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For Immediate Release

Real Estate Investment Trust Securities Issuer:
NIPPON REIT Investment Corporation
1-18-1 Shimbashi, Minato-ku, Tokyo
Hisao Ishikawa
Executive Officer
(Securities Code: 3296)
Asset Management Company:
Sojitz REIT Advisors K.K.
Toshio Sugita
President & CEO
Contact: Kanehisa Nango
General Manager
Corporate Planning Department
Finance & Planning Division
(TEL: +81-3-5501-0080)

**Notice Concerning Revision of Forecast of Management Status for
Fiscal Period Ending December 2016**

NIPPON REIT Investment Corporation (“NIPPON REIT”) announces the following revision of the forecast of the management status of NIPPON REIT for the fiscal period ending December 31, 2016 (from July 1, 2016 to December 31, 2016) in the “Summary of Financial Results for the Fiscal Period Ended December 31, 2015 (REIT)” announced on February 18, 2016

1. Contents of the revision of the forecast of the management status

	Operating Revenues (Yen in millions)	Operating Income (Yen in millions)	Ordinary Income (Yen in millions)	Net Income (Yen in millions)	Cash distributions per unit (Yen) (Excluding excess of earnings per unit)	Cash distributions in excess of earnings per unit (Yen)
Previous forecast(A)	6,680	3,274	2,744	2,743	7,002	—
Revised forecast(B)	6,775	3,371	2,894	2,893	7,385	—
Change(B-A)	95	97	149	149	383	—
Change rate	1.4%	3.0%	5.5%	5.5%	5.5%	—

(Reference)

Fiscal period ending December 2016 : Number of investment units issued and outstanding 391,760 units

(Note 1) The assumptions underlying forecast of management status for fiscal period ending December 2016 are based on attached the “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2016 (from July 1, 2016 to December 31, 2016)” 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) Amounts are truncated to the relevant unit and % figures are rounded to one decimal place.

2. Reason for the revision

Discrepancy of 5% or more in the forecast distribution per unit for the fiscal period ending December 2016 is now expected from that announced on February 18, 2016. Each forecast of operating revenues, operating income, ordinary income, net income and cash distributions per unit is thus being revised. Main reasons for the revision are as follows.

- (1) Increase in income or loss from property business due to increase in rental revenues and decrease of property-related expenses
- (2) Increase in dividend income due to investment in silent partnership equity interest in the fiscal period ended June 2016.
- (3) Decrease of non-operating expenses due to interest rate swap transaction in February 2016 and refinance in April 2016 and scheduled in August 2016.

*This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

*NIPPON REIT Investment Corporation 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 2016 (July 1, 2016 to December 31, 2016)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> Fiscal period ending December 2016 (the ninth fiscal period): (from July 1, 2016 to December 31, 2016) (184 days)
Assets under management	<ul style="list-style-type: none"> The assumption is that, in addition to the trust beneficiary interests in real estate held by NIPPON REIT as of today (total of 65 properties) (the "acquired assets") there will be no change (no acquisition of new property, no disposition of portfolio property, etc.) through to the end of the fiscal period ending December 2016. In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	<ul style="list-style-type: none"> 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 6,759 million yen. Dividend income is assumed 16 million yen. Operating revenues are based on the assumption that there will be no delinquent or unpaid rent by tenants.
Operating expenses	<ul style="list-style-type: none"> Property-related expenses other than depreciation, which are calculated on the basis of historical data and reflecting factors causing fluctuation in expenses, are assumed 1,937 million yen. Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 760 million yen. The total amounts of property taxes and city planning taxes are assumed 499 million yen. Repair expenses are recognized in the amount assumed to be necessary based on the repair plan formulated by the Asset Management Company. However, as the repairs may be carried out from unforeseeable causes, the variation in the amount depending on the fiscal year is generally large and the repairs are not carried out periodically, repair expenses may materially differ from the forecast amount. Asset management fees are assumed 517 million yen.
Non-operating revenues	<ul style="list-style-type: none"> Refunded consumption taxes is not expected in the fiscal period ending December 2016. Therefore, non-operating revenues are not assumed in the fiscal period ending December 2016.
Non-operating expenses	<ul style="list-style-type: none"> Interest expense and borrowing related expenses are assumed 477 million yen.
Loans	<ul style="list-style-type: none"> NIPPON REIT's outstanding balance of interest-bearing debt as of today is 103,570 million yen. The assumption is that all loans which will come due before the end of the fiscal period ending December 2016 (10,000 million yen) will be refinanced. LTV as of December 31, 2016 is expected to be approximately 46.0%. The following formula is used in the calculation of LTV. $LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Investment units	<ul style="list-style-type: none"> The assumption is that the number of investment units is 391,760 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. through to the end of the fiscal period ending December 2016.
Cash Distributions per unit	<ul style="list-style-type: none"> 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. Deferred gains or losses on hedges as valuation and translation adjustments is expected to be the same amount with the fiscal period ending June 2016 in the fiscal period ending December 2016. Furthermore, assumption is that there will be no change in the market price of the interest rate swaps through to the end of the fiscal period ending December 2016. 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, the actually determined number of new investment units to be issued and issue price, or future additional issuance of new investment units and other events.

Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> · There are no plans at this time to distribute cash in excess of earnings. · 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), (xxx), (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.
Others	<ul style="list-style-type: none"> · 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. · The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.