

September 28, 2018

For Immediate Release

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Notice Concerning Partial Revisions to Internal Rules
(the Management Guidelines of Asset Manager)

NIPPON REIT Investment Corporation (“NIPPON REIT”) hereby announces that Sojitz REIT Advisors K.K. (“SRA”), which is entrusted to manage the assets of NIPPON REIT, decided to revise partially internal rules (the Management Guidelines of Asset Manager “Management Guidelines”) at its Board of Directors meeting held today.
Details are as follows.

1. Backgrounds of Revisions

NIPPON REIT focuses on both demand and supply balance and diversification (for strong risk tolerance through property and tenant diversification), while pursuing stableness and robustness, also realizes the "future value" of the portfolio that has been built using the strengths of SRA's asset management structure that takes advantage of our portfolio with "unique viewpoint" and "solid attitude". NIPPON REIT maintains itself for improvement of its value and competitiveness of the portfolio in a medium- to long-term perspective so as to maximize the unitholders' value.

SRA decided to include office properties located in the central 6 wards of Tokyo which are exceptionally qualified without meeting the investment target type in terms of “medium-sized (or larger)”, seeking to increase investment for opportunities to put emphasis on properties in central 6 wards of Tokyo where companies currently and also in the future locate in a high degree so as to increase profits of NIPPON REIT and sustain the growth potential.

Additionally, SRA decided to select two types of the retail properties composed of urban retail properties and retail properties of community life in close contact that comply with NIPPON REIT's investment strategies which seek to maintain the portfolio that has high risk-tolerance through tenant diversification, excluding the type of GMS-anchored retail properties from Management Guidelines in light of NIPPON REIT's investment strategies and the management concept deliberating current slackening growth of GMS's business model surrounded by rapidly growing e-commerce.

To revise the above, SRA has revised Management Guidelines partially on September 28, 2018.

2. Major Revisions of Management Guidelines

- ① The definition of residential properties was changed, and dormitories, company-rented-houses and service apartments which an operator rents all of or a significant portion of were included in investment target of residential properties.

As for a service apartment, even if converted to normal residential property, it is limited to the one those that could have relatively stable rental demand and stabilized rent level.

- ② Regarding an investment target type of office properties, previously it was limited to be the medium-sized (or larger) office properties with a total floor area of 1,000 m² or more and an exclusively-owned area at the standard floor area of 150 m² or more for the second floor and above.

In this revision, office properties located in the central 6 wards of Tokyo are exceptionally qualified without meeting the above investment target type in terms of “medium-sized (or larger)”.

- ③ Regarding retail properties, three investment target types of the retail properties (Urban retail properties, Daily necessities retail properties, GMS-anchored retail properties) were reviewed, and the type of GMS-anchored retail properties was excluded in this revision. The scope of Daily necessities retail properties, in addition was deliberately expanded considering current consumer behavior trends, and Retail properties in community life in close contact, such as malls composed of facilities in which customers not only consume tangible goods but also spend a fine time, is newly defined. Typical examples of those facilities are food courts, cinema-halls, electronics retail stores and amusement facilities.

Furthermore the definition of Urban retail properties was also reviewed to include facilities, which potentially have high ability to attract customers and opening needs of various tenants.

※ For NIPPON REIT’s investment strategies after revision of Management Guidelines, please refer to Attachment “An extraordinary report to the Kanto Local Finance Bureau as of September 28, 2018”.

3. Date of Revisions

September 28, 2018

4. Other

NIPPON REIT submitted an extraordinary report to the Kanto Local Finance Bureau as of September 28, 2018

5. Further Outlook

The revision to Management Guidelines will have no impact on the operating forecasts of NIPPON REIT for fiscal period ending December 2018 (from July 1, 2018 to December 31, 2018) and fiscal period ending June 2019 (from January 1, 2019 to June 30, 2019).

Attachment

• An extraordinary report to the Kanto Local Finance Bureau as of September 28, 2018 (omitted in English translation)

* NIPPON REIT Investment Corporation website: <http://www.nippon-reit.com/en>

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