

June 8, 2018

For Immediate Release

Real Estate Investment Trust Securities Issuer:
 NIPPON REIT Investment Corporation
 1-18-1, Shimbashi, Minato-ku, Tokyo
 Toshio Sugita
 Executive Officer
 (Securities Code: 3296)

Asset Management Company:
 Sojitz REIT Advisors K.K.
 Toshio Sugita
 President & CEO
 Contact: Takahiro Ishii
 General Manager
 Corporate Planning Department
 Finance & Planning Division
 (TEL: +81-3-5501-0080)

Notice Concerning Revision of
Forecast of Management Status for Fiscal Period Ending December 2018 and
Forecast of Management Status for Fiscal Period Ending June 2019

NIPPON REIT Investment Corporation (“NIPPON REIT”) announces the following revision of the forecast of management status of NIPPON REIT for the fiscal period ending December 31, 2018 (from July 1, 2018 to December 31, 2018) announced in “Summary of Financial Results for the Fiscal Period Ended December 31, 2017 (REIT)” on February 16, 2018 (hereinafter, the “Previous Forecast for the Fiscal Period Ending December 2018”), as well as the forecast of the management status of NIPPON REIT for the fiscal period ending June 30, 2019 (from January 1, 2019 to June 30, 2019).

1. Revision of the forecast of management status for the fiscal period ending December 2018

	Operating Revenues (Yen in millions)	Operating Income (Yen in millions)	Ordinary Income (Yen in millions)	Net Income (Yen in millions)	Cash distributions per unit (Yen) (excluding distributions in excess of earnings per unit)	Cash distributions in excess of earnings per unit (Yen)
Previous forecast (A)	7,183	3,780	3,217	3,216	8,211	—
Revised forecast (B)	8,371	4,562	3,736	3,735	8,303	—
Change (B-A)	1,188	781	519	519	92	—
Change rate	16.5%	20.7%	16.1%	16.1%	1.1%	—

(Reference)

Previous Forecast for the Fiscal Period Ending December 2018:

Forecast number of investment units issued and outstanding at end of period: 391,760 units

Forecast net income per unit: 8,211 yen

(Forecast net income ÷ Forecast number of investment units issued and outstanding at end of period)

Revised Forecast for the Fiscal Period Ending December 2018

Disclaimer: This press release is a document for making a public announcement concerning forecast of the management status for the fiscal period ending December 2018 and fiscal period ending June 2019 of NIPPON REIT, and has not been prepared for the purpose of solicitation for investment. Investors should ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto (if any), prepared by NIPPON REIT before they invest. Investors who make any investment do so at their own risk and discretion.

Forecast number of investment units issued and outstanding at end of period: 449,930 units
 Forecast net income per unit: 8,303 yen
 (Forecast net income ÷ Forecast number of investment units issued and outstanding at end of period)

2. Forecast of management status for the fiscal period ending June 2019

	Operating Revenues (Yen in millions)	Operating Income (Yen in millions)	Ordinary Income (Yen in millions)	Net Income (Yen in millions)	Cash distributions per unit (Yen) (excluding cash distributions in excess of earnings per unit)	Cash distributions in excess of earnings per unit (Yen)
Fiscal period ending June 2019	8,407	4,451	3,819	3,819	8,488	-

(Reference)

Fiscal period ending June 2019

Forecast number of investment units issued and outstanding at end of period: 449,930 units
 Forecast net income per unit: 8,488 yen

3. Reason of Revision and Announcement

A meeting of the board of officers of NIPPON REIT held today passed a resolution deciding the issuance of new investment units and secondary distribution of investment units with an aim to raise funds to be allocated to an acquisition of specified assets, etc. After such resolution, the assumption of the forecast was revised as the operating revenues are expected to change by more than 10% since the Previous Forecast for the Fiscal Period Ending December 2018. This press release is published to announce the revised forecast of management status for the fiscal period ending June 2019, as well as the new forecast of management status for the fiscal period ending June 2018 calculated based on the changed assumptions. The forecast of management status for the fiscal period ending June 2018 (from January 1, 2018 to June 30, 2018) announced on February 16, 2018 is not being revised at this point in time.

(Note 1) The forecast of management status for the fiscal period ending December 2018 and fiscal period ending June 2019 is calculated based on the assumptions stated in the attached "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2018 and Fiscal Period Ending June 2019." Accordingly, discrepancies with the assumptions may arise due to fluctuation in rent income accompanying future additional acquisition or sale of real estate, etc., change in tenants and other events, incurrence of unexpected repairs and other change in the management environment, fluctuation in interest rates, the actually determined number of new investment units to be issued and issue price, or future additional issuance of new investment units and other events, and the actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit may vary as a result. The forecast is not a guarantee of the amount of distributions.

(Note 2) NIPPON REIT may revise the forecast in the event that it expects discrepancies above a certain level from the forecast above.

(Note 3) Amounts are rounded down to the nearest specified unit, and ratios are rounded to one decimal place.

*This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

*NIPPON REIT Investment Corporation 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.

Disclaimer: This press release is a document for making a public announcement concerning forecast of the management status for the fiscal period ending December 2018 and fiscal period ending June 2019 of NIPPON REIT, and has not been prepared for the purpose of solicitation for investment. Investors should ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto (if any), prepared by NIPPON REIT before they invest. Investors who make any investment do so at their own risk and discretion.

[Attachment]

Assumptions Underlying Forecast of Management Status for
 Fiscal Period Ending December 2018 and Fiscal Period Ending June 2019

Item	Assumption
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending December 2018 (13th fiscal period): (from July 1, 2018 to December 31, 2018) (184 days) ➤ Fiscal period ending June 2019 (14th fiscal period): (from January 1, 2019 to June 30, 2019) (181 days)
Assets under management	<ul style="list-style-type: none"> ➤ The assumption is that, in addition to the trust beneficiary interests in real estate held by NIPPON REIT as of today (total of 66 properties) (the "Acquired Assets"), the real estate and trust beneficiary interests in real estate scheduled to be newly acquired (total of 21 properties) (the "To-be-Acquired Assets") will be acquired on the respective scheduled dates without delay, and there will be no change (acquisition of new property, disposition of portfolio property, etc.), other than the acquisition of the To-be-Acquired Assets, through to the end of the fiscal period ending June 2019. For details of the acquisition of the To-be-Acquired Assets, please refer to the "Notice Concerning Acquisition and Leasing of Assets" dated today. ➤ In actual practice, there may be changes due to the acquisition of new property other than the To-be-Acquired Assets, or disposition of portfolio property, etc.
Operating revenues	<ul style="list-style-type: none"> ➤ It is based on operating revenue of the Acquired Assets and To-be-Acquired Assets. Revenues from property leasing are estimated based on historical data in the case of the Acquired Assets and on the basis of information provided by the current owner or current trust beneficiary of the respective property in the case of To-be-Acquired Assets taking into account such factors as market trends and property competitiveness. The total amount of revenues from property leasing is assumed to be 8,371 million yen in the fiscal period ending December 2018 and 8,407 million yen in the fiscal period ending June 2019 respectively. ➤ It is assumed there will be no dividend income in the fiscal period ending December 2018 or the fiscal period ending June 2019. ➤ Operating revenues are based on the assumption that there will be no delinquent or unpaid rent by tenants.
Operating expenses	<ul style="list-style-type: none"> ➤ Property-related expenses other than depreciation, which are calculated on the basis of historical data in the case of the Acquired Assets and on the basis of information provided by the current owner or current trust beneficiary of the respective property in the case of the To-be-Acquired Assets and reflecting factors causing fluctuation in expenses, are assumed to be 2,099 million yen in the fiscal period ending December 2018 and 2,166 million yen in the fiscal period ending June 2019 respectively. The main reasons for the difference in such expenses for the fiscal period ending December 2018 and the fiscal period ending June 2019 are property tax and city planning tax. ➤ Depreciation, which is calculated using the straight-line method on the (anticipated) acquisition price including incidental expenses, etc., is assumed to be 908 million yen in the fiscal period ending December 2018 and 960 million yen in the fiscal period ending June 2019. ➤ In general, property tax and city planning tax upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time

Disclaimer: This press release is a document for making a public announcement concerning forecast of the management status for the fiscal period ending December 2018 and fiscal period ending June 2019 of NIPPON REIT, and has not been prepared for the purpose of solicitation for investment. Investors should ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto (if any), prepared by NIPPON REIT before they invest. Investors who make any investment do so at their own risk and discretion.

	<p>of acquisition with the current owner, but the amount equivalent to the reimbursement is included in the cost of acquisition and thus not recognized as expenses. Accordingly, in the case of the To-be-Acquired Assets, fiscal 2018 property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2018. Furthermore, the total amount of property taxes and city planning taxes included in the cost of acquisition of the To-be-Acquired Assets is assumed to be 74 million yen in the fiscal period ending December 2018.</p> <ul style="list-style-type: none"> ➤ Repair expenses are recognized in the amount assumed to be necessary based on the repair plan formulated by the asset management company (Sojitz REIT Advisors K.K.) using as reference the engineering report obtained for each property. However, as repairs may be carried out due to unforeseeable causes, repair expenses tend to vary significantly from fiscal period to fiscal period and the repairs are not carried out, at fixed intervals, repair expenses may materially differ from the forecast amount. ➤ Asset management fees are assumed to be 559 million yen in the fiscal period ending December 2018 and 627 million yen in the fiscal period ending June 2019 respectively. Furthermore, of the asset management fee, the acquisition fee is included in the cost of acquisition and thus not recognized as expenses. Therefore, the above amount does not include the acquisition fee which is included in the cost of acquisition.
Non-operating revenue	<ul style="list-style-type: none"> ➤ It is assumed there will be no non-operating revenue in the fiscal period ending December 2018 or the fiscal period ending June 2019.
Non-operating expenses	<ul style="list-style-type: none"> ➤ The total amount payable in expenses associated with the issuance of new investment units, which were decided at a meeting of the board of officers of NIPPON REIT held today, is expected to be 132 million yen and assumed to be recognized as expenses in a lump sum in the fiscal period ending December 2018. ➤ Interest expense and borrowing related expense are assumed to be 693 million yen in the fiscal period ending December 2018 and 631 million yen in the fiscal period ending June 2019.
Loans	<ul style="list-style-type: none"> ➤ NIPPON REIT's outstanding balance of interest-bearing debt as of today is 106,170 million yen. ➤ In addition, an amount of 20,000 million yen in July 2018 is scheduled to be borrowed from qualified institutional investors as provided in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act (provided, however, that this shall be limited to those falling under the category of institutional investors as specified in Article 67-15 of the Act on Special Measures Concerning Taxation). ➤ The assumption is that all loans which will come due before the end of the fiscal period ending June 2019 (24,370 million yen) will be refinanced or investment corporation bonds will be issued and the balance of interest-bearing debt will not change. ➤ LTV as at the end of the period is expected to be approximately 46.8% and 46.9% respectively in the fiscal periods ending December 2018 and June 2019. ➤ The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt ÷ Total assets × 100 ➤ LTV may vary depending on the issue amount of the new investment units to be issued in connection with the offerings.

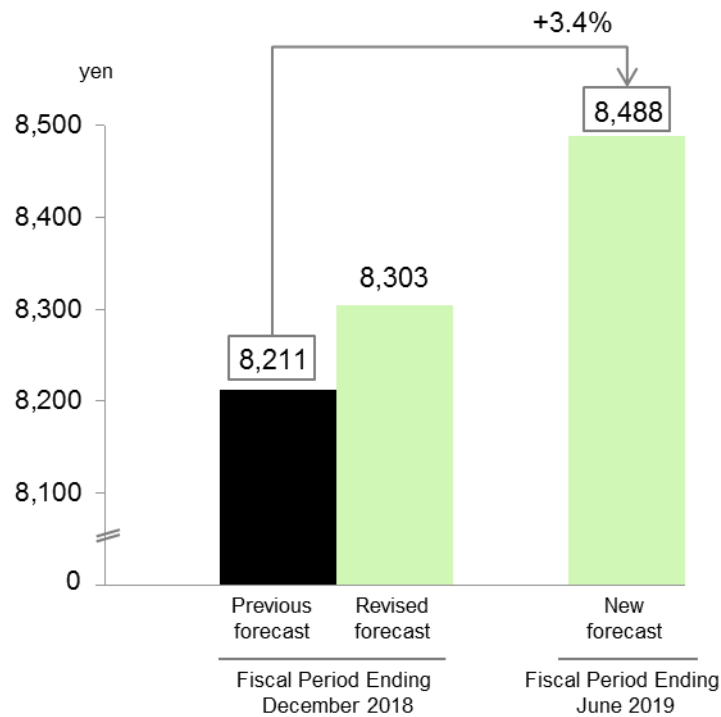
Disclaimer: This press release is a document for making a public announcement concerning forecast of the management status for the fiscal period ending December 2018 and fiscal period ending June 2019 of NIPPON REIT, and has not been prepared for the purpose of solicitation for investment. Investors should ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto (if any), prepared by NIPPON REIT before they invest. Investors who make any investment do so at their own risk and discretion.

Investment units	<ul style="list-style-type: none"> ➤ The assumption is that the number of investment units amounts to 449,930 units which are to consist of the number of investment units scheduled to be newly issued in the issuance of new investment units through the domestic public offering and the international offering (55,400 units) and issuance of new investment units by way of third-party allotment (maximum of 2,770 units), which were decided at a meeting of the board of officers of NIPPON REIT held today, in addition to 391,760 units outstanding as of today. ➤ The assumption is that there will be no change in the number of investment units due to issuance of new investment units, etc. other than the above through to the end of the fiscal period ending June 2019.
Cash distributions per unit	<ul style="list-style-type: none"> ➤ 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. ➤ 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, the actually determined number of new investment units to be issued and issue price, or future additional issuance of new investment units and other events.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> ➤ There are no plans at this time to distribute cash in excess of earnings. ➤ Furthermore, in case the deferred gains or losses on hedges become negative, taking into consideration 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, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.
Other	<ul style="list-style-type: none"> ➤ The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of the 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.

Disclaimer: This press release is a document for making a public announcement concerning forecast of the management status for the fiscal period ending December 2018 and fiscal period ending June 2019 of NIPPON REIT, and has not been prepared for the purpose of solicitation for investment. Investors should ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto (if any), prepared by NIPPON REIT before they invest. Investors who make any investment do so at their own risk and discretion.

【Reference】

<Comparison of previous forecast DPU and new forecast DPU>



The previous forecast above indicates such period's estimated amount of DPU announced in our Summary of Financial Results (announced on February 16, 2018). The revised and new forecasts are figures calculated based on the assumptions indicated in the attachment "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2018 and Fiscal Period Ending June 2019".

Disclaimer: This press release is a document for making a public announcement concerning forecast of the management status for the fiscal period ending December 2018 and fiscal period ending June 2019 of NIPPON REIT, and has not been prepared for the purpose of solicitation for investment. Investors should ensure that they read the prospectus for the issuance of new investment units and secondary offering of investment units, as well as any amendments thereto (if any), prepared by NIPPON REIT before they invest. Investors who make any investment do so at their own risk and discretion.