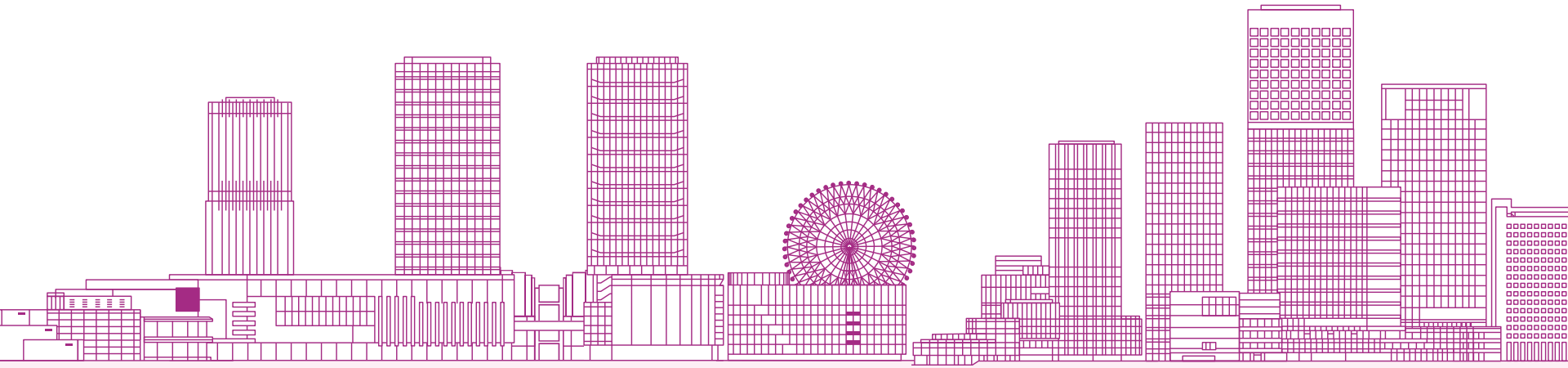
Securities Code: 8977

Supplemental Material to Asset Replacement and the Press Release

November 19, 2026

Hankyu Hanshin REIT



Significance of Asset Replacements

- **Continuing to carry out asset Replacements based on action plan to achieve distribution target**

Effect of Asset Replacements

- **Improving portfolio profitability**
- **Reducing future risks (higher repair costs, etc.)**
- **Returning transfer gains to unitholders**

Enhancement of Unitholder Value

- **Raising distribution forecast by returning transfer gains, etc.**
  - Continuing to pursue external and internal growth to achieve the recurring DPU target of JPY3,500

Significance of Asset Replacements

Promoting asset replacements to achieve DPU target

Asset replacements based on action plan

【Transfer】 Basic policy on asset replacement

- Transferring properties with relatively low yields and unrealized losses
- Addressing future risks(rising repair costs, etc.)

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【Acquisition】 Strengthening HHR's distinctive features

- "Kansai Focus" "Retail-Business Focus"
- Acquiring high-quality properties through collaboration with the sponsor group

Improving portfolio profitability

+5bp

(Average NOI yield after depreciation (Note 1))

Reducing future risks (higher repair costs, etc.)

21.2yrs → 20.0yrs

(Average building age across the portfolio (Note 2))

Returning more gains to unitholders

JPY 3,370 → JPY 3,450

(Distribution per unit after revision)

Future policy

Continuing to replace assets with lower NOI yields after depreciation

	Property name	Asset type	Acquisition price	Building age (As of the end of November 2026)
NEW	①LAXA Osaka	Complex facility	JPY 5,122 million	27.8 years
	②Kitano Hankyu Building	Retail facility	JPY 7,740 million	41.5 years
NEW	③SHIBAURA RENASITE TOWER	Office	JPY 3,475 million	17.7 years
	④FUNDES JIMBOCHO	Retail facility	JPY 2,830 million	10.2 years

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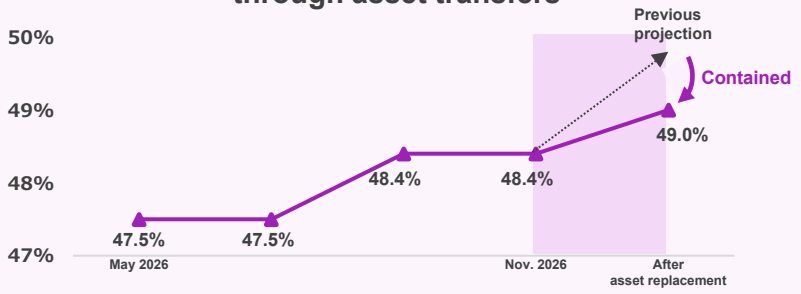
Containing the rise in LTV (total assets) through asset transfers



Continuing to pursue external and internal growth to achieve the recurring DPU target of JPY 3,500

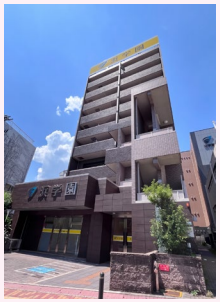
(Note 1) See page 7 for details on how the "average NOI yield after depreciation" is calculated.
(Note 2) The average building age across the portfolio is presented in two figures. The first is the average as of the end of the fiscal period ended May 2026, weighted by acquisition price and excluding site assets. The second is the projected average as of the end of the fiscal period ending November 2026, assuming that the planned acquisitions and transfers take place at the end of that month.

Overview of Asset Replacement

Acquisition Assets in FY2026

Nishinomiya Kitaguchi Primary One

Hankyu & Hanshin Lines | Residence



Acquisition date	Jul. 29, 2026
Acquisition price	JPY 1,833 million
Appraisal value	JPY 1,890 million
NOI yield (Note 1)	3.7%
NOI yield after depreciation (Note 1)	3.1%
Rent gap (Note 1)	▲8%
Building age (As of the end of Nov. 2026)	19.5 years

PMO Umeda

(Equivalent to 30% of the quasi co-ownership interest)

Sponsor Related | Hankyu & Hanshin Lines | Office Building



Acquisition date	Sep. 9, 2026
Acquisition price	JPY 3,300 million
Appraisal value	JPY 3,450 million
NOI yield (Note 1)	3.1%
NOI yield after depreciation (Note 1)	2.6%
Rent gap (Note 1)	▲4%
Building age (As of the end of Nov. 2026)	1.9 years

SUITE Shin-Okachimachi

Sponsor Related | Office Building



Acquisition date (Planned)	Dec. 16, 2026
Acquisition price (Planned)	JPY 6,495 million
Appraisal value	JPY 6,720 million
NOI yield (Note 1)	3.5%
NOI yield after depreciation (Note 1)	3.0%
Rent gap (Note 1)	▲15%
Building age (As of the end of Nov. 2026)	1.6 years

Kohnan Rinku Hagurasaki Store (Site)

(Equivalent to 22% of the quasi co-ownership interest)



Acquisition date	Jul. 29, 2026
Acquisition price	JPY 1,262 million
Appraisal value	JPY 1,300 million
NOI yield (Note1)	3.9%
NOI yield after depreciation (Note 1)	3.9%

LIFE Takadono Store (Site)



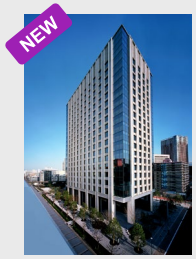
Acquisition date (Planned)	Dec. 1, 2026
Acquisition price (Planned)	JPY 3,690 million
Appraisal value	JPY 3,860 million
NOI yield (Note 1)	3.5%
NOI yield after depreciation (Note 1)	3.5%

Transfer Assets in FY2026

SHIBAURA RENASITE TOWER

(Equivalent to 10% of the quasi co-ownership interest)

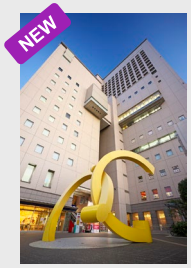
Office Building



Transfer date (Planned)	Dec. 2, 2026
Transfer price (Planned)	JPY 3,530 million
Book value (Note 3)	JPY 3,417 million
Appraisal value	JPY 3,490 million
NOI yield after depreciation (Note 1)	2.4%
Building age (As of the end of Nov. 2026)	17.7 years

LAXA Osaka

Complex Facility



Transfer date (Planned)	Dec. 3, 2026
Transfer price (Planned)	JPY 5,330 million
Book value (Note 3)	JPY 4,941 million
Appraisal value	JPY 4,890 million
NOI yield after depreciation (Note 1)	0.8%
Building age (As of the end of Nov. 2026)	27.8 years

Effect of Asset Replacement

	Transfer		Acquisition
Asset size	▲JPY 8.5bn	▶	+JPY 16.5bn
Unrealized gain/loss (Note 1)	+JPY 22mn	▶	+JPY 510mn
NOI yield after depreciation (Note 1)	1.5%	▶	3.1%
Building age (Note 2)	23.8years	▶	4.5years
Depreciation expense (Note 4)	JPY 156mn	▶	JPY 31mn

(Note 1) See page 7 for details on how the "NOI yield, " "NOI yield after depreciation," "unrealized gain/loss," and "rent gap" are calculated.
(Note 2) "Building age" refers to the weighted average building age of the acquisition and transfer assets as of the fiscal period ending November 2026, using acquisition prices as weights.
(Note 3) "Book value" refers to the projected book value as of the transfer date, rounded down to the nearest million yen.
(Note 4) "Depreciation expense" refers to the total of the projected expense for the transfer assets for the fiscal period ending November 2026 and the corresponding total for the acquisition assets for the fiscal period ending November 2027.

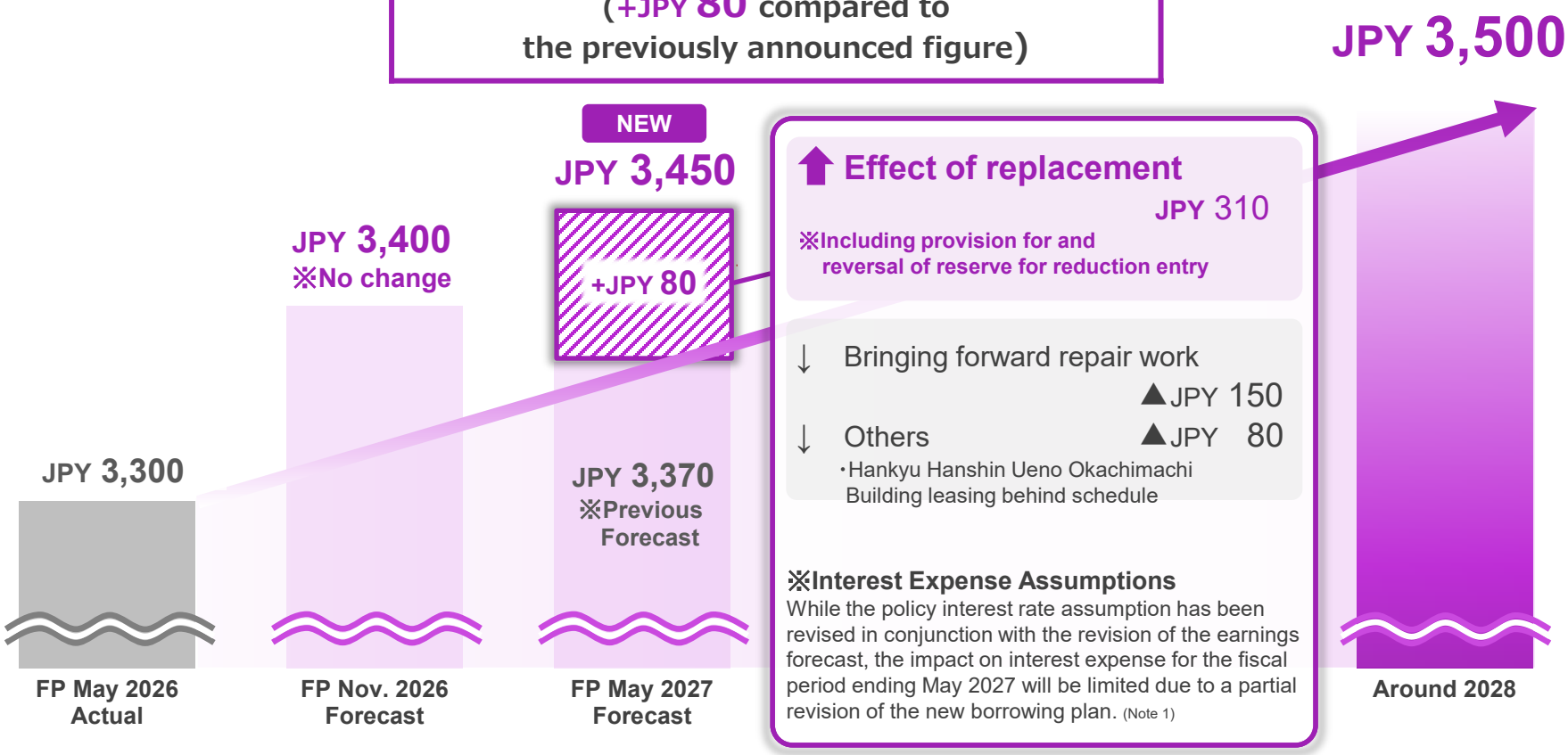
Financial Forecast and Impact on Distribution

Raising the distribution forecast for the fiscal period ending May 2027, reflecting the return of gains to unitholders and other factors

Distribution per unit (May 2027 forecast)

JPY 3,370 → **JPY 3,450**

(+JPY 80 compared to the previously announced figure)



Effect of replacement JPY 310

※Including provision for and reversal of reserve for reduction entry

↓ Bringing forward repair work ▲JPY 150

↓ Others ▲JPY 80

・Hankyu Hanshin Ueno Okachimachi Building leasing behind schedule

※Interest Expense Assumptions

While the policy interest rate assumption has been revised in conjunction with the revision of the earnings forecast, the impact on interest expense for the fiscal period ending May 2027 will be limited due to a partial revision of the new borrowing plan. (Note 1)

(Note 1) Policy interest rate assumption (as of December: 1.25% → 1.50%)
Planned new borrowings (JPY 1,730 million of the JPY 3,690 million scheduled to be borrowed in December 2026 will be repaid within the same month.)

Overview of Acquisition Asset

SUITE Shin-Okachimachi

Office Building **Developed by Sponsor**

The first project in SUITE, the sponsor's series of mid-size office buildings

Highly Accessible

Four stations and six railway lines available.
A one-minute walk from Shin-Okachimachi Station.

Newer Office Building

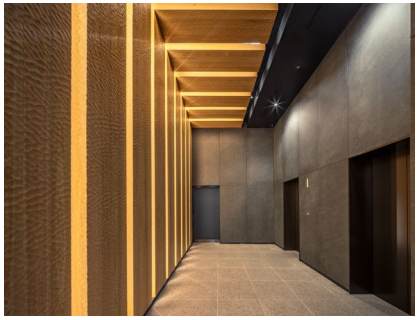
High-grade office building, only 1.6 years old.
A rare find in the Ueno & Okachimachi area.

Rent Upside Potential

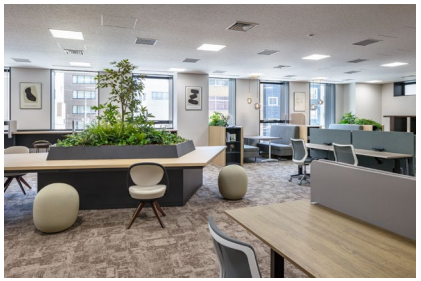
Rent gap is approximately ▲15% (Note 1)
All tenants are on fixed-term leases.



▲The building occupies a corner site on a main street, and its highly visible first floor is leased to a convenience store.







▲Highly competitive fully furnished office space (2F)



Acquisition price (Planned)	JPY 6,495 mn	**NOI yield** (Note 1)	3.5%
Appraisal value	JPY 6,720 mn	**NOI yield after depreciation** (Note 1)	3.0%
Building age (as of the end of Nov. 2026)	1.6years	**Occupancy rate** (As of the end of Nov. 2026)	100%

(Note 1) See page 7 for details on how the "NOI yield," "NOI yield after depreciation," and "rent gap" are calculated.

Details of Value Calculation Methods

Terms	Definitions
Average NOI yield	[Total real estate lease operation income - Real estate lease operation expenses + Total depreciation] concerning owned real estate as of each period ÷ Total acquisition price
Average NOI yield after depreciation	[Total real estate lease operation income - Real estate lease operation expenses] concerning owned real estate as of each period ÷ Total acquisition price
	The NOI yield and the NOI yield after depreciation described in this document are calculated based on the following figures. Acquired assets: PMO Umeda (30% of the quasi co-ownership of the trust beneficiary interests), Nishinomiya Kitaguchi Primary One, and SUITE Shin-Okachimachi: Net operating income derived under the direct capitalization method stated in the appraisal report; depreciation estimated and calculated by the Asset Management Company Kohnan Rinku Hagurazaki Store (site) (22% of the quasi co-ownership of the trust beneficiary interests) and LIFE Takadono Store (Site): Net operating income derived under the discounted cash flow (DCF) method stated in the appraisal report for the first year (or the second year if the first year is affected by special factors, etc.) The figure shown under “Improving portfolio profitability” on page 3 represents the difference between the actual figure for the fiscal period ended May 2026 and the figure adjusted for the acquisition and transfer assets from the actual figure for the fiscal period ended May 2026.
LTV based on total assets	Interest-bearing debt ratio = Interest-bearing debt ÷ Total assets
LTV based on appraisal value	[Interest-bearing debt + Security deposits and guarantees - Matched money] ÷ [Total amount of assets - Matched money] ・Matched money refers to cash or deposits reserved in the trust account to guarantee security deposits and guarantees for the assets owned by HHR as the object of the trust beneficiary interests. ・The total amount of assets refers to the amount in the assets section of the most recent balance sheet for each period. However, with respect to tangible fixed assets, the difference between appraisal value and book value at the end of the fiscal period shall be added to or subtracted from the book value of the tangible fixed assets at the end of the fiscal period.
Unrealized gain/loss	Total appraisal value of owned real estate as of each period - Total book value
	Gains and losses shown in this document are calculated based on the following figures. Transfer assets : Appraisal values and projected book values as of the respective transfer dates Acquisition assets : Appraisal values and projected book values (the sum of all costs that are necessary to acquire the asset and must be recorded under HHR’s accounting policy)
Rent gap	Calculated based on the estimated rents for new leases assessed by a research company as of the respective acquisition announcement dates

Hankyu Hanshin REIT

https://www.hankyuhanshinreit.co.jp/en/

This material includes forward-looking statements based on present assumptions and future outlook.

Actual results may differ from the forward-looking statement values due to various factors.

Because the investment securities of Hankyu Hanshin REIT (hereinafter "HHR") are closed-ended securities for which redemption of units is not conducted by demand of unitholders, the only means for unitholders to convert the investment securities is to sell to third parties. The market value of the investment securities is affected by supply/demand at the exchange and also fluctuates, affected by interest rate environment, economic situations, real estate market trends and various other factors surrounding the market. Therefore, unitholders may not be able to sell investment securities at the price of acquisition, incurring loss.

This material is not intended as a solicitation to acquire investment securities of HHR nor is it intended as a solicitation to sign contracts relating to transactions of other financial instruments. When undertaking any investment, please do so based on your own judgment and responsibility as an investor.

Before purchasing investment securities of HHR, please consult with a securities company that is a "Type I Financial Instruments Business Operator."

This material is an English translation of the original, which was issued in the Japanese language.

There are sections that display property names in abbreviated form.

"(Site)" is added after the name of properties for which HHR owns only the land.

Hankyu Hanshin REIT Asset Management, Inc. is indicated as "the Asset Management Company" on this material.