

September 15, 2017

For Immediate Release

Real Estate Investment Trust Securities Issuer:
NIPPON REIT Investment Corporation
18-1 Shimbashi 1-chome, Minato-ku, Tokyo
Hisao Ishikawa, Executive Officer
(Securities Code:3296)

Asset Management Company:
Sojitz REIT Advisors K.K.
Toshio Sugita
President & CEO

Contact:
Takahiro Ishii
General Manager,
Corporate Planning Department,
Finance & Planning Division
(TEL:+81-3-5501-0080)

Notice Concerning Revision of the Forecast of Management Status and
the Estimated Distribution for the Fiscal Period Ending December 2017 and June 2018

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 2017 (from July 1, 2017 to December 31, 2017) and June 2018 (from January 1, 2018 to June 30, 2018) announced in the "Summary of Financial Results for the Fiscal Period Ended June 2017 (REIT)" on August 17, 2017.

1. 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 2017 and June 2018 announced on August 17, 2017 because changes of assumptions underlying the forecast and discrepancies of 5% or more in the estimated Distribution per unit for the fiscal period ending December 2017 are now expected, due to the transfer acquisition of the assets announced today in the "Notice Concerning Transfer and Acquisition of Assets by Exchanging, and Related Cancellation of lease and Leasing of Asset" ("Exchanging"), and Borrowing of funds announced today in the "Notice Concerning Borrowing of Funds". The revision is mainly attributed to the gain after subtraction of reduction from gain on transfer (382 million yen) and increase of non-deductible consumption tax (40 million yen) for the fiscal period ending December 2017.

2. Content of revision of the forecast of management status and estimated distribution for fiscal period ending December 2017 and June 2018

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

	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)	7,101	3,729	3,222	3,221	8,224	—
Revised forecast (B)	7,509	4,078	3,569	3,569	9,111	—
Amount of increase (decrease) (B-A)	408	349	347	347	887	—
Rate of increase (decrease)	5.8%	9.4%	10.8%	10.8%	10.8%	—

(b) Content of revision of the forecast of management status and estimated distribution for fiscal period ending June 2018

	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)	6,976	3,684	3,174	3,173	8,100	—
Revised forecast (B)	7,039	3,737	3,222	3,222	8,225	—
Amount of increase (decrease) (B-A)	62	53	48	48	125	—
Rate of increase (decrease)	0.9%	1.4%	1.5%	1.5%	1.5%	—

(Reference)

Fiscal period ending December 2017:

Assumed number of investment units issued and outstanding :391,760 units

Fiscal period ending June 2018:

Assumed number of investment units issued and outstanding :391,760 units

(Note 1) The assumptions underlying forecast of management status for fiscal period ending December 2017 and June 2018 are based on attached the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2017 (from July 1, 2017 to December 31, 2017)" and June 2018 (from January 1, 2018 to June 30, 2018) 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.



* 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 2017 (July 1, 2017 to December 31, 2017) and June 2018 (January 1, 2018 to June 30, 2018)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> · Fiscal period ending December 2017 (the eleventh fiscal period): (from July 1, 2017 to December 31, 2017) (184 days) · Fiscal period ending June 2018 (the twelfth fiscal period): (from January 1, 2018 to June 30, 2018) (181 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.) excluding the Exchanging through to the end of the fiscal period ending June 2018. (The trust beneficiary interests in real estate held by NIPPON REIT should be total of 66 properties after the Exchanging.). · 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 7,106 million yen for the fiscal period ending December 2017, 7,005 million yen for the fiscal period ending June, 2018. · Dividend income is assumed 20 million yen for the fiscal period ending December 2017, and 33 million yen for the fiscal period ending June 2018. · Operating revenues are based on the assumption that there will be no delinquent or unpaid rent by tenants. · We will conduct the reduction entry (or, apply the provisions of the “Inclusion of Deductible Expenses of Reduced Amount of Assets Acquired through Exchange” in Article 50 of the Corporation Tax Act), 382 million yen is assumed as gain after subtraction of reduction from gain on transfer. Furthermore 406 million yen reduction is assumed.
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 1,913 million yen for the fiscal period ending December 2017, and 1,802 million yen for the fiscal period ending June 2018. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 759 million yen for the fiscal period ending December 2017 and 793 million yen for the fiscal period ending June 2018. · The total amounts of property taxes and city planning taxes are assumed 480 million yen for the fiscal period ending December 2017 and 507 million yen for the fiscal period ending June 2018. · 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 528 million yen for the fiscal period ending December 2017 and 529 million yen for the fiscal period ending June 2018. Furthermore Asset management fee for acquisition is accounted as acquisition cost, for disposition is deducted from the balance between the acquisition price and the disposition price, therefore both are not included in the figure stated above.
Non-operating revenues	<ul style="list-style-type: none"> · Non-operating revenues are not expected in both of the fiscal period ending December 2017 and June 2018.
Non-operating expenses	<ul style="list-style-type: none"> · Interest expense and borrowing related expenses are assumed 508 million yen for the fiscal period ending December 2017 and 514 million yen for the fiscal period ending June 2018.
Loans	<ul style="list-style-type: none"> · NIPPON REIT’s outstanding balance of interest-bearing debt as of today is 103,570 million yen. · In addition to the above, borrowing of 2,600 million yen is scheduled in September 2018.

	<ul style="list-style-type: none"> The assumption is that all loans which will come due before the end of the fiscal period ending June 2018 (9,500 million yen) will be refinanced. LTV is expected to be approximately 46.3% as of December 31, 2017, 46.4% as of June 2018. 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 June 2018.
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 December 2017 in the fiscal period ending June 2018. 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 June 2018. 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.