

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 28th Fiscal Period

From January 1
to June 30, 2026



TSE Code	3 2 9 6
-------------	---------

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		24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period
		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	From January 1, 2026 to June 30, 2026
Operating revenues	(Yen in millions)	9,865	9,963	11,013	11,654	10,190
Of which, rental revenues and other revenues related to property leasing	(Yen in millions)	(8,651)	(8,699)	(8,539)	(8,529)	(8,847)
Operating expenses	(Yen in millions)	4,366	4,309	4,177	4,183	4,158
Of which, property-related expenses	(Yen in millions)	(3,285)	(3,277)	(3,242)	(3,194)	(3,177)
Operating income	(Yen in millions)	5,499	5,653	6,835	7,471	6,032
Ordinary income	(Yen in millions)	4,774	4,889	6,079	6,651	5,091
Net income	(Yen in millions)	4,773	4,887	6,077	6,650	5,090
Total assets (a)	(Yen in millions)	278,161	274,659	277,294	281,136	293,765
Period-on-period changes	(%)	(1.0)	(-1.3)	(1.0)	(1.4)	(4.5)
Net assets (b)	(Yen in millions)	131,395	129,478	131,147	133,650	139,967
Period-on-period changes	(%)	(0.6)	(-1.5)	(1.3)	(1.9)	(4.7)
Unitholders' capital (net)	(Yen in millions)	126,515	124,015	124,015	124,015	129,544
Number of investment units issued and outstanding (c)	(Unit)	449,930	442,095	1,768,380	1,768,380	1,830,330
Net assets per unit (Note 3) (b) / (c)	(Yen)	73,009	73,218	74,162	75,577	76,471
Total distributions (d)	(Yen in millions)	4,305	4,408	4,146	4,302	4,605
Distributions per unit (d) / (c)	(Yen)	9,570	9,972	2,345	2,433	2,516
Of which, earnings distributions per unit	(Yen)	(9,570)	(9,972)	(2,345)	(2,433)	(2,516)
Of which, distributions per unit in excess of earnings per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Ordinary income to total assets ratio (Note 4)	(%)	1.7	1.8	2.2	2.4	1.8
Annualized (Note 4)	(%)	(3.5)	(3.5)	(4.4)	(4.7)	(3.6)
Return on equity (Note 4)	(%)	3.6	3.7	4.7	5.0	3.7
Annualized (Note 4)	(%)	(7.3)	(7.4)	(9.4)	(10.0)	(7.5)
Equity ratio (b) / (a)	(%)	47.2	47.1	47.3	47.5	47.6
Period-on-period changes	(%)	(-0.2)	(-0.1)	(0.2)	(0.2)	(0.1)
Payout ratio (Note 4)	(%)	90.2	90.2	68.2	64.7	90.5

(Reference Information) Period		24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period
		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	From January 1, 2026 to June 30, 2026
Number of investment properties		110	105	109	102	107
Total leasable area	(m ²)	330,351.20	319,642.10	338,870.47	320,099.48	335,596.72
Number of tenants (Note 5)		3,134	2,941	3,107	2,900	3,014
Occupancy rate at the end of the period	(%)	98.0	97.7	97.8	98.2	98.7
Depreciation during the period	(Yen in millions)	993	992	1,017	1,081	1,171
Capital expenditures during the period	(Yen in millions)	1,001	991	932	1,178	1,014
Rental NOI (Net Operating Income) (Note 4)	(Yen in millions)	6,371	6,426	6,332	6,423	6,847
FFO (Funds From Operations) per unit (Note 4)	(Yen)	10,532	10,747	2,627	2,613	2,713
Interest-bearing debt (e)	(Yen in millions)	134,120	132,620	134,230	135,430	141,250
Interest-bearing debt to total assets ratio (e) / (a)	(%)	48.2	48.3	48.4	48.2	48.1
Number of operating days	(Days)	182	184	181	184	181

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

Ordinary income to total assets ratio	Ordinary income/average total assets x 100
	Average total assets = (Total assets at beginning of period + total assets at end of period) / 2
Return on equity	Net income / average net assets x 100
	Average net assets = (Net assets at beginning of period + net assets at end of period) / 2
Payout ratio	Distribution per investment unit (excluding cash distributions in excess of earnings per unit) / net income per investment unit x 100 NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. In addition, during the fiscal period ended June 30, 2026, NIPPON REIT issued new investment units. 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 - gain / loss on exchange of real estate properties) / total investment units issued and outstanding

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

(2) Overview of the Fiscal Period Ended June 30, 2026

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 and referred to as "Investment Trust Act"; the same shall apply hereinafter). 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 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, July 2018 and March 2026 and third-party allotments in March 2015, July 2015, July 2018 and March 2026, cancelled treasury investment units in December 2024 and conducted an investment unit split in January 2025. As a result, the total number of investment units issued and outstanding as of the end of the current period (June 30, 2026) is 1,830,330 units.

B. Investment Environment and Management Performance

(i) Investment Environment

During the current period (the fiscal period ended June 30, 2026), the Japanese economy experienced an increase of 0.5% (equivalent to an annual increase of 1.8%) in the real GDP growth rate (second preliminary figures) from January to March 2026 compared to the previous period. The pace of growth is expected to slow as higher crude oil prices reflecting developments in the Middle East put downward pressure on corporate earnings and real household income through a deterioration in the terms of trade and other factors.

Meanwhile, signs of recovery have been observed in both personal consumption and capital expenditures, and companies' performance has been on an improvement trend. Therefore, looking ahead, improvements in the employment and income levels and the effects of various policy measures are expected to support a gradual economic recovery. However, it is essential to continue to closely monitor the trends in resource prices against the backdrop of developments in the Middle East and the movements in financial and capital markets.

In the office properties leasing market, the average vacancy rate as of the end of June 2026 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 1.99%, down 1.38 percentage points from the same month last year. Moreover, the average rent in the same area as of the end of June 2026 was 22,993 yen per tsubo, up 10.14% 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, occupancy rates have remained high and the rent level has continued to trend upward, supported by the influx of population mainly into the Tokyo metropolitan area, as well as solid rental demand. Meanwhile, it is necessary to continue to closely monitor the supply and demand trends in each metropolitan area, as they are affected by employment and income conditions, the demographic shifts, supply conditions in the residential leasing properties and other factors.

(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 has continued to obtain environmental certification for its properties. In April 2026, FORECAST Hakata Gofukumachi received a five-star BELS rating (Note 1). In May 2026, NORE Fushimi received the S rank, the highest rank in the CASBEE (Note 2) real estate evaluation certification, while GreenOak Kudan and GreenOak Takanawadai received the A rank. As a result, a total of 32 properties have received environmental certification, or 52.2% (as of June 30, 2026), 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.

(Note 1) BELS (Building-Housing Energy-efficiency Labeling System) is a third-party certification system for displaying the energy efficiency performance of buildings. Since April 2016, under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act), real estate companies and other business operators have been encouraged to display the energy efficiency performance of buildings. Specific methods for such display are prescribed in the guidelines for energy-efficiency labeling of buildings, and BELS ratings are evaluated in accordance with such guidelines. Through March 2024, ratings were displayed on a five-level scale (from one to five stars) (FY2016 standards). Since April 2024, ratings are displayed on a seven-level scale (from zero to six stars) for non-residential buildings and residential buildings equipped with renewable energy systems (FY2024 standards). ZEB (Net Zero Energy Building) refers to a building designed to achieve a net zero annual primary energy consumption (direct energy consumption through the use of a building), while maintaining a comfortable indoor environment. Under the BELS rating system, buildings are labelled into four categories: ZEB, Nearly ZEB, ZEB Ready, and ZEB Oriented.

(Note 2) 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.

(iii) Management Performance

a. External Growth

NIPPON REIT owned 102 properties (with a total acquisition amount of 256,272 million yen) and equity interest in one silent partnership (with an investment amount of 119 million yen, one real estate-backed property) as of December 31, 2025.

During the current fiscal period (fiscal period ended June 2026), NIPPON REIT transferred one property and acquired six properties as follows, as a part of the property replacement.

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note)	Transaction date
Transfer	A-8	FORECAST Sakurabashi	7,700	January 13, 2026
Acquisition	A-80	FORECAST Yokkaichi	3,522	January 14, 2026
Acquisition	C-8	innoba Ohta	3,158	January 14, 2026
Acquisition	B-57	PRIME GARDEN AKATSUKA	2,420	March 6, 2026
Acquisition	C-9	HOTEL RESOL AKIHABARA	6,125	March 6, 2026
Acquisition	C-10	THE BASEMENT HOTEL Osaka Honmachi	5,600	March 6, 2026
Acquisition	C-11	KEIYU Kawagoe Interchange Store (Leasehold land)	1,273	March 6, 2026

(Note) The transfer price 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. The transfer price 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.

NIPPON REIT also acquired one mezzanine loan claim.

Transaction	Asset name	Acquisition price (Yen in millions) (Note)	Acquisition date
Acquisition	Mezzanine loan claim to Sumu Fund No. 1 GK, back by (tentative name) Hotel Sumu Shinjuku East powered by Airbnb Partners	510	January 7, 2026

(Note) The acquisition price represents the amount of consideration stated in the loan receivable transfer agreement. 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.

In addition, NIPPON REIT transferred one property and acquired one property as follows through the exchange of properties conducted 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 1965, as revised).

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note)	Transaction date
Acquisition	A-81	CIRCLES Nihonbashi Hamacho	3,492	March 30, 2026
Transfer	A-19	Kudankita 325 Building	2,740	

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

As a result, the portfolio as of June 30, 2026 consisted of 54 office properties (Note 1) with a total acquisition price of 165,471 million yen, 44 residential properties (Note 2) with a total acquisition price of 70,135 million yen, and nine properties used for other purposes (Note 3) with a total acquisition price of 38,646 million yen, totaling 107 properties with a total acquisition price of 274,253 million yen, and one mezzanine loan claim (with an acquisition price of 510 million yen, one real estate-backed property). The total leased area of 107 properties held by NIPPON REIT was 331,269.21㎡, with an occupancy rate of 98.7%.

(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 98.7% as of the end of the current period.

C. Procurement of Funds

(i) Issuance of New Investment Units

In order to finance the acquisition of new properties and for other purposes, NIPPON REIT issued 59,000 new investment units through a public offering and raised 5,265 million yen on March 3, 2026. In connection with the public offering, NIPPON REIT issued 2,950 new investment units through a third-party allotment and raised 263 million yen on March 26, 2026. As a result, as of June 30, 2026, total Unitholders' capital (net) amounted to 129,544 million yen, and the total number of investment units issued and outstanding was 1,830,330 units.

(ii) Borrowings and Repayments

In order to prepare funds for the acquisition of new properties and payments of some of associated expenses, on March 6, 2026, NIPPON REIT drew down a total of 5,820 million yen. In order to prepare funds for repayment of loans due on April 20, 2026 (total 9,600 million yen), the borrowings of total 9,600 million yen were executed on April 20, 2026. In order to prepare funds for repayment of loans due on May 27, 2026 (total 2,810 million yen), the borrowings of total 2,810 million yen were executed on May 27, 2026.

As a result, the balance of interest-bearing debt as of June 30, 2026 was 141,250 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.1%.

(iii) 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 10,190 million yen, operating income of 6,032 million yen, ordinary income of 5,091 million yen and net income of 5,090 million yen.

Concerning distributions, NIPPON REIT decided to distribute 4,605,110,280 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding (1,830,330 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 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 2,516 yen.

(3) Changes in Total Number of 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)
March 3, 2026	Public offering	59,000	1,827,380	5,265	129,281	(Note 4)
March 26, 2026	Third-party allotment	2,950	1,830,330	263	129,544	(Note 5)

(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.

(Note 4) NIPPON REIT issued new investment units through a public offering at an issue price of 92,527 yen per unit (issue amount: 89,252 yen) for the purpose of financing the acquisition of new properties and for other purposes.

(Note 5) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at an issue amount of 89,252 yen per unit.

· 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	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period
	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	From January 1, 2026 to June 30, 2026
Highest (Yen)	357,500	333,500 (Note 1) 76,100 (Note 2)	91,200	103,700	100,000
Lowest (Yen)	322,000	301,000 (Note 1) 76,100 (Note 2)	76,900	88,900	82,600

(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 4,605,110,280 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding (1,830,330 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 and retaining the provision of reserve for the reduction entry 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 2,516 yen.

Period	24th fiscal period	25th fiscal period	26th fiscal period	27th fiscal period	28th fiscal period
	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	From January 1, 2026 to June 30, 2026
Unappropriated retained earnings (Yen in thousands)	4,880,393	4,994,544	6,184,499	6,757,843	5,198,918
Retained earnings (Retained earnings brought forward) (Yen in thousands)	574,563	585,972	2,037,648	2,455,374	593,808
Cash distributions declared (Yen in thousands)	4,305,830	4,408,571	4,146,851	4,302,468	4,605,110
Distributions per unit (Yen)	(9,570)	(9,972)	(2,345)	(2,433)	(2,516)
Of the above, total earnings distributions (Yen in thousands)	4,305,830	4,408,571	4,146,851	4,302,468	4,605,110
Earnings distributions per unit (Yen)	(9,570)	(9,972)	(2,345)	(2,433)	(2,516)
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 Management Policy and Challenges to Address

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 and seeking the alignment of interests with unitholders by utilizing the features of a diversified REIT and focusing 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 “two types of assets deeply rooted in the Japanese society (office and residential)”. Furthermore, NIPPON REIT will focus particularly on middle-sized office properties located in the Tokyo economic area (Note) 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., 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.

(Note) The Tokyo economic area refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture.

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 carrier. 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 term 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. In particular, NIPPON REIT aims to enhance the resilience of its portfolio by engaging in asset management activities, including engineering management (Note), to maintain and enhance competitiveness in line with the characteristics of the portfolio and individual properties.

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 external leasing companies, and agile leasing activities will be implemented in line with the effective operational-policy for new potential tenants.

(Note) Engineering management refers to the various measures implemented by the Asset Management Company to maintain and enhance the asset value of the portfolio and to maintain and improve competitiveness in the market. The same shall apply hereinafter. Engineering management consists of two investment components. The first component comprises investments to maintain and manage assets in a lawful and appropriate manner in accordance with long-term repair plans. The second component comprises investments consisting of four types of initiatives: (i) initiatives to enhance property profitability and (ii) cost reduction initiatives to improve portfolio profitability, (iii) tenant satisfaction enhancement initiatives aimed at minimizing tenant turnover risk and shortening leasing periods, and (iv) environmental initiatives, including the introduction of energy-efficient facilities and contributions to local communities.

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 48.1% and the current policy is to keep the LTV level between 45% and 55%.

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

(6) Significant Subsequent Events

A. Acquisition of Properties

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

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note)	Seller
9h nine hours Hakata station	Fukuoka, Fukuoka	July 31, 2026	2,060	TU31 Godo Kaisha

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

b. NIPPON REIT decided to acquire one trust beneficiary interest in real estate on August 20, 2026 and concluded a transfer agreement of the trust beneficiary interest in real estate as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
WORK VILLA MYJ kanda (Note 2)	Chiyoda ward, Tokyo	January 15, 2027	8,400	(1) Sumitomo Corporation (2) Not disclosed (Note 3)

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

(Note 2) NIPPON REIT plans to acquire a trust beneficiary interest whose principal trust assets consist of a co-ownership interest in the sectional ownership of the office-exclusive portions on the third through thirteenth floors of the property, as well as a quasi co-ownership interest in the leasehold right to the land portion of the property pursuant to the land leasehold agreement.

(Note 3) NIPPON REIT will acquire a quasi co-ownership interest in the trust beneficiary interest (an ownership ratio of 30%) from Sumitomo Corporation and a quasi co-ownership interest in the trust beneficiary interest from a domestic operating company (an ownership ratio of 70%). The name of the domestic operating company, which is one of the sellers, is not disclosed because consent to such disclosure has not been obtained. However, the seller does not constitute an interested party, etc. as defined in Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended) (collectively, the "Interested Parties, etc."), nor does it constitute an interested party under the Interested Party Transaction Rules, which are the Asset Management Company's internal rules.

(Note 4) The transfer agreement of the trust beneficiary interests in real estate for this property falls under the forward commitment, etc. stipulated in "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." issued by the Financial Services Agency (the forward commitment, etc. refers to a purchase or sale agreement with delivery date of one month or more after the conclusion of agreement, and other agreements similar thereto; the same shall apply hereinafter). The Asset Management Company has concluded the agreement in accordance with its internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interests in real estate related to this acquisition stipulates that, in the event of a breach of contractual obligations by NIPPON REIT or the other party, the cancellation upon notice may be effected. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled acquisition price, less the amount of consumption taxes and local consumption taxes attributable to the trust building portion, provided that there are no grounds for exemption.

B. Transfer of Property

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

Property name	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Buyer
Tsukiji Front	Chuo ward, Tokyo	July 31, 2026	1,250	854	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 consumption taxes and local consumption taxes, and expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.

(Note 2) The book value as of June 30, 2026 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.

C. Borrowings of Funds

a. NIPPON REIT executed borrowings of funds on July 31, 2026 as below for use as part of funds for acquiring the property described in a. of "A. Acquisition of Properties" above and its related expenses.

Lender	Loan amount (Yen in millions)	Interest rate (Note)	Fixed/ Floating	Repayment due date	Repaymen t method
Mizuho Bank, Ltd.	1,000	JBA one-month Japanese Yen TIBOR plus 0.3600%	Floating	July 30, 2032	Lump-sum payment at maturity
Sumitomo Mitsui Banking Corporation	335				
Total	1,335	-	-	-	-

(Note) 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.

b. NIPPON REIT decided to borrow funds on August 20, 2026, with the borrowing scheduled to be executed on January 15, 2027, as below for use as part of funds for acquiring the property described in b. of "A. Acquisition of Properties" above and their related expenses.

Lender	Loan amount (Yen in millions)	Interest rate (Note 1)	Fixed/ Floating	Repayment due date	Repaymen t method
Mizuho Bank, Ltd.	500	JBA one-month Japanese Yen TIBOR plus 0.2840%	Floating	November 29, 2030	Lump-sum payment at maturity
SBI Shinsei Bank, Limited (Note 2)	500				
Mizuho Bank, Ltd.	500	JBA one-month Japanese Yen TIBOR plus 0.3460%		July 30, 2032	
Resona Bank, Limited	550				
Aozora Bank, Ltd.	500				
Total	2,550	-	-	-	-

(Note 1) 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 2) This borrowing does not fall under the transactions subject to the Interested Party Transaction Rules of SBI REIT Advisors Co., Ltd., the asset management company of NIPPON REIT. However, SBI Shinsei Bank, Limited falls under the category of "interested parties, etc." as stipulated in the Investment Trust Act. Accordingly, the Asset Management Company makes its decisions in accordance with procedures equivalent to those applied to transactions subject to the Interested Party Transaction Rules.

2. Overview of the Investment Corporation

(1) Status of Investment Units

Period	24th fiscal period June 30, 2024	25th fiscal period December 31, 2024	26th fiscal period June 30, 2025	27th fiscal period December 31, 2025	28th fiscal period June 30, 2026
Total number of investment units authorized (Unit)	4,000,000	4,000,000	16,000,000	16,000,000	16,000,000
Total number of investment units issued and outstanding (Unit)	449,930	442,095	1,768,380	1,768,380	1,830,330
Total unitholders' capital (net) (Yen in millions) (Note)	126,515	124,015	124,015	124,015	129,544
Number of unitholders	15,242	16,373	17,658	17,294	19,104

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

(2) Matters Concerning Investment Units

The top 10 unitholders in terms of the percentage of investment units held as of June 30, 2026, 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)	423,966	23.16
The Master Trust Bank of Japan, Ltd. (Trust Account)	320,255	17.50
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	106,566	5.82
SBI Holdings, Inc.	64,200	3.51
STATE STREET BANK AND TRUST COMPANY 505001	28,027	1.53
JP MORGAN CHASE BANK 385781	24,470	1.34
JAPAN SECURITIES FINANCE CO., LTD.	24,163	1.32
JPMorgan Securities Japan Co., Ltd.	20,801	1.14
STATE STREET BANK AND TRUST COMPANY 505103	20,187	1.10
Custody Bank of Japan, Ltd. (Trust Account 4)	17,893	0.98
Total	1,050,528	57.40

(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 28th fiscal period (Yen in thousands) (Note 1)
Executive Officer	Yasushi Iwasa	President & CEO, SBI REIT Advisors Co., Ltd.	—
Supervising Officer	Toshimitsu Morishita	Attorney, Nihombashi Forum Law Office	1,500
	Shigeki Matsuishi	Representative Partner, Laplace LLC Managing Partner, Matsuishi Shigeki Certified Public Accountant and Tax Accountant Office	1,500
	Noriko Higuchi	Real Estate Appraiser, Assort Sogo Office Co., Ltd.	1,500
Independent Auditor	KPMG AZSA LLC	—	18,000 (Note 2)

(Note 1) Total compensation for each position in the applicable business period has been truncated to the nearest thousand yen.

(Note 2) The fee of the independent auditor includes the audit fee of English financial statements and the fee associated with the preparation of a comfort letter for the issuance of new investment units in March 2026. The fee to the persons who belong to the same network as KPMG AZSA LLC for non-audit services is 10,600 thousand yen.

(Note 3) Termination of the independent auditor is carried out in accordance with the Investment Trust Act. The Board of Officers of NIPPON REIT determines the refusal of reappointment of an independent auditor, factoring in various circumstances, including the quality of the audits performed and compensation for said audits.

(Note 4) NIPPON REIT has concluded with an insurance company Directors and Officers Liability Insurance as stipulated in Article 116-3, Paragraph 1 of the Act on Investment Trusts and Investment Corporations to cover loss, such as compensation payment and dispute costs, to be borne by the insured when they receive a claim for compensation due to errors, breach of duties, omissions and others. Directors and Officers Liability Insurance covers all of Executive Officer and Supervising Officers stated above. NIPPON REIT has taken necessary actions not to impair appropriateness of duty of officers by excluding damage born by officers caused by criminal act such as corruptions and intentional illegal act from compensation. NIPPON REIT bears entire costs for Directors and Officers Liability Insurance.

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

NIPPON REIT's asset manager, asset custodian and general administrative agent as of June 30, 2026 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	27th fiscal period (as of December 31, 2025)		28th fiscal period (as of June 30, 2026)	
			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)	1,485	0.5	1,481	0.5
	Total		1,485	0.5	1,481	0.5
Real estate in trust	Office properties	Tokyo economic area (Note 3)	148,953	53.0	143,862	49.0
		Three major metropolitan areas (Note 4) (excluding Tokyo economic area)	14,109	5.0	17,756	6.0
		Other	3,498	1.2	3,477	1.2
		Subtotal	166,561	59.2	165,096	56.2
	Residential properties	Three major metropolitan areas (Note 4)	63,752	22.7	66,142	22.5
		Other	2,118	0.8	2,101	0.7
		Subtotal	65,870	23.4	68,244	23.2
	Other	Three major metropolitan areas (Note 4)	17,868	6.4	34,194	11.6
		Other	4,776	1.7	4,748	1.6
		Subtotal	22,644	8.1	38,942	13.3
	Total		255,076	90.7	272,283	92.7
Investment securities (Note 5)			121	0.0	-	-
Long-term loans receivable			-	-	510	0.2
Deposits and other assets			24,452	8.7	19,491	6.6
Total assets (Note 6)			281,136 (256,562)	100.0 (91.3)	293,765 (273,764)	100.0 (93.2)

- (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 prior period, and there were no applicable investment securities for the current period. Godo Kaisha Osaka Hommachi Hotel transferred all of its investment assets to NIPPON REIT on March 6, 2026.
- (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 June 30, 2026 (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	15,448	14,571.36	14,571.36	100.0	7.2	Office
URAWA GARDEN BUILDING	12,085	7,104.82	7,104.82	100.0	3.6	Office
Tower Court Kilashinagawa	10,348	16,913.29	16,618.68	98.3	5.1	Residential
FORECAST Shinagawa @LABO	8,222	6,435.43	6,435.43	100.0	Not disclosed (Note 6)	Other
FORECAST Gotanda WEST	7,657	8,967.07	8,967.07	100.0	3.2	Office
Shibakoen Sanchome Building	7,258	7,882.60	7,288.59	92.5	2.6	Office
Homat Horizon Building	6,589	6,077.01	6,077.01	100.0	2.5	Office
HOTEL RESOL STAY AKIHABARA	6,294	3,627.86	3,627.86	100.0	Not disclosed (Note 6)	Other
HOTEL RESOL AKIHABARA	6,175	3,440.95	3,440.95	100.0	Not disclosed (Note 6)	Other
FORECAST Shinjuku AVENUE	6,094	4,348.57	4,348.57	100.0	2.5	Office
Total	86,175	79,368.96	78,480.34	98.9	31.6	

- (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 June 30, 2026. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2026. 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 June 30, 2026 and rounding that figure to the first decimal place.
- (Note 5) "Rate to total revenues from property leasing" is rounded to the first decimal place and may not add up to the total.
- (Note 6) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(3) Description of Portfolio

The overview of portfolio assets held by NIPPON REIT as of June 30, 2026, 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	3,510	2,022
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,320	1,420
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,348.57	8,730	6,094
FORECAST Ichigaya (Note 3)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,800	4,203
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.81	2,750	1,664
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	4,010	3,017
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,595.04	3,870	2,951
GreenOak Takanawadai	2-26-10 Shirokanedai, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	3,030	2,024
Hiroo Reeplex B's	5-15-27 Minamiazabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,590	2,846
Shibakoen Sanchoe Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,300	7,258
Itohpia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	4,050	2,835
Itohpia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,118.30	3,440	2,703
Itohpia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	3,310	2,158
Pigeon Building	4-4 Hisamatsucho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,540	2,904
FORECAST Ningyocho	2-13-9 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,500	2,210
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,170	1,664
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,940	2,328
Iidabashi Reeplex B's	1-14 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,700	1,306
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,052.31	2,880	2,269
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,610	2,019
FORECAST Takadanobaba	3-28-2 Takada, Toshima-ku, Tokyo	Trust beneficiary interest	5,661.49	6,910	5,757
Itohpia Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,230	1,675
I+S Minamimorimachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	3,010	2,231
Toranomon Sakura Building	3-22-1 Toranomon, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,860	4,341
La Verite Akasaka	1-5-7 Motoakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,725.07	2,790	2,126
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.53	2,070	1,460
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,950	3,115

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 Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,380.28	5,490	4,854
FORECAST Gotanda WEST	8-9-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,967.07	9,670	7,657
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,571.36	27,700	15,448
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	4,010	2,870
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,330	2,720
NORE Meieki	1-3-18 Meiekiminami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,279.74	4,260	2,398
Homat Horizon Building	5-6-2, Gobancho, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,690	6,589
Towa Kandanshikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,080	1,002
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,450	1,189
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	3,100	2,524
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,700	4,407
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,620	1,481
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	2,180	1,577
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,230	1,231
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,880	1,806
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	3,260	2,532
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,510	1,400
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.29	1,180	1,225
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,070	1,115
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	1,240	1,182
30 Sankyo Building	1-30-4 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,631.67	1,980	1,890
FORECAST Hakata Gofukumachi	7-1 Tsunabamachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,501.83	1,760	1,717
URAWA GARDEN BUILDING	2-8-16, Takasago, Urawa-ku, Saitama-shi, Saitama	Trust beneficiary interest	7,104.82	13,300	12,085
NW SQUARE	4-1-8 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	1,819.80	2,040	1,759
FORECAST Yokkaichi	1-5-17 Unonomori, Yokkaichi- shi, Mie	Trust beneficiary interest	4,008.81	3,900	3,610
CIRCLES Nihonbashi Hamacho	2-35-2 Nihonbashihamacho, Chuo-ku, Tokyo	Trust beneficiary interest	1,806.72	3,990	2,828
Tower Court Kitashinagawa	3-11-13 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	19,000	10,348

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	1,487
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,270	905
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	983	680
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	855	614
Kanda Reeplex R's	2-5-1 Kandatacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,510	1,718
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,190	2,905
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	3,110	2,667
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,790	1,392
Primegate Iidabashi (Note4)	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,043.28	7,050	5,307
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.56	1,380	1,219
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	859	780
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,090	976
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,910	2,255
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,980	1,615
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	625	549
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.12	752	749
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,625	1,620
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	611	595
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,950	1,817
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,300	1,197
Sun ・ Meiekininami Building	9-11 Meiekininami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,040	944
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,530	1,443
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,200	1,183
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	773	726
Meister house Kawasaki	5-2 Minamisaiwaicho 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	815	734
LIESSE Tsurumai (Note 5)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi 2-5-2, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,220	1,109
Sylphide Higashi-shinagawa	4-7-1, Higashi-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,174.19	1,080	987
Royal Bloom	4-29-1, Kishikicho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiary interest	1,236.61	1,300	1,081

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)
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	628	629
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,400	1,386
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	880	921
MAISON NISHI MAGOME	2-21-14 Nakaikegami, Ota-ku, Tokyo	Trust beneficiary interest	928.71	870	814
Muse Ryogoku II	2-2-6, Ryogoku, Sumida-ku, Tokyo	Trust beneficiary interest	850.51	750	654
Plowland Horita	7-19, Horitadori Mizuhoku, Nagoya, Aichi	Trust beneficiary interest	3,564.00	1,540	1,430
Nasic Nozomigaoka	239 Nozomigaoka Meitoku Nagoya, Aichi	Trust beneficiary interest	1,745.56	754	722
St. Lake Celeb Daikancho	40-20, Daikancho, Higashi-ku, Nagoya, Aichi	Trust beneficiary interest	1,835.34	1,040	1,000
Belle Face Kawaharadori	5-5, Kawaharadori, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,874.89	900	897
FORESTA Ibaraki	1-1-32, Kasuga, Ibaraki-shi, Osaka	Trust beneficiary interest	3,054.15	2,000	1,907
FORESTA Minato-cho	1-12-3 Minato, Chuo-ku, Tokyo	Trust beneficiary interest	1,183.81	2,320	1,791
FORESTA Togoshi-ginza	3-16-34 Hiratsuka, Shinagawa- ku, Tokyo	Trust beneficiary interest	2,682.22	3,440	2,207
FORESTA Nishi-funabashi	3-3-21 Nishifuna, Funabashi- shi, Chiba	Trust beneficiary interest	1,417.50	893	867
PRIME GARDEN AKATSUKA	1-6-6 Akatsuka, Itabashi-ku, Tokyo	Trust beneficiary interest	2,542.80	3,210	2,506
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,650	3,303
Street Life (Leasehold land)	3-1-2 Osawa, Izumi-ku, Sendai, Miyagi	Trust beneficiary interest	16,258.65	2,070	2,029
FORECAST Shinagawa@LABO	5-5-6 Kounan, Minato-ku, Tokyo	Trust beneficiary interest	6,435.43	8,440	8,222
HOTEL RESOL STAY AKIHABARA	2-17-10, Kanda-sudacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,627.86	7,690	6,294
Smile Hotel Premium Hakodate Goryokaku	8-15, Motocho, Hakodate-shi, Hokkaido	Trust beneficiary interest	5,357.45	2,790	2,718
innoba Ohta	4-32-6 Nakarokugo, Ota-ku, Tokyo	Trust beneficiary interest	3,721.85	3,320	3,194
HOTEL RESOL AKIHABARA	2-25-12, Kanda-sudacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,440.95	7,980	6,175
THE BASEMENT HOTEL Osaka Honmachi	1-11-8 Nishihonmachi, Nishi-ku, Osaka-shi, Osaka	Trust beneficiary interest	3,300.64	6,340	5,660
KEYU Kawagoe Interchange Store (Leasehold land)	1-32-2 Otsuka, Kawagoe-shi, Saitama	Trust beneficiary interest	5,200.92	1,460	1,342
Total			335,596.72	353,714	273,764

- (Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2026, and truncated to the nearest million yen.
- (Note 2) "Book value" is the value recorded on the balance sheet as of June 30, 2026 (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.

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

Property name	27th fiscal period (From July 1, 2025 to December 31, 2025)				28th fiscal period (From January 1, 2026 to June 30, 2026)			
	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	90	1.1	14	100.0	89	1.0
FORECAST Yotsuya	11	89.7	52	0.6	10	92.4	52	0.6
FORECAST Shinjuku AVENUE	7	100.0	196	2.3	7	100.0	221	2.5
FORECAST Ichigaya	19	96.8	160	1.9	22	100.0	158	1.8
FORECAST Mita	5	100.0	67	0.8	5	100.0	67	0.8
FORECAST Shinjuku SOUTH (Note 5)	-	-	4	0.1	-	-	-	-
FORECAST Sakurabashi (Note 6)	5	100.0	210	2.5	-	-	11	0.1
GreenOak Kayabacho	8	100.0	109	1.3	8	100.0	109	1.2
GreenOak Kudan	6	100.0	112	1.3	6	100.0	110	1.2
GreenOak Takanawadai	11	100.0	86	1.0	11	100.0	85	1.0
Central Daikanyama (Note 7)	-	-	18	0.2	-	-	-	-
Hiroo Reeplex B's	7	100.0	86	1.0	7	100.0	86	1.0
Shibakoen Sanchome Building	3	100.0	234	2.7	3	92.5	225	2.6
Kudankita 325 Building (Note 8)	7	100.0	72	0.9	-	-	35	0.4
Itohpia Iwamotocho 2-chome Building	8	100.0	114	1.3	8	100.0	115	1.3
Itohpia Iwamotocho 1-chome Building	10	100.0	98	1.2	10	100.0	101	1.1
Itohpia Iwamotocho ANNEX Building	7	100.0	97	1.1	7	100.0	97	1.1
Pigeon Building	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
FORECAST Ningyocho	6	100.0	67	0.8	6	100.0	67	0.8
FORECAST Ningyocho PLACE	8	100.0	55	0.6	8	100.0	61	0.7
FORECAST Shin-Tokiwabashi (Note 10)	-	-	0 (Note 11)	0.0	-	-	-	-
Nishi-Shinjuku Sanko Building	7	100.0	86	1.0	7	100.0	87	1.0
Iidabashi Reeplex B's	7	100.0	46	0.5	7	100.0	51	0.6
FORECAST Shinagawa (Note 12)	-	-	15	0.2	-	-	-	-
Nishi-Gotanda 8-chome Building	9	100.0	80	0.9	9	100.0	86	1.0
Towa Higashi-Gotanda Building	6	100.0	66	0.8	6	100.0	78	0.9
FORECAST Takadanobaba	6	100.0	199	2.3	6	100.0	199	2.2
Itohpia Kiyosubashidori Building	7	100.0	80	0.9	7	100.0	80	0.9
I-S Minamimorimachi Building	16	100.0	98	1.2	16	100.0	97	1.1
Toranomon Sakura Building	12	100.0	108	1.3	12	100.0	105	1.2
La Verite Akasaka	6	100.0	60	0.7	5	86.7	48	0.5
Kanda Ocean Building	22	100.0	55	0.7	22	100.0	55	0.6
FORECAST Kayabacho	12	98.7	108	1.3	13	100.0	110	1.2
FORECAST Waseda FIRST	5	84.4	145	1.7	7	100.0	142	1.6
FORECAST Gotanda WEST	13	100.0	269	3.2	14	100.0	285	3.2
Omiya Center Building	33	100.0	627	7.4	32	100.0	637	7.2
Sumitomo Mitsui Bank Koraibashi Building	26	98.8	145	1.7	27	100.0	141	1.6
NORE Fushimi	8	79.6	105	1.2	10	100.0	102	1.2
NORE Meieki	17	95.1	116	1.4	17	89.8	116	1.3
Homat Horizon Building	9	100.0	219	2.6	8	100.0	219	2.5
Towa Kandanishikicho Building	5	84.8	41	0.5	6	100.0	40	0.5

Property name	27th fiscal period (From July 1, 2025 to December 31, 2025)				28th fiscal period (From January 1, 2026 to June 30, 2026)			
	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)
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	43	0.5	8	100.0	43	0.5
Hiroo ON Building	7	100.0	77	0.9	7	100.0	86	1.0
TK Gotanda Building	9	87.6	106	1.2	10	100.0	107	1.2
Gotanda Sakura Building	10	100.0	53	0.6	10	100.0	52	0.6
Alte Building Higobashi	10	100.0	82	1.0	9	94.3	82	0.9
DIA Building Meieki	10	100.0	55	0.7	10	100.0	55	0.6
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	98	1.2	7	86.9	96	1.1
NRT Kandasudacho Building	9	88.1	35	0.4	10	100.0	36	0.4
REID-C Megurofudomae	4	85.8	32	0.4	5	100.0	27	0.3
The Square	18	100.0	34	0.4	18	100.0	38	0.4
Tsukiji Front	7	100.0	26	0.3	7	100.0	28	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)	-	-	10	0.1	-	-	-	-
REID-C Gotenyama Building (Note 15)	-	-	18	0.2	-	-	-	-
30 Sankyo Building	6	100.0	50	0.6	6	100.0	52	0.6
FORECAST Hakata Gofukumachi	9	71.0	31	0.4	11	88.4	37	0.4
URAWA GARDEN BUILDING	24	100.0	310	3.6	24	100.0	319	3.6
NW SQUARE	5	100.0	34	0.4	5	100.0	51	0.6
FORECAST Yokkaichi	-	-	-	-	9	100.0	107	1.2
CIRCLES Nihonbashi Hamacho	-	-	-	-	7	100.0	58	0.7
Tower Court Kitashinagawa	273	98.2	441	5.2	274	98.3	448	5.1
Sky Hills N11	1	100.0	61	0.7	1	100.0	61	0.7
my atria Sakae	1	100.0	37	0.4	1	100.0	36	0.4
Mac Village Heian	1	100.0	28	0.3	1	100.0	28	0.3
Ciel Yakuin	40	95.3	25	0.3	41	97.7	25	0.3
Kanda Reeplex R's	41	100.0	58	0.7	41	100.0	60	0.7
Splendid Namba	251	99.7	117	1.4	251	99.7	119	1.3
Residence Hiroo	53	98.2	65	0.8	53	98.3	67	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	67	97.1	165	1.9	65	94.7	157	1.8
Residence Edogawabashi	37	100.0	27	0.3	34	93.0	32	0.4
Merveille Senzoku (Note 16)	-	-	0 (Note 17)	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	152	98.8	76	0.9	153	99.4	77	0.9
ZEPHYROS Minami-horie	70	97.3	50	0.6	72	100.0	51	0.6
Charmant Fuji Osakajominami	62	98.4	26	0.3	63	100.0	26	0.3
Piacere Fuminosato	44	100.0	19	0.2	43	98.0	19	0.2
Wald Park Minamioi	29	100.0	18	0.2	29	100.0	19	0.2
LAPUTA KUJO	62	100.0	48	0.6	62	100.0	48	0.5

Property name	27th fiscal period (From July 1, 2025 to December 31, 2025)				28th fiscal period (From January 1, 2026 to June 30, 2026)			
	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)
L'arte Nakatsu	28	100.0	16	0.2	28	100.0	17	0.2
City hills Andoji	69	98.8	48	0.6	66	95.3	48	0.5
Hermitage Shin-sakae	49	88.3	33	0.4	53	98.0	35	0.4
Sun・Meiekininami Building	64	91.4	27	0.3	70	100.0	27	0.3
Tenjin Higashi residence (Note 18)	-	-	9	0.1	-	-	-	-
DeLCCS KASAI	30	100.0	43	0.5	30	100.0	43	0.5
Serenite Shin-Osaka	67	96.6	33	0.4	66	97.2	33	0.4
Residence Kinshicho	26	100.0	19	0.2	25	96.9	18	0.2
Meister house Kawasaki	34	97.3	22	0.3	35	100.0	21	0.2
LIESSE Tsurumai	80	92.2	34	0.4	84	96.7	32	0.4
Sylphide Higashi-shinagawa	41	95.2	27	0.3	42	97.7	28	0.3
Royal Bloom	35	100.0	31	0.4	34	97.9	31	0.4
Ever Square Doshin	41	100.0	17	0.2	41	100.0	17	0.2
Canis Court Kamishinjo	56	97.9	42	0.5	56	98.5	42	0.5
Imperial Otori	30	100.0	24	0.3	29	96.9	25	0.3
MAISON NISHI MAGOME	39	100.0	22	0.3	39	100.0	23	0.3
Muse Ryogoku II	34	100.0	20	0.2	33	96.8	20	0.2
Minami-Horie apartment Cielo (Note 19)	-	-	7	0.1	-	-	-	-
Minami-Horie apartment Grande (Note 19)	-	-	7	0.1	-	-	0 (Note 20)	0.0
Minami-Horie apartment Rio (Note 19)	-	-	2	0.0	-	-	-	-
Plowland Horita	105	97.2	47	0.6	104	96.3	48	0.5
Nasic Nozomigaoka	72	98.6	26	0.3	72	98.6	26	0.3
St. Lake Celeb Daikancho	62	94.9	28	0.3	65	98.7	28	0.3
Belle Face Kawaharadori	63	89.7	28	0.3	67	96.1	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	44	0.5	33	94.3	43	0.5
FORESTA Togoshi-ginza	77	96.3	72	0.9	77	96.3	73	0.8
FORESTA Nishi-funabashi	47	94.0	24	0.3	49	98.0	25	0.3
PRIME GARDEN AKATSUKA	-	-	-	-	62	86.7	36	0.4
Otakibashi Pacifica Building	10	100.0	93	1.1	10	100.0	91	1.0
BECOME SAKAE (Note 21)	-	-	28	0.3	-	-	-	-
Street Life (Leasehold land)	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
FORECAST Shinagawa@LABO	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
HOTEL RESOL STAY AKIHABARA	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
Smile Hotel Premium Hakodate Goryokaku	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
innoba Ohta	-	-	-	-	20	100.0	95	1.1
HOTEL RESOL AKIHABARA	-	-	-	-	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
THE BASEMENT HOTEL Osaka Honmachi	-	-	-	-	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
KEIYU Kawagoe Interchange Store (Leasehold land)	-	-	-	-	1	100.0	Not disclosed (Note 9)	Not disclosed (Note 9)
Total	2,900	98.2	8,529	100.0	3,014	98.7	8,847	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 January 13, 2025.
- (Note 7) This property was transferred on August 7, 2025.
- (Note 8) This property was transferred on March 30, 2026.
- (Note 9) This information is not disclosed as tenants' consent to disclosure has not been obtained.
- (Note 10) This property was transferred on May 27, 2025.
- (Note 11) Electricity and other revenues which were finalized in the previous period are recorded.
- (Note 12) This property was transferred on August 27, 2025.
- (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 previous period are recorded.
- (Note 18) This property was transferred on August 27, 2025.
- (Note 19) This property was transferred on August 27, 2025.
- (Note 20) Rent (residential property) and other revenues which were finalized in the current period is recorded.
- (Note 21) This property was transferred on September 30, 2025.

(4) Description of Securities

Not applicable.

(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	104,680,000	85,530,000	4,323,813 (Note3)
Total		104,680,000	85,530,000	4,323,813

- (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

As of June 30, 2026, NIPPON REIT holds other assets as follows:

Borrower name	Asset type	Quantity (Unit)	Book value (Note 1)		Fair value (Note 1) (Note 2)		Unrealized gain (loss) (Yen in thousands)	Note
			Unit price (Yen in thousands)	Amount (Yen in thousands)	Unit price (Yen in thousands)	Amount (Yen in thousands)		
Sumu Fund No. 1 GK	Monetary claims (Subordinated loan claims)	-	-	510,000	-	510,000	-	(Note 3)
Total		-	-	510,000	-	510,000	-	-

- (Note 1) "Book value" and "Fair value" are presented with amounts truncated to the stated unit.
- (Note 2) "Fair value" is presented as the book value net of the allowance for doubtful accounts.
- (Note 3) The underlying asset is "tentative name) Hotel Sumu Shinjuku East powered by Airbnb Partners."

(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 29th 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 Shinjuku AVENUE	Shinjuku ward, Tokyo	Air conditioning ventilation system renewal (Phase 1)	From Jul. 2026 to Dec. 2026	80	-	-
Shibakoen Sanchome Building	Minato ward, Tokyo	Air conditioning ventilation system renewal (Phase 1)	From Jul. 2026 to Dec. 2026	94	-	-
Itohpia Iwamotocho 2-chome Building	Chiyoda ward, Tokyo	Air conditioning ventilation system renewal (Phase 1)	From Jul. 2026 to Dec. 2026	61	-	-
		Air conditioning ventilation system renewal (Phase 2)	From Jul. 2026 to Dec. 2026	56	-	-
FORECAST Ningyocho	Chuo ward, Tokyo	Building-wide LED renewal	From Jul. 2026 to Dec. 2026	12	-	-
Iidabashi Reeplex B's	Shinjuku ward, Tokyo	6 th floor partial fit-out	From Jul. 2026 to Dec. 2026	28	-	-
Nishi-Gotanda 8-chome Building	Shinagawa ward, Tokyo	Elevator control renewal	From Jul. 2026 to Dec. 2026	34	-	-
		Mechanical parking parts replacement	From Jul. 2026 to Dec. 2026	64	-	-
FORECAST Takadanobaba	Toshima ward, Tokyo	Battery storage system replacement	From Jul. 2026 to Dec. 2026	12	-	-
La Verite AKASAKA	Minato ward, Tokyo	6 th floor partial fit-out	From Jul. 2026 to Dec. 2026	25	-	-
Omiya Center Building	Saitama, Saitama	Elevator No.1 renewal	From Jul. 2026 to Dec. 2026	94	-	-
		Exclusive area LED renewal (Phase 3)	From Jul. 2026 to Dec. 2026	49	-	-
NORE Meieki	Nagoya, Aichi	3 rd floor fit-out	From Jul. 2026 to Dec. 2026	15	-	-
Alte Building Higobashi	Osaka, Osaka	Restroom renovation	From Jul. 2026 to Dec. 2026	50	-	-
		Mechanical parking parts replacement (Phase 1)	From Jul. 2026 to Dec. 2026	12	-	-
FORECAST Kameido	Koto ward, Tokyo	Exclusive area LED renewal	From Jul. 2026 to Dec. 2026	42	-	-
30 Sankyo Building	Shinjuku ward, Tokyo	3 rd floor common area renewal	From Jul. 2026 to Dec. 2026	16	-	-
Tower Court Kitashinagawa	Shinagawa ward, Tokyo	Water supply pump replacement	From Jul. 2026 to Dec. 2026	11	-	-
City hills Andoji	Osaka, Osaka	Exclusive are renovation	From Jul. 2026 to Dec. 2026	16	-	-
Canis Court Kamishinjo	Osaka, Osaka	Elevator control renewal	From Jul. 2026 to Dec. 2026	11	-	-
FORESTA Togoshi-ginza	Shinagawa ward, Tokyo	Exclusive area renovation (1DK/1LDK)	From Jul. 2026 to Dec. 2026	43	-	-
		Exclusive area renovation (1K)	From Jul. 2026 to Dec. 2026	12	-	-

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

(2) Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the current period. In the fiscal period ended June 30, 2026, capital expenditures totaled 1,014 million yen. With the addition of 207 million yen posted as expenses for renovations and repairs, total capital expenditures for construction were 1,221 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
FORECAST Yotsuya	Shinjuku ward, Tokyo	10 th floor conference room installation	From Jan. 2026 to Feb. 2026	16
GreenOak Kayabacho	Chuo ward, Tokyo	Building-wide LED renewal	From Jun. 2026 to Jun. 2026	56
		Mechanical parking parts replacement	From Apr. 2026 to Apr. 2026	12
FORECAST Takadanobaba	Toshima ward, Tokyo	Water storage tank upgrade associated with the parking capacity expansion plan	From Apr. 2026 to May 2026	24
Itohpia Kiyosubashidori Building	Taito ward, Tokyo	North exterior wall repair	From Apr. 2026 to May 2026	10
Toranomon Sakura Building	Minato ward, Tokyo	Common area air conditioning ventilation system renewal	From May 2026 to Jun. 2026	90
La Verite AKASAKA	Minato ward, Tokyo	8 th floor pre-fitted office	From Feb. 2026 to Mar. 2026	28
FORECAST Waseda FIRST	Shinjuku ward, Tokyo	Security system installation	From Feb. 2026 to Feb. 2026	26
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Common area renewal (Phase 2)	From Mar. 2026 to Jun. 2026	96
		Replacement of four fire pumps	From Jun. 2026 to Jun. 2026	16
Omiya Center Building	Saitama, Saitama	Exclusive area LED renewal (Phase 2)	From Mar. 2026 to May 2026	65
		Mechanical parking parts replacement	From May 2026 to May 2026	23
NORE Fushimi	Nagoya, Aichi	Air conditioning ventilation system/LED renewal (Phase 2)	From Jan. 2026 to Jan. 2026	82
NORE Meieki	Nagoya, Aichi	4 th floor air conditioning ventilation system renewal	From May 2026 to Jun. 2026	9
		1 st floor common area LED renewal	From Apr. 2026 to Jun. 2026	22
Hiroo On Building	Shibuya ward, Tokyo	Exterior wall repair	From Jul. 2025 to Jan. 2026	83
30 Sankyo Building	Shinjuku ward, Tokyo	Elevator control renewal	From Apr. 2026 to Apr. 2026	23
Mac Village Heian	Nagoya, Aichi	Mechanical parking parts replacement	From Jun. 2026 to Jun. 2026	19
Primegate Iidabashi	Shinjuku ward, Tokyo	Substation system repair (Phase 4)	From Apr. 2026 to Apr. 2026	14
		Exclusive area LED renewal	From May 2026 to Jun. 2026	17
Other capital expenditures				282
Total				1,014

(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	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	28th fiscal period from January 1, 2026 to June 30, 2026
Balance of reserves at the beginning of the period	3,566	3,572	3,505	3,540	3,262
Amount of reserves during the period	1,007	924	966	901	764
Amount of reversal of reserves during the period	1,001	991	932	1,178	1,014
Reserves carried forward	3,572	3,505	3,540	3,262	3,012

(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	27th fiscal period From July 1, 2025 to December 31, 2025	28th fiscal period From January 1, 2026 to June 30, 2026
(a) Asset management fees (Note 1)	648,017	663,560
(b) Asset custody fees	10,605	10,546
(c) Administrative service fees	46,361	46,043
(d) Directors' compensation	3,450	4,500
(e) Independent auditors' fees	15,000	15,000
(f) Other operating expenses	264,677	220,653
Total	988,112	960,304

(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 or recorded in long-term prepaid expenses (27th fiscal period: 202,500 thousand yen, 28th fiscal period: 193,577 thousand yen), and related to the transfer of trust beneficiary interests (27th fiscal period: 274,000 thousand yen, 28th fiscal period: 104,400 thousand yen).

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

(2) Debt Financing

The status of borrowing per financial institution as of June 30, 2026 is as follows:

Classification	Lender	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
Current portion of long-term debt	MUFG Bank, Ltd.	April 24, 2018	200	-	0.75 (Note 2)	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		200	-					
	Meiji Yasuda Life Insurance Company	April 24, 2018	500	-	0.70	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2019	500	-	0.59 (Note 2)	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	-					
	Sumitomo Mitsui Banking Corporation		1,000	-					
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		400	-					
	SBI Shinsei Bank, Limited		200	-					
	Mizuho Trust & Banking Co., Ltd.		200	-					
	Aozora Bank, Ltd.		300	-					
	MUFG Bank, Ltd.	July 22, 2019	2,600	-	0.43 (Note 2)	April 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	-					
	Resona Bank, Limited		550	-					
	Sumitomo Mitsui Trust Bank, Limited		250	-					
	SBI Shinsei Bank, Limited		350	-					
	Mizuho Trust & Banking Co., Ltd.		450	-					
	MUFG Bank, Ltd.	May 27, 2025	1,405	-	1.34	May 27, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,405	-					
	MUFG Bank, Ltd.	August 20, 2018	3,650	3,650	0.83 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	February 20, 2020	1,500	1,500	0.39 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	MUFG Bank, Ltd.	August 22, 2022	550	550	0.50 (Note 2)	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	The Nomura Trust and Banking Co., Ltd.		250	250					
	MUFG Bank, Ltd.	August 20, 2025	1,000	1,000	1.11	August 20, 2026	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed

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								
Current portion of long-term debt	MUFG Bank, Ltd.	April 24, 2019	-	500	0.74 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	300					
	Sumitomo Mitsui Banking Corporation		-	750					
	Resona Bank, Limited		-	100					
	Sumitomo Mitsui Trust Bank, Limited		-	400					
	SBI Shinsei Bank, Limited		-	200					
	Mizuho Trust & Banking Co., Ltd.		-	100					
	Aozora Bank, Ltd.		-	200					
	MUFG Bank, Ltd.	July 22, 2019	-	3,500	0.54 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	1,200					
	Resona Bank, Limited		-	500					
	Sumitomo Mitsui Trust Bank, Limited		-	300					
	SBI Shinsei Bank, Limited		-	400					
	Mizuho Trust & Banking Co., Ltd.		-	400					
	Sumitomo Mitsui Banking Corporation	February 20, 2020	-	500	0.45 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 20, 2023	-	600	1.20	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	200					
	Sumitomo Mitsui Banking Corporation		-	300					
	Mizuho Trust & Banking Co., Ltd.		-	200					
	MUFG Bank, Ltd.	April 22, 2024	-	750	1.16	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	300					
	Sumitomo Mitsui Banking Corporation		-	300					
	Subtotal			23,210	22,800				
Long-term debt	MUFG Bank, Ltd.	April 24, 2019	500	-	0.74 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	-					
	Sumitomo Mitsui Banking Corporation		750	-					
	Resona Bank, Limited		100	-					
	Sumitomo Mitsui Trust Bank, Limited		400	-					
	SBI Shinsei Bank, Limited		200	-					
	Mizuho Trust & Banking Co., Ltd.		100	-					
	Aozora Bank, Ltd.		200	-					
	MUFG Bank, Ltd.	July 22, 2019	3,500	-	0.54 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	-					
	Resona Bank, Limited		500	-					
	Sumitomo Mitsui Trust Bank, Limited		300	-					
	SBI Shinsei Bank, Limited		400	-					
	Mizuho Trust & Banking Co., Ltd.		400	-					
	Sumitomo Mitsui Banking Corporation	February 20, 2020	500	-	0.45 (Note 2)	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed

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 20, 2023	600	-	1.20	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	-					
	Sumitomo Mitsui Banking Corporation		300	-					
	Mizuho Trust & Banking Co., Ltd.		200	-					
	MUFG Bank, Ltd.	April 22, 2024	750	-	1.16	April 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	-					
	Sumitomo Mitsui Banking Corporation		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	1.20	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					
	MUFG Bank, Ltd.	August 20, 2024	600	600	1.16	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	500	0.56 (Note 2)	December 20, 2027	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	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					

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, 2021	700	700	0.42 (Note 2)	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Resona Bank, Limited		600	600					
	SBI Shinsei Bank, Limited		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.		250	250					
	MUFG Bank, Ltd.	April 22, 2024	150	150	1.20	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Resona Bank, Limited		550	550					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	MUFG Bank, Ltd.	April 21, 2025	1,200	1,200	1.16	April 20, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		650	650					
	Sumitomo Mitsui Banking Corporation		350	350					
	Resona Bank, Limited		350	350					
	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					
	MUFG Bank, Ltd.	July 21, 2020	2,000	2,000	0.64 (Note 2)	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited		1,250	1,250					
	Mizuho Trust & Banking Co., Ltd.		1,250	1,250					
	MUFG Bank, Ltd.	April 22, 2024	200	200	1.05 (Note 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.	August 20, 2024	100	100	1.20	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		300	300						
Mizuho Trust & Banking Co., Ltd.		400	400						
Development Bank of Japan Inc.		200	200						
MUFG Bank, Ltd.	August 20, 2025	800	800	1.16	August 21, 2028	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		400	400						
Sumitomo Mitsui Banking Corporation		150	150						
Resona Bank, Limited		450	450						
Sumitomo Mitsui Trust Bank, Limited		100	100						

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 24, 2019	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.	October 30, 2020	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.	April 20, 2021	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.	April 20, 2022	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.	April 22, 2024	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.	April 21, 2025	100	100	1.20	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.	April 20, 2026	-	250	1.20	April 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	550					
	Sumitomo Mitsui Banking Corporation		-	550					
	Resona Bank, Limited		-	150					
	Sumitomo Mitsui Trust Bank, Limited		-	200					
	SBI Shinsei Bank, Limited		-	300					
	MUFG Bank, Ltd.	August 20, 2021	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.	April 22, 2024	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					
	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.	August 20, 2025	600	600	1.57 (Note 2)	August 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					

Classification		Borrowing date	Balance at the beginning of the period (Yen in millions)	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 20, 2026	-	200	1.21	August 20, 2029	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		-	250					
	Resona Bank, Limited		-	200					
	Sumitomo Mitsui Trust Bank, Limited		-	100					
	SBI Shinsei Bank, Limited		-	350					
	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.		250	250					
	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					
	MUFG Bank, Ltd.	March 6, 2026	-	610	1.23	April 22, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	500					
	Sumitomo Mitsui Banking Corporation		-	500					
	Resona Bank, Limited		-	300					
	Sumitomo Mitsui Trust Bank, Limited		-	300					
	SBI Shinsei Bank, Limited		-	200					
	Mizuho Trust & Banking Co., Ltd.		-	200					
	Mizuho Bank, Ltd.		-	200					
	SBI Shinsei Bank, Limited	April 20, 2026	-	200	1.24	April 22, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Trust & Banking Co., Ltd.		-	350					
MUFG Bank, Ltd.	July 21, 2020	1,500	1,500	0.78 (Note 2)	July 22, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		500	500						
MUFG Bank, Ltd.	August 21, 2023	2,300	2,300	1.15 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		700	700						
Sumitomo Mitsui Banking Corporation		500	500						
Resona Bank, Limited		350	350						
Sumitomo Mitsui Trust Bank, Limited		500	500						
Mizuho Trust & Banking Co., Ltd.		400	400						
Development Bank of Japan Inc.		400	400						

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	700	700	1.10 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		350	350					
	Sumitomo Mitsui Banking Corporation		400	400					
	SBI Shinsei Bank, Limited		200	200					
	MUFG Bank, Ltd.	April 21, 2025	400	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	600	1.67 (Note 2)	August 20, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		100	100					
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	Development Bank of Japan Inc.		600	600					
	The Chiba Bank, Ltd.	May 27, 2026	-	500	1.22	August 30, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	May 27, 2026	-	300	1.22	August 30, 2030	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	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.	March 6, 2026	-	610	2.46 (Note 2)	April 21, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	400					
	Sumitomo Mitsui Banking Corporation		-	400					
Resona Bank, Limited	-		400						
Sumitomo Mitsui Trust Bank, Limited	-		400						
SBI Shinsei Bank, Limited	-		300						
Mizuho Trust & Banking Co., Ltd.	-		200						
Development Bank of Japan Inc.	-		250						
Aozora Bank, Ltd.	-		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 20, 2026	-	600	1.60	April 21, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	600					
	Sumitomo Mitsui Banking Corporation		-	550					
	Resona Bank, Limited		-	400					
	Sumitomo Mitsui Trust Bank, Limited		-	250					
	SBI Shinsei Bank, Limited		-	250					
	Mizuho Trust & Banking Co., Ltd.		-	300					
	Aozora Bank, Ltd.		-	300					
	MUFG Bank, Ltd.		August 21, 2023	1,800					
	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	3,100	1.76 (Note 2)	August 20, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation		150	150					
	Resona Bank, Limited		250	250					
	SBI Shinsei Bank, Limited	September 25, 2025	1,200	1,200	1.88 (Note 2)	September 22, 2031	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 20, 2026	-	600	1.63	April 20, 2032	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	600					
	Sumitomo Mitsui Banking Corporation		-	600					
	Resona Bank, Limited		-	200					
	Sumitomo Mitsui Trust Bank, Limited		-	300					
	SBI Shinsei Bank, Limited		-	200					
	Sumitomo Mitsui Banking Corporation	May 27, 2026	-	710	1.29	May 31, 2032	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	SBI Shinsei Bank, Limited	May 27, 2026	-	800	1.29	May 31, 2032	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
The Chiba Bank, Ltd.	May 27, 2026	-	300	1.29	May 31, 2032	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
The Bank of Fukuoka, Ltd.	May 27, 2026	-	200	1.29	May 31, 2032	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			105,420	111,650	-	-	-	-	-
Total			128,630	134,450					

(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.

(3) Investment Corporation Bonds

The status of investment corporation bonds as of June 30, 2026 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 (%)	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)	
FORECAST Sakurabashi	—	—	January 13, 2026	7,700	6,116	1,327
FORECAST Yokkaichi	January 14, 2026	3,522	—	—	—	—
innoba Ohta	January 14, 2026	3,158	—	—	—	—
PRIME GARDEN AKATSUKA	March 6, 2026	2,420	—	—	—	—
HOTEL RESOL AKIHABARA	March 6, 2026	6,125	—	—	—	—
THE BASEMENT HOTEL Osaka Honmachi	March 6, 2026	5,600	—	—	—	—
KEIYU Kawagoe Interchange Store (Leasehold land)	March 6, 2026	1,273	—	—	—	—
CIRCLES Nihonbashi Hamacho	March 30, 2026	3,492	—	—	—	—
Kudankita 325 Building	—	—	March 30, 2026	2,740	1,946	(20)
Total	—	25,591	—	10,440	8,062	1,306

(Note 1) "Acquisition price" or "Transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc. Figures have been truncated to the nearest million yen.

(Note 2) "Gain or loss on transfer" represents amounts obtained by deducting book values, transfer-related expenses and reduction of book value arising from the exchange transaction for tax purposes from the transfer price.

(2) Transaction of Other Assets

Asset type	Asset name	Purchases		Sales		Balance as of June 30, 2026	
		Quantity	Amount (Yen in millions) (Note)	Quantity	Amount (Yen in millions) (Note)	Quantity	Amount (Yen in millions) (Note)
Monetary claims (Subordinated loan claims)	Mezzanine loan claim to Sumu Fund No. 1 GK, back by (tentative name) Hotel Sumu Shinjuku East powered by Airbnb Partners	—	510	—	—	—	510

(Note) Amounts are truncated to the stated unit.

(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) (Note1) (Note2)	Appraisal value (Yen in millions) (Note 2)	Appraiser	Appraisal date
Transfer	FORECAST Sakurabashi	January 13, 2026	Trust Beneficiary Interest	7,700	7,270	Japan Real Estate Institute	December 31, 2024
Acquisition	FORECAST Yokkaichi	January 14, 2026	Trust Beneficiary Interest	3,522	3,870	Daiwa Real Estate Appraisal Co., Ltd.	August 1, 2025
Acquisition	innoba Ohta	January 14, 2026	Trust Beneficiary Interest	3,158	3,300	Chuo Real Estate Appraisal Co., Ltd.	August 1, 2025
Acquisition	PRIME GARDEN AKATSUKA	March 6, 2026	Trust Beneficiary Interest	2,420	3,200	Daiwa Real Estate Appraisal Co., Ltd.	December 1, 2025
Acquisition	HOTEL RESOL AKIHABARA	March 6, 2026	Trust Beneficiary Interest	6,125	7,940	Chuo Real Estate Appraisal Co., Ltd.	December 30, 2025
Acquisition	THE BASEMENT HOTEL Osaka Honmachi	March 6, 2026	Trust Beneficiary Interest	5,600	6,350	Japan Real Estate Institute	December 30, 2025
Acquisition	KEIYU Kawagoe Interchange Store (Leasehold land)	March 6, 2026	Trust Beneficiary Interest	1,273	1,460	Daiwa Real Estate Appraisal Co., Ltd.	February 2, 2026
Acquisition	CIRCLES Nihonbashi Hamacho	March 30, 2026	Trust Beneficiary Interest	3,492	3,960	Japan Real Estate Institute	December 1, 2025
Transfer	Kudankita 325 Building	March 30, 2026	Trust Beneficiary Interest	2,740	2,410	Japan Real Estate Institute	June 30, 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 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

With respect to transactions other than those described in "A. Real estate" above that are subject to a price investigation under Article 201 of the Investment Trust Act, NIPPON REIT engaged KPMG AZSA LLC or Akasaka Audit LLC to conduct such investigation.

For transactions that were investigated during the applicable period from January 1, 2026 to June 30, 2026, NIPPON REIT received an investigation report from KPMG AZSA LLC in relation to one interest rate swap transaction and an investigation report from Akasaka Audit LLC in relation to one acquisition of monetary claims (subordinated loan claims).

Regarding the investigation of interest rate swap transactions, the scope included not only the investigation of comparable prices, but also the investigation of the name of the counterparty, the agreed figures, the transaction period, and other details regarding the relevant interest rate swap transactions.

(4) Related Party Transactions

A. Status of Transactions

Classification	Purchase and sale amounts, etc.			
	Purchase amount, etc. (Yen in millions)		Sale amount, etc. (Yen in millions)	
Aggregate amount	26,101		10,440	
Breakdown of related party transactions			(Yen in thousands)	
TU31 Godo Kaisha	3,158	(12.1%)	—	(—%)
Omori Godo Kaisha	2,420	(9.3%)	—	(—%)
Residence Asset Solution No. 2 Godo Kaisha	6,125	(23.5%)	—	(—%)
SPV04 Godo Kaisha	1,273	(4.9%)	—	(—%)
SBI SECURITIES Co., Ltd.	510	(2.0%)	—	(—%)
Total	13,486	(51.7%)	—	(—%)

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	38,870	SBI Shinsei Trust and Banking Co., Ltd.	1,179	3.0%
Financing-related expenses	278,121	SBI Shinsei Bank, Limited	13,904	5.0%

- (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 Management 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

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 June 30, 2026 is as follows:

Date of approval	Description	Overview
February 18, 2026	Execution of a contract to underwrite new investment units	It was approved to execute an underwriting contract for the domestic offering of new investment units between SBI REIT Advisors Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Morgan Stanley MUFG Securities Co., Ltd., Nomura Securities Co., Ltd., and SBI SECURITIES Co., Ltd..

(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 December 31, 2025 and June 30, 2026

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 16,470,963	¥ 10,876,548
Cash and deposits in trust (Note 3)	6,441,790	6,857,909
Tenant receivables	122,768	120,062
Prepaid expenses	438,052	462,436
Income taxes refund receivable	1,816	2,997
Consumption taxes refund receivable	—	196,414
Other current assets	24,093	26,048
Total Current Assets	23,499,484	18,542,418
Investment Properties (Notes 5 and 6):		
Buildings (Note 8)	291,290	291,399
Tools, furniture and fixtures	1,066	1,187
Land in trust (Note 7)	197,488,666	210,269,817
Buildings in trust (Note 8)	69,485,471	75,125,925
Structures in trust	261,069	293,274
Machinery and equipment in trust	780,033	803,033
Tools, furniture and fixtures in trust (Note 8)	643,617	690,313
Construction in progress in trust	1,715	1,415
Less: accumulated depreciation	(17,130,209)	(17,888,681)
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	3,481,919	2,919,031
Other intangible assets	2,628	2,434
Total Investment Properties, net	256,564,060	273,765,942
Other Assets:		
Investment securities (Note 4)	121,563	—
Long-term loans receivable	—	510,000
Lease and guarantee deposits	10,100	10,227
Long-term prepaid expenses	901,429	900,224
Deferred investment corporation bond issuance costs	35,191	30,746
Deferred tax assets (Note 18)	38	36
Others	4,690	5,935
Total Other Assets	1,073,012	1,457,170
Total Assets	¥ 281,136,557	¥ 293,765,531

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

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of December 31, 2025 and June 30, 2026

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Liabilities		
Current Liabilities:		
Long-term debt due within one year (Notes 4 and 15)	¥ 23,210,000	¥ 22,800,000
Accounts payable	1,072,348	1,127,540
Accrued expenses	398,472	455,249
Accrued consumption taxes	34,401	—
Advances received	1,425,501	1,474,779
Other current liabilities	197,825	237,360
Total Current Liabilities	26,338,548	26,094,930
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 16)	6,800,000	6,800,000
Long-term debt (Notes 4 and 15)	105,420,000	111,650,000
Tenant security deposits	63,670	63,670
Tenant security deposits in trust	8,830,963	9,158,865
Other	32,899	30,642
Total Long-Term Liabilities	121,147,533	127,703,177
Total Liabilities	147,486,082	153,798,108
Net Assets (Notes 13 and 19)		
Unitholders' Equity:		
Unitholders' capital	126,515,601	132,044,763
Units authorized: 16,000,000 units		
Units issued and outstanding: 1,768,380 units as of December 31, 2025 and 1,830,330 units as of June 30, 2026		
Deduction from unitholders' capital (Note 14)	(2,499,903)	(2,499,903)
Unitholders' capital, net	124,015,698	129,544,859
Reserve for reduction entry	947,091	947,091
Reserve for the reduction entry with special provisions for replacement	1,929,842	4,276,553
Retained earnings	6,757,843	5,198,918
Total Unitholders' Equity	133,650,475	139,967,423
Total Net Assets	133,650,475	139,967,423
Total Liabilities and Net Assets	¥ 281,136,557	¥ 293,765,531

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

NIPPON REIT Investment Corporation
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six-month periods ended December 31, 2025 and June 30, 2026

	For the six-month periods ended	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Operating Revenues (Note 9):		
Rental revenues (Note 10)	¥ 7,786,235	¥ 8,190,644
Other revenues related to property leasing (Note 10)	743,641	657,015
Gain on sales of real estate properties (Note 11)	3,121,350	1,327,031
Dividend income	2,983	2,966
Interest income	—	13,050
Total Operating Revenues	11,654,210	10,190,708
Operating Expenses:		
Property-related expenses (Note 10)	3,194,923	3,177,821
Loss on exchanges of real estate properties (Note 12)	—	20,363
Asset management fees	648,017	663,560
Asset custody fees	10,605	10,546
Administrative service fees	46,361	46,043
Directors' compensation	3,450	4,500
Independent auditors' fees	15,000	15,000
Other operating expenses	264,677	220,653
Total Operating Expenses	4,183,036	4,158,489
Operating Income	7,471,174	6,032,219
Non-Operating Revenues:		
Interest income	16,804	24,290
Interest on tax refund	1,027	18
Reversal of distributions payable	6,673	7,135
Total Non-Operating Revenues	24,505	31,443
Non-Operating Expenses:		
Interest expense	541,300	626,193
Interest on investment corporation bonds	30,299	29,874
Amortization of investment corporation bond issuance costs	4,444	4,444
Borrowing related expenses	268,178	278,121
Investment unit issuance costs	—	33,394
Others	51	50
Total Non-Operating Expenses	844,274	972,079
Ordinary Income	6,651,405	5,091,582
Income Before Income Taxes	6,651,405	5,091,582
Income taxes – current	1,365	1,326
Income taxes – deferred	3	1
Total Income Taxes (Note 18)	1,368	1,328
Net Income	6,650,037	5,090,254
Retained Earnings Brought Forward	107,806	108,663
Retained Earnings at End of Period	¥ 6,757,843	¥ 5,198,918

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

NIPPON REIT Investment Corporation
STATEMENTS OF CHANGES IN NET ASSETS

For the six-month periods ended December 31, 2025 and June 30, 2026

	Unitholders' Equity				
	Number of Units	Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, net	Reserve for Reduction Entry with Special Provisions for Replacement
	(Units)	(Yen in thousands)			
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
Issuance of new investment units	61,950	5,529,161		5,529,161	
Reserve for reduction entry with special provisions for replacement					2,361,000
Reversal of reserve for reduction entry with special provisions for replacement					(14,289)
Cash distributions declared					
Net income					
Balance as of June 30, 2026	1,830,330	¥132,044,763	¥ (2,499,903)	¥ 129,544,859	¥ 947,091

Unitholders' Equity		
Retained Earnings	Total Unitholders' Equity	Total Net Assets
(Yen in thousands)		
¥ 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)
Net income	6,650,037	6,650,037
Balance as of December 31, 2025	¥ 6,757,843	¥ 133,650,475
Issuance of new investment units		5,529,161
Reserve for reduction entry with special provisions for replacement	(2,361,000)	—
Reversal of reserve for reduction entry with special provisions for replacement	14,289	—
Cash distributions declared	(4,302,468)	(4,302,468)
Net income	5,090,254	5,090,254
Balance as of June 30, 2026	¥ 5,198,918	¥ 139,967,423

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

NIPPON REIT Investment Corporation
STATEMENTS OF CASH FLOWS

For the six-month periods ended December 31, 2025 and June 30, 2026

	For the six-month periods ended	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 6,651,405	¥ 5,091,582
Depreciation and amortization	1,081,862	1,171,947
Amortization of investment corporation bond issuance costs	4,444	4,444
Loss on retirement of investment properties	6,850	6,100
Investment unit issuance costs	—	33,394
Interest income	(16,804)	(24,290)
Interest expense	571,600	656,067
(Increase) decrease in tenant receivables	82,627	2,705
(Increase) decrease in prepaid expenses	13,651	(24,383)
(Increase) decrease in long-term prepaid expenses	64,349	1,204
Decrease (Increase) in consumption taxes refund receivable	259,122	(196,414)
Increase (decrease) in accrued consumption taxes	34,401	(34,401)
Increase (decrease) in accounts payable	(177,850)	24,403
Increase (decrease) in accrued expenses	5,099	19,120
Increase (decrease) in advances received	11,653	49,278
Decrease in investment properties in trust due to sale	16,594,773	8,207,558
Decrease in intangible assets in trust due to sale	6,655,269	562,888
Interest income received	16,804	24,290
Interest expense paid	(523,428)	(618,410)
Income taxes paid	(2,627)	(2,507)
Others, net	137,421	(5,795)
Net Cash Provided by Operating Activities	31,470,627	14,948,783
Cash Flows from Investing Activities:		
Payments for purchases of investment properties other than intangible assets	(2,927)	(230)
Payments for purchases of investment properties in trust other than intangible assets in trust	(21,769,618)	(27,119,359)
Proceeds from tenant security deposit	748	—
Proceeds from tenant security deposits in trust	1,382,402	944,898
Payments of tenant security deposits in trust	(1,332,325)	(579,080)
Payments of tenant security deposits	—	(127)
Proceeds from repayments of investment securities	—	119,000
Long-term loan advances	—	(510,000)
Other payments	(1,244)	(1,244)
Net Cash Used in Investing Activities	(21,722,964)	(27,146,142)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	10,700,000	18,230,000
Repayments of long-term debt	(9,500,000)	(12,410,000)
Proceeds from issuance of investment units	—	5,495,766
Distributions paid	(4,137,495)	(4,296,702)
Net Cash Used in Financing Activities	(2,937,495)	7,019,064
Net Change in Cash and Cash Equivalents	6,810,167	(5,178,294)
Cash and Cash Equivalents at Beginning of Period	16,102,585	22,912,753
Cash and Cash Equivalents at End of Period (Note 3)	¥ 22,912,753	¥ 17,734,458

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

NIPPON REIT Investment Corporation
NOTES TO FINANCIAL STATEMENTS

As of and for the six-month periods ended December 31, 2025 and June 30, 2026

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.; now, 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. 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 Holdings 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. Additionally, NIPPON REIT issued new investment units through a public offering (59,000 units) and a third-party allotment (2,950 units) in March 2026. As of June 30, 2026, the total number of investment units issued and outstanding was 1,830,330 units.

As of June 30, 2026, NIPPON REIT had ownership or trust beneficiary interests in 107 properties with a total leased area of approximately 331,269.21 square meters of rentable space and had leased space to 3,014 tenants. The occupancy rate for the properties was approximately 98.7%.

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 Unit Issuance Costs

Investment unit issuance costs are expensed in full when incurred.

(h) Investment Securities

Available-for-sale securities without market prices are stated at cost determined by the moving average method.

(i) 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.

(j) 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 June 30 of the calendar year and capitalizes these amounts as acquisition costs of the property, rather than expensing them. In subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

The following is a summary of capitalized real estate taxes.

	For the six-month periods ended			
	December 31, 2025		June 30, 2026	
	(Yen in thousands)			
Capitalized real estate taxes	¥	31,630	¥	68,844

(k) 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.

(l) 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.

(m) 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.

(n) 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

(o) Significant Accounting Estimates

Impairment loss on investment properties

(1) Carrying amount in the accompanying financial statements

	As of			
	December 31, 2025		June 30, 2026	
	(Yen in thousands)			
Investment properties	¥	256,564,060	¥	273,765,942

(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.

(p) Accounting Standards Issued but Not Yet Effective

(Accounting Standard for Leases, etc.)

- “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.

(Accounting Standard for Subsequent Events, etc.)

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

(1) Overview

The Accounting Standard for Subsequent Events and the related implementation guidance were developed as a priority initiative to establish comprehensive accounting standards that address the definition, accounting treatment, and disclosure of subsequent events. As a basic policy, the accounting guidance set out in Auditing Standard Statement No. 560, Practical Guideline No. 1 Auditing Treatment of Subsequent Events, issued by the Auditing and Assurance Standards Committee of the Japanese Institute of Certified Public Accountants, has been, in principle, retained and transferred to the ASBJ. The accounting standard and implementation guidance revised certain wording, clarified the evaluation period for subsequent events, and introduced a new requirement to disclose a note regarding the approval of the issuance of financial statements, thereby establishing the accounting treatment and disclosure related to subsequent events.

(2) Schedule date of adoption

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

Note 3 – Cash and Cash Equivalents

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

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Cash and deposits	¥ 16,470,963	¥ 10,876,548
Cash and deposits in trust	6,441,790	6,857,909
Cash and cash equivalents	¥ 22,912,753	¥ 17,734,458

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 June 30, 2026, 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 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 long-term loans receivable, tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

	As of December 31, 2025			As of June 30, 2026		
	(Yen in thousands)			(Yen in thousands)		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Long-term debt due within one year	¥ 23,210,000	¥ 23,123,742	¥ (86,257)	¥ 22,800,000	¥ 22,675,502	¥ (124,497)
Investment corporation bonds	6,800,000	6,469,250	(330,750)	6,800,000	6,454,270	(345,730)
Long-term debt	105,420,000	101,762,617	(3,657,382)	111,650,000	107,632,688	(4,017,311)
Total liabilities	¥ 135,430,000	¥ 131,355,610	¥ (4,074,389)	¥ 141,250,000	¥ 136,762,461	¥ (4,487,538)
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 December 31, 2025 and June 30, 2026.

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

Hedge accounting method	Type of derivative transaction	Hedged item	As of December 31, 2025		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 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”.

Hedge accounting method	Type of derivative transaction	Hedged item	As of June 30, 2026		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 104,680,000	¥ 85,530,000	(Note)
Total			¥ 104,680,000	¥ 85,530,000	¥ —

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 December 31, 2025		As of June 30, 2026	
	(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	¥ —	¥ —
Total	¥ 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 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

As of June 30, 2026	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	22,800,000	23,700,000	24,020,000	24,960,000	23,860,000	15,110,000
Total	¥ 22,800,000	¥ 24,700,000	¥ 26,520,000	¥ 26,260,000	¥ 23,860,000	¥ 17,110,000

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of December 31, 2025			As of June 30, 2026		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 291,290	¥ (62,813)	¥ 228,476	¥ 291,399	¥ (67,709)	¥ 223,689
Tools, furniture and fixtures	1,066	(344)	721	1,187	(427)	759
Land in trust	197,488,666	—	197,488,666	210,269,817	—	210,269,817
Buildings in trust	69,485,471	(16,337,774)	53,147,696	75,125,925	(17,030,225)	58,095,699
Structures in trust	261,069	(108,651)	152,417	293,274	(114,096)	179,178
Machinery and equipment in trust	780,033	(307,207)	472,825	803,033	(321,443)	481,590
Tools, furniture and fixtures in trust	643,617	(313,417)	330,199	690,313	(354,779)	335,534
Construction in progress in trust	1,715	—	1,715	1,415	—	1,415
Leasehold rights	1,256,792	—	1,256,792	1,256,792	—	1,256,792
Leasehold rights in trust	3,481,919	—	3,481,919	2,919,031	—	2,919,031
Other intangible assets	5,686	(3,058)	2,628	5,686	(3,251)	2,434
Total	¥273,697,328	¥(17,133,268)	¥ 256,564,060	¥291,657,875	¥(17,891,933)	¥ 273,765,942

Note 6 – Fair Value of Investment Properties

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

	For the six-month periods ended			
	December 31, 2025		June 30, 2026	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	259,100,457	¥	256,562,345
Change during period		(2,538,112)		17,202,182
Balance at end of period		256,562,345		273,764,527
Fair value	¥	331,652,000	¥	353,714,000

Notes:

1. The book value represents acquisition costs after deducting accumulated depreciation.
2. The fair value is determined based on appraisal values provided by external real estate appraisers.
3. For the six-month period ended December 31, 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).
4. For the six-month period ended June 30, 2026, the increase was primarily due to the acquisition of 7 properties including “HOTEL RESOL AKIHABARA” (total acquisition price of ¥25,591,100 thousand) and the offsetting decrease was primarily due to the transfer of 2 properties including “FORECAST Sakurabashi” (total book value of ¥8,062,874 thousand).

Note 7 – Reduction Entry for Investment Properties Acquired through Exchange

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

	As of			
	December 31, 2025		June 30, 2026	
	(Yen in thousands)			
Land in trust	¥	971,651	¥	1,681,553

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

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

	As of			
	December 31, 2025		June 30, 2026	
	(Yen in thousands)			
Buildings	¥	3,469	¥	3,469
Buildings in trust		266,928		266,928
Tools, furniture and fixtures in trust		262		262
Total	¥	270,660	¥	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	
		December 31, 2025	June 30, 2026
		(Yen in thousands)	
Revenues from property leasing:			
Rental revenues:			
Base rents	¥	6,883,744	¥ 7,347,327
Common area charges		691,017	635,953
Parking space rental revenues		211,472	207,363
Total rental revenues		7,786,235	8,190,644
Other revenues related to property leasing:			
Utilities charge revenues		522,739	440,783
Others		220,902	216,232
Total other revenues related to property leasing		743,641	657,015
Total revenues from property leasing		8,529,877	8,847,660
Property-related expenses:			
Property management fees		488,952	485,645
Utility expenses		489,628	442,434
Insurance expenses		11,375	11,301
Repair expenses		285,839	207,105
Taxes and dues		596,705	647,325
Depreciation and amortization		1,081,862	1,171,947
Loss on retirement of investment properties		6,850	6,100
Trust fees		36,709	36,970
Other		196,998	168,991
Total property-related expenses		3,194,923	3,177,821
Income from property leasing	¥	5,334,953	¥ 5,669,838

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

The details of gain and loss on sales of real estate properties for the six-month period ended December 31, 2025 were as follows:

	(Yen in thousands)
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest):	
Revenue from transfer of real estate property	¥ 10,000,000
Cost of real estate property transferred	7,249,399
Other transfer expenses incurred	383,363
Gain on sales of real estate properties	¥ 2,367,237
	(Yen in thousands)
Central Daikanyama • BECOME SAKAE (Note):	
Revenue from transfer of real estate property	¥ 9,100,000
Cost of real estate property transferred	8,371,951
Other transfer expenses incurred	303,894
Gain on sales of real estate properties	¥ 424,154
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:	
Revenue from transfer of real estate property	¥ 2,700,000
Cost of real estate property transferred	2,470,923
Other transfer expenses incurred	109,691
Gain on sales of real estate properties	¥ 119,385
	(Yen in thousands)
REID-C Iidabashi Building:	
Revenue from transfer of real estate property	¥ 1,330,000
Cost of real estate property transferred	1,229,330
Other transfer expenses incurred	54,994
Gain on sales of real estate properties	¥ 45,675

	(Yen in thousands)
REID-C Gotenyama Building:	
Revenue from transfer of real estate property	¥ 1,170,000
Cost of real estate property transferred	1,080,873
Other transfer expenses incurred	48,394
Gain on sales of real estate properties	¥ 40,731
	(Yen in thousands)
Tenjinhigashi residence, Minami-Horie apartment Cielo, Minami-Horie apartment Grande, and Minami-Horie apartment Rio (Note):	
Revenue from transfer of real estate property	¥ 3,100,000
Cost of real estate property transferred	2,845,351
Other transfer expenses incurred	130,482
Gain on sales of real estate properties	¥ 124,165
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.	

The details of gain and loss on sales of real estate properties for the six-month period ended June 30, 2026 were as follows:

	(Yen in thousands)
FORECAST Sakurabashi:	
Revenue from transfer of real estate property	¥ 7,700,000
Cost of real estate property transferred	6,116,713
Other transfer expenses incurred	256,254
Gain on sales of real estate properties	¥ 1,327,031

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

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

The details of gain and loss on exchange of real estate properties for the six-month period ended June 30, 2026 were as follows:

	(Yen in thousands)
Kudankita 325 Building	
Revenue from transfer of real estate property	¥ 2,740,000
Cost of real estate property transferred	1,946,161
Other transfer expenses incurred	104,300
Compressed amount of fixed assets	709,902
Loss on exchanges of real estate properties	¥ (20,363)

Note 13 – Net Assets

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

Note 14 – Treasury Investment Units

Cancellation of treasury investment units as of December 31, 2025 and June 30, 2026 were as follows:

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Total number of own investments units cancelled (Units)	7,835	7,835
Total amount of cancellation	¥ 2,499,903	¥ 2,499,903

Note: There was no cancellation of treasury investment units during the period ended June 30, 2026.

Note 15 – Long-Term Debt

Long-term debt consisted of the following:

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Long-term debt:		
0.75% unsecured loans due 2026 (Notes 2 and 3)	600,000	—
0.70% unsecured loan due 2026 (Note 2)	500,000	—
0.59% unsecured loans due 2026 (Notes 2 and 3)	3,100,000	—
0.43% unsecured loans due 2026 (Notes 2 and 3)	5,400,000	—
1.34% unsecured loans due 2026 (Note 2)	2,810,000	—
0.83% unsecured loans due 2026 (Notes 2 and 3)	4,850,000	4,850,000
0.39% unsecured loans due 2026 (Notes 2 and 3)	2,500,000	2,500,000
0.50% unsecured loans due 2026 (Notes 2 and 3)	2,450,000	2,450,000
1.11% unsecured loan due 2026 (Note 2)	1,000,000	1,000,000
0.74% unsecured loans due 2027 (Notes 2 and 3)	—	2,550,000
0.54% unsecured loans due 2027 (Notes 2 and 3)	—	6,300,000
0.45% unsecured loan due 2027 (Notes 2 and 3)	—	500,000
1.20% unsecured loans due 2027 (Note 2)	—	1,300,000
1.16% unsecured loans due 2027 (Note 2)	—	1,350,000
0.74% unsecured loans due 2027 (Notes 2 and 3)	2,550,000	—
0.54% unsecured loans due 2027 (Notes 2 and 3)	6,300,000	—
0.45% unsecured loan due 2027 (Notes 2 and 3)	500,000	—
1.20% unsecured loans due 2027 (Note 2)	1,300,000	—
1.16% unsecured loans due 2027 (Note 2)	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
1.20% unsecured loans due 2027 (Note 2)	1,250,000	1,250,000
1.16% 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
1.20% unsecured loans due 2028 (Note 2)	1,100,000	1,100,000
1.16% 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
1.20% unsecured loans due 2028 (Note 2)	1,000,000	1,000,000
1.16% unsecured loans due 2028 (Note 2)	1,900,000	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
1.20% unsecured loans due 2029 (Note 2)	1,250,000	1,250,000
1.20% unsecured loans due 2029 (Note 2)	—	2,000,000
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	1,300,000
1.21% unsecured loans due 2029 (Note 2)	—	1,100,000
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

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
1.23% unsecured loans due 2030 (Note 2)	—	2,610,000
1.24% unsecured loans due 2030 (Note 2)	—	750,000
0.78% unsecured loans due 2030 (Notes 2 and 3)	2,000,000	2,000,000
1.15% unsecured loans due 2030 (Notes 2 and 3)	5,150,000	5,150,000
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	1,400,000
1.22% unsecured loan due 2030 (Note 2)	—	500,000
1.22% unsecured loan due 2030 (Note 2)	—	300,000
1.24% unsecured loan due 2031 (Notes 2 and 3)	500,000	500,000
0.81% unsecured loans due 2031 (Notes 2 and 3)	2,000,000	2,000,000
1.25% unsecured loans due 2031 (Notes 2 and 3)	2,600,000	2,600,000
2.46% unsecured loans due 2031 (Notes 2 and 3)	—	3,210,000
1.60% unsecured loans due 2031 (Note 2)	—	3,250,000
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	3,900,000
1.88% unsecured loan due 2031 (Notes 2 and 3)	1,200,000	1,200,000
1.63% unsecured loans due 2032 (Note 2)	—	2,500,000
1.29% unsecured loan due 2032 (Note 2)	—	710,000
1.29% unsecured loan due 2032 (Note 2)	—	800,000
1.29% unsecured loan due 2032 (Note 2)	—	300,000
1.29% unsecured loan due 2032 (Note 2)	—	200,000
1.09% unsecured loans due 2032 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 128,630,000	¥ 134,450,000

Notes:

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

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

	As of	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Total amounts of loan commitment line contracts	¥ 3,000,000	¥ 3,000,000
Executed loan balance	2,810,000	—
Net unused balance	¥ 190,000	¥ 3,000,000

Note 16 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of	
	December 31, 2025	June 30, 2026
	(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	
	December 31, 2025	June 30, 2026
	(Yen in thousands)	
Due within one year	¥ 1,240,447	¥ 1,716,307
Due after one year	3,207,343	4,537,206
Total	¥ 4,447,790	¥ 6,253,514

Note 18 – Income Taxes

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

NIPPON REIT has made distribution in excess of 90% of its distributable profit for the six-month periods ended December 31, 2025 and June 30, 2026 in order to be able to deduct such amount from taxable income.

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

	For the six-month periods ended	
	December 31, 2025	June 30, 2026
Statutory tax rate	33.10%	33.97%
Deductible cash distributions	(21.41)	(30.72)
Per capita inhabitant taxes	0.01	0.01
Provision of reserve for the reduction entry	—	(3.33)
Provision of reserve for the reduction entry with special provisions for replacement	(11.68)	—
Reversal of reserve for the reduction entry with special provisions for replacement	—	0.10
Others	0.00	0.00
Effective tax rate	0.02%	0.03%

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

	As of			
	December 31, 2025		June 30, 2026	
	(Yen in thousands)			
Deferred tax assets:				
Accrued enterprise tax	¥	38	¥	36
Total deferred tax assets		38		36
Net deferred tax assets	¥	38	¥	36

Note 19 – Per Unit Information

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

	For the six-month periods ended			
	December 31, 2025		June 30, 2026	
	(Yen)			
Earnings per unit:				
Net income per unit	¥	3,760	¥	2,813
Weighted average number of units outstanding (units)		1,768,380		1,809,076
	As of			
	December 31, 2025		June 30, 2026	
	(Yen)			
Net assets per unit	¥	75,577	¥	76,471

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.

Note 20 – Distribution Information

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

Cash distributions are declared by the board of directors after the end of each period. Such distributions are payable to unitholders of record at the end of each period. For the six-month period ended June 30, 2026, NIPPON REIT decided to distribute ¥4,605,110,280, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding (1,830,330 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 as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan. Information of cash distributions per unit and the board of directors meeting dates when the distributions were proposed and approved were as follows:

	For the six-month periods ended			
	December 31, 2025		June 30, 2026	
	(Yen)			
Cash distributions per unit	¥	2,433	¥	2,516
Board of directors meeting dates		February 18, 2026		August 20, 2026

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

	For the six-month periods ended			
	December 31, 2025		June 30, 2026	
	(Yen)			
Unappropriated retained earnings	¥	6,757,843,348	¥	5,198,918,648
Reversal of reserve for the reduction entry with special provisions for replacement		14,289,128		14,289,128
Cash distributions declared		4,302,468,540		4,605,110,280
Provision of reserve for the reduction entry		—		498,975,133
Provision of reserve for the reduction entry with special provisions for replacement		2,361,000,000		—
Retained earnings brought forward	¥	108,663,936	¥	109,122,363

Note 21 – Related-Party Transactions

Related-party transactions for the six-month period ended December 31, 2025 were as follows:

Classification	Name	Location	Capital stock (Yen in millions)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (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:

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

Related-party transactions for the six-month period ended June 30, 2026 were as follows:

Classification	Name	Location	Capital stock (Yen in millions)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Yen in thousands)	Account	Balance at the end of period (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)	¥ 961,537	Accrued expenses	¥ 193,176

Notes:

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

Note 22 – Segment Information

Segment Information

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

Related Information

Information about Products and Services

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

Information by Geographic Areas

(1) Operating revenues

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

(2) Investment properties

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

Information on Major Tenants

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

Information on a major tenant for the six-month period ended June 30, 2026 was as follows:

Name of customer	Operating revenue	Related segment
	(Yen in thousands)	
Pisces Tokutei Mokuteki Kaisha	¥ 1,327,031	Real estate rental

Note 23 – Subsequent Events

A. Acquisition of Properties

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

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note)	Seller
9h nine hours Hakata station	Fukuoka, Fukuoka	July 31, 2026	2,060	TU31 Godo Kaisha

Notes:

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

ii. NIPPON REIT decided to acquire one trust beneficiary interest in real estate on August 20, 2026 and concluded a transfer agreement of the trust beneficiary interest in real estate as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
WORK VILLA MYJ kanda (Note 2)	Chiyoda ward, Tokyo	January 15, 2027	8,400	(1) Sumitomo Corporation (2) Not disclosed (Note 3)

Notes:

- The scheduled acquisition price represents the amount of consideration stated in the transfer agreement of the trust beneficiary interest in real estate. The scheduled acquisition price does not include consumption taxes and local tax, and expenses related to the acquisition. Furthermore, the scheduled acquisition price of less than one million yen is omitted.
- NIPPON REIT plans to acquire a trust beneficiary interest whose principal trust assets consist of a co-ownership interest in the sectional ownership of the office-exclusive portions on the third through thirteenth floors of the property, as well as a quasi co-ownership interest in the leasehold right to the land portion of the property pursuant to the land leasehold agreement.
- NIPPON REIT will acquire a quasi co-ownership interest in the trust beneficiary interest (an ownership ratio of 30%) from Sumitomo Corporation and a quasi co-ownership interest in the trust beneficiary interest from a domestic operating company (an ownership ratio of 70%). The name of the domestic operating company, which is one of the sellers, is not disclosed because consent to such disclosure has not been obtained. However, the seller does not constitute an interested party, etc. as defined in Article 201 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended) (collectively, the “Interested Parties, etc.”), nor does it constitute an interested party under the Interested Party Transaction Rules, which are the Asset Management Company’s internal rules.
- The transfer agreement of the trust beneficiary interests in real estate for this property falls under the forward commitment, etc. stipulated in “Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc.” issued by the Financial Services Agency (the forward commitment, etc. refers to a purchase or sale agreement with delivery date of one month or more after the conclusion of agreement, and other agreements similar thereto; the same shall apply hereinafter). The Asset Management Company has concluded the agreement in accordance with its internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interests in real estate related to this acquisition stipulates that, in the event of a breach of contractual obligations by NIPPON REIT or the other party, the cancellation upon notice may be effected. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled acquisition price, less the amount of consumption taxes and local consumption taxes attributable to the trust building portion, provided that there are no grounds for exemption.

B. Transfer of Property

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

Property name	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Buyer
Tsukiji Front	Chuo ward, Tokyo	July 31, 2026	1,250	854	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 consumption taxes and local consumption taxes, and expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.
- The book value as of June 30, 2026 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.

C. Borrowings of Funds

i. NIPPON REIT executed borrowings of funds on July 31, 2026 as below for use as part of funds for acquiring the property described in a. of “A. Acquisition of Properties” above and its related expenses.

Lender	Loan amount (Yen in millions)	Interest rate (Note)	Fixed/ Floating	Repayment due date	Repayment method
Mizuho Bank, Ltd.	1,000	JBA one-month Japanese Yen TIBOR plus 0.3600%	Floating	July 30, 2032	Lump-sum payment at maturity
Sumitomo Mitsui Banking Corporation	335				
Total	1,335	–	–	–	–

Note:

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.

ii. NIPPON REIT decided to borrow funds on August 20, 2026, with the borrowing scheduled to be executed on January 15, 2027, as below for use as part of funds for acquiring the property described in b. of “A. Acquisition of Properties” above and their related expenses.

Lender	Loan amount (Yen in millions)	Interest rate (Note 1)	Fixed/ Floating	Repayment due date	Repayment method
Mizuho Bank, Ltd.	500	JBA one-month Japanese Yen TIBOR plus 0.2840%	Floating	November 29, 2030	Lump-sum payment at maturity
SBI Shinsei Bank, Limited (Note 2)	500				
Mizuho Bank, Ltd.	500	JBA one-month Japanese Yen TIBOR plus 0.3460%		July 30, 2032	
Resona Bank, Limited	550				
Aozora Bank, Ltd.	500				
Total	2,550	—	—	—	—

Notes:

- 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.
- This borrowing does not fall under the transactions subject to the Interested Party Transaction Rules of SBI REIT Advisors Co., Ltd., the asset management company of NIPPON REIT. However, SBI Shinsei Bank, Limited falls under the category of “interested parties, etc.” as stipulated in the Act on Investment Trusts and Investment Corporations. Accordingly, the Asset Management Company makes its decisions in accordance with procedures equivalent to those applied to transactions subject to the Interested Party Transaction Rules.



Independent auditor's report

To the Board of Directors of NIPPON REIT Investment Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NIPPON REIT Investment Corporation ("the Company"), which comprise the balance sheets as at June 30, 2026 and December 31, 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 June 30, 2026 and December 31, 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 June 30, 2026 and December 31, 2025, and its financial performance and its cash flows for each of the six-month periods ended June 30, 2026 and December 31, 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 the acquisition of properties, entering into acquisition agreements and the transfer of property. The note also states the borrowing of funds and the decision to borrow funds. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

misstated.

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

We have nothing to report in this regard.

Responsibilities of Management and Supervising Officers for the Financial Statements

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

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

Supervising officers are responsible for overseeing the executive officer's performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide executive officer with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-related Information

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

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

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ Hironori Hashizume

Designated Engagement Partner

Certified Public Accountant

/S/ Namiko Kuramochi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 29, 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.