

February 18, 2019

For Immediate Release

Real Estate Investment Trust Securities Issuer:
NIPPON REIT Investment Corporation
18-1 Shimbashi 1-chome, 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 the Forecast of Management Status and
the Estimated Distribution for the Fiscal Period Ending June 2019

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 June 2019 (from January 1, 2019 to June 30, 2019) announced in the “Summary of Financial Results for the Fiscal Period Ended June 2018 (REIT)” on August 16, 2018.

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 June 2019 announced on August 16, 2018 because changes of assumptions underlying the forecast and discrepancies of 5% or more in the estimated Distribution per unit for the fiscal period ending June 2019 are now expected, due to the acquisition of the assets announced on January 31, 2019 in the “Notice Concerning Completion of Acquisition of Asset” and 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 (492 million yen) for the fiscal period ending June 2019.

2. Revision of the forecast of management status and estimated distribution for fiscal period ending June 2019

(1) Content of revision of the forecast of management status and estimated distribution for fiscal period ending June 2019

	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)	8,434	4,481	3,850	3,850	8,556	—
Revised forecast (B)	8,983	4,903	4,268	4,268	9,486	—
Amount of increase (decrease) (B-A)	548	422	418	418	930	—
Rate of increase (decrease)	6.5%	9.4%	10.9%	10.9%	10.9%	—

(Reference)

Fiscal period ending June 2019:

Assumed number of investment units issued and outstanding : 449,930 units

(Note 1) The assumptions underlying forecast of management status for fiscal period ending June 2019 are based on attached the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2019 (from January 1, 2019 to June 30, 2019) " 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 June 2019 (January 1, 2019 to June 30, 2019)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> 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, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 88 properties are the "acquired assets"), my atria Meieki will be transferred on February 26, 2019, FORECAST lidabashi will be transferred on February 27, 2019, Kameido i-Mark Building and TENSHO OCHANOMIZU BUILDING will be acquired on February 27, 2019, Imazaki Mansion N1 and LAPUTA KUJO will be acquired on February 28, 2019. After those transactions, 90 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 June 2019. In actual practice, however, the forecast is subject to change due to changes in the investment portfolio.
Operating revenues	<ul style="list-style-type: none"> 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 8,490 million yen in the fiscal period ending June 2019. Gains on sales of real estate properties of 492 million yen from FORECAST lidabashi and my atria Meieki will be taken into account for the fiscal period ending June 2019. Rental revenues are based on the assumption of 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 and data provided by ex-owner, and reflecting factors causing fluctuation in expenses, are assumed to be 2,265 million yen in the fiscal period ending June 2019. Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 951 million yen in the fiscal period ending June 2019. 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 to one property acquired in January 2019 and four properties to be acquired in February 2019, property taxes and city planning taxes are not recognized as expenses in the fiscal period ending June 2019. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 10 million yen in the fiscal period ending June 2019 and 15 million yen in the fiscal period ending December 2019. 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. Asset management fees are assumed 620 million yen in the fiscal period ending June 2019. 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.
Non-operating revenues	<ul style="list-style-type: none"> They are assumed neither in the fiscal period ending June 2019.
Non-operating expenses	<ul style="list-style-type: none"> Interest expense and borrowing related expenses are assumed 634 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 126,170

	<p>million yen.</p> <ul style="list-style-type: none"> · An amount of 700 million yen on February 28, 2019 is scheduled to be borrowed for use as a part of funds of acquisition of LAPUTA KUJO and Imazaki Mansion N1. The assumption is that all loans which will come due before the end of the fiscal period ending June 2019 (10,970 million yen) will be refinanced, there will be no change in the outstanding balance of interest-bearing debt. · LTV is expected to be approximately 47.0% as of June 30, 2019. · The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt ÷ Total assets x 100
Investment units	<ul style="list-style-type: none"> · 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 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 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 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.
Others	<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 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.