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REIT Issuer

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Notice Concerning Revision to the Forecasts of Financial Results and Distribution  
for the Fiscal Period Ending May 2025 and Ending November 2025

Hankyu Hanshin REIT, Inc. (hereafter “HHR”) hereby announces a revision to its forecasts of financial results and distribution for the fiscal period ending May 2025 (40th fiscal period: December 1, 2024 to May 31, 2025) and ending November 2025 (41st fiscal period: June 1, 2025 to November 30, 2025) which was disclosed on January 24, 2025 in the “Hankyu Hanshin REIT, Inc. Financial Results for the 39th Fiscal Period From June 1, 2024 to November 30, 2024” as detailed below.

Details

1. Revision to the Forecasts of Financial Results and Distribution for the Fiscal Period Ending May 2025 (40th fiscal period: December 1, 2024 to May 31, 2025)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (not including distribution in excess of earnings)	Distribution in excess of earnings per unit
Prior forecast (A)	6,074 million yen	2,580 million yen	2,184 million yen	2,182 million yen	3,140 yen	-
Revised forecast (B)	6,361 million yen	2,788 million yen	2,391 million yen	2,390 million yen	3,280 yen	-
Change (B-A)	286 million yen	207 million yen	207 million yen	207 million yen	140 yen	-
Rate of change (B-A) / A	4.7%	8.0%	9.5%	9.5%	4.5%	-

(Reference) Total number of investment units issued and outstanding at the end of the 40th fiscal period: 695,200 (planned)

(Note 1) Figures are rounded down to the nearest specified unit. Percentage figures are rounded to one decimal place. The same applies hereafter.

(Note 2) A certain amount of unappropriated retained earnings (109 million yen) is retained internally by applying the reduction entry method, and roughly the total amount of the balance after deducting the relevant internal reserve from unappropriated retained earnings will be distributed.

2. Revision to the Forecasts of Financial Results and Distribution for the Fiscal Period Ending November 2025 (41st fiscal period: June 1, 2025 to November 30, 2025)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (not including distribution in excess of earnings)	Distribution in excess of earnings per unit
Prior forecast (A)	6,216 million yen	2,603 million yen	2,191 million yen	2,190 million yen	3,150 yen	-
Revised forecast (B)	6,375 million yen	2,729 million yen	2,321 million yen	2,319 million yen	3,330 yen	-
Change (B-A)	159 million yen	126 million yen	129 million yen	129 million yen	180 yen	-
Rate of change (B-A) / A	2.6%	4.8%	5.9%	5.9%	5.7%	-

(Reference) Total number of investment units issued and outstanding at the end of the 41st fiscal period: 695,200 (planned)

(Note 1) A certain amount of unappropriated retained earnings (4 million yen) is retained internally by applying the reduction entry method, and roughly the total amount of the balance after deducting the relevant internal reserve from unappropriated retained earnings will be distributed.

3. Reason for Revision and Announcement

In “Financial Results Briefing Materials for the 39th Fiscal Period Ended November 2024,” which was disclosed on January 24, 2025, HHR announced the future initiatives that will continue to grow distributions through in-depth exploration of HHR’s characteristics, which are “Kansai Focus, Retail-Business Focus.” While considering asset replacement as an action plan for external growth to improve the portfolio, HHR today announced the acquisition of AEON MALL INAGAWA in “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interest”, following the transfer of Shiodome East Side Building and the acquisition of Friend Mart Ibaraki Hirata (site) disclosed in “Notice Concerning Acquisition of Domestic Real Estate, and Transfer of Domestic Real Estate Trust Beneficiary Interest” released on March 11, 2025.

Now that the details of the asset replacement have been finalized as described above, HHR has taken into account the effect of the asset replacement, and the financial results of the properties and other elements identified at this time. As a result of the change in the assumptions, HHR is now revising the forecasts of financial results and distributions for the 40th fiscal period ending May 2025 and the 41st fiscal period ending November 2025.

(NOTE)

The above numerical forecasts are forecasts as of today based on the assumptions indicated in the attachment. Actual operating revenues, operating income, ordinary income, net income, distribution per unit (not including distribution in excess of earnings) and distribution in excess of earnings per unit may change due to future acquisition or transfer of real estate, fluctuations in the real estate market, and other change in conditions surrounding HHR. Furthermore, the forecasts do not guarantee any cash distribution amounts. If a certain difference is expected from the forecasts above, HHR may revise them.

\* HHR website: <https://www.hankyuhanshinreit.co.jp/eng/>

[Attachment]

Assumptions for Forecasts of Financial Results and Distribution for the Fiscal Period ending May 2025 (40th Fiscal Period: December 1, 2024 to May 31, 2025) and the Fiscal Period ending November 2025 (41st Fiscal Period: June 1, 2025 to November 30, 2025)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> <li>40th Fiscal Period: December 1, 2024 to May 31, 2025 Operating period: 182 days</li> <li>41st Fiscal Period: June 1, 2025 to November 30, 2025 Operating period: 183 days</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>It is assumed that, in addition to the 35 properties existing at the date of this notice, the one asset planned to be acquired shall be acquired on the planned acquisition date, and the one asset planned to be transferred shall be transferred on the planned transfer dates, both as described in the "Notice Concerning Acquisition of Domestic Real Estate, and Transfer of Domestic Real Estate Trust Beneficiary Interest" dated on March 11, 2025, and that the one asset planned to be acquired as described in the "Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interest" shall be acquired on the planned acquisition date.</li> <li>The planned acquisition dates of the assets to be acquired and the planned transfer dates of the asset to be transferred as indicated in "Notice Concerning Acquisition of Domestic Real Estate, and Transfer of Domestic Real Estate Trust Beneficiary Interest" and "Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interest" are as follows. [Planned acquisition dates] Friend Mart Ibaraki Hirata Store (site): April 3, 2025 AEON MALL INAGAWA: April 24, 2025 [Planned transfer on dates] Shiodome East Side Building: (equivalent of 80% quasi co-ownership): March 25, 2025 (equivalent of 20% quasi co-ownership): June 30, 2025</li> <li>This assumption may change if there are any changes in the assets under management.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Calculated based on lease agreements currently in effect for the existing 35 properties and based on lease agreements scheduled to take effect on the planned acquisition dates for the two assets to be acquired, taking into consideration portfolio property competitiveness, market conditions and other factors. Also, with regard to other factors that might change such as variable revenue or contract cancellation notices, we have made calculations taking into account a reasonable margin for fluctuation in the reported figures based on past financial results and the conditions of individual tenants.</li> <li>It is assumed that there are no rents in arrears or delinquency of tenants.</li> <li>As stated in "Assets under management" above, Shiodome East Side Building (equivalent of 80% quasi co-ownership) is scheduled to be transferred on March 25, 2025, and gain on sale of investment property of 265 million yen is expected for the 40th fiscal period. Furthermore, Shiodome East Side Building (equivalent of 20% quasi co-ownership) is scheduled to be transferred on June 30, 2025, and gain on sale of investment property of 72 million yen is expected for the 41st fiscal period.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Expenses of real estate rent that are principal operating expenses are calculated based on past financial results (excluding depreciation costs of the existing 35 properties) reflecting factors that might affect expenses. Also, expenses other than the depreciation costs of the two assets to be acquired are calculated by reflecting factors that might affect expenses and taking into consideration the information provided by the current owners and lease agreements scheduled to take effect on the planned acquisition dates of the two assets to be acquired.</li> <li>Public charges such as property tax, city planning tax and other taxes are estimated to be 655 million yen for the 40th fiscal period and 660 million yen for the 41st fiscal period. In general, public charges such as property tax, city planning tax and other taxes applicable in the fiscal year of acquisition are calculated on a pro rata basis as of the time of acquisition and shared between the buyer and seller. However, they will not be recorded as expenses upon acquisition as HHR capitalizes the amount of these taxes into the acquisition cost. In addition, as for the two assets to be acquired, the total amount of public</li> </ul>

	<p>charges such as property tax, city planning tax, and other taxes capitalized into the acquisition cost is estimated to be 60 million yen.</p> <ul style="list-style-type: none"> <li>Repair expenses are estimated to be 193 million yen for the 40th fiscal period and 218 million yen for the 41st fiscal period. The actual repair expenses may, however, differ significantly from the amount estimated, as a substantial amount of unexpected contingent repair expenses may be required, and these expenses differ significantly between fiscal years, and are not incurred on a regular basis.</li> <li>Outsourcing fees for property/facility management are estimated to be 502 million yen for the 40th fiscal period and 497 million yen for the 41st fiscal period.</li> <li>Depreciation costs including incidental expenses and capital expenditures expected in each fiscal period are calculated using the straight-line method and are estimated to be 1,016 million yen for the 40th fiscal period and 1,044 million yen for the 41st fiscal period.</li> <li>Operating expenses other than expenses of real estate rent (asset management fees, asset custodian fees and administrative service fees) are estimated to be 651 million yen for the 40th fiscal period and 643 million yen for the 41st fiscal period.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses, interest on investment corporation bonds, finance-related costs, and other expenses are estimated to be 396 million yen for the 40th fiscal period and 408 million yen for the 41st fiscal period.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>As of the end of the 39th fiscal period, HHR's balance of interest-bearing debt was 86,800 million yen, out of which 81,500 million yen was debt financing and 5,300 million yen was investment corporation bonds.</li> <li>It is assumed that there will be no increase or decrease in the balance of interest-bearing debt of 86,800 million yen during the 40th and 41st fiscal periods.</li> <li>Long-term borrowings of 1,000 million yen due in the 40th fiscal period were fully refinanced.</li> <li>It is assumed that long-term borrowings of 4,000 million yen due in the 40th fiscal period will be fully refinanced.</li> <li>It is assumed that long-term borrowings of 3,500 million yen due in the 41st fiscal period will be fully refinanced.</li> <li>It is assumed that with regard to 1,000 million yen of investment corporation bonds due for redemption in the 41st fiscal period, an equivalent amount of investment corporation bonds, etc., will be issued.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>It is assumed that there will be no issuance of new investment units until the end of the 41st fiscal period (November 30, 2025) in addition to the total of 695,200 investment units issued and outstanding as of the date of this document.</li> <li>Net income and distribution per unit are calculated based on the estimated total number of investment units issued and outstanding of 695,200 as of the end of the 40th and 41st fiscal periods.</li> </ul>
Distribution per unit (not including distribution in excess of earnings)	<ul style="list-style-type: none"> <li>Distribution per unit (not including distribution in excess of earnings) is calculated based on the cash distribution policy set forth in the HHR's Articles of Incorporation and distribution of almost all profit.</li> <li>It is assumed that by applying the "Special Provision for Taxation on Replacement of Specified Assets" (Article 65-7 of the Act on Special Measures concerning Taxation), 109 million yen out of the estimated gain on sale of investment property of 265 million yen to be recognized in the 40th fiscal period and 4 million yen out of the estimated gain on sale of investment property of 72 million yen to be recognized in the 41st fiscal period as a result of transfer of Shiodome East Side Building will be reserved as reserves for tax purpose reduction entry.</li> <li>Distribution per unit may change due to change in rental income resulting from a change in assets under management, a change in tenants, or other factors including unexpected repairs.</li> </ul>
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>There is no plan to conduct distribution in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>It is assumed that there will be no revisions to the laws and regulations, taxation system, accounting standards, exchange listing rules, or The Investment Trusts Association's regulations that will influence the above financial forecasts.</li> <li>It is assumed that there will be no significant unforeseen changes in general economic trends or the real estate market, etc.</li> </ul>