

December 10, 2025

For Immediate Release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning Acquisition of Domestic Asset (Mezzanine Loan Claims)

NIPPON REIT Investment Corporation (“NIPPON REIT”) announces that SBI REIT Advisors Co., Ltd. (“SRA”), which is entrusted to manage the assets of NIPPON REIT, today decided to acquire assets (mezzanine loan claims) by NIPPON REIT (the "Acquisition") today as follows.

Since the seller, SBI SECURITIES Co., Ltd., falls under an “Interested Party, etc.” as defined in Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the “Investment Trust Act”) and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended; hereinafter referred to as the “Enforcement Order”), SRA has obtained the approval of NIPPON REIT’s Board of Officers and the consent of NIPPON REIT in accordance with Article 201-2 of the Investment Trust Act.

1. Overview of the Acquisition

(1) Asset to be acquired	Monetary Claims Mezzanine loan claims (hereinafter referred to as “Subordinated Loan Claims”) against Sumu Fund No. 1 LLC (hereinafter referred to as ‘Borrower’), secured by the (tentative name) Hotel Sumu Shinjuku East powered by Airbnb Partners (hereinafter referred to as “Underlying Asset”).
(2) Borrower Name	Sumu Fund No. 1 GK
(3) Seller	SBI SECURITIES Co., Ltd.
(4) Date of execution of purchase agreement	December 10, 2025
(5) Planned acquisition date	January 7, 2026
(6) Face value	510 million yen
(7) Planned acquisition price	510 million yen
(8) Planned interest rate	Base rate (Note 1) + 550bps
(9) LTV on underlying assets.	57.4% (at the time of the first loan) (Note 2)
(10) Scheduled repayment date	October 1, 2030 (Note 3)
(11) Interest payment date	End of February, May, August and November
(12) Acquisition financing	Cash on hand

- (Note 1) The applicable base interest rate shall be the Japanese Bankers Association 3-month Japanese Yen TIBOR as of two business days prior to the most recent interest payment date. For fluctuations in the Japanese Bankers Association 3-month Japanese Yen TIBOR, please refer to the website of the JBA TIBOR Administration (<https://www.jbatibor.or.jp/>).
- (Note 2) Calculated based on the amount including the first subordinated loan claim and its senior claims at the time of the first loan disbursement relative to the appraised value of the land portion of the Underlying Asset stated in its appraisal report (valuation date: August 31, 2025). The LTV calculated based on the income value of the land and building after completion using the income capitalization method is 62.6%. This appraisal report was obtained by the Borrower.
- (Note 3) The scheduled repayment date for this subordinated loan claim is October 1, 2030; however, if requested by the Borrower and agreed upon by all lenders, the final repayment date may be extended to October 1, 2031.

2. Reason for Acquisition

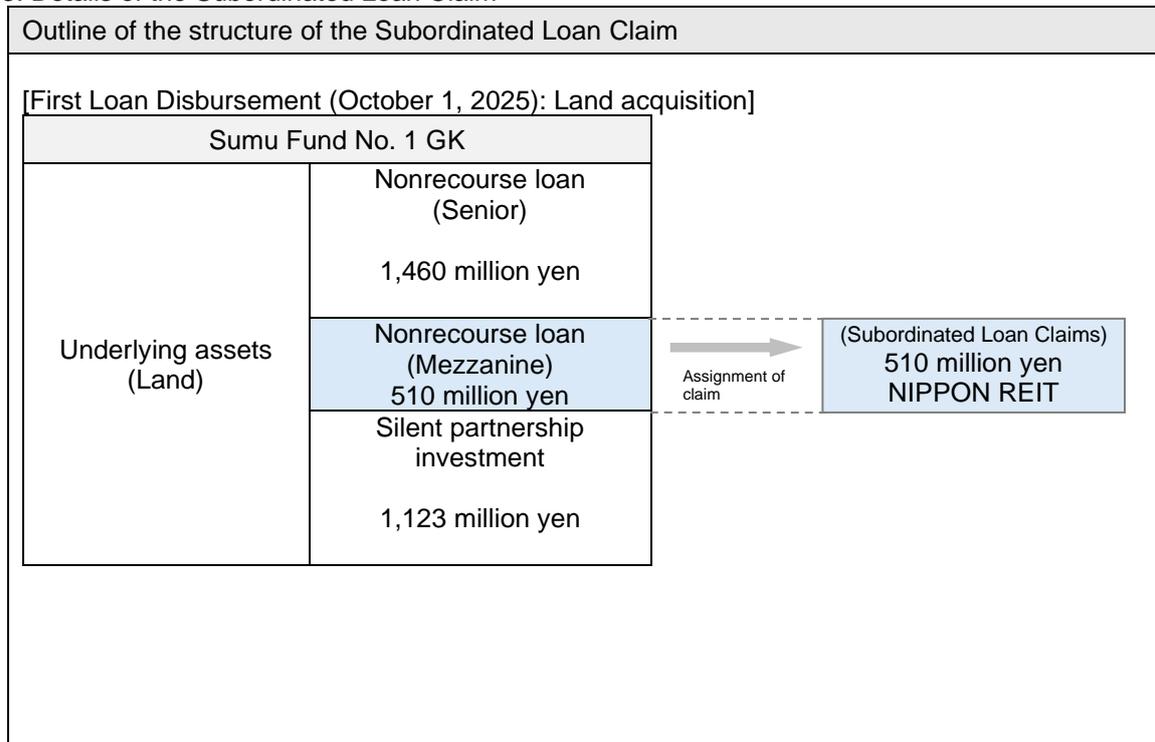
NIPPON REIT will acquire a subordinated loan claim, which constitutes a real estate-related loan asset, as stipulated in its Articles of Incorporation. This represents NIPPON REIT's first such initiative. The acquisition is expected to contribute to maximizing unitholder value by effectively utilizing its own funds to generate interest income (currently exceeding 6% (as of the date hereof)), thereby enhancing earnings.

The following considerations were taken into account in deciding on this acquisition:

- (1) The LTV level, calculated based on the amount including the subordinated loan receivables and their senior claims against the underlying assets, suggests a low risk of impairment during the holding period and a high degree of certainty regarding future redemption.
- (2) The structure review indicates a high degree of certainty regarding interest payments on the subordinated loan receivables.
- (3) A reasonable level of return is expected in relation to the risks described in (1) and (2) above.

Furthermore, under the Securities Listing Regulations of the Tokyo Stock Exchange, listed real estate investment corporations may hold assets other than real estate, real estate-related assets, and liquid assets, provided that such assets constitute 5% or less of the total amount of managed assets. Although the subordinated loan claim is not classified as real estate, real estate-related assets, or liquid assets, the ratio of "real estate, real estate-related assets, and liquid assets" to the total amount of managed assets of NIPPON REIT after this acquisition is expected to be maintained at 95% or higher.

3. Details of the Subordinated Loan Claim



[Second Loan Disbursement (February 26, 2027): Building acquisition]

Sumu Fund No. 1 GK	
Underlying assets (Land and Building)	Nonrecourse loan (Senior) 1,460 million yen
	1,540 million yen (Of which, consumption tax loans 130 million yen)
	Nonrecourse loan (Mezzanine) 510 million yen
	Silent partnership investment 1,123 million yen

1. As the first loan, on October 1, 2025, a total of JPY 1,970 million (non-recourse loan) was extended by the senior loan lender and the mezzanine loan lender to the borrower, who acquired the land portion of the underlying asset. NIPPON REIT plans to acquire the subordinated loan claim from SBI SECURITIES Co., Ltd., the mezzanine loan lender, on January 7, 2026.
2. As the second loan, on February 26, 2027, a total of JPY 1,540 million, including a consumption tax loan of JPY 130 million, will be extended by the senior loan lender to the borrower, who is scheduled to acquire the building portion of the underlying asset.
3. The subordinated loan claim ranks below the senior loan in terms of priority for interest payments and principal repayment but ranks above the silent partnership equity investment in the borrower. With respect to principal repayment, even if the value of the underlying asset declines, the principal of the subordinated loan claim will only be impaired after the silent partnership equity investment in the borrower has been impaired.

Outline of the underlying assets		
Property name	(tentative name) Hotel Sumu Shinjuku East powered by Airbnb Partners	
Type of specified asset	Real Estate	
Date of Completion	February 2027 (Scheduled)	
Location (indication of residential address)	5-7-12, Shinjuku, Shinjuku-ku, Tokyo	
Total floor space	1,228.04m ² (Scheduled)	
Structure / Floors	Reinforced concrete with flat roof 10 F(Scheduled)	
Use	Hotel (Scheduled)	
Type of ownership	Land	Ownership
	Building	Ownership (Scheduled)
Status of leasing	Leasable floor space	1,228.04m ² (Scheduled)
	Leased floor space	TBD (Note 1)
	Occupancy rate	TBD (Note 1)
	Total number of tenants	1 (Note 2)
	Type of contract	Variable rent: Amount after deducting a certain percentage from GOP (Note 2)
	Deposits, etc	Not disclosed (Note 3)

(Note 1) Since the building of the underlying asset is not yet completed, its status is currently undetermined as of today.
 (Note 2) The contents of the conditional fixed-term building lease and property management agreement executed with the borrower as of October 1, 2025 are described herein.
 (Note 3) Not disclosed as consent has not been obtained from the end tenant.

[Images of the property]



4 Summary of Seller

Name	SBI SECURITIES Co., Ltd.	
Location	1-6-1 Roppongi, Minato-ku, Tokyo	
Representative	Representative director, Masato Takamura	
Common stock	54.3 billion yen	
Date of Establishment	April 26, 1999 (date of change of company name)	
Net assets	281.5 billion yen (as of the end of September 2025)	
Total assets	7.5 trillion yen (as of the end of September 2025)	
Major shareholders and Percentage of shares held	SBI Financial Services Co., Ltd.	100%
Major businesses	On-line Securities Brokerage	
Relationship with NIPPON REIT or SRA		
Capital relationship	This company is a wholly owned subsidiary of SBI Financial Services Co., Ltd., the parent company of SRA (holding a 67.0% equity interest), and falls under an interested party as defined in the Investment Trust Act.	
Personal relationship	SRA accepts five employees on loan from SBI SECURITIES Co., Ltd., an affiliate of the relevant company.	
Business relationship	As of today, there are no transactional relationships to be disclosed between NIPPON REIT, SRA, and this company. However, SBI Financial Services Co., Ltd., the parent company of the company, is a party to a sponsor support agreement with NIPPON REIT and SRA. Under this agreement, this company provides services as a member of the sponsor group.	

To the relevant party Applicable situation	The company falls under the category of a related party of SRA. In addition, the company is classified as an “Interested Party, etc.” of the Asset Management Company as defined in the Investment Trust Act and as an interested party under SRA’s internal rule, the “Rules on Transactions with Interested Parties.” Accordingly, SRA has undergone the review and approval procedures stipulated in the said rules in connection with this acquisition.
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5. Transactions with interested parties

SBI SECURITIES Co., Ltd., the seller described in Section 4 above, falls under an interested party as defined in Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Investment Trust Act. It is also classified as an interested party under SRA’s internal “Interested Party Transactions Policy.” Accordingly, SRA has undergone the review and approval procedures stipulated in the said policy in connection with this acquisition.

6. Settlement Method, etc.

With respect to this acquisition, settlement is scheduled to be made on the scheduled acquisition date by NIPPON REIT paying the full purchase price of the subordinated loan claim in a lump sum to the seller using cash on hand.

7. Outlook

The impact of the Acquisition on the management status of the fiscal year ended June 2026 (January 1, 2026 to June 30, 2026) announced in the "Summary of Financial Results for the Fiscal Period Ended June 2025 (REIT)" dated August 15, 2025 is expected to be minimal, and no revisions have been made to the previously announced.

* NIPPON REIT website: <https://www.nippon-reit.com/en/>

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