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For Immediate Release

Investment Corporation

Japan Real Estate Investment Corporation

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(TSE code: 8952)

Asset Management Company

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Announcement of Forecast Revisions for the September 2024 Period

Japan Real Estate Investment Corporation (“JRE”) hereby announces that it has revised its performance forecasts for the fiscal period ending September 30, 2024 (from April 1, 2024 to September 30, 2024), published in “Financial Results for the Fiscal Period Ended September 2023 (REIT)” dated November 15, 2023.

For the forecasts for the fiscal period ending March 31, 2024 (October 1, 2023 to March 31, 2024) announced on November 15, 2023, there are no revisions to them as of today.

1. Forecast revisions for the September 2024 period (from April 1, 2024 to September 30, 2024)

	Operating Revenues	Operating Profit	Ordinary Profit	Net Profit	Dividend per unit (excluding dividend in excess of earnings)	Dividend per unit in excess of earnings
Previously announced forecasts (A)	JPY million 34,980	JPY million 14,280	JPY million 13,180	JPY million 14,170	JPY 11,300	JPY 0
Revised forecasts (B)	JPY million 42,190	JPY million 20,330	JPY million 19,130	JPY million 18,460	JPY 12,100	JPY 0
Amount of increase/decrease (B-A)	JPY million 7,210	JPY million 6,050	JPY million 5,950	JPY million 4,290	JPY 800	JPY 0
Rate of increase/decrease	% 20.6	% 42.4	% 45.1	% 30.3	% 7.1	% -

(Note1) The above forecast figures are estimates as of today, which are calculated based on “Assumptions Underlying Forecast Revisions for the September 2024 period” attached below; the actual operating revenues, operating profits, ordinary profits, net profits, and DPUs are subject to change due to future acquisition or disposition of real estate properties, changes in the asset management environment, and other factors. Moreover, the forecast should not be construed as a guarantee of the actual financial results and dividend amount. The same shall apply hereinafter.

(Note2) Figures in the columns of Operating Revenues, Operating Profit, Ordinary Profit, and Net Profit are rounded down to the nearest ten million Japanese yen.

2. Reason for the revisions

Japan Real Estate Asset Management Co., Ltd., the asset management company to which JRE entrusts asset investment has decided today to acquire domestic real estate and dispose of trust beneficiary interest in domestic real estate. For details of the properties, please refer to “Announcement of Acquisition of Domestic Real Estate and Disposition of Trust Beneficiary Interest in Domestic Real Estate” dated today.

JRE, therefore, decided to revise its performance forecasts for the September 2024 period published in “Financial Results for the Fiscal Period Ended September 2023 (REIT)” dated November 15, 2023.

This is the English translation of the announcement in Japanese dated March 7, 2024.

No assurance or warranties are given for the completeness or accuracy of this English translation.

Assumptions Underlying Forecast Revisions for the September 2024 period

Item	Assumption
Accounting period	<ul style="list-style-type: none"> The September 2024 period: April 1, 2024 through September 30, 2024 (183 days)
Number of properties held by JRE	<ul style="list-style-type: none"> JRE assumes 77 properties, taking into account the current number of 76, the acquisition of interest in 3rd MINAMI AOYAMA scheduled for March 8, 2024, and the disposition of a 51% interest in JRE Dojima Tower scheduled for April 1, 2024. The assumption however, is subject to change due to future acquisition or disposition of real estate properties.
Number of units outstanding	<ul style="list-style-type: none"> JRE assumes the total number of investment units outstanding to be 1,422,864 units as of March 7, 2024.
Interest-bearing debt	<ul style="list-style-type: none"> JRE will borrow short-term loans and a long-term loan for the acquisition of interest in 3rd MINAMI AOYAMA, and will repay part of the short-term loans on April 1, 2024 with cash proceeds from the first of two transfers of JRE Dojima Tower. The balance of interest-bearing debt, accordingly, will be JPY 468.1 billion. Other than the above loans, JRE intends to refinance all of the long-term loans due during the period (Maturity: May 29, 2024; June 17, 2024; September 2, 2024; and September 26, 2024), which total JPY 26.3 billion, and all of the short-term loans due during the period (Maturity: April 22, 2024; May 20, 2024; and July 10, 2024), which total 15 billion. There are no investment corporation bonds to mature in the September 2024 period.
Operating revenues	<ul style="list-style-type: none"> Revenues from the properties held by JRE are calculated by taking into consideration the new leasing and the tenancy termination confirmed as of today, and other factors reflecting the recent office leasing market landscape. For revenues pertaining to the interest to be acquired in 3rd MINAMI AOYAMA, they are estimates based on the terms and conditions of lease contracts and other data available as of today.
Operating expenses	<ul style="list-style-type: none"> For the property tax, city planning tax, and depreciable property tax pertaining to the properties held by JRE, it reports the amount corresponding to an accounting period out of the tax amount payable, which has been determined by the assessment and determination, as property-related expenses. In the event, however, that a property tax adjustment is incurred by JRE regarding a property that is acquired within the calendar year that the first day of an accounting period belongs to, the said adjustment is included in the acquisition cost and therefore not reported as an expense for the accounting period. JRE assumes the property taxes, city planning taxes, and depreciable property taxes in the September 2025 period, pertaining to properties acquired and to be acquired in 2024 to be as follows: <ul style="list-style-type: none"> Toyosu Foresia (additional acquisition): JPY 48 million 3rd MINAMI AOYAMA: JPY 71 million The property and other taxes will be JPY 3,820 million. The depreciation will be JPY 6,020 million. Repair expenses may vastly differ from the forecast because such costs fluctuate significantly from one fiscal period to another, and these costs are not regularly incurred.
Non-operating expenses	<ul style="list-style-type: none"> Non-operating expenses, such as interest expenses on loans and investment corporation bonds, will be JPY 1,210 million.
Dividend amount	<ul style="list-style-type: none"> The gain on the disposition of JRE Dojima Tower, whose transfer period is split up into two fiscal periods, is assumed to be JPY 6,670 million for the September 2024 period. As to part of the gain of JPY 6,670 million for the September 2024 period, JRE will make a provision of reserve for reduction entry in application of "Special Provisions for Taxation in Cases of Repurchase of Specified Assets" stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation. JRE shall not distribute dividends in excess of earnings to its unitholders. Therefore, JRE shall make cash distribution pursuant to its Articles of Incorporation, up to a ceiling of the earnings including reserve for tax purpose reduction entry, and more than the equivalent of 90% of the distributable profit.
Other	<ul style="list-style-type: none"> It is assumed that any revisions that affect the above forecasted figures will not be made to laws and regulations, tax systems, accounting standards, listing rules, and regulations of the Investment Trusts Association, Japan, and so on.

	<ul style="list-style-type: none">• It is assumed that an unexpected and grave change will not occur to the general economic trends or real estate market landscape or other factors.• As for the corporate tax, etc., they are calculated taking into account the leasehold amortization and asset retirement obligations for buildings with the fixed term land lease right as well as the income taxes-deferred related to the above reserve for reduction entry.
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