

# 17th Fiscal Period Semi-Annual Report

From: February 1, 2025  
To: July 31, 2025

ESCON JAPAN REIT Investment Corporation

The Okura Prestige Tower 20F,  
2-10-4 Toranomon, Minato-ku, Tokyo

## To Our Unitholders

It is our sincere hope that this message finds all our unitholders well and prosperous.

ESCON JAPAN REIT Investment Corporation (hereinafter “ESCON REIT”) has completed its 17th fiscal period (February 1, 2025 to July 31, 2025). The distribution per unit exceeded both the results of the previous period and our initial forecast, reaching 3,886 yen.

We increased dividends as we recorded temporary revenue from the withdrawal of a tenant and made steady efforts to improve profitability, including passing on the higher fixed asset taxes to the leasehold land rents as part of our initiatives aimed at internal growth. The acquisition of the “Kohnan tonarie Yamatotakada (leasehold land)” as part of external growth also made a steady contribution to the increase in revenue.

In addition to these daily efforts to manage assets, we actively surveyed facility user satisfaction from a perspective of medium- to long-term asset value enhancement, leveraging the survey results to renew the facilities and enhance service. Through these efforts, we focused on operating facilities as lifestyle-focused assets so that our facilities will continue to be loved and selected by local communities.

The J-REIT market is also showing signs of recovery. Seizing this opportunity, we will further deepen the internal growth strategy, our existing strategy, and also place greater emphasis on external growth, which we expect to contribute to improvement in quality of the portfolio.

Going forward, ESCON REIT will aim to achieve steady growth in assets under management and the maximization of unitholder value through fair and appropriate operations, with the cooperation of its sponsor, ES-CON JAPAN Ltd (hereinafter “ES-CON JAPAN”), and its support companies, Chubu Electric Power Co., Inc. (hereinafter “Chubu Electric Power”) and Chuden Real Estate Co., Inc., as well as by maximizing the unique network of ES-CON ASSET MANAGEMENT Ltd (hereinafter the “Asset Manager”) which is the asset management company of ESCON REIT.

Therefore, we would appreciate the continued support and encouragement from our unitholders and other stakeholders.

# I Asset Management Report

## Overview of Asset Management

### 1. Trends in ESCON REIT's Management Status

Fiscal period	13th fiscal period From February 1, 2023 to July 31, 2023	14th fiscal period From August 1, 2023 to January 31, 2024	15th fiscal period From February 1, 2024 to July 31, 2024	16th fiscal period From August 1, 2024 to January 31, 2025	17th fiscal period From February 1, 2025 to July 31, 2025
Operating revenue	million yen	2,497	2,444	3,049	2,794
which consists of real estate lease revenue	million yen	2,497	2,444	2,485	2,794
Operating expenses	million yen	1,242	1,169	1,736	1,355
which consists of real estate lease expenses	million yen	1,034	947	972	1,140
Operating income	million yen	1,255	1,274	1,312	1,439
Ordinary income	million yen	1,140	1,136	1,170	1,253
Net income	million yen	1,139	1,135	1,169	1,252
Total assets	million yen	75,595	75,530	76,770	77,173
Period-on- period changes	%	(0.9)	(0.1)	1.6	0.5
Net assets	million yen	39,247	39,243	40,343	40,426
Period-on- period changes	%	(1.8)	(0.0)	2.8	0.2
Interest-bearing debt	million yen	33,091	33,091	33,091	33,091
Total amount of investment	million yen	38,107	38,107	39,173	39,173
Total number of investment units issued and outstanding	units	351,967	351,967	360,667	360,667
Net assets per unit* <sup>3</sup>	yen	111,507	111,497	111,857	112,089
Net income per unit* <sup>1</sup>	yen	3,239	3,227	3,299	3,474
Total distributions	million yen	1,139	1,135	1,169	1,252
Distribution per unit	yen	3,238	3,227	3,242	3,474
which consists of earnings distribution per unit	yen	3,238	3,227	3,242	3,474
which consists of distribution in excess of earnings per unit	yen	—	—	—	—
Ordinary income to total assets ratio* <sup>3</sup>	%	1.5	1.5	1.5	1.6
Annualized	%	3.0	3.0	3.1	3.2
Return on equity* <sup>3</sup>	%	2.9	2.9	2.9	3.1
Annualized	%	5.8	5.7	5.9	6.2
Equity ratio* <sup>3</sup>	%	51.9	52.0	52.6	52.4
Period-on- period changes		(0.5)	0.0	0.6	(0.2)
Payout ratio* <sup>3</sup>	%	100.0	100.0	100.0	100.0
[Other reference information]					
Days of operation	days	181	184	182	184
Number of investment properties at end of period	properties	38	38	37	37
Depreciation	million yen	183	187	201	209
Capital expenditures	million yen	101	73	66	187
Lease NOI (Net Operating Income) * <sup>3</sup>	million yen	1,646	1,684	1,714	1,863
FFO (Funds from Operations) * <sup>3</sup>	million yen	1,323	1,323	1,342	1,462
FFO per unit* <sup>3</sup>	yen	3,759	3,759	3,721	4,055
Loan to Value (LTV) at end of period* <sup>3</sup>	%	43.8	43.8	43.1	42.9
					43.7

\*1 "Net income per unit" is the amount obtained by dividing net income by the weighted average number of investment units based on the number of days and rounding to the nearest whole number.

\*2 Unless otherwise stated, all figures are truncated, and percentages are rounded to the nearest first decimal place.

\*3 Calculations are based on the following formulas:

Net assets per unit	Net assets / Total number of investment units issued and outstanding
Ordinary income to total assets ratio	Ordinary income / { (Total assets at beginning of period + Total assets at end of period) / 2 } × 100
Return on equity	Net income / { (Net assets at beginning of period + Net assets at end of period) / 2 } × 100
Equity ratio	Net assets at end of period / Total assets at end of period × 100
Payout ratio	Distribution per unit (excluding distribution in excess of earnings) / Net income per unit × 100 The payout ratios for the 15th fiscal periods are calculated based on the following formula, as the number of investment units changed due to the capital increase during those periods. Total distributions (excluding distributions in excess of earnings) / Net income × 100
Lease NOI (Net Operating Income)	Real estate lease revenue - Real estate lease expenses + Depreciation
FFO (Funds from Operations)	Net income + Depreciation - Gain / loss on sales of real estate
FFO per unit	FFO / Total number of investment units issued and outstanding
Loan to Value (LTV) at end of period	Balance of interest-bearing debt at end of period / Total assets at end of period × 100

## 2. Status in Asset Management during the Current Fiscal Period

### (1) Brief background of the REIT

ESCON REIT was established on August 26, 2016, with the “Asset Manager” as the organizer, based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter the “Investment Trust Act”), and listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) on February 13, 2019 (securities code: 2971).

Afterwards ESCON REIT believes that, as the population declines and concentration of inhabitants in major metropolitan areas continues, the demand to live in highly convenient major cities or areas with easy access to large cities will remain stable. Also, ESCON REIT believes that in order to support affluent lifestyles for people living in these areas, ESCON REIT requires commercial facility<sup>\*1</sup>, residence<sup>\*2</sup> and assets aimed at creating a sustainable society, which is expected to solve diverse social issues in everyday life that affect local communities, such as declining birth rates, aging populations, environmental and energy issues, labor and education issues, and problems wrought by natural disasters. ESCON REIT defines these assets as “lifestyle-focused assets”<sup>\*3</sup> and invests in lifestyle-focused assets located mainly in the five major metropolitan areas<sup>\*4</sup>. Based on the above investment policy, ESCON REIT will seek to maximize unitholder value by aiming for more steady growth of assets under management.

ESCON REIT now owns 38 properties with a total acquisition price of 71,518 million yen as of the end of the current fiscal period.

\*1. “Commercial facility” refers to real estate which the floor area of each use of the building has the largest floor area for commercial tenants, such as retailers, restaurants, cafes, service providers and amusement facility operators. The same applies hereinafter.

\*2. “Residence” refers to real estate which each floor area of the building has the largest floor area for residential use, (however, assets aimed at creating a sustainable society are excluded.) The same applies hereinafter.

\*3. “Lifestyle-focused assets” refers to commercial facilities, residences, and assets aimed at creating a sustainable society, and leasehold land.

“Leasehold Land” refers to land leased by a third party which building is owned by this third party. The same applies hereinafter.

\*4. The “five major metropolitan areas” refers to the Hokkaido region, the Tokyo Metropolitan Area, the Chubu region, the Kinki region and the Kyushu region. The Hokkaido region refers to Hokkaido Prefecture, the Tokyo Metropolitan Area refers to Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, Tochigi and Gunma Prefectures, the Chubu region refers to Aichi, Shizuoka, Mie, Nagano and Gifu Prefectures, the Kinki region refers to Osaka, Kyoto, Hyogo, Nara and Shiga Prefectures and the Kyushu region refers to Fukuoka, Kumamoto, Kagoshima, Miyazaki, Oita, Saga and Nagasaki Prefectures. The same applies hereinafter.

### (2) Operating environment and management performance

During the current fiscal period, Japan’s economy trended toward a gradual recovery. Real GDP grew in the April-June 2025 period demonstrating positive growth, driven by overseas demand, while weak domestic demand weighed on economic activity. Despite these challenges regarding the vigor of demand in Japan, the economy maintained a generally solid performance.

In financial markets, the Bank of Japan took a step toward normalizing monetary policy but kept policy interest rates unchanged during the current period. The Bank of Japan maintained its stance of carefully assessing domestic economic and price trends, leaving markets to remain focused on ascertaining the outlook as a result of uncertainty surrounding the timing of future additional rate hikes and overseas economic developments.

In the real estate trading market, investor appetite remained strong, sustaining a high level of transactions. As of January 1, 2025, the publicly announced land prices showed a nationwide average increase for the fourth consecutive year, indicating that real estate values remained firm. Meanwhile, against a backdrop of anticipation for rising interest rates and soaring property prices, investors became even more selective, with trends appearing to vary depending on location and asset type. The J-REIT market remained sluggish at beginning of the period due to concerns over rising interest rates, although they subsequently staged a strong recovery against a backdrop of improvement to supply-demand dynamics and fundamentals, shifting to an upward trend. As a result, the Tokyo Stock Exchange REIT Index rose by 7.6% in the first half of 2025, showing robust performance as it recovered to the 1,800-point level on a closing basis in July.

The commercial facility market, the primary investment target of ESCON REIT, has experienced various trends in accordance with business type, against the backdrop of evolving consumer preferences and other factors. Although the number of foreign visitors to Japan remained at record levels, the previous norm of high-end goods consumption has slowed, and department store sales

continued to decline year-on-year. Meanwhile, shopping center (SC) performance remained firm, while consumer needs grew within consumers' living areas even as prices rose. The lifestyle-focused commercial facilities owned by ESCON REIT, centered on supermarkets and other establishments, maintained stable operations supported by daily patronage.

In this environment, ESCON REIT strives to create an environment that satisfies both customers using the commercial facilities it operates and tenants through internal growth initiatives, and along with this, has endeavored to increase and stabilize revenue through measures such as revising rents at the time of renewal of contracts, holding events that are in line with current trends, and reflecting the increase in property taxes in the rent for land lease properties. Additionally, as part of our external growth initiatives, ESCON REIT acquired the "Kohnan tonarie Yamatotakada (leasehold land)" (below), which is adjacent to the existing asset "tonarie Yamatotakada," from the sponsor, ES-CON JAPAN. This acquisition aims to enhance the convenience and attractiveness for customers across the entire area through integrated management.

#### Acquired Assets

Property number	Asset Type	Property name	Location	Acquisition Price (million yen)	Acquisition date
16213	Commercial Facility	Kohnan tonarie Yamatotakada (leasehold land)	Yamatotakada City, Nara	1,145	April 1, 2025

As a result of the management activities described above, ESCON REIT owned 38 properties as of the end of the current fiscal period, and the occupancy rate remained high at 99.1%\*.

Moreover, in October 2024, in the 2024 GRESB Real Estate Assessment, ESCON REIT earned a "One Star" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. Furthermore, ESCON REIT also obtained a "Green Star" designation for the 4th consecutive year 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. ESCON REIT and the Asset Manager are promoting initiatives to reduce environmental impact and revitalize local communities, based on the recognition that ESG initiatives through the management of commercial facilities and other lifestyle-focused assets contribute to increasing unitholder value.

\* The occupancy rate is calculated by the calculation formula below based on data as of the end of the fiscal period and rounded off to the nearest first decimal place.

Occupancy rate = Leased area / Leasable area \*100

#### (3) Procurement of funds

In the current fiscal period, ESCON REIT secured a new short-term borrowing of 1,160 million yen on April 1, 2025 to fund the acquisition of the aforementioned "Kohnan tonarie Yamatotakada (leasehold land)," and related expenses. Furthermore, on July 31, 2025, to fund the refinancing of 3,578 million yen in matured loans and the refinancing (early repayment) of the aforementioned 1,160 million yen in short-term borrowing, ESCON REIT executed a long-term borrowing totaling 4,738 million yen on the same date. In addition, to hedge against the risk of rising interest rates by seeking to fix interest rate payments, ESCON REIT entered into an interest rate swap contract for 4,738 million yen, which is the same amount as the long-term borrowing mentioned above. As a result, the balance of interest-bearing debt as of the end of the current fiscal period was 34,251 million yen, and the ratio of interest-bearing debt to total assets (hereinafter, "LTV") was 43.7%.

ESCON REIT received an issuer rating of "A- (Stable)" from Rating and Investment Information, Inc. (R&I). ESCON REIT shall aim to improve further credibility while maintaining the flexibility of fund procurement and stable financial management.

#### (4) Performance and distributions

As a result of the management activities described above, ESCON REIT posted operating revenue of 3,124 million yen, operating income of 1,668 million yen, ordinary income of 1,402 million yen and net income of 1,401 million yen for the current fiscal period. For distributions, ESCON REIT has decided to distribute an amount of 1,401 million yen as earnings distributions, which approximates the full revenue stipulated in Article 136, Paragraph 1 of the Investment Trust Act by applying the special measure of taxation for investment corporations (Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended)) in accordance with the distribution policy set forth in the Articles of Incorporation of ESCON REIT. As a result, distribution per investment unit amounted to 3,886 yen.

#### (5) Governance structure of ESCON REIT and the Asset Manager

The Asset Manager changed the organizational structure to a company with an Audit and Supervisory Committee on June 28, 2022, and based on the Compliance Declaration established on August 31, 2022 and the Management Philosophy established on September 26, 2022, the Asset Manager has implemented various measures, including compliance with the operational rules such as the operational flow for property acquisition and other activities, the rules for ordering real estate appraisal, various regulations and manuals, and the monitoring of the ordering operations of real estate appraisal by the Compliance Department, and the

implementation of various training and assessment tests to continuously improve compliance systems related to conflicts of interest. Through these initiatives, the Asset Manager has established a stronger governance system for the operation of the ESCON REIT. In addition, the Board of Directors of ESCON REIT is now composed of one Executive Director and two Supervisory Directors who have no relationship of special interest with the Asset Manager.

As stated above, ESCON REIT and the Asset Manager are working to improve ESCON REIT's operational structure and are actively and continuously striving to improve the effectiveness of the governance structure.

The activities of the various meeting bodies of ESCON REIT and the Asset Manager during the current fiscal period are as follows.

#### **I. Activities of the Board of Directors of ESCON REIT**

The Board of Directors of ESCON REIT held the board meetings seven times during the current fiscal period, and an Executive Director and two Supervisory Directors attended all seven meetings.

In addition, one separate meeting was held to share information in advance and to explain the agenda items of the Board of Directors meetings in advance.

#### **II. Activities of the Board of Directors and the Audit and Supervisory Committee of the Asset Manager**

##### **a. Activities of the Board of Directors**

The Board of Directors of the Asset Manager held the board meetings eight times during the current fiscal period, and all six members of Directors attended all eight meetings.

In addition, one separate meeting was held to share information in advance and to explain the agenda items of the Board of Directors meetings in advance.

##### **b. Activities of the Audit and Supervisory Committee**

The Audit and Supervisory Committee of the Asset Manager held the Audit and Supervisory Committee meeting seven times during the current fiscal period, and all three Directors who are Audit and Supervisory Committee Members attended all seven meetings.

#### **III. Activities of the Compliance Committee of the Asset Manager**

The Compliance Committee of the Asset Manager held two meetings during the current fiscal period, and all four members of the Compliance Committee, including the external members, attended all two meetings.

In addition, two separate meetings were held to share information in advance and to explain the agenda items at the Compliance Committee in advance.

#### **IV. Activities of the Investment Management Committee of the Asset Manager**

The Investment Management Committee of the Asset Manager held seven meetings during the current fiscal period, and all seven members, comprising the six Investment Management Committee members, including external members, and one Compliance Officer attended six of the seven meetings, while the remaining meeting was attended by five Committee members and one Compliance Officer, for six in attendance.

In addition, one separate meeting was held to share information in advance and to explain the agenda items at the Investment Management Committee in advance.

### 3. Capital Increase

Changes for the past five years in the Unitholders' capital and the total number of issued and outstanding investment units for ESCON REIT through July 31, 2025, are as follows:

Date	Summary	Total number of investment units issued and outstanding (units)		Unitholders' capital (million yen)		Remarks
		Increase (decrease)	Balance	Increase (decrease)	Balance	
August 2, 2021	Capital increase through public offering	65,700	348,682	9,207	37,646	*1
August 24, 2021	Capital increase through third-party allotment	3,285	351,967	460	38,107	*2
June 11, 2024	Capital increase through third-party allotment	8,700	360,667	1,066	39,173	*3

\*1. ESCON REIT issued new investment units through a public offering with offer price per unit 145,282 yen (issue price of 140,141 yen) for the purpose of raising funds to acquire specified assets.

\*2. ESCON REIT issued new investment units through a third-party allotment with issue price per unit 140,141 yen, for the purpose of raising funds for the future acquisition of specific assets or repayment of loans.

\*3. ESCON REIT issued new investment units through a third-party allotment with issue price per unit 122,600 yen for the purpose of raising funds to acquire specified assets.

### <Changes in exchange prices for investment securities>

The following table shows the highest and lowest prices (closing prices) by fiscal period on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange, where ESCON REIT's investment securities are listed.

Fiscal period	13th fiscal period	14th fiscal period	15th fiscal period	16th fiscal period	17th fiscal period
End of period	July 2023	January 2024	July 2024	January 2025	July 2025
Highest (yen)	122,400	122,500	129,000	123,800	127,900
Lowest (yen)	103,100	113,300	113,700	107,900	108,400

### 4. Distributions

During the current fiscal period, ESCON REIT decided to distribute a substantial amount of unappropriated retained earnings of 1,401 million yen in accordance with the distribution policy stipulated in the Articles of Incorporation of ESCON REIT. As a result, distribution per investment unit amounted to 3,886 yen.

Fiscal period	13th fiscal period From February 1, 2023 to July 31, 2023	14th fiscal period From August 1, 2023 to January 31, 2024	15th fiscal period From February 1, 2024 to July 31, 2024	16th fiscal period From August 1, 2024 to January 31, 2025	17th fiscal period From February 1, 2025 to July 31, 2025
Total amount of unappropriated retained earnings (thousand yen)	1,139,874	1,136,067	1,169,446	1,253,039	1,401,736
Retained earnings brought forward (thousand yen)	205	270	164	82	184
Total cash distributions (thousand yen)	1,139,669	1,135,797	1,169,282	1,252,957	1,401,551
Distribution per unit (yen)	3,238	3,227	3,242	3,474	3,886
Consisting of total earnings distributions (thousand yen)	1,139,669	1,135,797	1,169,282	1,252,957	1,401,551
Earnings distribution per unit (yen)	3,238	3,227	3,242	3,474	3,886
Consisting of total contribution refunds (thousand yen)	–	–	–	–	–
Contribution refund per unit (yen)	–	–	–	–	–
Total distributions from allowance for temporary difference adjustments out of total contribution refunds (thousand yen)	–	–	–	–	–
Distribution from allowance for temporary difference adjustments per unit out of per-unit contribution refund (yen)	–	–	–	–	–
Total distributions from capital reduction for tax purposes out of total contribution refunds (thousand yen)	–	–	–	–	–
Distribution from capital reduction for tax purposes per unit out of per-unit contribution refund (yen)	–	–	–	–	–

## 5. Future Management Policies and Issues to be Addressed

### (1) Outlook for the overall management environment

ESCON REIT expects that the Japanese economy will continue to recover moderately for the time being, supported by strong capital investments by companies and a stable employment environment. However, there are concerns that wage growth is unable to keep pace with rising prices, which may impact on household purchasing power. Furthermore, given the uncertainty surrounding external factors such as U.S. policy developments, the situation in the Middle East, and fluctuations in financial and capital markets, continued vigilance is required regarding downside risks to the economy. Meanwhile, observing the real estate market, while investor appetite for acquisitions remains solid, the trend for greater selectivity toward investment targets is expected to intensify further, given that property prices are at elevated levels.

Under these circumstances, ESCON REIT believes that the importance of “lifestyle-focused assets” that are integral to daily life will continue to play a vital role going forward. ESCON REIT will continue to pursue the securing of medium- to long-term revenue and heightened asset values through strategic investments in such assets, while striving for sound financial operations.

### (2) Internal growth in pursuit of lease revenue growth potential

ESCON REIT conducts satisfaction surveys on each tenant and the use of its facilities to residents living in the surrounding neighborhood of its owned assets to improve the management of its owned assets. Based on the results of these surveys, ESCON REIT will plan and implement measures to improve the convenience and comfort of the facilities and the frequency of use, including latent needs, as well as to increase the recognition of the properties and the area, and aims to achieve steady internal growth of the assets it owns through the initiatives described in a. and b. below.

#### a. Initiatives to improve lease revenue

ESCON REIT aims to maintain and improve lease revenue for its entire portfolio by implementing appropriate operational management for each asset held, including early and optimal tenant attraction that takes into account the rental market and overall tenant composition as well as hosting events to increase foot traffic and lease revenue, regular review of maintenance and management expenses related to rental management, and initiatives to improve tenant and customer satisfaction.

#### b. Initiatives to increase asset value

ESCON REIT considers asset depreciation an inevitable issue when holding assets over the medium- to long-term due to the aging of owned assets as well as changes in the region, location and customer demand. In addition to routine cleaning and equipment maintenance, ESCON REIT aims to increase asset value by improving property competitiveness through repairs and renovations based on long-term repair plans, rebuilding and renovating assets in partnership with sponsors, and branding of assets held. Furthermore, in accordance with this policy, ESCON REIT will actively undertake value-enhancement projects for commercial facilities, incorporating the results of facility user satisfaction surveys and tenant satisfaction surveys to heighten the appeal of our properties.

### (3) External growth pursuing portfolio stability and growth potential

After thoroughly managing conflicts of interest, ESCON REIT will leverage its strong sponsor pipeline, including granting preferential negotiation rights related to owned real estate properties and support for the redevelopment of properties based on the real estate development capabilities of ES-CON JAPAN, a comprehensive developer\*, also will leverage various forms of support to its fullest, including provision of warehousing functions, sponsor co-investments, environmentally friendly technologies, and expertise on energy cost reduction, through partnership with the Chubu Electric Power Group (Chubu Electric Power, its subsidiaries, and affiliates, excluding ES-CON JAPAN, its subsidiaries, and affiliates; the same shall apply hereinafter). The Asset Manager aimed at enhancing its unique property acquisition network to actively acquire high-quality properties from third parties by continuously acquiring outside information on properties in addition to information from our sponsors ES-CON JAPAN and Chubu Electric Power Group, aiming to expand ESCON REIT's asset size, improve the quality of our portfolio, and achieve steady external growth.

\* “Comprehensive developer” is a term used in this document to describe a developer that engages in a wide range of real estate development projects, including condominiums, standalone houses, commercial facilities, hotels, and logistics facilities; in other words, a developer that engages in development efforts comprehensively as a business.

### (4) Financial policy

ESCON REIT will raise funds to achieve stable and sound financial operations for the purpose of securing stable revenue and steadily improving the asset value over the medium- to long-term.

The issuance of new investment units will be determined based on the assessment of the current financial environment, taking into consideration the LTV, the dilution of rights of the existing unitholders and the potential decline in the transaction price of investment units, with the aim of expanding the scale of assets under management and improving their profitability.

When making loans and issuing investment corporation bonds (including short-term investment corporation bonds), ESCON REIT

will raise funds in consideration of the balance between the mobility of financing and financial stability as well as the characteristics of acquired real estates. Specifically, ESCON REIT will examine the financing methods (loans, investment corporate bonds), the ratio of long-term debt, ratio of loans with fixed interest rates, the diversification of repayment dates and the need to provide security, among others.

For the LTV, ESCON REIT will set 50% as the upper limit, in principle, based on our policy of maintaining a conservative threshold. ESCON REIT will also efficiently and appropriately manage cash by accurately assessing the financing needs of its portfolio through constant monitoring.

6. Significant Subsequent Events

Not applicable.

## Overview of ESCON REIT

### 1. Investment Status

	13th fiscal period ended July 31, 2023	14th fiscal period ended January 31, 2024	15th fiscal period ended July 31, 2024	16th fiscal period ended January 31, 2025	17th fiscal period ended July 31, 2025
Total number of investment units authorized (units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding (units)	351,967	351,967	360,667	360,667	360,667
Total amount of investment (million yen)	38,107	38,107	39,173	39,173	39,173
Number of unitholders (people)	16,336	16,385	16,454	16,627	16,894

### 2. Matters Concerning Investment Units

The major unitholders as of July 31, 2025 are as follows:

Company name	Number of investment units held (units)	Ratio to total number of investment units issued and outstanding (%) <sup>*</sup>
Custody Bank of Japan, Ltd. (Trust Account)	36,643	10.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,787	9.4
ES-CON JAPAN Ltd.	16,894	4.7
Osaka Co-sei Shinkin Bank	16,893	4.7
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	14,737	4.1
Chuden Real Estate Co., Inc.	8,700	2.4
Daido Shinkumi Bank	6,415	1.8
Kinkisangyo Shinkumi Bank	6,226	1.7
Osaka Shoko Shinkin Bank	5,487	1.5
THE SAIKYO BANK, LTD.	4,950	1.4
Total	150,732	41.8

\* The "ratio to total number of investment units issued and outstanding" is rounded to the nearest first decimal place.

### 3. Matters Concerning Directors and Audit Firm

(1) The Executive Director, Supervisory Director and Audit Firm for the current fiscal period are as follows:

Title	Name	Major concurrent positions	Total remuneration for each officer during the current fiscal period (thousand yen) <sup>*2*3</sup>
Executive Director <sup>*1</sup>	Tadashi Ebihara	Tower Management Co., Ltd. President & Representative Director	2,400
Supervisory Director <sup>*1</sup>	Satoshi Ugajin	JBA Holdings Co., Ltd. <sup>*4</sup> Scala Inc. JBA HR Solution Co., Ltd. <sup>*4</sup> JBA Financial Advisory Co., Ltd. <sup>*4</sup>	3,000
		President and Representative Director President and Representative Director	
	Rin Moriguchi	Momo-o, Matsuo & Namba Law Firm Japan Eyewear Holdings Co., Ltd. Audit & Supervisory Committee Member (Outside Director)	9,800
Audit Firm	BDO Sanyu & Co.	—	

\*1 The Executive Director and the Supervisory Director does not own investment units of ESCON REIT in their own name, or in the name of others. In addition, the Supervisory Directors may be directors of corporations other than those listed above, but none of them, including those listed above, have any interest in ESCON REIT.

\*2 For the executive director and supervisory directors, the amounts paid for the current fiscal period, and for the fees paid to the audit firm, the amounts to be paid for the financial statement audit during the current fiscal period (estimated amount) have been disclosed.

\*3 Fees paid to the audit firm includes remuneration for auditing the English version of the financial statements. Additional fees were not paid to other accounting firms in the same network.

\*4 Satoshi Ugajin has retired from these positions as of August 28, 2025.

(2) Policy on dismissal and non-reappointment of audit firm.

The dismissal of the audit firm shall be made in accordance with the provisions of the Investment Trust Act, and the non-reappointment of the audit firm shall be considered at a meeting of the Board of Directors of ESCON REIT, comprehensively considering the quality of the audit, audit fees, and other various circumstances.

4. Matters Concerning Liability Insurance Policies for Directors and Officers

Liability insurance policies for directors and officers that ESCON REIT has in place are as follows:

Scope of the Insured Persons	Summary of Contract
All executive and supervisory directors	<p>&lt;Summary of Accidents Covered by Insurance&gt;</p> <p>ESCON REIT has entered into a liability insurance policy for directors and officers with an insurance company as stipulated in Article 116-3, Paragraph 1 of the Investment Trust Law, and the policy will cover certain damages to be borne by the insured person due to claims for damages arising from actions taken by the insured person based on his or her role as a director of ESCON REIT.</p> <p>&lt;Premium contribution ratio&gt;</p> <p>The premiums for all insured persons are fully paid by ESCON REIT.</p> <p>&lt;Measures to ensure that the appropriate execution of duties is not compromised&gt;</p> <p>Damages incurred by the insured person due to breach of trust, criminal or fraudulent acts, or acts committed with knowledge of violation of laws and regulations are not covered.</p>

5. Asset Management Company, Asset Custodian, and Administrative Agents

As of July 31, 2025, the Asset Management Company, Asset Custodian, and Administrative Agents for ESCON REIT are as follows:

Classification	Company name
Asset Management Company	ES-CON ASSET MANAGEMENT Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Ltd.
Administrative Agent (Administrator of the Investors' Registry)	Sumitomo Mitsui Trust Bank, Ltd.
Administrative Agent (Institutional Management)	Sumitomo Mitsui Trust Bank, Ltd.
Administrative Agent (Accounting Services)	Tokyo Kyodo Accounting Office Co., Ltd.

## Status of Portfolio Assets

### 1. Composition of Assets

Asset type	Region	16th fiscal period As of January 31, 2025		17th fiscal period As of July 31, 2025	
		Total holdings (million yen) <sup>*1</sup>	Ratio to total assets (%) <sup>*2</sup>	Total holdings (million yen) <sup>*1</sup>	Ratio to total assets (%) <sup>*2</sup>
Real estate in trust	Hokkaido region	1,310	1.7	1,310	1.7
	Tokyo metropolitan area	11,463	14.9	11,518	14.7
	Chubu region	483	0.6	483	0.6
	Kinki region	34,616	44.9	35,859	45.7
	Kyushu region	15,109	19.6	15,111	19.3
	Other areas	7,394	9.6	7,362	9.4
Total real estate in trust		70,377	91.2	71,647	91.4
Deposits and other assets		6,795	8.8	6,751	8.6
Total assets		77,173	100.0	78,398	100.0

\*1 "Total holdings" is based on the balance sheet amount as of the end of each fiscal period, truncated to the nearest million yen.

\*2 The "Ratio to total assets" is rounded to the nearest first decimal place.

### 2. Major Assets

The following is a summary of the major assets (top 10 properties by book value) held by ESCON REIT as of July 31, 2025:

Property number	Property name	Book value (million yen) <sup>*1</sup>	Leasable area (m <sup>2</sup> ) <sup>*2</sup>	Leased area (m <sup>2</sup> ) <sup>*2</sup>	Occupancy rate (%) <sup>*3</sup>	Ratio to total real estate leasing revenue (%)	Primary use
16103	tonarie Yamatotakada	8,049	14,406.21	14,294.29	99.2	11.6	Commercial facility
16101	tonarie Minami-senri	7,547	7,527.87	7,527.87	100.0	20.7	Commercial facility
16104	tonarie Toga-Mikita	6,739	8,471.24	8,335.65	98.4	8.6	Commercial facility
18101	SUROY Mall Nagamine	4,574	12,622.98	10,635.05	84.3	10.3	Commercial facility
19101	Fuji Grand Natalie	3,828	28,543.96	28,543.96	100.0	Not disclosed <sup>*4</sup>	Commercial facility
13103	fab Minamiosawa	3,724	8,418.42	7,783.62	92.5	4.6	Commercial facility
18201	MrMax Kasuga (Leasehold land)	3,428	38,113.27	38,113.27	100.0	2.7	Commercial facility
13101	Asumigaoka Brand-New Mall	3,227	22,908.32	22,521.41	98.3	8.2	Commercial facility
	Asumigaoka Brand-New Mall (Leasehold land)		1,472.64	1,472.64	100.0		
16102	tonarie Seiwadai	3,153	8,798.01	8,717.16	99.1	5.9	Commercial facility
13201	K's Denki Oyumino (Leasehold land)	2,737	23,379.50	23,379.50	100.0	2.3	Commercial facility
	Total	47,010	174,662.42	171,324.42	98.1	—	

\*1 The "Book Value" is truncated to the stated value. The same applies hereinafter.

\*2 "Leasable area" is the total area considered available for lease in the acquired assets (if the acquired asset is leasehold lands, such lands) as of July 31, 2025, based on the various lease agreements, reports prepared by property management companies, or building plans. In addition, the "Leased Area" for assets for which a master lease agreement has been concluded is the total area that has been leased to end tenants with sublease agreements. For the "Fuji Grand Natalie," Fuji Corporation has entered into a lease agreement for the whole building and is covered by the "leased area". The amounts are rounded off to the second decimal point.

\*3 The occupancy rate is calculated by the calculation formula below based on data as of the closing date and rounded off to the nearest first decimal place.

$$\text{Occupancy rate} = \text{Leased area} / \text{Leasable area} \times 100$$

\*4 The figure is not disclosed as consent has not been obtained from the lessee or other parties.

### 3. Real Estate Assets in the Portfolio

The following is a summary of assets held by ESCON REIT as of July 31, 2025:

Property number	Property name	Location	Type of ownership*1	Book value (million yen)	Appraisal value at end of period (million yen)*2
11201	YAMADA DENKI Tecc Land Sapporo Shiroishi (Leasehold land)	Sapporo City, Hokkaido	Trust beneficiary interest	1,310	1,350
13101	Asumigaoka Brand-New Mall*3	Chiba City, Chiba	Trust beneficiary interest	3,227	① 2,220
	Asumigaoka Brand-New Mall (Leasehold land) *4				② 164
13102	Nishi-shiroi Ekimae Plaza	Shiroi City, Chiba	Trust beneficiary interest	453	471
13103	fab Minamiosawa	Hachioji City, Tokyo	Trust beneficiary interest	3,724	4,390
13201	K's Denki Oyumino (Leasehold land)	Chiba City, Chiba	Trust beneficiary interest	2,737	2,890
13202	Nitori Tsuchiura (Leasehold land)	Tsuchiura City, Ibaraki	Trust beneficiary interest	1,007	1,100
13203	Nitori Imaichi (Leasehold land)	Nikko City, Tochigi	Trust beneficiary interest	368	412
15201	MaxValu Kikyougaoka-higashi (Leasehold land)	Nabari City, Mie	Trust beneficiary interest	483	556
16101	tonarie Minami-senri	Suita City, Osaka	Trust beneficiary interest	7,547	10,900
16102	tonarie Seiwadai	Kawanishi City, Hyogo	Trust beneficiary interest	3,153	3,290
16103	tonarie Yamatotakada	Yamatotakada City, Nara	Trust beneficiary interest	8,049	8,130
16104	tonarie Toga-Mikita	Sakai City, Osaka	Trust beneficiary interest	6,739	7,210
16201	LAMU Kitatsumori (Leasehold land)	Osaka City, Osaka	Trust beneficiary interest	1,284	1,480
16202	K's Denki Nishi-kobe (Leasehold land)	Kobe City, Hyogo	Trust beneficiary interest	2,154	2,470
16203	Sanyo Marunaka Mitani (Leasehold land)	Kobe City, Hyogo	Trust beneficiary interest	1,443	1,560
16206	TRIAL Omihachiman (Leasehold land)	Omihachiman City, Shiga	Trust beneficiary interest	1,019	1,120
16207	Kusuri no Aoki Ikaruga (Leasehold land) *5	Ikoma District, Nara	Trust beneficiary interest	718	① 701 ② 30
16208	DRUG Yutaka Mukokamiueno (Leasehold land)	Muko City, Kyoto	Trust beneficiary interest	464	477
16209	WELCIA Amagasaki Mukomotomachi (Leasehold land)	Amagasaki City, Hyogo	Trust beneficiary interest	571	579
16210	Cocokara Fine Neyagawako-en (Leasehold land)	Neyagawa City, Osaka	Trust beneficiary interest	709	721
16211	ENEOS Ikawadani SS (Leasehold land)	Kobe City, Hyogo	Trust beneficiary interest	535	531
16212	GEO Hikone Takamiya (Leasehold land)	Hikone City, Shiga	Trust beneficiary interest	304	301
16213	Kohnan tonarie Yamatotakada (Leasehold land)	Yamatotakada City, Nara	Trust beneficiary interest	1,165	1,180
18101	SUROY MALL Nagamine	Kumamoto City, Kumamoto	Trust beneficiary interest	4,574	4,190
18201	MrMAX Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	3,428	4,090
18202	UNIQLO Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	601	696
18203	Avail.Shimamura Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	874	1,140
18204	au-SoftBank Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	145	164
18205	Kura Sushi Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	264	311
18206	docomo Shop Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	163	186
18207	Konpira Maru Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	239	270

Property number	Property name	Location	Type of ownership <sup>*1</sup>	Book value (million yen)	Appraisal value at end of period (million yen) <sup>*2</sup>
18208	One-Karubi Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	239	271
18209	Suke-san Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	405	429
18210	NAFCO Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	2,666	3,600
18211	K's Denki Kasuga (Leasehold land)	Kasuga City, Fukuoka	Trust beneficiary interest	1,506	1,960
19101	Fuji Grand Natalie	Hatsukaichi City, Hiroshima	Trust beneficiary interest	3,828	4,190
19201	K's Denki Kurashiki (Leasehold land)	Kurashiki City, Okayama	Trust beneficiary interest	2,136	2,460
39101	Hasekura Medical Building	Sendai City, Miyagi	Trust beneficiary interest	1,398	1,480
	Total			71,647	79,823

\*1. "Trust beneficiary interest" represents trust beneficiary interest in mainly real estate.

\*2. The "appraisal value at end of the period" is an appraisal value by a real estate appraiser based on the Articles of Incorporation of ESCON REIT and rules set by the Investment Trusts Association, Japan, with the end of the fiscal period as the date of investigation.

\*3. The "Appraisal value at end of the period" for "Asumigaoka Brand New Mall" indicates the value of the retail building as (1) and the separate building (the building acquired free of charge from Akindo Sushiro Co. The same applies hereinafter) as (2), respectively.

\*4. For "Asumigaoka Brand-New Mall (Leasehold land)," a fixed-term business-use land lease agreement has been concluded with McDonald's Holdings Company (Japan), Ltd. The same applies below.

\*5. "Kusuri no Aoki Ikaruga (Leasehold land)" has fixed-term business-use land lease agreements with two lessees, Kusuri no Aoki Co., Ltd. and Ikaritombo Co., Ltd, and the "Book value" is the sum of the amounts for the two lessees. In addition, "Appraisal value at the end of period" shows the portion pertaining to Kusuri no Aoki Co., Ltd. as (1) and the portion pertaining to Ikaritombo Co., Ltd. as (2).

The following is a summary of the leasing business of the real estate properties owned by ESCON REIT.

Property number	Property name	16th fiscal period From August 1, 2024 to January 31, 2025				17th fiscal period From February 1, 2025 to July 31, 2025			
		Total number of tenants (As of the end of the fiscal period) *1	Occupancy rate (As of the end of the fiscal period) (%)*2	Real estate leasing business revenue (During the fiscal period) (Million yen)*3	Percentage of total real estate leasing revenue (%)	Total number of tenants (As of the end of the fiscal period) *1	Occupancy rate (As of the end of the fiscal period) (%)*2	Real estate leasing business revenue (During the fiscal period) (Million yen)*3	Percentage of total real estate leasing revenue (%)
11201	YAMADA DENKI Tecc Land Sapporo Shiroishi (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
13101	Asumigaoka Brand-New Mall	29	99.6	268	9.6	30	98.3	254	8.2
	Asumigaoka Brand-New Mall (Leasehold land)	1	100.0			1	100.0		
13102	Nishi-shiroi Ekimae Plaza	4	100.0	20	0.7	4	100.0	20	0.6
13103	fab Minamiosawa	12	92.5	147	5.3	12	92.5	145	4.6
13201	K's Denki Oyumino (Leasehold land)	1	100.0	70	2.5	1	100.0	70	2.3
13202	Nitori Tsuchiura (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
13203	Nitori Imaichi (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
15201	MaxValu Kikyougaoka-higashi (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16101	tonarie Minami-senri	44	100.0	443	15.9	43	100.0	648	20.7
16102	tonarie Seiwadai	31	99.1	177	6.4	31	99.1	183	5.9
16103	tonarie Yamatotakada	62	97.9	377	13.5	64	99.2	363	11.6
16104	tonarie Toga-Mikita	31	100.0	270	9.7	30	98.4	269	8.6
16201	LAMU Kitatsumori (Leasehold land)	1	100.0	38	1.4	1	100.0	38	1.2
16202	K's Denki Nishi-kobe (Leasehold land)	1	100.0	62	2.2	1	100.0	62	2.0
16203	Sanyo Marunaka Mitani (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16206	TRIAL Omihachiman (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16207	Kusuri no Aoki Ikaruga (Leasehold land)*4	2	100.0	Not disclosed*5	Not disclosed*5	2	100.0	Not disclosed*5	Not disclosed*5
16208	DRUG Yutaka Mukokamiueno (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16209	WELCIA Amagasaki Mukomotomachi (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16210	Cocokara Fine Neyagawakoen (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16211	ENEOS Ikawadani SS (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16212	GEO Hikone Takamiya (Leasehold land)	1	100.0	Not disclosed*5	Not disclosed*5	1	100.0	Not disclosed*5	Not disclosed*5
16213	Kohnan tonarie Yamatotakada (Leasehold land)	—	—	—	—	1	100.0	Not disclosed*5	Not disclosed*5

Property number	Property name	16th fiscal period From August 1, 2024 to January 31, 2025				17th fiscal period From February 1, 2025 to July 31, 2025			
		Total number of tenants (As of the end of the fiscal period) *1	Occupancy rate (As of the end of the fiscal period) *2	Real estate leasing business revenue (During the fiscal period) (Million yen) *3	Percentage of total real estate leasing revenue (%)	Total number of tenants (As of the end of the fiscal period) *1	Occupancy rate (As of the end of the fiscal period) *2	Real estate leasing business revenue (During the fiscal period) (Million yen) *3	Percentage of total real estate leasing revenue (%)
18101	SUROY MALL Nagamine	24	100.0	191	6.8	23	84.3	321	10.3
18201	MrMAX Kasuga (Leasehold land)	1	100.0	84	3.0	1	100.0	84	2.7
18202	UNIQLO Kasuga (Leasehold land)	1	100.0	13	0.5	1	100.0	14	0.4
18203	Avail.Shimamura Kasuga (Leasehold land)	1	100.0	23	0.9	1	100.0	24	0.8
18204	au-SoftBank Kasuga (Leasehold land)	1	100.0	3	0.1	1	100.0	3	0.1
18205	Kura Sushi Kasuga (Leasehold land)	1	100.0	7	0.3	1	100.0	7	0.2
18206	docomo Shop Kasuga (Leasehold land)	1	100.0	4	0.2	1	100.0	4	0.1
18207	Konpira Maru Kasuga (Leasehold land)	1	100.0	6	0.2	1	100.0	6	0.2
18208	One-Karubi Kasuga (Leasehold land)	1	100.0	6	0.2	1	100.0	6	0.2
18209	Suke-san Kasuga (Leasehold land)	1	100.0	10	0.4	1	100.0	10	0.3
18210	NAFCO Kasuga (Leasehold land)	1	100.0	Not disclosed *5	Not disclosed *5	1	100.0	Not disclosed *5	Not disclosed *5
18211	K's Denki Kasuga (Leasehold land)	1	100.0	37	1.3	1	100.0	38	1.2
19101	Fuji Grand Natalie	1	100.0	Not disclosed *5	Not disclosed *5	1	100.0	Not disclosed *5	Not disclosed *5
19201	K's Denki Kurashiki (Leasehold land)	1	100.0	Not disclosed *5	Not disclosed *5	1	100.0	Not disclosed *5	Not disclosed *5
39101	Hasekura Medical Building	6	100.0	50	1.8	6	100.0	50	1.6
	Total	273	99.7	2,794	100.0	274	99.1	3,124	100.0

\*1. The “total number of tenants” is reported based on data as of the closing date. For properties under a pass-through type master lease contract, the total number of tenants is reported based on end tenants. For “Fuji Grand Natalie,” Fuji Corporation has entered into a lease agreement for the whole building.

\*2. The “occupancy rate” is calculated by the calculation formula below based on data as of the closing date and rounded off to the nearest first decimal place.  
Occupancy rate = Leased area / Leasable area × 100

\*3. The “real estate leasing business revenue” is rounded off to the stated value.

\*4. “Kusuri no Aoki Ikaruga (Leasehold land)” has fixed-term business-use land lease agreements with two lessees, Kusuri no Aoki Co., Ltd., and Ikaritombo Co., Ltd. Each figure is the sum of the figures for the two lessees.

\*5. The figure is not disclosed as consent has not been obtained from the lessee or other parties.

#### 4. Description of Renewable Energy Power Generation Facilities

Not applicable.

#### 5. Description of Operating Rights of Public Facilities

Not applicable.

#### 6. Description of Portfolio in Securities

Not applicable.

## 7. Summary of Outstanding Contracted Amount and Fair Value of Specified Transactions

The following is a summary of outstanding contracted amount and fair value of specified transactions of ESCON REIT as of July 31, 2025.

Classification	Type	Contract amounts (thousand yen) <sup>*1</sup>		Fair value (thousand yen) <sup>*2</sup>
		Due after 1 Year		
Non-market transactions	Interest Rate Swap Receive-floating/pay-fixed	9,001,300	9,001,300	—
Total		9,001,300	9,001,300	

\*1. "Contract amounts" for interest rate swaps transactions are based on notional principal.

\*2. The transaction meets the requirements for Special Treatment under the Accounting Standard for Financial Instruments, and accordingly, the Fair Value is omitted.

## 8. Status of Other Assets

The trust beneficiary interests in real estate held by ESCON REIT are collectively listed in "3. Real Estate Assets in the Portfolio."

## 9. Asset Holdings by Country and Region

There are no applicable items for countries and regions other than Japan.

## ***Capital Expenditures on Real Estate Holdings***

### 1. Planned Capital Expenditures

There are no major constructions that fall under the category of capital expenditures scheduled for the assets held as of July 31, 2025. A major capital expenditure for renovation work is reported when 1% or more of the book value exists at the end of the period.

### 2. Capital Expenditures During the Fiscal Period

Major construction projects fall under the category of capital expenditures conducted during the current fiscal period for the assets owned as of July 31, 2025 is shown below. A major capital expenditure for renovation work is reported when 1% or more of the book value exists at the end of the period.

Property name	Location	Purpose of construction	Construction period	Construction cost (million yen)
tonarie Minami-senri	Suita City, Osaka	Renewal construction (2nd period)	From January 2025 to April 2025	176
Asumigaoka Brand-New Mall	Chiba City, Chiba	Rooftop parking lot waterproofing construction	From February 2025 to April 2025	76

### 3. Money Set Aside for Long-Term Repair Projects

Based on the long-term repair plans for each property, ESCON REIT has set aside the following reserve for repairs, which is intended to be used for future medium- to long-term repairs.

Business period	13th fiscal period From February 1, 2023 to July 31, 2023	14th fiscal period From August 1, 2023 to January 31, 2024	15th fiscal period From February 1, 2024 to July 31, 2024	16th fiscal period From August 1, 2024 to January 31, 2025	17th fiscal period From February 1, 2025 to July 31, 2025
Reserve balance at the beginning of fiscal period (million yen)	121	136	153	105	127
Amount accumulated during the fiscal period (million yen)	15	21	20	21	36
Amount reversed during the fiscal period (million yen)	-	5	67	-	23
Amount carried over to the next fiscal period (million yen)	136	153	105	127	139

## Expenses and Liabilities

### 1. Breakdown of Operational Expenses

(Unit: thousand yen)

Item	16th fiscal period From August 1, 2024 to January 31, 2025	17th fiscal period From February 1, 2025 to July 31, 2025
Asset management fees*	141,787	196,731
Asset custody fees	3,706	3,749
Administrative agent fees	11,709	11,781
Directors' remuneration	5,400	5,400
Taxes and public dues	7,780	9,701
Other expenses	44,333	49,203
<b>Total</b>	<b>214,717</b>	<b>276,567</b>

\* In addition to the amounts described above, "Asset management fees" includes 5,725 thousand yen in fees for property acquisitions that were included in the book value of individual investment properties in the 17th fiscal period. There is no applicable information for the 16th fiscal period.

### 2. Status of Borrowings

The status of borrowings as of July 31, 2025 is as follows:

Classification	Lender	Date of borrowing	Balance at beginning of fiscal period (thousand yen)	Balance at end of fiscal period (thousand yen)	Average interest rate *2 (%)	Date of Repayment	Repayment Method	Use of funds	Summary
Short-term borrowings	Mizuho Bank, Ltd.*3	April 1, 2025	–	–	0.812	January 31, 2026	Bullet repayment	*4	Unsecured/Unguaranteed
	<b>Total of short-term borrowings</b>		–	–					
Long-term borrowings	Mizuho Bank, Ltd.	August 3, 2021	687,000	–	1.121	July 31, 2025	Bullet repayment	*4	Unsecured/Unguaranteed
	The Bank of Yokohama, Ltd.		450,000	–					
	Sumitomo Mitsui Banking Corporation		400,000	–					
	Sumitomo Mitsui Trust Bank, Limited		400,000	–					
	Aichi Bank, Ltd.		300,000	–					
	Resona Bank, Limited		250,000	–					
	The Minato Bank, Ltd.		200,000	–					
	Mizuho Trust & Banking Co., Ltd.		200,000	–					
Long-term borrowings	Sumitomo Mitsui Banking Corporation	August 3, 2021	500,000	500,000	1.221	July 31, 2026	Bullet repayment	*4	Unsecured/Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		400,000	400,000					
	MUFG Bank, Ltd.		400,000	400,000					
	The Yamaguchi Bank, Ltd.		400,000	400,000					
	Resona Bank, Limited		350,000	350,000					
	Mizuho Bank, Ltd.		337,000	337,000					
	The Hyakugo Bank, Ltd.		300,000	300,000					
	The Minato Bank, Ltd.		200,000	200,000					
Long-term borrowings	Mizuho Bank, Ltd.	August 3, 2021	737,000	737,000	1.271	July 31, 2027	Bullet repayment	*4	Unsecured/Unguaranteed
	Aichi Bank, Ltd.		500,000	500,000					
	AEON Bank, Ltd.		400,000	400,000					

Classification	Lender	Date of borrowing	Balance at beginning of fiscal period (thousand yen)	Balance at end of fiscal period (thousand yen)	Average interest rate *2 (%)	Date of Repayment	Repayment Method	Use of funds	Summary
Long-term borrowings	The Yamaguchi Bank, Ltd.	January 31, 2022	400,000	400,000	1.121	January 31, 2026	Bullet repayment	*5	Unsecured/Unguaranteed
	The Bank of Yokohama, Ltd.		350,000	350,000					
	The Minato Bank, Ltd.		300,000	300,000					
	MUFG Bank, Ltd.		200,000	200,000					
	Sumitomo Mitsui Banking Corporation	January 31, 2022	882,500	882,500	1.121	January 31, 2026	Bullet repayment	*5	Unsecured/Unguaranteed
	The Bank of Fukuoka, Ltd.		540,000	540,000					
	Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
	AEON Bank, Ltd.		500,000	500,000					
	MUFG Bank, Ltd.		500,000	500,000					
	Mizuho Bank, Ltd.		177,000	177,000					
	The Minato Bank, Ltd.		125,000	125,000					
	Sumitomo Mitsui Banking Corporation	January 31, 2022	882,500	882,500	1.221	January 31, 2027	Bullet repayment	*5	Unsecured/Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
	AEON Bank, Ltd.		500,000	500,000					
	MUFG Bank, Ltd.		500,000	500,000					
	The Senshu Ikeda Bank, Ltd.		250,000	250,000					
	Mizuho Bank, Ltd.		217,000	217,000					
	Mizuho Bank, Ltd.	January 31, 2022	1,000,000	1,000,000	1.271	January 31, 2028	Bullet repayment	*5	Unsecured/Unguaranteed
	The Yamaguchi Bank, Ltd.		500,000	500,000					
	AEON Bank, Ltd.	January 31, 2023	1,000,000	1,000,000	1.171	January 31, 2026	Bullet repayment	*5	Unsecured/Unguaranteed
	MUFG Bank, Ltd.		1,000,000	1,000,000					
	Resona Bank, Limited		750,000	750,000					
	The Bank of Fukuoka, Ltd.		715,000	715,000					
	Sumitomo Mitsui Banking Corporation		441,250	441,250					
	Mizuho Bank, Ltd.		416,250	416,250					
	Sumitomo Mitsui Trust Bank, Limited		250,000	250,000					
	The Bank of Fukuoka, Ltd.	January 31, 2023	715,000	715,000	1.221	January 31, 2027	Bullet repayment	*5	Unsecured/Unguaranteed
	Sumitomo Mitsui Banking Corporation		441,250	441,250					
	Mizuho Bank, Ltd.		416,250	416,250					
	Sumitomo Mitsui Trust Bank, Limited		250,000	250,000					
	Sumitomo Mitsui Banking Corporation	January 31, 2023	882,500	882,500	1.321	January 31, 2028	Bullet repayment	*5	Unsecured/Unguaranteed
	Mizuho Bank, Ltd.		832,500	832,500					
	The Minato Bank, Ltd.		750,000	750,000					

Classification	Lender	Date of borrowing	Balance at beginning of fiscal period (thousand yen)	Balance at end of fiscal period (thousand yen)	Average interest rate <sup>*2</sup> (%)	Date of Repayment	Repayment Method	Use of funds	Summary
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	January 31, 2024	500,000	500,000	0.971	July 31, 2025	Bullet repayment	*5	Unsecured/Unguaranteed
	The Yamaguchi Bank, Ltd.		250,000	250,000					
	The Senshu Ikeda Bank, Ltd.		250,000	250,000					
	Mizuho Bank, Ltd.	January 31, 2024	393,700	—	0.971	July 31, 2025	Bullet repayment	*5	Unsecured/Unguaranteed
	Resona Bank, Limited		100,000	—					
	Mizuho Trust & Banking Co., Ltd.		100,000	—					
	Sumitomo Mitsui Trust Bank, Limited		98,000	—					
	Aichi Bank, Ltd.	January 31, 2024	600,000	600,000	1.021	July 31, 2026	Bullet repayment	*5	Unsecured/Unguaranteed
	The Hyakugo Bank, Ltd.		500,000	500,000					
	Mizuho Bank, Ltd.		393,700	393,700					
	The Bank of Fukuoka, Ltd.		250,000	250,000					
	Resona Bank, Limited		100,000	100,000					
	Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
	Sumitomo Mitsui Trust Bank, Limited		98,000	98,000					
	Mizuho Bank, Ltd.	January 31, 2024	422,600	422,600	1.166	January 31, 2029	Bullet repayment	*5	Unsecured/Unguaranteed
	AEON Bank, Ltd.		400,000	400,000					
	The Minato Bank, Ltd.		300,000	300,000					
	The Bank of Fukuoka, Ltd.		250,000	250,000					
	The Senshu Ikeda Bank, Ltd.		200,000	200,000					
	Sumitomo Mitsui Trust Bank, Limited		104,000	104,000					
	Resona Bank, Limited		100,000	100,000					
	Mizuho Trust & Banking Co., Ltd.		100,000	100,000					
	The Bank of Fukuoka, Ltd.	January 31, 2025	990,000	990,000	1.580	January 31, 2030	Bullet repayment	*5	Unsecured/Unguaranteed
	Resona Bank, Limited		750,000	750,000					
	The Chiba Bank, Ltd.		250,000	250,000					
	Mizuho Bank, Ltd.		171,000	171,000					
	The Minato Bank, Ltd.		125,000	125,000					
	SBI Shinsei Bank, Limited		100,000	100,000					
	Mizuho Bank, Ltd.	July 31, 2025	—	540,000	1.800	July 31, 2030	Bullet repayment	*5	Unsecured/Unguaranteed
	SBI Shinsei Bank, Limited		—	400,000					
	Resona Bank, Limited		—	350,000					
	Aichi Bank, Ltd.		—	300,000					
	Mizuho Trust & Banking Co., Ltd.		—	300,000					

Classification	Lender	Date of borrowing	Balance at beginning of fiscal period (thousand yen)	Balance at end of fiscal period (thousand yen)	Average interest rate <sup>*2</sup> (%)	Date of Repayment	Repayment Method	Use of funds	Summary
Long-term borrowings	The Nishi-Nippon City Bank, Ltd.	July 31, 2025	—	250,000	1.938	July 31, 2031	Bullet repayment	*5	Unsecured/Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		—	200,000					
	SBI Shinsei Bank, Limited		—	600,000					
	Mizuho Bank, Ltd.		—	540,700					
	Sumitomo Mitsui Banking Corporation		—	400,000					
	The Minato Bank, Ltd.		—	310,000					
	Sumitomo Mitsui Trust Bank, Limited		—	298,000					
	The Nishi-Nippon City Bank, Ltd.		—	250,000					
	Total of Long-term borrowings		33,091,000	34,251,000					
Total borrowings			33,091,000	34,251,000					

\*1 “Long-term borrowings” includes debts which are scheduled for repayment within one year.

\*2 The “average interest rate” is the weighted average for the fiscal period, rounded to the nearest third decimal place. For borrowings with interest rate swap transactions which were entered into for the purpose of avoiding interest rate fluctuation risk, the fixed interest rate that considers the impact of the interest rate swap is shown.

\*3 As of July 31, 2025, the entire amount of short-term borrowings totaling 1,160,000 thousand yen has been repaid ahead of schedule.

\*4 The funds will be used to purchase trust beneficiary interests in real estate (including incidental expenses).

\*5 The funds have been used to refinance the long-term borrowings.

### 3. Status of Investment Corporation Bonds

Not applicable.

### 4. Status of Short-term Investment Corporation Bonds

Not applicable.

### 5. Status of New Investment Unit Acquisition Rights

Not applicable

## ***Status of Acquisition and Sale during the Period***

### 1. Status of Acquisition and Disposition of Properties and Asset-Backed Securities, Infrastructure Assets, and Infrastructure Related Asset

Property number	Type of assets	Property name	Acquisition		Disposition			
			Date of acquisition	Acquisition price (million yen)*	Date of disposition	Disposition price (million yen)*	Book value (million yen)	Gain (loss) on sale (million yen)
16213	Trust beneficiary interests	Kohnan tonarie Yamatotakada (leasehold land)	April 1, 2025	1,145	—	—	—	—
Total				1,145	—	—	—	—

\* “Acquisition price” and “Disposition price” are the amounts that do not include the various expenses required in the acquisition or disposition of the property, that is, the transaction price of the real estate stated in the trust beneficiary interests sale and purchase agreement. The amount is rounded down to the nearest million yen. The same applies hereinafter.

### 2. Transactions of Other Assets

Not applicable.

### 3. Review on Value of Specified Assets Properties

#### (1) Real estate

Acquisition or Disposition	Property number	Property name	Date of transaction	Type of assets	Acquisition price or Disposition price (million yen)	Appraisal value (million yen)*	Appraisal agency	Date of value appraised
Acquisition	16213	Kohnan tonarie Yamatotakada (leasehold land)	April 1, 2025	Trust beneficiary interests	1,145	1,170	JLL Morii Valuation & Advisory KK	February 28, 2025

\* Appraisal value shown above is based on “Real estate appraisal standards, Chapter 3, Appraisal of the value of real estate that is subject to securitization.”

#### (2) Other

ESCON REIT engages Tokyo Kyodo Accounting Office Co., Ltd (hereinafter, “Tokyo Kyodo Accounting Office”), a third party to perform specific procedures on certain assets priced in accordance with Article 201, Paragraph 2 of the Investment Trust Act. An interest rate swap transaction during the 17th fiscal period was subject to the engagement, and the Company received an Agreed Upon Report on Procedure Implementation from Tokyo Kyodo Accounting Office. Tokyo Kyodo Accounting Office was engaged to investigate the name of the counterparty, the swap name, the executed trade details or swap execution details, the type of financial product or index, the transaction period, and other details related to the interest rate swap transaction.

This engagement is not part of the financial statement audit and does not provide any assurance regarding the appropriateness of pricing of the transaction or internal control systems.

### 4. Transactions with Interested Parties

#### (1) Sales transactions with interested parties

Classification	Transaction amount*2		
	Purchase amount (thousand yen)/ratio*3	Sales amount (thousand yen)/ratio	
Total	1,145,000	—	—
Breakdown of Transactions with Interested Parties			
ES-CON JAPAN Ltd.	1,145,000 (100.0%)	— ( — %)	— ( — %)
Total	1,145,000 (100.0%)	— ( — %)	— ( — %)

(2) Fees and expenses

Classification	Total amount of fees (A) (thousand yen)	Breakdown of transactions with interested parties		Percentage of total amount paid (B/A) (%)
		Payment recipient	Amount paid (B) (thousand yen)	
Electricity charges	283,031	Chubu Electric Power Miraiz Co., Inc.	160,545	56.7
		CD Energy Direct Co., Ltd.	65,953	23.3
Administrative expenses	245,927	ES-CON PROPERTY Ltd. *4	148,370	60.3

\*1 The term “Interested Parties” refers to parties that have entered into an asset management agreement with ESCON REIT as defined in Article 123 of the Enforcement Order for the Act on Investment Trusts and Investment Corporations and Article 26, Paragraph 1, Item 27 of the Regulations Concerning Management Reports for Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

\*2 “Transaction amount” represents the total proceeds from the sale of each real estate trust beneficiary right as described in each trust beneficiary interests sales and purchase agreement in connection with the owned assets (and excludes consumption taxes, local consumption taxes, sales commissions and other related expenses), and rounded down to the nearest stated amount.

\*3 The information represents the ratios to the total purchase amount, rounded to the first decimal place.

\*4 In addition to the amount described above, 5,934 thousand yen of construction management fee and other related costs were recorded as assets.

5. Transactions with the Asset Management Company Concerning Businesses Operated Concurrently by the Asset Management Company

Although the Asset Manager has operations to perform transactions classified as Building Lots and Buildings Transaction Business as of July 31, 2025, the Asset Manager was not involved in any applicable transactions. In addition, the Asset Manager had no transactions classified as Type I Financial Instruments Business, Type II Financial Instruments Business and Specified Joint Real Estate Ventures.

## ***Accounting Status***

### **1. Status of Assets, Liabilities, Capital, and Profit/Loss**

Please refer to “II Balance Sheets,” “III Statements of Income and Retained Earnings,” “IV Statements of Unitholders’ Equity,” “V Statements of Cash Dividend Distributions,” “VI Statements of Cash Flows” and “VII Notes.”

Information being reported in the previous fiscal period on the Balance Sheets, Statements of Income and Retained Earnings, Statements of Unitholders’ Equity, Notes to Financial Statements and Statements of Cash Distributions is for only information purposes and is not subject to an audit by the Independent Auditor in the current fiscal period pursuant to the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

In addition, information regarding the current fiscal period on Statements of Cash Flows is for only information purposes and is not subject to an audit by the Independent Auditor pursuant to the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

### **2. Changes in Method to Calculate Depreciation Expenses**

Not applicable.

### **3. Changes in Method to Evaluate Properties and Infrastructure Assets Expenses**

Not applicable.

### **4. Status of Beneficiary Certificates of Investment Trust Established by ESCON REIT**

Not applicable.

## ***Others***

### 1. Notices

#### (1) General Meeting of Unitholders

Not applicable.

#### (2) Board of Directors of Investment Corporation

Not applicable.

#### (3) Other information deemed to be important

Not applicable.

### 2. Other

In this document, unless otherwise stated, figures are truncated to the nearest whole unit and percentages are rounded off.

### 3. Disclosures Regarding Overseas Real Estate Holding Companies

Not applicable.

### 4. Disclosures Regarding Real Estate Held by Overseas Real Estate Holding Companies

Not applicable.

## II Balance Sheets

(Unit: thousand yen)

	Previous fiscal period (reference) As of January 31, 2025	Current fiscal period As of July 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Non-current assets</b>		
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
<b>Investment and other assets</b>		
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
<b>Total non-current assets</b>	<b>70,465,262</b>	<b>71,755,453</b>
<b>Total assets</b>	<b>77,173,751</b>	<b>78,398,731</b>

(Unit: thousand yen)

	Previous fiscal period (reference) As of January 31, 2025	Current fiscal period As of July 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	262,536	215,196
Current portion of long-term borrowings	11,375,700	12,725,700
Accounts payable - other	64,703	17,682
Accrued expenses	168,738	229,446
Income taxes payable	684	493
Accrued consumption taxes	99,066	28,377
Advances received	409,120	418,686
Deposits received	2,755	422
Total current liabilities	12,383,305	13,636,005
<b>Non-current liabilities</b>		
Long-term borrowings	21,715,300	21,525,300
Tenant lease and guarantee deposits in trust	2,648,277	2,661,860
Total non-current liabilities	24,363,577	24,187,160
Total liabilities	36,746,882	37,823,166
<b>Net assets</b>		
<b>Unitholders' equity</b>		
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	*1 40,426,868	40,575,565
Total liabilities and net assets	77,173,751	78,398,731

### III Statements of Income and Retained Earnings

(Unit: thousand yen)

	Previous fiscal period (reference) From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Operating revenue		
Leasing business revenue	*1 2,408,141	2,632,437
Other leasing business revenue	*1 386,099	492,442
Total operating revenue	2,794,240	3,124,880
Operating expenses		
Expenses related to leasing business	*1 1,140,323	1,179,781
Asset management fees	141,787	196,731
Asset custodian 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

## IV Statements of Unitholders' Equity

Previous fiscal period (reference) (From August 1, 2024 to January 31, 2025)

(Unit: thousand yen)

	Unitholders' capital	Unitholders' equity			Total net assets	
		Surplus		Total unitholders' equity		
		Unappropriated retained earnings (or undisposed loss)	Total surplus			
Balance at the beginning of the period	39,173,828	1,169,446	1,169,446	40,343,275	40,343,275	
Changes of items during the period						
Dividends from surplus	—	(1,169,282)	(1,169,282)	(1,169,282)	(1,169,282)	
Net income	—	1,252,875	1,252,875	1,252,875	1,252,875	
Total changes of items during the period	—	83,593	83,593	83,593	83,593	
Balance at the end of the period	* <sup>1</sup> 39,173,828	1,253,039	1,253,039	40,426,868	40,426,868	

Current fiscal period (From February 1, 2025 to July 31, 2025)

(Unit: thousand yen)

	Unitholders' capital	Unitholders' equity			Total net assets	
		Surplus		Total unitholders' equity		
		Unappropriated retained earnings (or undisposed loss)	Total surplus			
Balance at the beginning of the period	39,173,828	1,253,039	1,253,039	40,426,868	40,426,868	
Changes of items during the period						
Dividends from surplus	—	(1,252,957)	(1,252,957)	(1,252,957)	(1,252,957)	
Net income	—	1,401,653	1,401,653	1,401,653	1,401,653	
Total changes of items during the period	—	148,696	148,696	148,696	148,696	
Balance at the end of the period	* <sup>1</sup> 39,173,828	1,401,736	1,401,736	40,575,565	40,575,565	

## V Statements of Cash Dividend Distributions

(Unit: yen)

	Previous fiscal period (reference) From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
I. Unappropriated retained earnings	1,253,039,792	1,401,736,214
II. Distributions [Distribution per unit]	1,252,957,158 [3,474]	1,401,551,962 [3,886]
III. Retained earnings carried forward	82,634	184,252
Method of calculating the amount of distributions	<p>The cash distribution policy set out in Article 36, Paragraph 1 of the Articles of Incorporation of ESCON REIT stipulates that the amount of distributions shall not exceed the amount of profit and shall exceed the amount of equivalent to 90% of profit available for distribution as provided for in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, ESCON REIT has decided to distribute 1,252,957,158 yen. It is roughly the full amount of revenue stipulated in Article 136, Paragraph 1 of the Investment Trust Act. Furthermore, ESCON REIT will not distribute cash in excess of earnings as provided in Article 36, Paragraph 2 of the Articles of Incorporation.</p>	<p>The cash distribution policy set out in Article 36, Paragraph 1 of the Articles of Incorporation of ESCON REIT stipulates that the amount of distributions shall not exceed the amount of profit and shall exceed the amount of equivalent to 90% of profit available for distribution as provided for in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, ESCON REIT has decided to distribute 1,401,551,962 yen. It is roughly the full amount of revenue stipulated in Article 136, Paragraph 1 of the Investment Trust Act. Furthermore, ESCON REIT will not distribute cash in excess of earnings as provided in Article 36, Paragraph 2 of the Articles of Incorporation.</p>

## VI Statements of Cash Flows

(Unit: thousand yen)

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	1,253,646	1,402,563
Depreciation	209,853	214,723
Interest income	(492)	(2,770)
Interest expenses	139,474	203,079
Decrease (increase) in operating accounts receivable	38,157	(11,396)
Decrease (increase) in consumption taxes refund receivable	170,625	—
Decrease (increase) in prepaid expenses	3,307	1,435
Decrease (increase) in long-term prepaid expenses	15,113	(20,746)
Increase (decrease) in operating accounts payable	115,789	(47,340)
Increase (decrease) in accounts payable - other	29,691	(49,802)
Increase (decrease) in accrued expenses	3,578	60,560
Increase (decrease) in accrued consumption taxes	99,066	(70,689)
Increase (decrease) in advances received	65,934	9,566
Others, net	(6,259)	(273)
<b>Subtotal</b>	<b>2,137,485</b>	<b>1,688,910</b>
Interest received	492	2,770
Interest paid	(139,097)	(202,931)
Income taxes paid	(1,065)	(1,108)
<b>Net cash provided by operating activities</b>	<b>1,997,814</b>	<b>1,487,640</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment in trust	(187,630)	(1,486,220)
Proceeds from tenant lease and guarantee deposits in trust	70,403	65,294
Refund of tenant lease and guarantee deposits in trust	(29,276)	(51,710)
<b>Net cash used in investing activities</b>	<b>(146,503)</b>	<b>(1,472,637)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from short-term borrowings	—	1,160,000
Repayments of short-term borrowings	—	(1,160,000)
Proceeds from long-term borrowings	2,386,000	4,738,700
Repayments of long-term borrowings	(2,386,000)	(3,578,700)
Distributions paid	(1,172,030)	(1,250,174)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,172,030)</b>	<b>(90,174)</b>
Net increase (decrease) in cash and cash equivalents	679,280	(75,171)
Cash and cash equivalents at the beginning of period	5,879,495	6,558,775
Cash and cash equivalents at the end of period	6,558,775	6,483,604

## VII Notes

### [Basis of Presenting Financial Statements]

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trusts Act, the Financial Instruments and Exchange Act of Japan and other related accounting regulations, and in conformity with accounting principles generally accepted in Japan (hereinafter, "Japanese GAAP"), which are different in certain aspects as to the application and disclosure requirements from International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements are the translation of the financial statements presented in the securities report of ESCON REIT submitted to the Kanto local Finance Bureau, which have been prepared in compliance with Japanese GAAP, translated into English.

Amounts less than one thousand yen have been omitted. As a result, the totals presented in the accompanying financial statements in yen do not necessarily agree with the sums of the individual amounts. ESCON REIT does not have subsidiaries and thus does not prepare consolidated financial statements.

The accounting periods of ESCON REIT are six-month periods ending at the end of January and the end of July of each year.

### [Notes on Going Concern Assumptions]

Not applicable.

### [Notes on Matters Concerning Significant Accounting Policies]

1. Method of depreciation and amortization of non-current assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The useful lives of property, plant and equipment are as follows.</p> <table><tbody><tr><td>• Buildings</td><td>2 to 64 years</td></tr><tr><td>• Structures</td><td>9 to 63 years</td></tr><tr><td>• Tools, furniture and fixtures</td><td>2 to 10 years</td></tr></tbody></table> <p>(2) Intangible assets The straight-line method is used.</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	• Buildings	2 to 64 years	• Structures	9 to 63 years	• Tools, furniture and fixtures	2 to 10 years
• Buildings	2 to 64 years						
• Structures	9 to 63 years						
• Tools, furniture and fixtures	2 to 10 years						
2. Accounting standards for revenue and expenses	<p>(1) Standards for revenue recognition The following is a description of the ESCON REIT's main performance obligations with respect to revenue arising from contracts with customers and the normal time at which such performance obligations are satisfied (i.e., the normal time at which revenue is recognized).</p> <p>i. Sales of real estate Sales of real estate revenue are recognized when the customer (i.e., the buyer) obtains control of the real estate as a result of fulfilling the delivery obligations stipulated in the sales contract for the real estate.</p> <p>ii. Utilities charges received Utilities charges received are recorded as revenue according to the supply of electricity, water to the lessee as a customer, based on the lease contract of the real estate and other related agreements.</p> <p>(2) Accounting for property taxes For property taxes, city planning taxes, depreciable asset taxes on real estate holdings, the amounts corresponding to the current fiscal period are treated as expenses related to the leasing business. Consistent with the acquisition of real estate or trust beneficiary interests in real estate, the amount equivalent to property taxes and other expenses for the first year paid to the transferor as a settlement payment is not recorded as an expense and is included in the acquisition cost for the purchased real estate property. No amount equivalent to property taxes, etc. is included in the acquisition costs for real estate, etc. in the previous fiscal period. The amount equivalent to fixed asset tax, etc. included in the cost of acquisition of real estate, etc. for the current fiscal period is 4,815 thousand yen.</p>						

3. Hedge accounting methods	<p>(1) Hedge accounting methods Special accounting treatment has been adopted since the instrument meets the requirements for special treatment for interest rate swaps.</p> <p>(2) Hedge instruments and hedge items Hedge instrument: interest rate swaps Hedge item: interest on borrowings</p> <p>(3) Hedge policy ESCON REIT conducts derivative transactions for the purpose of hedging risks as defined in the ESCON REIT agreement based on the derivative management regulations.</p> <p>(4) Method for evaluating hedge efficacy The evaluation of effectiveness is omitted since the interest rate swap meets the requirements for special treatment.</p>
4. Scope of funds in the statements of cash flows	Funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand, cash in trust, deposits and deposits in trust that can be withdrawn at any time, and short-term investments that are readily convertible into cash, with low risk of price fluctuations and with a maturity of less than three months.
5. Other items forming the basis for the preparation of financial statements	<p>(1) Accounting for trust beneficial interests in real estate as trust asset For trust beneficial interests in real estate held as trust assets, all assets and liabilities as well as all revenue and expense items associated with trust assets are accounted for under the respective account items of the balance sheets and Statement of Income and Retained Earnings. Included in the trust assets accounted for under the respective account items, the following items of significance are separately classified on the balance sheets.</p> <ul style="list-style-type: none"> <li>i. Cash in trust and deposits in trust</li> <li>ii. Buildings in trust and structures in trust Tools, furniture and fixtures in trust and land in trust Construction in progress in trust</li> <li>iii. Leasehold and guarantee deposits received in trust</li> </ul> <p>(2) Accounting for non-deductible consumption taxes Non-deductible consumption taxes on non-current assets are included in the acquisition cost of individual assets.</p>

#### [Note to Unapplied Accounting Standards]

Accounting standard for leases etc.

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

#### 1. Overview

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

From the beginning of the fiscal period ending January 31, 2028.

3. Impact of applying the accounting standards

The impact on applying the “Accounting Standard for Leases” etc. is currently under evaluation.

[Note to Balance Sheets]

(Unit: thousand yen)

	Previous fiscal period As of January 31, 2025	Current fiscal period As of July 31, 2025
*1. Minimum amount of net assets provided for in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations	50,000	50,000

[Notes to Statements of Income and Retained Earnings]

(Unit: thousand yen)

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
<b>*1. Description of income from real estate leasing operations</b>		
<b>A. Real estate leasing business revenue</b>		
Leasing business revenue		
Lease revenue	1,298,136	1,502,399
Land lease revenue received	727,942	746,413
Common service fees	158,029	160,213
Other lease revenue	224,033	223,411
Total	2,408,141	2,632,437
Other leasing business revenue		
Utilities charges received	356,777	332,169
Penalty income	1,080	146,366
Other revenue	28,241	13,907
Total	386,099	492,442
Total real estate leasing business revenue	2,794,240	3,124,880
<b>B. Real estate leasing business expenses</b>		
Expenses related to leasing business		
Administrative expenses	277,880	245,927
Trust fees	10,164	9,566
Utilities charges	357,317	328,441
Non-life insurance premiums	9,870	10,788
Repair expenses	63,493	120,564
Taxes and public dues	199,096	225,198
Depreciation	209,799	214,670
Other leasing business expenses	12,701	24,624
Total expenses related to leasing business	1,140,323	1,179,781
<b>C. Income from real estate leasing business (A - B)</b>	<b>1,653,917</b>	<b>1,945,099</b>

(Change in presentation method)

In the previous period, “penalty income” had been included in “other revenue,” and starting from this current period, the amount is presented as a separate line item due to its increased significant financial impact. Accordingly, the “penalty income” of 1,080 thousand yen, which was previously presented under “other revenue”, has been reclassified as “penalty income.”

[Notes to Statements of Unitholders’ Equity]

\*1. Total number of investment units authorized and total number of investment units issued and outstanding

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	360,667 units	360,667 units

[Notes to Statements of Cash Flows]

\*1. Relationship between the ending balance of cash and cash equivalents and the amounts of items posted in the balance sheets

(Unit: thousand yen)

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Cash and deposits	2,727,886	2,697,492
Cash and deposits in trust	3,830,889	3,786,111
Cash and cash equivalents	6,558,775	6,483,604

[Notes to Lease Transactions]

Operating lease transactions (Lessor)

Future minimum lease revenue under existing non-cancelable lease agreements

(Unit: thousand yen)

	Previous fiscal period As of January 31, 2025	Current fiscal period As of July 31, 2025
Within a year	3,150,410	3,086,916
Over a year	20,189,526	19,257,790
Total	23,339,936	22,344,706

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

(1) Policies on financial instruments

ESCON REIT takes a balanced approach to raising funds through borrowings from financial institutions and the issuance of investment corporate bonds and investment units to contribute to the steady growth of assets under management as well as implementing an efficient and stable management style.

When taking out borrowings from financial institutions and issuing investment corporate bonds, ESCON REIT will take into account the balance between the flexibility of financing, the financial stability and the nature of the acquired real estate assets. Specifically, ESCON REIT will examine the financing methods, the ratio of long-term loans, the ratio of fixed interest rates, the diversification of repayment dates and the need to provide security, among other factors. When borrowing funds, lenders will be limited to the qualified institutional investors specified in the Financial Instruments and Exchange Act (however, limited to the institutional investors specified in Article 67-15 of the Act on Special Measures Concerning Taxation).

The issuance of new investment units will be determined based on the assessment of the current financial environment and taking into consideration the LTV, the dilution of rights of the existing unitholders and potential decline in the transaction price of investment units, with the aim of expanding the scale of assets under management and improving their profitability.

ESCON REIT may engage in derivative transactions to hedge the interest volatility and other risks arising from its liabilities, but not engage in speculative transactions.

(2) Description of financial instruments and associated risks, and the risk management system

Borrowings are taken out mainly for the purpose of raising funds to acquire assets and repay the borrowings. While the Company is exposed to risk of increasing interest rates on the borrowings upon refinancing and may not be able to refinance the borrowings, ESCON REIT works to mitigate the risks by diversifying the lenders, due dates and taking a balanced financing approach including the issuance of investment units. ESCON REIT also manages risks to its operation from rising interest rates through the close monitoring of fluctuations in interest rates and the appropriate control of LTV.

ESCON REIT conducts derivative transactions (interest rate swaps) to hedge the interest rate fluctuation risk of borrowings, to effectively fix interest paid on variable interest rate financing. For hedge accounting methods, hedge instruments and hedge targets, hedge policy, and the method of evaluating hedge efficacy, see above "Notes on Matters Concerning Significant Accounting Policies 3. Hedge accounting methods" above.

For derivative transactions, risk management is conducted based on the Derivative Management Regulations stipulated by ESCON REIT.

(3) Supplementary explanation on matters concerning the fair value of financial instruments

Certain assumptions and other factors were used in calculating the fair value of financial instruments, and the results may differ due to different assumptions and other factors used in valuing the financial instruments. In "Notes on Derivative Transactions" below, contract amounts for derivative transactions do not in and of themselves indicate market risk associated with derivative transactions.

## 2. Matters concerning the fair value, etc. of financial instruments

Balance sheet amounts, fair value and their differences as of January 31, 2025 are as follows: Notes to “Cash and deposits” and “Cash and deposits in trust” are not disclosed since the fair value of these instruments approximates book value due to short term nature of these instruments. Fair value for “tenant lease and guarantee deposits in trust” have been omitted since the balances are not material to the financial statements.

(Unit: thousand yen)

	Carrying value	Fair value <sup>*1</sup>	Difference
(1) Current portion of long-term borrowings	11,375,700	11,375,700	—
(2) Long-term borrowings	21,715,300	21,755,207	39,907
Total liabilities	33,091,000	33,130,907	39,907
(3) Derivative transactions	—	—	—

Balance sheet amounts, fair value and their differences as of July 31, 2025 are as follows: Notes to “Cash and deposits” and “Cash and deposits in trust” are not disclosed since the fair value of these instruments approximates book value due to short term nature of these instruments. Fair value for “tenant lease and guarantee deposits in trust” has been omitted since the balances are not material to the financial statements.

(Unit: thousand yen)

	Carrying value	Fair value <sup>*1</sup>	Difference
(1) Current portion of long-term borrowings	12,725,700	12,725,700	—
(2) Long-term borrowings	21,525,300	21,708,123	182,823
Total liabilities	34,251,000	34,433,823	182,823
(3) Derivative transactions	—	—	—

\*1. The method used in calculating the fair value of the financial instruments and derivative transactions

(1) Current portion of long-term borrowings, (2) Long-term borrowings

The borrowings have floating interest rates and interest is adjusted to the current market rates and accordingly, the fair value of the borrowings should approximate the carrying value of the borrowings. For long-term borrowings with floating interest rates that meet the conditions for special treatment of interest rate swaps, the sum of the principal and interest accounted for as a single unit with the interest rate swap is discounted by applying a reasonably estimated interest rate from borrowings with similar terms.

(3) Derivative transactions

For details on derivative transactions, refer to “Notes on Derivative Transactions.”

## \*2. Scheduled redemption of loans after the closing date (January 31, 2025)

(Unit: thousand yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Long-term borrowings	11,375,700	9,600,700	7,852,000	1,876,600	2,386,000	—
Total	11,375,700	9,600,700	7,852,000	1,876,600	2,386,000	—

Scheduled redemption of loans after the closing date (July 31, 2025)

(Unit: thousand yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Long-term borrowings	12,725,700	7,559,000	4,965,000	1,876,600	4,726,000	2,398,700
Total	12,725,700	7,559,000	4,965,000	1,876,600	4,726,000	2,398,700

## [Notes to Securities]

Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Not applicable.	Not applicable.

[Notes on Derivative Transactions]

1. Transactions for which hedge accounting has not been applied

No applicable transactions for the previous fiscal period (January 31, 2025) and the current fiscal period (July 31, 2025).

2. Transactions for which hedge accounting has been applied

The previous fiscal period (January 31, 2025)

(Unit: thousand yen)

Hedge accounting methods	Type of derivative transaction	Main hedged item	Contract amount <sup>*1</sup>		Fair value	Fair value calculation method <sup>*2</sup>
			Due after 1 year			
Special treatment for interest rate swaps	Interest rate swap receive floating/pay fixed	Long-term borrowings	4,262,600	4,262,600	–	–
Total			4,262,600	4,262,600		

\*1. Contract amounts for interest rate swaps transactions are based on notional principal.

\*2. Derivative transactions that are subject to special treatment for interest rate swaps are accounted for together with long-term borrowings that are the hedged items and the fair value is included in the fair value of those long-term borrowings.

The current fiscal period (July 31, 2025)

(Unit: thousand yen)

Hedge accounting methods	Type of derivative transaction	Main hedged item	Contract amount <sup>*1</sup>		Fair value	Fair Value calculation method <sup>*2</sup>
			Due after 1 year			
Special treatment for interest rate swaps	Interest rate swap receive floating/pay fixed	Long-term borrowings	9,001,300	9,001,300	–	–
Total			9,001,300	9,001,300		

\*1. Contract amounts for interest rate swaps transactions are based on notional principal.

\*2. Derivative transactions that are subject to special treatment for interest rate swaps are accounted for together with long-term borrowings that are the hedged items and the fair value is included in the fair value of those long-term borrowings.

[Notes to Retirement benefits]

Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Not applicable.	Not applicable.

[Notes to Deferred Income Taxes]

1. Significant components of the deferred tax assets and deferred tax liabilities are as follows:

(Unit: thousand yen)

	Previous fiscal period As of January 31, 2025	Current fiscal period As of July 31, 2025
(Deferred tax assets)		
Unpaid business tax not included in deductible expenses	7	15
Total deferred tax assets	7	15
(Net deferred tax assets)	7	15

2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate after applying deferred income tax accounting

(Unit: %)

	Previous fiscal period As of January 31, 2025	Current fiscal period As of July 31, 2025
Effective statutory tax rate	31.46	31.46
(Adjustments)		
Distribution payments included in tax deductible expenses	(31.44)	(31.44)
Others	0.04	0.04
Effective tax rate	0.06	0.06

[Notes to Equity Gains (Losses) of Affiliated Companies]

Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Not applicable.	Not applicable.

[Notes to Transactions with Related Parties]

1. Parent company and major institutional investors

Previous fiscal period (From August 1, 2024 to January 31, 2025)

Not applicable.

Current fiscal period (From February 1, 2025 to July 31, 2025)

Not applicable.

2. Affiliated companies

Previous fiscal period (From August 1, 2024 to January 31, 2025)

Not applicable.

Current fiscal period (From February 1, 2025 to July 31, 2025)

Not applicable.

3. Sibling companies

Previous fiscal period (From August 1, 2024 to January 31, 2025)

Not applicable.

Current fiscal period (From February 1, 2025 to July 31, 2025)

Not applicable.

4. Directors and major individual unitholders

Previous fiscal period (From August 1, 2024 to January 31, 2025)

Not applicable.

Current fiscal period (From February 1, 2025 to July 31, 2025)

Not applicable.

[Notes to Asset Retirement Obligations]

Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Not applicable.	Not applicable.

[Notes to Real Estate for Lease]

ESCON REIT owns commercial facilities and real estate for lease, the principal use of which is leasehold land. The carrying value, changes during the period and fair value at the end of the period of these properties are as follows.

(Unit: thousand yen)

		Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Carrying value <sup>*1</sup>	Balance at the beginning of the period	70,400,138	70,377,970
	Changes during the period <sup>*2</sup>	(22,168)	1,269,490
	Balance at the end of the period	70,377,970	71,647,460
Fair value at the end of the period <sup>*3</sup>		79,691,800	79,823,000

\*1. The carrying value is calculated by deducting accumulated depreciation from the acquisition cost including incidental costs associated with the acquisition.

\*2. Of the changes during the period, the increase in the previous fiscal period was mainly due to capital expenditures for some properties, including tonarie Minami-senri (187,630 thousand yen in total), while the decrease was mainly due to depreciation (209,799 thousand yen). The increase in the current fiscal period was mainly due to the acquisition of Kohnan tonarie Yamatokada (leasehold land) (1,165,128 thousand yen), while the decrease was mainly due to depreciation (214,670 thousand yen).

\*3. The fair value at the end of the period was determined by an outside real estate appraisers.

Profit and loss of real estate for lease are as described in “Notes to Statements of Income and Retained Earnings.”

[Notes to Revenue Recognition]

1. Breakdown of revenue from contracts with customers

Previous fiscal period (From August 1, 2024 to January 31, 2025)

(Unit: thousand yen)

	Revenue from contracts with customers <sup>*1</sup>	Sales to external customers
Income from sales of real estate, etc.	—	—
Utilities charges received <sup>*2</sup>	356,777	356,777
Other	—	2,437,462
Total	356,777	2,794,240

\*1. Leasing business income subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” is not included in “Revenue from contracts with customers,” because the accounting standard for revenue recognition does not apply to such income. Revenue from contracts with customers mainly includes revenue from sales of real estate and utility charges.

\*2. Utilities charges received are recorded as revenue based on the use of electricity, water and other utilities by the lessee and is in accordance with agreements with the lessee.

Current fiscal period (From February 1, 2025 to July 31, 2025)

(Unit: thousand yen)

	Revenue from contracts with customers <sup>*1</sup>	Sales to external customers
Income from sales of real estate, etc.	—	—
Utilities charges received <sup>*2</sup>	332,169	332,169
Other	—	2,792,711
Total	332,169	3,124,880

\*1. Leasing business income subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” is not included in “Revenue from contracts with customers,” because the accounting standard for revenue recognition does not apply to such income. Revenue from contracts with customers mainly includes revenue from sales of real estate and utility charges.

\*2. Utilities charges received are recorded as revenue based on the use of electricity, water and other utilities by the lessee and is in accordance with agreements with the lessee.

2. Underlying information to understand the revenue from contracts with customers

Previous fiscal period (From August 1, 2024 to January 31, 2025)

As described in the “Notes on Matters Concerning Significant Accounting Policies.”

Current fiscal period (From February 1, 2025 to July 31, 2025)

As described in the “Notes on Matters Concerning Significant Accounting Policies.”

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from the contracts with customers that exist at the end of the current fiscal period

(1) Balance of contract assets and contract liabilities

(Unit: thousand yen)

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Receivables from contracts with a customer (at the beginning of the period)	63,561	54,735
Receivables from contracts with a customer (at the end of the period)	54,735	68,003
Contract assets (at the beginning of period)	—	—
Contract assets (at the end of period)	—	—
Contract liabilities (at the beginning of period)	—	—
Contract liabilities (at the end of period)	—	—

(2) Transaction prices allocated to remaining performance obligations

Not applicable.

For utility charges income, ESCON REIT recognizes revenue for the amount in accordance with paragraph 19 of the Guidance on Accounting Standard for Revenue Recognition since ESCON REIT is entitled to receive an amount from customers (lessees) which directly corresponds to the portion completed by the end of the period. Accordingly, the provisions of paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition have been applied and the transaction price allocated to the remaining performance obligations has not been included in the notes to transaction prices.

[Note to Segment Information]

(Segment information)

This information is omitted since ESCON REIT operates in a single segment of the real estate leasing business.

(Relevant information)

Previous fiscal period (From August 1, 2024 to January 31, 2025)

1. Information by product and service

This information is omitted since operating revenue from external customers in a single product/service category exceeds 90% of operating revenue in the statements of income and retained earnings.

2. Information by Region

(1) Net sales

Not applicable since there are no sales to external customers outside Japan.

(2) Property, plant, and equipment

Not applicable since there is no property, plant and equipment located outside Japan.

3. Information by major customer

(Unit: thousand yen)

Customer	Operating revenue	Related Segment
ES-CON JAPAN Ltd.*	1,562,072	Real estate leasing business

\* ESCON REIT leases Asumigaoka Brand-New Mall, Nishi-Shiroi Ekimae Plaza, tonarie Minami-senri, tonarie Seiwadai, tonarie Yamatotakada, tonarie Toga-Mikita and SUROY MALL Nagamine to ES-CON JAPAN under pass-through master lease agreement, and ES-CON JAPAN subleases these to sublessees. As for Nishi-Shiroi Ekimae Plaza and SUROY MALL Nagamine, the master lessee was changed to ESCON REIT as of September 1, 2024.

Current fiscal period (From February 1, 2025 to July 31, 2025)

1. Information by product and service

This information is omitted since operating revenue from external customers in a single product/service category exceeds 90% of operating revenue in the statements of income and retained earnings.

2. Information by Region

(1) Net sales

Not applicable since there are no sales to external customers outside Japan.

(2) Property, plant, and equipment

Not applicable since there is no property, plant and equipment located outside Japan.

3. Information by major customer

(Unit: thousand yen)

Customer	Operating revenue	Related Segment
ES-CON JAPAN Ltd.*	1,717,426	Real estate leasing business

\* ESCON REIT leases Asumigaoka Brand-New Mall, tonarie Minami-senri, tonarie Seiwadai, tonarie Yamatotakada and tonarie Toga-Mikita to ES-CON JAPAN under pass-through master lease agreement, and ES-CON JAPAN subleases these to sublessees.

[Notes to Per Unit Information]

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Net assets per unit	112,089 yen	112,501 yen
Net income per unit	3,474 yen	3,886 yen

Net income per unit is calculated by dividing net income by the weighted average number of investment units based on the number of days during the period and rounded to the nearest whole number.

Diluted net income per unit is not stated because there are no dilutive investment units.

\* The basis for calculating net income per unit is as follows:

	Previous fiscal period From August 1, 2024 to January 31, 2025	Current fiscal period From February 1, 2025 to July 31, 2025
Net income	(thousand yen)	1,252,875
Amount not attributable to common unitholders	(thousand yen)	—
Net income for common investment units	(thousand yen)	1,252,875
Average number of investment units during the period	(units)	360,667
		1,401,653
		—
		1,401,653
		360,667

[Notes to Significant Subsequent Events]

Not applicable.

## Independent Auditor's Report

To the Board of Directors  
ESCON JAPAN REIT Investment Corporation

### <Audit of Financial Statements>

#### Opinion

We have audited the accompanying financial statements of ESCON JAPAN REIT Investment Corporation (the Company), which comprise of the balance sheet as of July 31, 2025, and the statements of income and retained earnings, unitholders' equity, cash dividend 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 of July 31, 2025, and its financial performance and 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 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 the audit of the financial statements in Japan, and we have fulfilled our 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 information included in the Semiannual Report and excludes the financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. The Supervisory Directors are responsible for overseeing the Executive Director's performance of their duties with regard to the design, implementation and monitoring of the reporting process in preparing 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, based on our audit consider whether the other information is materially inconsistent with the financial statements, or otherwise appears to be materially misstated.

If, based on our procedures, we conclude that there is a material misstatement in the other information, we are required to report any findings.

We have no findings to report on the other information.

#### Responsibilities of Management and Supervisory Directors 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 matters related to going concern, as required by accounting principles generally accepted in Japan.

The Supervisory Directors are responsible for overseeing the Executive Director's performance regarding the design, implementation, and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- 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>**

Fees paid or payable to our firm and to other BDO member firms for audit and non-audit services provided to the Company are disclosed in "3. Matters Concerning Directors and Audit Firm" included in "Overview of ESCON REIT" of the Semi-Annual Report.

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

Our firm and the 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.

BDO Sanyu & Co.  
Osaka, Japan

October 27, 2025

鳥居 陽

Akira Torii  
Designated Engagement Partner  
Certified Public Accountant

西川 賢治

Kenji Nishikawa  
Designated Engagement Partner  
Certified Public Accountant