Hankyu Hanshin REIT

42nd Fiscal Period Semi-Annual Report

From December 1, 2025 to May 31, 2026

Hankyu Hanshin REIT, Inc.

1. Overview of Asset Management

(1) Trends in HHR's Asset Management

Fiscal Period		42nd Fiscal Period	41st Fiscal Period	40th Fiscal Period	39th Fiscal Period	38th Fiscal Period
Operation Period		Dec. 1, 2025 to May 31, 2026	Jun. 1, 2025 to Nov. 30, 2025	Dec. 1, 2024 to May 31, 2025	Jun. 1, 2024 to Nov. 30, 2024	Dec. 1, 2023 to May 31, 2024
Operating Revenues	Millions of Yen	6,297	6,504	6,417	6,222	5,933
Rental revenues	Millions of Yen	6,297	6,422	6,124	6,222	5,933
Operating Expenses	Millions of Yen	3,558	3,737	3,588	3,647	3,484
Property-related expenses	Millions of Yen	2,952	3,111	2,949	3,057	2,922
Operating Income	Millions of Yen	2,738	2,766	2,829	2,574	2,448
Ordinary Income	Millions of Yen	2,287	2,360	2,436	2,195	2,087
Net Income	Millions of Yen	2,286	2,358	2,435	2,193	2,086
Total Assets	Millions of Yen	182,876	183,177	182,767	182,637	182,244
(Change from the previous period)	%	(-0.2)	(+0.2)	(+0.1)	(+0.2)	(+3.5)
Net Assets	Millions of Yen	86,975	87,044	86,993	86,751	86,663
(Change from the previous period)	%	(-0.1)	(+0.1)	(+0.3)	(+0.1)	(-0.0)
Unitholders' Capital	Millions of Yen	84,270	84,270	84,270	84,270	84,270
Total Number of Investment Units Issued and Outstanding	Units	695,200	695,200	695,200	695,200	695,200
Net Assets per Unit (net asset value)	Yen	125,108	125,208	125,134	124,785	124,660
Total Distributions	Millions of Yen	2,294	2,356	2,307	2,193	2,106
Distributions per Unit	Yen	3,300	3,389	3,319	3,155	3,030
Distributions from profit per unit	Yen	3,300	3,389	3,319	3,155	3,030
Distributions in excess of profit per unit	Yen	—	—	—	—	—
Return on Assets (ROA) (Notes 1 and 2)	%	1.3 (2.5)	1.3 (2.6)	1.3 (2.7)	1.2 (2.4)	1.2 (2.3)
Return on Equity (ROE) (Notes 1 and 3)	%	2.6 (5.3)	2.7 (5.4)	2.8 (5.6)	2.5 (5.0)	2.4 (4.8)
Equity Ratio (Note 4)	%	47.6	47.5	47.6	47.5	47.6
(Change from the previous period)		(+0.0)	(-0.1)	(+0.1)	(-0.1)	(-1.7)
Payout Ratio	%	100.4	99.9	94.7	100.0	101.0
Actual Days of Operation during the Fiscal Period	Days	182	183	182	183	183
Loan-to-value Ratio at the End of the Period (LTV) (Note 5)	%	50.3 (39.8)	50.2 (39.9)	50.3 (40.4)	50.3 (41.0)	50.4 (41.7)
Ratio of Interest-bearing Debt to Total Assets at the End of the Period (Note 6)	%	47.5	47.4	47.5	47.5	47.6
Debt Service Coverage Ratio (DSCR) (Note 7)	Times	9.1	10.1	10.8	10.6	10.9
Net Operating Income (NOI) (Note 8)	Millions of Yen	4,410	4,364	4,191	4,159	3,991
Funds from Operation (FFO)(Note 9)	Millions of Yen	3,353	3,330	3,158	3,188	3,067

(Note 1) Figures shown in the parentheses are per annum figures based on the days of operation.
(Note 2) Ordinary income / ([Total assets at the beginning of the period + Total assets at the end of the period] / 2)
(Note 3) Net income / ([Net assets at the beginning of the period + Net assets at the end of the period] / 2)
(Note 4) Net assets at the end of the period / Total assets at the end of the period
(Note 5) (Amount of interest-bearing debt at the end of the period + Security deposits and guarantees at the end of the period – Matched money to security deposits and guarantees at the end of the period) / (Total assets at the end of the period – Matched money to security deposits and guarantees at the end of the period)
Total assets at the end of the period refer to the amount recorded on the balance sheets at the end of the period under review. Figures shown in the parentheses were calculated based on the amount obtained by adding/subtracting the difference between the appraisal value and the book value of tangible fixed assets at the end of the fiscal period to/from the total assets at the end of the period.
(Note 6) Interest-bearing debt at the end of the period / Total assets at the end of the period
(Note 7) Net income before interest expense and depreciation for the period under review / Interest expense
(Note 8) Gain/Loss on rental revenues + Depreciation
(Note 9) Net income + Depreciation – Gain/Loss on sale of investment property

(2) Asset Management Process during the Period under Review

1) Basic Asset Management Policy

Hankyu Hanshin REIT, Inc. (hereinafter "HHR") is an integrated real estate investment trust that invests mainly in real estate properties for retail or office use throughout Japan with the purpose of securing stable income over the medium-to-long-term and achieving the best possible returns for unitholders.

HHR will focus on investments in the retail-use zone (zone in which visitors receive goods and services in return for payment) and the Kansai Region (the six prefectures of Osaka, Kyoto, Hyogo, Nara, Shiga and Wakayama).

In principle, the ratio of investment each in the retail-use zone and the Kansai Region will be 50% or more of the total investment portfolio (based on acquisition prices) as of the end of each fiscal period.

HHR will utilize the planning and management capacities in the real estate business of the Hankyu Hanshin Holdings Group (a corporate group formed under Hankyu Hanshin Holdings, Inc. as the holding company; hereinafter the "sponsor group").

2) Asset Management Status

(i) Major Trends of HHR

HHR was established on December 3, 2004 pursuant to the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including all subsequent revisions; hereinafter the "Investment Trust Act"), with Hankyu Hanshin REIT Asset Management, Inc., the asset management company (hereinafter the "Asset Management Company"), serving as the organizer. Subsequently, HHR was listed on the Tokyo Stock Exchange Real Estate Investment Trust Market (securities code 8977) on October 26, 2005. As of the end of the previous period (41st fiscal period ended November 2025: June 1, 2025 to November 30, 2025), there were 37 owned properties in the portfolio.

During the period under review (42nd fiscal period ended May 2026: December 1, 2025 to May 31, 2026), HHR acquired one retail-use facility (site). Accordingly, as of the end of the period under review, there were 38 properties under management, with total assets amounting to ¥182,876 million. The total number of investment units issued and outstanding stood at 695,200 as of the end of the period under review.

(ii) Asset Management Performance

During the period under review, due to the pick-up in capital investment and consumer spending, the Japanese economy is on a gradual recovery trend. On the other hand, the outlook is uncertain against the backdrop of the disruption of international logistics and the rise in crude oil price caused by growing tensions in the Middle East.

In the J-REIT market, the TSE REIT Index remained weak due to a sense of caution towards the continuous rise in interest rates. As a result, the TSE REIT Index stood at 1,809.65 points at the end of May 2026, down 214.15 points compared with the end of November 2025.

In the real estate transaction market, while prices remain at a high level, financial institutions show a proactive lending attitude even when interest rates are rising, and as there is robust investment appetite among market participants, the property acquisition environment remains severe.

For HHR, it has become essential to take advantage of the comprehensive strengths of the sponsor group and the proprietary information-sourcing channels of the Asset Management Company in order to acquire properties at fair values (meaning appropriate price levels).

Under such circumstances, during the period under review, HHR acquired Sugi Pharmacy Daito Goryo Store (site). This was an effort to achieve steady growth by acquiring a retail-use facility in the Kansai Region, which is one of HHR's key investment areas.

In managing the 38 properties owned as of the end of the period under review, HHR focused on implementing operational management, one of HHR's strengths, in an optimum manner. To achieve this, HHR conducted meticulous management operations tailored to the needs of tenants, in close coordination with property management companies, in order to enhance tenant satisfaction, and also worked to maintain and increase the unit value of rents and occupancy rates through effective sales promotion activities. The occupancy rate of the entire portfolio continued to stay at a high level, standing at 98.9% (Note), as of the end of the period under review.

At the same time, HHR sought to maintain or improve tenant satisfaction levels to bolster competitiveness, while working to optimize management expenses by improving the quality and efficiency of asset operation and management.

As of the end of the period under review, the total leasable area was 483,843.06 m^2 (Note), and the share of the retail-use zone investment and the Kansai Region investment as a percentage of the entire portfolio stood at 83.5% and 82.8%, respectively (based on acquisition prices).

Moreover, HHR recognizes that considerations for environmental, social and governance (ESG) issues are essential for its competitiveness over the medium-to-long-term and continuous growth of the unitholder value. Under this recognition, HHR has established a sustainability policy in line with the management philosophy and beliefs of the sponsor group regarding social contributions and environmental conservation, and endeavors to put the policy into practice through real estate investment management operations.

(Note) The figures for pass-through-type master lease properties are calculated on an end-tenant basis.

(iii) Overview of Fund Procurement

HHR's basic financial policy is to develop and execute stable and efficient financial strategies with a view to maximizing the unitholder value by securing stable income from, along with generating steady growth of, portfolio properties. To this end, HHR uses an effective mix of equity and debt financing as well as security deposits and guarantees obtained in relation to retail-use facilities, etc. As of the end of the period under review, the balance stood at ¥7,017 million. When HHR undertakes borrowings, it is to lower the debt financing costs, while at the same time extending the remaining years of debt and diversifying debt repayment dates, in consideration of interest rate trends.

During the period under review, HHR issued a total of ¥3,300 million for the Seventh Series of Unsecured Investment Corporation Bonds (green bonds) and the Eighth Series of Unsecured Investment Corporation Bonds through HHR's first private offering targeting only qualified institutional investors in December 2025, and used it for the early repayment of ¥3,300 million in debt due for repayment in March 2026 and June 2027. In addition, HHR undertook debt financing totaling ¥4,800 million in long-term and variable interest for the purpose of early repayment of ¥1,000 million in debt due for repayment in July 2026 as well as repayment of ¥3,800 million in long-term debt due for repayment in March 2026. Of the borrowings, ¥3,500 million was borrowed from a syndication with Sumitomo Mitsui Banking Corporation as the arranger.

As of the end of the period under review, HHR had interest-bearing debt totaling ¥86,800 million. Of this sum, ¥79,200 million for debt financing (¥79,200 million in long-term debt (including ¥4,650 million in long-term debt due within one year), and ¥7,600 million in investment corporate bonds (none due within one year). The ratio of interest-bearing debt to total assets was 47.5%.

As of the end of the period under review, HHR had a long-term issuer rating of AA– (stable) by Japan Credit Rating Agency, Ltd. (JCR) and an issuer rating of A+ (stable) by Rating and Investment Information, Inc. (R&I).

(iv) Performance and Distributions

At the end of the period under review, as a consequence of these asset management operations, operating revenues and operating income reached ¥6,297 million and ¥2,738 million, respectively. Ordinary income after deducting interest expense and others was ¥2,287 million, and net income was ¥2,286 million.

With regard to the distributions for the period, HHR resolved to distribute the entire amount of unappropriated retained earnings after adding the reversal of reserve for the reduction entry, excluding the fraction of distributions per unit that was less than ¥1, with the aim of having the maximum amount of distributable income deducted as expenses in the application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26, 1957, including all subsequent amendments; hereinafter the "Special Taxation Measures Act"). Consequently, the distributions per unit stood at ¥3,300.

(3) Capital Increase

Unitholders' capital and the total number of investment units issued and outstanding have not changed over the last five years.

(Changes in Securities Exchange Prices)

The highest and lowest prices (closing prices) for each fiscal period on the Tokyo Stock Exchange Real Estate Investment Trust Market on which HHR is listed are as follows:

Fiscal Period		42nd Fiscal Period	41st Fiscal Period	40th Fiscal Period	39th Fiscal Period	38th Fiscal Period
Account Closing Month		May 2026	Nov. 2025	May 2025	Nov. 2024	May 2024
Highest	Yen	171,900	180,200	153,700	134,400	146,400
Lowest	Yen	143,100	147,500	115,000	118,000	132,000

(4) Performance of Distributions, etc.

With regard to the distributions for the period under review (42nd fiscal period), HHR resolved to distribute the entire amount of unappropriated retained earnings after adding the reversal of reserve for the reduction entry, excluding the fraction of distributions per unit that was less than ¥1, with the aim of having the maximum amount of distributable income deducted as expenses in the application of Article 67-15 of the Special Taxation Measures Act. Consequently, the distributions per unit stood at ¥3,300.

Fiscal Period		**42nd Fiscal Period**	**41st Fiscal Period**	**40th Fiscal Period**	**39th Fiscal Period**	**38th Fiscal Period**
Operation Period		Dec. 1, 2025 to May 31, 2026	Jun. 1, 2025 to Nov. 30, 2025	Dec. 1, 2024 to May 31, 2025	Jun. 1, 2024 to Nov. 30, 2024	Dec. 1, 2023 to May 31, 2024
Total net income	Thousands of Yen	2,286,440	2,358,787	2,435,526	2,193,652	2,086,474
Retained earnings brought forward	Thousands of Yen	6	138	433	137	118
Total unappropriated retained earnings	Thousands of Yen	2,286,447	2,358,926	2,435,960	2,193,789	2,086,593
Retained earnings	Thousands of Yen	82	17,908	128,591	433	137
Total distributions	Thousands of Yen	2,294,160	2,356,032	2,307,368	2,193,356	2,106,456
(Distributions per unit)	Yen	(3,300)	(3,389)	(3,319)	(3,155)	(3,030)
Of these, total distributions from profit	Thousands of Yen	2,294,160	2,356,032	2,307,368	2,193,356	2,106,456
(Distributions from profit per unit)	Yen	(3,300)	(3,389)	(3,319)	(3,155)	(3,030)
Of these, total contribution return	Thousands of Yen	—	—	—	—	—
(Contribution return per unit)	Yen	(—)	(—)	(—)	(—)	(—)
Of the total contribution return, total distributions from the reserve for temporary difference adjustments	Thousands of Yen	—	—	—	—	—
(Of the contribution return per unit, distributions per unit from the reserve for temporary difference adjustments)	Yen	(—)	(—)	(—)	(—)	(—)
Of the total contribution return, total distributions through reduction in the unitholders' capital for tax purposes	Thousands of Yen	—	—	—	—	—
(Of the contribution return per unit, distributions through reduction in the unitholders' capital for tax purposes)	Yen	(—)	(—)	(—)	(—)	(—)

(5) Future Asset Management Policy and Issues to be Addressed

In accordance with the basic policy prescribed in the Articles of Incorporation, HHR will mainly target real estate with retail and office use, and the investment target area will be the whole of Japan.

Regarding external growth strategies, HHR's basic policy is to expand and stabilize income by maximizing the asset size, increasing the number of properties, diversifying risks and enhancing the liquidity of investment units. To this end, HHR will continually examine the acquisition of quality properties and make investment decisions after thoroughly analyzing the relevant property's features. Specifically, HHR makes use of a priority negotiation right for the acquisition of property-related information and properties owned or developed by Hankyu Corporation, Hanshin Electric Railway Co., Ltd., Hankyu Hanshin Properties Corp. and Hankyu Hanshin Real Estate Investment Advisors, Inc. (hereinafter the "Real Estate Information Provision Companies") based on an information sharing agreement it has entered into with the Real Estate Information Provision Companies. In addition, HHR continually approaches companies directly via the Asset Management Company's own network with a view to acquiring information on third-party properties.

Regarding internal growth strategies, HHR will extend the focus to the use of relevant floor space and zones, manage assets based on the viewpoints of tenants as well as end-user consumers, and make dedicated efforts to maintain and improve rental income by leveraging its unique operational management strengths.

Regarding financial strategies, HHR will continue to use an effective mix of equity and debt financing as well as security deposits and guarantees obtained in relation to retail-use facilities, etc. When borrowing, HHR will select an appropriate method of funding with a focus on fixed interest debt ratio and diversification of repayment dates in consideration of interest rate trends.

HHR aims to secure stable medium-to-long-term earnings and achieve the best possible returns for unitholders. Amid the ever-increasing competition to acquire superior properties, HHR will aim to achieve steady growth by making investment decisions that carefully consider the profitability of the applicable property and the overall portfolio balance. Furthermore, in view of the societal demand for compliance, HHR will continue to strengthen the internal control systems and the compliance framework of the Asset Management Company, including the implementation of strict checks on transactions that involve conflicts of interest relating to HHR or the Asset Management Company.

(6) Material Events Arising after the End of the Period under Review

(a) Acquisition of Asset

Based on the basic policies of asset management, etc. stipulated in HHR's Articles of Incorporation, acquisition of the following asset was resolved at the meeting of the Board of Directors of the Asset Management Company held on June 8, 2026.

LIFE Takadono Store (site)

Type of asset:	Real estate trust beneficiary interests
Planned acquisition price:	¥3,690,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Planned acquisition date:	December 1, 2026
Location:	Asahi-ku, Osaka City
Seller:	KDX Realty Investment Corporation

(Note) The transaction agreement for the acquisition of the property corresponds to a forward commitment, etc. (referring to transaction agreements dating forward in which settlement and delivery of property are conducted more than one month after the conclusion of the agreement, and other related agreements) stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. In addition, in the event that HHR intentionally or negligently breaches any provision of the transaction agreement (meaning that HHR fails to perform any obligation under the transaction agreement in accordance with its principal purpose, including any material inaccuracy or defect in its representations and warranties. The same shall apply hereinafter in this section.) (provided, however, that any immaterial matter shall be excluded), and such breach results in the failure to achieve the purpose of the transaction agreement, the seller may, unless otherwise provided in the transaction agreement, terminate the transaction agreement upon prior notice to HHR, and in the event that the agreement is terminated accordingly, it has been agreed that HHR shall pay to the seller, as a penalty, an amount equivalent to 10% of the purchase price, excluding the amount equivalent to consumption tax and local consumption tax.

HHR plans to use the borrowings and cash on hand as funds for the acquisition of the property. However, when taking into account HHR's financial condition, etc., it is unlikely that fund procurement cannot be completed upon the acquisition of the property, and the acquisition is unlikely to have a significant impact on HHR's financial condition, etc.

Based on the basic policies of asset management, etc., stipulated in HHR's Articles of Incorporation, acquisitions of the following assets were resolved at the meeting of the Board of Directors of the Asset Management Company held on July 16, 2026 and the acquisition was executed on September 9, 2026.

PMO Umeda (30% of the quasi co-ownership of the trust beneficiary interests)

Type of asset:	Real estate trust beneficiary interests
Acquisition price:	¥3,300,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Acquisition date:	September 9, 2026
Location:	Kita-ku, Osaka City
Seller:	HNO Limited Liability Company

(Note) Any decisions concerning the transfer of quasi co-ownership interest and management of this property are stipulated in an agreement entered into with the other quasi co-owners.

Based on the basic policies of asset management, etc., stipulated in HHR's Articles of Incorporation, acquisitions of the following assets were resolved at the meeting of the Board of Directors of the Asset Management Company held on July 16, 2026 and the acquisition was executed on July 29, 2026.

Nishinomiya Kitaguchi Primary One

Type of asset:	Real estate trust beneficiary interests
Acquisition price:	¥1,833,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Acquisition date:	July 29, 2026
Location:	Nishinomiya City, Hyogo Prefecture
Seller:	Not disclosed as consent for disclosure of name, etc. has not been obtained from the seller, which is a domestic corporation. The seller has no capital, personnel or business relationships to be specially noted between HHR or the Asset Management Company and the seller. In addition, the seller does not fall under the definition of "related party."

Kohnan Rinku Hagurazaki Store (site) (22% of the quasi co-ownership of the trust beneficiary interests)

Type of asset:	Real estate trust beneficiary interests
Acquisition price:	¥1,262,800,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Acquisition date:	July 29, 2026
Location:	Sennan-gun, Osaka Prefecture
Seller:	Not disclosed as consent for disclosure of name, etc. has not been obtained from the seller, which is a domestic corporation. The seller has no capital, personnel or business relationships to be specially noted between HHR or the Asset Management Company and the seller. In addition, the seller does not fall under the definition of "related party."

(Note) Any decisions concerning the transfer of quasi co-ownership interest and management of this property are stipulated in an agreement entered into with the other quasi co-owners.

(b) Borrowing of Funds

Following borrowings to fund the above acquisition of PMO Umeda (30% of the quasi co-ownership of the trust beneficiary interests) were resolved at the Board meeting of HHR held on August 25, 2026, and the borrowings were executed on September 9, 2026.

Category	Lender	Borrowing amount (Millions of Yen)	Interest rate	Borrowing date	Borrowing method Repayment method	Maturity date
Short-term debt	Sumitomo Mitsui Trust Bank, Limited	1,100	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.15% variable interest rate	September 9, 2026	Unsecured/ Non-guaranteed Lump-sum repayment	August 31, 2027
	The Senshu Ikeda Bank, Ltd.	1,000				
	Mizuho Bank, Ltd.	635				
	Mizuho Trust & Banking Co., Ltd.	635				
Total		3,370				

2. Overview of HHR

(1) Investments

	42nd Fiscal Period (as of May 31, 2026)	41st Fiscal Period (as of Nov. 30, 2025)	40th Fiscal Period (as of May 31, 2025)	39th Fiscal Period (as of Nov. 30, 2024)	38th Fiscal Period (as of May 31, 2024)
Total number of investment units authorized	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding	695,200	695,200	695,200	695,200	695,200
Number of unitholders	13,930	13,664	14,175	16,522	15,711

(2) Matters Concerning Investment Units

The major unitholders as of May 31, 2026 are as follows:

Name	Number of Investment Units Held (units)	Share of Number of Investment Units Held to Total Number of Investment Units Issued and Outstanding (%)
Custody Bank of Japan, Ltd. (Trust account)	143,215	20.60
Hankyu Hanshin Properties Corp.	103,585	14.90
The Master Trust Bank of Japan, Ltd. (Trust account)	75,793	10.90
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	28,687	4.13
STATE STREET BANK AND TRUST COMPANY 505001	9,559	1.38
JP MORGAN CHASE BANK 385781	9,159	1.32
Hachijuni Nagano Bank, Ltd.	8,600	1.24
The Joyo Bank, Ltd.	6,231	0.90
Custody Bank of Japan, Ltd. (Trust account 4)	6,227	0.90
iShares Core MSCI EAFE ETF	6,206	0.89

(3) Matters Concerning Executive Officers, etc.

1) Executive Director, Supervisory Directors and Auditors during the Period under Review

Title	Name or Company Name	Principal Concurrent Businesses, etc.	Total Remuneration for Each Position during the Period under Review (Thousands of Yen)
Executive Director (Note 1)	Toyoshige Okazaki	President and Representative Director, Hankyu Hanshin REIT Asset Management, Inc.	— (Note 2)
Supervisory Director (Note 3)	Hiroumi Shioji	Representative Partner, Shioji Law Office, LPC	3,600 (Note 4)
Supervisory Director (Note 3)	Hideaki Okano	Certified Public Accountant and Certified Public Tax Accountant, Okano Certified Public Accountant Office	
Independent Auditor	KPMG AZSA LLC	—	13,440 (Note 5)

(Note 1) The Executive Director owned 32 investment units through HHR's cumulative investment program as of May 31, 2026.
(Note 2) The Executive Director does not receive remuneration from HHR.
(Note 3) The Supervisory Directors do not own HHR's investment units in their name or someone else's name. While the Supervisory Directors may serve as executives of companies other than those listed above, there is no conflict of interest with HHR, including with respect to the items listed above.
(Note 4) The figure refers to the amount paid during the period under review.
(Note 5) The Independent Auditor's remuneration includes remuneration for the audit of English financial statements. Remuneration for non-audit services paid to those belonging to the same network as KPMG AZSA LLC was ¥8,564 thousand.

2) Policy for Determining Dismissal or Refusal of Reappointment of Auditors

HHR will determine at Executive Meetings whether to dismiss an auditor in accordance with the provisions of the Investment Trust Act and whether to refuse reappointment by comprehensively considering the quality of the auditing, the amount of remuneration for the auditing, and various other factors.

(4) Matters Concerning Directors and Officers Liability Insurance Contract

The directors and officers liability insurance contract entered into by HHR is as follows:

Scope of Insured Parties	Summary of Content of Directors and Officers Liability Insurance Contract
Executive directors and supervisory directors	(Outline of insured events) The insurance covers damages, litigation expenses, etc., incurred by the insured parties should claims be made against the insured parties for compensation for damage arising from acts in their capacity as directors and officers. (Share of burden of insurance expenses) The entire amount is borne by HHR. (Measures to ensure not to impair the proper execution of duties by directors and officers) Exclusions to the insurance coverage include damages incurred by the insured parties from criminal acts, fraudulent acts, intentional illegal acts, etc.

(5) Asset Management Company, Asset Custodian and General Administrators

The asset management company, asset custodian and general administrators as of May 31, 2026 are as follows:

Category of Entrusted Operation	Name
Asset management company	Hankyu Hanshin REIT Asset Management, Inc.
Asset custodian	Mitsubishi UFJ Trust and Banking Corporation
General administrator (accounting, administrative function, administrator of unit register, etc.)	Mitsubishi UFJ Trust and Banking Corporation
General administrator (administration regarding investment corporation bonds)	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited

3. HHR's Portfolio Assets

(1) HHR's Asset Structure

Type of Asset	Use (Note 1)	Region (Note 1)	42nd Fiscal Period (as of May 31, 2026)		41st Fiscal Period (as of Nov. 30, 2025)	
			Total Amount of Ownership (Millions of Yen) (Note 2)	Share of Total Assets (%)	Total Amount of Ownership (Millions of Yen) (Note 2)	Share of Total Assets (%)
Real estate	Retail-use zone	Kansai Region	38,156	20.9	37,085	20.2
		Outside Kansai Region	15,179	8.3	15,224	8.3
	Office-use zone	Kansai Region	—	—	—	—
		Outside Kansai Region	3,426	1.9	3,434	1.9
	Zones for other uses	Kansai Region	1,905	1.0	1,905	1.0
		Outside Kansai Region	—	—	—	—
	Subtotal		58,668	32.1	57,649	31.5
Real estate in trust (Note 3)	Retail-use zone	Kansai Region	81,015	44.3	81,610	44.6
		Outside Kansai Region	9,154	5.0	9,174	5.0
	Office-use zone	Kansai Region	19,883	10.9	19,447	10.6
		Outside Kansai Region	3,227	1.8	3,236	1.8
	Zones for other uses	Kansai Region	—	—	—	—
		Outside Kansai Region	—	—	—	—
	Subtotal		113,281	61.9	113,468	61.9
Deposits and other assets (Notes 3 and 4)			10,926	6.0	12,059	6.6
Total assets (Note 5)			182,876 (171,949)	100.0 (94.0)	183,177 (171,118)	100.0 (93.4)

(Note 1) Retail-use zone: Zone in which visitors receive goods and services in return for payment at offices, stores, restaurants, amusement facilities, clinics, private preparatory schools (*juku*), schools, beauty salons, rental meeting rooms, halls, theaters, hotels and entertainment facilities, as well as a supplementary zone that provides goods and services.
Office-use zone: Zone and supplementary zone intended for office use.
Zones for other uses: Zones that do not fall under either the retail-use or office-use categories (logistics, residence, etc.).
Kansai Region: The six prefectures of Osaka, Kyoto, Hyogo, Nara, Shiga and Wakayama.

(Note 2) Regarding the total amount of ownership by zone, the amounts recorded on the balance sheets at the end of the period (the book value after depreciation for real estate and real estate in trust) are divided proportionally to the rent (sum of the rent income and common service fees) from each zone during the fiscal period.
However, for LAXA Osaka, it is difficult to calculate the total amount of ownership by zone during the fiscal period. Therefore, the amount is divided proportionally to the rent (sum of the rent income and common service fees) for each zone during the fiscal period that pertains to the end tenants as of the month (January 2009) in which the acquisition date (January 22, 2009) fell.

(Note 3) Real estate in trust, deposits and other assets represent "other assets" as stipulated in the Cabinet Office Ordinance on Disclosure of Information, etc., on Regulated Securities (Ordinance of the Ministry of Finance No. 22, 1993, including all subsequent amendments).

(Note 4) Deposits and other assets for the 42nd fiscal period and the 41st fiscal period include ¥5,549 million and ¥5,828 million, respectively, in deposits within the assets in trust. Real estate in trust does not include savings within trust assets in account.

(Note 5) The figures shown in the parentheses are the portion of the assets that represents actual ownership of real estate, etc.

(2) Main Portfolio Assets

The overview of HHR's main portfolio assets (top 10 by book value) as of May 31, 2026 is as follows:

Name	Book Value (Millions of Yen)	Lease Method (Note 1)	Calculation Method for Figures on the Right (Note 1)	Total Leasable Area (m^2) (Note 2)	Leased Area (m^2) (Note 2)	Occupancy Rate (%) (Note 3)	Ratio of Rental Revenue to Total Rental Revenues (%)	Days of Operation (Days)	Primary Use
HANKYU NISHINOMIYA GARDENS (28% of the quasi co-ownership of the trust beneficiary interests)	16,595	Fixed-type master lease	(C)	70,558.88 (Note 4)	70,558.88 (Note 4)	100.0	10.0	182	Retail-use zone
AEON MALL INAGAWA	11,631	Fixed-type master lease	(C)	62,100.86 (Note 5)	62,100.86 (Note 5)	100.0	— (Note 6)	182	Retail-use zone
Hankyu Corporation Head Office Building	9,610	Fixed-type master lease and direct lease	(C)	27,369.37	27,369.37	100.0	6.4	182	Office-use zone
GRAND FRONT OSAKA (Umekita Plaza and South Building) (equivalent of 4.9% co-ownership)	9,107	Pass-through-type master lease	Calculated based on the lease agreement with the master lessee (A)	5,883.69	5,883.69	100.0	— (Note 6)	182	Office-use zone
			Calculated based on the lease agreement with end tenants (B)	(5,187.72)	(5,146.39)	(99.2)			
AEON MALL SAKAIKITAHANADA (site)	8,189	Direct lease	(C)	64,104.27	64,104.27	100.0	— (Note 6)	182	Retail-use zone
Kitano Hankyu Building	7,793	Pass-through-type master lease and other-type master lease (Note 7)	Calculated based on the lease agreement with the master lessee (A)	28,194.15	28,194.15	100.0	8.3	182	Retail-use zone
			Calculated based on the lease agreement with end tenants (pass-through-type) and on the lease agreement with the master lessee (other-type) (B)	(18,480.69)	(14,827.14)	(80.2)			
OASIS Town Itami Konoike (site)	7,391	Direct lease	(C)	17,997.10	17,997.10	100.0	— (Note 6)	182	Retail-use zone

Name	Book Value (Millions of Yen)	Lease Method (Note 1)	Calculation Method for Figures on the Right (Note 1)	Total Leasable Area (m^2) (Note 2)	Leased Area (m^2) (Note 2)	Occupancy Rate (%) (Note 3)	Ratio of Rental Revenue to Total Rental Revenues (%)	Days of Operation (Days)	Primary Use
H-CUBE MINAMIAOYAMA	6,666	Direct lease	(C)	774.21	774.21	100.0	— (Note 6)	182	Retail-use zone
Home Center Kohnan Sakai Takasu Store (site)	6,588	Direct lease	(C)	21,235.72	21,235.72	100.0	— (Note 6)	182	Retail-use zone
GRAND FRONT OSAKA (North Building) (equivalent of 4.9% co-ownership)	6,451	Pass-through-type master lease, other-type master lease and direct lease	Calculated based on the lease agreement with the master lessee (A)	8,748.18	8,748.18	100.0	— (Note 6)	182	Office-use zone
			Calculated based on the lease agreement with end tenants (pass-through-type) and on the lease agreement with the master lessee (other-type) (B)	(8,467.56)	(8,207.69)	(96.9)			
Total	90,026	—	Sum of (A) and (C)	306,966.44	306,966.44	100.0	52.0	—	—
			(Sum of (B) and (C))	(296,276.40)	(292,321.63)	(98.7)			

(Note 1) Master lease method: The trustee or HHR leases to a master lessee (sublessor) who then subleases to an end tenant (sublessee).
Direct lease method: The trustee or HHR, instead of adopting the master lease method, leases directly to the end tenants (lessees).
Pass-through-type master lease method: A master lease method in which the rent paid by the master lessee and the rent paid by the end tenant are always the same amount.
Fixed-type master lease method: A master lease method in which the master lessee pays a fixed amount regardless of the amount paid by the end tenants to the master lessee.
Other-type master lease method: A master lease method that does not fall under either the pass-through-type master lease method or fixed-type master lease method categories.
Master lessee: A sublessor who rents properties from the trustee or HHR and subleases the space to an end tenant.
End tenant: A lessee or sublessee who uses the property for commercial, office or other purposes without subleasing the space.

(Note 2) The total leasable area and leased area do not include warehouse, parking or machinery room space, except in cases where a master lease method is adopted. The figures for HANKYU NISHINOMIYA GARDENS, GRAND FRONT OSAKA (Umekita Plaza and South Building) and GRAND FRONT OSAKA (North Building) show the leasable area and leased area corresponding to the quasi co-ownership or co-ownership of the trust beneficiary interests. If a pass-through-type master lease method is adopted, the figures not shown in the parentheses show the total leasable area and leased area based on the lease agreement with the master lessee in the case of a pass-through-type master lease, while the figures shown in the parentheses are the total leasable area and leased area based on the lease agreement with the master lessee in the case of a fixed-type master lease or other-type master lease and with the end tenant in the case of a pass-through-type master lease or direct lease.

(Note 3) The occupancy rate is the leased area as a percentage of the total leasable area. The Total column indicates the leased area as a percentage of the total leasable area (based in each case on the lease agreement with the master lessee or end tenant in the case of a fixed-type master lease or other-type master lease). If a pass-through-type master lease is adopted, the figures not shown in the parentheses indicate the occupancy rate calculated using the total leasable area and leased area based on the lease agreement with the master lessee in the case of a pass-through-type master lease, while the figures shown in the parentheses indicate the occupancy rate calculated using the total leasable area and leased area based on the lease agreement with the master lessee in the case of a fixed-type master lease or other-type master lease and with the end tenant in the case of a pass-through-type master lease or direct lease.

(Note 4) The total leasable area and leased area include 8,929.49 m^2 (28% of the quasi co-ownership of the trust beneficiary interests) of the parking garage space in the main building and 5,186.46 m^2 (28% of the quasi co-ownership of the trust beneficiary interests) of the annex building space.

(Note 5) The total leasable area and leased area include 5,665.04 m^2 of the parking garage space.

(Note 6) These items are not disclosed because no consent has been obtained from the tenants or co-owners for the disclosure of rent, etc., and because, as the Asset Management Company determined, there is a possibility that the disclosure would affect the competitiveness of HHR and eventually damage the interests of unitholders.

(Note 7) The lease for the hotel portion (the space subleased to Hankyu Hanshin Hotels Co., Ltd.) is calculated by the other-type master lease method (with Hankyu Corporation as the master lessee). The lease for the remaining asset (the non-hotel portion subleased to end tenants) is calculated by the pass-through-type master lease method (with Hankyu Hanshin Building Management Co., Ltd. as the master lessee).

(3) Details of Portfolio Assets

1) Itemization of Real Estate, etc. as Portfolio Assets

The details of real estate, etc., owned by HHR as of May 31, 2026 are as follows:

Name	Location	Type of Ownership	Appraisal Value at the End of the Period (Millions of Yen) (Note 1)	Book Value (Millions of Yen)	Appraiser (Note 2)
HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	5-15 Kakuda-cho, Kita-ku, Osaka City	Real estate trust beneficiary interests	9,254	5,484	Tanizawa
Kitano Hankyu Building	1-8-1 Shibata, Kita-ku, Osaka City	Real estate trust beneficiary interests	7,700	7,793	Tanizawa
Dew Hankyu Yamada	4-1-2 Yamada-nishi, Suita City, Osaka Prefecture	Real estate trust beneficiary interests	8,380	5,571	Tanizawa
Takatsuki-Josai Shopping Center	6-28 Josai-cho, Takatsuki City, Osaka Prefecture	Real estate	8,830	6,277	Rich
Nitori Ibaraki-Kita Store (site)	1-31 Nishi-toyokawa-cho, Ibaraki City, Osaka Prefecture	Real estate	2,270	1,340	Tanizawa
HANKYU NISHINOMIYA GARDENS (28% of the quasi co-ownership of the trust beneficiary interests)	14-2 Takamatsu-cho, Nishinomiya City, Hyogo Prefecture	Real estate trust beneficiary interests	25,480	16,595	Tanizawa
AEON MALL SAKAIKITAHANADA (site)	4-1-12 Higashi-asakayama-cho, Kita-ku, Sakai City, Osaka Prefecture	Real estate trust beneficiary interests	10,840	8,189	Rich
MANDAI Toyonaka Honan Store (site)	3-1-20 Honan-cho-higashi, Toyonaka City, Osaka Prefecture	Real estate trust beneficiary interests	3,960	1,889	Daiwa
Kita-Aoyama San cho-me Building	3-12-13 Kita-aoyama, Minato-ku, Tokyo	Real estate	2,190	1,674	Daiwa
kotocross Hankyu Kawaramachi	67-1 Shin-cho, Kobashi Nishi-iru, Shijo-dori, Shimogyo-ku, Kyoto City, etc.	Real estate trust beneficiary interests	3,230	2,426	Daiwa
DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	146 Shimo-horikawa-cho, Marutamachi Sagaru, Horikawa-dori, Kamigyo-ku, Kyoto City, etc.	Real estate trust beneficiary interests	4,720	3,127	Daiwa
LIFE Shimoyamate Store (site)	7-1-7 Shimoyamate-dori, Chuo-ku, Kobe City	Real estate trust beneficiary interests	1,830	1,434	Tanizawa
MANDAI Gojo Nishikoji Store (site)	33 Saiin Rokutanda-cho, Ukyo-ku, Kyoto City, etc.	Real estate trust beneficiary interests	6,020	4,213	Daiwa
KOHYO Onohara Store	6-2-7 Onohara-higashi, Minoh City, Osaka Prefecture	Real estate	2,020	1,519	Tanizawa
OASIS Town Itami Konoike (site)	4-1-10 Konoike, Itami City, Hyogo Prefecture	Real estate	7,620	7,391	Daiwa
METS OZONE	2-1-95 Yada, Higashi-ku, Nagoya City	Real estate	5,630	5,723	Daiwa
MANDAI Nigawa Store (site)	3-35 Tajikano-cho, Nishinomiya City, Hyogo Prefecture	Real estate	2,440	2,320	Daiwa
LAMU Higashiosaka Branch (site)	1-14-3 Kominowa, Higashiosaka City, Osaka Prefecture	Real estate	2,070	1,886	Tanizawa
Vessel Inn Hakata Nakasu	5-1-12 Nakasu, Hakata-ku, Fukuoka City	Real estate trust beneficiary interests	2,990	2,488	JREI

Name	Location	Type of Ownership	Appraisal Value at the End of the Period (Millions of Yen) (Note 1)	Book Value (Millions of Yen)	Appraiser (Note 2)
FUNDES JIMBOCHO	1-8-9 Kanda-Jimbocho, Chiyoda-ku, Tokyo, etc.	Real estate	2,640	2,864	Tanizawa
Valor Takatsuki Store (site)	31-1 Wakamatsu-cho, Takatsuki City, Osaka Prefecture	Real estate	2,460	2,298	Tanizawa
Namba Ebisubashi (site)	2-4-5 Shinsaibashisuji, Chuo-ku, Osaka City	Real estate	4,430	4,270	Daiwa
MANDAI Shimoshinjo Store	3-10-22 Shimoshinjo, Higashiyodogawa-ku, Osaka City	Real estate	761	669	JREI
H-CUBE MINAMIAOYAMA	5-7-1 Minamiaoyama, Minato-ku, Tokyo	Real estate trust beneficiary interests	8,170	6,666	Daiwa
H-CUBE KITAAOYAMA	3-13-7 Kitaaoyama, Minato-ku, Tokyo	Real estate	1,690	1,423	Daiwa
H-CUBE MINAMIAOYAMA II	5-5-1 Minamiaoyama, Minato-ku, Tokyo	Real estate	3,750	3,494	Daiwa
Home Center Kohnan Sakai Takasu Store (site)	1-1-38 Takasu-cho, Sakai-ku, Sakai City, Osaka Prefecture	Real estate	6,850	6,588	Tanizawa
Friend Mart Ibaraki Hirata Store (site)	1-2-41 Hirata, Ibaraki City, Osaka Prefecture	Real estate	2,480	2,475	JREI
AEON MALL INAGAWA	2-1-1 Shirogane, Inagawa-cho, Kawabe-gun, Hyogo Prefecture, etc.	Real estate trust beneficiary interests	11,600	11,631	Tanizawa
Sugi Pharmacy Daito Goryo Store (site)	1-10-4 Goryo, Daito City, Osaka Prefecture	Real estate	1,160	1,116	Daiwa
Hankyu Corporation Head Office Building	1-16-1 Shibata, Kita-ku, Osaka City	Real estate trust beneficiary interests	15,200	9,610	Daiwa
SHIBAURA RENASITE TOWER (equivalent of 10% co-ownership)	3-9-1 Shibaura, Minato-ku, Tokyo	Real estate	3,490	3,426	Rich
Hankyu Hanshin Ueno Okachimachi Building	4-9-2 Taito, Taito-ku, Tokyo	Real estate trust beneficiary interests	3,600	3,227	Daiwa
Ueroku F Building	5-3-5 Uehonmachi-nishi, Chuo-ku, Osaka City	Real estate trust beneficiary interests	2,630	2,297	Daiwa
LAXA Osaka	5-6-16 Fukushima, Fukushima-ku, Osaka City	Real estate trust beneficiary interests	4,870	5,075	Tanizawa
GRAND FRONT OSAKA (Umekita Plaza and South Building) (equivalent of 4.9% co-ownership)	4-1 (Umekita Plaza), 4-20 (South Building) Ofuka-cho, Kita-ku, Osaka City	Real estate trust beneficiary interests	13,400	9,107	JREI
GRAND FRONT OSAKA (North Building) (equivalent of 4.9% co-ownership)	3-1 Ofuka-cho, Kita-ku, Osaka City	Real estate trust beneficiary interests	10,400	6,451	JREI
Coop Kobe Delivery Center Nishinomiya (site)	1-9-12 Higashimachi, Nishinomiya City, Hyogo Prefecture	Real estate	2,230	1,905	Tanizawa
Total			219,285	171,949	—

(Note 1) The appraisal value at the end of the period shows the value appraised by an appraiser in accordance with HHR's Articles of Incorporation and the provisions stipulated by the Investment Management Association of Japan, with May 31, 2026 as the appraisal date.

(Note 2) In the Appraiser column, Tanizawa, Rich, Daiwa and JREI represent The Tanizawa Sogo Appraisal Co., Ltd., Rich Appraisal Institute Co., Ltd., DAIWA REAL ESTATE APPRAISAL CO., LTD. and Japan Real Estate Institute, respectively.

The rental revenues from real estate, etc., owned by HHR are as follows:

Name	42nd Fiscal Period Dec. 1, 2025 to May 31, 2026				41st Fiscal Period Jun. 1, 2025 to Nov. 30, 2025			
	Total Number of Tenants (at the end of the period) (Notes 1 and 2)	Occupancy Rate (at the end of the period) (%) (Notes 2 and 3)	Rental Revenue (during the period) (Millions of Yen)	Ratio of Rental Revenue to Total Rental Revenues (%)	Total Number of Tenants (at the end of the period) (Notes 1 and 2)	Occupancy Rate (at the end of the period) (%) (Notes 2 and 3)	Rental Revenue (during the period) (Millions of Yen)	Ratio of Rental Revenue to Total Rental Revenues (%)
HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	1	100.0	299	4.8	1	100.0	320	5.0
	(106)	(99.6)			(104)	(99.4)		
Kitano Hankyu Building	2	100.0	522	8.3	2	100.0	595	9.3
	(23)	(80.2)			(24)	(100.0)		
Dew Hankyu Yamada	25	100.0	366	5.8	25	100.0	378	5.9
Takatsuki-Josai Shopping Center	1	100.0	284	4.5	1	100.0	284	4.4
Nitori Ibaraki-Kita Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
HANKYU NISHINOMIYA GARDENS (28% of the quasi co-ownership of the trust beneficiary interests)	1	100.0	631	10.0	1	100.0	630	9.8
AEON MALL SAKAIKITAHANADA (site)	2	100.0	— (Note 4)	— (Note 4)	2	100.0	— (Note 4)	— (Note 4)
MANDAI Toyonaka Honan Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
Kita-Aoyama San cho-me Building	4	100.0	— (Note 4)	— (Note 4)	4	100.0	— (Note 4)	— (Note 4)
kotocross Hankyu Kawaramachi	1	100.0	102	1.6	1	100.0	102	1.6
DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
LIFE Shimoyamate Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
MANDAI Gojo Nishikoji Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
KOHYO Onohara Store	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
OASIS Town Itami Konoike (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
METS OZONE	13	100.0	328	5.2	13	100.0	342	5.3
MANDAI Nigawa Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
LAMU Higashiosaka Branch (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
Vessel Inn Hakata Nakasu	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
FUNDES JIMBOCHO	7	100.0	67	1.1	7	100.0	68	1.1
Valor Takatsuki Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)

Name	42nd Fiscal Period Dec. 1, 2025 to May 31, 2026				41st Fiscal Period Jun. 1, 2025 to Nov. 30, 2025			
	Total Number of Tenants (at the end of the period) (Notes 1 and 2)	Occupancy Rate (at the end of the period) (%) (Notes 2 and 3)	Rental Revenue (during the period) (Millions of Yen)	Ratio of Rental Revenue to Total Rental Revenues (%)	Total Number of Tenants (at the end of the period) (Notes 1 and 2)	Occupancy Rate (at the end of the period) (%) (Notes 2 and 3)	Rental Revenue (during the period) (Millions of Yen)	Ratio of Rental Revenue to Total Rental Revenues (%)
Namba Ebisubashi (site)	1	100.0	77	1.2	1	100.0	77	1.2
MANDAI Shimoshinjo Store	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
H-CUBE MINAMIAOYAMA	2	100.0	— (Note 4)	— (Note 4)	2	100.0	— (Note 4)	— (Note 4)
H-CUBE KITAAOYAMA	2	100.0	— (Note 4)	— (Note 4)	2	100.0	— (Note 4)	— (Note 4)
H-CUBE MINAMIAOYAMA II	2	100.0	— (Note 4)	— (Note 4)	2	100.0	— (Note 4)	— (Note 4)
Home Center Kohnan Sakai Takasu Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
Friend Mart Ibaraki Hirata Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
AEON MALL INAGAWA	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
Sugi Pharmacy Daito Goryo Store (site)	1	100.0	— (Note 4)	— (Note 4)	—	—	—	—
Shiodome East Side Building (Note 5)	—	—	—	—	—	—	11	0.2
Hankyu Corporation Head Office Building	1	100.0	404	6.4	1	100.0	404	6.3
SHIBAURA RENASITE TOWER (equivalent of 10% co-ownership)	19	100.0	— (Note 4)	— (Note 4)	18	88.9	— (Note 4)	— (Note 4)
Hankyu Hanshin Ueno Okachimachi Building	3	36.4	74	1.2	4	100.0	28	0.4
Ueroku F Building	10	100.0	135	2.1	9	94.9	132	2.1
LAXA Osaka	1	100.0	254	4.0	1	100.0	263	4.1
GRAND FRONT OSAKA (Umekita Plaza and South Building) (equivalent of 4.9% co-ownership)	2	100.0	— (Note 4)	— (Note 4)	2	100.0	— (Note 4)	— (Note 4)
	(239)	(99.2)			(242)	(97.9)		
GRAND FRONT OSAKA (North Building) (equivalent of 4.9% co-ownership)	5	100.0	— (Note 4)	— (Note 4)	5	100.0	— (Note 4)	— (Note 4)
	(104)	(96.9)			(107)	(99.8)		
Coop Kobe Delivery Center Nishinomiya (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
Total	122	99.8	6,297	100.0	120	99.9	6,422	100.0
	(584)	(98.9)			(587)	(99.9)		

(Note 1) The total number of tenants shows the total number of tenants renting a site or room. In cases where one tenant rents multiple sites or rooms in a specific property, the tenant is counted once. However, in cases where one tenant rents multiple properties, the tenant is counted once for each property and each count is added to the amount stated in the total field.
(Note 2) The figures shown in the parentheses represent the total number of tenants and occupancy rates calculated based on end tenants; these figures are shown for properties that adopt the pass-through-type master lease method.
(Note 3) The occupancy rate is the leased area as a percentage of the total leasable area.
(Note 4) These items are not disclosed because no consent has been obtained from the tenants or co-owners for the disclosure of rent, etc., and because, as the Asset Management Company determined, there is a possibility that the disclosure would affect the competitiveness of HHR and eventually damage the interests of unitholders.
(Note 5) HHR transferred 80% quasi co-ownership of the trust beneficiary interests for the property on March 25, 2025, and the remaining 20% on June 30, 2025, and no longer owns any quasi co-ownership of the trust beneficiary interests.

2) Details of Renewable Energy Power Generation Facility

Not applicable.

3) Details of Right to Operate Public Facility, etc.

Not applicable.

4) Details of Portfolio Securities

Not applicable.

(4) Contract Amount, etc. and Fair Value of Specified Transactions

The contract amount, etc., and fair value of specified transactions at HHR as of May 31, 2026 are as follows:

Classification	Type	Contract Amount, etc. (Thousands of Yen) (Note 1)		Fair Value (Thousands of Yen)
			Of which, exceeds one year	
Transactions other than market transactions	Interest rate swap transactions (receive floating, pay fixed)	6,400,000	6,400,000	(Note 2)

(Note 1) The contract amount, etc., of interest rate swap transactions is based on the notional principal.
(Note 2) The fair value is omitted as the requirements for special accounting under the Accounting Standards for Financial Instruments are met.

(5) Other Assets

Other assets owned by HHR as of May 31, 2026 are as follows:

Stock

Issuer Name	Number of Shares	Acquisition Price		Appraisal Value		Profit or Loss from Valuation	Notes
		Unit Price (Yen)	Amount (Thousands of Yen)	Unit Price (Yen)	Amount (Thousands of Yen)		
KMO Corporation	1,666	50,000	83,300	50,000	83,300	—	(Note)

(Note) The appraisal value indicates the acquisition price.

Other securities

Type of Asset	Volume	Acquisition Price		Appraisal Value		Profit or Loss from Valuation	Notes
		Unit Price (Yen)	Amount (Thousands of Yen)	Unit Price (Yen)	Amount (Thousands of Yen)		
Monetary claim	1	—	4,900	—	4,900	—	(Note)

(Note) The appraisal value indicates the acquisition price.

Other assets

Type of Asset	Volume	Acquisition Price		Appraisal Value		Profit or Loss from Valuation	Notes
		Unit Price (Yen)	Amount (Thousands of Yen)	Unit Price (Yen)	Amount (Thousands of Yen)		
Monetary claim	1	—	490	—	490	—	(Note)

(Note) The appraisal value indicates the acquisition price.

(6) Assets Owned in Each Country/Region

Not applicable. Reason: There is no overseas real estate, etc., in a country/region outside of Japan in the portfolio.

4. Capital Expenditures for Assets Owned by HHR

(1) Plan of Capital Expenditures

The main capital expenditures currently planned with respect to owned real estate, etc., are shown in the table below. The planned construction amounts include portions that are expensed as separate account items in accounting costs.

Name	Location	Purpose	Planned Period	Planned Construction Amount (Millions of Yen)		
				Total	Amount Paid in the 42nd Fiscal Period	Total Amount Already Paid
Kitano Hankyu Building	Kita-ku, Osaka City	Upgrading of automatic air-conditioning control system	Jul. 2026 to Nov. 2026	50	—	—
		Zoning due to change of use on 3F and 4F, etc.	Jul. 2026 to Nov. 2026	30	—	—
Ueroku F Building	Chuo-ku, Osaka City	Support for tenant move-in on B1F	Feb. 2026 to Jun. 2026	29	—	—
Hankyu Corporation Head Office Building	Kita-ku, Osaka City	Upgrading of fan coil units and automatic control equipment	Jul. 2026 to Nov. 2026	135	—	—
Hankyu Hanshin Ueno Okachimachi Building	Taito-ku, Tokyo	Change of interior on some floors	Jun. 2026 to Jul. 2026	16	—	—

(Note) Careful examination of the planned construction work may result in changes to construction amounts, etc.

(2) Capital Expenditures Made during the Period under Review

The main construction works (in owned real estate, etc.) on which capital was expended during the 42nd fiscal period are shown in the table below. Capital expenditures during the period were ¥778 million. With repair expenses also charged to expenses in the amount of ¥178 million, ¥956 million worth of construction works were implemented during the period.

Name	Location	Purpose	Period	Construction Amount (Millions of Yen)
HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	Kita-ku, Osaka City	Renovation work on the Ferris wheel	Jun. 2025 to Apr. 2026	46
Dew Hankyu Yamada	Suita City, Osaka Prefecture	Renewal work on transformers	Jul. 2025 to May 2026	103
LAXA Osaka	Fukushima-ku, Osaka City	Replacement of foam fire extinguishing equipment deluge valve	Aug. 2025 to May 2026	24
Hankyu Corporation Head Office Building	Kita-ku, Osaka City	Upgrading of fan coil units	Oct. 2025 to May 2026	56
HANKYU NISHINOMIYA GARDENS (28% of the quasi co-ownership of the trust beneficiary interests)	Nishinomiya City, Hyogo Prefecture	Renovation of exterior walls (phase 2)	Jul. 2025 to Mar. 2026	119
Other				428
Total				778

(3) Reserve Fund for Long-term Repair and Maintenance Plans

Repair and maintenance work in each fiscal period, in principle, is to be covered by cash flows from operating activities during the respective fiscal periods. However, HHR has also set aside money based on the engineering report of each owned property as stated below.

Operation Period	42nd Fiscal Period Dec. 1, 2025 to May 31, 2026	41st Fiscal Period Jun. 1, 2025 to Nov. 30, 2025	40th Fiscal Period Dec. 1, 2024 to May 31, 2025	39th Fiscal Period Jun. 1, 2024 to Nov. 30, 2024	38th Fiscal Period Dec. 1, 2023 to May 31, 2024
Balance of reserve fund at the beginning of the period (Millions of Yen)	201	200	189	189	180
Amount set aside (Millions of Yen)	—	0	18	0	8
Amount withdrawn (Millions of Yen)	—	—	6	—	—
Amount carried forward (Millions of Yen)	201	201	200	189	189

5. Expenses and Liabilities

(1) Details of Expenses Related to Asset Management

Item	42nd Fiscal Period	41st Fiscal Period
	Dec. 1, 2025 to May 31, 2026	Jun. 1, 2025 to Nov. 30, 2025
Asset management fees (Thousands of Yen)	446,421	449,232
Asset custody fees (Thousands of Yen)	22,453	22,410
Administrative service fees (Thousands of Yen)	43,102	43,359
Directors' compensation (Thousands of Yen)	3,600	3,600
Independent auditors' fees (Thousands of Yen)	13,440	13,140
Other operating expenses (Thousands of Yen)	76,507	94,441
Total (Thousands of Yen)	605,523	626,183

(2) Borrowings

Borrowings as of May 31, 2026 are as follows:

Classification	Lender	Date of Borrowing	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Average Interest Rate (%) (Note 1)	Maturity Date	Repayment Method	Purpose	Notes
Short-term debt	Sumitomo Mitsui Banking Corporation	Jul. 31, 2025	1,000	—	1.10727	Jul. 27, 2026 (Note 3)	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed Variable interest
	Subtotal	—	1,000	—	—	—			—
Long-term debt (Note 2)	Sumitomo Mitsui Trust Bank, Limited	May 31, 2017	2,800	2,800	0.77064	May 31, 2027			Unsecured/ Non-guaranteed Fixed interest
	Development Bank of Japan Inc.	Sep. 29, 2017	3,000	3,000	0.77701	Sep. 30, 2027			
	Mizuho Bank, Ltd.	Feb. 28, 2018	1,000	1,000	0.77462	Feb. 29, 2028			
	Sumitomo Mitsui Banking Corporation	May 24, 2018	2,500	2,500	0.80082	May 31, 2028			
	Sumitomo Mitsui Banking Corporation	May 28, 2018	500	500	0.79156				
	Development Bank of Japan Inc.		500	500					
	Mizuho Bank, Ltd.		500	500					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	The Senshu Ikeda Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	Oct. 29, 2018	2,500	2,500	0.85883	Oct. 30, 2028			
	MUFG Bank, Ltd.	Oct. 31, 2018	1,000	1,000	0.85003	Oct. 31, 2028			
	Sumitomo Mitsui Trust Bank, Limited	Dec. 3, 2018	600	600	0.80864	Nov. 30, 2028			
	Sumitomo Mitsui Banking Corporation	Jan. 31, 2019	600	600	0.70528	Jan. 31, 2029			
	Mizuho Bank, Ltd.		600	600					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	Development Bank of Japan Inc.		300	300					
	The Senshu Ikeda Bank, Ltd.		200	200					
	Sumitomo Mitsui Trust Bank, Limited	Mar. 28, 2019	600	600	0.65668	Mar. 28, 2029			
	Sumitomo Mitsui Banking Corporation		400	400					

Classification	Lender	Date of Borrowing	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Average Interest Rate (%) (Note 1)	Maturity Date	Repayment Method	Purpose	Notes
Long-term debt (Note 2)	Mizuho Bank, Ltd.	Mar. 28, 2019	400	400	0.65668	Mar. 28, 2029	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed Fixed interest
	Mizuho Trust & Banking Co., Ltd.		400	400					
	Development Bank of Japan Inc.		400	400					
	The Senshu Ikeda Bank, Ltd.		200	200					
	Mizuho Bank, Ltd.		700	700					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	Sumitomo Mitsui Banking Corporation		500	500					
	Development Bank of Japan Inc.		500	500					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	The Senshu Ikeda Bank, Ltd.		300	300					
	Aichi Bank, Ltd.	Sep. 30, 2019	1,000	1,000	0.30250	Sep. 28, 2029			
	The Bank of Fukuoka, Ltd.		1,000	1,000					
	Momiji Bank, Ltd.		1,000	1,000					
	Sumitomo Mitsui Trust Bank, Limited	Jan. 31, 2020	3,000	3,000	0.57722	Jan. 31, 2030			
	Mizuho Bank, Ltd.		2,000	2,000					
	MUFG Bank, Ltd.	Mar. 31, 2020	1,500	1,500	0.62429	Mar. 29, 2030			
	The Senshu Ikeda Bank, Ltd.	Oct. 30, 2020	1,000	1,000	1.49836	Oct. 30, 2026			Unsecured/ Non-guaranteed Variable interest
	MUFG Bank, Ltd.		1,000	1,000	0.41818	Oct. 29, 2027			Unsecured/ Non-guaranteed Fixed interest
	Development Bank of Japan Inc.	Dec. 24, 2020	4,000	4,000	0.49160	Dec. 24, 2030			
	Sumitomo Mitsui Banking Corporation	Jul. 30, 2021	2,000	2,000	0.42493	Nov. 29, 2030			
	MUFG Bank, Ltd.	Jan. 31, 2022	2,000	2,000	0.67250	Jan. 30, 2032			
	Sumitomo Mitsui Trust Bank, Limited	Sep. 30, 2022	500	500	0.66000	Sep. 30, 2027			
	Sumitomo Mitsui Banking Corporation		1,200	1,200	1.04445	Mar. 31, 2032			

Classification	Lender	Date of Borrowing	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Average Interest Rate (%) (Note 1)	Maturity Date	Repayment Method	Purpose	Notes
Long-term debt (Note 2)	MUFG Bank, Ltd.	Sep. 30, 2022	2,600	2,600	1.09000	Sep. 30, 2032	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed Fixed interest
	Mizuho Bank, Ltd.		1,500	1,500					
	The Senshu Ikeda Bank, Ltd.		1,200	1,200					
	Sumitomo Mitsui Trust Bank, Limited	Dec. 26, 2022	300	300	0.85511	May 31, 2027			
	Mizuho Trust & Banking Co., Ltd.		1,000	1,000	1.00854	Jun. 29, 2029			
	Mizuho Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation		1,500	1,500	1.10746	Nov. 29, 2030			
	MUFG Bank, Ltd.		1,000	1,000	1.30375	Dec. 24, 2032			
	Development Bank of Japan Inc.		500	500					
	The Senshu Ikeda Bank, Ltd.		200	200					
	The Akita Bank, Ltd.	Nov. 30, 2023	430	430	0.92750	Nov. 30, 2028			
	Daishi Hokuetsu Bank, Ltd.		430	430					
	The Chiba Bank, Ltd.		90	90					
	The Bank of Fukuoka, Ltd.		50	50					
	Kansai Mirai Bank, Limited		360	360	1.19625	Nov. 29, 2030			
	The Gunma Bank, Ltd.		360	360					
	Shinkin Central Bank		360	360					
	The Chugoku Bank, Ltd.		360	360					
	The 77 Bank, Ltd.		210	210					
	The Bank of Fukuoka, Ltd.		210	210					
	The Chiba Bank, Ltd.		140	140					
	Shinkin Central Bank		600	600	1.58545	May 31, 2032			Unsecured/ Non-guaranteed Variable interest
	The Bank of Kyoto, Ltd.		400	400					

Classification	Lender	Date of Borrowing	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Average Interest Rate (%) (Note 1)	Maturity Date	Repayment Method	Purpose	Notes
Long-term debt (Note 2)	The Juhachi-Shinwa Bank, Ltd.	Nov. 30, 2023	400	400	1.58545	May 31, 2032	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed Variable interest
	The Nanto Bank, Ltd.		400	400					
	The Minato Bank, Ltd.		400	400					
	Momiji Bank, Ltd.		400	400					
	The Chiba Bank, Ltd.		250	250					
	The Bank of Fukuoka, Ltd.		250	250					
	Kansai Mirai Bank, Limited		200	200					
	The Kiyo Bank, Ltd.		200	200					
	THE NISHI-NIPPON CITY BANK, LTD.		200	200					
	Hachijuni Nagano Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	Feb. 29, 2024	1,300	1,300	1.07500	Feb. 28, 2031			Unsecured/ Non-guaranteed Fixed interest
	Mizuho Bank, Ltd.		900	900					
	The Senshu Ikeda Bank, Ltd.		600	600					
	Nippon Life Insurance Company		250	250					
	The Bank of Kyoto, Ltd.		150	150					
	Nippon Life Insurance Company		500	500	1.46600	Aug. 31, 2034			
	The Bank of Kyoto, Ltd.		200	200					
	Development Bank of Japan Inc.	Mar. 27, 2024	1,300	—	1.05273	Mar. 27, 2026 (Note 4)			Unsecured/ Non-guaranteed Variable interest
	Sumitomo Mitsui Banking Corporation		1,200	—	1.10727	Mar. 27, 2026			
	Sumitomo Mitsui Trust Bank, Limited		1,100	—					
	Mizuho Bank, Ltd.		800	—					
	The Senshu Ikeda Bank, Ltd.		400	—					
	Mizuho Trust & Banking Co., Ltd.		300	—					

Classification	Lender	Date of Borrowing	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Average Interest Rate (%) (Note 1)	Maturity Date	Repayment Method	Purpose	Notes
Long-term debt (Note 2)	Sumitomo Mitsui Trust Bank, Limited	Sep. 30, 2024	1,200	1,200	0.96625	Sep. 28, 2029	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed Fixed interest
	Development Bank of Japan Inc.	May 30, 2025	2,000	—	1.14273	Jun. 28, 2027 (Note 4)			Unsecured/ Non-guaranteed Variable interest
	Development Bank of Japan Inc.		2,000	2,000	1.57375	May 31, 2030			Unsecured/ Non-guaranteed Fixed interest
	Sumitomo Mitsui Banking Corporation	Jul. 31, 2025	1,500	1,500	1.51836	Jul. 31, 2031			Unsecured/ Non-guaranteed Variable interest
	The Akita Bank, Ltd.	Sep. 29, 2025	400	400	1.98500	Mar. 31, 2033			Unsecured/ Non-guaranteed Fixed interest
	Daishi Hokuetsu Bank, Ltd.		400	400					
	The Chiba Bank, Ltd.		400	400					
	The Nanto Bank, Ltd.		400	400					
	The Minato Bank, Ltd.		400	400					
	The Kiyo Bank, Ltd.		200	200					
	The Gunma Bank, Ltd.		200	200					
	The Juhachi-Shinwa Bank, Ltd.		200	200					
	THE NISHI-NIPPON CITY BANK, LTD.		200	200					
	Hachijuni Nagano Bank, Ltd.		200	200					
	Kansai Mirai Bank, Limited		100	100					
	The 77 Bank, Ltd.		100	100					
	The Chugoku Bank, Ltd.		100	100					
	The Bank of Fukuoka, Ltd.		100	100					
	Sumitomo Mitsui Trust Bank, Limited	Oct. 31, 2025	1,000	1,000	1.19836	Oct. 31, 2030			Unsecured/ Non-guaranteed Variable interest
	Daishi Hokuetsu Bank, Ltd.	Mar. 27, 2026	—	400	1.21855	Mar. 27, 2034			Unsecured/ Non-guaranteed Variable interest
	SBI Shinsei Bank, Limited		—	350					
	The Nanto Bank, Ltd.		—	350					

Classification	Lender	Date of Borrowing	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Average Interest Rate (%) (Note 1)	Maturity Date	Repayment Method	Purpose	Notes
Long-term debt (Note 2)	The Chiba Bank, Ltd.	Mar. 27, 2026	—	300	1.21855	Mar. 27, 2034	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed Variable interest
	The Hyakugo Bank, Ltd.		—	100					
	Resona Bank, Limited		—	500	1.27855	Mar. 27, 2036			
	SBI Shinsei Bank, Limited		—	350					
	The Nanto Bank, Ltd.		—	350					
	Daishi Hokuetsu Bank, Ltd.		—	300					
	Kansai Mirai Bank, Limited		—	200					
	The Chiba Bank, Ltd.		—	200					
	The Hyakugo Bank, Ltd.		—	100					
	Sumitomo Mitsui Trust Bank, Limited		—	550	1.40545	May 31, 2027			
	Mizuho Bank, Ltd.		—	400	1.18855	Sep. 29, 2031			
	The Senshu Ikeda Bank, Ltd.		—	200					
	Mizuho Trust & Banking Co., Ltd.		—	150					
	Subtotal	—	81,500	79,200	—	—	—	—	—
Total			82,500	79,200	—	—	—	—	—

(Note 1) The average interest rates presented indicate the borrowing rate for each loan agreement at the end of the fiscal period, rounded off to the fifth decimal place. For the borrowings for which interest rate swap transactions have been made for the purpose of hedging the risk of interest rate fluctuations, the interest rates presented are the fixed rates by the effect of the interest rate swaps.

(Note 2) Long-term debt due within one year on the balance sheets is presented by including it in long-term debt for presentation by loan agreement.

(Note 3) Early repayment was completed on March 27, 2026.

(Note 4) Early repayment was completed on December 29, 2025.

(Note 5) Funds are used for the acquisition of ownership and trust beneficiary interests in real estate, as well as related expenses and refinancing of borrowings.

(3) Investment Corporation Bonds

Investment corporation bonds as of May 31, 2026 are as follows:

Name	Issue Date	Balance at the Beginning of the Current Period (Millions of Yen)	Balance at the End of the Current Period (Millions of Yen)	Interest Rate (%)	Maturity Date	Redemption Method	Purpose	Notes
Hankyu Hanshin REIT Eighth Series of Unsecured Investment Corporation Bonds	Dec. 26, 2025	—	1,300	2.32750	Dec. 26, 2031	Lump-sum repayment	(Note 1)	Unsecured/ Non-guaranteed (Note 2) (Note 3)
Hankyu Hanshin REIT Seventh Series of Unsecured Investment Corporation Bonds (green bonds)	Dec. 26, 2025	—	2,000	1.10000	Dec. 26, 2030	Lump-sum repayment	(Note 4)	Unsecured/ Non-guaranteed (Note 2) (Note 3)
Hankyu Hanshin REIT Sixth Series of Unsecured Investment Corporation Bonds (green bonds)	Feb. 20, 2024	1,300	1,300	1.40900	Feb. 20, 2034	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed (Note 2)
Hankyu Hanshin REIT Fifth Series of Unsecured Investment Corporation Bonds (green bonds)	Oct. 28, 2020	1,000	1,000	0.54000	Oct. 28, 2030	Lump-sum repayment	(Note 5)	Unsecured/ Non-guaranteed (Note 2)
Hankyu Hanshin REIT Third Series of Unsecured Investment Corporation Bonds	Nov. 10, 2016	2,000	2,000	0.90000	Nov. 10, 2031	Lump-sum repayment	(Note 6)	Unsecured/ Non-guaranteed (Note 2)
Total		4,300	7,600	—	—	—	—	—

(Note 1) The proceeds of the investment corporation bonds were used to repay existing borrowings.
(Note 2) The terms and conditions of the investment corporation bonds contain inter-bond pari passu clauses.
(Note 3) The offering was made through a private offering targeting only qualified institutional investors.
(Note 4) The proceeds of the investment corporation bonds were used to repay the borrowings (including the borrowings through subsequent refinancing) required for acquiring Hankyu Corporation Head Office Building, an Eligible Green Asset designated in HHR's Green Finance Framework.
(Note 5) The proceeds of the investment corporation bonds were used to partially repay the borrowings (including the borrowings through subsequent refinancing) required for acquiring Shiodome East Side Building, an Eligible Green Asset designated in HHR's Green Finance Framework.
(Note 6) The proceeds of the investment corporation bonds were used for redeeming the Hankyu Hanshin REIT First Series of Unsecured Investment Corporation Bonds.

(4) Short-Term Investment Corporation Bonds

Not applicable.

(5) New Unitholder Rights

Not applicable.

6. Purchases and Disposals during the Period under Review

(1) Purchases and Disposals of Real Estate/Asset-backed Securities, etc., Infrastructure Assets, etc./Infrastructure-related Assets

Type of Asset	Property Name	Acquisition		Transfer			
		Acquisition Date	Acquisition Price (Millions of Yen) (Note)	Transfer Date	Transfer Price (Millions of Yen)	Book Value (Millions of Yen)	Gain or Loss on Sale (Millions of Yen)
Real estate	Sugi Pharmacy Daito Goryo Store (site)	Mar. 27, 2026	1,100	—	—	—	—
Total		—	1,100	—	—	—	—

(Note) Acquisition Price indicates the purchase price of real estate, etc., indicated in the beneficiary interests transfer agreement, real estate transaction agreement, etc., excluding various costs required for the acquisition of real estate, etc., concerned (transaction brokerage fees, taxes and public dues, etc.).

(2) Purchases and Disposals of Other Assets

Not applicable.

(3) Investigation of the Value, etc., of Specified Assets

Real estate, etc.

Acquisition or Transfer	Property Name	Transaction Date	Contents	Acquisition Price or Transfer Price (Millions of Yen) (Note 2)	Real Estate Appraisal Value (Millions of Yen)	Appraisal Date	Appraiser (Note 3)
Acquisition	Sugi Pharmacy Daito Goryo Store (site)	Mar. 27, 2026	Land	1,100	1,150	Sep. 30, 2025	Daiwa

(Note 1) For transactions which require appraisals of real estate, etc., concerning specified assets pursuant to the provision of Paragraph 1, Article 201 of the Investment Trust Act, the appraisal is conducted by applying the "Real Estate Appraisal Standards; Particulars; Chapter 3: Appraisal of Value of Real Estate Subject to Securitization," and HHR has received notice of the results of the concerned appraisals from the relevant appraisers.

(Note 2) Acquisition Price indicates the purchase price of real estate, etc., indicated in the beneficiary interests transfer agreement, real estate transaction agreement, etc., excluding various costs required for the acquisition of real estate, etc. concerned (transaction brokerage fees, taxes and public dues, etc.).

(Note 3) In the Appraiser column, "Daiwa" represents DAIWA REAL ESTATE APPRAISAL CO., LTD.

(4) Transactions Involving Conflicts of Interest, etc.

1) Transactions

Not applicable.

2) Payment of Fees, etc.

Classification	Total Fees, etc. Paid (A) (Thousands of Yen)	Breakdown of Transactions with Interested Persons, etc.		Ratio to Total Fees (B)/(A) (%)
		Payee	Amount Paid (B) (Thousands of Yen)	
Property management expenses	514,986	Hankyu Hanshin Building Management Co., Ltd.	342,818	66.6
		Hankyu Corporation	9,285	1.8
		Hankyu Hanshin Clean Service Co., Ltd.	1,366	0.3
		Hankyu Hanshin Properties Corp.	1,022	0.2
Rent expenses	105,589	Hankyu Corporation	20,479	19.4
		Hanshin Electric Railway Co., Ltd.	17,750	16.8
		Hankyu Hanshin Building Management Co., Ltd.	8,261	7.8
		H2O Retailing Corporation	6,720	6.4
Advertising expenses	51,549	Hankyu Hanshin Building Management Co., Ltd.	45,033	87.4
Other property-related expenses	61,905	Hankyu Hanshin Building Management Co., Ltd.	12,068	19.5
		Hankyu Corporation	7,799	12.6

(Note 1) Amounts paid to interested persons, etc., for construction/repairs during the period under review other than the payment of fees, etc. mentioned above are as follows:
Hanshin Construction Co., Ltd. ¥6,913 thousand
Amounts paid (including payable amount) to the following interested persons, etc., are recorded as assets:
ITEC Hankyu Hanshin Co., Ltd. ¥28,087 thousand
Chuo Densetsu Co., Ltd. ¥18,248 thousand
Hankyu Hanshin Building Management Co., Ltd. ¥17,105 thousand
Hankyu Corporation ¥16,091 thousand

(Note 2) Interested persons, etc., refer to the interested persons, etc., as defined in Paragraph 1, Article 201 of the Investment Trust Act of the Asset Management Company.

(5) Transactions with the Asset Management Company Concerning the Subsidiary Business Managed by the Said Asset Management Company, etc.

Not applicable. Reason: The Asset Management Company (Hankyu Hanshin REIT Asset Management, Inc.) does not undertake any subsidiary business that could be categorized as a Type I Financial Instruments Business, Type II Financial Instruments Business, building lots and buildings transaction business or real estate specified joint enterprise.

7. Accounting

(1) Assets, Liabilities, Net Assets and Profit/Loss, etc.

Please refer to the following: Balance Sheets, Statements of Income and Retained Earnings, Statements of Changes in Net Assets, Statements of Cash Flows, and Notes to Financial Statements.

(2) Changes in Calculation Methods for Depreciation

Not applicable.

(3) Changes in Valuation Methods for Real Estate, etc./Infrastructure Assets, etc.

Not applicable.

8. Others

(1) Notices

The main overviews of major conclusions, amendments, etc., of agreements approved at HHR's Executive Meetings during the period under review are as follows:

Approved Date	Approved Items	Overview
December 17, 2025	Consignment of general administration pertaining to issuance of investment corporation bonds	With the comprehensive resolution on the issuance of investment corporation bonds approved on the same date, executive officers approved candidate companies to be entrusted with the administration of the solicitation of underwriters of the investment corporation bonds and to act as the issuance agency, financial agency, payment agency, etc., and left decisions on other necessary matters entirely to the discretion of the Executive Director.
May 25, 2026	Consignment of general administration pertaining to issuance of investment corporation bonds	With the comprehensive resolution on the issuance of investment corporation bonds approved on the same date, executive officers approved candidate companies to be entrusted with the administration of the solicitation of underwriters of the investment corporation bonds and to act as the issuance agency, financial agency, payment agency, etc., and left decisions on other necessary matters entirely to the discretion of the Executive Director.

(2) Disclosure Concerning In-house Investment Trust Beneficiary Certificates, etc.

Not applicable.

(3) Disclosure Concerning Overseas Real Estate Companies

Not applicable.

(4) Disclosure Concerning Real Estate Owned by Affiliated Overseas Real Estate Companies

Not applicable.

(5) Other

In this document, unless otherwise specified, monetary figures are rounded down to the nearest whole unit and ratios are rounded off to the first decimal place.

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Hankyu Hanshin REIT, Inc.
BALANCE SHEETS

As of May 31, 2026 and November 30, 2025

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 4,385,690	¥ 5,307,523
Cash and deposits in trust (Note 3)	5,549,032	5,828,168
Tenant receivables	73,630	101,356
Supplies	1,413	1,076
Deposits paid	176,961	204,248
Income taxes refund receivable	1,543	1,439
Prepaid expenses	239,453	145,199
Total Current Assets	10,427,724	11,589,013
Investment Properties (Notes 5, 8, 9 and 15):		
Land	53,641,973	52,522,167
Buildings	7,251,166	7,222,337
Structures	564,300	564,300
Machinery and equipment	2,580	2,580
Tools, furniture and fixtures	40,017	39,907
Leased assets	336,600	336,600
Land in trust	86,523,600	86,523,600
Buildings in trust	46,092,071	45,435,980
Structures in trust	1,475,897	1,426,256
Machinery and equipment in trust	387,872	385,951
Tools, furniture and fixtures in trust	609,425	592,371
Leased assets in trust	47,924	47,924
Construction in progress in trust	37,420	15,847
Less: accumulated depreciation	(25,991,262)	(24,935,368)
Leasehold rights	897,709	897,709
Total Investment Properties, Net	171,917,299	171,078,167
Other Assets:		
Lease and guarantee deposits	34,826	34,826
Lease and guarantee deposits in trust	1,696	1,696
Investment securities (Note 4)	88,200	88,200
Long-term prepaid expenses	292,569	312,166
Deferred tax assets (Note 12)	24	19
Deferred investment corporation bond issuance costs	35,533	16,633
Others	78,679	56,484
Total Other Assets	531,530	510,025
Total Assets	¥ 182,876,554	¥ 183,177,206

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

Hankyu Hanshin REIT, Inc.
BALANCE SHEETS, CONTINUED

As of May 31, 2026 and November 30, 2025

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Liabilities		
Current Liabilities:		
Operating accounts payable	¥ 818,629	¥ 1,041,049
Short-term debt (Note 6)	—	1,000,000
Long-term debt due within one year (Notes 4 and 6)	4,650,000	6,100,000
Lease obligations	24,684	24,684
Lease obligations in trust	3,149	3,149
Distributions payable	8,651	9,634
Accrued expenses	179,708	160,604
Income taxes payable	1,152	1,124
Accrued consumption taxes	80,769	187,932
Advances received	747,902	759,355
Deposits received (Note 8)	144,607	71,187
Total Current Liabilities	6,659,254	9,358,720
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 7)	7,600,000	4,300,000
Long-term debt (Notes 4 and 6)	74,550,000	75,400,000
Lease obligations	201,586	213,928
Lease obligations in trust	17,845	19,420
Tenant security deposits (Note 8)	2,033,421	2,072,247
Tenant security deposits in trust (Note 8)	4,839,344	4,768,194
Total Long-Term Liabilities	89,242,198	86,773,791
Total Liabilities	95,901,452	96,132,512
Net Assets (Notes 10 and 18)		
Unitholders' Equity:		
Unitholders' capital	84,270,314	84,270,314
Reserve for the reduction entry	418,339	401,873
Reserve for special account for the reduction entry	—	13,580
Retained earnings	2,286,447	2,358,926
Total Unitholders' Equity	86,975,102	87,044,693
Total Net Assets	86,975,102	87,044,693
Total Liabilities and Net Assets	¥ 182,876,554	¥ 183,177,206

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

Hankyu Hanshin REIT, Inc.
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six months ended May 31, 2026 and November 30, 2025

	For the six months ended	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Operating Revenues:		
Rental revenues (Note 17)	¥ 6,297,051	¥ 6,422,679
Gain on sale of investment property (Note 17)	—	81,474
Total Operating Revenues	6,297,051	6,504,154
Operating Expenses:		
Property-related expenses (Note 17)	2,952,950	3,111,320
Asset management fees	446,421	449,232
Directors' compensation	3,600	3,600
Asset custody fees	22,453	22,410
Administrative service fees	43,102	43,359
Independent auditors' fees	13,440	13,140
Other operating expenses	76,507	94,441
Total Operating Expenses	3,558,474	3,737,503
Operating Income	2,738,577	2,766,650
Non-Operating Revenues:		
Interest income	12,573	11,428
Reversal of distributions payable	928	477
Interest on tax refund	—	85
Total Non-Operating Revenues	13,502	11,990
Non-Operating Expenses:		
Interest expense	371,897	352,066
Borrowing-related expenses	45,538	42,550
Interest expense on investment corporation bonds	43,267	22,075
Amortization of deferred investment corporation bond issuance costs	3,403	1,709
Other non-operating expenses	32	47
Total Non-Operating Expenses	464,140	418,449
Ordinary Income	2,287,939	2,360,192
Income Before Income Taxes	2,287,939	2,360,192
Income taxes — current	1,503	1,408
Income taxes — deferred	(5)	(4)
Total Income Taxes (Note 12)	1,498	1,404
Net Income	2,286,440	2,358,787
Retained Earnings Brought Forward	6	138
Retained Earnings at the End of the Period	¥ 2,286,447	¥ 2,358,926

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

Hankyu Hanshin REIT, Inc.
STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended May 31, 2026 and November 30, 2025

	Unitholders' Equity					
	Unitholders' Capital	**Reserve for the Reduction Entry**	**Reserve for Special Account for the Reduction Entry**	**Retained Earnings**	**Total Unitholders' Equity**	**Total Net Assets**
	(Thousands of Yen)					
Balance as of May 31, 2025	¥ 84,270,314	¥ 287,000	—	¥2,435,960	¥86,993,274	¥86,993,274
Provision of reserves for the reduction entry	—	114,873	—	(114,873)	—	—
Provision of reserves for special account for the reduction entry	—	—	13,580	(13,580)	—	—
Cash distributions declared	—	—	—	(2,307,368)	(2,307,368)	(2,307,368)
Net income	—	—	—	2,358,787	2,358,787	2,358,787
Balance as of November 30, 2025	¥ 84,270,314	¥401,873	¥13,580	¥2,358,926	¥87,044,693	¥87,044,693
Provision of reserves for the reduction entry	—	17,901	—	(17,901)	—	—
Reversal of reserves for the reduction entry		(1,435)		1,435		
Reversal of reserves for special account for the reduction entry	—	—	(13,580)	13,580	—	—
Cash distributions declared	—	—	—	(2,356,032)	(2,356,032)	(2,356,032)
Net income	—	—	—	2,286,440	2,286,440	2,286,440
Balance as of May 31, 2026	¥ 84,270,314	¥418,339	—	¥2,286,447	¥86,975,102	¥86,975,102

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

Hankyu Hanshin REIT, Inc.
STATEMENTS OF CASH FLOWS

For the six months ended May 31, 2026 and November 30, 2025

	For the six months ended	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 2,287,939	¥ 2,360,192
Depreciation and amortization	1,067,077	1,053,121
Amortization of deferred investment corporation bond issuance costs	3,403	1,709
Loss on disposal of investment properties and other assets	670	7,189
Interest income	(12,573)	(11,428)
Reversal of distributions payable	(928)	(477)
Interest expense	371,897	352,066
Interest expense on investment corporation bonds	43,267	22,075
(Increase) decrease in tenant receivables	27,726	(4,467)
(Increase) decrease in supplies	(336)	5
(Increase) decrease in deposits paid	27,286	(17,643)
(Increase) decrease in consumption taxes receivable	—	30,409
(Increase) decrease in prepaid expenses	(74,656)	93,987
Increase (decrease) in operating accounts payable	(312,741)	135,063
Increase (decrease) in accrued expenses	350	(261)
Increase (decrease) in accrued consumption taxes	(107,162)	187,932
Increase (decrease) in advances received	(11,453)	6,802
Decrease due to sale of investment properties	—	3,239,297
Interest income received	12,573	11,428
Interest expense paid	(396,411)	(361,179)
Income taxes refunded (paid)	(1,578)	(2,330)
Net Cash Provided by Operating Activities	2,924,349	7,103,494
Cash Flows from Investing Activities:		
Payment for purchases of investment properties	(1,807,484)	(3,807,155)
Payment for purchases of intangible assets	(31,268)	—
Refunds of tenant security deposits	(52,448)	(230,101)
Proceeds from tenant security deposits	158,191	212,895
Net Cash Used in Investing Activities	(1,733,009)	(3,824,361)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	—	1,000,000
Repayments of short-term debt	(1,000,000)	(1,000,000)
Proceeds from long-term debt	4,800,000	5,900,000
Repayments of long-term debt	(7,100,000)	(4,900,000)
Proceeds from issuance of investment corporation bonds	3,277,695	—
Redemption of investment corporation bonds	—	(1,000,000)
Repayments of finance lease obligations	(13,916)	(13,916)
Distributions paid	(2,356,086)	(2,307,374)
Net Cash Used in Financing Activities	(2,392,307)	(2,321,291)
Net Change in Cash and Cash Equivalents	(1,200,967)	957,842
Cash and Cash Equivalents at the Beginning of the Period	11,135,691	10,177,848
Cash and Cash Equivalents at the End of the Period (Note 3)	¥ 9,934,723	¥ 11,135,691

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

Hankyu Hanshin REIT, Inc.
Notes to Financial Statements

For the six months ended May 31, 2026 and November 30, 2025

Note 1 – Organization and Basis of Presentation

(a) Organization

Hankyu Hanshin REIT was established on December 3, 2004 as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including all subsequent revisions; hereinafter referred to as the "Investment Trust Act") by the founder (Hankyu Hanshin REIT Asset Management, Inc.; hereinafter referred to as the "Asset Management Company"). On October 26, 2005, Hankyu Hanshin REIT was listed on the J-REIT section of the Tokyo Stock Exchange.

(b) 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 Generally Accepted Accounting Principles of Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements from both International Financial Reporting Standards ("IFRS") and U.S. Generally Accepted Accounting Principles.

The accompanying financial statements have been reformatted and translated into English from the financial statements of Hankyu Hanshin 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 have been omitted. Consequently, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

Note 2 – Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

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

(b) Investment Properties

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

	(Years)
Buildings	2–71
Structures	2–75
Machinery and equipment	2–17
Tools, furniture and fixtures	2–18

Leased assets under finance leases, other than those that are deemed to transfer ownership of the leased property to the lessee, are depreciated using the straight-line method over the lease term with zero residual value.

(c) Investment Securities

Stocks and other securities with no market prices are stated at cost determined by the moving average method.

(d) Deferred Investment Corporation Bond Issuance Costs

Deferred investment corporation bond issuance costs are amortized on a straight-line basis over the respective terms of the bonds.

(e) Investment Units Issuance Costs

Issuance costs of investment units are expensed when incurred.

(f) Income Taxes

Deferred tax assets and liabilities are calculated and recognized based on the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax basis using the statutory rate.

(g) Revenue from Sales of Investment Properties

Revenue from sales of investment properties is recognized at the time when a purchaser of investment property as a customer obtains control over the investment property by satisfying the delivery obligation as described in a contract regarding the sale of the investment property.

Net amount is presented as “Gain on sale of investment property” or “Loss on sale of investment property” on the statements of income and retained earnings calculated as “Proceeds from sale of investment property” which represents the consideration for the sale of investment property by deducting “Cost of selling investment property” which represents the book value of the investment property sold and “Other expenses related to sale” which represents other direct expenses for the sale.

(h) Real Estate Taxes

Investment properties are subject to various taxes such as property taxes and city planning taxes. Owners of the properties are registered within records maintained in each jurisdiction by the local government. The taxes are imposed on the registered record owner as of January 1 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. Hankyu Hanshin REIT pays the seller the corresponding amount of the taxes for the period from the property acquisition date to December 31 of the calendar year and capitalizes these amounts as acquisition costs of the property rather than expensing them. In the subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

The corresponding amount of real estate taxes capitalized as acquisition costs of the property during the six months ended May 31, 2026 is ¥40 thousand.

(i) Hedge Accounting

Hankyu Hanshin REIT enters into derivative transactions for the purpose of hedging the risk of interest rate fluctuations related to liabilities in accordance with the Articles of Incorporation of Hankyu Hanshin REIT and the rules and procedures set forth in the risk management policy. Hankyu Hanshin REIT uses derivative transactions as hedging instruments in order to hedge the risk of interest rate fluctuations related to liabilities. Pursuant to Japanese GAAP, Hankyu Hanshin REIT applies the special accounting treatment to interest-rate swaps which qualify for hedge accounting and meet specific criteria. Under the special accounting 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. The assessment of hedge effectiveness is omitted since the interest-rate swaps meet the specific criteria under the special accounting treatment.

(j) Accounting Treatment of Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate owned by Hankyu Hanshin REIT, all accounts of assets and liabilities within the assets in trust and 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, leased assets in trust and construction in progress in trust
(iii) Other intangible assets in trust included in "Other assets-others"
(iv) Lease and guarantee deposits in trust
(v) Tenant security deposits in trust
(vi) Lease obligations in trust

(k) Accounting Standards Issued but not yet Applied

(Accounting Standard for Leases)

- Accounting Standard for Leases (Accounting Standards Board of Japan ("ASBJ") Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

(1) Overview

As part of the initiatives to make Japanese GAAP consistent with international standards, ASBJ conducted a study based on international accounting standards to develop an accounting standard relating to leases that will have lessees recognize assets and liabilities for all leases, and issued an accounting standard for leases and a guidance. While the basic policy of the standard is based on a single lessee accounting model of IFRS 16, by only adopting the main provisions instead of the whole of IFRS 16, the standard aimed to be simple and highly convenient, basically requiring no modification when applying the provisions of IFRS 16 to non-consolidated financial statements.

For the accounting treatment of lessees, lessees shall adopt the single lessee accounting model as the method to allocate expenses arising from leases as with IFRS 16, under which depreciation on right-of-use assets and interests on lease liabilities for all leases, regardless of a finance lease or an operating lease are recorded.

(2) Scheduled date of application

The above standard and guidance are scheduled to be applied from the beginning of the six months ended November 30, 2027.

(3) Effects of application of the standards, etc.

The effects of the application on the consolidated financial statements are currently evaluated.

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	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Cash and deposits	¥ 4,385,690	¥ 5,307,523
Cash and deposits in trust	5,549,032	5,828,168
Cash and cash equivalents	¥ 9,934,723	¥ 11,135,691

Note 4 – Financial Instruments

(a) Qualitative Information for Financial Instruments

Policy for Financial Instrument Transactions

Hankyu Hanshin REIT raises funds through borrowings and the issuance of investment corporation bonds for the purpose of securing stable revenue and achieving steady growth of portfolio assets.

Surplus funds are managed considering safety and liquidity. Hankyu Hanshin REIT does not engage in investments that are aimed solely at proactively acquiring gains on investments.

Hankyu Hanshin REIT enters into derivative transactions only for the purpose of hedging interest rate risk arising from borrowings.

Nature and Extent of Risks Arising from Financial Instruments and Risk Management

Proceeds from borrowings and investment corporation bonds are used mainly to acquire ownership and trust beneficiary interests in real estate, to repay outstanding borrowings and to redeem investment corporation bonds.

Floating-rate borrowings are exposed to the risk of interest rate fluctuations. Such risk is managed by maintaining a high proportion of borrowings under long-term fixed rates. Further, Hankyu Hanshin REIT uses derivative transactions (interest-rate swaps) as hedging instruments, to avoid interest rate fluctuations and to fix the amount of interest payments for certain floating-rate borrowings. The assessment of hedge effectiveness is omitted since the interest-rate swaps meet the specific criteria under the special accounting treatment. Derivative transactions are executed and monitored in compliance with the rules and procedures set forth in the risk management policy of Hankyu Hanshin REIT.

Borrowings, investment corporation bonds and tenant security deposits are exposed to liquidity risk. Such risk is managed in ways such as preparing cash flow analyses by the Asset Management Company and maintaining sufficient liquidity on hand.

Supplemental Explanation Regarding the Fair Value of Financial Instruments

Since certain assumptions and factors are reflected in estimating the fair value of financial instruments, different assumptions and factors could result in different values. Also, the contractual amounts of derivative transactions do not represent the market risk involved in these derivative transactions.

(b) Estimated Fair Value of Financial Instruments

Book values and fair values are as follows: Stocks and other securities with no market prices are not included in the following table. Cash and deposits, cash and deposits in trust and short-term debt are not disclosed because the book values of these assets are deemed a reasonable approximation of their fair values as they are cash or with short maturities. Deposits received, tenant security deposits and tenant security deposits in trust are also not disclosed from the scope of fair value disclosure because they are immaterial.

	As of May 31, 2026 (Thousands of Yen)			As of November 30, 2025 (Thousands of Yen)		
	Book value	**Fair value**	**Difference**	**Book value**	**Fair value**	**Difference**
Long-term debt due within one year	¥ 4,650,000	¥ 4,638,268	¥ (11,731)	¥ 6,100,000	¥ 6,100,000	¥ —
Investment corporation bonds	7,600,000	7,199,224	(400,775)	4,300,000	4,013,560	(286,440)
Long-term debt	74,550,000	71,894,203	(2,655,796)	75,400,000	73,793,916	(1,606,083)
Derivative transactions	—	—	—	—	—	—

Notes:

1. Methods used to estimate the fair value of financial instruments and derivative transactions

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

The fair value of these long-term debts is calculated based on the total amount of principle and interest discounted at the current interest rate based on new borrowings. 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; therefore, the book value is used as the fair value equivalent. However, the fair value of certain long-term debt with floating interest rates that qualifies for the special treatment of interest-rate swaps is based on the total amount of principle and interest, which are processed as a single unit with the interest-rate swap, discounted at the current interest rate based on new borrowings.

(2) Investment corporation bonds

The fair value of investment corporation bonds is based on their indicative market price obtained from the Japan Securities Dealers Association. For investment corporation bonds without an indicative market price and with fixed interest rates, the fair value is calculated based on the total amount of principle and interest discounted at the current interest rate assumed for a new borrowing with similar terms. For investment corporation bonds without an indicative market price and with floating interest rates that reflect market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(3) Derivative transactions

(i) Derivative transactions to which hedge accounting was not applied

There were no derivative transactions to which hedge accounting was not applied as of May 31, 2026 and November 30, 2025.

(ii) Derivative transactions to which hedge accounting was applied

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

Hedge accounting method	Type of derivative transaction	Hedged item	As of May 31, 2026		
			Contracted amount		Fair value
			Total	Due after one year	
			(Thousands of Yen)		
Special treatment for interest-rate swaps	Interest-rate swap Receive floating/ Pay fixed	Long-term debt	¥ 6,400,000	¥ 6,400,000	– (Note)

Hedge accounting method	Type of derivative transaction	Hedged item	As of November 30, 2025		
			Contracted amount		Fair value
			Total	Due after one year	
			(Thousands of Yen)		
Special treatment for interest-rate swaps	Interest-rate swap Receive floating/ Pay fixed	Long-term debt	¥ 6,400,000	¥ 6,400,000	– (Note)

(Note)
Fair values of interest-rate swaps with the special treatment are included in fair values of related long-term debt as the interest-rate swaps are processed as a single unit with the hedged long-term debt.

2. Book value of financial instruments with no market prices

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Investment securities	¥ 88,200	¥ 88,200

The fair value of investment securities is not disclosed as permitted by the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 19, issued on March 31, 2020).

3. Redemption schedule for investment corporation bonds and long-term debt

As of May 31, 2026	Due within one year	Due after one year to two years	Due after two years to three years	Due after three years to four years	Due after four years to five years	Due after five years
	(Thousands of Yen)					
Investment corporation bonds	¥ —	¥ —	¥ —	¥ —	¥ 3,000,000	¥ 4,600,000
Long-term debt	4,650,000	10,200,000	12,500,000	14,200,000	13,700,000	23,950,000

As of November 30, 2025	Due within one year	Due after one year to two years	Due after two years to three years	Due after three years to four years	Due after four years to five years	Due after five years
	(Thousands of Yen)					
Investment corporation bonds	¥ —	¥ —	¥ —	¥ —	¥ 1,000,000	¥ 3,300,000
Long-term debt	6,100,000	9,600,000	10,800,000	13,100,000	15,000,000	26,900,000

Note 5 – Investment Properties

Investment properties consist of the following:

	As of May 31, 2026 (Thousands of Yen)			As of November 30, 2025 (Thousands of Yen)		
	Acquisition cost	**Accumulated depreciation**	**Book value**	**Acquisition cost**	**Accumulated depreciation**	**Book value**
Land	¥ 53,641,973	¥ —	¥ 53,641,973	¥ 52,522,167	¥ —	¥ 52,522,167
Buildings	7,251,166	(3,459,931)	3,791,234	7,222,337	(3,346,903)	3,875,434
Structures	564,300	(442,757)	121,542	564,300	(438,515)	125,785
Machinery and equipment	2,580	(555)	2,025	2,580	(429)	2,151
Tools, furniture and fixtures	40,017	(30,181)	9,836	39,907	(29,022)	10,884
Leased assets	336,600	(132,770)	203,830	336,600	(121,550)	215,050
Land in trust	86,523,600	—	86,523,600	86,523,600	—	86,523,600
Buildings in trust	46,092,071	(20,623,391)	25,468,679	45,435,980	(19,753,385)	25,682,594
Structures in trust	1,475,897	(573,633)	902,263	1,426,256	(550,735)	875,520
Machinery and equipment in trust	387,872	(292,106)	95,765	385,951	(283,044)	102,906
Tools, furniture and fixtures in trust	609,425	(409,309)	200,116	592,371	(386,754)	205,617
Leased assets in trust	47,924	(26,624)	21,299	47,924	(25,027)	22,897
Construction in progress in trust	37,420	—	37,420	15,847	—	15,847
Leasehold rights	897,709	—	897,709	897,709	—	897,709
Total	¥ 197,908,561	¥ (25,991,262)	¥ 171,917,299	¥ 196,013,536	¥ (24,935,368)	¥ 171,078,167

Note 6 – Short-Term Debt and Long-Term Debt

Short-term debt and long-term debt consists of the following:

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Short-term debt		
0.85% unsecured loan due 2026	¥ —	¥ 1,000,000
Total short-term debt	¥ —	¥ 1,000,000
Long-term debt		
0.85% - 1.50% unsecured loan due 2026	¥ 1,000,000	¥ 6,100,000
0.41% - 1.41% unsecured loans due 2027	8,150,000	9,600,000
0.77% - 0.93% unsecured loans due 2028	10,800,000	10,800,000
0.30% - 1.01% unsecured loans due 2029	13,100,000	13,100,000
0.42% - 1.57% unsecured loans due 2030	19,000,000	19,000,000
1.08% - 1.52% unsecured loans due 2031	5,450,000	4,700,000
0.67% - 1.59% unsecured loans due 2032	14,100,000	14,100,000
1.99% unsecured loans due 2033	3,400,000	3,400,000
1.21% - 1.47% unsecured loans due 2034	2,200,000	700,000
1.28% unsecured loans due 2036	2,000,000	—
Total long-term debt	¥ 79,200,000	¥ 81,500,000

Notes:
1. Average interest rates presented are interest rates applicable to individual loans at the end of the period.
2. Funds are used for the acquisition of ownership and trust beneficiary interests in real estate, and related expenses and refinancing of borrowings.

The annual maturities of long-term debt as of May 31, 2026 are as follows:

	Due within one year	**Due after one year to two years**	**Due after two years to three years**	**Due after three years to four years**	**Due after four years to five years**	**Due after five years**
	(Thousands of Yen)					
Long-term debt	¥ 4,650,000	¥ 10,200,000	¥ 12,500,000	¥ 14,200,000	¥ 13,700,000	¥ 23,950,000

Note 7 – Investment Corporation Bonds

Investment corporation bonds consist of the following:

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
3rd 0.90% unsecured bonds due 2031 (Note 1)	¥ 2,000,000	¥ 2,000,000
5th 0.54% unsecured bonds due 2030 (green bond) (Note 2)	1,000,000	1,000,000
6th 1.41% unsecured bonds due 2034 (green bond) (Note 2)	1,300,000	1,300,000
7th 1.10% unsecured bonds due 2030 (green bond) (Notes 3 and 4)	2,000,000	—
8th 2.33% unsecured bonds due 2031 (green bond) (Notes 3 and 5)	1,300,000	—
Total	¥ 7,600,000	¥ 4,300,000

Notes:
1. The proceeds of the investment corporation bonds were used for redemption of the 1st investment corporation bonds.
2. The proceeds of the investment corporation bonds were used for repayments of the loans (including the loans from subsequent refinancing) that were required for the acquisition of Shiodome East Side Building, an eligible green asset under the Green Finance Framework.
3. The offering is conducted as a private placement limited to Qualified Institutional Investors.
4. The proceeds of the investment corporation bonds were used for repayments of the loans (including the loans from subsequent refinancing) that were required for the acquisition of Hankyu Corporation Head Office Building, an eligible green asset under the Green Finance Framework.
5. The proceeds of the investment corporation bonds were used for repayments of the existing loans.
6. The terms and conditions of the investment corporation bonds contain inter-bond pari passu clauses.

The annual maturities of investment corporation bonds as of May 31, 2026 are as follows:

	Due within one year	Due after one year to two years	Due after two years to three years	Due after three years to four years	Due after four years to five years	Due after five years
	(Thousands of Yen)					
Investment corporation bonds	¥ —	¥ —	¥ —	¥ —	¥ 3,000,000	¥ 4,600,000

Note 8 – Assets Pledged as Collateral

The carrying amounts of assets pledged as collateral and secured liabilities are as follows:

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Assets pledged as collateral		
Buildings	¥ 849,875	¥ 886,229
Land in trust	—	3,127,561
Total assets pledged as collateral	¥ 849,875	¥ 4,013,790

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Secured liabilities		
Deposits received	¥ —	¥ 4,120
Tenant security deposits	393,730	393,730
Tenant security deposits in trust	—	244,437
Total secured liabilities	¥ 393,730	¥ 642,288

Note 9 – Reduction Entry for Investment Properties Purchased with Government Subsidies

The following table shows the amount of government subsidies that are deducted from the acquisition cost of investment properties.

	As of	
	May 31, 2026	November 30, 2025
	(Thousands of Yen)	
Buildings in trust	¥ 22,411	¥ 22,411

Note 10 – Net Assets

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

Note 11 – Per Unit Information

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

	For the six months ended	
	May 31, 2026	November 30, 2025
Earnings per unit:	(Yen)	
Net income per unit	¥ 3,288	¥ 3,392
Weighted average number of units outstanding (Units)	695,200	695,200

	As of	
	May 31, 2026	November 30, 2025
	(Yen)	
Net assets per unit	¥ 125,108	¥ 125,208

Note:
The net income per unit is calculated by dividing the net income by the weighted average number of units outstanding during the period. The net assets per unit are computed based on the number of units outstanding at the end of each period. Diluted net income per unit is not presented as there are no dilutive units.

Note 12 – Income Taxes

The following table summarizes the significant differences between the statutory tax rate and Hankyu Hanshin REIT's effective tax rate.

	For the six months ended	
	May 31, 2026	**November 30, 2025**
Statutory tax rate	31.42%	31.42%
Deductible cash distributions	(31.51)%	(31.36)%
Provision of reserves for the reduction entry	－%	(0.24)%
Reversal of reserves for the reduction entry	0.11%	0.02%
Reversal of reserves for special account for the reduction entry	－%	0.18%
Others	0.04%	0.04%
Effective tax rate	0.07%	0.06%

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

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Deferred tax assets:		
Accrued enterprise tax	¥ 24	¥ 19
Total deferred tax assets	24	19
Net deferred tax assets	¥ 24	¥ 19

Note 13 – Distribution Information

Cash distributions are declared by the Executive Directors after the end of each period. Such distributions are payable to unitholders of record at the end of each period. Information on retained earnings brought forward after the cash distributions and cash distributions per unit is as follows:

	For the six months ended	
	May 31, 2026	November 30, 2025
	(Yen)	
Unappropriated retained earnings	¥ 2,286,447,819	¥ 2,358,926,257
Reversal of reserves for the reduction entry	7,794,936	1,435,180
Reversal of reserves for special account for the reduction entry	—	13,580,139
Cash distributions declared	2,294,160,000	2,356,032,800
(Cash distributions per unit)	(3,300)	(3,389)
Provision of reserves for the reduction entry	—	17,901,862
Retained earnings carried forward	¥ 82,755	¥ 6,914

Pursuant to the terms of the distribution policy set forth in Article 36 (1) of Hankyu Hanshin REIT's Articles of Incorporation, the amount of distributions is defined to be in excess of an amount equivalent to 90% of Hankyu Hanshin REIT's distributable profit as defined in Article 67-15 of the Special Taxation Measure Act of Japan, but not in excess of the amount of profit set forth in the Articles of Incorporation.

Based on the policy, Hankyu Hanshin REIT declared total distributions of ¥2,294,160,000 and ¥2,356,032,800 for the six months ended May 31, 2026 and November 30, 2025, respectively, which are the largest integral multiples of the number of investment units issued and outstanding (695,200 units as of May 31, 2026 and November 30, 2025, respectively), and are not in excess of unappropriated retained earnings after adding the reversal of reserves for the reduction entry for the six months ended May 31, 2026, and after adding the reversal of reserves for the reduction entry and the reversal of reserves for the special account for the reduction entry and deducting the provision of reserves for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measures Act of Japan for the six months ended November 30, 2025. Furthermore, Hankyu Hanshin REIT does not make cash distributions in excess of profit as stipulated in Article 36 (2) of Hankyu Hanshin REIT's Articles of Incorporation.

Note 14 – Related-Party Transactions

Related-party transactions are as follows:

For the six months ended May 31, 2026

Classification	Name	Location	Capital stock (Thousands of Yen)	Principal business	Ratio of voting rights	Relation to the related party	Nature of transaction	Amount of transaction (Note 1) (Thousands of Yen)	Account	Balance at the end of the period (Note 1) (Thousands of Yen)
Directors and their relatives	Toyoshige Okazaki	–	–	Executive Director of Hankyu Hanshin REIT and the President and Representative Director of Hankyu Hanshin REIT Asset Management, Inc.	0.00%	Provision of asset management services	Payment of asset management fees to Hankyu Hanshin REIT Asset Management, Inc. (Note 2)	¥ 451,921 (Note 3)	Accounts payable	¥ 188,820

Notes:
1. Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.
2. Payment of asset management fees was executed by Toyoshige Okazaki as the Representative Director of a third party (Hankyu Hanshin REIT Asset Management, Inc.). The amount of asset management fees was determined based on the terms and conditions as prescribed in the Articles of Incorporation of Hankyu Hanshin REIT.
3. The asset management fees include acquisition fees of ¥5,500 thousand which were included in the book value of the individual properties.

For the six months ended November 30, 2025

Classification	Name	Location	Capital stock (Thousands of Yen)	Principal business	Ratio of voting rights	Relation to the related party	Nature of transaction	Amount of transaction (Note 1) (Thousands of Yen)	Account	Balance at the end of the period (Note 1) (Thousands of Yen)
Directors and their relatives	Toyoshige Okazaki	–	–	Executive Director of Hankyu Hanshin REIT and the President and Representative Director of Hankyu Hanshin REIT Asset Management, Inc.	0.00%	Provision of asset management services	Payment of asset management fees to Hankyu Hanshin REIT Asset Management, Inc. (Note 2)	¥ 482,097 (Note 3)	Accounts payable	¥ 192,589

Notes:
1. Consumption taxes are not included in transaction amounts, but are included in the balance at the end of the period.
2. Payment of asset management fees was executed by Toyoshige Okazaki as the Representative Director of a third party (Hankyu Hanshin REIT Asset Management, Inc.). The amount of asset management fees was determined based on the terms and conditions as prescribed in the Articles of Incorporation of Hankyu Hanshin REIT.
3. The asset management fees include acquisition fees of ¥16,065 thousand which were included in the book value of the individual properties and transfer fees of ¥16,800 thousand which were recorded as the expenses related to the sales of properties.

Note 15 – Fair Value of Investment and Rental Properties

Hankyu Hanshin REIT owns rental properties for commercial and office use in Kansai and other regions throughout Japan.

The book value, net changes in the book value and the fair value of the investment and rental properties are as follows:

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Book value:		
Balance at the beginning of the period	¥ 171,118,195	¥ 171,567,566
Change during the period	831,418	(449,370)
Balance at the end of the period	¥ 171,949,614	¥ 171,118,195
Fair value	¥ 219,285,000	¥ 217,164,000

Notes:
1. The book value represents acquisition costs after deducting accumulated depreciation.
2. For the six months ended May 31, 2026, the increases are primarily due to the acquisitions of Sugi Pharmacy Daito Goryo Store (site) (¥1,116,564 thousand), and the decreases are primarily due to depreciation. For the six months ended November 30, 2025, the increases are primarily due to the acquisitions of Hankyu Hanshin Ueno Okachimachi Building (¥3,241,507 thousand), and the decreases are primarily due to the sale of Shiodome East Side Building (equivalent of 20% quasi co-ownership) (¥3,239,297 thousand) and depreciation.
3. The fair value is determined based on the appraisal values provided by external real estate appraisers.

The information on "Operating Revenues and Expenses" is disclosed in Note 17.

Note 16 – Segment Information

Segment Information

Segment information is omitted as Hankyu Hanshin REIT had only one segment, which was the 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

A major tenant is a tenant that accounts for 10% or more of the operating revenues recorded in the statement of income and retained earnings. Details are as follows:

	For the six months ended		
	May 31, 2026	**November 30, 2025**	
	(Thousands of Yen)		**Related segment**
Hankyu Corporation	¥ 1,308,364	¥ 1,332,869	Property leasing business

Note 17 – Operating Revenues and Expenses

Rental revenues and expenses are as follows:

	For the six months ended	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Revenues from property leasing:		
Rental revenues:		
Base rents	¥ 5,790,991	¥ 5,807,271
Utilities charges reimbursements	222,577	296,733
Others	283,482	318,675
Total revenues from property leasing	6,297,051	6,422,679
Property-related expenses:		
Rental expenses:		
Property management expenses	497,881	514,140
Utilities expenses	291,586	370,170
Rent expenses	105,589	101,368
Advertising expenses	51,549	37,080
Repair expenses	178,016	289,796
Insurance expenses	16,623	15,857
Taxes and dues	683,164	662,639
Depreciation	1,066,632	1,053,112
Others	61,905	67,153
Total property-related expenses	2,952,950	3,111,320
Operating income from property leasing	¥ 3,344,101	¥ 3,311,359

Gain on sale of investment property is as follows:

No gain on sale of investment property was recognized for the six months ended May 31, 2026.

	For the six months ended November 30, 2025
	(Thousands of Yen)
Shiodome East Side Building (equivalent of 20% quasi co-ownership):	
Proceeds from sale of investment property	¥ 3,360,000
Cost of selling investment property	(3,239,297)
Other expenses related to sale	(39,228)
Gain on sale of investment property	¥ 81,474

Note 18 – Changes in Unitholders' Equity

The total number of investment units authorized and the total number of units issued and outstanding are as follows:

	As of	
	May 31, 2026	**November 30, 2025**
	(Units)	
Total number of investment units authorized	10,000,000	10,000,000
Total number of investment units issued and outstanding	695,200	695,200

Note 19 – Leases

Future minimum rental revenues under existing non-cancelable operating leases are as follows:

	As of	
	May 31, 2026	**November 30, 2025**
	(Thousands of Yen)	
Due within one year	¥ 6,484,019	¥ 6,407,327
Due after one year	25,092,224	25,503,272
Total	¥ 31,576,244	¥ 31,910,599

Note 20 – Revenue Recognition

Information on breakdown of revenues arising from contracts with customers

Major revenues arising from contracts with customers are sales of investment properties and utility charge revenues.

Information on the breakdown of revenues arising from contracts with customers is presented in "Rental Revenues and Expenses" in Note 17 – Operating Revenues and Expenses. "Rental Revenues and Expenses" includes revenues relating to property leasing for which the "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) is applied.

Information on the relationship between fulfillment of performance obligations based on contracts with customers and cash flow generated from said contracts, and on the amount and period of revenues expected to be recognized in the following fiscal period or thereafter from contracts with customers existing at the end of the current fiscal period

Not applicable

Note 21 – Subsequent Events

(a) Acquisition of Assets

Based on the basic policies of asset management, etc., stipulated in Hankyu Hanshin REIT's Articles of Incorporation, acquisition of the following asset was resolved at the meeting of the Board of Directors of the Asset Management Company held on June 8, 2026.

LIFE Takadono Store (site)

Type of specified asset	: Real estate trust beneficial interest
Planned acquisition price	: ¥3,690,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Planned acquisition date	: December 1, 2026
Location	: Asahi-ku, Osaka City, Osaka Prefecture
Seller	: KDX Realty Investment Corporation.

Note:
The transaction agreement for the acquisition corresponds to a forward commitment, etc. (referring to transaction agreements dating forward in which settlement and delivery of property are conducted more than one month after the conclusion of the agreement, and other related agreements) stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. Also, in the event that Hankyu Hanshin REIT intentionally or negligently breaches any provision of the transaction agreement (meaning that Hankyu Hanshin REIT fails to perform any obligation under the transaction agreement in accordance with its principal purpose, including any material inaccuracy or defect in its representations and warranties. The same shall apply hereinafter in this section.) (provided, however, that any immaterial matter shall be excluded), and such breach results in the failure to achieve the purpose of the transaction agreement, the seller may, unless otherwise provided in the transaction agreement, terminate the transaction agreement upon prior notice to Hankyu Hanshin REIT, and in the event that the agreement is terminated accordingly, it has been agreed that Hankyu Hanshin REIT shall pay to the seller, as a penalty, an amount equivalent to 10 percent of the purchase price, excluding the amount equivalent to consumption tax and local consumption tax.
Hankyu Hanshin REIT intends to procure funds from new borrowings and cash on hand as the acquisition fund, and considers it unlikely to not be able to complete the fund procurement, considering the financial position of Hankyu Hanshin REIT and other conditions. Therefore, Hankyu Hanshin REIT believes it is unlikely that the acquisition of this property will have a substantial impact on its financial position, etc.

Based on the basic policies of asset management, etc., stipulated in Hankyu Hanshin REIT's Articles of Incorporation, acquisition of the following asset was resolved at the meeting of the Board of Directors of the Asset Management Company held on July 16, 2026 and the acquisition was executed on September 9, 2026.

PMO Umeda (equivalent of 30% quasi co-ownership)

Type of specified asset	: Real estate trust beneficial interest
Acquisition price	: ¥3,300,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Acquisition date	: September 9, 2026
Location	: Kita-ku, Osaka City, Osaka Prefecture
Seller	: HNO Limited Liability Company

Note:
Any decisions concerning the transfer of quasi co-ownership interest and management of this property are stipulated in an agreement entered into with the other quasi co-owners.

Based on the basic policies of asset management, etc., stipulated in Hankyu Hanshin REIT's Articles of Incorporation, acquisition of the following asset was resolved at the meeting of the Board of Directors of the Asset Management Company held on July 16, 2026 and the acquisition was executed on July 29, 2026.

Nishinomiya Kitaguchi Primary One

Type of specified asset	: Real estate trust beneficial interest
Acquisition price	: ¥1,833,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Acquisition date	: July 29, 2026
Location	: Nishinomiya City, Hyogo Prefecture
Seller	: Not disclosed as consent has not been obtained from the seller, which is a domestic corporation. The seller has no capital, personnel or business relationships to be specially noted between Hankyu Hanshin REIT or the Asset Management Company and the seller. In addition, the seller does not fall under the definition of "related party."

Kohnan Rinku Hagurazaki Store (site) (equivalent of 22% quasi co-ownership)

Type of specified asset	: Real estate trust beneficial interest
Acquisition price	: ¥1,262,800,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Acquisition date	: July 29, 2026
Location	: Sennan-gun, Osaka Prefecture
Seller	: Not disclosed as consent has not been obtained from the seller, which is a domestic corporation. The seller has no capital, personnel or business relationships to be specially noted between Hankyu Hanshin REIT or the Asset Management Company and the seller. In addition, the seller does not fall under the definition of "related party."

Note:
Any decisions concerning the transfer of quasi co-ownership interest and management of this property are stipulated in an agreement entered into with the other quasi co-owners.

(b) Borrowing of Funds

At the Board meeting held on August 25, 2026, Hankyu Hanshin REIT resolved to borrow funds as described below to fund the acquisition of PMO Umeda (equivalent of 30% quasi co-ownership) as described above and the borrowing was executed on September 9, 2026.

Category	Lender	Borrowing amount (Millions of Yen)	Interest rate	Borrowing date	Borrowing method Repayment method	Maturity date
Short-term debt	Sumitomo Mitsui Trust Bank, Limited	¥1,100	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.15% variable interest rate	September 9, 2026	Unsecured/ non-guaranteed Lump-sum repayment	August 31, 2027
	The Senshu Ikeda Bank, Ltd.	1,000				
	Mizuho Bank, Ltd.	635				
	Mizuho Trust & Banking Co., Ltd.	635				
Total		¥3,370				

Independent auditor's report

To the Board of Directors of Hankyu Hanshin REIT, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hankyu Hanshin REIT, Inc. ("the Investment Corporation"), which comprise the balance sheets as at May 31, 2026 and November 30, 2025, the statements of income and retained earings, statements of changes in net assets and statements of cash flows for each of the six-month periods then ended, and 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 Investment Corporation as at May 31, 2026 and November 30, 2025, and its financial performance and its cash flows for each of the six-month periods then ended 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 Investment Corporation in accordance with the ethical requirements in Japan (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Semi-Annual 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. The supervisory directors are responsible for overseeing the directors' 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 Supervisory Directors 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 Investment Corporation'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.

Supervisory directors are responsible for overseeing the executive director's performance of their duties with regard to the design, implementation and maintenance of the Investment Corporation'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 Investment Corporation'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 Investment Corporation'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 Investment Corporation 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 the executive director 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 the executive director 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 Investment Corporation are disclosed in (3) Matters Concerning Executive Officers, etc. included in "2. Overview of HHR" of the Asset Management Report.

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

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

Kazushi Chiba

Designated Engagement Partner

Certified Public Accountant

Yukihisa Tatsumi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Osaka Office, Japan

September 10, 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.