from a bank due on August 26, 2026	1,000,000	0.30116%	-	-
Unsecured loans from banks due on August 26, 2026	6,700,000	1.02727%	-	-
Unsecured loans from banks due on August 26, 2026	3,000,000	1.02727%	-	-
Unsecured loans from a bank due on November 26, 2026 (Note 2)	2,000,000	0.76000%	2,000,000	0.76000%
Unsecured loans from a bank due on November 26, 2026 (Note 2)	2,000,000	0.74229%	2,000,000	0.74229%
Unsecured loans from banks due on November 26, 2026 (Note 2)	4,165,000	0.73506%	4,165,000	0.73506%
Unsecured loans from banks due on November 26, 2026 (Note 2)	4,000,000	0.69956%	4,000,000	0.69956%
Unsecured loans from banks due on November 26, 2026 (Note 2)	1,500,000	0.64999%	1,500,000	0.64999%
Unsecured loans from banks due on November 26, 2026 (Note 2)	2,000,000	0.60750%	2,000,000	0.60750%
Unsecured loans from banks due on November 26, 2026 (Note 2)	1,000,000	0.28000%	1,000,000	0.28000%
Unsecured loans from banks due on November 26, 2026 (Note 2)	1,200,000	0.30000%	1,200,000	0.30000%
Unsecured loans from banks due on November 26, 2026 (Note 2)	6,950,000	1.02727%	6,950,000	1.33273%
Unsecured loans from banks due on February 26, 2027 (Note 2)	2,320,000	0.71500%	2,320,000	0.71500%
Unsecured loans from banks due on February 26, 2027 (Note 2)	1,500,000	0.46630%	1,500,000	0.46630%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.44859%	500,000	0.44859%
Unsecured loans from banks due on February 26, 2027 (Note 2)	1,000,000	0.48144%	1,000,000	0.48144%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	1,500,000	0.28500%	1,500,000	0.28500%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	1,000,000	0.28500%	1,000,000	0.28500%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	300,000	0.16205%	300,000	0.16205%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.10094%	500,000	0.10094%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.35139%	500,000	0.35139%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	500,000	0.24818%	500,000	0.24818%
Unsecured loans from a bank due on February 26, 2027 (Note 2)	1,000,000	0.29065%	1,000,000	0.29065%
Unsecured loans from banks due on February 26, 2027 (Note 2)	4,670,000	1.39909%	4,670,000	1.68927%
Unsecured loans from banks due on March 26, 2027 (Note 2)	1,500,000	0.69068%	1,500,000	0.69068%
Unsecured loans from banks due on May 26, 2027 (Note 2)	3,060,000	0.78177%	3,060,000	0.78177%
Unsecured loans from banks due on May 26, 2027 (Note 2)	2,300,000	0.74736%	2,300,000	0.74736%
Unsecured loans from a bank due on May 26, 2027 (Note 2)	1,800,000	0.70250%	1,800,000	0.70250%
Unsecured loans from a bank due on May 26, 2027 (Note 2)	1,400,000	0.32000%	1,400,000	0.32000%
Unsecured loans from banks due on August 26, 2027 (Note 2)	4,000,000	0.76843%	4,000,000	0.76843%
Unsecured loans from banks due on August 26, 2027 (Note 2)	2,600,000	0.76290%	2,600,000	0.76290%

	As of February 28, 2026		As of August 31, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on August 26, 2027 (Note 2)	1,000,000	0.74500%	1,000,000	0.74500%
Unsecured loans from a bank due on August 26, 2027 (Note 2)	1,000,000	0.51356%	1,000,000	0.51356%
Unsecured loans from banks due on August 26, 2027 (Note 2)	1,500,000	0.29000%	1,500,000	0.29000%
Unsecured loans from a bank due on August 26, 2027 (Note 2)	600,000	0.32630%	600,000	0.32630%
Unsecured loans from a bank due on August 26, 2027 (Note 2)	1,700,000	0.27130%	1,700,000	0.27130%
Unsecured loans from a bank due on August 26, 2027 (Note 2)	1,780,000	0.46190%	1,780,000	0.46190%
Unsecured loans from a bank due on August 26, 2027 (Note 2)	1,000,000	0.70164%	1,000,000	0.70164%
Unsecured loans from a bank due on November 26, 2027	2,000,000	0.89209%	2,000,000	0.89209%
Unsecured loans from banks due on November 26, 2027	5,000,000	0.79571%	5,000,000	0.79571%
Unsecured loans from a bank due on November 26, 2027	1,800,000	0.75050%	1,800,000	0.75050%
Unsecured loans from banks due on November 26, 2027	1,700,000	0.70750%	1,700,000	0.70750%
Unsecured loans from banks due on November 26, 2027	2,500,000	0.52234%	2,500,000	0.52234%
Unsecured loans from banks due on November 26, 2027	1,000,000	0.31630%	1,000,000	0.31630%
Unsecured loans from a bank due on November 26, 2027	750,000	0.29630%	750,000	0.29630%
Unsecured loans from banks due on November 26, 2027	1,000,000	1.40409%	1,000,000	1.69427%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.82130%	1,000,000	0.82130%
Unsecured loans from a bank due on February 28, 2028	2,355,000	0.76241%	2,355,000	0.76241%
Unsecured loans from banks due on February 28, 2028	1,500,000	0.78296%	1,500,000	0.78296%
Unsecured loans from a bank due on February 28, 2028	1,800,000	0.79642%	1,800,000	0.79642%
Unsecured loans from a bank due on February 28, 2028	2,650,000	0.54205%	2,650,000	0.54205%
Unsecured loans from banks due on February 28, 2028	1,500,000	0.57365%	1,500,000	0.57365%
Unsecured loans from banks due on February 28, 2028	1,000,000	0.17813%	1,000,000	0.17813%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.41000%	1,000,000	0.41000%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.41000%	1,000,000	0.41000%
Unsecured loans from a bank due on February 28, 2028	500,000	0.39000%	500,000	0.39000%
Unsecured loans from a bank due on February 28, 2028	920,000	0.30000%	920,000	0.30000%
Unsecured loans from a bank due on February 28, 2028	1,000,000	0.47023%	1,000,000	0.47023%
Unsecured loans from banks due on February 28, 2028	1,960,000	1.39909%	1,960,000	1.68927%
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%
Unsecured loans from a bank due on May 26, 2028	1,400,000	0.40500%	1,400,000	0.40500%
Unsecured loans from banks due on May 26, 2028	4,000,000	1.39909%	4,000,000	1.68927%
Unsecured loans from a bank due on May 26, 2028	2,300,000	1.07503%	2,300,000	1.07503%
Unsecured loans from banks due on August 28, 2028	3,600,000	0.84750%	3,600,000	0.84750%
Unsecured loans from a bank due on August 28, 2028	500,000	0.61005%	500,000	0.61005%
Unsecured loans from banks due on August 28, 2028	1,000,000	0.62163%	1,000,000	0.62163%
Unsecured loans from a bank due on August 28, 2028	500,000	0.62025%	500,000	0.62025%
Unsecured loans from a bank due on August 28, 2028	500,000	0.37500%	500,000	0.37500%
Unsecured loans from a bank due on August 28, 2028	1,000,000	0.40380%	1,000,000	0.40380%
Unsecured loans from a bank due on August 28, 2028	1,260,000	0.45375%	1,260,000	0.45375%
Unsecured loans from banks due on August 28, 2028	7,000,000	1.39909%	7,000,000	1.68927%
Unsecured loans from a bank due on August 28, 2028	1,350,000	1.23128%	1,350,000	1.23128%
Unsecured loans from banks due on November 27, 2028	2,000,000	0.81130%	2,000,000	0.81130%
Unsecured loans from banks due on November 27, 2028	3,000,000	0.59375%	3,000,000	0.59375%
Unsecured loans from a bank due on November 27, 2028	1,800,000	0.50880%	1,800,000	0.50880%

	As of February 28, 2026		As of August 31, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on November 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	1.42909%	800,000	1.71927%
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	1.41909%	3,470,000	1.70927%
Unsecured loans from a bank due on February 26, 2029	500,000	1.02727%	500,000	1.33273%
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	1.42909%	500,000	1.71927%
Unsecured loans from banks due on May 28, 2029	2,500,000	1.41909%	2,500,000	1.70927%
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%	2,430,000	0.88815%
Unsecured loans from banks due on August 27, 2029	-	-	7,700,000	1.33273%
Unsecured loans from a bank due on November 26, 2029	2,000,000	1.12506%	2,000,000	1.12506%
Unsecured loans from a bank due on November 26, 2029	2,000,000	1.12506%	2,000,000	1.12506%
Unsecured loans from a bank due on November 26, 2029	1,200,000	0.59500%	1,200,000	0.59500%
Unsecured loans from a bank due on November 26, 2029	1,000,000	0.59500%	1,000,000	0.59500%
Unsecured loans from a bank due on November 26, 2029	750,000	0.48000%	750,000	0.48000%
Unsecured loans from a bank due on November 26, 2029	500,000	0.59500%	500,000	0.59500%
Unsecured loans from a bank due on November 26, 2029	2,000,000	0.50630%	2,000,000	0.50630%
Unsecured loans from a bank due on November 26, 2029	750,000	0.47380%	750,000	0.47380%
Unsecured loans from banks due on November 26, 2029	4,000,000	0.54904%	4,000,000	0.54904%
Unsecured loans from a bank due on November 26, 2029	1,000,000	1.11690%	1,000,000	1.11690%
Unsecured loans from a bank due on November 26, 2029	1,100,000	1.45065%	1,100,000	1.45065%
Unsecured loans from banks due on February 26, 2030	4,250,000	0.52000%	4,250,000	0.52000%

	As of February 28, 2026		As of August 31, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on February 26, 2030	1,500,000	0.48000%	1,500,000	0.48000%
Unsecured loans from a bank due on February 26, 2030	600,000	0.40915%	600,000	0.40915%
Unsecured loans from a bank due on February 26, 2030	500,000	0.34054%	500,000	0.34054%
Unsecured loans from banks due on February 26, 2030	1,300,000	0.59482%	1,300,000	0.59482%
Unsecured loans from a bank due on February 26, 2030	1,500,000	0.52446%	1,500,000	0.52446%
Unsecured loans from a bank due on February 26, 2030	1,400,000	0.58630%	1,400,000	0.58630%
Unsecured loans from a bank due on February 26, 2030	1,000,000	0.58630%	1,000,000	0.58630%
Unsecured loans from a bank due on February 26, 2030	1,000,000	0.65249%	1,000,000	0.65249%
Unsecured loans from a bank due on February 26, 2030	1,300,000	1.04887%	1,300,000	1.04887%
Unsecured loans from a bank due on February 26, 2030	1,000,000	0.89688%	1,000,000	0.89688%
Unsecured loans from banks due on February 26, 2030	3,000,000	1.42909%	3,000,000	1.71927%
Unsecured loans from a bank due on February 26, 2030	2,250,000	1.32190%	2,250,000	1.32190%
Unsecured loans from banks due on February 26, 2030	2,000,000	1.42909%	2,000,000	1.71927%
Unsecured loans from banks due on May 27, 2030	7,000,000	0.54630%	7,000,000	0.54630%
Unsecured loans from a bank due on May 27, 2030	800,000	0.52630%	800,000	0.52630%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.53250%	1,000,000	0.53250%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.55988%	1,000,000	0.55988%
Unsecured loans from a bank due on May 27, 2030	500,000	0.50485%	500,000	0.50485%
Unsecured loans from a bank due on May 27, 2030	720,000	0.59399%	720,000	0.59399%
Unsecured loans from a bank due on May 27, 2030	1,430,000	0.45862%	1,430,000	0.45862%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.52437%	1,000,000	0.52437%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.71487%	1,000,000	0.71487%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.71487%	1,000,000	0.71487%
Unsecured loans from a bank due on May 27, 2030	550,000	0.83509%	550,000	0.83509%
Unsecured loans from a bank due on May 27, 2030	1,000,000	0.81065%	1,000,000	0.81065%
Unsecured loans from banks due on May 27, 2030	3,500,000	1.42909%	3,500,000	1.71927%
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 November 26, 2030	1,000,000	1.42909%	1,000,000	1.71927%
Unsecured loans from a bank due on February 26, 2031	700,000	0.67750%	700,000	0.67750%
Unsecured loans from a bank due on February 26, 2031	2,000,000	0.67750%	2,000,000	0.67750%
Unsecured loans from banks due on February 26, 2031	4,000,000	0.67750%	4,000,000	0.67750%
Unsecured loans from a bank due on February 26, 2031	400,000	0.50000%	400,000	0.50000%
Unsecured loans from a bank due on February 26, 2031	420,000	0.65750%	420,000	0.65750%
Unsecured loans from a bank due on February 26, 2031	2,750,000	0.50226%	2,750,000	0.50226%

	As of February 28, 2026		As of August 31, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on February 26, 2031	1,800,000	0.52198%	1,800,000	0.52198%
Unsecured loans from a bank due on February 26, 2031	2,500,000	0.78474%	2,500,000	0.78474%
Unsecured loans from a bank due on February 26, 2031	1,300,000	1.21160%	1,300,000	1.21160%
Unsecured loans from banks due on February 26, 2031	2,050,000	1.19239%	2,050,000	1.19239%
Unsecured loans from a bank due on February 26, 2031	1,000,000	1.19239%	1,000,000	1.19239%
Unsecured loans from banks due on February 26, 2031	1,500,000	1.05727%	1,500,000	1.36273%
Unsecured loans from banks due on May 26, 2031	6,000,000	0.64130%	6,000,000	0.64130%
Unsecured loans from a bank due on May 26, 2031	3,500,000	0.64242%	3,500,000	0.64242%
Unsecured loans from a bank due on May 26, 2031	1,000,000	0.60556%	1,000,000	0.60556%
Unsecured loans from banks due on May 26, 2031	1,000,000	0.95338%	1,000,000	0.95338%
Unsecured loans from a bank due on May 26, 2031	2,250,000	0.93910%	2,250,000	0.93910%
Unsecured loans from banks due on May 26, 2031	3,000,000	1.22440%	3,000,000	1.22440%
Unsecured loans from banks due on May 26, 2031	3,000,000	1.44909%	3,000,000	1.73927%
Unsecured loans from a bank due on August 26, 2031	3,500,000	0.78816%	3,500,000	0.78816%
Unsecured loans from banks due on August 26, 2031	200,000	0.85750%	200,000	0.85750%
Unsecured loans from a bank due on August 26, 2031	2,500,000	1.15160%	2,500,000	1.15160%
Unsecured loans from banks due on August 26, 2031	2,200,000	1.09315%	2,200,000	1.09315%
Unsecured loans from banks due on August 26, 2031	2,800,000	1.92096%	2,800,000	1.92096%
Unsecured loans from banks due on August 26, 2031	-	-	4,000,000	1.36273%
Unsecured loans from a bank due on November 26, 2031	3,000,000	0.64630%	3,000,000	0.64630%
Unsecured loans from a bank due on November 26, 2031	1,900,000	0.47755%	1,900,000	0.47755%
Unsecured loans from a bank due on November 26, 2031	3,500,000	0.73988%	3,500,000	0.73988%
Unsecured loans from a bank due on November 26, 2031	1,500,000	0.88168%	1,500,000	0.88168%
Unsecured loans from a bank due on November 26, 2031	1,500,000	1.01250%	1,500,000	1.01250%
Unsecured loans from a bank due on November 26, 2031	500,000	1.01250%	500,000	1.01250%
Unsecured loans from a bank due on November 26, 2031	2,000,000	1.00034%	2,000,000	1.00034%
Unsecured loans from a bank due on November 26, 2031	1,000,000	1.00034%	1,000,000	1.00034%
Unsecured loans from a bank due on November 26, 2031	1,830,000	1.24910%	1,830,000	1.24910%
Unsecured loans from banks due on February 26, 2032	6,250,000	0.83563%	6,250,000	0.83563%
Unsecured loans from banks due on February 26, 2032	2,050,000	1.32480%	2,050,000	1.32480%
Unsecured loans from a bank due on February 26, 2032	2,750,000	1.25160%	2,750,000	1.25160%
Unsecured loans from banks due on February 26, 2032	4,200,000	1.51909%	4,200,000	1.80927%
Unsecured loans from a bank due on February 26, 2032	500,000	1.51909%	500,000	1.80927%
Unsecured loans from a bank due on February 26, 2032	1,000,000	1.97813%	1,000,000	1.97813%
Unsecured loans from banks due on May 26, 2032	4,000,000	0.93188%	4,000,000	0.93188%
Unsecured loans from banks due on May 26, 2032	2,000,000	0.92006%	2,000,000	0.92006%
Unsecured loans from a bank due on May 26, 2032	500,000	0.92006%	500,000	0.92006%
Unsecured loans from banks due on May 26, 2032	1,500,000	1.07101%	1,500,000	1.07101%
Unsecured loans from banks due on May 26, 2032	2,250,000	1.06125%	2,250,000	1.06125%
Unsecured loans from banks due on May 26, 2032	2,300,000	1.57909%	2,300,000	1.86927%
Unsecured loans from banks due on May 26, 2032	2,800,000	1.32707%	2,800,000	1.32707%
Unsecured loans from banks due on May 26, 2032	2,600,000	1.57909%	2,600,000	1.86927%
Unsecured loans from a bank due on May 26, 2032	1,000,000	1.46690%	1,000,000	1.46690%
Unsecured loans from a bank due on May 26, 2032	1,000,000	1.51909%	1,000,000	1.80927%
Unsecured loans from a bank due on May 26, 2032	-	-	1,800,000	1.40273%
Unsecured loans from a bank due on May 26, 2032	-	-	1,800,000	2.48938%
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%

	As of February 28, 2026		As of August 31, 2026	
	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate (Note 1)
Unsecured loans from a bank due on August 26, 2032	1,000,000	1.28875%	1,000,000	1.28875%
Unsecured loans from a bank due on August 26, 2032	-	-	3,500,000	1.75927%
Unsecured loans from banks due on November 26, 2032	5,400,000	1.13063%	5,400,000	1.13063%
Unsecured loans from a bank due on November 26, 2032	1,500,000	1.23446%	1,500,000	1.23446%
Unsecured loans from a bank due on November 26, 2032	1,500,000	1.57909%	1,500,000	1.86927%
Unsecured loans from a bank due on November 26, 2032	-	-	1,100,000	2.57240%
Unsecured loans from banks due on February 28, 2033	2,800,000	1.35532%	2,800,000	1.35532%
Unsecured loans from banks due on February 28, 2033	2,600,000	1.57909%	2,600,000	1.86927%
Unsecured loans from a bank due on February 28, 2033	1,000,000	1.57909%	1,000,000	1.86927%
Unsecured loans from a bank due on February 28, 2033	3,350,000	1.67428%	3,350,000	1.67428%
Unsecured loans from banks due on February 28, 2033	2,700,000	1.54909%	2,700,000	1.83927%
Unsecured loans from a bank due on February 28, 2033	1,600,000	1.54909%	1,600,000	1.83927%
Unsecured loans from banks due on February 28, 2033	2,500,000	1.67428%	2,500,000	1.67428%
Unsecured loans from banks due on February 28, 2033	-	-	8,400,000	1.42273%
Unsecured loans from banks due on May 26, 2033	4,500,000	1.60909%	4,500,000	1.89927%
Unsecured loans from a bank due on May 26, 2033	2,000,000	1.60909%	2,000,000	1.89927%
Unsecured loans from a bank due on May 26, 2033	1,000,000	1.60035%	1,000,000	1.60035%
Unsecured loans from banks due on May 26, 2033	7,000,000	1.85687%	7,000,000	1.85687%
Unsecured loans from banks due on May 26, 2033	8,000,000	1.54909%	8,000,000	1.83927%
Unsecured loans from banks due on August 26, 2033	2,800,000	1.42188%	2,800,000	1.42188%
Unsecured loans from a bank due on August 26, 2033	500,000	1.42188%	500,000	1.42188%
Unsecured loans from a bank due on August 26, 2033	2,000,000	2.16738%	2,000,000	2.16738%
Unsecured loans from a bank due on August 26, 2033	2,000,000	1.17727%	2,000,000	1.48273%
Unsecured loans from a bank due on August 26, 2033	1,800,000	1.54909%	1,800,000	1.83927%
Unsecured loans from a bank due on August 26, 2033	-	-	2,500,000	2.83565%
Unsecured loans from banks due on November 28, 2033	2,550,000	1.51563%	2,550,000	1.51563%
Unsecured loans from banks due on November 28, 2033	2,980,000	1.60909%	2,980,000	1.89927%
Unsecured loans from a bank due on November 28, 2033	-	-	1,100,000	1.48273%
Unsecured loans from banks due on May 26, 2034	-	-	4,000,000	2.84160%
Total	486,320,000		484,320,000	

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

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 28, 2026	78,005,000	59,175,000	64,030,000	71,480,000	60,170,000
As of August 31, 2026	65,345,000	69,395,000	68,850,000	69,600,000	64,420,000

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

(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 August 31, 2026. The total unused amount of such credit facilities was ¥40,000 million as of August 31, 2026.

10. INVESTMENT CORPORATION BONDS

Details of investment corporation bonds outstanding are summarized as follows.

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

Note 1: The interest rate is rounded to the nearest third 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 28, 2026	–	2,000,000	4,500,000	10,400,000	7,000,000
As of August 31, 2026	–	6,500,000	4,400,000	13,000,000	-

11. UNITHOLDERS' EQUITY

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

12. ALLOWANCE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

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

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

1. Reason, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	35,711,554	24,795,907	-	-	24,795,907	-
Land, buildings, etc.	Merger expenses	4,029,135	1,180,761	-	(24,021)	1,156,740	Sales and depreciation of properties for which merger expenses were recorded
Increase - subtotal		-	25,976,669	-	(24,021)	25,952,648	-
Total		-	25,976,669	-	(24,021)	25,952,648	-

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

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

For the period from March 1, 2026 to August 31, 2026

1. Reason, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason	Initial amount	Balance at the end of previous period	Allowance set aside during period	Reversal during period	Balance at the end of current period	Reason for reversal
Goodwill	Amortization of goodwill	38,333,797	24,795,907	2,216,315	-	27,012,223	-
Land, buildings, etc.	Merger expenses	4,029,135	1,156,740	-	(3,886)	1,152,853	Sales and depreciation of properties for which merger expenses were recorded
Increase - subtotal		-	25,952,648	2,216,315	(3,886)	28,165,077	-
Total		-	25,952,648	2,216,315	(3,886)	28,165,077	-

2. Method of reversal

(1) Amortization of goodwill

In principle, amortization of goodwill is not reversed.

(2) Merger expenses

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

13. PER UNIT INFORMATION

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

	For the period from September 1, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
Net assets per unit	¥129,142	¥128,781
Net income per unit	¥2,874	¥3,273

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, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
Net income (Thousands of Yen)	13,355,289	15,207,920
Amount not available to ordinary unitholders (Thousands of Yen)	-	-
Net income available to ordinary unitholders (Thousands of Yen)	13,355,289	15,207,920
Average number of units during the period (Units)	4,646,364	4,646,364

14. RELATED PARTY TRANSACTIONS

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

Parent Company and major corporate unitholders

Not applicable.

Subsidiaries and affiliates

Not applicable.

Fellow subsidiary companies

Not applicable.

Directors and major individual unitholders

Not applicable.

15. INCOME TAXES

The Company, as an investment corporation, is subject to corporate income taxes at a statutory tax rate of approximately 31.46% for the fiscal period ended August 31, 2026. However, the Company may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided such distributions meet the requirements under the Act on Special Measures Concerning Taxation of Japan. Under this act, an investment corporation must meet a number of tax requirements, including a requirement to distribute in excess of 90% of its distributable income for the fiscal period, in order to deduct such amounts. If the investment corporation does not satisfy all of the requirements, the entire taxable income of the investment corporation will be subject to regular corporate income taxes.

Since the Company distributed in excess of 90% of its distributable income in the form of cash distributions totaling ¥17,168,314 thousand for the fiscal period ended August 31, 2026, such distributions were treated as deductible distributions for purposes of corporate income taxes.

The following summarizes breakdown of deferred tax assets and liabilities:

Thousands of Yen

	For the period from September 1, 2025 to February 28, 2026	**For the period from March 1, 2026 to August 31, 2026**
Deferred tax asset:		
Valuation difference on other assets acquired by merger	11,589,498	8,349,414
Write-offs for long-term prepaid expenses	141	132
Depreciation costs of trust leasehold rights	3,330	3,554
Asset retirement obligations	137,552	169,981
Subtotal	11,730,522	8,523,084
Valuation allowance	(11,730,522)	(8,523,084)
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, 2025 to February 28, 2026	**For the period from March 1, 2026 to August 31, 2026**
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(36.69%)	(15.79%)
Valuation of allowance	(0.95%)	(21.09%)
Amortization of goodwill	6.18%	5.42%
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 debt, 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 debt 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

Debt 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 "27. 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, 2025 to February 28, 2026

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

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

Thousands of Yen

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

For the period from March 1, 2026 to August 31, 2026

Carrying amount, fair value and the difference between the two as of August 31, 2026 are as follows.

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

Thousands of Yen

	Carrying value (Note 1)	Fair value (Note 1)	Difference
(i) Current portion of Investment corporation bonds	-	-	-
(ii) Current portion of long-term debt	(65,345,000)	(65,112,292)	(232,707)
(iii) Investment corporation bonds	(35,900,000)	(32,310,570)	(3,589,429)
(iv) Long-term debt	(418,975,000)	(402,485,226)	(16,489,773)
(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 “27. 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 “27. Derivatives and Hedge Accounting.”

Note 3: Redemption schedule for debt as of February 28, 2026

Thousands of Yen

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

Redemption schedule for debt as of August 31, 2026

Thousands of Yen

	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Investment corporation bonds	-	6,500,000	4,400,000	13,000,000	-	12,000,000
Long-term debt	65,345,000	69,395,000	68,850,000	69,600,000	64,420,000	146,710,000
Total	65,345,000	75,895,000	73,250,000	82,600,000	64,420,000	158,710,000

17. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations that are reported on the balance sheet.

1. Overview of the asset retirement obligations

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

2. Calculation method of the asset retirement obligations

Asset retirement obligations are calculated using the expected period of use, which is the fixed-term land lease term (41 to 46 years), and a discount rate of 1.4 - 2.3%.

3. Changes in total asset retirement obligations

Thousands of Yen

	Previous period from September 1, 2025 to February 28, 2026	Current period from March 1, 2026 to August 31, 2026
Balance at beginning of period	776,080	782,998
Increase due to purchase of property, plant and equipment	-	-
Adjustments for passage of time	6,918	7,098
Balance at end of period	782,998	790,097

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, 2025 to February 28, 2026	**For the period from March 1, 2026 to August 31, 2026**
Carrying value		
Balance at beginning of the period	1,069,640,307	1,067,436,540
Amount of increase (decrease) during the period	(2,203,766)	(3,063,957)
Balance at end of the period	1,067,436,540	1,064,372,582
Fair value at end of the period	1,376,546,000	1,383,448,000

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

Note 2: Of the change in investment and rental properties, the decrease during the previous period is mainly attributable to depreciation (¥5,834,272 thousand). The increase during the current period is mainly attributable to the acquisition of GEMS Tachikawa (¥3,084,437 thousand), PROUD FLAT Kiyosumidori (¥6,059,658 thousand). The decrease during the current period is mainly attributable to the sale of NRE Hiroshima Building (¥2,588,721 thousand), Harumi Island Triton Square Office Tower Z (¥8,035,895 thousand), as well as depreciation (¥5,879,937 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 NRE Hiroshima Building and Harumi Island Triton Square Office Tower Z.

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

19. REVENUE RECOGNITION

1. Information on disaggregation of revenues from contracts with customers

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

Thousands of Yen

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

Note 1: Leasing business revenues, which are subject to ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," and real estate transfers, which are subject to the "Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies" of the ASBJ Transferred Guidance No. 10, are not subject to the Accounting Standard for Revenue Recognition, and are thus not included in the above amount. Note that the main revenues from contracts with customers are gains on sale of real estate and utilities expense revenues.

Current period (from March 1, 2026 to August 31, 2026)

Thousands of Yen

	Revenues from contracts with customers (Note 1)	Sales to external customers
Proceeds from sales of real estate	4,800,000	(Note 2)2,376,650
Utility expense revenues	1,585,927	1,585,927
Other	-	39,188,858
Total	6,385,927	43,151,436

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, 2025 to February 28, 2026)

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

Current period (from March 1, 2026 to August 31, 2026)

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

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

(1) Balances of contract assets and liabilities

Thousands of Yen

	Previous period from September 1, 2025 to February 28, 2026	Current period from March 1, 2026 to August 31, 2026
Receivables from contracts with customers (Balance as of the beginning of the fiscal period)	559,523	390,508
Receivables from contracts with customers (Balance as of the end of the fiscal period)	390,508	519,376
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, 2025 to February 28, 2026)

Not applicable.

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

Current period (from March 1, 2026 to August 31, 2026)

Not applicable.

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

20. SEGMENT INFORMATION

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

Segment Information

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

Related Information

1. Information about products and services

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

2. Information about geographical areas

   (1) Revenues

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

   (2) Property and equipment

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

3. Information about major clients

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

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

For the period from March 1, 2026 to August 31, 2026

Customer name	Revenues (Thousands of Yen)	Related segment name
Nomura Real Estate Partners Co., Ltd.	6,195,784	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 28, 2026 and August 31, 2026 consist of the following:

Thousands of Yen

	For the period from September 1, 2025 to February 28, 2026	**For the period from March 1, 2026 to August 31, 2026**
Real estate rental revenues	41,186,131	40,774,785
Rental revenues	36,996,933	37,147,568
Rental revenues	35,190,434	35,405,240
Common area charges	1,806,498	1,742,327
Other rental revenues	4,189,198	3,627,217
Parking revenues	653,436	667,576
Incidental income	2,311,354	2,556,153
Other miscellaneous revenues	1,224,407	403,487
Real estate rental expenses	18,554,693	18,136,710
Property management costs	1,954,296	1,972,258
Property management fees	1,151,383	1,253,224
Property and other taxes	3,546,163	3,585,611
Utility expenses	1,850,349	1,925,624
Casualty insurance	77,880	79,294
Repairs and maintenance	2,398,289	1,751,621
Land rents	324,211	337,782
Depreciation	5,845,255	5,889,764
Other rental expenses	1,406,863	1,341,527
Real estate rental profits	22,631,438	22,638,075

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

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

Not applicable.

For the period from March 1, 2026 to August 31, 2026

		Thousands of Yen
NRE Hiroshima Building		
Proceeds from sales of real estate	4,800,000	
Cost of sales of real estate	2,588,721	
Other related sales expenses	223,342	
Gain on sales of real estate		1,987,935

		Thousands of Yen
Harumi Island Triton Square Office Tower Z		
Proceeds from sales of real estate	8,600,000	
Cost of sales of real estate	8,035,895	
Other related sales expenses	175,389	
Gain on sales of real estate		388,715

23. BREAKDOWN OF EXTRAORDINARY GAIN

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

Not applicable.

For the period from March 1, 2026 to August 31, 2026

Not applicable.

24. BREAKDOWN OF EXTRAORDINARY LOSS

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

Not applicable.

For the period from March 1, 2026 to August 31, 2026

Not applicable.

25. NOTES TO STATEMENT OF CHANGES IN NET ASSETS

Total number of investment units issuable and number of units outstanding

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

26. LEASES

(As lessee)

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

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
Due within one year	147,060	174,360
Due after one year	4,831,214	6,517,491
Total	4,978,274	6,691,851

(As lessor)

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

Thousands of Yen

	As of February 28, 2026	As of August 31, 2026
Due within one year	43,446,808	43,653,536
Due after one year	85,229,981	87,959,319
Total	128,676,789	131,612,855

27. DERIVATIVES AND HEDGE ACCOUNTING

Derivative transactions as of February 28, 2026

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

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

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	2,200,000	2,200,000	115,575 (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, ¥115,575 thousand is not marked to market on the Balance Sheet, since adopting special treatment for interest-rate swaps.

Derivative transactions as of August 31, 2026

(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	2,200,000	2,200,000	150,505 (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, ¥150,505 thousand is not marked to market on the Balance Sheet, since adopting special treatment for interest-rate swaps.

28. CASH DISTRIBUTIONS

Yen

	For the period from September 1, 2025 to February 28, 2026	For the period from March 1, 2026 to August 31, 2026
1. Retained earnings at end of period	14,463,537,831	15,208,087,105
2. Distributions in excess of retained earnings	2,425,402,008	1,970,058,336
Of which, allowance for temporary difference adjustment	2,216,315,628	-
Of which, other distributions in excess of net income	209,086,380	1,970,058,336
3. Incorporation into unitholders' capital	3,886,749	8,115,243
Of which, reversal of allowance for temporary difference adjustments	3,886,749	8,115,243
4. Distributions	16,884,886,776	17,168,314,980
[Distributions (per unit)]	(3,634)	(3,695)
Of which, distributions of earnings	14,459,484,768	15,198,256,644
[Of which, distributions of earnings (per unit)]	(3,112)	(3,271)
Of which, allowance for temporary difference adjustments	2,216,315,628	-
[Of which, allowance for temporary difference adjustments (per unit)]	(477)	(-)
Of which, other distributions in excess of net income	209,086,380	1,970,058,336
[Of which, other distributions in excess of net income (per unit)]	(45)	(424)
5. Retained earnings carried forward	166,314	1,715,218

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 ¥17,168,314,980 (¥3,695 per investment unit), which is the amount obtained by adding amortization of goodwill, amortization of fixed-term land leasehold, and amortization associated with recognition of asset retirement obligations, as well as the portion of the gain on sales of real estate deducted in prior fiscal periods to net income and deducting a portion of the gain on sale of real estate for the fiscal period under review.

Total distributions comprise distribution of earnings and distribution in excess of net income. Distribution of earnings as stipulated in Article 136, paragraph 1 of the Investment Trusts Act came to ¥15,198,256,644 (¥3,271 per investment unit). Distribution in excess of net income comprises a distribution of ¥1,970,058,336 (¥424 per investment unit) as other distribution in excess of net income.

29. INFORMATION ON ALLOWANCE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

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

1. Reason for allowance, related assets and amounts

Thousands of Yen

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

2. Reason for reversal, related assets and amounts

Thousands of Yen

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

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.

For the period from March 1, 2026 to August 31, 2026

1. Reason for reversal, related assets and amounts

Thousands of Yen

Related assets, etc.	Reason for reversal	Allowance for temporary difference adjustment
Land, Buildings, etc.	Sale and depreciation of properties for which merger expenses were recorded	(8,115)
Total		(8,115)

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.

30. SIGNIFICANT SUBSEQUENT EVENTS

Not applicable.