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For Immediate Release

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Notice Concerning Acquisition of Asset (Silent Partnership Equity Interest)

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that SBI REIT Advisors Co., Ltd. ("SRA"), which is entrusted to manage the assets of NIPPON REIT, today decided on the following acquisition of an asset (preferred silent partnership equity interest) (the "Acquisition").

1. Overview of the Acquisition

(1)	Asset to be acquired:	Preferred silent partnership equity interest that has the trust beneficiary right in the property
(2)	Asset name:	Godo Kaisha Osaka Hommachi Hotel Preferred silent partnership equity interest
(3)	Real estate that are the trust properties (the "Property"):	S-PERIA INN OSAKA HOMMACHI
(4)	Equity investment amount:	119 million yen (5.0% of the total amount of equity investment in silent partnership (Note))
(4)	Agreement conclusion date:	September 27, 2024
(5)	Acquisition date:	September 27, 2024
(6)	Acquisition funds:	Funds on hand

Note1: Equity in silent partnership related to silent partnership with Godo Kaisha Osaka Hommachi Hotel ("SPC") as operator. For more information about SPC, please refer to section 3.
Note2: On September 30, 2024, SPC will acquire trust beneficiary interest (the "Trust Beneficiary Interest") mainly in the property.

NIPPON REIT Investment Corporation

2. Reason for the Acquisition

SRA decided on the Acquisition with an aim to develop a portfolio that achieves growth of asset size and secures stable revenue through investing in silent partnership in accordance with the asset management targets and policy set forth in the articles of incorporation of NIPPON REIT. The Acquisition is thought to achieve flexible and timely investments as set forth in the basic policy of NIPPON REIT and thereby contributes to the future external growth of NIPPON REIT.

NIPPON REIT, as a result of the Acquisition, will receive profits in the form of distributions from the operator of the silent partnership (Godo Kaisha Osaka Hommachi Hotel), sourced from rent and other income from the lessee of the Property. In addition, with the Acquisition, NIPPON REIT will be granted the right of first negotiation pertaining to the acquisition of the Property (for details, please refer to "First negotiation right to be granted with the Acquisition" in the section 3), but this does not mean that NIPPON REIT will be obliged to acquire the Properties.

The silent partnership investment in SPC consists of two tiers: preferred silent partnership investment and subordinated silent partnership investment. NIPPON REIT plans to participate as a preferred silent partnership investor.

NIPPON REIT will continue to put efforts to increase the asset size of the portfolio and to secure stable profits.

3. Outline of the Asset to be Acquired

(1) Overview of the Silent Partnership to Be Invested

<table>
<tr><td>Operator name</td><td>Godo Kaisha Osaka Hommachi Hotel</td></tr>
<tr><td>Effective period of silent partnership agreement</td><td>Until the end of September 2027</td></tr>
<tr><td>Total amount of equity investment in silent partnership</td><td>2,395 million yen</td></tr>
<tr><td>Overview of silent partnership agreement</td><td>The following is an overview of the silent partnership agreement.
<table><tr><td colspan="2">Godo Kaisha Osaka Hommachi Hotel (Note 1)</td></tr><tr><td rowspan="3">Trust beneficiary interests in real estate, etc.
5,105 million yen
(Note 2)</td><td>Non-recourse loan
(senior)
2,710 million yen
(Note 3)</td></tr><tr><td>Preferred silent partnership equity interest
119 million yen
(Note 4)</td></tr><tr><td>Subordinated silent partnership equity interest
2,276 million yen</td></tr></table>Calculation period:
Every six-month periods from April 1 to September 30, from October 1 to March 31 in the following year. However, the first calculation period shall be from the contract date to March 31, 2025.</td></tr>
</table>

<table>
<tr><td></td><td>Distribution of profits and losses:
In the event that the business generates profits in the respective calculation period, the operator shall distribute as follows.
i) Operator shall distribute the amount equivalent to 5% of the investment amount of the preferred silent partnership equity interest investor, times days of each calculation period, divided by 365.
ii) If the remaining amount is generated by i), the remaining amount will be distributed to the subordinated silent partnership investor.
In addition, in the event of a loss in this business during the respective accounting periods, Operator will first make a distribution to the subordinated silent partnership investor, and in the event of a loss in excess of the amount of equity invested by the subordinated silent partnership investor, the distribution will be made to the preferred silent partnership investor.
In the event of a loss in excess of the amount of equity invested by the preferred silent partnership investor, any excess will be distributed to the operator.
In addition, if all of Trust Beneficiary Interests are sold or disposed of to a third party other than NIPPON REIT, the amount obtained by multiplying the amount equivalent to 2% of the amount of equity invested by the investment amount of the preferred silent partnership investor by the actual number of days from the investment date to the end of the relevant calculation period divided by 365 is distributed to the preferred silent partnership investor.</td></tr>
<tr><td>Other</td><td>First negotiation right to be granted with the Acquisition.
<table><tr><td>Content of right</td><td>The right to be the first to be entitled to negotiate for the acquisition of the Trust Beneficiary Interest which is scheduled to be acquired by the operator on September 30, 2024 (please refer to the section 4 “Summary of the property to be acquired”) or the property.</td></tr><tr><td>Period</td><td>Until March 31, 2027 (Scheduled)</td></tr><tr><td>Price upon first negotiation</td><td>5,600million yen
(excluding consumption taxes).</td></tr></table></td></tr>
</table>

Note1: SBI Tozai Realty Advisors Co., Ltd is entrusted with the asset management business of SPC and the handling business of private placement. SBI Tozai Realty Advisors Co., Ltd corresponds to "interested parties, etc." under the Investment Trust Law.

Note2: Real estate trust beneficiary rights, etc. include origination costs and reserves. The total real estate appraisal value is 5,330 million yen.

Note3: Includes 110million yen consumption tax loan.

Note4: NIPPON REIT will invest 119 million yen into SPC, which is approximately 5.0% of the total amount of equity investment in silent partnership, and the entire amount of preferred silent partnership equity interest.

(2) Overview of the Operator of the Silent Partnership in Which Equity Investment Is to Be Made

Name	Godo Kaisha Osaka Hommachi Hotel
Location	Asuna Accounting, 1-3-7-401 Uchikanda, Chiyoda-ku, Tokyo
Line of business	1. Acquisition, holding and disposal of real estate. 2. Real estate leasing and management 3. Acquisition, holding and disposition of real estate trust beneficiary interests. 4. Acquisition, holding and disposal of marketable securities. 5. Subscription, payment, disposition, and acceptance of transfer of shares, etc. of a company whose purpose is the business listed in each of the preceding items. 6. Any other business incidental or related to any of the preceding items.
Title and name of representative	Representative member: Ippan Shadan Hojin Osaka Hommachi Hotel Person to execute duties: Mitsuhiro Nakagaki
Capital	100 thousand yen
Other equity investor in silent partnership	NIPPON REIT (preferred silent partnership equity interest) Not disclosed (subordinated silent partnership equity interest) (Note1)
Date of incorporation	August 21, 2024
Total asset	5,100 million yen (Scheduled) (Note 2)
Net asset	100 thousand yen
Relationship with NIPPON REIT or SRA	
Capital relationship	There is no capital relationship to be stated between NIPPON REIT or SRA and this company. NIPPON REIT plans to invest approximately 5% in the silent partnership.
Personnel relationship	There is no personnel relationship to be stated between NIPPON REIT or SRA and this company. In addition, there is no personnel relationship to be specially noted between associated persons and associated companies of NIPPON REIT or SRA and associated persons and associated companies of this company.
Business relationship	There is no business relationship to be stated between NIPPON REIT or SRA and this company. SBI Tozai Realty Advisors Co., Ltd, a subsidiary of SRA's parent company, is entrusted with asset management operations.
Related-party status	This company does not fall under the category of a related party of NIPPON REIT or SRA. In addition, any of associated persons and associated companies of this company does not fall under the category of a related party of NIPPON REIT or SRA.

Note 1: Not disclosed because consent has not been obtained from other equity investor in silent partnership. The subordinated silent partnership investor is one domestic operating company.

Note 2: Total asset is rounded down to the nearest million yen.

4. The Property that is Treated as a Trusted Property Under the Trust Beneficiary Interest in Real Estate

(1) S-PERIA INN OSAKA HOMMACHI

i. Summary of the property to be acquired

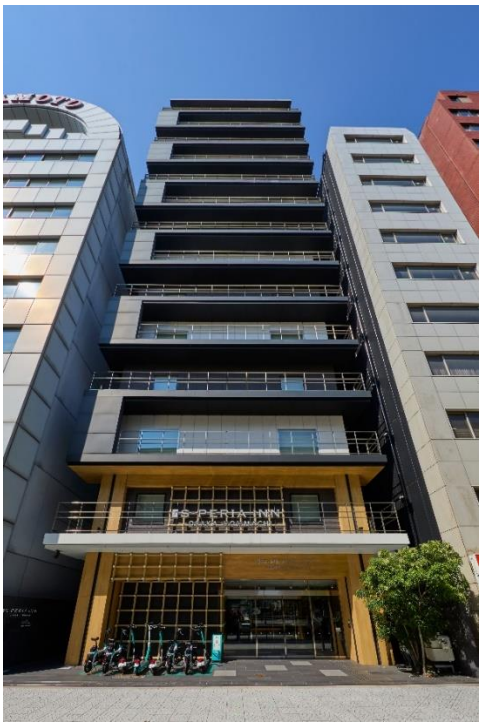
Type of specified asset		Trust beneficiary interests in real estate
Scheduled acquisition date		September 30, 2024 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (Scheduled)
Trust establishment date		September 30, 2024 (Scheduled)
Trust expiration date		September 30, 2034 (Scheduled)
Location (indication of residential address)		1-11-8, Nishihommachi, Nishi-ku, Osaka, Osaka
Land	Parcel number	1-4-4, Nishihommachi, Nishi-ku, Osaka, Osaka
	Building coverage ratio/ Floor area ratio	100% (Note 1) / 800%
	Use district	Commercial district
	Site area	371.43 m^2
	Type of ownership	Ownership
Building	Construction completion	January 2019
	Structure / floors	Steel-framed reinforced concrete with flat roof, B1/14F
	Use	Hotel
	Total floor areas	3,300.64 m^2
	Type of ownership	Ownership
Appraisal value (effective date)		5,330 million yen (August 1, 2024)
Real estate appraiser		Chuo Real Estate Appraisal Co., Ltd.
PML		4.1%
Collateral after acquisition		The trust beneficiary interest in real estate is scheduled to have a pledge established by the lender of the non-recourse loan to the operator. In addition, an agreement on establishment of a mortgage with a condition precedent is scheduled to be concluded for the property by the lender of the non-recourse loan to the operator.
Status of leasing		
	Leasable floor area	3,300.64 m^2
	Leased floor area	3,300.64 m^2
	Occupancy rate	100%
	Total number of tenants	1
	Total rent income (annual)	Not disclosed (Note 2)
	Deposits, etc.	Not disclosed (Note 2)
Special notations		N/A

Note 1: The building coverage ratio is essentially 80%, but it is increased up to100% due to relaxation for a building with fire-proof structures located within fire prevention district and commercial district.

Note 2: Not disclosed as consent for disclosure has not been obtained.

Characteristics
The property is located about two minutes' walk from the Osaka Metro Yotsubashi Line, Midosuji Line, and Chuo Line Hommachi Station, and is a hotel with excellent access to transportation in Osaka City and the wide Kansai area. In addition, building specifications and equipment specifications satisfy the level required by standard tenants, and stable cash flow can be expected in the future. Therefore, steady demand is expected in the rental and trading markets. Following the acquisition of the Trust Beneficiary Interest, SPC plans to further improve the profitability of the property through changes in operators and improving the facilities and interiors, including additional investments.

ii. Photo of real estate that is the trust property and Map

Photo	Map
	

Explanation of matters stated in table “4. The Properties that Are Treated as a Trusted Properties Under the Trust Beneficiary Interests in Real Estate”

- “Location (indication of residential address)” is the indication of residential address of the property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations) is stated.
- “Parcel number”, lot number in the registry (if several, then one of the locations) is stated.
- “Building coverage ratio” and “floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act and rounded to the nearest whole number. Depending on a specified asset, there are cases where “building coverage ratio” and “floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the Property.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / floors” of building is based on that stated in the registry.
- “Use” of building is the major type of building in the registry.
- “Total floor area” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights of the real estate held by the trustee of the property.
- “Appraisal value” is the appraisal value stated in the appraisal report by Real estate appraiser respectively stated with the respectively stated effective date of appraisal as requested as part of due diligence upon acquisition of the trust beneficiary interests in real estate by Godo Kaisha Osaka Hommachi Hotel, and rounded down to the nearest million yen.
- “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine dR Co., Ltd., and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right by each party.
- “Status of leasing” is based on the figures and information provided by the previous owner or the trust beneficiary, etc. regarding the content, etc. of the lease agreement, etc. that is valid as of the end of September 26, 2024, unless otherwise stated.
- “Leasable floor area” is the floor space regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building of each asset as of the end of September 26, 2024, for the property.
- “Leased floor area” is the sum total of the leased floor space indicated in each lease contract or each provisional lease contract for the property as of the end of September 26, 2024. Furthermore, because there are cases where leased floor area indicated in lease contracts, etc. includes the portion not included in total floor area, there are cases where total leased floor area may exceed total floor area.
- “Occupancy rate” is the ratio of the leased floor space to the leasable floor space for the property as of the end of respectively stated month and rounded to one decimal place.
- “Total number of tenants” is the sum total of the number of tenants in the lease agreement of the Property indicated in each lease agreement for the property as of the end of September 26, 2024. (Note 1)
- “Characteristics” include basic characteristics and attributes of areas where such properties,

namely, trust properties, are located, and are compiled mainly based on appraisal reports. Such reports are the evaluations at a specific point in time and opinions of external experts who prepare them, and do not guarantee the reasonableness or accuracy of the content. Changes in business environments and other factors that occur after the preparation of such reports are not reflected therein.

Note 1: Excluding warehouse, signboard, parking lot, etc. Furthermore in case tenant rents or subleases plural units, each unit is counted as one tenet.
Note 2: For the property under several lease agreements, the sum total amount thereof. In addition, common area maintenance charges are included, but warehouse, signboard, parking lot, etc. usage fees are not included, and free rent is not taken into account (excluding consumption taxes).

5. Schedule of acquisition

September 26, 2024	Decision on acquisition
September 27, 2024	Conclusion of preferred silent partnership agreement
September 27, 2024	Equity investment in preferred silent partnership

6. Future outlook

Although the impact of this Acquisition on the investment status is immaterial, please refer to the “Notice Concerning Revision of the Forecast of Management Status and the Estimated Distribution for the Fiscal Period Ending December 2024 and the Fiscal Period Ending June 2025” announced today regarding the future outlook.

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

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