

Japan Real Estate Investment Corporation

SEMIANNUAL REPORT

March 2026

For the period from October 1, 2025 to March 31, 2026

<https://www.j-re.co.jp/en/>



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Profile

Japan Real Estate Investment Corporation (the “Company” or “JRE”) was established as one of the first real estate investment corporations in Japan following revisions to the Act on Investment Trusts and Investment Corporations of Japan, as amended, or the ITA. Its investments focus primarily on office buildings, and it is aiming to maintain geographic diversity while seeking sustainable growth and dividends in the medium- to long-term. The Company was listed on the Tokyo Stock Exchange (“TSE”) on September 10, 2001 (Securities Code: 8952).

Note: Investment corporations, including the Company, are special legal entities incorporated and operated under the ITA. Accordingly, the “units” of such investment corporations, including the units of the Company, are governed by the ITA and represent the equity interests in such investment corporations, which may differ in certain material respects from the “shares” governed by the Corporation Law of Japan and representing the equity interests in Japanese ordinary corporations incorporated and operated under the Corporation Law of Japan. Investors and readers are specifically reminded to pay attention to such differences when reviewing this semiannual report and making any investment decisions on or in respect of the units of the Company. “Unitholders” of the Company may be construed accordingly. Each investor and reader should consult their own legal, tax, and other advisors regarding all Japanese legal, tax, and other consequences of an investment in the units of the Company, with specific reference to their own legal, tax, and other situations, and any recent changes in applicable laws and guidelines or their interpretation.

The Strengths of Japan Real Estate Investment Corporation

- 1

Sustainable Growth of Dividends

Actual dividend per unit for the March 2026 period:
JPY 2,536

Forecast dividend per unit for the September 2026 period:
JPY 2,561
- 2

Collaboration with Sponsor

Expertise of Mitsubishi Estate Co., Ltd.
- 3

Steady Growth of Quality Portfolio (As of March 31, 2026)

Total acquisition price: JPY 1.19 trillion 79 properties

The first listed J-REIT in 2001
- 4

Sound Financial Base (As of March 31, 2026)

Highest credit ratings for a J-REIT: AA+ from JCR, AA from R&I, A+ from S&P

Ratio of loans & bonds with fixed rates: 75.7%

LTV (Interest-bearing debt / Total assets): 44.8%

To Our Unitholders

In the fiscal period ended March 31, 2026, Japan Real Estate Investment Corporation (“JRE”) increased its dividend per unit (“DPU”) by JPY 25, to JPY 2,536, marking the 24th consecutive period of DPU growth. The office leasing market remained strong, driven by robust leasing demand, which included expansion due to business growth, relocations to more favorably situated offices, and more floor space at current properties. As a result, our occupancy rate rose to 98.9%, up 1.5 percentage points from the previous fiscal period. Rental revenue at existing buildings was also up compared with both the previous fiscal period and our performance forecast, against a backdrop of internal growth underpinned by upward rent revisions and other factors.

Business Performance for the March 2026 Period

Summary of Financial Results and Dividends

In the March 2026 period (October 1, 2025 to March 31, 2026), Japan Real Estate Investment Corporation recorded operating revenues increased 3.3% compared with the September 2025 period, to JPY 42,443 million, while operating profit increased 6.7% to JPY 20,594 million. After deducting expenses for interest payments on loans and other costs, ordinary profit increased 6.4% to JPY 18,926 million, and profit increased 4.5% to JPY 18,605 million.

As for dividends in the March 2026 period, the Company will make cash distributions using earnings based on the dividend policy outlined in Article 32-1 (2) of the Company’s Articles of Incorporation, with an amount that exceeds 90% of profit available for dividends as required by Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, it was decided that, after the Company makes a provision for reserve for reduction entry pursuant to the “Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets” under Article 65-7 of the Act on Special Measures Concerning Taxation and ensures that retained earnings are brought forward, the total amount of dividends shall be JPY 18,041,915,520 for the March 2026 period, which is a multiple of 7,114,320, the number of units outstanding as of March 31, 2026. Accordingly, the dividend per investment unit came to JPY 2,536.

Operating Environment and Performance

During the March 2026 period (October 1, 2025 to March 31, 2026), the Japanese economy continued to gradually recover, with signs of recovery in capital investment and personal consumption, despite the impacts of inflation and other factors. On the other hand, given the policy rate hikes by the Bank of Japan, the global changes in financial and capital markets, the impact of U.S. trade policy trends, as well as the rising geopolitical risks and other factors, interest rate trends, overseas political and economic developments, and price trends, including resource prices, will continue to bear watching.

In the office leasing market, demand continues to be strong for leases driven by business expansion, relocations with positive intent

aimed at improving location, and additional floor areas. As a result, the vacancy rate in central Tokyo continues to decline. In addition, rent levels are rising at an accelerating rate in many areas. In light of the prevailing conditions in the leasing market, the Company is striving to attract new tenants through strategic leasing activities and to further enhance the satisfaction level of existing tenants by adding value to its portfolio properties with the aim of maintaining and improving the occupancy rate and realizing sustainable income growth across the entire portfolio.

In the real estate trading market, despite the Bank of Japan normalizing its monetary policy, the appetite for property acquisition among both domestic and foreign investors remains high, backed mainly by the interest rate differential with overseas markets. There is still fierce competition, particularly for high-quality office buildings, and as a result, conditions for acquiring properties remain tough because expected yields are also low.

In this market environment, the Company made sound investments based on its investment policy of aiming for sustainable growth in dividends to unitholders. Dividend per unit for the March 2026 period was JPY 2,536, up JPY 25 from the September 2025 period.

In the office leasing market for the March 2026 period, the Company advanced its leasing activities smoothly in the above environment by capturing positive new demand for expansion, relocation and the like associated with improving location and business expansion, and by meeting additional needs for floor area among the existing tenants in buildings, as well as by the completion of filling vacancies caused by reductions in floor area by existing large tenants. As a result, the occupancy rate at the end of the March 2026 period was 98.9%, up 1.5 percentage point from the end of the September 2025 period.

As for property acquisitions, the Company newly acquired the trust beneficiary right in The Link Sapporo (Sapporo, Hokkaido) for JPY 21,340 million on October 17, 2025. The Company also acquired an additional 28.68% ownership interest in Kandabashi Park Building (Chiyoda-ku, Tokyo) for JPY 2,150 million on January 21, 2026, which meant its ownership percentage in the property increased from

As for external growth, our asset size expanded to approximately JPY 1.2 trillion, an increase of JPY 40.5 billion, due in part to holding a public offering. As for property replacements, we acquired five properties and disposed of three. The average net operating income (“NOI”) yield of the properties we acquired is 3.6%, compared with 2.8% for the properties we disposed of, boosting the profitability of our portfolio. We will continue to fully leverage our pipeline from Mitsubishi Estate and our own sourcing route to create property acquisition opportunities, thereby vigorously promoting external growth.

In addition to aiming for annual average growth of 3% in earnings per unit (“EPU”) and 2% in DPU over the medium- to long-term, we may examine the possibility of raising our 2% DPU growth target if we determine that EPU growth exceeding 3%, driven primarily by internal growth, is achievable. We remain committed to achieving sustainable growth in dividends to unitholders by both strengthening rent revisions and enhancing the competitiveness of our portfolio.

56.76% to 85.44%. Additionally, the Company acquired the trust beneficiary right on an additional 9% co-ownership interest in Shinjuku Eastside Square (Shinjuku-ku, Tokyo) for JPY 20,353 million on March 13, 2026, which meant its ownership percentage in the property increased from 39.0% to 48.0%. On March 25, 2026, we newly acquired the trust beneficiary right in Sapporo Arch Building (Sapporo City, Hokkaido) for JPY 8,175 million.

As for property dispositions, the Company disposed of a 16.66% quasi-co-ownership interest of the trust beneficiary right in Akasaka Park Building (Minato-ku, Tokyo) for JPY 13,444 million on October 1, 2025, as the second disposition of the property. Also, the Company disposed of a 50% quasi-co-ownership interest of the trust beneficiary right in JRE Tenjin Crystal Building (Fukuoka City, Fukuoka Prefecture) for JPY 3,315 million on March 6, 2026. The property was disposed of in stages over two fiscal periods, starting with this disposition.

As a result of the above, the Company’s portfolio at the end of the March 2026 period consisted of 79 properties, with a total acquisition price of JPY 1.19 trillion. (Note 1) Net rentable floor area stood at 891,744 m² with 1,674 tenants in total. (Note 2)

The Company disposed of a 16.66% quasi-co-ownership interest of the trust beneficiary right in Akasaka Park Building (Minato-ku, Tokyo) for JPY 13,444 million as the third disposition of the property, and disposed of a 50% quasi-co-ownership interest in JRE Tenjin Crystal Building (Fukuoka City, Fukuoka Prefecture) for JPY 3,315 million as the second disposition of the property, on April 1, 2026. In addition, the Company acquired an additional 7.1% ownership interest in CO-MO-RE YOTSUYA (Shinjuku-ku, Tokyo) for JPY 15,540 million on April 2, 2026. The Company also disposed of Daido Seimei Niigata Building (Niigata City, Niigata Prefecture) for JPY 1,650 million on May 20, 2026.

Note 1. The total acquisition price includes a portion of the acquisition price of JRE Jingumae Media Square Building pertaining to the partially expropriated site and the easement extinguished due to expropriation of part of the adjacent site.

Note 2. Shibuya Cross Tower (land with leasehold interest), in which the Company’s building ownership was disposed of on January 18, 2018, is included in the above number of properties and total acquisition price, but is not included in net rentable floor area and total number of tenants.

Finance Activities

According to its financial policy, the Company aims to maintain the LTV ratio (ratio of interest-bearing debt to total assets) at 30% to 40%, and strives to maintain a sound and conservative financial profile by staggering maturities, extending durations, and diversifying stable lenders, among other measures after taking into consideration borrowing costs and existing relationships with lenders.

Concerning new loans related to property acquisitions and the refinancing of existing loans, the Company takes out loans strategically and flexibly after giving due consideration to the above-mentioned means, as well as the possibility of repayment with funds procured from issuing new investment units.

In the March 2026 period, the Company procured JPY 4,000 million in short-term loans and JPY 9,000 million in long-term loans to partially fund the acquisition of The Link Sapporo, and also borrowed JPY 15,000 million in short-term loans to partially fund the additional acquisition of Shinjuku Eastside Square. Additionally, the Company borrowed JPY 10,000 million in short-term loans to allocate for cash on hand, which had decreased due to the acquisition of such properties, and to fund the acquisition of Sapporo Arch Building. The Company repaid short-term loans with cash on hand, and borrowed to fund the repayment of existing loans, to fund cash on hand, which had decreased due to the redemption of the 4th investment corporation bonds, and to fund the redemption of the 13th investment corporation bonds.

As a result of the above financing activities, as of March 31, 2026, the Company’s total interest-bearing debt was JPY 503,193 million, up JPY 42,000 million from the end of the September 2025 period. This amount consists of long-term loans totaling JPY 440,200 million (including the current portion of long-term loans totaling JPY 28,700 million), short-term loans totaling JPY 50,000 million, and investment corporation bonds totaling JPY 12,993 million (including the current portion of investment corporation bonds totaling JPY 10,000 million). The current LTV ratio stands at 44.8%.

The Board of Directors of the Company resolved at its meetings held on March 19, 2026 and March 25, 2026 to issue new investment

units (161,200 units by public offering and 8,060 units by third-party allotment). Through this issuance of new investment units, the Company raised approximately JPY 18,110 million on April 1, 2026 by the public offering and approximately JPY 905 million on April 24, 2026 by the third-party allotment. The funds raised through the public offering were used to partially fund the additional acquisition of CO-MO-RE YOTSUYA, and to repay a part of the aforementioned short-term loan of JPY 15,000 million borrowed to fund the additional acquisition of Shinjuku Eastside Square. The funds raised through the third-party allotment will be kept as part of cash reserves to be used for future acquisitions of property or repayment of loans. Also, the proceeds from the third disposition of Akasaka Park Building and the

second disposition of JRE Tenjin Crystal Building were used for the repayment of loans, thus the Company is making efforts to maintain a sound and conservative financial structure.

The Company’s credit ratings as of March 31, 2026 were as follows:

Rating Agency	Credit Rating
Japan Credit Rating Agency, Ltd.	Long-term: AA+; Outlook: Stable
Rating and Investment Information, Inc.	Rating: AA; Outlook: Stable
S&P Global Ratings Japan Inc.	Long-term: A+; Short-term: A-1; Outlook: Stable

Outlook

Operating Environment

The Japanese economy is expected to continue to recover up ahead on the back of a likely improvement in domestic demand as wages increase and inbound tourism demand picks up. On the other hand, the Company will keep a closer eye on the impact of interest-rate hikes and continuing inflation, while policy trends in Japan and overseas, and the impact of fluctuations in financial and capital markets and geopolitical risks, in response to the U.S. tariff policy and regional conflicts, will bear watching.

In the office leasing market, although a certain level of new office space supply is scheduled for central Tokyo in 2026, strong demand for leases is expected to continue, particularly for high-quality office buildings. Tenants are becoming more selective about office space because the way people work is changing, and as such, the Company is aiming to secure sustainable growth in revenues and income and maintain and enhance the value of its assets by carrying out strategic repairs and renovations and investing in ESG.

In the real estate trading market, the Company will continue to proactively search for new properties with a key focus on collaboration with its sponsor in order to more strategically reshuffle its portfolio while paying close attention to future market trends brought about by changes in social conditions.



Jo Kato
Executive Director of
Japan Real Estate Investment Corporation



Kazuyuki Inoue
President & CEO of
Japan Real Estate Asset Management Co., Ltd.

Asset Management Summary

For the period from October 1, 2025 to March 31, 2026

Acquired Properties

The Link Sapporo

Location	Kita 6-jo Nishi 1-1-3, Kita-ku, Sapporo City, Hokkaido
Site area	1,956.78m²
Floor area of building	16,841.8m²
Structure	Steel-framed structure, flat roof
Floors	Above ground: 13 floors Below ground: 1 floor
Completion	August 2023
Acquisition date / Acquisition price	October 17, 2025 / JPY 21,340 million
Type of ownership	Land: Ownership Building: Ownership Undisclosed
Seller	Undisclosed



Sapporo Arch Building

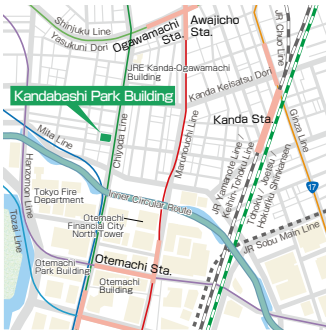
Location	6-11-1 Minami 2-jo Nishi, Chuo-ku, Sapporo City, Hokkaido
Site area	1,097.19m²
Floor area of building	6,865.64m²
Structure	Steel-framed structure, flat roof
Floors	Above ground: 9 floors
Completion	November 2025
Acquisition date / Acquisition price	March 25, 2026 / JPY 8,175 million
Type of ownership	Land: Ownership Building: Ownership Undisclosed
Seller	Undisclosed



Acquired Properties

Kandabashi Park Building (Additional acquisition) (28.68% of the interest)

Location	1-19-1 Kanda-Nishikicho, Chiyoda-ku, Tokyo
Site area	1,218.56m ²
Floor area of building	9,370.25m ²
Structure	Steel-framed reinforced concrete structure, flat roof
Floors	Above ground: 10 floors Below ground: 1 floor
Completion	July 1993
Acquisition date / Acquisition price	January 21,2026 / JPY 2,150 million
Type of ownership	Land: Ownership Building: Ownership
Seller	Undisclosed



Shinjuku Eastside Square (Additional acquisition) (9% of the interest)

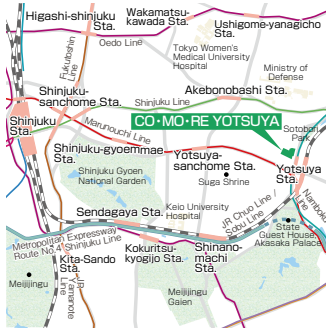
Location	6-27-30 Shinjuku, Shinjuku-ku, Tokyo
Site area	25,320.28m ²
Floor area of building	167,245.46m ²
Structure	Steel-framed, Reinforced concrete structure, flat roof
Floors	Above ground: 20 floors Below ground: 2 floors
Completion	March 2012
Acquisition date / Acquisition price	March 13, 2026 / JPY 20,353 million
Type of ownership	Land: Ownership Building: Ownership
Seller	Mitsubishi Estate Co., Ltd.



Property to be Acquired

CO・MO・RE YOTSUYA (Additional acquisition) (7.1% of the interest)

Location	1-6-1 Yotsuya, Shinjuku-ku, Tokyo
Site area	17,931.82m ²
Floor area of building	131,882.54m ²
Structure	Steel-framed, Steel-framed reinforced concrete, Reinforced concrete structure, flat roof
Floors	Above ground: 30 floors Below ground: 4 floors
Completion	January 2020
Acquisition date / Acquisition price	April 2, 2026 / JPY 15,540 million
Type of ownership	Land: Ownership Building: Compartmentalized building units
Seller	Mitsubishi Estate Co., Ltd.



Disposed Properties

Akasaka Park Building

Location	5-2-20 Akasaka, Minato-ku, Tokyo	Acquisition date / Acquisition price	November 15, 2011 / JPY 60,800 million
Site area	14,198.20m ²	Disposition date / Disposition price	April 1, 2025 / JPY 13,476 million (16.70% of the interest)
Floor area of building	97,489.16m ²		October 1, 2025 / JPY 13,444 million (16.66% of the interest)
Structure	Steel-framed, Steel-framed reinforced concrete structure, flat roof		April 1, 2026 / JPY 13,444 million (16.66% of the interest)
Floors	Above ground: 30 floors Below ground: 2 floors		October 1, 2026 / JPY 13,444 million (16.66% of the interest)
Completion	July 1993		April 1, 2027 / JPY 13,444 million (16.66% of the interest)
		Type of ownership	Land: Ownership Building: Ownership
		Buyer	Mitsubishi Estate Co., Ltd.

JRE Tenjin Crystal Building

Location	4-6-7 Tenjin, Chuo-ku, Fukuoka City, Fukuoka Prefecture	Acquisition date / Acquisition price	June 1, 2005 / JPY 5,000 million
Site area	1,835.17m ²	Disposition date / Disposition price	March 6, 2026 / JPY 3,315 million (50% of the interest)
Floor area of building	10,432.04m ²		April 1, 2026 / JPY 3,315 million (50% of the interest)
Structure	Steel-framed, Steel-framed reinforced concrete structure, flat roof		
Floors	Above ground: 14 floors Below ground: 1 floor	Type of ownership	Land: Ownership Building: Ownership
Completion	August 1993	Buyer	Undisclosed

Property to be Disposed of

Daido Seimei Niigata Building

Location	6-1214-2 Kamiohkawamae-dori, Chuo-ku, Niigata City, Niigata Prefecture	Acquisition date / Acquisition price	March 1, 2019 / JPY 1,770 million
Site area	875.05m ²	Disposition date / Disposition price	May 20, 2026 / JPY 1,650 million
Floor area of building	5,327.23m ²	Type of ownership	Land: Ownership Building: Ownership
Structure	Steel structure, flat roof		
Floors	Above ground: 9 floors	Buyer	KAGOYA Asset Management Inc.
Completion	October 1998		

Issuance of New Investment Units

Issuance of New Investment Units through Public Offering

Number of investment units issued	161,200 units
Offering price	JPY 115,898 per unit
Total amount of offering price	JPY 18,682,757,600
Amount paid in (subscription price)	JPY 112,350 per unit
Total amount paid in (total subscription price)	JPY 18,110,820,000
Payment date	April 1, 2026

Issuance of New Investment Units through Third-Party Allotment

Number of investment units issued	8,060 units
Amount paid in (subscription price)	JPY 112,350 per unit
Total amount paid in (total subscription price)	JPY 905,541,000
Payment date	April 24, 2026
Allottee	SMBC Nikko Securities Inc.

The proceeds raised through the public offering were applied toward the funding for the acquisition of a 7.1% ownership interest in CO・MO・RE YOTSUYA for JPY 15,540 million and the repayments of a part of the short-term loan of JPY 15,000 million borrowed to partially fund the acquisition of the trust beneficiary right for a 9% co-ownership interest in Shinjuku Eastside Square for JPY 20,353 million. The funds raised through the third-party allotment will be kept as part of cash reserves to be used for future acquisitions of property or repayment of loans.

Financial Highlights

	In millions of JPY				
	For the period from October 1, 2025 to March 31, 2026	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2024 to March 31, 2025	For the period from April 1, 2024 to September 30, 2024	For the period from October 1, 2023 to March 31, 2024
Operating revenues	42,443	41,093	42,908	42,581	41,414
Operating profit	20,594	19,297	20,789	20,640	20,317
Ordinary profit	18,926	17,784	19,657	19,523	19,311
Profit	18,605	17,805	18,863	18,840	18,636
Net operating income (NOI) (Note 1)	23,808	23,895	22,976	22,640	22,629
Funds from operations (FFO) (Note 2)	19,288	20,105	18,403	18,281	18,457
FFO multiple (Times) (Note 3)	21.4	22.1	20.7	22.3	20.8
Cash distribution	18,041	17,864	17,693	17,570	17,381
Number of units	7,114,320	7,114,320	7,114,320	1,422,864	1,422,864
Dividend per unit (JPY)	2,536	2,511	2,487	12,349	12,216

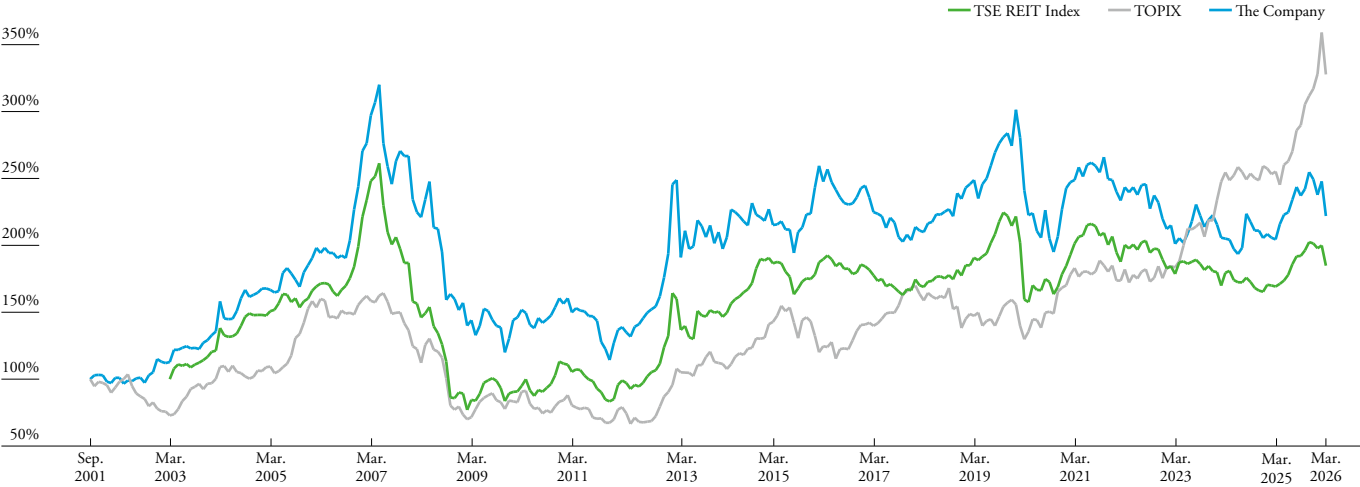
Notes: 1. NOI = Property-related revenues – Property-related expenses (excluding Depreciation)
2. FFO = Profit + Depreciation – Gain (Loss) on sales of real estate properties
3. FFO multiple = Unit price at end of the respective term / FFO per unit (Annualized)
(Annualized portion of the calculation given in Note 2 and Note 3 assumes a fiscal period of 183 days for the period ended March 31, 2024, 183 days for the period ended September 30, 2024, 182 days for the period ended March 31, 2025, 183 days for the period ended September 30, 2025, and 182 days for the period ended March 31, 2026)

Top 10 Unitholders

As of March 31, 2026

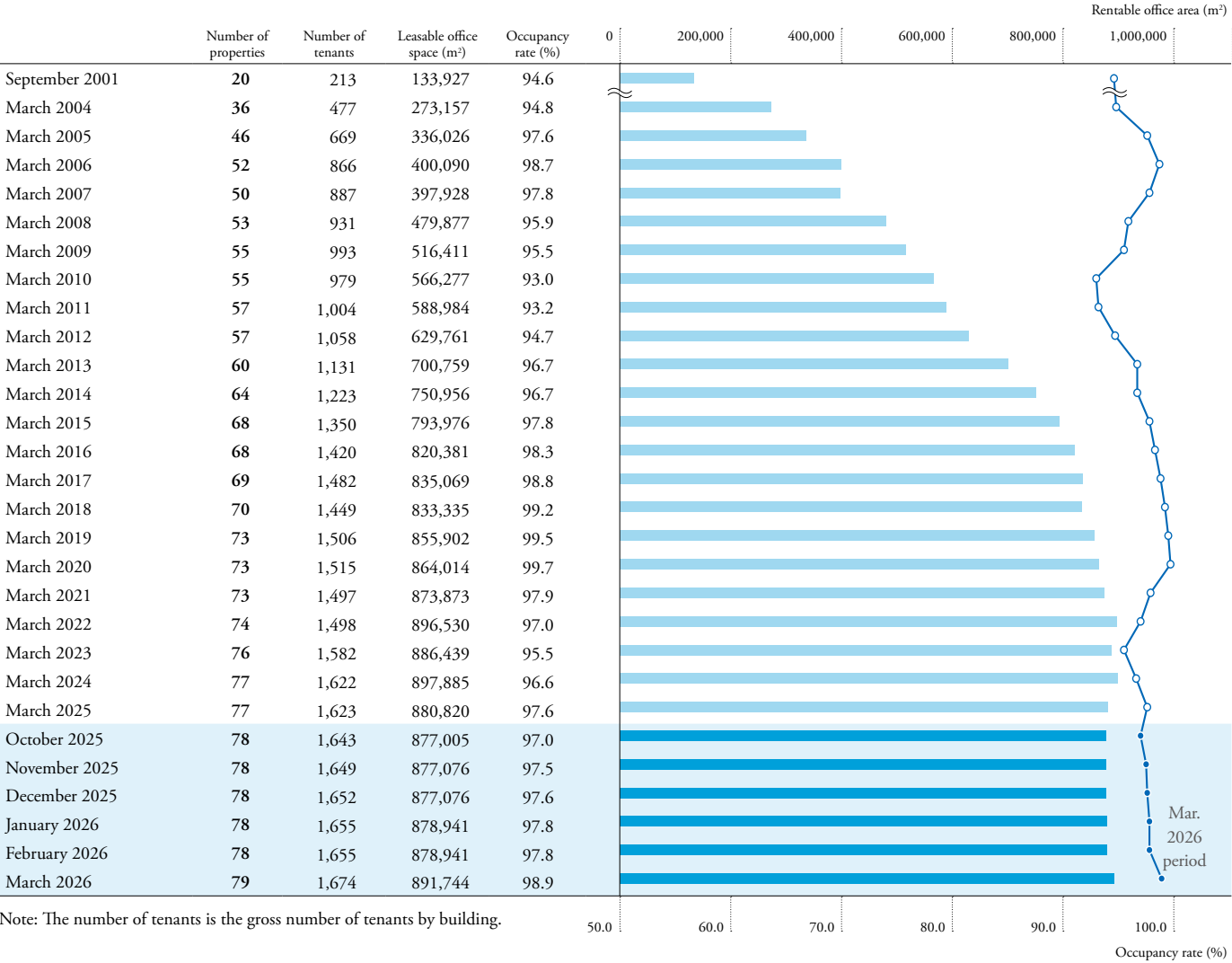
Company	Units	% of total units outstanding
Custody Bank of Japan, Ltd. (Shintaku Acc.)	1,882,109	26.46%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	1,190,195	16.73%
The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	360,217	5.06%
STATE STREET BANK AND TRUST COMPANY 505001	162,643	2.29%
JP Morgan Securities Japan Co., Ltd.	116,934	1.64%
JP MORGAN CHASE BANK 385781	100,399	1.41%
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	89,733	1.26%
JP MORGAN CHASE BANK 385642	89,659	1.26%
Mitsubishi Estate Co., Ltd.	85,600	1.20%
STATE STREET BANK AND TRUST COMPANY 505103	78,963	1.11%

Unit Price Performance



Portfolio Highlights

Trends in the State of Portfolio Management

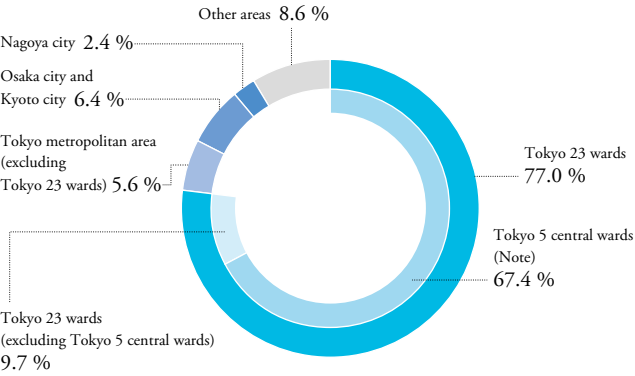


Portfolio Breakdown

As of March 31, 2026

Properties by geographic region

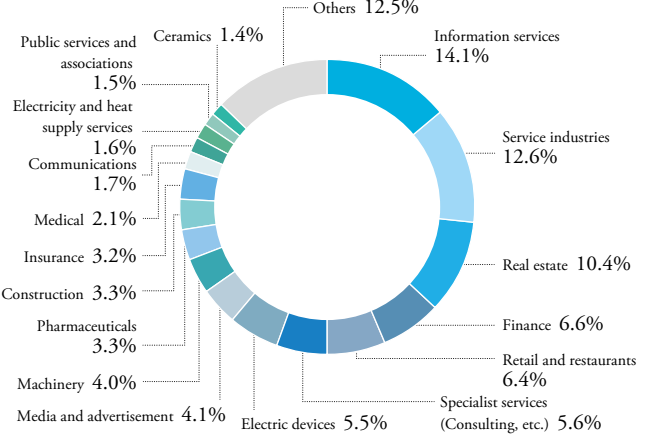
(Percentage based on acquisition price)



Note: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shibuya-ku

Tenants by industry type

(Percentage based on leased office area)



Note: GRAND FRONT OSAKA is excluded

Approach to ESG

Sustainability Policy

Japan Real Estate Asset Management Co., Ltd. (JRE-AM), which manages the Company’s assets, believes that asset management focused on ESG is essential to the sustainable improvement of asset value.

The Sustainability Management Department is driving the Company’s ESG initiatives in accordance with its Sustainability Policy. Such initiatives include the enhancement of the disclosure of the Company’s ESG-related information, the acquisition of environmental certifications and evaluations from external organizations, participation in international initiatives, and other efforts.

We disclose ESG-related information on our Company website in a timely manner.

We refer to GRI (Global Reporting Initiative) standards and the SASB (Sustainability Accounting Standards Board) Real Estate Standard for the disclosure of a wide range of ESG information on our website.

Please refer to our ESG website for further information.

<https://jre-esg.com/en/esg/information.html>

GRI STANDARDS Content Index

https://jre-esg.com/en/pdf/sustainability_report2025.pdf#page=31

SASB Framework

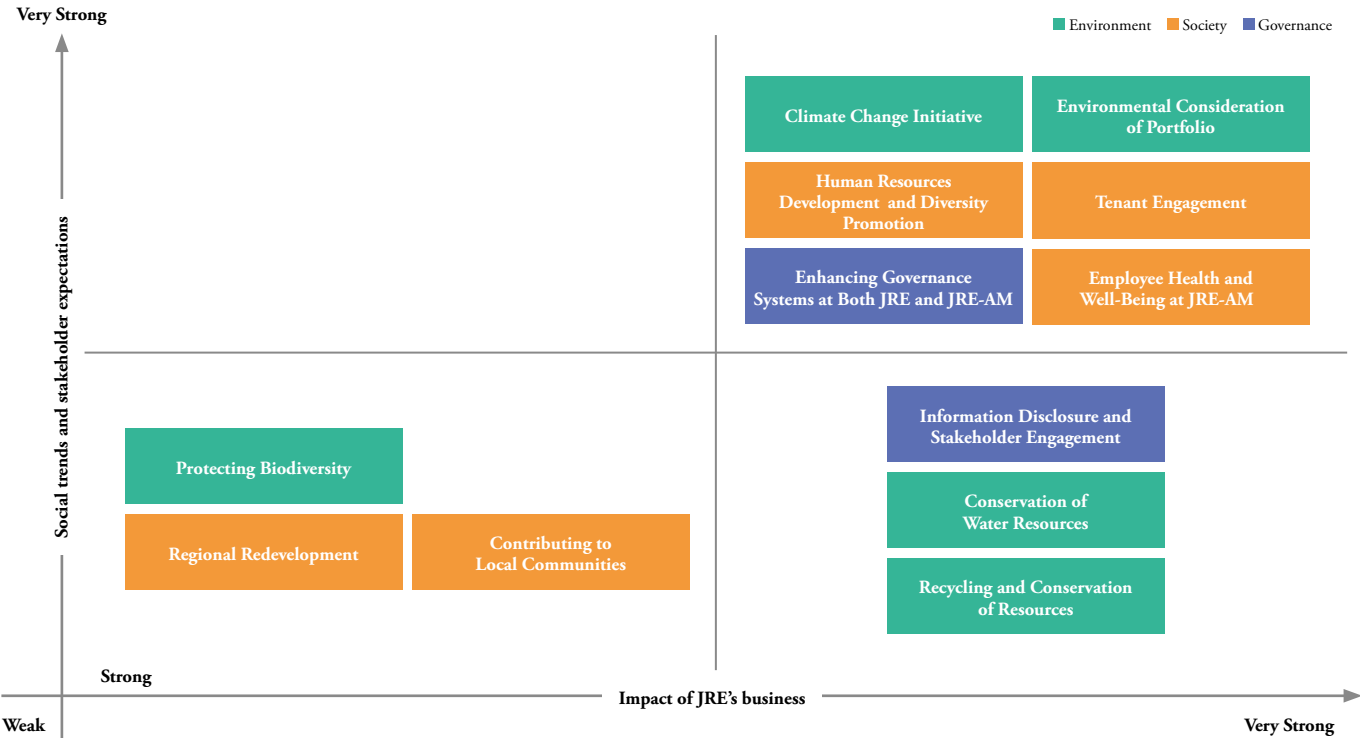
https://jre-esg.com/en/pdf/sustainability_report2025.pdf#page=37

Sustainability Policy

- Climate change initiative (promoting decarbonization and strengthening resilience)
- Contribution to resource conservation including water and resource recycling
- Contribution to conserving biodiversity and ecosystem
- Enhancement of tenants’ health and well-being, and safety
- Creating a workplace where a diverse workforce can thrive
- Enhancement of governance systems
- Stakeholder engagement through information disclosure and ESG evaluations

Materiality

Based on the Sustainability Policy, JRE and JRE-AM have determined materiality in order to achieve a sustainable society under our corporate social responsibility, recognizing the importance of consideration for ESG. We will annually disclose the progress of KPIs linked to each objective and work towards contributing to the Sustainable Development Goals (SDGs) as well as achieving medium- to long-term growth of JRE through our responses to materiality.



For more information, please visit “Materiality” on our ESG website.

<https://jre-esg.com/en/esg/policy.html#anchor02>

International Initiatives

In 2018, JRE-AM became a signatory to the following international initiatives:

WE SUPPORT

UN GLOBAL COMPACT

Became Signatory in April 2018

United Nations Global Compact (UNGC)

Mitsubishi Estate Co., Ltd., JRE-AM’s parent company, became a signatory to the UNGC. Accordingly, JRE-AM has participated in this initiative as a member of the Mitsubishi Estate Group.

Signatory of:

PRI

PRINCIPLES FOR RESPONSIBLE INVESTMENT

Became Signatory in August 2018

Principles for Responsible Investment (PRI)

JRE-AM agreed with the basic approach of PRI and became a signatory in August 2018.

External Evaluations and Certifications

GRESB

REAL ESTATE

★★★★★ 2025

Commitment to GRESB

Received the highest evaluations in both GRESB Real Estate Assessment and GRESB Public Disclosure in the 2025 GRESB results, as shown on the right

GRESB Real Estate	5 Stars ★★★★★	Highest rating 7th time
	Green Star	10th Consecutive year
GRESB Public Disclosure	A Level	Highest rating

Climate

CDP

A List 2025

Participation in the CDP Climate Change Program

Received the highest score of “A,” securing a place on its annual “A List” in the 2025 CDP Climate Change Program

Received the highest score of “A” in the 2025 CDP Supplier Engagement Assessment

Corporate ESG Performance

RATED BY ISS ESG

Prime

Awarded “Prime” Status in the ISS ESG Corporate Rating

Awarded “Prime” status in the ISS’s sustainability rating in March 2024

DBJ Green Building

Green Building-Certified Properties in Our Portfolio

We are focusing on improving the sustainability of the Company’s entire portfolio. As of the end of March 2026, 97.2%* of the Company’s portfolio is green certified. Going forward, the Company will continue to acquire environmental certifications and evaluations, such as the DBJ Green Building and CASBEE Certification.

* On a gross floor area of owned building basis

Please refer to our ESG website for further information.

<https://jre-esg.com/en/external/>

Year	Percentage
2019/3	73.6%
2024/9	89.0%
2025/3	92.2%
2025/9	94.9%
2026/3	97.2%

Environment

SBTi Approval and Joining RE100

JRE's CO₂ emissions reduction targets were approved by the Science Based Targets initiative (SBTi) and JRE became the first J-REIT to join RE100 in May 2022.

Target year	CO ₂ emissions reduction target		Renewable energy rate
FY2030	Near-term Approved	80% reduction* (vs FY2019)	90%
FY2050	Net-zero Approved	Net zero	100%

* The reduction targets are more ambitious than those required by SBTi.

For more information, please visit “Environmental Performance” and “Initiatives” on our ESG website.

<https://jre-esg.com/en/environment/environment.html>

Acquisition of ZEB Certification

JRE aims to own 5-10 ZEBs by FY2030. In collaboration with Mitsubishi Jisho Design Inc., we obtained ZEB certification for an additional 2 properties during the fiscal year ended March 2026. Including the ZEB certification held by the Sapporo Arch Building acquired during the same fiscal year, we own a total of 8 ZEB-certified properties as of the end of March 2026. We will continue to pursue the possibility of realizing ZEBs through renovations of existing properties, while maintaining the achievement of KPIs for FY2030.

For more information, please visit “External Evaluations and Certifications” and “Climate Change Initiatives” on our ESG website.

<https://jre-esg.com/en/external/>

<https://jre-esg.com/en/environment/climate.html>

Properties newly certified as ZEB

JRE Ginza 1chome East Building



ZEB Ready



JRE Higashi Nibancho Square

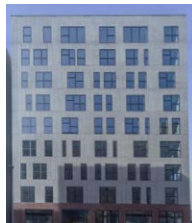


ZEB Oriented



Acquired property

Sapporo Arch Building



ZEB Ready



RE100

For Communities

Urban Revitalization / Urban Redevelopment Project

GRAND FRONT OSAKA, which JRE acquired in October 2021, has built a “Knowledge Capital” where knowledge is created. A “Knowledge Office Space,” consisting of a knowledge work space (for researchers, creators, business owners) and educational functions and a “Future Life Showroom” exhibiting a new lifestyle delivered by the fusion of advanced technologies and sensibilities are represented. The “Knowledge Plaza” located at the center of the North Wing is a symbol of the “town.” Events and presentations linked to the Knowledge Capital are held here, bringing even more life and vitality to exchanges between people in the city.

Supporting Cultural and Artistic Activities

Tokyo Opera City has two museums, six theatres/halls, and an art gallery.

It includes a concert hall with a wooden interior and one of the world's best acoustic systems as well as the New National Theatre, where operas, plays, modern dances, dramas, and other contemporary performing arts are performed for the public.

We support the Tokyo Opera City Cultural Foundation, which plans and organizes the musical performances and art exhibitions that take place at the Concert Hall, the Recital Hall, and the Art Gallery of Tokyo Opera City.

Please refer to our website for further information.

<https://jre-esg.com/en/society/society.html>



For Employees

Learning and Development for All Employees

Based on the idea that all employees should be professionals with a high degree of specialization, JRE-AM encourages all our employees, i.e., permanent employees, contract employees, and seconded employees, to participate in a variety of training programs.

Examples of training programs by external lecturers in FY2025
(22 programs were conducted in total):

- CASE 1 Internal Audit Training (June 2025)
- CASE 2 Compliance training for those engaged in investment management business (July 2025)
- CASE 3 Anti-Money Laundering Training (October 2025)
- CASE 4 Sustainability Training (November 2025, January 2026)
- CASE 5 Anti-Harassment Training (February 2026)

For more details on the personnel development system, please refer to the following websites.

<https://www.j-re-a.co.jp/en/employee/index.html>
Mitsubishi Estate: <https://mec.disclosure.site/en/sustainability/activities/social/human-resource/>

Developing Connections Among Employees—JRE-AM's Communication Measures

In recent years, JRE-AM's human resources, comprising people from different generations and backgrounds, have become increasingly diverse as the number of employees has grown. In such an environment, smooth communication across divisions and job roles is taking on greater importance. With this in mind, in 2024 JRE-AM established the Communication Promotion Office to strengthen connections among employees.

We have adopted a mentor system as our main measure, with experienced employees from different departments supporting new employees. The mentor system helps new employees become settled in the workplace while enhancing the development capabilities of the mentors. We also encourage natural communication and cross-divisional interactions among employees by holding Companywide events with refreshments available.

We believe that these initiatives serve to both strengthen mutual understanding among employees and help create employee-friendly workplaces, improving work quality.

Please refer to our website for further information.

<https://www.j-re-a.co.jp/en/employee/index.html>

Governance

Our basic policy as an investment corporation and asset management company is not only to comply with laws and regulations, but to meet social demands as well. Taking care to have each employee perform their duties with high ethical standards and strict self-discipline raises our reputation among investors and garners the trust of the greater society.

Risk Management

In order to gain an understanding of risk inherent in operations and manage them in appropriate fashion, JRE-AM has formulated a Basic Risk Management Policy, Risk Management Regulations, and Risk Management Rules, and has established the Risk Management Department, which handles risk management for JRE and reports the status of risk management for JRE to the Board of Directors.

Basic Risk Management Policy

This policy defines JRE's basic policy regarding risk management. This policy stipulates: 1) the classification and definition of risks and management in line with the characteristics of each risk; 2) risk identification, assessment, and analysis; 3) activities to mitigate risks based on assessment and the means to monitor these activities; and 4) implementation of measures when risks become apparent. This policy also lays out provisions for an organizational structure regarding risk management and for reporting to the Board of Directors.

For more details on risk management, please refer to our Sustainability Report 2025.

https://jre-esg.com/en/pdf/sustainability_report2025.pdf#page=27

Basic Principle of Compliance for the Investment Corporation (JRE)

JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regard to the business operation as well as to respond to the requirements from society. This means that the investment corporation administers and oversees the outsourcing companies from the same standpoint, while complying with legal and other relevant norms in its decision-making.

Basic Principle of Compliance for the Asset Management Company (JRE-AM)

- Ensuring thorough compliance is one of its top priority issues, since JRE-AM understands that any insufficiency in compliance would affect even its management base.
- As an asset management company, JRE-AM recognizes that it bears the responsibility for realizing the values that are required by society in its business operation, and makes proactive and continuous efforts for full compliance to enhance the value of its business operation both qualitatively and quantitatively.
- JRE-AM is determined to achieve a reputation for quality among its investors by promoting compliance activities, and thereby gains the trust of a wide spectrum of society.

For more information on our environmental, social, and governance initiatives, please visit our ESG website or see our Sustainability Report 2025.

ESG website

<https://jre-esg.com/en/>

Sustainability Report 2025

https://jre-esg.com/en/pdf/sustainability_report2025.pdf

Social

For Tenants and Partners

Sustainability Guide to Promote Owner and Tenant Collaboration

JRE has created a Sustainability Guide and distributed it to its tenants, aiming to promote close collaboration. This Sustainability Guide introduces activities that we can do in the office, mainly from the viewpoints of the “environment” and “tenant well-being.”

We will team up with our tenants and endeavor to co-create a sustainable society.

Feedback on Sustainability to PMs

JRE conducts surveys for PMs for all properties in the portfolio based on GRESB-related questions, a global real estate sustainability certification. Based on the survey results, we analyze sustainability efforts at each asset level.



Sustainability Guide
(available only in Japanese)

As for the survey results and each property's sustainability efforts, we provide PM companies with opportunities to provide feedback.

We believe that property managers who are connected with tenants and visitors to each building will improve the level of sustainability of our entire portfolio by raising their sustainability-related knowledge and awareness.

Raising ESG Awareness of Our Stakeholders

JRE offers ESG seminars for our business partners, master lessees, and property managers, among others, for the purpose of raising stakeholder awareness. We invite ESG experts from outside the Company to cover global ESG trends and discuss specialized fields such as GRESB and ZEB.

We believe that raising sustainability awareness not only within JRE, but among all our stakeholders, will benefit sustainability efforts at each asset level.

For more information, please visit “Stakeholder Engagement” on our ESG website.

<https://jre-esg.com/en/society/society.html#anchor01>



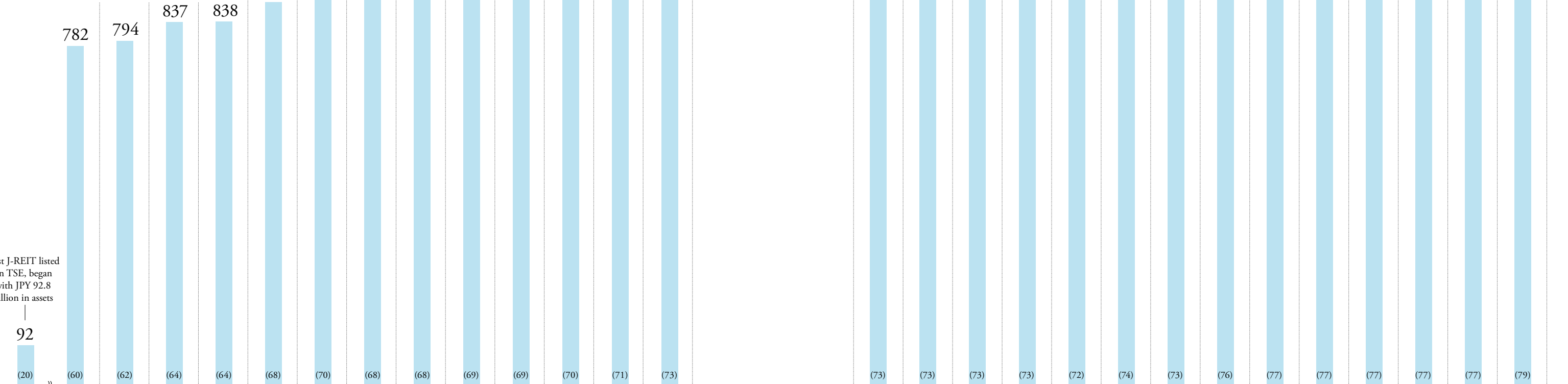
Asset Size, Property Acquisitions, and Performance Trends

Occupancy rate (%)



In September 2001, the Company became the first J-REIT in Japan listed on the Tokyo Stock Exchange. Since then, the Company has targeted stable management to fulfill its goal of maintaining or increasing dividend per unit over the medium- to long-term. The Company’s growth is based on external growth strategies that aim to increase earnings through the acquisition and transfer of properties, as well as internal growth strategies that seek to optimize earnings from properties already held. The size of the Company’s assets (total acquisition price) has grown from JPY 92.8 billion at IPO to JPY 1.19 trillion as of the period ended March 31, 2026 due to the steady achievement of external growth strategies. However, in terms of internal growth strategies, ongoing efforts are being made in such areas as maintaining stable occupancy rates and reducing building management costs.

Total acquisition price (in billions of JPY)
(Number of properties)



First J-REIT listed on TSE, began with JPY 92.8 billion in assets

Sep. 2001	Mar. 2013	Sep. 2013	Mar. 2014	Sep. 2014	Mar. 2015	Sep. 2015	Mar. 2016	Sep. 2016	Mar. 2017	Sep. 2017	Mar. 2018	Sep. 2018	Mar. 2019		Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024	Mar. 2025	Sep. 2025	Mar. 2026	
At IPO																													

Dividend per unit (Note) (JPY)	1,514	1,536	1,526	1,529	1,536	1,600	1,624	1,672	1,708	1,819	1,867	1,899	1,939		2,039	2,122	2,252	2,264	2,271	2,280	2,300	2,333	2,400	2,443	2,469	2,487	2,511	2,536	
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Listing and issuance of units

- Sep. 2001
Listed on TSE as first J-REIT
Sep. 2001
IPO
- Apr. 2014
Ninth
Follow-On
- Apr. 2015
Tenth
Follow-On
- Apr. 2018
Eleventh
Follow-On
- Apr. 2023
Twelfth
Follow-On

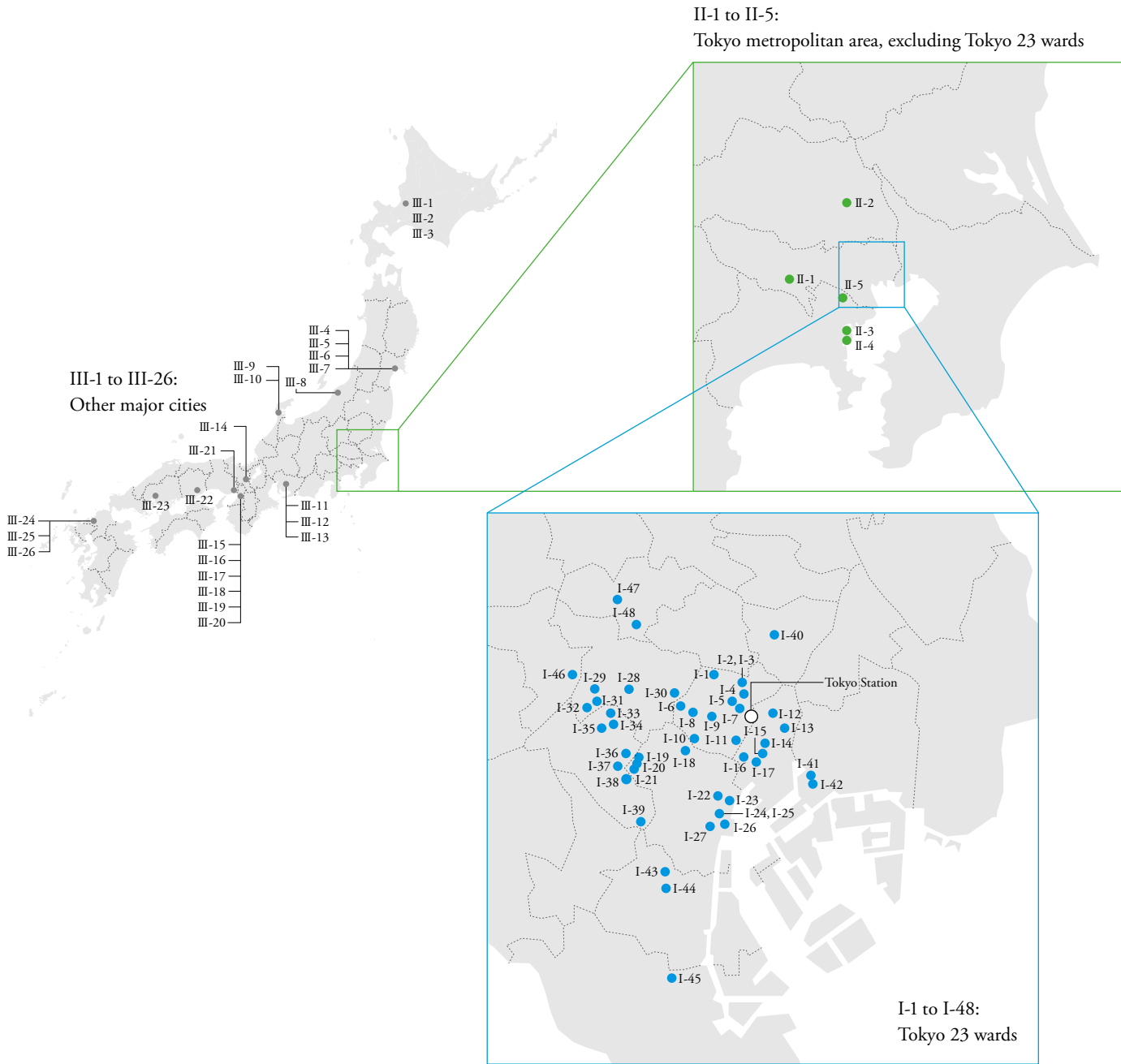
Note: JRE implemented a 2-for-1 split of each investment unit as of January 1, 2014 and a 5-for-1 split of each investment unit as of January 1, 2025. The figures for March 2012 through September 2024 periods have taken the above-mentioned splits into account.

Major Tenant Roster

Name of tenant	Name of property	Leased office area (m²)	% of total leased office area
Undisclosed	Osaki Front Tower (and 3 other properties)	22,112	2.5%
Undisclosed	Kitanomaru Square (and 3 other properties)	17,853	2.1%
SCSK Corporation	Toyosu Front (and another property)	14,176	1.6%
Undisclosed	Shinjuku Eastside Square (and another property)	11,496	1.3%
Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,598	1.2%
TOTO LTD.	Shiodome Building (and another property)	10,231	1.2%
Minato Mirai 21 District Heating and Cooling Co., Ltd.	Queen's Tower A	9,536	1.1%
Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316	1.1%
Kenedix Property Design, Inc.	Burex Kojimachi Building (and another property)	8,774	1.0%
SQUARE ENIX HOLDINGS CO., LTD.	Shinjuku Eastside Square	8,669	1.0%

Notes: 1. Undisclosed due to tenant's request
2. GRAND FRONT OSAKA is excluded

Location of Portfolio Properties



Overview of Portfolio Properties

As of March 31, 2026

Tokyo 23 wards			
	Kitanomaru Square ● I-1		JRE Kanda-Ogawamachi Building ● I-2
	Kandabashi Park Building ● I-3		
Location:	Chiyoda-ku, Tokyo	Location:	Chiyoda-ku, Tokyo
Site area:	5,821.03m²	Site area:	1,085.83m²
Floor area of building:	57,279.20m²	Floor area of building:	8,185.11m²
Ownership:	100.0%	Ownership:	100.0%
Completion:	January 2006	Completion:	February 1998
	Otemachi Financial City North Tower ● I-4		Otemachi Park Building ● I-5
Location:	Chiyoda-ku, Tokyo	Location:	Chiyoda-ku, Tokyo
Site area:	14,108.16m²	Site area:	9,338.74m²
Floor area of building:	239,769.07m²	Floor area of building:	146,611.42m²
Ownership:	4.80%	Ownership:	2.91%
Completion:	October 2012	Completion:	January 2017
	Mitsubishi UFJ Trust and Banking Building ● I-7		Burex Kojimachi Building ● I-8
Location:	Chiyoda-ku, Tokyo	Location:	Chiyoda-ku, Tokyo
Site area:	8,100.39m²	Site area:	967.67m²
Floor area of building:	108,171.67m²	Floor area of building:	6,526.64m²
Ownership:	19.38%	Ownership:	100.0%
Completion:	February 2003	Completion:	January 2005
	Sanno Grand Building ● I-10		Yurakucho Denki Building ● I-11
Location:	Chiyoda-ku, Tokyo	Location:	Chiyoda-ku, Tokyo
Site area:	3,663.93m²	Site area:	5,749.91m²
Floor area of building:	33,875.95m²	Floor area of building:	70,287.65m²
Ownership:	99.0%	Ownership:	10.78%
Completion:	September 1966	Completion:	September 1975
	JRE Kayabacho 2Chome Building ● I-13		Burex Kyobashi Building ● I-14
Location:	Chuo-ku, Tokyo	Location:	Chuo-ku, Tokyo
Site area:	754.26m²	Site area:	756.03m²
Floor area of building:	5,505.80m²	Floor area of building:	5,470.54m²
Ownership:	100.0%	Ownership:	100.0%
Completion:	April 1991	Completion:	February 2002
	JRE Ginza 1Chome East Building ● I-15		
Location:	Chuo-ku, Tokyo	Location:	Chuo-ku, Tokyo
Site area:	702.41m²	Site area:	702.41m²
Floor area of building:	4,976.85m²	Floor area of building:	4,976.85m²
Ownership:	100.0%	Ownership:	100.0%
Completion:	May 2008	Completion:	May 2008



Ginza Sanwa Building

● I-16

Location:	Chuo-ku, Tokyo
Site area:	1,119.27m ²
Floor area of building:	8,851.00m ²
Ownership:	70.95%
Completion:	October 1982



the ARGYLE aoyama

● I-19

Location:	Minato-ku, Tokyo
Site area:	2,142.24m ²
Floor area of building:	22,009.57m ²
Ownership:	50.0%
Completion:	June 2020



Clover Shiba-koen

● I-22

Location:	Minato-ku, Tokyo
Site area:	528.58m ²
Floor area of building:	3,496.01m ²
Ownership:	100.0%
Completion:	February 2006



JRE Cosmo Kanasugibashi Building

● I-25

Location:	Minato-ku, Tokyo
Site area:	758.54m ²
Floor area of building:	5,420.93m ²
Ownership:	100.0%
Completion:	March 1992



Shinjuku Eastside Square

● I-28

Location:	Shinjuku-ku, Tokyo
Site area:	25,320.28m ²
Floor area of building:	167,245.46m ²
Ownership:	39.0%
Completion:	March 2012



JRE Ginza 3Chome Building

● I-17

Location:	Chuo-ku, Tokyo
Site area:	864.91m ²
Floor area of building:	5,751.68m ²
Ownership:	100.0%
Completion:	October 1998



3rd MINAMI AOYAMA

● I-20

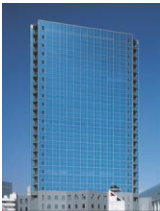
Location:	Minato-ku, Tokyo
Site area:	2,411.62m ²
Floor area of building:	14,376.28m ²
Ownership:	77.76%
Completion:	February 2023



Shiodome Building

● I-23

Location:	Minato-ku, Tokyo
Site area:	12,054.22m ²
Floor area of building:	115,930.83m ²
Ownership:	55.0%
Completion:	December 2007



Seavans S Building

● I-26

Location:	Minato-ku, Tokyo
Site area:	26,468.48m ²
Floor area of building:	166,405.36m ²
Ownership:	17.67%
Completion:	January 1991



Shinjuku Front Tower

● I-29

Location:	Shinjuku-ku, Tokyo
Site area:	9,628.17m ²
Floor area of building:	92,092.30m ²
Ownership:	37.16%
Completion:	August 2011



Akasaka Park Building

● I-18

Location:	Minato-ku, Tokyo
Site area:	14,198.20m ²
Floor area of building:	97,489.16m ²
Ownership:	66.64%
Completion:	July 1993



JRE Aoyama Crystal Building

● I-21

Location:	Minato-ku, Tokyo
Site area:	989.30m ²
Floor area of building:	8,094.36m ²
Ownership:	100.0%
Completion:	December 1982



JRE Shiba 2Chome Daimon Building

● I-24

Location:	Minato-ku, Tokyo
Site area:	2,820.90m ²
Floor area of building:	16,235.10m ²
Ownership:	100.0%
Completion:	March 1984



Tamachi Front Building

● I-27

Location:	Minato-ku, Tokyo
Site area:	747.31m ²
Floor area of building:	5,747.80m ²
Ownership:	100.0%
Completion:	July 2014



CO・MO・RE YOTSUYA

● I-30

Location:	Shinjuku-ku, Tokyo
Site area:	17,931.82m ²
Floor area of building:	131,882.54m ²
Ownership:	13.5%
Completion:	January 2020



JRE Nishi-Shinjuku Terrace

● I-31

Location:	Shinjuku-ku, Tokyo
Site area:	822.00m ²
Floor area of building:	8,291.69m ²
Ownership:	100.0%
Completion:	November 1989



Link Square Shinjuku

● I-34

Location:	Shibuya-ku, Tokyo
Site area:	3,852.34m ²
Floor area of building:	42,049.96m ²
Ownership:	37.34%
Completion:	August 2019



JRE Jingumae Media Square Building

● I-37

Location:	Shibuya-ku, Tokyo
Site area:	2,124.12m ²
Floor area of building:	9,420.42m ²
Ownership:	100.0%
Completion:	March 1998



TIXTOWER UENO

● I-40

Location:	Taito-ku, Tokyo
Site area:	2,412.80m ²
Floor area of building:	23,727.48m ²
Ownership:	94.04%
Completion:	July 2010



JRE Higashi-Gotanda 1Chome Building

● I-43

Location:	Shinagawa-ku, Tokyo
Site area:	1,539.95m ²
Floor area of building:	6,460.39m ²
Ownership:	100.0%
Completion:	July 2004



Tokyo Opera City Building

● I-32

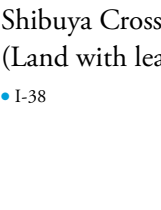
Location:	Shinjuku-ku, Tokyo
Site area:	18,236.94m ²
Floor area of building:	232,996.81m ²
Ownership:	31.33%
Completion:	July 1996



JRE Yoyogi 1Chome Building

● I-35

Location:	Shibuya-ku, Tokyo
Site area:	1,755.75m ²
Floor area of building:	10,778.10m ²
Ownership:	100.0%
Completion:	October 2003



Shibuya Cross Tower (Land with leasehold interest)

● I-38

Location:	Shibuya-ku, Tokyo
Site area:	5,153.45m ²
Floor area of building:	—
Ownership:	—
Completion:	—



Toyosu Foresia

● I-41

Location:	Koto-ku, Tokyo
Site area:	16,242.68m ²
Floor area of building:	98,176.19m ²
Ownership:	31.0%
Completion:	June 2014



Osaki Front Tower

● I-44

Location:	Shinagawa-ku, Tokyo
Site area:	3,684.38m ²
Floor area of building:	23,673.92m ²
Ownership:	100.0%
Completion:	June 2005



Front Place Minami-Shinjuku

● I-33

Location:	Shibuya-ku, Tokyo
Site area:	1,040.80m ²
Floor area of building:	5,982.36m ²
Ownership:	100.0%
Completion:	September 2015



JRE Jingumae Terrace

● I-36

Location:	Shibuya-ku, Tokyo
Site area:	839.66m ²
Floor area of building:	4,359.20m ²
Ownership:	100.0%
Completion:	December 1987



Ebisu Neonato

● I-39

Location:	Shibuya-ku, Tokyo
Site area:	5,005.70m ²
Floor area of building:	36,598.38m ²
Ownership:	44.72%
Completion:	October 1994



Toyosu Front

● I-42

Location:	Koto-ku, Tokyo
Site area:	13,700.00m ²
Floor area of building:	104,683.98m ²
Ownership:	24.0%
Completion:	August 2010



JRE Omori-Eki Higashiguchi Building

● I-45

Location:	Ota-ku, Tokyo
Site area:	2,199.30m ²
Floor area of building:	14,095.34m ²
Ownership:	100.0%
Completion:	July 1989



Harmony Tower

● I-46

Location:	Nakano-ku, Tokyo
Site area:	10,020.52m ²
Floor area of building:	72,729.31m ²
Ownership:	38.38%
Completion:	March 1997



JRE Ikebukuro 2Chome Building

● I-47

Location:	Toshima-ku, Tokyo
Site area:	397.26m ²
Floor area of building:	3,157.51m ²
Ownership:	100.0%
Completion:	May 1990

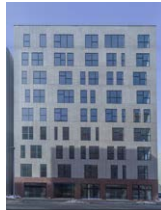


JRE Minami- Ikebukuro Building

● I-48

Location:	Toshima-ku, Tokyo
Site area:	1,384.56m ²
Floor area of building:	7,464.64m ²
Ownership:	100.0%
Completion:	December 1989

Other major cities



Sapporo Arch Building

● III-1

Location:	Sapporo, Hokkaido
Site area:	1097.19m ²
Floor area of building:	6865.64 m ²
Ownership:	100.0%
Completion:	November 2025



8-3 Square Kita Building

● III-2

Location:	Sapporo, Hokkaido
Site area:	5,541.60m ²
Floor area of building:	16,096.97m ²
Ownership:	100.0%
Completion:	December 2006



The Link Sapporo

● III-3

Location:	Sapporo, Hokkaido
Site area:	1,956.78m ²
Floor area of building:	16,841.8m ²
Ownership:	100.0%
Completion:	August 2023



Jozenji Park Building

● III-4

Location:	Sendai, Miyagi Prefecture
Site area:	1,566.68m ²
Floor area of building:	7,648.33m ²
Ownership:	50.0%
Completion:	January 1993



JRE Higashi Nibancho Square

● III-5

Location:	Sendai, Miyagi Prefecture
Site area:	3,191.27m ²
Floor area of building:	27,680.45m ²
Ownership:	100.0%
Completion:	July 2008



JRE Sendai Honcho Honma Building

● III-6

Location:	Sendai, Miyagi Prefecture
Site area:	1,437.47m ²
Floor area of building:	8,247.50m ²
Ownership:	100.0%
Completion:	November 1991



AER

● III-7

Location:	Sendai, Miyagi Prefecture
Site area:	6,591.05m ²
Floor area of building:	73,186.57m ²
Ownership:	55.35%
Completion:	March 1998



Daido Seimei Niigata Building

● III-8

Location:	Niigata, Niigata Prefecture
Site area:	875.05m ²
Floor area of building:	5,327.23m ²
Ownership:	100.0%
Completion:	October 1998



Kanazawa Park Building

● III-9

Location:	Kanazawa, Ishikawa Prefecture
Site area:	6,642.71m ²
Floor area of building:	43,481.20m ²
Ownership:	89.0%
Completion:	October 1991

Tokyo metropolitan area, excluding Tokyo 23 wards



Hachioji First Square

● II-1

Location:	Hachioji, Tokyo
Site area:	2,989.33m ²
Floor area of building:	18,329.98m ²
Ownership:	84.40%
Completion:	July 1996



JRE Saitama Urawa Building

● II-2

Location:	Saitama, Saitama Prefecture
Site area:	1,533.06m ²
Floor area of building:	6,258.59m ²
Ownership:	100.0%
Completion:	March 1990



MM Park Building

● II-3

Location:	Yokohama, Kanagawa Prefecture
Site area:	6,825.77m ²
Floor area of building:	49,037.51m ²
Ownership:	100.0%
Completion:	December 2007



JRE Kanazawa Kamitsutsumicho Building

● III-10

Location:	Kanazawa, Ishikawa Prefecture
Site area:	1,561.80m ²
Floor area of building:	9,619.96m ²
Ownership:	100.0%
Completion:	August 2009



Nishiki Park Building

● III-11

Location:	Nagoya, Aichi Prefecture
Site area:	2,170.45m ²
Floor area of building:	25,091.91m ²
Ownership:	71.74%
Completion:	August 1995



JRE Nagoya Hirokoji Place

● III-12

Location:	Nagoya, Aichi Prefecture
Site area:	2,401.43m ²
Floor area of building:	15,947.29m ²
Ownership:	100.0%
Completion:	December 2004



Queen's Tower A

● II-4

Location:	Yokohama, Kanagawa Prefecture
Site area:	44,406.40m ²
Floor area of building:	498,282.77m ²
Ownership:	11.11%
Completion:	June 1997



Musashi Kosugi STM Building

● II-5

Location:	Kawasaki, Kanagawa Prefecture
Site area:	3,552.15m ²
Floor area of building:	22,839.61m ²
Ownership:	34.32%
Completion:	October 1990



Nagoya Hirokoji Building

● III-13

Location:	Nagoya, Aichi Prefecture
Site area:	4,095.81m ²
Floor area of building:	33,377.73m ²
Ownership:	100.0%
Completion:	May 1987



JRE Shijo Karasuma Center Building

● III-14

Location:	Kyoto, Kyoto Prefecture
Site area:	1,371.16m ²
Floor area of building:	9,185.98m ²
Ownership:	100.0%
Completion:	January 2010



GRAND FRONT OSAKA (North Building)

● III-15

Location:	Osaka, Osaka Prefecture
Site area:	22,680.03m ²
Floor area of building:	290,030.59m ²
Ownership:	4.9%
Completion:	February 2013



GRAND FRONT OSAKA (Umekita Plaza and South Building)

● III-16

Location:	Osaka, Osaka Prefecture
Site area:	20,488.08m ²
Floor area of building:	10,226.10m ² (Umekita Plaza)/181,371.39m ² (South)
Ownership:	4.9%
Completion:	February 2013 (Umekita Plaza)/March 2013 (South)



JRE Sakaisujihonmachi Square

● III-19

Location:	Osaka, Osaka Prefecture
Site area:	1,666.60m ²
Floor area of building:	16,392.93m ²
Ownership:	100.0%
Completion:	July 2009



Lit City Building

● III-22

Location:	Okayama, Okayama Prefecture
Site area:	7,596.44m ²
Floor area of building:	52,653.19m ²
Ownership:	24.60%
Completion:	June 2005



JRE Tenjin Crystal Building

● III-25

Location:	Fukuoka, Fukuoka Prefecture
Site area:	1,835.17m ²
Floor area of building:	10,432.04m ²
Ownership:	50.0%
Completion:	August 1993



JRE Umeda Square Building

● III-17

Location:	Osaka, Osaka Prefecture
Site area:	1,652.88m ²
Floor area of building:	18,673.28m ²
Ownership:	100.0%
Completion:	July 1995



JRE Midosuji Daiwa Building

● III-20

Location:	Osaka, Osaka Prefecture
Site area:	3,044.65m ²
Floor area of building:	31,213.27m ²
Ownership:	100.0%
Completion:	September 1991



NHK Hiroshima Broadcasting Center Building

● III-23

Location:	Hiroshima, Hiroshima Prefecture
Site area:	3,296.46m ²
Floor area of building:	35,217.28m ²
Ownership:	48.75%
Completion:	August 1994



Hinode Tenjin Building

● III-26

Location:	Fukuoka, Fukuoka Prefecture
Site area:	1,452.15m ²
Floor area of building:	12,527.07m ²
Ownership:	74.48%
Completion:	August 1987



JRE Sakaisujihonmachi Building

● III-18

Location:	Osaka, Osaka Prefecture
Site area:	2,036.22m ²
Floor area of building:	17,145.59m ²
Ownership:	100.0%
Completion:	October 1992



JRE Amagasaki Front Building

● III-21

Location:	Amagasaki, Hyogo Prefecture
Site area:	3,975.20m ²
Floor area of building:	24,055.58m ²
Ownership:	100.0%
Completion:	October 2008



JRE Tenjin 3Chome Building

● III-24

Location:	Fukuoka, Fukuoka Prefecture
Site area:	1,221.31m ²
Floor area of building:	5,588.57m ²
Ownership:	100.0%
Completion:	March 1992

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Selected Financial Data

	Millions of yen				
	For the period from October 1, 2025 to March 31, 2026	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2024 to March 31, 2025	For the period from April 1, 2024 to September 30, 2024	For the period from October 1, 2023 to March 31, 2024
Operating revenues	42,443	41,093	42,908	42,581	41,414
Operating expenses	21,849	21,795	22,118	21,940	21,096
Operating profit	20,594	19,297	20,789	20,640	20,317
Ordinary profit	18,926	17,784	19,657	19,523	19,311
Profit before income taxes	18,926	17,784	19,657	19,523	19,311
Profit	18,605	17,805	18,863	18,840	18,636
Total assets	1,122,234	1,076,614	1,090,587	1,069,551	1,090,912
Interest-bearing debt	503,193	461,193	474,693	457,893	480,193
Net assets	543,570	542,828	542,716	541,423	539,965
Unitholders' capital	516,736	516,736	516,736	516,736	516,736
Number of units (Units)	7,114,320	7,114,320	7,114,320	1,422,864	1,422,864
Net assets per unit (Yen) (Note 1)	76,405	76,300	76,285	380,516	379,491
Cash distribution	18,041	17,864	17,693	17,570	17,381
Dividend payout ratio (Note 2)	97.0%	100.3%	93.8%	93.3%	93.3%
Dividend per unit (Yen)	2,536	2,511	2,487	12,349	12,216
Net operating income (NOI)	23,808	23,895	22,976	22,640	22,629
Funds from operations (FFO)	19,288	20,105	18,403	18,281	18,457
Return on assets (ROA) (Note 3)	1.7%	1.6%	1.8%	1.8%	1.8%
	(3.5% annualized)	(3.3% annualized)	(3.7% annualized)	(3.6% annualized)	(3.6% annualized)
Return on equity (ROE) (Note 4)	3.4%	3.3%	3.5%	3.5%	3.5%
	(6.9% annualized)	(6.5% annualized)	(7.0% annualized)	(6.9% annualized)	(6.9% annualized)
EOP equity ratio (Note 5)	48.4%	50.4%	49.8%	50.6%	49.5%
EOP interest-bearing debt ratio on total assets (Note 6)	44.8%	42.8%	43.5%	42.8%	44.0%
FFO multiple (Times)	21.4	22.1	20.7	22.3	20.8
Debt service coverage ratio (Times) (Note 7)	16.2	16.9	22.1	24.5	27.4

Notes: 1. The Company conducted a 5-for-1 split of its investment units with December 31, 2024 as the record date and January 1, 2025 as the effective date.

Net assets per unit are calculated based on the assumption that the unit split was conducted at the beginning of the fiscal period ended March 31, 2025.

2.Dividend payout ratio = Dividend per unit / Profit per unit × 100

3.ROA = Ordinary profit / Average of Total assets during the period × 100

4.ROE = Profit / Average of Net assets during the period × 100

(Annualized portion of the calculation given in Note 3 and Note 4 assumes a fiscal period of 183 days for the period ended March 31, 2024, 183 days for the period ended September 30, 2024, 182 days for the period ended March 31, 2025, 183 days for the period ended September 30, 2025, and 182 days for the period ended March 31, 2026)

5.EOP equity ratio = (Net assets at the end of period / Total assets at the end of period) × 100

6.EOP interest-bearing debt ratio on total assets = (Interest-bearing debt at the end of period / Total assets at the end of period) × 100

7.Debt service coverage ratio = Profit before Interest, Taxes, Depreciation and Amortization / Interest expenses

Note: Concerning real estate or trust beneficiary rights of real estate of which the Company is a partial owner through co-ownership, or compartmentalized building units, or quasi-co-ownership, the figures for “Site area” and “Floor area of building” represent total site area and total floor area for the entire building.

Balance Sheets

As of September 30, 2025 and March 31, 2026

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
ASSETS		
Current assets		
Cash and deposits	21,967,274	25,533,589
Cash and deposits in trust	7,501,494	7,327,693
Operating accounts receivable	661,865	859,257
Prepaid expenses	246,329	250,649
Consumption taxes refund receivable	—	652,307
Other	325,987	269,157
Total current assets	30,702,952	34,892,654
Non-current assets		
Property, plant and equipment		
Buildings	250,482,186	250,864,526
Accumulated depreciation	(121,519,997)	(122,401,727)
Buildings, net	128,962,188	128,462,798
Structures	2,654,553	2,616,447
Accumulated depreciation	(1,185,241)	(1,192,498)
Structures, net	1,469,311	1,423,949
Machinery and equipment	3,570,775	3,497,237
Accumulated depreciation	(2,626,209)	(2,588,266)
Machinery and equipment, net	944,566	908,970
Tools, furniture and fixtures	496,340	518,052
Accumulated depreciation	(359,799)	(370,411)
Tools, furniture and fixtures, net	136,541	147,641
Land	450,155,190	450,380,804
Construction in progress	252,675	404,155
Buildings in trust	138,323,197	150,465,923
Accumulated depreciation	(54,346,707)	(56,458,610)
Buildings in trust, net	83,976,490	94,007,313
Structures in trust	1,517,826	1,484,357
Accumulated depreciation	(774,455)	(776,926)
Structures in trust, net	743,370	707,431
Machinery and equipment in trust	1,011,358	1,213,358
Accumulated depreciation	(699,527)	(750,388)
Machinery and equipment in trust, net	311,831	462,970
Tools, furniture and fixtures in trust	257,147	235,932
Accumulated depreciation	(147,106)	(139,860)
Tools, furniture and fixtures in trust, net	110,040	96,072
Land in trust	365,137,449	396,066,622
Construction in progress in trust	13,238	36,752
Total property, plant and equipment	1,032,212,894	1,073,105,482
Intangible assets		
Land leasehold interests	8,654,714	8,638,884
Easement	826,648	826,648
Other	3,722	4,797
Total intangible assets	9,485,086	9,470,330
Investments and other assets		
Investment securities	660,468	660,468
Leasehold and guarantee deposits	1,580,934	1,580,934
Long-term prepaid expenses	92,765	545,132
Other	1,869,966	1,972,322
Total investments and other assets	4,204,135	4,758,856
Total non-current assets	1,045,902,115	1,087,334,669
Deferred assets		
Investment corporation bond issuance costs	9,713	6,727
Total deferred assets	9,713	6,727
Total Assets	1,076,614,782	1,122,234,052

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
LIABILITIES		
Current liabilities		
Operating accounts payable	4,343,571	5,121,784
Short-term borrowings	35,000,000	50,000,000
Current portion of investment corporation bonds	10,000,000	10,000,000
Current portion of long-term borrowings	36,700,000	28,700,000
Accounts payable - other	2,318,048	2,729,716
Accrued expenses	479,259	662,579
Income taxes payable	3,728	5,942
Accrued consumption taxes	1,261,108	—
Advances received	2,915,837	3,116,606
Other	4,742	4,638
Total current liabilities	93,026,295	100,341,268
Non-current liabilities		
Investment corporation bonds	12,993,175	2,993,175
Long-term borrowings	366,500,000	411,500,000
Deposits received from tenants	56,380,060	58,629,346
Deferred tax liabilities	4,493,062	4,802,418
Asset retirement obligations	393,583	397,548
Total non-current liabilities	440,759,880	478,322,488
Total Liabilities	533,786,175	578,663,757
NET ASSETS		
Unitholders' equity		
Unitholders' capital	516,736,574	516,736,574
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	8,248,601	8,190,161
Total voluntary retained earnings	8,248,601	8,190,161
Unappropriated retained earnings	17,843,430	18,643,558
Total surplus	26,092,031	26,833,720
Total unitholders' equity	542,828,606	543,570,294
Total Net Assets	542,828,606	543,570,294
Total Liabilities and Net Assets	1,076,614,782	1,122,234,052

Statements of Income and Retained Earnings

For the six months ended September 30, 2025 and March 31, 2026

	Thousands of yen	
	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
Operating revenues		
Rent revenues	36,568,685	36,743,295
Other lease business revenues	628,534	73,833
Gain on sales of real estate properties	3,895,925	5,626,833
Total operating revenues	41,093,145	42,443,962
Operating expenses		
Expenses related to lease business	19,497,677	19,317,966
Asset management fees	1,856,708	2,047,152
Asset custody fees	48,740	48,254
Administrative service fees	144,889	143,908
Directors' compensations	7,800	7,800
Commission expenses	122,143	146,890
Other operating expenses	117,471	137,293
Total operating expenses	21,795,432	21,849,266
Operating profit	19,297,713	20,594,696
Non-operating income		
Interest income	35,517	34,769
Dividend income	10,291	—
Reversal of distributions payable	1,354	1,174
Subsidy income	—	7,964
Contribution received for construction	—	7,430
Other	2,670	89
Total non-operating income	49,834	51,428
Non-operating expenses		
Interest expenses	1,350,341	1,637,825
Interest expenses on investment corporation bonds	159,201	25,337
Amortization of investment corporation bond issuance costs	7,385	2,986
Other	45,824	53,643
Total non-operating expenses	1,562,752	1,719,793
Ordinary profit	17,784,795	18,926,331
Profit before income taxes	17,784,795	18,926,331
Income taxes – current	11,246	11,229
Income taxes – deferred	(32,068)	309,356
Total income taxes	(20,821)	320,585
Profit	17,805,617	18,605,745
Retained earnings brought forward	37,812	37,812
Unappropriated retained earnings	17,843,430	18,643,558

Statements of Changes in Unitholders' Equity

For the six months ended September 30, 2025 and March 31, 2026

For the period from April 1, 2025 to September 30, 2025

	Thousands of yen						
	Unitholders' equity						
	Unitholders' capital	Surplus				Total unitholders' equity	Total net assets
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	516,736,574	7,078,369	7,078,369	18,901,358	25,979,728	542,716,302	542,716,302
Changes during the period							
Provision of reserve for tax purpose reduction entry		1,170,232	1,170,232	(1,170,232)	—	—	—
Dividends of surplus				(17,693,313)	(17,693,313)	(17,693,313)	(17,693,313)
Profit				17,805,617	17,805,617	17,805,617	17,805,617
Total changes during the period	—	1,170,232	1,170,232	(1,057,928)	112,303	112,303	112,303
Balance at end of the period	516,736,574	8,248,601	8,248,601	17,843,430	26,092,031	542,828,606	542,828,606

For the period from October 1, 2025 to March 31, 2026

	Thousands of yen						
	Unitholders' equity						
	Surplus						
	Unitholders' capital	Voluntary retained earnings		Unappropriated retained earnings	Total surplus	Total unitholders' equity	Total net assets
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	516,736,574	8,248,601	8,248,601	17,843,430	26,092,031	542,828,606	542,828,606
Changes during the period							
Reversal of reserve for tax purpose reduction entry		(58,440)	(58,440)	58,440	—	—	—
Dividends of surplus				(17,864,057)	(17,864,057)	(17,864,057)	(17,864,057)
Profit				18,605,745	18,605,745	18,605,745	18,605,745
Total changes during the period	—	(58,440)	(58,440)	800,128	741,688	741,688	741,688
Balance at end of the period	516,736,574	8,190,161	8,190,161	18,643,558	26,833,720	543,570,294	543,570,294

Statements of Cash Distributions

For the six months ended September 30, 2025 and March 31, 2026

	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
	Amount (Yen)	Amount (Yen)
I Retained earnings	17,843,430,342	18,643,558,671
II Reversal of voluntary retained earnings		
Reversal of reserve for tax purpose reduction entry	58,440,077	—
III Cash distribution	17,864,057,520	18,041,915,520
(Dividend per investment unit)	(2,511)	(2,536)
IV Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	—	563,830,252
V Retained earnings brought forward	37,812,899	37,812,899

Computation Method for Determining Dividends	The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the Company has decided that the total amount of dividends, by adding the reversal of reserve for reduction entry to the unappropriated retained earnings for the period and also securing retained earnings brought forward, is 17,864,057,520 yen for the September 2025 period, which is a multiple of 7,114,320 — the number of units outstanding as of September 30, 2025. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.	The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the Company has decided that the total amount of dividends, under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Act on Special Measures Concerning Taxation, making reduction entries, and securing retained earnings brought forward, is 18,041,915,520 yen for the March 2026 period, which is a multiple of 7,114,320 — the number of units outstanding as of March 31, 2026. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.
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Statements of Cash Flows

For the six months ended September 30, 2025 and March 31, 2026

	Thousands of yen	
	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
Cash flows from operating activities		
Profit before income taxes	17,784,795	18,926,331
Depreciation	6,196,504	6,309,994
Gain on receipt of donated non-current assets	(660)	—
Amortization of investment corporation bond issuance costs	7,385	2,986
Dividend income	(10,291)	—
Interest income	(35,517)	(34,769)
Interest expenses	1,509,542	1,663,162
Decrease (increase) in operating accounts receivable	(215,262)	(138,611)
Decrease (increase) in consumption taxes refund receivable	87,863	(652,307)
Decrease (increase) in prepaid expenses	(112,590)	(4,320)
Decrease in property, plant and equipment in trust due to sale	9,399,226	11,001,862
Decrease in intangible assets in trust due to sale	37	31
Increase (decrease) in operating accounts payable	(49,442)	(172,591)
Increase (decrease) in accounts payable - other	(431,416)	339,629
Increase (decrease) in accrued consumption taxes	1,261,108	(1,261,108)
Increase (decrease) in accrued expenses	(131)	131
Increase (decrease) in advances received	(119,230)	200,769
Decrease (increase) in long-term prepaid expenses	13,276	(452,366)
Other, net	(160,136)	(74,268)
Subtotal	35,125,060	35,654,558
Interest and dividends received	45,809	34,769
Interest paid	(1,497,052)	(1,479,973)
Income taxes paid	(15,864)	(9,015)
Net cash provided by (used in) operating activities	33,657,952	34,200,338
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,004,511)	(5,638,218)
Purchase of property, plant and equipment in trust	(1,730,243)	(51,522,114)
Purchase of intangible assets	—	(1,948)
Payments of leasehold and guarantee deposits	(27,380)	—
Refund of leasehold and guarantee deposits received	(2,511,529)	(1,894,573)
Proceeds from leasehold and guarantee deposits received	2,497,774	4,111,188
Net cash provided by (used in) investing activities	(5,775,889)	(54,945,666)
Cash flows from financing activities		
Proceeds from short-term borrowings	44,000,000	56,000,000
Repayments of short-term borrowings	(33,000,000)	(41,000,000)
Proceeds from long-term borrowings	14,000,000	61,000,000
Repayments of long-term borrowings	(28,500,000)	(24,000,000)
Redemption of investment corporation bonds	(10,000,000)	(10,000,000)
Distributions paid	(17,690,705)	(17,862,158)
Net cash provided by (used in) financing activities	(31,190,705)	24,137,841
Net increase (decrease) in cash and cash equivalents	(3,308,641)	3,392,513
Cash and cash equivalents at beginning of the period	32,777,411	29,468,769
Cash and cash equivalents at end of the period	29,468,769	32,861,283

Notes to Financial Statements

September 30, 2025 and March 31, 2026

1. Organization and Basis of Presentation

Organization

Japan Real Estate Investment Corporation (the “Company”) is a real estate investment corporation formed to own and invest primarily in a portfolio of office properties. The Company is externally managed by a licensed asset management company, Japan Real Estate Asset Management Co., Ltd. (“JRE-AM”). JRE-AM is a wholly-owned subsidiary of Mitsubishi Estate Co., Ltd. (“MEC”).

On May 11, 2001, the Company was incorporated with 200 million yen of original capital contribution by MEC, Tokio Marine & Nichido Fire Insurance Co., Ltd., and The Dai-ichi Life Insurance Company, Limited under the ITA.

On September 10, 2001, the Company commenced operations when the Company was listed on the Tokyo Stock Exchange as one of the first real estate investment corporations in Japan (“J-REITs”). The Company issued 160,000 units at a price of 506,625 yen per unit, generating gross proceeds of 81,060 million yen.

As of March 31, 2026, the Company owned a portfolio of 79 office properties with an aggregate of approximately 891,744 m² of leas-able space.

Basis of presenting financial statements

The Company maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the ITA, the Japanese Financial Instruments and Exchange Law and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”).

The accompanying financial statements are a translation of the audited financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include information that might not be required under Japanese GAAP but is presented herein as additional information.

As permitted under the Japanese Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

Investment securities

Non-marketable securities, which have no market prices, classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

Property and equipment, depreciation and impairment (except for leased assets)

Property and equipment is stated at cost, less accumulated depreciation. The cost of land, buildings and building improvements includes the purchase price of property and acquisition costs. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

Buildings	2 – 61 years
Structures	2 – 75 years
Machinery and equipment	2 – 18 years
Tools, furniture and fixtures	2 – 29 years

Expenditures for repairing expenses are charged to income as incurred. Significant renewals and betterments are capitalized.

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. According to the standard set by the Accounting Standards Board of Japan (“ASBJ”), companies are required to recognize an impairment loss in their statements of income if certain indicators of asset impairment exist and the book value of

an asset exceeds the undiscounted sum of future cash flows of the asset. The standard states that impairment losses should be measured as the excess of the book value over the higher of (i) the fair market value of the asset, net of disposition costs, and (ii) the present value of future cash flows arising from ongoing utilization of the asset and from disposal after asset use. The standard covers land, factories, build-ings and other forms of property, plant and equipment as well as intangible assets. Fixed assets are grouped at the lowest level for which there is identifiable cash flows that are independent of cash flows of other groups of assets.

Intangible assets

Intangible assets primarily consist of leasehold rights and easement, which are stated at cost. Amortization of a term leasehold interest for business use is calculated by the straight-line method based on the period of agreement.

Leased assets

Leased assets under finance lease transactions that do not transfer ownership of the leased assets to the lessees are capitalized and depreci-ated by the straight-line method over the lease term with no residual value.

Long-term prepaid expenses

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

Deferred charges

Investment corporation bond issuance costs are amortized using the straight-line method over the redemption periods.

Revenue recognition

The content of main performance obligations related to revenue arising from contracts with customers of the Company and the normal timing for satisfying such performance obligations (the normal timing for recognizing revenue) are as follows:

- (i) Sales of real estate properties
The Company recognizes revenue from the sale of real estate properties when the purchaser, as the customer, obtains control of the real estate property by fulfilling the delivery obligations stipulated in the contract for the sale of real estate property.
- (ii) Utilities income
The Company recognizes utilities income based on the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements. Of utilities income, in the case that the Company determines it is an agent for utilities income, the utilities income is recognized as income at the net amount received as charges for electricity, gas, etc. supplied by other parties, less the amount paid to such other parties.

Taxes on property and equipment

Property and equipment is subject to property taxes and city planning taxes on a calendar year basis. These taxes are generally charged to income during the period. The sellers of the properties are liable for property taxes for the calendar year including the period from the date of purchase by the Company through the end of the year since the taxes are imposed on the owner registered on the record as of January 1 based on the assessment made by the local government. The Company pays the amount equivalent to the property taxes, etc. to the sellers applicable to the period since acquisition and includes the amount equivalent to the taxes in the purchase price of each property and capitalizes it as a cost of the property.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks, and short-term investments, which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, with original maturity of three months or less.

Hedge accounting

The Company uses currency swap transactions as a method of hedging against currency exchange fluctuation risks. Deferred hedge accounting is generally used for said currency swap transactions, and the effectiveness of hedging is measured by comparing the total cash flow fluctuation of the hedged item and that of the hedging instrument since the inception of the hedge.

For currency swaps that qualify for hedge accounting and meet certain criteria provided under Japanese GAAP, however, the Company applies allocation accounting treatment. Under such exceptional accounting treatment, the differentials paid or received under the swap agreements are recognized and included in interest expense of the hedged investment corporation bonds, and the currency swaps are not required to be separately valued. For currency swaps that meet the specific criteria for such allocation accounting treatment, ongoing assessments of hedge effectiveness are not required and hence not performed.

3. New Accounting Standards Not Yet Applied

Accounting Standard for Leases, etc.

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

(1) Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc.

Regarding the method for allocating the lease expenses in the lessee’s accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of application

To be applied effective from the beginning of the September 2027 period.

(3) Impact from the application of the accounting standard, etc.

The impact from the application of the “Accounting Standard for Leases,” etc. on the financial statements is currently under evaluation.

4. Commitment Line Agreement

As of September 30, 2025 and March 31, 2026

The Company has signed commitment line agreements with banks.

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
Total amount of commitment line agreements	60,000,000	66,000,000
Debt financing balance	—	—
Balance	60,000,000	66,000,000

5. Reserve for Tax Purpose Reduction Entry

As of September 30, 2025 and March 31, 2026

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
Reserve for tax purpose reduction entry	8,248,601	8,190,161
Deferred tax liability for the reserve for tax purpose reduction entry	4,493,997	4,803,375
Total	12,742,599	12,993,536

Note: Reduction entry is made based on the reserve method, where the requirements of the tax law are met, and deferred tax liability is recorded in the liabilities section for the future taxable temporary difference related to the amount of the reserve for reduction entry, and the net amount after deducting the deferred tax liability is recorded in the net assets section as the reserve for tax purpose reduction entry. This deferred tax liability is recorded (or reversed) as a counterpart account of income taxes-deferred in the statements of income.

6. Financial Instruments

1. Status of financial instruments

(1) Policies for dealing with financial instruments

Concerning the financing of property acquisitions, the Company shall use several funding sources including bank loans, the issuance of investment corporation bonds and the issuance of investment units. When executing such financing activities, the Company endeavors to retain the ability to secure stable and low-cost financing by maintaining high credit ratings and thereby limiting the financial covenants that may restrict the financial flexibility of the Company. To achieve these goals, the Company intends to further develop and reinforce the confidence of debt holders and rating agencies in the Company by bolstering the capital base and controlling the loan-to-value ratio (“LTV”) at an adequate level.

In order to hedge against future interest-rate fluctuations, the Company may enter into derivative transactions, which shall be executed solely for the purpose of hedging against interest-rate fluctuation and other risks, and not for speculative purposes.

With respect to management of excess funds, as a matter of policy the Company uses time deposits as its main vehicle, while securities and monetary claims are also eligible for such investment.

(2) Characteristics and risk profile of each financial instrument and risk management system

The Company regularly re-evaluates the appropriateness and effectiveness of its risk management system in order to improve on it. The characteristics and risk profile of financial instruments and the system in place to manage such risks are as follows:

The deposits, which are typically large time deposits used to manage excess funds, are exposed to the credit risk such as bankruptcy of the deposit-taking financial institutions. The Company manages credit risk by restricting the tenor of the deposit to relatively short periods and setting a minimum credit rating requirement for the deposit-taking financial institutions.

The funding proceeds from borrowings and issues of investment corporation bonds are applied mainly to acquire real estate properties and repay outstanding loans and bonds. While floating-rate short-term and long-term loans are exposed to the risk of interest-rate hikes, such risk is mitigated by the Company’s low LTV and relatively high percentage of long-term fixed-rate debts within the total borrowing. The Company may also exercise hedging by means of derivative transactions (interest-rate swap transactions) in order to mitigate the risk of fluctuation concerning the floating-rate long-term loans, thereby effectively stabilizing the overall interest rates on the loans. Foreign currency investment corporation bonds are also exposed to currency exchange risk. However, the Company uses derivative transactions as a method of hedging against the risks (currency swap transactions). For more detailed information on the hedge accounting method, please refer to Section 2. “Summary of Significant Accounting Policies: Hedge accounting.”

Loans and investment corporation bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements measures such as (i) maintaining and strengthening its ability to access equity markets to secure funds, (ii) maintaining commitment lines with major financial institutions (There is no amount outstanding under the facility as of September 30, 2025 and March 31, 2026) and (iii) preparing monthly financial plans.

(3) Supplementary note regarding fair value of financial instruments

Since the fair value of financial instruments is calculated based on certain assumptions, the fair value could differ depending on the assumptions used. In addition, the contract value of derivative transactions, which is presented in Section 7. “Derivative Transactions,” is not an exact representation of market risk attributable to derivative transactions.

2. Fair value of financial instruments

Fair value of financial instruments, their values carried on the balance sheets and the differences between them as of September 30, 2025 and March 31, 2026 are as follows. Since “Cash and deposits,” “Cash and deposits in trust,” and “Short-term borrowings” are cash and due to be settled in a short period, and their fair values approximate their book values, the notes are omitted.

	Thousands of yen		
	As of September 30, 2025		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds	10,000,000	9,995,900	(4,100)
(2) Current portion of long-term borrowings	36,700,000	36,590,198	(109,801)
(3) Investment corporation bonds	12,993,175	12,850,693	(142,481)
(4) Long-term borrowings	366,500,000	355,791,161	(10,708,838)
(5) Deposits received from tenants	56,380,060	52,676,660	(3,703,399)
(6) Derivative transactions	—	—	—

	Thousands of yen		
	As of March 31, 2026		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds	10,000,000	9,927,071	(72,928)
(2) Current portion of long-term borrowings	28,700,000	28,557,022	(142,977)
(3) Investment corporation bonds	2,993,175	2,940,408	(52,766)
(4) Long-term borrowings	411,500,000	393,842,186	(17,657,813)
(5) Deposits received from tenants	58,629,346	53,311,046	(5,318,299)
(6) Derivative transactions	—	—	—

- Notes: 1. Measurement of fair value of financial instruments and matters concerning derivative transactions
- (1) Current portion of investment corporation bonds and (3) Investment corporation bonds
Their fair values are based on reference prices published by a financial data provider where available. When reference prices are not available, their fair values are calculated by discounting the aggregate of the principal and interest by nominal rates assumed applicable if the loans were refinanced for the duration of the current maturity. (However, the fair values of investment corporation bonds (please refer to Section 7. “Derivative Transactions, (2) Derivatives designated as hedging instruments”) hedged by a currency swap subject to allocation treatment are calculated by discounting the aggregate of the principal and interest integrated with the currency swap by nominal rates assumed applicable if the loans were refinanced for the duration of the current maturity.)
- (2) Current portion of long-term borrowings and (4) Long-term borrowings
For loans with floating interest rates, since the interest rates on such loans reflect market rates reasonably well over the short term and their book values are good approximations of their fair values, the book values are presented as their fair values. The fair values of long-term loans with fixed interest rates are calculated by discounting the aggregated amounts of the principal and the interest of the loans by the rates that are reasonably estimated to be applicable if the Company were to refinance the existing loans for the remaining period to maturity.
- (5) Deposits received from tenants
These fair values of these deposits are the discounted present values by estimated periods until the deposits are returned and discount rates reflected credit risks of the Company.
- (6) Derivative transactions
Please refer to Section 7. “Derivative Transactions.”

2. Repayment schedule for investment corporation bonds, long-term borrowings and other interest-bearing debt after the closing date

	Thousands of yen					
	As of September 30, 2025					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	10,000,000	10,000,000	2,993,175	—	—	—
Long-term borrowings	36,700,000	24,000,000	45,800,000	31,500,000	52,500,000	212,700,000
Total	46,700,000	34,000,000	48,793,175	31,500,000	52,500,000	212,700,000

	Thousands of yen					
	As of March 31, 2026					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	10,000,000	2,993,175	—	—	—	—
Long-term borrowings	28,700,000	23,500,000	54,800,000	63,000,000	44,000,000	226,200,000
Total	38,700,000	26,493,175	54,800,000	63,000,000	44,000,000	226,200,000

7. Derivative Transactions

- (1) Derivatives not designated as hedging instruments
As of September 30, 2025
“Not applicable”

As of March 31, 2026
“Not applicable”

- (2) Derivatives designated as hedging instruments
As of September 30, 2025
The contract amount or the equivalent principal amount set out in the contract as of the closing date for each derivative designated as a hedging instrument is as follows:

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Allocation Treatment for currency swap	Receive fixed USD, pay fixed JPY, currency swap transactions (with initial and final exchange)	Investment corporation bonds	2,993,175	2,993,175	*	—

As of March 31, 2026

The contract amount or the equivalent principal amount set out in the contract as of the closing date for each derivative designated as a hedging instrument is as follows:

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Allocation Treatment for currency swap	Receive fixed USD, pay fixed JPY, currency swap transactions (with initial and final exchange)	Investment corporation bonds	2,993,175	2,993,175	*	—

* Currency swap transactions eligible for allocation treatment are accounted for as integrated parts of the hedged investment corporation bonds, and the fair value of the currency swap transactions is included in that of the underlying investment bonds as of September 30, 2025 and March 31, 2026. Please refer to subheading (3) in Note 1 “Measurement of fair value of financial instruments and matters concerning derivative transactions” of the section entitled “2. Fair value of financial instruments” under Section 6. “Financial Instruments.”

8. Property, Plant and Equipment and Intangible Assets

Changes in property, plant and equipment and intangible assets for the six months ended March 31, 2026 are as follows:

Thousands of yen									
Type of Asset		Balance at beginning of the period	Increase during the period	Decrease during the period	Balance at end of the period	Accumulated depreciation		Net balance at end of the period	Remarks
						Accumulated amortization	Depreciation and amortization		
Property, plant and equipment	Buildings	250,482,186	4,358,017	3,975,677	250,864,526	122,401,727	3,577,233	128,462,798	—
	Structures	2,654,553	7,735	45,842	2,616,447	1,192,498	38,665	1,423,949	—
	Machinery and equipment	3,570,775	76,451	149,990	3,497,237	2,588,266	33,544	908,970	—
	Tools, furniture and fixtures	496,340	25,420	3,708	518,052	370,411	12,547	147,641	—
	Land	450,155,190	2,077,928	1,852,314	450,380,804	—	—	450,380,804	—
	Construction in progress	252,675	226,182	74,701	404,155	—	—	404,155	—
	Buildings in trust	138,323,197	17,295,335	5,152,609	150,465,923	56,458,610	2,565,793	94,007,313	*
	Structures in trust	1,517,826	75,294	108,763	1,484,357	776,926	38,154	707,431	—
	Machinery and equipment in trust	1,011,358	276,994	74,995	1,213,358	750,388	15,116	462,970	—
	Tools, furniture and fixtures in trust	257,147	11,543	32,757	235,932	139,860	8,300	96,072	—
	Land in trust	365,137,449	39,831,569	8,902,396	396,066,622	—	—	396,066,622	*
	Construction in progress in trust	13,238	23,780	266	36,752	—	—	36,752	—
	Subtotal	1,213,871,940	64,286,254	20,374,023	1,257,784,170	184,678,688	6,289,356	1,073,105,482	
Intangible assets	Land leasehold interests	9,119,060	—	—	9,119,060	480,176	15,829	8,638,884	—
	Easement	826,648	—	—	826,648	—	—	826,648	—
	Other	63,848	1,948	64	65,732	60,935	843	4,797	—
	Subtotal	10,009,558	1,948	64	10,011,442	541,111	16,673	9,470,330	
Total		1,223,881,498	64,288,203	20,374,088	1,267,795,613	185,219,800	6,306,029	1,082,575,813	

* The main reasons for the increase in buildings and land in trust were the acquisition of additional interest in Shinjuku Eastside Square, and the acquisition of The Link Sapporo and Sapporo Arch Building. It was also due to the conversion of JRE Tenjin Crystal Building into trust beneficiary right.

9. Condition of Other Assets

(1) Shares/Investment Securities
As of March 31, 2026

Thousands of yen							
Securities	Number of shares	Acquisition price		Appraisal value		Valuation gain/loss	Notes
		Unit price	Amount	Unit price	Amount		
Tokyo Opera City Building Co., Ltd.	124	83	10,336	83	10,336	—	*
Tokyo Opera City Heat Supply Co., Ltd.	4,931	114	566,831	114	566,831	—	*
KMO Corporation	1,666	50	83,300	50	83,300	—	*
Total	—	—	660,468	—	660,468	—	—

* Appraisal values for relevant non-listed stock are defined as acquisition prices.

(2) Securities Other Than Shares/Investment Securities
As of March 31, 2026

Thousands of yen								
Type	Name	Total face value	Book value	Accrued interest income	Prepayment of accrued interest	Appraisal value	Valuation gain/loss	Notes
Right to claim a refund of funds	Knowledge Capital Association	—	4,900	—	—	4,900	—	*1
Investment in capital	The Asahi Shinkin Bank *2	—	10	—	—	10	—	*1
Total		—	4,910	—	—	4,910	—	—

*1. Appraisal values for the right to claim a refund of funds and investment in capital are defined as the book values.

*2. Investment in capital of The Asahi Shinkin Bank is presented in this row for purposes of convenience.

(3) Other Specified Assets
As of March 31, 2026

Thousands of yen							
Specified asset type	Quantity	Book value		Appraisal value		Valuation gain/loss	Notes
		Unit price	Amount	Unit price	Amount		
Monetary claim	1	1,040,000	1,040,000	1,040,000	1,040,000	—	—
Right to claim a refund of funds	1	—	490	—	490	—	*
Total	—	—	1,040,490	—	1,040,490	—	—

* Appraisal value for the right to claim a refund of funds is defined as the book value.

10. Borrowings

The condition of loans by financial institutions as of March 31, 2026 is as follows:

Classification			Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes	
Lender		Drawdown date								
Short-term borrowings	MUFG Bank, Ltd. *3		August 18, 2025	11,000,000	—	0.81273	November 18, 2025	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd. *4		November 18, 2025	—	—	0.83909	February 18, 2026			
	Mizuho Bank, Ltd.		March 3, 2025	2,000,000	—	0.74395	March 3, 2026			
	Sumitomo Mitsui Trust Bank, Limited		March 13, 2026	—	8,000,000	1.0172	April 13, 2026			
	Mizuho Bank, Ltd.		March 13, 2026	—	7,000,000	1.0172	April 13, 2026			
	MUFG Bank, Ltd. *5		February 18, 2026	—	11,000,000	1.20364	May 18, 2026			
	Sumitomo Mitsui Trust Bank, Limited		June 16, 2025	7,000,000	—	0.64494	June 16, 2026 *6			
	Mizuho Bank, Ltd.		July 10, 2025	2,000,000	—	0.68468	July 10, 2026 *7			
	Sumitomo Mitsui Trust Bank, Limited		August 29, 2025	3,000,000	—	0.71217	August 31, 2026 *8			
	The Norinchukin Bank		September 2, 2025	5,000,000	5,000,000	0.92202	September 2, 2026			
	Mizuho Bank, Ltd.		September 24, 2025	5,000,000	—	0.64464	September 24, 2026 *9			
	Mizuho Bank, Ltd.		October 17, 2025	—	4,000,000	0.8013	October 19, 2026			
	Mizuho Bank, Ltd.		December 12, 2025	—	5,000,000	0.88674	December 14, 2026			
	The Norinchukin Bank		March 25, 2026	—	5,000,000	1.3427	March 25, 2027			
	Shinkin Central Bank		March 25, 2026	—	5,000,000	1.0454	March 25, 2027			
Long-term borrowings	Subtotal			35,000,000	50,000,000					
	Mizuho Bank, Ltd.		December 26, 2016	5,000,000	—	0.3625	December 26, 2025	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	Sumitomo Mitsui Trust Bank, Limited		January 29, 2021	2,000,000	—	0.1625	January 29, 2026			
	MUFG Bank, Ltd.		February 26, 2018	6,500,000	—	0.3413	February 26, 2026			
	Mizuho Bank, Ltd.		March 27, 2018	5,500,000	—	0.300	March 27, 2026			
	Shinkin Central Bank		March 30, 2017	5,000,000	—	0.360	March 30, 2026			
	Sumitomo Mitsui Trust Bank, Limited		June 28, 2021	3,700,000	3,700,000	0.17875	June 29, 2026 *10			
	The Norinchukin Bank		January 23, 2019	4,000,000	4,000,000	0.1988	July 23, 2026 *10			
	Shinkin Central Bank		September 1, 2017	5,000,000	5,000,000	0.3188	September 1, 2026 *10			
	MUFG Bank, Ltd.		October 31, 2016	3,000,000	3,000,000	0.240	October 30, 2026 *10			
	Mizuho Bank, Ltd.		December 21, 2016	5,000,000	5,000,000	0.415	December 21, 2026 *10			
	Shinkin Central Bank		January 23, 2019	5,000,000	5,000,000	0.2213	January 25, 2027 *10			
	Sumitomo Mitsui Banking Corporation *11		March 30, 2023	3,000,000	3,000,000	0.2375	March 30, 2027 *10			
	Shinkin Central Bank		April 24, 2018	6,000,000	6,000,000	0.3675	April 26, 2027			
	The Norinchukin Bank		July 3, 2020	2,000,000	2,000,000	0.24375	July 5, 2027			
	The Joyo Bank, Ltd.		January 9, 2018	1,000,000	1,000,000	0.4188	January 11, 2028			
	Sumitomo Mitsui Banking Corporation		January 19, 2018	3,000,000	3,000,000	0.4338	January 19, 2028			
	The Bank of Fukuoka, Ltd.		January 29, 2021	2,500,000	2,500,000	0.21875	January 31, 2028			
	Mizuho Bank, Ltd.		March 30, 2018	4,000,000	4,000,000	0.3963	March 30, 2028			
	MUFG Bank, Ltd.		March 30, 2018	4,000,000	4,000,000	0.3963	March 30, 2028			
	Taiyo Life Insurance Company		March 30, 2018	1,000,000	1,000,000	0.3963	March 30, 2028			
	MUFG Bank, Ltd.		December 2, 2024	15,000,000	15,000,000	0.83125	June 2, 2028			
	MUFG Bank, Ltd.		February 14, 2025	8,000,000	8,000,000	1.01375	August 14, 2028			
	The Bank of Fukuoka, Ltd.		August 31, 2021	1,500,000	1,500,000	0.20625	August 31, 2028			
	MUFG Bank, Ltd.		March 10, 2025	4,800,000	4,800,000	1.01375	September 11, 2028			
	MUFG Bank, Ltd.		September 29, 2023	1,000,000	1,000,000	0.5625	September 29, 2028			

Classification			Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes	
Lender		Drawdown date								
Long-term borrowings	Mizuho Bank, Ltd.		November 15, 2019	8,500,000	8,500,000	0.34875	November 15, 2028	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd. *11		November 30, 2023	10,000,000	10,000,000	0.600	November 30, 2028			
	The Nishi-Nippon City Bank, Ltd.		December 17, 2021	1,000,000	1,000,000	0.27875	December 18, 2028			
	Shinkin Central Bank		January 15, 2020	5,000,000	5,000,000	0.325	January 15, 2029			
	MUFG Bank, Ltd.		December 16, 2025	—	4,000,000	1.345	June 18, 2029			
	MUFG Bank, Ltd.		December 24, 2025	—	5,000,000	1.46313	June 25, 2029			
	MUFG Bank, Ltd.		January 29, 2026	—	5,000,000	1.59875	July 30, 2029			
	MUFG Bank, Ltd.		February 26, 2026	—	6,500,000	1.52063	August 27, 2029			
	Sumitomo Mitsui Trust Bank, Limited		March 26, 2025	4,000,000	4,000,000	1.1796	September 26, 2029			
	Sumitomo Mitsui Banking Corporation *11		March 26, 2025	3,000,000	3,000,000	1.1793	September 26, 2029			
	Mizuho Bank, Ltd.		November 1, 2019	6,000,000	6,000,000	0.35125	November 1, 2029			
	MUFG Bank, Ltd. *11		December 19, 2023	10,000,000	10,000,000	0.70125	December 19, 2029			
	MUFG Bank, Ltd.		January 15, 2020	5,500,000	5,500,000	0.3625	January 15, 2030			
	MUFG Bank, Ltd. *11		March 26, 2024	5,000,000	5,000,000	0.64125	March 26, 2030			
	Sumitomo Mitsui Trust Bank, Limited		March 26, 2025	7,000,000	7,000,000	1.21625	March 26, 2030			
	The Hokkoku Bank, Ltd.		March 26, 2025	2,000,000	2,000,000	0.99449 *12	March 26, 2030			
	MUFG Bank, Ltd.		April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030			
	Mizuho Bank, Ltd.		April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030			
	The Kagoshima Bank, Ltd.		June 3, 2025	1,000,000	1,000,000	0.91451 *12	June 3, 2030			
	MUFG Bank, Ltd.		June 15, 2020	4,000,000	4,000,000	0.36125	June 14, 2030			
	The Keiyo Bank, Ltd.		June 29, 2023	1,000,000	1,000,000	0.39875	June 28, 2030			
	MUFG Bank, Ltd.		September 29, 2023	1,000,000	1,000,000	0.755	September 30, 2030			
	The Kagoshima Bank, Ltd.		October 10, 2025	—	2,000,000	0.99345 *12	October 10, 2030			
	The Hokkoku Bank, Ltd.		October 17, 2025	—	1,000,000	0.97979 *12	October 17, 2030			
	MUFG Bank, Ltd.		October 20, 2020	5,000,000	5,000,000	0.2925	October 18, 2030			
	The Gunma Bank, Ltd. *11		November 18, 2024	1,000,000	1,000,000	0.93412 *12	November 18, 2030			
	North Pacific Bank, Ltd. *11		November 30, 2023	2,000,000	2,000,000	0.93978 *12	November 29, 2030			
	MUFG Bank, Ltd.		December 21, 2020	10,000,000	10,000,000	0.2825	December 20, 2030			
	The Gunma Bank, Ltd. *11		January 31, 2024	1,000,000	1,000,000	0.76125	January 31, 2031			
	The Keiyo Bank, Ltd. *11		January 31, 2024	1,000,000	1,000,000	0.76125	January 31, 2031			
	The Iyo Bank, Ltd.		March 24, 2021	2,000,000	2,000,000	1.03575 *12	March 24, 2031			
	The Yamanashi Chuo Bank, Ltd.		March 26, 2019	2,000,000	2,000,000	0.3688	March 26, 2031			
	MUFG Bank, Ltd.		April 5, 2021	5,000,000	5,000,000	0.41875	April 4, 2031			
	MUFG Bank, Ltd.		April 26, 2021	5,000,000	5,000,000	0.35625	April 25, 2031			
	Mizuho Bank, Ltd.		June 15, 2021	4,000,000	4,000,000	0.28875	June 16, 2031			
	The Norinchukin Bank *11		January 29, 2021	5,000,000	5,000,000	0.34625	July 31, 2031			
	Development Bank of Japan Inc.		September 1, 2025	7,000,000	7,000,000	0.95226 *12	September 1, 2031			
	The Gunma Bank, Ltd. *11		September 30, 2024	1,000,000	1,000,000	1.00273 *12	September 30, 2031			
	The Chugoku Bank, Limited		October 1, 2021	1,000,000	1,000,000	0.345	October 1, 2031			
	The Norinchukin Bank *11		November 15, 2021	5,000,000	5,000,000	0.395	November 17, 2031			
	Shinkin Central Bank		November 15, 2021	5,000,000	5,000,000	0.405	November 17, 2031			
	Daishi Hokuetsu Bank, Ltd.		November 15, 2021	3,200,000	3,200,000	0.395	November 17, 2031			
	The Chugoku Bank, Limited		November 15, 2021	1,000,000	1,000,000	0.405	November 17, 2031			
	The 77 Bank, Ltd.		November 15, 2021	1,000,000	1,000,000	0.395	November 17, 2031			
	Hachijuni Nagano Bank, Ltd. (formerly, the Hachijuni Bank, Ltd.) *13		November 15, 2021	1,000,000	1,000,000	0.98091 *12	November 17, 2031			
	The Chugoku Bank, Limited *11		November 30, 2023	2,000,000	2,000,000	0.925	November 28, 2031			

	Classification	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Lender								
Long-term borrowings	The Nishi-Nippon City Bank, Ltd.	December 17, 2021	1,000,000	1,000,000	0.37375	December 17, 2031	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	The Tochigi Bank, Ltd.	December 23, 2024	2,000,000	2,000,000	0.95375	December 23, 2031			
	Sumitomo Mitsui Banking Corporation	January 7, 2022	2,000,000	2,000,000	0.415	January 7, 2032			
	The Ashikaga Bank, Ltd.	January 9, 2025	1,000,000	1,000,000	0.98875	January 9, 2032			
	Mizuho Bank, Ltd.	January 17, 2022	5,000,000	5,000,000	0.4475	January 19, 2032			
	The Norinchukin Bank *11	January 29, 2021	5,000,000	5,000,000	0.3675	January 30, 2032			
	The Norinchukin Bank	January 31, 2022	3,500,000	3,500,000	0.4725	January 30, 2032			
	The Shiga Bank, Ltd.	February 21, 2022	3,000,000	3,000,000	0.440	February 24, 2032			
	The Chugoku Bank, Limited	February 21, 2022	1,000,000	1,000,000	0.440	February 24, 2032			
	The Gunma Bank, Ltd.	February 21, 2022	1,000,000	1,000,000	0.440	February 24, 2032			
	The Chugoku Bank, Limited *11	March 8, 2024	3,000,000	3,000,000	0.82375	March 8, 2032			
	The 77 Bank, Ltd.	May 29, 2025	1,000,000	1,000,000	0.93978 *12	May 31, 2032			
	The Chugoku Bank, Limited	June 15, 2022	1,000,000	1,000,000	0.57375	June 15, 2032			
	The 77 Bank, Ltd.	June 15, 2022	1,000,000	1,000,000	0.57375	June 15, 2032			
	The Norinchukin Bank *11	June 17, 2022	3,000,000	3,000,000	0.60625	June 17, 2032			
	The Shinkumi Federation Bank	August 10, 2022	3,000,000	3,000,000	0.37875	August 10, 2032			
	The Toho Bank, Ltd.		1,000,000	1,000,000					
	The Keiyo Bank, Ltd.		1,000,000	1,000,000					
	The Tochigi Bank, Ltd.		500,000	500,000					
	Daishi Hokuetsu Bank, Ltd.	August 10, 2022	2,000,000	2,000,000	0.39875	August 10, 2032			
	The Chugoku Bank, Limited	August 10, 2022	1,000,000	1,000,000	0.39875	August 10, 2032			
	MUFG Bank, Ltd.	September 9, 2022	2,000,000	2,000,000	0.555	September 9, 2032			
	The Nishi-Nippon City Bank, Ltd.	September 12, 2022	1,000,000	1,000,000	0.5475	September 13, 2032			
	Daishi Hokuetsu Bank, Ltd. *11	October 10, 2025	—	1,000,000	1.03345 *12	October 12, 2032			
	The Tochigi Bank, Ltd.	December 12, 2022	1,000,000	1,000,000	0.68875	December 13, 2032			
	Hachijuni Nagano Bank, Ltd. (formerly, the Hachijuni Bank, Ltd.) *13	December 20, 2022	1,000,000	1,000,000	0.7225	December 20, 2032			
	Development Bank of Japan Inc.	January 6, 2023	3,000,000	3,000,000	1.0262	January 6, 2033			
	Daishi Hokuetsu Bank, Ltd.	January 10, 2023	1,500,000	1,500,000	0.9725	January 11, 2033			
	The 77 Bank, Ltd.	January 10, 2023	1,000,000	1,000,000	0.9725	January 11, 2033			
	The Iyo Bank, Ltd.	January 16, 2023	1,000,000	1,000,000	1.01962 *12	January 17, 2033			
	Hachijuni Nagano Bank, Ltd. (formerly, the Hachijuni Bank, Ltd.) *13	January 16, 2023	1,000,000	1,000,000	1.00625	January 17, 2033			
	The Asahi Shinkin Bank	January 17, 2023	3,000,000	3,000,000	1.125	January 17, 2033			
	The Kiyo Bank, Ltd. *11	January 27, 2025	1,000,000	1,000,000	1.095	January 27, 2033			
	Development Bank of Japan Inc.	January 31, 2023	5,000,000	5,000,000	0.9887	January 31, 2033			
	SBI Shinsei Bank, Limited *11	March 15, 2023	2,500,000	2,500,000	0.80875	March 15, 2033			
	The Chugoku Bank, Limited	March 27, 2023	2,000,000	2,000,000	0.68375	March 25, 2033			
	The Norinchukin Bank *11	March 27, 2023	3,500,000	3,500,000	0.72375	March 28, 2033			
	Sumitomo Mitsui Banking Corporation	March 26, 2025	2,000,000	2,000,000	1.4425	March 28, 2033			
	Sumitomo Mitsui Banking Corporation *11	March 30, 2023	3,000,000	3,000,000	0.7087	March 30, 2033			
	Development Bank of Japan Inc.	March 31, 2025	2,000,000	2,000,000	1.4775	March 31, 2033			
	Sumitomo Mitsui Banking Corporation	April 7, 2023	5,000,000	5,000,000	0.750	April 7, 2033			
	The Kiyo Bank, Ltd.	May 8, 2023	1,000,000	1,000,000	0.66625	May 9, 2033			
	Saitama Resona Bank, Limited	June 7, 2023	2,000,000	2,000,000	0.700	June 7, 2033			
	The Bank of Fukuoka, Ltd.	June 15, 2023	4,500,000	4,500,000	1.01841 *12	June 15, 2033			
	The Chugoku Bank, Limited	June 15, 2023	3,000,000	3,000,000	0.68125	June 15, 2033			
	Mizuho Bank, Ltd.	June 29, 2023	3,000,000	3,000,000	1.02037 *12	June 29, 2033			
	The Gunma Bank, Ltd.	July 3, 2023	1,000,000	1,000,000	1.03164 *12	July 4, 2033			
	Sumitomo Mitsui Banking Corporation *11	October 17, 2025	—	4,000,000	1.5237	October 17, 2033			

	Classification	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Lender								
Long-term borrowings	The Asahi Shinkin Bank	October 31, 2023	1,000,000	1,000,000	1.18125	October 31, 2033	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	Saitama Resona Bank, Limited *11	November 30, 2023	5,000,000	5,000,000	1.0775	November 30, 2033			
	The Bank of Fukuoka, Ltd. *11	December 22, 2023	1,500,000	1,500,000	1.03059 *12	December 22, 2033			
	Sumitomo Life Insurance Company	March 26, 2019	1,000,000	1,000,000	0.505	March 27, 2034			
	Hachijuni Nagano Bank, Ltd. (formerly, the Hachijuni Bank, Ltd.) *13	March 26, 2024	1,000,000	1,000,000	0.98125	March 27, 2034			
	The Iyo Bank, Ltd.	June 17, 2024	2,500,000	2,500,000	1.02938 *12	June 19, 2034			
	Hachijuni Nagano Bank, Ltd. (formerly, the Hachijuni Bank, Ltd.) *13	June 17, 2024	1,000,000	1,000,000	1.10625	June 19, 2034			
	The Tochigi Bank, Ltd.	June 28, 2024	1,000,000	1,000,000	1.1025	June 28, 2034			
	Sumitomo Mitsui Banking Corporation	July 22, 2025	5,000,000	5,000,000	1.5062	July 24, 2034			
	Saitama Resona Bank, Limited *11	August 30, 2024	5,000,000	5,000,000	1.0275	August 31, 2034			
	Mizuho Bank, Ltd. *11	October 1, 2024	2,500,000	2,500,000	1.07399 *12	October 2, 2034			
	The Bank of Fukuoka, Ltd. *11	November 14, 2024	2,000,000	2,000,000	1.0015 *12	November 14, 2034			
	Sumitomo Life Insurance Company	December 16, 2019	2,000,000	2,000,000	0.490	December 18, 2034			
	The Keiyo Bank, Ltd. *11	December 16, 2024	1,000,000	1,000,000	1.165	December 18, 2034			
	Shinkin Central Bank	January 7, 2025	2,000,000	2,000,000	1.08252 *12	January 9, 2035			
	Sumitomo Mitsui Banking Corporation	March 26, 2025	4,000,000	4,000,000	1.6012	March 26, 2035			
	MUFG Bank, Ltd.	March 26, 2025	2,000,000	2,000,000	1.09449 *12	March 26, 2035			
	Development Bank of Japan Inc.	March 31, 2025	3,000,000	3,000,000	1.08273 *12	March 30, 2035			
	Saitama Resona Bank, Limited *11	October 15, 2025	—	5,000,000	1.64875	October 15, 2035			
	The Bank of Fukuoka, Ltd. *11	October 15, 2025	—	1,000,000	1.07463 *12	October 15, 2035			
	Sumitomo Mitsui Banking Corporation *11	October 17, 2025	—	4,000,000	1.7075	October 17, 2035			
	MUFG Bank, Ltd.	December 16, 2025	—	3,000,000	1.19896 *12	December 17, 2035			
	Mizuho Bank, Ltd. *11	December 26, 2025	—	5,000,000	1.23431 *12	December 26, 2035			
	Mizuho Bank, Ltd. *11	March 27, 2026	—	7,500,000	1.44273 *12	March 27, 2036			
	Shinkin Central Bank	March 30, 2026	—	5,000,000	1.43273 *12	March 31, 2036			
	Mitsubishi UFJ Trust and Banking Corporation	March 10, 2025	2,000,000	2,000,000	1.11764 *12	March 12, 2040			
	Mitsubishi UFJ Trust and Banking Corporation	January 13, 2026	—	2,000,000	1.26455 *12	January 15, 2041			
	Subtotal		403,200,000	440,200,000					
	Total		438,200,000	490,200,000					

*1. The average for floating interest rates is recorded as the weighted average during the period. The average is rounded off to the fifth decimal place. The weighted average for interest rates of loans for which floating interest rates were swapped to fixed rates in order to hedge the risk of interest rate fluctuations is calculated taking the effect of this swap into consideration.

*2. The purposes of executing these loans are to purchase real properties or beneficiary right of real estate in trust, to repay existing loans, and to fund the redemption of investment corporation bonds.

*3. As of August 18, 2025, MUFG Bank, Ltd. transferred its loan receivable of 6,900 million yen to Mitsubishi UFJ Trust and Banking Corporation.

*4. As of November 18, 2025, MUFG Bank, Ltd. transferred its loan receivable of 6,400 million yen to Mitsubishi UFJ Trust and Banking Corporation.

*5. As of February 18, 2026, MUFG Bank, Ltd. transferred its loan receivable of 6,400 million yen to Mitsubishi UFJ Trust and Banking Corporation.

*6. The Company made a full repayment (7,000 million yen) before maturity on December 16, 2025.

*7. The Company made a full repayment (2,000 million yen) before maturity on January 13, 2026.

*8. The Company made a full repayment (3,000 million yen) before maturity on January 29, 2026.

*9. The Company made a full repayment (5,000 million yen) before maturity on December 24, 2025.

*10. At the end of the March 2026 period, these loans are accounted for under current liabilities on the balance sheets as the current portion of long-term borrowings.

*11. These loans are Sustainability Linked Loans (SLI) based on agreements that stipulate that an interest rate 0.01% lower than the original interest rate be applied for the corresponding periods where the target (sustainability performance target) at each confirmation point set in the loan agreement has been achieved.

*12. These are floating rate borrowings which are not swapped into fixed rates.

*13. As of January 1, 2026, The Hachijuni Bank, Ltd. and The Nagano Bank, Ltd. merged and changed their corporate names to Hachijuni Nagano Bank, Ltd.

11. Investment Corporation Bonds including Current Portion of Investment Corporation Bonds

Outstanding investment corporation bonds as of March 31, 2026 are as follows:

Securities	Date of issue	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Interest rate (%)	Repayment period	Repayment method	Use of proceeds	Notes
10th unsecured investment corporation bond	March 30, 2017	10,000,000	10,000,000	0.3975	March 30, 2027	Bullet	*1	*2 *3
11th unsecured investment corporation bond	October 26, 2017	2,993,175	2,993,175	0.2788	October 26, 2027	Bullet	*1	*2 *3 *4
13th unsecured investment corporation bond	October 26, 2020	10,000,000	—	0.2	October 24, 2025	Bullet	*1	*2
Total		22,993,175	12,993,175					

*1. The investment corporation bonds are primarily used to fund the acquisition of real properties or beneficiary right of real estate in trust, and to repay existing loans.
*2. Financial covenants, such as a negative pledge, are not included in these bonds.
*3. Bond issuance was limited to qualified institutional investors by a private placement.
*4. For the purpose of avoiding foreign currency risk with respect to foreign currency investment corporation bonds, the Company engages in currency swap transactions to fix the exchange rates. Considering the effects of the currency swap transactions, the balances and interest rates are reflected in the schedule.

12. Net Assets

The Company is required to maintain net assets of at least 50 million yen, as required pursuant to the ITA.

13. Income Taxes

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Act on Special Measures Concerning Taxation, an investment corporation is allowed to deduct dividends of earnings or dividend distributions, paid to unitholders from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its profit available for dividends for the fiscal period as stipulated by Article 67-15 of the Act on Special Measures Concerning Taxation. The significant components of deferred tax assets and liabilities as of September 30, 2025 and March 31, 2026 were as follows:

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
Deferred tax assets		
Accrued enterprise tax	935	956
Amortization of a term leasehold interest	164,517	170,126
Asset retirement obligations	139,446	140,851
	304,899	311,934
Valuation allowance	(200,044)	(207,058)
Total deferred tax assets	104,854	104,876
Deferred tax liabilities		
Asset retirement obligations	103,919	103,919
Reserve for advanced depreciation of non-current assets	4,493,997	4,803,375
Total deferred tax liabilities	4,597,917	4,907,294
Net deferred tax liabilities	4,493,062	4,802,418

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate as of September 30, 2025 and March 31, 2026 was as follows:

	As of September 30, 2025	As of March 31, 2026
Statutory tax rate	34.59%	34.59%
Deductible dividend distribution	(34.74%)	(32.97%)
Change in valuation allowance	0.04%	0.04%
Others	(0.00%)	(3.35%)
Effective tax rate	(0.12%)	(1.69%)

14. Related Party Transactions

For the six months ended September 30, 2025 and March 31, 2026

Transactions with related parties defined under the Financial Instruments and Exchange Act are listed below.

(1) Parent Company and Major Corporation Unitholders
For the period from April 1, 2025 to September 30, 2025
“Not applicable”

For the period from October 1, 2025 to March 31, 2026
“Not applicable”

(2) Affiliated Companies
For the period from April 1, 2025 to September 30, 2025
“Not applicable”

For the period from October 1, 2025 to March 31, 2026
“Not applicable”

(3) Sister Companies
For the period from April 1, 2025 to September 30, 2025
“Not applicable”

For the period from October 1, 2025 to March 31, 2026
“Not applicable”

(4) Directors and Major Individual Unitholders
For the period from April 1, 2025 to September 30, 2025
“Not applicable”

For the period from October 1, 2025 to March 31, 2026
“Not applicable”

Transactions with related parties defined under the ITA are listed below.

In addition to controlling unitholders, major unitholders, subsidiary corporations, subsidiary companies of controlling unitholders, and officers and their close relatives, the definition of a “related party” under the ITA also includes the asset management company and its interested parties (parent and subsidiary corporations, specified individual shareholders, and major shareholders of the asset management company defined as interested parties under Article 201 of the ITA and Article 123 of the enforcement order of the ITA), as well as the asset custody company.

For the period from April 1, 2025 to September 30, 2025 (Unaudited)

Type of relationship	Name of transaction partner	Type of business	Percentage of units held	Transaction details	Transaction amount (¥ thousand)	Accounting item	Balance at end of the period (¥ thousand)
Interested party	Mitsubishi Estate Co., Ltd.	Real estate	1.20%	Rent revenue	16,942,225	—	—
				Sales of real estate properties	13,476,900	—	—
				Security deposit increase	440,107	Deposits received from tenants	13,680,178
				Security deposit return	4,274,262		
				Security deposit in trust increase	5,118,224	Deposits in trust received from tenants	12,655,683
				Security deposit in trust return	1,430,913		
Interested party	Mitsubishi Jisho Property Management Co., Ltd.	Real estate management	—	Property management expenses	2,766,353	—	—

Notes: 1. Consumption tax is not included in the above amounts.
2. Transaction terms were decided based on market conditions at the time the transaction was made.

For the period from October 1, 2025 to March 31, 2026 (Unaudited)

Type of relationship	Name of transaction partner	Type of business	Percentage of units held	Transaction details	Transaction amount (¥ thousand)	Accounting item	Balance at end of the period (¥ thousand)
Interested party	Mitsubishi Estate Co., Ltd.	Real estate	1.20%	Rent revenue	16,194,154	—	—
				Purchases of real estate properties	20,353,000	—	—
				Sales of real estate properties	13,444,620	—	—
				Security deposit increase	530,324	Deposits received from tenants	14,052,387
				Security deposit return	158,171		
				Security deposit in trust increase	1,406,062	Deposits in trust received from tenants	13,290,748
				Security deposit in trust return	770,941		
Interested party	Mitsubishi Jisho Property Management Co., Ltd.	Real estate management	—	Repair and renovation work	2,941,535	—	—
				Property management expenses	2,695,630	—	—
				Contribution received for construction	6,151	—	—

Notes: 1. Consumption tax is not included in the above amounts.
2. Transaction terms were decided based on market conditions at the time the transaction was made.

15. Segment Information

For the six months ended September 30, 2025 and March 31, 2026

Since the Company has been engaged in the real estate leasing business using a single segment, segment information has been omitted.

Information on products and services

Since revenues from external customers for a single segment accounted for more than 90% of total operating revenues, segment information on products and services has been omitted.

Information on geographic area

(1) Revenue

Since more than 90% of total operating revenues was generated from external customers within Japan, a geographical breakdown of revenues has been omitted.

(2) Property and equipment

Since more than 90% of total property and equipment on the balance sheets was located within Japan, a geographical breakdown of such property and equipment has been omitted.

Information on major clients

For the period from April 1, 2025 to September 30, 2025

Thousands of yen		
Name of customer	Operating revenues	Related segment
Mitsubishi Estate Co., Ltd.	4,506,288	Real estate leasing business

For the period from October 1, 2025 to March 31, 2026

Thousands of yen		
Name of customer	Operating revenues	Related segment
Mitsubishi Estate Co., Ltd.	4,556,587	Real estate leasing business

16. Asset Retirement Obligations

For the six months ended September 30, 2025 and March 31, 2026

Asset retirement obligations reported on balance sheets

The Company acquired Osaki Front Tower on February 1, 2011 under the term leasehold for business use agreement which, at the expiry of the leasehold, obligates the Company to restore the leased land to its original state. At the inception of a lease with such an obligation, the Company recognized an asset retirement obligation and a corresponding capital asset in an amount equal to the present value of the estimated demolition cost required for the removal of the properties located on the leased land. The present value is calculated using 2.015% as the discount rate over 42 years, which is the term of the leasehold.

Change in the asset retirement obligations for the six months ended September 30, 2025 and March 31, 2026 consisted of the following:

	Thousands of yen	
	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
Balance at the beginning of the period	389,657	393,583
Increase in tangible fixed assets	—	—
Accretion expense	3,925	3,965
Balance at the end of the period	393,583	397,548

17. Investment and Rental Property

For the six months ended September 30, 2025 and March 31, 2026

The Company owns primarily a portfolio of office properties in Tokyo and other prefectures in order to gain rental revenue from them. The book values on balance sheets as of September 30, 2025 and March 31, 2026 and the fair values as of September 30, 2025 and March 31, 2026 are as follows:

Thousands of yen			
Book value		Fair value	
As of March 31, 2025	Change during the period	As of September 30, 2025	As of September 30, 2025
1,052,499,181	(10,804,000)	1,041,695,180	1,401,843,100

Thousands of yen			
Book value		Fair value	
As of September 30, 2025	Change during the period	As of March 31, 2026	As of March 31, 2026
1,041,695,180	40,878,298	1,082,573,478	1,449,183,480

Notes: 1. Book value on balance sheets means the acquisition cost less accumulated depreciation.
2. As for the change during the period ended March 31, 2026, the major reasons for the increase were the acquisition of The Link Sapporo (21,468,161 thousand yen) and Sapporo Arch Building (8,465,267 thousand yen), and the additional acquisition of Kandabashi Park Building (2,181,534 thousand yen) and Shinjuku Eastside Square (20,475,893 thousand yen), and the major reasons for the decrease were the disposition of Akasaka Park Building (16.66% quasi-co-ownership interest) (9,390,278 thousand yen) and JRE Tenjin Crystal Building (50% quasi-co-ownership interest) (1,611,615 thousand yen) and by depreciation.
3. Fair values as of September 30, 2025 and March 31, 2026 are defined as the appraised values provided by external qualified professional appraisers. As of September 30, 2025 and March 31, 2026, Akasaka Park Building, for which the disposition agreements were made dated April 1, 2025, was valued at the disposition prices. As of March 31, 2026, JRE Tenjin Crystal Building (50% quasi-co-ownership interest), for which the disposition agreement was made dated February 13, 2026, was valued at the disposition price.

Profits and losses related to investment and rental property are listed in Section 20. “Breakdown of Property-Related Revenues and Expenses.”

18. Revenue Recognition

For the six months ended September 30, 2025 and March 31, 2026

Breakdown information on revenue from contracts with customers

For the period from April 1, 2025 to September 30, 2025

	Thousands of yen	
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	13,476,900	3,895,925 *2
Utilities income	2,205,263 *3	2,205,263
Other	—	34,991,956
Total	15,682,163	41,093,145

*1 Rent revenues subject to “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and revenue from sales of real estate properties subject to “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (Transferred Guidance No. 10) are excluded from “Revenue from contracts with customers” as they are not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from sales of real estate properties and utilities income.
*2 Sales of real estate properties are recorded as gains or losses on sales of real estate properties in the statements of income in accordance with Article 48-2 of the Regulations on Accounting of Investment Corporation (Cabinet Office Ordinance No. 47 of 2006), and therefore the amount is the proceeds from sales of real estate properties, less the cost of real estate properties sold and other sales expenses.
*3 Utilities income is the amount of income recognized in proportion to the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements.

For the period from October 1, 2025 to March 31, 2026

	Thousands of yen	
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	13,444,620	5,626,833 *2
Utilities income	2,141,985 *3	2,141,985
Other	—	34,675,143
Total	15,586,605	42,443,962

*1 Rent revenues subject to “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and revenue from sales of real estate properties subject to “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (Transferred Guidance No. 10) are excluded from “Revenue from contracts with customers” as they are not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from sales of real estate properties and utilities income.
*2 Sales of real estate properties are recorded as gains or losses on sales of real estate properties in the statements of income in accordance with Article 48-2 of the Regulations on Accounting of Investment Corporation (Cabinet Office Ordinance No. 47 of 2006), and therefore the amount is the proceeds from sales of real estate properties, less the cost of real estate properties sold and other sales expenses.
*3 Utilities income is the amount of income recognized in proportion to the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements.

19. Per Unit Information

The following table summarizes information about net assets per unit and profit per unit as of September 30, 2025 and March 31, 2026 and for the periods then ended, respectively:

	Yen	
	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
Net assets per unit	76,300	76,405
Profit per unit	2,502	2,615

Notes: 1. Profit per unit is computed by dividing profit by the weighted average number of units outstanding during each period. Diluted profit per unit has not been presented since no warrants or convertible bonds were outstanding during the period.
2. The basis for the computation of profit per unit is as follows:

	Thousands of yen	
	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
Profit	17,805,617	18,605,745
Amount not attributable to normal unitholders	—	—
Profit applicable to normal investment units	17,805,617	18,605,745
Average number of investment units during the period	7,114,320 units	7,114,320 units

20. Breakdown of Property-Related Revenues and Expenses

For the six months ended September 30, 2025 and March 31, 2026

	Thousands of yen	
	For the period from April 1, 2025 to September 30, 2025	For the period from October 1, 2025 to March 31, 2026
Property-Related Revenues	37,197,220	36,817,129
Rent revenues	36,568,685	36,743,295
Rental revenues	30,894,937	31,146,401
Common service charges	1,791,463	1,773,500
Parking revenues	706,210	728,999
Other rental revenues	3,176,073	3,094,394
Other lease business revenues	628,534	73,833
Cancellation charges	355,133	29,784
Other miscellaneous revenues	273,400	44,049
Property-Related Expenses	19,497,677	19,317,966
Expenses related to lease business	19,497,677	19,317,966
Property management expenses	4,181,080	4,157,545
Utilities expenses	3,127,792	2,748,341
Property and other taxes	3,956,787	3,906,597
Casualty insurance	44,827	50,981
Repairing expenses	1,661,865	1,832,972
Depreciation	6,196,038	6,309,528
Other rental expenses	329,284	311,999
Property-Related Profits	17,699,542	17,499,162

21. Breakdown of Gain on Sales of Real Estate Properties

For the six months ended September 30, 2025 and March 31, 2026

For the period from April 1, 2025 to September 30, 2025

	Thousands of yen	
Akasaka Park Building (16.70% quasi-co-ownership interest)		
Revenue from sale of real estate property		13,476,900
Cost of real estate property sold		9,399,264
Other sales expenses		181,709
Gain on sales of real estate properties		3,895,925

For the period from October 1, 2025 to March 31, 2026

	Thousands of yen	
Akasaka Park Building (16.66% quasi-co-ownership interest)		
Revenue from sale of real estate property		13,444,620
Cost of real estate property sold		9,390,278
Other sales expenses		108,151
Gain on sales of real estate properties		3,946,189

JRE Tenjin Crystal Building (50% quasi-co-ownership interest)

Revenue from sale of real estate property	3,315,000
Cost of real estate property sold	1,611,615
Other sales expenses	22,740
Gain on sales of real estate properties	1,680,644

22. Changes in Unitholders’ Equity

For the six months ended September 30, 2025 and March 31, 2026

Total number of investment units issuable and number of units outstanding	As of September 30, 2025	As of March 31, 2026
Total number of investment units issuable	20,000,000 units	20,000,000 units
Number of units outstanding	7,114,320 units	7,114,320 units

23. Supplemental Cash Flow Information

Cash and cash equivalents

The following table represents a reconciliation of cash and cash equivalents as of September 30, 2025 and March 31, 2026:

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
Cash and deposits	21,967,274	25,533,589
Cash and deposits in trust	7,501,494	7,327,693
Time deposits with maturities of more than three months	—	—
Cash and cash equivalents	29,468,769	32,861,283

24. Leases

- Leased assets under finance lease transactions that do not transfer ownership of the leased assets to the lessees are capitalized and depreciated by the straight-line method over the lease term with no residual value. Such capitalized leased assets primarily consist of tools, furniture and fixtures.
- The Company, as a lessor, owns office buildings under leases and earns rent income. As of September 30, 2025 and March 31, 2026, the future lease revenues under the non-cancelable operating leases are as follows:

	Thousands of yen	
	As of September 30, 2025	As of March 31, 2026
Due within one year	35,158,528	37,772,010
Due after one year	85,077,157	86,501,285
Total	120,235,686	124,273,296

25. Subsequent Events

For the six months ended March 31, 2026

Issuance of New Investment Units

As approved by the Board of Directors’ meetings on March 19, 2026 and March 25, 2026, the Company decided to issue new investment units and secondary offering of investment units, completing the public offering on April 1, 2026 and the third-party allotment on April 24, 2026.

As a result of the issuance of additional units, the unitholders’ capital increased to 535,752,935 thousand yen and the units issued and outstanding increased to 7,283,580 units as of April 24, 2026.

Summary of the issuance of units

1. Issuance of New Investment Units through Public Offering

- (1) Offering method: Public offering (offering through book-building and spread method)
- (2) Number of investment units newly issued: 161,200 units
- (3) Offering price: 115,898 yen per unit
- (4) Total amount of offering price: 18,682,757,600 yen
- (5) Amount paid in (subscription price): 112,350 yen per unit
- (6) Total amount paid in (total subscription price): 18,110,820,000 yen
- (7) Payment date: April 1, 2026
- (8) Initial date subject to distribution: April 1, 2026

2. Secondary Offering of Investment Units through Over-Allotment

- (1) Number of investment units sold: 8,060 units
- (2) Selling price: 115,898 yen per unit
- (3) Total selling price: 934,137,880 yen

3. Issuance of New Investment Units through Third-Party Allotment

- (1) Offering method: Third-party allotment
- (2) Number of investment units newly issued: 8,060 units
- (3) Amount paid in (subscription price): 112,350 yen per unit
- (4) Total amount paid in (total subscription price): 905,541,000 yen
- (5) Payment date: April 24, 2026
- (6) Initial date subject to distribution: April 1, 2026
- (7) Allottee: SMBC Nikko Securities Inc.

4. Use of proceeds

The proceeds raised through the public offering were applied toward the funding for the acquisition of a 7.1% ownership interest in CO·MO·RE YOTSUYA on April 2, 2026 for 15,540 million yen and the repayments of a part of the short-term loan of 15,000 million yen borrowed to partially fund the acquisition of the trust beneficiary right for a 9% co-ownership interest in Shinjuku Eastside Square on March 13, 2026 for 20,353 million yen. The funds raised through the third-party allotment will be kept as part of cash reserves to be used for future acquisitions of property or repayment of loans.



Independent Auditor’s Report

The Board of Directors
Japan Real Estate Investment Corporation

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Japan Real Estate Investment Corporation (the Company), which comprise the balance sheet as at March 31, 2026, and the statements of income and retained earnings, changes in unitholders’ equity, cash distributions, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the six-month period 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of 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 Semiannual Report that contains audited financial statements, but does not include the financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Supervisory Director is responsible for overseeing the Company’s reporting process of 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 the Supervisory Director for the Financial Statements

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

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

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 an 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.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate 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 in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and 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 the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to 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 to reduce threats to an acceptable level.

Fee-related Information

The fees for the audits of the financial statements of the Company and other services provided by us and other EY member firms for the six-month period ended March 31, 2026 are 18 million yen and 4 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 10, 2026

Masahiko Yoshida
Designated Engagement Partner
Certified Public Accountant

Ayako Kyotani
Designated Engagement Partner
Certified Public Accountant

Other Information

1. Risk Factors

The principal risks with respect to investment in JRE are as follows:

- any adverse conditions in the Japanese economy could adversely affect JRE;
- JRE may not be able to acquire properties to execute the growth and investment strategy in a manner that is accretive to earnings;
- illiquidity in the real estate market may limit the ability to grow or adjust the portfolio;
- the past experience of the asset manager (the “AIFM”) in the Japanese real estate market is not an indicator or guarantee of future results;
- JRE’s reliance on its sponsor company, the AIFM, and other third-party service providers could have a material adverse effect on business;
- there are potential conflicts of interest between JRE and its sponsor company as well as the AIFM;
- JRE’s revenues largely comprise leasing revenues from the portfolio properties, which may be negatively affected by vacancies, decreases in rent, and late or missed payments by tenants;
- JRE faces significant competition in seeking tenants and it may be difficult to find replacement tenants;
- increases in interest rates may increase the interest expense and may result in a decline in the market price of the units;
- JRE may suffer large losses if any of the properties incurs direct or indirect damage from a natural or man-made disaster;
- most of the properties in the portfolio are concentrated in Tokyo and the Tokyo metropolitan area;
- any inability to obtain financing for future acquisitions could adversely affect the growth of the portfolio;
- JRE’s failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify JRE from certain taxation benefits and significantly reduce the cash distributions to the unitholders; and
- ownership rights in some of JRE’s properties may be declared invalid or limited.

In addition, JRE is subject to the following risks:

- risks related to increasing operating costs;
- risks related to JRE’s dependence on the efforts of the AIFM’s key personnel;
- risks related to the restrictive covenants under debt financing arrangements;
- risks related to entering into forward commitment contracts;
- risks related to third-party leasehold interests in the land underlying JRE properties;
- risks related to holding the property in the form of stratified ownership (*kubun shoyū*) interests or co-ownership interests (*kyōyū-mochibun*);
- risks related to holding the property through trust beneficiary interests;
- risks related to properties not in operation (including properties under development);
- risks related to the defective title, design and construction, other defects, non-conformity to the agreement or problems in the properties;
- risks related to impairment losses related to the properties;
- risks related to tenant leasehold deposits and/or security deposits;
- risks related to tenant’s default as a result of financial difficulty or insolvency;
- risks related to the insolvency of master lessee;
- risks related to the insolvency of a property seller following the purchase of a property by JRE;
- risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data;
- risks related to the presence of hazardous or toxic substances in the properties, or the failure to properly remediate such substances;
- risks related to strict environmental liabilities for the properties;
- risks related to the amendment of applicable administrative laws and local ordinances;
- risks related to infringing third party’s intellectual property rights;
- risks related to holding interests in properties through preferred shares of special purpose companies (*tokutei mokuteki kaisha*);
- risks related to holding Japanese anonymous association (*tokumei kumiai*) interests;
- risks related to investments in trust beneficiary interests;
- risks related to the tight supervision by regulatory authorities and compliance with applicable rules and regulations;

- risks related to tax authority disagreement with the AIFM’s interpretations of the Japanese tax laws and regulations;
- risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs;
- risks related to changes in Japanese tax laws;
- risk of dilution as a result of further issuances of units;
- risks related to unexpected repair costs; and
- risks related to epidemics, natural disasters and wars.

2. Information Required under Article 22(2)(d) of the EU Alternative Investment Fund Managers Directive (AIFMD)

(1) Material Changes in Information Listed in Article 23 of AIFMD during the Financial Period Covered by the Report (six-month fiscal period ended March 31, 2026)

None.

3. Remuneration Policy for Asset Manager Directors, Corporate Auditors and Employees

Beginning April 1, 2025 and ending March 31, 2026

- 1. Remuneration for Asset Manager Directors**
- The total amount of remuneration, bonuses and other property benefits received by Asset Management Directors from the Asset Management Company as compensation for their duties, as well as the individual amounts each Asset Management Director receives, is decided by a resolution of a general meeting of unitholders. The policy for Asset Manager Director remuneration and bonuses is as follows:
- (1) The remuneration table is determined by the Director’s position.
- (2) Remuneration will be paid to full-time Directors but will not be paid to part-time Directors.
- (3) Bonuses will not be paid to Directors, regardless of whether they occupy a full-time or part-time position.

- 2. Remuneration for Asset Manager Corporate Auditors**
- The total amount of remuneration, bonuses and other property benefits received by Corporate Auditors from the Asset Management Company as compensation for their duties, as well as the individual amounts each Corporate Auditor receives, is decided by a resolution of a general meeting of unitholders. The policy for Corporate Auditor remuneration and bonuses is as follows:
- (1) Remuneration will not be paid to part-time Corporate Auditors.
- (2) Bonuses will not be paid to Corporate Auditors, regardless of whether they occupy a full-time or part-time position.

	Directors		Corporate Auditors		Total	
	Number of person(s) remunerated	Remuneration (in millions of JPY)	Number of person(s) remunerated	Remuneration (in millions of JPY)	Number of person(s) remunerated	Remuneration (in millions of JPY)
Remuneration based on resolutions of the General Meeting of Shareholders of the Asset Manager	3	52	0	0	3	52

3. Remuneration for Asset Manager Employees

- (1) Remuneration for employees of the Asset Management Company (payment period, payment method, pay raises, promotions, etc.) is stipulated by pay regulations and personnel evaluation regulations, and decided by objective evaluation of the process as well as achievements that take into account the overall corporate performance.
- (2) Monthly pay consists of base pay, work allowance, executive allowance and overtime pay. Pay raises are based on the results of performance evaluations that take into account management results from the previous fiscal year, and are carried out in April every year. Promotions are dealt with in the same way.
- (3) As for bonuses, the base number of multiples of monthly pay as bonuses is determined in advance by qualifications of the employee. Increases (or decreases) in the amount paid are based on the results of performance evaluations, which take into account corporate performance in the previous fiscal year.

	Number of employees	All employees		
		Remuneration (in millions of JPY)		
		Total	Fixed	Variable
Remuneration based on compensation rules	59	558	325	232

4. Conflicts of Interest

There are potential conflicts of interest between the Company and the Asset Management Company with respect to remuneration for the Directors, Corporate Auditors and employees of the Asset Management Company. The Company believes that the above remuneration policy mitigates such potential conflicts. In addition, the Asset Management Company has adopted an internal set of rules that apply to all related-party transactions, such as transactions between the Company and the Asset Management Company. These rules require strict compliance by the Asset Management Company with laws and regulations regarding related-party transactions. They also contain specific procedures to be followed in the event of a transaction that involves a related party, in order to implement arm’s length terms.

4. Periodic disclosure for financial products referred to in *Article 8, paragraph 1, 2 and 2a, of Regulation (EU) 2019/2088* and *Article 6, first paragraph, of Regulation (EU) 2020/852*

Product name: Japan Real Estate Investment Corporation

Legal entity identifier: 3538003YAIR3CBGJJ928

Japan Real Estate Investment Corporation (“JRE”) promotes environmental and social characteristics but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088. JRE has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and relies on Japan Real Estate Asset Management Co., Ltd. (the “Asset Manager”) to manage and operate the properties in JRE’s portfolio. The Asset Manager and JRE are hereinafter referred to collectively as “we,” “us” or “our” unless noted otherwise. References to “fiscal year” or “FY” are to the 12 months began or beginning April 1 of the year specified in line with the fiscal year of the Asset Manager, unless noted otherwise.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It made sustainable investments with an environmental objective: ____% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ It made sustainable investments with a social objective: ____%	☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective ☒ It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met?

We are committed to pursuing social sustainability, making socially responsible investments, and maximizing unitholder value by being mindful of the environment, contributing to society, and enhancing governance. We view environmental, social, and governance (“ESG”)-related initiatives as essential for a business to be both sustainable and stable, and are committed to implementing these initiatives in cooperation with our stakeholders. More specifically, we are committed to improving the environmental performance of our real estate portfolio while generating greater returns on our office investments, achieving sustainable development alongside all of our stakeholders, including unitholders, tenants, employees, suppliers and local communities, to contribute to sustainable society, and maximizing unitholder value. Our basic policy is to strictly observe legal requirements and relevant social norms, and under this basic policy, we have established a Sustainability Policy to implement the initiatives described below.

- *Environmental Initiative.* Based on the Sustainability Policy items “1. Climate change initiative (promoting decarbonization and strengthening resilience)” and “2. Contribution to resource conservation including water and resource recycling”, JRE has set reduction targets for energy consumption and greenhouse gas (“GHG”) emissions in order to improve the environmental performance of its real estate portfolio. In order to achieve these targets, the Asset Manager implements measures to improve the operational performance of buildings, conducts energy efficiency retrofits, and engages tenant on energy efficiency based on its “Energy Conservation Policy”, which stipulates operational policies for improving energy efficiency of the real estate portfolio, and “GHG Emissions Reduction Policy”, which aims to create a decarbonized society.

- *Environmental Consideration of Portfolio.* To track the environmental performance of our properties, we rely on certifications issued by third-party organizations, such as the Development Bank of Japan’s (“DBJ”) Green Building Certification, Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) certification, Building Energy-efficiency Labeling System (“BELS”) certification, Net Zero Energy Building (“ZEB”) certification and other equivalent certifications.
- *Tenant Engagement.* To increase the satisfaction of tenants in each building, we periodically carry out tenant satisfaction surveys. JRE is also implementing various initiatives to enhance the sustainability of each building in collaboration with tenants, such as distribution of sustainability guides. Sustainability guides introduce activities to improve the office environment, such as creating open spaces to promote communications among workers and introducing sustainable daily efforts to reduce electricity and water consumption. Regarding lease agreements, we include Green Lease provisions in our lease agreements that require tenants to achieve certain operational improvements and install energy-efficient retrofits. Specifically, Green Leases include provisions requiring each party to cooperate with the other party on measures to achieve sustainability targets and obtain environmental certifications, and to share energy-consumption and water usage data. We conduct periodic surveys of property managers of all of our properties based on the questions from GRESB, and we analyze sustainability efforts based on survey results, which are shared with the property managers. The survey includes questions on whether a property manager has introduced any measures to reduce energy consumption, water usage and waste, whether it has implemented any sustainability measures and conducted any satisfaction survey for tenants and whether it has engaged in any social activities with local communities. As for property level energy, water usage, and waste-related data, we utilize a system to give online feedback regarding such data.
- *Employee Health and Well-being at the Asset Manager.* We believe that the physical and mental health of employees and the creation of an accommodating work environment are key to maintaining and improving our business performance. As an example of related initiatives, we conduct annual anonymous surveys of all employees on a wide range of topics, including the work environment, benefits and educational support. The survey results are reported to the Asset Manager’s President & CEO and are used for improving our activities. In addition, the HR department interviews employees to gather their opinions on how to improve operational efficiency. Furthermore, all employees can consult with the General Manager of the Asset Manager’s Compliance Department, a law firm, or an outside specialist on matters such as risks/problems at work, grievances and improvement requests as well as whistleblowing on illegal or unethical behaviour by officers and employees. Every employee can seek any of the foregoing consultations anonymously, and whistleblowers are given protection under the Whistleblower Protection Act of Japan. If deemed necessary, such matters of consultations are reported to the President & CEO, who will conduct an investigation and take measures necessary for resolution of the issue. In addition, we have implemented various measures, including creating a productive and employee-friendly workplace and promoting diverse work styles, to promote the physical and mental health of employees, help them achieve good work-life balance, and increase employees’ motivation.
- *International Initiatives and External Evaluations.* We attach great importance to ESG-conscious investing in order to continuously improve the value of assets under management, and are a signatory or participant in various international initiatives, such as Principles for Responsible Investment (“PRI”), RE100 and, as a member of Mitsubishi Estate Group, the United Nations Global Compact (“UNGC”). Also, JRE’s updated CO₂ emissions reduction target has been approved by the Science Based Targets initiatives (“SBTi”), which is a global joint initiative by CDP, the United Nations Global Compact, the World Resources Institute (“WRI”) and the World Wide Fund for Nature (“WWF”). Furthermore, several of the Asset Manager’s ESG initiatives have been evaluated highly by external organizations in Japan and overseas. Going forward, we will maximize long-term returns by strengthening our ESG initiatives.

● *How did the sustainability indicators perform?*

We use the following indicators to measure the attainment of the environmental or social characteristics we promote:

- *Environmental Initiative*
 - *Climate Change Initiatives.* We aim to achieve a 80% reduction in total CO₂ emissions from our portfolio by FY2030 compared with the FY2019 level and net zero CO₂ emissions from our portfolio by FY2050. We recognize that reduction of GHG emissions is of critical importance to ensure the sustainability of our business. We have been working to reduce energy consumption and GHG emissions of our portfolio by installing eco-friendly equipment such as LED lighting, which reduces electronic usage, and energy-saving air conditioning systems. The percentage of progress in installing LED light bulbs in certain common areas for the entire portfolio was 65% as of March 31, 2025 and 66.4% as of March 31, 2026 on a gross floor area basis. In addition, we have accelerated the use of electricity 100% from renewable energy sources, and the number of properties in which we had introduced 100% renewable electricity was 70 as of September 30, 2025 but had grown to 71 as of March 31, 2026. We reduced total CO₂ emissions from our portfolio by 76.5% in FY2024, and 81.9% in FY2025, as compared with the FY2019 level. As for energy consumption, we reduced total energy consumption from our portfolio by 2.2% in FY2024, and 4.7% in FY2025 as compared with the FY2019 level.
 - *Water Saving Initiatives.* We aim to achieve 20% reduction in water use (intensity) in our portfolio by FY2030 compared with the FY2019 level. Some of the buildings we own are equipped with facilities for reusing rainwater and greywater, as we endeavour to reduce the consumption of tap water. We reduced water use (intensity) at our properties by 10.9% in FY2024, and 9.1% in FY2025, as compared with the FY2019 level.
 - *Waste Management Initiatives.* We aim to achieve a more than 90% waste recycling rate in our portfolio by FY2030. We have reduced waste and promoted efficient use of resources through the promotion of reuse and recycling at our properties. In FY2024, we achieved a 56.4% waste recycling rate in our portfolio and in FY 2025, we achieved a 56.4% waste recycling rate in our portfolio.
 - *Renewable Energy.* We are making efforts to accelerate the use of electricity from renewable energy recognized by RE100 (where “RE” stands for renewable electricity), which is a global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity. In May 2022, JRE joined the international initiative RE100 as the first J-REIT. We aim to make electricity (of Scope 2) used at our buildings 85% renewable energy by FY2025, 90% by FY2030, and 100% by FY2050. While as of the end of FY2024 the renewable energy rate (Scope 2) of our portfolio was 82.2%, the renewable energy rate of our portfolio had increased to 86.7% as of the end of FY2025 successfully achieving our FY2025 target.
- *Environmental Consideration of Portfolio.* As of the end of the fiscal period ended March 31, 2026, 97.2% of our properties were Green Assets (as defined below) based on the gross floor area of owned buildings, compared to 94.9% as of September 30, 2025. As of the end of the fiscal period ended March 31, 2026, we owned a total of eight properties certified as either ZEB Ready (energy savings of greater than 50%) or ZEB Oriented (gross floor area 10,000 m² or more and energy savings beyond the regulation for each application). Our target set in the materiality to own five to ten ZEBs by FY2030 has been achieved.
- *Tenant Engagement*
 - *Including “Green Lease” Provisions in Our Agreements.* JRE has increasingly entered into Green Leases. While, as of March 31, 2024, floor area percentage for buildings leased under a Green Lease agreement that contains a cost recovery clause was 83.9%, such percentage had increased by 4.9% to 88.8% as of March 31, 2025. (The figures for Green Leases include properties disposed during each fiscal year based on the SASB standards).

- *Sustainability Program for Tenants.* We conduct periodic satisfaction surveys to solicit feedback from tenants to maintain a high level of tenant satisfaction and use such feedback to improve our buildings’ sustainability. The tenant satisfaction survey coverage ratio, calculated based on the number of properties owned as of the end of each fiscal year, was 60.3% as of the end of FY2025 and 67.1% as of the end of FY2024.
- *Employee Health and Well-being at the Asset Manager.* As described above, we conduct annual anonymous surveys of all employees on a wide range of topics, including the work environment, benefits and educational support. During the FY2025, we conducted the latest survey and achieved a score of 4.1 (on a 5-point scale) for the employee satisfaction level, almost the same level as the previous score of 4.2, with a 100% response rate.
- *International Initiatives and External Evaluations*
 - *GRESB Real Estate Rating.* GRESB was founded in 2009 by a group of major European pension funds who played leading roles in launching PRI. In the 2025 GRESB Real Estate Assessment, JRE received a 5-star GRESB Rating (five-level rating) based on a relative evaluation of its overall scores. JRE also received a Green Star rating for the tenth consecutive year, meaning that JRE has demonstrated an excellent ESG management system and performance record.
 - *CDP score.* Since 2003, CDP has sent questionnaires every year to major companies to assess corporate actions on climate change. JRE has participated in CDP Climate Change Program since 2018. JRE receives the highest score “A” and recognized as a “A list” company in the 2025 CDP Climate Change Program.
- *...and compared to previous periods?*

See above.
- *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

Not applicable.
- *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

Not applicable.

How did this financial product consider principal adverse impacts on sustainability factors?

We collect on an ongoing basis select information on our existing portfolio regarding the principal adverse impact indicators, including exposure to fossil fuels through investment assets, exposure to energy-inefficient investment assets, GHG emissions and energy consumption intensity. We monitor these indicators and aim to manage the risk connected to principal adverse impacts from our investment decisions in several ways, including general screening criteria and due diligence. As we actively conduct due diligence review of properties before acquisition and promote environmental and social initiatives as described above, we believe that any principal adverse impacts are substantially mitigated.

- *Exposure to fossil fuels through assets.* We do not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.
- *Exposure to energy-inefficient investment assets.* We consider properties other than the properties that have received any of the green building certifications and energy-saving certifications (“Green Assets”) to be energy-inefficient. As of March 31, 2026, 97.2% of our properties were Green Assets and 2.8% of our properties were not Green Assets. As described in more detail above, we implement as appropriate measures to reduce the environmental impact of these properties, including by obtaining environmental certifications.
- *Energy consumption intensity.* The amounts of energy consumption of our properties per square meter are 0.179 MWh in FY2024 and 0.174 MWh in FY2025. The amounts of Scope 1 GHG emission of our properties were 2,627 t-CO₂ in FY2024 and 2,761 t-CO₂ in FY2025. Scope 2 GHG emissions of our properties were 12,734 t-CO₂ in FY2024 and 10,456 t-CO₂ in FY2025. Scope 3 GHG emissions of our properties were 8,797 t-CO₂ in F2024 and 5,405 t-CO₂ in FY2025.

We believe that investment decisions that negatively affect climate or other environment-related resources, or have negative implications for society, can have a significant impact to risk and value creation for our unitholders. To this end, we consider the principal adverse impacts of our investment decisions on the above sustainability factors throughout all major steps of the investment decision and management process throughout the lifecycle of the properties in our portfolio.

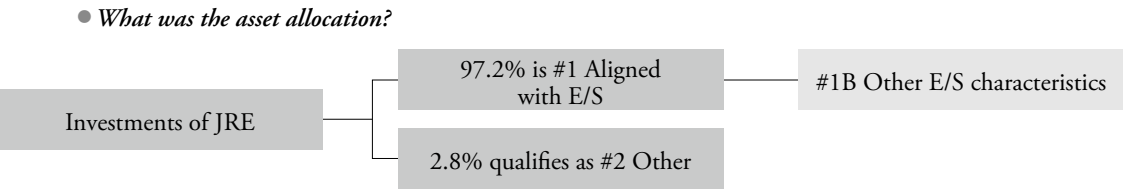
We believe that climate change is more than an environmental issue, which has a major impact on social and industrial infrastructure, and therefore on our business activities. To maintain sustainable and stable earnings over the long term and overcome the oncoming changes from climate change, we will need to evaluate the risks and opportunities presented by climate change, and reflect such evaluation in our operational policies and asset management. Based on the foregoing, JRE has examined the magnitude of the financial impact of risks and opportunities presented by climate change for scenarios involving temperature increases between 4°C and 1.5°C, which are scenarios published by international organizations and other entities that predict the impact of global warming and climate change and of the changes that may occur in the business environment as a result of long-term policy trends in relation to climate change. We examined the impact of each scenario for 2030 (medium-term prospects) and 2050 (long-term prospects) for qualitative financial impact analysis. As for quantitative financial impact analysis, we assumed as of 2050 based on the FY2021 operating profit.

What were the top investments of this financial product?

Largest investments	Sector	% Assets (based on acquisition price)	Country
Office properties	Real estate	100	Japan

What was the proportion of sustainability-related investments?

As of March 31, 2026, 97.2% of the properties in the portfolio were Green Assets, and 2.8% were nonqualified assets based on gross floor area of owned buildings.



● *In which economic sectors were the investments made?*

JRE invests in office buildings in major cities nationwide in Japan with the goal of stable growth in value over a medium- to long-term period.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

● *Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy.*

Not applicable. JRE does not invest in real estate assets involved in fossil gas and/or nuclear energy related activities.

● *What was the share of investments made in transitional and enabling activities?*

Not applicable.

● *How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?*

Not applicable.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable.

What was the share of socially sustainable investments?

Not applicable.

What investments were included under “other,” what was their purpose and were there any minimum environmental or social safeguards?

As of March 31, 2026, based on gross floor area of owned buildings, 2.8% of our properties were not Green Assets. However, we implement as appropriate measures to reduce their environmental impact following acquisition, including by obtaining environmental certifications, installing environmentally-friendly equipment, using renewable energy and undertaking appropriate renovations.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

As described in greater detail above, we implement various environmental initiatives at our properties including the following:

- *Environmental Initiative*
- *Environmental Consideration of Portfolio*
- *Tenant Engagement*
- *Employee Health and Well-being at the Asset Manager*
- *International Initiatives and External Evaluations*

How did this financial product perform compared to the reference benchmark?

Not applicable.

● *How does the reference benchmark differ from a broad market index?*

Not applicable.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable.

● *How did this financial product perform compared with the reference benchmark?*

Not applicable.

● *How did this financial product perform compared with the broad market index?*

Not applicable.

Note Regarding the EU Taxonomy Regulation

As set out above, we promote certain environmental characteristics.

The Asset Manager is required, under Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy regulation. The EU Taxonomy Regulation is complemented by technical standards and screening criteria. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021 and amended in June 2023. The amended criteria have been applied since January 1, 2024. The technical screening criteria for the other four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) were adopted in June 2023. They have been applied since January 1, 2024.

JRE invests in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The Asset Manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and/or amended and the fact that, as a result thereof, data on alignment of JRE’s investments with these environmental objectives and climate related goals in line with EU Taxonomy Regulation are not sufficiently available, the Asset Manager is not currently in a position to disclose on an accurate and reliable basis to what extent JRE’s investments technically qualify as Taxonomy-aligned or “environmentally sustainable” within the specific meaning of the EU Taxonomy Regulation. JRE’s investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the Asset Manager is required to state that there is no minimum proportion of JRE’s investments that qualify as such.

The Asset Manager further states that the “do no significant harm” principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Corporate Data

As of March 31, 2026

Executives

Executive Director: Jo Kato

Supervisory Directors: Hiroaki Takano
Miyuki Aodai

Paid-in Capital

JPY 516,736,574,500

Number of Units Outstanding

7,114,320

Number of Unitholders

21,049

Stock Listing

Tokyo Stock Exchange

Securities Code

8952

LEI (Legal Entity Identifier)

3538003YAIR3CBGJJ928

Type of Investment Corporation

Closed-end corporate type fund

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

Auditor

Ernst & Young ShinNihon LLC
Hibiya Mitsui Tower
Tokyo Midtown Hibiya
1-1-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006, Japan

Incorporation

May 11, 2001

Executive Office

Japan Real Estate Investment Corporation
1-1-1, Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan

For further information, please contact:
Japan Real Estate Asset Management Co., Ltd.
Strategic Planning Department
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E-mail: j-rea-inquiry@j-rea.co.jp

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Estimates for the Company’s future operating results contained in this semiannual report are forward-looking statements and are based on information currently available to the Company and its Asset Management Company and are subject to risks and uncertainties. Consequently, these projections should not be relied upon as the sole basis for evaluating the Company. Actual results may differ substantially from the projections depending on a number of factors.