

TSE Code : 3296

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

What is “NIPPON VISION”

Creating the future with our “unique perspective”
based on our “solid style of Japan quality”

NIPPON VISION

Serious, Steady, Solid.

From July 1 to December 31, 2024

Semiannual Report for the 25th Fiscal Period

NIPPON REIT
Investment Corporation

Dear Unitholders,

I would like to express my sincere gratitude for your continued support of NIPPON REIT Investment Corporation (“NRT”). We are pleased to announce that we have completed the financial results for the fiscal period ended December 2024(the 25th fiscal period). We would like to express our heartfelt gratitude to our unitholders for their support.

As for the internal growth, the occupancy rate for the overall portfolio was 97.7% at the end of the fiscal year, continuing from the previous fiscal year. Furthermore, we achieved positive revision for the 6th consecutive year, with monthly rent increases of ¥7.0mm, including contract renewals for offices and residences and tenant replacements. We also continued to create new profit opportunities and reduce costs through engineering management.

In addition, during the fiscal period under review, NRT transferred 5 properties, including the remaining 50% interest in the Nihombashi Playa Building, for which 50% of the co-ownership interest was transferred in the previous fiscal period (transfer price of approximately ¥8.2 billion) and retained earnings of approximately ¥470 million to fund future unitholder returns out of the gain on sale of approximately ¥1.1 billion. During the fiscal period under review, the distribution per unit for the 25th fiscal period was ¥9,972, an increase of ¥1,007 compared to the initial forecast.

Together with our asset management company SBI REIT Advisors Co., Ltd. and each of the sponsors, we will continue to put our efforts to maintain and improve of asset value, to maximize the unitholder value. We would like to ask for your continued support and guidance.

Executive Officer
NIPPON REIT Investment Corporation

Yasushi Iwasa



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Financial Section

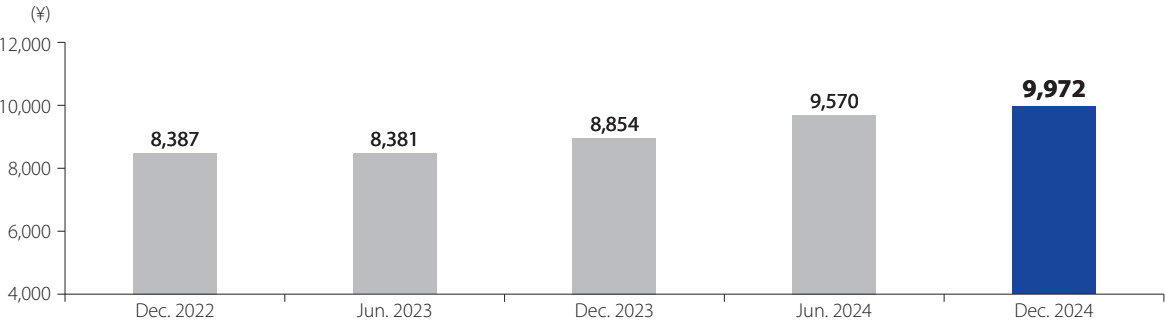
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Financial Highlights

DPU Track Record

The DPU for the 25th period resulted at ¥9,972, which was an increase of ¥1,007 from the forecast^(Note). We will continue to pursue asset replacement opportunities to refine portfolio quality, focusing on the realization of unrealized gains and returns.

For NAV per unit and other details, please refer to page 6 of the “Investor Presentation for the 25th Period.”



(Note) Compared with the forecast figures in the financial results for the fiscal year ended June 2024.

Summary of Financial Results for the 25th Period (Dec. 2024)

Operating Revenues	¥9,963 mm	Ordinary Income	¥4,889 mm	Net Income	¥4,887 mm
Total Assets	¥274,659 mm	Total Net Assets	¥129,478 mm	Net Assets per Unit	¥73,218

Investment Unit Split

NRT implemented an investment unit split based on the new Nippon Individual Savings Account (new NISA) that began in January 2024.

Unit Split **4 for 1**

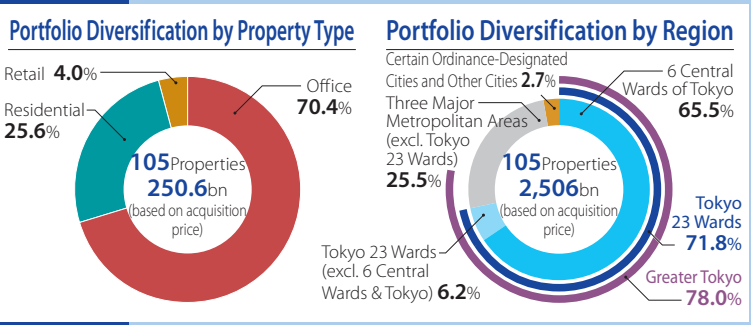
Record Date: December 31, 2024
Effective Date: January 1, 2025

Jun. 2025 (26th Period)
Distributions per Unit (Forecast) ¥2,288

Dec. 2025 (27th Period)
Distributions per Unit (Forecast) ¥2,324

Portfolio Overview

Number of Properties	105 Properties
Total Acquisition Price	250.6 bn
Occupancy Trend and Forecast	Total 97.7% Office 97.5% Residential 97.8% Retail 98.4%



Financial Highlights

Total Interest -Bearing Debt	132.6 bn
Average Remaining Borrowing Period	3.29 years
Long-Term Debt Ratio	100.0 %

As of the end of the 25th period unless other month/year is indicated

Commitment Line	3.0 bn
LTV (based on total assets)	48.3 %
Fixed-Interest Rate Ratio	93.9 %

Japan Credit Agency, Ltd. (JCR) Long-Term Issuer Rating ^(Note)	Upgraded in Nov. 2024 AA- (Stable)
Rating and Investment Information, Inc.(R&I) Issuer Rating	Assigned in Sep. 2024 A+ (Stable)

(Note) This rating does not apply to the investment units of NRT, and with regard to the investment units, no credit ratings have been provided or submitted for inspection by credit rating agencies, nor are any credit ratings scheduled to be provided or submitted for inspection as a result of requests from NRT.

External Growth

Asset replacement for 25th Period (Dec.2024)

Disposition						
Property Name	Nihombashi Playa Building	Shinto GINZA EAST	Komatsubara Yamamoto Mansion	Belleza Kanayama	Field Avenue	FORECAST Shinjuku SOUTH
Location	Chuo Ward, Tokyo	Chuo Ward, Tokyo	Kagoshima, Kagoshima	Nagoya, Aichi	Ota ward, Tokyo	Shinjuku Ward, Tokyo
Transfer Price	1,700mm (Quasi-co-ownership interest: 50%)	1,690mm	658mm	730mm	3,485mm	20,000mm
Appraisal Value	1,260mm	1,450mm	682mm	780mm	3,420mm	17,900mm
Appraisal NOI Yield	3.2%	3.2%	5.8%	4.5%	3.6%	3.1%

Acquisition		
Property Name	Urawa Garden Building	FORECAST Shinagawa@LABO
Location	Saitama, Saitama	Minato Ward, Tokyo
Acquisition Price	12,000mm	8,200mm
Appraisal Value	13,000mm	8,290mm
Appraisal NOI Yield	4.0%	3.7%

For "Portfolio Data" please refer to NRT website

For "List of Properties" please refer to NRT website

*1 Average building age after replacement is the assumption for all publicly announced pipelines acquired, in addition to the sale of FORECAST Shinjuku SOUTH and the acquisition of URAWA GARDEN BUILDING and FORECAST Shinagawa@LABO

*2 On January 1, 2025, NIPPON REIT implemented 4-for-1 investment unit split.

Sustainability Initiatives

Environmental Certifications

Participation to the GRESB Real Estate Assessment

- Achieved "3 Stars" in 2024 GRESB rating
- Received "Green Star" designation for the 8th consecutive years
- Earned the highest "A" level for the GRESB Public Disclosure



28 Properties 52.10%
(YOY+1.4%)
(based on the total floor area)

* In case when a property holds multiple certifications, it is calculated as one property.

As of the end of December 2024

DBJ Green Building Certification

2 Properties 7.17%

CASBEE for Real Estate

12 Properties 30.67%

BELS Certification

20 Properties 28.33%

Low-Carbon Model Building

5 Properties 6.06%

Lowering age of buildings

28.8years
(At the beginning of 24th Period)

25.9years^{*1}
(After asset replacement)

(Time of comparison: As of July 1, 2025)

Return to Unitholders

DPU for the 25th Period (ending Dec. 2024)^{*2} JPY 9,972
(of which, gain on sale + 1,507)

DPU for the 26th Period (ending Jun. 2025)^{*2} JPY 2,288
(of which, gain on sale + 272)

DPU for the 27th Period (ending Dec. 2025)^{*2} JPY 2,324
(of which, gain on sale + 280)

Buyback
JPY 2.5 billion
Cancellation 7,835 units
DPU 1.8% up

Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

Period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period
	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024
Operating revenues (Yen in millions)	8,547	8,865	8,828	9,865	9,963
Of which, rental revenues and other revenues related to property leasing (Yen in millions)	(8,544)	(8,610)	(8,632)	(8,651)	(8,699)
Operating expenses (Yen in millions)	4,105	4,424	4,122	4,366	4,309
Of which, property-related expenses (Yen in millions)	(3,263)	(3,313)	(3,249)	(3,285)	(3,277)
Operating income (Yen in millions)	4,442	4,440	4,705	5,499	5,653
Ordinary income (Yen in millions)	3,774	3,772	3,984	4,774	4,889
Net income (Yen in millions)	3,773	3,771	3,983	4,773	4,887
Total assets (a) (Yen in millions)	275,138	275,414	275,462	278,161	274,659
Period-on-period changes (%)	(0.1)	(0.1)	(0.0)	(1.0)	(△1.3)
Net assets (b) (Yen in millions)	130,395	130,392	130,605	131,395	129,478
Period-on-period changes (%)	(△0.2)	(△0.0)	(0.2)	(0.6)	(△1.5)
Unitholders' capital (net) (Yen in millions)	126,515	126,515	126,515	126,515	124,015
Number of investment units issued and outstanding (c) (Unit)	449,930	449,930	449,930	449,930	442,095
Net assets per unit (Note 3) (b) / (c) (Yen)	289,812	289,807	290,280	73,009	73,218
Total distributions (d) (Yen in millions)	3,773	3,770	3,983	4,305	4,408
Distributions per unit (d) / (c) (Yen)	8,387	8,381	8,854	9,570	9,972
Of which, earnings distributions per unit (Yen)	(8,387)	(8,381)	(8,854)	(9,570)	(9,972)
Of which, distributions per unit in excess of earnings per unit (Yen)	(-)	(-)	(-)	(-)	(-)
Ordinary income to total assets ratio (Note 4) (%)	1.4	1.4	1.4	1.7	1.8
Annualized (Note 4) (%)	(2.7)	(2.8)	(2.9)	(3.5)	(3.5)
Return on equity (Note 4) (%)	2.9	2.9	3.1	3.6	3.7
Annualized (Note 4) (%)	(5.7)	(5.8)	(6.1)	(7.3)	(7.4)
Equity ratio (b) / (a) (%)	47.4	47.3	47.4	47.2	47.1
Period-on-period changes (%)	(△0.1)	(△0.0)	(0.1)	(△0.2)	(△0.1)
Payout ratio (Note 4) (%)	100.0	100.0	100.0	90.2	90.2

Period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period
	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024

(Reference Information)

Number of investment properties	106	105	110	110	105
Total leasable area (m ²)	312,292.24	308,340.29	315,899.49	330,351.20	319,642.10
Number of tenants (Note 5)	2,910	2,870	3,104	3,134	2,941
Occupancy rate at the end of the period (%)	98.2	98.2	97.9	98.0	97.7
Depreciation during the period (Yen in millions)	1,005	1,007	1,015	993	992
Capital expenditures during the period (Yen in millions)	524	640	1,083	1,001	991
Rental NOI (Net Operating Income) (Note 4) (Yen in millions)	6,288	6,311	6,405	6,371	6,426
FFO (Funds From Operations) per unit (Note 4) (Yen)	10,633	10,616	10,703	10,532	10,747
Interest-bearing debt (e) (Yen in millions)	132,620	132,620	132,620	134,120	132,620
Interest-bearing debt to total assets ratio (e) / (a) (%)	48.2	48.2	48.1	48.2	48.3
Number of operating days (Days)	184	181	184	182	184

(Note 1) NIPPON REIT's fiscal periods cover every six months, from January 1 to June 30 and from July 1 to December 31, of each year.

(Note 2) Operating revenues, etc., do not include consumption taxes.

(Note 3) NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Net assets per unit is calculated based on the assumption that said investment unit split was conducted at the beginning of the fiscal period ended June 2024. (The weighted average (based on number of days) number of units (1,799,720 units) is used. The same shall apply hereinafter.)

(Note 4) The following denotes the calculation methods for the indicators used by NIPPON REIT. It should be noted that calculations on an annual basis are calculated using the number of business days for each period.

Ordinary income to total assets ratio	Ordinary income/average total assets x 100
	Average total assets = (Total assets at beginning of period + total assets at end of period) / 2
Return on equity	Net income / average net assets x 100
	Average net assets = (Net assets at beginning of period + net assets at end of period) / 2
Payout ratio	Distribution per investment unit (excluding cash distributions in excess of earnings per unit) / net income per investment unit x 100 NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Payout ratio is calculated using the following formula. Total distributions (excluding cash distributions in excess of earnings) / net income x 100
Rental NOI (Net Operating Income)	Income from property leasing for the current period (rental revenues - rental expenses) + depreciation + loss on retirement of non-current assets
FFO (Funds From Operations) per unit	(Net income + depreciation + loss on retirement of non-current assets + deferred asset amortization - gain / loss on sales of real estate) / total investment units issued and outstanding

(Note 5) This denotes the total number of tenants (excluding those for warehouses, billboards, and parking lots) in leasing contracts for each building acquired at the end of the period. It should be noted that in the event a pass-through master lease contract is entered into for said assets, the total number of end-tenants is used in the calculation (excluding those for warehouses, billboards, and parking lots).

(Note 6) Monetary figures are truncated, while percentages are rounded.

(2) Overview of the Fiscal Period Ended December 31, 2024

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010, by Polaris Investment Advisors K.K. (now SBI REIT Advisors Co., Ltd., hereafter referred to as the "Asset Management Company") as the founder under the Act on Investment Trusts and Investment Corporations (Act No.198 of 1951, as amended). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) on April 23, 2014, as the payment date and was listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24, 2014.

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018 and cancelled treasury investment units in December 2024, and the total number of investment units issued and outstanding as of the end of the current period (December 31, 2024) is 442,095 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the current period (the fiscal period ended December 31, 2024) saw an increase of 0.3% (an annual increase of 1.2%) in the real GDP growth rate (second preliminary figures) for the period from July to September 2024 compared to the previous period. With overseas economies continuing to grow moderately, exports and industrial production have been more or less flat. Corporate profits have been improving, reflecting a moderate increase in capital expenditure and a gradual improvement in the employment and income situation, and business sentiment has remained at a favorable level. Business conditions are showing signs of recovery according to the Bank of Japan Tankan Survey (December 2024) and the Business Outlook Survey (October to December 2024) and an increase in capital expenditure is expected in fiscal 2025 to address labor shortages, digital investment, growth areas, and decarbonization-related investments.

Gradual increase in the consumer spending is also expected to continue, as wages and prices are expected to become more interlinked and nominal employee income is expected to increase. Gradual growth in Japanese economy is expected to continue partly due to the effects of various policy measures in 2025 amid an improvement in the employment and income situation, while it is necessary to pay attention to the risk of downward pressure on the economy caused by a downturn in overseas economies such as continuance of high interest rate in Europe and the continued stagnation of the real estate market in China. It is necessary to keep a close watch on the effects of inflation, future policy developments in the United States, situations in the Middle East, and movements in financial and capital markets.

In the office properties leasing market, the vacancy rate as of the end of December 2024 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 4.00%, down 2.03% from the same month last year. Moreover, the average rent in the same area as of the end of December 2024 was 20,296 yen per tsubo, up 2.77% from the same month last year. An upward trend in rents can be expected as the supply of multiple new office buildings is planned in 2025 and more companies allocate more capital to the office environment as part of their human capital investments.

In terms of the residential properties leasing market, while the situation remains generally stable for both occupancy rate and rent level caused by the influx of population into the Tokyo metropolitan area, it is necessary to keep a close watch on supply and demand conditions in the residential leasing properties in each metropolitan areas, as it tends to be affected by the working environment and changes in revenues of individuals, the demographic migration and supply conditions in the residential leasing properties.

In the leasing market of retail properties which is affected by the retail industry, we saw a 2.8% year-on-year increase in total retail sales announced by the Ministry of Economy, Trade and Industry in the current commercial statistics for November 2024. Sales at apparel stores, other retailers, fuel stores, mechanical equipment stores, pharmaceuticals and cosmetics stores and, food and beverage stores, were steady and showed 10.7%, 5.7%, 3.6%, 2.6%, 1.8%, and 1.4% year-on-year increase, respectively while automobile stores showed 1.9% decrease.

(ii) Sustainability Initiatives

The Asset Management Company understands that actively incorporating ESG (environmental, social, and governance) perspectives will contribute to the realization of the basic policy of NIPPON REIT, "maximization of unitholder's value by while focusing on income growth and stability," and has formulated and is working to implement the "Sustainability Policy" to guide ESG initiatives.

In the GRESB Real Estate Assessment conducted in 2024, NIPPON REIT received "3 Stars" in GRESB Rating, which is rated on a five-point scale based on the global ranking of the overall score, and received the highest rating of "A" level in the GRESB Disclosure Assessment, which measures the degree of adequacy of ESG information disclosure as the ESG information disclosure initiatives were highly evaluated.

Also, NIPPON REIT is continuously working to obtain environmental certification for our properties, and FORECAST Shinagawa achieved conformity to Small and Medium-Sized Low-Carbon Model Building (Note 1) from the Tokyo Metropolitan Government in November 2024, I・S Minamimorimachi Building and Homat Horizon Building received the S rank, the highest rank in the CASBEE (Note 2) real estate evaluation certification and FORECAST Shinjuku AVENUE and FORECAST Waseda FIRST received the A rank in November 2024. As a result, a total of 28 properties have received environmental certification, or 52.1% (as of December 31, 2024) on a total floor area basis.

NIPPON REIT and the Asset Management Company will continue to deepen mutual communication with all stakeholders, including unitholders, tenants, local communities, and employees, and promote ESG-related initiatives in the course of their real estate investment management business.

Notes:

1. "Small and medium-sized low-carbon model buildings" refer to small and medium-sized leased buildings officially recognized as the Low-Carbon Model Buildings by the Tokyo Metropolitan Government that fall within range of A1 or higher in the "Evaluation Materials for Low-Carbon Buildings (Low-Carbon Building Benchmarks)" published by the Tokyo Metropolitan Government in May 2012, aiming for formation of real estate market where low-carbon and low CO2 emission buildings are evaluated, and are actively implementing energy-saving measures.
2. CASBEE (Comprehensive Assessment System for Built Environment Performance) is a method for evaluating and rating the environmental performance of buildings and the built environment. It is a comprehensive assessment of the quality of a building, evaluating features such as interior comfort and scenic aesthetics, in consideration of environment practices that include using equipment that save energy or achieve smaller environmental loads.

(iii) Management Performance

a. External Growth

NIPPON REIT owned 110 properties (with a total acquisition amounts of 257,579 million yen) as of the end of the fiscal period ended June 2024.

During the fiscal period under review (fiscal period ended December 2024), NIPPON REIT transferred five properties as follows, as a part of the asset replacement.

Transaction	Property Number	Property name	Transfer price (Yen in millions) (Note)	Transfer date
Transfer	B-36	Komatsubara Yamamoto Mansion	658	September 20, 2024
Transfer	B-37	Belleza Kanayama	730	September 27, 2024
Transfer	A-2	Nihombashi Playa Building (50% of quasi co-ownership of interest)	1,700	October 31, 2024
Transfer	B-15	Field Avenue	3,485	October 31, 2024
Transfer	A-48	Shinto GINZA EAST	1,690	December 23, 2024

(Note) The transfer prices represent amount of consideration stated in the trust beneficiary interests transfer agreements of each of the trust beneficiary interests in real estate. The transfer prices do not include expenses related to the transfer or the acquisition, consumption taxes and local consumption taxes. Furthermore, the transfer price of less than one million yen is omitted.

During the fiscal period under review (fiscal period ended December 2024), NIPPON REIT acquired the following silent partnership equity interest as pipelines for external growth, and has been granted the right of first negotiation pertaining to the acquisition of 1 real estate-backed property.

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note)	Acquisition date
Godo Kaisha Osaka Hommachi Hotel Preferred silent partnership equity interest	1	119	September 27, 2024

(Note) As "Investment amount", exclude various expenses required for the transaction, and is rounded down to the nearest million yen.

As a result, the portfolio as of the end of the current period consisted of 58 office properties (Note 1) with a total acquisition amount of 176,431 million yen, 44 residential properties (Note 2) with a total acquisition amount of 64,138 million yen and three retail properties (Note 3) with a total acquisition amount of 10,110 million yen, totaling 105 properties with a total acquisition amount of 250,680 million yen with a total leased area of 319,642.10㎡ and 97.7% of average occupancy rate.

(Note 1) "Office properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.

(Note 2) "Residential properties" refer to a rental housing whose primary use is residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of the property). The same shall apply hereinafter.

(Note 3) "Retail properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenant. The same shall apply hereinafter.

b. Internal Growth

NIPPON REIT emphasizes operational management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts were kept to be done, the portfolio occupancy rate was maintained at a high level of 97.7% as of the end of the current period.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to prepare funds for repayment of long-term loans due on August 20, 2024 (total 9,850 million yen), the long-term borrowings of total 9,850 million yen on the same day were implemented as the loans due.

The early repayment of loans due on January 29, 2025 (1,500 million yen) was implemented on November 12, 2024 with the proceeds of transfer of Nihombashi Playa Building (50% of quasi co-ownership interest) that was implemented on October 31, 2024 and cash on hand.

As a result, the balance of interest-bearing debt as of December 31, 2024 was 132,620 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.3%.

(ii) Credit Rating

NIPPON REIT's credit rating as of the date of this document is as follows:

Credit rating agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: AA-	Stable
Rating and Investment Information, Inc.	Issuer rating: A+	Stable

D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the current period generated operating revenues of 9,963 million yen, operating income of 5,653 million yen, ordinary income of 4,889 million yen and net income of 4,887 million yen.

Concerning distributions, NIPPON REIT decided to distribute 4,408,571,340 yen, cash distributions per unit of 9,972 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 442,095 units, and unappropriated retained earnings after deducting the provision of reserve for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied .

(3) Changes in Number of Total Investment Units Issued and Outstanding

During the current period, NIPPON REIT cancelled 7,835 units of treasury investment units as of December 30, 2024. Changes in the number of investment units issued and outstanding and total unitholders' capital (net) for the past five years to the end of the current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' capital (net) (Yen in millions) (Note 1)		Note
		Increase (Decrease)	Total	Increase (Decrease)	Total	
December 30, 2024	Cancellation	(7,835)	442,095	(2,499)	124,015	(Note 2)

(Note 1) "Total unitholders' equity" is truncated to the nearest million yen.

(Note 2) NIPPON REIT acquired own investment units through market purchases on the Tokyo Stock Exchange pursuant to discretionary trading agreements with a security company for the purchase of investment units over the period from September 30, 2024 to November 14, 2024. All own investment units acquired (7,835 units) were cancelled on December 30, 2024 based on the resolution of the Board of Directors of Nippon REIT held on November 26, 2024.

(Note 3) NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date.

· Changes in market price of investment securities

The highest and lowest (closing) prices in the J-REIT section of the Tokyo Stock Exchange, where NIPPON REIT's investment securities are listed, are as follows for the period indicated.

Period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period
	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024
Highest (Yen)	386,000	347,000	361,500	357,500	333,500 (Note 1) 76,100 (Note 2)
Lowest (Yen)	342,500	304,500	333,000	322,000	301,000 (Note 1) 76,100 (Note 2)

(Note 1) The maximum and minimum investment unit prices for the period up to the ex-dividend period (until December 27, 2024) are presented in connection with the investment unit split at a rate of four units per one unit with January 1, 2025 as the effective date.

(Note 2) The maximum and minimum investment unit prices for the period after the ex-dividend period (after December 30, 2024) are presented in connection with the investment unit split at a rate of four units per one unit with January 1, 2025 as the effective date.

(4) Distributions

For distributions for the current period, NIPPON REIT decided to distribute 4,408,571,340 yen, cash distributions per unit of 9,972 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 442,095 units, and unappropriated retained earnings after deducting the provision of reserve for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied.

Period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period
	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023	From January 1, 2024 to June 30, 2024	From July 1, 2024 to December 31, 2024
Unappropriated retained earnings (Yen in thousands)	3,879,722	3,877,299	4,090,271	4,880,393	4,994,544
Retained earnings (Retained earnings brought forward) (Yen in thousands)	106,159	106,435	106,591	574,563	585,972
Cash distributions declared (Yen in thousands)	3,773,562	3,770,863	3,983,680	4,305,830	4,408,571
Distributions per unit (Yen)	(8,387)	(8,381)	(8,854)	(9,570)	(9,972)
Of the above, total earnings distributions (Yen in thousands)	3,773,562	3,770,863	3,983,680	4,305,830	4,408,571
Earnings distributions per unit (Yen)	(8,387)	(8,381)	(8,854)	(9,570)	(9,972)
Of the above, total capital refunds (Yen in thousands)	—	—	—	—	—
Distributions per unit (Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from allowance for temporary difference (Yen in thousands)	—	—	—	—	—
Distributions from allowance for temporary difference per unit (Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from reduced capital distributions (Yen in thousands)	—	—	—	—	—
Distributions from reduced capital distributions per unit (Yen)	(—)	(—)	(—)	(—)	(—)

(Note) Amounts are truncated to the relevant digit.

(5) Future Operating Policies and Issues to be Addressed

A. Management Policy

With the corporate policy of "untiringly pursuing the best interest of NIPPON REIT's unitholders", NIPPON REIT plans to engage in the following measures to maximize unitholders' value through flexible and timely investment, and also seeks the best interest of unitholders by utilizing the features of diversified REIT and focus on the growth of potential and stability of revenues.

B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will invest to "three types of assets deeply rooted in the Japanese society (office, residence and retail)". Furthermore, NIPPON REIT will focus on middle-sized office properties located in Tokyo central area as its main target of investment in consideration of the balance of supply and demand, and effectively will construct a diversified portfolio by also investing in residential properties, retail properties and properties for other purposes.

In order to facilitate external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are SBI Financial Services, the main sponsor and Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") the sub-sponsor and other sponsor companies including Agility Holdings Inc. Assisted by those sponsors' powers, NIPPON REIT will increase its asset size through property acquisitions mainly transacted on a negotiation basis with third parties.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will be under consideration to utilize warehousing function as interim ownership vehicles provided by SBI Group through arrangement by SBI Securities Co., Ltd. a wholly owned subsidiary of SBI Financial Services and sponsors' managed bridge funds as interim ownership vehicles, who may participate in those vehicles. Such consideration comes from our investment strategy to avoid loss of opportunities for acquisitions and aim to realize growth opportunities as much as possible.

C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties reflecting their own features. For the purpose of the management, NIPPON REIT utilizes the Asset Management Company and its officers and employees who have unique networks and expertise nurtured at sponsor companies or in their own careers. NIPPON REIT plans to improve its earnings power and maintain the occupancy rate of the portfolio by selecting Property Management companies that are the most suitable for individual properties and establishing appropriate management and operation scheme.

By utilizing companies selected through appropriate process as consignee for the Property Management operations and Building Management operations in order to achieve efficient and value-added management operation and improve satisfaction of tenants, NIPPON REIT plans to maintain and increase the value of assets under management by delivering effective and deliberate repairs, which are considered in term of construction works' priority and cost optimization with sufficient attention to renovation and cost performance, upon sufficient judgment of performance effectiveness, as well as the daily management operations.

Furthermore, regarding leasing plans for offices, new asking rent for potential tenants and renewed rent for existing tenants will be set with reference to various data provided by Cushman, and agile leasing activities will be implemented in line with the effective operational policy for new potential tenants.

D. Financial Strategy

NIPPON REIT's basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to establish a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the current period was 48.3% and the current policy is to keep the LTV level between 45% and 55%.

With regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the loan syndicate group as of the end of the current period.

(6) Significant Subsequent Events

A. Investment Unit Split

NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date.

a. Purpose of the Split

The purpose of the Split is to create an environment that makes it easier for investors to invest, further expand the investor base, and improve the liquidity of the investment units of NIPPON REIT by lowering the amount per investment unit of investment units, taking into account the new small investment tax incentive system (New NISA) that started from January 2024.

b. Method of the Split

Investment units of NIPPON REIT owned by the unitholders listed or recorded in the final unitholder register on the record date of December 31, 2024 split at a rate of 4 units per one unit.

c. Number of investment units to be increased through the Split

(i) Number of issued and outstanding investment units before the Split:	442,095 units
(ii) Number of investment units to be increased through the Split:	1,326,285 units
(iii) Number of issued and outstanding investment units following the Split:	1,768,380 units
(iv) Total number of issuable investment units following the Split:	16,000,000 units (Note)

(Note) Pursuant to the provisions of Paragraph 2 of Article 184 of the Companies Act as applied mutatis mutandis pursuant to Paragraph 2 of Article 81-3 of the Act on Investment Trusts and Investment Corporations, in order to increase the total number of investment units issuable according to the proportion of the split of investment units, NIPPON REIT's Articles of Incorporation has been partially amended.

B. Acquisition of Properties

NIPPON REIT acquired two trust beneficiary interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note 1)	Seller
URAWA GARDEN BUILDING (20% of quasi co-ownership interest)	Saitama, Saitama	March 27, 2025	¥ 2,400	Hulic Co., Ltd.
FORECAST SHINAGAWA@LABO	Minato ward, Tokyo	March 27, 2025	¥ 8,200	i) Not disclosed (Note 2) ii) Raysum Co.,Ltd.
Total			¥ 10,600	

(Note 1) The acquisition prices represent amount of consideration stated in the transfer agreements of the trust beneficiary interest in real estate and quasi co-ownership interest. The acquisition price does not include expenses related to the acquisition, consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.

(Note 2) Acquired 95% of quasi co-ownership interest of FORECAST SHINAGAWA@LABO from one domestic operating company and 5% thereof from Raysum Co., Ltd. The name of the domestic operating company is not disclosed as a consent to disclosure has not been obtained.

C. Transfer of Property

NIPPON REIT transferred one trust beneficiary interest in real estate as described below.

Property name	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	Shinjuku ward, Tokyo	March 27, 2025	¥ 10,000	¥ 7,199	Hulic Co., Ltd.

(Note 1) The transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The transfer price does not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.

(Note 2) Book value as of December 31, 2024 is described, rounded down to the nearest million yen.

(7) Additional Information

A. Acquisition of Property

NIPPON REIT decided to acquire one trust beneficiary interest in real estate on September 26, 2024 and concluded a transfer agreement of the trust beneficiary interest in real estate on September 27, 2024 as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
URAWA GARDEN BUILDING (80% of quasi co-ownership interest)	Saitama, Saitama	July 1, 2025	¥ 9,600	Hulic Co., Ltd.

(Note 1) The scheduled acquisition price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The scheduled acquisition price does not include expenses related to the acquisition, consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.

(Note 2) The transfer agreement of the trust beneficiary interest in real estate for this property falls under the forward commitment, etc. stipulated in "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." issued by the Financial Services Agency (the forward commitment, etc. refers to a purchase or sale agreement with delivery date of one month or more after the conclusion of agreement, and other agreements similar thereto; the same shall apply hereinafter). The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interest in real estate of this property stipulates that in the event of the other party's breach of its significant obligations or a breach of representations and warranties under the agreement, the cancellation upon notice may be effected. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the scheduled acquisition price.

B. Transfer of Property

NIPPON REIT decided to transfer one trust beneficiary interest in real estate on September 26, 2024 and concluded a transfer agreement of the trust beneficiary interest in real estate on September 27, 2024 as described below.

Property name	Location	Scheduled transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	Shinjuku ward, Tokyo	July 1, 2025	¥ 10,000	¥ 7,199	Hulic Co., Ltd.

(Note 1) The scheduled transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The scheduled transfer price does not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.

(Note 2) Book value as of December 31, 2024 is described, rounded down to the nearest million yen.

(Note 3) The transfer agreement of the trust beneficiary interest in real estate for this property falls under the forward commitment, etc. The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interest in real estate of this property stipulates that in the event of the other party's breach of its significant obligations or a breach of representations and warranties under the agreement, the cancellation upon notice may be effected. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the scheduled transfer price.

2. Overview of the Investment Corporation

(1) Status of Investment Units

Period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period	25th fiscal period
	December 31, 2022	June 30, 2023	December 31, 2023	June 30, 2024	December 31, 2024
Total number of investment units authorized (Unit)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total number of investment units issued and outstanding (Unit)	449,930	449,930	449,930	449,930	442,095
Total unitholders' capital (net) (Yen in millions) (Note)	126,515	126,515	126,515	126,515	124,015
Number of unitholders	13,731	14,261	13,844	15,242	16,373

(Note) Total unitholders' capital (net) is truncated to the nearest million yen.

(2) Matters Concerning Investment Units

The top 10 unitholders in terms of the percentage of investment units held as of December 31, 2024, are as follows.

Name	Number of investment units held (Unit)	Percentage of units held to the total number of units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (Trust Account)	104,803	23.71
The Master Trust Bank of Japan, Ltd. (Trust Account)	75,583	17.10
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	23,201	5.25
SBI Holdings, Inc.	15,500	3.51
STATE STREET BANK WEST CLIENT - TREATY 505234	7,242	1.64
JAPAN SECURITIES FINANCE CO., LTD.	5,863	1.33
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AG FUND 2024-09 (LIMITED OT FINANC IN RESALE RSTRCT)	5,451	1.23
STATE STREET BANK AND TRUST COMPANY 505103	5,422	1.23
STATE STREET BANK AND TRUST COMPANY 505001	4,550	1.03
Custody Bank of Japan, Ltd. (Trust Account 4)	3,639	0.82
Total	251,254	56.83

(Note) Percentage of units held to the total number of units issued and outstanding is rounded to the second decimal place and may not add up to the total.

(3) Matters Concerning Officers

The following table provides information about our executive officer, supervising officers and independent auditor during the current period.

Position	Name	Major concurrent position	Total compensation per title during the 24th fiscal period (Yen in thousands) (Note 1)
Executive Officer	Yasushi Iwasa	President & CEO, SBI REIT Advisors Co., Ltd. (Note 2)	—
Supervising Officer	Yasuhiro Shimada	Partner, Tsubame Law Offices	1,200
	Hisashi Yahagi	Representative Council, Toranomon Partners	1,200
Independent Auditor	KPMG AZSA LLC	—	15,000 (Note 2)

- (Note 1) Total compensation for each position in the applicable business period has been truncated to the nearest thousand yen.
- (Note 2) The fee of the independent auditor includes the audit fee of English financial statements. The fee to the persons who belong to the same network as KPMG AZSA LLC for non-audit services is 8,500 thousand yen.
- (Note 3) Termination of the independent auditor is carried out in accordance with the Investment Trust Act. The Board of Officers of NIPPON REIT determines the refusal of reappointment of an independent auditor, factoring in various circumstances, including the quality of the audits performed and compensation for said audits.
- (Note 4) NIPPON REIT has concluded with an insurance company Directors and Officers Liability Insurance as stipulated in Article 116-3, Paragraph 1 of the Act on Investment Trusts and Investment Corporations to cover loss, such as compensation payment and dispute costs, to be borne by the insured when they receive a claim for compensation due to errors, breach of duties, omissions and others. Directors and Officers Liability Insurance covers all of Executive Officer and Supervising Officers stated above. NIPPON REIT has taken necessary actions not to impair appropriateness of duty of officers by excluding damage born by officers caused by criminal act such as corruptions and intentional illegal act from compensation. NIPPON REIT bears entire costs for Directors and Officers Liability Insurance.

(4) Asset Manager, Asset Custodian and General Administrative Agent

NIPPON REIT's asset manager, asset custodian and general administrative agent as of June 30, 2024 are as follows:

Business	Name
Asset Manager	SBI REIT Advisors Co., Ltd.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (transfer agent)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (administrative work for organizational operation)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (accounting administration)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (administrative work for investment corporation bonds)	MUFG Bank, Ltd.

3. Portfolio of the Investment Corporation

(1) Composition of Assets

Type of assets	Property type	Area	24th fiscal period (June 30, 2024)		25th fiscal period (December 31, 2024)	
			Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 3)	1,496	0.5	1,492	0.5
	Real estate Total		1,496	0.5	1,492	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	138,532	49.8	136,168	49.6
		Three major metropolitan areas (Note 4) (excluding six central wards of Tokyo)	39,479	14.2	39,483	14.4
		Certain ordinance-designated and other cities (Note 5)	1,761	0.6	1,750	0.6
		Subtotal	179,772	64.6	177,402	64.6
	Residential properties	Three major metropolitan areas (Note 4) (including six central wards of Tokyo)	63,382	22.8	59,651	21.7
		Certain ordinance-designated and other cities (Note 5)	3,830	1.4	3,119	1.1
		Subtotal	67,213	24.2	62,770	22.9
	Retail properties		10,025	3.6	10,011	3.6
Real estate in trust Total			257,011	92.4	250,185	91.1
Investment securities (Note 6)			—	—	121	0.0
Deposits and other assets			19,652	7.1	22,860	8.3
Total assets (Note 7)			278,161 (258,508)	100.0 (92.9)	274,659 (251,677)	100.0 (91.6)

- (Note 1) "Total amount held" represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust, book value less depreciation) and truncated to the nearest million yen.
- (Note 2) "Ratio to total assets" represents the percentage of the amount of respective assets recorded on the balance sheets to total assets. Figures are rounded to one decimal place and may not add up to subtotals or the total.
- (Note 3) "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya, and Shinagawa wards.
- (Note 4) "Three major metropolitan areas" refers to the Tokyo, Osaka, and Nagoya economic areas. "Tokyo economic area" refers to the Tokyo metropolitan area, Kanagawa Prefecture, Chiba Prefecture, and Saitama Prefecture. "Osaka economic area" refers to Osaka Prefecture, Kyoto Prefecture, and Hyogo Prefecture. "Nagoya economic area" refers to Aichi Prefecture, Gifu Prefecture, and Mie Prefecture.
- (Note 5) "Certain ordinance-designated and other cities" refers to Japanese cities that have been designated as ordinance-designated cities by order of the Cabinet under the Local Autonomy Law of Japan and that are located outside of the three major metropolitan areas (i.e., Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu, and Kumamoto) and also to prefectural capital cities that are located outside of the three major metropolitan areas.
- (Note 6) There are no applicable matters for the prior period, and for the current period, "Investment securities" represents the equity interests in preferred silent partnerships of Godo Kaisha Osaka Hommachi Hotel.
- (Note 7) Figures in total assets shown in parentheses represent the portion corresponding to a substantive holding of real estate, etc., in total assets.

(2) Principal Assets Held

The overview of principal assets held by NIPPON REIT as of December 31, 2024 (top 10 properties in terms of book value at the end of the period) is as follows:

Property name	Book value (Yen in millions) (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 3)	Occupancy rate (%) (Note 4)	Rate to total revenues from property leasing (%) (Note 5)	Primary use
Omiya Center Building	15,485	14,563.36	14,563.36	100.0	7.0	Office
FORECAST Shinjuku SOUTH	14,398	13,875.01	13,875.01	100.0	7.4	Office
Tower Court Kitashinagawa	10,356	16,913.29	16,549.19	97.8	5.0	Residential
FORECAST Gotanda WEST	7,562	8,967.07	7,985.07	89.0	3.0	Office
Shibakoen Sanchome Building	7,293	7,882.60	7,882.60	100.0	2.8	Office
Homat Horizon Building	6,622	6,077.01	6,077.01	100.0	2.5	Office
FORECAST Sakurabashi	6,140	6,566.76	6,566.76	100.0	2.3	Office
FORECAST Shinjuku AVENUE	6,031	4,337.15	4,337.15	100.0	2.4	Office
FORECAST Takadanobaba	5,793	5,661.49	5,661.49	100.0	2.2	Office
Primegate Iidabashi (Note 6)	5,242	6,042.78	5,980.91	99.0	1.8	Residential
Total	84,926	90,886.52	89,478.55	98.5	36.4	

(Note 1) "Book value" is truncated to the nearest million yen.

(Note 2) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers leasable based on relevant lease agreements or floor plans. The same shall apply hereafter.

(Note 3) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of December 31, 2024. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of December 31, 2024.

(Note 4) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of December 31, 2024 and rounding that figure to the first decimal place.

(Note 5) "Rate to total revenues from property leasing" is rounded to the first decimal place and may not add up to the total.

(Note 6) For the property concerned, the name "S&S Building" is used for a part of the first through fourth floors as a property for office and shop use. However, the entire property, including the office portion, is named "Primegate Iidabashi." The same applies hereinafter.

(3) Description of Portfolio

The overview of portfolio assets held by NIPPON REIT as of December 31, 2024, is as follows:

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
FORECAST Nishishinjuku	7-16-11 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,945.68	3,370	2,035
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,100	1,385
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,337.15	8,530	6,031
FORECAST Ichigaya (Note 3)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,800	4,184
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.81	2,540	1,674
FORECAST Shinjuku SOUTH	4-3-17 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	13,875.01	17,900	14,398
FORECAST Sakurabashi	4-5-4 Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest	6,566.76	7,270	6,140
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	3,850	2,931
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,595.04	3,740	2,901
GreenOak Takanawadai	2-26-10 Shiokaneda, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	2,990	2,044
Central Daikanyama	14-23 Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest	1,899.30	3,710	3,671
Hiroo Reeplex B's	5-15-27 Minamiazabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,560	2,846
Shibakoen Sanchome Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,300	7,293
Kudankita 325 Building	3-2-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,003.60	2,410	1,958
Itohpia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	3,900	2,856
Itohpia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,089.04	3,320	2,738
Itohpia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	3,190	2,171
Pigeon Building	4-4 Hisamatsucho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,310	2,928
FORECAST Ningyocho	2-13-9 Ningyocho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,420	2,163
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,140	1,682
FORECAST Shin-Tokiwabashi	3-1-2 Nihombashi Hongokucho, Chuo-ku, Tokyo	Trust beneficiary interest	1,822.33	2,420	2,096
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,810	2,358
Iidabashi Reeplex B's	1-14 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,650	1,317
FORECAST Shinagawa	1-20-9 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,276.36	2,340	2,376
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,052.31	2,700	2,250
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,490	2,025

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
FORECAST Takadanobaba	3-28-2 Takada, Toshima-ku, Tokyo	Trust beneficiary interest	5,661.49	6,790	5,793
Itohpla Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,180	1,648
I-S Minamimorimachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	3,010	2,284
Toranomon Sakura Building	3-22-1 Toranomom, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,640	4,274
La Verite Akasaka	1-5-7 Motoakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,719.75	2,580	2,107
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.53	2,020	1,464
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,530	3,142
FORECAST Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,340.66	5,470	4,764
FORECAST Gotanda WEST	8-9-5 Nishi- Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,967.07	8,340	7,562
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,563.36	27,000	15,485
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	3,900	2,878
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,370	2,571
NORE Meieki	1-3-18 Meiekiminami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,280.75	4,280	2,391
Homat Horizon Building	5-6-2, Gobanchou, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,410	6,622
Towa Kandanishikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,030	1,007
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,400	1,200
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	2,930	2,443
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,480	4,422
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,590	1,492
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	2,050	1,573
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,260	1,173
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,900	1,821
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	2,980	2,555
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,440	1,408
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.32	1,200	1,228
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,140	1,128
Tsukiji Front	2-7 Tsukiji 2-chome, Chuo-ku, Tokyo	Trust beneficiary interest	689.53	1,100	856
TENSHO OFFICE SHINBASHI 5	12-11 Shimbashi 5-chome, Minato-ku, Tokyo	Trust beneficiary interest	828.19	1,270	1,192

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
REID-C Iidabashi Building	2-8-3, Iidabashi, Chiyoda-ku, Tokyo	Trust beneficiary interest	811.46	1,160	1,227
REID-C Gotenyama Building	5-12-4 Kita-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,086.11	1,040	1,083
30 Sankyo Building	1-30-4 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,631.67	1,910	1,872
FORECAST Hakata Gofukumachi	7-1 Tsunabamachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,501.83	1,790	1,750
Tower Court Kitashinagawa	3-11-13 Kita-19 Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	18,200	10,356
Sky Hills N11	2-2-1 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	8,567.50	1,960	1,533
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,290	920
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	994	670
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	802	620
Kanda Reeplex R's	2-5-1 Kandatacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,430	1,726
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,190	3,001
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	3,000	2,602
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,800	1,405
Primegate Iidabashi	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,042.78	6,440	5,242
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.42	1,380	1,228
Merveille Senzoku	1-10-1, Kitasenzoku, Ota-ku, Tokyo	Trust beneficiary interest	834.72	803	770
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	862	787
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,090	981
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,900	2,310
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,880	1,622
Charmant Fuji Osakajominami	3-3-8, Uchikyuhojimachi, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,512.00	953	892
Piacere Fuminosato	1-12-18, Hannancho, Abeno-ku, Osaka, Osaka	Trust beneficiary interest	1,374.08	619	550
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.12	751	751
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,601	1,634
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	641	600
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,930	1,822
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,310	1,209
Sun・Meiekiminami Building	9-11 Meiekiminami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,060	954

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m2)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Tenjinhighashi residence	7-4 Komondomachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,909.60	999	965
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,510	1,435
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,200	1,176
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	791	727
Meister house Kawasaki	5-2 Minamisaigaicho 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	802	740
LIESSE Tsurumai (Note 4)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi 2-5-2, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,280	1,119
Sylphide Higashi-shinagawa	4-7-1, Higashi-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,174.19	1,050	989
Royal Bloom	4-29-1, Kishikicho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiary interest	1,236.61	1,280	1,098
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	624	633
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,440	1,396
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	878	865
MAISON NISHI MAGOME	2-21-14 Nakaikegami, Ota-ku, Tokyo	Trust beneficiary interest	928.71	861	815
Muse Ryogoku II	2-2-6, Ryogoku, Sumida-ku, Tokyo	Trust beneficiary interest	850.51	726	657
Minami-Horie apartment Cielo	3-7-6, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,420.12	917	830
Minami-Horie apartment Grande	3-7-4, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,248.70	826	797
Minami-Horie apartment Rio	3-6-10, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	474.60	282	259
Plowland Horita	7-19, Horitadori Mizuhoku, Nagoya, Aichi	Trust beneficiary interest	3,564.00	1,490	1,441
Nasic Nozomigaoka	239 Nozomigaoka Meltoku Nagoya, Aichi	Trust beneficiary interest	1,745.56	765	721
St. Lake Celeb Daikancho	40-20, Daikancho, Higashi-ku, Nagoya, Aichi	Trust beneficiary interest	1,835.34	1,060	1,001
Belle Face Kawaharadori	5-5, Kawaharadori, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,874.89	906	899
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,430	3,315
BECOME SAKAE	3-32-6, Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,615.66	4,770	4,666
Street Life (Leasehold land)	3-1-2 Osawa, Izumi-ku, Sendai, Miyagi	Trust beneficiary interest	16,258.65	2,050	2,029
Total			319,642.10	318,773	251,677

(Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of December 31, 2024, and truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheet as of December 31, 2024 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses) and truncated to the nearest million yen.

(Note 3) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named "FORECAST Ichigaya". The same applies hereinafter.

(Note 4) This property includes a separate building, which is structurally independent from the main building, and these two buildings are counted as one property. The same applies hereinafter.

The status of rental business related to properties held by NIPPON REIT is as follows:

Property name	24th fiscal period (From January 1, 2024 to June 30, 2024)				25th fiscal period (From July 1, 2024 to December 31, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
FORECAST Nishishinjuku	16	100.0	87	1.0	15	100.0	85	1.0
Nihombashi Playa Building (Note 5)	2	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)	–	–	Not disclosed (Note 6)	Not disclosed (Note 6)
FORECAST Yotsuya	11	89.7	50	0.6	11	89.7	49	0.6
FORECAST Shinjuku AVENUE	7	100.0	205	2.4	7	100.0	210	2.4
FORECAST Ichigaya	22	100.0	158	1.8	22	100.0	161	1.9
FORECAST Mita	5	100.0	64	0.7	5	100.0	66	0.8
FORECAST Shinjuku SOUTH	18	100.0	633	7.3	18	100.0	641	7.4
FORECAST Sakurabashi	5	100.0	199	2.3	5	100.0	201	2.3
GreenOak Kayabacho	8	100.0	105	1.2	8	100.0	107	1.2
GreenOak Kudan	6	100.0	108	1.3	6	100.0	110	1.3
GreenOak Takanawadai	10	100.0	85	1.0	10	92.7	80	0.9
Central Daikanyama	7	81.9	66	0.8	8	92.6	71	0.8
Hiroo Reeplex B's	7	100.0	85	1.0	7	100.0	85	1.0
Shibakoen Sanchome Building	4	100.0	240	2.8	4	100.0	246	2.8
Kudankita 325 Building	7	100.0	69	0.8	7	100.0	71	0.8
Itohopia Iwamotocho 2-chome Building	8	100.0	111	1.3	8	100.0	112	1.3
Itohopia Iwamotocho 1-chome Building	9	100.0	82	1.0	10	100.0	91	1.0
Itohopia Iwamotocho ANNEX Building	7	100.0	87	1.0	7	100.0	97	1.1
Pigeon Building	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)
FORECAST Ningyocho	6	100.0	57	0.7	6	100.0	68	0.8
FORECAST Ningyocho PLACE	8	100.0	60	0.7	8	100.0	62	0.7
FORECAST Shin- Tokiwabashi	9	100.0	65	0.8	9	100.0	65	0.7
Nishi-Shinjuku Sanko Building	7	100.0	79	0.9	7	100.0	85	1.0
Iidabashi Reeplex B's	7	100.0	45	0.5	7	100.0	46	0.5
FORECAST Shinagawa	6	100.0	70	0.8	6	100.0	72	0.8
Nishi-Gotanda 8-chome Building	8	88.2	73	0.9	8	88.2	75	0.9
Towa Higashi-Gotanda Building	7	100.0	79	0.9	6	82.1	71	0.8
FORECAST Takadanobaba	6	100.0	187	2.2	6	100.0	190	2.2
Itohopia Kiyosubashidori Building	7	100.0	78	0.9	7	100.0	80	0.9
I-S Minamimorimachi Building	16	100.0	97	1.1	16	100.0	98	1.1
MIK Kojimachi Building (Note 7)	–	–	23	0.3	–	–	–	–
Toranomon Sakura Building	12	97.6	104	1.2	13	100.0	108	1.3
La Verite Akasaka	6	100.0	60	0.7	6	100.0	60	0.7

Property name	24th fiscal period (From January 1, 2024 to June 30, 2024)				25th fiscal period (From July 1, 2024 to December 31, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Kanda Ocean Building	22	100.0	53	0.6	22	100.0	55	0.6
Shinto GINZA EAST (Note 8)	8	100.0	30	0.4	—	—	34	0.4
FORECAST Kayabacho	14	100.0	105	1.2	14	100.0	107	1.2
FORECAST Waseda FIRST	7	100.0	141	1.6	6	100.0	139	1.6
FORECAST Gotanda WEST	11	100.0	262	3.0	10	89.0	262	3.0
Omiya Center Building	33	100.0	538	6.2	33	100.0	608	7.0
Sumitomo Mitsui Bank Koraibashi Building	25	84.9	131	1.5	25	78.7	123	1.4
NORE Fushimi	8	96.9	126	1.5	7	86.7	113	1.3
NORE Meieki	16	94.4	119	1.4	16	96.3	119	1.4
Homat Horizon Building	9	100.0	214	2.5	9	100.0	216	2.5
Sannomiya First Building (Note 9)	—	—	7	0.1	—	—	—	—
Towa Kandanshikicho Building	6	100.0	33	0.4	6	100.0	35	0.4
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	42	0.5	8	100.0	42	0.5
Hiroo ON Building	6	87.6	65	0.8	7	100.0	63	0.7
TK Gotanda Building	10	100.0	89	1.0	10	100.0	108	1.3
Gotanda Sakura Building	10	100.0	51	0.6	10	100.0	52	0.6
Alte Building Higobashi	10	100.0	78	0.9	10	100.0	80	0.9
DIA Building Meieki	10	100.0	51	0.6	10	100.0	53	0.6
TENSHO OCHANOMIZU BUILDING	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
FORECAST Kameido	7	100.0	97	1.1	7	100.0	98	1.1
NRT Kandasudacho Building	9	100.0	34	0.4	9	100.0	33	0.4
REID-C Megurofudomae	4	85.7	24	0.3	5	100.0	26	0.3
The Square	18	100.0	38	0.4	18	100.0	39	0.5
Tsukiji Front	7	100.0	25	0.3	7	100.0	28	0.3
Hatchobori River Gate (Note 7)	—	—	10	0.1	—	—	0 (Note 11)	0.0
TENSHO OFFICE SHINBASHI 5	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
REID-C Iidabashi Building	8	100.0	28	0.3	8	90.2	29	0.3
REID-C Gotenyama Building	4	100.0	28	0.3	4	100.0	28	0.3
30 Sankyo Building	6	100.0	39	0.5	6	100.0	48	0.6
FORECAST Hakata Gofukumachi	9	82.6	19	0.2	8	71.2	34	0.4
Tower Court Kitashinagawa	274	98.7	432	5.0	272	97.8	433	5.0
Sky Hills N11	1	100.0	61	0.7	1	100.0	61	0.7
my atria Sakae	1	100.0	36	0.4	1	100.0	36	0.4
Mac Village Heian	1	100.0	27	0.3	1	100.0	27	0.3
Seam Dwell Tsutsui (Note 12)	—	—	0 (Note 13)	0.0	—	—	—	—
Ciel Yakuin	40	94.7	24	0.3	42	100.0	23	0.3
Kanda Reeplex R's	41	100.0	58	0.7	41	100.0	56	0.7
Splendid Namba	250	99.3	114	1.3	251	99.7	116	1.3
Residence Hiroo	52	96.3	64	0.7	52	96.7	64	0.7

Property name	24th fiscal period (From January 1, 2024 to June 30, 2024)				25th fiscal period (From July 1, 2024 to December 31, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Residence Nihombashi Hakozaki	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Primegate Iidabashi	65	93.9	157	1.8	67	99.0	154	1.8
Residence Edogawabashi	37	100.0	33	0.4	37	100.0	33	0.4
Merveille Senzoku	28	100.0	20	0.2	27	96.4	21	0.2
Field Avenue (Note 14)	54	96.3	77	0.9	—	—	52	0.6
Domeal Kitaakabane	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Dormy Kitaakabane	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)	1	100.0	Not disclosed (Note 10)	Not disclosed (Note 10)
Splendid Shin-Osaka III	153	99.4	75	0.9	152	98.6	76	0.9
ZEPHYROS Minami-horie	71	98.9	49	0.6	71	98.9	49	0.6
Charmant Fuji Osakajominami	63	100.0	24	0.3	61	96.8	25	0.3
Placere Fuminosato	42	96.0	18	0.2	42	96.0	18	0.2
Wald Park Minamioi	29	100.0	18	0.2	29	100.0	18	0.2
LAPUTA KUJO	62	100.0	47	0.5	62	100.0	48	0.6
Imazaki Mansion N1 (Note 15)	—	—	0 (Note 16)	0.0	—	—	—	—
L'arte Nakatsu	27	96.3	16	0.2	27	96.6	17	0.2
City hills Andoji	68	97.7	48	0.6	69	98.8	48	0.6
Hermitage Shin-sakae	44	82.2	37	0.4	44	80.3	39	0.5
Sun・Meiekinminami Building	64	91.4	27	0.3	66	94.3	28	0.3
Tenjinhighashi residence	76	98.7	29	0.3	77	100.0	29	0.3
DeLCCS KASAI	29	97.3	40	0.5	29	97.7	41	0.5
Serenite Shin-Osaka	65	95.3	32	0.4	67	98.6	33	0.4
Mullion Josai (Note 7)	—	—	9	0.1	—	—	—	—
Residence Kinshicho	26	100.0	18	0.2	26	100.0	19	0.2
Meister house Kawasaki	35	100.0	21	0.2	35	100.0	21	0.2
LIESSE Tsurumai	77	87.4	33	0.4	84	96.6	31	0.4
Komatsubara Yamamoto Mansion (Note 17)	92	92.3	26	0.3	—	—	11	0.1
Belleza Kanayama (Note 18)	42	86.6	20	0.2	—	—	10	0.1
Sylphide Higashi-shinagawa	43	100.0	27	0.3	43	100.0	26	0.3
Royal Bloom	35	100.0	31	0.4	34	97.9	30	0.4
Ever Square Doshin	40	97.4	17	0.2	40	97.7	16	0.2
Zeku Benten (Note 19)	—	—	13	0.2	-	-	0 (Note 20)	0.0
Canis Court Kamishinjo	57	100.0	42	0.5	57	100.0	42	0.5
Imperial Otori	27	89.9	25	0.3	30	100.0	26	0.3
MAISON NISHI MAGOME	38	95.8	22	0.3	39	100.0	22	0.3
Muse Ryogoku II	34	100.0	19	0.2	33	96.8	19	0.2
Minami-Horie apartment Cielo	39	100.0	22	0.3	37	94.8	22	0.3
Minami-Horie apartment Grande	30	100.0	22	0.3	28	93.0	22	0.3

Property name	24th fiscal period (From January 1, 2024 to June 30, 2024)				25th fiscal period (From July 1, 2024 to December 31, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Minami-Horie apartment Rio	10	100.0	7	0.1	10	100.0	8	0.1
Plowland Horita	99	91.7	44	0.5	102	94.4	45	0.5
Nasic Nozomigaoka	66	90.4	24	0.3	63	86.3	23	0.3
St. Lake Celeb Daikancho	65	98.7	23	0.3	61	92.3	27	0.3
Belle Face Kawaharadori	67	97.4	23	0.3	67	96.1	28	0.3
Otakibashi Pacifica Building	10	100.0	86	1.0	9	90.8	86	1.0
BECOME SAKAE	9	87.6	121	1.4	10	95.0	116	1.3
Street Life (Leasehold land)	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)	1	100.0	Not disclosed (Note 6)	Not disclosed (Note 6)
Total	3,134	98.0	8,651	100.0	2,941	97.7	8,699	100.0

- (Note 1) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of the end of respective periods, excluding warehouses, signboards, and parking lots. For properties subject to a pass-through master lease, the number of tenants is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, for which we consider the number of tenants to be one.
- (Note 2) "Occupancy rate" is rounded to the first decimal place.
- (Note 3) "Revenues related to property leasing" is truncated to the nearest million yen.
- (Note 4) "Rate to total revenues related to property leasing" is rounded to the first decimal place, and may not add up to 100%.
- (Note 5) 50% of quasi co-ownership interest of this property was transferred on June 28, 2024, and the remaining 50% of quasi co-ownership interest was transferred on October 31, 2024.
- (Note 6) This information is not disclosed as tenants' consent to disclosure has not been obtained.
- (Note 7) This property was transferred on March 27, 2024.
- (Note 8) This property was transferred on December 23, 2024.
- (Note 9) This property was transferred on January 19, 2024.
- (Note 10) This information is not disclosed as sublessees' consent to disclosure has not been obtained.
- (Note 11) Electricity revenue which were finalized in the current period are recorded.
- (Note 12) This property was transferred on December 27, 2023.
- (Note 13) Other revenues which were finalized in the previous period are recorded.
- (Note 14) This property was transferred on October 31, 2024.
- (Note 15) This property was transferred on June 30, 2023.
- (Note 16) Other revenues which were finalized in the previous period are recorded.
- (Note 17) This property was transferred on September 20, 2024.
- (Note 18) This property was transferred on September 27, 2024.
- (Note 19) This property was transferred on June 28, 2024.
- (Note 20) Other revenues which were finalized in the current period are recorded.

(4) Description of Securities

Name	Type	Quantity (Unit)	Book value (Note 1)		Fair value (Note 1) (Note 2)		Valuation gain or loss (Yen in millions)	Note
			Unit price (Yen in thousands)	Amount (Yen in millions)	Unit price (Yen in thousands)	Amount (Yen in millions)		
Godo Kaisha Osaka Hommachi Hotel Preferred silent partnership equity interest	Preferred silent partnership equity interest	—	—	121	—	121	—	(Note 3)
Total		—	—	121	—	121	—	

- (Note 1) "Book value" and "Fair value" are truncated to the nearest million yen.
- (Note 2) Balance sheet amount is used as "Fair value" by applying the treatment stipulated in paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, revised on June 17, 2021).
- (Note 3) The asset under management includes trust beneficiary interests in real estate of S-PERIA INN OSAKA HOMMACHI.

(5) Contract Amount and Fair Value for Specific Transactions

Category	Type	Contracted amount (Yen in thousands) (Note 1)		Fair value (Yen in thousands) (Note 2)
			Due after 1 year	
Off-market transactions	Interest rate swaps Receive floating / Pay fix	117,520,000	100,470,000	2,091,759 (Note 3)
Total		117,520,000	100,470,000	2,091,759

- (Note 1) "Contract amount" is based on the notional principal. Figures are truncated to the nearest thousand yen.
- (Note 2) "Market value" is based on the price indicated by the financial institution managing the transaction. Figures are truncated to the nearest thousand yen.
- (Note 3) With regard to the "Interest rate swaps Receive floating / Pay fix" transaction for which special treatment is applied in accordance with the "Accounting Standards for Financial Instruments", such fair value is not recognized on the balance sheet.

(6) Other Assets

Beneficiary interests in trust assets comprised mainly of real estate are presented earlier in this report under "(3) Description of Portfolio." Aside from the assets presented in "(3) Description of Portfolio," NIPPON REIT has no major investment assets other than those included in its portfolio as of December 31, 2024.

(7) Holding of Assets by Country and Region

NIPPON REIT does not own assets outside of Japan.

4. Capital Expenditure for Properties Held

(1) Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 26th fiscal period accompanying planned renovations and repairs for those properties held. The following scheduled construction amount includes the portion charged to expenses in accounting:

Property name	Location	Purpose	Schedule	Scheduled construction amount (Yen in millions) (Note)		
				Total	Amount to be paid in the current fiscal period	Amount already paid
FORECAST Shinjuku SOUTH	Shinjuku ward, Tokyo	Exterior wall and mechanical parking repair	From Jan. 2025 to Jun. 2025	15	—	—
GreenOak Kayabacho	Chuo ward, Tokyo	Elevator control renewal	From Jan. 2025 to Jun. 2025	37	—	—
GreenOak Kudan	Chiyoda ward, Tokyo	Air conditioning ventilation system renewal	From Jan. 2025 to Jun. 2025	59	—	—
Shibakoen Sanchoe Building	Minato ward, Tokyo	Hygiene plumbing renewal	From Jan. 2025 to Jun. 2025	13	—	—
FORECAST Shinagawa	Shinagawa ward, Tokyo	Air conditioning ventilation system renewal	From Jul. 2024 to Feb. 2025	83	—	—
FORECAST Waseda FIRST	Shinjuku ward, Tokyo	Ventilation system renewal	From Jan. 2025 to Jun. 2025	115	—	—
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Common area renewal (Phase 1)	From Jan. 2025 to Jun. 2025	75	—	—
Alte Building Higobashi	Osaka, Osaka	Elevator control renewal	From Jan. 2025 to Jun. 2025	33	—	—
DIA Building Meieki	Nagoya, Aichi	2nd, 5th and 6th floor air conditioning ventilation system renewal	From Jan. 2025 to Jun. 2025	48	—	—
REID-C Gotenyama Building	Shinagawa ward, Tokyo	7th floor glass windows replacement	From Jan. 2025 to Jun. 2025	10	—	—
Residence Hiroo	Minato ward, Tokyo	Exterior wall repair	From Jan. 2025 to Jun. 2025	76	—	—
Primegate Iidabashi	Shinjuku ward, Tokyo	Elevator control renewal	From Dec. 2024 to Jun. 2025	37	—	—
		Substation system repair (Phase 3)	From Jan. 2025 to Jun. 2025	12	—	—
BECOME SAKAE	Nagoya, Aichi	Repair for 1st floor air conditioning and leasing plan	From Jan. 2025 to Jun. 2025	19	—	—
		Mechanical parking parts replacement	From Jan. 2025 to Jun. 2025	15	—	—

(Note) The scheduled construction amount is truncated to the nearest million yen.

(2) Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the current period. In the fiscal period ended December 31, 2024, capital expenditures totaled 991 million yen. With the addition of 246 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 1,237 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
Itohpia Iwamotocho 1- chome Building	Chiyoda ward, Tokyo	Mechanical parking parts replacement	From Oct. 2024 to Dec. 2024	47
Iidabashi Reeplex B's	Shinjuku ward, Tokyo	Exterior wall repair	From Jul. 2024 to Dec. 2024	49
FORECAST Takadanobaba	Toshima ward, Tokyo	Ventilation system renewal	From May. 2024 to Jul. 2024	17
		1st, 2nd and 6th floor plumbing renewal	From Oct. 2024 to Nov. 2024	14
		Roof floor waterproofing	From Sep. 2024 to Nov. 2024	18
FORECAST Waseda FIRST	Shinjuku ward, Tokyo	Water supply and drainage sanitation equipment renewal (Phase 1)	From Sep. 2024 to Oct. 2024	10
		LED renewal (Phase 1)	From Aug. 2024 to Aug. 2024	15
		Large toilet bowl renewal	From Nov. 2024 to Nov. 2024	10
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	7th floor bathroom renewal	From Sep. 2024 to Sep. 2024	10
		Emergency power generator maintenance	From Nov. 2024 to Nov. 2024	81
		Automated security system renewal	From Nov. 2024 to Dec. 2024	14
Towa Kandanishikicho Building	Chiyoda ward, Tokyo	3rd to 6th floor air conditioning ventilation system renewal	From Jun. 2024 to Nov. 2024	22
Alte Building Higobashi	Osaka, Osaka	Air conditioning ventilation system renewal	From Sep. 2024 to Dec. 2024	111
Ciel Yakuin	Fukuoka, Fukuoka	Exterior wall repair	From Aug. 2024 to Dec. 2024	27
Primegate Iidabashi	Shinjuku ward, Tokyo	Mechanical parking parts replacement	From Jul. 2024 to Jul. 2024	15
Merville Sensoku	Ota ward, Tokyo	Mechanical parking parts replacement	From Oct. 2024 to Oct. 2024	14
ZEPHYROS Minami- horie	Osaka, Osaka	Mechanical parking parts replacement	From Oct. 2024 to Nov. 2024	14
Plowland Horita	Nagoya, Aichi	Interphone renewal	From Nov 2024 to Dec. 2024	14
Splendid Shin-Osaka III	Osaka, Osaka	Exterior wall repair	From Apr. 2024 to Dec. 2024	64
Other capital expenditures				417
Total				991

(Note) Capital expenditures are truncated to the nearest million yen.

(3) Cash Reserves for Long-Term Repairs and Maintenance Plans

Based on a long-term repair and maintenance plan compiled for each property, NIPPON REIT sets aside the following cash reserves from cash flows during the fiscal period in order to provide the payment of funds for major repairs and maintenance, etc., over the medium to long term:

(Yen in millions)

Operating period	21st fiscal period From July 1, 2022 to December 31, 2022	22nd fiscal period From January 1, 2023 to June 30, 2023	23rd fiscal period From July 1, 2023 to December 31, 2023	24th fiscal period From January 1, 2024 to June 30, 2024	25th fiscal period From July 1, 2024 to December 31, 2024
Balance of reserves at the beginning of the period	2,414	2,876	3,473	3,566	3,572
Amount of reserves during the period	986	1,237	1,176	1,007	924
Amount of reversal of reserves during the period	524	640	1,083	1,001	991
Reserves carried forward	2,876	3,473	3,566	3,572	3,505

(Note) Figures in the above table are truncated to the nearest million yen.

5. Expenses and Liabilities

(1) Expenses in Connection with Management of Assets

(Yen in thousands)

Item	24th fiscal period From January 1, 2024 to June 30, 2024	25th fiscal period From July 1, 2024 to December 31, 2024
(a) Asset management fees (Note 1)	638,819	654,968
(b) Asset custody fees	10,406	10,602
(c) Administrative service fees	42,919	44,206
(d) Directors' compensation	2,400	2,400
(e) Independent auditors' fees	15,000	15,000
(f) Other operating expenses	201,950	185,907
Total	911,496	913,084

(Note 1) In addition to the amount shown above for asset management fees, there were management fees related to the acquisition of properties included in the book value of the respective properties (24th fiscal period: 65,270 thousand yen, 25th fiscal period: 1,190 thousand yen), and related to the transfer of trust beneficiary interests (24th fiscal period: 66,600 thousand yen, 25th fiscal period: 68,750 thousand yen).

(Note 2) Figures in the table above are truncated to the nearest thousand yen.

(2) Debt Financing

The status of borrowing per financial institution as of December 31, 2024, is as follows:

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%)	Repayment due date	Method of repayment	Use	Note
			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Current portion of long-term debt	MUFG Bank, Ltd.	August 21, 2017	1,400	-	0.58 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	-					
	MUFG Bank, Ltd.		500	-					
	Resona Bank, Limited		300	-					
	Sumitomo Mitsui Trust Bank, Limited		400	-					
	Development Bank of Japan Inc.		400	-					
	MUFG Bank, Ltd.	July 3, 2018	1,050	-	0.54 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		250	-					
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		150	-					
	SBI Shinsei Bank, Limited		150	-					
	Mizuho Trust & Banking Co., Ltd.		200	-					
	MUFG Bank, Ltd.	August 20, 2018	1,950	-	0.57 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	-					
	Resona Bank, Limited		400	-					
	Sumitomo Mitsui Trust Bank, Limited		600	-					
	SBI Shinsei Bank, Limited		600	-					
	Mizuho Trust & Banking Co., Ltd.		600	-					
	Mizuho Bank, Ltd.	July 3, 2018	1,000	1,000	0.58 (Note 3)	January 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	January 29, 2024	750	-	0.74	January 29, 2025 (Note 5)	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		750	-					
	MUFG Bank, Ltd.	April 24, 2017	1,400	1,400	0.70 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		600	600					
	MUFG Bank, Ltd.		400	400					
	Resona Bank, Limited		200	200					
	MUFG Bank, Ltd.	April 24, 2018	700	700	0.61 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		200	200					
	Sumitomo Mitsui Banking Corporation		500	500					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	MUFG Bank, Ltd.	August 20, 2021	300	300	0.30 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Resona Bank, Limited		400	400					
	SBI Shinsei Bank, Limited		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.		250	250					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note	
	Lender									
Current portion of long-term debt	The Nomura Trust and Banking Co., Ltd.	April 20, 2022	500	500	0.62	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	August 21, 2017	-	1,200	0.71 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		-	500						
	MUFG Bank, Ltd.		-	400						
	Resona Bank, Limited		-	300						
	Sumitomo Mitsui Trust Bank, Limited		-	200						
	Development Bank of Japan Inc.		-	200						
	MUFG Bank, Ltd.	July 3, 2018	-	1,500	0.63 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Sumitomo Mitsui Banking Corporation		-	300						
	Resona Bank, Limited		-	200						
	Sumitomo Mitsui Trust Bank, Limited		-	100						
	Development Bank of Japan Inc.	-	400	0.68 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed		
	MUFG Bank, Ltd.	-	3,000							
	Mizuho Bank, Ltd.	-	400							
	Resona Bank, Limited	-	200							
	Sumitomo Mitsui Trust Bank, Limited	-	200							
	SBI Shinsei Bank, Limited	-	200							
	Mizuho Trust & Banking Co., Ltd.	-	200							
	Subtotal			19,400	17,550					
	Long-term debt	MUFG Bank, Ltd.	August 21, 2017	1,200	-	0.71 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
Mizuho Bank, Ltd.		500		-						
MUFG Bank, Ltd.		400		-						
Resona Bank, Limited		300		-						
Sumitomo Mitsui Trust Bank, Limited		200		-						
Development Bank of Japan Inc.		200		-						
MUFG Bank, Ltd.		July 3, 2018	1,500	-	0.63 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Sumitomo Mitsui Banking Corporation			300	-						
Resona Bank, Limited			200	-						
Sumitomo Mitsui Trust Bank, Limited			100	-						
Development Bank of Japan Inc.		400	-	0.68 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed		
MUFG Bank, Ltd.		3,000	-							
Mizuho Bank, Ltd.		400	-							
Resona Bank, Limited		200	-							
Sumitomo Mitsui Trust Bank, Limited		200	-							
SBI Shinsei Bank, Limited		200	-							
Mizuho Trust & Banking Co., Ltd.	200	-								

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	April 24, 2018	200	200	0.75 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Meiji Yasuda Life Insurance Company	April 24, 2018	500	500	0.70	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2019	500	500	0.59 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		1,000	1,000					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	Aozora Bank, Ltd.		300	300					
	MUFG Bank, Ltd.		2,600	2,600					
	Mizuho Bank, Ltd.	July 22, 2019	1,200	1,200	0.43 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		550	550					
	Sumitomo Mitsui Trust Bank, Limited		250	250					
	SBI Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	MUFG Bank, Ltd.	August 20, 2018	3,650	3,650	0.83 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.	February 20, 2020	200	200	0.39 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,500	1,500					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited	August 22, 2022	500	500	0.50 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		550	550					
	Mizuho Bank, Ltd.		400	400					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	The Nomura Trust and Banking Co., Ltd.		250	250					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	April 24, 2019	500	500	0.74 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		750	750					
	Resona Bank, Limited		100	100					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		100	100					
	Aozora Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	July 22, 2019	3,500	3,500	0.54 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	1,200					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		400	400					
	Mizuho Trust & Banking Co., Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	February 20, 2020	500	500	0.45 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 20, 2023	600	600	0.60	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Sumitomo Mitsui Banking Corporation		300	300					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	April 22, 2024	750	750	0.56	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation	February 20, 2020	300	300	0.48 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		4,500	4,500					
	Mizuho Bank, Ltd.		500	500					
	SBI Shinsei Bank, Limited		500	500					
	Mizuho Trust & Banking Co., Ltd.	October 30, 2020	500	500	0.49 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		950	950					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	SBI Shinsei Bank, Limited	August 21, 2023	400	400	0.60	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		300	300					
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		100	100					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	SBI Shinsei Bank, Limited		200	200					
	MUFG Bank, Ltd.	August 20, 2024	-	600	0.60	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	350					
	Sumitomo Mitsui Banking Corporation		-	350					
	SBI Shinsei Bank, Limited		-	300					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	Sumitomo Mitsui Banking Corporation	October 30, 2020	500	500	0.56 (Note 3)	December 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2018	1,000	1,000	0.96 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	October 30, 2020	500	500	0.59 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Aozora Bank, Ltd.		500	500					
	MUFG Bank, Ltd.	April 20, 2021	100	100	0.50 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation		2,000	2,000					
	Sumitomo Mitsui Trust Bank, Limited		250	250					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	August 20, 2021	700	700	0.42 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Resona Bank, Limited		600	600					
	SBI Shinsei Bank, Limited		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.	April 22, 2024	250	250	0.60	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		150	150					
	Resona Bank, Limited		550	550					
	Sumitomo Mitsui Trust Bank, Limited	July 21, 2020	400	400	0.64 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		2,000	2,000					
	Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited	April 22, 2024	1,250	1,250	1.05 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Trust & Banking Co., Ltd.		1,250	1,250					
	MUFG Bank, Ltd.	August 20, 2024	200	200	0.64	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		50	50					
	Sumitomo Mitsui Banking Corporation		600	600					
	Resona Bank, Limited		600	600					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	Development Bank of Japan Inc.	April 24, 2019	200	200	0.95 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		-	100					
	Sumitomo Mitsui Trust Bank, Limited		-	300					
	Mizuho Trust & Banking Co., Ltd.		-	400					
	Development Bank of Japan Inc.		-	200					
	MUFG Bank, Ltd.		800	800					
	Mizuho Bank, Ltd.		200	200					

	Classification		Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender	Borrowing date							
Long-term debt	MUFG Bank, Ltd.	October 30, 2020	1,200	1,200	0.68 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		900	900					
	MUFG Bank, Ltd.	April 20, 2021	800	800	0.63 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Development Bank of Japan Inc.		600	600					
	MUFG Bank, Ltd.	April 20, 2022	70	70	0.76 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		1,700	1,700					
	MUFG Bank, Ltd.	April 22, 2024	800	800	1.13 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		650	650					
	Sumitomo Mitsui Banking Corporation		850	850					
	MUFG Bank, Ltd.	August 20, 2021	2,100	2,100	0.55 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	MUFG Bank, Ltd.	April 22, 2024	400	400	1.16 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation		400	400					
	MUFG Bank, Ltd.	August 20, 2024	-	2,900	1.02 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank		-	900					
	Sumitomo Mitsui Trust Bank, Limited		-	850					
	SBI Shinsei Bank, Limited		-	350					
	Mizuho Trust & Banking Co., Ltd.		-	400					
	Development Bank of Japan Inc.		-	200					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited	April 20, 2022	450	450	0.91 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	SBI Shinsei Bank, Limited		300	300					
	Mizuho Trust & Banking Co., Ltd.		100	100					
	MUFG Bank, Ltd.	August 22, 2022	1,100	1,100	0.82 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		800	800					
	Resona Bank, Limited		250	250					
	Aozora Bank, Ltd.		250	250					
	Mizuho Trust & Banking Co., Ltd.		150	150					
	MUFG Bank, Ltd.	April 20, 2023	1,600	1,600	1.07 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Banking Corporation		1,500	1,500					
	Resona Bank, Limited		200	200					
	SBI Shinsei Bank, Limited		600	600					
	MUFG Bank, Ltd.	July 21, 2020	1,500	1,500	0.78 (Note 3)	July 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note	
	Lender									
Long-term debt	MUFG Bank, Ltd.	August 21, 2023	2,300	2,300	1.15 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		700	700						
	Sumitomo Mitsui Banking Corporation		500	500						
	Resona Bank,Limited		350	350						
	Sumitomo Mitsui Trust Bank, Limited		500	500						
	Mizuho Trust & Banking Co., Ltd.		400	400						
	Development Bank of Japan Inc.		400	400						
	MUFG Bank, Ltd.	August 20, 2024	-	700	1.10 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		-	350						
	Sumitomo Mitsui Banking Corporation		-	400						
	SBI Shinsei Bank, Limited		-	200						
	MUFG Bank, Ltd.	February 20, 2023	500	500	1.24 (Note 3)	February 20, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	April 20, 2021	1,500	1,500	0.81 (Note 3)	April 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		500	500						
	MUFG Bank, Ltd.	April 20, 2023	900	900	1.25 (Note 3)	April 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		600	600						
	Sumitomo Mitsui Banking Corporation		700	700						
	Resona Bank, Limited		100	100						
	Mizuho Trust & Banking Co., Ltd.	300	300							
	MUFG Bank, Ltd.	August 21, 2023	1,800	1,800	1.34 (Note 3)	August 20, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		700	700						
	Sumitomo Mitsui Banking Corporation		200	200						
	Resona Bank,Limited		300	300						
	Sumitomo Mitsui Trust Bank, Limited		200	200						
	SBI Shinsei Bank, Limited		300	300						
	MUFG Bank, Ltd.	August 22, 2022	1,500	1,500	1.09 (Note 3)	August 20, 2032	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		500	500						
		Subtotal		108,220	108,570					
		Total		127,620	126,120					

(Note 1) "Balance at the beginning of the period" and "Balance at the end of the period" are truncated to the nearest million yen.
 (Note 2) "Average interest rate" is the weighted-average interest rate during the period, rounded to the second decimal place.
 (Note 3) Interest rate swap agreement is concluded and the interest rate is substantively fixed. Therefore, the effect of interest rate swap is factored into the interest rate provided.
 (Note 4) Used for acquisition of assets, repayment of loans, and related expenses deemed reasonable.
 (Note 5) The loan is prepaid on November 12, 2024.

(3) Investment Corporation Bonds

The status of investment corporation bonds as of December 31, 2024, is as follows:

Name	Issuance date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Interest rate (%)	Redemption date	Redemption method	Use	Note
NIPPON REIT 1st unsecured bonds	April 24, 2018	1,000	1,000	0.54	April 24, 2025	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 2nd unsecured bonds	April 24, 2018	1,000	1,000	0.70	April 24, 2028	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 3rd unsecured bonds	November 30, 2018	1,500	1,500	0.88	November 30, 2028	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 4th unsecured bonds	April 24, 2019	1,000	1,000	0.90	April 24, 2029	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 5th unsecured bonds (Green bonds)	August 6, 2021	2,000	2,000	0.67	August 6, 2031	Lump-sum repayment at maturity	(Note 1)	(Note 2)
Total		6,500	6,500					

(Note 1) Use as the funds for part of repayment of loans

(Note 2) The bond is subject to the pari passu clause among specified investment corporation bonds.

(4) Status of Short-Term Investment Corporation Bonds

Not applicable

(5) Status of Unit Acquisition Rights

Not applicable

6. Status of Purchases and Sales during the Period

(1) Status of Purchases and Sales of Real Estate, Asset-Backed Securities, Infrastructure Assets, and Infrastructure-Related Assets

Property name	Acquisition		Transfer			
	Date of acquisition	Acquisition price (Yen in millions) (Note)	Date of transfer	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions)	Gain or loss on transfer (Yen in millions)
Komatsubara Yamamoto Mansion	—	—	September 20, 2024	658	721	(84)
Belleza Kanayama	—	—	September 27, 2024	730	740	(34)
Godo Kaisha Osaka Hommachi Hotel Preferred silent partnership equity interest	September 27, 2024	119	—	—	—	—
Nihombashi Playa Building (50% of quasi co-ownership of interest)	—	—	October 31, 2024	1,700	953	728
Field Avenue	—	—	October 31, 2024	3,485	3,085	258
Shinto GINZA EAST	—	—	December 23, 2024	1,690	1,344	276
Total	—	119	—	8,263	6,844	1,145

(Note 1) "Acquisition price" or "Transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc. Figures have been truncated to the nearest million yen.

(Note 2) "Gain or loss on transfer" represents amounts obtained by deducting book values and transfer-related expenses from transfer prices.

(2) Transaction of Other Assets

Other assets, aside from previously mentioned real estate, asset-backed securities, infrastructure assets, and infrastructure-related assets, consist mainly of bank deposits and bank deposits included in the trust asset deposits.

(3) Review on Value of Specified Assets

A. Real estate

Acquisition or transfer	Name	Transaction date	Type of asset	Acquisition price or transfer price (Yen in millions) (Note 1) (Note 2)	Appraisal value (Yen in millions) (Note 2)	Appraiser	Appraisal date
Transfer	Komatsubara Yamamoto Mansion	September 20, 2024	Trust Beneficiary Interest	658	682	JLL Morii Valuation & Advisory K.K.	June 30, 2024
Transfer	Belleza Kanayama	September 27, 2024	Trust Beneficiary Interest	730	780	JLL Morii Valuation & Advisory K.K.	June 30, 2024
Transfer	Nihombashi Playa Building (50% of quasi co-ownership of interest)	October 31, 2024	Trust Beneficiary Interest	1,700	1,260 (Note 3)	Japan Real Estate Institute	December 31, 2023
Transfer	Field Avenue	October 31, 2024	Trust Beneficiary Interest	3,485	3,420	Japan Real Estate Institute	June 30, 2024
Transfer	Shinto GINZA EAST	December 23, 2024	Trust Beneficiary Interest	1,690	1,450	Japan Real Estate Institute	June 30, 2024

(Note 1) "Acquisition price or transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc.

(Note 2) Figures have been truncated to the nearest million yen.

(Note 3) The amount is calculated as 2,520 million yen, the appraisal value of the subject property multiplied by 50%, quasi co-ownership interest of the transferred trust beneficiary interest.

(Note 4) The above appraisal was conducted in accordance with the "Japanese Real Estate Appraisal Standards, Detailed exposition Chapter 3 Appraisal regarding price of securitized real estate."

B. Asset-Backed Securities

Acquisition or transfer	Name	Transaction date	Type of asset	Acquisition price (Yen in millions) (Note 1) (Note 2)	Appraisal value of specified assets (Yen in millions) (Note 2)
Acquisition	Godo Kaisha Osaka Hommachi Hotel Preferred silent partnership equity interest	September 27, 2024	Preferred silent partnership equity interest	119	160

(Note 1) "Acquisition price" does not include acquisition-related expenses.

(Note 2) Figures have been truncated to the nearest million yen.

(Note 3) The appraisal of the price of the specified asset above was conducted by KPMG AZSA LLC at the time the asset was acquired in accordance with the Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-upon Procedures Pertaining Investigation into the Value, etc., of Specified Assets of Investment Trusts and Investment Corporations" published by the by Japanese Institute of Certified Public Accountants. This appraisal report has been received by NIPPON REIT.

C. Others

Name of the investigator

KPMG AZSA LLC

Summary of the result and investigation method:

Transactions that were investigated during the applicable period from July 1, 2024, to December 31, 2024, consisted of two interest rate swap transactions. Regarding the interest rate swap transactions, KPMG AZSA LLC is entrusted with the investigation of comparable prices, name of the counterparty, the agreed figures, the transaction period, and other details regarding the relevant interest rate swap transactions, as stipulated on Article 201-2 of the Investment Trust Act and an Agreed-Upon Procedures Reports on such transactions based on Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-Upon Procedures Pertaining to Investigation into the Value, etc., of Specified Assets of Investment Trusts and Investment Corporations," published by the Japanese Institute of Certified Public Accountants.

Furthermore, the investigation is not part of the financial statement audit, and does not ensure the validity of the price and internal control systems.

(4) Related Party Transactions

A. Status of Transactions

Not applicable

B. Amount of Fees Paid

Classification	Total amount paid (A) (Yen in thousands) (Note 3)	Breakdown of transactions with related parties (Note 1)		Rate to total amount paid (B/A) (Note 4)
		Payment recipient	Amount paid (B) (Yen in thousands) (Note 3)	
Trust fees	42,265	Shinsei Trust and Banking Co., Ltd.	350	0.8%
Financing-related expenses	274,319	SBI Shinsei Bank, Limited	11,246	4.1%

(Note 1) In accordance with Article 123 of the Order for Enforcement of the Investment Trusts Act on Investment Trusts and Investment Corporation and Article 26, item 27 of the Investment Trust Association of Japan's Rules Related to Management Reports for Investment Trusts and Investment Corporations, "related parties" are defined as the related parties of the asset management company that have entered into an asset management contract with NIPPON REIT.

(Note 2) The above table includes related party transactions as stipulated by Rules on Related Party Transactions of the asset management company in addition to the related party transactions during the current period.

(Note 3) "Total amount paid" and "Amount paid" have been truncated to the nearest thousand yen.

(Note 4) "Rate to total amount paid" has been rounded to the first decimal place.

(5) Status of Transactions with Asset Management Company Pertaining to Business Operated by the Asset Management Company as a Subsidiary Business

Not applicable because the asset management company does not engage in any business as a subsidiary business that is a type-I financial instruments business, type-II financial instruments business, real estate brokerage, or real estate specified joint enterprise.

7. Accounting

(1) Status of Assets, Liabilities, Principal, and Profit / Loss

Please refer to "Balance Sheets," "Statements of Income and Retained Earnings," "Statements of Change in Net Assets," "Notes to Financial Statements," and "Distribution Information."

"Balance Sheets," "Statements of Income and Retained Earnings," "Statements of Change in Net Assets,"

"Notes to Financial Statements," and "Distribution Information" for the prior fiscal period are for the reference purpose and are not subject to the audit of the independent auditor for the current fiscal period as prescribed by Article 130 of the Investment Trust Act.

(2) Changes in Method to Calculate Depreciation Expenses

Not applicable

(3) Changes in Method to Evaluate Properties and Infrastructure Assets

Not applicable

(4) Status of Beneficiary Certificates of Investment Trust Established by NIPPON REIT

Not applicable

(5) Disclosures as a Corporation Holding Real Estate Overseas and Relating to Real Estate Held by a Corporation Holding Real Estate Overseas

Not applicable

8. Other

(1) Notice

The overview of conclusions and changes, etc., of major agreements approved by meeting of the Board of Officers of NIPPON REIT during the current period is as follows:

Approval date	Subject	Description
September 26, 2024	Signed an agreement for the purchase of a self-investment account through a discretionary trading transaction	Resolved the conclusion of an agreement with SBI SECURITIES Co.,Ltd. regarding the discretionary trading transaction for the market purchase of a self-investment account and delegated the administrative work. This delegation of administrative work terminated as of November 18, 2024 as reached the upper limit of the total acquisition amount during the purchase period for the acquisition of the self-investment account.
October 25, 2024	Signed a memorandum of the succession, etc., of the sponsor support agreement	Resolved the conclusion of a memorandum among Agility Asset Advisors Inc. (hereafter referred to as "Agility"), Agility Holding Inc. (hereafter referred to as "AHD") and the Asset Management Company with respect to the succession of status of the sponsor support agreement in conjunction with the transfer of the stock of the Asset Management Company, investment units of NIPPON REIT and the contractual position of sponsor support to AHD due to company absorption and division resulting from group reorganization between Agility and AHD as of October 29, 2024.

(2) Other

Unless otherwise stated, monetary amounts are truncated and percentages are rounded off to the nearest specified unit in this report.

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of June 30, 2024 and December 31, 2024

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 11,876,457	¥ 15,291,417
Cash and deposits in trust (Note 3)	6,009,289	5,840,681
Tenant receivables	101,266	94,909
Prepaid expenses	463,829	472,813
Other current assets	14,105	15,854
Total Current Assets	18,464,948	21,715,676
Investment Properties (Notes 5 and 6):		
Buildings (Note 8)	287,615	287,740
Tools, furniture and fixtures	1,066	1,066
Land in trust (Note 7)	190,808,354	185,577,981
Buildings in trust (Note 8)	63,911,805	62,702,549
Structures in trust	234,554	229,552
Machinery and equipment in trust	641,275	732,816
Tools, furniture and fixtures in trust (Note 8)	466,176	582,111
Construction in progress in trust	2,973	2,002
Less: accumulated depreciation	(15,895,077)	(16,488,654)
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	16,792,459	16,792,459
Other intangible assets	3,208	3,014
Total Investment Properties, net	258,511,204	251,679,432
Other Assets:		
Investment securities (Note 4)	—	121,563
Lease and guarantee deposits	10,137	10,100
Long-term prepaid expenses	1,132,787	1,100,201
Deferred investment corporation bond issuance costs	33,164	29,455
Deferred tax assets (Note 17)	23	41
Others	8,950	3,089
Total Other Assets	1,185,064	1,264,450
Total Assets	¥ 278,161,217	¥ 274,659,560

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of June 30, 2024 and December 31, 2024

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Liabilities		
Current Liabilities:		
Investment corporation bonds due within one year (Notes 4 and 15)	¥ 1,000,000	¥ 1,000,000
Long-term debt due within one year (Notes 4 and 14)	19,400,000	17,550,000
Accounts payable	1,245,365	1,155,871
Accrued expenses	343,250	356,982
Accrued corporation taxes	1,042	1,204
Accrued consumption taxes	232,567	411,792
Advances received	1,493,866	1,465,535
Other current liabilities	136,002	125,746
Total Current Liabilities	23,852,093	22,067,132
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 15)	5,500,000	5,500,000
Long-term debt (Notes 4 and 14)	108,220,000	108,570,000
Tenant security deposits	62,921	62,921
Tenant security deposits in trust	9,130,206	8,981,323
Total Long-Term Liabilities	122,913,128	123,114,245
Total Liabilities	146,765,222	145,181,378
Net Assets (Notes 12 and 18)		
Unitholders' Equity:		
Unitholders' capital	126,515,601	126,515,601
Units authorized: 4,000,000 units		
Units issued and outstanding: 449,930 units as of June 30, 2024 and 442,095 units as of December 31, 2024		
Deduction from unitholders' capital (Note 13)	—	(2,499,903)
Unitholders' capital, net	126,515,601	124,015,698
Reserve for reduction entry	—	467,939
Retained earnings	4,880,393	4,994,544
Total Unitholders' Equity	131,395,994	129,478,181
Total Net Assets	131,395,994	129,478,181
Total Liabilities and Net Assets	¥ 278,161,217	¥ 274,659,560

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six-month periods ended June 30, 2024 and December 31, 2024

	For the six-month periods ended			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Operating Revenues (Note 9):				
Rental revenues (Note 10)	¥	7,981,545	¥	7,903,520
Other revenues related to property leasing (Note 10)		669,923		795,973
Gain on sales of real estate properties (Note 11)		1,214,083		1,264,022
Dividend income		183		—
Total Operating Revenues		9,865,736		9,963,516
Operating Expenses:				
Property-related expenses (Note 10)		3,285,701		3,277,993
Loss on sales of real estate properties (Note 11)		169,309		118,439
Asset management fees		638,819		654,968
Asset custody fees		10,406		10,602
Administrative service fees		42,919		44,206
Directors' compensation		2,400		2,400
Independent auditors' fees		15,000		15,000
Other operating expenses		201,950		185,907
Total Operating Expenses		4,366,507		4,309,518
Operating Income		5,499,228		5,653,997
Non-Operating Revenues:				
Interest income		74		1,330
Reversal of distributions payable		9,738		8,055
Interest on tax refund		88		—
Total Non-Operating Revenues		9,901		9,385
Non-Operating Expenses:				
Interest expense		437,439		469,607
Interest on investment corporation bonds		23,906		24,137
Amortization of investment corporation bond issuance costs		3,709		3,709
Borrowing related expenses		269,134		274,319
Others		48		2,298
Total Non-Operating Expenses		734,239		774,073
Ordinary Income		4,774,891		4,889,310
Income Before Income Taxes		4,774,891		4,889,310
Income taxes – current		1,090		1,407
Income taxes – deferred		(1)		(18)
Total Income Taxes (Note 17)		1,089		1,389
Net Income		4,773,801		4,887,920
Retained Earnings Brought Forward		106,591		106,623
Retained Earnings at End of Period	¥	4,880,393	¥	4,994,544

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
STATEMENTS OF CHANGES IN NET ASSETS

For the six-month periods ended June 30, 2024 and December 31, 2024

	Unitholders' Equity				
	Number of Units	Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, net	Reserve for Reduction Entry
	(Units)	(Yen in thousands)			
Balance as of December 31, 2023	449,930	¥ 126,515,601	¥ —	¥ 126,515,601	¥ —
Cash distributions declared	—	—	—	—	—
Net income	—	—	—	—	—
Balance as of June 30, 2024	449,930	¥ 126,515,601	¥ —	¥ 126,515,601	¥ —
Reserve for reduction entry	—	—	—	—	467,939
Cash distributions declared	—	—	—	—	—
Net income	—	—	—	—	—
Acquisition of treasury investment units	—	—	—	—	—
Cancellation of treasury investment units	(7,835)	—	(2,499,903)	(2,499,903)	—
Balance as of December 31, 2024	442,095	¥ 126,515,601	¥ (2,499,903)	¥ 124,015,698	¥ 467,939

	Unitholders' Equity			
	Retained Earnings	Treasury Investment Units	Total Unitholders' Equity	Total Net Assets
	(Yen in thousands)			
Balance as of December 31, 2023	¥ 4,090,271	¥ —	¥ 130,605,873	¥ 130,605,873
Cash distributions declared	(3,983,680)	—	(3,983,680)	(3,983,680)
Net income	4,773,801	—	4,773,801	4,773,801
Balance as of June 30, 2024	¥ 4,880,393	¥ —	¥ 131,395,994	¥ 131,395,994
Reserve for reduction entry	(467,939)	—	—	—
Cash distributions declared	(4,305,830)	—	(4,305,830)	(4,305,830)
Net income	4,887,920	—	4,887,920	4,887,920
Acquisition of treasury investment units	—	(2,499,903)	(2,499,903)	(2,499,903)
Cancellation of treasury investment units	—	2,499,903	—	—
Balance as of December 31, 2024	¥ 4,994,544	¥ —	¥ 129,478,181	¥ 129,478,181

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
STATEMENTS OF CASH FLOWS

For the six-month periods ended June 30, 2024 and December 31, 2024

	For the six-month periods ended	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 4,774,891	¥ 4,889,310
Depreciation and amortization	993,760	992,014
Amortization of investment corporation bond issuance costs	3,709	3,709
Loss on retirement of investment properties	12,457	13,289
Interest income	(74)	(1,330)
Interest expense	461,346	493,745
(Increase) decrease in tenant receivables	(4,243)	6,299
(Increase) decrease in prepaid expenses	6,641	(8,983)
(Increase) decrease in long-term prepaid expenses	103,296	32,586
Increase (decrease) in accrued consumption taxes	190,649	179,225
Increase (decrease) in accounts payable	93,914	(61,870)
Increase (decrease) in accrued expenses	(3,350)	7,386
Increase (decrease) in advances received	26,841	(28,330)
Decrease in investment properties in trust due to sale	6,502,215	6,844,872
Interest income received	74	1,330
Interest expense paid	(457,019)	(487,399)
Income taxes paid	(706)	(1,245)
Others, net	12,245	(31,660)
Net Cash Provided by Operating Activities	12,716,648	12,842,949
Cash Flows from Investing Activities:		
Payments for purchases of investment properties other than intangible assets	—	(125)
Payments for purchases of investment properties in trust other than intangible assets in trust	(8,612,921)	(1,038,797)
Proceeds from tenant security deposits in trust	469,246	372,296
Payments of tenant security deposits in trust	(358,800)	(506,760)
Proceeds from refund of lease and guarantee deposits	—	37
Proceeds from refund of investment securities	30,000	—
Payments for purchases of investment securities	—	(121,563)
Other payments	(1,244)	(1,244)
Net Cash Used in Investing Activities	(8,473,720)	(1,296,157)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	9,250,000	9,850,000
Repayments of long-term debt	(7,750,000)	(11,350,000)
Payments for acquisition of treasury investment units	—	(2,499,903)
Distributions paid	(3,976,797)	(4,300,536)
Net Cash Used in Financing Activities	(2,476,797)	(8,300,440)
Net Change in Cash and Cash Equivalents	1,766,131	3,246,351
Cash and Cash Equivalents at Beginning of Period	16,119,615	17,885,747
Cash and Cash Equivalents at End of Period (Note 3)	¥ 17,885,747	¥ 21,132,099

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
NOTES TO FINANCIAL STATEMENTS

As of and for the six-month periods ended June 30, 2024 and December 31, 2024

Note 1 – Organization and Basis of Presentation

Organization

NIPPON REIT Investment Corporation (hereinafter referred to as “NIPPON REIT”) was established on September 8, 2010 with ¥100 million in capital (200 units) as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions, hereinafter referred to as the “Investment Trust Act”) by the founder (the former Polaris Investment Advisors K.K. and Sojitz REIT Advisors K.K.; now, SBI REIT Advisors Co., Ltd.). On November 30, 2022, Sojitz Corporation which had been the parent company and the former specified affiliated company of Sojitz REIT Advisors K.K. has transferred all of Sojitz REIT Advisors K.K.’s shares held to SBI Financial Services Co., Ltd., a wholly owned subsidiary of SBI Holdings, Inc. In connection with this share transfer, Sojitz REIT Advisors K.K. changed its name to SBI REIT Advisors Co., Ltd.

Commencing on July 1, 2014, the fiscal period has been amended from an annual period to a semi-annual period ending on June 30 and December 31. Prior to this amendment, the annual fiscal period was a 12-month period from July 1 to June 30. NIPPON REIT made this amendment in order to increase the frequency of distributions to its unitholders.

NIPPON REIT is an externally managed real estate fund, established as an investment corporation. SBI REIT Advisors Co., Ltd. (former Sojitz REIT Advisors K.K.) as NIPPON REIT’s asset management company, is engaged in acquiring, managing, leasing, and renovating office properties, residential properties and commercial properties. SBI Financial Services Co., Ltd., Cushman & Wakefield Asset Management K.K. and Agility Asset Advisers Inc. currently own 67%, 18% and 15%, respectively, of SBI REIT Advisors Co., Ltd..

NIPPON REIT implemented a two-for-one split of investment units on January 17, 2014, issued new investment units through a public offering (144,200 units) on April 23, 2014 and then was listed on the J-REIT section of the Tokyo Stock Exchange on April 24, 2014. Furthermore, NIPPON REIT issued new investment units through a third-party allotment (7,210 units) on May 23, 2014, a public offering (145,000 units) on February 10, 2015, a third-party allotment (7,250 units) on March 10, 2015, a public offering (84,000 units) on July 1, 2015 and a third-party allotment (3,700 units) on July 28, 2015, a public offering (55,400 units) on July 2, 2018 and the third-party allotment (2,770 units) on July 24, 2018. As of December 31, 2024, the total number of investment units issued and outstanding was 442,095 units. In addition, NIPPON REIT conducted a four-for-one split of investment units with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Total number of issued and outstanding investment units following the split is 1,768,380 units.

As of December 31, 2024, NIPPON REIT had ownership or trust beneficiary interests in 105 properties with approximately 319,642.10 square meters of rentable space and had leased space to 2,941 tenants. The occupancy rate for the properties was approximately 97.7%.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and their related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements have been reformatted and translated into English from the financial statements of NIPPON REIT prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing the accompanying financial statements, relevant notes have been expanded and certain reclassifications have been made from the Japanese GAAP financial statements. Certain supplementary information included in the statutory Japanese GAAP financial statements, but not required for fair presentation, is not presented in the accompanying financial statements. Certain reclassifications have been made to the prior period’s financial statements to confirm to the presentation for the current period.

As permitted by Japanese GAAP, amounts of less than one thousand yen or one million yen have been omitted. Consequently, the totals shown in the accompanying financial statements do not necessarily agree with sums of the individual amounts.

Note 2 – Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.

(b) Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating an uncollectible amount based on the analysis of certain individual accounts that may not be collectable.

(c) Investment Properties

Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings in trust and Buildings	2-64 years
Structures in trust	2-45 years
Machinery and equipment in trust	10 years
Tools, furniture and fixtures in trust	
Tools, furniture and fixtures	2-15 years

Costs related to the renovation, addition and improvement of properties are capitalized. Expenditures for repairs and maintenance which do not add to the value or prolong the useful life of a property are expensed as incurred.

(d) Intangible Assets

Intangible assets are amortized using the straight-line method.

(e) Long-Term Prepaid Expenses

Long-term prepaid expenses are amortized using the straight-line method.

(f) Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.

(g) Investment Securities

Available-for-sale securities without market prices are stated at cost determined by the moving average method. Equity interest in a silent partnership is stated at net amount equivalent to the interest in the relevant partnership.

(h) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rate.

(i) Real Estate Taxes

Investment properties are subject to various taxes, such as property taxes and city planning taxes. Owners of the properties are registered by records maintained in each jurisdiction by the local government. The taxes are imposed on the registered record owner as of January 1 of each year, based on an assessment made by the local government.

When a property is purchased within the calendar year, the taxes for the corresponding calendar year are imposed on the seller. NIPPON REIT pays the seller the corresponding amount of taxes for the period from the property acquisition date to December 31 of the calendar year and capitalizes these amounts as acquisition costs of the property, rather than expensing them. In subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

The following is a summary of capitalized real estate taxes.

	For the six-month periods ended	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Capitalized real estate taxes	¥ 23,723	¥ —

(j) Consumption Taxes

Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.

(k) Hedge Accounting

NIPPON REIT enters into derivative transactions for the purpose of hedging risks defined in the Articles of Incorporation of NIPPON REIT in accordance with its financial policy. NIPPON REIT uses interest rate swaps as hedging instruments in order to hedge the risk of interest rate fluctuations related to borrowings. The deferral method is applied for hedge transactions. For interest rate swaps which qualify for hedge accounting and meet specific criteria, the special treatment is applied. Under the special treatment, the related differentials paid or received under such swap contracts can be recognized and included in interest expense or income of the hedged assets or liabilities, and the interest rate swaps are not required to be measured at fair value separately. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

(l) Revenue Recognition

Major contents of performance obligations relating to revenue arising from contracts with customers of NIPPON REIT and general timing of satisfying such performance obligations (general timing of revenue recognition for the revenue recognition) are as follows:

(1) Sales of Real Estate Properties

Revenue is recognized at the time of a purchaser of real estate property as a customer obtains control over the real estate property by satisfying delivery obligation as described in a contract regarding the sale of the real estate property.

Net amount is presented as “Gain on sales of real estate properties” or “Loss on sales of real estate properties” on the Statements of Income and Retained Earnings calculated as “Selling price of the real estate property” which represents consideration for the transfer of investment property by deducting “Book value of the real estate property” which represents the book value of the investment property transferred and “Other selling expenses” which represents other direct expenses for the transfer.

(2) Utility Charge Revenues

Utility charge revenues are recognized depending on volume of supply of electricity, water and others to a tenant as a customer based on the lease agreement of the related property and contents of ancillary agreements.

(m) Accounting for Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings.

The following assets in trust are recognized and presented separately on the balance sheets.

- (i) Cash and deposits in trust
- (ii) Land in trust, buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, construction in progress in trust and leasehold rights in trust
- (iii) Tenant security deposits in trust

(n) Significant Accounting Estimates

Impairment loss on investment properties

(1) Carrying amount in the accompanying financial statements

	As of			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Investment properties	¥	258,511,204	¥	251,679,432

(2) Information on the nature of significant accounting estimates for identified items

NIPPON REIT reduces the book value of investment properties to its recoverable amount when the invested amount may not be recoverable due to decrease in profitability in conformity with the accounting standard for impairment of long-lived assets.

NIPPON REIT’s investment properties are grouped on an individual asset basis. NIPPON REIT reviews the investment properties for impairment when factors such as consecutive operating losses, significant decline in the market price, deteriorated business environment and others related to investment properties indicate the carrying amount of an asset may not be recoverable.

Whether an impairment loss is recognized is determined based on the future cash flows expected from the asset. In the case that the impairment loss is recognized, the book value of the asset is reduced to the respective recoverable amount and the difference between the book value and recoverable amount is recorded as an impairment loss.

Future cash flows used in determining recoverable amounts are measured by comprehensive judgement on estimates based on market trends on rental revenues, occupancy rates, rental expenses and other factors as well as transaction information of similar properties.

Operating results and market price of each investment property may be affected by trends in property leasing market and property trading market. It is possible to have impact on NIPPON REIT’s financial position and result of operations in the next fiscal period if assumptions used in estimates change.

(o) Accounting Standards Issued but Not Yet Effective

- “Accounting Standard for Leases” (ASBJ Statement No. 34, issued on September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, issued on September 13, 2024)

(1) Overview

As part of the efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise non-consolidated financial statements that apply IFRS16 in the Accounting Standard for Leases, etc.

Regarding the method for allocating the lease expenses in the lessee’s accounting treatment, using the same approach as IFRS16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

(2) Schedule date of adoption

The accounting standard and implementation guidance will be applied from the beginning of the fiscal period ending December 2027.

(3) The impact of applying the accounting standard and implementation guidance

The amount of impact of applying the “Accounting Standard for Leases” and “Implementation Guidance on Accounting Standard for Leases” on the financial statements is being evaluated at present.

Note 3 – Cash and Cash Equivalents

Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows is as follows:

	As of			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Cash and deposits	¥	11,876,457	¥	15,291,417
Cash and deposits in trust		6,009,289		5,840,681
Cash and cash equivalents	¥	17,885,747	¥	21,132,099

Note 4 – Financial Instruments

(a) Qualitative Information for Financial Instruments

Policy for Financial Instrument Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

Nature and Extent of Risks Arising from Financial Instruments

Proceeds from borrowings and investment corporation bonds are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings and investment corporation bonds are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT's surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates. Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of December 31, 2024, NIPPON REIT uses derivative transactions (interest rate swaps) as hedging instruments in order to avoid the risk of interest rate fluctuations and to fix the amount of interest payments for borrowings with floating rates. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

Credit risk is managed by diversifying the depository financial institutions.

Supplemental Explanation regarding Fair Value of Financial Instruments

Certain assumptions and factors are reflected in estimating the fair value of financial instruments. Different assumptions and factors could result in a different value.

(b) Fair Value of Financial Instruments

The book values, fair values and differences between them were as follows. Investments in partnerships (Note 1) are excluded from the table below. Disclosure of cash and deposits and cash and deposits in trust is omitted because the book value of these assets is deemed a reasonable approximation of the fair value as they are cash or with short maturities. Disclosure of tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

	As of June 30, 2024			As of December 31, 2024		
	(Yen in thousands)					
	Book value	Fair value	Difference	Book value	Fair value	Difference
Investment corporation bonds due within one year	¥ 1,000,000	¥ 996,400	¥ (3,600)	¥ 1,000,000	¥ 998,400	¥ (1,600)
Long-term debt due within one year	19,400,000	19,386,511	(13,488)	17,550,000	17,515,408	(34,591)
Investment corporation bonds	5,500,000	5,275,650	(224,350)	5,500,000	5,268,950	(231,050)
Long-term debt	108,220,000	106,380,216	(1,839,783)	108,570,000	106,642,195	(1,927,804)
Total liabilities	¥ 134,120,000	¥ 132,038,777	¥ (2,081,222)	¥ 132,620,000	¥ 130,424,954	¥ (2,195,045)
Derivatives	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

Methods used to estimate the fair value of financial instruments:

- Investment corporation bonds due within one year and investment corporation bonds
Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.
- Long-term debt due within one year and long-term debt
For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. However, for long-term debt with floating interest rates hedged by interest rate swaps applying the special treatment, the fair value is calculated based on the total amount of principal and interest which are processed as a single unit with the interest rate swaps discounted at the current interest rate applicable to similar borrowings. For long-term debt with fixed interest rates, the fair value is calculated based on the total amount of principal and interest discounted at the current interest rate applicable to similar borrowings.

Derivative Transactions:

There were no derivative transactions to which hedge accounting was not applied as of June 30, 2024 and December 31, 2024.

Derivative transactions to which hedge accounting was applied were as follows:

Hedge accounting method	Type of derivative transaction	Hedged item	As of June 30, 2024		
			Contracted amount		Fair value
			Total	Due after one year	
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 120,120,000	¥ 102,720,000	(Note)
Total			¥ 120,120,000	¥ 102,720,000	¥ —

Note:

Derivatives applying the special treatment of interest rate swaps are treated as a single unit with long-term debt that is designated as the hedged item. The fair value is included in the fair value of aforementioned (2) Long-term debt due within one year and Long-term debt in "(b) Fair Value of Financial Instruments".

Hedge accounting method	Type of derivative transaction	Hedged item	As of December 31, 2024		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 117,520,000	¥ 100,470,000	(Note)
Total			¥ 117,520,000	¥ 100,470,000	¥ —

Note:

Derivatives applying the special treatment of interest rate swaps are treated as a single unit with long-term debt that is designated as the hedged item. The fair value is included in the fair value of aforementioned (2) Long-term debt due within one year and Long-term debt in “(b) Fair Value of Financial Instruments”.

Equity interests in silent partnership:

Equity interests in silent partnership were as follows:

	As of June 30, 2024		As of December 31, 2024	
	(Yen in thousands)			
	Book value	Fair value	Book value	Fair value
Godo Kaisha Osaka Hommachi Hotel				
Preferred silent partnership equity interest	¥	—	¥	121,563
(Note 1)				
Total	¥	—	¥	121,563

Notes:

- The asset under management includes trust beneficiary interests in real estate of S-PERIA INN OSAKA HOMMACHI.
- Book value is used as the fair value equivalent by applying the treatment stipulated in Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Far Value Measurement” (ASBJ Guidance No. 31, revised on June 17, 2021).

The redemption schedule for investment corporation bonds and long-term debt was as follows:

As of June 30, 2024	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
(Yen in thousands)						
Investment corporation bonds	¥ 1,000,000	¥ —	¥ —	¥ 1,000,000	¥ 2,500,000	¥ 2,000,000
Long-term debt	19,400,000	19,100,000	21,800,000	19,100,000	17,870,000	30,350,000
Total	¥ 20,400,000	¥ 19,100,000	¥ 21,800,000	¥ 20,100,000	¥ 20,370,000	¥ 32,350,000

As of December 31, 2024	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
(Yen in thousands)						
Investment corporation bonds	¥ 1,000,000	¥ —	¥ —	¥ 2,500,000	¥ 1,000,000	¥ 2,000,000
Long-term debt	17,550,000	19,400,000	23,500,000	18,500,000	19,470,000	27,700,000
Total	¥ 18,550,000	¥ 19,400,000	¥ 23,500,000	¥ 21,000,000	¥ 20,470,000	¥ 29,700,000

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of June 30, 2024			As of December 31, 2024		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 287,615	¥ (48,380)	¥ 239,234	¥ 287,740	¥ (53,164)	¥ 234,575
Tools, furniture and fixtures	1,066	(125)	940	1,066	(198)	867
Land in trust	190,808,354	—	190,808,354	185,577,981	—	185,577,981
Buildings in trust	63,911,805	(15,277,528)	48,634,277	62,702,549	(15,804,706)	46,897,843
Structures in trust	234,554	(100,951)	133,602	229,552	(103,713)	125,838
Machinery and equipment in trust	641,275	(248,444)	392,830	732,816	(275,187)	457,628
Tools, furniture and fixtures in trust	466,176	(219,647)	246,529	582,111	(251,684)	330,427
Construction in progress in trust	2,973	—	2,973	2,002	—	2,002
Leasehold rights	1,256,792	—	1,256,792	1,256,792	—	1,256,792
Leasehold rights in trust	16,792,459	—	16,792,459	16,792,459	—	16,792,459
Other intangible assets	5,686	(2,478)	3,208	5,686	(2,671)	3,014
Total	¥274,408,760	¥ (15,897,555)	¥ 258,511,204	¥268,170,758	¥(16,491,325)	¥ 251,679,432

Note 6 – Fair Value of Investment Properties

The book value, net changes in the book value and the fair value of the investment properties including office properties, residential properties and commercial properties were as follows:

	For the six-month periods ended			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	257,438,011	¥	258,508,231
Change during period		1,070,219		(6,830,800)
Balance at end of period		258,508,231		251,677,430
Fair value	¥	324,424,000	¥	318,773,000

Notes:

1. The book value represents acquisition costs after deducting accumulated depreciation.
2. The fair value is determined based on appraisal values provided by external real estate appraisers.
3. For the six-month period ended June 30, 2024, the increase was primarily due to the acquisition of 5 properties including “Street Life (Leasehold land)” etc. (total acquisition price of ¥7,402,000 thousand) and the offsetting decrease was primarily due to the transfer of 6 properties including “MK Kojimachi Building” etc. (total book value of ¥6,502,215 thousand).
4. For the six-month period ended December 31, 2024, the increase was primarily due to the capital expenditures and the offsetting decrease was primarily due to the transfer of 5 properties including “Field Avenue” (total book value of ¥6,844,872 thousand).

Note 7 – Reduction Entry for Investment Properties Acquired through Exchange

The following table shows the amount deducted from the acquisition costs of investment properties acquired through exchange.

	As of			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Land in trust	¥	412,101	¥	412,101

Note 8 – Reduction Entry for Investment Properties Acquired due to Government Subsidies Received

The following table shows the amount deducted from the acquisition costs of investment properties acquired due to government subsidies received.

	As of			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Buildings	¥	3,469	¥	3,469
Buildings in trust		287,484		287,484
Tools, furniture and fixtures in trust		262		262
Total	¥	291,216	¥	291,216

Note 9 – Revenue Recognition

Information on breakdown of revenues arising from contracts with customers

Information on breakdown of revenues arising from contracts with customers is presented in Note 10 – Rental Revenues and Expenses and Note 11 – Gain and Loss on Sales of Real Estate Properties. Rental revenues and expenses include revenues relating to property leasing for which “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13) is applied. Major revenues arising from contracts with customers are proceeds from sales of real estate properties and utility charge revenues.

Note 10 – Rental Revenues and Expenses

Rental revenues and expenses were as follows:

	For the six-month periods ended			
	June 30, 2024		December 31, 2024	
	(Yen in thousands)			
Revenues from property leasing:				
Rental revenues:				
Base rents	¥	6,921,318	¥	6,854,903
Common area charges		833,894		818,166
Parking space rental revenues		226,332		230,450
Total rental revenues		7,981,545		7,903,520
Other revenues related to property leasing:				
Utilities charge revenues		483,311		572,043
Others		186,611		223,929
Total other revenues related to property leasing		669,923		795,973
Total revenues from property leasing		8,651,469		8,699,493
Property-related expenses:				
Property management fees		512,281		508,274
Utility expenses		471,753		535,708
Insurance expenses		8,699		9,866
Repair expenses		286,354		246,144
Taxes and dues		635,238		623,125
Depreciation and amortization		993,760		992,014
Loss on retirement of investment properties		12,457		13,289
Trust fees		45,803		39,965
Other		319,353		309,603
Total property-related expenses		3,285,701		3,277,993
Income from property leasing	¥	5,365,768	¥	5,421,500

Note 11 – Gain and Loss on Sales of Real Estate Properties

The details of gain and loss on sales of real estate properties for the six-month period ended June 30, 2024 were as follows:

	(Yen in thousands)
Nihombashi Playa Building (50% of quasi co-ownership interest):	
Selling price of the real estate property	¥ 1,700,000
Book value of the real estate property	955,398
Other selling expenses	20,297
Gain on sales of real estate property	¥ 724,304
	(Yen in thousands)
MK Kojimachi Building:	
Selling price of the real estate property	¥ 2,350,000
Book value of the real estate property	1,985,314
Other selling expenses	116,399
Gain on sales of real estate property	¥ 248,286
	(Yen in thousands)
Sannomiya First Building:	
Selling price of the real estate property	¥ 1,730,000
Book value of the real estate property	1,420,636
Other selling expenses	71,292
Gain on sales of real estate property	¥ 238,070
	(Yen in thousands)
Hatchobori River Gate:	
Selling price of the real estate property	¥ 880,000
Book value of the real estate property	839,537
Other selling expenses	37,040
Gain on sales of real estate property	¥ 3,422
	(Yen in thousands)
Mullion Josai:	
Selling price of the real estate property	¥ 670,000
Book value of the real estate property	779,545
Other selling expenses	6,812
Loss on sales of real estate property	¥ 116,358
	(Yen in thousands)
Zeku Benten:	
Selling price of the real estate property	¥ 485,000
Book value of the real estate property	521,782
Other selling expenses	16,168
Loss on sales of real estate property	¥ 52,950

The details of gain and loss on sales of real estate properties for the six-month period ended December 31, 2024 were as follows:

	(Yen in thousands)
Nihombashi Playa Building (50% of quasi co-ownership interest):	
Selling price of the real estate property	¥ 1,700,000
Book value of the real estate property	953,260
Other selling expenses	17,941
Gain on sales of real estate property	¥ 728,798
	(Yen in thousands)
Shinto GINZA EAST:	
Selling price of the real estate property	¥ 1,690,000
Book value of the real estate property	1,344,623
Other selling expenses	68,766
Gain on sales of real estate property	¥ 276,610
	(Yen in thousands)
Field Avenue:	
Selling price of the real estate property	¥ 3,485,000
Book value of the real estate property	3,085,941
Other selling expenses	140,445
Gain on sales of real estate property	¥ 258,613
	(Yen in thousands)
Komatsubara Yamamoto Mansion:	
Selling price of the real estate property	¥ 658,000
Book value of the real estate property	721,014
Other selling expenses	21,329
Loss on sales of real estate property	¥ 84,343
	(Yen in thousands)
Belleza Kanayama:	
Selling price of the real estate property	¥ 730,000
Book value of the real estate property	740,033
Other selling expenses	24,063
Loss on sales of real estate property	¥ 34,096

Note 12 – Net Assets

NIPPON REIT issues non-par value investment units in accordance with the Investment Trust Act and all of the amounts issued are designated as stated capital. NIPPON REIT maintains at least ¥50,000 thousand as the minimum net assets as required by the Investment Trust Act.

Note 13 – Treasury Investment Units

Cancellation of treasury investment units as of June 30, 2024 and December 31, 2024 were as follows.

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Total number of own investments units cancelled (Units)	–	7,835
Total amount of cancellation	–	¥ 2,499,903

Note 14 – Long-Term Debt

Long-term debt consisted of the following:

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Long-term debt:		
0.58% unsecured loans due 2024 (Notes 2 and 3)	¥ 3,500,000	¥ —
0.54% unsecured loans due 2024 (Notes 2 and 3)	2,000,000	—
0.57% unsecured loans due 2024 (Notes 2 and 3)	4,350,000	—
0.58% unsecured loan due 2025 (Notes 2 and 3)	1,000,000	1,000,000
0.74% unsecured loans due 2025 (Note 2)	1,500,000	—
0.70% unsecured loans due 2025 (Notes 2 and 3)	2,600,000	2,600,000
0.61% unsecured loans due 2025 (Notes 2 and 3)	2,000,000	2,000,000
0.30% unsecured loans due 2025 (Notes 2 and 3)	1,950,000	1,950,000
0.62% unsecured loan due 2025 (Note 2)	500,000	500,000
0.71% unsecured loans due 2025 (Notes 2 and 3)	2,800,000	2,800,000
0.63% unsecured loans due 2025 (Notes 2 and 3)	2,500,000	2,500,000
0.68% unsecured loans due 2025 (Notes 2 and 3)	4,200,000	4,200,000
0.75% unsecured loans due 2026 (Notes 2 and 3)	600,000	600,000
0.70% unsecured loan due 2026 (Note 2)	500,000	500,000
0.59% unsecured loans due 2026 (Notes 2 and 3)	3,100,000	3,100,000
0.43% unsecured loans due 2026 (Notes 2 and 3)	5,400,000	5,400,000
0.83% unsecured loans due 2026 (Notes 2 and 3)	4,850,000	4,850,000
0.39% unsecured loans due 2026 (Notes 2 and 3)	2,500,000	2,500,000
0.50% unsecured loans due 2026 (Notes 2 and 3)	2,450,000	2,450,000
0.74% unsecured loans due 2027 (Notes 2 and 3)	2,550,000	2,550,000
0.54% unsecured loans due 2027 (Notes 2 and 3)	6,300,000	6,300,000
0.45% unsecured loan due 2027 (Notes 2 and 3)	500,000	500,000
0.60% unsecured loan due 2027 (Note 2)	1,300,000	1,300,000
0.56% unsecured loans due 2027 (Note 2)	1,350,000	1,350,000
0.48% unsecured loans due 2027 (Notes 2 and 3)	6,000,000	6,000,000
0.49% unsecured loans due 2027 (Notes 2 and 3)	2,150,000	2,150,000
0.60% unsecured loans due 2027 (Note 2)	1,250,000	1,250,000
0.60% unsecured loans due 2027 (Note 2)	—	1,600,000
0.56% unsecured loan due 2027 (Notes 2 and 3)	500,000	500,000
0.96% unsecured loans due 2028 (Notes 2 and 3)	1,200,000	1,200,000
0.59% unsecured loans due 2028 (Notes 2 and 3)	1,000,000	1,000,000
0.50% unsecured loans due 2028 (Notes 2 and 3)	2,950,000	2,950,000
0.42% unsecured loans due 2028 (Notes 2 and 3)	2,950,000	2,950,000
0.60% unsecured loans due 2028 (Note 2)	1,100,000	1,100,000
0.64% unsecured loans due 2028 (Notes 2 and 3)	6,500,000	6,500,000
1.05% unsecured loans due 2028 (Notes 2 and 3)	1,800,000	1,800,000
0.64% unsecured loans due 2028 (Note 2)	—	1,000,000
0.95% unsecured loans due 2029 (Notes 2 and 3)	1,000,000	1,000,000
0.68% unsecured loans due 2029 (Notes 2 and 3)	2,100,000	2,100,000
0.63% unsecured loans due 2029 (Notes 2 and 3)	2,400,000	2,400,000
0.76% unsecured loans due 2029 (Notes 2 and 3)	1,770,000	1,770,000
1.13% unsecured loans due 2029 (Notes 2 and 3)	2,300,000	2,300,000
0.55% unsecured loans due 2029 (Notes 2 and 3)	3,100,000	3,100,000
1.16% unsecured loans due 2029 (Notes 2 and 3)	1,200,000	1,200,000
1.02% unsecured loans due 2029 (Notes 2 and 3)	—	5,600,000
0.91% unsecured loans due 2030 (Notes 2 and 3)	1,050,000	1,050,000
0.82% unsecured loans due 2030 (Notes 2 and 3)	2,550,000	2,550,000
1.07% unsecured loans due 2030 (Notes 2 and 3)	4,700,000	4,700,000

0.78% unsecured loans due 2030 (Notes 2 and 3)	2,000,000	2,000,000
1.15% unsecured loans due 2030 (Notes 2 and 3)	5,150,000	5,150,000
1.10% unsecured loans due 2030 (Notes 2 and 3)	—	1,650,000
1.24% unsecured loan due 2031 (Notes 2 and 3)	500,000	500,000
0.81% unsecured loans due 2031 (Notes 2 and 3)	2,000,000	2,000,000
1.25% unsecured loans due 2031 (Notes 2 and 3)	2,600,000	2,600,000
1.34% unsecured loans due 2031 (Notes 2 and 3)	3,500,000	3,500,000
1.09% unsecured loans due 2032 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 127,620,000	¥ 126,120,000

Notes:

1. The interest rates presented are weighted average interest rates.
2. Funds were used for acquisition of investment properties, repayment of outstanding borrowings and payment of any other associated expenses as deemed reasonable.
3. As interest rates on these loans are substantively fixed by the interest rate swaps, the interest rates after reflecting the effect of the interest rate swaps are stated.

NIPPON REIT maintains commitment line contracts with financial institutions. The amounts of unused commitments on loans were as follows:

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Total amounts of loan commitment line contracts	¥ 3,000,000	¥ 3,000,000
Executed loan balance	1,500,000	—
Net unused balance	¥ 1,500,000	¥ 3,000,000

Note 15 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
1st 0.54% unsecured bonds due 2025	¥ 1,000,000	¥ 1,000,000
2nd 0.70% unsecured bonds due 2028	1,000,000	1,000,000
3rd 0.88% unsecured bonds due 2028	1,500,000	1,500,000
4th 0.90% unsecured bonds due 2029	1,000,000	1,000,000
5th 0.67% unsecured bonds due 2031 (Green bond)	2,000,000	2,000,000
Total	¥ 6,500,000	¥ 6,500,000

Note 16 – Leases

The future minimum rental revenues under existing non-cancelable operating leases were as follows:

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Due within one year	¥ 680,923	¥ 562,086
Due after one year	1,046,024	936,042
Total	¥ 1,726,947	¥ 1,498,129

Note 17 – Income Taxes

NIPPON REIT is subject to Japanese corporate income taxes on all of its taxable income. However, NIPPON REIT may deduct the amount distributed to its unitholders from its taxable income when certain requirements, including a requirement to distribute in excess of 90% of distributable profit for the fiscal period, are met under the Special Taxation Measure Act of Japan. If NIPPON REIT does not satisfy all of the requirements as specified in the Act, the entire taxable income of NIPPON REIT will be subject to regular corporate income taxes in Japan.

NIPPON REIT has made distribution in excess of 90% of its distributable profit for the six-month periods ended June 30, 2024 and December 31, 2024 in order to be able to deduct such amount from taxable income.

The following table summarizes the significant difference between the statutory tax rate and NIPPON REIT's effective tax rate.

	For the six-month periods ended	
	June 30, 2024	December 31, 2024
Statutory tax rate	31.46%	33.10%
Deductible cash distributions	(28.37)	(29.85)
Per capita inhabitant taxes	0.01	0.01
Provision of reserve for the reduction entry	(3.08)	(3.24)
Others	0.00	0.01
Effective tax rate	0.02%	0.03%

The significant components of deferred tax assets and liabilities were as follows:

	As of	
	June 30, 2024	December 31, 2024
	(Yen in thousands)	
Deferred tax assets:		
Accrued enterprise tax	¥ 23	¥ 41
Total deferred tax assets	23	41
Net deferred tax assets	¥ 23	¥ 41

Note 18 – Per Unit Information

Information about earnings per unit and net assets per unit was as follows:

	For the six-month periods ended	
	June 30, 2024	December 31, 2024
	(Yen)	
Earnings per unit:		
Net income per unit	¥ 2,652	¥ 2,716
Weighted average number of units outstanding (units)	1,799,720	1,799,376
	As of	
	June 30, 2024	December 31, 2024
	(Yen)	
Net assets per unit	¥ 73,009	¥ 73,218

The computation of earnings per unit is based on the weighted average number of units outstanding during the period. The computation of net assets per unit is based on the number of units outstanding at each period end as stated on the balance sheets. Diluted earnings per unit and related information are not disclosed as no dilutive units are outstanding.

NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date. Net income per unit and net assets per unit are calculated based on the assumption that said investment unit split was conducted at the beginning of the fiscal period ended June 2024.

Note 19 – Distribution Information

Pursuant to the terms of the distribution policy set forth in Article 35 paragraph (1) item (2) of NIPPON REIT's Articles of Incorporation, the amount of distributions is defined to be in excess of an amount equivalent to 90% of NIPPON REIT's distributable profit as defined in Article 67-15 of the Special Taxation Measure Act of Japan, but not in excess of an amount of profit set forth in the Articles of Incorporation.

Cash distributions are declared by the board of directors after the end of each period. Such distributions are payable to unitholders of record at the end of each period. For the six-month period ended December 31, 2024, NIPPON REIT decided to distribute ¥4,408,571,340 which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 442,095 units, within the limits that does not exceed the unappropriated retained earnings and not in excess of unappropriated retained earnings after deducting the provision of reserve for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan. Information of cash distributions per unit and the board of directors meeting dates when the distributions were proposed and approved were as follows:

	For the six-month periods ended	
	June 30, 2024	December 31, 2024
	(Yen)	
Cash distributions per unit	¥ 9,570	¥ 9,972
Board of directors meeting dates	August 15, 2024	February 19, 2025

Retained earnings brought forward after the cash distributions were as follows:

	For the six-month periods ended	
	June 30, 2024	December 31, 2024
	(Yen)	
Unappropriated retained earnings	¥ 4,880,393,142	¥ 4,994,544,297
Cash distributions declared	4,305,830,100	4,408,571,340
Provision of reserves for the reduction entry	467,939,343	479,152,388
Retained earnings brought forward	¥ 106,623,699	¥ 106,820,569

Note 20 – Related-Party Transactions

Related-party transactions for the six-month period ended June 30, 2024 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 2) (Yen in thousands)	Account	Balance at the end of period (Note 2) (Yen in thousands)
Directors and their relatives	Yasushi Iwasa	—	—	Executive Officer of NIPPON REIT and President, Director & CEO of SBI REIT Advisors Co., Ltd.	—	Payment of asset management fees to SBI REIT Advisors Co., Ltd. (Note 1)	¥ 770,689	Accounts payable	¥ 18,700
								Accrued expenses	173,889

Notes:

1. This was executed by Yasushi Iwasa as a representative director of a third party (SBI REIT Advisors Co., Ltd.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT's Article of Incorporation for asset management fees.
2. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Related-party transactions for the six-month period ended December 31, 2024 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 2) (Yen in thousands)	Account	Balance at the end of period (Note 2) (Yen in thousands)
Directors and their relatives	Yasushi Iwasa	—	—	Executive Officer of NIPPON REIT and President, Director & CEO of SBI REIT Advisors Co., Ltd.	—	Payment of asset management fees to SBI REIT Advisors Co., Ltd. (Note 1)	¥ 724,908	Accounts payable	¥ 18,590
								Accrued expenses	180,603

Notes:

1. This was executed by Yasushi Iwasa as a representative director of a third party (SBI REIT Advisors Co., Ltd.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT's Article of Incorporation for asset management fees.
2. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Note 21 – Segment Information

Segment Information

Segment information is omitted as NIPPON REIT has one segment, which is property leasing business.

Related Information

Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/ service category account for more than 90% of the operating revenues on the statements of income and retained earnings.

Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues account for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties account for more than 90% of the book value of the total investment properties.

Information on Major Tenants

Disclosure of this information is omitted as there is no tenant that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Note 22– Subsequent Events

A. Investment Unit Split

NIPPON REIT conducted an investment unit split at a rate of four units per one unit with December 31, 2024 as the record date for the split and January 1, 2025 as the effective date.

(a) Purpose of the Split

The purpose of the Split is to create an environment that makes it easier for investors to invest, further expand the investor base, and improve the liquidity of the investment units of NIPPON REIT by lowering the amount per investment unit of investment units, taking into account the new small investment tax incentive system (New NISA) that started from January 2024.

(b) Method of the Split

Investment units of NIPPON REIT owned by the unitholders listed or recorded in the final unitholder register on the record date of December 31, 2024 split at a rate of 4 units per one unit.

(c) Number of investment units to be increased through the Split

(i) Number of issued and outstanding investment units before the Split:	442,095 units
(ii) Number of investment units to be increased through the Split:	1,326,285 units
(iii) Number of issued and outstanding investment units following the Split:	1,768,380 units
(iv) Total number of issuable investment units following the Split:	16,000,000 units (Note)

Note:

Pursuant to the provisions of Paragraph 2 of Article 184 of the Companies Act as applied mutatis mutandis pursuant to Paragraph 2 of Article 81-3 of the Act on Investment Trusts and Investment Corporations, in order to increase the total number of investment units issuable according to the proportion of the split of investment units, NIPPON REIT's Articles of Incorporation has been partially amended.

B. Acquisition of Properties

NIPPON REIT acquired two trust beneficiary interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note 1)	Seller
URAWA GARDEN BUILDING (20% of quasi co-ownership interest)	Saitama, Saitama	March 27, 2025	¥ 2,400	Hulic Co., Ltd.
FORECAST SHINAGAWA@LABO	Minato ward, Tokyo	March 27, 2025	¥ 8,200	i) Not disclosed (Note 2) ii) Raysum Co.,Ltd.
Total			¥ 10,600	

Notes:

- The acquisition prices represent amount of consideration stated in the transfer agreements of the trust beneficiary interest in real estate and quasi co-ownership interest. The acquisition price does not include expenses related to the acquisition, consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.
- Acquired 95% of quasi co-ownership interest of FORECAST SHINAGAWA@LABO from one domestic operating company and 5% thereof from Raysum Co., Ltd. The name of the domestic operating company is not disclosed as a consent to disclosure has not been obtained.

C. Transfer of Property

NIPPON REIT transferred one trust beneficiary interest in real estate as described below.

Property name	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	Shinjuku ward, Tokyo	March 27, 2025	¥ 10,000	¥ 7,199	Hulic Co., Ltd.

Notes:

- The transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The transfer price does not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.
- Book value as of December 31, 2024 is described, rounded down to the nearest million yen.

Note 23 – Additional Information

(a) Acquisition of Property

NIPPON REIT decided to acquire one trust beneficiary interest in real estate on September 26, 2024 and concluded a transfer agreement of the trust beneficiary interest in real estate on September 27, 2024 as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
URAWA GARDEN BUILDING (80% of quasi co-ownership interest)	Saitama, Saitama	July 1, 2025	¥ 9,600	Hulic Co., Ltd.

Notes:

- The scheduled acquisition price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The scheduled acquisition price does not include expenses related to the acquisition, consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.
- The transfer agreement of the trust beneficiary interest in real estate for this property falls under the forward commitment, etc. stipulated in "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." issued by the Financial Services Agency (the forward commitment, etc. refers to a purchase or sale agreement with delivery date of one month or more after the conclusion of agreement, and other agreements similar thereto; the same shall apply hereinafter). The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interest in real estate of this property stipulates that in the event of the other party's breach of its significant obligations or a breach of representations and warranties under the agreement, the cancellation upon notice may be effected. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the scheduled acquisition price.

(b) Transfer of Property

NIPPON REIT decided to transfer one trust beneficiary interest in real estate on September 26, 2024 and concluded a transfer agreement of the trust beneficiary interest in real estate on September 27, 2024 as described below.

Property name	Location	Scheduled transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
FORECAST Shinjuku SOUTH (50% of quasi co-ownership interest)	Shinjuku ward, Tokyo	July 1, 2025	¥ 10,000	¥ 7,199	Hulic Co., Ltd.

Notes:

- 3. The scheduled transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The scheduled transfer price does not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.
- 4. Book value as of December 31, 2024 is described, rounded down to the nearest million yen.
- 5. The transfer agreement of the trust beneficiary interest in real estate for this property falls under the forward commitment, etc. The Asset Management Company has concluded the agreement in accordance with internal rules on forward commitment. In addition, the transfer agreement of the trust beneficiary interest in real estate of this property stipulates that in the event of the other party's breach of its significant obligations or a breach of representations and warranties under the agreement, the cancellation upon notice may be effected. In such event, the canceller may request the other party to pay a penalty equivalent to 10% of the scheduled transfer price.



Independent auditor’s report

To the Board of Directors of NIPPON REIT Investment Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NIPPON REIT Investment Corporation (“the Company”), which comprise the balance sheets as at December 31, 2024 and June 30, 2024, the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for each of the six-month periods ended December 31, 2024 and June 30, 2024, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and June 30, 2024, and its financial performance and its cash flows for each of the six-month periods ended December 31, 2024 and June 30, 2024 in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 22 to the financial statements, which states investment unit split, acquisition of properties and transfer of a property. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the Semiannual Report, but does not include the financial statements and our auditor’s report thereon. Management is responsible for the preparation and presentation of the other information. Supervising officers are responsible for overseeing the executive officer’s performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially

misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervising Officers for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervising officers are responsible for overseeing the executive officer's performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with executive officer regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide executive officer with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company are described in Matters Concerning Officers included in "Overview of the Investment Corporation" of the Semiannual Report.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ Hiroaki Matsumoto

Designated Engagement Partner

Certified Public Accountant

/S/ Namiko Kuramochi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

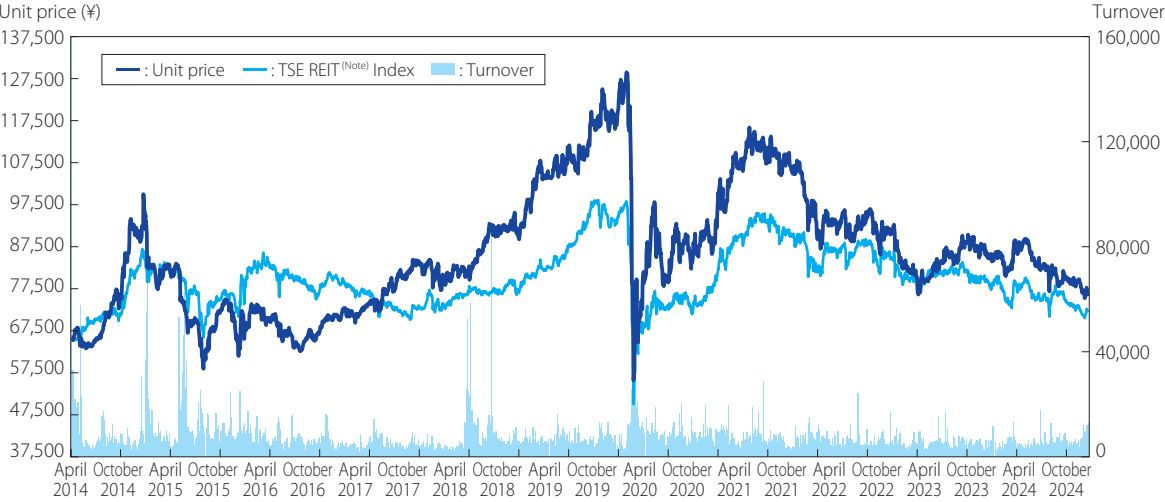
March 27, 2025

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

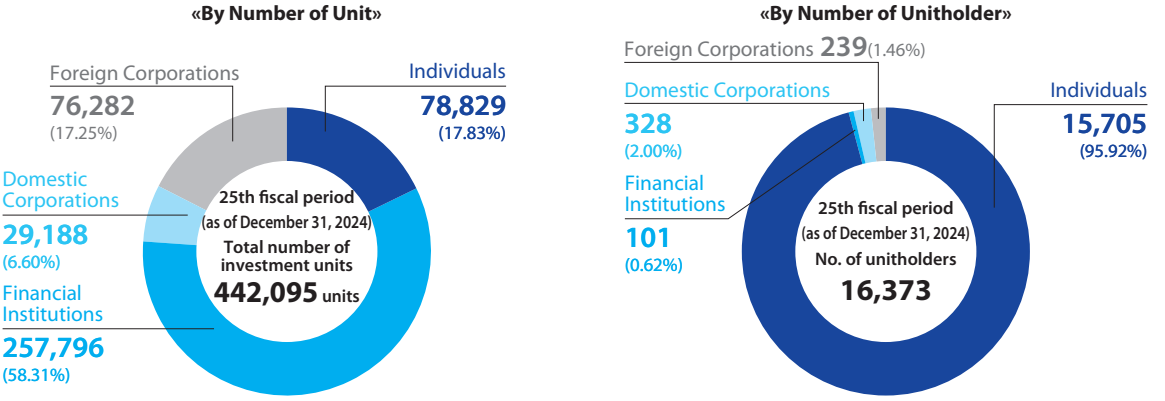
Historical Unit Price

The following shows trends of trading prices (closing prices) and trading volume for NRT, which is traded on the Tokyo Stock Exchange, for the period from April 24, 2014 to December 31, 2024 (the final trading day of the 25th fiscal period).



(Note) The TSE REIT Index is based on NRT unit value (¥261,100) as of April 24, 2014. On January 1, 2025, NRT implemented 4-for-1 investment unit split, and therefore, the investment unit prices and trading volume prior to the split have been adjusted to reflect the split.

Breakdown of Unitholder Composition



Investor Memo

Book-closing dates for fiscal periods	June 30 and December 31 of each year
The General Meeting of Unitholders	Held more than once every two years
Unitholder record date for exercising voting rights	Date stipulated in Article 16 of the Articles of Incorporation
Registration deadline for cash distribution payments	June 30 and December 31 of each year (Cash distributions are paid within a three-month period from the registration deadline.)
Listed on the following stock exchange	Real Estate Investment Trust Section, Tokyo Stock Exchange (TSE) (Stock code: 3296)
Public notice method	Published on the website via electronic public notice (https://www.nippon-reit.com/)
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan
Contact: (Postal mail and phone inquiries)	Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation. 1-1, Nikkocho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free) Mail to: Shin-Tokyo Post Office P.O.B. No.29, 1378081 Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation

- ▶ **Procedures for Notification of Address or Other Changes**
Investors should inform their securities company of any changes to pertinent personal information, including address, name, and official seal for carrying out banking transactions.
- ▶ **Cash Distributions**
Unitholders can receive cash distributions by bringing their cash distribution receipt to the nearest Japan Post Bank or post office (banking agent). To receive the cash distributions after the receipt period, designate the method for receipt on the back of the cash distribution receipt and mail it to the Stock Transfer Agency Services, Mitsubishi UFJ Trust and Banking Corporation or go to the head office or a branch office. (Please refer to the investor memo above for contact information.)
In addition, for future cash distributions, unitholders should contact their securities company to specify a bank account for cash distribution deposits, or for desired procedures, including filing to opt for separate taxation at the source.
Note that NIPPON REIT is not obliged to pay any cash distributions unclaimed for a period of three years after the first day of payment.
Unitholders should make arrangements to receive their cash distributions as soon as possible.
- ▶ **Statement of Cash Distribution**
The statement of cash distribution we send for cash distribution payments also serves as Notice of Dividend Payment, in accordance with provisions under the Special Taxation Measure Act of Japan. This document can be an attachment to tax forms when filing income taxes. Note that the statement of cash distribution is enclosed and sent along with the cash distribution receipt, which unitholders exchange for dividends. Unitholders who file income taxes should carefully store this document away to prevent loss. However, unitholders who opt for allocation in proportion to the number of investment units should contact their securities company for details.

Website Information

<https://www.nippon-reit.com/en/>

Visit our website for overview and current status of NIPPON REIT.

