NIPPON REIT Investment Corporation

Key Questions and Answers from the Earnings Briefing
Fiscal Period Ended June 2026 (28th Fiscal Period)

Date and time	Friday, August 21, 2026, 3:30 p.m.–4:10 p.m. JST
Presenter	Yasushi Iwasa, President and Representative Director, SBI REIT Advisors Co., Ltd.
Note	Questions are presented in the order in which they were asked.

Disclaimer

Q1

How did you weigh the acquisition of WORK VILLA MYJ kanda against potential share buybacks?

Answer We view WORK VILLA MYJ kanda as a strategically important asset that should drive internal growth within NRT's portfolio. We currently plan to fund the acquisition with debt. If an asset disposition currently under consideration is completed, we will determine whether to use the proceeds for share buybacks, to reduce the leverage added by the Kanda acquisition, or for another purpose. That decision will take into account market conditions, the impact on the portfolio and NRT's unit price. The acquisition is not directly linked to whether NRT conducts future share buybacks. Even after debt-funding the acquisition, leverage remains within our target range.

Q2

You indicated that the planned disposition pipeline exceeds ¥10 billion. How quickly do you expect those sales to proceed?

Answer The ¥10 billion comprises only assets for which the likelihood of disposition has increased, so we do not expect the process to take an extended period. Including longer-term disposition candidates under our portfolio tiering project, the pipeline remains above ¥10 billion. When we announced the Strengthening the Portfolio Project, we targeted ¥50 billion of dispositions, of which ¥29 billion has now been completed. We expect the sale of approximately ¥10 billion out of the remaining roughly ¥21 billion to be completed without a prolonged timeline.

Q3

What interest-rate assumptions underpin your forecasts, and what is your outlook for further rate hikes?

Answer Our forecasts for the 29th and 30th fiscal periods assume two 25-basis-point increases in the policy rate, one at the end of December 2026 and another in June 2027. Starting from the interest-rate environment at the end of July, when the forecasts were prepared, we assume a linear increase toward the December hike and reflect the resulting movement in floating rates on a monthly basis. We apply the same approach for the six months from January through June 2027. The refinancing scheduled for April also incorporates this rising-rate assumption.

Q4

Although its yield is below that of 9h nine hours Hakata station, how do you view the upside potential of WORK VILLA MYJ kanda? The presentation includes nearby market rents. Is there room for rents to rise even relative to fitted-office properties such as FORECAST Yotsuya and La Verite AKASAKA shown on page 10?

Answer The property already has a 100% occupancy rate, and all leases are fixed-term. The weighted-average remaining lease term is approximately 2.4 to 2.5 years. NRT has many ordinary leases, under which it can be difficult to reset rents fully to market upon renewal. At WORK VILLA MYJ kanda, however, rents can be reset to the prevailing market level at lease expiry. Current rents are already just under 10% below our stabilized-rent assumption. We therefore expect significant internal growth potential over the coming 2.4 to 2.5 years.

Q5

NRT acquired 9h nine hours Hakata station at an attractive yield. Would you consider additional hotel acquisitions where the terms are favorable? For example, THE BASEMENT HOTEL Osaka Honmachi delivered a significant yield increase after rebranding and a post-acquisition operator change. Are there opportunities to acquire hotels with similar upside potential despite low initial yields?

Answer We believe Osaka is still recovering from the post-Expo pullback. We may consider properties whose performance could improve through an operator change, in consultation with prospective operators. The operating results of the two hotel properties acquired in Akihabara also indicate that selective acquisitions can still capture tourism demand, including inbound demand, and offer upside potential. Hotels fall within the “other” asset category. Subject to the limit under our current investment guidelines, we intend to evaluate them as an asset class that can benefit from inflation.

Q6

Please provide an update on the size of the acquisition pipeline.

Answer The pipeline totals approximately ¥46 billion, including properties for which no acquisition decision has been made. We will carefully assess the timing of any acquisitions. Before acquiring assets from the pipeline, we will consider the most appropriate use of disposition proceeds, including whether share buybacks would be preferable.

Q7

The site of 9h nine hours Hakata station is held under a multi-tiered subleasehold. Please explain the rights structure, the associated risks and how these are reflected in the acquisition price.

Answer An individual owns the underlying land. That individual’s asset-management company holds a fixed-term business leasehold; the developer that developed the property holds a fixed-term business subleasehold; and NRT holds a further fixed-term business subleasehold from the developer. The developer adopted this structure in consideration of the fact that the landowner is an individual. If either of the intermediate lease or sublease agreements is terminated, a condition-precedent agreement provides that an ordinary land lease will take effect directly between NRT and the individual landowner.

Q8

The site of WORK VILLA MYJ kanda is leasehold land. How is this reflected in the acquisition price?

Answer The site is held under an ordinary land lease. The appraiser applied a risk premium of approximately 0.1 percentage points to the capitalization rate for the leasehold interest. The Appraisal NOI yield is relatively high at 3.9%, which we believe reflects the risk premiums associated with both the leasehold land and condominium ownership of the building. We completed the acquisition after confirming that there were no issues with the terms of the land lease or the profile of the landowner, who is also a condominium owner.

Q9

What is your view on including anticipated gains on asset sales in earnings forecasts?

Answer Where the buyer is our parent company or another group company, the high degree of transaction certainty may make it relatively feasible to include an anticipated gain in the forecast even before an agreement is signed. By contrast, where the buyer is an independent third party, uncertainties remain until the agreement is executed. We therefore do not include such gains in our earnings forecasts in advance.

Q10

nine hours, Inc. has a capital and business alliance with the SBI Group. Could NRT acquire additional properties operated by nine hours, Inc.?

Answer The alliance does not mean that acquisitions will increase automatically, nor does it mean that we will make no further acquisitions. If a high-quality property operated by nine hours, Inc. becomes available, we will evaluate it objectively on its merits.

Q11

If the policy rate were raised twice during 2026, in September and December, what would be the impact on forecast interest expense?

Answer Our current forecasts start from interest-rate levels at the end of July and assume two 25-basis-point policy-rate increases, in December 2026 and June 2027. Accordingly, the impact on our earnings forecasts will depend on the extent to which the market had already priced in a September rate hike as of the end of July.