



Hankyu Hanshin REIT

41st Fiscal Period Semi-Annual Report

From June 1, 2025 to November 30, 2025



Hankyu Hanshin REIT, Inc.

19-19 Chayamachi, Kita-ku, Osaka City (Securities Code: 8977)
<https://www.hankyuhanshinreit.co.jp/eng/>

To Our Unitholders

Hankyu Hanshin REIT, Inc. (hereinafter “HHR”) is implementing measures toward continued growth and enhancement of distributions.

We hereby report on the management status of HHR for the 41st fiscal period from June 1, 2025 to November 30, 2025.

Starting from the railway business of Hankyu Corporation and Hanshin Electric Railway Co., Ltd., the Hankyu Hanshin Holdings, Inc. Group (hereinafter the “sponsor group”), as the sponsor of HHR, has provided our customers with a wide range of services in fields such as real estate and entertainment.

In the real estate business, we are engaged in the development and operation of offices and retail facilities, centered on the Osaka Umeda area, which represents our core area where we develop and own a large number of facilities along the railways.

HHR will continue its initiatives for sustainable growth by leveraging the planning and operation capabilities in the real estate business accumulated by the sponsor group.

In the Kansai Region, one of HHR’s key investment areas, tourism demand from both domestic and overseas travelers has remained robust, with inbound visitors showing particularly strong demand, even after the closing of “EXPO 2025 Osaka, Kansai, Japan.” Furthermore, demand for going out has continued to recover after the significant restrictions imposed during the COVID-19 pandemic.

The decline in office vacancy rates and the increase in rent unit prices have continued, reflecting the trend of a shrinking supply of new offices due to the increase in construction costs as well as an increasing demand for improved office locations aimed at strengthening corporate recruitment and improving the employment environment.

On the other hand, the social and economic environment surrounding HHR has been changing, as observed in the price increases in goods and services due to the progress of inflation.

In such an environment, HHR has been steadily growing.

In the 41st fiscal period (June 1, 2025 to November 30, 2025), using the proceeds from the sale of “Shiodome East Side Building” (equivalent of 20% quasi co-ownership of the trust beneficiary interests), HHR acquired Hankyu Hanshin Ueno Okachimachi Building and concluded a transaction agreement (scheduled for acquisition in March 2026) for (Tentative Name) Sugi Pharmacy Daito Goryo Store (site). With these transactions, we completed our strategic asset replacement initiative begun in March 2025.

With respect to the operations of the existing properties, our initiatives to increase profit have steadily borne fruit as a result of a rise of variable rent, reflecting the trend of growing tenant sales mostly from urban retail facilities, and the realization of upward rent revisions for some fixed-rent tenants.

As a result, the distribution per unit for the 41st fiscal period ended November 2025 was 3,389 yen, a 2.7% increase from the forecast (3,300 yen) announced on July 17, 2025.

The distributions per unit for the 42nd fiscal period ending May 2026 and the 43rd fiscal period ending November 2026 are expected to be 3,270 yen and 3,330 yen, respectively.

Going forward, we will concentrate our efforts on realizing external and internal growth, financial strategy and sustainability, pursuing an increase in distribution per unit and maximization of unitholder value.

We look forward to your continued support and encouragement. Thank you.



Toyoshige Okazaki

Executive Director, Hankyu Hanshin REIT, Inc.
President and Representative Director,
Hankyu Hanshin REIT Asset Management, Inc.

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41st Fiscal Period Highlights

41st Fiscal Period Distribution per Unit (Declared)

¥3,389

Distribution per Unit (Forecast)

42nd Fiscal Period

¥3,270

43rd Fiscal Period

¥3,330

The distribution per unit forecast is based on certain assumptions available to HHR as of January 23, 2026. The actual distribution per unit may differ substantially due to changes in conditions, and the forecasts are not a guarantee of any distribution amount. Furthermore, the above forecast figures are based on the content announced in "Hankyu Hanshin REIT, Inc. Financial Results for the 41st Fiscal Period from June 1, 2025 to November 30, 2025" dated January 23, 2026.

Operating Revenues

¥6,504
million

Operating Income

¥2,766
million

Ordinary Income

¥2,360
million

Net Income

¥2,358
million

Total Acquisition Price / Total Number of Properties

¥178.14 billion / 37 properties

LTV

39.9%

Occupancy Rate (Occupancy by End Tenants)

99.9%

Investor Ratings

Japan Credit Rating Agency, Ltd.
(JCR)

AA-
(Outlook: Stable)

Rating and Investment Information, Inc.
(R&I)

A+
(Outlook: Stable)

Website of HHR

We strive to provide transparent and timely information through the HHR website. HHR will provide unitholders with useful and up-to-date information on subjects such as distributions, properties and financial results. We encourage you to visit the site.

You can easily access the smartphone version of the website by scanning the QR code.

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<https://www.hankyuhanshinreit.co.jp/eng/>

Investor Relations/Disclosure Materials



<https://www.hankyuhanshinreit.co.jp/eng/ir/disclosure.html>

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1. Overview of Asset Management

(1) Trends in HHR's Asset Management

Fiscal Period		41st Fiscal Period	40th Fiscal Period	39th Fiscal Period	38th Fiscal Period	37th Fiscal Period
Operation Period		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	Jun. 1, 2023 to Nov. 30, 2023
Operating Revenues	Millions of Yen	6,504	6,417	6,222	5,933	5,899
Rental revenues	Millions of Yen	6,422	6,124	6,222	5,933	5,899
Operating Expenses	Millions of Yen	3,737	3,588	3,647	3,484	3,443
Property-related expenses	Millions of Yen	3,111	2,949	3,057	2,922	2,890
Operating Income	Millions of Yen	2,766	2,829	2,574	2,448	2,456
Ordinary Income	Millions of Yen	2,360	2,436	2,195	2,087	2,125
Net Income	Millions of Yen	2,358	2,435	2,193	2,086	2,124
Total Assets	Millions of Yen	183,177	182,767	182,637	182,244	176,099
(Change from the previous period)	%	(+0.2)	(+0.1)	(+0.2)	(+3.5)	(+0.4)
Net Assets	Millions of Yen	87,044	86,993	86,751	86,663	86,701
(Change from the previous period)	%	(+0.1)	(+0.3)	(+0.1)	(-0.0)	(+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	125,208	125,134	124,785	124,660	124,715
Total Distributions	Millions of Yen	2,356	2,307	2,193	2,106	2,124
Distributions per Unit	Yen	3,389	3,319	3,155	3,030	3,056
Distributions from profit per unit	Yen	3,389	3,319	3,155	3,030	3,056
Distributions in excess of profit per unit	Yen	—	—	—	—	—
Return on Assets (ROA) (Notes 1 and 2)	%	1.3 (2.6)	1.3 (2.7)	1.2 (2.4)	1.2 (2.3)	1.2 (2.4)
Return on Equity (ROE) (Notes 1 and 3)	%	2.7 (5.4)	2.8 (5.6)	2.5 (5.0)	2.4 (4.8)	2.5 (4.9)
Equity Ratio (Note 4)	%	47.5	47.6	47.5	47.6	49.2
(Change from the previous period)		(-0.1)	(+0.1)	(-0.1)	(-1.7)	(-0.2)
Payout Ratio	%	99.9	94.7	100.0	101.0	100.0
Actual Days of Operation during the Fiscal Period	Days	183	182	183	183	183
Loan-to-value Ratio at the End of the Period (LTV) (Note 5)	%	50.2 (39.9)	50.3 (40.4)	50.3 (41.0)	50.4 (41.7)	48.4 (40.2)
Ratio of Interest-bearing Debt to Total Assets at the End of the Period (Note 6)	%	47.4	47.5	47.5	47.6	45.6
Debt Service Coverage Ratio (DSCR) (Note 7)	Times	10.1	10.8	10.6	10.9	11.9
Net Operating Income (NOI) (Note 8)	Millions of Yen	4,364	4,191	4,159	3,991	3,988
Funds from Operation (FFO) (Note 9)	Millions of Yen	3,330	3,158	3,188	3,067	3,104

- (Note 1) Figures shown in the parentheses are per annum figures based on the days of operation.
- (Note 2) Ordinary income / $(\text{[Total assets at the beginning of the period} + \text{Total assets at the end of the period]} / 2)$
- (Note 3) Net income / $(\text{[Net assets at the beginning of the period} + \text{Net assets at the end of the period]} / 2)$
- (Note 4) Net assets at the end of the period / Total assets at the end of the period
- (Note 5) $(\text{Amount of interest-bearing debt at the end of the period} + \text{Security deposits and guarantees at the end of the period} - \text{Matched money to security deposits and guarantees at the end of the period}) / (\text{Total assets at the end of the period} - \text{Matched money to security deposits and guarantees at the end of the period})$
- 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 (40th fiscal period ended May 2025: December 1, 2024 to May 31, 2025), there were 37 owned properties in the portfolio.

During the period under review (41st fiscal period ended November 2025: June 1, 2025 to November 30, 2025), HHR transferred one office-use facility (quasi co-ownership of the trust beneficiary interests) and acquired one office-use facility. Accordingly, as of the end of the period under review, there were 37 properties under management, with total assets amounting to ¥183,177 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, although the impact of various countries’ trade policies was seen, the Japanese economy is on a gradual recovery trend. Consumer spending is also rising gradually in the Kansai Region, especially spending on services. Expo 2025 Osaka, Kansai, Japan closed in October, but department store sales remained at a high level thereafter due to strong inbound tourism demand and other factors.

In the J-REIT market, the TSE REIT Index rose due to growing expectations for internal growth in light of the favorable office market. As a result, the TSE REIT Index stood at 2,023.80 points at the end of November 2025, up 287.06 points compared with the end of May 2025.

In the real estate transaction market, despite financial market trends and other matters of concern, the fund procurement environment is still favorable. Due to this, there is robust investment appetite among market participants and 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 Hankyu Hanshin Ueno Okachimachi Building and transferred the Shiodome East Side Building (20% of the quasi co-ownership of the trust beneficiary interests). The acquisition and transfer are part of asset replacement measures implemented since the previous period. Through the replacement, HHR acquired an office building in central Tokyo developed by the sponsor group, thereby improving the portfolio quality and achieving steady growth.

In managing the 37 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 99.9% (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 481,105.38 m² (Note), and the share of the retail-use zone investment and the Kansai Region investment as a percentage of the entire portfolio stood at 83.7% and 82.7%, 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 ¥6,911 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, ¥2,500 million in long-term debt due for repayment in July 2025 was refinanced into a combination of short-term and long-term and variable interest debt. Furthermore, HHR undertook debt financing totaling ¥3,400 million in long-term and variable interest from a syndication with MUFG Bank, Ltd as the arranger for the purpose of early repayment of ¥2,400 million in debt due for repayment in January and March 2026 as well as redemption of ¥1,000 million in investment corporation bonds due for redemption in October 2025. The interest rate on the entire amount of the debt financing was effectively fixed through interest swap transactions. Also ¥1,000 million in long-term debt due for repayment in October 2025 was refinanced into long-term and variable interest debt.

As of the end of the period under review, HHR had interest-bearing debt totaling ¥86,800 million. Of this sum, ¥82,500 million for debt financing (¥1,000 million in short-term debt; ¥81,500 million in long-term debt (including ¥6,100 million in long-term debt due within one year), and ¥4,300 million in investment corporate bonds (none due within one year). The ratio of interest-bearing debt to total assets was 47.4%.

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 ¥6,504 million and ¥2,766 million, respectively. Ordinary income after deducting interest expense and others was ¥2,360 million, and net income was ¥2,358 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 and reversal of the reserve for the special account for reduction entry and deducting the provision of reserve for the reduction entry stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation (Act No. 26, 1957, including all subsequent amendments; hereinafter the "Special Taxation Measures Act"), 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 ¥3,389.

(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		41st Fiscal Period	40th Fiscal Period	39th Fiscal Period	38th Fiscal Period	37th Fiscal Period
Account Closing Month		Nov. 2025	May 2025	Nov. 2024	May 2024	Nov. 2023
Highest	Yen	180,200	153,700	134,400	146,400	146,300
Lowest	Yen	147,500	115,000	118,000	132,000	138,300

(4) Performance of Distributions, etc.

With regard to the distributions for the period under review (41st fiscal period), HHR resolved to distribute the entire amount of unappropriated retained earnings after adding the reversal of reserve for the reduction entry and reversal of the reserve for the special account for reduction entry and deducting the provision of reserve for the reduction entry stipulated in Article 65-7 of the Special Taxation Measures Act, 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 the “special provisions for taxation on investment corporations” (Article 67-15 of the Special Taxation Measures Act). Consequently, the distributions per unit stood at ¥3,389.

Fiscal Period		41st Fiscal Period	40th Fiscal Period	39th Fiscal Period	38th Fiscal Period	37th Fiscal Period
Operation Period		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	Jun. 1, 2023 to Nov. 30, 2023
Total net income	Thousands of Yen	2,358,787	2,435,526	2,193,652	2,086,474	2,124,290
Retained earnings brought forward	Thousands of Yen	138	433	137	118	358
Total unappropriated retained earnings	Thousands of Yen	2,358,926	2,435,960	2,193,789	2,086,593	2,124,649
Retained earnings	Thousands of Yen	17,908	128,591	433	137	118
Total distributions	Thousands of Yen	2,356,032	2,307,368	2,193,356	2,106,456	2,124,531
(Distributions per unit)	Yen	(3,389)	(3,319)	(3,155)	(3,030)	(3,056)
Of these, total distributions from profit	Thousands of Yen	2,356,032	2,307,368	2,193,356	2,106,456	2,124,531
(Distributions from profit per unit)	Yen	(3,389)	(3,319)	(3,155)	(3,030)	(3,056)
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

Not applicable.

(Reference information)

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 October 22, 2025.

(Tentative Name) Sugi Pharmacy Daito Goryo Store (site)

Type of asset: Right of ownership

Planned acquisition price: ¥1,100,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)

Planned acquisition date: March 31, 2026

Location: Daito City, 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 HHR or the Asset Management Company and the seller. In addition, the seller does not fall under the definition of "related party."

(Note) The transaction agreement for the acquisition of the property corresponds to a forward commitment, etc. (referring to transaction agreements dated 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. Also, if HHR acts in serious violation of the terms of the transaction agreement, and if HHR does not properly perform its obligations or correct such violations within the reasonable period for performance or correction notified and specified by the seller, the seller may cancel the agreement. It has been agreed that if the agreement is cancelled in such a situation HHR shall pay the seller an amount equivalent to 20% of the sale price as a penalty.

2. Overview of HHR

(1) Investments

	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)	37th Fiscal Period (as of Nov. 30, 2023)
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	13,664	14,175	16,522	15,711	15,445

(2) Matters Concerning Investment Units

The major unitholders as of November 30, 2025 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)	142,953	20.56
Hankyu Hanshin Properties Corp.	79,208	11.39
The Master Trust Bank of Japan, Ltd. (Trust account)	75,503	10.86
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	32,892	4.73
STATE STREET BANK AND TRUST COMPANY 505001	9,273	1.33
JP MORGAN CHASE BANK 385781	9,159	1.32
The Hachijuni Bank, Ltd.	8,600	1.24
Nomura Securities Co., Ltd.	6,983	1.00
STATE STREET BANK AND TRUST COMPANY 505103	6,894	0.99
The Joyo Bank, Ltd.	6,231	0.90

(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 31 investment units through HHR's cumulative investment program as of November 30, 2025.

(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 ¥10,254 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 November 30, 2025 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

3. HHR's Portfolio Assets

(1) HHR's Asset Structure

Type of Asset	Use (Note 1)	Region (Note 1)	41st Fiscal Period (as of Nov. 30, 2025)		40th Fiscal Period (as of May 31, 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	37,085	20.2	37,132	20.3
		Outside Kansai Region	15,224	8.3	14,152	7.7
	Office-use zone	Kansai Region	—	—	—	—
		Outside Kansai Region	3,434	1.9	4,522	2.5
	Zones for other uses	Kansai Region	1,905	1.0	1,905	1.0
		Outside Kansai Region	—	—	—	—
	Subtotal			57,649	31.5	57,711
Real estate in trust (Note 3)	Retail-use zone	Kansai Region	81,610	44.6	81,672	44.7
		Outside Kansai Region	9,174	5.0	9,195	5.0
	Office-use zone	Kansai Region	19,447	10.6	19,756	10.8
		Outside Kansai Region	3,236	1.8	3,232	1.8
	Zones for other uses	Kansai Region	—	—	—	—
		Outside Kansai Region	—	—	—	—
	Subtotal			113,468	61.9	113,855
Deposits and other assets (Notes 3 and 4)			12,059	6.6	11,199	6.1
Total assets (Note 5)			183,177 (171,118)	100.0 (93.4)	182,767 (171,567)	100.0 (93.9)

(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 41st fiscal period and the 40th fiscal period include ¥5,828 million and ¥5,571 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 November 30, 2025 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)	16,529	Fixed-type master lease	(C)	70,558.88 (Note 4)	70,558.88 (Note 4)	100.0	9.8	183	Retail-use zone
AEON MALL INAGAWA	11,712	Fixed-type master lease	(C)	62,100.86 (Note 5)	62,100.86 (Note 5)	100.0	— (Note 6)	183	Retail-use zone
Hankyu Corporation Head Office Building	9,615	Fixed-type master lease and direct lease	(C)	27,369.37	27,369.37	100.0	6.3	183	Office-use zone
GRAND FRONT OSAKA (Umekita Plaza and South Building) (equivalent of 4.9% co-ownership)	9,131	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)	183	Office-use zone
			Calculated based on the lease agreement with end tenants (B)	(5,185.35)	(5,077.73)	(97.9)			
AEON MALL SAKAIKITAHAHANADA (site)	8,189	Direct lease	(C)	64,104.27	64,104.27	100.0	— (Note 6)	183	Retail-use zone
Kitano Hankyu Building	7,913	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	9.3	183	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)	(18,480.69)	(100.0)			
OASIS Town Itami Konoike (site)	7,391	Direct lease	(C)	17,997.10	17,997.10	100.0	— (Note 6)	183	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 (%) (Note 6)	Days of Operation (Days)	Primary Use
H-CUBE MINAMIAOYAMA	6,668	Direct lease	(C)	774.21	774.21	100.0	— (Note 6)	183	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)	183	Retail-use zone
GRAND FRONT OSAKA (North Building) (equivalent of 4.9% co-ownership)	6,471	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)	183	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)	(8,447.80)	(99.8)			
Total	90,212	—	Sum of (A) and (C)	306,966.44	306,966.44	100.0	52.4	—	—
			(Sum of (B) and (C))	(296,274.02)	(296,146.64)	(100.0)			

(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 m² (28% of the quasi co-ownership of the trust beneficiary interests) of the parking garage space in the main building and 5,186.46 m² (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 m² 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 November 30, 2025 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	9,086	5,460	Tanizawa
Kitano Hankyu Building	1-8-1 Shibata, Kita-ku, Osaka City	Real estate trust beneficiary interests	7,590	7,913	Tanizawa
Dew Hankyu Yamada	4-1-2 Yamada-nishi, Suita City, Osaka Prefecture	Real estate trust beneficiary interests	8,370	5,472	Tanizawa
Takatsuki-Josai Shopping Center	6-28 Josai-cho, Takatsuki City, Osaka Prefecture	Real estate	8,870	6,316	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	25,340	16,529	Tanizawa
AEON MALL SAKAIKITA HANADA (site)	4-1-12 Higashi-asakayama-cho, Kita-ku, Sakai City, Osaka Prefecture	Real estate trust beneficiary interests	10,090	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	1,677	Daiwa
kotocross Hankyu Kawaramachi	67-1 Shin-cho, Kobashi Nishi-iru, Shijo-dori, Shimogyo-ku, Kyoto City, etc.	Real estate trust beneficiary interests	3,270	2,418	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	4,310	3,127	Daiwa
LIFE Shimoyamate Store (site)	7-1-7 Shimoyamate-dori, Chuo-ku, Kobe City	Real estate trust beneficiary interests	1,820	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
KOHOYO Onohara Store	6-2-7 Onohara-higashi, Minoh City, Osaka Prefecture	Real estate	2,000	1,526	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	5,620	5,761	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	2,060	1,886	Tanizawa
Vessel Inn Hakata Nakasu	5-1-12 Nakasu, Hakata-ku, Fukuoka City	Real estate trust beneficiary interests	3,030	2,505	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	2,865	Tanizawa
Valor Takatsuki Store (site)	31-1 Wakamatsu-cho, Takatsuki City, Osaka Prefecture	Real estate	2,450	2,298	Tanizawa
Namba Ebisubashi (site)	2-4-5 Shinsaibashisuji, Chuo-ku, Osaka City	Real estate	4,410	4,270	Daiwa
MANDAI Shimoshinjo Store	3-10-22 Shimoshinjo, Higashiyodogawa-ku, Osaka City	Real estate	768	671	JREI
H-CUBE MINAMIAOYAMA	5-7-1 Minamiaoyama, Minato-ku, Tokyo	Real estate trust beneficiary interests	8,050	6,668	Daiwa
H-CUBE KITAAOYAMA	3-13-7 Kitaaooyama, Minato-ku, Tokyo	Real estate	1,680	1,424	Daiwa
H-CUBE MINAMIAOYAMA II	5-5-1 Minamiaoyama, Minato-ku, Tokyo	Real estate	3,750	3,495	Daiwa
Home Center Kohnan Sakai Takasu Store (site)	1-1-38 Takasu-cho, Sakai-ku, Sakai City, Osaka Prefecture	Real estate	6,820	6,588	Tanizawa
Friend Mart Ibaraki Hirata Store (site)	1-2-41 Hirata-cho, Ibaraki City, Osaka Prefecture	Real estate	2,480	2,472	JREI
AEON MALL INAGAWA	2-1-1 Shirogane, Inagawa-cho, Kawabe-gun, Hyogo Prefecture, etc.	Real estate trust beneficiary interests	11,700	11,712	Tanizawa
Hankyu Corporation Head Office Building	1-16-1 Shibata, Kita-ku, Osaka City	Real estate trust beneficiary interests	15,200	9,615	Daiwa
SHIBAURA RENASITE TOWER (equivalent of 10% co-ownership)	3-9-1 Shibaura, Minato-ku, Tokyo	Real estate	3,480	3,434	Rich
Hankyu Hanshin Ueno Okachimachi Building	4-9-2 Taito, Taito-ku, Tokyo	Real estate trust beneficiary interests	3,600	3,236	Daiwa
Ueroku F Building	5-3-5 Uehonmachi-nishi, Chuo-ku, Osaka City	Real estate trust beneficiary interests	2,610	2,330	Daiwa
LAXA Osaka	5-6-16 Fukushima, Fukushima-ku, Osaka City	Real estate trust beneficiary interests	6,040	5,147	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	12,900	9,131	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	6,471	JREI
Coop Kobe Delivery Center Nishinomiya (site)	1-9-12 Higashimachi, Nishinomiya City, Hyogo Prefecture	Real estate	2,230	1,905	Tanizawa
Total			217,164	171,118	—

(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 Trusts Association, Japan, with November 30, 2025 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	41st Fiscal Period Jun. 1, 2025 to Nov. 30, 2025				40th Fiscal Period Dec. 1, 2024 to May 31, 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	320	5.0	1	100.0	328	5.4
	(104)	(99.4)			(105)	(99.4)		
Kitano Hankyu Building	2	100.0	595	9.3	2	100.0	536	8.8
	(24)	(100.0)			(24)	(100.0)		
Dew Hankyu Yamada	25	100.0	378	5.9	25	100.0	368	6.0
Takatsuki-Josai Shopping Center	1	100.0	284	4.4	1	100.0	284	4.6
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	630	9.8	1	100.0	631	10.3
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	1.7
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	342	5.3	13	100.0	324	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	68	1.1	7	100.0	65	1.1
Valor Takatsuki Store (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)

Name	41st Fiscal Period Jun. 1, 2025 to Nov. 30, 2025				40th Fiscal Period Dec. 1, 2024 to May 31, 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	1.3
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)
Shiodome East Side Building (Note 5)	—	—	11	0.2	7	86.9	218	3.6
Hankyu Corporation Head Office Building	1	100.0	404	6.3	1	100.0	404	6.6
SHIBAURA RENASITE TOWER (equivalent of 10% co-ownership)	18	88.9	— (Note 4)	— (Note 4)	16	77.5	— (Note 4)	— (Note 4)
Hankyu Hanshin Ueno Okachimachi Building	4	100.0	28	0.4	—	—	—	—
Ueroku F Building	9	94.9	132	2.1	9	94.9	133	2.2
LAXA Osaka	1	100.0	263	4.1	1	100.0	265	4.3
GRAND FRONT OSAKA (Umekita Plaza and South Building) (equivalent of 4.9% co-ownership)	2 (242)	100.0 (97.9)	— (Note 4)	— (Note 4)	2 (238)	100.0 (94.7)	— (Note 4)	— (Note 4)
GRAND FRONT OSAKA (North Building) (equivalent of 4.9% co-ownership)	5 (107)	100.0 (99.8)	— (Note 4)	— (Note 4)	5 (105)	100.0 (99.5)	— (Note 4)	— (Note 4)
Coop Kobe Delivery Center Nishinomiya (site)	1	100.0	— (Note 4)	— (Note 4)	1	100.0	— (Note 4)	— (Note 4)
Total	120 (587)	99.9 (99.9)	6,422	100.0	121 (583)	99.8 (99.7)	6,124	100.0

(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 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 November 30, 2025 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 are 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 November 30, 2025 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 41st Fiscal Period	Total Amount Already Paid
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	45	—	—
Dew Hankyu Yamada	Suita City, Osaka Prefecture	Renewal work on transformers	Jul. 2025 to May 2026	100	—	—
LAXA Osaka	Fukushima-ku, Osaka City	Replacement of foam fire extinguishing equipment deluge valve	Aug. 2025 to May 2026	23	—	—
Hankyu Corporation Head Office Building	Kita-ku, Osaka City	Upgrading of fan coil units	Oct. 2025 to May 2026	60	—	—
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	126	—	—

(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 41st fiscal period are shown in the table below. Capital expenditures during the period were ¥608 million. With repair expenses also charged to expenses in the amount of ¥289 million, ¥898 million worth of construction works were implemented during the period.

Name	Location	Purpose	Period	Construction Amount (Millions of Yen)
Dew Hankyu Yamada	Suita City, Osaka Prefecture	Upgrading of renewal work on deluge valves for foam extinguishing agents	Jul. 2025 to Nov. 2025	115
Hankyu Corporation Head Office Building	Kita-ku, Osaka City	Upgrading of emergency power generators	Mar. 2024 to Jun. 2025	183
		Renovation of elevators (1 unit)	Aug. 2024 to Nov. 2025	72
METS OZONE	Higashi-ku, Nagoya City	Renewal of 4F west restrooms	May 2025 to Jun. 2025	11
		Upgrading of multi-story parking lot's foam fire extinguishing equipment deluge valve	Sep. 2025 to Nov. 2025	38
Other				187
Total				608

(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	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	37th Fiscal Period Jun. 1, 2023 to Nov. 30, 2023
Balance of reserve fund at the beginning of the period (Millions of Yen)	200	189	189	180	180
Amount set aside (Millions of Yen)	0	18	0	8	—
Amount withdrawn (Millions of Yen)	—	6	—	—	—
Amount carried forward (Millions of Yen)	201	200	189	189	180

5. Expenses and Liabilities

(1) Details of Expenses Related to Asset Management

Item	41st Fiscal Period	40th Fiscal Period
	Jun. 1, 2025 to Nov. 30, 2025	Dec. 1, 2024 to May 31, 2025
Asset management fees (Thousands of Yen)	449,232	447,044
Asset custody fees (Thousands of Yen)	22,410	22,397
Administrative service fees (Thousands of Yen)	43,359	44,595
Directors' compensation (Thousands of Yen)	3,600	3,600
Independent auditors' fees (Thousands of Yen)	13,140	12,840
Other operating expenses (Thousands of Yen)	94,441	109,118
Total (Thousands of Yen)	626,183	639,596

(2) Borrowings

Borrowings as of November 30, 2025 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	MUFG Bank, Ltd.	Jan. 31, 2025	1,000	—	0.80182	Jan. 27, 2026 (Note 3)	Lump-sum repayment	(Note 4)	Unsecured/ Non-guaranteed Variable interest	
	Sumitomo Mitsui Banking Corporation	Jul. 31, 2025	—	1,000	0.85364	Jul. 27, 2026				
	Subtotal		1,000	1,000	—	—				—
Long-term debt (Note 2)	Sumitomo Mitsui Trust Bank, Limited	May 31, 2017	2,800	2,800	0.77064	May 31, 2027	Lump-sum repayment	(Note 4)	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		500	500	0.79156					
	Development Bank of Japan Inc.		500	500						
	Mizuho Bank, Ltd.	May 28, 2018	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
	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		600	600	0.70528	Jan. 31, 2029				
	Mizuho Bank, Ltd.		600	600						
	Mizuho Trust & Banking Co., Ltd.	Jan. 31, 2019	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
	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 4)	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			
	Sumitomo Mitsui Trust Bank, Limited	Oct. 30, 2020	1,000	—	0.98273	Oct. 31, 2025			
	The Senshu Ikeda Bank, Ltd.		1,000	1,000	1.05909	Oct. 30, 2026			
	MUFG Bank, Ltd.		1,000	1,000	0.41818	Oct. 29, 2027			
	Development Bank of Japan Inc.	Dec. 24, 2020	4,000	4,000	0.49160	Dec. 24, 2030			
	Sumitomo Mitsui Banking Corporation	Jul. 30, 2021	2,500	—	0.25806	Jul. 31, 2025			
	Sumitomo Mitsui Banking Corporation		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			
	MUFG Bank, Ltd.		2,600	2,600	1.09000	Sep. 30, 2032			
	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				

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.	Dec. 26, 2022	500	500	1.00854	Jun. 29, 2029	Lump-sum repayment	(Note 4)	Unsecured/ Non-guaranteed Fixed interest
	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	1.13636	May 31, 2032				
	The Bank of Kyoto, Ltd.	400	400						
	The Juhachi-Shinwa Bank, Ltd.	400	400						
	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 Kiyoh Bank, Ltd.	200	200						
THE NISHI-NIPPON CITY BANK, LTD.	200	200							
The Hachijuni Bank, Ltd.	200	200							
									Unsecured/ Non-guaranteed Variable interest

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.	Feb. 29, 2024	1,300	1,300	1.07500	Feb. 28, 2031	Lump-sum repayment	(Note 4)	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					
	MUFG Bank, Ltd.	Mar. 27, 2024	1,400	—	0.84182	Mar. 27, 2026 (Note 3)			Unsecured/ Non-guaranteed Variable interest
	Development Bank of Japan Inc.		1,300	1,300	1.05273	Mar. 27, 2026			
	Sumitomo Mitsui Banking Corporation		1,200	1,200	0.85364				
	Sumitomo Mitsui Trust Bank, Limited		1,100	1,100					
	Mizuho Bank, Ltd.		800	800					
	The Senshu Ikeda Bank, Ltd.		400	400					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	Sumitomo Mitsui Trust Bank, Limited	Sep. 30, 2024	1,200	1,200	0.96625	Sep. 28, 2029			Unsecured/ Non-guaranteed Fixed interest
	Development Bank of Japan Inc.	May 30, 2025	2,000	2,000	1.14273	Jun. 28, 2027			Unsecured/ Non-guaranteed Variable interest
			2,000	2,000	1.57375	May 31, 2030			Unsecured/ Non-guaranteed Fixed interest
	Sumitomo Mitsui Banking Corporation	Jul. 31, 2025	—	1,500	1.07909	Jul. 31, 2031			Unsecured/ Non-guaranteed Variable interest
	The Akita Bank, Ltd.	Sep. 29, 2025	—	400	1.98500	Mar. 31, 2033			Unsecured/ Non-guaranteed Fixed interest
	Daishi Hokuetsu Bank, Ltd.		—	400					
The Chiba Bank, Ltd.	—		400						
The Nanto Bank, Ltd.	—		400						
The Minato Bank, Ltd.	—		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 Kiyo Bank, Ltd.	Sep. 29, 2025	—	200	1.98500	Mar. 31, 2033	Lump-sum repayment	(Note 4)	Unsecured/ Non-guaranteed Fixed interest
	The Gunma Bank, Ltd.		—	200					
	The Juhachi-Shinwa Bank, Ltd.		—	200					
	THE NISHI-NIPPON CITY BANK, LTD.		—	200					
	The Hachijuni Bank, Ltd.		—	200					
	Kansai Mirai Bank, Limited		—	100					
	The 77 Bank, Ltd.		—	100					
	The Chugoku Bank, Ltd.		—	100					
	The Bank of Fukuoka, Ltd.		—	100					
	Sumitomo Mitsui Trust Bank, Limited	Oct. 31, 2025	—	1,000	0.86364	Oct. 31, 2030			Unsecured/ Non-guaranteed Variable interest
	Subtotal		80,500	81,500	—	—	—	—	—
	Total		81,500	82,500	—	—	—	—	—

(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 are presented by including them in long-term debt for presentation by loan agreement.

(Note 3) Early repayment was completed on September 9, 2025.

(Note 4) 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 November 30, 2025 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 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 1)	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 1)	Unsecured/ Non-guaranteed (Note 2)
Hankyu Hanshin REIT Fourth Series of Unsecured Investment Corporation Bonds (green bonds)	Oct. 28, 2020	1,000	—	0.30000	Oct. 28, 2025	Lump-sum repayment	(Note 1)	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 3)	Unsecured/ Non-guaranteed (Note 2)
Total		5,300	4,300	—	—	—	—	—

(Note 1) 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 2) The terms and conditions of the investment corporation bonds contain inter-bond pari passu clauses.

(Note 3) 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 1)	Transfer Date	Transfer Price (Millions of Yen) (Note 2)	Book Value (Millions of Yen)	Gain or Loss on Sale (Millions of Yen) (Note 3)
Real estate trust beneficiary interests	Shiodome East Side Building (20% of the quasi co-ownership of the trust beneficiary interests)	—	—	Jun. 30, 2025	3,360	3,239	81
Real estate trust beneficiary interests	Hankyu Hanshin Ueno Okachimachi Building	Sep. 30, 2025	3,213	—	—	—	—
Total		—	3,213	—	3,360	3,239	81

(Note 1) 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 2) Transfer Price indicates the transfer price of real estate, etc., indicated in the beneficiary interests transfer agreement, real estate transaction agreement, etc., excluding various costs required for the transfer of real estate, etc. concerned (transaction brokerage fees, taxes and public dues, etc.).

(Note 3) Gain or Loss on Sale indicates the amount derived by subtracting Book Value and costs required for the transfer from Transfer Price.

(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) (Notes 2 and 3)	Real Estate Appraisal Value (Millions of Yen)	Appraisal Date	Appraiser (Note 4)
Transfer	Shiodome East Side Building (20% of the quasi co-ownership of the trust beneficiary interests)	Jun. 30, 2025	Land in trust	3,360	2,940 (Note 5)	Nov. 30, 2024	Rich
			Building in trust (including incidental facilities)				
Acquisition	Hankyu Hanshin Ueno Okachimachi Building	Sep. 30, 2025	Land in trust	3,213	3,680	Aug. 1, 2025	Daiwa
			Building in trust (including incidental facilities)				

(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) Transfer Price indicates the transfer price of real estate, etc., indicated in the beneficiary interests transfer agreement, real estate transaction agreement, etc., excluding various costs required for the transfer of real estate, etc. concerned (transaction brokerage fees, taxes and public dues, etc.).
- (Note 4) In the Appraiser column, “Rich” represents Rich Appraisal Institute Co., Ltd., while “Daiwa” represents Daiwa Real Estate Appraisals Co., Ltd..
- (Note 5) The value indicates the amount obtained by multiplying the real estate appraisal value for the entire property by the transferred portion of quasi co-ownership of the trust beneficiary interests (20%).

(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	528,865	Hankyu Hanshin Building Management Co., Ltd.	355,247	67.2
		Hankyu Corporation	10,880	2.1
		Hankyu Hanshin Clean Service Co., Ltd.	1,119	0.2
		Hankyu Hanshin Properties Corp.	1,062	0.2
Rent expenses	101,368	Hanshin Electric Railway Co., Ltd.	17,750	17.5
		Hankyu Corporation	16,086	15.9
		Hankyu Hanshin Building Management Co., Ltd.	8,235	8.1
		H2O Retailing Corporation	6,720	6.6
Advertising expenses	37,080	Hankyu Hanshin Building Management Co., Ltd.	30,964	83.5
Other property-related expenses	67,153	Hankyu Hanshin Building Management Co., Ltd.	10,595	15.8
		Hankyu Corporation	8,022	11.9

- (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. ¥9,042 thousand
Chuo Densetsu Co., Ltd. ¥4,189 thousand

Amounts paid (including payable amount) to the following interested persons, etc., are recorded as assets:

Hankyu Hanshin Building Management Co., Ltd. ¥14,724 thousand
ITEC Hankyu Hanshin Co., Ltd. ¥8,900 thousand
Hankyu Sekkei Consultant ¥4,500 thousand
Hanshin Construction Co., Ltd. ¥1,214 thousand
Hankyu Construction Management, Inc. ¥1,063 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

Not applicable.

- (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 November 30, 2025 and May 31, 2025

	As of	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 5,307,523	¥ 4,605,871
Cash and deposits in trust (Note 3)	5,828,168	5,571,977
Tenant receivables	101,356	96,889
Supplies	1,076	1,082
Deposits paid	204,248	186,605
Income taxes refund receivable	1,439	490
Consumption taxes refund receivable	—	30,409
Prepaid expenses	145,199	218,183
Total Current Assets	11,589,013	10,711,510
Investment Properties (Notes 5, 8, 9 and 15):		
Land	52,522,167	52,522,167
Buildings	7,222,337	7,163,849
Structures	564,300	563,533
Machinery and equipment	2,580	2,580
Tools, furniture and fixtures	39,907	34,670
Leased assets	336,600	336,600
Construction in progress	—	280
Land in trust	86,523,600	86,706,061
Buildings in trust	45,435,980	45,417,029
Structures in trust	1,426,256	1,438,216
Machinery and equipment in trust	385,951	416,838
Tools, furniture and fixtures in trust	592,371	578,163
Leased assets in trust	47,924	47,924
Construction in progress in trust	15,847	11,033
Less: accumulated depreciation	(24,935,368)	(24,613,878)
Leasehold rights	897,709	897,709
Total Investment Properties, Net	171,078,167	171,522,779
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	312,166	333,169
Deferred tax assets (Note 12)	19	14
Deferred investment corporation bond issuance costs	16,633	18,342
Others	56,484	56,715
Total Other Assets	510,025	532,965
Total Assets	¥ 183,177,206	¥ 182,767,254

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

Hankyu Hanshin REIT, Inc. BALANCE SHEETS, CONTINUED

As of November 30, 2025 and May 31, 2025

	As of	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Liabilities		
Current Liabilities:		
Operating accounts payable	¥ 1,041,049	¥ 858,374
Short-term debt (Note 6)	1,000,000	1,000,000
Investment corporation bonds due within one year (Notes 4 and 7)	—	1,000,000
Long-term debt due within one year (Notes 4 and 6)	6,100,000	10,000,000
Lease obligations	24,684	24,684
Lease obligations in trust	3,149	3,149
Distributions payable	9,634	10,117
Accrued expenses	160,604	147,904
Income taxes payable	1,124	1,096
Accrued consumption taxes	187,932	—
Advances received	759,355	752,552
Deposits received (Note 8)	71,187	91,740
Total Current Liabilities	9,358,720	13,889,618
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 7)	4,300,000	4,300,000
Long-term debt (Notes 4 and 6)	75,400,000	70,500,000
Lease obligations	213,928	226,270
Lease obligations in trust	19,420	20,995
Tenant security deposits (Note 8)	2,072,247	1,984,512
Tenant security deposits in trust (Note 8)	4,768,194	4,852,582
Total Long-Term Liabilities	86,773,791	81,884,361
Total Liabilities	96,132,512	95,773,980
Net Assets (Notes 10 and 18)		
Unitholders' Equity:		
Unitholders' capital	84,270,314	84,270,314
Reserve for the reduction entry	401,873	287,000
Reserve for special account for the reduction entry	13,580	—
Retained earnings	2,358,926	2,435,960
Total Unitholders' Equity	87,044,693	86,993,274
Total Net Assets	87,044,693	86,993,274
Total Liabilities and Net Assets	¥ 183,177,206	¥ 182,767,254

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 November 30, 2025 and May 31, 2025

	For the six months ended	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Operating Revenues:		
Rental revenues (Note 17)	¥ 6,422,679	¥ 6,124,796
Gain on sale of investment property (Note 17)	81,474	293,157
Total Operating Revenues	6,504,154	6,417,954
Operating Expenses:		
Property-related expenses (Note 17)	3,111,320	2,949,218
Asset management fees	449,232	447,044
Directors' compensation	3,600	3,600
Asset custody fees	22,410	22,397
Administrative service fees	43,359	44,595
Independent auditors' fees	13,140	12,840
Other operating expenses	94,441	109,118
Total Operating Expenses	3,737,503	3,588,815
Operating Income	2,766,650	2,829,138
Non-Operating Revenues:		
Interest income	11,428	4,729
Reversal of distributions payable	477	864
Interest on tax refund	85	—
Total Non-Operating Revenues	11,990	5,594
Non-Operating Expenses:		
Interest expense	352,066	329,445
Borrowing-related expenses	42,550	44,109
Interest expense on investment corporation bonds	22,075	22,369
Amortization of deferred investment corporation bond issuance costs	1,709	1,911
Other non-operating expenses	47	39
Total Non-Operating Expenses	418,449	397,877
Ordinary Income	2,360,192	2,436,856
Income Before Income Taxes	2,360,192	2,436,856
Income taxes — current	1,408	1,315
Income taxes — deferred	(4)	14
Total Income Taxes (Note 12)	1,404	1,329
Net Income	2,358,787	2,435,526
Retained Earnings Brought Forward	138	433
Retained Earnings at the End of the Period	¥ 2,358,926	¥ 2,435,960

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 November 30, 2025 and May 31, 2025

	Unitholders' Equity					Total Net Assets
	Unitholders' Capital	Reserve for the Reduction Entry	Reserve for Special Account for the Reduction Entry	Retained Earnings	Total Unitholders' Equity	
	(Thousands of Yen)					
Balance as of November 30, 2024	¥ 84,270,314	¥ 287,000	—	¥ 2,193,789	¥ 86,751,104	¥ 86,751,104
Cash distributions declared	—	—	—	(2,193,356)	(2,193,356)	(2,193,356)
Net income	—	—	—	2,435,526	2,435,526	2,435,526
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

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

Hankyu Hanshin REIT, Inc.

STATEMENTS OF CASH FLOWS

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

	For the six months ended	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 2,360,192	¥ 2,436,856
Depreciation and amortization	1,053,121	1,015,807
Amortization of deferred investment corporation bond issuance costs	1,709	1,911
Loss on disposal of investment properties and other assets	7,189	42
Interest income	(11,428)	(4,729)
Reversal of distributions payable	(477)	(864)
Interest expense	352,066	329,445
Interest expense on investment corporation bonds	22,075	22,369
(Increase) decrease in tenant receivables	(4,467)	(23,810)
(Increase) decrease in supplies	5	23
(Increase) decrease in deposits paid	(17,643)	(8,952)
(Increase) decrease in consumption taxes receivable	30,409	(30,409)
(Increase) decrease in prepaid expenses	93,987	(41,231)
Increase (decrease) in operating accounts payable	135,063	(65,680)
Increase (decrease) in accrued expenses	(261)	(176)
Increase (decrease) in accrued consumption taxes	187,932	(73,058)
Increase (decrease) in advances received	6,802	(23,017)
Decrease due to sale of investment properties	3,239,297	12,921,598
Interest income received	11,428	4,729
Interest expense paid	(361,179)	(351,333)
Income taxes refunded (paid)	(2,330)	(2,189)
Net Cash Provided by Operating Activities	7,103,494	16,107,331
Cash Flows from Investing Activities:		
Payment for purchases of investment properties	(3,807,155)	(15,047,760)
Payment for purchases of intangible assets	—	(16,000)
Refunds of tenant security deposits	(230,101)	(599,999)
Proceeds from tenant security deposits	212,895	817,630
Net Cash Used in Investing Activities	(3,824,361)	(14,846,130)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	1,000,000	1,000,000
Repayments of short-term debt	(1,000,000)	—
Proceeds from long-term debt	5,900,000	4,000,000
Repayments of long-term debt	(4,900,000)	(5,000,000)
Redemption of investment corporation bonds	(1,000,000)	—
Repayments of finance lease obligations	(13,916)	(13,916)
Distributions paid	(2,307,374)	(2,191,027)
Net Cash Used in Financing Activities	(2,321,291)	(2,204,944)
Net Change in Cash and Cash Equivalents	957,842	(943,743)
Cash and Cash Equivalents at the Beginning of the Period	10,177,848	11,121,592
Cash and Cash Equivalents at the End of the Period (Note 3)	¥ 11,135,691	¥ 10,177,848

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

Hankyu Hanshin REIT, Inc. Notes to Financial Statements

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

Stock 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 difference between the financial statement carrying amount of the 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 November 30, 2025 is ¥3,097 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

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	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Cash and deposits	¥ 5,307,523	¥ 4,605,871
Cash and deposits in trust	5,828,168	5,571,977
Cash and cash equivalents	¥ 11,135,691	¥ 10,177,848

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 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 swap) as hedging instruments, in order 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 a different value. 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 value and fair value 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 value of these assets is deemed a reasonable approximation of the fair value 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 November 30, 2025			As of May 31, 2025		
	(Thousands of Yen)			(Thousands of Yen)		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Investment corporation bonds due within one year	¥ —	¥ —	¥ —	¥ 1,000,000	¥ 997,500	¥ (2,500)
Long-term debt due within one year	6,100,000	6,100,000	—	10,000,000	9,997,937	(2,062)
Investment corporation bonds	4,300,000	4,013,560	(286,440)	4,300,000	4,053,750	(246,250)
Long-term debt	75,400,000	73,793,916	(1,606,083)	70,500,000	69,594,696	(905,303)
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 due within one year and investment corporation bonds

The fair value of investment corporation bonds is based on their indicative market price obtained from the Japan Securities Dealers Association.

(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 November 30, 2025 and May 31, 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 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)	

Hedge accounting method	Type of derivative transaction	Hedged item	As of May 31, 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	¥ 3,000,000	¥ 3,000,000	– (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			
	November 30, 2025		May 31, 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 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
As of May 31, 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	¥ —	¥ —	¥ —	¥ —	¥ 4,300,000
Long-term debt	10,000,000	4,100,000	12,200,000	12,500,000	14,200,000	27,500,000

Note 5 – Investment Properties

Investment properties consist of the following:

	As of November 30, 2025			As of May 31, 2025		
	(Thousands of Yen)			(Thousands of Yen)		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	¥ 52,522,167	¥ —	¥ 52,522,167	¥ 52,522,167	¥ —	¥ 52,522,167
Buildings	7,222,337	(3,346,903)	3,875,434	7,163,849	(3,235,927)	3,927,921
Structures	564,300	(438,515)	125,785	563,533	(434,300)	129,232
Machinery and equipment	2,580	(429)	2,151	2,580	(302)	2,278
Tools, furniture and fixtures	39,907	(29,022)	10,884	34,670	(28,138)	6,531
Leased assets	336,600	(121,550)	215,050	336,600	(110,330)	226,270
Construction in progress	—	—	—	280	—	280
Land in trust	86,523,600	—	86,523,600	86,706,061	—	86,706,061
Buildings in trust	45,435,980	(19,753,385)	25,682,594	45,417,029	(19,573,164)	25,843,865
Structures in trust	1,426,256	(550,735)	875,520	1,438,216	(539,614)	898,602
Machinery and equipment in trust	385,951	(283,044)	102,906	416,838	(303,497)	113,340
Tools, furniture and fixtures in trust	592,371	(386,754)	205,617	578,163	(365,173)	212,989
Leased assets in trust	47,924	(25,027)	22,897	47,924	(23,429)	24,494
Construction in progress in trust	15,847	—	15,847	11,033	—	11,033
Leasehold rights	897,709	—	897,709	897,709	—	897,709
Total	¥ 196,013,536	¥ (24,935,368)	¥ 171,078,167	¥ 196,136,658	¥ (24,613,878)	¥ 171,522,779

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

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

	As of	
	November 30, 2025	May 31, 2025
(Thousands of Yen)		
Short-term debt		
0.81% - 0.86% unsecured loan due 2026	¥ 1,000,000	¥ 1,000,000
Total short-term debt	¥ 1,000,000	¥ 1,000,000
Long-term debt		
0.25% - 1.00% unsecured loans due 2025	¥ —	¥ 3,500,000
0.85% - 1.08% unsecured loans due 2026	6,100,000	7,500,000
0.41% - 1.15% unsecured loans due 2027	9,600,000	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% - 1.58% unsecured loans due 2030	19,000,000	18,000,000
1.07% - 1.08% unsecured loans due 2031	4,700,000	3,200,000
0.67% - 1.31% unsecured loans due 2032	14,100,000	14,100,000
1.99% unsecured loans due 2033	3,400,000	—
1.47% unsecured loans due 2034	700,000	700,000
Total long-term debt	¥ 81,500,000	¥ 80,500,000

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 November 30, 2025 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	6,100,000	9,600,000	10,800,000	13,100,000	15,000,000	26,900,000

Note 7 – Investment Corporation Bonds

Investment corporation bonds consist of the following:

	As of			
	November 30, 2025		May 31, 2025	
	(Thousands of Yen)			
3rd 0.90% unsecured bonds due 2031 (Note 1)	¥	2,000,000	¥	2,000,000
4th 0.30% unsecured bonds due 2025 (green bond) (Note 2)		—		1,000,000
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
Total	¥	4,300,000	¥	5,300,000

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 terms and conditions of the investment corporation bonds contain inter-bond pari passu clauses.

The annual maturities of investment corporation bonds as of November 30, 2025 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	¥ —	¥ —	¥ —	¥ —	¥ 1,000,000	¥ 3,300,000

Note 8 – Assets Pledged as Collateral

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

	As of			
	November 30, 2025		May 31, 2025	
	(Thousands of Yen)			
Assets pledged as collateral				
Buildings	¥	886,229	¥	923,460
Land in trust		3,127,561		3,127,561
Total assets pledged as collateral	¥	4,013,790	¥	4,051,022
Secured liabilities				
Deposits received	¥	4,120	¥	4,120
Tenant security deposits		393,730		393,730
Tenant security deposits in trust		244,437		246,497
Total secured liabilities	¥	642,288	¥	644,348

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	
	November 30, 2025	May 31, 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	
	November 30, 2025	May 31, 2025
	(Yen)	
Earnings per unit:		
Net income per unit	¥ 3,392	¥ 3,503
Weighted average number of units outstanding (Units)	695,200	695,200
	As of	
	November 30, 2025	May 31, 2025
	(Yen)	
Net assets per unit	¥ 125,208	¥ 125,134

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 is 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	
	November 30, 2025	May 31, 2025
Statutory tax rate	31.42%	31.42%
Deductible cash distributions	(31.36)%	(29.75)%
Provision of reserves for the reduction entry	(0.24)%	(1.48)%
Provision of reserves for special account for the reduction entry	—%	(0.18)%
Reversal of reserves for the reduction entry	0.02%	—%
Reversal of reserves for special account for the reduction entry	0.18%	—%
Others	0.04%	0.04%
Effective tax rate	0.06%	0.05%

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

	As of	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Deferred tax assets:		
Accrued enterprise tax	¥ 19	¥ 14
Total deferred tax assets	19	14
Net deferred tax assets	¥ 19	¥ 14

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	
	November 30, 2025	May 31, 2025
	(Yen)	
Unappropriated retained earnings	¥ 2,358,926,257	¥ 2,435,960,496
Reversal of reserves for the reduction entry	1,435,180	—
Reversal of reserves for special account for the reduction entry	13,580,139	—
Cash distributions declared	2,356,032,800	2,307,368,800
(Cash distributions per unit)	(3,389)	(3,319)
Provision of reserves for the reduction entry	17,901,862	114,873,207
Provision of reserves for special account for the reduction entry	—	13,580,139
Retained earnings carried forward	¥ 6,914	¥ 138,350

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 ¥2,356,032,800 and ¥2,307,368,800 for the six months ended November 30, 2025 and May 31, 2025, respectively, which are the largest integral multiples of the number of investment units issued and outstanding (695,200 units as of November 30, 2025 and May 31, 2025, respectively), and are not in excess of unappropriated retained earnings 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, and after deducting the provision of reserves for the reduction entry and the provision of reserves for the special account for the reduction entry as stipulated in Article 65-7 and Article 65-8 of the Special Taxation Measures Act of Japan for the six months ended May 31, 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 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.

For the six months ended May 31, 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)	¥ 583,944 (Note 3)	Accounts payable	¥ 190,398

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 ¥69,700 thousand which were included in the book value of the individual properties and transfer fees of ¥67,200 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	
	November 30, 2025	May 31, 2025
(Thousands of Yen)		
Book value:		
Balance at the beginning of the period	¥ 171,567,566	¥ 170,590,179
Change during the period	(449,370)	977,386
Balance at the end of the period	¥ 171,118,195	¥ 171,567,566
Fair value		
	¥ 217,164,000	¥ 215,362,000

Notes:

- The book value represents acquisition costs after deducting accumulated 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. For the six months ended May 31, 2025, the increases are primarily due to the acquisitions of AEON MALL INAGAWA (¥11,821,252 thousand) and Friend Mart Ibaraki Hirata Store (site) (¥2,472,620 thousand), and the decreases are primarily due to the sale of Shiodome East Side Building (equivalent of 80% quasi co-ownership) (¥12,921,598 thousand) and depreciation.
- 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		Related segment
	November 30, 2025	May 31, 2025	
	(Thousands of Yen)		
Hankyu Corporation	¥ 1,332,869	¥ 1,321,032	Property leasing business

Note 17 – Operating Revenues and Expenses

Rental revenues and expenses are as follows:

	For the six months ended	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Revenues from property leasing:		
Rental revenues:		
Base rents	¥ 5,807,271	¥ 5,585,875
Utilities charges reimbursements	296,733	255,259
Others	318,675	283,660
Total revenues from property leasing	6,422,679	6,124,796
Property-related expenses:		
Rental expenses:		
Property management expenses	514,140	513,223
Utilities expenses	370,170	328,632
Rent expenses	101,368	102,273
Advertising expenses	37,080	48,630
Repair expenses	289,796	215,772
Insurance expenses	15,857	14,224
Taxes and dues	662,639	655,910
Depreciation	1,053,112	1,015,786
Others	67,153	54,763
Total property-related expenses	3,111,320	2,949,218
Operating income from property leasing	¥ 3,311,359	¥ 3,175,577

Gain on sale of investment property is as follows:

	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
For the six months ended May 31, 2025		
(Thousands of Yen)		
Shiodome East Side Building (equivalent of 80% quasi co-ownership):		
Proceeds from sale of investment property	¥	13,440,000
Cost of selling investment property		(12,921,598)
Other expenses related to sale		(225,244)
Gain on sale of investment property	¥	293,157

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	
	November 30, 2025	May 31, 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	
	November 30, 2025	May 31, 2025
	(Thousands of Yen)	
Due within one year	¥ 6,407,327	¥ 6,759,785
Due after one year	25,503,272	28,475,005
Total	¥ 31,910,599	¥ 35,234,791

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 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” include revenues relating to property leasing for which “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

Balance of contractual liabilities

Components of contractual liabilities are deposits received from counterparties of real estate transfer agreements for sales of investment properties and are presented as advances received on the accompanying balance sheets. There were no balances as of November 30, 2025, and May 31, 2025. Contractual liabilities are reversed when the amount is recognized as revenues.

Note 21 – Additional Information

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 October 22, 2025.

(Tentative Name) Sugi Pharmacy Daito Goryo Store (site)

Type of specified asset	: Right of ownership
Planned acquisition price	: ¥ 1,100,000,000 (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
Planned acquisition date	: March 31, 2026
Location	: Daito City, 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:

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. Also, if Hankyu Hanshin REIT acts in serious violation of an obligation under the transaction agreement, the seller shall demand fulfillment of the obligation or correction of the situation within a certain period. If fulfillment of the obligation or correction of the situation is not performed within the designated period, the seller may cancel the transaction agreement in whole or in part. It has been agreed that if the agreement is cancelled in such a situation, Hankyu Hanshin REIT shall pay the seller an amount equivalent to 20% of the sale price as a penalty.



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 November 30, 2025 and May 31, 2025, the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for each of the six-month periods 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 November 30, 2025 and May 31, 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

March 13, 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 Investment Corporation and KPMG AZSA LLC.



Hankyu Hanshin REIT