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For Immediate Release

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**Notice Concerning Revision of Forecast of Management Status and Estimated
Distribution for the Fiscal Period Ending June 2017, and
Announces Forecast of Management Status and Estimated Distribution
for the Fiscal Period Ending Dec. 2017**

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 June 30, 2017 (from January 1, 2017 to June 30, 2017) in the “Summary of Financial Results for the Fiscal Period Ended June 30, 2016 (REIT)” announced on August 16, 2016.

In addition, NIPPON REIT announces the forecast of management status and estimated distribution for the fiscal period ending December 2017 (from July 1, 2017 to December 31, 2017) also.

1. Reason for the revision and the announcement

Discrepancy of 5% or more in the forecast distribution per unit for the fiscal period ending June 2017 is now expected from that announced on August 16, 2016. Each forecast of operating revenues, operating income, ordinary income, net income and cash distributions per unit is thus being revised. The revision is mainly attributed to increase in property operating revenue and other revenue related to property leasing by improving occupancy rate.

Furthermore, we announce the forecast of management status and estimated distribution for the fiscal period ending December 2017 based on the same assumptions.

2. Revision of the forecast of management status and estimated distribution for the fiscal period ending June 2017, and the forecast of management status and estimated distribution for the fiscal period ending Dec. 2017

(i) Content of revision of the forecast of management status and estimated distribution for the fiscal period ending June 2017

	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 cash distributions in excess of earnings per unit)	Cash distributions in excess of earnings per unit (Yen)
Previous forecast(A)	6,685	3,400	2,913	2,913	7,436	—
Revised forecast(B)	6,915	3,618	3,136	3,136	8,005	—
Change(B-A)	229	217	223	222	569	—
Change rate	3.4%	6.4%	7.7%	7.7%	7.7%	—

(ii) Content of the forecast of management status and estimated distribution for the fiscal period ending December 2017

	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 cash distributions in excess of earnings per unit)	Cash distributions in excess of earnings per unit (Yen)
Fiscal period ending Dec. 2017	6,965	3,660	3,137	3,136	8,006	—

(Reference)

Fiscal period ending June 2017 : Number of investment units issued and outstanding 391,760 units

Fiscal period ending December 2017 : Number of investment units issued and outstanding 391,760 units

(Note 1) The assumptions underlying forecast of management status for fiscal period ending June 2017 are based on attached the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2017 (January 1, 2017 to June 30, 2017) and Fiscal Period Ending December 2017 (July 1, 2017 to December 31, 2017)" 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.

*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 June 2017 (January 1, 2017 to June 30, 2017) and Fiscal Period Ending December 2017 (July 1, 2017 to December 31, 2017)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> · Fiscal period ending June 2017 (10th fiscal period): (from January 1, 2017 to June 30, 2017) (181 days) · Fiscal period ending December 2017 (11th fiscal period): (from July 1, 2017 to December 31, 2017)(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 2017. · 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 6,890 million yen in the fiscal period ending June 2017 and 6,939 million yen in the fiscal period ending December 2017 respectively. · Dividend income is assumed 24 million yen in the fiscal period ending June 2017 and 25 million yen in the fiscal period ending December 2017 respectively. · 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 to be 1,822 million yen in the fiscal period ending June 2017 and 1,843 million yen in the fiscal period ending December 2017 respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 738 million yen in the fiscal period ending June 2017 and 750 million yen in the fiscal period ending December 2017. · The total amounts of property taxes and city planning taxes are assumed 499 million yen in the fiscal period ending June 2017 and 499 million yen in the fiscal period ending December 2017 respectively. · 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 522 million yen in the fiscal period ending June 2017 and 526 million yen in the fiscal period ending December 2017 respectively.
Non-operating revenues	<ul style="list-style-type: none"> · They are assumed neither in the fiscal period ending June 2017 nor the fiscal period ending December 2017.
Non-operating expenses	<ul style="list-style-type: none"> · Interest expense and borrowing related expenses are assumed 481 million yen in the fiscal period ending June 2017 and 523 million yen in the fiscal period ending December 2017.
Loans	<ul style="list-style-type: none"> · NIPPON REIT’s outstanding balance of interest-bearing debt as of today is 103,570 million yen.

	<ul style="list-style-type: none"> · The assumption is that all loans which will come due before the end of the fiscal period ending December 2017 (21,800 million yen) will be refinanced. · LTV is expected to be approximately 45.8% as of June 30, 2017 and approximately 45.7% as of December 31, 2017 respectively. · The following formula is used in the calculation of LTV. $\text{LTV} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
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 2017.
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 are expected to be the same amount with the fiscal period ending December 2016 both in the fiscal period ending June 2017 and the fiscal period ending December 2017. 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 2017. · 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.
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.