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For Immediate Release

Real Estate Investment Trust Securities  
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Notice Concerning Completion of Acquisition of  
 Real Estate Trust Beneficiary Interest in Japan

NIPPON REIT Investment Corporation (“NIPPON REIT”) announces that today, it has completed the acquisition of the following assets, as announced in the press release titled “Notice Concerning Transfer and Acquisition of Real Estate Trust Beneficiary Interests in Japan” dated December 21, 2023.

1. Overview of the Property Acquired

Property Number (Note 1)	Real Estate in Trust (Property Name)	Location	Acquisition Price (million yen) (Note 2)	Seller
A-76	30 Sankyo Building	Shinjuku-ku, Tokyo	1,840	Godo Kaisha NRT Growth 18
B-51	St. Lake Celeb Daikancho	Nagoya, Aichi	962	
B-52	Belle Face Kawaharadori	Nagoya, Aichi	860	
			3,662	-

Note 1: “Property Number.” is the number of each property in accordance with each asset type designated by NIPPON REIT. “A” represents office and “B” represents residential.

Note 2: “Acquisition Price” is the price of trust beneficiary interests in real estate on purchase and sales agreements of trust beneficiary rights in real estate. Furthermore, the acquisition price excludes consumption taxes, local consumption taxes and various expenses required for the acquisition and is rounded down to the nearest million yen.

2. Outline of Appraisal Reports

Since the sales contract for acquisition of the Property falls under forward commitment (Note1), SBI REIT Advisors Co.,Ltd(“SRA”), which is asset management company of NIPPON REIT, acquired new appraisal reports of the Properties with prices as of December 31, 2023, in accordance with “The rule concerning Forward Commitment(Note2)” stipulated by SRA, before acquiring the Properties. Outline of the appraisal reports are as follows.

Note 1: Forward commitment means a sales contract that is scheduled to be settled or delivered after one month or more has passed since the conclusion of the contract, and other similar contracts. “

Note 2: Under the rule, SRA stipulates that SRA acquires a new property report of the Property that concluded forward commitment every fiscal year and discloses the results.

### Summary of the Appraisal Report

Property name	30 Sankyo Building
Appraisal value	1,850 million yen
Appraiser	Japan Real Estate Institute
Date of value	December 31, 2023

(Thousand yen)

	Details	Outline
Indicated value by income approach	1,850,000	The capitalized value by the direct capitalization method and the capitalized value by DCF method are both judged to have the same normative value, and the capitalized value by the capitalized capitalization method is estimated as shown on the left by linking both prices.
Direct capitalization method	1,870,000	
Gross operating revenue	96,006	
Potential gross income	101,027	Record based on the assessed unit price of rent, common area charges which can be received over a mid-and long-term.
Total of vacancy losses, etc.	5,021	Based on supply and demand trends, past occupancy conditions related to the subject property, and future trends, we assess the mid-and long-term stable occupancy levels and record losses such as vacancies.
Operating expenses	26,145	
Building management fees	5,260	Assessed based on the actual performance with reference to the level of similar properties.
Utilities	9,000	Recorded based on past year's results and taking into account the occupancy rate of the rental room.
Repairs and maintenance costs	1,230	Recorded with reference to prior years' results, taking into account future management and operation plans, the level of costs for similar properties and the annual averages of repair and renewal costs in ER.
Property management fees	1,800	Assessed based on the actual performance with reference to the level of similar properties.
Leasing cost	589	The average annual amount assessed based on the expected replacement period of the lessee is recorded for expenses related to brokerage operations, advertising, etc.
Taxes	8,174	Land: The amount of tax is posted considering data related to taxes and public charges and measures to adjust the burden. Building: Recorded based on data related to taxes and public dues.
Insurance	92	Recorded in consideration of premiums paid for schedules insurance money, and insurance rates of similar properties, etc.
Others	0	N/A
Net operating income	69,861	
Non-operating income	558	After assessing medium-to long-term stable capital months, the investment yield considered appropriate is assessed at 1.0%, taking into account the level of interest rates for both investment and funding.
Capital expenditure	2,930	Recorded taking into account the level of capital expenditures in real estate, the age of buildings, and the average annual amount of repair and renewal costs for ER
Net income	67,489	
Capitalization rate	3.6%	Assessed by adding the volatility risk of revenue and the principal to the discount rate.
Discount cash flow method	1,830,000	
Discount rate	3.4%	Comprehensive consideration of individuality, etc., with reference to investment yields in transactions of the

		subject property. Furthermore, the forecast of net income not specified in the direct capitalization method and the forecast of changes in the sales price are assessed considering the fact that they are factored into cash flow.
Terminal rate	3.7%	Assessed in consideration of future trends of investment yields, risks in the target property as an investment target and general forecasts for economic growth and trends in property prices and rents, etc. comprehensively, by reference to investment yields of similar properties.
Indicated value based on cost approach	1,550,000	
Proportion of land	91.5%	
Proportion of building	8.5%	

Other matters to which the appraiser paid attention in appraisal	Considering the analysis of regional and other individual factors, the characteristics of the value by cost approach and its compatibility with the value by income approach and based on the relative liability of the materials used in each method, the value that best describes the actual market situation is determined to be the indicated value by income approach.
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Property name	St. Lake Celeb Daikancho
Appraisal value	1,020 million yen
Appraiser	JLL Morii Valuation & Advisory K.K.
Date of value	December 31, 2023

(Thousand yen)

	Details	Outline
Indicated value by income approach	1,020,000	Calculated the value by associating values based on the direct capitalization method and the DCF method.
Direct capitalization method	1,050,000	
Gross operating revenue	56,821	Assessed stable rent and other areas over the medium- and long-term based on the current terms and conditions.
Potential gross income	59,323	Assessed by taking into account the standard vacancy rate and the individuality of the property.
Total of vacancy losses, etc.	2,502	
Operating expenses	12,459	
Building management fees	2,582	Assessed based on the actual performance with reference to the level of similar properties that are considered appropriate. (388yen per month/ tsubo)
Utilities	1,132	Assessed based on the actual performance with reference to the level of similar properties.
Repairs and maintenance costs	1,024	Recorded 30% of the levelled amount based on our judgment that the estimated ER is reasonable.
Property management fees	1,136	Assessed based on the actual performance with reference to the level of similar properties.
Leasing cost	2,041	2 months' worth of new monthly rent
Restoration cost	1,284	Assessed by taking into consideration the actual and move-out rate with reference to the level of similar properties.
Taxes	3,000	Land: Considered the change rate with the actual performance as the standard. Building: Assessed by considering age depreciation.
Insurance	104	Assessed based on the actual performance with reference to the level of similar properties. (equivalent to 0.02% of the replacement price).
Others	156	Assessed by security-related costs based on past performance
Net operating income	44,362	
Non-operating income	41	Assessed by multiplying the amount obtained by deducting guarantee deposits for vacant rooms from room guarantee deposits for the time of full occupancy by a 1.0% yield.
Capital expenditure	2,389	70% of the amount determined to be reasonable and standardized by ER estimate.

Net income	42,012	
Capitalization rate	4.0%	Assessed by adding the volatility risk of revenue and the principal to the discount rate.
Discount cash flow method	1,000,000	
Discount rate	3.8%	Assessed by comprehensively considering investor research, examples of REITs, and trading market trends and other aspects in consideration of risk factors related to the regional characteristics and individuality of the property, in addition to the standard basic yield in a region where the risk is deemed to be the lowest, considering interest rate trends for long-term JGBs and other instruments.
Terminal rate	4.2%	Assessed by considering uncertainties in the forecast for future changes in net revenue and future degradation and sales risks of the building, in addition to the cap rate
Indicated value based on cost approach	944,000	
Proportion of land	80.6%	
Proportion of building	19.4%	

Other matters to which the appraiser paid attention in appraisal	Considering the analysis of regional and other individual factors, the characteristics of the value by cost approach and its compatibility with the value by income approach and based on the relative liability of the materials used in each method, the value that best describes the actual market situation is determined to be the indicated value by income approach.
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Property name	Belle Face Kawaharadori
Appraisal value	895 million yen
Appraiser	JLL Morii Valuation & Advisory K.K.
Date of value	December 31, 2023

(Thousand yen)

	Details	Outline
Indicated value by income approach	895,000	Calculated the value by associating values based on the direct capitalization method and the DCF method.
Direct capitalization method	911,000	
Gross operating revenue	54,799	Assessed stable rent and other areas over the medium- and long-term based on the current terms and conditions.
Potential gross income	58,003	Assessed by taking into account the standard vacancy rate and the individuality of the property.
Total of vacancy losses, etc.	3,204	
Operating expenses	13,283	
Building management fees	1,980	Assessed based on the actual performance with reference to the level of similar properties that are considered appropriate. (291yen per month/ tsubo)
Utilities	748	Assessed based on the actual performance with reference to the level of similar properties.
Repairs and maintenance costs	1,025	Recorded 30% of the levelled amount based on our judgment that the estimated ER is reasonable.
Property management fees	1,086	Assessed based on the actual performance with reference to the level of similar properties.
Leasing cost	2,004	2 months' worth of new monthly rent
Restoration cost	1,540	Assessed by taking into consideration the actual and move-out rate with reference to the level of similar properties.
Taxes	3,105	Land: considering the change rate with the actual performance as the standard. Building: Assessed by considering age depreciation.
Insurance	106	Assessed based on the actual performance with reference to the level of similar properties. (equivalent to 0.02% of the replacement price).
Others	1,689	Assessed based on renewal fee, CATV and internet- related costs.
Net operating	41,516	

income			
Non-operating income		40	Assessed by multiplying the amount obtained by deducting guarantee deposits for vacant rooms from room guarantee deposits for the time of full occupancy by a 1.0% yield.
Capital expenditure		2,391	70% of the amount determined to be reasonable and standardized by ER estimate.
Net income		39,165	
Capitalization rate		4.3%	Assessed by adding the volatility risk of revenue and the principal to the discount rate.
Discount cash flow method		879,000	
Discount rate		4.1%	Assessed by comprehensively considering investor research, examples of REITs, and trading market trends and other aspects in consideration of risk factors related to the regional characteristics and individuality of the property, in addition to the standard basic yield in a region where the risk is deemed to be the lowest, in light of interest rate trends for long-term JGBs and other instruments.
Terminal rate		4.5%	Assessed by considering uncertainties in the forecast for future changes in net revenue and future degradation and sales risks of the building, in addition to the cap rate
Indicated value based on cost approach		742,000	
Proportion of land		78.1%	
Proportion of building		21.9%	

Other matters to which the appraiser paid attention in appraisal	Considering the analysis of regional and other individual factors, the characteristics of the value by cost approach and its compatibility with the value by income approach and based on the relative liability of the materials used in each method, the value that best describes the actual market situation is determined to be the indicated value by income approach.
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### 3. Other

Please refer to the [“Notice Concerning Transfer and Acquisition of Real Estate Trust Beneficiary Interests in Japan”](#) dated December 21, 2023 for details.

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

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