

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, 2023

Semiannual Report for the 23rd Fiscal Period

Dear Unitholders,

I extend my heartfelt condolences to all those affected by the Noto Peninsula Earthquake in 2024. I sincerely hope for everyone's safety and the earliest possible recovery of the affected areas.

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 2023 (the 23rd fiscal period). We would like to express our heartfelt gratitude to our unitholders for their support.

As for the internal growth, the results of the monthly rent revision due to the efforts to revise the monthly rent increase during the fiscal year under review, including the renewal of contracts for offices and residential and the replacement of tenants, increased by ¥5.2mm, resulting in a positive revision for the 4th consecutive year.

The office occupancy rate remains high at 98.2%. We continued to create new profit opportunities and reduce costs through engineering management.

In addition, during the fiscal period under review, NRT transferred one properties (transfer price of approximately ¥0.8 bn) and acquired six properties (acquisition price of approximately ¥4.5 bn) and decided to distribute a gain on sale of approximately ¥194mm to unitholders. As a result, the distribution per unit for the 23rd fiscal period was ¥8,854, an increase of ¥688 compared to the 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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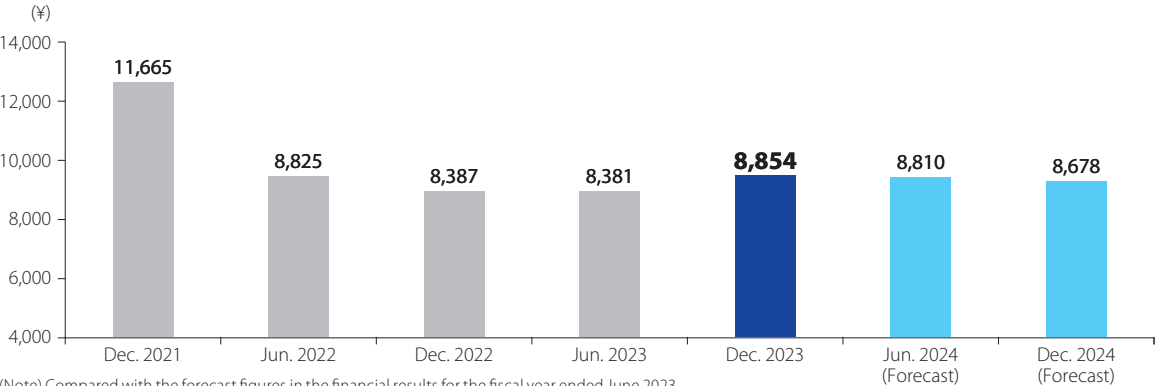
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Financial Highlights

DPU Track Record

The DPU for the 23rd period resulted at ¥8,854, which was an increase of ¥688 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.



Dec. 2023 (23rd Period)

Distributions per Unit

¥8,854

Jun. 2024 (24th Period)

Distributions per Unit (Forecast)

¥8,810

Dec. 2024 (25th Period)

Distributions per Unit (Forecast)

¥8,678

Summary of Financial Results for the 23rd Period (Dec. 2023)

Operating Revenues

¥8,828mm

Ordinary Income

¥3,984mm

Net Income

¥3,983mm

Total Assets

¥275,462mm

Total Net Assets

¥130,605mm

Net Assets per Unit

¥290,280

For NAV per unit and other details, please refer to page 10 of the "Investor Presentation for the 23rd Period."



Portfolio Overview

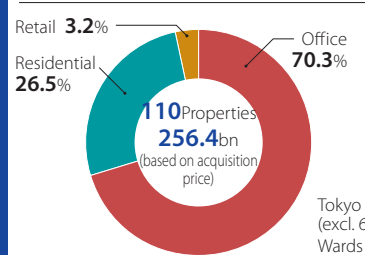
Number of Properties

110 Properties

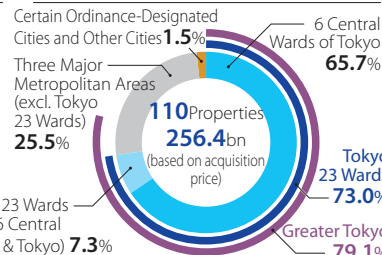
Total Acquisition Price

256.4 bn

Portfolio Diversification by Property Type



Portfolio Diversification by Region



Occupancy Rate Trend

The portfolio occupancy rate for the end of the 23rd period was maintained high at 97.9%. We are working to maintain and improve occupancy rate.

Occupancy Trend and Forecast	22nd Period	23rd Period	24th Period (Forecast)	25th Period (Forecast)
Total	98.2%	97.9%	97.6%	97.7%
Office	98.7%	98.2%	98.6%	98.5%
Residential	97.1%	97.6%	96.1%	96.1%
Retail ^(Note)	100.0%	96.1%	97.4%	99.4%

(Note) The occupancy rate forecast for the 24th and 25th periods for Retail includes the Street Life (Leasehold land) (16,258.65 m²).

Financial Highlights

As of the end of the 23rd period unless other month/year is indicated

Total Interest-Bearing Debt	132.6 bn	LTV (based on appraisal value)	48.1 %
Average Remaining Borrowing Period	3.69 years	Fixed-Interest Rate Ratio	96.8 %
Long-Term Debt Ratio	100.0 %	Japan Credit Agency, Ltd. (JCR) Long-Term Issuer Rating ^(Note)	Upgraded in Nov. 2023 A+ (Positive)
Commitment Line	3.0 bn	Rating and Investment Information, Inc.(R&I) Issuer Rating	Assigned in Aug. 2023 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

For “Portfolio Data” please refer to NRT website



For “List of Properties” please refer to NRT website



Asset Replacement for 23rd Period

Transfer		Acquisition					
Name	Seam Dwell Tsutsui	Name	Muse Ryogoku II	Minami-Horie apartment Cielo	Minami-Horie apartment Grande	Minami-Horie apartment Rio	Plowland Horita
Place	Nagoya, Aichi	Place	Sumida-ku, Tokyo	Osaka, Osaka	Osaka, Osaka	Osaka, Osaka	Nagoya, Aichi
Type	Office	Type	Residential	Residential	Residential	Residential	Residential
Transfer date	Dec.2023	Acquisition date	Jul.2023	Jul.2023	Jul.2023	Jul.2023	Jul.2023
Completion (Building age)	Feb.2007	Completion (Building age)	Nov.2002	Feb.2008	Feb.2008	Feb.2008	Aug.2008
Transfer Price	835mm	Acquisition Price	630mm	805mm	770mm	250mm	1,375mm
Gain on transfer	194mm	Appraisal value (Dec.2023)	707mm	902mm	809mm	276mm	1,450mm
							695mm

Sustainability Initiatives

Environmental Certifications

As of the end of December 2023

Participation to the GRESB Real Estate Assessment

- Achieved “3 Stars” in 2023 GRESB rating
- Received “Green Star” designation for the 7th consecutive years
- Earned the highest “A” level for the GRESB Public Disclosure



28 Properties 48.25% (YOY+3.6%)

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

DBJ Green Building Certification

2 Properties 6.91%



CASBEE for Real Estate

5 Properties 15.18%



BELS Certification

21 Properties 28.27%



Low-Carbon Model Building

5 Properties 5.32%



Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

Period	19th fiscal period	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period
	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023
Operating revenues (Yen in millions)	10,041	8,534	8,547	8,865	8,828
Of which, rental revenues and other revenues related to property leasing (Yen in millions)	(8,434)	(8,406)	(8,544)	(8,610)	(8,632)
Operating expenses (Yen in millions)	3,997	3,935	4,105	4,424	4,122
Of which, property-related expenses (Yen in millions)	(3,095)	(3,083)	(3,263)	(3,313)	(3,249)
Operating income (Yen in millions)	6,043	4,599	4,442	4,440	4,705
Ordinary income (Yen in millions)	5,390	3,971	3,774	3,772	3,984
Net income (Yen in millions)	5,335	3,970	3,773	3,771	3,983
Total assets (a) (Yen in millions)	276,577	274,895	275,138	275,414	275,462
Period-on-period changes (%)	(0.2)	(△0.6)	(0.1)	(0.1)	(0.0)
Net assets (b) (Yen in millions)	131,869	130,592	130,395	130,392	130,605
Period-on-period changes (%)	(0.4)	(△1.0)	(△0.2)	(△0.0)	(0.2)
Unitholders' equity (Yen in millions)	126,515	126,515	126,515	126,515	126,515
Number of investment units issued and outstanding (c) (Unit)	449,930	449,930	449,930	449,930	449,930
Net assets per unit (b) / (c) (Yen)	293,089	290,249	289,812	289,807	290,280
Total distributions (d) (Yen in millions)	5,248	3,970	3,773	3,770	3,983
Distributions per unit (d) / (c) (Yen)	11,665	8,825	8,387	8,381	8,854
Of which, earnings distributions per unit (Yen)	(11,665)	(8,825)	(8,387)	(8,381)	(8,854)
Of which, distributions per unit in excess of earnings per unit (Yen)	(-)	(-)	(-)	(-)	(-)
Ordinary income to total assets ratio (Note 3) (%)	2.0	1.4	1.4	1.4	1.4
Annualized (Note 3) (%)	(3.9)	(2.9)	(2.7)	(2.8)	(2.9)
Return on equity (Note 3) (%)	4.1	3.0	2.9	2.9	3.1
Annualized (Note 3) (%)	(8.0)	(6.1)	(5.7)	(5.8)	(6.1)
Equity ratio (b) / (a) (%)	47.7	47.5	47.4	47.3	47.4
Period-on-period changes (%)	(0.1)	(△0.2)	(△0.1)	(△0.0)	(0.1)
Payout ratio (Note 3) (%)	98.4	100.0	100.0	100.0	100.0

Period	19th fiscal period	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period
	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023

(Reference Information)

Number of investment properties	107	106	106	105	110
Total leasable area (m ²)	315,107.38	312,064.01	312,292.24	308,340.29	315,899.49
Number of tenants (Note 4)	2,912	2,923	2,910	2,870	3,104
Occupancy rate at the end of the period (%)	98.1	98.0	98.2	98.2	97.9
Depreciation during the period (Yen in millions)	1,009	1,006	1,005	1,007	1,015
Capital expenditures during the period (Yen in millions)	610	270	524	640	1,083
Rental NOI (Net Operating Income) (Note 3) (Yen in millions)	6,355	6,330	6,288	6,311	6,405
FFO (Funds From Operations) per unit (Note 3) (Yen)	10,564	10,792	10,633	10,616	10,703
Interest-bearing debt (e) (Yen in millions)	132,620	132,620	132,620	132,620	132,620
Interest-bearing debt to total assets ratio (e) / (a) (%)	48.0	48.2	48.2	48.2	48.1
Number of operating days (Days)	184	181	184	181	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) 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
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 4) 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 5) Monetary figures are truncated, while percentages are rounded.

(2) Overview of the Fiscal Period Ended December 31, 2023

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010, by Polaris Investment Advisers 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 (the “Investment Trusts Act”). 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 the total number of investment units issued and outstanding as of the end of the current period (December 31, 2023) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the current period (the fiscal period ended December 31, 2023) saw an decrease of 0.7% (an annual decrease of 2.9%) in the real GDP growth rate (second preliminary figures) for the period from July to September 2023 compared to the previous period. Currently, corporate profits have been at high levels as a whole, reflecting a moderate increase in capital expenditure and a moderate improvement in the employment and income situation while downward pressure has been exerted by the slowdown in the pace of recovery in overseas economies. Business conditions are showing signs of recovery and capital expenditure plan for fiscal 2023 are expected to increase according to the Bank of Japan Tankan Survey (December 2023) and the Business Outlook Survey (October to December 2023). Looking at individual indicators, the consumer spending is also increasing gradually, despite being affected by inflation, amid the moderate improvement in the employment and income situation as a whole. As for the outlook, gradual growth in Japanese economy is expected to continue partly due to the effects of various policy measures 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 the effect of tightening of monetary policy on a global basis as well as concerns about the outlook for the Chinese economy. It is necessary to keep a close watch on the effects of inflation, 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 2023 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 6.03%, down 0.44% from the same month last year. Moreover, the average rent in the same area as of the end of December 2023 was 19,748 yen per tsubo, down 1.55% from the same month last year while it increased for the first time in 41 months by 0.11% compared to the previous month, and a recovery in demand can be expected as the supply of new office buildings in 2024 is limited compared to 2023.

In terms of the residential properties leasing market, while the situation remains generally stable for both occupancy rate and rent level mainly in 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, changes in working style, such as remote working, 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, as the government promoted transition to the new stage of post-pandemic, we saw a 5.3% year-on-year increase in total retail sales announced by the Ministry of Economy, Trade and Industry in the current commercial statistics for November 2023 amid the normalization of economic activity. Sales at pharmaceuticals and cosmetics stores, automobile stores, mechanical equipment stores, food and beverage stores, other retailers, fuel stores and apparel stores were steady and showed 3.9%, 11.3%, 11.0%, 5.8%, 3.7%, 2.9% and 0.6% year-on-year increase, respectively.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 105 properties (with a total acquisition amounts of 252,654 million yen) and two equity interests in two silent partnership (investment amount 80 million yen, nine real estate-backed properties) as of the end of the fiscal period ended June 2023.

During the fiscal period under review (fiscal period ended December 2023) NIPPON REIT acquired six properties and transferred one property as follows, as a part of the asset replacement.

Transaction	Property Number	Property name	Transfer price or acquisition price (Yen in millions) (Note)	Transfer date or acquisition date
Acquisition	B-45	Muse Ryogoku II	630	July 14, 2023
Acquisition	B-46	Minami-Horie apartment Cielo	805	July 14, 2023
Acquisition	B-47	Minami-Horie apartment Grande	770	July 14, 2023
Acquisition	B-48	Minami-Horie apartment Rio	250	July 14, 2023
Acquisition	B-49	Plowland Horita	1,375	July 14, 2023
Acquisition	B-50	Nasic Nozomigaoka	695	July 14, 2023
Transfer	B-6	Seam Dwell Tsutsui	835	December 27, 2023

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

As a result, the portfolio as of the end of the current period consisted of 61 office properties (Note 1) with a total acquisition amount of 180,330 million yen, 47 residential properties (Note 2) with a total acquisition amount of 68,033 million yen and two retail properties (Note 3) with a total acquisition amount of 8,120 million yen, totaling 110 properties with a total acquisition amount of 256,484 million yen, and one equity interest in a silent partnership (Note 4) (with a total investment amount of 30 million yen and total of three real estate-backed properties) with a total leased area of 309,329.18㎡ and 97.9% of average occupancy rate.

- (Note 1) Office properties are office buildings whose primary usage is the office. The same shall apply hereinafter.
(Note 2) Residential properties are rental houses whose primary usage 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.
(Note 4) Each of the trust beneficiary interests in real estate of assets under management (three properties) of equity interest in a silent partnership were transferred to NIPPON REIT on January 29, 2024.

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 97.9% 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 21, 2023 (total 9,900 million yen), the long-term borrowings of total 9,900 million yen on the same day were implemented as the loans due.

As a result, the balance of interest-bearing debt as of December 31, 2023 was 132,620 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.1%.

(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: A+	Positive
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 8,828 million yen, operating income of 4,705 million yen, ordinary income of 3,984 million yen and net income of 3,983 million yen.

For distributions for the current period, NIPPON REIT decided to distribute 3,983,680,220 yen, cash distributions per unit of 8,854 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied, and within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.

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

There was no change in the number of investment units issued and outstanding, and total unitholders' equity for the past five years to the end of the current period.

· 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	19th fiscal period	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period
	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023
Highest (Yen)	455,000	411,500	386,000	347,000	361,500
Lowest (Yen)	410,000	348,000	342,500	304,500	333,000

(4) Distributions

For distributions for the current period, NIPPON REIT decided to distribute 3,983,680,220 yen, cash distributions per unit of 8,854 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied, and within the range not exceeding the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.

Period	19th fiscal period	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period
	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022	From July 1, 2022 to December 31, 2022	From January 1, 2023 to June 30, 2023	From July 1, 2023 to December 31, 2023
Unappropriated retained earnings (Yen in thousands)	5,354,117	4,076,557	3,879,722	3,877,299	4,090,271
Retained earnings (Retained earnings brought forward) (Yen in thousands)	105,683	105,925	106,159	106,435	106,591
Cash distributions declared (Yen in thousands)	5,248,433	3,970,632	3,773,562	3,770,863	3,983,680
Distributions per unit (Yen)	(11,665)	(8,825)	(8,387)	(8,381)	(8,854)
Of the above, total earnings distributions (Yen in thousands)	5,248,433	3,970,632	3,773,562	3,770,863	3,983,680
Earnings distributions per unit (Yen)	(11,665)	(8,825)	(8,387)	(8,381)	(8,854)
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 and retail properties.

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 sub-sponsor companies of Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") and Agility Asset Advisers 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. 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 are set with reference to various data provided by Cushman, and agile leasing activities will be carried out by setting 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 48.1% 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. Acquisition of Properties

(1) NIPPON REIT acquired trust beneficially interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note)	Seller
30 Sankyo Building	Shinjuku ward, Tokyo	January 29, 2024	1,840	Godo Kaisha NRT Growth 18
St. Lake Celeb Daikancho	Nagoya, Aichi		962	
Belle Face Kawaharadori	Nagoya, Aichi		860	
Total			3,662	

(Note) The acquisition prices represent amount of consideration stated in the purchase agreements of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition (includes the amount NIPPON REIT paid as consideration for the succession of the status of the buyer), consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.

(2) NIPPON REIT decided to acquire one trust beneficiary interests in real estate and plans to enter into a transfer agreement of the trust beneficiary interests in real estateas described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
FORECAST Hakata Gofukumachi (Note 2)	Fukuoka, Fukuoka	March 29, 2024	1,750	Roppongi Realty Two Godo Kaisha

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

(Note 2) As of today, the property name of the Acquired Property is "Liens PREMIUM GOFUKUMACHI Sta." but the name after the change to "FORECAST Hakata Gofukumachi " at the same time as the acquisition by NIPPON REIT.

B. Transfer of Properties

(1) NIPPON REIT transferred four trust beneficially interests 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
Sannomiya First Building	Kobe, Hyogo	January 19, 2024	1,730	1,422	Not disclosed (Note 3)
MK Kojimachi Building	Chiyoda - ward, Tokyo	March 27, 2024	2,350	1,988	Aoyama Zaisan Networks Co., Ltd.
Hatchobori River Gate	Chuo - ward, Tokyo	March 27, 2024	880	839	Not disclosed (Note 3)
Mullion Josai	Nagoya, Aichi	March 27, 2024	670	781	FUJIMAKI Co.,Ltd.
Total 4 properties			5,630	5,032	

(Note 1) The transfer prices represent the amount of consideration stated in the transfer agreement of the trust beneficiary interests or the transfer agreement of the quasi co-ownership of the trust beneficiary interests. The transfer prices do 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) The book values represent the balance sheet amounts as of December 31, 2023. Furthermore, the book value of less than one million yen is omitted.

(Note 3) This information is not disclosed as the consent to disclosure has not been obtained from the purchaser.

C. Borrowing of Funds

NIPPON REIT borrowed funds on January 29, 2024, as below based on the commitment line agreement dated December 27, 2019, for use as a part of funds for acquisition of the properties described in "A. Acquisition of Properties" above.

Lender	Amount (Yen in millions)	Interest rate	Fix/ Floating	Repayment due date	Repayment method
Co-financing group with MUFG Bank, Ltd. and Mizuho Bank, Ltd. as arrangers (Note 1)	1,500	Interest rate of base rate plus 0.45% (Note 2)	Floating	January 29, 2025	Lump-sum payment at maturity (Note 3)

(Note 1) The co-financing group consists of MUFG Bank, Ltd. and Mizuho Bank, Ltd.

(Note 2) The first interest payment date shall be February 20, 2024, and the subsequent interest payment date shall be the 20th day or every month (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA one-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date (borrowing execution date for the first interest payment). In the event that the interest calculation period is more than one month or less than one month, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.

(Note 3) NIPPON REIT can make early repayment of the loan, in whole or in part, if it gives prior written notice and other certain terms and conditions are met by the repayment date.

Additional Information

NIPPON REIT decided to acquire one trust beneficially interests in real estate and concluded a transfer agreement of the trust beneficiary interests in real estate on December 21, 2023 as described below.

Property name	Location	Acquisition date	Acquisition price (Yen in millions) (Note)	Seller
Street Life (Leasehold land)	Sendai, Miyagi	March 29, 2024	1,990	Jinushi Financial Advisors Inc.

(Note 1) The acquisition prices represent amount of consideration stated in the transfer agreement of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition (includes the amount NIPPON REIT paid as consideration for the succession of the status of the buyer), consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.

(Note 2) The purchase and sell agreement related to 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 purchase and sell agreement of this property stipulates that in the event of the other party's breach of its obligations 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 20% of the scheduled transfer price.

2. Overview of the Investment Corporation

(1) Status of Investment Units

Period	19th fiscal period December 31, 2021	20th fiscal period June 30, 2022	21st fiscal period December 31, 2022	22nd fiscal period June 30, 2023	23rd fiscal period December 31, 2023
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	449,930
Total unitholders' capital (Note) (Yen in millions)	126,515	126,515	126,515	126,515	126,515
Number of unitholders	13,415	13,840	13,731	14,261	13,844

(Note) Total unitholders' capital 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, 2023, 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)	121,909	27.10
The Master Trust Bank of Japan, Ltd. (Trust Account)	78,421	17.43
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	22,716	5.05
SBI Holdings, Inc.	15,500	3.44
STATE STREET BANK WEST CLIENT - TREATY 505234	8,254	1.83
JP MORGAN CHASE BANK 385771	5,956	1.32
SSBTC CLIENT OMNIBUS ACCOUNT	5,702	1.27
STATE STREET BANK AND TRUST COMPANY 505103	5,048	1.12
JAPAN SECURITIES FINANCE CO., LTD.	4,429	0.98
JP MORGAN CHASE BANK 385781	4,202	0.93
Total	272,137	60.48

(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 23rd 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 9,300 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 December 31, 2023 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	22nd fiscal period (June 30, 2023)		23rd fiscal period (December 31, 2023)	
			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)	1,505	0.5	1,501	0.5
	Real estate Total		1,505	0.5	1,501	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	140,341	51.0	140,534	51.0
		Three major metropolitan areas (Note 4) (excluding six central wards of Tokyo)	40,703	14.8	40,692	14.8
		Subtotal	181,044	65.7	181,227	65.8
	Residential properties	Three major metropolitan areas (Note 4) (including six central wards of Tokyo)	58,878	21.4	62,867	22.8
		Certain ordinance-designated and other cities (Note 5)	3,837	1.4	3,831	1.4
		Subtotal	62,716	22.8	66,698	24.2
	Retail properties		8,046	2.9	8,010	2.9
	Real estate in trust Total		251,787	91.4	255,936	92.9
Investment securities (Note 6)		82	0.0	32	0.0	
Deposits and other assets		22,038	8.0	17,992	6.5	
Total assets (Note 7)		275,414 (253,292)	100.0 (92.0)	275,462 (257,438)	100.0 (93.5)	

- (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) "Investment securities" represents the equity interests in silent partnerships of Godo Kaisha NRT Growth 17 and Godo Kaisha NRT Growth 18 for the prior period and Godo Kaisha NRT Growth 18 for the current period. Godo Kaisha NRT Growth 17 transferred all of the asset under management to NIPPON REIT as of July 14, 2023 and Godo Kaisha NRT Growth 18 transferred all of the asset under management to NIPPON REIT as of January 29, 2024.
- (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, 2023 (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	15,379	14,524.63	13,986.24	96.3	6.2	Office
FORECAST Shinjuku SOUTH	14,466	13,875.01	13,875.01	100.0	7.2	Office
Tower Court Kitashinagawa	10,350	16,913.29	16,798.04	99.3	4.9	Residential
FORECAST Gotanda WEST	7,528	8,967.07	8,967.07	100.0	3.1	Office
Shibakoen Sanchome Building	7,317	7,882.60	7,882.60	100.0	2.8	Office
Homat Horizon Building	6,652	6,077.01	6,077.01	100.0	2.5	Office
FORECAST Shinjuku AVENUE	6,065	4,337.15	4,337.15	100.0	2.4	Office
FORECAST Sakurabashi	6,020	6,566.76	6,176.19	94.1	2.3	Office
FORECAST Takadanobaba	5,769	5,661.49	5,661.49	100.0	1.9	Office
Primegate Iidabashi (Note 6)	5,228	6,044.17	5,966.12	98.7	1.8	Residential
Total	84,779	90,849.18	89,726.92	98.8	35.3	

(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, 2023. 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, 2023.

(Note 4) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of December 31, 2023 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."

(3) Description of Portfolio

The overview of portfolio assets held by NIPPON REIT as of December 31, 2023, 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	3,310	2,046
Nihombashi Playa Building	1-9-12 Nihombashi Hamacho, Chuo-ku, Tokyo	Trust beneficiary interest	2,490.08	2,520	1,916
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,060	1,380
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,337.15	8,530	6,065
FORECAST Ichigaya (Note 3)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,800	4,242
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.81	2,530	1,678
FORECAST Shinjuku SOUTH	4-3-17 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	13,875.01	18,400	14,466
FORECAST Sakurabashi	4-5-4 Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest	6,566.76	7,040	6,020
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	3,680	2,946
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,595.04	3,730	2,907
GreenOak Takanawadai	2-26-10 Shirokanedai, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	2,990	2,074
Central Daikanyama	14-23 Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest	1,899.30	3,780	3,680
Hiroo Reeplex B's	5-15-27 Minamiazabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,560	2,840
Shibakoen Sanchome Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,300	7,317
Kudankita 325 Building	3-2-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,003.60	2,410	1,966
Itohpia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	3,620	2,876
Itohpia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,056.56	3,240	2,712
Itohpia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	2,810	2,189
Pigeon Building	4-4 Hisamatsucho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,140	2,903
FORECAST Ningyocho	2-13-9 Ningyocho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,280	2,176
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,160	1,688
FORECAST Shin-Tokiwabashi	3-1-2 Nihombashi Hongokuchou, Chuo-ku, Tokyo	Trust beneficiary interest	1,822.33	2,440	2,102
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,820	2,333
Iidabashi Reeplex B's	1-14 Shin-Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,640	1,266
FORECAST Shinagawa	1-20-9 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,276.36	2,340	2,392
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,052.31	2,710	2,248
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,530	2,041

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	6,760	5,769
Itohpie Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,160	1,663
I+S Minamimorimachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	3,010	2,312
MK Kojimachi Building	4-2-1 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,761.60	2,110	1,988
Toranomon Sakura Building	3-22-1 Toranomon, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,560	4,290
La Verite Akasaka	1-5-7 Motoakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,719.75	2,630	2,114
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.53	1,930	1,472
Shinto GINZA EAST	3-1-10 Tsukiji, Chuo-ku, Tokyo	Trust beneficiary interest	1,214.32	1,450	1,351
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,430	3,166
FORECAST Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,340.66	5,310	4,750
FORECAST Gotanda WEST	8-9-5 Nishi- Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,967.07	8,360	7,528
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,524.63	25,300	15,379
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	3,730	2,889
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,520	2,584
NORE Meieki	1-3-18 Meiekiminami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,280.75	4,230	2,296
Homat Horizon Building	5-6-2, Gobancho, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,410	6,652
Sannomiya First Building	3-2-11, Isobedori, Chuo-ku, Kobe, Hyogo	Trust beneficiary interest	3,633.16	1,610	1,422
Towa Kandanishikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,020	988
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,400	1,207
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	2,850	2,429
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,320	4,443
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,640	1,501
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	2,050	1,478
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,270	1,178
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,900	1,831
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	2,870	2,580
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,410	1,410
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.32	1,270	1,232
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,140	1,136

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)
Tsukiji Front	2-7 Tsukiji 2-chome, Chuo-ku, Tokyo	Trust beneficiary interest	689.53	1,070	845
Hatchobori River Gate	12-10 Minato 1-chome, Chuo-ku, Tokyo	Trust beneficiary interest	760.31	1,040	839
TENSHO OFFICE SHINBASHI 5	12-11 Shimbashi 5-chome, Minato-ku, Tokyo	Trust beneficiary interest	828.19	1,270	1,199
REID-C Iidabashi Building	2-8-3, Iidabashi, Chiyoda-ku, Tokyo	Trust beneficiary interest	827.74	1,240	1,228
REID-C Gotenyama Building	5-12-4 Kita-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,086.11	1,070	1,074
Tower Court Kitashinagawa	3-11-13 Kita-19 Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	18,300	10,350
Sky Hills N11	2-2-1 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	8,567.50	1,960	1,539
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,280	925
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	995	673
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	800	596
Kanda Reeplex R's	2-5-1 Kandatacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,410	1,727
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,120	3,060
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	3,080	2,591
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,800	1,414
Primegate Iidabashi	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,044.17	6,380	5,228
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.42	1,350	1,234
Merville Senzoku	1-10-1, Kitasenzoku, Ota-ku, Tokyo	Trust beneficiary interest	834.72	781	755
Field Avenue (Note 4)	6-2-2, Ikegami, Ota-ku, Tokyo (Annex building: 6-2-1, Ikegami, Ota-ku, Tokyo)	Trust beneficiary interest	3,092.63	3,510	3,098
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	870	790
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,100	984
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,890	2,274
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,880	1,615
Charmant Fuji Osakajominami	3-3-8, Uchikyuhojimachi, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,512.00	967	893
Piacere Fuminosato	1-12-18, Hannancho, Abeno-ku, Osaka, Osaka	Trust beneficiary interest	1,374.08	619	555
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.12	750	749
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,601	1,638
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	631	600
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,870	1,824
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,280	1,207
Sun・Meiekiminami Building	9-11 Meiekiminami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,050	960

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	973	974
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,470	1,421
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,200	1,169
Mullion Josai	4-15 Josai 1-chome, Nishi-ku, Nagoya, Aichi	Trust beneficiary interest	1,433.40	718	781
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	766	721
Meister house Kawasaki	5-2 Minamisaikawa 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	793	733
LIESSE Tsurumai (Note 5)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi 2-5-2, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,250	1,111
Komatsubara Yamamoto Mansion	15-22 Komatsubara 2-chome, Kagoshima, Kagoshima	Trust beneficiary interest	2,671.99	706	721
Belleza Kanayama	9-10 Masaki 4-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,262.61	780	741
Sylphide Higashi-shinagawa	4-7-1, Higashi-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,174.19	1,050	991
Royal Bloom	4-29-1, Kishichicho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiary interest	1,236.61	1,270	1,109
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	615	629
Zeku Benten	4-1-14 Benten, Minato-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,093.21	539	523
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,400	1,405
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	875	869
MAISON NISHI MAGOME	2-21-14 Nakaikegami, Ota-ku, Tokyo	Trust beneficiary interest	928.71	840	814
Muse Ryogoku II	2-2-6, Ryogoku, Sumida-ku, Tokyo	Trust beneficiary interest	850.51	707	649
Minami-Horie apartment Cielo	3-7-6, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,420.12	902	830
Minami-Horie apartment Grande	3-7-4, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,248.70	809	794
Minami-Horie apartment Rio	3-6-10, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	474.60	276	259
Plowland Horita	7-19, Horitadori Mizuhoku, Nagoya, Aichi	Trust beneficiary interest	3,564.00	1,450	1,432
Nasic Nozomigaoka	239 Nozomigaoka Meitoku Nagoya, Aichi	Trust beneficiary interest	1,745.58	761	722
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,460	3,325
BECOME SAKAE	3-32-6, Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,615.66	4,890	4,684
Total			315,899.49	322,484	257,438

(Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of December 31, 2023, and truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheet as of December 31, 2023 (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.

(Note 5) This property includes two separate building which 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	22nd fiscal period (From January 1, 2023 to June 30, 2023)				23rd fiscal period (From July 1, 2023 to December 31, 2023)			
	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	15	100.0	85	1.0	16	100.0	88	1.0
Nihombashi Playa Building	2	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)	2	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)
FORECAST Yotsuya	13	100.0	56	0.7	12	100.0	55	0.6
FORECAST Shinjuku AVENUE	7	100.0	208	2.4	7	100.0	208	2.4
FORECAST Ichigaya	23	100.0	159	1.9	22	100.0	157	1.8
FORECAST Mita	5	100.0	63	0.7	5	100.0	65	0.8
FORECAST Shinjuku SOUTH	18	100.0	621	7.2	18	100.0	620	7.2
FORECAST Sakurabashi	4	94.1	209	2.4	4	94.1	202	2.3
GreenOak Kayabacho	8	100.0	108	1.3	8	100.0	107	1.2
GreenOak Kudan	6	100.0	100	1.2	6	100.0	106	1.2
GreenOak Takanawadai	10	100.0	78	0.9	10	100.0	85	1.0
Central Daikanyama	7	100.0	87	1.0	6	69.5	70	0.8
Hiroo Reeplex B's	7	100.0	84	1.0	7	100.0	85	1.0
Shibakoen Sanchome Building	4	100.0	241	2.8	4	100.0	241	2.8
Kudankita 325 Building	8	100.0	69	0.8	7	100.0	66	0.8
Itohia Iwamotocho 2-chome Building	8	100.0	110	1.3	8	100.0	111	1.3
Itohia Iwamotocho 1-chome Building	9	100.0	93	1.1	9	100.0	93	1.1
Itohia Iwamotocho ANNEX Building	6	100.0	99	1.2	7	100.0	101	1.2
Pigeon Building	1	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)	1	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)
FORECAST Ningyocho	6	100.0	66	0.8	6	100.0	62	0.7
FORECAST Ningyocho PLACE	8	100.0	55	0.6	8	100.0	60	0.7
FORECAST Shin- Tokiwabashi	9	100.0	64	0.7	9	100.0	64	0.7
Nishi-Shinjuku Sanko Building	8	100.0	81	0.9	8	100.0	82	1.0
Iidabashi Reeplex B's	7	100.0	46	0.5	7	100.0	44	0.5
FORECAST Shinagawa	6	100.0	59	0.7	6	100.0	70	0.8
Nishi-Gotanda 8-chome Building	7	87.9	77	0.9	9	100.0	75	0.9
Towa Higashi-Gotanda Building	6	82.1	78	0.9	7	100.0	65	0.8
FORECAST Takadanobaba	6	100.0	157	1.8	6	100.0	167	1.9
ANTEX24 Building (Note 6)	-	-	28	0.3	-	-	-	-
Itohia Kiyosubashidori Building	7	100.0	78	0.9	7	100.0	78	0.9
I-S Minamimorimachi Building	16	100.0	97	1.1	16	100.0	98	1.1
MK Kojimachi Building	10	90.6	47	0.5	10	90.6	47	0.6
Toranomon Sakura Building	10	90.8	101	1.2	12	97.6	98	1.1
La Verite Akasaka	7	100.0	55	0.6	6	100.0	49	0.6

Property name	22nd fiscal period (From January 1, 2023 to June 30, 2023)				23rd fiscal period (From July 1, 2023 to December 31, 2023)			
	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	23	100.0	50	0.6	22	100.0	53	0.6
Shinto GINZA EAST	6	74.8	27	0.3	6	74.8	28	0.3
FORECAST Kayabacho	15	100.0	100	1.2	14	100.0	100	1.2
FORECAST Waseda FIRST	7	100.0	142	1.7	7	100.0	141	1.6
FORECAST Gotanda WEST	11	100.0	269	3.1	11	100.0	267	3.1
Omiya Center Building	30	100.0	556	6.5	30	96.3	536	6.2
Sumitomo Mitsui Bank Koraibashi Building	26	100.0	142	1.7	26	100.0	141	1.6
NORE Fushimi	9	100.0	128	1.5	9	100.0	129	1.5
NORE Meieki	18	100.0	121	1.4	18	100.0	124	1.4
Homat Horizon Building	9	100.0	216	2.5	9	100.0	214	2.5
Sannomiya First Building	24	100.0	70	0.8	24	100.0	70	0.8
Towa Kandanshikicho Building	6	100.0	38	0.4	5	84.8	38	0.4
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	41	0.5	8	100.0	42	0.5
Hiroo ON Building	4	87.6	65	0.8	5	75.0	49	0.6
TK Gotanda Building	8	100.0	108	1.3	9	87.6	90	1.0
Gotanda Sakura Building	10	100.0	50	0.6	10	100.0	52	0.6
Alte Building Higobashi	11	100.0	75	0.9	10	100.0	74	0.9
DIA Building Meieki	10	100.0	51	0.6	10	100.0	51	0.6
TENSHO OCHANOMIZU BUILDING	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
FORECAST Kameido	7	100.0	96	1.1	7	100.0	96	1.1
NRT Kandasudacho Building	9	100.0	30	0.4	9	100.0	33	0.4
REID-C Megurofudomae	5	100.0	34	0.4	4	85.7	27	0.3
The Square	17	94.9	37	0.4	18	100.0	37	0.4
Tsukiji Front	7	88.0	24	0.3	7	100.0	24	0.3
Hatchobori River Gate	8	100.0	25	0.3	8	100.0	24	0.3
TENSHO OFFICE SHINBASHI 5	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
REID-C Iidabashi Building	8	100.0	31	0.4	7	87.2	28	0.3
REID-C Gotenyama Building	4	100.0	28	0.3	4	100.0	29	0.3
Tower Court Kitashinagawa	274	98.5	429	5.0	276	99.3	426	4.9
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	28	0.3
Seam Dwell Tsutsui	51	85.0	23	0.3	—	—	23	0.3
Ciel Yakuin	41	97.7	24	0.3	41	98.1	24	0.3
Kanda Reeplex R's	40	97.9	56	0.7	41	100.0	58	0.7
Splendid Namba	239	95.1	110	1.3	248	98.5	110	1.3
Residence Hiroo	54	100.0	62	0.7	54	100.0	63	0.7

Property name	22nd fiscal period (From January 1, 2023 to June 30, 2023)				23rd fiscal period (From July 1, 2023 to December 31, 2023)			
	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 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
Primegate Iidabashi	67	97.5	158	1.8	67	98.7	157	1.8
Residence Edogawabashi	34	92.7	31	0.4	36	97.3	33	0.4
Merveille Senzoku	27	96.3	20	0.2	24	85.5	21	0.3
Field Avenue	56	98.1	78	0.9	57	100.0	78	0.9
Domeal Kitaakabane	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
Dormy Kitaakabane	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)	1	100.0	Not disclosed (Note 7)	Not disclosed (Note 7)
Splendid Shin-Osaka III	148	95.8	73	0.9	150	97.5	74	0.9
ZEPHYROS Minami-horie	71	98.9	49	0.6	72	100.0	50	0.6
Charmant Fuji Osakajominami	59	93.7	24	0.3	57	90.5	24	0.3
Piacere Fuminosato	43	98.0	19	0.2	42	96.0	18	0.2
Wald Park Minamioi	29	100.0	18	0.2	28	96.3	17	0.2
LAPUTA KUJO	62	100.0	47	0.5	61	98.5	47	0.5
Imazaki Mansion N1 (Note 8)	—	—	41	0.5	—	—	0 (Note 9)	0.0
L'arte Nakatsu	26	92.6	16	0.2	28	100.0	16	0.2
City hills Andoji	65	93.7	46	0.5	70	100.0	46	0.5
Hermitage Shin-sakae	46	84.7	38	0.4	50	93.6	36	0.4
Sun・Meiekinami Building	65	92.9	27	0.3	62	88.6	25	0.3
Tenjin Higashi residence	73	94.8	28	0.3	73	94.8	28	0.3
DeLCCS KASAI	29	96.8	39	0.5	30	100.0	41	0.5
Serenite Shin-Osaka	66	97.2	32	0.4	66	97.2	32	0.4
Mullion Josai	46	94.8	20	0.2	44	91.4	20	0.2
Residence Kinshicho	24	92.4	18	0.2	25	96.9	18	0.2
Meister house Kawasaki	34	97.3	20	0.2	35	100.0	20	0.2
LIESSE Tsurumai	83	95.5	34	0.4	83	95.5	34	0.4
Komatsubara Yamamoto Mansion	95	95.2	27	0.3	95	95.2	26	0.3
Belleza Kanayama	47	96.2	21	0.2	46	94.3	20	0.2
Sylphide Higashi-shinagawa	43	100.0	24	0.3	42	97.7	26	0.3
Royal Bloom	35	100.0	31	0.4	35	100.0	31	0.4
Ever Square Doshin	39	95.1	16	0.2	39	95.1	16	0.2
Zeku Benten	32	94.0	14	0.2	30	90.1	14	0.2
Canis Court Kamishinjo	57	100.0	41	0.5	56	98.5	42	0.5
Imperial Otori	29	96.9	26	0.3	29	96.8	26	0.3
MAISON NISHI MAGOME	38	97.6	11	0.1	36	90.9	21	0.2
Muse Ryogoku II	—	—	—	—	34	100.0	17	0.2
Minami-Horie apartment Cielo	—	—	—	—	36	92.6	19	0.2
Minami-Horie apartment Grande	—	—	—	—	30	100.0	19	0.2

Property name	22nd fiscal period (From January 1, 2023 to June 30, 2023)				23rd fiscal period (From July 1, 2023 to December 31, 2023)			
	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
Plowland Horita	—	—	—	—	94	87.0	41	0.5
Nasic Nozomigaoka	—	—	—	—	71	97.3	24	0.3
Otakibashi Pacifica Building	10	100.0	74	0.9	10	100.0	89	1.0
BECOME SAKAE	11	100.0	134	1.6	10	95.0	132	1.5
Total	2,870	98.2	8,610	100.0	3,104	97.9	8,632	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) This information is not disclosed as tenants' consent to disclosure has not been obtained.

(Note 6) This property was transferred on March 30, 2023.

(Note 7) This information is not disclosed as sublessees' consent to disclosure has not been obtained.

(Note 8) This property was transferred on June 30, 2023.

(Note 9) Electricity revenue and others 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)	Noted
			Unit price (Yen in thousands)	Amount (Yen in millions)	Unit price (Yen in thousands)	Amount (Yen in millions)		
Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership	Equity interest in a silent partnership	—	—	32	—	32	—	(Note 3)
Total		—	—	32	—	32	—	

(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) Assets under management are trust beneficiary interests in real estate of 30 Sankyo Building, St. Lake Celeb Daikancho and Belle Face Kawaharadori. All of the asset under management was transferred to NIPPON REIT as of January 29, 2024.

(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	121,420,000	104,970,000	912,156 (Note 3)
Total		121,420,000	104,970,000	912,156

(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, 2023.

(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 24th 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 Sakurabashi	Chuo ward, Tokyo	Ventilation facilities renewal	From Sep. 2023 to Jun. 2024	122	—	—
		Whole building LED renewal	From Nov. 2023 to Jun. 2024	36	—	—
Central Daikanyama	Shibuya Ward, Tokyo	3rd floor renewal	From Jan. 2024 to Jun. 2024	12	—	—
Hiroo Reeplex B's	Minato ward, Tokyo	Entrance area renewal	From Jan. 2024 to Jun. 2024	15	—	—
Pigeon Building	Chuo ward, Tokyo	Mechanical parking parts replacement	From Jan. 2024 to Jun. 2024	44	—	—
Nishi-Shinjuku Sanko Building	Shinjuku ward, Tokyo	Common area renewal	From Jan. 2024 to Jun. 2024	45	—	—
Iidabashi Reeplex B's	Shinjuku ward, Tokyo	Whole building LED renewal	From Jan. 2024 to Jun. 2024	10	—	—
FORECAST Takadanobaba	Toshima Ward, Tokyo	Common area renewal	From Dec. 2023 to Jan. 2024	15	—	—
MK Kojimachi Building	Chiyoda ward, Tokyo	Elevator control renewal	From Jan. 2024 to Jun. 2024	11	—	—
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Exterior wall repair (Phase 3)	From Jan. 2023 to Jan. 2024	12	—	—
Orniya Center Building	Saitama, Saitama	Gondola renewal	From Jan. 2024 to Jun. 2024	31	—	—
		Automated security system renewal	From Jan. 2024 to Jun. 2024	35	—	—
		Smoking room relocation	From Jan. 2024 to Jun. 2024	20	—	—
		Common area renewal	From Jan. 2024 to Jun. 2024	149	—	—
NORE Meieki	Nagoya, Aichi	Ventilation facilities renewal	From Jan. 2024 to Jun. 2024	117	—	—
Hiroo On Building	Shibuya ward, Tokyo	Elevator control renewal	From Jan. 2024 to Jun. 2024	13	—	—
Tower Court Kitashinagawa	Shinagawa Ward, Tokyo	Mechanical parking parts replacement	From Jan. 2024 to Jun. 2024	51	—	—
Sky Hills N11	Sapporo, Hokkaido	Intercom facilities renewal	From Jan. 2024 to Jun. 2024	19	—	—
Residence Edogawabashi	Shinjuku ward, Tokyo	Exterior wall repair	From Jan. 2024 to Jun. 2024	22	—	—
LAPUTA KUJO	Osaka, Osaka	Private area renewal	From Jan. 2024 to Feb. 2024	11	—	—
Meister house Kawasaki	Kawasaki, Kanagawa	Exterior wall repair	From Jan. 2024 to Jun. 2024	29	—	—
Nasic Nozomigaoka	Nagoya, Aichi	Exterior wall repair	From Jan. 2024 to Jun. 2024	29	—	—
BECOME SAKAE	Nagoya, Aichi	Ventilation facilities renewal	From Jan. 2024 to Jun. 2024	19	—	—

(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, 2023, capital expenditures totaled 1,083 million yen. With the addition of 228 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 1,312 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
FORECAST Shinjuku AVENUE	Shinjuku ward, Tokyo	Whole building LED renewal	From Aug. 2023 to Sep. 2023	38
		Mechanical parking parts replacement	From Nov. 2023 to Nov. 2023	17
FORECAST Sakurabashi	Chuo ward, Tokyo	Ventilation facilities renewal	From Nov. 2022 to Jul. 2023	91
Shibakoen Sanchome Building	Minato ward, Tokyo	Mechanical parking renewal	From Nov. 2023 to Dec. 2023	28
Itohpia Iwamotocho 2-chome Building	Chiyoda ward, Tokyo	Whole building LED renewal	From Aug. 2023 to Oct. 2023	22
Nishi-Shinjuku Sanko Building	Shinjuku ward, Tokyo	Exterior wall repair	From Oct. 2023 to Dec. 2023	12
Kanda Ocean Building	Chiyoda ward, Tokyo	Exterior wall repair	From Sep. 2023 to Dec. 2023	11
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Exterior wall repair (Phase 2)	From Sep. 2023 to Dec. 2023	114
		Bathroom renewal	From Oct. 2023 to Nov. 2023	12
		Substation facilities repairment (Phase 1)	From Jul. 2023 to Dec. 2023	20
Omiya Center Building	Saitama, Saitama	Common area renewal	From Sep. 2023 to Dec. 2023	150
Homat Horizon Building	Chiyoda ward, Tokyo	Whole building LED renewal	From May 2023 to Jul. 2023	29
Hiroo On Building	Shibuya ward, Tokyo	Whole building LED renewal	From May 2023 to Oct. 2023	17
TK Gotanda Building	Shinagawa ward, Tokyo	5th and 7th floor bathroom renewal	From Aug. 2023 to Sep. 2023	13
		Mechanical parking parts replacement	From Oct. 2023 to Oct. 2023	24
NRT Kandasudacho Building	Chiyoda ward, Tokyo	Elevator control renewal	From Oct. 2023 to Nov. 2023	16
REID-C Gotenyama Building	Shinagawa ward, Tokyo	Elevator control renewal	From Oct. 2023 to Dec. 2023	16
Mullion Josai	Nagoya, Aichi	Exterior wall repair	From Sep. 2023 to Dec. 2023	27
Other capital expenditures				418
Total				1,083

(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	19th fiscal period From July 1, 2021 to December 31, 2021	20th fiscal period From January 1, 2022 to June 30, 2022	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
Balance of reserves at the beginning of the period	1,726	1,841	2,414	2,876	3,473
Amount of reserves during the period	725	843	986	1,237	1,176
Amount of reversal of reserves during the period	610	270	524	640	1,083
Reserves carried forward	1,841	2,414	2,876	3,473	3,566

(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	22nd fiscal period From January 1, 2023 to June 30, 2023	23rd fiscal period From July 1, 2023 to December 31, 2023
(a) Asset management fees (Note 1)	635,575	647,136
(b) Asset custody fees	10,368	10,548
(c) Administrative service fees	42,391	44,264
(d) Directors' compensation	2,400	2,400
(e) Independent auditors' fees	14,900	15,000
(f) Other operating expenses	167,583	154,197
Total	873,219	873,546

(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 (22nd fiscal period: 7,910 thousand yen, 23rd fiscal period: 45,250 thousand yen), and related to the transfer of trust beneficiary interests (22nd fiscal period: 20,700 thousand yen, 23rd fiscal period: 8,350 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, 2023, is as follows:

	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	MUFG Bank, Ltd.	August 21, 2017	1,600	-	0.50 (Note 3)	August 21, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	-					
	MUFG Bank, Ltd.		600	-					
	Resona Bank, Limited		400	-					
	Sumitomo Mitsui Trust Bank, Limited		400	-					
	Development Bank of Japan Inc.		400	-					
	MUFG Bank, Ltd.	July 3, 2018	2,900	-	0.48 (Note 3)	August 21, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		800	-					
	Sumitomo Mitsui Banking Corporation		650	-					
	Resona Bank, Limited		450	-					
	Sumitomo Mitsui Trust Bank, Limited		450	-					
	SBI Shinsei Bank, Limited		350	-					
	Mizuho Trust & Banking Co., Ltd.	400	-	0.56 (Note 3)	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	1,900	1,900						
	Mizuho Bank, Ltd.	700	700						
	MUFG Bank, Ltd.	500	500						
	Resona Bank, Limited	300	300						
	MUFG Bank, Ltd.	500	500						
	Sumitomo Mitsui Banking Corporation	April 24, 2018	1,550	1,550	0.52 (Note 3)	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		850	850					
	Sumitomo Mitsui Trust Bank, Limited	April 20, 2021	300	300	0.30	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		100	100					
	Mizuho Bank, Ltd.		100	100					
	Sumitomo Mitsui Banking Corporation		500	500					
	Sumitomo Mitsui Trust Bank, Limited		250	250					
	Development Bank of Japan Inc.		200	200					
	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					

	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	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					
	Subtotal			17,650	17,600					
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.		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					

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 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					
	The Nomura Trust and Banking Co., Ltd.	April 20, 2022	500	500	0.32	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	August 21, 2017	1,200	1,200	0.71 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.		400	400					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	July 3, 2018	1,500	1,500	0.63 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		300	300					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	Development Bank of Japan Inc.	400	400						
	MUFG Bank, Ltd.	August 20, 2018	3,000	3,000	0.68 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	SBI Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	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						

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.	July 22, 2019	2,600	2,600	0.43 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	1,200					
	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.		200	200					
	MUFG Bank, Ltd.	February 20, 2020	1,500	1,500	0.39 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited	500	500						
	MUFG Bank, Ltd.	August 22, 2022	550	550	0.50 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	SBI Shinsei Bank, Limited		350	350					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	Resona Bank, Limited		300	300					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	The Nomura Trust and Banking Co., Ltd.	250	250						
	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	

	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 20, 2023	600	600	0.34	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.	February 20, 2020	4,500	4,500	0.48 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	SBI Shinsei Bank, Limited		500	500					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	MUFG Bank, Ltd.	October 30, 2020	950	950	0.49 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	SBI Shinsei Bank, Limited		400	400					
	MUFG Bank, Ltd.	August 21, 2023	-	300	0.34	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	300					
	Sumitomo Mitsui Banking Corporation		-	100					
	Resona Bank, Limited		-	200					
	Sumitomo Mitsui Trust Bank, Limited		-	150					
	SBI Shinsei Bank, Limited		-	200					
	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.		700	700					
	Mizuho Bank, Ltd.	August 20, 2021	700	700	0.42 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		600	600					
	SBI Shinsei Bank, Limited		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.		250	250					
	MUFG 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								
Long-term debt	MUFG Bank, Ltd.	July 21, 2020	2,000	2,000	0.64 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited		1,250	1,250					
	Mizuho Trust & Banking Co., Ltd.		1,250	1,250					
	MUFG Bank, Ltd.	April 24, 2019	800	800	0.95 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	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.	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					
	Resona Bank, Limited	April 20, 2022	200	200	0.91 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		450	450					
	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					
	MUFG Bank, Ltd.	August 21, 2023	-	2,300	1.15 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	700					
	Sumitomo Mitsui Banking Corporation		-	500					
	Resona Bank, Limited		-	350					
	Sumitomo Mitsui Trust Bank, Limited		-	500					
	Mizuho Trust & Banking Co., Ltd.		-	400					

	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.	July 21, 2020	2,000	2,000	0.64 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited		1,250	1,250					
	Mizuho Trust & Banking Co., Ltd.		1,250	1,250					
	MUFG Bank, Ltd.	April 24, 2019	800	800	0.95 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	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.	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					
	Resona Bank, Limited	April 20, 2022	200	200	0.91 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		450	450					
	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						
MUFG Bank, Ltd.	August 21, 2023	-	2,300	1.15 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.		-	700						
Sumitomo Mitsui Banking Corporation		-	500						
Resona Bank, Limited		-	350						
Sumitomo Mitsui Trust Bank, Limited		-	500						
Mizuho Trust & Banking Co., Ltd.		-	400						
Development Bank of Japan Inc.		-	400						

	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.		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	1.34 (Note 3)	August 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.			-	700						
	Sumitomo Mitsui Banking Corporation			-	200						
	Resona Bank, Limited			-	300						
	Sumitomo Mitsui Trust Bank, Limited			-	200						
	SBI Shinsei Bank, Limited			-	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				108,470	108,520					
	Total				126,120	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.

(3) Investment Corporation Bonds

The status of investment corporation bonds as of December 31, 2023, 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)
Muse Ryogoku II	July 14, 2023	630	—	—	—	—
Minami-Horie apartment Cielo	July 14, 2023	805	—	—	—	—
Minami-Horie apartment Grande	July 14, 2023	770				
Minami-Horie apartment Rio	July 14, 2023	250				
Plowland Horita	July 14, 2023	1,375				
Nasic Nozomigaoka	July 14, 2023	695				
Seam Dwell Tsutsui	—	—	December 27, 2023	835	630	194
Total	—	4,525	—	835	630	194

(Note) "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.

(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) (Note1) (Note2)	Appraisal value (Yen in millions) (Note 2)	Appraiser	Appraisal date
Acquisition	Muse Ryogoku II	July 14, 2023	Trust Beneficiary Interest	630	690	JLL Morii Valuation & Advisory K.K.	May 31, 2023
Acquisition	Minami-Horie apartment Cielo	July 14, 2023	Trust Beneficiary Interest	805	882	JLL Morii Valuation & Advisory K.K.	May 31, 2023
Acquisition	Minami-Horie apartment Grande	July 14, 2023	Trust Beneficiary Interest	770	790	JLL Morii Valuation & Advisory K.K.	May 31, 2023
Acquisition	Minami-Horie apartment Rio	July 14, 2023	Trust Beneficiary Interest	250	276	JLL Morii Valuation & Advisory K.K.	May 31, 2023
Acquisition	Plowland Horita	July 14, 2023	Trust Beneficiary Interest	1,375	1,420	JLL Morii Valuation & Advisory K.K.	May 31, 2023
Acquisition	Nasic Nozomigaoka	July 14, 2023	Trust Beneficiary Interest	695	747	JLL Morii Valuation & Advisory K.K.	May 31, 2023
Transfer	Seam Dwell Tsutsui	December 27, 2023	Trust Beneficiary Interest	835	860	Japan Real Estate Institute	June 30, 2023

(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 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. 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, 2023, to December 31, 2023, consisted of three 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-Up On Procedures Reports on such transactions based on Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-Up On 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	39,821	Shinsei Trust and Banking Co., Ltd.	350	0.9%
Financing-related expenses	278,493	SBI Shinsei Bank, Limited	11,207	4.0%

(Note 1) In accordance with Article 123 of the Order for Enforcement of the Investment Trusts Act on Investment Trusts and Investment Corporation and Articles 26 and 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 is 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 Ninth General Meeting of Unitholders of NIPPON REIT was held on September 22, 2023. The overview of major matters resolved by the General Meeting of Unitholders is as follows:

Proposal	Description
Proposal No. 1: Partial amendments to the Articles of Incorporation	<p>The following amendments were made to the Articles of Incorporation:</p> <p>(1) In order to improve conveniences for unitholders regarding public notice and to streamline procedures, NIPPON REIT changes its method of public notice to electronic public notice. In addition, necessary provisions are added in case NIPPON REIT is unable to conduct electronic public notice in unavoidable circumstances.</p> <p>(2) The revision of the Investment Trust Act, which enables the introduction of an electronic delivery system for reference documents for general meetings of unitholders, etc. came into effect on September 1, 2022. Accordingly, pursuant to the provisions of Article 10(9) of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act Partially Amending the Companies Act (Act No. 71 of 2019), it shall be deemed, as of September 1, 2022, that NIPPON REIT has provided for the electronic delivery measures about the information contained in the reference documents for general meetings of unitholders, etc. in its Articles of Incorporation. But for the purpose of clarification, a provision to that effect shall be added to the Articles of Incorporation of NIPPON REIT. Moreover, provisions for limiting the scope of matters to be stated in printed documents to be delivered to unitholders who have requested them in written form are added.</p> <p>(3) For matters to be resolved at a general meeting of unitholders, which may have a significant impact on management structure of NIPPON REIT and the interests of unitholders, a new provision was established to the effect that the Deemed Agreement system stipulated in Article 93(1) of the Investment Trust Act and Article 15.1 of the current Articles of Incorporation shall not apply for the purpose of more directly reflecting the intentions of unitholders.</p> <p>(4) NIPPON REIT made necessary amendments to implement the following 3 changes regarding targets and investment policy in order to make more use of sponsor support from the main sponsor who has strength in the field of finance and to secure various investments for NIPPON REIT, thereby enhancing the unitholder value:</p> <p>a. Enable NIPPON REIT to invest in Real Estate and Related Assets for other purposes while maintaining the current investment policy to invest in Real Estate and Related Assets for office, residential, and retail properties as its main target;</p> <p>b. Add Real Estate-related Loans and Other Assets to the type of investment assets that are specified assets and clarify that NIPPON REIT may invest in Real Estate-backed Securities or Real Estate-related Loans and Other Assets;</p> <p>c. Make the three major metropolitan areas and major cities throughout Japan, including ordinance-designated cities and peripheral areas thereof be the investment target regions for Real Estate and Related Assets for retail facilities and other purposes.</p> <p>(5) With the application of Accounting Standards Board of Japan (ASBJ) Statement No. 10, “Accounting Standard for Financial Instruments,” revised on July 4, 2019 (including related newly enacted or revised accounting standards and application guidelines), NIPPON REIT made the necessary changes to the asset valuation method.</p> <p>(6) In addition, the necessary changes were made for correcting wording, arranging provisions, etc.</p>
Proposal No. 2: Election of 1 Executive Officer	<p>Yasushi Iwasa was appointed as Executive Officer on October 1, 2023.</p>

Proposal	Description
Proposal No. 3: Election of 1 Alternate Executive Officers	Noritaka Izumi was appointed as Alternate Executive Officer.
Proposal No. 4: Election of 2 Supervising Officers	Yasuhiro Shimada and Hisashi Yahagi were appointed as Supervising Officers on October 1, 2023.
Proposal No. 5: Election of 1 Alternate Supervising Officer	Toshimitsu Morishita was appointed as Alternate Supervising Officer.

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
August 17, 2023	Signed an amendment to asset management agreement	In conjunction with the partial amendments to the Articles of Incorporation resolved at the Ninth General Meeting of Unitholders of NIPPON REIT held on September 22, 2023, resolved the conclusion of amendment to the asset management agreement with SBI REIT Advisors Co., Ltd. on the same day.

(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, 2023 and December 31, 2023

	As of	
	June 30, 2023	December 31, 2023
	(Yen in thousands)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 14,095,856	¥ 10,246,577
Cash and deposits in trust (Note 3)	6,054,170	5,873,038
Tenant receivables	107,830	97,023
Prepaid expenses	476,632	470,471
Other current assets	11,667	12,392
Total Current Assets	20,746,157	16,699,501
Investment Properties (Notes 5 and 6):		
Buildings (Note 8)	286,915	287,615
Tools, furniture and fixtures	184	1,066
Land in trust (Note 7)	186,153,895	189,364,822
Buildings in trust (Note 8)	62,188,797	63,825,724
Structures in trust	234,024	236,544
Machinery and equipment in trust	504,124	582,716
Tools, furniture and fixtures in trust (Note 8)	336,331	423,304
Construction in progress in trust	1,315	1,763
Less: accumulated depreciation	(14,464,349)	(15,336,434)
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	16,792,459	16,792,459
Other intangible assets	3,594	3,401
Total Investment Properties, net	253,294,084	257,439,775
Other Assets:		
Investment securities (Note 4)	82,973	32,356
Lease and guarantee deposits	10,137	10,137
Long-term prepaid expenses	1,231,408	1,236,083
Deferred investment corporation bond issuance costs	40,584	36,874
Deferred tax assets (Note 16)	27	21
Others	8,668	7,705
Total Other Assets	1,373,801	1,323,180
Total Assets	¥ 275,414,043	¥ 275,462,457

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

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of June 30, 2023 and December 31, 2023

	As of	
	June 30, 2023	December 31, 2023
	(Yen in thousands)	
Liabilities		
Current Liabilities:		
Long-term debt due within one year (Notes 4 and 13)	¥ 17,650,000	¥ 17,600,000
Accounts payable	1,160,600	1,184,509
Accrued expenses	316,821	342,274
Accrued corporation taxes	357	657
Accrued consumption taxes	239,800	41,917
Advances received	1,466,309	1,467,024
Other current liabilities	143,618	142,204
Total Current Liabilities	20,977,507	20,778,589
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 14)	6,500,000	6,500,000
Long-term debt (Notes 4 and 13)	108,470,000	108,520,000
Tenant security deposits	62,921	62,921
Tenant security deposits in trust	9,010,034	8,994,903
Other long-term liabilities	678	169
Total Long-Term Liabilities	124,043,634	124,077,994
Total Liabilities	145,021,142	144,856,584
Net Assets (Notes 12 and 17)		
Unitholders' Equity:		
Unitholders' capital	126,515,601	126,515,601
Units authorized: 4,000,000 units		
Units issued and outstanding: 449,930 units		
Retained earnings	3,877,299	4,090,271
Total Unitholders' Equity	130,392,900	130,605,873
Total Net Assets	130,392,900	130,605,873
Total Liabilities and Net Assets	¥ 275,414,043	¥ 275,462,457

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, 2023 and December 31, 2023

	For the six-month periods ended			
	June 30, 2023		December 31, 2023	
	(Yen in thousands)			
Operating Revenues (Note 9):				
Rental revenues (Note 10)	¥	7,884,841	¥	7,908,806
Other revenues related to property leasing (Note 10)		725,486		723,969
Gain on sales of real estate properties (Note 11)		251,132		194,040
Dividend income		3,983		1,901
Total Operating Revenues		8,865,444		8,828,717
Operating Expenses:				
Property-related expenses (Note 10)		3,313,612		3,249,261
Loss on sales of real estate properties (Note 11)		238,026		-
Asset management fees		635,575		647,136
Asset custody fees		10,368		10,548
Administrative service fees		42,391		44,264
Directors' compensation		2,400		2,400
Independent auditors' fees		14,900		15,000
Other operating expenses		167,583		154,197
Total Operating Expenses		4,424,858		4,122,807
Operating Income		4,440,586		4,705,910
Non-Operating Revenues:				
Interest income		81		87
Reversal of distributions payable		6,532		7,654
Interest on tax refund		12		—
Total Non-Operating Revenues		6,626		7,742
Non-Operating Expenses:				
Interest expense		377,246		422,538
Interest on investment corporation bonds		23,841		23,960
Amortization of investment corporation bond issuance costs		3,709		3,709
Borrowing related expenses		270,050		278,493
Others		48		48
Total Non-Operating Expenses		674,896		728,751
Ordinary Income		3,772,316		3,984,901
Income Before Income Taxes		3,772,316		3,984,901
Income taxes – current		1,183		1,059
Income taxes – deferred		(6)		5
Total Income Taxes (Note 16)		1,177		1,065
Net Income		3,771,139		3,983,835
Retained Earnings Brought Forward		106,159		106,435
Retained Earnings at End of Period	¥	3,877,299	¥	4,090,271

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, 2023 and December 31, 2023

	Unitholders' Equity				Total Net Assets
	Number of Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	
	(Units)	(Yen in thousands)			
Balance as of December 31, 2022	449,930	¥ 126,515,601	¥ 3,879,722	¥ 130,395,324	¥ 130,395,324
Cash distributions declared	—	—	(3,773,562)	(3,773,562)	(3,773,562)
Net income	—	—	3,771,139	3,771,139	3,771,139
Balance as of June 30, 2023	449,930	¥ 126,515,601	¥ 3,877,299	¥ 130,392,900	¥ 130,392,900
Cash distributions declared	—	—	(3,770,863)	(3,770,863)	(3,770,863)
Net income	—	—	3,983,835	3,983,835	3,983,835
Balance as of December 31, 2023	449,930	¥ 126,515,601	¥ 4,090,271	¥ 130,605,873	¥ 130,605,873

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, 2023 and December 31, 2023

	For the six-month periods ended	
	June 30, 2023	December 31, 2023
	(Yen in thousands)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 3,772,316	¥ 3,984,901
Depreciation and amortization	1,007,847	1,015,374
Amortization of investment corporation bond issuance costs	3,709	3,709
Loss on retirement of investment properties	7,075	7,052
Interest income	(81)	(87)
Interest expense	401,088	446,498
Decrease in tenant receivables	14,453	10,807
(Increase) decrease in prepaid expenses	(13,100)	6,161
(Increase) decrease in long-term prepaid expenses	12,002	(4,675)
Increase (decrease) in accrued consumption taxes	160,675	(197,882)
Increase (decrease) in accounts payable	122,607	(81,180)
Increase in accrued expenses	4,622	3,659
Increase in advances received	6,988	715
Decrease in investment properties in trust due to sale	2,988,584	630,720
Interest income received	81	87
Interest expense paid	(388,212)	(424,705)
Income taxes paid	(1,204)	(758)
Others, net	1,713	(13,966)
Net Cash Provided by Operating Activities	8,101,169	5,386,432
Cash Flows from Investing Activities:		
Payments for purchases of investment properties other than intangible assets	(230)	(14,912)
Payments for purchases of investment properties in trust other than intangible assets in trust	(641,425)	(5,676,628)
Payments for purchases of intangible assets in trust	(693,320)	—
Proceeds from tenant security deposits in trust	396,345	419,504
Payments of tenant security deposits in trust	(563,433)	(430,521)
Proceeds from refund of lease and guarantee deposits	60	—
Proceeds from refund of investment securities	—	50,000
Other payments	(1,244)	(1,244)
Net Cash Used in Investing Activities	(1,503,248)	(5,653,802)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	9,100,000	9,900,000
Repayments of long-term debt	(9,100,000)	(9,900,000)
Distributions paid	(3,769,051)	(3,763,041)
Net Cash Used in Financing Activities	(3,769,051)	(3,763,041)
Net Change in Cash and Cash Equivalents	2,828,869	(4,030,411)
Cash and Cash Equivalents at Beginning of Period	17,321,157	20,150,026
Cash and Cash Equivalents at End of Period (Note 3)	¥ 20,150,026	¥ 16,119,615

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, 2023 and December 31, 2023

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, 2023, the total number of investment units issued and outstanding was 449,930 units.

As of December 31, 2023, NIPPON REIT had ownership or trust beneficiary interests in 110 properties with approximately 309,329.18 square meters of rentable space and had leased space to 3,104 tenants. The occupancy rate for the properties was approximately 97.9%.

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	2-15 years
Tools, furniture and fixtures	

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, 2023	December 31, 2023
	(Yen in thousands)	
Capitalized real estate taxes	¥ 1,122	¥ 11,775

(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, 2023		December 31, 2023	
	(Yen in thousands)			
Investment properties	¥	253,294,084	¥	257,439,775

(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.

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, 2023		December 31, 2023	
	(Yen in thousands)			
Cash and deposits	¥	14,095,856	¥	10,246,577
Cash and deposits in trust		6,054,170		5,873,038
Cash and cash equivalents	¥	20,150,026	¥	16,119,615

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, 2023, 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 2) 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, 2023			As of December 31, 2023		
	(Yen in thousands)					
	Book value	Fair value	Difference	Book value	Fair value	Difference
Long-term debt due within one year	¥ 17,650,000	¥ 17,650,400	¥ 400	¥ 17,600,000	¥ 17,600,739	¥ 739
Investment corporation bonds	6,500,000	6,392,700	(107,300)	6,500,000	6,362,700	(137,300)
Long-term debt	108,470,000	107,734,727	(735,272)	108,520,000	107,178,909	(1,341,090)
Total liabilities	¥ 132,620,000	¥ 131,777,827	¥ (842,172)	¥ 132,620,000	¥ 131,142,349	¥ (1,477,650)
Derivatives	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

Methods used to estimate the fair value of financial instruments:

(1) 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.

(2) Investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

Derivative Transactions:

There were no derivative transactions to which hedge accounting was not applied as of June 30, 2023 and December 31, 2023.

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

Hedge accounting method	Type of derivative transaction	Hedged item	As of June 30, 2023		
			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	¥ 122,670,000	¥ 106,170,000	(Note)
Total			¥ 122,670,000	¥ 106,170,000	¥ —

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 (1) 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, 2023		
			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	¥ 121,420,000	¥ 104,970,000	(Note)
Total			¥ 121,420,000	¥ 104,970,000	¥ —

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 (1) 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, 2023				As of December 31, 2023			
	(Yen in thousands)							
	Book value		Fair value		Book value		Fair value	
Godo Kaisha NRT Growth 17 Subordinated equity interest in silent partnership (Note 1)	¥	50,617	¥	50,617	¥	—	¥	—
Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership (Note 2)		32,356		32,356		32,356		32,356
Total	¥	82,973	¥	82,973	¥	32,356	¥	32,356

Notes:

- The assets under management include trust beneficiary interests in real estate of Muse Ryogoku II, Minami-Horie apartment Grande, Minami-Horie apartment Cielo, Minami-Horie apartment Rio, Plowland Horita and Nasic Nozomigaoka. All of the asset under management was transferred to NIPPON REIT as of July 14, 2023.
- The assets under management include trust beneficiary interests in real estate of 30 Sankyo Building, St. Lake Celeb Daikancho and Belle Face Kawaharadori. All of the asset under management was transferred to NIPPON REIT as of January 29, 2024.
- 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 Fair 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, 2023	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	¥ 4,500,000
Long-term debt	17,650,000	17,900,000	19,100,000	20,450,000	16,750,000	34,270,000
Total	¥ 17,650,000	¥ 18,900,000	¥ 19,100,000	¥ 20,450,000	¥ 17,750,000	¥ 38,770,000

As of December 31, 2023	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	¥ 3,000,000
Long-term debt	17,600,000	17,550,000	19,400,000	20,550,000	14,600,000	36,420,000
Total	¥ 17,600,000	¥ 18,550,000	¥ 19,400,000	¥ 20,550,000	¥ 17,100,000	¥ 39,420,000

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of June 30, 2023			As of December 31, 2023		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 286,915	¥ (38,821)	¥ 248,093	¥ 287,615	¥ (43,600)	¥ 244,014
Tools, furniture and fixtures	184	(21)	162	1,066	(51)	1,014
Land in trust	186,153,895	—	186,153,895	189,364,822	—	189,364,822
Buildings in trust	62,188,797	(13,962,298)	48,226,498	63,825,724	(14,774,534)	49,051,189
Structures in trust	234,024	(90,414)	143,609	236,544	(96,147)	140,396
Machinery and equipment in trust	504,124	(208,249)	295,874	582,716	(230,246)	352,469
Tools, furniture and fixtures in trust	336,331	(164,543)	171,787	423,304	(191,852)	231,451
Construction in progress in trust	1,315	—	1,315	1,763	—	1,763
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	(2,091)	3,594	5,686	(2,284)	3,401
Total	¥267,760,525	¥(14,466,440)	¥ 253,294,084	¥272,778,494	¥(15,338,719)	¥ 257,439,775

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, 2023		December 31, 2023	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	255,831,652	¥	253,292,769
Change during period		(2,538,883)		4,145,241
Balance at end of period		253,292,769		257,438,011
Fair value	¥	316,751,000	¥	322,484,000

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, 2023, the increase was primarily due to the acquisition of MAISON NISHI MAGOME (acquisition price of ¥791,000 thousand) and the offsetting decrease was primarily due to the transfer of 2 properties including “ANTEX24 Building” (total book value of ¥2,988,584 thousand).
4. For the six-month period ended December 31, 2023, the increase was primarily due to the acquisition of 6 properties including Muse Ryogoku II etc. (total 4,525,000 thousand yen) and the offsetting decrease was primarily due to the transfer of Seam Dwell Tsutsui (630,566 thousand yen).

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, 2023		December 31, 2023	
	(Yen in thousands)			
Land in trust	¥	416,596	¥	416,596

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, 2023		December 31, 2023	
	(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, 2023	December 31, 2023
		(Yen in thousands)	
Revenues from property leasing:			
Rental revenues:			
Base rents	¥	6,772,861	¥ 6,824,808
Common area charges		884,625	857,125
Parking space rental revenues		227,354	226,871
Total rental revenues		7,884,841	7,908,806
Other revenues related to property leasing:			
Utilities charge revenues		559,524	526,116
Others		165,961	197,853
Total other revenues related to property leasing		725,486	723,969
Total revenues from property leasing		8,610,328	8,632,775
Property-related expenses:			
Property management fees		510,332	516,077
Utility expenses		551,457	503,135
Insurance expenses		8,274	8,792
Repair expenses		279,928	228,854
Taxes and dues		621,340	617,100
Depreciation and amortization		1,007,847	1,015,374
Loss on retirement of investment properties		7,075	7,052
Trust fees		35,771	36,821
Other		291,583	316,052
Total property-related expenses		3,313,612	3,249,261
Income from property leasing	¥	5,296,715	¥ 5,383,514

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, 2023 were as follows:

	(Yen in thousands)
ANTEX24 Building:	
Selling price of the real estate property	¥ 2,070,000
Book value of the real estate property	1,733,504
Other selling expenses	85,362
Gain on sales of real estate property	<u>¥ 251,132</u>
	(Yen in thousands)
Imazaki Mansion N1:	
Selling price of the real estate property	¥ 1,050,888
Book value of the real estate property	1,255,080
Other selling expenses	33,834
Loss on sales of real estate property	<u>¥ 238,026</u>

The details of gain on sales of real estate properties for the six-month period ended December 31, 2023 were as follows:

	(Yen in thousands)
Seam Dwell Tsutsui:	
Selling price of the real estate property	¥ 835,000
Book value of the real estate property	630,566
Other selling expenses	10,392
Gain on sales of real estate property	<u>¥ 194,040</u>

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 – Long-Term Debt

Long-term debt consisted of the following:

	As of	
	June 30, 2023	December 31, 2023
	(Yen in thousands)	
Long-term debt:	¥	¥
0.50% unsecured loans due 2023 (Notes 2 and 3)	3,900,000	–
0.48% unsecured loans due 2023 (Notes 2 and 3)	6,000,000	–
0.56% unsecured loans due 2024 (Notes 2 and 3)	3,400,000	3,400,000
0.52% unsecured loans due 2024 (Notes 2 and 3)	3,200,000	3,200,000
0.30% unsecured loans due 2024 (Note 2)	1,150,000	1,150,000
0.58% unsecured loans due 2024 (Notes 2 and 3)	3,500,000	3,500,000
0.54% unsecured loans due 2024 (Notes 2 and 3)	2,000,000	2,000,000
0.57% unsecured loans due 2024 (Notes 2 and 3)	4,350,000	4,350,000
0.58% unsecured loan due 2025 (Notes 2 and 3)	1,000,000	1,000,000
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
0.32% 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
0.34% unsecured loan due 2027 (Note 2)	1,300,000	1,300,000
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
0.34% unsecured loans due 2027 (Note 2)	–	1,250,000
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
0.64% unsecured loans due 2028 (Notes 2 and 3)	6,500,000	6,500,000
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
0.55% unsecured loans due 2029 (Notes 2 and 3)	3,100,000	3,100,000
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
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

1.09% unsecured loans due 2032 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 126,120,000	¥ 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, 2023	December 31, 2023
	(Yen in thousands)	
Total amounts of loan commitment line contracts	¥ 3,000,000	¥ 3,000,000
Executed loan balance	—	—
Net unused balance	¥ 3,000,000	¥ 3,000,000

Note 14 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of	
	June 30, 2023	December 31, 2023
	(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 15 – Leases

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

	As of	
	June 30, 2023	December 31, 2023
	(Yen in thousands)	
Due within one year	¥ 786,451	¥ 839,983
Due after one year	1,603,081	1,305,770
Total	¥ 2,389,533	¥ 2,145,753

Note 16 – 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, 2023 and December 31, 2023 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, 2023	December 31, 2023
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(31.45)	(31.45)
Per capita inhabitant taxes	0.02	0.02
Others	0.00	0.00
Effective tax rate	0.03%	0.03%

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

	As of	
	June 30, 2023	December 31, 2023
	(Yen in thousands)	
Deferred tax assets:		
Accrued enterprise tax	¥ 27	¥ 21
Total deferred tax assets	27	21
Net deferred tax assets	¥ 27	¥ 21

Note 17 – Per Unit Information

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

	For the six-month periods ended			
	June 30, 2023		December 31, 2023	
	(Yen)			
Earnings per unit:				
Net income per unit	¥	8,381	¥	8,854
Weighted average number of units outstanding (units)		449,930		449,930
	As of			
	June 30, 2023		December 31, 2023	
	(Yen)			
Net assets per unit	¥	289,807	¥	290,280

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.

Note 18 – 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, 2023, NIPPON REIT decided to distribute ¥3,983,680,220 which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders’ expense pertaining to income taxes. 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, 2023		December 31, 2023	
	(Yen)			
Cash distributions per unit	¥	8,381	¥	8,854
Board of directors meeting dates	August 17, 2023		February 19, 2024	

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

	For the six-month periods ended			
	June 30, 2023		December 31, 2023	
	(Yen)			
Unappropriated retained earnings	¥	3,877,299,121	¥	4,090,271,447
Cash distributions declared		3,770,863,330		3,983,680,220
Retained earnings brought forward	¥	106,435,791	¥	106,591,227

Note 19 – Related-Party Transactions

Related-party transactions for the six-month period ended June 30, 2023 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 3) (Yen in thousands)	Account	Balance at the end of period (Note 3) (Yen in thousands)
Directors and their relatives	Toshio Sugita	–	–	Executive Officer of NIPPON REIT and President, Director & CEO of SBI REIT Advisors Co., Ltd. (Note 1)	–	Payment of asset management fees to SBI REIT Advisors Co., Ltd. (Note 2)	¥ 664,185	–	¥ –

- Notes:
1. Toshio Sugita resigned as President & CEO of SBI REIT Advisors Co., Ltd. on June 29, 2023.
 2. This was executed by Toshio Sugita 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. The amount of asset management fee is the total amount for the six-month period ended June 30, 2023.
 3. 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, 2023 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 3) (Yen in thousands)	Account	Balance at the end of period (Note 3) (Yen in thousands)
Directors and their relatives	Yasushi Iwasa	–	–	Executive Officer of NIPPON REIT and President, Director & CEO of SBI REIT Advisors Co., Ltd. (Note 1)	–	Payment of asset management fees to SBI REIT Advisors Co., Ltd. (Note 2)	¥ 700,736	Accrued expenses	¥ 177,320

- Notes:
1. Yasushi Iwasa was appointed as Executive Officer, NIPPON REIT Investment Corporation on October 1, 2023.
 2. 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. The amount of asset management fee is the total amount for the six-month period ended December 31, 2023.
 3. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Note 20 – 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 21 – Subsequent Events

(a) Acquisition of Properties

- (1) NIPPON REIT acquired three trust beneficiary interests in real estate on January 29, 2024 as described below.

Property name	Type of asset	Location	Acquisition date	Acquisition price (Yen in millions) (Note)	Seller
30 Sankyo Building	Trust beneficiary interests in real estate	Shinjuku - ward, Tokyo	January 29, 2024	¥ 1,840	Godo Kaisha NRT Growth 18
St. Lake Celeb Daikancho	Trust beneficiary interests in real estate	Nagoya, Aichi	January 29, 2024	962	Godo Kaisha NRT Growth 18
Belle Face Kawaharadori	Trust beneficiary interests in real estate	Nagoya, Aichi	January 29, 2024	860	Godo Kaisha NRT Growth 18
Total 3 properties				¥ 3,662	—

Note: The acquisition prices represent the amount of consideration stated in the purchase agreement of the trust beneficiary interests in real estate. The acquisition prices do not include consumption taxes and the expenses related to the acquisition. Furthermore, the acquisition price of less than one million yen is omitted.

- (2) NIPPON REIT decided to acquire one trust beneficiary interests in real estate on March 22, 2024 and plans to enter into a purchase agreement of the trust beneficiary interests in real estate on March 29, 2024 as described below.

Property name	Type of asset	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
FORECAST Hakata Gofukumachi (Note 2)	Trust beneficiary interests in real estate	Fukuoka, Fukuoka	March 29, 2024	¥ 1,750	Roppongi Realty Two Godo Kaisha

Note:

- The scheduled acquisition price represents the amount of consideration stated in the purchase agreement of the trust beneficiary interests in real estate. The acquisition price does not include consumption taxes and the expenses related to the acquisition. Furthermore, the acquisition price of less than one million yen is omitted.
- As of the reporting date, the name of the acquired property is Liens PREMIUM GOFUKUMACHI Sta. However, the name will be changed to FORECAST Hakata Gofukumachi upon the acquisition by NIPPON REIT and the new name is presented.

(b) Transfer of Properties

NIPPON REIT transferred four trust beneficiary interests in real estate as described below.

Property name	Type of asset	Location	Transfer date	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Sannomiya First Building	Trust beneficiary interests in real estate	Kobe, Hyogo	January 19, 2024	¥ 1,730	¥ 1,422	Not disclosed (Note 3)
MK Kojimachi Building	Trust beneficiary interests in real estate	Chiyoda - ward, Tokyo	March 27, 2024	2,350	1,988	Aoyama Zaisan Networks Co., Ltd.
Hatchobori River Gate	Trust beneficiary interests in real estate	Chuo - ward, Tokyo	March 27, 2024	880	839	Not disclosed (Note 3)
Mullion Josai	Trust beneficiary interests in real estate	Nagoya, Aichi	March 27, 2024	670	781	FUJIMAKI Co., Ltd.
Total 4 properties				¥ 5,630	¥ 5,032	—

Notes:

1. The transfer prices represent the amount of consideration stated in the transfer agreement of the trust beneficiary interests in real estate. The transfer prices do not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.
2. The book values represent the balance sheet amounts as of December 31, 2023. Furthermore, the book value of less than one million yen is omitted.
3. This information is not disclosed as the consent to disclosure has not been obtained from the purchaser.

(c) Borrowing of Funds

NIPPON REIT borrowed funds on January 29, 2024, as below based on the commitment line agreement dated December 27, 2019, for use as a part of funds for acquisition of the properties described in “(a) Acquisition of Properties” above.

Lender	Amount (Yen in millions)	Interest rate	Fix/ Floating	Repayment due date	Repayment method
Co-financing group with MUFG Bank, Ltd. and Mizuho Bank, Ltd. as arrangers (Note 1)	¥ 1,500	Interest rate of base rate plus 0.45% (Note 2)	Floating	January 29, 2025	Lump-sum payment at maturity (Note 3)

Notes:

1. The co-financing group consists of MUFG Bank, Ltd. and Mizuho Bank, Ltd.
2. The first interest payment date shall be February 20, 2024, and the subsequent interest payment date shall be the 20th day or every month (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA one-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date (borrowing execution date for the first interest payment). In the event that the interest calculation period is more than one month or less than one month, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.
3. NIPPON REIT can make early repayment of the loan, in whole or in part, if it gives prior written notice and other certain terms and conditions are met by the repayment date.

(d) Additional Information

NIPPON REIT decided to acquire one trust beneficiary interests in real estate and concluded a transfer agreement of the trust beneficiary interests in real estate on December 21, 2023 as described below.

Property name	Type of asset	Location	Scheduled acquisition date	Acquisition price (Yen in millions) (Note 1)	Seller
Street Life (Leasehold land)	Trust beneficiary interests in real estate	Sendai, Miyagi	March 29, 2024	¥ 1,990	Jinushi Financial Advisors Inc.

Notes:

1. The acquisition price represents amount of consideration stated in the transfer agreement of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition (includes the amount NIPPON REIT paid as consideration for the succession of the status of the buyer), consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.
2. The purchase and sell agreement related to 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 purchase and sell agreement of this property stipulates that in the event of the other party’s breach of its obligations 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 20% 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, 2023 and June 30, 2023, 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, 2023 and June 30, 2023, 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, 2023 and June 30, 2023, and its financial performance and its cash flows for each of the six-month periods ended December 31, 2023 and June 30, 2023 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 21 to the financial statements, which states acquisition of properties and decision of an acquisition of property, transfer of properties as well as borrowing of funds. 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/ Jiro Tazawa

Designated Engagement Partner

Certified Public Accountant

/S/ Tsugunobu Hikishikibayashi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

March 27, 2024

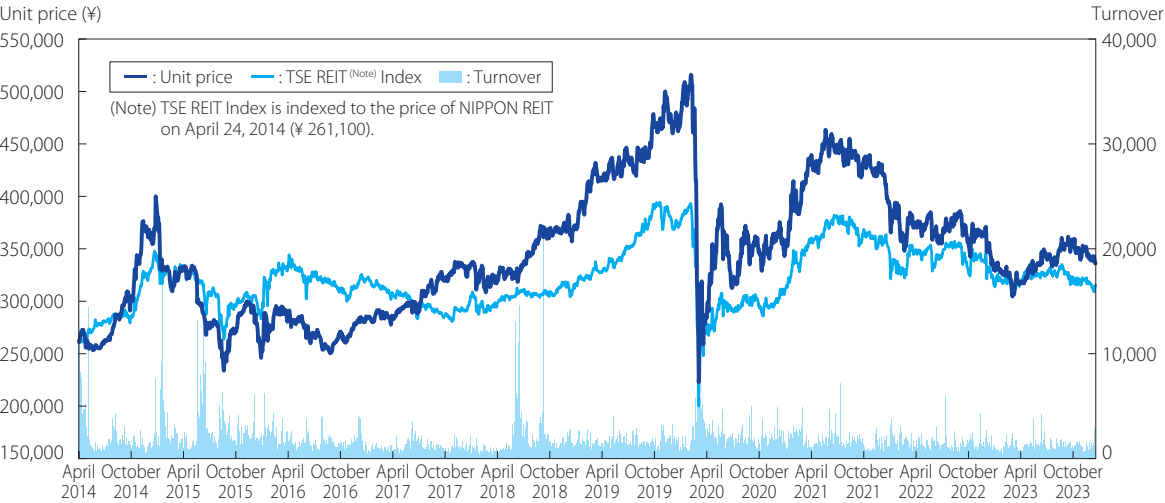
Notes to the Reader of Independent Auditor's Report:

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

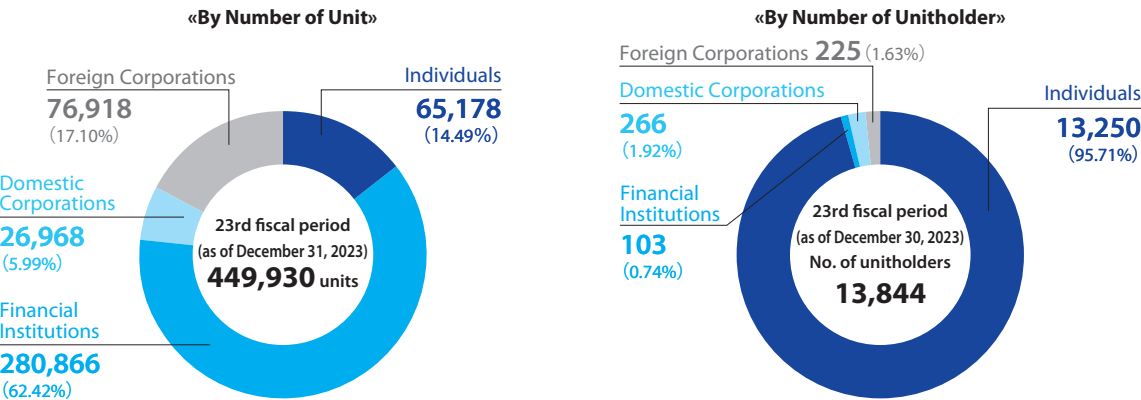
Status of Investment Units and Unitholders

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, 2023 (the final trading day of the 23rd fiscal period).



Breakdown of Unitholder Composition



Unitholder Information

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.

NIPPON REIT Investment Corporation

NIPPON VISION
"Serious, Steady, Solid."

Website Information

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

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