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For Immediate Release

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Notice Concerning Revision of the Forecast of Management Status and  
the Estimated Distribution for the Fiscal Period Ending December 2023

NIPPON REIT Investment Corporation ("NIPPON REIT") announces the following revision of the forecast of management status and estimated distribution of NIPPON REIT for the fiscal period ending December 2023 (from July 1, 2023 to December 31, 2023) announced in the "Summary of Financial Results for the Fiscal Period Ended June 2023 (REIT)" on August 17, 2023.

1. Revision of the forecast of management status and estimated distribution for fiscal period ending December 2023

	Operating revenue (mn yen)	Operating Income (mn yen)	Ordinary Income (mn yen)	Net Income (mn yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Previous forecast (A)	8,579	4,403	3,674	3,674	8,166	—
Revised forecast (B)	8,845	4,680	3,951	3,950	8,780	—
Amount of increase (decrease) (B-A)	265	277	276	276	614	—
Rate of increase (decrease)	3.1%	6.3%	7.5%	7.5%	7.5%	—
(Reference) Actual results of Previous Period (Period ended June 30, 2023)	8,865	4,440	3,772	3,771	8,381	

(Reference)

Fiscal period ending December 2023: Assumed number of investment units issued and outstanding: 449,930 units

(Note 1) The assumptions underlying forecast of management status for fiscal period ending December 2023 are based on attached the “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2023 (from July 1, 2023 to December 31, 2023)” at present. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.

(Note 2) Figures are rounded down to the nearest specified unit, and % are rounded to one decimal place.

## 2. Reason for revision

We revise the Operating revenue, Operating income, Ordinary income, Net income and estimated Distribution per unit for the fiscal period ending December 2023 announced on August 17, 2023 because of change in assumptions underlying, due to the transfer of the assets announced today in the “Notice Concerning Transfer and Acquisition of Real Estate Trust Beneficiary Interests in Japan” The revision is mainly attributed to the gains on sales of “Seam Dwell Tsutsui” (192 million yen) for the fiscal period ending December 2023

The forecasts for the fiscal year ending June 2024 announced on August 17, 2023 are unchanged at this time.

\* NIPPON REIT website: <http://www.nippon-reit.com/en>

This notice is the English translation of the original Japanese document and is provided solely for information purposes. There is no assurance as to the accuracy of the English translation. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

[Attachment]

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2023 (from July 1, 2023 to December 31, 2023)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> <li>Fiscal period ending December 2023 (23<sup>rd</sup> fiscal period): (from July 1, 2023 to December 31, 2023) (184 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>The assumption is that, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 111 properties are the "acquired assets"), Seam Dwell Tsutsui will be transferred on December 27, 2023.</li> <li>Furthermore, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 8,650 million yen in the fiscal period ending December 2023.</li> <li>Gains on sales of real estate properties of 192 million yen from Seam Dwell Tsutsui will be taken into account for the fiscal period ending December 2023.</li> <li>Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants.</li> <li>Dividend income is assumed 1 million yen in the fiscal period ending December 2023.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Property-related expenses other than depreciation, which are calculated on the basis of historical data, and reflecting factors causing fluctuation in expenses, are assumed to be 2,262 million yen in the fiscal period ending December 2023.</li> <li>Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 1,015 million yen in the fiscal period ending December 2023.</li> <li>The total amounts of property taxes and city planning taxes are assumed to be 614 million yen in the fiscal period ending December 2023.</li> <li>In general, property taxes and city planning taxes upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the seller, but the amount equivalent to the reimbursement is capitalized as acquisition cost rather than recognized as expenses. Accordingly, as for 7 properties acquired in March and July 2023 property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2023. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 9 million yen for fiscal period ending December 2023.</li> <li>Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company based on engineering reports obtained for individual properties. However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal period might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast.</li> <li>Asset management fees are assumed 645 million yen in the fiscal period ending December 2023. Among the asset management fees, acquisition fees are not included in the above amounts because they will be included in acquisition costs.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expense and borrowing related expenses are assumed 729 million yen in the fiscal period ending December 2023.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>NIPPON REIT's outstanding balance of interest-bearing debt as of the end of the fiscal period ended June 2023 is 132,620 million yen.</li> <li>The assumption is that all loans which will come due before the end of the fiscal period ending June 2024 (7,750 million yen) will be refinanced (including issuance of investment corporation bonds), there will be no change in the outstanding balance of interest-bearing debt.</li> <li>LTV is expected to be approximately 48.1% as of December 31, 2023.</li> <li>The following formula is used in the calculation of LTV.</li> </ul>

	$\text{LTV} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Investment units	<ul style="list-style-type: none"> <li>The assumption is that the number of investment units is 449,930 units which are issued and outstanding as of today, and there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending December 2023.</li> </ul>
Cash Distributions per unit	<ul style="list-style-type: none"> <li>Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT's Articles of Incorporation. Retained earnings carried forward will be utilized for offsetting negative impact of short-term or unexpected decline in revenue and increase in expenses and securing stable distribution level per unit.</li> <li>Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events, Incurrence of unexpected repairs and other changes in the management environment, fluctuation in interest rates or future additional issuance of new investment units and other events.</li> </ul>
Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>There are no plans at this time to distribute cash in excess of earnings.</li> <li>Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (30), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.</li> </ul>
Others	<ul style="list-style-type: none"> <li>The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above.</li> <li>The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.</li> </ul>