

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 27th Fiscal Period

From July 1
to December 31, 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		23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period
		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	From July 1, 2025 to December 31, 2025
Operating revenues	(Yen in millions)	8,828	9,865	9,963	11,013	11,654
Of which, rental revenues and other revenues related to property leasing	(Yen in millions)	(8,632)	(8,651)	(8,699)	(8,539)	(8,529)
Operating expenses	(Yen in millions)	4,122	4,366	4,309	4,177	4,183
Of which, property-related expenses	(Yen in millions)	(3,249)	(3,285)	(3,277)	(3,242)	(3,194)
Operating income	(Yen in millions)	4,705	5,499	5,653	6,835	7,471
Ordinary income	(Yen in millions)	3,984	4,774	4,889	6,079	6,651
Net income	(Yen in millions)	3,983	4,773	4,887	6,077	6,650
Total assets (a)	(Yen in millions)	275,462	278,161	274,659	277,294	281,136
Period-on-period changes	(%)	(0.0)	(1.0)	(-1.3)	(1.0)	(1.4)
Net assets (b)	(Yen in millions)	130,605	131,395	129,478	131,147	133,650
Period-on-period changes	(%)	(0.2)	(0.6)	(-1.5)	(1.3)	(1.9)
Unitholders' capital (net)	(Yen in millions)	126,515	126,515	124,015	124,015	124,015
Number of investment units issued and outstanding (c)	(Unit)	449,930	449,930	442,095	1,768,380	1,768,380
Net assets per unit (Note 3) (b) / (c)	(Yen)	290,280	73,009	73,218	74,162	75,577
Total distributions (d)	(Yen in millions)	3,983	4,305	4,408	4,146	4,302
Distributions per unit (d) / (c)	(Yen)	8,854	9,570	9,972	2,345	2,433
Of which, earnings distributions per unit	(Yen)	(8,854)	(9,570)	(9,972)	(2,345)	(2,433)
Of which, distributions per unit in excess of earnings per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Ordinary income to total assets ratio (Note 4)	(%)	1.4	1.7	1.8	2.2	2.4
Annualized (Note 4)	(%)	(2.9)	(3.5)	(3.5)	(4.4)	(4.7)
Return on equity (Note 4)	(%)	3.1	3.6	3.7	4.7	5.0
Annualized (Note 4)	(%)	(6.1)	(7.3)	(7.4)	(9.4)	(10.0)
Equity ratio (b) / (a)	(%)	47.4	47.2	47.1	47.3	47.5
Period-on-period changes	(%)	(0.1)	(-0.2)	(-0.1)	(0.2)	(0.2)
Payout ratio (Note 4)	(%)	100.0	90.2	90.2	68.2	64.7

(Reference Information)Period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	
	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	From July 1, 2025 to December 31, 2025	
Number of investment properties	110	110	105	109	102	
Total leasable area	(m ²)	315,899.49	330,351.20	319,642.10	338,870.47	320,099.48
Number of tenants (Note 5)	3,104	3,134	2,941	3,107	2,900	
Occupancy rate at the end of the period	(%)	97.9	98.0	97.7	97.8	98.2
Depreciation during the period	(Yen in millions)	1,015	993	992	1,017	1,081
Capital expenditures during the period	(Yen in millions)	1,083	1,001	991	932	1,178
Rental NOI (Net Operating Income) (Note 4)	(Yen in millions)	6,405	6,371	6,426	6,332	6,423
FFO (Funds From Operations) per unit (Note 4)	(Yen)	10,703	10,532	10,747	2,627	2,613
Interest-bearing debt (e)	(Yen in millions)	132,620	134,120	132,620	134,230	135,430
Interest-bearing debt to total assets ratio (e) / (a)	(%)	48.1	48.2	48.3	48.4	48.2
Number of operating days	(Days)	184	182	184	181	184

- (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 December 31, 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 (December 31, 2025) is 1,768,380 units.

B. Investment Environment and Management Performance

(i) Investment Environment

During the current period (the fiscal period ended December 31, 2025), the Japanese economy experienced a decline of 0.6% (equivalent to an annual decline of 2.3%) in the real GDP growth rate (second preliminary figures) from July to September 2025 compared to the previous period. The trade policies and other measures of the United States which mainly affected the automobile industry have negatively impacted the earnings of Japanese companies. Although loose financial conditions have supported growth to some degree, an overall deceleration in growth has been observed.

In 2026, a gradual growth in the 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 risk of an economic downturn affected by the trade policy of the United States needs to be carefully monitored, while personal consumption could be negatively impacted due to consumer sentiment dampened by rising price. 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 December 2025 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 2.22%, down 1.78 points from the same month last year. Moreover, the average rent in the same area as of the end of December 2025 was 21,409 yen per tsubo, up 5.48% from the same month last year. The volume of new supply in 2026 is expected to be lower than the previous year, and the office demand remains solid. As a result, this upward trend in rents is expected to continue, while the vacancy rate continues to stay at low levels.

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 while 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 2025, 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. Further, NIPPON REIT has participated in the CDP Climate Change Program, which is an international environmental disclosure system that assesses climate change-related initiatives by companies and other organizations, and received a score of "B" in the 2025 assessment.

Additionally, NIPPON REIT is continuously working to obtain environmental certification for our properties, and URAWA GARDEN BUILDING received the S rank, the highest rank in the CASBEE (Note 1) real estate evaluation certification, in November 2025 and Tower Court Kitashinagawa reacquired the DBJ Green Building Certification (Note 2) and received 5 Stars in December 2025. As a result, a total of 29 properties have received environmental certification, or 52.4% (as of December 31, 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. CASBEE (Comprehensive Assessment System for Built Environment Efficiency) 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.
2. The DBJ Green Building Certification Program (the Certification) is a program launched in April 2011 by Development Bank of Japan Inc. (DBJ) to support properties that demonstrate environmental and social considerations ("Green Building"). DBJ evaluates and certifies properties that are socially and economically sought, through comprehensive assessment of each property's environmental performance and measures taken for various stakeholders including disaster prevention and community-oriented measures.

(iii) Management Performance

a. External Growth

NIPPON REIT owned 109 properties (with a total acquisition amount of 258,570 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 June 2025.

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

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note 1)	Transaction date
Acquisition	A-78	URAWA GARDEN BUILDING (80% of quasi co-ownership interest)	9,600	July 1, 2025
Transfer	A-7	FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	10,000	July 1, 2025
Transfer	A-14	Central Daikanyama	9,100	August 7, 2025
Transfer	C-3	BECOME SAKAE	(Note 2)	September 30, 2025
Transfer	A-30	FORECAST Shinagawa	2,700	August 27, 2025
Transfer	B-29	Tenjinhigashi residence	3,100 (Note 2)	August 27, 2025
Transfer	B-46	Minami-Horie apartment Cielo		August 27, 2025
Transfer	B-47	Minami-Horie apartment Grande		August 27, 2025
Transfer	B-48	Minami-Horie apartment Rio		August 27, 2025
Acquisition	A-79	NW SQUARE	1,700	August 29, 2025
Transfer	A-74	REID-C Iidabashi Building	1,330	August 29, 2025
Transfer	A-75	REID-C Gotenyama Building	1,170	August 29, 2025
Acquisition	C-6	HOTEL RESOL STAY AKIHABARA	6,250	September 26, 2025
Acquisition	C-7	Smile Hotel Premium Hakodate Goryokaku	2,700	September 26, 2025

(Note 1) The transfer prices and the acquisition prices represent the amounts of consideration stated in the trust beneficiary interests sales agreements of each of the trust beneficiary interests in real estate and quasi co-ownership interests. 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 are omitted.

(Note 2) The individual transfer prices are not disclosed as buyer's consent has not been obtained.

As a result, the portfolio as of the end of the current period consisted of 54 office properties (Note 1) with a total acquisition amount of 166,066 million yen, 43 residential properties (Note 2) with a total acquisition amount of 67,715 million yen, five properties used for other purposes (Note 3) with a total acquisition amount of 22,490 million yen, and one equity interest in one silent partnership (with an investment amount of 119 million yen, one real estate-backed property), totaling 102 properties with a total acquisition amount of 256,272 million yen, a total leased area of 314,422.48㎡ and 98.2% of 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 (limited to service apartments whose primary purpose of use is apartment houses as specified under the Building Standards Act (Act No. 201 of 1950; as revised) which an operator rents all of or a significant portion of)). The same shall apply hereinafter.

(Note 3) "Real Estate Used for Other Purposes" refers to properties other than office properties and residential properties. The same shall apply hereinafter. When making investments in, or managing assets related to, healthcare facilities or hospitals, the necessary structure shall be established and the necessary procedures shall be conducted in accordance with the Guidelines for the Utilization of Healthcare REITs Targeting Housing for the Elderly and Others or the Guidelines for REITs Investing in Hospital Properties, published by the Ministry of Land, Infrastructure, Transport and Tourism. "Real Estate Used for Other Purposes" may be described simply as "Other." 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 98.2% 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 August 20, 2025 (total 9,500 million yen), the long-term borrowings of total 9,500 million yen were executed on August 20, 2025. In order to prepare funds for the acquisition of new properties and payments of some of associated expenses, on September 25, 2025, NIPPON REIT drew down a total of 1,200 million yen.

As a result, the balance of interest-bearing debt as of December 31, 2025 was 135,430 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.2%.

(ii) Credit Rating

NIPPON REIT's credit rating as of the date of this report is indicated below.

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 11,654 million yen, operating income of 7,471 million yen, ordinary income of 6,651 million yen and net income of 6,650 million yen.

Concerning distributions, NIPPON REIT decided to distribute 4,302,468,540 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 distribution per unit was 2,433 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 (net) 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' equity (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 (net) 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	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period
	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	From July 1, 2025 to December 31, 2025
Highest (Yen)	361,500	357,500	333,500 (Note 1) 76,100 (Note 2)	91,200	103,700
Lowest (Yen)	333,000	322,000	301,000 (Note 1) 76,100 (Note 2)	76,900	88,900

(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 4,302,468,540 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 2,433 yen.

Period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period
	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	From July 1, 2025 to December 31, 2025
Unappropriated retained earnings (Yen in thousands)	4,090,271	4,880,393	4,994,544	6,184,499	6,757,843
Retained earnings (Retained earnings brought forward) (Yen in thousands)	106,591	574,563	585,972	2,037,648	2,455,374
Cash distributions declared (Yen in thousands)	3,983,680	4,305,830	4,408,571	4,146,851	4,302,468
Distributions per unit (Yen)	(8,854)	(9,570)	(9,972)	(2,345)	(2,433)
Of the above, total earnings distributions (Yen in thousands)	3,983,680	4,305,830	4,408,571	4,146,851	4,302,468
Earnings distributions per unit (Yen)	(8,854)	(9,570)	(9,972)	(2,345)	(2,433)
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, residential and retail)". Furthermore, NIPPON REIT will focus on middle-sized office properties located in the Tokyo economic area (which refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture) 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 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 48.2% 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. Issuance of New Investment Units

NIPPON REIT resolved an issuance of new investment units at its Board of Directors held on February 18, 2026 as described below.

(i) Issuance of new investment units through primary offering

Number of investment units to be offered:	59,000 units
Amount to be paid in (issue amount):	To be determined The amount will be determined at a meeting of the Board of Directors of NIPPON REIT to be held at any date (hereafter referred to as "Determination Date of Issue Price and Others") between Wednesday, February 25, 2026 and Monday, March 2, 2026, in accordance with the method prescribed in Article 25 of the Rules Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association (JSDA).
Total amount to be paid in (issue amount):	To be determined
Issue price (offer price):	To be determined The issue price (offer price) will be determined at a meeting of the Board of Directors of NIPPON REIT to be held on the Determination Date of Issue Price and Others, taking into account factors such as demand conditions and based on a provisional price, in accordance with the method prescribed in Article 25 of the Rules Concerning Underwriting, etc. of Securities established by the JSDA. This provisional price is obtained by multiplying the closing price of NIPPON REIT's investment units in regular trading on the Tokyo Stock Exchange on the Determination Date of Issue Price and Others (or, if no closing price is available on that date, the closing price on the nearest preceding date) by a multiplier between 0.90 and 1.00, with any fraction less than one yen rounded down.
Total amount of issue price (offer price):	To be determined
Payment date:	Any date between Tuesday, March 3, 2026 and Friday, March 6, 2026; provided, however, that such a date shall be the fourth business day following the Determination Date of Issue Price and Others.
Use of funds to be procured:	Proceeds will be used to fund a portion of the acquisition of specified assets described subsequently in c. of "B. Acquisition of Properties" and a. of (Additional Information).

(ii) Issuance of new investment units by way of third-party allotment
Number of investment units to be offered: 2,950 units
Amount to be paid in (issue amount): To be determined
The amount will be determined at a meeting of the Board of Directors of NIPPON REIT to be held on the Determination Date of Issue Price and Others. Note that the amount to be paid in (issue amount) for this issuance shall be the same as the amount to be paid in (issue amount) for the issuance through primary offering.
Total amount to be paid in (issue amount): To be determined
Allottee and number of units allotted: 2,950 units to Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Payment date: March 26, 2026
Use of funds to be procured: Proceeds will be held as cash on hand and deposited with financial institutions until disbursement, and will be used to fund a portion of the acquisition of specified assets or a portion of loan payment in the future.

(Note) Applications may not be made for all or part of the investment units to be issued in the third-party allotment. As a result, the final number of investment units to be issued through the third-party allotment may be reduced accordingly due to forfeiture, or the issuance may not take place at all.

B. Acquisition of Properties

a. NIPPON REIT acquired mezzanine loan claims as described below.

Asset type	Borrower name	Face value (million yen)	Interest rate (%)	Scheduled repayment date	Acquisition price (million yen)	LTV on underlying assets (%)	Seller	Acquisition date
Monetary claims (Subordinated loan claims)	Sumu Fund No. 1 GK	510	Base rate (Note 1) + 550bps	October 1, 2030 (Note 2)	510	57.4 (Note 3)	SBI SECURITIES Co., Ltd.	January 7, 2026

(Note 1) The applicable base interest rate shall be the Japanese Bankers Association 3-month Japanese Yen TIBOR as of two business days prior to the most recent interest payment date.

(Note 2) The scheduled repayment date for the loan claim held is October 1, 2030; however, if requested by the borrower and agreed upon by all lenders, the final repayment date may be extended to October 1, 2031.

(Note 3) Calculated based on the amount including the first loan claim held and its senior claims at the time of the first loan disbursement relative to the appraised value of the land portion of the underlying asset stated in its appraisal report (valuation date: August 31, 2025). The LTV calculated based on the income value of the land and building after completion using the income capitalization method is 62.6%. This appraisal report was obtained by the borrower.

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

Property name	Location	Acquisition date	Acquisition price (million yen) (Note 1)	Seller
FORECAST Yokkaichi	Yokkaichi, Mie	January 14, 2026	3,531	Fuyo General Lease Co., Ltd
innoba Ohta (90% of quasi co-ownership interest) (Note 2)	Ohta ward, Tokyo	January 14, 2026	3,158	TU31 Godo Kaisha
PRIME GARDEN AKATSUKA	Itabashi ward, Tokyo	March 6, 2026	2,420	Godo Kaisha Omori
HOTEL RESOL AKIHABARA	Chiyoda ward, Tokyo	March 6, 2026	6,125	Godo Kaisha Residence Asset Solution II
THE BASEMENT HOTEL Osaka Honmachi	Osaka, Osaka	March 6, 2026	5,600	Godo Kaisha Osaka Honmachi Hotel
KEIYU Kawagoe Interchange Store (Leasehold land)	Kawagoe, Saitama	March 6, 2026	1,273	Godo Kaisha SPV04
Total			22,108	-

(Note 1) The acquisition prices represent the amount of consideration stated in the transfer agreements of each of the trust beneficiary interests in real estate and the quasi co-ownership interest. The acquisition price does 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. The acquisition price of FORECAST Yokkaichi may be adjusted based on revenues and expenses incurred up to the acquisition date, in accordance with the calculation method defined in the transfer agreement. Accordingly, the acquisition price is subject to change. The warehousing cost associated with HOTEL RESOL AKIHABARA and KEIYU Kawagoe Interchange Store (Leasehold land) was separately paid to the respective sellers.

(Note 2) 90% of quasi co-ownership interest of this property was acquired.

C. Transfer of Property

NIPPON REIT transferred one trust beneficiary interest in real estate as described below.

Property name	Location	Transfer date	Transfer price (million yen) (Note 1)	Book value (million yen) (Note 2)	Buyer
FORECAST Sakurabashi	Chuo ward, Tokyo	January 13, 2026	Not disclosed (Note 3)	6,118	Not disclosed (Note 3)

(Note 1) The transfer price represents the amount of consideration stated in the transfer agreement of 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 December 31, 2025 is described, rounded down to the nearest million yen.

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

D. Borrowing of Funds

NIPPON REIT decided to borrow funds on February 18, 2026, with the borrowing scheduled to be executed on March 6, 2026, as below for use as part of funds for acquiring the properties described in c. of "B. Acquisition of Properties" above (excluding KEIYU Kawagoe Interchange Store (Leasehold land)) and their related expenses.

Lender	Scheduled loan amount (million yen)	Interest rate	Fixed/ Floating	Scheduled repayment due date	Repayment method
Co-financing group with MUFG Bank, Ltd. as the lead arranger and Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as a co-arranger (Note 1)	2,610	Interest rate of base rate plus 0.2900% (Note 3)	Floating	April 22, 2030	Lump-sum payment at maturity (Note 6)
Co-financing group with MUFG Bank, Ltd. as the lead arranger and Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as a co-arranger (Note 2)	3,210	Interest rate of base rate plus 0.3300% (Note 4)	Floating (Note 5)	April 21, 2031	
Total	5,820	-	-	-	-

(Note 1) The co-financing group consists of MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, and Mizuho Trust & Banking Co., Ltd.

(Note 2) The co-financing group consists of MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc., and Aozora Bank, Ltd.

(Note 3) The first interest payment date shall be March 23, 2026, and the subsequent interest payment date shall be the 20th day of every month (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA one-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date (borrowing execution date for the first interest payment). In the event that the interest calculation period is more than one month or less than one month, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.

(Note 4) The first interest payment date shall be August 20, 2026, and the subsequent interest payment date shall be the 20th day of every February and August (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA six-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date (borrowing execution date for the first interest payment). 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 5) It is planned that the effective interest rate will be fixed under the interest rate swap agreement.

(Note 6) NIPPON REIT can make early repayment of the loan, in whole or in part, if it gives prior written notice and other certain terms and conditions are met by the scheduled repayment date.

(Additional Information)

Exchange of Properties
NIPPON REIT decided to exchange properties in accordance with the provisions of the "Inclusion of Deductible Expenses of Reduced Amount of Assets Acquired through Exchange" in Article 50 of the Corporation Tax Act (Act No. 34 of March 31, 1965, as revised) on December 19, 2025 and concluded an exchange agreement of the trust beneficiary interest in real estate as described below.

a. Property to be acquired

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (million yen) (Note 1)	Seller
CIRCLES Nihonbashi Hamacho	Chuo ward, Tokyo	March 30, 2026	3,492	mitsubishi ESTATE CO., LTD.

(Note 1) The scheduled acquisition price represents the price of the trust beneficiary interest in real estate stated in the exchange agreement of the trust beneficiary interest in real estate. The scheduled acquisition price does not include expenses related to the exchange, consumption taxes and local consumption taxes. Furthermore, the scheduled acquisition price of less than one million yen is omitted.

(Note 2) The exchange agreement of the trust beneficiary interest 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 exchange 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 contractual obligations, the cancellation upon notice may be effected, except where there is a justifiable cause. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the consideration of the cancelled beneficiary interest (scheduled acquisition price). However, if it is certain that NIPPON REIT will be unable to complete the necessary financing for the payment of the exchange difference, NIPPON REIT and the counterparty may terminate the agreement without charge.

b. Properties to be transferred

Property name	Location	Scheduled transfer date	Scheduled transfer price (million yen) (Note 1)	Book value (million yen) (Note 2)	Buyer
Kudankita 325 Building	Chiyoda ward, Tokyo	March 30, 2026	2,740	1,948	mitsubishi ESTATE CO., LTD.

(Note 1) The scheduled transfer price represents the price of the trust beneficiary interest in real estate stated in the exchange agreement of the trust beneficiary interest in real estate. The scheduled 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 December 31, 2025 is described, rounded down to the nearest million yen.

(Note 3) The exchange agreement of the trust beneficiary interest 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 exchange 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 contractual obligations, the cancellation upon notice may be effected, except where there is a justifiable cause. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the consideration of the cancelled beneficiary interest (scheduled acquisition price). However, if it is certain that NIPPON REIT will be unable to complete the necessary financing for the payment of the exchange difference, NIPPON REIT and the counterparty may terminate the agreement without charge.

2. Overview of the Investment Corporation

(1) Status of Investment Units

Period		23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period
		December 31, 2023	June 30, 2024	December 31, 2024	June 30, 2025	December 31, 2025
Total number of investment units authorized	(Unit)	4,000,000	4,000,000	4,000,000	16,000,000	16,000,000
Total number of investment units issued and outstanding	(Unit)	449,930	449,930	442,095	1,768,380	1,768,380
Total unitholders' capital (net) (Note)	(Yen in millions)	126,515	126,515	124,015	124,015	124,015
Number of unitholders		13,844	15,242	16,373	17,658	17,294

(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 December 31, 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)	403,671	22.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	284,777	16.10
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	95,851	5.42
SBI Holdings, Inc.	62,000	3.51
STATE STREET BANK AND TRUST COMPANY 505001	26,425	1.49
JPMorgan Securities Japan Co., Ltd.	24,831	1.40
JP MORGAN CHASE BANK 385781	24,470	1.38
JAPAN SECURITIES FINANCE CO., LTD.	23,758	1.34
STATE STREET BANK AND TRUST COMPANY 505103	21,772	1.23
Custody Bank of Japan, Ltd. (Trust Account 4)	15,480	0.88
Total	983,035	55.59

(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 27th fiscal period (Yen in thousands) (Note 1)
Executive Officer	Yasushi Iwasa	President & CEO, SBI REIT Advisors Co., Ltd.	—
Supervising Officer	Yasuhiro Shimada (Note 2)	Partner, Tsubame Law Offices	600
	Hisashi Yahagi (Note 2)	Representative Council, Toranomom Partners	600
	Toshimitsu Morishita (Note 2)	Attorney, Nihombashi Forum Law Office	750
	Shigeki Matsuishi (Note 2)	Representative Partner, Laplace LLC Managing Partner, Matsuishi Shigeki Certified Public Accountant and Tax Accountant Office	750
	Noriko Higuchi (Note 2)	Real Estate Appraiser, Assort Sogo Office Co., Ltd.	750
Independent Auditor	KPMG AZSA LLC	—	15,000 (Note 3)

- (Note 1) Total compensation for each position in the applicable business period has been truncated to the nearest thousand yen.
 (Note 2) On September 30, 2025, Yasuhiro Shimada and Hisashi Yahagi resigned, and on October 1, 2025, Toshimitsu Morishita, Shigeki Matsuishi, and Noriko Higuchi assumed the position of Supervising Officer.
 (Note 3) 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 10,720 thousand yen.
 (Note 4) 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 5) 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 December 31, 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	26th fiscal period (as of June 30, 2025)		27th fiscal period (as of December 31, 2025)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	Office properties	Tokyo economic area (Note 3)	1,487	0.5	1,485	0.5
	Total		1,487	0.5	1,485	0.5
Real estate in trust	Office properties	Tokyo economic area (Note 3)	154,759	55.8	148,953	53.0
		Three major metropolitan areas (Note 4) (excluding Tokyo economic area)	14,027	5.1	14,109	5.0
		Other	1,738	0.6	3,498	1.2
		Subtotal	170,525	61.5	166,561	59.2
	Residential properties	Three major metropolitan areas (Note 4)	65,668	23.7	63,752	22.7
		Other	3,100	1.1	2,118	0.8
		Subtotal	68,769	24.8	65,870	23.4
	Other	Three major metropolitan areas (Note 4)	16,288	5.9	17,868	6.4
		Other	2,029	0.7	4,776	1.7
		Subtotal	18,318	6.6	22,644	8.1
Total			257,612	92.9	255,076	90.7
Investment securities (Note 5)			121	0.0	121	0.0
Deposits and other assets			18,072	6.5	24,452	8.7
Total assets (Note 6)			277,294 (259,100)	100.0 (93.4)	281,136 (256,562)	100.0 (91.3)

- (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 and real estate, book value less depreciation) and truncated to the nearest million yen.
 (Note 2) "Percentage to total assets" represents the percentage of the amount of respective asset recorded on the balance sheet to total assets. Figures are rounded to the first decimal place and may not add up to subtotals or total.
 (Note 3) The "Tokyo economic area" refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture.
 (Note 4) The "Three major metropolitan areas" refers to the Tokyo economic area, the Osaka economic area (i.e. Osaka prefecture, Kyoto prefecture and Hyogo prefecture) and the Nagoya economic area (i.e. Aichi prefecture, Gifu prefecture and Mie prefecture).
 (Note 5) Investment securities represent the preferred silent partnership equity interest operated by Godo Kaisha Osaka Hommachi Hotel for the current period.
 (Note 6) 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 December 31, 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	15,426	14,571.36	14,571.36	100.0	7.4	Office
URAWA GARDEN BUILDING	12,138	7,104.82	7,104.82	100.0	3.6	Office
Tower Court Kitashinagawa	10,370	16,913.29	16,606.93	98.2	5.2	Residential
FORECAST Shinagawa @LABO	8,245	6,435.43	6,435.43	100.0	Not disclosed (Note 6)	Other
FORECAST Gotanda WEST	7,599	8,967.07	8,967.07	100.0	3.2	Office
Shibakoen Sanchoe Building	7,271	7,882.60	7,882.60	100.0	2.7	Office
Homat Horizon Building	6,588	6,077.01	6,077.01	100.0	2.6	Office
HOTEL RESOL STAY AKIHABARA	6,316	3,627.86	3,627.86	100.0	Not disclosed (Note 6)	Other
FORECAST Sakurabashi	6,118	6,566.76	6,566.76	100.0	2.5	Office
FORECAST Shinjuku AVENUE	6,103	4,348.57	4,348.57	100.0	2.3	Office
Total	86,178	82,494.77	82,188.41	99.6	32.7	

(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 (excluding warehouses, signboards and parking lots) described in the relevant lease agreements as of December 31, 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 December 31, 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. Since areas not included in the total floor area may be included in the leased area under the individual lease contracts, the leased area may exceed the total floor area. The same shall apply hereinafter.

(Note 4) "Occupancy rate" is calculated by dividing total leased area by total leasable area for each property as of December 31, 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 December 31, 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	3,470	2,022
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,170	1,407
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,348.57	8,730	6,103
FORECAST Ichigaya (Note 3)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,800	4,213
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.81	2,750	1,668
FORECAST Sakurabashi	4-5-4 Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest	6,566.76	7,260	6,118
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	3,920	2,957
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,595.04	3,860	2,957
GreenOak Takanawadai	2-26-10 Shirokanedai, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	3,020	2,032
Hiroo Reeplex B's	5-15-27 Minamiazabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,590	2,847
Shibakoen Sanchoe Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,400	7,271
Kudankita 325 Building	3-2-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,003.60	2,410	1,948
Itohia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	4,040	2,845
Itohia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,118.30	3,420	2,717
Itohia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	3,290	2,165
Pigeon Building	4-4 Hisamatsucho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,540	2,914
FORECAST Ningyocho	2-13-9 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,500	2,223
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,170	1,670
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,940	2,338
Iidabashi Reeplex B's	1-14 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,680	1,310
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,052.31	2,840	2,265
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,610	2,029
FORECAST Takadanobaba	3-28-2 Takada, Toshima-ku, Tokyo	Trust beneficiary interest	5,661.49	6,860	5,751
Itohia Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,230	1,675
I-S Minamimomachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	3,010	2,247
Toranomon Sakura Building	3-22-1 Toranomon, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,860	4,261
La Verite Akasaka	1-5-7 Motoakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,719.75	2,590	2,100

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)
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.53	2,070	1,465
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,840	3,125
FORECAST Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,340.66	5,480	4,843
FORECAST Gotanda WEST	8-9-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,967.07	9,830	7,599
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,571.36	27,300	15,426
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	4,000	2,892
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,370	2,653
NORE Meieki	1-3-18 Meiekiminami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,279.74	4,310	2,373
Homat Horizon Building	5-6-2, Gobancho, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,670	6,588
Towa Kandanishikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,080	1,000
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,430	1,193
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	3,070	2,447
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,630	4,418
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,620	1,485
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	2,170	1,584
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,260	1,237
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,900	1,811
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	3,150	2,539
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,510	1,403
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.32	1,180	1,224
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,130	1,120
Tsukiji Front	2-7 Tsukiji 2-chome, Chuo-ku, Tokyo	Trust beneficiary interest	689.53	1,110	854
TENSHO OFFICE SHINBASHI 5	12-11 Shimbashi 5-chome, Minato-ku, Tokyo	Trust beneficiary interest	828.19	1,270	1,185
30 Sankyo Building	1-30-4 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,631.67	1,990	1,868
FORECAST Hakata Gofukumachi	7-1 Tsunabamachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,501.83	1,780	1,729
URAWA GARDEN BUILDING	2-8-16, Takasago, Urawa-ku, Saitama-shi, Saitama	Trust beneficiary interest	7,104.82	13,300	12,138
NW SQUARE	4-1-8 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	1,819.80	2,040	1,768
Tower Court Kitashinagawa	3-11-13 Kita-19 Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	18,700	10,370

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)
Sky Hills N11	2-2-1 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	8,567.50	1,970	1,502
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,300	912
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	1,010	665
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	835	615
Kanda Reeplex R's	2-5-1 Kandatacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,500	1,721
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,150	2,937
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	3,110	2,670
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,800	1,395
Primegate Iidabashi (Note4)	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,043.28	6,820	5,285
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.56	1,380	1,222
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	862	782
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,090	977
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,900	2,273
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,960	1,622
Charmant Fuji Osakajominami	3-3-8, Uchikyuhojimachi, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,512.00	981	887
Piacere Fuminosato	1-12-18, Hannancho, Abeno-ku, Osaka, Osaka	Trust beneficiary interest	1,374.08	624	552
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.12	751	749
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,620	1,625
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	641	597
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,940	1,822
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,310	1,200
Sun · Meiekiminami Building	9-11 Meiekiminami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,060	948
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,530	1,444
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,200	1,180
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	770	728
Meister house Kawasaki	5-2 Minamisaikawa 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	815	737
LIESSE Tsurumai (Note 5)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,280	1,113
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	1,087

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)
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	627	630
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,380	1,391
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	878	916
MAISON NISHI MAGOME	2-21-14 Nakaikegami, Ota-ku, Tokyo	Trust beneficiary interest	928.71	870	815
Muse Ryogoku II	2-2-6, Ryogoku, Sumida-ku, Tokyo	Trust beneficiary interest	850.51	737	655
Plowland Horita	7-19, Horitadori Mizuhoku, Nagoya, Aichi	Trust beneficiary interest	3,564.00	1,520	1,434
Nasic Nozomigaoka	239 Nozomigaoka Meitoku Nagoya, Aichi	Trust beneficiary interest	1,745.56	760	720
St. Lake Celeb Daikancho	40-20, Daikancho, Higashi-ku, Nagoya, Aichi	Trust beneficiary interest	1,835.34	1,040	1,002
Belle Face Kawaharadori	5-5, Kawaharadori, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,874.89	908	897
FORESTA Ibaraki (Note 6)	1-1-32, Kasuga, Ibaraki-shi, Osaka	Trust beneficiary interest	3,054.15	2,000	1,918
FORESTA Minato-cho (Note 6)	1-12-3 Minato, Chuo-ku, Tokyo	Trust beneficiary interest	1,183.81	2,320	1,795
FORESTA Togoshi-ginza (Note 6)	3-16-34 Hiratsuka, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,682.22	3,430	2,209
FORESTA Nishi-funabashi (Note 6)	3-3-21 Nishifuna, Funabashi-shi, Chiba	Trust beneficiary interest	1,417.50	893	860
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,650	3,306
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	8,440	8,245
HOTEL RESOL STAY AKIHABARA	2-17-10, Kanda-sudacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,627.86	7,640	6,316
Smile Hotel Premium Hakodate Goryokaku	8-15, Motocho, Hakodate-shi, Hokkaido	Trust beneficiary interest	5,357.45	2,810	2,746
Total			320,099.48	331,652	256,562

(Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of December 31, 2025, and truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheet as of December 31, 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) Part of the building (1F to 4F) is named "S&S Building" as an office/retail store. However, "Primegate Iidabashi" includes the office area thereof. The same applies hereinafter.

(Note 5) 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.

(Note 6) NIPPON REIT changed the property names as described below, effective March 25, 2026. The same shall apply hereinafter.

Property Number	Old name	New name
B-53	ARBUS IBARAKI	FORESTA Ibaraki
B-54	Urbanex GINZA EAST II	FORESTA Minato-cho
B-55	Urbanex TOGOSHI-GINZA	FORESTA Togoshi-ginza
B-56	AMBIX PRIA	FORESTA Nishi-funabashi

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

Property name	26th fiscal period (From January 1, 2025 to June 30, 2025)				27th fiscal period (From July 1, 2025 to December 31, 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	14	100.0	87	1.0	14	100.0	90	1.1
FORECAST Yotsuya	11	89.7	49	0.6	11	89.7	52	0.6
FORECAST Shinjuku AVENUE	6	89.3	198	2.3	7	100.0	196	2.3
FORECAST Ichigaya	22	100.0	160	1.9	19	96.8	160	1.9
FORECAST Mita	5	100.0	65	0.8	5	100.0	67	0.8
FORECAST Shinjuku SOUTH (Note 5)	18	100.0	473	5.5	-	-	4	0.1
FORECAST Sakurabashi	5	100.0	210	2.5	5	100.0	210	2.5
GreenOak Kayabacho	8	100.0	108	1.3	8	100.0	109	1.3
GreenOak Kudan	6	100.0	109	1.3	6	100.0	112	1.3
GreenOak Takanawadai	11	100.0	73	0.9	11	100.0	86	1.0
Central Daikanyama (Note 6)	7	77.6	90	1.1	-	-	18	0.2
Hiroo Reeplex B's	7	100.0	86	1.0	7	100.0	86	1.0
Shibakoen Sanchohome Building	4	100.0	242	2.8	3	100.0	234	2.7
Kudankita 325 Building	7	100.0	71	0.8	7	100.0	72	0.9
Itohpia Iwamotocho 2-chome Building	8	100.0	112	1.3	8	100.0	114	1.3
Itohpia Iwamotocho 1-chome Building	10	100.0	99	1.2	10	100.0	98	1.2
Itohpia Iwamotocho ANNEX Building	7	100.0	96	1.1	7	100.0	97	1.1
Pigeon Building	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
FORECAST Ningyocho	6	100.0	62	0.7	6	100.0	67	0.8
FORECAST Ningyocho PLACE	7	87.1	55	0.7	8	100.0	55	0.6
FORECAST Shin-Tokiwabashi (Note 8)	-	-	52	0.6	-	-	0 (Note 9)	0.0
Nishi-Shinjuku Sanko Building	7	100.0	86	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 (Note 10)	6	100.0	70	0.8	-	-	15	0.2
Nishi-Gotlanda 8-chome Building	8	88.2	78	0.9	9	100.0	80	0.9
Towa Higashi-Gotlanda Building	6	82.1	65	0.8	6	100.0	66	0.8
FORECAST Takadanobaba	6	100.0	197	2.3	6	100.0	199	2.3
Itohpia Kiyosubashidori Building	7	100.0	79	0.9	7	100.0	80	0.9
I-S Minamirimachi Building	16	100.0	97	1.1	16	100.0	98	1.2
Toranomon Sakura Building	13	100.0	111	1.3	12	100.0	108	1.3
La Verite Akasaka	6	100.0	63	0.7	6	100.0	60	0.7
Kanda Ocean Building	22	100.0	53	0.6	22	100.0	55	0.7
Shinto GINZA EAST (Note 11)	-	-	0 (Note 12)	0.0	-	-	-	-
FORECAST Kayabacho	14	100.0	106	1.2	12	98.7	108	1.3
FORECAST Waseda FIRST	6	100.0	145	1.7	5	84.4	145	1.7
FORECAST Gotanda WEST	12	100.0	252	3.0	13	100.0	269	3.2
Omiya Center Building	33	100.0	620	7.3	33	100.0	627	7.4
Sumitomo Mitsui Bank Korabashi Building	27	100.0	117	1.4	26	98.8	145	1.7
NORE Fushimi	7	86.7	112	1.3	8	79.6	105	1.2
NORE Meleki	15	92.1	116	1.4	17	95.1	116	1.4
Homat Horizon Building	9	100.0	214	2.5	9	100.0	219	2.6

Towa Kandanshikicho Building	6	100.0	39	0.5	5	84.8	41	0.5
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	42	0.5	8	100.0	43	0.5
Hiroo ON Building	6	87.3	77	0.9	7	100.0	77	0.9
TK Gotanda Building	9	87.6	116	1.4	9	87.6	106	1.2
Gotanda Sakura Building	10	100.0	52	0.6	10	100.0	53	0.6
Alte Building Higobashi	10	100.0	80	0.9	10	100.0	82	1.0
DIA Building Meieki	10	100.0	53	0.6	10	100.0	55	0.7
TENSHO OCHANOMIZU BUILDING	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)
FORECAST Kameido	7	100.0	96	1.1	7	100.0	96	1.2
NRT Kandasudacho Building	9	100.0	34	0.4	9	88.1	35	0.4
REID-C Megurofudomae	5	100.0	32	0.4	4	85.8	32	0.4
The Square	17	94.9	39	0.5	18	100.0	34	0.4
Tsukiji Front	7	100.0	27	0.3	7	100.0	26	0.3
TENSHO OFFICE SHINBASHI 5	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)
REID-C Iidabashi Building (Note 14)	8	100.0	29	0.3	-	-	10	0.1
REID-C Gotenyama Building (Note 15)	4	100.0	28	0.3	-	-	18	0.2
30 Sankyo Building	6	100.0	50	0.6	6	100.0	50	0.6
FORECAST Hakata Gofukumachi	9	82.8	36	0.4	9	71.0	31	0.4
URAWA GARDEN BUILDING	22	100.0	32	0.4	24	100.0	310	3.6
NW SQUARE	-	-	-	-	5	100.0	34	0.4
Tower Court Kitashinagawa	275	98.9	438	5.1	273	98.2	441	5.2
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	37	0.4
Mac Village Heian	1	100.0	28	0.3	1	100.0	28	0.3
Ciel Yakuin	42	100.0	24	0.3	40	95.3	25	0.3
Kanda Reeplex R's	40	97.2	56	0.7	41	100.0	58	0.7
Splendid Namba	251	99.7	117	1.4	251	99.7	117	1.4
Residence Hiroo	54	100.0	63	0.7	53	98.2	65	0.8
Residence Nihombashi Hakozaki	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)
Primegate Iidabashi	68	100.0	160	1.9	67	97.1	165	1.9
Residence Edogawabashi	36	87.9	32	0.4	37	100.0	27	0.3
Merveille Senzoku (Note 16)	-	-	21	0.3	-	-	0 (Note 17)	0.0
Field Avenue (Note 18)	-	-	0 (Note 19)	0.0	-	-	-	-
Domeal Kitaakabane	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)
Dormy Kitaakabane	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)
Splendid Shin-Osaka III	153	99.4	76	0.9	152	98.8	76	0.9
ZEPHYROS Minami-horie	71	98.4	50	0.6	70	97.3	50	0.6
Charmant Fuji Osakajominami	63	100.0	26	0.3	62	98.4	26	0.3
Piacere Fuminosato	43	98.0	19	0.2	44	100.0	19	0.2
Wald Park Minamioi	29	100.0	18	0.2	29	100.0	18	0.2
LAPUTA KUJO	62	100.0	47	0.6	62	100.0	48	0.6
L'arte Nakatsu	27	96.3	16	0.2	28	100.0	16	0.2
City hills Andoji	67	95.0	48	0.6	69	98.8	48	0.6
Hermitage Shin-sakae	49	90.6	31	0.4	49	88.3	33	0.4
Sun・Meiekinami Building	66	94.3	27	0.3	64	91.4	27	0.3
Tenjin Higashi residence (Note 20)	73	94.8	29	0.3	-	-	9	0.1
DeLCCS KASAI	29	97.3	42	0.5	30	100.0	43	0.5

Serenite Shin-Osaka	67	98.4	32	0.4	67	96.6	33	0.4
Residence Kinshicho	25	95.6	19	0.2	26	100.0	19	0.2
Meister house Kawasaki	35	100.0	21	0.3	34	97.3	22	0.3
LIESSE Tsurumai	82	93.7	35	0.4	80	92.2	34	0.4
Belleza Kanayama (Note 21)	-	-	0 (Note 22)	0.0	-	-	-	-
Syphide Higashi-shinagawa	43	100.0	27	0.3	41	95.2	27	0.3
Royal Bloom	35	100.0	31	0.4	35	100.0	31	0.4
Ever Square Doshin	41	100.0	17	0.2	41	100.0	17	0.2
Canis Court Kamishinjo	55	96.9	41	0.5	56	97.9	42	0.5
Imperial Otori	26	86.8	25	0.3	30	100.0	24	0.3
MAISON NISHI MAGOME	39	100.0	23	0.3	39	100.0	22	0.3
Muse Ryogoku II	33	97.0	20	0.2	34	100.0	20	0.2
Minami-Horie apartment Cielo (Note 23)	39	100.0	23	0.3	-	-	7	0.1
Minami-Horie apartment Grande (Note 23)	29	97.0	22	0.3	-	-	7	0.1
Minami-Horie apartment Rio (Note 23)	10	100.0	8	0.1	-	-	2	0.0
Plowland Horita	107	99.1	47	0.6	105	97.2	47	0.6
Nasic Nozomigaoka	73	100.0	24	0.3	72	98.6	26	0.3
St. Lake Celeb Daikancho	63	96.2	28	0.3	62	94.9	28	0.3
Belle Face Kawaharadori	66	93.6	28	0.3	63	89.7	28	0.3
FORESTA Ibaraki	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)	1	100.0	Not disclosed (Note 13)	Not disclosed (Note 13)
FORESTA Minato-cho	35	100.0	8	0.1	35	100.0	44	0.5
FORESTA Togoshi-ginza	79	99.3	13	0.2	77	96.3	72	0.9
FORESTA Nishi-funabashi	49	98.0	6	0.1	47	94.0	24	0.3
Otakibashi Pacifica Building	10	100.0	84	1.0	10	100.0	93	1.1
BECOME SAKAE (Note 24)	7	74.8	115	1.4	-	-	28	0.3
Street Life (Leasehold land)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
FORECAST Shinagawa@LABO	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
HOTEL RESOL STAY AKIHABARA	-	-	-	-	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
Smile Hotel Premium Hakodate Goryokaku	-	-	-	-	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
Total	3,107	97.8	8,539	100.0	2,900	98.2	8,529	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) This property was transferred on July 1, 2025.

(Note 6) This property was transferred on August 7, 2025.

(Note 7) This information is not disclosed as tenants' consent to disclosure has not been obtained.

(Note 8) This property was transferred on May 27, 2025.

(Note 9) Electricity and other revenues which were finalized in the current period are recorded.

(Note 10) This property was transferred on August 27, 2025.

(Note 11) This property was transferred on December 23, 2024.

(Note 12) Electricity and other revenues which were finalized in the previous period are recorded.

(Note 13) This information is not disclosed as sublessees' consent to disclosure has not been obtained.

(Note 14) This property was transferred on August 29, 2025.

(Note 15) This property was transferred on August 29, 2025.

(Note 16) This property was transferred on June 30, 2025.

(Note 17) Electricity and other revenues which were finalized in the current period are recorded.

(Note 18) This property was transferred on October 31, 2024.

(Note 19) Electricity revenue which was finalized in the previous period is recorded.

(Note 20) This property was transferred on August 27, 2025.

(Note 21) This property was transferred on September 27, 2024.

(Note 22) Electricity revenue which was finalized in the previous period is recorded.

(Note 23) This property was transferred on August 27, 2025.

(Note 24) This property was transferred on September 30, 2025.

(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	110,570,000	91,670,000	3,884,704 (Note3)
Total		110,570,000	91,670,000	3,884,704

(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 December 31, 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 28th 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	10th floor conference room installation	From Jan. 2026 to Jun. 2026	16	—	—
GreenOak Kayabacho	Chuo ward, Tokyo	Mechanical parking parts replacement	From Jan. 2026 to Jun. 2026	13	—	—
		Building-wide LED renewal	From Jan. 2026 to Jun. 2026	56	—	—
FORECAST Takadanobaba	Toshima ward, Tokyo	Water storage tank upgrade associated with the parking capacity expansion plan	From Jan. 2026 to Jun. 2026	24	—	—
La Verite AKASAKA	Minato ward, Tokyo	8th floor pantry and restroom renovation	From Jan. 2026 to Jun. 2026	10	—	—
		8th floor pre-fitted office	From Jan. 2026 to Jun. 2026	24	—	—
FORECAST Waseda FIRST	Shinjuku ward, Tokyo	Security system installation	From Jan. 2026 to Jun. 2026	26	—	—
		8th floor restoration	From Jan. 2026 to Jun. 2026	16	—	—
		2nd, 3rd and 4th floors exclusive area LED renewal	From Jan. 2026 to Jun. 2026	12	—	—
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Replacement of four fire pumps	From Jan. 2026 to Jun. 2026	16	—	—
		Common area renewal (Phase 2)	From Jan. 2026 to Jun. 2026	97	—	—
Omiya Center Building	Saitama, Saitama	Mechanical parking parts replacement	From Jan. 2026 to Jun. 2026	24	—	—
		Exclusive area LED renewal (Phase 2)	From Jan. 2026 to Jun. 2026	64	—	—
NORE Fushimi	Nagoya, Aichi	Air conditioning ventilation system/LED renewal (Phase 2)	From Jan. 2026 to Jun. 2026	86	—	—
NORE Meieki	Nagoya, Aichi	4th floor air conditioning ventilation system renewal	From Jan. 2026 to Jun. 2026	13	—	—
Hiroo On Building	Shibuya ward, Tokyo	Exterior wall repair	From Jul. 2025 to Jan. 2026	82	—	—
30 Sankyo Building	Shinjuku ward, Tokyo	Elevator control renewal	From Jan. 2026 to Jun. 2026	22	—	—
Mac Village Heian	Nagoya, Aichi	Mechanical parking parts replacement	From Jan. 2026 to Jun. 2026	19	—	—
Primegate Iidabashi	Shinjuku ward, Tokyo	Substation system repair (Phase 4)	From Jan. 2026 to Jun. 2026	14	—	—
		Exclusive area LED renewal	From Jan. 2026 to Jun. 2026	17	—	—

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

Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

Period		23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period
		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	From July 1, 2025 to December 31, 2025
Operating revenues	(Yen in millions)	8,828	9,865	9,963	11,013	11,654
Of which, rental revenues and other revenues related to property leasing	(Yen in millions)	(8,632)	(8,651)	(8,699)	(8,539)	(8,529)
Operating expenses	(Yen in millions)	4,122	4,366	4,309	4,177	4,183
Of which, property-related expenses	(Yen in millions)	(3,249)	(3,285)	(3,277)	(3,242)	(3,194)
Operating income	(Yen in millions)	4,705	5,499	5,653	6,835	7,471
Ordinary income	(Yen in millions)	3,984	4,774	4,889	6,079	6,651
Net income	(Yen in millions)	3,983	4,773	4,887	6,077	6,650
Total assets (a)	(Yen in millions)	275,462	278,161	274,659	277,294	281,136
Period-on-period changes	(%)	(0.0)	(1.0)	(-1.3)	(1.0)	(1.4)
Net assets (b)	(Yen in millions)	130,605	131,395	129,478	131,147	133,650
Period-on-period changes	(%)	(0.2)	(0.6)	(-1.5)	(1.3)	(1.9)
Unitholders' capital (net)	(Yen in millions)	126,515	126,515	124,015	124,015	124,015
Number of investment units issued and outstanding (c)	(Unit)	449,930	449,930	442,095	1,768,380	1,768,380
Net assets per unit (Note 3) (b) / (c)	(Yen)	290,280	73,009	73,218	74,162	75,577
Total distributions (d)	(Yen in millions)	3,983	4,305	4,408	4,146	4,302
Distributions per unit (d) / (c)	(Yen)	8,854	9,570	9,972	2,345	2,433
Of which, earnings distributions per unit	(Yen)	(8,854)	(9,570)	(9,972)	(2,345)	(2,433)
Of which, distributions per unit in excess of earnings per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Ordinary income to total assets ratio (Note 4)	(%)	1.4	1.7	1.8	2.2	2.4
Annualized (Note 4)	(%)	(2.9)	(3.5)	(3.5)	(4.4)	(4.7)
Return on equity (Note 4)	(%)	3.1	3.6	3.7	4.7	5.0
Annualized (Note 4)	(%)	(6.1)	(7.3)	(7.4)	(9.4)	(10.0)
Equity ratio (b) / (a)	(%)	47.4	47.2	47.1	47.3	47.5
Period-on-period changes	(%)	(0.1)	(-0.2)	(-0.1)	(0.2)	(0.2)
Payout ratio (Note 4)	(%)	100.0	90.2	90.2	68.2	64.7

(Reference Information)Period	23rd fiscal period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	
	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	From July 1, 2025 to December 31, 2025	
Number of investment properties	110	110	105	109	102	
Total leasable area	(m ²)	315,899.49	330,351.20	319,642.10	338,870.47	320,099.48
Number of tenants (Note 5)	3,104	3,134	2,941	3,107	2,900	
Occupancy rate at the end of the period	(%)	97.9	98.0	97.7	97.8	98.2
Depreciation during the period	(Yen in millions)	1,015	993	992	1,017	1,081
Capital expenditures during the period	(Yen in millions)	1,083	1,001	991	932	1,178
Rental NOI (Net Operating Income) (Note 4)	(Yen in millions)	6,405	6,371	6,426	6,332	6,423
FFO (Funds From Operations) per unit (Note 4)	(Yen)	10,703	10,532	10,747	2,627	2,613
Interest-bearing debt (e)	(Yen in millions)	132,620	134,120	132,620	134,230	135,430
Interest-bearing debt to total assets ratio (e) / (a)	(%)	48.1	48.2	48.3	48.4	48.2
Number of operating days	(Days)	184	182	184	181	184

- (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) 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 December 31, 2025, capital expenditures totaled 1,178 million yen. With the addition of 285 million yen posted as expenses for renovations and repairs, total capital expenditures for construction were 1,464 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
FORECAST Yotsuya	Shinjuku ward, Tokyo	Air conditioning ventilation system renewal	From Oct. 2025 to Nov. 2025	24
FORECAST Shinjuku AVENUE	Shinjuku ward, Tokyo	8th floor pre-fitted office	From Aug. 2025 to Oct. 2025	101
FORECAST Ichigaya	Shinjuku ward, Tokyo	Mechanical parking parts replacement	From Oct. 2025 to Oct. 2025	23
		LED conversion of 2nd floor lighting system	From Aug. 2025 to Dec. 2025	42
FORECAST Shinjuku SOUTH	Shinjuku ward, Tokyo	Emergency power generator renewal	From Jul. 2025 to Aug. 2025	20
		Mechanical parking parts replacement	From Oct. 2025 to Nov. 2025	48
FORECAST Sakurabashi	Chuo ward, Tokyo	Mechanical parking parts replacement	From Nov. 2025 to Nov. 2025	13
GreenOak Kudan	Chiyoda ward, Tokyo	LED renewal	From Oct. 2025 to Oct. 2025	12
FORECAST Ningyocho	Chuo ward, Tokyo	Air conditioning ventilation system renewal	From Jul. 2025 to Jul. 2025	74
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 Aug. 2025	17
Towa Higashi-Gotanda Building	Shinagawa ward, Tokyo	Mechanical parking parts replacement	From Oct. 2025 to Oct. 2025	10
		2nd floor pre-fitted office	From Oct. 2025 to Nov. 2025	10
Itohpia Kiyosubashidori Building	Taito ward, Tokyo	Mechanical parking parts replacement	From Oct. 2025 to Oct. 2025	16
		7th and 8th floors air conditioning ventilation system renewal	From Sep. 2025 to Nov. 2025	29
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Substation system repair (Phase 2)	From Dec. 2025 to Dec. 2025	47
Omiya Center Building	Saitama, Saitama	Exclusive area LED renewal (Phase 1)	From Sep. 2025 to Nov. 2025	56
Sumitomo Mitsui Bank Korabashi Building	Osaka, Osaka	Elevator control renewal	From Nov. 2025 to Dec. 2025	35
NORE Fushimi	Nagoya, Aichi	Air conditioning ventilation system/LED renewal (Phase 1)	From Dec. 2025 to Dec. 2025	89
DIA Building Meieki	Nagoya, Aichi	Substation system repair	From Oct. 2025 to Nov. 2025	25
URAWA GARDEN BUILDING	Saitama, Saitama	2nd floor clinic mall interior work	From Sep. 2025 to Oct. 2025	34
Tower Court Kitashinagawa	Shinagawa ward, Tokyo	Automatic fire alarm system renewal	From Jul. 2025 to Sep. 2025	23
		Interphone renewal	From Oct. 2025 to Nov. 2025	36
Primegate Iidabashi	Shinjuku ward, Tokyo	Emergency power generator renewal	From Oct. 2025 to Oct. 2025	10
Imperial Otori	Sakai, Osaka	Exterior wall repair and other repairs	From Sep. 2025 to Dec. 2025	53
Other capital expenditures				298
Total				1,178

(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	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	27th fiscal period From July 1, 2025 to December 31, 2025
Balance of reserves at the beginning of the period	3,473	3,566	3,572	3,505	3,540
Amount of reserves during the period	1,176	1,007	924	966	901
Amount of reversal of reserves during the period	1,083	1,001	991	932	1,178
Reserves carried forward	3,566	3,572	3,505	3,540	3,262

(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	26th fiscal period From January 1, 2025 to June 30, 2025	27th fiscal period From July 1, 2025 to December 31, 2025
(a) Asset management fees (Note 1)	630,925	648,017
(b) Asset custody fees	10,353	10,605
(c) Administrative service fees	46,009	46,361
(d) Directors' compensation	2,400	3,450
(e) Independent auditors' fees	15,000	15,000
(f) Other operating expenses	230,907	264,677
Total	935,596	988,112

(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 (26th fiscal period: 172,525 thousand yen, 27th fiscal period: 202,500 thousand yen), and related to the transfer of trust beneficiary interests (26th fiscal period: 135,200 thousand yen, 27th fiscal period: 274,000 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 December 31, 2025 is as follows:

Classification	Lender	Borrowing date	Balance at	Balance at	Average	Repayment	Method of	Use	Note
			the beginning	the end of					
			(Yen in	(Yen in	(Note 1)				
			millions)	millions)					
Current portion of long-term debt	MUFG Bank, Ltd.	August 21, 2017	1,200	-	0.71 (Note 2)	August 20, 2025	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	-					
	MUFG Bank, Ltd.		400	-					
	Resona Bank, Limited		300	-					
	Sumitomo Mitsui Trust Bank, Limited		200	-					
	Development Bank of Japan Inc.		200	-					
	MUFG Bank, Ltd.		1,500	-					
	Sumitomo Mitsui Banking Corporation	300	-	0.63 (Note 2)	August 20, 2025	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Resona Bank, Limited	200	-						
	Sumitomo Mitsui Trust Bank, Limited	100	-						
	Development Bank of Japan Inc.	400	-						
	MUFG Bank, Ltd.	August 20, 2018	3,000	-	0.68 (Note 2)	August 20, 2025	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	-					
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		200	-					
	SBI Shinsei Bank, Limited		200	-					
	Mizuho Trust & Banking Co., Ltd.		200	-					
	MUFG Bank, Ltd.		200	200					
	Resona Bank, Limited	200	200						
	Sumitomo Mitsui Trust Bank, Limited	200	200						
Meiji Yasuda Life Insurance Company	April 24, 2018	500	500	0.70	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
MUFG Bank, Ltd.	April 24, 2019	500	500	0.59 (Note 2)	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		300	300						
Sumitomo Mitsui Banking Corporation		1,000	1,000						
Resona Bank, Limited		200	200						
Sumitomo Mitsui Trust Bank, Limited		400	400						
SBI Shinsei Bank, Limited		200	200						
Mizuho Trust & Banking Co., Ltd.		200	200						
Aozora Bank, Ltd.	300	300	0.43 (Note 2)	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
MUFG Bank, Ltd.	2,600	2,600							
Mizuho Bank, Ltd.	1,200	1,200							
Resona Bank, Limited	550	550							
Sumitomo Mitsui Trust Bank, Limited	250	250							
SBI Shinsei Bank, Limited	350	350							
Mizuho Trust & Banking Co., Ltd.	450	450							
MUFG Bank, Ltd.	May 27, 2025	1,405	1,405	1.06	May 27, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		1,405	1,405						

Classification	Lender	Borrowing date	Balance at	Balance at	Average	Repayment	Method of	Use	Note	
			the beginning	the end of						interest
			(Yen in	(Yen in	(Note 1)					
			millions)	millions)						
Current portion of long-term debt	MUFG Bank, Ltd.	August 20, 2018	-	3,650	0.83 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		-	200						
	Resona Bank, Limited		-	400						
	Sumitomo Mitsui Trust Bank, Limited		-	200						
	SBI Shinsei Bank, Limited		-	200						
	Mizuho Trust & Banking Co., Ltd.		-	200						
	MUFG Bank, Ltd.		-	1,500						0.39 (Note 2)
	Resona Bank, Limited	-	500							
	Sumitomo Mitsui Trust Bank, Limited	-	500							
	MUFG Bank, Ltd.	August 22, 2022	-	550	0.50 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		-	400						
	Resona Bank, Limited		-	300						
	Sumitomo Mitsui Trust Bank, Limited		-	300						
	SBI Shinsei Bank, Limited		-	350						
	Mizuho Trust & Banking Co., Ltd.		-	300						
	The Nomura Trust and Banking Co., Ltd.		-	250						
	MUFG Bank, Ltd.	August 20, 2025	-	1,000	0.82	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Subtotal			21,910	23,210					
	Long-term debt	MUFG Bank, Ltd.	August 20, 2018	3,650	-	0.83 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		200	-					
Resona Bank, Limited		400		-						
Sumitomo Mitsui Trust Bank, Limited		200		-						
SBI Shinsei Bank, Limited		200		-						
Mizuho Trust & Banking Co., Ltd.		200	-	0.39 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
MUFG Bank, Ltd.		1,500	-							
Resona Bank, Limited		500	-							
Sumitomo Mitsui Trust Bank, Limited		500	-	0.50 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
MUFG Bank, Ltd.		550	-							
Mizuho Bank, Ltd.		400	-							
Resona Bank, Limited		300	-							
Sumitomo Mitsui Trust Bank, Limited		300	-							
SBI Shinsei Bank, Limited		350	-							
Mizuho Trust & Banking Co., Ltd.		300	-							
The Nomura Trust and Banking Co., Ltd.	250	-								
MUFG Bank, Ltd.	August 20, 2025	-	-	0.82	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		

Classification	Lender	Borrowing date	Balance at	Balance at	Average interest rate (%) (Note 1)	Repayment due date	Method of repayment	Use	Note
			the beginning of the period (Yen in millions)	the end of the period (Yen in millions)					
Long-term debt	MUFG Bank, Ltd.	April 24, 2019	500	500	0.74 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	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.		3,500	3,500					
	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 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 20, 2023	600	600	0.90	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	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	0.86	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	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 2)	August 20, 2027	Lump-sum repayment at maturity	(Note 3)	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 2)	August 20, 2027	Lump-sum repayment at maturity	(Note 3)	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	0.90	August 20, 2027	Lump-sum repayment at maturity	(Note 3)	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						

Classification	Lender	Borrowing date	Balance at	Balance at	Average interest rate (%) (Note 1)	Repayment due date	Method of repayment	Use	Note
			the beginning of the period (Yen in millions)	the end of the period (Yen in millions)					
Long-term debt	MUFG Bank, Ltd.	August 20, 2024	600	600	0.86	August 20, 2027	Lump-sum repayment at maturity	(Note 3)	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					
	MUFG Bank, Ltd.	April 24, 2018	1,000	1,000	0.96 (Note 2)	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	October 30, 2020	500	500	0.59 (Note 2)	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Aozora Bank, Ltd.		500	500					
	MUFG Bank, Ltd.	April 20, 2021	100	100	0.50 (Note 2)	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	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					
	MUFG Bank, Ltd.		August 20, 2021	700					
	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	0.90	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	150	150						
	Resona Bank, Limited	550	550						
	Sumitomo Mitsui Trust Bank, Limited	400	400	0.86	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	1,200	1,200						
	Mizuho Bank, Ltd.	650	650						
	Sumitomo Mitsui Banking Corporation	350	350						
	Resona Bank, Limited	April 21, 2025	350	350	0.86	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	SBI Shinsei Bank, Limited		100	100					
	Mizuho Trust & Banking Co., Ltd.		150	150					
Aozora Bank, Ltd.	100	100	0.64 (Note 2)	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
MUFG Bank, Ltd.	2,000	2,000							
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							

	Classification		Borrowing date	Balance at the beginning of the period (Yen in millions)	Balance at the end of the period (Yen in millions)	Average interest rate (%) (Note 1)	Repayment due date	Method of repayment	Use	Note
	Lender									
Long-term debt	MUFG Bank, Ltd.	April 22, 2024	200	200	1.05 (Note 2)	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	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.		100	100						
	Sumitomo Mitsui Trust Bank, Limited	300	300	0.90	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Mizuho Trust & Banking Co., Ltd.	400	400							
	Development Bank of Japan Inc.	200	200							
	MUFG Bank, Ltd.	-	800							
	Mizuho Bank, Ltd.	-	400	0.86	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Sumitomo Mitsui Banking Corporation	-	150							
	Resona Bank, Limited	-	450							
	Sumitomo Mitsui Trust Bank, Limited	-	100							
	MUFG Bank, Ltd.	800	800	0.95 (Note 2)	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Mizuho Bank, Ltd.	200	200							
	MUFG Bank, Ltd.	1,200	1,200	0.68 (Note 2)	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Mizuho Bank, Ltd.	900	900							
	MUFG Bank, Ltd.	800	800	0.63 (Note 2)	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Mizuho Bank, Ltd.	1,000	1,000							
	Development Bank of Japan Inc.	600	600							
	MUFG Bank, Ltd.	70	70	0.76 (Note 2)	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Sumitomo Mitsui Banking Corporation	1,700	1,700							
	MUFG Bank, Ltd.	800	800	1.13 (Note 2)	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Mizuho Bank, Ltd.	650	650							
	Sumitomo Mitsui Banking Corporation	850	850							
	MUFG Bank, Ltd.	100	100	0.90	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	Resona Bank, Limited	450	450							
	SBI Shinsei Bank, Limited	250	250							
Mizuho Trust & Banking Co., Ltd.	300	300								
Aozora Bank, Ltd.	150	150								
MUFG Bank, Ltd.	2,100	2,100	0.55 (Note 2)	August 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed			
Mizuho Bank, Ltd.	1,000	1,000								
MUFG Bank, Ltd.	400	400	1.16 (Note 2)	August 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed			
Mizuho Bank, Ltd.	400	400								
Sumitomo Mitsui Banking Corporation	400	400								

	Classification		Borrowing date	Balance at the beginning of the period (Yen in millions)	Balance at the end of the period (Yen in millions)	Average interest rate (%) (Note 1)	Repayment due date	Method of repayment	Use	Note
	Lender									
Long-term debt	MUFG Bank, Ltd.	August 20, 2024	2,900	2,900	1.02 (Note 2)	August 20, 2029	Lump-sum repayment at maturity	(Note 3)	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						
	MUFG Bank, Ltd.		-	600						1.57 (Note 2)
	Sumitomo Mitsui Trust Bank, Limited	-	300							
	SBI Shinsei Bank, Limited	-	200							
	Mizuho Trust & Banking Co., Ltd.	-	200							
	Mizuho Bank, Ltd.	January 20, 2025	1,000	1,000	1.36 (Note 2)	January 21, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Resona Bank, Limited	April 20, 2022	200	200	0.91 (Note 2)	April 22, 2030	Lump-sum repayment at maturity	(Note 3)	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 2)	April 22, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		800	800						
	Resona Bank, Limited		250	250						
	Aozora Bank, Ltd.	August 22, 2022	250	250	0.82 (Note 2)	April 22, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Mizuho Trust & Banking Co., Ltd.		150	150						
	MUFG Bank, Ltd.	April 20, 2023	1,600	1,600	1.07 (Note 2)	April 22, 2030	Lump-sum repayment at maturity	(Note 3)	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	0.78 (Note 2)	July 22, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
	MUFG Bank, Ltd.	1,500	1,500							
Mizuho Bank, Ltd.	July 21, 2020	500	500	1.15 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		
MUFG Bank, Ltd.	2,300	2,300								
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	1.10 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed			
MUFG Bank, Ltd.	700	700								
Mizuho Bank, Ltd.	350	350								
Sumitomo Mitsui Banking Corporation	400	400								
SBI Shinsei Bank, Limited	August 20, 2024	200	200	1.10 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed		

Classification	Lender	Borrowing date	Balance at	Balance at	Average	Repayment	Method of	Use	Note
			the beginning	the end of					
			(Yen in	(Yen in	(%)				
			millions)	millions)	(Note 1)				
Long-term debt	MUFG Bank, Ltd.	April 21, 2025	400	400	1.44 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		350	350					
	Sumitomo Mitsui Banking Corporation		250	250					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	MUFG Bank, Ltd.	August 20, 2025	-	600	1.67 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	100					
	Sumitomo Mitsui Trust Bank, Limited		-	100					
	Development Bank of Japan Inc.		-	600					
	MUFG Bank, Ltd.	February 20, 2023	500	500	1.24 (Note 2)	February 20, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 20, 2021	1,500	1,500	0.81 (Note 2)	April 21, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.	April 20 2023	900	900	1.25 (Note 2)	April 21, 2031	Lump-sum repayment at maturity	(Note 3)	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 2)	August 20, 2031	Lump-sum repayment at maturity	(Note 3)	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 20, 2025	-	3,100	1.76 (Note 2)	August 20, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		-	400						
Sumitomo Mitsui Banking Corporation		-	150						
Resona Bank, Limited		-	250						
SBI Shinsei Bank, Limited	September 25, 2025	-	1,200	1.88 (Note 2)	September 22, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
MUFG Bank, Ltd.	August 22, 2022	1,500	1,500	1.09 (Note 2)	August 20, 2032	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		500	500						
	Subtotal	105,520	105,420	-	-	-	-	-	
	Total	127,430	128,630						

(Note 1) "Average interest rate" is the weighted-average interest rate during the period, rounded to the third decimal place.
 (Note 2) 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 3) Used for acquisition of assets, repayment of loans, and related expenses deemed reasonable.
 (Note 4) Nippon REIT borrowed 1,000 million yen, which is recorded as long-term debt due within one year under current liabilities on the balance sheet as of December 31, 2025.

(3) Investment Corporation Bonds

The status of investment corporation bonds as of December 31, 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 2nd unsecured bonds	April 24, 2018	1,000	1,000	0.700	April 24, 2028	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 3rd unsecured bonds	November 30, 2018	1,500	1,500	0.880	November 30, 2028	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 4th unsecured bonds	April 24, 2019	1,000	1,000	0.900	April 24, 2029	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 5th unsecured bonds (Green bonds)	August 6, 2021	2,000	2,000	0.670	August 6, 2031	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 6th unsecured bonds (Green bonds)	April 23, 2025	1,300	1,300	1.346	April 23, 2030	Lump-sum repayment at maturity	(Note 1)	(Note 2)
Total		6,800	6,800					

(Note 1) Use as the funds for part of repayment of loans
 (Note 2) The bond is subject to the pari passu clause among specified investment corporation bonds.

(4) Status of Short-Term Investment Corporation Bonds

Not applicable

(5) 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			Gain or loss on transfer (Yen in millions) (Note 2)
	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)	
URAWA GARDEN BUILDING (80% of quasi co-ownership interest)	July 1, 2025	9,600	—	—	—	—
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	—	—	July 1, 2025	10,000	7,249	2,367
Central Daikanyama	—	—	August 7, 2025	9,100 (Note 3)	3,674	424
BECOME SAKAE	—	—	September 30, 2025		4,697	
FORECAST Shinagawa	—	—	August 27, 2025	2,700	2,470	119
Tenjinhigashi residence	—	—	August 27, 2025	3,100 (Note 3)	963	124
Minami-Horie apartment Cielo	—	—	August 27, 2025		828	
Minami-Horie apartment Grande	—	—	August 27, 2025		794	
Minami-Horie apartment Rio	—	—	August 27, 2025		259	
NW SQUARE	August 29, 2025	1,700	—	—	—	—
REID-C Iidabashi Building	—	—	August 29, 2025	1,330	1,229	45
REID-C Gotenyama Building	—	—	August 29, 2025	1,170	1,080	40
HOTEL RESOL STAY AKIHABARA	September 26, 2025	6,250	—	—	—	—
Smile Hotel Premium Hakodate Goryokaku	September 26, 2025	2,700	—	—	—	—
Total	—	20,250	—	27,400	23,247	3,121

(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 and transfer-related expenses

(Note 3) The individual transfer prices are not disclosed as buyer's consent has not been obtained.

(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 (80% of quasi co-ownership interest)	July 1, 2025	Trust Beneficiary Interest	9,600	10,400 (Note 3)	Chuo Real Estate Appraisal Co., Ltd.	September 20, 2024
Transfer	FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	July 1, 2025	Trust Beneficiary Interest	10,000	8,900 (Note 4)	Japan Real Estate Institute	June 30, 2024
Transfer	Central Daikanyama	August 7, 2025	Trust Beneficiary Interest	9,100 (Note 5)	3,710	Japan Real Estate Institute	December 31, 2024
Transfer	BECOME SAKAE	September 30, 2025	Trust Beneficiary Interest		4,770	Japan Real Estate Institute	December 31, 2024
Transfer	FORECAST Shinagawa	August 27, 2025	Trust Beneficiary Interest	2,700	2,340	Japan Real Estate Institute	December 31, 2024
Transfer	Tenjinhigashi residence	August 27, 2025	Trust Beneficiary Interest	3,100 (Note 5)	999	JLL MORII VALUATION & ADVISORY K.K.	December 31, 2024
Transfer	Minami-Horie apartment Cielo	August 27, 2025	Trust Beneficiary Interest		917	JLL MORII VALUATION & ADVISORY K.K.	December 31, 2024
Transfer	Minami-Horie apartment Grande	August 27, 2025	Trust Beneficiary Interest		826	JLL MORII VALUATION & ADVISORY K.K.	December 31, 2024
Transfer	Minami-Horie apartment Rio	August 27, 2025	Trust Beneficiary Interest		282	JLL MORII VALUATION & ADVISORY K.K.	December 31, 2024
Acquisition	NW SQUARE	August 29, 2025	Trust Beneficiary Interest	1,700	2,040	Chuo Real Estate Appraisal Co., Ltd.	August 1, 2025
Transfer	REID-C Iidabashi Building	August 29, 2025	Trust Beneficiary Interest	1,330	1,160	Japan Real Estate Institute	June 30, 2025
Transfer	REID-C Gotenyama Building	August 29, 2025	Trust Beneficiary Interest	1,170	1,020	Japan Real Estate Institute	June 30, 2025
Acquisition	HOTEL RESOL STAY AKIHABARA	September 26, 2025	Trust Beneficiary Interest	6,250	7,630	Chuo Real Estate Appraisal Co., Ltd.	August 1, 2025
Acquisition	Smile Hotel Premium Hakodate Goryokaku	September 26, 2025	Trust Beneficiary Interest	2,700	2,800	Chuo Real Estate Appraisal Co., Ltd.	August 1, 2025

(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 80%, 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 individual transfer prices are not disclosed as buyer's consent has not been obtained.

(Note 6) 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 July 1, 2025, to December 31, 2025, consisted of four 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

Not applicable.

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	43,809	Shinsei Trust and Banking Co., Ltd.	350	0.8%
Financing-related expenses	268,178	SBI Shinsei Bank, Limited	12,352	4.6%

(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

A. The Tenth General Meeting of Unitholders of NIPPON REIT was held on September 19, 2025.

An overview of the key matters approved at the General Meeting of Unitholders is as follows:

Proposals	Overview
Proposal No. 1: Partial Amendment to the Articles of Incorporation	<p>The following amendments have been made to the Articles of Incorporation:</p> <p>(1) Taking into account the profitability and size of NIPPON REIT's portfolio, the number of officers at other listed investment corporations, and other relevant factors, it is considered that, at this time, securing four officers would be sufficient to ensure the full and appropriate functioning of Executive Officers, Supervising Officers, and the Board of Directors. However, depending on future changes in the environment surrounding NIPPON REIT, it may become necessary to further increase the number of officers. Accordingly, in order to maintain an appropriate balance between the required number of officers and the associated burden such as the increased compensation, an upper limit has been set on the number of officers.</p> <p>(2) In order to ensure more flexible and diversified investment by NIPPON REIT and to enhance unitholder value through the further expansion of opportunities for acquiring properties, necessary amendments have been made to implement the following three changes to the scope and policies of NIPPON REIT's asset management:</p> <p>A. Change main investment assets to office and residential properties. In addition, expand the main investment area for office properties from the six central wards of Tokyo to the Tokyo economic area, and remove restrictions on investment areas for retail and other properties.</p> <p>B. In connection with investments in assets equivalent to property, it may be incidentally necessary to acquire shares or similar interests in property management companies related to such assets equivalent to property. Therefore, to enable such acquisitions, add shares to the types of specified assets eligible for asset management.</p> <p>C. As there are cases in which investment limited partnerships as defined under the Limited Partnership Act for Investment (Act No. 90 of 1998, as amended; the same shall apply hereinafter) are formed for the purpose of portfolio investment in property, in order to enable investment in such partnerships, add, to the types of specified assets eligible for asset management, the rights based on investment limited partnership agreements as defined under the said Act, whose ultimate underlying assets are assets equivalent to property.</p> <p>(3) In order to obtain financing from shinkin banks and credit associations, it is necessary to make capital contributions pursuant to the Shinkin Bank Act (Act No. 238 of 1951, as amended) and the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949, as amended). Therefore, necessary amendments have been made to clearly specify that such capital contributions are included in the investment assets. The amendments include the addition of such capital contributions to NIPPON REIT's investment assets.</p> <p>(4) Other amendments, including wording corrections and adjustments to the number of provisions.</p>
Proposal No. 2: Appointment of One (1) Executive Officer	Yasushi Iwasa was appointed as Executive Officer, effective October 1, 2025.
Proposal No. 3: Appointment of Two (2) Alternate Executive Officers	Noritaka Izumi and Takamichi Kato were appointed as Alternate Executive Officers.
Proposal No. 4: Appointment of Three (3) Supervising Officers	Toshimitsu Morishita, Shigeki Matsuishi, and Noriko Higuchi were appointed as Supervising Officers, effective October 1, 2025.

B. An overview of the execution, amendments, and other major contractual arrangements approved by the Board of Directors of NIPPON REIT during the fiscal period ended December 31, 2025 is as follows:

Date of approval	Description	Overview
August 15, 2025	Execution of a contract to modify the asset management contract	With the partial amendment to the Articles of Incorporation resolved at the Tenth General Meeting of Unitholders on September 19, 2025, it was approved to execute a contract to modify the asset management contract with SBI REIT Advisors Co., Ltd. on September 19, 2025.

(2) Other

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

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of June 30, 2025 and December 31, 2025

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 10,362,383	¥ 16,470,963
Cash and deposits in trust (Note 3)	5,740,202	6,441,790
Tenant receivables	205,396	122,768
Prepaid expenses	451,704	438,052
Income taxes refund receivable	554	1,816
Consumption taxes refund receivable	259,122	—
Other current assets	23,054	24,093
Total Current Assets	17,042,417	23,499,484
Investment Properties (Notes 5 and 6):		
Buildings (Note 8)	288,234	291,290
Tools, furniture and fixtures	1,066	1,066
Land in trust (Note 7)	196,098,726	197,488,666
Buildings in trust (Note 8)	66,710,752	69,485,471
Structures in trust	254,221	261,069
Machinery and equipment in trust	732,370	780,033
Tools, furniture and fixtures in trust (Note 8)	603,630	643,617
Construction in progress in trust	10,647	1,715
Less: accumulated depreciation	(16,985,349)	(17,130,209)
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	10,137,189	3,481,919
Other intangible assets	2,821	2,628
Total Investment Properties, net	259,111,104	256,564,060
Other Assets:		
Investment securities (Note 4)	121,563	121,563
Lease and guarantee deposits	10,100	10,100
Long-term prepaid expenses	965,778	901,429
Deferred investment corporation bond issuance costs	39,636	35,191
Deferred tax assets (Note 18)	41	38
Others	4,334	4,690
Total Other Assets	1,141,454	1,073,012
Total Assets	¥ 277,294,977	¥ 281,136,557

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

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of June 30, 2025 and December 31, 2025

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Liabilities		
Current Liabilities:		
Long-term debt due within one year (Notes 4 and 15)	¥ 21,910,000	¥ 23,210,000
Accounts payable	1,231,461	1,072,348
Accrued expenses	345,200	398,472
Accrued consumption taxes	—	34,401
Advances received	1,413,847	1,425,501
Other current liabilities	473,173	197,825
Total Current Liabilities	25,373,683	26,338,548
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 16)	6,800,000	6,800,000
Long-term debt (Notes 4 and 15)	105,520,000	105,420,000
Tenant security deposits	62,921	63,670
Tenant security deposits in trust	8,391,082	8,830,963
Other	—	32,899
Total Long-Term Liabilities	120,774,004	121,147,533
Total Liabilities	146,147,687	147,486,082
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: 1,768,380 units as of June 30, 2025 and 1,768,380 units as of December 31, 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	947,091	947,091
Reserve for the reduction entry with special provisions for replacement	—	1,929,842
Retained earnings	6,184,499	6,757,843
Total Unitholders' Equity	131,147,289	133,650,475
Total Net Assets	131,147,289	133,650,475
Total Liabilities and Net Assets	¥ 277,294,977	¥ 281,136,557

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 June 30, 2025 and December 31, 2025

	For the six-month periods ended	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Operating Revenues (Note 9):		
Rental revenues (Note 10)	¥ 7,809,535	¥ 7,786,235
Other revenues related to property leasing (Note 10)	730,322	743,641
Gain on sales of real estate properties (Note 11)	2,452,836	3,121,350
Gain on exchanges of real estate properties (Note 12)	17,874	—
Dividend income	3,032	2,983
Total Operating Revenues	11,013,601	11,654,210
Operating Expenses:		
Property-related expenses (Note 10)	3,242,332	3,194,923
Asset management fees	630,925	648,017
Asset custody fees	10,353	10,605
Administrative service fees	46,009	46,361
Directors' compensation	2,400	3,450
Independent auditors' fees	15,000	15,000
Other operating expenses	230,907	264,677
Total Operating Expenses	4,177,928	4,183,036
Operating Income	6,835,672	7,471,174
Non-Operating Revenues:		
Interest income	8,792	16,804
Interest on tax refund	—	1,027
Reversal of distributions payable	8,718	6,673
Total Non-Operating Revenues	17,511	24,505
Non-Operating Expenses:		
Interest expense	481,853	541,300
Interest on investment corporation bonds	26,126	30,299
Amortization of investment corporation bond issuance costs	4,145	4,444
Borrowing related expenses	261,910	268,178
Others	56	51
Total Non-Operating Expenses	774,093	844,274
Ordinary Income	6,079,089	6,651,405
Income Before Income Taxes	6,079,089	6,651,405
Income taxes – current	1,411	1,365
Income taxes – deferred	(0)	3
Total Income Taxes (Note 18)	1,410	1,368
Net Income	6,077,679	6,650,037
Retained Earnings Brought Forward	106,820	107,806
Retained Earnings at End of Period	¥ 6,184,499	¥ 6,757,843

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 June 30, 2025 and December 31, 2025

	Unitholders' Equity					Reserve for Reduction Entry with Special Provisions for Replacement
	Number of Units	Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, net	Reserve for Reduction Entry	
	(Units)	(Yen in thousands)				
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	1,326,285					
Balance as of June 30, 2025	1,768,380	¥ 126,515,601	¥ (2,499,903)	¥ 124,015,698	¥ 947,091	¥ —
Reserve for reduction entry with special provisions for replacement						1,934,000
Reversal of reserve for reduction entry with special provisions for replacement						(4,157)
Cash distributions declared						
Net income						
Balance as of December 31, 2025	1,768,380	¥ 126,515,601	¥ (2,499,903)	¥ 124,015,698	¥ 947,091	¥ 1,929,842

	Unitholders' Equity		
	Retained Earnings	Total Unitholders' Equity	Total Net Assets
	(Yen in thousands)		
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
Reserve for reduction entry with special provisions for replacement	(1,934,000)	—	—
Reversal of reserve for reduction entry with special provisions for replacement	4,157	—	—
Cash distributions declared	(4,146,851)	(4,146,851)	(4,146,851)
Net income	6,650,037	6,650,037	6,650,037
Balance as of December 31, 2025	¥ 6,757,843	¥ 133,650,475	¥ 133,650,475

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 June 30, 2025 and December 31, 2025

	For the six-month periods ended	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 6,079,089	¥ 6,651,405
Depreciation and amortization	1,017,293	1,081,862
Amortization of investment corporation bond issuance costs	4,145	4,444
Loss on retirement of investment properties	17,708	6,850
Interest income	(8,792)	(16,804)
Interest expense	507,980	571,600
(Increase) decrease in tenant receivables	(110,486)	82,627
(Increase) decrease in prepaid expenses	21,109	13,651
(Increase) decrease in long-term prepaid expenses	134,422	64,349
Decrease (Increase) in consumption taxes refund receivable	(259,122)	259,122
Increase (decrease) in accrued consumption taxes	(411,792)	34,401
Increase (decrease) in accounts payable	113,552	(177,850)
Increase (decrease) in accrued expenses	(11,226)	5,099
Increase (decrease) in advances received	(51,687)	11,653
Decrease in investment properties in trust due to sale	3,955,382	16,594,773
Decrease in intangible assets in trust due to sale	6,655,269	6,655,269
Interest income received	8,792	16,804
Interest expense paid	(508,535)	(523,428)
Income taxes paid	(3,169)	(2,627)
Others, net	(78,126)	137,421
Net Cash Provided by Operating Activities	17,071,805	31,470,627
Cash Flows from Investing Activities:		
Payments for purchases of investment properties other than intangible assets	(494)	(2,927)
Payments for purchases of investment properties in trust other than intangible assets in trust	(19,114,794)	(21,769,618)
Proceeds from tenant security deposit	—	748
Proceeds from tenant security deposits in trust	919,702	1,382,402
Payments of tenant security deposits in trust	(1,100,130)	(1,332,325)
Other payments	(1,244)	(1,244)
Net Cash Used in Investing Activities	(19,296,961)	(21,722,964)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	9,360,000	10,700,000
Repayments of long-term debt	(8,050,000)	(9,500,000)
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)	—
Distributions paid	(4,400,030)	(4,137,495)
Net Cash Used in Financing Activities	(2,804,357)	(2,937,495)
Net Change in Cash and Cash Equivalents	(5,029,513)	6,810,167
Cash and Cash Equivalents at Beginning of Period	21,132,099	16,102,585
Cash and Cash Equivalents at End of Period (Note 3)	¥ 16,102,585	¥ 22,912,753

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 June 30, 2025 and December 31, 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 December 31, 2025, the total number of investment units issued and outstanding was 1,768,380 units.

As of December 31, 2025, NIPPON REIT had ownership or trust beneficiary interests in 102 properties with approximately 320,099.48 square meters of rentable space and had leased space to 2,900 tenants. The occupancy rate for the properties was approximately 98.2%.

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 conform 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	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Capitalized real estate taxes	¥ 26,708	¥ 31,630

(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	
	June 30, 2025	December 31, 2025
Investment properties	¥ 259,111,104	¥ 256,564,060

(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	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Cash and deposits	¥ 10,362,383	¥ 16,470,963
Cash and deposits in trust	5,740,202	6,441,790
Cash and cash equivalents	¥ 16,102,585	¥ 22,912,753

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 refinancing. 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 December 31, 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 June 30, 2025			As of December 31, 2025		
	Book value	Fair value	Difference	Book value	Fair value	Difference
	(Yen in thousands)					
Long-term debt due within one year	¥ 21,910,000	¥ 21,843,809	¥ (66,190)	¥ 23,210,000	¥ 23,123,742	¥ (86,257)
Investment corporation bonds	6,800,000	6,549,080	(250,920)	6,800,000	6,469,250	(330,750)
Long-term debt	105,520,000	103,204,860	(2,315,139)	105,420,000	101,762,617	(3,657,382)
Total liabilities	¥ 134,230,000	¥ 131,597,749	¥ (2,632,250)	¥ 135,430,000	¥ 131,355,610	¥ (4,074,389)
Derivatives	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

Methods used to estimate the fair value of financial instruments:

(1) 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.

(2) Investment corporation bonds

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

Derivative Transactions:

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

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

Hedge accounting method	Type of derivative transaction	Hedged item	As of June 30, 2025		Fair value
			Contracted amount	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 (1) 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 December 31, 2025		
			Contracted amount		Fair value
			Total	Due after one year	
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 110,570,000	¥ 91,670,000	(Note)
Total			¥ 110,570,000	¥ 91,670,000	¥ —

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

As of December 31, 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	¥ —	¥ —	¥ 2,500,000	¥ 1,000,000	¥ 1,300,000	¥ 2,000,000
Long-term debt	23,210,000	23,500,000	23,400,000	22,020,000	20,800,000	15,700,000
Total	¥ 23,210,000	¥ 23,500,000	¥ 25,900,000	¥ 23,020,000	¥ 22,100,000	¥ 17,700,000

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of June 30, 2025			As of December 31, 2025		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 288,234	¥ (57,952)	¥ 230,281	¥ 291,290	¥ (62,813)	¥ 228,476
Tools, furniture and fixtures	1,066	(271)	794	1,066	(344)	721
Land in trust	196,098,726	—	196,098,726	197,488,666	—	197,488,666
Buildings in trust	66,710,752	(16,242,296)	50,468,455	69,485,471	(16,337,774)	53,147,696
Structures in trust	254,221	(109,019)	145,202	261,069	(108,651)	152,417
Machinery and equipment in trust	732,370	(292,309)	440,061	780,033	(307,207)	472,825
Tools, furniture and fixtures in trust	603,630	(283,500)	320,130	643,617	(313,417)	330,199
Construction in progress in trust	10,647	—	10,647	1,715	—	1,715
Leasehold rights	1,256,792	—	1,256,792	1,256,792	—	1,256,792
Leasehold rights in trust	10,137,189	—	10,137,189	3,481,919	—	3,481,919
Other intangible assets	5,686	(2,864)	2,821	5,686	(3,058)	2,628
Total	¥276,099,319	¥(16,988,214)	¥ 259,111,104	¥273,697,328	¥(17,133,268)	¥ 256,564,060

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			
	June 30, 2025		December 31, 2025	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	251,677,430	¥	259,100,457
Change during period		7,423,026		(2,538,112)
Balance at end of period		259,100,457		256,562,345
Fair value	¥	329,293,000	¥	331,652,000

Notes:

- The book value represents acquisition costs after deducting accumulated depreciation.
- The fair value is determined based on appraisal values provided by external real estate appraisers.
- 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).
- For the six-month period ended December 31, 2025, the increase was primarily due to the acquisition of 4 properties including “URAWA GARDEN BUILDING (80% of quasi co-ownership interest)” (total acquisition price of ¥20,250,000 thousand) and the offsetting decrease was primarily due to the transfer of 10 properties including “FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)” (total book value of ¥23,247,828 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			
	June 30, 2025		December 31, 2025	
	(Yen in thousands)			
Land in trust	¥	971,651	¥	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			
	June 30, 2025		December 31, 2025	
	(Yen in thousands)			
Buildings	¥	3,469	¥	3,469
Buildings in trust		287,484		266,928
Tools, furniture and fixtures in trust		262		262
Total	¥	291,216	¥	270,660

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			
	June 30, 2025		December 31, 2025	
	(Yen in thousands)			
Revenues from property leasing:				
Rental revenues:				
Base rents	¥	6,801,877	¥	6,883,744
Common area charges		776,848		691,017
Parking space rental revenues		230,810		211,472
Total rental revenues		7,809,535		7,786,235
Other revenues related to property leasing:				
Utilities charge revenues		494,972		522,739
Others		235,350		220,902
Total other revenues related to property leasing		730,322		743,641
Total revenues from property leasing		8,539,858		8,529,877
Property-related expenses:				
Property management fees		496,416		488,952
Utility expenses		479,089		489,628
Insurance expenses		11,136		11,375
Repair expenses		246,008		285,839
Taxes and dues		637,356		596,705
Depreciation and amortization		1,017,293		1,081,862
Loss on retirement of investment properties		17,708		6,850
Trust fees		56,662		36,709
Other		280,660		196,998
Total property-related expenses		3,242,332		3,194,923
Income from property leasing	¥	5,297,526	¥	5,334,953

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 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>

The details of gain and loss on sales of real estate properties for the six-month period ended December 31, 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	7,249,399
Other selling expenses	383,363
Gain on sales of real estate property	<u>¥ 2,367,237</u>

	(Yen in thousands)
Central Daikanyama • BECOME SAKAE (Note):	
Selling price of the real estate property	¥ 9,100,000
Book value of the real estate property	8,371,951
Other selling expenses	303,894
Gain on sales of real estate property	<u>¥ 424,154</u>

Note: Although this transfer is based on a single sales agreement, the individual transfer prices are not disclosed as buyer's consent has not been obtained.

	(Yen in thousands)
FORECAST Shinagawa:	
Selling price of the real estate property	¥ 2,700,000
Book value of the real estate property	2,470,923
Other selling expenses	109,691
Gain on sales of real estate property	<u>¥ 119,385</u>

	(Yen in thousands)
REID-C Iidabashi Building:	
Selling price of the real estate property	¥ 1,330,000
Book value of the real estate property	1,229,330
Other selling expenses	54,994
Gain on sales of real estate property	<u>¥ 45,675</u>

	(Yen in thousands)
REID-C Gotenyama Building:	
Selling price of the real estate property	¥ 1,170,000
Book value of the real estate property	1,080,873
Other selling expenses	48,394
Gain on sales of real estate property	<u>¥ 40,731</u>

	(Yen in thousands)
Tenjinhighashi residence, Minami-Horie apartment Cielo, Minami-Horie apartment Grande, and Minami-Horie apartment Rio (Note):	
Selling price of the real estate property	¥ 3,100,000
Book value of the real estate property	2,845,351
Other selling expenses	130,482
Gain on sales of real estate property	<u>¥ 124,165</u>

Note: Although this transfer is based on a single sales agreement, the individual transfer prices are not disclosed as buyer's consent has not been obtained.

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

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>

There was no gain and loss on exchanges of real estate properties for the six-month period ended December 31, 2025.

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 June 30, 2025 and December 31, 2025 were as follows:

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

Note: There was no cancellation of treasury investment units during the period ended December 31, 2025.

Note 15 – Long-Term Debt

Long-term debt consisted of the following:

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Long-term debt:		
0.71% unsecured loans due 2025 (Notes 2 and 3)	2,800,000	—
0.63% unsecured loans due 2025 (Notes 2 and 3)	2,500,000	—
0.68% unsecured loans due 2025 (Notes 2 and 3)	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
1.06% unsecured loans due 2026 (Note 2)	2,810,000	2,810,000
0.83% unsecured loans due 2026 (Notes 2 and 3)	—	4,850,000
0.39% unsecured loans due 2026 (Notes 2 and 3)	—	2,500,000
0.50% unsecured loans due 2026 (Notes 2 and 3)	—	2,450,000
0.82% unsecured loan due 2026 (Note 2)	—	1,000,000
0.83% unsecured loans due 2026 (Notes 2 and 3)	4,850,000	—
0.39% unsecured loans due 2026 (Notes 2 and 3)	2,500,000	—
0.50% unsecured loans due 2026 (Notes 2 and 3)	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 loans due 2027 (Notes 2 and 3)	500,000	500,000
0.90% unsecured loans due 2027 (Note 2)	1,300,000	1,300,000
0.86% 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
0.90% unsecured loans due 2027 (Note 2)	1,250,000	1,250,000
0.86% 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
0.90% unsecured loans due 2028 (Note 2)	1,100,000	1,100,000
0.86% unsecured loans due 2028 (Note 2)	3,000,000	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
0.90% unsecured loans due 2028 (Note 2)	1,000,000	1,000,000
0.86% unsecured loans due 2028 (Note 2)	—	1,900,000
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	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
1.57% unsecured loans due 2029 (Notes 2 and 3)	—	1,300,000
1.36% unsecured loan due 2030 (Notes 2 and 3)	1,000,000	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

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
1.15% unsecured loans due 2030 (Notes 2 and 3)	5,150,000	5,150,000
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	1,300,000
1.67% unsecured loans due 2030 (Notes 2 and 3)	—	1,400,000
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
1.76% unsecured loans due 2031 (Notes 2 and 3)	—	3,900,000
1.88% unsecured loan due 2031 (Notes 2 and 3)	—	1,200,000
1.09% unsecured loans due 2032 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 127,430,000	¥ 128,630,000

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

Note 16 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
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	1,300,000
Total	¥ 6,800,000	¥ 6,800,000

Note 17 – Leases

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

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Due within one year	¥ 1,243,332	¥ 1,240,447
Due after one year	3,600,795	3,207,343
Total	¥ 4,844,127	¥ 4,447,790

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 June 30, 2025 and December 31, 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	
	June 30, 2025	December 31, 2025
Statutory tax rate	33.10%	33.10%
Deductible cash distributions	(22.58)	(21.41)
Per capita inhabitant taxes	0.01	0.01
Provision of reserve for the reduction entry with special provisions for replacement	(10.51)	(11.68)
Others	0.00	0.00
Effective tax rate	0.02%	0.02%

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

	As of	
	June 30, 2025	December 31, 2025
	(Yen in thousands)	
Deferred tax assets:		
Accrued enterprise tax	¥ 41	¥ 38
Total deferred tax assets	41	38
Net deferred tax assets	¥ 41	¥ 38

Note 19 – Per Unit Information

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

	For the six-month periods ended	
	June 30, 2025	December 31, 2025
	(Yen)	
Earnings per unit:		
Net income per unit	¥ 3,436	¥ 3,760
Weighted average number of units outstanding (units)	1,768,380	1,768,380
	As of	
	June 30, 2025	December 31, 2025
	(Yen)	
Net assets per unit	¥ 74,162	¥ 75,577

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 December 31, 2025, NIPPON REIT decided to distribute ¥4,302,468,540, 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	
	June 30, 2025	December 31, 2025
	(Yen)	
Cash distributions per unit	¥ 2,345	¥ 2,433
Board of directors meeting dates	August 15, 2025	February 18, 2026

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

	For the six-month periods ended	
	June 30, 2025	December 31, 2025
	(Yen)	
Unappropriated retained earnings	¥ 6,184,499,575	¥ 6,757,843,348
Reversal of reserve for the reduction entry with special provisions for replacement	4,157,590	14,289,128
Cash distributions declared	4,146,851,100	4,302,468,540
Provision of reserve for the reduction entry with special provisions for replacement	1,934,000,000	2,361,000,000
Retained earnings brought forward	¥ 107,806,065	¥ 108,663,936

Note 21 – Related-Party Transactions

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:

- 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.
- 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 December 31, 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)	¥1,124,517	Accrued expenses	¥ 174,638

Notes:

- 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.
- 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

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

Information on a major tenant for the six-month period ended December 31, 2025 was as follows:

Name of customer	Operating revenue	Related segment
	(Yen in thousands)	
Hulic Co., Ltd.	¥ 2,367,237	Real estate rental

Note 23 – Subsequent Events

A. Issuance of New Investment Units

NIPPON REIT resolved an issuance of new investment units at its Board of Directors held on February 18, 2026 as described below.

(a) Issuance of new investment units through primary offering

Number of investment units to be offered	59,000 units
Amount to be paid in (issue amount):	To be determined The amount will be determined at a meeting of the Board of Directors of NIPPON REIT to be held at any date (hereafter referred to as “Determination Date of Issue Price and Others”) between Wednesday, February 25, 2026 and Monday, March 2, 2026, in accordance with the method prescribed in Article 25 of the Rules Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association (JSDA).
Total amount to be paid in (issue amount):	To be determined
Issue price (offer price):	To be determined The issue price (offer price) will be determined at a meeting of the Board of Directors of NIPPON REIT to be held on the Determination Date of Issue Price and Others, taking into account factors such as demand conditions and based on a provisional price, in accordance with the method prescribed in Article 25 of the Rules Concerning Underwriting, etc. of Securities established by the JSDA. This provisional price is obtained by multiplying the closing price of NIPPON REIT’s investment units in regular trading on the Tokyo Stock Exchange on the Determination Date of Issue Price and Others (or, if no closing price is available on that date, the closing price on the nearest preceding date) by a multiplier between 0.90 and 1.00, with any fraction less than one yen rounded down.
Total amount of issue price (offer price):	To be determined
Payment date:	Any date between Tuesday, March 3, 2026 and Friday, March 6, 2026; provided, however, that such a date shall be the fourth business day following the Determination Date of Issue Price and Others.
Use of funds to be procured:	Proceeds will be used to fund a portion of the acquisition of specified assets described subsequently in c. of “B. Acquisition of Properties” and a. of (Additional Information)

(b) Issuance of new investment units by way of third-party allotment

Number of investment units to be offered	2,950 units
Amount to be paid in (issue amount):	To be determined The amount will be determined at a meeting of the Board of Directors of NIPPON REIT to be held on the Determination Date of Issue Price and Others. Note that the amount to be paid in (issue amount) for this issuance shall be the same as the amount to be paid in (issue amount) for the issuance through primary offering.
Total amount to be paid in (issue amount):	To be determined
Allottee and number of units allotted:	2,950 units to Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Payment date:	March 26, 2026
Use of funds to be procured:	Proceeds will be held as cash on hand and deposited with financial institutions until disbursement, and will be used to fund a portion of the acquisition of specified assets or a portion of loan payment in the future.

Note: Applications may not be made for all or part of the investment units to be issued in the third-party allotment. As a result, the final number of investment units to be issued through the third-party allotment may be reduced accordingly due to forfeiture, or the issuance may not take place at all.

B. Acquisition of Properties

i. NIPPON REIT acquired mezzanine loan claims as described below.

Asset type	Borrower name	Face value (million yen)	Interest rate (%)	Scheduled repayment date	Acquisition price (million yen)	LTV on underlying assets (%)	Seller	Acquisition date
Monetary claims (Subordinated loan claims)	Sumu Fund No. 1 GK	510	Base rate (Note 1) + 550bps	October 1, 2030 (Note 2)	510	57.4 (Note 3)	SBI SECURITIES Co., Ltd.	January 7, 2026

Notes:

- The applicable base interest rate shall be the Japanese Bankers Association 3-month Japanese Yen TIBOR as of two business days prior to the most recent interest payment date.
- The scheduled repayment date for the loan claim held is October 1, 2030; however, if requested by the borrower and agreed upon by all lenders, the final repayment date may be extended to October 1, 2031.
- Calculated based on the amount including the first loan claim held and its senior claims at the time of the first loan disbursement relative to the appraised value of the land portion of the underlying asset stated in its appraisal report (valuation date: August 31, 2025). The LTV calculated based on the income value of the land and building after completion using the income capitalization method is 62.6%. This appraisal report was obtained by the borrower.

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

Property name	Location	Acquisition date	Acquisition price (million yen) (Note 1)	Seller
FORECAST Yokkaichi	Yokkaichi, Mie	January 14, 2026	3,531	Fuyo General Lease Co., Ltd
innoba Ohta (90% of quasi co-ownership interest) (Note 2)	Ohta ward, Tokyo	January 14, 2026	3,158	TU31 Godo Kaisha
PRIME GARDEN AKATSUKA	Itabashi ward, Tokyo	March 6, 2026	2,420	Godo Kaisha Omori
HOTEL RESOL AKIHABARA	Chiyoda ward, Tokyo	March 6, 2026	6,125	Godo Kaisha Residence Asset Solution II
THE BASEMENT HOTEL Osaka Honmachi	Osaka, Osaka	March 6, 2026	5,600	Godo Kaisha Osaka Honmachi Hotel
KEIYU Kawagoe Interchange Store (Leasehold land)	Kawagoe, Saitama	March 6, 2026	1,273	Godo Kaisha SPV04
Total			22,108	-

Notes:

- The acquisition prices represent the amount of consideration stated in the transfer agreements of each of the trust beneficiary interests in real estate and the quasi co-ownership interest. The acquisition price does 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. The acquisition price of FORECAST Yokkaichi may be adjusted based on revenues and expenses incurred up to the acquisition date, in accordance with the calculation method defined in the transfer agreement. Accordingly, the acquisition price is subject to change. The warehousing cost associated with HOTEL RESOL AKIHABARA and KEIYU Kawagoe Interchange Store (Leasehold land) was separately paid to the respective sellers.
- 90% of quasi co-ownership interest of this property was acquired.

C. Transfer of Property

NIPPON REIT transferred one trust beneficiary interest in real estate as described below.

Property name	Location	Transfer date	Transfer price (million yen) (Note 1)	Book value (million yen) (Note 2)	Buyer
FORECAST Sakurabashi	Chuo ward, Tokyo	January 13, 2026	Not disclosed (Note 3)	6,118	Not disclosed (Note 3)

Notes:

- The transfer price represents the amount of consideration stated in the transfer agreement of 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 December 31, 2025 is described, rounded down to the nearest million yen.
- This information is not disclosed as the buyer's consent to disclosure has not been obtained.

D. Borrowing of Funds

NIPPON REIT decided to borrow funds on February 18, 2026, with the borrowing scheduled to be executed on March 6, 2026, as below for use as part of funds for acquiring the properties described in c. of “B. Acquisition of Properties” above (excluding KEIYU Kawagoe Interchange Store (Leasehold land)) and their related expenses.

Lender	Scheduled loan amount (million yen)	Interest rate	Fixed/Floating	Scheduled repayment due date	Repayment method
Co-financing group with MUFG Bank, Ltd. as the lead arranger and Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as a co-arranger (Note 1)	2,610	Interest rate of base rate plus 0.2900% (Note 3)	Floating	April 22, 2030	Lump-sum payment at maturity (Note 6)
Co-financing group with MUFG Bank, Ltd. as the lead arranger and Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as a co-arranger (Note 2)	3,210	Interest rate of base rate plus 0.3300% (Note 4)	Floating (Note 5)	April 21, 2031	
Total	5,820	–	–	–	–

Notes:

- The co-financing group consists of MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, and Mizuho Trust & Banking Co., Ltd.
- The co-financing group consists of MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc., and Aozora Bank, Ltd.
- The first interest payment date shall be March 23, 2026, and the subsequent interest payment date shall be the 20th day of every month (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA one-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date (borrowing execution date for the first interest payment). In the event that the interest calculation period is more than one month or less than one month, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.
- The first interest payment date shall be August 20, 2026, and the subsequent interest payment date shall be the 20th day of every February and August (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA six-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date (borrowing execution date for the first interest payment). 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.
- It is planned that the effective interest rate will be fixed under the interest rate swap agreement.
- NIPPON REIT can make early repayment of the loan, in whole or in part, if it gives prior written notice and other certain terms and conditions are met by the scheduled repayment date.

Note 24 – Additional Information

A. Exchange of Properties

NIPPON REIT decided to exchange properties in accordance with the provisions of the “Inclusion of Deductible Expenses of Reduced Amount of Assets Acquired through Exchange” in Article 50 of the Corporation Tax Act (Act No. 34 of March 31, 1965, as revised) on December 19, 2025 and concluded an exchange agreement of the trust beneficiary interest in real estate as described below.

i. Property to be acquired

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (million yen) (Note 1)	Seller
CIRCLES Nihonbashi Hamacho	Chuo ward, Tokyo	March 30, 2026	3,492	MITSUBISHI ESTATE CO., LTD.

Notes:

- The scheduled acquisition price represents the price of the trust beneficiary interest in real estate stated in the exchange agreement of the trust beneficiary interest in real estate. The scheduled acquisition price does not include expenses related to the exchange, consumption taxes and local consumption taxes. Furthermore, the scheduled acquisition price of less than one million yen is omitted.
- The exchange agreement of the trust beneficiary interest 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 exchange 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 contractual obligations, the cancellation upon notice may be effected, except where there is a justifiable cause. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the consideration of the cancelled beneficiary interest (scheduled acquisition price). However, if it is certain that NIPPON REIT will be unable to complete the necessary financing for the payment of the exchange difference, NIPPON REIT and the counterparty may terminate the agreement without charge.

ii. Properties to be transferred

Property name	Location	Scheduled transfer date	Scheduled transfer price (million yen) (Note 1)	Book value (million yen) (Note 2)	Buyer
Kudankita 325 Building	Chiyoda ward, Tokyo	March 30, 2026	2,740	1,948	MITSUBISHI ESTATE CO., LTD.

Notes:

- The scheduled transfer price represents the price of the trust beneficiary interest in real estate stated in the exchange agreement of the trust beneficiary interest in real estate. The scheduled 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 December 31, 2025 is described, rounded down to the nearest million yen.
- The exchange agreement of the trust beneficiary interest 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 exchange 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 contractual obligations, the cancellation upon notice may be effected, except where there is a justifiable cause. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the consideration of the cancelled beneficiary interest (scheduled acquisition price). However, if it is certain that NIPPON REIT will be unable to complete the necessary financing for the payment of the exchange difference, NIPPON REIT and the counterparty may terminate the agreement without charge.



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 December 31, 2025 and June 30, 2025, 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 December 31, 2025 and June 30, 2025, 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 December 31, 2025 and June 30, 2025, and its financial performance and its cash flows for each of the six-month periods ended December 31, 2025 and June 30, 2025 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 our audit 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 that issuance of new investment units, acquisition of properties, transfer of property 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

March 26, 2026

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.