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For Immediate Release

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Notice Concerning Revision of the Forecast of Management Status and  
the Estimated Distribution for the Fiscal Period Ending December 2020

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 2020 (from July 1, 2020 to December 31, 2020) announced in the “Summary of Financial Results for the Fiscal Period Ended June 2020 (REIT)” on August 17, 2020.

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 2020 announced on August 17, 2020 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 2020 are now expected, due to the transfer and acquisition of the assets announced today in the “Notice Concerning Transfer and Acquisition of Assets, and Related Cancellation of Lease and Leasing of Assets”. The revision is mainly attributed to the gains on sales of real estate properties (1,317 million yen) for the fiscal period ending December 2020.

Furthermore, the forecast of the management status for fiscal period ending June 2021 (from January 1, 2021 to June 30, 2021) announced in the “Summary of Financial Results for the Fiscal Period Ended June 30, 2020 (REIT)” dated on August 17, 2020 remains unchanged for now.

2. Revision of the forecast of management status and estimated distribution for fiscal period ending December 2020

(1) Content of revision of the forecast of management status and estimated distribution for fiscal period ending December 2020

|  | Operating revenue<br>(mn yen) | Operating Income<br>(mn yen) | Ordinary Income<br>(mn yen) | Net Income<br>(mn yen) | Distribution per unit<br>(excluding distribution in excess of earnings)<br>(yen) | Distribution in excess of earnings per unit<br>(yen) |
|--|-------------------------------|------------------------------|-----------------------------|------------------------|--|--|
| Previous forecast<br>(A)               | 8,803                         | 4,718                        | 4,097                       | 4,097                  | 9,106  | —  |
| Revised forecast<br>(B)                | 10,164                        | 5,996                        | 5,351                       | 5,350                  | 11,892   | —  |
| Amount of increase (decrease)<br>(B-A) | 1,361                         | 1,277                        | 1,253                       | 1,253                  | 2,786  | —  |
| Rate of increase (decrease)            | 15.5%                         | 27.1%                        | 30.6%                       | 30.6%                  | 30.6%  | —  |

(Reference)

Fiscal period ending December 2020:

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 2020 are based on attached the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2020 (from July 1, 2020 to December 31, 2020) " 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 2020 (July 1, 2020 to December 31, 2020)

| Item                    | Assumption  |
|-------------------------|---|
| Calculation period      | <ul style="list-style-type: none"> <li>Fiscal period ending December 2020 (17th fiscal period): (from July 1, 2020 to December 31, 2020)(184 days)</li> </ul>   |
| Assets under management | <ul style="list-style-type: none"> <li>The assumption is that, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 90 properties are the "acquired assets"), Mejiro NT Building, Mitsui Woody Building and Komyoike Act will be transferred on November 17, 2019 (the "Transfer"), and UNIZO Kandasudacho 2-chome Building, REID-C Megurohudomae, The Square, L'arte Nakatsu, City hills Andoji, Hermitage Shin-sakae, Sun · Meiekiminami Building, Tenjin-higashi Residence will be acquired on October 30, 2020, Tsukiji Front, Hatchobori River Gate, DeLCCS KASAI, Serenite Shin-Osaka and Mullion Josai will be acquired on November 20, 2020 (the "Acquisition"). After those transactions, 100 properties in total will be held by NIPPON REIT and there would be no change (no acquisition of new property, no disposition of portfolio property, etc.) expected until the end of the fiscal period ending December 2020. In actual practice, however, the forecast is subject to change due to changes in the investment portfolio.</li> </ul>   |
| Operating revenues      | <ul style="list-style-type: none"> <li>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 8,843 million yen in the fiscal period ending December 2020.</li> <li>Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants.</li> <li>Gains on sales of real estate properties of 1,317 million yen from Mejiro NT Building, Mitsui Woody Building and Komyoike Act will be taken into account for the fiscal period ending December 2020.</li> <li>Dividend income is assumed 3 million yen in the fiscal period ending December 2020.</li> </ul>   |
| Operating expenses      | <ul style="list-style-type: none"> <li>Property-related expenses other than depreciation, which are calculated on the basis of historical data and data provided by ex-owners, and reflecting factors causing fluctuation in expenses, are assumed to be 2,275 million yen in the fiscal period ending December 2020.</li> <li>Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 1,016 million yen in the fiscal period ending December 2020.</li> <li>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 13 properties to be acquired on October and November 2020, property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2020. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 7,297 thousand yen.</li> <li>Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company (Sojitz REIT Advisors K.K). However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal year might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast.</li> <li>Asset management fees are assumed 637 million yen in the fiscal period ending December 2020. Furthermore, among the asset management fees, acquisition fee is included in the acquisition cost and disposition fee is deducted from gains of sales of real estate properties, and thus those fees are not recognized as expenses.</li> </ul> |
| Non-operating expenses  | <ul style="list-style-type: none"> <li>Interest expense and borrowing related expenses are assumed 648 million yen in the fiscal period ending December 2020.</li> </ul>  |

|   |   |
|---|---|
| Loans   | <ul style="list-style-type: none"> <li>· NIPPON REIT's outstanding balance of interest-bearing debt as of today is 126,870 million yen.</li> <li>· An amount of 8,450 million yen on October 30, 2020 is scheduled to be borrowed (the "Borrowing") for use as a part of funds of the Acquisition.</li> <li>· Out of the Borrowing, an amount of 2,700 million yen is scheduled to be repaid after completion of the Transfer of Assets.</li> <li>· LTV is expected to be approximately 47.9% as of December 31, 2020.</li> <li>· The following formula is used in the calculation of LTV.<br/>LTV = Total interest-bearing debt ÷ Total assets × 100</li> </ul>  |
| Investment units                                  | <ul style="list-style-type: none"> <li>· 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 December 2020.</li> </ul>   |
| Cash Distributions per unit                       | <ul style="list-style-type: none"> <li>· 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.</li> <li>· 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,</li> <li>· 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.</li> </ul> |
| Cash Distributions in excess of earnings per unit | <ul style="list-style-type: none"> <li>· There are no plans at this time to distribute cash in excess of earnings.</li> <li>· 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.</li> </ul>   |
| Others  | <ul style="list-style-type: none"> <li>· 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.</li> <li>· The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.</li> </ul>  |