

Investor Memo

Book-closing dates for fiscal periods	June 30 and December 31 of each year
The General Meeting of Unitholders	Held more than once every two years
Unitholder record date for exercising voting rights	Date stipulated in Article 16 of the Articles of Incorporation
Registration deadline for cash distribution payments	June 30 and December 31 of each year (Cash distributions are paid within a three-month period from the registration deadline.)
Listed on the following stock exchange	Real Estate Investment Trust Section, Tokyo Stock Exchange (TSE) (Stock code: 3296)
Public notice method	Published on the website via electronic public notice (https://www.nippon-reit.com/)
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan
Contact: (Postal mail and phone inquiries)	Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation. 1-1, Nikkocho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free) Mail to: Shin-Tokyo Post Office P.O.B. No.29, 1378081 Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation

► Procedures for Notification of Address or Other Changes

Investors should inform their securities company of any changes to pertinent personal information, including address, name, and official seal for carrying out banking transactions.

► Cash Distributions

Unitholders can receive cash distributions by bringing their cash distribution receipt to the nearest Japan Post Bank or post office (banking agent). To receive the cash distributions after the receipt period, designate the method for receipt on the back of the cash distribution receipt and mail it to the Stock Transfer Agency Services, Mitsubishi UFJ Trust and Banking Corporation or go to the head office or a branch office. (Please refer to the investor memo above for contact information.)

In addition, for future cash distributions, unitholders should contact their securities company to specify a bank account for cash distribution deposits, or for desired procedures, including filing to opt for separate taxation at the source.

Note that NIPPON REIT is not obliged to pay any cash distributions unclaimed for a period of three years after the first day of payment. Unitholders should make arrangements to receive their cash distributions as soon as possible.

► Statement of Cash Distribution

The statement of cash distribution we send for cash distribution payments also serves as Notice of Dividend Payment, in accordance with provisions under the Special Taxation Measure Act of Japan. This document can be an attachment to tax forms when filing income taxes. Note that the statement of cash distribution is enclosed and sent along with the cash distribution receipt, which unitholders exchange for dividends. Unitholders who file income taxes should carefully store this document away to prevent loss. However, unitholders who opt for allocation in proportion to the number of investment units should contact their securities company for details.

Semiannual Report for the 26th Fiscal Period

From January 1
to June 30, 2025



TSE Code	3 2 9 6
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1-18-1 Shimbashi, Minato-ku, Tokyo

<https://www.nippon-reit.com/en/>



Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

Period		22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period
		From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024	From January 1, 2025 to June 30, 2025
Operating revenues	(Yen in millions)	8,865	8,828	9,865	9,963	11,013
Of which, rental revenues and other revenues related to property leasing	(Yen in millions)	(8,610)	(8,632)	(8,651)	(8,699)	(8,539)
Operating expenses	(Yen in millions)	4,424	4,122	4,366	4,309	4,177
Of which, property-related expenses	(Yen in millions)	(3,313)	(3,249)	(3,285)	(3,277)	(3,242)
Operating income	(Yen in millions)	4,440	4,705	5,499	5,653	6,835
Ordinary income	(Yen in millions)	3,772	3,984	4,774	4,889	6,079
Net income	(Yen in millions)	3,771	3,983	4,773	4,887	6,077
Total assets (a)	(Yen in millions)	275,414	275,462	278,161	274,659	277,294
Period-on-period changes	(%)	(0.1)	(0.0)	(1.0)	(-1.3)	(1.0)
Net assets (b)	(Yen in millions)	130,392	130,605	131,395	129,478	131,147
Period-on-period changes	(%)	(-0.0)	(0.2)	(0.6)	(-1.5)	(1.3)
Unitholders' capital (net)	(Yen in millions)	126,515	126,515	126,515	124,015	124,015
Number of investment units issued and outstanding (c)	(Unit)	449,930	449,930	449,930	442,095	1,768,380
Net assets per unit (Note 3) (b) / (c)	(Yen)	289,807	290,280	73,009	73,218	74,162
Total distributions (d)	(Yen in millions)	3,770	3,983	4,305	4,408	4,146
Distributions per unit (d) / (c)	(Yen)	8,381	8,854	9,570	9,972	2,345
Of which, earnings distributions per unit	(Yen)	(8,381)	(8,854)	(9,570)	(9,972)	(2,345)
Of which, distributions per unit in excess of earnings per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Ordinary income to total assets ratio (Note 4)	(%)	1.4	1.4	1.7	1.8	2.2
Annualized (Note 4)	(%)	(2.8)	(2.9)	(3.5)	(3.5)	(4.4)
Return on equity (Note 4)	(%)	2.9	3.1	3.6	3.7	4.7
Annualized (Note 4)	(%)	(5.8)	(6.1)	(7.3)	(7.4)	(9.4)
Equity ratio (b) / (a)	(%)	47.3	47.4	47.2	47.1	47.3
Period-on-period changes	(%)	(-0.0)	(0.1)	(-0.2)	(-0.1)	(0.2)
Payout ratio (Note 4)	(%)	100.0	100.0	90.2	90.2	68.2

Period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period
	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024	From January 1, 2025 to June 30, 2025

(Reference Information)

Number of investment properties	105	110	110	105	109
Total leasable area (m ²)	308,340.29	315,899.49	330,351.20	319,642.10	338,870.47
Number of tenants (Note 5)	2,870	3,104	3,134	2,941	3,107
Occupancy rate at the end of the period (%)	98.2	97.9	98.0	97.7	97.8
Depreciation during the period (Yen in millions)	1,007	1,015	993	992	1,017
Capital expenditures during the period (Yen in millions)	640	1,083	1,001	991	932
Rental NOI (Net Operating Income) (Note 4) (Yen in millions)	6,311	6,405	6,371	6,426	6,332
FFO (Funds From Operations) per unit (Note 4) (Yen)	10,616	10,703	10,532	10,747	2,627
Interest-bearing debt (e) (Yen in millions)	132,620	132,620	134,120	132,620	134,230
Interest-bearing debt to total assets ratio (e) / (a) (%)	48.2	48.1	48.2	48.3	48.4
Number of operating days (Days)	181	184	182	184	181

- (Note 1) NIPPON REIT's fiscal periods cover every six months, from January 1 to June 30 and from July 1 to December 31, of each year.
- (Note 2) Operating revenues, etc., do not include consumption taxes.
- (Note 3) NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Net assets per unit is calculated based on the assumption that said investment unit split was conducted at the beginning of the fiscal period ended June 2024.
- (Note 4) The following denotes the calculation methods for the indicators used by NIPPON REIT. It should be noted that calculations on an annual basis are calculated using the number of business days for each period.

Ordinary income to total assets ratio	Ordinary income/average total assets x 100
	Average total assets = (Total assets at beginning of period + total assets at end of period) / 2
Return on equity	Net income / average net assets x 100
	Average net assets = (Net assets at beginning of period + net assets at end of period) / 2
Payout ratio	Distribution per investment unit (excluding cash distributions in excess of earnings per unit) / net income per investment unit x 100 NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Payout ratio is calculated using the following formula. Total distributions (excluding cash distributions in excess of earnings) / net income x 100
Rental NOI (Net Operating Income)	Income from property leasing for the current period (rental revenues - rental expenses) + depreciation + loss on retirement of non-current assets
FFO (Funds From Operations) per unit	(Net income + depreciation + loss on retirement of non-current assets + deferred asset amortization - gain / loss on sales of real estate) / total investment units issued and outstanding

- (Note 5) This denotes the total number of tenants (excluding those for warehouses, billboards, and parking lots) in leasing contracts for each building acquired at the end of the period. It should be noted that in the event a pass-through master lease contract is entered into for said assets, the total number of end-tenants is used in the calculation (excluding those for warehouses, billboards, and parking lots).
- (Note 6) Monetary figures are truncated, while percentages are rounded.

(2) Overview of the Fiscal Period Ended June 30, 2025

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now SBI REIT Advisors Co., Ltd. (hereafter referred to as the "Asset Management Company")) as the founder under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) on April 23, 2014 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24.

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018, cancelled treasury investment units in December 2024 and conducted an investment unit split in January 2025. As a result, the total number of investment units issued and outstanding as of the end of the current period (June 30, 2025) is 1,768,380 units.

B. Investment Environment and Management Performance

(i) Investment Environment

During the current period (the fiscal period ended June 30, 2025), the Japanese economy experienced a decline of 0.0% (equivalent to an annual decline of 0.2%) in the real GDP growth rate (second preliminary figures) from January to March 2025 compared to the previous period. Overseas economies have slowed down due to the impact of factors such as the trade policies of the United States and other countries, negatively impacting the earnings of Japanese companies. Although loose financial conditions have supported growth to some degree, an overall deceleration in growth has been observed.

In the latter half of 2025, gradual growth in Japanese economy is expected to continue partly due to improvements in the employment and income levels and the effects of various policy measures. However, the heightened risk of an economic downturn affected by United States's trade policy, combined with consumer sentiment dampened by rising price, could negatively impact personal consumption. Additionally, it is essential to continue to closely monitor the movements in financial and capital markets.

In the office properties leasing market, the average vacancy rate as of the end of June 2025 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 3.37%, down 1.78% from the same month last year. Moreover, the average rent in the same area as of the end of June 2025 was 20,877 yen per tsubo, up 4.49% from the same month last year. This upward trend in rents is expected to continue due to a growing perception of supply shortages caused by soaring construction costs and a delay in new supply from extended construction timelines.

In terms of the residential properties leasing market, both occupancy rate and rent levels have remained generally stable, supported by the influx of population into the Tokyo metropolitan area. However, it is necessary to continue to closely monitor the supply and demand balance in each metropolitan area, as it is susceptible to changes in the working environment and individual income levels, the demographic shifts and supply conditions in the residential leasing properties.

(ii) Sustainability Initiatives

The Asset Management Company understands that actively incorporating ESG (environmental, social, and governance) perspectives will contribute to the realization of the basic policy of NIPPON REIT, "maximization of unitholder's value by focusing on income growth and stability," and has formulated and is working to implement the "Sustainability Policy" to guide ESG initiatives.

In the GRESB Real Estate Assessment conducted in 2024, NIPPON REIT received "3 Stars" in GRESB Rating, which is rated on a five-point scale based on the global ranking of the overall score, and received the highest rating of "A" level in the GRESB Disclosure Assessment, which measures the degree of adequacy of ESG information disclosure as the ESG information disclosure initiatives were highly evaluated.

Additionally, NIPPON REIT is continuously working to obtain environmental certification for our properties, and NORE Meieki received the one-star BELS (Note 1) rating in May 2025, Pigeon Building received the S rank, the highest rank in the CASBEE (Note 2) real estate evaluation certification and Itohia Iwamotocho 2-chome Building and FORECAST Kayabacho received the A rank in June 2025. As a result, a total of 30 properties have received environmental certification, or 51.4% (as of June 30, 2025), on a total floor area basis.

NIPPON REIT and the Asset Management Company will continue to deepen mutual communication with all stakeholders, including unitholders, tenants, local communities, and employees, and promote ESG-related initiatives in the course of their real estate investment management business.

Notes:

1. "BELS (Building-Housing Energy-efficiency Labeling System)" refers to a third-party certification system that ensures the labeling of energy efficiency of buildings and housing. Since April 2016, under the Act on the Improvement of Energy Consumption Performance of Buildings (Act No.53 of 2015, as amended), real estate operators and others are required to strive to display the energy efficiency performance of buildings. The specific labeling method is defined in the guidelines for the labeling of energy efficiency performance of buildings. The BELS rating is evaluated based on these guidelines. Until March 2024, ratings were displayed in a five-star scale (ranging from one to five stars) in accordance with the 2016 standards. However, starting from April 2024, the ratings of non-residential buildings and residential properties with renewable energy facilities will be displayed on a seven-level scale (from zero to six stars) in accordance with the 2024 standards.
2. CASBEE (Comprehensive Assessment System for Built Environment Performance) is a method for evaluating and rating the environmental performance of buildings and the built environment. It is a comprehensive assessment of the quality of a building, evaluating features such as interior comfort and scenic aesthetics, in consideration of environment practices that include using equipment that save energy or achieve smaller environmental loads.

(iii) Management Performance

a. External Growth

NIPPON REIT owned 105 properties (with a total acquisition amount of 250,680 million yen) and one equity interest in one silent partnership (with an investment amount of 119 million yen, one real estate-backed property) as of the end of the fiscal period ended December 2024.

During the current fiscal period (fiscal period ended June 2025), NIPPON REIT transferred two properties and acquired five properties as follows, as a part of the property replacement.

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note)	Transaction date
Acquisition	A-78	URAWA GARDEN BUILDING (20% of quasi co-ownership interest)	2,400	March 27, 2025
Acquisition	C-5	FORECAST Shinagawa@LABO	8,200	March 27, 2025
Transfer	A-7	FORECAST Shinjuku SOUTHT (50% of quasi co-ownership interest)	10,000	March 27, 2025
Acquisition	B-53	ARBUS IBARAKI	1,800	March 31, 2025
Acquisition	B-54	Urbanex GINZA EAST II	1,750	May 27, 2025
Acquisition	B-56	AMBIX PRIA	805	May 27, 2025
Transfer	B-14	Merveille Senzoku	820	June 30, 2025

(Note) The transfer prices and the acquisition prices represent amount of consideration stated in the trust beneficiary interests sales agreements of each of the trust beneficiary interests in real estate and quasi co-ownership interest. The transfer prices and the acquisition prices do not include expenses related to the transfer or the acquisition, consumption taxes and local consumption taxes. Furthermore, the transfer price and the acquisition price of less than one million yen is omitted.

In addition, NIPPON REIT transferred one investment asset and acquired one property as follows through exchanges executed pursuant to Article 50 ("Inclusion in Deductible Expenses of the Depreciated Amount of Assets Acquired through Exchange") of the Corporation Tax Act (Act No. 34 of March 31, 1965, as amended).

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note)	Transaction date
Acquisition	B-55	Urbanex TOGOSHI-GINZA	2,700	May 27, 2025
Transfer	A-27	FORECAST Shin-Tokiwabashi	2,700	

(Note) The transfer price and the acquisition price represent amount of consideration stated in the trust beneficiary interests exchange agreement of each of the trust beneficiary interests in real estate. The transfer price and the acquisition price do not include expenses related to the transfer or the acquisition, consumption taxes and local consumption taxes. Furthermore, the transfer price and the acquisition price of less than one million yen is omitted.

As a result, the portfolio as of the end of the current period consisted of 58 office properties (Note 1) with a total acquisition amount of 169,806 million yen, 47 residential properties (Note 2) with a total acquisition amount of 70,453 million yen, 4 retail and other properties (Note 3) with a total acquisition amount of 18,310 million yen, and one equity interest in one silent partnership (with an investment amount of 119 million yen, one real estate-backed property), totaling 109 properties with a total acquisition amount of 258,570 million yen, a total leased area of 331,442.74 m² and 97.8% of average occupancy rate.

(Note 1) "Office properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.
(Note 2) "Residential Properties" refer to a rental housing whose primary use is a residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of). The same shall apply hereinafter.
(Note 3) "Retail and Other Properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenants and real estate used for other purposes. The same shall apply hereinafter.

b. Internal Growth

NIPPON REIT emphasizes operational management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts, the portfolio occupancy rate was maintained at a high level of 97.8% as of the end of the current period.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to prepare funds for repayment of long-term loans due on January 20, 2025 (total 1,000 million yen), the long-term borrowings of total 1,000 million yen were executed on January 20, 2025.

In order to prepare funds for repayment of long-term loans due on April 21, 2025 (total 7,050 million yen), the long-term borrowings of total 5,550 million yen were executed on April 21, 2025 and investment corporation bonds of total 1,300 million yen were issued on April 23, 2025.

In order to prepare funds for the acquisition of new properties and payments of some of associated expenses, on May 27, 2025, NIPPON REIT drew down a total of 2,810 million yen based on the commitment line agreement concluded on December 27, 2019.

As a result, the balance of interest-bearing debt as of June 30, 2025 was 134,230 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.4%.

(ii) Credit Rating

NIPPON REIT's credit rating as of the date of this document is as follows:

Credit rating agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: AA-	Stable
Rating and Investment Information, Inc.	Issuer rating: A+	Stable

D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the current period generated operating revenues of 11,013 million yen, operating income of 6,835 million yen, ordinary income of 6,079 million yen and net income of 6,077 million yen.

Concerning distributions, NIPPON REIT decided to distribute 4,146,851,100 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding (1,768,380 units), and does not exceed the amount of unappropriated retained earnings after adding the reversal of reserve for the reduction entry with special provisions for replacement as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan (Act No. 26 of 1957, as amended) and retaining the provision of reserve for the reduction entry with special provisions for replacement as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan, so as to apply the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan). As a result, cash distributions per unit were 2,345 yen.

(3) Changes in Number of Total Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and total unitholders' equity for recent 5 years to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' capital (net) (Yen in millions) (Note 1)		Note
		Increase (Decrease)	Total	Increase (Decrease)	Total	
December 30, 2024	Cancellation	(7,835)	442,095	(2,499)	124,015	(Note 2)
January 1, 2025	Investment unit split	1,326,285	1,768,380	-	124,015	(Note 3)

(Note 1) "Total unitholders' equity" is truncated to the nearest million yen.

(Note 2) From September 30, 2024 to November 14, 2024, NIPPON REIT acquired treasury investment units through a market purchase on the Tokyo Stock Exchange based on a discretionary transaction agreement with a securities company regarding acquisition of treasury investment units. All of the acquired treasury investment units (7,835 units) were cancelled on December 30, 2024, based on a resolution of the Board of Directors of NIPPON REIT held on November 26, 2024.

(Note 3) NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date.

· Changes in market price of investment securities

The highest and lowest (closing) prices in the J-REIT section of the Tokyo Stock Exchange, where NIPPON REIT's investment securities are listed, are as follows for the period indicated.

Period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period
	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024	From January 1, 2025 to June 30, 2025
Highest (Yen)	347,000	361,500	357,500	333,500 (Note 1) 76,100 (Note 2)	91,200
Lowest (Yen)	304,500	333,000	322,000	301,000 (Note 1) 76,100 (Note 2)	76,900

(Note 1) The maximum and minimum investment unit prices for the period up to the ex-dividend period (until December 27, 2024) are presented in connection with the investment unit split at a rate of four units per one unit with January 1, 2025 as the effective date.

(Note 2) The maximum and minimum investment unit prices for the period after the ex-dividend period (after December 30, 2024) are presented in connection with the investment unit split at a rate of four units per one unit with January 1, 2025 as the effective date.

(4) Distributions

For distributions for the current period, NIPPON REIT decided to distribute 4,146,851,100 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding (1,768,380 units), and does not exceed the amount of unappropriated retained earnings after adding the reversal of reserve for the reduction entry with special provisions for replacement as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan (Act No. 26 of 1957, as amended) and retaining the provision of reserve for the reduction entry with special provisions for replacement as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan, so as to apply the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan). As a result, cash distributions per unit were 2,345 yen.

Period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period
	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024	From January 1, 2025 to June 30, 2025
Unappropriated retained earnings (Yen in thousands)	3,877,299	4,090,271	4,880,393	4,994,544	6,184,499
Retained earnings (Retained earnings brought forward) (Yen in thousands)	106,435	106,591	574,563	585,972	2,037,648
Cash distributions declared (Yen in thousands)	3,770,863	3,983,680	4,305,830	4,408,571	4,146,851
Distributions per unit (Yen)	(8,381)	(8,854)	(9,570)	(9,972)	(2,345)
Of the above, total earnings distributions (Yen in thousands)	3,770,863	3,983,680	4,305,830	4,408,571	4,146,851
Earnings distributions per unit (Yen)	(8,381)	(8,854)	(9,570)	(9,972)	(2,345)
Of the above, total capital refunds (Yen in thousands)	—	—	—	—	—
Distributions per unit (Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from allowance for temporary difference (Yen in thousands)	—	—	—	—	—
Distributions from allowance for temporary difference per unit (Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from reduced capital distributions (Yen in thousands)	—	—	—	—	—
Distributions from reduced capital distributions per unit (Yen)	(—)	(—)	(—)	(—)	(—)

(Note) Amounts are truncated to the relevant digit.

(5) Future Operating Policies and Issues to be Addressed

A. Management Policy

With the corporate policy of “untiringly pursuing the best interest of NIPPON REIT’s unitholders”, NIPPON REIT plans to engage in the following measures to maximize unitholders’ value through flexible and timely investment, also seek the best interest of unitholders by utilizing the features of a diversified REIT and focus on the growth of potential and stability of revenues.

B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will invest in “three types of assets deeply rooted in the Japanese society (office, residence and retail)”. Furthermore, NIPPON REIT will focus on middle-sized office properties located in Tokyo central area as its main target of investment in consideration of the balance of supply and demand, and effectively will construct a diversified portfolio by also investing in residential properties, retail properties and properties for other purposes.

In order to facilitate external growth, NIPPON REIT stands on the Asset Management Company’s own property business network and also utilizes real estate investment networks of sponsors which are SBI Financial Services, the main sponsor, Cushman & Wakefield Asset Management K.K. (hereafter referred to as “Cushman,”) the sub-sponsor and other sponsor companies including Agility Holdings Inc. Assisted by those sponsors’ powers, NIPPON REIT will increase its asset size through property acquisitions mainly transacted on a negotiation basis with third parties.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will be under consideration to utilize warehousing function as interim ownership vehicles provided by SBI Group through arrangement by SBI Securities Co., Ltd. a wholly owned subsidiary of SBI Financial Services and sponsors’ managed bridge funds as interim ownership vehicles, who may participate in those vehicles. Such consideration comes from our investment strategy to avoid loss of opportunities for acquisitions and aim to realize growth opportunities as much as possible.

C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties reflecting their own features. For the purpose of the management, NIPPON REIT utilizes the Asset Management Company and its officers and employees who have unique networks and expertise nurtured at sponsor companies or by their own business career. NIPPON REIT plans to improve its earnings power and maintain the occupancy rate of the portfolio by selecting Property Management companies that are the most suitable for individual properties and establishing appropriate management and operation scheme.

By utilizing companies selected through appropriate process as consignee for the Property Management operations and Building Management operations in order to achieve efficient and value-added management operation and improve satisfaction of tenants, NIPPON REIT plans to maintain and increase the value of assets under management by delivering effective and deliberate repairs, which are considered in terms of construction works’ priority and cost optimization with sufficient attention to renovation and cost performance, upon sufficient judgment of performance effectiveness, as well as the daily management operations.

Furthermore, regarding leasing plans for offices, new asking rent for potential tenants and renewed rent for existing tenants will be set with reference to various data, etc. provided by Cushman, and agile leasing activities will be implemented in line with the effective operational-policy for new potential tenants.

D. Financial Strategy

NIPPON REIT’s basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to establish a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT’s LTV as of the end of the current period was 48.4% and the current policy is to keep the LTV level between 45% and 55%.

With regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the loan syndicate group as of the end of the current period.

(6) Significant Subsequent Events

A. Acquisition of Property

a. NIPPON REIT acquired trust beneficiary interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note)	Seller
URAWA GARDEN BUILDING (80% of quasi co-ownership interest)	Saitama, Saitama	July 1, 2025	9,600	Hulic Co., Ltd.
NW SQUARE	Sapporo, Hokkaido	August 29, 2025	1,700	A.P.17 Godo Kaisha
HOTEL RESOL STAY AKIHABARA	Chiyoda ward, Tokyo	September 26, 2025	6,250	THE SANKEI BUILDING CO., LTD. (Note 2)
Smile Hotel Premium Hakodate Goryokaku	Hakodate, Hokkaido	September 26, 2025	2,700	THE SANKEI BUILDING CO., LTD. (Note 2)
Total			20,250	—

(Note 1) The acquisition price represents amount of consideration stated in the transfer agreement of each trust beneficiary interest in real estate and the quasi co-ownership interest. The acquisition prices do not include expenses related to the acquisition, consumption taxes and local consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note 2) A trust beneficiary interest transfer agreement was signed between THE SANKEI BUILDING Co., LTD. and TU31 Godo Kaisha on February 28, 2025, and NIPPON REIT has succeeded to TU31 Godo Kaisha’s status as the buyer under this agreement on August 18, 2025.

b. NIPPON REIT decided to acquire two trust beneficiary interests in real estate on August 15, 2025 and concluded transfer agreements of the trust beneficiary interests in real estate as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
FORECAST Yokkaichi (Note 2)	Yokkaichi, Mie	January 14, 2026	3,531 (Note 3)	Fuyo General Lease Co., Ltd.
innoba Ota (90% of quasi co-ownership interest) (Note 4)	Ota ward, Tokyo	January 14, 2026	3,158	TU31 Godo Kaisha
Total			6,689	—

(Note 1) The scheduled acquisition price represents amount of consideration stated in the transfer agreement of each trust beneficiary interest in real estate and the quasi co-ownership interest. The acquisition prices do not include expenses related to the acquisition, consumption taxes and local consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted. In addition, with regard to FORECAST Yokkaichi, NIPPON REIT plans to pay the seller separately for the costs incurred for warehousing.

(Note 2) The property name as of the reporting date is “d_II YOKKAICHI.” However, as it is scheduled to be changed to “FORECAST Yokkaichi” on October 1, 2025 with the acquisition by NIPPON REIT, the changed name is listed.

(Note 3) The scheduled acquisition price of FORECAST Yokkaichi is the expected amount as of the reporting date. Additionally, as the trust beneficiary interest transfer agreement, etc. states that the stated price of the trust beneficiary interest in real estate should be adjusted if it differs from the amount calculated based on a prescribed formula, the scheduled acquisition price may change due to a change in the scheduled acquisition date, fluctuation in income or expenses prior to the scheduled acquisition date, or other causes.

(Note 4) NIPPON REIT plans to acquire 90% of quasi co-ownership interest in the property.

(Note 5) The transfer agreement of the trust beneficiary interests in real estate for this property falls under the forward commitment, etc. The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interests in real estate of this property stipulates that in the event of the other party's breach of its significant obligations under the agreement, the transfer agreement of the trust beneficiary interests in real estate of this property may be terminated. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled acquisition price of the trust beneficiary interest subject to termination.

B. Transfer of Properties

a. NIPPON REIT transferred trust beneficiary interests in real estate as described below.

Property name	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Buyer
FORECAST Shinjuku SOUTH (50% of quasi co ownership interest)	Shinjuku ward, Tokyo	July 1, 2025	10,000	7,180	Hulic Co., Ltd.
FORECAST Shinagawa	Shinagawa ward, Tokyo	August 27, 2025	2,700	2,454	Not disclosed (Note 3)
Tenjinhighashi residence	Fukuoka, Fukuoka	August 27, 2025	3,100	965	Not disclosed (Note 3)
Minami-Horie apartment Cielo	Osaka, Osaka			828	
Minami-Horie apartment Grande	Osaka, Osaka			795	
Minami-Horie apartment Rio	Osaka, Osak			259	
REID-C Iidabashi Building	Chiyoda ward, Tokyo	August 29, 2025	1,330	1,229	Not disclosed (Note 3)
REID-C Gotenyama Building	Shinagawa ward, Tokyo	August 29, 2025	1,170	1,081	Not disclosed (Note 3)
Total			18,300	14,793	—

(Note 1) The transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership interest in the trust beneficiary interest in real estate. The transfer price does not include expenses related to the transfer, consumption taxes and local consumption taxes. Furthermore, the transfer price of less than one million yen is omitted.

(Note 2) Book value as of June 30, 2025 is described, rounded down to the nearest million yen.

(Note 3) This information is not disclosed as buyer's consent to disclosure has not been obtained.

b. NIPPON REIT decided to transfer three trust beneficiary interests in real estate on July 9, 2025 and concluded transfer agreements of the trust beneficiary interests in real estate as described below. Of these properties, the transfer of one property, Central Daikanyama, was completed on August 7, 2025.

Property name	Location	(Scheduled) transfer date	(Scheduled) transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Buyer
Central Daikanyama	Shibuya ward, Tokyo	August 7, 2025	16,800	3,671	Not disclosed (Note 4)
BECOME SAKAE	Nagoya, Aichi	September 30, 2025 (Note 3)		4,695	
FORECAST Sakurabashi	Chuo ward, Tokyo	January 13, 2026 (Note 3)		6,120	
Total			16,800	14,487	-

(Note 1) The (scheduled) transfer prices represent amount of consideration stated in the transfer agreements of each trust beneficiary interests in real estate. The transfer prices do not include expenses related to the transfer, consumption taxes and local consumption taxes. Furthermore, the transfer price of less than one million yen is omitted.

(Note 2) Book value as of June 30, 2025 is described, rounded down to the nearest million yen.

(Note 3) The transfer agreement of the trust beneficiary interests in real estate for this property falls under the forward commitment, etc. The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interests in real estate of this property stipulates that in the event of the other party's breach of its significant obligations or a breach of representations and warranties under the agreement, the transfer agreement of the trust beneficiary interests in real estate of this property may be terminated, upon notice, only respect to the trust beneficiary interest related to the breach. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled transfer price of the trust beneficiary interest subject to termination.

(Note 4) This information is not disclosed as buyer's consent to disclosure has not been obtained.

C. Borrowing of Funds

NIPPON REIT entered into a loan agreement on September 25, 2025 as described below to partially finance the acquisition of HOTEL RESOL STAY AKIHABARA and Smile Hotel Premium Hakodate Goryokaku, which are described in i of "A. Acquisition of Property," and associated expenses.

Lender	Loan amount (Yen in millions)	Interest rate	Fixed/ Floating	Repayment date	Repayment method
SBI Shinsei Bank, Limited	1,200	Interest rate of base rate plus 0.33% (Note 1)	Floating (Note 2)	September 22, 2031	Lump-sum repayment on repayment date (Note 3)

(Note 1) The first interest payment date shall be March 20, 2026 and the subsequent interest payment date shall be the 20th day of March and September (If the day is not a business day, then it shall be the next business day) and the principal repayment date. The base interest rate applicable to interest paid on the interest payment date is the JBA six-month Japanese Yen TIBOR announced two business days prior to the immediately preceding interest payment date (or the drawdown date for the first time). In the event that the interest calculation period is more than six months or less than six months, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.

(Note 2) The interest rate payable for a part or all of the borrowing will be substantively fixed with the interest rate swap agreement.

(Note 3) NIPPON REIT can make early repayment of the loan, in whole or in part, if certain terms and conditions such as prior written notice by NIPPON REIT are met by the repayment date.

D. Revision of Investment Policy

Effective September 19, 2025, the investment guidelines, which are internal rules of the investment management company, were partially revised. As a result of changes to matters such as the invested property types based on their intended use, the investment policy of NIPPON REIT was also partially amended.

2. Overview of the Investment Corporation

(1) Status of Investment Units

Period	22nd fiscal period June 30, 2023	23rd fiscal period December 31, 2023	24th fiscal period June 30, 2024	25th fiscal period December 31, 2024	26th fiscal period June 30, 2025
Total number of investment units authorized (Unit)	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000
Total number of investment units issued and outstanding (Unit)	449,930	449,930	449,930	442,095	1,768,380
Total unitholders' capital (net) (Yen in millions) (Note)	126,515	126,515	126,515	124,015	124,015
Number of unitholders	14,261	13,844	15,242	16,373	17,658

(Note) Total unitholders' capital (net) is truncated to the nearest million yen.

(2) Matters Concerning Investment Units

The top 10 unitholders in terms of the percentage of investment units held as of June 30, 2025, are as follows.

Name	Number of investment units held (Unit)	Percentage of units held to the total number of units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (Trust Account)	389,209	22.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	303,758	17.18
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	92,349	5.22
SBI Holdings, Inc.	62,000	3.51
JPMorgan Securities Japan Co., Ltd.	31,495	1.78
STATE STREET BANK WEST CLIENT - TREATY 505234	28,515	1.61
STATE STREET BANK AND TRUST COMPANY 505001	25,299	1.43
JP MORGAN CHASE BANK 385781	24,470	1.38
JAPAN SECURITIES FINANCE CO., LTD.	23,500	1.33
STATE STREET BANK AND TRUST COMPANY 505103	19,885	1.12
Total	1,000,480	56.58

(Note) Percentage of units held to the total number of units issued and outstanding is rounded to the second decimal place and may not add up to the total.

(3) Matters Concerning Officers

The following table provides information about our executive officer, supervising officers and independent auditor during the current period.

Position	Name	Major concurrent position	Total compensation per title during the 26th fiscal period (Yen in thousands) (Note 1)
Executive Officer	Yasushi Iwasa	President & CEO, SBI REIT Advisors Co., Ltd. (Note 2)	—
Supervising Officer	Yasuhiro Shimada	Partner, Tsubame Law Offices	1,200
	Hisashi Yahagi	Representative Council, Toranomon Partners	1,200
Independent Auditor	KPMG AZSA LLC	—	17,300 (Note 2)

- (Note 1) Total compensation for each position in the applicable business period has been truncated to the nearest thousand yen.
- (Note 2) The fee of the independent auditor includes the audit fee of English financial statements and the fee associated with the preparation of a comfort letter for the issuance of an investment corporation bond in April 2025. The fee to the persons who belong to the same network as KPMG AZSA LLC for non-audit services is 8,500 thousand yen.
- (Note 3) Termination of the independent auditor is carried out in accordance with the Investment Trust Act. The Board of Officers of NIPPON REIT determines the refusal of reappointment of an independent auditor, factoring in various circumstances, including the quality of the audits performed and compensation for said audits.
- (Note 4) NIPPON REIT has concluded with an insurance company Directors and Officers Liability Insurance as stipulated in Article 116-3, Paragraph 1 of the Act on Investment Trusts and Investment Corporations to cover loss, such as compensation payment and dispute costs, to be borne by the insured when they receive a claim for compensation due to errors, breach of duties, omissions and others. Directors and Officers Liability Insurance covers all of Executive Officer and Supervising Officers stated above. NIPPON REIT has taken necessary actions not to impair appropriateness of duty of officers by excluding damage born by officers caused by criminal act such as corruptions and intentional illegal act from compensation. NIPPON REIT bears entire costs for Directors and Officers Liability Insurance.

(4) Asset Manager, Asset Custodian and General Administrative Agent

NIPPON REIT's asset manager, asset custodian and general administrative agent as of June 30, 2025 are as follows:

Business	Name
Asset Manager	SBI REIT Advisors Co., Ltd.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (transfer agent)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (administrative work for organizational operation)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (accounting administration)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (administrative work for investment corporation bonds)	MUFG Bank, Ltd.

3. Portfolio of the Investment Corporation

(1) Composition of Assets

Type of assets	Property type	Area (Note 1)	25th fiscal period (December 31, 2024)		26th fiscal period (June 30, 2025)	
			Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 3)	1,492	0.5	1,487	0.5
	Real estate Total		1,492	0.5	1,487	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	136,168	49.6	126,942	45.8
		Three major metropolitan areas (Note 4) (excluding six central wards of Tokyo)	39,483	14.4	41,843	15.1
		Certain ordinance-designated and other cities (Note 5)	1,750	0.6	1,738	0.6
		Subtotal	177,402	64.6	170,525	61.5
	Residential properties	Three major metropolitan areas (Note 4) (including six central wards of Tokyo)	59,651	21.7	65,668	23.7
		Certain ordinance-designated and other cities (Note 5)	3,119	1.1	3,100	1.1
		Subtotal	62,770	22.9	68,769	24.8
	Retail and other properties	—	10,011	3.6	18,318	6.6
	Real estate in trust Total		250,185	91.1	257,612	92.9
Investment securities (Note 6)		121	0.0	121	0.0	
Deposits and other assets		22,860	8.3	18,072	6.5	
Total assets (Note 7)		274,659 (251,677)	100.0 (91.6)	277,294 (259,100)	100.0 (93.4)	

- (Note 1) "Total amount held" represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust, book value less depreciation) and truncated to the nearest million yen. Effective September 19, 2025, NIPPON REIT's investment guidelines regarding assets under management were partially amended, including changes to the classification of invested areas. However, "Area" is presented based on the classification of the area-specific investment ratio for each property type as of June 30, 2025, which is prior to the revision of investment guidelines.
- (Note 2) "Ratio to total assets" represents the percentage of the amount of respective assets recorded on the balance sheets to total assets. Figures are rounded to one decimal place and may not add up to subtotals or the total.
- (Note 3) "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya, and Shinagawa wards.
- (Note 4) "Three major metropolitan areas" refers to the Tokyo, Osaka, and Nagoya economic areas. "Tokyo economic area" refers to the Tokyo metropolitan area, Kanagawa Prefecture, Chiba Prefecture, and Saitama Prefecture. "Osaka economic area" refers to Osaka Prefecture, Kyoto Prefecture, and Hyogo Prefecture. "Nagoya economic area" refers to Aichi Prefecture, Gifu Prefecture, and Mie Prefecture.
- (Note 5) "Certain ordinance-designated and other cities" refers to Japanese cities that have been designated as ordinance-designated cities by order of the Cabinet under the Local Autonomy Law of Japan and that are located outside of the three major metropolitan areas (i.e., Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu, and Kumamoto) and also to prefectural capital cities that are located outside of the three major metropolitan areas.
- (Note 6) "Investment securities" represents the equity interests in preferred silent partnerships of Godo Kaisha Osaka Hommachi Hotel.
- (Note 7) Figures in total assets shown in parentheses represent the portion corresponding to a substantive holding of real estate, etc., in total assets.

(2) Principal Assets Held

The overview of principal assets held by NIPPON REIT as of June 30, 2025 (top 10 properties in terms of book value at the end of the period) is as follows:

Property name	Book value (Yen in millions) (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 3)	Occupancy rate (%) (Note 4)	Rate to total revenues from property leasing (%) (Note 5)	Primary use
Omiya Center Building	15,434	14,571.36	14,571.36	100.0	7.3	Office
Tower Court Kitashinagawa	10,338	16,913.29	16,733.27	98.9	5.1	Residential
FORECAST Shinagawa @LABO	8,282	6,435.43	6,435.43	100.0	Not disclosed (Note 6)	Other
FORECAST Gotanda WEST	7,592	8,967.07	8,967.07	100.0	3.0	Office
Shibakoen Sanchome Building	7,288	7,882.60	7,882.60	100.0	2.8	Office
FORECAST Shinjuku SOUTH	7,180	13,875.01	13,875.01	100.0	5.5	Office
Homat Horizon Building	6,606	6,077.01	6,077.01	100.0	2.5	Office
FORECAST Sakurabashi	6,120	6,566.76	6,566.76	100.0	2.5	Office
FORECAST Shinjuku AVENUE	6,018	4,337.15	3,871.83	89.3	2.3	Office
FORECAST Takadanobaba	5,772	5,661.49	5,661.49	100.0	2.3	Office
Total	80,635	91,287.17	90,641.83	99.3	-	

(Note 1) "Book value" is truncated to the nearest million yen.

(Note 2) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers leasable based on relevant lease agreements or floor plans. For properties held through the quasi co-ownership, the total area of the entire property is disclosed, regardless of the ratio of quasi co-ownership interest held. The same shall apply hereafter.

(Note 3) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of June 30, 2025. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2025. For properties held through the quasi co-ownership, the total area of the entire property is disclosed, regardless of the ratio of quasi co-ownership interest held. Lease contracts cancelled due to reasons such as non-payment of rent are also accounted for as effective lease contracts when collection of rent, etc. by guarantors, etc. is expected. The same shall apply hereinafter.

(Note 4) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2025 and rounding that figure to the first decimal place.

(Note 5) "Rate to total revenues from property leasing" is rounded to the first decimal place and may not add up to the total.

(Note 6) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(3) Description of Portfolio

The overview of portfolio assets held by NIPPON REIT as of June 30, 2025, is as follows:

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
FORECAST Nishishinjuku	7-16-11 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,945.68	3,410	2,027
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,140	1,381
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,337.15	8,660	6,018
FORECAST Ichigaya (Note 3)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,800	4,162
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.81	2,640	1,672
FORECAST Shinjuku SOUTH (Note 4)	4-3-17 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	13,875.01	8,950	7,180
FORECAST Sakurabashi	4-5-4 Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest	6,566.76	7,260	6,120
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	3,850	2,962
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,595.04	3,860	2,948
GreenOak Takanawadai	2-26-10 Shirokanedai, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	2,990	2,040
Central Daikanyama	14-23 Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest	1,899.30	3,710	3,671
Hiroo Reeplex B's	5-15-27 Minamiazabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,560	2,851
Shibakoen Sanchome Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,400	7,288
Kudankita 325 Building	3-2-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,003.60	2,410	1,953
Itohia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	3,940	2,845
Itohia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,089.04	3,330	2,727
Itohia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	3,210	2,171
Pigeon Building	4-4 Hisamatsucho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,310	2,915
FORECAST Ningyocho	2-13-9 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,430	2,159
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,140	1,675
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,830	2,347
Iidabashi Reeplex B's	1-14 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,680	1,315
FORECAST Shinagawa	1-20-9 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,276.36	2,340	2,454
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,052.31	2,740	2,245
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,490	2,014
FORECAST Takadanobaba	3-28-2 Takada, Toshima-ku, Tokyo	Trust beneficiary interest	5,661.49	6,850	5,772

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Itohia Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,230	1,638
I-S Minamimorimachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	3,010	2,265
Toranomon Sakura Building	3-22-1 Toranomon, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,720	4,270
La Verite Akasaka	1-5-7 Motoakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,719.75	2,590	2,103
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.53	2,070	1,469
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,700	3,132
FORECAST Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,340.66	5,480	4,858
FORECAST Gotanda WEST	8-9-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,967.07	9,150	7,592
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,571.36	27,000	15,434
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	4,000	2,877
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,370	2,563
NORE Meieki	1-3-18 Meiekininami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,279.74	4,280	2,382
Homat Horizon Building	5-6-2, Gobancho, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,410	6,606
Towa Kandanishikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,030	1,004
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,400	1,196
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	2,970	2,450
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,580	4,428
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,590	1,487
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	2,110	1,595
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,260	1,216
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,900	1,816
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	3,020	2,542
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,460	1,406
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.32	1,190	1,226
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,130	1,125
Tsukiji Front	2-7 Tsukiji 2-chome, Chuo-ku, Tokyo	Trust beneficiary interest	689.53	1,100	854
TENSHO OFFICE SHINBASHI 5	12-11 Shimbashi 5-chome, Minato-ku, Tokyo	Trust beneficiary interest	828.19	1,270	1,189
REID-C Iidabashi Building	2-8-3, Iidabashi, Chiyoda-ku, Tokyo	Trust beneficiary interest	811.46	1,160	1,229

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
REID-C Gotenyama Building	5-12-4 Kita-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,086.11	1,020	1,081
30 Sankyo Building	1-30-4 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,631.67	1,920	1,870
FORECAST Hakata Gokumachi	7-1 Tsunabamachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,501.83	1,740	1,738
URAWA GARDEN BUILDING (Note 5)	2-8-16, Takasago, Urawa-ku, Saitama-shi, Saitama	Trust beneficiary interest	7,104.82	2,640	2,428
Tower Court Kitashinagawa	3-11-13 Kita-19 Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	18,600	10,338
Sky Hills N11	2-2-1 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	8,567.50	1,960	1,518
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,290	918
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	1,000	668
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	823	617
Kanda Reeplex R's	2-5-1 Kandatacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,480	1,720
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,140	2,969
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	3,090	2,675
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,800	1,400
Primegate Iidabashi (Note6)	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,043.28	6,620	5,285
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.42	1,380	1,225
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	862	785
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,090	979
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,900	2,291
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,910	1,623
Charmant Fuji Osakajominami	3-3-8, Uchikyuhojimachi, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,512.00	978	890
Piacere Fuminosato	1-12-18, Hannancho, Abeno-ku, Osaka, Osaka	Trust beneficiary interest	1,374.08	624	553
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.12	751	750
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,610	1,629
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	641	599
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,930	1,820
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,310	1,204
Sun・Meiekininami Building	9-11 Meiekininami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,060	952
Tenjinhighashi residence	7-4 Komondomachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,909.60	999	965

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m2)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,520	1,432
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,200	1,179
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	791	730
Meister house Kawasaki	5-2 Minamisaikawa 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	810	737
LIESSE Tsurumai (Note 7)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi 2-5-2, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,280	1,116
Sylphide Higashi-shinagawa	4-7-1, Higashi-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,174.19	1,050	988
Royal Bloom	4-29-1, Kishikicho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiary interest	1,236.61	1,290	1,092
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	624	632
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,380	1,392
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	878	863
MAISON NISHI MAGOME	2-21-14 Nakaikogami, Ota-ku, Tokyo	Trust beneficiary interest	928.71	862	814
Muse Ryogoku II	2-2-6, Ryogoku, Sumida-ku, Tokyo	Trust beneficiary interest	850.51	727	657
Minami-Horie apartment Cielo	3-7-6, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,420.12	917	828
Minami-Horie apartment Grande	3-7-4, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,248.70	826	795
Minami-Horie apartment Rio	3-6-10, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	474.60	282	259
Plowland Horita	7-19, Horitadori Mizuhoku, Nagoya, Aichi	Trust beneficiary interest	3,564.00	1,490	1,437
Nasic Nozomigaoka	239 Nozomigaoka Meitoku Nagoya, Aichi	Trust beneficiary interest	1,745.56	760	721
St. Lake Celeb Daikancho	40-20, Daikancho, Higashi-ku, Nagoya, Aichi	Trust beneficiary interest	1,835.34	1,060	1,002
Belle Face Kawaharadori	5-5, Kawaharadori, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,874.89	906	897
ARBUS IBARAKI	1-1-32, Kasuga, Ibaraki-shi, Osaka	Trust beneficiary interest	3,054.15	1,990	1,930
Urbanex GINZA EAST II	1-12-3 Minato, Chuo-ku, Tokyo	Trust beneficiary interest	1,183.81	2,280	1,800
Urbanex TOGOSHI-GINZA	3-16-34 Hiratsuka, Shinagawa- ku, Tokyo	Trust beneficiary interest	2,682.22	3,430	2,212
AMBIX PRIA	3-3-21 Nishifuna, Funabashi- shi, Chiba	Trust beneficiary interest	1,417.50	892	862
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,560	3,310
BECOME SAKAE	3-32-6, Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,615.66	4,770	4,695
Street Life (Leasehold land)	3-1-2 Osawa, Izumi-ku, Sendai, Miyagi	Trust beneficiary interest	16,258.65	2,050	2,029
FORECAST Shinagawa@LABO	5-5-6 Kounan, Minato-ku, Tokyo	Trust beneficiary interest	6,435.43	8,390	8,282
Total			338,870.47	329,293	259,100

- (Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2025, and truncated to the nearest million yen.
- (Note 2) "Book value" is the value recorded on the balance sheet as of June 30, 2025 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses) and truncated to the nearest million yen.
- (Note 3) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named "FORECAST Ichigaya". The same applies hereinafter.
- (Note 4) 50% of its quasi co-ownership interest was transferred on March 27, 2025. The same shall apply hereinafter.
- (Note 5) 20% of its quasi co-ownership interest was transferred on March 27, 2025. The same shall apply hereinafter.
- (Note 6) Part of the building (1F to 4F) is named "S&S Building" as an office/retail store. However, "Primgate Iidabashi" includes the office area thereof. The same applies hereinafter.
- (Note 7) This property includes a separate building, which is structurally independent from the main building, and these two buildings are counted as one property. The same applies hereinafter.

The status of rental business related to properties held by NIPPON REIT is as follows:

Property name	25th fiscal period (From July 1, 2024 to December 31, 2024)				26th fiscal period (From January 1, 2025 to June 30, 2025)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
FORECAST Nishishinjuku	15	100.0	85	1.0	14	100.0	87	1.0
Nihombashi Playa Building (Note 5)	-	-	Not disclosed (Note 6)	Not disclosed (Note 6)	-	-	-	-
FORECAST Yotsuya	11	89.7	49	0.6	11	89.7	49	0.6
FORECAST Shinjuku AVENUE	7	100.0	210	2.4	6	89.3	198	2.3
FORECAST Ichigaya	22	100.0	161	1.9	22	100.0	160	1.9
FORECAST Mita	5	100.0	66	0.8	5	100.0	65	0.8
FORECAST Shinjuku SOUTH	18	100.0	641	7.4	18	100.0	473	5.5
FORECAST Sakurabashi	5	100.0	201	2.3	5	100.0	210	2.5
GreenOak Kayabacho	8	100.0	107	1.2	8	100.0	108	1.3
GreenOak Kudan	6	100.0	110	1.3	6	100.0	109	1.3
GreenOak Takanawadai	10	92.7	80	0.9	11	100.0	73	0.9
Central Daikanyama	8	92.6	71	0.8	7	77.6	90	1.1
Hiroo Reeplex B's	7	100.0	85	1.0	7	100.0	86	1.0
Shibakoen Sanchome Building	4	100.0	246	2.8	4	100.0	242	2.8
Kudankita 325 Building	7	100.0	71	0.8	7	100.0	71	0.8
Itohplia Iwamotocho 2-chome Building	8	100.0	112	1.3	8	100.0	112	1.3
Itohplia Iwamotocho 1-chome Building	10	100.0	91	1.0	10	100.0	99	1.2
Itohplia Iwamotocho ANNEX Building	7	100.0	97	1.1	7	100.0	96	1.1
Pigeon Building	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)
FORECAST Ningyocho	6	100.0	68	0.8	6	100.0	62	0.7
FORECAST Ningyocho PLACE	8	100.0	62	0.7	7	87.1	55	0.7
FORECAST Shin- Tokiwabashi (Note 7)	9	100.0	65	0.7	-	-	52	0.6
Nishi-Shinjuku Sanko Building	7	100.0	85	1.0	7	100.0	86	1.0
Iidabashi Reeplex B's	7	100.0	46	0.5	7	100.0	46	0.5
FORECAST Shinagawa	6	100.0	72	0.8	6	100.0	70	0.8

Nishi-Gotanda 8-chome Building	8	88.2	75	0.9	8	88.2	78	0.9
Towa Higashi-Gotanda Building	6	82.1	71	0.8	6	82.1	65	0.8
FORECAST Takadanobaba	6	100.0	190	2.2	6	100.0	197	2.3
Itōhpla Kiyosubashidori Building	7	100.0	80	0.9	7	100.0	79	0.9
I-S Minamimorimachi Building	16	100.0	98	1.1	16	100.0	97	1.1
Toranomon Sakura Building	13	100.0	108	1.3	13	100.0	111	1.3
La Verite Akasaka	6	100.0	60	0.7	6	100.0	63	0.7
Kanda Ocean Building	22	100.0	55	0.6	22	100.0	53	0.6
Shinto GINZA EAST (Note 8)	-	-	34	0.4	-	-	0 (Note 9)	0.0
FORECAST Kayabacho	14	100.0	107	1.2	14	100.0	106	1.2
FORECAST Waseda FIRST	6	100.0	139	1.6	6	100.0	145	1.7
FORECAST Gotanda WEST	10	89.0	262	3.0	12	100.0	252	3.0
Omiya Center Building	33	100.0	608	7.0	33	100.0	620	7.3
Sumitomo Mitsui Bank Koraibashi Building	25	78.7	123	1.4	27	100.0	117	1.4
NORE Fushimi	7	86.7	113	1.3	7	86.7	112	1.3
NORE Meieki	16	96.3	119	1.4	15	92.1	116	1.4
Homat Horizon Building	9	100.0	216	2.5	9	100.0	214	2.5
Towa Kandanshikicho Building	6	100.0	35	0.4	6	100.0	39	0.5
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	42	0.5	8	100.0	42	0.5
Hiroo ON Building	7	100.0	63	0.7	6	87.3	77	0.9
TK Gotanda Building	10	100.0	108	1.3	9	87.6	116	1.4
Gotanda Sakura Building	10	100.0	52	0.6	10	100.0	52	0.6
Alte Building Higobashi	10	100.0	80	0.9	10	100.0	80	0.9
DIA Building Meieki	10	100.0	53	0.6	10	100.0	53	0.6
TENSHO OCHANOMIZU BUILDING	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
FORECAST Kameido	7	100.0	98	1.1	7	100.0	96	1.1
NRT Kandasudacho Building	9	100.0	33	0.4	9	100.0	34	0.4
REID-C Megurofudomae	5	100.0	26	0.3	5	100.0	32	0.4
The Square	18	100.0	39	0.5	17	94.9	39	0.5
Tsukiji Front	7	100.0	28	0.3	7	100.0	27	0.3
Hatchobori River Gate (Note 11)	-	-	0 (Note 12)	0.0	-	-	-	-
TENSHO OFFICE SHINBASHI 5	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
REID-C Iidabashi Building	8	90.2	29	0.3	8	100.0	29	0.3
REID-C Gotenyama Building	4	100.0	28	0.3	4	100.0	28	0.3
30 Sankyo Building	6	100.0	48	0.6	6	100.0	50	0.6
FORECAST Hakata Gofukumachi	8	71.2	34	0.4	9	82.8	36	0.4
URAWA GARDEN BUILDING	-	-	-	-	22	100.0	32	0.4
Tower Court Kitashinagawa	272	97.8	433	5.0	275	98.9	438	5.1
Sky Hills N11	1	100.0	61	0.7	1	100.0	61	0.7
my atria Sakae	1	100.0	36	0.4	1	100.0	36	0.4
Mac Village Heian	1	100.0	27	0.3	1	100.0	28	0.3

Ciel Yakuin	42	100.0	23	0.3	42	100.0	24	0.3
Kanda Reeplex R's	41	100.0	56	0.7	40	97.2	56	0.7
Splendid Namba	251	99.7	116	1.3	251	99.7	117	1.4
Residence Hiroo	52	96.7	64	0.7	54	100.0	63	0.7
Residence Nihombashi Hakozaki	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Primegate Iidabashi	67	99.0	154	1.8	68	100.0	160	1.9
Residence Edogawabashi	37	100.0	33	0.4	36	87.9	32	0.4
Merveille Senzoku (Note 13)	27	96.4	21	0.2	-	-	21	0.3
Field Avenue (Note 14)	-	-	52	0.6	-	-	0 (Note 15)	0.0
Domeal Kitaakabane	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Dormy Kitaakabane	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Splendid Shin-Osaka III	152	98.6	76	0.9	153	99.4	76	0.9
ZEPHYROS Minami-horie	71	98.9	49	0.6	71	98.4	50	0.6
Charmant Fuji Osakajominami	61	96.8	25	0.3	63	100.0	26	0.3
Piacere Fuminosato	42	96.0	18	0.2	43	98.0	19	0.2
Wald Park Minamioi	29	100.0	18	0.2	29	100.0	18	0.2
LAPUTA KUJO	62	100.0	48	0.6	62	100.0	47	0.6
L'arte Nakatsu	27	96.6	17	0.2	27	96.3	16	0.2
City hills Andoji	69	98.8	48	0.6	67	95.0	48	0.6
Hermitage Shin-sakae	44	80.3	39	0.5	49	90.6	31	0.4
Sun・Meiekininami Building	66	94.3	28	0.3	66	94.3	27	0.3
Tenjinhighashi residence	77	100.0	29	0.3	73	94.8	29	0.3
DeLCCS KASAI	29	97.7	41	0.5	29	97.3	42	0.5
Serenite Shin-Osaka	67	98.6	33	0.4	67	98.4	32	0.4
Residence Kinshicho	26	100.0	19	0.2	25	95.6	19	0.2
Meister house Kawasaki	35	100.0	21	0.2	35	100.0	21	0.3
LIESSE Tsurumai	84	96.6	31	0.4	82	93.7	35	0.4
Komatsubara Yamamoto Mansion (Note 16)	-	-	11	0.1	-	-	-	-
Belleza Kanayama (Note 17)	-	-	10	0.1	-	-	0 (Note 18)	0.0
Sylphide Higashi-shinagawa	43	100.0	26	0.3	43	100.0	27	0.3
Royal Bloom	34	97.9	30	0.4	35	100.0	31	0.4
Ever Square Doshin	40	97.7	16	0.2	41	100.0	17	0.2
Zeku Benten (Note 19)	-	-	0 (Note 20)	0.0	-	-	-	-
Canis Court Kamishinjo	57	100.0	42	0.5	55	96.9	41	0.5
Imperial Otori	30	100.0	26	0.3	26	86.8	25	0.3
MAISON NISHI MAGOME	39	100.0	22	0.3	39	100.0	23	0.3
Muse Ryogoku II	33	96.8	19	0.2	33	97.0	20	0.2
Minami-Horie apartment Cielo	37	94.8	22	0.3	39	100.0	23	0.3
Minami-Horie apartment Grande	28	93.0	22	0.3	29	97.0	22	0.3
Minami-Horie apartment Rio	10	100.0	8	0.1	10	100.0	8	0.1
Plowland Horita	102	94.4	45	0.5	107	99.1	47	0.6

Nasic Nozomigaoka	63	86.3	23	0.3	73	100.0	24	0.3
St. Lake Celeb Daikancho	61	92.3	27	0.3	63	96.2	28	0.3
Belle Face Kawaharadori	67	96.1	28	0.3	66	93.6	28	0.3
ARBUS IBARAKI	-	-	-	-	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Urbanex GINZA EAST II	-	-	-	-	35	100.0	8	0.1
Urbanex TOGOSHI-GINZA	-	-	-	-	79	99.3	13	0.2
AMBIX PRIA	-	-	-	-	49	98.0	6	0.1
Otakibashi Pacifica Building	9	90.8	86	1.0	10	100.0	84	1.0
BECOME SAKAE	10	95.0	116	1.3	7	74.8	115	1.4
Street Life (Leasehold land)	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)
FORECAST Shinagawa@LABO	-	-	-	-	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)
Total	2,941	97.7	8,699	100.0	3,107	97.8	8,539	100.0

- (Note 1) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of the end of respective periods, excluding warehouses, signboards, and parking lots. For properties subject to a pass-through master lease, the number of tenants is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, for which we consider the number of tenants to be one.
- (Note 2) "Occupancy rate" is rounded to the first decimal place.
- (Note 3) "Revenues related to property leasing" is truncated to the nearest million yen.
- (Note 4) "Rate to total revenues related to property leasing" is rounded to the first decimal place, and may not add up to 100%.
- (Note 5) 50% of quasi co-ownership interest of this property was transferred on June 28, 2024, and the remaining 50% of quasi co-ownership interest was transferred on October 31, 2024.
- (Note 6) This information is not disclosed as tenants' consent to disclosure has not been obtained.
- (Note 7) This property was transferred on May 27, 2025.
- (Note 8) This property was transferred on December 23, 2024.
- (Note 9) Electricity and other revenues which were finalized in the current period are recorded.
- (Note 10) This information is not disclosed as sublessees' consent to disclosure has not been obtained.
- (Note 11) This property was transferred on March 27, 2024.
- (Note 12) Electricity revenue which was finalized in the previous period is recorded.
- (Note 13) This property was transferred on June 30, 2025.
- (Note 14) This property was transferred on October 31, 2024.
- (Note 15) Electricity revenue which was finalized in the current period is recorded.
- (Note 16) This property was transferred on September 20, 2024.
- (Note 17) This property was transferred on September 27, 2024.
- (Note 18) Electricity revenue which was finalized in the current period is recorded.
- (Note 19) This property was transferred on June 28, 2024.
- (Note 20) Other revenues which were finalized in the previous period are recorded.

(4) Description of Securities

Name	Type	Quantity (Unit)	Book value (Note 1)		Fair value (Note 1) (Note 2)		Valuation gain or loss (Yen in millions)	Note
			Unit price (Yen in thousands)	Amount (Yen in millions)	Unit price (Yen in thousands)	Amount (Yen in millions)		
Godo Kaisha Osaka Hommachi Hotel Preferred silent partnership equity interest	Preferred silent partnership equity interest	—	—	121	—	121	—	(Note 3)
Total		—	—	121	—	121	—	

- (Note 1) "Book value" and "Fair value" are truncated to the nearest million yen.
- (Note 2) Balance sheet amount is used as "Fair value" by applying the treatment stipulated in paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, revised on June 17, 2021).
- (Note 3) The asset under management includes trust beneficiary interests in real estate of THE BASEMENT HOTEL Osaka Hommachi.

(5) Contract Amount and Fair Value for Specific Transactions

Category	Type	Contracted amount (Yen in thousands) (Note 1)		Fair value (Yen in thousands) (Note 2)
			Due after 1 year	
Off-market transactions	Interest rate swaps Receive floating / Pay fix	112,270,000	93,670,000	2,553,643 (Note3)
Total		112,270,000	93,670,000	2,553,643

- (Note 1) "Contract amount" is based on the notional principal. Figures are truncated to the nearest thousand yen.
- (Note 2) "Market value" is based on the price indicated by the financial institution managing the transaction. Figures are truncated to the nearest thousand yen.
- (Note 3) With regard to the "Interest rate swaps Receive floating / Pay fix" transaction for which special treatment is applied in accordance with the "Accounting Standards for Financial Instruments", such fair value is not recognized on the balance sheet.

(6) Other Assets

Beneficiary interests in trust assets comprised mainly of real estate are presented earlier in this report under "(3) Description of Portfolio." Aside from the assets presented in "(3) Description of Portfolio," NIPPON REIT has no major investment assets other than those included in its portfolio as of June 30, 2025.

(7) Holding of Assets by Country and Region

NIPPON REIT does not own assets outside of Japan.

4. Capital Expenditure for Properties Held

(1) Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 27th fiscal period accompanying planned renovations and repairs for those properties held. The following scheduled construction amount includes the portion charged to expenses in accounting:

Property name	Location	Purpose	Schedule	Scheduled construction amount (Yen in millions) (Note)		
				Total	Amount to be paid in the current fiscal period	Amount already paid
FORECAST Yotsuya	Shinjuku ward, Tokyo	Ventilation system renewal	From Jul. 2025 to Dec. 2025	25	—	—
FORECAST Shinjuku AVENUE	Shinjuku ward, Tokyo	8th floor pre-fitted office	From Jul. 2025 to Dec. 2025	102	—	—
FORECAST Ichigaya	Shinjuku ward, Tokyo	Mechanical parking parts replacement	From Jul. 2025 to Dec. 2025	24	—	—
FORECAST Shinjuku SOUTH	Shinjuku ward, Tokyo	Mechanical parking parts replacement	From Jul. 2025 to Dec. 2025	52	—	—
		Emergency power generator renewal	From Jan. 2025 to Dec. 2025	22	—	—
FORECAST Sakurabashi	Chuo ward, Tokyo	Mechanical parking parts replacement	From Jul. 2025 to Dec. 2025	16	—	—
GreenOak Kudan	Chiyoda ward, Tokyo	LED renewal	From Jul. 2025 to Dec. 2025	12	—	—
FORECAST Ningyocho	Chuo ward, Tokyo	Air conditioning ventilation system renewal	From Oct. 2024 to Jul. 2025	75	—	—
FORECAST Shinagawa	Shinagawa ward, Tokyo	LED renewal	From May 2025 to Jul. 2025	21	—	—
Nishi-Gotanda 8-chome Building	Shinagawa ward, Tokyo	LED renewal	From Jul. 2025 to Dec. 2025	18	—	—
Towa Higashi-Gotanda Building	Shinagawa ward, Tokyo	Mechanical parking parts replacement	From Jul. 2025 to Dec. 2025	13	—	—
		2nd floor pre-fitted office	From Jul. 2025 to Dec. 2025	17	—	—
Itohia Kiyosubashidori Building	Taito ward, Tokyo	Mechanical parking parts replacement	From Jul. 2025 to Dec. 2025	18	—	—
		7th and 8th air conditioning ventilation system renewal	From Jul. 2025 to Dec. 2025	29	—	—
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Substation system repair (Phase 2)	From Jul. 2025 to Dec. 2025	53	—	—
		Common area renewal (Phase 2)	From Jul. 2025 to Dec. 2025	59	—	—
Omiya Center Building	Saitama, Saitama	Exclusive area LED renewal (Phase 1)	From Jul. 2025 to Dec. 2025	55	—	—
Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	Elevator control renewal	From Jul. 2025 to Dec. 2025	34	—	—
NORE Fushimi	Nagoya, Aichi	Air conditioning ventilation system/LED renewal (Phase 1)	From Jul. 2025 to Dec. 2025	93	—	—
		Entrance renewal	From Jul. 2025 to Dec. 2025	18	—	—
DIA Building Meieki	Nagoya, Aichi	Substation system repair	From Jul. 2025 to Dec. 2025	25	—	—
FORECAST Kameido	Koto ward, Tokyo	Mechanical parking parts replacement	From Jul. 2025 to Dec. 2025	11	—	—
Tower Court Kitashinagawa	Shinagawa ward, Tokyo	Interphone renewal	From Jul. 2025 to Dec. 2025	37	—	—

Property name	Location	Purpose	Schedule	Scheduled construction amount (Yen in millions) (Note)		
				Total	Amount to be paid in the current fiscal period	Amount already paid
		Automatic fire alarm system renewal	From Jul. 2025 to Dec. 2025	23	—	—
Imperial Otori	Sakai, Osaka	Exterior wall repair	From Jul. 2025 to Dec. 2025	54	—	—

(Note) The scheduled construction amount is truncated to the nearest million yen.

(2) Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the current period. In the fiscal period ended June 30, 2025, capital expenditures totaled 932 million yen. With the addition of 246 million yen posted as expenses for renovations and repairs, total capital expenditures for construction was 1,178 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
GreenOak Kayabacho	Chuo ward, Tokyo	Elevator control renewal	From Apr. 2025 to May 2025	38
GreenOak Kudan	Chiyoda ward, Tokyo	Air conditioning ventilation system renewal	From Apr. 2025 to Jun. 2025	59
Shibakoen Sanchoime Building	Minato ward, Tokyo	Hygiene plumbing renewal	From Apr. 2025 to May 2025	11
FORECAST Shinagawa	Shinagawa ward, Tokyo	Air conditioning ventilation system renewal	From Jul. 2024 to Feb. 2025	84
FORECAST Waseda FIRST	Shinjuku ward, Tokyo	Ventilation system renewal	From Feb. 2025 to Jun. 2025	108
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Common area renewal (Phase 1)	From Mar. 2025 to Jun. 2025	78
Alte Building Higobashi	Osaka, Osaka	Elevator control renewal	From Mar. 2025 to Apr. 2025	34
DIA Building Meieki	Nagoya, Aichi	2nd, 5th and 6th floor air conditioning ventilation system renewal	From Apr. 2025 to May 2025	48
Residence Hiroo	Minato ward, Tokyo	Exterior wall repair	From Jan. 2025 to Jun. 2025	70
Primegate Iidabashi	Shinjuku ward, Tokyo	Elevator control renewal	From Dec. 2024 to Feb. 2025	38
		Substation system repair (Phase 3)	From Apr. 2025 to Apr. 2025	13
BECOME SAKAE	Nagoya, Aichi	Mechanical parking parts replacement	From May 2025 to Jun. 2025	15
Other capital expenditures				330
Total				932

(Note) Capital expenditures are truncated to the nearest million yen.

(3) Cash Reserves for Long-Term Repairs and Maintenance Plans

Based on a long-term repair and maintenance plan compiled for each property, NIPPON REIT sets aside the following cash reserves from cash flows during the fiscal period in order to provide the payment of funds for major repairs and maintenance, etc., over the medium to long term:

(Yen in millions)					
Operating period	22nd fiscal period From January 1, 2023 to June 30, 2023	23rd fiscal period From July 1, 2023 to December 31, 2023	24th fiscal period From January 1, 2024 to June 30, 2024	25th fiscal period From July 1, 2024 to December 31, 2024	26th fiscal period From January 1, 2025 to June 30, 2025
Balance of reserves at the beginning of the period	2,876	3,473	3,566	3,572	3,505
Amount of reserves during the period	1,237	1,176	1,007	924	966
Amount of reversal of reserves during the period	640	1,083	1,001	991	932
Reserves carried forward	3,473	3,566	3,572	3,505	3,540

(Note) Figures in the above table are truncated to the nearest million yen.

5. Expenses and Liabilities

(1) Expenses in Connection with Management of Assets

(Yen in thousands)		
Item	25th fiscal period From July 1, 2024 to December 31, 2024	26th fiscal period From January 1, 2025 to June 30, 2025
(a) Asset management fees (Note 1)	654,968	630,925
(b) Asset custody fees	10,602	10,353
(c) Administrative service fees	44,206	46,009
(d) Directors' compensation	2,400	2,400
(e) Independent auditors' fees	15,000	15,000
(f) Other operating expenses	185,907	230,907
Total	913,084	935,596

(Note 1) In addition to the amount shown above for asset management fees, there were management fees related to the acquisition of properties included in the book value of the respective properties (25th fiscal period: 1,190 thousand yen, 26th fiscal period: 172,525 thousand yen), and related to the transfer of trust beneficiary interests (25th fiscal period: 68,750 thousand yen, 26th fiscal period: 135,200 thousand yen).

(Note 2) Figures in the table above are truncated to the nearest thousand yen.

(2) Debt Financing

The status of borrowing per financial institution as of June 30, 2025 is as follows:

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Current portion of long-term debt	Mizuho Bank, Ltd.	July 3, 2018	1,000	-	0.58 (Note 3)	January 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2017	1,400	-	0.70 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		600	-					
	MUFG Bank, Ltd.		400	-					
	Resona Bank, Limited		200	-					
	MUFG Bank, Ltd.	April 24, 2018	700	-	0.61 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		200	-					
	Sumitomo Mitsui Banking Corporation		500	-					
	Resona Bank, Limited		400	-					
	Sumitomo Mitsui Trust Bank, Limited		200	-					
	MUFG Bank, Ltd.	August 20, 2021	300	-	0.30 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	-					
	Resona Bank, Limited		400	-					
	SBI Shinsei Bank, Limited		250	-					
	Mizuho Trust & Banking Co., Ltd.		450	-					
	Aozora Bank, Ltd.		250	-					
	The Nomura Trust and Banking Co., Ltd.	April 20, 2022	500	-	0.85	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	August 21, 2017	1,200	1,200	0.71 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.		400	400					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	July 3, 2018	1,500	1,500	0.63 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		300	300					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	Development Bank of Japan Inc.		400	400					
	MUFG Bank, Ltd.	August 20, 2018	3,000	3,000	0.68 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					

Classification		Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
Lender									
Current portion of long-term debt	MUFG Bank, Ltd.	April 24, 2018	-	200	0.75 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		-	200					
	Sumitomo Mitsui Trust Bank, Limited		-	200					
	Meiji Yasuda Life Insurance Company	April 24, 2018	-	500	0.70	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2019	-	500	0.59 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	300					
	Sumitomo Mitsui Banking Corporation		-	1,000					
	Resona Bank, Limited		-	200					
	Sumitomo Mitsui Trust Bank, Limited		-	400					
	SBI Shinsei Bank, Limited		-	200					
	Mizuho Trust & Banking Co., Ltd.		-	200					
	Aozora Bank, Ltd.		-	300					
	MUFG Bank, Ltd.	July 22, 2019	-	2,600	0.43 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd		-	1,200					
	Resona Bank, Limited		-	550					
	Sumitomo Mitsui Trust Bank, Limited		-	250					
	SBI Shinsei Bank, Limited		-	350					
	Mizuho Trust & Banking Co., Ltd.		-	450					
	MUFG Bank, Ltd.	May 27, 2025	-	1,405	1.03	May 27, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd		-	1,405					
	Subtotal			17,550	21,910				
Long-term debt	MUFG Bank, Ltd.	April 24, 2018	200	-	0.75 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		200	-					
	Meiji Yasuda Life Insurance Company	April 24, 2018	500	-	0.70	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2019	500	-	0.59 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	-					
	Sumitomo Mitsui Banking Corporation		1000	-					
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		400	-					
	SBI Shinsei Bank, Limited		200	-					
	Mizuho Trust & Banking Co., Ltd.		200	-					
	Aozora Bank, Ltd.		300	-					

Classification		Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
Lender									
Long-term debt	MUFG Bank, Ltd.	July 22, 2019	2,600	-	0.43 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	-					
	Resona Bank, Limited		550	-					
	Sumitomo Mitsui Trust Bank, Limited		250	-					
	SBI Shinsei Bank, Limited		350	-					
	Mizuho Trust & Banking Co., Ltd.		450	-					
	MUFG Bank, Ltd.	May 27, 2025	-	(Note 5)	1.03	May 27, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	(Note 5)					
	MUFG Bank, Ltd.	August 20, 2018	3,650	3,650	0.83 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	February 20, 2020	1,500	1,500	0.39 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	MUFG Bank, Ltd.	August 22, 2022	550	550	0.50 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	The Nomura Trust and Banking Co., Ltd.	250	250						
	MUFG Bank, Ltd.	April 24, 2019	500	500	0.74 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		750	750					
	Resona Bank, Limited		100	100					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.	100	100						
	Aozora Bank, Ltd.	200	200						
	MUFG Bank, Ltd.	July 22, 2019	3,500	3,500	0.54 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	1,200					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		400	400					
	Mizuho Trust & Banking Co., Ltd.		400	400					
Sumitomo Mitsui Banking Corporation	February 20, 2020	500	500	0.45 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	

Classification		Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
Lender			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Long-term debt	MUFG Bank, Ltd.	April 20, 2023	600	600	0.86	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Sumitomo Mitsui Banking Corporation		300	300					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	April 22, 2024	750	750	0.82	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		300	300					
	MUFG Bank, Ltd.	February 20, 2020	4,500	4,500	0.48 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	SBI Shinsei Bank, Limited		500	500					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	MUFG Bank, Ltd.	October 30, 2020	950	950	0.49 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	SBI Shinsei Bank, Limited		400	400					
	MUFG Bank, Ltd.	August 21, 2023	300	300	0.86	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		100	100					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	SBI Shinsei Bank, Limited	200	200						
	MUFG Bank, Ltd.	August 20, 2024	600	600	0.82	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		350	350					
	Sumitomo Mitsui Banking Corporation		350	350					
	SBI Shinsei Bank, Limited		300	300					
	Sumitomo Mitsui Banking Corporation	October 30, 2020	500	500	0.56 (Note 3)	December 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
MUFG Bank, Ltd.	April 24, 2018	1,000	1,000	0.96 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		200	200						
MUFG Bank, Ltd.	October 30, 2020	500	500	0.59 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Aozora Bank, Ltd.		500	500						
MUFG Bank, Ltd.	April 20, 2021	100	100	0.50 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		400	400						
Sumitomo Mitsui Banking Corporation		2,000	2,000						
Sumitomo Mitsui Trust Bank, Limited		250	250						
Development Bank of Japan Inc.		200	200						

Classification		Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender		(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Long-term debt	MUFG Bank, Ltd.	August 20, 2021	700	700	0.42 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Resona Bank, Limited		600	600					
	SBI Shinsei Bank, Limited		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.		250	250					
	MUFG Bank, Ltd.	April 22, 2024	150	150	0.86	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		550	550					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	MUFG Bank, Ltd.	April 21, 2025	-	1,200	0.86	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	650					
	Sumitomo Mitsui Banking Corporation		-	350					
	Resona Bank, Limited		-	350					
	Sumitomo Mitsui Trust Bank, Limited		-	100					
	SBI Shinsei Bank, Limited		-	100					
	Mizuho Trust & Banking Co., Ltd.		-	150					
	Aozora Bank, Ltd.		-	100					
	MUFG Bank, Ltd.	July 21, 2020	2,000	2,000	0.64 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited		1,250	1,250					
	Mizuho Trust & Banking Co., Ltd.	1,250	1,250						
	MUFG Bank, Ltd.	April 22, 2024	200	200	1.05 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		50	50					
	Sumitomo Mitsui Banking Corporation		600	600					
	Resona Bank, Limited		600	600					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	August 20, 2024	100	100	0.86	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	Mizuho Trust & Banking Co., Ltd.		400	400					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	April 24, 2019	800	800	0.95 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	October 30, 2020	1,200	1,200	0.68 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		900	900					

Classification		Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	April 20, 2021	800	800	0.63 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Development Bank of Japan Inc.		600	600					
	MUFG Bank, Ltd.	April 20, 2022	70	70	0.76 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		1,700	1,700					
	MUFG Bank, Ltd.		800	800					
	Mizuho Bank, Ltd.	April 22, 2024	650	650	1.13 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		850	850					
	MUFG Bank, Ltd.		-	100					
	Resona Bank, Limited	-	450						
	SBI Shinsei Bank, Limited	-	250						
	Mizuho Trust & Banking Co., Ltd.	-	300						
	Aozora Bank, Ltd.	-	150						
	MUFG Bank, Ltd.	August 20, 2021	2,100	2,100	0.55 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	MUFG Bank, Ltd.	April 22, 2024	400	400	1.16 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation		400	400					
	MUFG Bank, Ltd.	August 20, 2024	2,900	2,900	1.02 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		900	900					
	Sumitomo Mitsui Trust Bank, Limited		850	850					
	SBI Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		400	400					
	Development Bank of Japan Inc.		200	200					
	Mizuho Bank, Ltd.	January 20, 2025	-	1,000	1.36 (Note 3)	January 21, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited	April 20, 2022	200	200	0.91 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		450	450					
	SBI Shinsei Bank, Limited		300	300					
	Mizuho Trust & Banking Co., Ltd.		100	100					
	MUFG Bank, Ltd.	August 22, 2022	1,100	1,100	0.82 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		800	800					
	Resona Bank, Limited		250	250					
Aozora Bank, Ltd.	250		250						
Mizuho Trust & Banking Co., Ltd.	150		150						
MUFG Bank, Ltd.	April 20, 2023	1,600	1,600	1.07 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		800	800						
Sumitomo Mitsui Banking Corporation		1,500	1,500						
Resona Bank, Limited		200	200						
SBI Shinsei Bank, Limited		600	600						
MUFG Bank, Ltd.	July 21, 2020	1,500	1,500	0.78 (Note 3)	July 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		500	500						

Classification		Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender		(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Long-term debt	MUFG Bank, Ltd.	August 21, 2023	2,300	2,300	1.15 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Sumitomo Mitsui Banking Corporation		500	500					
	Resona Bank, Limited		350	350					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	Mizuho Trust & Banking Co., Ltd.		400	400					
	Development Bank of Japan Inc.		400	400					
	MUFG Bank, Ltd.	August 20, 2024	700	700	1.10 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		350	350					
	Sumitomo Mitsui Banking Corporation		400	400					
	SBI Shinsei Bank, Limited		200	200					
	MUFG Bank, Ltd.	April 21, 2025	-	400	1.44 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	350					
	Sumitomo Mitsui Banking Corporation		-	250					
	Resona Bank, Limited		-	200					
	Sumitomo Mitsui Trust Bank, Limited		-	100					
	MUFG Bank, Ltd.	February 20, 2023	500	500	1.24 (Note 3)	February 20, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 20, 2021	1,500	1,500	0.81 (Note 3)	April 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.	April 20, 2023	900	900	1.25 (Note 3)	April 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		600	600					
	Sumitomo Mitsui Banking Corporation		700	700					
	Resona Bank, Limited		100	100					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	MUFG Bank, Ltd.	August 21, 2023	1,800	1,800	1.34 (Note 3)	August 20, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
Sumitomo Mitsui Banking Corporation	200		200						
Resona Bank, Limited	300		300						
Sumitomo Mitsui Trust Bank, Limited	200		200						
SBI Shinsei Bank, Limited	300		300						
MUFG Bank, Ltd.	August 22, 2022	1,500	1,500	1.09 (Note 3)	August 20, 2032	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		500	500						
Subtotal			108,570	105,520	-	-	-	-	-
Total			126,120	127,430					

(Note 1) "Balance at the beginning of the period" and "Balance at the end of the period" are truncated to the nearest million yen.
 (Note 2) "Average interest rate" is the weighted-average interest rate during the period, rounded to the third decimal place.
 (Note 3) Interest rate swap agreement is concluded and the interest rate is substantively fixed. Therefore, the effect of interest rate swap is factored into the interest rate provided.
 (Note 4) Used for acquisition of assets, repayment of loans, and related expenses deemed reasonable.
 (Note 5) Nippon REIT borrowed 2,810 million yen, which is recorded as long-term debt due within one year under current liabilities on the balance sheet as of June 30, 2025.

Investment Corporation Bonds

The status of investment corporation bonds as of June 30, 2025 is as follows:

Name	Issuance date	Balance at the beginning of the period (Yen in millions)	Balance at the end of the period (Yen in millions)	Interest rate (%) (Note 1)	Redemption date	Redemption method	Use	Note
NIPPON REIT 1st unsecured bonds	April 24, 2018	1,000	-	0.54	April 24, 2025	Lump-sum repayment at maturity	(Note 2)	(Note 3)
NIPPON REIT 2nd unsecured bonds	April 24, 2018	1,000	1,000	0.70	April 24, 2028	Lump-sum repayment at maturity	(Note 2)	(Note 3)
NIPPON REIT 3rd unsecured bonds	November 30, 2018	1,500	1,500	0.88	November 30, 2028	Lump-sum repayment at maturity	(Note 2)	(Note 3)
NIPPON REIT 4th unsecured bonds	April 24, 2019	1,000	1,000	0.90	April 24, 2029	Lump-sum repayment at maturity	(Note 2)	(Note 3)
NIPPON REIT 5th unsecured bonds (Green bonds)	August 6, 2021	2,000	2,000	0.67	August 6, 2031	Lump-sum repayment at maturity	(Note 2)	(Note 3)
NIPPON REIT 6th unsecured bonds (Green bonds)	April 23, 2025	-	1,300	1.35	April 23, 2030	Lump-sum repayment at maturity	(Note 2)	(Note 3)
Total		6,500	6,800					

(Note 1) "Interest rate" is rounded to the third decimal place.
(Note 2) Use as the funds for part of repayment of loans
(Note 3) The bond is subject to the pari passu clause among specified investment corporation bonds.

(3) Status of Short-Term Investment Corporation Bonds

Not applicable

(4) Status of Unit Acquisition Rights

Not applicable

6. Status of Purchases and Sales during the Period

(1) Status of Purchases and Sales of Real Estate, Asset-Backed Securities, Infrastructure Assets, and Infrastructure-Related Assets

Property name	Acquisition		Transfer			
	Date of acquisition	Acquisition price (Yen in millions) (Note 1)	Date of transfer	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions)	Gain or loss on transfer (Yen in millions)
URAWA GARDEN BUILDING (20% of quasi co-ownership interest)	March 27, 2025	2,400	—	—	—	—
FORECAST Shinagawa@LABO	March 27, 2025	8,200	—	—	—	—
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	—	—	March 27, 2025	10,000	7,190	2,422
ARBUS IBARAKI	March 31, 2025	1,800	—	—	—	—
Urbanex GINZA EAST II	May 27, 2025	1,750	—	—	—	—
Urbanex TOGOSHI-GINZA	May 27, 2025	2,700	—	—	—	—
AMBIX PRIA	May 27, 2025	805	—	—	—	—
FORECAST Shin-Tokiwabashi	—	—	May 27, 2025	2,700	2,093	17
Merveille Senzoku	—	—	June 30, 2025	820	767	30
Total	—	17,655	—	13,520	10,051	2,470

(Note 1) "Acquisition price" or "Transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc. Figures have been truncated to the nearest million yen.
(Note 2) "Gain or loss on transfer" represents amounts obtained by deducting book values, transfer-related expenses and reduction entry amount of assets acquired through exchange from transfer prices.

(2) Transaction of Other Assets

Other assets, aside from previously mentioned real estate, asset-backed securities, infrastructure assets, and infrastructure-related assets, consist mainly of bank deposits and bank deposits included in the trust asset deposits.

(3) Review on Value of Specified Assets
A. Real estate

Acquisition or transfer	Name	Transaction date	Type of asset	Acquisition price or transfer price (Yen in millions) (Note 1) (Note 2)	Appraisal value (Yen in millions) (Note 2)	Appraiser	Appraisal date
Acquisition	URAWA GARDEN BUILDING (20% of quasi co-ownership interest)	March 27, 2025	Trust Beneficiary Interest	2,400	2,600 (Note 3)	Chuo Real Estate Appraisal Co., Ltd.	September 20, 2024
Acquisition	FORECAST Shinagawa@LABO	March 27, 2025	Trust Beneficiary Interest	8,200	8,290	Chuo Real Estate Appraisal Co., Ltd.	September 20, 2024
Transfer	FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	March 27, 2025	Trust Beneficiary Interest	10,000	8,900 (Note 4)	Japan Real Estate Institute	June 30, 2024
Acquisition	ARBUS IBARAKI	March 31, 2025	Trust Beneficiary Interest	1,800	1,990	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	March 14, 2025
Acquisition	Urbanex GINZA EAST II	May 27, 2025	Trust Beneficiary Interest	1,750	2,280	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	March 14, 2025
Acquisition	Urbanex TOGOSHI-GINZA	May 27, 2025	Trust Beneficiary Interest	2,700	3,420	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	March 14, 2025
Acquisition	AMBIX PRIA	May 27, 2025	Trust Beneficiary Interest	805	890	JLL Morii Valuation & Advisory K.K.	March 14, 2025
Transfer	FORECAST Shin-Tokiwabashi	May 27, 2025	Trust Beneficiary Interest	2,700	2,420	Japan Real Estate Institute	December 31, 2024
Transfer	Merveille Senzoku	June 30, 2025	Trust Beneficiary Interest	820	803	JLL Morii Valuation & Advisory K.K.	December 31, 2024

- (Note 1) "Acquisition price or transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc.
- (Note 2) Figures have been truncated to the nearest million yen.
- (Note 3) The amount is calculated as 13,000 million yen, which represents the appraisal value of the subject property, multiplied by 20%, which is the quasi co-ownership interest of the transferred trust beneficiary interest.
- (Note 4) The amount is calculated as 17,800 million yen, which represents the appraisal value of the subject property, multiplied by 50%, which is the quasi co-ownership interest of the transferred trust beneficiary interest.
- (Note 5) The above appraisal was conducted in accordance with the "Japanese Real Estate Appraisal Standards, Detailed exposition Chapter 3 Appraisal regarding price of securitized real estate."

B. Others

Name of the investigator
KPMG AZSA LLC

Summary of the result and investigation method:

Transactions that were investigated during the applicable period from January 1, 2025, to June 30, 2025, consisted of two interest rate swap transactions. Regarding the interest rate swap transactions, KPMG AZSA LLC is entrusted with the investigation of comparable prices, name of the counterparty, the agreed figures, the transaction period, and other details regarding the relevant interest rate swap transactions, as stipulated on Article 201-2 of the Investment Trust Act and an Agreed-Upon Procedures Reports on such transactions based on Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-Upon Procedures Pertaining to Investigation into the Value, etc., of Specified Assets of Investment Trusts and Investment Corporations," published by the Japanese Institute of Certified Public Accountants.

Furthermore, the investigation is not part of the financial statement audit, and does not ensure the validity of the price and internal control systems.

(4) Related Party Transactions
A. Status of Transactions

Classification	Transaction amount			
	Purchase amount (Yen in millions)		Sales amount (Yen in millions)	
Total amount	17,655		13,520	
Breakdown of related party transactions				
ER26 Corporation	805	(4.6%)	— thousand yen	(—%)
Total	805	(4.6%)	—thousand yen	(—%)

B. Amount of Fees Paid

Classification	Total amount paid (A) (Yen in thousands) (Note 3)	Breakdown of transactions with related parties (Note 1)		Rate to total amount paid (B/A) (Note 4)
		Payment recipient	Amount paid (B) (Yen in thousands) (Note 3)	
Trust fees	60,262	Shinsei Trust and Banking Co., Ltd.	350	0.6%
Financing-related expenses	261,910	SBI Shinsei Bank, Limited	11,101	4.2%

- (Note 1) In accordance with Article 123 of the Order for Enforcement of the Investment Trusts Act on Investment Trusts and Investment Corporation and Article 26, item 27 of the Investment Trust Association of Japan's Rules Related to Management Reports for Investment Trusts and Investment Corporations, "related parties" are defined as the related parties of the asset management company that have entered into an asset management contract with NIPPON REIT.
- (Note 2) The above table includes related party transactions as stipulated by Rules on Related Party Transactions of the asset management company in addition to the related party transactions during the current period.
- (Note 3) "Total amount paid" and "Amount paid" have been truncated to the nearest thousand yen.
- (Note 4) "Rate to total amount paid" has been rounded to the first decimal place.

(5) Status of Transactions with Asset Management Company Pertaining to Business Operated by the Asset Management Company as a Subsidiary Business

Not applicable because the asset management company does not engage in any business as a subsidiary business that is a type-I financial instruments business, type-II financial instruments business, real estate brokerage, or real estate specified joint enterprise.

7. Accounting

(1) Status of Assets, Liabilities, Principal, and Profit / Loss

Please refer to "Balance Sheets," "Statements of Income and Retained Earnings," "Statements of Changes in Net Assets," "Notes to Financial Statements," and "Distribution Information."

"Balance Sheets," "Statements of Income and Retained Earnings," "Statements of Changes in Net Assets," "Notes to Financial Statements," and "Distribution Information" for the prior fiscal period are for the reference purpose and are not subject to the audit of the independent auditor for the current fiscal period as prescribed by Article 130 of the Investment Trust Act.

(2) Changes in Method to Calculate Depreciation Expenses

Not applicable

(3) Changes in Method to Evaluate Properties and Infrastructure Assets

Not applicable

(4) Status of Beneficiary Certificates of Investment Trust Established by NIPPON REIT

Not applicable

(5) Disclosures as a Corporation Holding Real Estate Overseas and Relating to Real Estate Held by a Corporation Holding Real Estate Overseas

Not applicable

8. Other

(1) Notice

There were no conclusions and changes, etc., of major agreements approved by meetings of the Board of Officers of NIPPON REIT during the current period.

(2) Other

Unless otherwise stated, monetary amounts are truncated and percentages are rounded off to the nearest specified unit in this report.

MEMO

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of December 31, 2024 and June 30, 2025

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 15,291,417	¥ 10,362,383
Cash and deposits in trust (Note 3)	5,840,681	5,740,202
Tenant receivables	94,909	205,396
Prepaid expenses	472,813	451,704
Income taxes refund receivable	-	554
Consumption taxes refund receivable	-	259,122
Other current assets	15,854	23,054
Total Current Assets	21,715,676	17,042,417
Investment Properties (Notes 5 and 6):		
Buildings (Note 8)	287,740	288,234
Tools, furniture and fixtures	1,066	1,066
Land in trust (Note 7)	185,577,981	196,098,726
Buildings in trust (Note 8)	62,702,549	66,710,752
Structures in trust	229,552	254,221
Machinery and equipment in trust	732,816	732,370
Tools, furniture and fixtures in trust (Note 8)	582,111	603,630
Construction in progress in trust	2,002	10,647
Less: accumulated depreciation	(16,488,654)	(16,985,349)
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	16,792,459	10,137,189
Other intangible assets	3,014	2,821
Total Investment Properties, net	251,679,432	259,111,104
Other Assets:		
Investment securities (Note 4)	121,563	121,563
Lease and guarantee deposits	10,100	10,100
Long-term prepaid expenses	1,100,201	965,778
Deferred investment corporation bond issuance costs	29,455	39,636
Deferred tax assets (Note 18)	41	41
Others	3,089	4,334
Total Other Assets	1,264,450	1,141,454
Total Assets	¥ 274,659,560	¥ 277,294,977

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

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of December 31, 2024 and June 30, 2025

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Liabilities		
Current Liabilities:		
Investment corporation bonds due within one year (Notes 4 and 16)	¥ 1,000,000	¥ —
Long-term debt due within one year (Notes 4 and 15)	17,550,000	21,910,000
Accounts payable	1,155,871	1,231,461
Accrued expenses	356,982	345,200
Accrued corporation taxes	1,204	—
Accrued consumption taxes	411,792	—
Advances received	1,465,535	1,413,847
Other current liabilities	125,746	473,173
Total Current Liabilities	22,067,132	25,373,683
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 16)	5,500,000	6,800,000
Long-term debt (Notes 4 and 15)	108,570,000	105,520,000
Tenant security deposits	62,921	62,921
Tenant security deposits in trust	8,981,323	8,391,082
Total Long-Term Liabilities	123,114,245	120,774,004
Total Liabilities	145,181,378	146,147,687
Net Assets (Notes 13 and 19)		
Unitholders' Equity:		
Unitholders' capital	126,515,601	126,515,601
Units authorized: 16,000,000 units		
Units issued and outstanding: 442,095 units as of December 31, 2024 and 1,768,380 units as of June 30, 2025		
Deduction from unitholders' capital (Note 14)	(2,499,903)	(2,499,903)
Unitholders' capital, net	124,015,698	124,015,698
Reserve for reduction entry	467,939	947,091
Retained earnings	4,994,544	6,184,499
Total Unitholders' Equity	129,478,181	131,147,289
Total Net Assets	129,478,181	131,147,289
Total Liabilities and Net Assets	¥ 274,659,560	¥ 277,294,977

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

NIPPON REIT Investment Corporation
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six-month periods ended December 31, 2024 and June 30, 2025

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Operating Revenues (Note 9):		
Rental revenues (Note 10)	¥ 7,903,520	¥ 7,809,535
Other revenues related to property leasing (Note 10)	795,973	730,322
Gain on sales of real estate properties (Note 11)	1,264,022	2,452,836
Gain on exchanges of real estate properties (Note 12)	—	17,874
Dividend income	—	3,032
Total Operating Revenues	9,963,516	11,013,601
Operating Expenses:		
Property-related expenses (Note 10)	3,277,993	3,242,332
Loss on sales of real estate properties (Note 11)	118,439	—
Asset management fees	654,968	630,925
Asset custody fees	10,602	10,353
Administrative service fees	44,206	46,009
Directors' compensation	2,400	2,400
Independent auditors' fees	15,000	15,000
Other operating expenses	185,907	230,907
Total Operating Expenses	4,309,518	4,177,928
Operating Income	5,653,997	6,835,672
Non-Operating Revenues:		
Interest income	1,330	8,792
Reversal of distributions payable	8,055	8,718
Total Non-Operating Revenues	9,385	17,511
Non-Operating Expenses:		
Interest expense	469,607	481,853
Interest on investment corporation bonds	24,137	26,126
Amortization of investment corporation bond issuance costs	3,709	4,145
Borrowing related expenses	274,319	261,910
Others	2,298	56
Total Non-Operating Expenses	774,073	774,093
Ordinary Income	4,889,310	6,079,089
Income Before Income Taxes	4,889,310	6,079,089
Income taxes – current	1,407	1,411
Income taxes – deferred	(18)	(0)
Total Income Taxes (Note 18)	1,389	1,410
Net Income	4,887,920	6,077,679
Retained Earnings Brought Forward	106,623	106,820
Retained Earnings at End of Period	¥ 4,994,544	¥ 6,184,499

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

NIPPON REIT Investment Corporation
STATEMENTS OF CHANGES IN NET ASSETS

For the six-month periods ended December 31, 2024 and June 30, 2025

	Unitholders' Equity				
	Number of Units	Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, net	Reserve for Reduction Entry
	(Units)	(Yen in thousands)			
Balance as of June 30, 2024	449,930	¥ 126,515,601	¥ —	¥ 126,515,601	¥ —
Reserve for reduction entry	—	—	—	—	467,939
Cash distributions declared	—	—	—	—	—
Net income	—	—	—	—	—
Acquisition of treasury investment units	—	—	—	—	—
Cancellation of treasury investment units	(7,835)	—	(2,499,903)	(2,499,903)	—
Balance as of December 31, 2024	442,095	¥ 126,515,601	¥ (2,499,903)	¥ 124,015,698	¥ 467,939
Reserve for reduction entry	—	—	—	—	479,152
Cash distributions declared	—	—	—	—	—
Net income	—	—	—	—	—
Investment unit split (Note 19)	1,326,285	—	—	—	—
Balance as of June 30, 2025	1,768,380	¥ 126,515,601	¥ (2,499,903)	¥ 124,015,698	¥ 947,091

	Unitholders' Equity			
	Retained Earnings	Treasury Investment Units	Total Unitholders' Equity	Total Net Assets
	(Yen in thousands)			
Balance as of June 30, 2024	¥ 4,880,393	¥ —	¥ 131,395,994	¥ 131,395,994
Reserve for reduction entry	(467,939)	—	—	—
Cash distributions declared	(4,305,830)	—	(4,305,830)	(4,305,830)
Net income	4,887,920	—	4,887,920	4,887,920
Acquisition of treasury investment units	—	(2,499,903)	(2,499,903)	(2,499,903)
Cancellation of treasury investment units	—	2,499,903	—	—
Balance as of December 31, 2024	¥ 4,994,544	¥ —	¥ 129,478,181	¥ 129,478,181
Reserve for reduction entry	(479,152)	—	—	—
Cash distributions declared	(4,408,571)	—	(4,408,571)	(4,408,571)
Net income	6,077,679	—	6,077,679	6,077,679
Balance as of June 30, 2025	6,184,499	—	131,147,289	131,147,289

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

NIPPON REIT Investment Corporation
STATEMENTS OF CASH FLOWS

For the six-month periods ended December 31, 2024 and June 30, 2025

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 4,889,310	¥ 6,079,089
Depreciation and amortization	992,014	1,017,293
Amortization of investment corporation bond issuance costs	3,709	4,145
Loss on retirement of investment properties	13,289	17,708
Interest income	(1,330)	(8,792)
Interest expense	493,745	507,980
(Increase) decrease in tenant receivables	6,299	(110,486)
(Increase) decrease in prepaid expenses	(8,983)	21,109
(Increase) decrease in long-term prepaid expenses	32,586	134,422
Decrease (Increase) in consumption taxes refund receivable	—	(259,122)
Increase (decrease) in accrued consumption taxes	179,225	(411,792)
Increase (decrease) in accounts payable	(61,870)	113,552
Increase (decrease) in accrued expenses	7,386	(11,226)
Increase (decrease) in advances received	(28,330)	(51,687)
Decrease in investment properties in trust due to sale	6,844,872	3,955,382
Decrease in intangible assets in trust due to sale	—	6,655,269
Interest income received	1,330	8,792
Interest expense paid	(487,399)	(508,535)
Income taxes paid	(1,245)	(3,169)
Others, net	(31,660)	(78,126)
Net Cash Provided by Operating Activities	12,842,949	17,071,805
Cash Flows from Investing Activities:		
Payments for purchases of investment properties other than intangible assets	(125)	(494)
Payments for purchases of investment properties in trust other than intangible assets in trust	(1,038,797)	(19,114,794)
Proceeds from tenant security deposits in trust	372,296	919,702
Payments of tenant security deposits in trust	(506,760)	(1,100,130)
Proceeds from refund of lease and guarantee deposits	37	—
Payments for purchases of investment securities	(121,563)	—
Other payments	(1,244)	(1,244)
Net Cash Used in Investing Activities	(1,296,157)	(19,296,961)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	9,850,000	9,360,000
Repayments of long-term debt	(11,350,000)	(8,050,000)
Proceeds from issuance of investment corporation bonds	—	1,300,000
Redemption of investment corporation bonds	—	(1,000,000)
Payments of investment corporation bond issuance costs	—	(14,326)
Payments for acquisition of treasury investment units	(2,499,903)	—
Distributions paid	(4,300,536)	(4,400,030)
Net Cash Used in Financing Activities	(8,300,440)	(2,804,357)
Net Change in Cash and Cash Equivalents	3,246,351	(5,029,513)
Cash and Cash Equivalents at Beginning of Period	17,885,747	21,132,099
Cash and Cash Equivalents at End of Period (Note 3)	¥ 21,132,099	¥ 16,102,585

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

NIPPON REIT Investment Corporation
NOTES TO FINANCIAL STATEMENTS

As of and for the six-month periods ended December 31, 2024 and June 30, 2025

Note 1 – Organization and Basis of Presentation

Organization

NIPPON REIT Investment Corporation (hereinafter referred to as “NIPPON REIT”) was established on September 8, 2010 with ¥100 million in capital (200 units) as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions, hereinafter referred to as the “Investment Trust Act”) by the founder (the former Polaris Investment Advisors K.K. and Sojitz REIT Advisors K.K.; now, SBI REIT Advisors Co., Ltd.). On November 30, 2022, Sojitz Corporation which had been the parent company and the former specified affiliated company of Sojitz REIT Advisors K.K. has transferred all of Sojitz REIT Advisors K.K.’s shares held to SBI Financial Services Co., Ltd., a wholly owned subsidiary of SBI Holdings, Inc. In connection with this share transfer, Sojitz REIT Advisors K.K. changed its name to SBI REIT Advisors Co., Ltd.

Commencing on July 1, 2014, the fiscal period has been amended from an annual period to a semi-annual period ending on June 30 and December 31. Prior to this amendment, the annual fiscal period was a 12-month period from July 1 to June 30. NIPPON REIT made this amendment in order to increase the frequency of distributions to its unitholders.

NIPPON REIT is an externally managed real estate fund, established as an investment corporation. SBI REIT Advisors Co., Ltd. (former Sojitz REIT Advisors K.K.) as NIPPON REIT’s asset management company, is engaged in acquiring, managing, leasing, and renovating office properties, residential properties and commercial properties. SBI Financial Services Co., Ltd., Cushman & Wakefield Asset Management K.K. and Agility Asset Advisers Inc. currently own 67%, 18% and 15%, respectively, of SBI REIT Advisors Co., Ltd.

NIPPON REIT implemented a two-for-one split of investment units on January 17, 2014, issued new investment units through a public offering (144,200 units) on April 23, 2014 and then was listed on the J-REIT section of the Tokyo Stock Exchange on April 24, 2014. Furthermore, NIPPON REIT issued new investment units through a third-party allotment (7,210 units) on May 23, 2014, a public offering (145,000 units) on February 10, 2015, a third-party allotment (7,250 units) on March 10, 2015, a public offering (84,000 units) on July 1, 2015 and a third-party allotment (3,700 units) on July 28, 2015, a public offering (55,400 units) on July 2, 2018, the third-party allotment (2,770 units) on July 24, 2018 and a cancellation of treasury investment units in December 2024. In addition, NIPPON REIT conducted a four-for-one split of investment units with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. As of June 30, 2025, the total number of investment units issued and outstanding was 1,768,380 units.

As of June 30, 2025, NIPPON REIT had ownership or trust beneficiary interests in 109 properties with approximately 338,870.47 square meters of rentable space and had leased space to 3,107 tenants. The occupancy rate for the properties was approximately 97.8%.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and their related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements have been reformatted and translated into English from the financial statements of NIPPON REIT prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing the accompanying financial statements, relevant notes have been expanded and certain reclassifications have been made from the Japanese GAAP financial statements. Certain supplementary information included in the statutory Japanese GAAP financial statements, but not required for fair presentation, is not presented in the accompanying financial statements. Certain reclassifications have been made to the prior period’s financial statements to confirm to the presentation for the current period.

As permitted by Japanese GAAP, amounts of less than one thousand yen or one million yen have been omitted. Consequently, the totals shown in the accompanying financial statements do not necessarily agree with sums of the individual amounts.

Note 2 – Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.

(b) Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating an uncollectible amount based on the analysis of certain individual accounts that may not be collectable.

(c) Investment Properties

Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings in trust and Buildings	2-64 years
Structures in trust	2-49 years
Machinery and equipment in trust	10 years
Tools, furniture and fixtures in trust	2-15 years
Tools, furniture and fixtures	

Costs related to the renovation, addition and improvement of properties are capitalized. Expenditures for repairs and maintenance which do not add to the value or prolong the useful life of a property are expensed as incurred.

(d) Intangible Assets

Intangible assets are amortized using the straight-line method.

(e) Long-Term Prepaid Expenses

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

(f) Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.

(g) Investment Securities

Available-for-sale securities without market prices are stated at cost determined by the moving average method. Equity interest in a silent partnership is stated at net amount equivalent to the interest in the relevant partnership.

(h) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rate.

(i) Real Estate Taxes

Investment properties are subject to various taxes, such as property taxes and city planning taxes. Owners of the properties are registered by records maintained in each jurisdiction by the local government. The taxes are imposed on the registered record owner as of January 1 of each year, based on an assessment made by the local government.

When a property is purchased within the calendar year, the taxes for the corresponding calendar year are imposed on the seller. NIPPON REIT pays the seller the corresponding amount of taxes for the period from the property acquisition date to December 31 of the calendar year and capitalizes these amounts as acquisition costs of the property, rather than expensing them. In subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

The following is a summary of capitalized real estate taxes.

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Capitalized real estate taxes	¥	— ¥ 26,708

(j) Consumption Taxes

Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.

(k) Hedge Accounting

NIPPON REIT enters into derivative transactions for the purpose of hedging risks defined in the Articles of Incorporation of NIPPON REIT in accordance with its financial policy. NIPPON REIT uses interest rate swaps as hedging instruments in order to hedge the risk of interest rate fluctuations related to borrowings. The deferral method is applied for hedge transactions. For interest rate swaps which qualify for hedge accounting and meet specific criteria, the special treatment is applied. Under the special treatment, the related differentials paid or received under such swap contracts can be recognized and included in interest expense or income of the hedged assets or liabilities, and the interest rate swaps are not required to be measured at fair value separately. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

(l) *Revenue Recognition*

Major contents of performance obligations relating to revenue arising from contracts with customers of NIPPON REIT and general timing of satisfying such performance obligations (general timing of revenue recognition for the revenue recognition) are as follows:

(1) Sales of Real Estate Properties

Revenue is recognized at the time of a purchaser of real estate property as a customer obtains control over the real estate property by satisfying delivery obligation as described in a contract regarding the sale of the real estate property.

Net amount is presented as “Gain on sales of real estate properties” or “Loss on sales of real estate properties” on the Statements of Income and Retained Earnings calculated as “Selling price of the real estate property” which represents consideration for the transfer of investment property by deducting “Book value of the real estate property” which represents the book value of the investment property transferred and “Other selling expenses ” which represents other direct expenses for the transfer.

(2) Utility Charge Revenues

Utility charge revenues are recognized depending on volume of supply of electricity, water and others to a tenant as a customer based on the lease agreement of the related property and contents of ancillary agreements.

(m) *Accounting for Trust Beneficiary Interests in Real Estate*

For trust beneficiary interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings.

The following assets in trust are recognized and presented separately on the balance sheets.

- (i) Cash and deposits in trust
- (ii) Land in trust, buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, construction in progress in trust and leasehold rights in trust
- (iii) Tenant security deposits in trust

(n) *Significant Accounting Estimates*

Impairment loss on investment properties

(1) Carrying amount in the accompanying financial statements

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Investment properties	¥ 251,679,432	¥ 259,111,104

(2) Information on the nature of significant accounting estimates for identified items

NIPPON REIT reduces the book value of investment properties to its recoverable amount when the invested amount may not be recoverable due to decrease in profitability in conformity with the accounting standard for impairment of long-lived assets.

NIPPON REIT’s investment properties are grouped on an individual asset basis. NIPPON REIT reviews the investment properties for impairment when factors such as consecutive operating losses, significant decline in the market price, deteriorated business environment and others related to investment properties indicate the carrying amount of an asset may not be recoverable.

Whether an impairment loss is recognized is determined based on the future cash flows expected from the asset. In the case that the impairment loss is recognized, the book value of the asset is reduced to the respective recoverable amount and the difference between the book value and recoverable amount is recorded as an impairment loss.

Future cash flows used in determining recoverable amounts are measured by comprehensive judgement on estimates based on market trends on rental revenues, occupancy rates, rental expenses and other factors as well as transaction information of similar properties.

Operating results and market price of each investment property may be affected by trends in property leasing market and property trading market. It is possible to have impact on NIPPON REIT’s financial position and result of operations in the next fiscal period if assumptions used in estimates change.

(o) *Accounting Standards Issued but Not Yet Effective*

- “Accounting Standard for Leases” (ASBJ Statement No. 34, issued on September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, issued on September 13, 2024)

(1) Overview

As part of the efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS16 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 IFRS16, 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) Schedule date of adoption

The accounting standard and implementation guidance will be applied from the beginning of the fiscal period ending December 2027.

(3) The impact of applying the accounting standard and implementation guidance

The amount of impact of applying the “Accounting Standard for Leases” and “Implementation Guidance on Accounting Standard for Leases” on the financial statements is being evaluated at present.

Note 3 – Cash and Cash Equivalents

Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows is as follows:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Cash and deposits	¥ 15,291,417	¥ 10,362,383
Cash and deposits in trust	5,840,681	5,740,202
Cash and cash equivalents	¥ 21,132,099	¥ 16,102,585

Note 4 – Financial Instruments

(a) Qualitative Information for Financial Instruments

Policy for Financial Instrument Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

Nature and Extent of Risks Arising from Financial Instruments

Proceeds from borrowings and investment corporation bonds are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings and investment corporation bonds are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT’s surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates. Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of June 30, 2025, NIPPON REIT uses derivative transactions (interest rate swaps) as hedging instruments in order to avoid the risk of interest rate fluctuations and to fix the amount of interest payments for borrowings with floating rates. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

Credit risk is managed by diversifying the depository financial institutions.

Supplemental Explanation regarding Fair Value of Financial Instruments

Certain assumptions and factors are reflected in estimating the fair value of financial instruments. Different assumptions and factors could result in a different value.

(b) Fair Value of Financial Instruments

The book values, fair values and differences between them were as follows. Investments in partnerships (Note 1) are excluded from the table below. Disclosure of cash and deposits and cash and deposits in trust is omitted because the book value of these assets is deemed a reasonable approximation of the fair value as they are cash or with short maturities. Disclosure of tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

	As of December 31, 2024			As of June 30, 2025		
	(Yen in thousands)			(Yen in thousands)		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Investment corporation bonds due within one year	¥ 1,000,000	¥ 998,400	¥ (1,600)	¥ —	¥ —	¥ —
Long-term debt due within one year	17,550,000	17,515,408	(34,591)	21,910,000	21,843,809	(66,190)
Investment corporation bonds	5,500,000	5,268,950	(231,050)	6,800,000	6,549,080	(250,920)
Long-term debt	108,570,000	106,642,195	(1,927,804)	105,520,000	103,204,860	(2,315,139)
Total liabilities	¥ 132,620,000	¥ 130,424,954	¥ (2,195,045)	¥ 134,230,000	¥ 131,597,749	¥ (2,632,250)
Derivatives	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

Methods used to estimate the fair value of financial instruments:

(1) Investment corporation bonds due within one year and investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

(2) Long-term debt due within one year and long-term debt

For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT’s credit standing after borrowing; therefore, the book value is used as the fair value equivalent. However, for long-term debt with floating interest rates hedged by interest rate swaps applying the special treatment, the fair value is calculated based on the total amount of principal and interest which are processed as a single unit with the interest rate swaps discounted at the current interest rate applicable to similar borrowings. For long-term debt with fixed interest rates, the fair value is calculated based on the total amount of principal and interest discounted at the current interest rate applicable to similar borrowings.

Derivative Transactions:

There were no derivative transactions to which hedge accounting was not applied as of December 31, 2024 and June 30, 2025.

Derivative transactions to which hedge accounting was applied were as follows:

Hedge accounting method	Type of derivative transaction	Hedged item	As of December 31, 2024		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 117,520,000	¥ 100,470,000	(Note)
Total			¥ 117,520,000	¥ 100,470,000	¥ —

Note:

Derivatives applying the special treatment of interest rate swaps are treated as a single unit with long-term debt that is designated as the hedged item. The fair value is included in the fair value of aforementioned (2) Long-term debt due within one year and Long-term debt in “(b) Fair Value of Financial Instruments”.

Hedge accounting method	Type of derivative transaction	Hedged item	As of June 30, 2025		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 112,270,000	¥ 93,670,000	(Note)
Total			¥ 112,270,000	¥ 93,670,000	¥ —

Note:

Derivatives applying the special treatment of interest rate swaps are treated as a single unit with long-term debt that is designated as the hedged item. The fair value is included in the fair value of aforementioned (2) Long-term debt due within one year and Long-term debt in “(b) Fair Value of Financial Instruments”.

Equity interests in silent partnership:

Equity interests in silent partnership were as follows:

	As of December 31, 2024				As of June 30, 2025			
	(Yen in thousands)							
	Book value		Fair value		Book value		Fair value	
Godo Kaisha Osaka Hommachi Hotel								
Preferred silent partnership equity interest	¥	121,563	¥	121,563	¥	121,563	¥	121,563
(Note 1)								
Total	¥	121,563	¥	121,563	¥	121,563	¥	121,563

Notes:

- The asset under management includes trust beneficiary interests in real estate of S-PERIA INN OSAKA HOMMACHI.
- Book value is used as the fair value equivalent by applying the treatment stipulated in Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Far Value Measurement” (ASBJ Guidance No. 31, revised on June 17, 2021).

The redemption schedule for investment corporation bonds and long-term debt was as follows:

As of December 31, 2024	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
(Yen in thousands)						
Investment corporation bonds	¥ 1,000,000	¥ —	¥ —	¥ 2,500,000	¥ 1,000,000	¥ 2,000,000
Long-term debt	17,550,000	19,400,000	23,500,000	18,500,000	19,470,000	27,700,000
Total	¥ 18,550,000	¥ 19,400,000	¥ 23,500,000	¥ 21,000,000	¥ 20,470,000	¥ 29,700,000

As of June 30, 2025	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
(Yen in thousands)						
Investment corporation bonds	¥ —	¥ —	¥ 1,000,000	¥ 2,500,000	¥ 1,300,000	¥ 2,000,000
Long-term debt	21,910,000	21,800,000	23,700,000	20,120,000	19,200,000	20,700,000
Total	¥ 21,910,000	¥ 21,800,000	¥ 24,700,000	¥ 22,620,000	¥ 20,500,000	¥ 22,700,000

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of December 31, 2024			As of June 30, 2025		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 287,740	¥ (53,164)	¥ 234,575	¥ 288,234	¥ (57,952)	¥ 230,281
Tools, furniture and fixtures	1,066	(198)	867	1,066	(271)	794
Land in trust	185,577,981	—	185,577,981	196,098,726	—	196,098,726
Buildings in trust	62,702,549	(15,804,706)	46,897,843	66,710,752	(16,242,296)	50,468,455
Structures in trust	229,552	(103,713)	125,838	254,221	(109,019)	145,202
Machinery and equipment in trust	732,816	(275,187)	457,628	732,370	(292,309)	440,061
Tools, furniture and fixtures in trust	582,111	(251,684)	330,427	603,630	(283,500)	320,130
Construction in progress in trust	2,002	—	2,002	10,647	—	10,647
Leasehold rights	1,256,792	—	1,256,792	1,256,792	—	1,256,792
Leasehold rights in trust	16,792,459	—	16,792,459	10,137,189	—	10,137,189
Other intangible assets	5,686	(2,671)	3,014	5,686	(2,864)	2,821
Total	¥268,170,758	¥(16,491,325)	¥ 251,679,432	¥276,099,319	¥(16,988,214)	¥ 259,111,104

Note 6 – Fair Value of Investment Properties

The book value, net changes in the book value and the fair value of the investment properties including office properties, residential properties and commercial properties were as follows:

	For the six-month periods ended			
	December 31, 2024		June 30, 2025	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	258,508,231	¥	251,677,430
Change during period		(6,830,800)		7,423,026
Balance at end of period		251,677,430		259,100,457
Fair value	¥	318,773,000	¥	329,293,000

Notes:

1. The book value represents acquisition costs after deducting accumulated depreciation.
2. The fair value is determined based on appraisal values provided by external real estate appraisers.
3. For the six-month period ended December 31, 2024, the increase was primarily due to the capital expenditures and the offsetting decrease was primarily due to the transfer of 5 properties including “Field Avenue” (total book value of ¥6,844,872 thousand).
4. For the six-month period ended June 30, 2025, the increase was primarily due to the acquisition of 6 properties including “FORECAST Shinagawa@LABO” (total acquisition price of ¥17,655,000 thousand) and the offsetting decrease was primarily due to the transfer of 3 properties including “FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)” (total book value of ¥10,051,101 thousand).

Note 7 – Reduction Entry for Investment Properties Acquired through Exchange

The following table shows the amount deducted from the acquisition costs of investment properties acquired through exchange.

	As of			
	December 31, 2024		June 30, 2025	
	(Yen in thousands)			
Land in trust	¥	412,101	¥	971,651

Note 8 – Reduction Entry for Investment Properties Acquired due to Government Subsidies Received

The following table shows the amount deducted from the acquisition costs of investment properties acquired due to government subsidies received.

	As of			
	December 31, 2024		June 30, 2025	
	(Yen in thousands)			
Buildings	¥	3,469	¥	3,469
Buildings in trust		287,484		287,484
Tools, furniture and fixtures in trust		262		262
Total	¥	291,216	¥	291,216

Note 9 – Revenue Recognition

Information on breakdown of revenues arising from contracts with customers

Information on breakdown of revenues arising from contracts with customers is presented in Note 10 – Rental Revenues and Expenses, Note 11 – Gain and Loss on Sales of Real Estate Properties and Note 12 – Gain and Loss on Exchanges of Real Estate Properties. Rental revenues and expenses include revenues relating to property leasing for which “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13) is applied. Major revenues arising from contracts with customers are proceeds from sales of real estate properties and utility charge revenues.

Note 10 – Rental Revenues and Expenses

Rental revenues and expenses were as follows:

		For the six-month periods ended	
		December 31, 2024	June 30, 2025
		(Yen in thousands)	
Revenues from property leasing:			
Rental revenues:			
Base rents	¥	6,854,903	¥ 6,801,877
Common area charges		818,166	776,848
Parking space rental revenues		230,450	230,810
Total rental revenues		7,903,520	7,809,535
Other revenues related to property leasing:			
Utilities charge revenues		572,043	494,972
Others		223,929	235,350
Total other revenues related to property leasing		795,973	730,322
Total revenues from property leasing		8,699,493	8,539,858
Property-related expenses:			
Property management fees		508,274	496,416
Utility expenses		535,708	479,089
Insurance expenses		9,866	11,136
Repair expenses		246,144	246,008
Taxes and dues		623,125	637,356
Depreciation and amortization		992,014	1,017,293
Loss on retirement of investment properties		13,289	17,708
Trust fees		39,965	56,662
Other		309,603	280,660
Total property-related expenses		3,277,993	3,242,332
Income from property leasing		¥ 5,421,500	¥ 5,297,526

Note 11 – Gain and Loss on Sales of Real Estate Properties

The details of gain and loss on sales of real estate properties for the six-month period ended December 31, 2024 were as follows:

	(Yen in thousands)
Nihombashi Playa Building (50% of quasi co-ownership interest):	
Selling price of the real estate property	¥ 1,700,000
Book value of the real estate property	953,260
Other selling expenses	17,941
Gain on sales of real estate property	<u>¥ 728,798</u>
	(Yen in thousands)
Shinto GINZA EAST:	
Selling price of the real estate property	¥ 1,690,000
Book value of the real estate property	1,344,623
Other selling expenses	68,766
Gain on sales of real estate property	<u>¥ 276,610</u>
	(Yen in thousands)
Field Avenue:	
Selling price of the real estate property	¥ 3,485,000
Book value of the real estate property	3,085,941
Other selling expenses	140,445
Gain on sales of real estate property	<u>¥ 258,613</u>
	(Yen in thousands)
Komatsubara Yamamoto Mansion:	
Selling price of the real estate property	¥ 658,000
Book value of the real estate property	721,014
Other selling expenses	21,329
Loss on sales of real estate property	<u>¥ 84,343</u>
	(Yen in thousands)
Belleza Kanayama:	
Selling price of the real estate property	¥ 730,000
Book value of the real estate property	740,033
Other selling expenses	24,063
Loss on sales of real estate property	<u>¥ 34,096</u>

The details of gain and loss on sales of real estate properties for the six-month period ended June 30, 2025 were as follows:

	(Yen in thousands)
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest):	
Selling price of the real estate property	¥ 10,000,000
Book value of the real estate property	7,190,537
Other selling expenses	387,094
Gain on sales of real estate property	<u>¥ 2,422,368</u>
	(Yen in thousands)
Merveille Senzoku:	
Selling price of the real estate property	¥ 820,000
Book value of the real estate property	767,070
Other selling expenses	22,461
Gain on sales of real estate property	<u>¥ 30,467</u>

Note 12 – Gain and Loss on Exchanges of Real Estate Properties

There was no gain and loss on exchanges of real estate properties for the six-month period ended December 31, 2024.

The details of gain and loss on exchange of real estate property for the six-month period ended June 30, 2025 were as follows:

	(Yen in thousands)
FORECAST Shin-Tokiwabashi	
Revenue from transfer of real estate property	¥ 2,700,000
Cost of real estate property transferred	2,093,493
Other transfer expenses incurred	29,082
Loss on tax purpose reduction entry of non-current assets	559,550
Gain on exchange of real estate property	<u>¥ 17,874</u>

Note 13 – Net Assets

NIPPON REIT issues non-par value investment units in accordance with the Investment Trust Act and all of the amounts issued are designated as stated capital. NIPPON REIT maintains at least ¥50,000 thousand as the minimum net assets as required by the Investment Trust Act.

Note 14 – Treasury Investment Units

Cancellation of treasury investment units as of December 31, 2024 and June 30, 2025 were as follows:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Total number of own investments units cancelled (Units)	7,835	–
Total amount of cancellation	<u>¥ 2,499,903</u>	<u>–</u>

Note 15 – Long-Term Debt

Long-term debt consisted of the following:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Long-term debt:		
0.58% unsecured loan due 2025 (Notes 2 and 3)	1,000,000	–
0.70% unsecured loans due 2025 (Notes 2 and 3)	2,600,000	–
0.61% unsecured loans due 2025 (Notes 2 and 3)	2,000,000	–
0.30% unsecured loans due 2025 (Notes 2 and 3)	1,950,000	–
0.85% unsecured loan due 2025 (Note 2)	500,000	–
0.71% unsecured loans due 2025 (Notes 2 and 3)	2,800,000	2,800,000
0.63% unsecured loans due 2025 (Notes 2 and 3)	2,500,000	2,500,000
0.68% unsecured loans due 2025 (Notes 2 and 3)	4,200,000	4,200,000
0.75% unsecured loans due 2026 (Notes 2 and 3)	600,000	600,000
0.70% unsecured loan due 2026 (Note 2)	500,000	500,000
0.59% unsecured loans due 2026 (Notes 2 and 3)	3,100,000	3,100,000
0.43% unsecured loans due 2026 (Notes 2 and 3)	5,400,000	5,400,000
1.03% unsecured loans due 2026 (Notes 2)	–	2,810,000
0.83% unsecured loans due 2026 (Notes 2 and 3)	4,850,000	4,850,000
0.39% unsecured loans due 2026 (Notes 2 and 3)	2,500,000	2,500,000
0.50% unsecured loans due 2026 (Notes 2 and 3)	2,450,000	2,450,000
0.74% unsecured loans due 2027 (Notes 2 and 3)	2,550,000	2,550,000
0.54% unsecured loans due 2027 (Notes 2 and 3)	6,300,000	6,300,000
0.45% unsecured loan due 2027 (Notes 2 and 3)	500,000	500,000
0.86% unsecured loan due 2027 (Note 2)	1,300,000	1,300,000
0.82% unsecured loans due 2027 (Note 2)	1,350,000	1,350,000
0.48% unsecured loans due 2027 (Notes 2 and 3)	6,000,000	6,000,000
0.49% unsecured loans due 2027 (Notes 2 and 3)	2,150,000	2,150,000
0.86% unsecured loans due 2027 (Note 2)	1,250,000	1,250,000
0.82% unsecured loans due 2027 (Note 2)	1,600,000	1,600,000
0.56% unsecured loan due 2027 (Notes 2 and 3)	500,000	500,000
0.96% unsecured loans due 2028 (Notes 2 and 3)	1,200,000	1,200,000
0.59% unsecured loans due 2028 (Notes 2 and 3)	1,000,000	1,000,000
0.50% unsecured loans due 2028 (Notes 2 and 3)	2,950,000	2,950,000
0.42% unsecured loans due 2028 (Notes 2 and 3)	2,950,000	2,950,000
0.86% unsecured loans due 2028 (Note 2)	1,100,000	1,100,000
0.86% unsecured loans due 2028 (Note 2)	–	3,000,000
0.64% unsecured loans due 2028 (Notes 2 and 3)	6,500,000	6,500,000
1.05% unsecured loans due 2028 (Notes 2 and 3)	1,800,000	1,800,000
0.86% unsecured loans due 2028 (Note 2)	1,000,000	1,000,000
0.95% unsecured loans due 2029 (Notes 2 and 3)	1,000,000	1,000,000
0.68% unsecured loans due 2029 (Notes 2 and 3)	2,100,000	2,100,000
0.63% unsecured loans due 2029 (Notes 2 and 3)	2,400,000	2,400,000
0.76% unsecured loans due 2029 (Notes 2 and 3)	1,770,000	1,770,000
1.13% unsecured loans due 2029 (Notes 2 and 3)	2,300,000	2,300,000
0.90% unsecured loans due 2029 (Note 2)	–	1,250,000
0.55% unsecured loans due 2029 (Notes 2 and 3)	3,100,000	3,100,000
1.16% unsecured loans due 2029 (Notes 2 and 3)	1,200,000	1,200,000
1.02% unsecured loans due 2029 (Notes 2 and 3)	5,600,000	5,600,000
1.36% unsecured loan due 2030 (Notes 2 and 3)	–	1,000,000
0.91% unsecured loans due 2030 (Notes 2 and 3)	1,050,000	1,050,000
0.82% unsecured loans due 2030 (Notes 2 and 3)	2,550,000	2,550,000
1.07% unsecured loans due 2030 (Notes 2 and 3)	4,700,000	4,700,000
0.78% unsecured loans due 2030 (Notes 2 and 3)	2,000,000	2,000,000
1.15% unsecured loans due 2030 (Notes 2 and 3)	5,150,000	5,150,000

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
1.10% unsecured loans due 2030 (Notes 2 and 3)	1,650,000	1,650,000
1.44% unsecured loans due 2030 (Notes 2 and 3)	–	1,300,000
1.24% unsecured loan due 2031 (Notes 2 and 3)	500,000	500,000
0.81% unsecured loans due 2031 (Notes 2 and 3)	2,000,000	2,000,000
1.25% unsecured loans due 2031 (Notes 2 and 3)	2,600,000	2,600,000
1.34% unsecured loans due 2031 (Notes 2 and 3)	3,500,000	3,500,000
1.09% unsecured loans due 2032 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 126,120,000	¥ 127,430,000

- Notes:
- The interest rates presented are weighted average interest rates.
 - Funds were used for acquisition of investment properties, repayment of outstanding borrowings and payment of any other associated expenses as deemed reasonable.
 - As interest rates on these loans are substantively fixed by the interest rate swaps, the interest rates after reflecting the effect of the interest rate swaps are stated.

NIPPON REIT maintains commitment line contracts with financial institutions. The amounts of unused commitments on loans were as follows:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Total amounts of loan commitment line contracts	¥ 3,000,000	¥ 3,000,000
Executed loan balance	–	2,810,000
Net unused balance	¥ 3,000,000	¥ 190,000

Note 16 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
1st 0.54% unsecured bonds due 2025	¥ 1,000,000	¥ –
2nd 0.70% unsecured bonds due 2028	1,000,000	1,000,000
3rd 0.88% unsecured bonds due 2028	1,500,000	1,500,000
4th 0.90% unsecured bonds due 2029	1,000,000	1,000,000
5th 0.67% unsecured bonds due 2031 (Green bond)	2,000,000	2,000,000
6th 1.35% unsecured bonds due 2030 (Green bond)	–	1,300,000
Total	¥ 6,500,000	¥ 6,800,000

Note 17 – Leases

The future minimum rental revenues under existing non-cancelable operating leases were as follows:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Due within one year	¥ 562,086	¥ 1,243,332
Due after one year	936,042	3,600,795
Total	¥ 1,498,129	¥ 4,844,127

Note 18 – Income Taxes

NIPPON REIT is subject to Japanese corporate income taxes on all of its taxable income. However, NIPPON REIT may deduct the amount distributed to its unitholders from its taxable income when certain requirements, including a requirement to distribute in excess of 90% of distributable profit for the fiscal period, are met under the Special Taxation Measure Act of Japan. If NIPPON REIT does not satisfy all of the requirements as specified in the Act, the entire taxable income of NIPPON REIT will be subject to regular corporate income taxes in Japan.

NIPPON REIT has made distribution in excess of 90% of its distributable profit for the six-month periods ended December 31, 2024 and June 30, 2025 in order to be able to deduct such amount from taxable income.

The following table summarizes the significant difference between the statutory tax rate and NIPPON REIT's effective tax rate.

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
Statutory tax rate	33.10%	33.10%
Deductible cash distributions	(29.85)	(22.58)
Per capita inhabitant taxes	0.01	0.01
Provision of reserve for the reduction entry	(3.24)	–
Provision of reserve for the reduction entry with special provisions for replacement	–	(10.51)
Others	0.01	0.00
Effective tax rate	0.03%	0.02%

The significant components of deferred tax assets and liabilities were as follows:

	As of	
	December 31, 2024	June 30, 2025
	(Yen in thousands)	
Deferred tax assets:		
Accrued enterprise tax	¥ 41	¥ 41
Total deferred tax assets	41	41
Net deferred tax assets	¥ 41	¥ 41

Note 19 – Per Unit Information

Information about earnings per unit and net assets per unit was as follows:

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
	(Yen)	
Earnings per unit:		
Net income per unit	¥ 2,716	¥ 3,436
Weighted average number of units outstanding (units)	1,799,376	1,768,380
	As of	
	December 31, 2024	June 30, 2025
	(Yen)	
Net assets per unit	¥ 73,218	¥ 74,162

The computation of earnings per unit is based on the weighted average number of units outstanding during the period. The computation of net assets per unit is based on the number of units outstanding at each period end as stated on the balance sheets. Diluted earnings per unit and related information are not disclosed as no dilutive units are outstanding.

NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Net income per unit and net assets per unit are calculated based on the assumption that said investment unit split was conducted at the beginning of the fiscal period ended June 2024.

Note 20 – Distribution Information

Pursuant to the terms of the distribution policy set forth in Article 35 paragraph (1) item (2) of NIPPON REIT’s Articles of Incorporation, the amount of distributions is defined to be in excess of an amount equivalent to 90% of NIPPON REIT’s distributable profit as defined in Article 67-15 of the Special Taxation Measure Act of Japan, but not in excess of an amount of profit set forth in the Articles of Incorporation.

Cash distributions are declared by the board of directors after the end of each period. Such distributions are payable to unitholders of record at the end of each period. For the six-month period ended June 30, 2025, NIPPON REIT decided to distribute ¥4,146,851,100, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding (1,768,380 units), and is not in excess of unappropriated retained earnings after adding the reversal of reserve for the reduction entry with special provisions for replacement as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan and retaining the provision of reserve for the reduction entry with special provisions for replacement as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan. Information of cash distributions per unit and the board of directors meeting dates when the distributions were proposed and approved were as follows:

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
	(Yen)	
Cash distributions per unit	¥ 9,972	¥ 2,345
Board of directors meeting dates	February 19, 2025	August 15, 2025

Retained earnings brought forward after the cash distributions were as follows:

	For the six-month periods ended	
	December 31, 2024	June 30, 2025
	(Yen)	
Unappropriated retained earnings	¥ 4,994,544,297	¥ 6,184,499,575
Reversal of reserve for the reduction entry with special provisions for replacement	–	4,157,590
Cash distributions declared	4,408,571,340	4,146,851,100
Provision of reserve for the reduction entry	479,152,388	–
Provision of reserve for the reduction entry with special provisions for replacement	–	1,934,000,000
Retained earnings brought forward	¥ 106,820,569	¥ 107,806,065

Note 21 – Related-Party Transactions

Related-party transactions for the six-month period ended December 31, 2024 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 2) (Yen in thousands)	Account	Balance at the end of period (Note 2) (Yen in thousands)
Directors and their relatives	Yasushi Iwasa	–	–	Executive Officer of NIPPON REIT and President, Director & CEO of SBI REIT Advisors Co., Ltd.	–	Payment of asset management fees to SBI REIT Advisors Co., Ltd. (Note 1)	¥ 724,908	Accounts payable	¥ 18,590
								Accrued expenses	180,603

- Notes:
1. This was executed by Yasushi Iwasa as a representative director of a third party (SBI REIT Advisors Co., Ltd.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT’s Article of Incorporation for asset management fees.
 2. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Related-party transactions for the six-month period ended June 30, 2025 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 2) (Yen in thousands)	Account	Balance at the end of period (Note 2) (Yen in thousands)
Directors and their relatives	Yasushi Iwasa	–	–	Executive Officer of NIPPON REIT and President, Director & CEO of SBI REIT Advisors Co., Ltd.	–	Payment of asset management fees to SBI REIT Advisors Co., Ltd. (Note 1)	¥ 938,650	Accounts payable	¥ 92,097
								Accrued expenses	169,643

- Notes:
1. This was executed by Yasushi Iwasa as a representative director of a third party (SBI REIT Advisors Co., Ltd.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT’s Article of Incorporation for asset management fees.
 2. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Note 22 – Segment Information

Segment Information

Segment information is omitted as NIPPON REIT has one segment, which is property leasing business.

Related Information

Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/ service category account for more than 90% of the operating revenues on the statements of income and retained earnings.

Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues account for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties account for more than 90% of the book value of the total investment properties.

Information on Major Tenants

Disclosure of this information for the six-month period ended December 31, 2024 is omitted as there is no tenant that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Information on a major tenant for the six-month period ended June 30, 2025 was as follows:

Name of customer	Operating revenue	Related segment
	(Yen in thousands)	
Hulic Co., Ltd.	¥ 2,422,368	Real estate rental

Note 23 – Subsequent Events

A. Acquisition of Property

- i. NIPPON REIT acquired trust beneficiary interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note 1)	Seller
URAWA GARDEN BUILDING (80% of quasi co-ownership interest)	Saitama, Saitama	July 1, 2025	¥ 9,600	Hulic Co., Ltd.
NW SQUARE	Sapporo, Hokkaido	August 29, 2025	1,700	A.P.17 Godo Kaisha
HOTEL RESOL STAY AKIHABARA	Chiyoda ward, Tokyo	September 26, 2025	6,250	THE SANKEI BUILDING CO., LTD. (Note 2)
Smile Hotel Premium Hakodate Goryokaku	Hakodate, Hokkaido	September 26, 2025	2,700	THE SANKEI BUILDING CO., LTD. (Note 2)
Total			¥ 20,250	—

Notes:

- The acquisition price represents amount of consideration stated in the transfer agreement of each trust beneficiary interest in real estate and the quasi co-ownership interest. The acquisition prices do not include expenses related to the acquisition, consumption taxes and local consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.
- A trust beneficiary interest transfer agreement was signed between THE SANKEI BUILDING Co., LTD. and TU31 Godo Kaisha on February 28, 2025, and NIPPON REIT has succeeded to TU31 Godo Kaisha's status as the purchaser under this agreement on August 18, 2025.

- ii. NIPPON REIT decided to acquire two trust beneficiary interests in real estate on August 15, 2025 and concluded transfer agreements of the trust beneficiary interests in real estate as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
FORECAST Yokkaichi (Note 2)	Yokkaichi, Mie	January 14, 2026	¥ 3,531 (Note 3)	Fuyo General Lease Co., Ltd.
innoba Ota (90% of quasi co-ownership interest) (Note 4)	Ota ward, Tokyo	January 14, 2026	3,158	TU31 Godo Kaisha
Total			¥ 6,689	—

Notes:

- The scheduled acquisition price represents amount of consideration stated in the transfer agreement of each trust beneficiary interest in real estate and the quasi co-ownership interest. The acquisition prices do not include expenses related to the acquisition, consumption taxes and local consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted. In addition, with regard to FORECAST Yokkaichi, NIPPON REIT plans to pay the seller separately for the costs incurred for warehousing.
- The property name as of the reporting date is “d II YOKKAICHI.” However, as it is scheduled to be changed to “FORECAST Yokkaichi” on October 1, 2025 with the acquisition by NIPPON REIT, the changed name is listed.
- The scheduled acquisition price of FORECAST Yokkaichi is the expected amount as of the reporting date. Additionally, as the trust beneficiary interest transfer agreement, etc. states that the stated price of the trust beneficiary interest in real estate should be adjusted if it differs from the amount calculated based on a prescribed formula, the scheduled acquisition price may change due to a change in the scheduled acquisition date, fluctuation in income or expenses prior to the scheduled acquisition date, or other causes.
- NIPPON REIT plans to acquire 90% of quasi co-ownership interest in the property.
- The transfer agreement of the trust beneficiary interests in real estate for this property falls under the forward commitment, etc. The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interests in real estate of this property stipulates that in the event of the other party's breach of its significant obligations under the agreement, the transfer agreement of the trust beneficiary interests in real estate of this property may be terminated. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled acquisition price of the trust beneficiary interest subject to termination.

B. Transfer of Properties

- i. NIPPON REIT transferred trust beneficiary interests in real estate as described below.

Property name	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	Shinjuku ward, Tokyo	July 1, 2025	¥ 10,000	¥ 7,180	Hulic Co., Ltd.
FORECAST Shinagawa	Shinagawa ward, Tokyo	August 27, 2025	2,700	2,454	Not disclosed (Note 3)
Tenjinhighashi residence	Fukuoka, Fukuoka	August 27, 2025	3,100	965	Not disclosed (Note 3)
Minami-Horie apartment Cielo	Osaka, Osaka			828	
Minami-Horie apartment Grande	Osaka, Osaka			795	
Minami-Horie apartment Rio	Osaka, Osak			259	
REID-C Iidabashi Building	Chiyoda ward, Tokyo	August 29, 2025	1,330	1,229	Not disclosed (Note 3)
REID-C Gotenyama Building	Shinagawa ward, Tokyo	August 29, 2025	1,170	1,081	Not disclosed (Note 3)
Total			¥ 18,300	¥ 14,793	—

Notes:

- The transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership interest in the trust beneficiary interest in real estate. The transfer price does not include expenses related to the transfer, consumption taxes and local consumption taxes. Furthermore, the transfer price of less than one million yen is omitted.
- Book value as of June 30, 2025 is described, rounded down to the nearest million yen.
- This information is not disclosed as purchaser’s consent to disclosure has not been obtained.

- ii. NIPPON REIT decided to transfer three trust beneficiary interests in real estate on July 9, 2025 and concluded transfer agreements of the trust beneficiary interests in real estate as described below. Of these properties, the transfer of one property, Central Daikanyama, was completed on August 7, 2025.

Property name	Location	(Scheduled) transfer date	(Scheduled) transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Central Daikanyama	Shibuya ward, Tokyo	August 7, 2025	¥ 16,800	¥ 3,671	Not disclosed (Note 4)
BECOME SAKAE	Nagoya, Aichi	September 30, 2025 (Note 3)		4,695	
FORECAST Sakurabashi	Chuo ward, Tokyo	January 13, 2026 (Note 3)		6,120	
Total			¥ 16,800	¥ 14,487	—

Notes:

- The (scheduled) transfer prices represent amount of consideration stated in the transfer agreements of each trust beneficiary interests in real estate. The transfer prices do not include expenses related to the transfer, consumption taxes and local consumption taxes. Furthermore, the transfer price of less than one million yen is omitted.
- Book value as of June 30, 2025 is described, rounded down to the nearest million yen.
- The transfer agreement of the trust beneficiary interests in real estate for this property falls under the forward commitment, etc. The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interests in real estate of this property stipulates that in the event of the other party’s breach of its significant obligations or a breach of representations and warranties under the agreement, the transfer agreement of the trust beneficiary interests in real estate of this property may be terminated, upon notice, only respect to the trust beneficiary interest related to the breach. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled transfer price of the trust beneficiary interest subject to termination.
- This information is not disclosed as purchaser’s consent to disclosure has not been obtained.

C. Borrowing of Funds

NIPPON REIT entered into a loan agreement on September 25, 2025 as described below to partially finance the acquisition of HOTEL RESOL STAY AKIHABARA and Smile Hotel Premium Hakodate Goryokaku, which are described in i of “A. Acquisition of Property,” and associated expenses.

Lender	Loan amount (Yen in millions)	Interest rate	Fixed/ Floating	Repayment date	Repayment method
SBI Shinsei Bank, Limited	¥ 1,200	Interest rate of base rate plus 0.33% (Note 1)	Floating (Note 2)	September 22, 2031	Lump-sum repayment on repayment date (Note 3)

Notes:

- The first interest payment date shall be March 20, 2026 and the subsequent interest payment date shall be the 20th day of March and September (If the day is not a business day, then it shall be the next business day) and the principal repayment date. The base interest rate applicable to interest paid on the interest payment date is the JBA six-month Japanese Yen TIBOR announced two business days prior to the immediately preceding interest payment date (or the drawdown date for the first time). In the event that the interest calculation period is more than six months or less than six months, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.
- The interest rate payable for a part or all of the borrowing will be substantively fixed with the interest rate swap agreement.
- NIPPON REIT can make early repayment of the loan, in whole or in part, if certain terms and conditions such as prior written notice by NIPPON REIT are met by the repayment date.



Independent auditor's report

To the Board of Directors of NIPPON REIT Investment Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NIPPON REIT Investment Corporation ("the Company"), which comprise the balance sheets as at June 30, 2025 and December 31, 2024, the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for each of the six-month periods ended June 30, 2025 and December 31, 2024, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and December 31, 2024, and its financial performance and its cash flows for each of the six-month periods ended June 30, 2025 and December 31, 2024 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 in Japan (including those that are relevant to audits of the 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.

Emphasis of Matter

We draw attention to Note 23 to the financial statements, which states acquisition of properties, entering into acquisition agreements, transfer of properties, entering into transfer agreements and borrowing of funds. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the Semiannual Report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Supervising officers are responsible for overseeing the executive officer's performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially

misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervising Officers for the Financial Statements

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

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

Supervising officers are responsible for overseeing the executive officer's performance of their duties with regard to the design, implementation and maintenance of 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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 our 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express 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 whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, 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.

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

We also provide executive officer with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company are described in Matters Concerning Officers included in “Overview of the Investment Corporation” of the Semiannual Report.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We 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.

/S/ Hironori Hashizume

Designated Engagement Partner

Certified Public Accountant

/S/ Namiko Kuramochi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 26, 2025

Notes to the Reader of Independent Auditor’s Report:

This is a copy of the Independent Auditor’s Report and the original copies are kept separately by the Company and KPMG AZSA LLC.