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For Immediate Release

Real Estate Investment Trust Securities Issuer:
NIPPON REIT Investment Corporation
1-18-1 Shimbashi, Minato-ku, Tokyo
Yasushi Iwasa
Executive Officer
(Securities Code: 3296)
Asset Management Company:
SBI REIT Advisors Co., Ltd.
Yasushi Iwasa
President, Director & CEO
Contact: Takahiro Ishii
Deputy Senior General Manager
Finance & Planning Division
General Manager
Corporate Planning Department
(TEL: +81-3-5501-0080)

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

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 2024 (from July 1, 2024 to December 31, 2024) and for the fiscal period ending June 2025 (from January 1, 2025 to June 30, 2025) announced in the "Summary of Financial Results for the Fiscal Period Ended June 30, 2024 (REIT)" on August 15, 2024.

1. Revision of the forecast of management status and estimated distribution for fiscal period ending December 2024

	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)	9,462	5,253	4,472	4,472	8,965	－
Revised forecast (B)	9,859	5,538	4,761	4,761	9,544	－
Amount of increase (decrease) (B-A)	396	284	289	289	579	－
Rate of increase (decrease)	+4.2%	+5.4%	+6.5%	+6.5%	+6.5%	－
(Reference) Actual results of Previous Period (Period ended Jun 30, 2024)	9,865	5,499	4,774	4,773	9,570	－

(Reference)Fiscal period ending December 2024: Assumed number of investment units issued and outstanding: 449,930 units.

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2. Revision of the forecast of management status and estimated distribution for fiscal period ending June 2025

	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)	8,714	4,600	3,793	3,793	8,430	—
Revised forecast (B)	10,766	6,704	5,916	5,916	8,922	—
Amount of increase (decrease) (B-A)	2,052	2,103	2,122	2,122	492	—
Rate of increase (decrease)	+23.5%	+45.7%	+56.0%	+56.0%	+5.8%	—

(Reference)Fiscal period ending June 2025: Assumed number of investment units issued and outstanding: 449,930 units.

(Note 1) The assumptions underlying forecast of management status for fiscal period ending December 2024 and for the fiscal period ending June 2025 are based on attached the “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2024 (from July 1, 2024 to December 31, 2024) and for Fiscal Period Ending December 2025 (from January 1, 2025 to June 30, 2025) “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.

3. Reason for revision

As stated in the "Notice Concerning Transfer and Acquisition of Real Estate Trust Beneficiary Interests in Japan" announced as of the date hereof, NIPPON REIT has decided to transfer Field Avenue in the fiscal year ended December 31, 2024, and to transfer 50% of the quasi-co-ownership interest of FORECAST Shinjuku SOUTH in the fiscal year ended June 30, 2025.

NIPPON REIT revises its forecasts of operating revenues, operating income, ordinary income, net income, and distributions per unit for the years ended December 31, 2024 and for the years ended June 2025 due to changes in the assumptions for the calculation of the management status and distributions for the fiscal year ended December 2024 and for the fiscal year ended June 2025 announced on August 15, 2024 as a result of the transfer of assets.

The main factors behind this revision were a 242 million yen gain on sale of real estate in Field Avenue, a 2,377 million yen gain on sale of real estate in FORECAST Sinjuku SOUTH (50% co-ownership interest), and a 269 million yen gain on sale of real estate in a transaction described in "Notice Concerning Transfer of Assets" on August 21, 2024.

In addition, NIPPN REIT has announced "Notice Concerning Determination of Acquisition of Own Investment Units (Acquisition of Own Investment Units Based on Article 80-5 of the Act on Investment Trusts and Investment Corporations" as of today, but the number of investment units to be acquired and the disposition of the acquired investment units or the timing of cancellation have not been determined, and therefore, the number of investment units issued and outstanding at the end of the forecast period, which is the assumption for the calculation of this forecast, has not been changed.

* 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.

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[Attachment]

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2024 (from July 1, 2024 to December 31, 2024) and Fiscal Period Ending June 2025 (from January 1, 2025 to June 30, 2025)

Item	Assumption
Calculation period	· Fiscal period ending December 2024 (25th fiscal period): (from July 1, 2024 to December 31, 2024) (184 days) · Fiscal period ending June 2025 (26th fiscal period): (from January 1, 2025 to June 30, 2025) (181 days)
Assets under management	· Based on the real estate trust beneficiary interest and real estate (total of 109 properties), which were the prerequisites for the forecasts of the investment conditions for the fiscal year ending December 2024 and June 2025, it is assumed that Komatsubara Yamamoto Mansion was transferred on September 20, 2024, Belleza Kanayama will be transferred on September 27, 2024, Field Avenue will be transferred on October 31, 2024, Shinto GINZA EAST will be transferred on December 23, 2024, and FORECAST Shinjuku SOUTH (50% of quasi co-ownership interests) will be transferred on March 27, 2025 · Assumes that NIPPON REIT will acquire URAWA GARDEN BUILDING (20% of quasi co-ownership interest) and (tentative name) Shinagawa Konan PJ on March 27, 2025. · Furthermore, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	· 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 8,627 million yen in the fiscal period ending December 2024 and 8,386 million yen in the fiscal period ending June 2025, respectively. · Gains on sales of real estate properties of 1,232 million yen from Nihombashi Playa Building (50% co-ownership interest), Field Avenue and Shinto GINZA EAST will be taken into account for the fiscal period ending December 2024. · Loss on sales of real estate properties of 118 million yen from Komatsubara Yamamoto Mansion and Belleza Kanayama be taken into account for the fiscal period ending December 2024. · Gains on sales of real estate property of 2,377 million yen from FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest) will be taken into account for the fiscal period ending June 2025. · Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants.

Operating expenses	· Property-related expense other than depreciation, which is calculated on the basis of historical data, and reflecting factors causing fluctuation in expenses, is assumed to be 2,319 million yen in the fiscal period ending December 2024 and 2,101 million yen in the fiscal period ending June 2025, respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 989 million yen in the fiscal period ending December 2024 and 1,001 million yen in the fiscal period ending June 2025, respectively. · The total amounts of property taxes and city planning taxes are assumed to be 620 million yen in the fiscal period ending December 2024 and 636 million yen in the fiscal period ending June 2025, respectively. · In general, property taxes and city planning taxes upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the seller, but the amount equivalent to the reimbursement is capitalized as acquisition cost rather than recognized as expenses. Accordingly, as for 5 properties scheduled to acquire in January and March 2024 property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2024. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 14 million yen for fiscal period ending December 2024. In addition, as for 2 properties acquired in March 2025 property taxes and city planning taxes are not recognized as expenses in the fiscal period ending June 2025. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumes to be 9 million yen for fiscal period ending June 2025. · Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company based on engineering reports obtained for individual properties. However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal period might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast. · Asset management fees are assumed 635 million yen in the fiscal period ending December 2024 and 645 million yen in the fiscal period ending June 2025, respectively. Among the asset management fees, acquisition fees are not included in the above amounts because they will be included in acquisition costs.
Non-operating expenses	· Interest expense and borrowing related expenses are assumed 776 million yen in the fiscal period ending December 2024 and 787 million yen in the fiscal period ending June 2025, respectively.
Loans	· NIPPON REIT's outstanding balance of interest-bearing debt as of today is 134,120 million yen. · The assumption is that loans due by the end of the fiscal year ended June 2025 (9.55 billion yen) and investment corporation bonds (1 billion yen), part of the borrowings (1.5 billion yen) are prepaid with cash on hand during the fiscal year ended December 2024, and other loans and investment corporation bonds are subject to refinancing or issuance of investment corporation bonds. · NIPPON REIT's outstanding balance of interest-bearing liabilities is expected to be 132,620 million yen as of December 2024 and 132,620 million yen as of June 2025. · LTV is expected to be approximately 47.9% as of December 31, 2024 and 47.6% as of June 30, 2025, respectively. · The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt ÷ Total assets × 100
Investment units	· The assumption is that the number of investment units is 449,930 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. until the end of the fiscal period ending June 2025. ・In reality, there is a possibility of fluctuations arising from the issuance of new investment units, the acquisition and disposition of own investment units or cancellation by the end of the fiscal year ending June 2025. ・NIPPON REIT announced "Notice Concerning Determination of Acquisition of Own Investment Units (Acquisition of Own Investment Units Based on Article 80-5 of the Act on Investment Trusts and Investment Corporations" as of today. However, the number of investment units to be acquired and the timing of the disposition or cancellation of the investment units acquired have not been determined, and

	therefore, the acquisition and disposition of own investment units and changes due to cancellation have not been included in the assumptions.
Cash Distributions per unit	· Cash distributions per unit is calculated based on the assumption that earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT`s Articles of Incorporation. Retained earnings carried forward will be utilized for offsetting negative impact of short-term or unexpected decline in revenue and increase in expenses and securing stable distribution level per unit. · As for the fiscal period ending December 2024, it is based on the assumption that “Special provisions for taxation in case of replacement of specified assets” is applied and part of gains on sales of Nihombashi Playa Building (50% of quasi co-ownership interest), which is expected to occur during the period, will be retained internally and unappropriated retained earnings after deducting the provision of reserve for the reduction entry (466 million yen) will be distributed. The amount of provision of reserve for the reduction entry may change depends on the status of the asset management. · As for the fiscal period ending June 2025, it is based on the assumption that “Special provisions for taxation in case of replacement of specified assets” is applied and part of gains on sales of FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest), which is expected to occur during the period, will be retained internally and unappropriated retained earnings after deducting the provision of reserve for the reduction entry for property replacement (1,901 million yen) will be distributed. The amount of provision of reserve for the reduction entry for property replacement may change depends on the status of the asset management. · 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	· There are no plans at this time to distribute cash in excess of earnings
Others	· 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.