

17th Financial Results

for the Fiscal Period Ended July 31, 2025



ES CON JAPAN REIT Investment Corporation

Securities Code: 2971

<https://www.escon-reit.jp/>

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1. Financial Highlights

Earnings Result 17th Fiscal Period

In addition to the full FP contribution of increased lease revenue from tonarie Minami-senri, revenue from properties acquired during the FP under review helped boost overall revenue. As a result, despite an increase in various expenses, ESCON REIT achieved a profit growth that exceeded even the one-time penalty income received due to tenant move-outs. DPU was JPY 3,886, JPY 400 higher than the initial forecast (as of March 17, 2025).

- **Distributions per unit (DPU) JPY 3,886** *up JPY 412 from previous period* (up JPY 400 from initial forecast)
- **Occupancy rate* 99.1%** *stable since listing*
- **NAV per unit JPY 131,283**

DPU Forecast 18th and 19th Fiscal Period

The DPU for the 18th FP is expected to be down JPY 376 from the previous FP. However, compared to the adjusted DPU* of JPY 3,488 excluding one-time penalty income, the DPU is expected to be up JPY 22. Furthermore, the DPU for the 19th FP is expected to be up JPY 12 from the previous FP, indicating an upward trend in actual DPU.

- 18th FP (FY1/26) forecast: **DPU JPY 3,510** *up JPY 22 from previous actual*
- 19th FP (FY7/26) forecast: **DPU JPY 3,522** *up JPY 12 from 18th FP forecast*

Progress of our Roadmap

Progress made in the 17th FP (FY7/25)

【External Growth】

- Acquisition of Kohnan tonarie Yamatotakada (leasehold land) on April 1, 2025
- Focused on strengthening sourcing activities to enhance portfolio quality through property replacement and to achieve sustainable external growth. The volume of property information collected during the FP under review increased significantly, reaching approximately 1.5 times the previous FP's level in terms of both number of properties and monetary amount.

【Internal Growth】

- Realized rent increases when the leases came up for renewals, reflecting amount of increases in land property tax on leasehold land properties, and steadily implemented value-enhancement measures to improve appeal of facilities.

【Financial Strategy】

- To acquire the aforementioned leasehold land, secured new short-term borrowing of JPY 1,160 million. With the refinancing conducted at the end of July 2025, rate of interest expenses on the entire amount of the refinancing was fixed, and a new bank was invited to enhance the lender formation.
- Also focused on strengthening IR efforts aimed at individual investors.

2. Earnings Results

Earnings Results vs. previous period

In addition to the full FP contribution of increased lease revenue from tonarie Minami-senri, revenue from properties acquired during the FP under review steadily helped boost overall revenue. As a result, despite the increase in interest expenses due to the rise in the base interest rate, ESCON REIT achieved a profit growth that exceeded even the one-time penalty income received due to tenant move-outs.

DPU was JPY 3,886, JPY 412 higher than the previous period.

17th - July 2025 Fiscal Period vs. previous period

(JPY million)

	16th Jan. 2025 FP Actual (a)	17th Jul. 2025 FP Actual (b)	vs. previous period (b-a)
Operating revenue	2,794	3,124	+330
Operating income	1,439	1,668	+229
Ordinary income	1,253	1,402	+148
Net income	1,252	1,401	+148
DPU	JPY 3,474	JPY 3,886 (*JPY 3,488)	JPY +412 (*JPY +14)
Depreciation	209	214	+4
NOI after depreciation	1,653	1,945	+291
NOI yield after depreciation	4.7%	5.5%	+81bp ^{*1}
FFO ^{*2}	1,462	1,616	+153
Number of operating days	184 days	181 days	-3 days

* Adjusted DPU excluding penalty income received associated with the tenant move-outs from SUROY MALL Nagamine

Main Change Factors of Net Income vs. previous period

(JPY million)

Change factors	Changes of items	Total
Operating revenue	• Increase in lease revenue from “tonarie Minami-senri”	+214.2
	• Penalty income received associated with tenant move-outs from SUROY MALL Nagamine	+143.7
	• Absence of settlement payments for the assets acquired through asset replacement	-11.0
	• Decrease in utility income	-24.6
	• Increase in land lease revenue from properties acquired in the FP under review	+18.4
	• Decrease in lease revenue and common charges associated with tenant move-outs from SUROY MALL Nagamine	-10.7
Operating expenses	• Increase or decrease in various leasing business revenues	+0.6
	• Increase in repair expenses due to the accelerated implementation of repairs, etc.	-57.0
	• Land property tax on properties acquired in the 15th FP	-23.0
	• Decrease in utility expenses (Balance of utility charges (Net))	+28.8 (+4.2)
	• Increase in management fees	-54.9
Non-operating income/ expenses, etc.	• Increase or decrease in various operating expenses	+4.8
	• Increase in interest expenses due to a rise in the base interest rate and a new borrowing (JPY 1,160 mil.), etc.	-63.6
	• Increase in financing-related expenses due to refinancing and a new borrowing (JPY 1,160 mil.), etc.	-17.7
	• Increase or decrease in other non-operating income/ expenses	+0.8
Total		+148.7

Secured a level of revenue that slightly exceeded the initial forecasts, even after excluding revenue from one-time penalty income due to tenant move-outs, thanks to steady efforts to improve profitability such as reflecting the amount of increase in property taxes on leasehold land properties to rents, as well as improving profitability of utility charges received. As a result, the DPU was JPY 3,886, exceeding both the initial forecast and revised forecast, by JPY 400 and JPY 56, respectively.

17th - July 2025 Fiscal Period vs. forecasts

(JPY million)

	17th Forecasts as of Mar. 17, 2025 (a)	17th Forecasts as of Jul. 15, 2025 (b)	17th Jul. 2025 FP Actual (c)	vs Initial forecasts (c-a)	vs Revised forecasts (c-b)
Operating revenue	2,993	3,128	3,124	+131	-3
Operating income	1,526	1,649	1,668	+141	+19
Ordinary income	1,258	1,382	1,402	+144	+19
Net income	1,257	1,381	1,401	+144	+20
DPU	JPY 3,486	JPY 3,830	JPY 3,886 (*JPY 3,488)	JPY +400 (*JPY +2)	JPY +56
Depreciation	216	214	214	-2	-0
NOI after depreciation	1,802	1,931	1,945	+142	+13
NOI yield after depreciation	5.1%	5.4%	5.5%	+40bp	+4bp
FFO	1,474	1,596	1,616	+142	+20
Number of operating days	181 days	181 days	181 days	0 day	0 day

* Adjusted DPU excluding penalty income received associated with the tenant move-outs from SUROY MALL Nagamine

Main Change Factors of Net Income vs. initial forecasts

(JPY million)

Change factors		Changes of items	Total
Operating revenue	• Penalty income received associated with tenant move-outs from SUROY MALL Nagamine	+143.7	+131.2
	• Downside of utility income	-18.1	
	• Upside in land lease revenue from properties acquired in the FP under review	+4.7	
	• Increase or decrease in various leasing business revenues	+0.9	
Operating expenses	• Downside of utility expenses (Balance of utility charges (Net))	+33.2 (+15.1)	+10.5
	• Upside in repair expenses due to the accelerated implementation of repair plans	-26.6	
	• Downside in depreciation and other costs	+3.9	
Non-operating income/expenses, etc.	• Decrease in interest expenses due to downside in the base interest rate etc.	+1.3	+2.4
	• Recognition of gain on forfeiture of unclaimed distributions	+1.1	
Total			+144.2

Main Change Factors of Net Income vs. revised forecasts

(JPY million)

Change factors		Changes of items	Total
Operating revenue	• Downside of utility income	-7.2	-3.2
	• Upside in revenue from events, etc.	+4.0	
Operating expenses etc.	• Downside of utility expenses (Balance of utility charges (Net))	+12.5 (+5.3)	+23.2
	• Downside in repair expenses	+4.3	
	• Downside in administrative expenses	+ 6.4	
Total			+20.0

3. Earnings Forecasts

Earnings Forecasts, 18th - January 2026 FP

DPU forecast: JPY 3,510, unchanged from the previous forecast. Excluding the absence of the one-time penalty income from tenant move-outs recorded in the previous FP, ESCON REIT expects to maintain a profit growth trend by fully absorbing increases in various costs such as interest expenses and financing fees.

18th - January 2026 Fiscal Period Forecasts

(JPY million)

	17th Jul. 2025 FP Actual (a)	18th Forecasts as of Mar. 17, 2025 (b)	18th Forecasts as of Sep. 12, 2025 (c)	vs. previous period (c-a)	vs. previous forecasts (c-b)
Operating revenue	3,124	3,064	3,022	-102	-41
Operating income	1,668	1,571	1,569	-98	-1
Ordinary income	1,402	1,266	1,266	-135	+0
Net income	1,401	1,265	1,265	-135	+0
DPU	JPY 3,886 (JPY 3,488)	JPY 3,510	JPY 3,510	JPY -376 (*JPY +22)	JPY 0
Depreciation	214	221	218	+4	-2
NOI after depreciation	1,945	1,858	1,863	-81	+4
NOI yield after depreciation	5.5%	5.2%	5.2%	-32bp	+1bp
FFO	1,616	1,487	1,484	-131	-2
Number of operating days	181 days	184 days	184 days	+3 days	0 day

* Adjusted DPU excluding penalty income received associated with the tenant move-outs from SUROY MALL Nagamine

Main Change Factors of Net Income vs. previous period

(JPY million)

Change factors	Changes of items	Total
Operating revenue	- The absence of the one-time penalty income associated with tenant move-outs from SUROY MALL Nagamine - Increase in land lease revenue from properties, etc. acquired in the 17th FP - Increase in utility income - Decrease in lease revenue and common charges associated with tenant move-outs from SUROY MALL Nagamine - Increase in leasing business revenue due to move-in of new tenants, etc.	-143.7 +11.1 +41.7 -21.7 +10.2
Operating expenses	- Increase in LM, PM, and BM rewards, etc. - Decrease in repair expenses due to accelerated implementation of repairs during the 17th FP - Increase in utility expenses (Balance of utility charges (Net)) - Expenses for holding a general meeting of unitholders and increase or decrease in various expenses	-10.7 +70.0 -39.7 (+2.0) -15.8
Non-operating income/ expenses, etc.	- Increase in interest expenses due to the full FP contribution from fixed interest rates and new borrowing (JPY 1,160 mil.) - Increase in refinancing costs	-25.4 -11.7
Total		-135.6

Main Change Factors of Net Income vs. previous forecasts

(JPY million)

Change factors	Changes of items	Total
Operating revenue	- Downside of lease revenue and common charges associated with tenant move-outs from SUROY MALL Nagamine - Downside of utility income - Downside in leasing business revenue due to delays in move-in of new tenants, etc.	-18.5 -20.0 -3.0
Operating expenses /Non-operating income/ expenses, etc.	- Downside in repair expenses due to the accelerated implementation of repair plans in the 17th FP - Downside of utility expenses (Balance of utility charges (Net)) - Upside in LM, PM, and BM rewards, etc. - Upside in various expenses	+26.2 +25.6 (+5.5) -6.6 -3.7
Total		+0

DPU forecast: JPY 3,522 to remain in an upward trend. By steadily accumulating revenue growth through internal measures such as actively attracting new tenants and increasing rents for existing tenants, ESCON REIT will offset the increase in various costs.

19th - July 2026 Fiscal Period Forecasts

	18th Forecasts as of Sep. 12, 2025 (a)	19th Forecasts as of Sep. 12, 2025 (b)	(JPY million) vs. previous period forecasts (b-a)
Operating revenue	3,022	3,012	-9
Operating income	1,569	1,580	+10
Ordinary income	1,266	1,271	+4
Net income	1,265	1,270	+4
DPU	JPY 3,510	JPY 3,522	JPY +12
Depreciation	218	224	+5
NOI after depreciation	1,863	1,858	-4
NOI yield after depreciation	5.2%	5.2%	+8bp
FFO	1,484	1,494	+9
Number of operating days	184 days	181 days	-3 days

Main Change Factors of Net Income vs. previous period forecasts

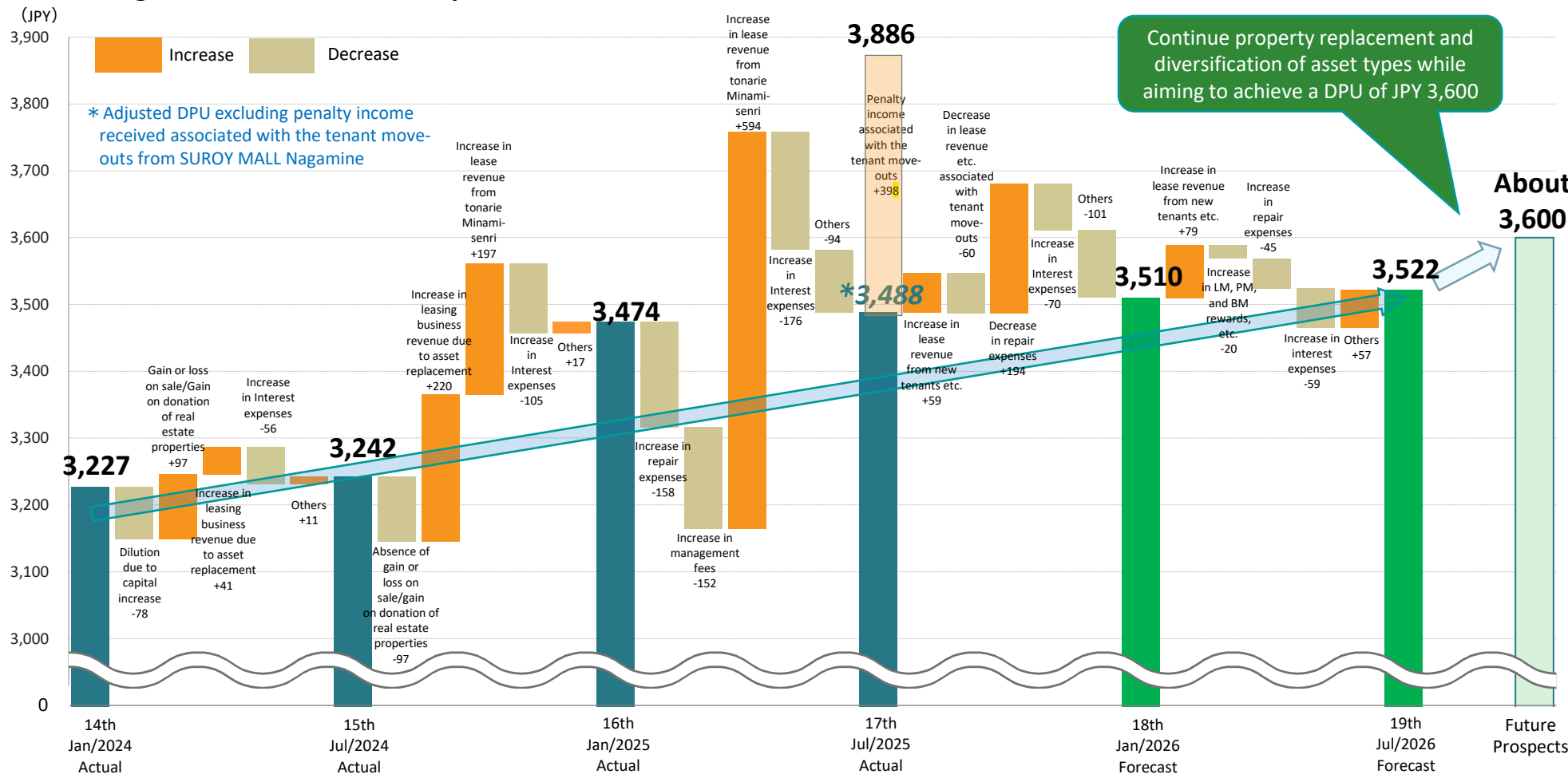
		(JPY million)	
Change factors		Changes of items	Total
Operating revenue	• Increase in leasing business revenue from new tenants, etc.	+25.8	-9.4
	• Increase in land lease revenue	+2.6	
	• Decrease in utility income	-37.8	
Operating expenses	• Increase in LM, PM, and BM rewards, etc.	-7.2	+19.6
	• Increase in depreciation	-5.2	
	• Increase in repair expenses	-16.2	
	• Decrease in utility expenses (Balance of utility charges (Net))	+34.3 (-3.5)	
	• Absence of expenses for holding a general meeting of unitholders	+9.2	
	• Increase or decrease in various expenses	+4.7	
Non-operating income/ expenses, etc.	• Increase in interest expenses due to fixing interest rates	-21.3	-5.7
	• Decrease in financing fees due to reduced refinancing amount, etc.	+14.8	
	• Increase in interest on ordinary deposits	+0.8	
		Total	+4.4

15th to 19th Periods: Various costs are expected to increase significantly due to higher interest expenses associated with rising interest rates and the shift to fixed interest rates. However, steady implementation of measures to achieve internal growth, such as property replacement and increased lease revenue from tonarie Minami-senri enabled DPU to remain on an upward trend.

Roadmap
(From Phase II onward)

Looking ahead, ESCON REIT will continue property replacement and diversification of asset types while aiming to achieve a DPU of JPY 3,600 or more as soon as possible.

Main Change Factors of Distribution per unit



4. Progress of our Roadmap and Future Initiatives

Policy on Initiatives for the Roadmap (the 3rd Phase)

Replacement Strategy

- Transfer stabilized properties in the existing portfolio
- Utilize acquired funds, make selective acquisitions of properties with strong NOI growth potential
- **Commercial facilities with room for value enhancement**
- **Hotels**
- **Residential properties**
- Focus on adding staff and expanding pipeline to drive external growth

Replace approximately 15% of portfolio

Internal Growth

- Realize rent increases by eliminating rent gaps and introduce percentage rents
- Make efforts to reduce costs, mainly utility charges
- Promote value enhancement based on the results of facility user satisfaction surveys
- Implement branding strategy in collaboration with local communities and governments

Financial Strategy

- Strengthen IR activities targeting individual unitholders
- Fix interest rates for a long period of time targeting 80% fixed interest ratio, which is the average for J-REITs
- Utilizing leverage capacity up to a maximum of 50%

Strengthen the portfolio and aim for the enhancement of unitholder value

Progress

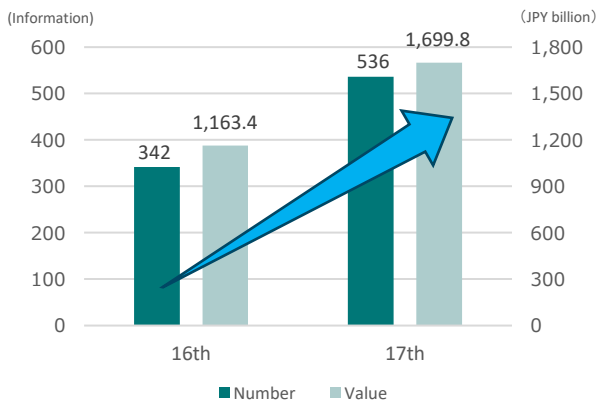
● Acquisition of Kohnan tonarie Yamatotakada (leasehold land)

- ✓ ESCON REIT acquired Kohnan tonarie Yamatotakada (leasehold land) on April 1, 2025 and pursued greater asset value by owning this with the adjacent tonarie Yamatotakada.
- ✓ From April to July 2025, following the acquisition, tonarie Yamatotakada saw a year-on-year increase of about 12,000 (4.2%) in the average monthly number of customers, while the facility's total average monthly sales grew by approximately JPY 11 million (2.3%).

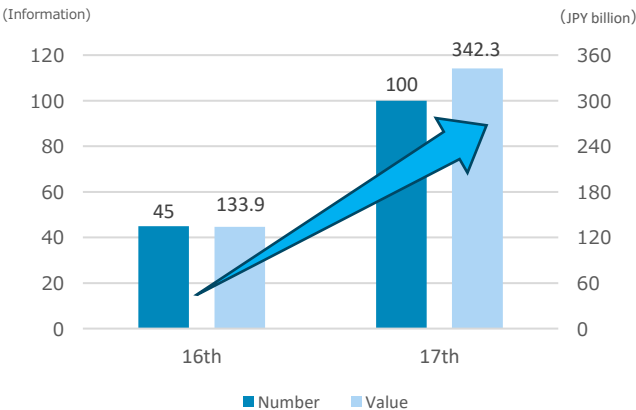
● Collection of diverse property information through strengthened sourcing capabilities

- ✓ Utilized sponsor pipelines and actively developed channels unique to the asset manager and direct channels from sellers, while focusing on sourcing expansion.
- ✓ The volume of property information collected during the 17th FP increased by approximately 1.5 times from the 16th FP. (both number of properties and monetary amount)
- ✓ Significant increase in direct deals (without using intermediary companies) through improved recognition from bid participation and enhanced sourcing capabilities; expanded sourcing of properties with strong NOI growth potential.

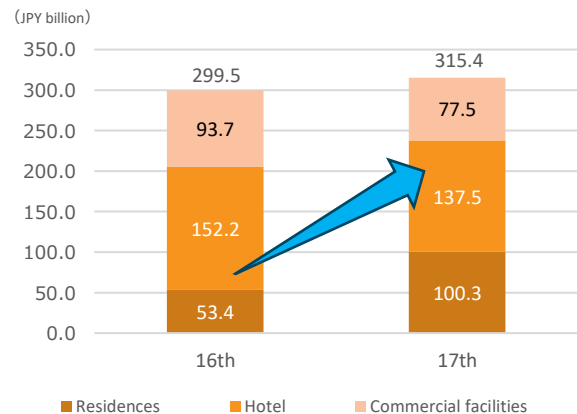
• Volume of property information collected /total value



• Volume of collected information on properties via direct deals (without using intermediary companies)



• Estimated amount for properties with strong NOI growth potential



Future initiatives

- ✓ Acquire carefully selected properties with strong NOI growth potential from a wide range of information sources, while expanding into new asset types to further diversify the portfolio.
- ✓ Secure pipelines for future expansion of asset scale by utilizing warehousing and bridge functions provided by sponsors and leasing companies.

Examples of ES-CON JAPAN's Development Projects

- A general developer with residential development as its core business that engages in profit-earning real estate, redevelopment, and other multifaceted development projects in different cities
- Operating in six key regions across Japan: Tokyo, Osaka, Hokkaido, Nagoya, Kyushu, and Okinawa
- Promotes facility development supporting daily life, such as operating the community-based commercial facility “tonarie” nationwide and developing the rental residence “TOPAZ”
- Creating new futures as a life developer shaping everyday living under the purpose “Ideal to Real,” for the future of society and local communities

● Lifestyle-focused commercial facilities “tonarie”



tonarie Kitahiroshima
(Kitahiroshima City, Hokkaido)



tonarie Tsukuba Square
(Tsukuba City, Ibaraki)

● Rental residence “TOPAZ”



TOPAZ Esaka (Suita City, Osaka)



TOPAZ Machida
(Machida City, Tokyo)

● Hotels



RANDOR HOTEL Sapporo Heritage (Sapporo City, Hokkaido)

● Senior housing



Masters Varus Hokkaido Ballpark
(Kitahiroshima City, Hokkaido)

Progress-1

Initiatives on the increases in rents

- ESCON REIT promoted increases in rents and growth in sales in entire facilities through attracting new tenants, negotiations at the time of re-contracting and active holding of events. In addition, by shortening terms of lease contracts, ESCON REIT secured more opportunities to increase rents in the future.
- Status of rent increases in the 17th FP

Initial rent increase estimate* (Excluding move-outs section)		Actual rent increases in the rent increase estimate section		Details
Monthly amount	Tenants	Monthly amount	Tenants	
JPY 360 thousand	10	JPY 270 thousand	9	- Rent increases exceeding estimates : 1 - Rent increases matching estimates : 6 - Rent increases below estimates : 2 - No changes : 1

Achievement rate: approx. 75.0%

Measures for increases in expenses for leasehold land

- At leasehold land properties, the increase in land property tax has become an issue as revenue is generated from fixed rents. ESCON REIT therefore negotiated for revisions to rents in line with the increase in land property tax. As a result, rents were raised at nine properties in the 17th FP.

increase in rents due to the revisions to rents made in the 17th FP (a total for nine properties)
JPY 6,009 thousand /year



Approximately 98.1% coverage of the increase in land property tax since acquisition

Initiatives for repairs and value enhancement

- Actively implemented repairs and value-enhancement projects to improve appeal of facilities.
- Worked to waterproof entire rooftop parking lot (Asumigaoka Brand-New Mall)



- Renovated parking lot asphalt (SUROY MALL Nagamine)



- Covered rooftop terrace with artificial turf (tonarie Yamatotakada)

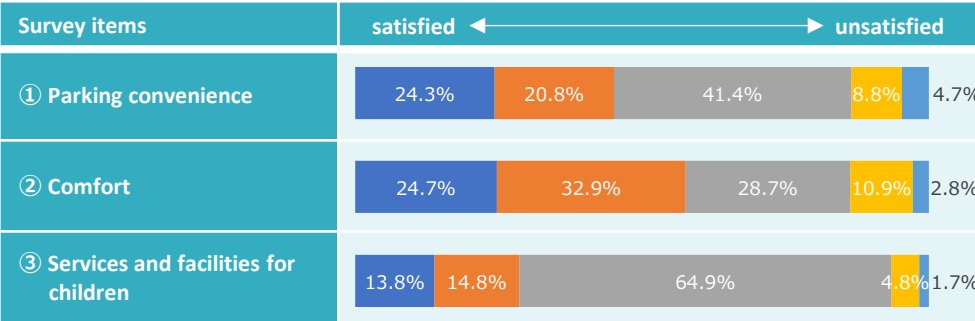


Progress-2

Facility user satisfaction surveys

- Facility user satisfaction surveys were conducted at SUROY MALL Nagamine and tonarie Yamatotakada in the 17th FP. Based on the results of the survey, ESCON REIT discussed and implemented measures to improve matters that were identified as issues.
- Examples of survey results (tonarie Yamatotakada)**

1 : Satisfied 2 : Moderately Satisfied 3 : Neutral 4 : Little Dissat 5 : Dissatisfied



Status of the discussion and implementation of measures for improvement

Facility	Content	Implemented / to be implemented period
SUROY MALL Nagamine	Conclusion of “Agreement on the Use of Evacuation Sites and Facilities During Disasters” with Kumamoto City	17th FP (Implemented)
	Exterior wall painting	17th FP (Implemented), 18th FP
	Parking lot pavement repair	17th FP (Implemented), 19th FP
tonarie Yamatotakada	Outdoor terrace artificial turf installation, Countermeasures for direct sunlight in open-ceiling areas	17th FP (Implemented)
	Enhancement of parking lot convenience	17th FP~ (In progress)
	Bench top replacement	18th FP
	Tenant mix adjustments	After 18th FP

Reopening of tonarie Minami-senri

- Based on the results of the facility user satisfaction surveys and tenant satisfaction surveys conducted during the 14th FP, tonarie Minami-senri, which had been undergoing renovation work since 2024, completed construction and reopened in April 2025.
- Renovated exterior and reopening event scenes**



Progress

Initiatives for rent increase

- ✓ Seize the opportunities to eliminate rent gaps at the timing of move-ins and outs of the tenants.
- ✓ Ongoing revisions to rents in response to increased land property tax on leasehold land.
- ✓ Increase incidental income that utilizes vacant sections and spaces, etc.
- ✓ Early tenant recruitment for vacant sections.

⇒At the end of May 2025, a large-scale tenant moved out of SUROY MALL Nagamine. ESCON REIT is currently negotiating with a potential successor tenant for the early leasing of this section, and at present, the opening is expected to take place during the 19th FP (FP7/26).

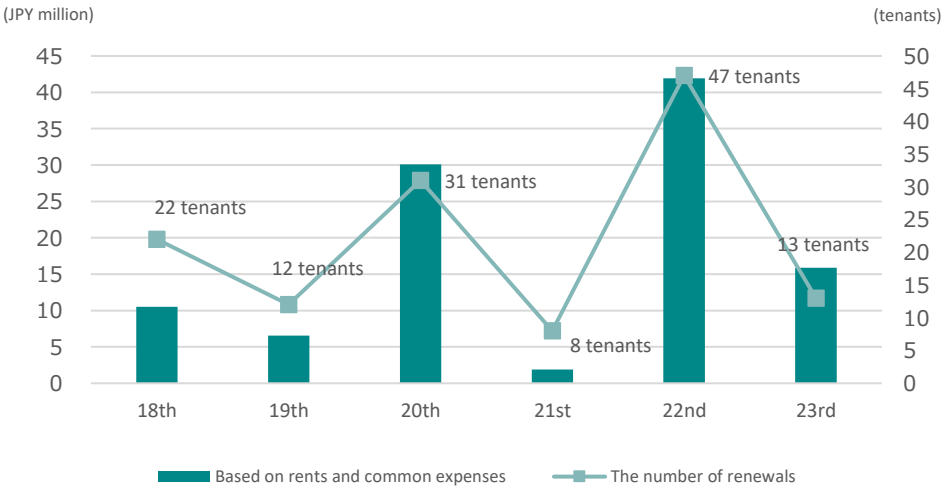
Initiatives for cost reduction

- ✓ Reduce electricity charges by switching power companies or through demand adjustments.
- ✓ Review BM contracts, and other outsourcing contracts.
- ✓ Reduce running costs via equipment renewal and energy conservation measures.

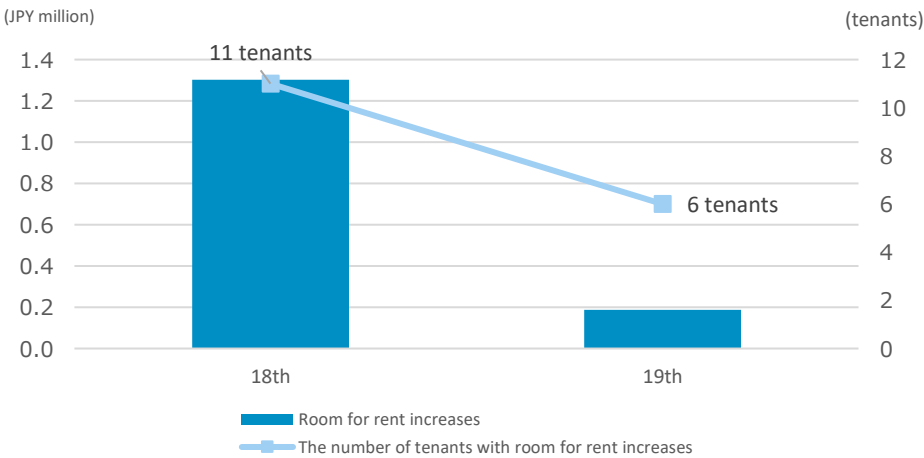
Promote value enhancement based on the results of facility user satisfaction surveys

- ✓ Enhance value based on the results of the survey conducted at tonarie Yamatotakada and SUROY MALL Nagamine in the 17th FP.
- ✓ Planning to conduct facility user satisfaction surveys at tonarie Toga・Mikita and fab Minamiosawa after 18th FP. After thorough examination of the results, formulate and implement measures to solve issues.

Future tenant contract renewals schedule (Total land and buildings *Excluding leasehold land)



Estimated size of room for monthly rent and the number of tenants whose rents have room for increases in each property (Total land and buildings; *Excluding leasehold land)



Progress

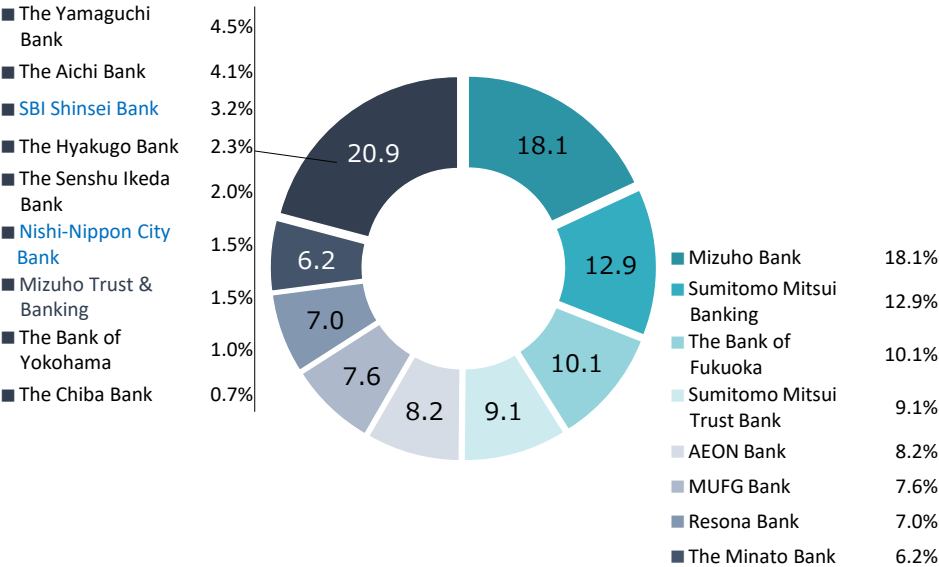
Financial highlights (as of July 31, 2025)

Total interest-bearing debt	JPY 34.25bn	Average remaining term	2.3years
Average Interest Rate	1.21%	Ratio of long-term borrowings	100.0%

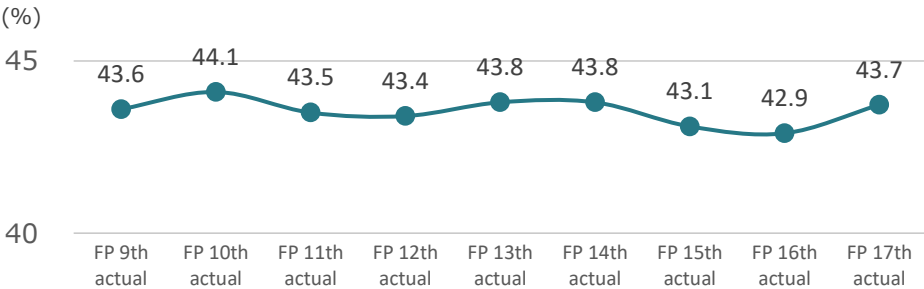
Credit Rating (R&I)

Issuer rating	A－ (Stable)
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Lender status



LTV control

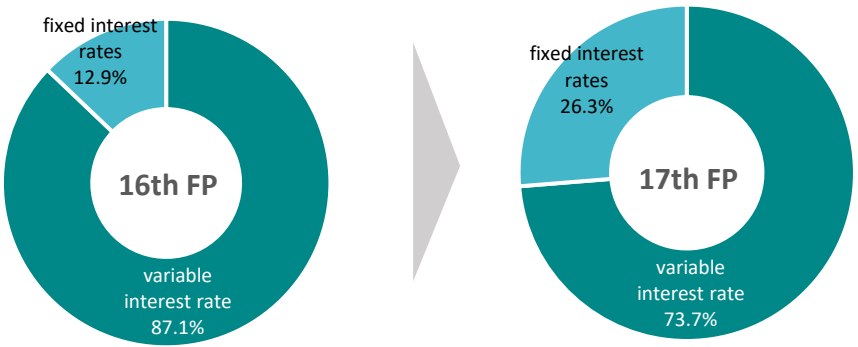


Actions for investors and lenders

- ESCON REIT actively reached out to prospective new lenders multiple times and focused our effort on strengthening lender formation. For the refinancing at the end of January 2025, ESCON REIT engaged [SBI Shinsei Bank](#) as a new bank, and for the refinancing at the end of July, ESCON REIT also engaged [Nishi-Nippon City Bank](#) as a new bank.

Actions to fix interest rates on borrowings

- Following interest rate swap contract concluded at the end of January 2025, ESCON REIT fixed the interest rate on the entire JPY 4,738.7 million that was refinanced at the end of July 2025.



Progress

Continue to fix interest rates for a long period of time

- Continue to pursue a policy of fixing interest rates for a long period of time and spreading debt maturities at the time of refinancing and target a ratio of borrowings whose interest rates have been fixed at around 80%, which is the average for J-REITs.

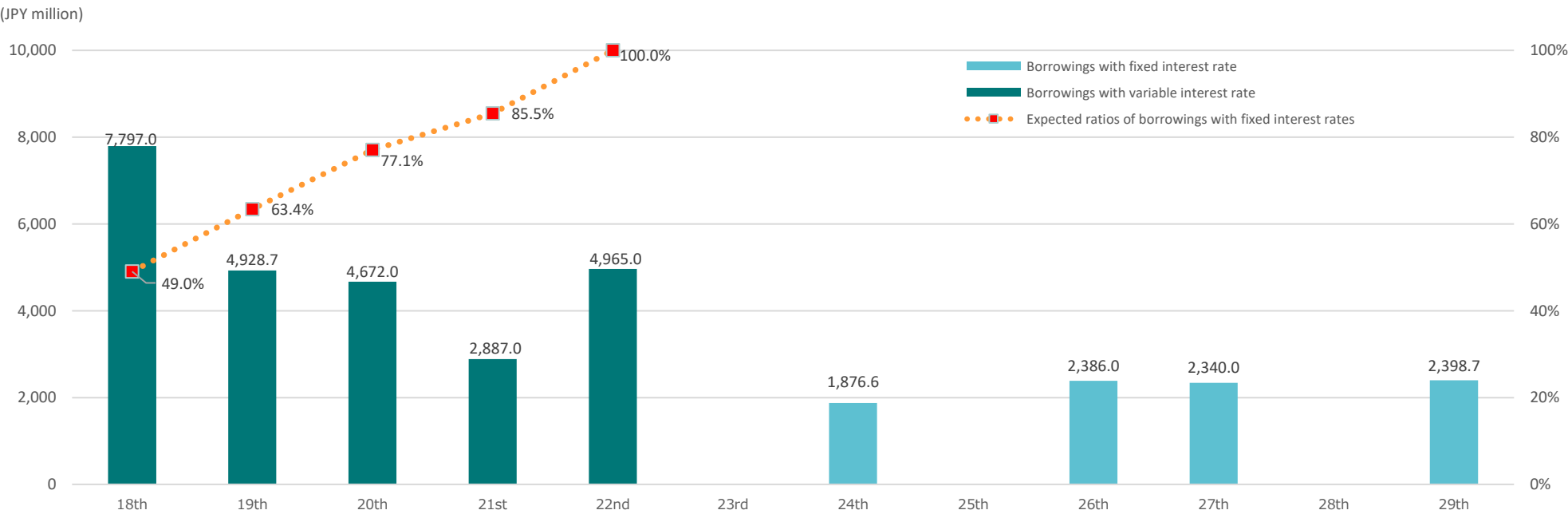
Further enhancement of lender formation

- When refinancing existing borrowings or implementing new borrowings, ESCON REIT aims to further enhance lender formation by inviting new banks.

Efficient use of financial leverage

- Cautiously assess interest rate trends and our financial capacity, including unrealized profits on assets, and consider utilizing leverage capacity up to a maximum of 50% in order to expand the asset size.

Actions to fix interest rates on borrowings and expected fixed interest ratio*



Approach to Investor Relations for Individual Investors

● Enhance investor relations (IR) targeting individual unitholders

- ✓ While the ratio of individual investors in ESCON REIT significantly exceeds the J-REIT average, ESCON REIT are strengthening IR efforts for individual investors to further broaden our investor base.
- ✓ During the 17th FP, ESCON REIT took various approaches to engage with investors, including participation in events for individual investors, study sessions for securities firms' private banking divisions, and media appearances.

Event	Content	Number of participants
J-REIT Fan PROGRAM Tokyo	A briefing session for individual investors held on May 24, 2025, featuring five J-REITs. ESCON REIT conducted a company presentation and a Q&A session. The event was also broad cast on Radio Nikkei.	approx.200 people
Study session for sales staff at securities companies	On July 7, 2025, ESCON REIT held a study session to introduce itself to sales staff from the private banking divisions of major securities companies.	approx.40 people
Real Estate Fund Review	An interview with the President & Representative Director of the Asset Manager was released in the Real Estate Fund Review No. 699 (June 15, 2025 issue), published by Real Estate Economic Institute.	—
Radio Nikkei "Asazai"	On July 30, 2025, the President & Representative Director of the Asset Manager appeared on "Today's Featured Company" segment of Radio Nikkei 1's program, Asaichi Market Square "Asazai" to introduce and explain ESCON REIT.	—



● Future initiatives

- ✓ As a new initiative, ESCON REIT plans to hold a briefing in October 2025 to introduce itself at Asumigaoka Brand-New Mall, the commercial property it owns, for this facilities' customers.
- ✓ ESCON REIT plans to continue taking a proactive approach to further expand its base of individual investors, including holding briefings for individual investors in new regions, beyond the 18th FP.

5. ESG Initiatives

Acquisition of Certifications

GRESB^{*1} Real Estate Assessment



In the 2024 GRESB Real Estate Assessment, ESCON REIT received a “1 Star” in GRESB Rating. It also won a “Green Star” designation by achieving high performance both in “Management Component” that evaluates policies and organizational structure for ESG promotion, and “Performance Component” that assesses environmental performance and tenant engagement of properties owned.

DBJ Green Building^{*2} Certifications

ESCON REIT has obtained DBJ Green Building Certifications for a total of five properties.

Certified properties	Certification rank		Certified date
tonarie Toga・Mikita	2023	DBJ Green Building	July 27, 2023
tonarie Yamatotakada	2023	 DBJ Green Building	July 27, 2023
tonarie Minami-senri	2023		February 2, 2024
tonarie Seiwadai	2023		February 2, 2024
Asumigaoka Brand-New Mall	2024		July 9, 2024

Initiative Theme

Environment

- Establish environmental targets for 2030 for GHG emissions, energy consumption and water consumption
- Formulate and work on specific measures tailored to the current conditions of each of our properties to achieve each of the targets

Social

- Continue to aim to create a facility that is the center of the local community and that can be used safely and comfortably by tenant employees and facility users
- Further promote the creation of a comfortable working environment and structure for the Asset Manager’s executives and employees

Governance

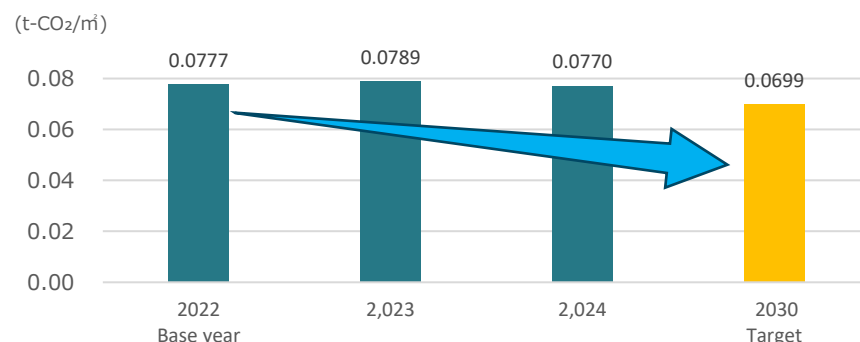
- Continue to strive to maintain and improve the governance structure of the ESCON REIT and the Asset Manager for future asset acquisitions and transfers

E nvironment

Environmental Targets

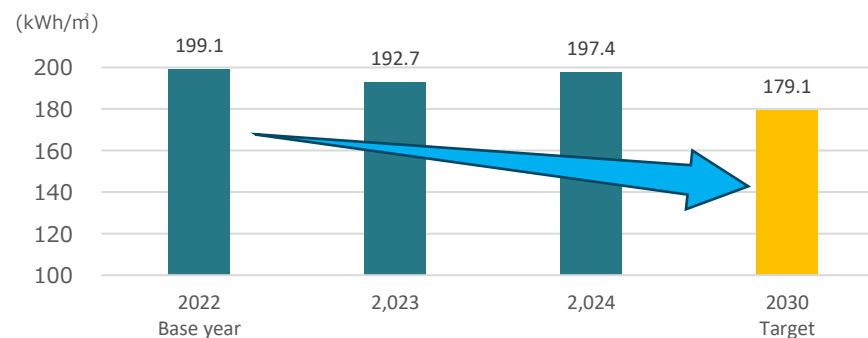
● GHG emissions (Scope1, 2 and 3) reduction target

Key Indicator	2030 Target
GHG emissions Intensity (t-CO ₂ /m ²) *	Reduce 10% by 2030



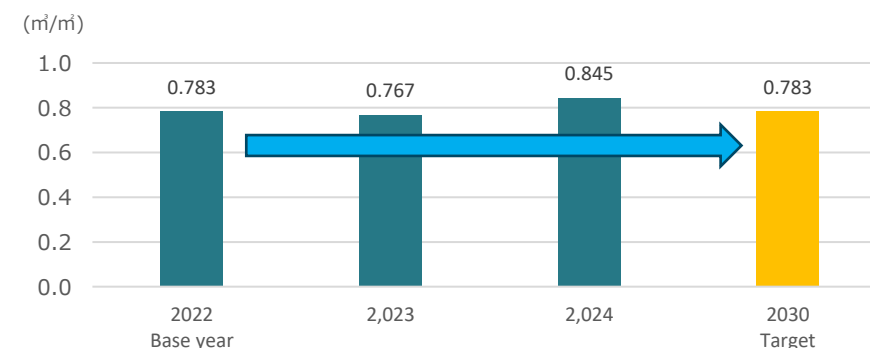
● Energy consumption reduction target

Key Indicator	2030 Target
Energy Consumption Intensity (kWh/m ²) *	Reduce 10% by 2030



● Water consumption management target

Key Indicator	2030 Target
Water consumption Intensity (m ³ /m ²) *	Maintain below base year



● Considerations for achieving targets

Consideration	Property and progress
Switching to LED lighting	- Asumigaoka Brand-New Mall and tonarie Seiwadai (Implemented) - fab Minamiosawa (Partially implemented / Partially 18th FP) - tonarie Toga・Mikita (18th FP)
Replacement of air conditioners	- tonarie Seiwadai (Partially implemented / Partially 19th FP) - Tonarie Minamisenri (18th FP) - fab Minamiosawa and SUROY MALL Nagamine (18th / 19th FP)
Improvement of air conditioning efficiency	Asumigaoka Brand-New Mall, tonarie Tog・Mikita and tonarie Yamatotakada (After 18th FP)
Reduce energy consumption of cold and hot water generators	Asumigaoka Brand-New Mall (After 18th FP)

Social

Coexist and Cooperate with the Local Community

By holding a variety of events in lifestyle-focused commercial facilities, in which members of the local communities and tenants can participate and implement community-based activities that contribute to society, ESCON REIT aims to contribute to the revitalization of local areas and the creation of local communities.

Coexist and cooperate with the local community



Disaster prevention experience
(Asumigaoka Brand-New Mall)



Dementia supporter training course
(tonarie Seiwadai)

Conclusion of “Agreement on the Use of Evacuation Sites and Facilities During Disasters” at SUROY MALL Nagamine

Taking into account that the parking lot at SUROY MALL Nagamine was used as a shelter for local residents during the 2016 Kumamoto Earthquake, ESCON REIT concluded the “Agreement on the Use of Evacuation Sites and Facilities During Disasters” with Kumamoto City in June 2025, so that the mall can be used as an evacuation site in future emergencies.



Participation in the “Child-raising Support Passport Project” (tonarie 4 facilities*1)

ESCON REIT is participating in the “Child-raising Support Passport Project” which provides support for outings with infants and offers various discounts and other services for households with children, operated mainly by local governments with support from businesses and stores.

Improve Safety and Comfort for Facility User and Tenants

Initiatives to Improve Safety and Comfort

- (i) For the comfort of those who are accompanied by children, ESCON REIT is introducing a nursing room in our facilities. (tonarie 4 facilities, Asumigaoka Brand-New Mall)
- (ii) With the aim of improving the workplace environment for tenant employees, ESCON REIT is installing and renovating resting rooms for tenant employees. (tonarie 4 facilities, Asumigaoka Brand-New Mall)

Create a Comfortable Work Environment

Initiatives to improve the workplace environment for employees

Promoting Diverse Work Styles

- Support systems for childcare and nursing care (leave, leave of absence, shortened working hours, etc.)
- Establishment of in-house rules for work from home and staggered work schedules
- Overtime monitoring

Health management

- Conduct stress checks for executives and employees
- Annual periodic health checkups, introduction of health consultation system by industrial physicians

Employee Engagement Survey

- Implement of improvement measures based on the survey

Status of employees*2

Number of qualified employees

ARES Certified Master	10 employees
Real Estate Transaction Agent	18 employees
Real Estate Appraiser	1 employee
Real Estate Consulting Master	3 employees

Years of experience in real estate securitization business

Less than 3 years	5 employees
From 3 to less than 10 years	8 employees
10 years or more	8 employees

Diversity

- Percentage of female executives and employees: 38.1%

G overnance

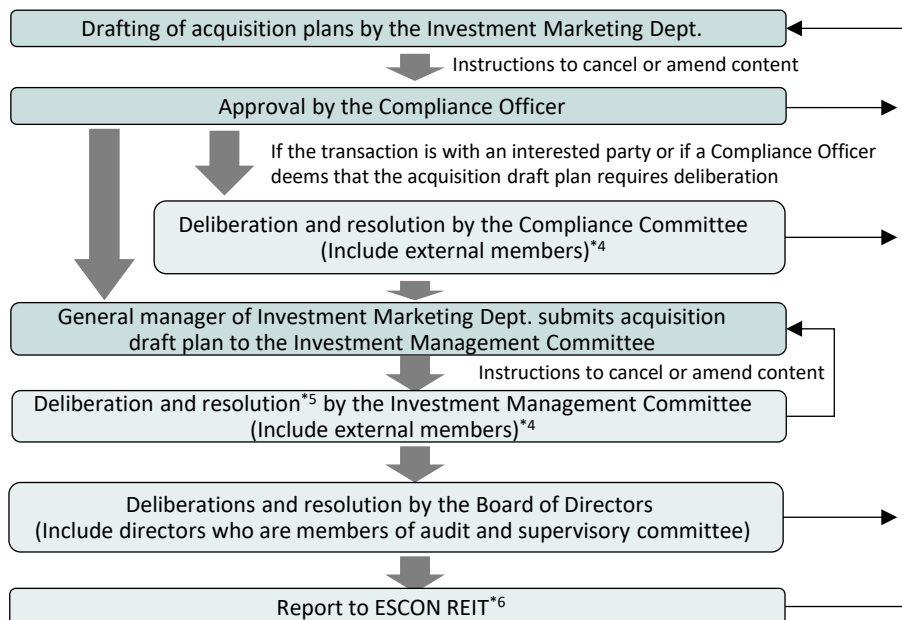
Further Strengthening of Governance of the Asset Manager

● Measures against conflict of interest

The Asset Manager takes measures to prevent conflicts of interest through the formulation of self-imposed rules and multi-tiered checks in transactions with interested parties*1.

Interested Party Transaction Rules (self-imposed rules)	
Acquisition/Transfer	Bridge or warehousing*2 requests
- Acquisition price ≤ Appraisal value by third party - Transfer Price ≥ Appraisal value by third part*3	- Confirm the necessity and appropriateness of the negotiation process and scheme at the time of LOI presentation - Offer price at the time of LOI presentation and acquisition price ≤ Appraisal value by third party

Decision-making process for property acquisitions by ESCON REIT



Status of Conferences of the ESCON REIT and the Asset Manager

● Board of Directors of the ESCON REIT*7 (17th FP)

Title	Name	Attendance rate/Number of times held
Executive Director	Tadashi Ebihara	100% / 7
Supervisory Director	Satoshi Ugajin	100% / 7
Supervisory Director	Rin Moriguchi	100% / 7

● Conferences of Asset Manager (17th FP)

Conferences	Number of directors and members	Attendance rate/Number of times held
Board of Directors*8	6	100% / 8
Audit and Supervisory Committee	3	100% / 7
Compliance Committee*9	4*4	100% / 2
Investment Management Committee*10	6 + Compliance Officer*4	98% / 7

Status of Training Programs

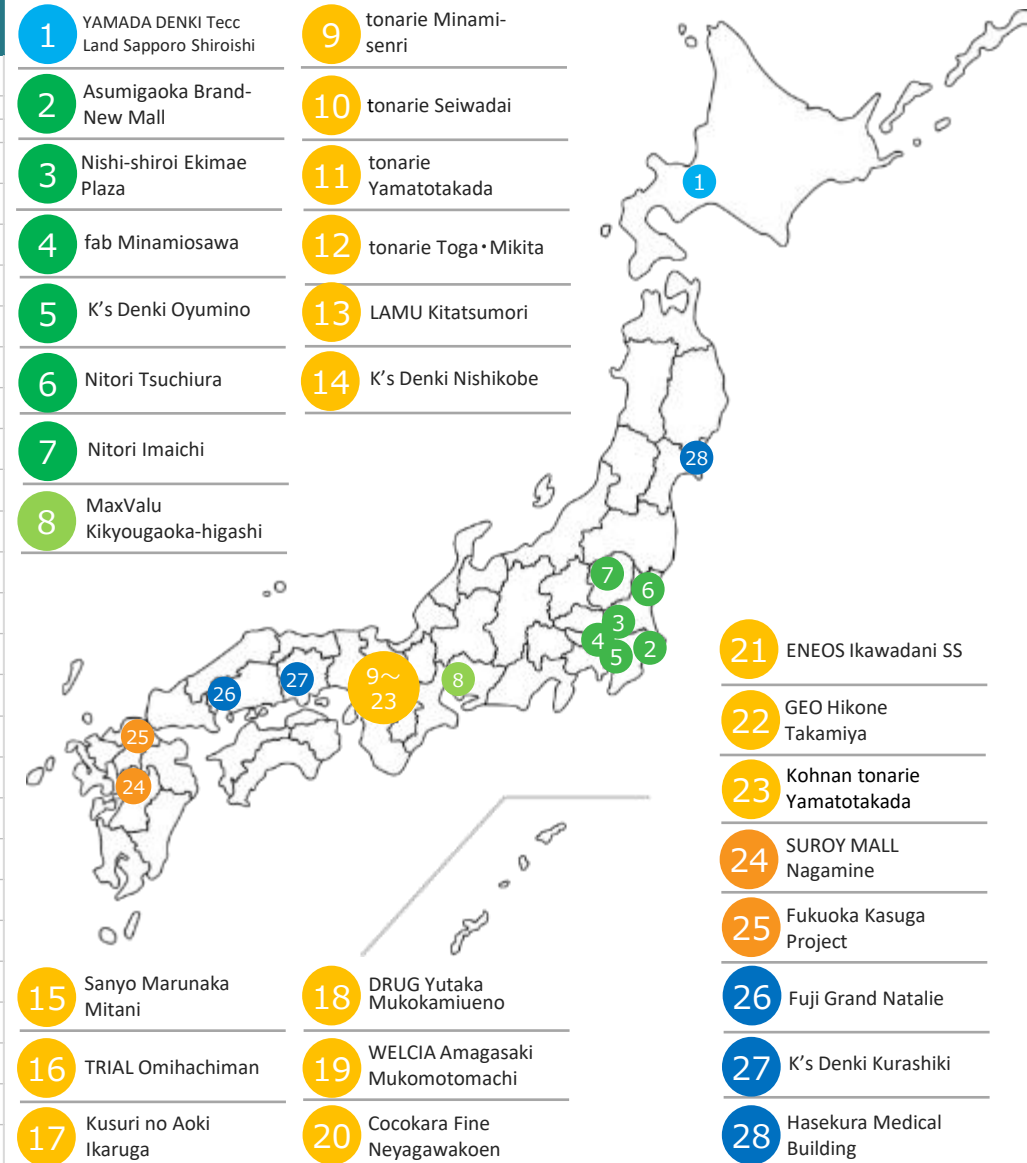
● Status of Training Programs (17th FP)

Item	Number of times held	Theme
Training organized by the Asset Manager	6 times	• Compliance • Complaint handling system • Freelance act • Anti-social check
ES-CON JAPAN Group common training	1 time	• Prevention of harassment

Appendix

Portfolio Map -1 (as of July 31, 2025)

	Property name	Area	Location	Asset type	Tenants	Occupancy Rate (%)
1	YAMADA DENKI Tecc Land Sapporo Shiroishi	Hokkaido	Sapporo City, Hokkaido	Leasehold land	1	100.0
2	Asumigaoka Brand-New Mall	Tokyo metropolitan	Chiba City, Chiba	Land and Building	30	98.3
3	Nishi-shiroi Ekimae Plaza		Shiroi City, Chiba	Land and Building	4	100.0
4	fab Minamiosawa		Hachioji City, Tokyo	Land and Building	12	92.5
5	K's Denki Oyumino		Chiba City, Chiba	Leasehold land	1	100.0
6	Nitori Tsuchiura		Tsuchiura City, Ibaraki	Leasehold land	1	100.0
7	Nitori Imaichi		Nikko City, Tochigi	Leasehold land	1	100.0
8	MaxValu Kikyogaoka-higashi	Chubu	Nabari City, Mie	Leasehold land	1	100.0
9	tonarie Minami-senri	Kinki	Suita City, Osaka	Land and Building	43	100.0
10	tonarie Seiwadai		Kawanishi City, Hyogo	Land and Building	31	99.1
11	tonarie Yamatotakada		Yamatotakada City, Nara	Land and Building	64	99.2
12	tonarie Toga・Mikita		Sakai City, Osaka	Land and Building	30	98.4
13	LAMU Kitatsumori		Osaka City, Osaka	Leasehold land	1	100.0
14	K's Denki Nishikobe		Kobe City, Hyogo	Leasehold land	1	100.0
15	Sanyo Marunaka Mitani		Kobe City, Hyogo	Leasehold land	1	100.0
16	TRIAL Omihachiman		Omihachiman City, Shiga	Leasehold land	1	100.0
17	Kusuri no Aoki Ikaruga		Ikoma District, Nara	Leasehold land	2	100.0
18	DRUG Yutaka Mukokamiueno		Muko City, Kyoto	Leasehold land	1	100.0
19	WELCIA Amagasaki Mukomotomachi	Kyushu	Amagasaki City, Hyogo	Leasehold land	1	100.0
20	Cocokara Fine Neyagawakoen		Neyagawa City, Osaka	Leasehold land	1	100.0
21	ENEOS Ikawadani SS		Kobe City, Hyogo	Leasehold land	1	100.0
22	GEO Hikone Takamiya		Hikone City, Shiga	Leasehold land	1	100.0
23	Kohnan tonarie Yamatotakada		Yamatotakada City, Nara	Leasehold land	1	100.0
24	SUROY MALL Nagamine	Other area	Kumamoto City, Kumamoto	Land and Building	23	84.3※
25	Fukuoka Kasuga Project		Kasuga City, Fukuoka	Leasehold land	11	100.0
26	Fuji Grand Natalie		Hatsukaichi City, Hiroshima	Land and Building	1	100.0
27	K's Denki Kurashiki		Kurashiki City, Okayama	Leasehold land	1	100.0
28	Hasekura Medical Building		Sendai City, Miyagi	Land and Building	6	100.0
	Total				274	99.1



Portfolio Map -2 (as of July 31, 2025)

Commercial facilities



1. YAMADA DENKI Tecc Land Sapporo Shiroishi



2. Asumigaoka Brand-New Mall



3. Nishi-shiroi Ekimae Plaza



4. fab Minamiosawa



5. K's Denki Oyumino



6. Nitori Tsuchiura



7. Nitori Imaichi



8. MaxValu Kikyogaoka-higashi



9. tonarie Minami-senri



10. tonarie Seiwadai



11. tonarie Yamatotakada



12. tonarie Toga・Mikita



13. LAMU Kitatsumori



14. K's Denki Nishikobe



15. Sanyo Marunaka Mitani



16. TRIAL Omihachiman



17. Kusuri no Aoki Ikaruga



18. DRUG Yutaka Mukokamiueno



19. WELCIA Amagasaki Mukomotomachi



20. Cocokara Fine Neyagawakoen



21. ENEOS Ikawadani SS



22. GEO Hikone Takamiya



23. Kohnan tonarie Yamatotakada



24. SUROY MALL Nagamine



25. Fukuoka Kasuga Project



26. Fuji Grand Natalie



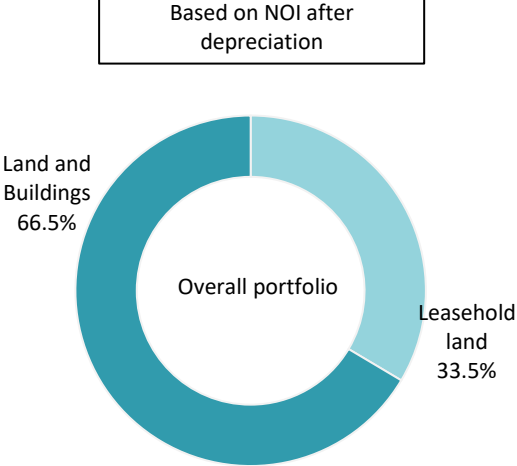
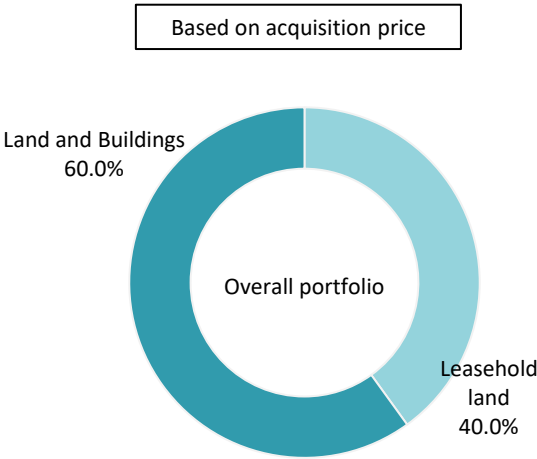
27. K's Denki Kurashiki

Assets aimed at creating a sustainable society

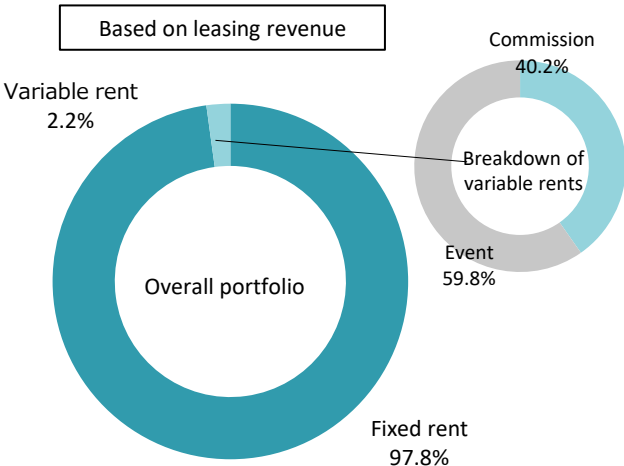


28. Hasekura Medical Building

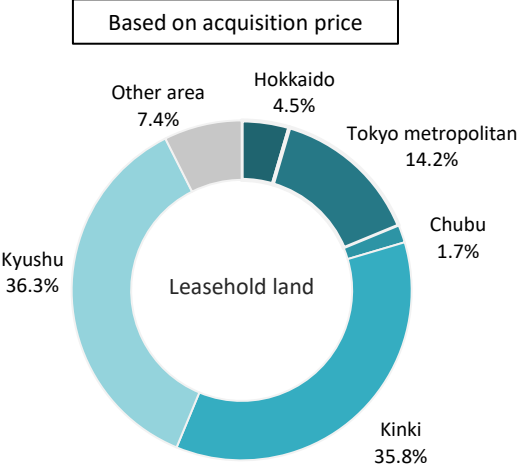
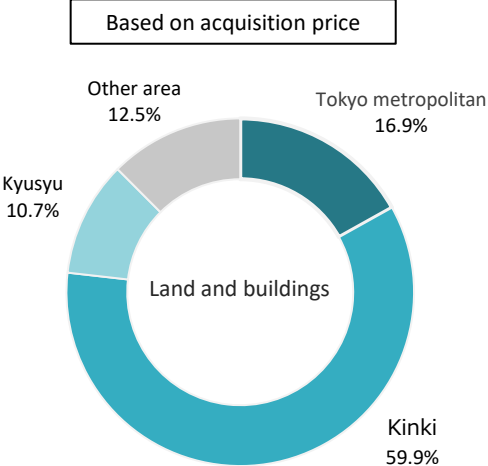
“Land and Buildings” and “Leasehold Land”



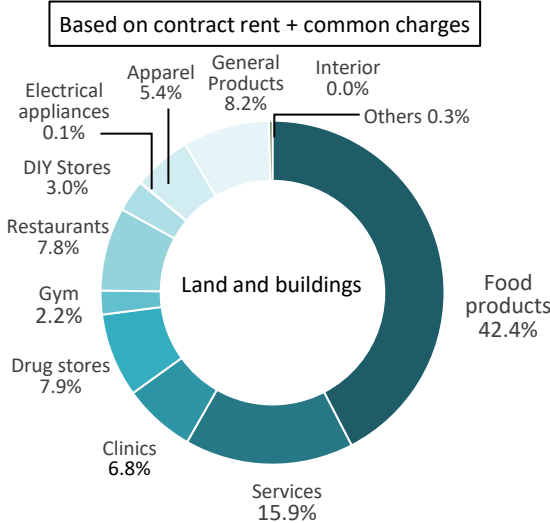
Fixed and Variable Rents



Regions



Tenants



Balance Sheets

	16th FP (Jan/25)	17th FP (Jul/25)
Assets		
Current assets		
Cash and deposits	2,727,886	2,697,492
Cash and deposits in trust	3,830,889	3,786,111
Operating accounts receivable	67,147	78,544
Prepaid expenses	82,564	81,129
Total current assets	6,708,488	6,643,278
Non-current assets		
Property, plant and equipment		
Buildings in trust	14,335,854	14,660,926
Accumulated depreciation	△1,482,949	△1,687,143
Buildings in trust, net	12,852,904	12,973,782
Structures in trust	140,530	142,858
Accumulated depreciation	△42,611	△46,372
Structures in trust, net	97,918	96,486
Tools, furniture and fixtures in trust	63,367	64,018
Accumulated depreciation	△32,616	△38,059
Tools, furniture and fixtures in trust, net	30,751	25,959
Land in trust	57,385,910	58,551,232
Construction in progress in trust	10,485	—
Total property, plant and equipment	70,377,970	71,647,460
Intangible assets		
Trademarks	341	287
Total intangible assets	341	287
Investment and other assets		
Leasehold and guarantee deposits	10,000	10,000
Long-term prepaid expenses	76,943	97,690
Deferred tax assets	7	15
Total investments and other assets	86,951	107,705
Total non-current assets	70,465,262	71,755,453
Total assets	77,173,751	78,398,731

(JPY thousand)

	16th FP (Jan/25)	17th FP (Jul/25)
Liabilities		
Current liabilities		
Operating accounts payable	262,536	215,196
Current portion of long-term borrowings	11,375,700	12,725,700
Accounts payable	64,703	17,682
Accrued expenses	168,738	229,446
Income tax payable	684	493
Accrued consumption tax	99,066	28,377
Advances received	409,120	418,686
Deposits received	2,755	422
Total current liabilities	12,383,305	13,636,005
Non-current liabilities		
Long-term borrowings	21,715,300	21,525,300
Tenant lease and guarantee deposits in trusts	2,648,277	2,661,860
Total non-current liabilities	24,363,577	24,187,160
Total liabilities	36,746,882	37,823,166
Net assets		
Unitholders' equity		
Unitholders' capital	39,173,828	39,173,828
Surplus		
Unappropriated retained earnings (undisposed loss)	1,253,039	1,401,736
Total surplus	1,253,039	1,401,736
Total unitholders' equity	40,426,868	40,575,565
Total net assets	40,426,868	40,575,565
Total liabilities and net assets	77,173,751	78,398,731



Statements of Income and Retained Earnings

(JPY thousand)

	16th FP (Jan/25)	17th FP (Jul/25)
Operating revenue		
Leasing business revenue	2,408,141	2,632,437
Other leasing business revenue	386,099	492,442
Total operating revenue	2,794,240	3,124,880
Operating expenses		
Expenses related to leasing business	1,140,323	1,179,781
Asset management fees	141,787	196,731
Asset custody fees	3,706	3,749
Administrative service fees	11,709	11,781
Remuneration for director (and other officers)	5,400	5,400
Taxes and public dues	7,780	9,701
Other operating expenses	44,333	49,203
Total operating expenses	1,355,040	1,456,349
Operating income	1,439,199	1,668,531
Non-operating income		
Interest income	492	2,770
Gain on forfeiture of unclaimed dividends	2,129	1,171
Interest on tax refund	372	—
Total non-operating income	2,994	3,941
Non-operating expenses		
Interest expenses	139,474	203,079
Financing fees	49,073	66,829
Total non-operating expenses	188,547	269,909
Ordinary income	1,253,646	1,402,563
Income before income taxes	1,253,646	1,402,563
Income taxes-current	759	917
Income taxes-deferred	11	△7
Total income taxes	770	909
Net income	1,252,875	1,401,653
Retained earnings bought forward	164	82
Unappropriated retained earnings (undisposed loss)	1,253,039	1,401,736

Repair Expenses, Capex and Depreciation

Actual

(JPY thousand)

	16th FP (Jan/25)	17th FP (Jul/25)
Repair expenses	63,493	120,564
Capex	187,630	321,092
Main items	<i>tonarie Minami-senri</i> Renewal construction 95,241 <i>tonarie Seiwadai</i> Public toilets repair construction 12,601	<i>tonarie Minami-senri</i> Renewal construction 176,188 <i>Asumigaoka Brand-New Mall</i> Rooftop parking lot waterproofing construction 76,666
Depreciation	209,799	214,670

Forecast

(JPY thousand)

	18th FP (Jan/26)	19th FP (Jul/26)
Repair expenses	50,512	66,750
Capex	209,354	176,786
Main items	<i>SUROY MALL Nagamine</i> Work to renew boilers and pumps in RoBuilding 25,385 <i>tonarie Minami-senri</i> Kitchen ventilation fans renewal 20,493	<i>tonarie Seiwadai</i> Work to waterproof and renew the rooftop parking lot 30,685 Work to renew air conditioning equipment 17,425
Depreciation	218,881	224,102

Income and Expenditure by Property (Fiscal Period Ending July 31, 2025)

ES CON JAPAN REIT



(JPY thousand)

Property name	YAMADA DENKI Tecc Land Sapporo Shiroishi (Leasehold Land)	Asumigaoka Brand-New Mall	Nishi-shiroi Ekimae Plaza	fab Minamiosawa	K's Denki Oyumino (Lease hold land)	Nitori Tsuchiura (Leasehold land)	Nitori Imaichi (Leasehold land)	MaxValu Kikyougaka- higashi	tonarie Minami-senri	tonarie Seiwadai	tonarie Yamatotakada	tonarie Toga・Mikita	LAMU Kitatsumori (Leasehold land)	K's Denki Nishikobe (Leasehold land)	Sanyo Marunaka Mitani (Leasehold land)
Operating days	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
Age of buildings (year)	-	24.9	25.3	23.7	-	-	-	-	20.8	17.8	6.8	6.3	-	-	-
Operating revenue	Not disclosed	254,767	20,250	145,018	70,734	Not disclosed	Not disclosed	Not disclosed	648,022	183,803	363,618	269,695	38,148	62,177	Not disclosed
Leasing business revenue		187,625	17,071	111,780	70,734				580,938	147,895	299,165	228,294	38,148	62,177	
Other		67,142	3,179	33,237	-				67,083	35,907	64,453	41,401	-	-	
Expenses related to leasing business		179,707	10,757	59,087	7,648				182,666	96,617	148,507	95,604	6,987	5,544	
Taxes and public dues		23,859	1,327	7,349	7,066				28,921	12,504	24,312	14,638	6,237	4,794	
Management fees		37,548	1,894	17,257	332				49,901	28,145	50,585	34,498	499	499	
Insurance premium		1,984	90	1,152	-				1,110	864	1,406	1,081	-	-	
Repair expenses		34,201	4,289	849	-				37,033	21,556	8,429	6,047	-	-	
Other		82,112	3,154	32,477	250				65,698	33,547	63,774	39,339	250	250	
Leasing NOI	28,116	75,060	9,493	85,930	63,085	26,679	10,606	14,450	465,355	87,185	215,111	174,091	31,161	56,633	30,857
Depreciation	-	20,969	1,059	19,824	-	-	-	-	25,454	29,681	41,267	33,075	-	-	-
Operating income	28,116	54,090	8,434	66,106	63,085	26,679	10,606	14,450	439,901	57,504	173,843	141,015	31,161	56,633	30,857
Capex	-	97,860	-	123	-	-	-	-	185,052	16,665	6,703	1,020	-	-	-
NCF	28,116	△22,799	9,493	85,806	63,085	26,679	10,606	14,450	280,303	70,520	208,407	173,071	31,161	56,633	30,857

Property name	TRIAL Omihachiman (Leasehold Land)	Kusuri no Aoki Ikaruga (Leasehold Land)	DRUG Yutaka Mukokamiueno (Leasehold Land)	WELCIA Amagasaki Mukomotomachi (Leasehold Land)	Cocokara Fine Neyagawakoen (Leasehold Land)	ENEOS Ikawadani SS (Leasehold Land)	GEO Hikone Takamiya (Leasehold Land)	Kohnan tonarie Yamatotakada (Leasehold land)	SUROY MALL Nagamine	Fukuoka Kasuga Project (Leasehold land)	Fuji Grand Natalie	K's Denki Kurashiki (Leasehold land)	Hasekura Medical Building	Total/Average
Operating days	181	181	181	181	181	181	181	122	181	181	181	181	181	181
Age of buildings (year)	-	-	-	-	-	-	-	-	18.0	-	26.2	-	12.4	18.2
Operating revenue	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	321,690	268,725	Not disclosed	Not disclosed	50,741	3,124,880
Leasing business revenue									148,615	268,725			43,778	2,632,437
Other									173,074	-			6,962	492,442
Expenses related to leasing business									64,794	45,257			14,182	965,111
Taxes and public dues									14,348	41,253			3,596	225,198
Management fees									13,421	2,448			2,049	245,927
Insurance premium									990	-			212	10,788
Repair expenses									7,218	-			939	120,564
Other									28,814	1,556			7,383	362,632
Leasing NOI	21,952	18,445	10,125	11,708	14,821	12,147	6,913	15,248	256,896	223,467	104,436	53,228	36,558	2,159,769
Depreciation	-	-	-	-	-	-	-	-	11,945	-	19,968	-	11,422	214,670
Operating income	21,952	18,445	10,125	11,708	14,821	12,147	6,913	15,248	244,950	223,467	84,467	53,228	25,136	1,945,099
Capex	-	-	-	-	-	-	-	-	13,619	-	-	-	48	321,092
NCF	21,952	18,445	10,125	11,708	14,821	12,147	6,913	15,248	243,277	223,467	104,436	53,228	36,510	1,838,677

Appraisal Value (as of July 31, 2025)

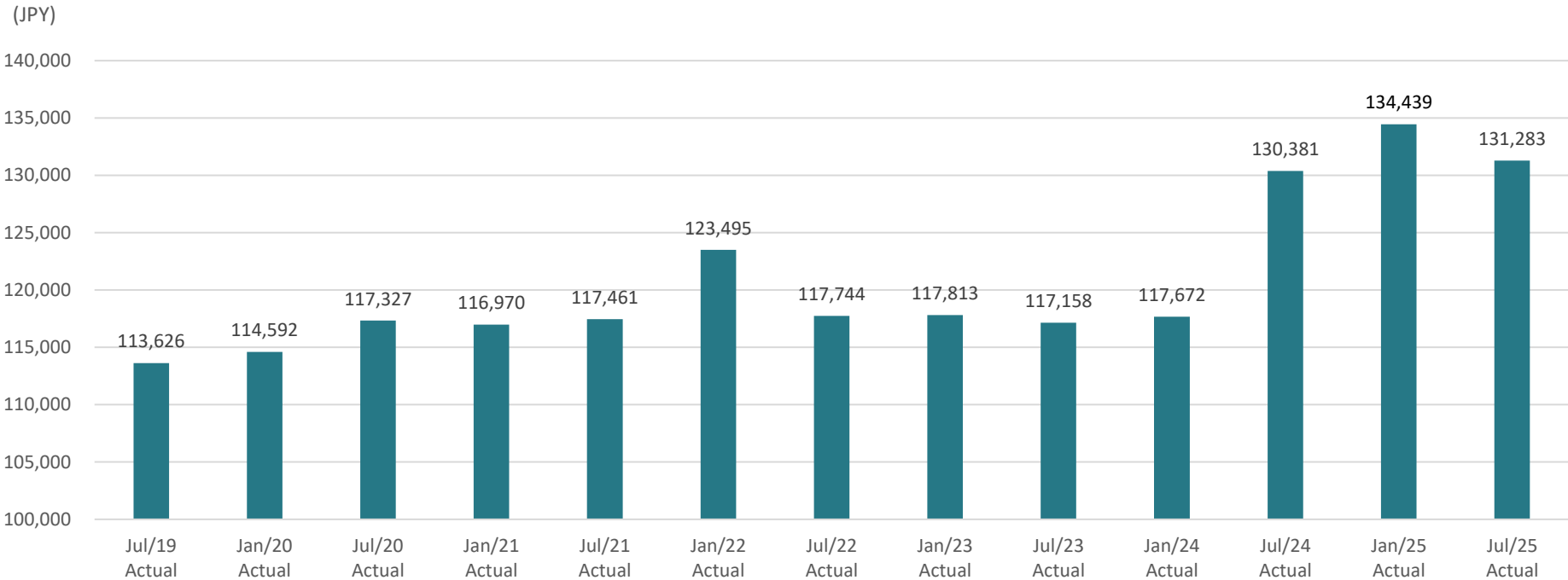
(JPY million)

Property name	Acquisition price	Appraisal value		Difference (B) – (A)	Appraisal NOI yield before depreciation ₁	Appraisal NOI yield after depreciation ₁	Discount Rate
		Jan. 31, 2025 (A)	Jul. 31, 2025 (B)				
YAMADA DENKI Tecc Land Sapporo Shiroishi	1,300	1,350	1,350	-	4.4%	4.4%	4.4 %
Asumigaoka Brand-New Mall (1) ^{*2*3}	3,200	3,290	2,220	-1,070	6.0%	4.6%	4.8 %
Asumigaoka Brand-New Mall (2) ^{*2}		164	164	-			until 6 FY: 4.7% from 7 FY to 10 FY: 4.8% 11FY: 4.9%
Asumigaoka McDonald's (Leasehold land)		151	153	2			until 7th month: 4.2% from 8th month: 4.3%
Nishi-shiroi Ekimae Plaza	451	489	471	-18	5.9%	5.4%	4.9 %
fab Minamosawa	3,600	4,400	4,390	-10	4.9%	3.8%	3.9 %
K's Denki Oyumino (Leasehold land)	2,710	2,880	2,890	10	4.7%	4.7%	4.7 %
Nitori Tsuchiura (Leasehold land)	999	1,100	1,100	-	5.4%	5.4%	5.3 %
Nitori Imaichi (Leasehold land)	363	411	412	1	6.0%	6.0%	5.6 %
MaxValu Kikyogaoka-higashi (Leasehold land)	477	554	556	2	6.2%	6.2%	5.6 %
tonarie Minami-senri	7,200	11,100	10,900	-200	14.0%	13.3%	4.3 %
tonarie Seiwadai	3,290	3,380	3,290	-90	5.3%	3.5%	5.2 %
tonarie Yamatotakada	8,208	8,130	8,130	-	4.9%	3.9%	4.6 %
tonarie Toga・Mikita	6,986	7,210	7,210	-	4.9%	3.9%	4.3 %
LAMU Kitatsumori (Leasehold land)	1,270	1,480	1,480	-	4.9%	4.9%	4.3 %
K's Denki Nishikobe (Leasehold land)	2,133	2,470	2,470	-	5.3%	5.3%	4.6 %
Sanyo Marunaka Mitani (Leasehold land)	1,430	1,550	1,560	10	4.4%	4.4%	4.6 %
TRIAL Omihachiman (Leasehold land)	1,010	1,110	1,120	10	4.4%	4.4%	4.6 %
Kusuri no Aoki Ikaruga (Leasehold land)	711	731	731	-0	5.3%	5.3%	5.2 %
DRUG Yutaka Mukokamiueno (Leasehold land)	460	477	477	-	4.5%	4.5%	4.4 %

Property name	Acquisition price	Appraisal value		Difference (B) – (A)	Appraisal NOI yield before depreciation ₁	Appraisal NOI yield after depreciation ₁	Discount Rate
		Jan. 31, 2025 (A)	Jul. 31, 2025 (B)				
WELCIA Amagasaki Mukomotomachi (Leasehold land)	565	578	579	1	4.2%	4.2%	until 5FY: 4.0% from 6FY: 4.1%
Cocokara Fine Neyagawakoen (Leasehold land)	702	721	721	-	4.3%	4.3%	until 2FY: 4.1% from 3FY: 4.2%
ENEOS Ikawadani SS (Leasehold land)	530	531	531	-	4.7%	4.7%	until 4FY: 4.2% from 5FY: 4.3%
GEO Hikone Takamiya (Leasehold land)	300	303	301	-2	4.8%	4.8%	4.3 %
Kohnan tonarie Yamatotakada (Leasehold land) ^{*4}	1,145	1,170	1,180	10	3.8%	3.8%	4.5 %
SUROY MALL Nagamine	4,600	4,190	4,190	-	3.9%	3.4%	5.0 %
MrMAX Kasuga (Leasehold land)	3,387	4,010	4,090	80	4.2%	4.2%	4.5 %
UNIQLO Kasuga (Leasehold land)	595	685	696	11	4.0%	4.0%	4.6 %
Avail.Shimamura Kasuga (Leasehold land)	863	1,130	1,140	10	4.8%	4.8%	4.6 %
au-SoftBank Kasuga (Leasehold land)	143	162	164	2	4.7%	4.7%	4.6 %
Kura Sushi Kasuga (Leasehold land)	261	306	311	5	4.6%	4.6%	4.6 %
docomo Shop Kasuga (Leasehold land)	160	183	186	3	4.7%	4.7%	4.6 %
Konpira Maru Kasuga (Leasehold land)	236	266	270	4	4.6%	4.6%	4.6 %
One-Karubi Kasuga (Leasehold land)	236	266	271	5	4.7%	4.7%	4.6 %
Suke-san Kasuga (Leasehold land)	401	423	429	6	4.4%	4.4%	4.6 %
NAFCO Kasuga (Leasehold land)	2,631	3,500	3,600	100	4.3%	4.3%	4.5 %
K's Denki Kasuga (Leasehold land)	1,487	1,880	1,960	80	4.4%	4.4%	4.5 %
Fuji Grand Natalie	3,950	4,190	4,190	-	5.2%	4.2%	4.8 %
K's Denki Kurashiki (Leasehold land)	2,121	2,460	2,460	-	5.0%	5.0%	4.6 %
Hasekura Medical Building	1,400	1,480	1,480	-	4.8%	3.2%	4.3 %
TOTAL ¹⁵	71,518	80,861	79,823	-1,038	5.7%	5.1%	
	70,373	79,691					

(Reference) Acquisition price and appraisal value as of January 31, 2025 disclosed in the 16th FP

Trends in Net Asset Value Per Unit



Trends in Portfolio Occupancy Rate

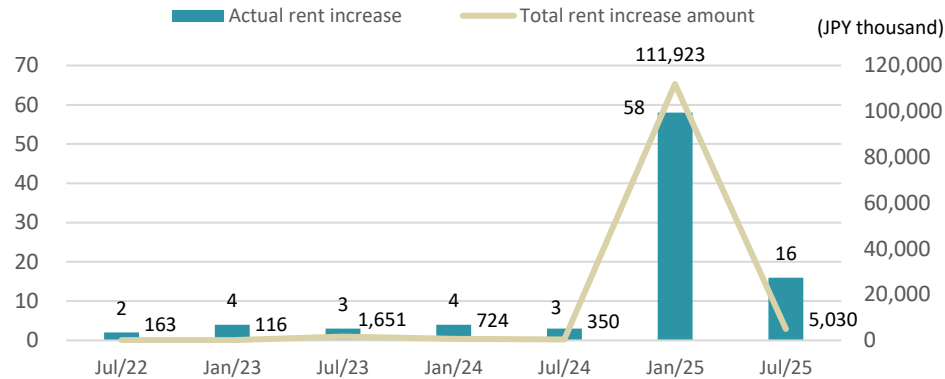
8th FP from Aug. 1, 2020 to Jan. 31, 2021	9th FP from Feb. 1, 2021 to Jul. 31, 2021	10th FP from Aug. 1, 2021 to Jan. 31, 2022	11th FP from Feb. 1, 2022 to Jul. 31, 2022	12th FP from Aug. 1, 2022 to Jan. 31, 2023	13th FP from Feb. 1, 2023 to Jul. 31, 2023	14th FP from Aug. 1, 2023 to Jan. 31, 2024	15th FP from Feb. 1, 2024 to Jul. 31, 2024	16th FP from Aug. 1, 2024 to Jan. 31, 2025	17th FP from Feb. 1, 2025 to Jul. 31, 2025
99.8%	99.5%	99.7%	99.9%	100%	99.9%	99.3%	99.8%	99.7%	99.1%

New Contracts and Terminations of Tenants*1

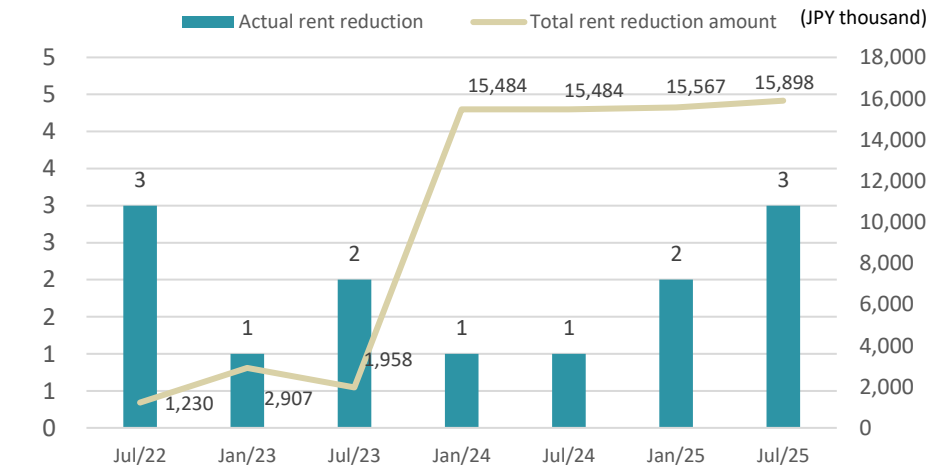
Fiscal Period	New contracts		Contract terminations or move-out	
	Total	Tenant category	Total	Tenant category
11th (Jul. 2022)	3	Services 1 Food products 1 General Products 1	3	Services 1 Food products 1 Apparel 1
12th (Jan. 2023)	8	Restaurants 2 Services 5 General Products 1	5	Restaurants 3 Services 1 General Products 1
13th (Jul. 2023)	7	Restaurants 4 Services 2 General Products 1	10	Restaurants 2 Services 4 Food products 3 General Products 1
14th (Jan. 2024)	3	Services 1 General Products 1 Restaurants 1	5	Services 2 General Products 2 Restaurants 1
15th (Jul. 2024)	3	Services 1 Restaurants 2	3	Services 1 Restaurants 2
16th (Jan. 2025)	8	Services 3 Restaurants 2 Apparel 2 Clinics 1	13	Food products 1 Services 5 General Products 1 Restaurants 2 Apparel 4
17th (Jul. 2025)	3	Services 2 General Products 1	5	Services 2 General Products 1 Gym 1 Restaurants 1

Rent Increases and Reductions*2 of Tenants*1

Rent increases*3

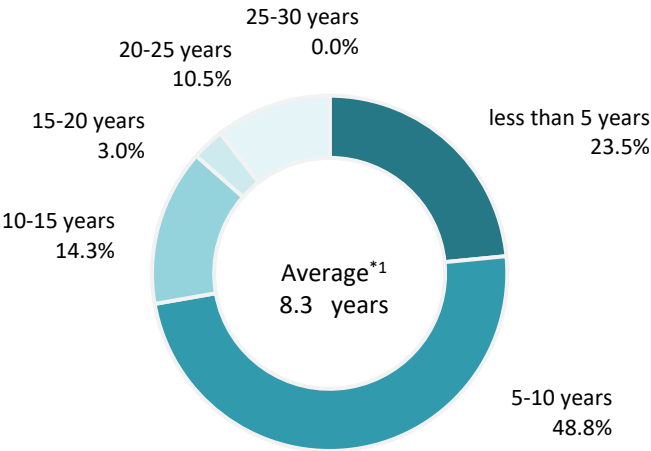


Rent reductions*4

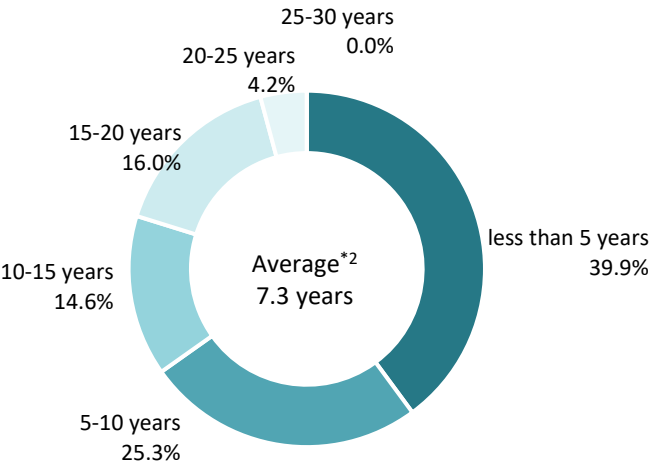


Remaining Lease Term as of Jul. 2025

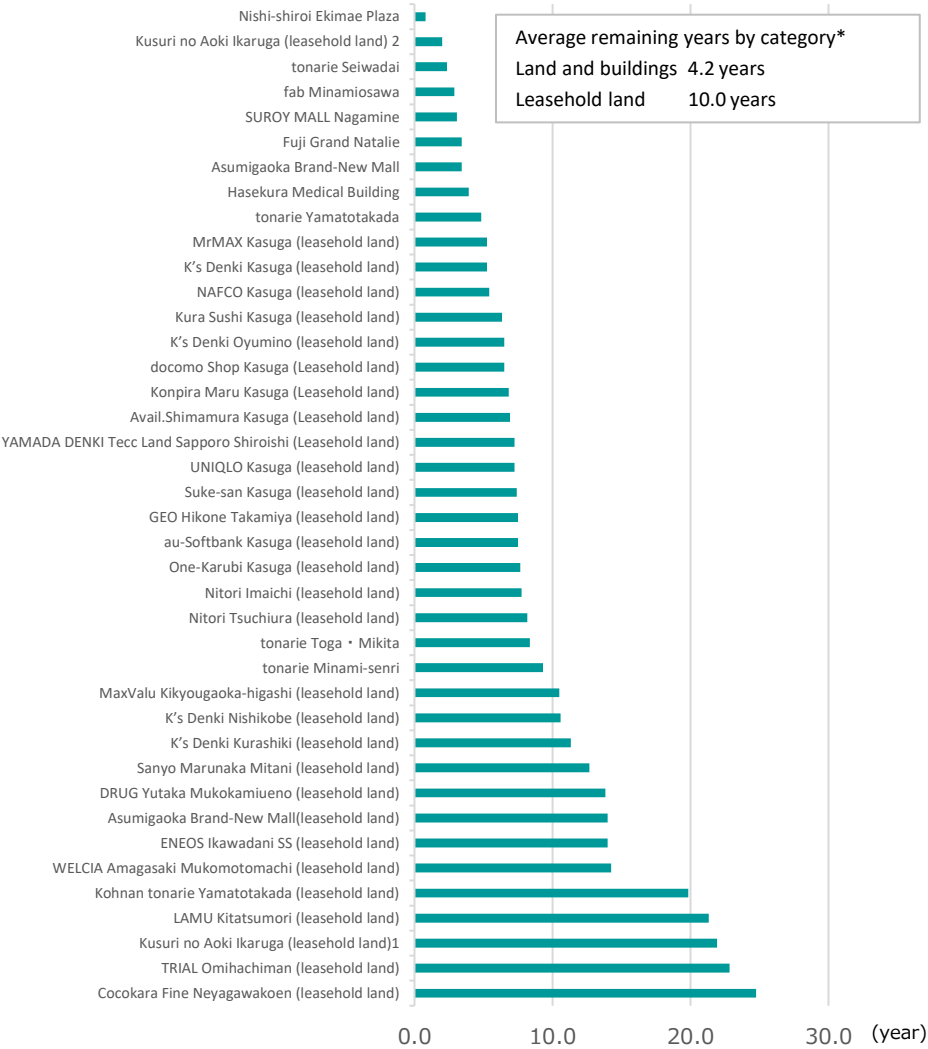
Based on leasable area



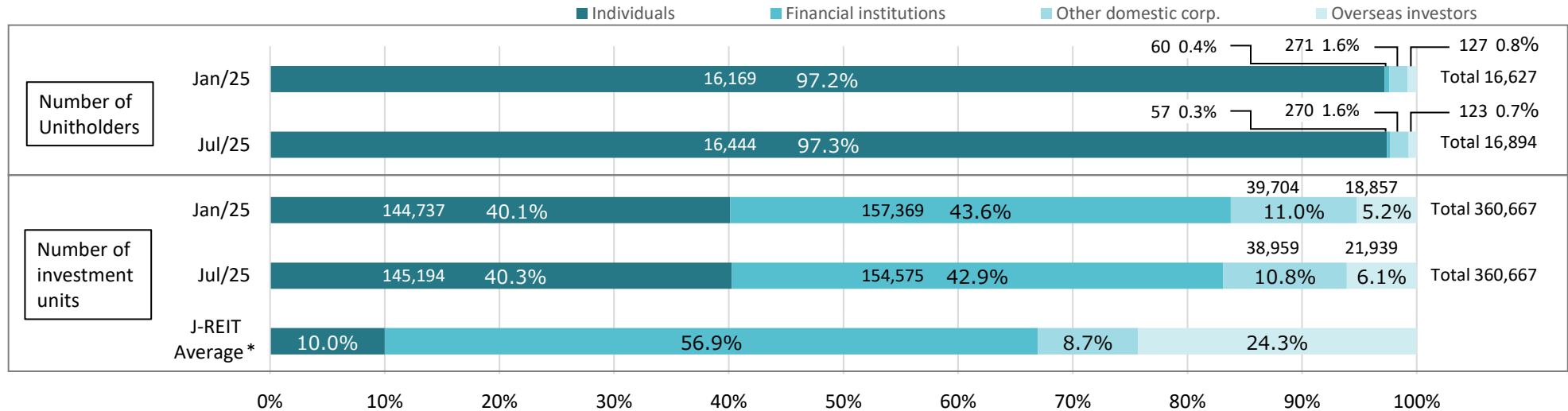
Based on contract rent + common charges



Based on leasable area by property*3



Unitholders by Type

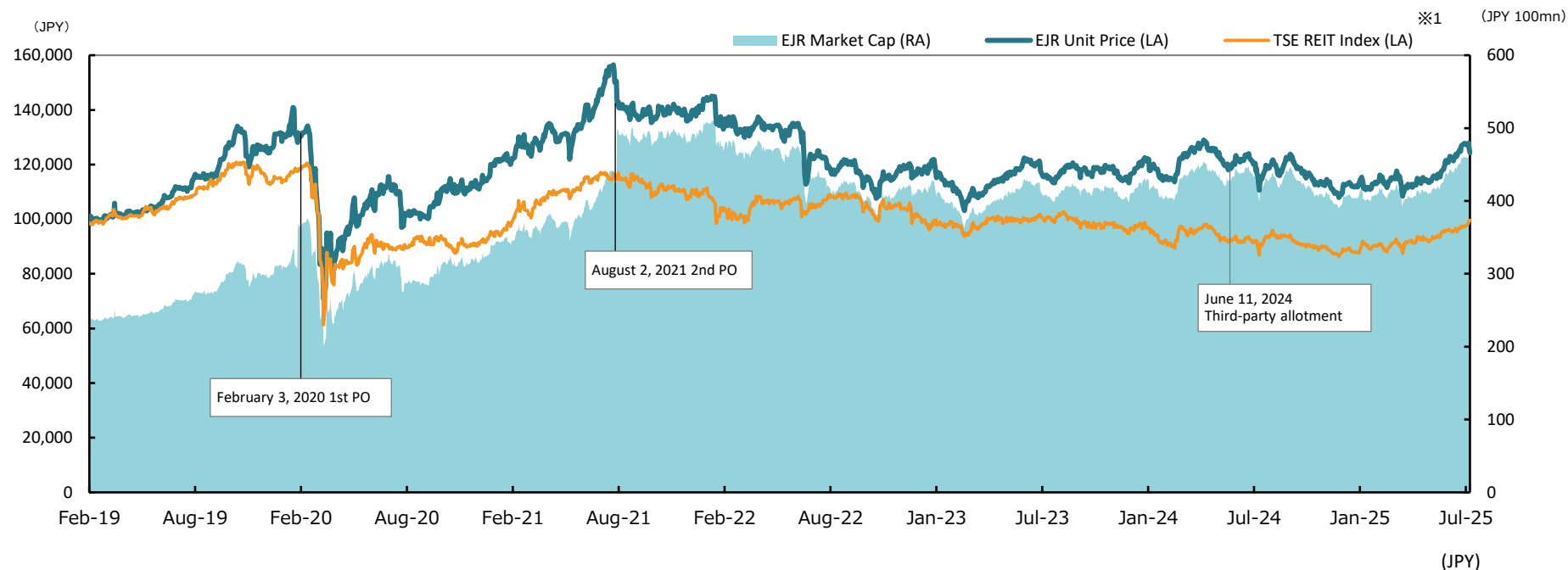


Top Ten Unitholders

	Unitholders	Number of units held	Ownership ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	36,643	10.2%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	33,787	9.4%
3	ES-CON JAPAN Ltd.	16,894	4.7%
4	Osaka Co-sei Shinkin Bank	16,893	4.7%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	14,737	4.1%
6	Chuden Real Estate Co., Inc.	8,700	2.4%
7	Daido Shinyo Kumiai	6,415	1.8%
8	Kinkisangyo Shinkumi Bank	6,226	1.7%
9	Osaka Shoko Shinkin Bank	5,487	1.5%
10	THE SAIKYO BANK, LTD.	4,950	1.4%
Total		150,732	41.8%

- **17,119** units held by ES-CON Group as sponsors (including 16,894 units held by ES-CON JAPAN, and 225 units held by ES-CON Living Service, a subsidiary of ES-CON JAPAN)
- **8,700** units held by Chuden Real Estate as a support company
→ **25,819** units (7.2%) held by Chubu Electric Power group

Unit price trend



Feb 13, 2019 (listing date) Issue price	Feb. 3, 2020 1st PO Issue price	Aug. 2, 2021 2nd PO Issue price	Jun.11 2024 Third-party allotment Issue price	Jul. 31, 2024	Jan. 31, 2025	Jul. 31, 2025
101,000	124,029	145,282	122,600円	118,600	111,700	124,300

Forecast Dividend Yield

Forecast dividend yield*2 EJ R **5.66** % J-REITs Average 4.84 %



Overview of ESCON REIT

Trade name	ESCON JAPAN REIT Investment Corporation
Listing date	February 13, 2019 (Fiscal period ending January, July)
Sponsor	ES-CON JAPAN Ltd. (Consolidated Subsidiaries of Chubu Electric Power Co., Inc.)
Supporters	Chubu Electric Power Co., Inc. Chuden Real Estate Co., Inc.
Main Investment Targets	Lifestyle-Focused Commercial facilities
Credit Rating	R&I (Rating and Investment Information, Inc.) A- Stable
Asset Management Company	ES-CON ASSET MANAGEMENT Ltd.
Total number of investment units issued	360,667

Overview of Portfolio

Assets Under Management (Acquisition price basis)	38properties、JPY 71.5billion
Target Investment Areas (Acquisition price basis)	Hokkaido region 1.8%,Tokyo metropolitan area 15.8% , Chubu region 0.7%, Kinki region 50.3%, Kyushu region 21.0%, Other area 10.4%
Occupancy Rate	99.1 %

IR Contacts

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Asset Management Company

Company name	ES-CON ASSET MANAGEMENT Ltd.
Representative	Wataru Orii President & Representative Director
Founded	July 30, 2014
Capital Funds	JPY 100 million
Shareholder	ES-CON JAPAN Ltd. 100%
Types of businesses	Asset Management Business
Licenses	- Real Estate Transactions: Tokyo Metropolitan Governor (3) No. 97008 - Financial Instruments Business: Kanto Local Finance Bureau Registration No. 2825 - Discretionary Transaction Agent License: Minister of Land, Infrastructure, Transport and Tourism, Certification No. 105
Memberships	The Investment Trusts Association, Japan

Page 3

- * The "Occupancy rate" is calculated by the calculation formula below based on data as of July 31, 2025 and rounded down to the nearest first decimal place. The same applies below.
Occupancy rate = Leased area / Leasable area × 100

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- *1 bp: Basis point (1bp = 0.01%). The same applies below.
- *2 "FFO" = (Net income - Gain or loss on sales of real estate properties + Depreciation). The same applies below.

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- * The amounts and number of tenants who moved out during the 17th FP are not included for those tenants whose rent increases were initially expected.

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- * "Expected ratios of borrowings with fixed interest rates" have been calculated on the assumption that the borrowings as of July 31, 2025 (JPY 34,251 million) will be refinanced when they are due, and their interest rates will be fixed at the refinancing. It is not guaranteed that the interest rates on all borrowings will be fixed at the time of future refinancing.

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- *1 GRESB is an annual benchmarking assessment to measure ESG (Environment, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).
- *2 DBJ Green Building is a certification system that was newly established in April 2011 by Development Bank of Japan Inc. (DBJ) as an initiative to support its customers' environmentally and socially conscious management of their real estate ("Green Building").

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- * Each figure is aggregated for a January–December period each year. The aggregation targets include only the land and building properties owned by ESCON REIT in the base year 2022 for which data is available, excluding the Yoshizuya Y Store Nishiharu which was transferred in 2024. Properties that were transferred or acquired during each aggregation period are not included. Additionally, due to the transfer of Yoshizuya Y Store Nishiharu and the refinement of various figures, the figures for 2022 and 2023 also do not match the disclosed figures in the previous FP's financial results presentation materials.

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- *1 The four properties owned by ESCON REIT, namely tonarie Minami-senri, tonarie Seiwadai, tonarie Yamtotakada, and tonarie Toga-Mikita. The same applies below.
- *2 All 21 full-time employees as of July 31, 2025 are subject. Part-time executives and employees, as well as temporary employees, are not included.

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- *1 Interested parties are those defined in the Asset Manager's Interested Party Transaction Rules.
- *2 Those in which a third parties other than the interested parties are the subject are called "bridges" and those in which the interested parties are the subject are called "warehousing".
- *3 When transferring assets under management to an interested party at a price less than the appraisal value, it must be possible to explain the reasonableness of the gap between the appraisal value and the transfer price, and the reason why it was determined that the transfer should be implemented (including the basis for determining the reasonableness of the gap between the transfer price and the appraisal value) must be explained in the timely disclosure of the transfer.
- *4 In the case of a transaction with an interested party, 4 directors who are not members of the committee are also required to attend the meeting.
- *5 If the property falls under the category of healthcare facilities (which refer to serviced housing for the elderly set forth in Article 5 of the Act on Securement of Stable Supply of Elderly Persons' Housing, paid nursing homes set forth in Article 29 of the Act on Social Welfare for the Elderly, or elderly group homes for those with dementia based on Paragraph 6 of Article 5-2 of the same law), the Investment Management Committee will obtain a report on the property from an external expert prior to the resolution and make an investment decision based on the report after obtaining advice from the external expert as necessary.
- *6 If the acquisition draft plan constitutes a transaction with an interested party under the Investment Trust Law, prior approval from ESCON REIT's Board of Directors should be obtained.
- *7 Apart from ESCON REIT's Board of Directors, 1 separate meeting was held with the Asset Manager for the purpose of prior information sharing and prior explanation of agenda items at ESCON REIT's Board of Directors.
- *8 Apart from Board of Directors, 1 separate meeting was held for the purpose of prior information sharing and prior explanation of agenda items at Board of Directors.
- *9 Apart from Compliance Committee, two separate meetings were held for the purpose of prior information sharing and prior explanation of agenda items at Compliance Committee.
- *10 The Investment Management Committee met 7 times during the 17th FP, of which 6 meetings were attended by all 6 Investment Management Committee members and one Compliance Officer and 1 meeting was attended by 5 Investment Management Committee members and one Compliance Officer. In addition, apart from Investment Management Committee, 1 separate meeting was held for the purpose of prior information sharing and prior explanation of agenda items at Board of Investment Management Committee.

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- * The occupancy rate at SUROY MALL Nagamine decreased compared to the end of the previous FP as one large tenant moved out in May 2025.

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- *1 The "Appraisal NOI yield before depreciation" is the ratio of the net operating revenue for the first period under the DCF method as stated in the real estate appraisal reports with a valuation date of July 31, 2025, to the acquisition price, and the "Appraisal NOI yield after depreciation" is the ratio of the net operating revenue under the DCF method as stated in the same real estate appraisal reports excluding depreciation to the acquisition price, rounded to one decimal place. Depreciation used to calculate the appraisal NOI yield after depreciation is the annualized depreciation for the fiscal period ending January 2026 for assets owned as of July 31, 2025 (depreciation for capital expenditures for the fiscal period ending January 2026 is not taken into account).
- *2 The "Appraisal value" of "Asumigaoka Brand-New Mall" is listed separately for the commercial building as (1) and the separate building (which refers to the building that was acquired without consideration from Akindo Sushiro Co., Ltd. on April 30, 2024.) as (2).
- *3 The decline in the appraisal value of Asumigaoka Brand-New Mall resulted from the acquisition of a new engineering report, which projected increased future repair expenses and CAPEX.
- *4 The appraisal value "2025/1/31 (A)" listed for Kohnan tonarie Yamatotakada (Leasehold land) is the appraisal value listed on the real estate appraisal reports with a valuation date of February 28, 2025.
- *5 The appraisal value "2025/1/31 (A)" listed for the portfolio total is the total of the appraisal values "2025/1/31 (A)" listed for each owned asset, and does not match the disclosed total appraisal value of JPY 79,691 million for the assets owned by ESCON REIT as of January 31, 2025.

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- *1 If the date of termination or expiration of the contract with the tenant is at the end of the fiscal period, the next day (the next term) is the cancellation date. Changes in business type involving the transfer of the same tenant's parcel are included in the two types of cancellations and attracting new tenants.
- *2 For existing tenants.
- *3 Rent increase (number of tenants during the period, total amount during the period)" shows the number of tenants who started to increase rent during the 17th FP and the total amount of rent increase.
- *4 Rent Reduction (number of tenants during the period, total amount during the period)" shows the number of tenants who implemented rent reductions during the 17th FP and the total amount of rent reductions (including tenants who started rent reductions before the 16th FP).

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- *1 Average remaining lease term based on leasable areas as of July 31, 2025, rounded to first decimal place.
- *2 Average remaining lease term based on contract rents and common charges as of July 31, 2025, rounded to first decimal place.
- *3 Average remaining lease term based on leasable area for each property as of July 31, 2025, rounded to first decimal place.

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- * J-REIT's Average - Refer to the Japan Exchange Group: REIT Investor Survey (May 22, 2025)

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- *1 Benchmarked the closing price on the IPO date of ESCON REIT.
- *2 The forecast dividend yield is calculated by dividing the sum total of the distributions forecasts for 18th FP and 19th FP by the investment unit (closing price) as of July 31, 2025.
The average forecast dividend yield of all J-REITs is the market capitalization-weighted average forecast annualized dividend yield disclosed in the REIT monthly Report (for July 2025) of the Japan Exchange Group.

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