

July 15, 2025

To All Concerned Parties

Real Estate Investment Trust Securities Issuer

ESCON JAPAN REIT Investment Corporation

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(Securities Code: 2971)

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**Notice Concerning Revision of Performance and Distribution Forecast
for the Fiscal Period Ending July 31, 2025**

ESCON JAPAN REIT Investment Corporation (hereinafter, “ESCON REIT”) announces that it has revised the forecast for performance and distribution of ESCON REIT for the fiscal period ending July 31, 2025 (February 1, 2025 to July 31, 2025) announced in the “Financial Report for the Fiscal Period Ended January 31, 2025 (REIT)” on March 17, 2025 as described below.

1. Revision of Performance and Distribution Forecast

Revision of performance and distribution forecast for the fiscal period ending July 31, 2025 (February 1, 2025 to July 31, 2025)

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Previous forecast (A)	2,993	1,526	1,258	1,257	3,486	—
Revised forecast (B)	3,128	1,649	1,382	1,381	3,830	—
Amount of variation = (B) - (A)	134	122	124	124	344	—
Rate of variation	4.5%	8.0%	9.9%	9.9%	9.9%	—

(Reference) Expected number of issued investment units as of July 31, 2025: 360,667

(Notes) *1 The earnings performance forecast for the fiscal period ending July 31, 2025 is the currently forecasted figures calculated under the assumptions stated in the Attachment “Underlying Assumptions of the Operating Forecast for the Fiscal Period ending July 31, 2025”. As a result, the actual operating revenues, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary. In addition, the forecast does not guarantee the amount of distribution or distribution in excess of earnings.

*2 ESCON REIT may revise the above forecasts in case that the difference between the forecasts and actual results are expected to exceed a certain threshold.

*3 Amounts are rounded down to the nearest whole unit, and percentages are rounded to first decimal place.

2. Reason for the Revision

As a result of a close examination of the earnings of the properties owned in the fiscal period ending July 31, 2025, operating revenue is expected to significantly exceed the initial forecast due mainly to the receipt of penalty related with the moving out of a tenant at SUROY MALL Nagamine.

Meanwhile, concerning operating expenses, although utility expenses are expected to decrease from the initial forecast, operating expenses are expected to slightly exceed initial forecast overall due to proactive implementation of repairs necessary to maintain the soundness of assets and facility user satisfaction surveys, etc., ahead of schedule.

As a result, the increase in operating revenue significantly exceeded the increase in operating expenses, and operating income, ordinary income, and net income are expected to exceed the previous forecast. Accordingly, the distribution forecasts for the fiscal period ending July 31, 2025 announced on March 17, 2025 will be revised due to the expected increase of more than 5% distribution forecast per unit.

[Attachment]

Underlying Assumptions of the Operating Forecast for the Fiscal Period Ending July 31, 2025

Item	Assumptions
Calculation period	◆ 17th fiscal period: February 1, 2025 to July 31, 2025 (181 days)
Assets under management	◆ Total assets under management for the period ending July 31, 2025 are estimated to be 71,671 million yen.
Operating revenue	<ul style="list-style-type: none"> ◆ Real estate leasing revenue is calculated based on lease contracts effective as of the date of this document, taking into account tenant and market trends and other factors. ◆ Operating revenue is based on the assumption that tenants will pay their rents without delinquency. ◆ Operating revenue is based on the assumption that no gain/loss on sale of real estate will occur. ◆ Utility revenue is expected to be 339 million yen for the fiscal period ending July 31, 2025.
Operating expenses	<ul style="list-style-type: none"> ◆ Of the real estate leasing business expenses which are the major operating expense, expenses excluding depreciation, are calculated based on past actual expenses, and reflect variable factors. ◆ Property taxes and city planning taxes are expected to be 225 million yen for the fiscal period ending July 31, 2025. ◆ Utility expenses are expected to be 341 million yen for the fiscal period ending July 31, 2025. ◆ Repair expenses are expected to be 124 million yen for the fiscal period ending July 31, 2025. ◆ Depreciation is calculated using the straight-line method inclusive of incidental expenses, etc. and is expected to amount to 214 million yen in the fiscal period ending July 31, 2025.
Non-operating expenses	◆ Non-operating expenses for the fiscal period ending July 31, 2025 are estimated to be 270 million yen, as interest expenses and other borrowing cost.
Borrowings	<ul style="list-style-type: none"> ◆ It is assumed that interest-bearing liabilities at the end of period ending July 31, 2025 are expected to be 34,251 million yen. ◆ LTV ratio is expected to be approximately 43.7% at the end of the period ending July 31, 2025. The following formula is used to calculate LTV ratio and rounded to first decimal place. $\text{LTV ratio} = \text{Total interest-bearing liabilities} / \text{Total assets} \times 100$
Number of investment units	◆ DPU (excluding distribution in excess of earnings) per unit for the period ending July 31, 2025 is calculated based on the anticipated number of investment units issued and outstanding totaling 360,667 units at the end of the period ending July 31, 2025.
Distribution per unit (excluding distribution in excess of earnings)	◆ DPU (excluding distribution in excess of earnings) is calculated based on the assumption that distribution will be conducted in accordance with the cash distribution policy provided in ESCON REIT's Articles of Incorporation.
Distribution in excess of earnings per unit	◆ Even though ESCON REIT can make cash distribution in excess of earnings in accordance with the Articles of Incorporation, ESCON REIT does not intend to make such cash distribution at this time when factoring in the ratio of capital expenditures to depreciation expenses and in order to maintain conservative financial management.
Others	<ul style="list-style-type: none"> ◆ It is assumed that there will be no revision of laws and regulations, tax systems, accounting standards, listing rules of the Tokyo Stock Exchange, Inc. and rules of The Investment Trusts Association, Japan, etc. that will impact the forecasted figures above. ◆ It is assumed that there will be no unforeseen material change in general economic trends, real estate market conditions, etc.

【URL of ESCON REIT : <https://www.escon-reit.jp/en/>】