August 15, 2024

For Immediate Release

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Notice of Partial Revision of the Rules on Transactions with Interested-Parties

NIPPON REIT Investment Corporation (“NIPPON REIT”) hereby announces that SBI REIT Advisors Co., Ltd. (“SRA”), which is entrusted to manage the assets of NIPPON REIT, has partially revised “the Rules on Transactions with Interested-Parties” which are self-imposed rules for transactions between SRA and parties with certain interests (the "Interested Parties"), as described below.

1. Details of the Change

SRA stipulates the transaction standards under the "the Rules on Transactions with Interested-Parties" when NIPPON REIT enters into certain transactions with Interested Parties (Note).

In principle, when acquiring a property from Interested Parties under such transaction criteria, an acquisition price may not exceed the appraised value (hereinafter referred to as "third-party appraisal value") as appraised by a real estate appraiser who is not Interested Parties. Exceptionally, Interested Parties may acquire bridge fund expenses in addition to the third-party appraisal value if there are expenses incurred by temporarily structuring special purpose company (the "Bridge Fund Expenses"), subject to the transfer of the assets to NIPPON REIT, and NIPPON REIT could effectively bear Bridge Fund Expenses.

It has now been clarified that we can acquire it at an amount not exceeding the third-party appraisal value, rather than adding it to the trading value, and separately bear Bridge Fund Expenses.

(Note) For details of the relevant transaction standards, please refer to the Securities Report submitted on March 28, 2024 by the Investment Corporation (Period 23 (July 1, 2023 to December 31, 2023)) "Section 2 Detailed Information on Investment Corporations 3 Management and Operation 2 Restrictions on Transactions with Interested Parties (2) Rules for Interested Parties."

2. Reason for the change

In order to maximize unit-holder value, NIPPON REIT may, at the time of acquiring a property from a third party, receive a temporary holding function for the property by a bridge fund in which each of the sponsoring companies is involved in structuring the property in order to maximize NIPPON REIT growth opportunities by avoiding the loss of property acquisition opportunities for property that NIPPON REIT cannot acquire directly from third parties due to financing conditions and other circumstances.

In the event that NIPPON REIT receives the provision of a temporary holding function for the property by such bridge fund, Bridge Fund Expenses, which is the actual cost of structuring the

bridge fund, is required to be borne by NIPPON REIT when acquiring the property from such bridge fund.
Previously, it was stipulated in "the Rules on Transactions with Interested-Parties" only to the effect that Bridge Fund Expenses could be effectively incurred by including them in NIPPON REIT acquisition prices. However, as there is no difference between the cost burden and the economic benefit of Bridge Fund Expenses burden that NIPPON REIT bears, we have revised the "the Rules on Transactions with Interested-Parties" this time to clarify that NIPPON REIT can directly bear the cost separately from the acquisition price, so that we can flexibly choose the cost-sharing method.
The acquisition price by NIPPON REIT that do not contain Bridge Fund Expenses is capped at the third-party appraisal value, even if NIPPON REIT includes Bridge Fund Expenses in the acquisition price or is borne by NIPPON REIT separately from the acquisition price. Even after the revision of the Rules on Transactions with Interested-Parties, the appropriateness of the terms of transactions with Interested Parties can be fully secured as in the past.
In the event that NIPPON REIT bears the cost of the bridge fund separately from the acquisition price, SRA intends to disclose the amount of the cost of the bridge fund at the time of acquisition of the NIPPON REIT in principle.

* NIPPON REIT website: https://www.nippon-reit.com/en/

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