

NIPPON REIT Investment Corporation (TSE code : 3296)

Supplemental Materials on Today's Press Release

• Notice Concerning Transfer and Acquisition of Real Estate Trust Beneficiary Interests in Japan

March 28, 2025



NIPPON REIT
Investment Corporation

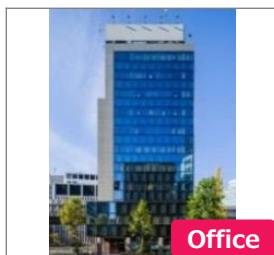
<https://www.nippon-reit.com/en>

Overview of the Properties to be Transferred / Acquired

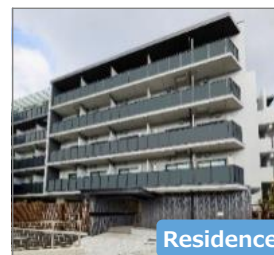
Transferred of the old and low-growth property

Acquiring newly build, high-growth, inflation offset properties

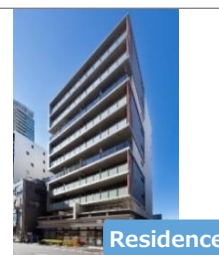
Generation of free cash flow equivalent to depreciation expenses



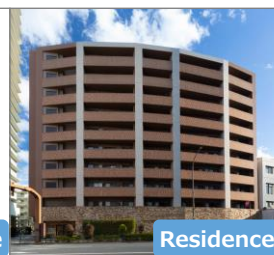
Office



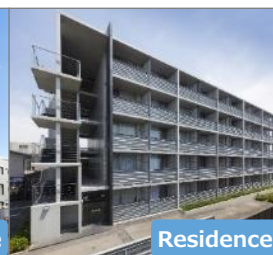
Residence



Residence



Residence



Residence

Property Name	FORECAST Shin-Tokiwabashi
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Property Characteristics	Offices that are well-located but are older and are concerned about increasing CAPEX
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Location	Chuo-ku, Tokyo
Construction Completion	Aug. 1991 (33.7 years)

Transfer Price	¥ 2,700 mm
Appraisal Value	¥ 2,420 mm
Assumed capital gains	¥ 566 mm (note3)
Appraisal NOI yield	3.5%

Occupancy Rate (Jan.2025)	100%
Total number of tenants	9



Property Name	ARBUS IBARAKI	Urbanex GINZA EAST II	Urbanex TOGOSHI-GINZA	AMBIX PRIA
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Property Characteristics	Newly build student residence located near the Ibaraki Campus of Ritsumeikan University	Newly build property in urban locations with unrealized gains	The property located in central Tokyo with unrealized gains and rent gaps	The property located in the Tokyo commuter area with a rent gap
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Location	Ibaraki, Osaka	Chuo-ku, Tokyo	Shinagawa-ku, Tokyo	Funabashi, Chiba
Construction Completion	Feb. 2024 (1.1 years)	Feb. 2019 (6.1 years)	May 2006 (18.9 years)	Feb. 2006 (19.1 years)

Acquisition Price	¥ 1,800 mm	¥ 1,750 mm	¥ 2,700 mm	¥ 805 mm
Appraisal Value	¥ 1,990 mm	¥ 2,280 mm	¥ 3,420 mm	¥ 890 mm
Unrealized gain ratio ^(note1)	10.6%	30.3%	26.7%	10.6%
Appraisal NOI yield	4.4%	4.0%	4.5%	4.6%

Occupancy Rate (Jan.2025)	100%	97.7%	97.0%	96.0%
Number of leasable units	1	35	80	50

Rent Gap ^(note2)	-	▲6.3%	▲6.2%	▲16.4%
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(note 1) Unrealized gain ratio is the ratio of unrealized gains to expected acquisition price rounded to two decimal places.
 (note 2) Rent gap is calculated for the residential portion as "Current rent per tsubo ÷ Market report assessment per tsubo rent-1." The description of ARBUS IBARAKI is omitted for the purpose of leasing one building.
 (note 3) Of the assumed capital gains, ¥549 million will be utilized to reduce the book value of Urbanex TOGOSHI-GINZA by applying the provisions of "Inclusion in Deductible Expenses of Asset Reduction Acquired through Exchange."

Improve Portfolio Competitive through Asset Replacement

25th FP Investor Presentation

Asset Replacement

- **Candidate properties for sale: ¥50bn**
※ Adjustment of replacement scale according to market environment

Transfer

- Sold **Old and low-growth properties**
⇒ Improving portfolio quality
⇒ Generate gain on sales

Acquisition

- Acquisition of **Newly build, high-growth, inflation offset properties**
⇒ **Generate free cash** equivalent to depreciation

Internal Growth

- Accelerating Rent Increase through **Elimination of Rent Gap and Inflation offset Properties**
- Use free cash to strengthen **strategic value-up investments**

Aim of this Asset Replacement

Strengthening the Portfolio

	Disposition Property	Acquisition properties
Average building age (note1)	33.7 years	▶ 11.2 years
Unrealized gain ratio (note2)	15.4 %	▶ 21.6 %
Rent Gap (note3)	5.9 %	▶ ▲8.2 %
Depreciation (note4)	¥9.5 mm/year	▶ ¥47.5 mm/year
CAPEX (note5)	¥21.9 mm/year	▶ ¥13.6 mm/year

Allocate the difference to strategic value-up investments

(note1) Figures are as of March 28, 2025.

(note2) The unrealized gain ratio of the transferred assets is calculated as "appraised value for the end of December 2024/book value for the end of December 2024 -1."

(note3) The rent gap of the transferred property is calculated at the end of December 2024 and calculated "tsubo unit rent on a contract basis (NRT assessment)/ base floor tsubo unit rent-1."

(note4) Depreciation and amortization of the transferred property is based on the results for the fiscal years ended June 2024 and December 2024. Depreciation of acquired assets is the sum of the estimated amounts for the years ended December 2025, and June 2026, which are calculated by the straight-line method, including incidental expenses, at the acquisition price.

(note5) The annual average values are based on our assessment's long-term repair plan (10 years from 2025 to 2034).

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