



NIPPON VISION

Serious, Steady, Solid.

From January 1 to June 30, 2024
Semiannual Report for the
24th Fiscal Period

NIPPON REIT
Investment Corporation

Dear Unitholders,

I would like to express my sincere gratitude for your continued support of NIPPON REIT Investment Corporation (“NRT”). NRT was able to celebrate the 10th anniversary of its listing in April this year. We would like to express our heartfelt gratitude to our unitholders for their support.

Here is a summary of the operation status and financial results for the financial period ended June 2024 (the 24th fiscal period). As for the internal growth, the occupancy rate for the overall portfolio was 98.0% at the end of the fiscal year, and the occupancy rate of office remained at a high level of 98.6%, continuing from the previous fiscal year. Furthermore, we achieved positive revision for the 5th consecutive year, with monthly rent increases of ¥6.4mm, including contract renewals for offices and residences and tenant replacements. We also continue to create new profit opportunities and reduce costs through engineering management.

In addition, during the fiscal period under review, NRT acquired 5 properties (acquisition price of approximately ¥7.4bn), including FORECAST Hakata Gofukumachi and Street Life (Leasehold land), which were acquired through sponsorship support of SBI Group. 6 properties were transferred (transfer price of approximately ¥7.8 bn). After retaining approximately ¥467mm of the approximately ¥1.0 bn gain on sale of these properties as a source of future unitholder returns, the distribution per unit for the 24th fiscal period was ¥9,570, an increase of 760 yen 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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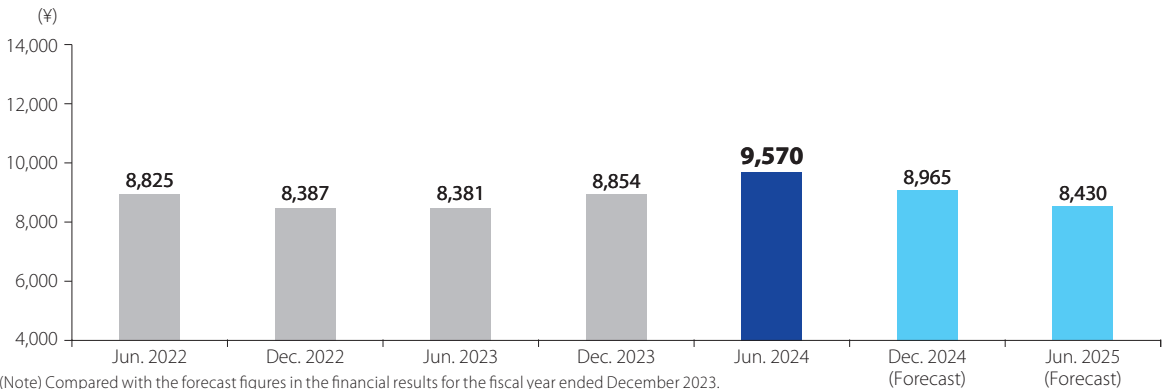
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Financial Highlights

DPU Track Record

The DPU for the 24th period resulted at ¥9,570, which was an increase of ¥760 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.



Jun. 2024 (24th Period)

Distributions per Unit

¥9,570

Dec. 2024 (25th Period)

Distributions per Unit (Forecast)

¥8,965

Jun. 2025 (26th Period)

Distributions per Unit (Forecast)

¥8,430

Summary of Financial Results for the 24th Period (Jun. 2024)

Operating Revenues

¥9,865mm

Ordinary Income

¥4,774mm

Net Income

¥4,773mm

Total Assets

¥278,161mm

Total Net Assets

¥131,395mm

Net Assets per Unit

¥292,036

For NAV per unit and other details, please refer to page 6 of the “Investor Presentation for the 24th Period.”



Portfolio Overview

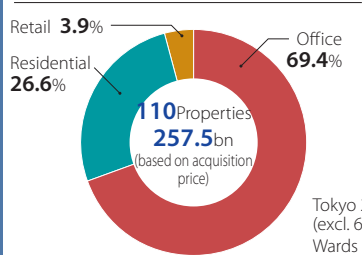
Number of Properties

110 Properties

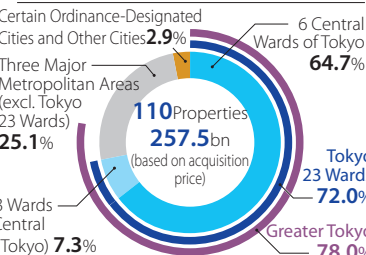
Total Acquisition Price

257.5bn

Portfolio Diversification by Property Type



Portfolio Diversification by Region



Occupancy Rate Trend

The portfolio occupancy rate for the end of the 24th period was maintained high at 98.0%. We are working to maintain and improve occupancy rate.

Occupancy Trend and Forecast	23rd Period	24th Period	25th Period (Forecast)	26th Period (Forecast)
Total	97.9 %	98.0 %	97.8 %	97.3 %
Office	98.2 %	98.6 %	98.3 %	97.5 %
Residential	97.6 %	97.1 %	97.2 %	96.6 %
Retail ^(Note)	96.1 %	97.4 %	97.4 %	99.2 %

(Note) The occupancy rates for the "Total" and "Retail" from the 24th period onward include the occupancy of the Street Life (leasehold land) (16,258.65 m²).

Financial Highlights

As of the end of the 24th period unless other month/year is indicated

Total Interest-Bearing Debt	134.1 bn	LTV (based on appraisal value)	48.2 %
Average Remaining Borrowing Period	3.41 years	Fixed-Interest Rate Ratio	94.8 %
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

Asset replacement

Acquisition

St.Lake Celeb Daikancho

Bell Face Kawaharadori

Residences in the Nagoya area

23rd FP

Seam Dwell Tsutsui

Mullion Josai

Replacement

Transfer

Zeku Benten

Hatchobori River Gate

MK Kojimachi Building

Sannomiya First Building

Nihombashi Playa Building

For "Portfolio Data" please refer to NRT website

For "List of Properties" please refer to NRT website

SBI Group Support/Synergy

FORECAST Hakata Gofukumachi

Street Life (Leasehold land)

Return of unrealized gains 24th/25th FP

Option to use the transfer proceeds

- Acquisition of new properties
- Buyback
- Redemption of borrowings
- Internal reserve

* The estimated amount of gain on sale of 50% co-ownership interest in Nihombashi Playa Building is stated.

	Transferred assets		Acquired assets	
	Transfer Price(¥mm)	Gain on Transfer(¥mm)	Acquisition Price(¥mm)	Appraisal Value(¥mm)
23 rd Period	835	194	—	—
24 th Period	7,815	1,044	7,402	7,615
25 th Period	1,700	721*	—	—
Total	10,350	1,960	7,402	7,615

Strategic sales from a medium-to long-term perspective

30 Sankyo Building

Offices in Tokyo 6 central wards

Offices in regional city

Sustainability Initiatives

Environmental Certifications

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

29 Properties 50.72% (YOY+2.5%) (based on the total floor area)

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

As of the end of June 2024

DBJ Green Building Certification

2 Properties 6.95%

DBJ Green Building

CASBEE for Real Estate

8 Properties 23.23%

CASBEE

BELS Certification

21 Properties 28.20%

BELS ZEB

Low-Carbon Model Building

5 Properties 5.35%

A3

Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

Period	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period
	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	From January 1, 2024 to June 30, 2024
Operating revenues (Yen in millions)	8,534	8,547	8,865	8,828	9,865
Of which, rental revenues and other revenues related to property leasing (Yen in millions)	(8,406)	(8,544)	(8,610)	(8,632)	(8,651)
Operating expenses (Yen in millions)	3,935	4,105	4,424	4,122	4,366
Of which, property-related expenses (Yen in millions)	(3,083)	(3,263)	(3,313)	(3,249)	(3,285)
Operating income (Yen in millions)	4,599	4,442	4,440	4,705	5,499
Ordinary income (Yen in millions)	3,971	3,774	3,772	3,984	4,774
Net income (Yen in millions)	3,970	3,773	3,771	3,983	4,773
Total assets (a) (Yen in millions)	274,895	275,138	275,414	275,462	278,161
Period-on-period changes (%)	(△0.6)	(0.1)	(0.1)	(0.0)	(1.0)
Net assets (b) (Yen in millions)	130,592	130,395	130,392	130,605	131,395
Period-on-period changes (%)	(△1.0)	(△0.2)	(△0.0)	(0.2)	(0.6)
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)	290,249	289,812	289,807	290,280	292,036
Total distributions (d) (Yen in millions)	3,970	3,773	3,770	3,983	4,305
Distributions per unit (d) / (c) (Yen)	8,825	8,387	8,381	8,854	9,570
Of which, earnings distributions per unit (Yen)	(8,825)	(8,387)	(8,381)	(8,854)	(9,570)
Of which, distributions per unit in excess of earnings per unit (Yen)	(-)	(-)	(-)	(-)	(-)
Ordinary income to total assets ratio (Note 3) (%)	1.4	1.4	1.4	1.4	1.7
Annualized (Note 3) (%)	(2.9)	(2.7)	(2.8)	(2.9)	(3.5)
Return on equity (Note 3) (%)	3.0	2.9	2.9	3.1	3.6
Annualized (Note 3) (%)	(6.1)	(5.7)	(5.8)	(6.1)	(7.3)
Equity ratio (b) / (a) (%)	47.5	47.4	47.3	47.4	47.2
Period-on-period changes (%)	(△0.2)	(△0.1)	(△0.0)	(0.1)	(△0.2)
Payout ratio (Note 3) (%)	100.0	100.0	100.0	100.0	90.2

Period	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period
	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	From January 1, 2024 to June 30, 2024

(Reference Information)

Number of investment properties	106	106	105	110	110
Total leasable area (m ²)	312,064.01	312,292.24	308,340.29	315,899.49	330,351.20
Number of tenants (Note 4)	2,923	2,910	2,870	3,104	3,134
Occupancy rate at the end of the period (%)	98.0	98.2	98.2	97.9	98.0
Depreciation during the period (Yen in millions)	1,006	1,005	1,007	1,015	993
Capital expenditures during the period (Yen in millions)	270	524	640	1,083	1,001
Rental NOI (Net Operating Income) (Note 3) (Yen in millions)	6,330	6,288	6,311	6,405	6,371
FFO (Funds From Operations) per unit (Note 3) (Yen)	10,792	10,633	10,616	10,703	10,532
Interest-bearing debt (e) (Yen in millions)	132,620	132,620	132,620	132,620	134,120
Interest-bearing debt to total assets ratio (e) / (a) (%)	48.2	48.2	48.2	48.1	48.2
Number of operating days (Days)	181	184	181	184	182

(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 June 30, 2024

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 (Act No.198 of 1951, as amended). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

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

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018, and the total number of investment units issued and outstanding as of the end of the current period (June 30, 2024) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the current period (the fiscal period ended June 30, 2024) saw a decrease of 0.7% (an annual decrease of 2.9%) in the real GDP growth rate (second preliminary figures) for the period from January to March 2024 compared to the previous period. Currently, the pace of recovery in overseas economies has been decelerating, and exports and industrial production have been more or less flat, while they have been affected by the deceleration. Corporate profits have been at high levels as a whole, reflecting a moderate increase in capital expenditure and a gradual improvement in the employment and income situation, and business sentiment has remained at a favorable level. Business conditions are showing signs of recovery and capital expenditure plan for fiscal 2024 are expected to increase according to the Bank of Japan Tankan Survey (June 2024) and the Business Outlook Survey (April to June 2024) and capital expenditure plans for fiscal 2024 are expected to increase. The consumer spending is also expected to increase gradually, despite being affected by inflation, on the back of a rise in the wage growth rate and an improvement in business sentiment, amid the moderate improvement in the employment and income situation as a whole. Gradual growth in Japanese economy is expected to continue partly due to the effects of various policy measures in the second half of 2024 amid an improvement in the employment and income situation, while it is necessary to pay attention to the risk of downward pressure on the economy caused by a downturn in overseas economies such as continuance of high interest rate in Europe 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 June 2024 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 5.15%, down 1.33% from the same month last year. Moreover, the average rent in the same area as of the end of June 2024 was 19,979 yen per tsubo, up 0.71% from the same month last year. An upward trend in rents can be expected as the supply of new office buildings in 2024 is limited and the demand for office environment improvement to retain human resources is growing.

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 3.0% year-on-year increase in total retail sales announced by the Ministry of Economy, Trade and Industry in the current commercial statistics for May 2024. Sales at other retailers, mechanical equipment stores, pharmaceuticals and cosmetics stores, fuel stores and, food and beverage stores, were steady and showed 7.1%, 5.3%, 5.1%, 4.5% and 1.0% year-on-year

increase, respectively while automobile stores showed 3.3% decrease due to the suspension of production and shipments by some automobile manufacturers and apparel stores were also weak showing 0.3% decrease.

(ii) Sustainability Initiatives

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

In the GRESB Real Estate Assessment conducted in 2023, NIPPON REIT received "3 Stars" in GRESB Rating, which is rated on a five-point scale based on the global ranking of the overall score, and received the highest rating of "A" level in the GRESB Disclosure Assessment, which measures the degree of adequacy of ESG information disclosure as the ESG information disclosure initiatives were highly evaluated.

Also, NIPPON REIT is continuously working to obtain environmental certification for our properties, and Nishi Gotanda 8-chome Building received the three-star BELS (Note 1) rating in May 2024, FORECAST Gotanda WEST and Sumitomo Mitsui Bank Koraibashi Building received the S rank, the highest rank in the CASBEE (Note 2) real estate evaluation certification and Shibakoen Sanchohome Building received the A rank in June 2024. In addition, FORECAST Kameido reacquired DBJ Green Building certification (Note 3) and received three stars in June 2024. As a result, a total of 29 properties have received environmental certification, or 50.7% (Note 4) (as of June 30, 2024) on a total floor area basis.

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

Notes:

1. "BELS" refers to the Building Energy Efficiency Labeling System, which was launched in October 2013 following the establishment of the "Evaluation Guidelines for Labeling Energy Efficiency Performance of Non-Residential Buildings (2013)" established by the Ministry of Land, Infrastructure, Transport and Tourism for the purpose of enabling that third-party organizations appropriately evaluate and display the energy saving performance of buildings based on the guidelines.
2. CASBEE (Comprehensive Assessment System for Built Environment Performance) is a method for evaluating and rating the environmental performance of buildings and the built environment. It is a comprehensive assessment of the quality of a building, evaluating features such as interior comfort and scenic aesthetics, in consideration of environment practices that include using equipment that save energy or achieve smaller environmental loads.
3. The DBJ Green Building Certification Program is a certification system established by the Development Bank of Japan Inc. in April 2011 for the purpose of supporting the properties which give proper care to environment and society (Green Building). The program evaluates and certifies properties which are required by society and economy. It makes comprehensive assessment of properties, while evaluating various factors which range from properties' environmental features to their communication with stakeholders, such as disaster prevention and proper care for surrounding communities.
4. The total floor area includes Nihombashi Playa Building, of which 50% of its quasi co-ownership interest was sold in June 2024 as one building.

(iii) Management Performance

a. External Growth

NIPPON REIT owned 110 properties (with a total acquisition amounts of 256,484 million yen) and one equity interest in one silent partnership (investment amount 30 million yen, three real estate-backed properties) as of the end of the fiscal period ended December 2023.

During the fiscal period under review (fiscal period ended June 2024) NIPPON REIT transferred six properties and acquired five properties 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
Transfer	A-57	Sannomiya First Building	1,730	January 19, 2024
Acquisition	A-76	30 Sankyo Building	1,840	January 29, 2024
Acquisition	B-51	St. Lake Celeb Daikancho	962	January 29, 2024
Acquisition	B-52	Belle Face Kawaharadori	860	January 29, 2024
Transfer	A-44	MK Kojimachi Building	2,350	March 27, 2024
Transfer	A-72	Hatchobori River Gate	880	March 27, 2024
Transfer	B-32	Mullion Josai	670	March 27, 2024
Acquisition	A-77	FORECAST Hakata Gofukumachi	1,750	March 29, 2024
Acquisition	C-4	Street Life (Leasehold land)	1,990	March 29, 2024
Transfer	A-2	Nihombashi Playa Building (50% of quasi co-ownership interest)	1,700	June 28, 2024
Transfer	B-41	Zeku Benten	485	June 28, 2024

(Note) The transfer prices and the acquisition prices represent amount of consideration stated in the trust beneficiary interests transfer agreements of each of the trust beneficiary interests in real estate. The transfer prices 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 60 office properties (Note 1) with a total acquisition amount of 178,848 million yen, 47 residential properties (Note 2) with a total acquisition amount of 68,620 million yen and three retail properties (Note 3) with a total acquisition amount of 10,110 million yen, totaling 110 properties with a total acquisition amount of 257,579 million yen with a total leased area of 323,628.17㎡ and 98.0% of average occupancy rate.

(Note 1) "Office properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.
(Note 2) "Residential properties" refer to a rental housing whose primary use is residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of the property). The same shall apply hereinafter.
(Note 3) "Retail properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenant. The same shall apply hereinafter.

b. Internal Growth

NIPPON REIT emphasizes operational management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts were kept to be done, the portfolio occupancy rate was maintained at a high level of 98.0% as of the end of the current period.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to allocate funds for the acquisition of new properties and some of the payment of related costs, the borrowings of total 1,500 million yen were implemented on January 29, 2024 based on the commitment line agreement entered into on December 27, 2019.

In order to prepare funds for repayment of long-term loans due on April 22, 2024 (total 7,750 million yen), the long-term borrowings of total 7,750 million yen on the same day were implemented as the loans due.

As a result, the balance of interest-bearing debt as of June 30, 2024 was 134.120 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.2%.

(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 9,865 million yen, operating income of 5,499 million yen, ordinary income of 4,774 million yen and net income of 4,773 million yen.

Concerning distributions, NIPPON REIT decided to distribute 4,305,830,100 yen, cash distributions per unit of 9,570 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, and unappropriated retained earnings after deducting the provision of reserve for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied .

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

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	20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period
	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	From January 1, 2024 to June 30, 2024
Highest (Yen)	411,500	386,000	347,000	361,500	357,500
Lowest (Yen)	348,000	342,500	304,500	333,000	322,000

(4) Distributions

For distributions for the current period, NIPPON REIT decided to distribute

4,305,830,100 yen, cash distributions per unit of 9,570 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, and unappropriated retained earnings after deducting the provision of reserve for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied.

Period		20th fiscal period	21st fiscal period	22nd fiscal period	23rd fiscal period	24th fiscal period
		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	From January 1, 2024 to June 30, 2024
Unappropriated retained earnings	(Yen in thousands)	4,076,557	3,879,722	3,877,299	4,090,271	4,880,393
Retained earnings (Retained earnings brought forward)	(Yen in thousands)	105,925	106,159	106,435	106,591	574,563
Cash distributions declared	(Yen in thousands)	3,970,632	3,773,562	3,770,863	3,983,680	4,305,830
Distributions per unit	(Yen)	(8,825)	(8,387)	(8,381)	(8,854)	(9,570)
Of the above, total earnings distributions	(Yen in thousands)	3,970,632	3,773,562	3,770,863	3,983,680	4,305,830
Earnings distributions per unit	(Yen)	(8,825)	(8,387)	(8,381)	(8,854)	(9,570)
Of the above, total capital refunds	(Yen in thousands)	—	—	—	—	—
Distributions per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from allowance for temporary difference	(Yen in thousands)	—	—	—	—	—
Distributions from allowance for temporary difference per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from reduced capital distributions	(Yen in thousands)	—	—	—	—	—
Distributions from reduced capital distributions per unit	(Yen)	(—)	(—)	(—)	(—)	(—)

(Note) Amounts are truncated to the relevant digit.

(5) Future Operating Policies and Issues to Be Addressed

A. Management Policy

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

B. External Growth Strategy

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

In order to facilitate external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are SBI Financial Services, the main sponsor and Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") the sub-sponsor and other sponsor companies including Agility 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 will be set with reference to various data provided by Cushman, and agile leasing activities will be implemented in line with the effective operational policy for new potential tenants.

D. Financial Strategy

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

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the current period was 48.2% 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

Transfer of Properties

On August 21, 2024, NIPPON REIT decided to transfer three beneficiary interests in real estate, and on August 23, 2024, it entered into agreements for the transfer of beneficiary interests in real estate as described below. Among these, transfer of Komatsubara Yamamoto Mansion was completed on September 20, 2024.

Property name	Type of asset	Location	(Scheduled) transfer date	(Scheduled) transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Shinto GINZA EAST	Trust beneficiary interest in real estate	Chuo - ward, Tokyo	December 23, 2024 (Note 3)	1,690	1,348	Not disclosed (Note 4)
Komatsubara Yamamoto Mansion	Trust beneficiary interest in real estate	Kagoshima, Kagoshima	September 20, 2024	658	716	FORCUS Inc.
Belleza Kanayama	Trust beneficiary interest in real estate	Nagoya, Aichi	September 27, 2024 (Note 3)	730	739	Not disclosed (Note 4)
Total 3 properties				3,078	2,804	—

(Note 1) The (scheduled) transfer prices represent the amount of consideration stated in the transfer agreement of the trust beneficiary interest 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.

(Note 2) The book values represent the balance sheet amounts as of June 30, 2024. Furthermore, the book value of less than one million yen is omitted.

(Note 3) The transfer agreement of the trust beneficiary interest in real estate for the property corresponds to the forward commitment, etc. stipulated in the Financial Services Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." (this refers to a purchase or sale agreement with delivery date one month or more after the conclusion of agreement, and other contracts similar thereto; the same shall apply hereinafter) and the Asset Management Company has entered into the agreements in accordance with the Asset Manager's Rules on Forward Commitments, etc., which stipulate the establishment of forward commitments, etc. The transfer agreement of the trust beneficiary interest in real estate stipulates that in the event of a breach of material obligations or a breach of representations and warranties by the other party, the cancellation may be effected upon demand. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled transfer price.

(Note 4) This information is not disclosed as the consent to disclosure has not been obtained from the purchaser.

(7) Additional Information

NIPPON REIT decided to transfer one trust beneficiary interest in real estate and entered into a transfer agreement of the trust beneficiary interest in real estate on June 28, 2024 as described below.

Property name	Location	Scheduled Transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Nihombashi Playa Building (50% of quasi co-ownership interest)	Chuo ward, Tokyo	October 31, 2024	1,700	955	Keio Corporation

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

(Note 2) Book value as of June 30, 2024 is described, rounded down to the nearest million yen.

(Note 3) The transfer agreement of the trust beneficiary interest in real estate for the property corresponds to the forward commitment, etc. stipulated in the Financial Services Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." and the Asset Management Company has entered into the agreements in accordance with the Asset Manager's Rules on

Forward Commitments, etc., which stipulate the establishment of forward commitments, etc. The transfer agreement of the trust beneficiary interest in real estate stipulates that in the event of a breach of material obligations or a breach of representations and warranties by the other party, the cancellation may be effected upon demand. 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	20th fiscal period June 30, 2022	21st fiscal period December 31, 2022	22nd fiscal period June 30, 2023	23rd fiscal period December 31, 2023	24th fiscal period June 30, 2024
Total number of investment units authorized (Unit)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total number of investment units issued and outstanding (Unit)	449,930	449,930	449,930	449,930	449,930
Total unitholders' capital (Note) (Yen in millions)	126,515	126,515	126,515	126,515	126,515
Number of unitholders	13,840	13,731	14,261	13,844	15,242

(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 June 30, 2024, are as follows.

Name	Number of investment units held (Unit)	Percentage of units held to the total number of units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (Trust Account)	114,423	25.43
The Master Trust Bank of Japan, Ltd. (Trust Account)	82,052	18.24
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	24,667	5.48
SBI Holdings, Inc.	15,500	3.44
STATE STREET BANK WEST CLIENT - TREATY 505234	8,070	1.79
JAPAN SECURITIES FINANCE CO., LTD.	6,489	1.44
JP MORGAN CHASE BANK 385771	6,231	1.38
JP MORGAN CHASE BANK 385781	6,102	1.36
STATE STREET BANK AND TRUST COMPANY 505103	4,513	1.00
The Gunma Bank, Ltd.	3,594	0.80
Total	271,641	60.37

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

(3) Matters Concerning Officers

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

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

(Note 1) Total compensation for each position in the applicable business period has been truncated to the nearest thousand yen.

(Note 2) The fee of the independent auditor includes the audit fee of English financial statements. The fee to the persons who belong to the same network as KPMG AZSA LLC for non-audit services is 10,050 thousand yen.

(Note 3) Termination of the independent auditor is carried out in accordance with the Investment Trust Act. The Board of Officers of NIPPON REIT determines the refusal of reappointment of an independent auditor, factoring in various circumstances, including the quality of the audits performed and compensation for said audits.

(Note 4) NIPPON REIT has concluded with an insurance company Directors and Officers Liability Insurance as stipulated in Article 116-3, Paragraph 1 of the Act on Investment Trusts and Investment Corporations to cover loss, such as compensation payment and dispute costs, to be borne by the insured when they receive a claim for compensation due to errors, breach of duties, omissions and others. Directors and Officers Liability Insurance covers all of Executive Officer and Supervising Officers stated above. NIPPON REIT has taken necessary actions not to impair appropriateness of duty of officers by excluding damage born by officers caused by criminal act such as corruptions and intentional illegal act from compensation. NIPPON REIT bears entire costs for Directors and Officers Liability Insurance.

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

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

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

3. Portfolio of the Investment Corporation

(1) Composition of Assets

Type of assets	Property type	Area	23rd fiscal period (December 31, 2023)		24th fiscal period (June 30, 2024)	
			Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 3)	1,501	0.5	1,496	0.5
	Real estate Total		1,501	0.5	1,496	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	140,534	51.0	138,532	49.8
		Three major metropolitan areas (Note 4) (excluding six central wards of Tokyo)	40,692	14.8	39,479	14.2
		Certain ordinance-designated and other cities (Note 5)	—	—	1,761	0.6
		Subtotal	181,227	65.8	179,772	64.6
	Residential properties	Three major metropolitan areas (Note 4) (including six central wards of Tokyo)	62,867	22.8	63,382	22.8
		Certain ordinance-designated and other cities (Note 5)	3,831	1.4	3,830	1.4
		Subtotal	66,698	24.2	67,213	24.2
	Retail properties		8,010	2.9	10,025	3.6
	Real estate in trust Total		255,936	92.9	257,011	92.4
Investment securities (Note 6)		32	0.0	—	—	
Deposits and other assets		17,992	6.5	19,652	7.1	
Total assets (Note 7)		275,462 (257,438)	100.0 (93.5)	278,161 (258,508)	100.0 (92.9)	

(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 18 for the prior period and there are no applicable matters for the current period. 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 June 30, 2024 (top 10 properties in terms of book value at the end of the period) is as follows:

Property name	Book value (Yen in millions) (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 3)	Occupancy rate (%) (Note 4)	Rate to total revenues from property leasing (%) (Note 5)	Primary use
Omiya Center Building	15,553	14,563.36	14,563.36	100.0	6.2	Office
FORECAST Shinjuku SOUTH	14,435	13,875.01	13,875.01	100.0	7.3	Office
Tower Court Kitashinagawa	10,373	16,913.29	16,690.86	98.7	5.0	Residential
FORECAST Gotanda WEST	7,496	8,967.07	8,967.07	100.0	3.0	Office
Shibakoen Sanchome Building	7,300	7,882.60	7,882.60	100.0	2.8	Office
Homat Horizon Building	6,640	6,077.01	6,077.01	100.0	2.5	Office
FORECAST Sakurabashi	6,162	6,566.76	6,566.76	100.0	2.3	Office
FORECAST Shinjuku AVENUE	6,044	4,337.15	4,337.15	100.0	2.4	Office
FORECAST Takadanobaba	5,763	5,661.49	5,661.49	100.0	2.2	Office
Primegate Iidabashi (Note 6)	5,227	6,044.17	5,678.08	93.9	1.8	Residential
Total	84,998	90,887.91	90,299.39	99.4	35.5	

(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 June 30, 2024. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2024.

(Note 4) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2024 and rounding that figure to the first decimal place.

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

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

(3) Description of Portfolio

The overview of portfolio assets held by NIPPON REIT as of June 30, 2024, is as follows:

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
FORECAST Nishishinjuku	7-16-11 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,945.68	3,290	2,039
Nihombashi Playa Building (Note 3)	1-9-12 Nihonbashi Hamacho, Chuo-ku, Tokyo	Trust beneficiary interest	2,490.08	1,280	955
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,060	1,376
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,337.15	8,530	6,044
FORECAST Ichigaya (Note 4)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,800	4,210
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.81	2,530	1,680
FORECAST Shinjuku SOUTH	4-3-17 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	13,875.01	17,800	14,435
FORECAST Sakurabashi	4-5-4 Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest	6,566.76	7,220	6,162
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	3,790	2,938
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,595.04	3,740	2,900
GreenOak Takanawadai	2-26-10 Shirokanedai, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	2,990	2,060
Central Daikanyama	14-23 Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest	1,899.30	3,770	3,676
Hiroo Reeplex B's	5-15-27 Minamiazabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,550	2,849
Shibakoen Sanchoe Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,300	7,300
Kudankita 325 Building	3-2-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,003.60	2,410	1,961
Itohpia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	3,830	2,866
Itohpia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,056.56	3,290	2,701
Itohpia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	3,060	2,180
Pigeon Building	4-4 Hisamatsucho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,310	2,936
FORECAST Ningyocho	2-13-9 Ningyocho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,380	2,168
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,200	1,688
FORECAST Shin-Tokiwabashi	3-1-2 Nihombashi Hongokucho, Chuo-ku, Tokyo	Trust beneficiary interest	1,822.33	2,420	2,101
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,800	2,362
Iidabashi Reeplex B's	1-14 Shin- Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,650	1,277
FORECAST Shinagawa	1-20-9 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,276.36	2,320	2,383
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,052.31	2,620	2,252
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,490	2,032

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	6,770	5,763
Itohpia Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,150	1,653
I+S Minamimorimachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	2,960	2,297
Toranomon Sakura Building	3-22-1 Toranomon, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,610	4,281
La Verite Akasaka	1-5-7 Motoakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,719.75	2,630	2,111
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.53	1,930	1,468
Shinto GINZA EAST	3-1-10 Tsukiji, Chuo-ku, Tokyo	Trust beneficiary interest	1,222.36	1,450	1,348
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,530	3,153
FORECAST Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,340.66	5,460	4,738
FORECAST Gotanda WEST	8-9-5 Nishi- Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,967.07	8,320	7,496
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,563.36	26,000	15,553
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	3,760	2,880
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,520	2,579
NORE Meieki	1-3-18 Meiekininami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,280.75	4,240	2,404
Homat Horizon Building	5-6-2, Gobancho, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,410	6,640
Towa Kandanishikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,020	987
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,400	1,202
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	2,910	2,442
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,320	4,432
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,590	1,496
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	2,050	1,471
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,260	1,175
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,900	1,826
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	2,950	2,567
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,410	1,407
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.32	1,270	1,230
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,140	1,132
Tsukiji Front	2-7 Tsukiji 2-chome, Chuo-ku, Tokyo	Trust beneficiary interest	689.53	1,100	845
TENSHO OFFICE SHINBASHI 5	12-11 Shimbashi 5-chome, Minato-ku, Tokyo	Trust beneficiary interest	828.19	1,270	1,196

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
REID-C Iidabashi Building	2-8-3, Iidabashi, Chiyoda-ku, Tokyo	Trust beneficiary interest	811.46	1,200	1,227
REID-C Gotenryama Building	5-12-4 Kita-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,086.11	1,070	1,077
30 Sankyo Building	1-30-4 Takadanobaba, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,631.67	1,910	1,870
FORECAST Hakata Gofukumachi	7-1 Tsunabamachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,501.83	1,820	1,761
Tower Court Kitashinagawa	3-11-13 Kita-19 Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	18,200	10,373
Sky Hills N11	2-2-1 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	8,567.50	1,960	1,549
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,210	919
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	995	669
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	800	594
Kanda Reeplex R's	2-5-1 Kandacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,410	1,722
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,180	3,033
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	3,000	2,596
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,800	1,409
Primegate Iidabashi	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,044.17	6,420	5,227
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.42	1,380	1,231
Merveille Senzoku	1-10-1, Kitasenzoku, Ota-ku, Tokyo	Trust beneficiary interest	834.72	802	758
Field Avenue (Note 5)	6-2-2, Ikegami, Ota-ku, Tokyo (Annex building: 6-2-1, Ikegami, Ota-ku, Tokyo)	Trust beneficiary interest	3,092.63	3,420	3,089
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	870	787
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,100	982
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,900	2,256
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,880	1,611
Charmant Fuji Osakajominami	3-3-8, Uchikyuhojimachi, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,512.00	948	891
Piacere Fuminosato	1-12-18, Hannancho, Abeno-ku, Osaka, Osaka	Trust beneficiary interest	1,374.08	619	553
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.21	750	749
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,601	1,639
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	641	600
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,930	1,825
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,310	1,203
Sun・Meieikiminami Building	9-11 Meieikiminami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,060	959

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m2)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Tenjinhighashi residence	7-4 Komondomachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,909.60	999	970
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,490	1,427
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,200	1,167
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	787	720
Meister house Kawasaki	5-2 Minamisaikawa 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	795	740
LIESSE Tsurumai (Note 6)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi 2-5-2, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,280	1,114
Komatsubara Yamamoto Mansion	15-22 Komatsubara 2-chome, Kagoshima, Kagoshima	Trust beneficiary interest	2,671.99	682	716
Belleza Kanayama	9-10 Masaki 4-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,263.13	780	739
Sylphide Higashi-shinagawa	4-7-1, Higashi-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,174.19	1,050	990
Royal Bloom	4-29-1, Kshikicho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiary interest	1,236.61	1,280	1,103
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	624	629
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,430	1,402
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	878	867
MAISON NISHI MAGOME	2-21-14 Nakaikagami, Ota-ku, Tokyo	Trust beneficiary interest	928.71	864	813
Muse Ryogoku II	2-2-6, Ryogoku, Sumida-ku, Tokyo	Trust beneficiary interest	850.51	726	649
Minami-Horie apartment Cielo	3-7-6, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,420.12	917	830
Minami-Horie apartment Grande	3-7-4, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	1,248.70	825	794
Minami-Horie apartment Rio	3-6-10, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	474.60	279	259
Plowland Horita	7-19, Horitadori Mizuhoku, Nagoya, Aichi	Trust beneficiary interest	3,564.00	1,490	1,429
Nasic Nozomigaoka	239 Nozomigaoka Meitoku Nagoya, Aichi	Trust beneficiary interest	1,745.56	766	721
St. Lake Celeb Daikancho	40-20, Daikancho, Higashi-ku, Nagoya, Aichi	Trust beneficiary interest	1,835.34	1,060	995
Belle Face Kawaharadori	5-5, Kawaharadori, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	1,874.89	906	893
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,430	3,320
BECOME SAKAE	3-32-6, Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,615.66	4,890	4,674
Street Life (Leasehold land)	3-1-2 Osawa, Izumi-ku, Sendai, Miyagi	Trust beneficiary interest	16,258.65	2,050	2,029
Total			330,351.20	324,424	258,508

- (Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2024, and truncated to the nearest million yen.
- (Note 2) "Book value" is the value recorded on the balance sheet as of June 30, 2024 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses) and truncated to the nearest million yen.
- (Note 3) 50% of the quasi co-ownership interest was sold on June 28, 2024. The same applies hereinafter.
- (Note 4) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponogu 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 5) 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 6) 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	23rd fiscal period (From July 1, 2023 to December 31, 2023)				24th fiscal period (From January 1, 2024 to June 30, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
FORECAST Nishishinjuku	16	100.0	88	1.0	16	100.0	87	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	12	100.0	55	0.6	11	89.7	50	0.6
FORECAST Shinjuku AVENUE	7	100.0	208	2.4	7	100.0	205	2.4
FORECAST Ichigaya	22	100.0	157	1.8	22	100.0	158	1.8
FORECAST Mita	5	100.0	65	0.8	5	100.0	64	0.7
FORECAST Shinjuku SOUTH	18	100.0	620	7.2	18	100.0	633	7.3
FORECAST Sakurabashi	4	94.1	202	2.3	5	100.0	199	2.3
GreenOak Kayabacho	8	100.0	107	1.2	8	100.0	105	1.2
GreenOak Kudan	6	100.0	106	1.2	6	100.0	108	1.3
GreenOak Takanawadai	10	100.0	85	1.0	10	100.0	85	1.0
Central Daikanyama	6	69.5	70	0.8	7	81.9	66	0.8
Hiroo Reeplex B's	7	100.0	85	1.0	7	100.0	85	1.0
Shibakoen Sanchome Building	4	100.0	241	2.8	4	100.0	240	2.8
Kudankita 325 Building	7	100.0	66	0.8	7	100.0	69	0.8
Itohpla Iwamotocho 2-chome Building	8	100.0	111	1.3	8	100.0	111	1.3
Itohpla Iwamotocho 1-chome Building	9	100.0	93	1.1	9	100.0	82	1.0
Itohpla Iwamotocho ANNEX Building	7	100.0	101	1.2	7	100.0	87	1.0
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	62	0.7	6	100.0	57	0.7
FORECAST Ningyocho PLACE	8	100.0	60	0.7	8	100.0	60	0.7
FORECAST Shin-Tokiwabashi	9	100.0	64	0.7	9	100.0	65	0.8
Nishi-Shinjuku Sanko Building	8	100.0	82	1.0	7	100.0	79	0.9
Iidabashi Reeplex B's	7	100.0	44	0.5	7	100.0	45	0.5
FORECAST Shinagawa	6	100.0	70	0.8	6	100.0	70	0.8
Nishi-Gotanda 8-chome Building	9	100.0	75	0.9	8	88.2	73	0.9
Towa Higashi-Gotanda Building	7	100.0	65	0.8	7	100.0	79	0.9
FORECAST Takadanobaba	6	100.0	167	1.9	6	100.0	187	2.2
Itohpla Kiyosubashidori Building	7	100.0	78	0.9	7	100.0	78	0.9
I-S Minamimorimachi Building	16	100.0	98	1.1	16	100.0	97	1.1
MK Kojimachi Building (Note 6)	10	90.6	47	0.6	—	—	23	0.3
Toranomon Sakura Building	12	97.6	98	1.1	12	97.6	104	1.2
La Verite Akasaka	6	100.0	49	0.6	6	100.0	60	0.7

Property name	23rd fiscal period (From July 1, 2023 to December 31, 2023)				24th fiscal period (From January 1, 2024 to June 30, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Kanda Ocean Building	22	100.0	53	0.6	22	100.0	53	0.6
Shinto GINZA EAST	6	74.8	28	0.3	8	100.0	30	0.4
FORECAST Kayabacho	14	100.0	100	1.2	14	100.0	105	1.2
FORECAST Waseda FIRST	7	100.0	141	1.6	7	100.0	141	1.6
FORECAST Gotanda WEST	11	100.0	267	3.1	11	100.0	262	3.0
Omiya Center Building	30	96.3	536	6.2	33	100.0	538	6.2
Sumitomo Mitsui Bank Korabashi Building	26	100.0	141	1.6	25	84.9	131	1.5
NORE Fushimi	9	100.0	129	1.5	8	96.9	126	1.5
NORE Meieki	18	100.0	124	1.4	16	94.4	119	1.4
Homat Horizon Building	9	100.0	214	2.5	9	100.0	214	2.5
Sannomiya First Building (Note 7)	24	100.0	70	0.8	—	—	7	0.1
Towa Kandanishikicho Building	5	84.8	38	0.4	6	100.0	33	0.4
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	42	0.5	8	100.0	42	0.5
Hiroo ON Building	5	75.0	49	0.6	6	87.6	65	0.8
TK Gotanda Building	9	87.6	90	1.0	10	100.0	89	1.0
Gotanda Sakura Building	10	100.0	52	0.6	10	100.0	51	0.6
Alte Building Higobashi	10	100.0	74	0.9	10	100.0	78	0.9
D/A Building Meieki	10	100.0	51	0.6	10	100.0	51	0.6
TENSHO OCHANOMIZU BUILDING	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
FORECAST Kameido	7	100.0	96	1.1	7	100.0	97	1.1
NRT Kandasudacho Building	9	100.0	33	0.4	9	100.0	34	0.4
REID-C Megurofudomae	4	85.7	27	0.3	4	85.7	24	0.3
The Square	18	100.0	37	0.4	18	100.0	38	0.4
Tsukiji Front	7	100.0	24	0.3	7	100.0	25	0.3
Hatchobori River Gate (Note 8)	8	100.0	24	0.3	—	—	10	0.1
TENSHO OFFICE SHINBASHI 5	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
REID-C Iidabashi Building	7	87.2	28	0.3	8	100.0	28	0.3
REID-C Gotenryama Building	4	100.0	29	0.3	4	100.0	28	0.3
30 Sankyo Building	—	—	—	—	6	100.0	39	0.5
FORECAST Hakata Gofukumachi	—	—	—	—	9	82.6	19	0.2
Tower Court Kitashinagawa	276	99.3	426	4.9	274	98.7	432	5.0
Sky Hills N11	1	100.0	61	0.7	1	100.0	61	0.7
my atria Sakae	1	100.0	36	0.4	1	100.0	36	0.4
Mac Village Heian	1	100.0	28	0.3	1	100.0	27	0.3
Seam Dwell Tsutsui (Note 9)	—	—	23	0.3	—	—	0 (Note 10)	—
Ciel Yakuin	41	98.1	24	0.3	40	94.7	24	0.3
Kanda Reeplex R's	41	100.0	58	0.7	41	100.0	58	0.7
Splendid Namba	248	98.5	110	1.3	250	99.3	114	1.3
Residence Hiroo	54	100.0	63	0.7	52	96.3	64	0.7

Property name	23rd fiscal period (From July 1, 2023 to December 31, 2023)				24th fiscal period (From January 1, 2024 to June 30, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Residence Nihombashi Hakozaki	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
Primegate Iidabashi	67	98.7	157	1.8	65	93.9	157	1.8
Residence Edogawabashi	36	97.3	33	0.4	37	100.0	33	0.4
Merveille Senzoku	24	85.5	21	0.3	28	100.0	20	0.2
Field Avenue	57	100.0	78	0.9	54	96.3	77	0.9
Domeal Kitaakabane	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
Dormy Kitaakabane	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
Splendid Shin-Osaka III	150	97.5	74	0.9	153	99.4	75	0.9
ZEPHYROS Minami-horie	72	100.0	50	0.6	71	98.9	49	0.6
Charmant Fuji Osakajominami	57	90.5	24	0.3	63	100.0	24	0.3
Piacere Fuminosato	42	96.0	18	0.2	42	96.0	18	0.2
Wald Park Minamioi	28	96.3	17	0.2	29	100.0	18	0.2
LAPUTA KUJO	61	98.5	47	0.5	62	100.0	47	0.5
Imazaki Mansion N1 (Note 11)	–	–	0 (Note 12)	0.0	–	–	0 (Note 13)	0.0
L'arte Nakatsu	28	100.0	16	0.2	27	96.3	16	0.2
City hills Andoji	70	100.0	46	0.5	68	97.7	48	0.6
Hermitage Shin-sakae	50	93.6	36	0.4	44	82.2	37	0.4
Sun・Meiekinminami Building	62	88.6	25	0.3	64	91.4	27	0.3
Tenjinhighashi residence	73	94.8	28	0.3	76	98.7	29	0.3
DeLCCS KASAI	30	100.0	41	0.5	29	97.3	40	0.5
Serenite Shin-Osaka	66	97.2	32	0.4	65	95.3	32	0.4
Mullion Josai (Note 6)	44	91.4	20	0.2	–	–	9	0.1
Residence Kinshicho	25	96.9	18	0.2	26	100.0	18	0.2
Meister house Kawasaki	35	100.0	20	0.2	35	100.0	21	0.2
LIESSE Tsurumai	83	95.5	34	0.4	77	87.4	33	0.4
Komatsubara Yamamoto Mansion	95	95.2	26	0.3	92	92.3	26	0.3
Belleza Kanayama	46	94.3	20	0.2	42	86.6	20	0.2
Sylphide Higashi-shinagawa	42	97.7	26	0.3	43	100.0	27	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	40	97.4	17	0.2
Zeku Benten (Note 14)	30	90.1	14	0.2	–	–	13	0.2
Canis Court Kamishinjo	56	98.5	42	0.5	57	100.0	42	0.5
Imperial Otori	29	96.8	26	0.3	27	89.9	25	0.3
MAISON NISHI MAGOME	36	90.9	21	0.2	38	95.8	22	0.3
Muse Ryogoku II	34	100.0	17	0.2	34	100.0	19	0.2
Minami-Horie apartment Cielo	36	92.6	19	0.2	39	100.0	22	0.3
Minami-Horie apartment Grande	30	100.0	19	0.2	30	100.0	22	0.3

Property name	23rd fiscal period (From July 1, 2023 to December 31, 2023)				24th fiscal period (From January 1, 2024 to June 30, 2024)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Minami-Horie apartment Rio	10	100.0	7	0.1	10	100.0	7	0.1
Plowland Horita	94	87.0	41	0.5	99	91.7	44	0.5
Nasic Nozomigaoka	71	97.3	24	0.3	66	90.4	24	0.3
St. Lake Celeb Daikancho	–	–	–	–	65	98.7	23	0.3
Belle Face Kawaharadori	–	–	–	–	67	97.4	23	0.3
Otakibashi Pacifica Building	10	100.0	89	1.0	10	100.0	86	1.0
BECOME SAKAE	10	95.0	132	1.5	9	87.6	121	1.4
Street Life (Leasehold land)	–	–	–	–	1	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)
Total	3,104	97.9	8,632	100.0	3,134	98.0	8,651	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 27, 2024.
- (Note 7) This property was transferred on January 29, 2024.
- (Note 8) This information is not disclosed as sublessees' consent to disclosure has not been obtained.
- (Note 9) This property was transferred on December 27, 2023.
- (Note 10) Other revenues which were finalized in the current period are recorded.
- (Note 11) This property was transferred on June 30, 2023.
- (Note 12) Electricity revenue and others which were finalized in the previous period are recorded.
- (Note 13) Other revenues which were finalized in the current period are recorded.
- (Note 14) This property was transferred on June 28, 2024.

(4) 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	120,120,000	102,720,000	1,969,324 (Note 3)
Total		120,120,000	102,720,000	1,969,324

- (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.

(5) 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 June 30, 2024.

(6) 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 25th 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 Yotsuya	Shinjuku ward, Tokyo	Whole building LED renewal	From Jul. 2024 to Dec. 2024	11	—	—
Itohpia Iwamotocho 1-chome Building	Chiyoda ward, Tokyo	Mechanical parking parts replacement	From Jan. 2024 to Dec. 2024	53	—	—
Iidabashi Reeplex B's	Shinjuku ward, Tokyo	Exterior wall repair	From Jul. 2024 to Dec. 2024	50	—	—
FORECAST Takadanobaba	Toshima ward, Tokyo	Ventilation facilities renewal	From May. 2024 to Dec. 2024	14	—	—
		1st, 2nd and 6th floor plumbing renewal	From Jul. 2024 to Dec. 2024	15	—	—
		Rooftop water proofing	From Jul. 2024 to Dec. 2024	18	—	—
FORECAST Waseda FIRST	Shinjuku ward, Tokyo	Water supply and drainage sanitation equipment renewal (Phase 1)	From Jul. 2024 to Dec. 2024	12	—	—
		LED renewal (Phase 1)	From Jul. 2024 to Dec. 2024	15	—	—
		Large toilet bowl renewal	From Jul. 2024 to Dec. 2024	10	—	—
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	7th floor bathroom renewal	From Jul. 2024 to Dec. 2024	11	—	—
		Emergency power generator maintenance	From Jul. 2024 to Dec. 2024	83	—	—
		Mechanical security renewal	From Jul. 2024 to Dec. 2024	15	—	—
Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	1st basement floor bathroom renewal	From Jul. 2024 to Dec. 2024	12	—	—
Towa Kandanshikicho Building	Chiyoda ward, Tokyo	3rd to 6th floor air conditioning ventilation facilities renewal	From Jul. 2024 to Dec. 2024	21	—	—
Alte Building Higobashi	Osaka, Osaka	Ventilation facilities renewal	From Jul. 2024 to Dec. 2024	113	—	—
my atria Sakae	Nagoya, Aichi	Intercom facilities renewal	From Jul. 2024 to Dec. 2024	10	—	—
Mac Village Heian	Nagoya, Aichi	Intercom facilities renewal	From Jul. 2024 to Dec. 2024	14	—	—
Ciel Yakuin	Fukuoka, Fukuoka	Exterior wall repair	From Jul. 2024 to Dec. 2024	35	—	—
Primgate Iidabashi	Shinjuku ward, Tokyo	Mechanical parking parts replacement	From Jul. 2024 to Dec. 2024	17	—	—
Merveille Senzoku	Ota ward, Tokyo	Mechanical parking parts replacement	From Jul. 2024 to Dec. 2024	13	—	—
ZEPHYROS Minami-horie	Osaka, Osaka	Mechanical parking parts replacement	From Jul. 2024 to Dec. 2024	15	—	—
Hermitage Shin-sakae	Nagoya, Aichi	Intercom facilities renewal	From Jul. 2024 to Dec. 2024	17	—	—
Plowland Horita	Nagoya, Aichi	Intercom facilities renewal	From Jul. 2024 to Dec. 2024	14	—	—

(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 June 30, 2024, capital expenditures totaled 1,001 million yen. With the addition of 286 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 1,287 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
Tower Court Kitashinagawa	Shinagawa ward, Tokyo	Mechanical parking parts replacement	From Jan. 2024 to May 2024	51
FORECAST Shinjuku SOUTH	Shinjuku ward, Tokyo	Automated security system renewal	From May 2024 to Jun. 2024	10
FORECAST Sakurabashi	Chuo ward, Tokyo	Ventilation facilities renewal	From Nov. 2022 to Jun. 2024	123
		Whole building LED renewal	From Nov. 2023 to Jun. 2024	34
Pigeon Building	Chiyoda ward, Tokyo	Mechanical parking parts replacement	From May 2024 to May 2024	42
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Exterior wall repair (Phase 3)	From Jan. 2023 to Jan. 2024	15
Omiya Center Building	Saitama, Saitama	Common area renewal	From Jan. 2024 to Apr. 2024	150
		Gondola renewal	From Feb. 2024 to Mar. 2024	32
		Automated security system renewal	From Mar. 2024 to Mar. 2024	34
NORE Meieki	Nagoya, Aichi	Ventilation facilities renewal	From Apr. 2024 to May 2024	113
Hiroo On Building	Shibuya ward, Tokyo	Elevator control renewal	From Apr. 2024 to Jun. 2024	13
Sky Hills N11	Sapporo, Hokkaido	Intercom facilities renewal	From Feb. 2024 to Feb. 2024	19
Other capital expenditures				359
Total				1,001

(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	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	24th fiscal period From January 1, 2024 to June 30, 2024
Balance of reserves at the beginning of the period	1,841	2,414	2,876	3,473	3,566
Amount of reserves during the period	843	986	1,237	1,176	1,007
Amount of reversal of reserves during the period	270	524	640	1,083	1,001
Reserves carried forward	2,414	2,876	3,473	3,566	3,572

(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	23rd fiscal period From July 1, 2023 to December 31, 2023	24th fiscal period From January 1, 2024 to June 30, 2024
(a) Asset management fees (Note 1)	647,136	638,819
(b) Asset custody fees	10,548	10,406
(c) Administrative service fees	44,264	42,919
(d) Directors' compensation	2,400	2,400
(e) Independent auditors' fees	15,000	15,000
(f) Other operating expenses	154,197	201,950
Total	873,546	911,496

(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 (23rd fiscal period: 45,250 thousand yen, 24th fiscal period: 65,270 thousand yen), and related to the transfer of trust beneficiary interests (23rd fiscal period: 8,350 thousand yen, 24th fiscal period: 66,600 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 June 30, 2024, is as follows:

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Current portion of long-term debt	MUFG Bank, Ltd.	April 24, 2017	1,900	-	0.56 (Note 3)	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	-					
	MUFG Bank, Ltd.		500	-					
	Resona Bank, Limited		300	-					
	MUFG Bank, Ltd.	April 24, 2018	500	-	0.52 (Note 3)	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		1,550	-					
	Resona Bank, Limited		850	-					
	Sumitomo Mitsui Trust Bank, Limited		300	-					
	MUFG Bank, Ltd.	April 20, 2021	100	-	0.33	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		100	-					
	Sumitomo Mitsui Banking Corporation		500	-					
	Sumitomo Mitsui Trust Bank, Limited		250	-					
	Development Bank of Japan Inc.		200	-					
	MUFG Bank, Ltd.	August 21, 2017	1,400	1,400	0.58 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.		500	500					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	Development Bank of Japan Inc.		400	400					
	MUFG Bank, Ltd.	July 3, 2018	1,050	1,050	0.54 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		250	250					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	SBI Shinsei Bank, Limited		150	150					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	August 20, 2018	1,950	1,950	0.57 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		600	600					
	SBI Shinsei Bank, Limited		600	600					
	Mizuho Trust & Banking Co., Ltd.		600	600					
	Mizuho Bank, Ltd.	July 3, 2018	-	1,000	0.58 (Note 3)	January 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	January 29, 2024	-	750	0.58	January 29, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	750					

	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.	April 24, 2017	-	1,400	0.70 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		-	600					
		MUFG Bank, Ltd.		-	400					
		Resona Bank, Limited		-	200					
		MUFG Bank, Ltd.	April 24, 2018	-	700	0.61 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.		-	200					
		Sumitomo Mitsui Banking Corporation		-	500					
		Resona Bank, Limited		-	400					
		Sumitomo Mitsui Trust Bank, Limited	-	200	August 20, 2021	0.30 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.	-	300						
		Mizuho Bank, Ltd.	-	300						
		Resona Bank, Limited	-	400						
		SBI Shinsei Bank, Limited	-	250						
		Mizuho Trust & Banking Co., Ltd.	-	450						
		Aozora Bank, Ltd.	-	250	April 20, 2022	0.39	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		The Nomura Trust and Banking Co., Ltd.	-	500						
	Subtotal			17,600	19,400					
Long-term debt		Mizuho Bank, Ltd.	July 3, 2018	1,000	-	0.58 (Note 3)	January 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.	January 29, 2024	-	-	0.58	January 29, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		-	-					
		MUFG Bank, Ltd.	April 24, 2017	1,400	-	0.70 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		600	-					
		MUFG Bank, Ltd.		400	-					
		Resona Bank, Limited		200	-					
		MUFG Bank, Ltd.	April 24, 2018	700	-	0.61 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.		200	-					
		Sumitomo Mitsui Banking Corporation		500	-					
		Resona Bank, Limited		400	-					
		Sumitomo Mitsui Trust Bank, Limited	200	-	August 20, 2021	0.30 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.	300	-						
		Mizuho Bank, Ltd.	300	-						
		Resona Bank, Limited	400	-						
		SBI Shinsei Bank, Limited	250	-						
		Mizuho Trust & Banking Co., Ltd.	450	-						
		Aozora Bank, Ltd.	250	-	April 20, 2022	0.39	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		The Nomura Trust and Banking Co., Ltd.	500	-						

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	August 21, 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.	August 20, 2018	400	400	0.68 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		3,000	3,000					
	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.	July 22, 2019	300	300	0.43 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		2,600	2,600					
	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					

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%)	Repayment due date	Method of repayment	Use	Note
			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Long-term debt	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					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	SBI Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		300	300					
	The Nomura Trust and Banking Co., Ltd.		250	250					
	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.	February 20, 2020	400	400	0.45 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		500	500					
	MUFG Bank, Ltd.		600	600					
	Mizuho Bank, Ltd.		200	200					
	Sumitomo Mitsui Banking Corporation	April 20, 2023	300	300	0.41	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.		-	750					
	Mizuho Bank, Ltd.	April 22, 2024	-	300	0.43	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		-	300					

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%)	Repayment due date	Method of repayment	Use	Note
			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Long-term debt	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	August 21, 2023	300	300	0.41	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		300	300					
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		100	100					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	SBI Shinsei Bank, Limited		200	200					
	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.	April 20, 2021	500	500	0.50 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		100	100					
	Mizuho Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation		2,000	2,000					
	Sumitomo Mitsui Trust Bank, Limited		250	250					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	August 20, 2021	700	700	0.42 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Resona Bank, Limited		600	600					
	SBI Shinsei Bank, Limited		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.	April 22, 2024	250	250	0.48	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		-	150					
	Resona Bank, Limited		-	550					
	Sumitomo Mitsui Trust Bank, Limited	July 21, 2020	-	400	0.64 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		2,000	2,000					
	Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	SBI Shinsei Bank, Limited		1,250	1,250					
	Mizuho Trust & Banking Co., Ltd.		1,250	1,250					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	April 22, 2024	-	200	1.05 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	50					
	Sumitomo Mitsui Banking Corporation		-	800					
	Resona Bank, Limited		-	600					
	Sumitomo Mitsui Trust Bank, Limited		-	150					
	Development Bank of Japan Inc.		-	200					
	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.	April 22, 2024	-	800	1.13 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	650					
	Sumitomo Mitsui Banking Corporation		-	850					
	MUFG Bank, Ltd.	August 20, 2021	2,100	2,100	0.55 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,000	1,000					
	MUFG Bank, Ltd.	April 22, 2024	-	400	1.16 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	400					
	Sumitomo Mitsui Banking Corporation		-	400					
	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.	April 20, 2023	150	150	1.07 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,600	1,600					
	Mizuho Bank, Ltd.		800	800					
	Sumitomo Mitsui Banking Corporation		1,500	1,500					
	Resona Bank, Limited		200	200					
	SBI Shinsei Bank, Limited	July 21, 2020	600	600	0.78 (Note 3)	July 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,500	1,500					
	Mizuho Bank, Ltd.		500	500					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	August 21, 2023	2,300	2,300	1.15 (Note 3)	August 20, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		700	700					
	Sumitomo Mitsui Banking Corporation		500	500					
	Resona Bank, Limited		350	350					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	Mizuho Trust & Banking Co., Ltd.		400	400					
	Development Bank of Japan Inc.		400	400					
	MUFG Bank, Ltd.	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.	August 21, 2023	300	300	1.34 (Note 3)	August 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		1,800	1,800					
	Mizuho Bank, Ltd.		700	700					
	Sumitomo Mitsui Banking Corporation		200	200					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited	August 22, 2022	200	200	1.09 (Note 3)	August 20, 2032	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	SBI Shinsei Bank, Limited		300	300					
	MUFG Bank, Ltd.	August 22, 2022	1,500	1,500	1.09 (Note 3)	August 20, 2032	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	Subtotal		108,520	108,220					
	Total		126,120	127,620					

(Note 1) "Balance at the beginning of the period" and "Balance at the end of the period" are truncated to the nearest million yen.

(Note 2) "Average interest rate" is the weighted-average interest rate during the period, rounded to the second decimal place.

(Note 3) Interest rate swap agreement is concluded and the interest rate is substantively fixed. Therefore, the effect of interest rate swap is factored into the interest rate provided.

(Note 4) Used for acquisition of assets, repayment of loans, and related expenses deemed reasonable.

(Note 5) NIPPON REIT borrowed 750 million yen, and the loan is presented as current portion of long-term debt in current liabilities of the balance sheet as of the end of the current period.

(3) Investment Corporation Bonds

The status of investment corporation bonds as of June 30, 2024, is as follows:

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

(Note 1)

Use as the funds for part of repayment of loans

(Note 2)

The bond is subject to the pari passu clause among specified investment corporation bonds.

(4) Status of Short-Term Investment Corporation Bonds

Not applicable

(5) Status of Unit Acquisition Rights

Not applicable

6. Status of Purchases and Sales during the Period

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

Property name	Acquisition		Transfer			
	Date of acquisition	Acquisition price (Yen in millions) (Note)	Date of transfer	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions)	Gain or loss on transfer (Yen in millions)
Sannomiya First Building	—	—	January 19, 2024	1,730	1,420	238
30 Sankyo Building	January 19, 2024	1,840	—	—	—	—
St. Lake Celeb Daikancho	January 19, 2024	962	—	—	—	—
Belle Face Kawaharadori	January 19, 2024	860	—	—	—	—
MK Kojimachi Building	—	—	March 27, 2024	2,350	1,985	248
Hatchobori River Gate	—	—	March 27, 2024	880	839	3
Mullion Josai	—	—	March 27, 2024	670	779	(116)
FORECAST Hakata Gofukumachi	March 29, 2024	1,750	—	—	—	—
Street Life (Leasehold land)	March 29, 2024	1,990	—	—	—	—
Nihombashi Playa Building	—	—	June 28, 2024	1,700	955	724
Zeku Benten	—	—	June 28, 2024	485	521	(52)
Total	—	7,402	—	7,815	6,502	1,044

(Note 1)

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

(Note 2)

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

(2) Transaction of Other Assets

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

(3) Review on Value of Specified Assets

A. Real estate

Acquisition or transfer	Name	Transaction date	Type of asset	Acquisition price or transfer price (Yen in millions) (Note 1) (Note 2)	Appraisal value (Yen in millions) (Note 2)	Appraiser	Appraisal date
Transfer	Sannomiya First Building	January 19, 2024	Trust Beneficiary Interest	1,730	1,610	Japan Real Estate Institute	December 31, 2023
Acquisition	30 Sankyo Building	January 29, 2024	Trust Beneficiary Interest	1,840	1,850	Japan Real Estate Institute	December 1, 2023
Acquisition	St. Lake Celeb Daikancho	January 29, 2024	Trust Beneficiary Interest	962	1,020	JLL Mori Valuation & Advisory K.K.	November 30, 2023
Acquisition	Belle Face Kawaharadori	January 29, 2024	Trust Beneficiary Interest	860	895	JLL Mori Valuation & Advisory K.K.	November 30, 2023
Transfer	MK Kojimachi Building	March 27, 2024	Trust Beneficiary Interest	2,350	2,110	Japan Real Estate Institute	December 31, 2023
Transfer	Hatchobori River Gate	March 27, 2024	Trust Beneficiary Interest	880	1,040	Japan Real Estate Institute	December 31, 2023
Transfer	Mullion Josai	March 27, 2024	Trust Beneficiary Interest	670	718	Japan Valuers Co., Ltd.	December 31, 2023
Acquisition	FORECAST Hakata Gofukumachi	March 29, 2024	Trust Beneficiary Interest	1,750	1,820	Japan Real Estate Institute	March 1, 2024
Acquisition	Street Life (Leasehold land)	March 29, 2024	Trust Beneficiary Interest	1,990	2,030	JLL Mori Valuation & Advisory K.K.	December 15, 2023
Transfer	Nihombashi Playa Building (50% of quasi co-ownership interest)	June 28, 2024	Trust Beneficiary Interest	1,700	1,260 (Note 3)	Japan Real Estate Institute	December 31, 2023
Transfer	Zeku Benten	June 28, 2024	Trust Beneficiary Interest	485	539	Japan Valuers Co., Ltd.	December 31, 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 amount is calculated as 2,520 million yen, the appraisal value of the subject property multiplied by 50%, quasi co-ownership interest of the transferred trust beneficiary interest.

(Note 4)

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

B. Others

Name of the investigator KPMG AZSA LLC

Summary of the result and investigation method:

Transactions that were investigated during the applicable period from January 1, 2024, to June 30, 2024, 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-Upon Procedures Reports on such transactions based on Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-Upon Procedures Pertaining to Investigation into the Value, etc., of Specified Assets of Investment Trusts and Investment Corporations," published by the Japanese Institute of Certified Public Accountants. Furthermore, the investigation is not part of the financial statement audit, and does not ensure the validity of the price and internal control systems.

(4) Related Party Transactions

A. Status of Transactions

Classification	Purchase price or Sales price, etc. (Note 1)			
	Purchase price, etc. (Yen in millions)		Sales price, etc. (Yen in millions)	
Total	7,402		7,815	
Transaction status with related parties (Note 1)				
Roppongi Realty Two Godo Kaisha	1,750	(23.6%)	—	(— %)
Total	1,750	(23.6%)	—	(— %)

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	53,703	Shinsei Trust and Banking Co., Ltd.	1,250	2.3%
Financing-related expenses	269,134	SBI Shinsei Bank, Limited	11,130	4.1%

(Note 1) In accordance with Article 123 of the Order for Enforcement of the Investment Trusts Act on Investment Trusts and Investment Corporation and 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 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
January 26, 2024	Signed a memorandum of transfer agent fees	Regarding the transfer agent agreement concluded with Mitsubishi UFJ Trust and Banking Corporation, Ltd. dated September 8, 2010, approved the conclusion of a memorandum of the transfer agent fees as of February 1, 2024, with regards to investment unit administration.

(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 December 31, 2023 and June 30, 2024

	As of			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Assets				
Current Assets:				
Cash and deposits (Note 3)	¥	10,246,577	¥	11,876,457
Cash and deposits in trust (Note 3)		5,873,038		6,009,289
Tenant receivables		97,023		101,266
Prepaid expenses		470,471		463,829
Other current assets		12,392		14,105
Total Current Assets		16,699,501		18,464,948
Investment Properties (Notes 5 and 6):				
Buildings (Note 8)		287,615		287,615
Tools, furniture and fixtures		1,066		1,066
Land in trust (Note 7)		189,364,822		190,808,354
Buildings in trust (Note 8)		63,825,724		63,911,805
Structures in trust		236,544		234,554
Machinery and equipment in trust		582,716		641,275
Tools, furniture and fixtures in trust (Note 8)		423,304		466,176
Construction in progress in trust		1,763		2,973
Less: accumulated depreciation		(15,336,434)		(15,895,077)
Leasehold rights		1,256,792		1,256,792
Leasehold rights in trust		16,792,459		16,792,459
Other intangible assets		3,401		3,208
Total Investment Properties, net		257,439,775		258,511,204
Other Assets:				
Investment securities (Note 4)		32,356		-
Lease and guarantee deposits		10,137		10,137
Long-term prepaid expenses		1,236,083		1,132,787
Deferred investment corporation bond issuance costs		36,874		33,164
Deferred tax assets (Note 16)		21		23
Others		7,705		8,950
Total Other Assets		1,323,180		1,185,064
Total Assets	¥	275,462,457	¥	278,161,217

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

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of December 31, 2023 and June 30, 2024

	As of			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Liabilities				
Current Liabilities:				
Investment corporation bonds due within one year (Notes 4 and 14)	¥	—	¥	1,000,000
Long-term debt due within one year (Notes 4 and 13)		17,600,000		19,400,000
Accounts payable		1,184,509		1,245,365
Accrued expenses		342,274		343,250
Accrued corporation taxes		657		1,042
Accrued consumption taxes		41,917		232,567
Advances received		1,467,024		1,493,866
Other current liabilities		142,204		136,002
Total Current Liabilities		20,778,589		23,852,093
Long-Term Liabilities:				
Investment corporation bonds (Notes 4 and 14)		6,500,000		5,500,000
Long-term debt (Notes 4 and 13)		108,520,000		108,220,000
Tenant security deposits		62,921		62,921
Tenant security deposits in trust		8,994,903		9,130,206
Other long-term liabilities		169		—
Total Long-Term Liabilities		124,077,994		122,913,128
Total Liabilities		144,856,584		146,765,222
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		4,090,271		4,880,393
Total Unitholders' Equity		130,605,873		131,395,994
Total Net Assets		130,605,873		131,395,994
Total Liabilities and Net Assets	¥	275,462,457	¥	278,161,217

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 December 31, 2023 and June 30, 2024

	For the six-month periods ended			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Operating Revenues (Note 9):				
Rental revenues (Note 10)	¥	7,908,806	¥	7,981,545
Other revenues related to property leasing (Note 10)		723,969		669,923
Gain on sales of real estate properties (Note 11)		194,040		1,214,083
Dividend income		1,901		183
Total Operating Revenues		8,828,717		9,865,736
Operating Expenses:				
Property-related expenses (Note 10)		3,249,261		3,285,701
Loss on sales of real estate properties (Note 11)		—		169,309
Asset management fees		647,136		638,819
Asset custody fees		10,548		10,406
Administrative service fees		44,264		42,919
Directors' compensation		2,400		2,400
Independent auditors' fees		15,000		15,000
Other operating expenses		154,197		201,950
Total Operating Expenses		4,122,807		4,366,507
Operating Income		4,705,910		5,499,228
Non-Operating Revenues:				
Interest income		87		74
Reversal of distributions payable		7,654		9,738
Interest on tax refund		—		88
Total Non-Operating Revenues		7,742		9,901
Non-Operating Expenses:				
Interest expense		422,538		437,439
Interest on investment corporation bonds		23,960		23,906
Amortization of investment corporation bond issuance costs		3,709		3,709
Borrowing related expenses		278,493		269,134
Others		48		48
Total Non-Operating Expenses		728,751		734,239
Ordinary Income		3,984,901		4,774,891
Income Before Income Taxes		3,984,901		4,774,891
Income taxes – current		1,059		1,090
Income taxes – deferred		5		(1)
Total Income Taxes (Note 16)		1,065		1,089
Net Income		3,983,835		4,773,801
Retained Earnings Brought Forward		106,435		106,591
Retained Earnings at End of Period	¥	4,090,271	¥	4,880,393

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 December 31, 2023 and June 30, 2024

	Number of Units	Unitholders' Equity			Total Net Assets
		Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	
		(Units)	(Yen in thousands)		
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
Cash distributions declared	—	—	(3,983,680)	(3,983,680)	(3,983,680)
Net income	—	—	4,773,801	4,773,801	4,773,801
Balance as of June 30, 2024	449,930	¥ 126,515,601	¥ 4,880,393	¥ 131,395,994	¥ 131,395,994

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 December 31, 2023 and June 30, 2024

	For the six-month periods ended			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Cash Flows from Operating Activities:				
Income before income taxes	¥	3,984,901	¥	4,774,891
Depreciation and amortization		1,015,374		993,760
Amortization of investment corporation bond issuance costs		3,709		3,709
Loss on retirement of investment properties		7,052		12,457
Interest income		(87)		(74)
Interest expense		446,498		461,346
(Increase) decrease in tenant receivables		10,807		(4,243)
(Increase) decrease in prepaid expenses		6,161		6,641
(Increase) decrease in long-term prepaid expenses		(4,675)		103,296
Increase (decrease) in accrued consumption taxes		(197,882)		190,649
Increase (decrease) in accounts payable		(81,180)		93,914
Increase (decrease) in accrued expenses		3,659		(3,350)
Increase in advances received		715		26,841
Decrease in investment properties in trust due to sale		630,720		6,502,215
Interest income received		87		74
Interest expense paid		(424,705)		(457,019)
Income taxes paid		(758)		(706)
Others, net		(13,966)		12,245
Net Cash Provided by Operating Activities		5,386,432		12,716,648
Cash Flows from Investing Activities:				
Payments for purchases of investment properties other than intangible assets		(14,912)		—
Payments for purchases of investment properties in trust other than intangible assets in trust		(5,676,628)		(8,612,921)
Proceeds from tenant security deposits in trust		419,504		469,246
Payments of tenant security deposits in trust		(430,521)		(358,800)
Proceeds from refund of investment securities		50,000		30,000
Other payments		(1,244)		(1,244)
Net Cash Used in Investing Activities		(5,653,802)		(8,473,720)
Cash Flows from Financing Activities:				
Proceeds from long-term debt		9,900,000		9,250,000
Repayments of long-term debt		(9,900,000)		(7,750,000)
Distributions paid		(3,763,041)		(3,976,797)
Net Cash Used in Financing Activities		(3,763,041)		(2,476,797)
Net Change in Cash and Cash Equivalents		(4,030,411)		1,766,131
Cash and Cash Equivalents at Beginning of Period		20,150,026		16,119,615
Cash and Cash Equivalents at End of Period (Note 3)	¥	16,119,615	¥	17,885,747

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 December 31, 2023 and June 30, 2024

Note 1 – Organization and Basis of Presentation

Organization

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

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

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

NIPPON REIT implemented a two-for-one split of investment units on January 17, 2014, issued new investment units through a public offering (144,200 units) on April 23, 2014 and then was listed on the J-REIT section of the Tokyo Stock Exchange on April 24, 2014. Furthermore, NIPPON REIT issued new investment units through a third-party allotment (7,210 units) on May 23, 2014, a public offering (145,000 units) on February 10, 2015, a third-party allotment (7,250 units) on March 10, 2015, a public offering (84,000 units) on July 1, 2015 and a third-party allotment (3,700 units) on July 28, 2015, a public offering (55,400 units) on July 2, 2018 and the third-party allotment (2,770 units) on July 24, 2018. As of June 30, 2024, the total number of investment units issued and outstanding was 449,930 units.

As of June 30, 2024, NIPPON REIT had ownership or trust beneficiary interests in 110 properties with approximately 330,351.20 square meters of rentable space and had leased space to 3,134 tenants. The occupancy rate for the properties was approximately 98.0%.

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			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Capitalized real estate taxes	¥	11,775	¥	23,723

(j) Consumption Taxes

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

(k) Hedge Accounting

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

(l) Revenue Recognition

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

(1) Sales of Real Estate Properties

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

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

(2) Utility Charge Revenues

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

(m) Accounting for Trust Beneficiary Interests in Real Estate

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

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

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

(n) Significant Accounting Estimates

Impairment loss on investment properties

(1) Carrying amount in the accompanying financial statements

	As of	
	December 31, 2023	June 30, 2024
	(Yen in thousands)	
Investment properties	¥ 257,439,775	¥ 258,511,204

(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	
	December 31, 2023	June 30, 2024
	(Yen in thousands)	
Cash and deposits	¥ 10,246,577	¥ 11,876,457
Cash and deposits in trust	5,873,038	6,009,289
Cash and cash equivalents	¥ 16,119,615	¥ 17,885,747

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 June 30, 2024, NIPPON REIT uses derivative transactions (interest rate swaps) as hedging instruments in order to avoid the risk of interest rate fluctuations and to fix the amount of interest payments for borrowings with floating rates. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

Credit risk is managed by diversifying the depository financial institutions.

Supplemental Explanation regarding Fair Value of Financial Instruments

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

(b) Fair Value of Financial Instruments

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

	As of December 31, 2023			As of June 30, 2024		
	(Yen in thousands)					
	Book value	Fair value	Difference	Book value	Fair value	Difference
Investment corporation bonds due within one year	¥ —	¥ —	¥ —	¥ 1,000,000	¥ 996,400	¥ (3,600)
Long-term debt due within one year	17,600,000	17,600,739	739	19,400,000	19,386,511	(13,488)
Investment corporation bonds	6,500,000	6,362,700	(137,300)	5,500,000	5,275,650	(224,350)
Long-term debt	108,520,000	107,178,909	(1,341,090)	108,220,000	106,380,216	(1,839,783)
Total liabilities	¥ 132,620,000	¥ 131,142,349	¥ (1,477,650)	¥ 134,120,000	¥ 132,038,777	¥ (2,081,222)
Derivatives	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

Methods used to estimate the fair value of financial instruments:

(1) Investment corporation bonds due within one year and investment corporation bonds
Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

(2) Long-term debt due within one year and long-term debt
For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT’s credit standing after borrowing; therefore, the book value is used as the fair value equivalent. However, for long-term debt with floating interest rates hedged by interest rate swaps applying the special treatment, the fair value is calculated based on the total amount of principal and interest which are processed as a single unit with the interest rate swaps discounted at the current interest rate applicable to similar borrowings. For long-term debt with fixed interest rates, the fair value is calculated based on the total amount of principal and interest discounted at the current interest rate applicable to similar borrowings.

Derivative Transactions:

There were no derivative transactions to which hedge accounting was not applied as of December 31, 2023 and June 30, 2024.

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

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 (2) Long-term debt due within one year and Long-term debt in “(b) Fair Value of Financial Instruments”.

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

Note:

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

Equity interests in silent partnership:

Equity interests in silent partnership were as follows:

	As of December 31, 2023		As of June 30, 2024	
	(Yen in thousands)			
	Book value	Fair value	Book value	Fair value
Godo Kaisha NRT Growth 18	¥ 32,356	¥ 32,356	¥ —	¥ —
Subordinated equity interest in silent partnership (Note 1)				
Total	¥ 32,356	¥ 32,356	¥ —	¥ —

Notes:

- 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 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

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

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of December 31, 2023			As of June 30, 2024		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 287,615	¥ (43,600)	¥ 244,014	¥ 287,615	¥ (48,380)	¥ 239,234
Tools, furniture and fixtures	1,066	(51)	1,014	1,066	(125)	940
Land in trust	189,364,822	—	189,364,822	190,808,354	—	190,808,354
Buildings in trust	63,825,724	(14,774,534)	49,051,189	63,911,805	(15,277,528)	48,634,277
Structures in trust	236,544	(96,147)	140,396	234,554	(100,951)	133,602
Machinery and equipment in trust	582,716	(230,246)	352,469	641,275	(248,444)	392,830
Tools, furniture and fixtures in trust	423,304	(191,852)	231,451	466,176	(219,647)	246,529
Construction in progress in trust	1,763	—	1,763	2,973	—	2,973
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	(2,284)	3,401	5,686	(2,478)	3,208
Total	¥272,778,494	¥(15,338,719)	¥ 257,439,775	¥274,408,760	¥(15,897,555)	¥ 258,511,204

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			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	253,292,769	¥	257,438,011
Change during period		4,145,241		1,070,219
Balance at end of period		257,438,011		258,508,231
Fair value	¥	322,484,000	¥	324,424,000

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 December 31, 2023, the increase was primarily due to the acquisition of 6 properties including “Muse Ryogoku II” etc. (total acquisition price of ¥4,525,000 thousand) and the offsetting decrease was primarily due to the transfer of “Seam Dwell Tsutsui” (book value of ¥630,566 thousand).
4. For the six-month period ended June 30, 2024, the increase was primarily due to the acquisition of 5 properties including “Street Life (Leasehold land)” etc. (total acquisition price of ¥7,402,000 thousand) and the offsetting decrease was primarily due to the transfer of 6 properties including “MK Kojimachi Building” etc. (total book value of ¥6,502,215 thousand).

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			
	December 31, 2023		June 30, 2024	
	(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			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Buildings	¥	3,469	¥	3,469
Buildings in trust		287,484		287,484
Tools, furniture and fixtures in trust		262		262
Total	¥	291,216	¥	291,216

Note 9 – Revenue Recognition

Information on breakdown of revenues arising from contracts with customers

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

Note 10 – Rental Revenues and Expenses

Rental revenues and expenses were as follows:

	For the six-month periods ended			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Revenues from property leasing:				
Rental revenues:				
Base rents	¥	6,824,808	¥	6,921,318
Common area charges		857,125		833,894
Parking space rental revenues		226,871		226,332
Total rental revenues		7,908,806		7,981,545
Other revenues related to property leasing:				
Utilities charge revenues		526,116		483,311
Others		197,853		186,611
Total other revenues related to property leasing		723,969		669,923
Total revenues from property leasing		8,632,775		8,651,469
Property-related expenses:				
Property management fees		516,077		512,281
Utility expenses		503,135		471,753
Insurance expenses		8,792		8,699
Repair expenses		228,854		286,354
Taxes and dues		617,100		635,238
Depreciation and amortization		1,015,374		993,760
Loss on retirement of investment properties		7,052		12,457
Trust fees		36,821		45,803
Other		316,052		319,353
Total property-related expenses		3,249,261		3,285,701
Income from property leasing	¥	5,383,514	¥	5,365,768

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

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	¥	194,040

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

	(Yen in thousands)	
Nihombashi Playa Building (50% of quasi co-ownership interest):		
Selling price of the real estate property	¥	1,700,000
Book value of the real estate property		955,398
Other selling expenses		20,297
Gain on sales of real estate property	¥	724,304

	(Yen in thousands)	
MK Kojimachi Building:		
Selling price of the real estate property	¥	2,350,000
Book value of the real estate property		1,985,314
Other selling expenses		116,399
Gain on sales of real estate property	¥	248,286

	(Yen in thousands)	
Sannomiya First Building:		
Selling price of the real estate property	¥	1,730,000
Book value of the real estate property		1,420,636
Other selling expenses		71,292
Gain on sales of real estate property	¥	238,070

	(Yen in thousands)	
Hatchobori River Gate:		
Selling price of the real estate property	¥	880,000
Book value of the real estate property		839,537
Other selling expenses		37,040
Gain on sales of real estate property	¥	3,422

	(Yen in thousands)	
Mullion Josai:		
Selling price of the real estate property	¥	670,000
Book value of the real estate property		779,545
Other selling expenses		6,812
Loss on sales of real estate property	¥	116,358

	(Yen in thousands)	
Zeku Benten:		
Selling price of the real estate property	¥	485,000
Book value of the real estate property		521,782
Other selling expenses		16,168
Loss on sales of real estate property	¥	52,950

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	
	December 31, 2023	June 30, 2024
	(Yen in thousands)	
Long-term debt:		
0.56% unsecured loans due 2024 (Notes 2 and 3)	¥ 3,400,000	¥ –
0.52% unsecured loans due 2024 (Notes 2 and 3)	3,200,000	–
0.33% unsecured loans due 2024 (Notes 2)	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
0.58% unsecured loans due 2025 (Note 2)	–	1,500,000
0.70% unsecured loans due 2025 (Notes 2 and 3)	2,600,000	2,600,000
0.61% unsecured loans due 2025 (Notes 2 and 3)	2,000,000	2,000,000
0.30% unsecured loans due 2025 (Notes 2 and 3)	1,950,000	1,950,000
0.39% 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
0.41% unsecured loan due 2027 (Note 2)	1,300,000	1,300,000
0.43% unsecured loans due 2027 (Note 2)	–	1,350,000
0.48% unsecured loans due 2027 (Notes 2 and 3)	6,000,000	6,000,000
0.49% unsecured loans due 2027 (Notes 2 and 3)	2,150,000	2,150,000
0.41% unsecured loans due 2027 (Note 2)	1,250,000	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
0.48% unsecured loans due 2028 (Note 2)	–	1,100,000
0.64% unsecured loans due 2028 (Notes 2 and 3)	6,500,000	6,500,000
1.05% unsecured loans due 2028 (Notes 2 and 3)	–	1,800,000
0.95% unsecured loans due 2029 (Notes 2 and 3)	1,000,000	1,000,000
0.68% unsecured loans due 2029 (Notes 2 and 3)	2,100,000	2,100,000
0.63% unsecured loans due 2029 (Notes 2 and 3)	2,400,000	2,400,000
0.76% unsecured loans due 2029 (Notes 2 and 3)	1,770,000	1,770,000
1.13% unsecured loans due 2029 (Notes 2 and 3)	–	2,300,000
0.55% unsecured loans due 2029 (Notes 2 and 3)	3,100,000	3,100,000
1.16% unsecured loans due 2029 (Notes 2 and 3)	–	1,200,000
0.91% unsecured loans due 2030 (Notes 2 and 3)	1,050,000	1,050,000
0.82% unsecured loans due 2030 (Notes 2 and 3)	2,550,000	2,550,000
1.07% unsecured loans due 2030 (Notes 2 and 3)	4,700,000	4,700,000
0.78% unsecured loans due 2030 (Notes 2 and 3)	2,000,000	2,000,000
1.15% unsecured loans due 2030 (Notes 2 and 3)	5,150,000	5,150,000

1.24% unsecured loan due 2031 (Notes 2 and 3)	500,000	500,000
0.81% unsecured loans due 2031 (Notes 2 and 3)	2,000,000	2,000,000
1.25% unsecured loans due 2031 (Notes 2 and 3)	2,600,000	2,600,000
1.34% unsecured loans due 2031 (Notes 2 and 3)	3,500,000	3,500,000
1.09% unsecured loans due 2032 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 126,120,000	¥ 127,620,000

- 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	
	December 31, 2023	June 30, 2024
	(Yen in thousands)	
Total amounts of loan commitment line contracts	¥ 3,000,000	¥ 3,000,000
Executed loan balance	–	1,500,000
Net unused balance	¥ 3,000,000	¥ 1,500,000

Note 14 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of	
	December 31, 2023	June 30, 2024
	(Yen in thousands)	
1st 0.54% unsecured bonds due 2025	¥ 1,000,000	¥ 1,000,000
2nd 0.70% unsecured bonds due 2028	1,000,000	1,000,000
3rd 0.88% unsecured bonds due 2028	1,500,000	1,500,000
4th 0.90% unsecured bonds due 2029	1,000,000	1,000,000
5th 0.67% unsecured bonds due 2031 (Green bond)	2,000,000	2,000,000
Total	¥ 6,500,000	¥ 6,500,000

Note 15 – Leases

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

	As of	
	December 31, 2023	June 30, 2024
	(Yen in thousands)	
Due within one year	¥ 839,983	¥ 680,923
Due after one year	1,305,770	1,046,024
Total	¥ 2,145,753	¥ 1,726,947

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 December 31, 2023 and June 30, 2024 in order to be able to deduct such amount from taxable income.

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

	For the six-month periods ended	
	December 31, 2023	June 30, 2024
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(31.45)	(28.37)
Per capita inhabitant taxes	0.02	0.01
Provision of reserve for the reduction entry	–	(3.08)
Others	0.00	0.00
Effective tax rate	0.03%	0.02%

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

	As of			
	December 31, 2023		June 30, 2024	
	(Yen in thousands)			
Deferred tax assets:				
Accrued enterprise tax	¥	21	¥	23
Total deferred tax assets		21		23
Net deferred tax assets	¥	21	¥	23

Note 17 – Per Unit Information

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

	For the six-month periods ended			
	December 31, 2023		June 30, 2024	
	(Yen)			
Earnings per unit:				
Net income per unit	¥	8,854	¥	10,610
Weighted average number of units outstanding (units)		449,930		449,930
	As of			
	December 31, 2023		June 30, 2024	
	(Yen)			
Net assets per unit	¥	290,280	¥	292,036

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 June 30, 2024, NIPPON REIT decided to distribute ¥4,305,830,100 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 not in excess of unappropriated retained earnings after deducting the provision of reserve for the reduction entry as stipulated in Article 65-7 of the Special Taxation Measure Act of Japan. Information of cash distributions per unit and the board of directors meeting dates when the distributions were proposed and approved were as follows:

	For the six-month periods ended			
	December 31, 2023		June 30, 2024	
	(Yen)			
Cash distributions per unit	¥	8,854	¥	9,570
Board of directors meeting dates		February 19, 2024		August 15, 2024

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

	For the six-month periods ended	
	December 31, 2023	June 30, 2024
	(Yen)	
Unappropriated retained earnings	¥ 4,090,271,447	¥ 4,880,393,142
Cash distributions declared	3,983,680,220	4,305,830,100
Provision of reserves for the reduction entry	—	467,939,343
Retained earnings brought forward	¥ 106,591,227	¥ 106,623,699

Note 19 – Related-Party Transactions

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.

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

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

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

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

Transfer of Properties

On August 21, 2024, NIPPON REIT decided to transfer three beneficiary interests in real estate, and on August 23, 2024, it entered into agreements for the transfer of beneficiary interests in real estate as described below. Among these, transfer of Komatsubara Yamamoto Mansion was completed on September 20, 2024.

Property name	Type of asset	Location	(Scheduled) transfer date	(Scheduled) transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Shinto GINZA EAST	Trust beneficiary interest in real estate	Chuo - ward, Tokyo	December 23, 2024 (Note 3)	¥ 1,690	¥ 1,348	Not disclosed (Note 4)
Komatsubara Yamamoto Mansion	Trust beneficiary interest in real estate	Kagoshima, Kagoshima	September 20, 2024	658	716	FORCUS Inc.
Belleza Kanayama	Trust beneficiary interest in real estate	Nagoya, Aichi	September 27, 2024 (Note 3)	730	739	Not disclosed (Note 4)
Total 3 properties				¥ 3,078	¥ 2,804	—

- Notes:
- The (scheduled) transfer prices represent the amount of consideration stated in the transfer agreement of the trust beneficiary interest 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.
 - The book values represent the balance sheet amounts as of June 30, 2024. Furthermore, the book value of less than one million yen is omitted.
 - The transfer agreement of the trust beneficiary interest in real estate for the property corresponds to the forward commitment, etc. stipulated in the Financial Services Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." (this refers to a purchase or sale agreement with delivery date one month or more after the conclusion of agreement, and other contracts similar thereto; the same shall apply hereinafter) and the Asset Management Company has entered into the agreements in accordance with the Asset Manager's Rules on Forward Commitments, etc., which stipulate the establishment of forward commitments, etc. The transfer agreement of the trust beneficiary interest in real estate stipulates that in the event of a breach of material obligations or a breach of representations and warranties by the other party, the cancellation may be effected upon demand. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the scheduled transfer price.
 - This information is not disclosed as the consent to disclosure has not been obtained from the purchaser.

Note 22 –Additional Information

NIPPON REIT decided to transfer one trust beneficiary interest in real estate and entered into a transfer agreement of the trust beneficiary interest in real estate on June 28, 2024 as described below.

Property name	Type of asset	Location	Scheduled transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Nihombashi Playa Building (50% of quasi co-ownership interest)	Trust beneficiary interest in real estate	Chuo ward, Tokyo	October 31, 2024	¥ 1,700	¥ 955	Keio Corporation

- Notes:
- The scheduled transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The transfer price does not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.
 - Book value as of June 30, 2024 is described, rounded down to the nearest million yen.
 - The transfer agreement of the trust beneficiary interest in real estate for the property corresponds to the forward commitment, etc. stipulated in the Financial Services Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." and the Asset Management Company has entered into the agreements in accordance with the Asset Manager's Rules on Forward Commitments, etc., which stipulate the establishment of forward commitments, etc. The transfer agreement

Note 22 –Additional Information

NIPPON REIT decided to transfer one trust beneficiary interest in real estate and entered into a transfer agreement of the trust beneficiary interest in real estate on June 28, 2024 as described below.

Property name	Type of asset	Location	Scheduled transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Purchaser
Nihombashi Playa Building (50% of quasi co-ownership interest)	Trust beneficiary interest in real estate	Chuo ward, Tokyo	October 31, 2024	¥ 1,700	¥ 955	Keio Corporation

- Notes:
- The scheduled transfer price represents amount of consideration stated in the transfer agreement of the quasi co-ownership of the trust beneficiary interest in real estate. The transfer price does not include consumption taxes and the expenses related to the transfer. Furthermore, the transfer price of less than one million yen is omitted.
 - Book value as of June 30, 2024 is described, rounded down to the nearest million yen.
 - The transfer agreement of the trust beneficiary interest in real estate for the property corresponds to the forward commitment, etc. stipulated in the Financial Services Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." and the Asset Management Company has entered into the agreements in accordance with the Asset Manager's Rules on Forward Commitments, etc., which stipulate the establishment of forward commitments, etc. The transfer agreement of the trust beneficiary interest in real estate stipulates that in the event of a breach of material obligations or a breach of representations and warranties by the other party, the cancellation may be effected upon demand. 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 June 30, 2024 and December 31, 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 June 30, 2024 and December 31, 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 June 30, 2024 and December 31, 2023, and its financial performance and its cash flows for each of the six-month periods ended June 30, 2024 and December 31, 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 decision of transfer of properties and entering into transfer agreements as well as completion of transfer of a property. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

misstated.

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

We have nothing to report in this regard.

Responsibilities of Management and Supervising Officers for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Fee-related Information

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

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

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

/S/ Hiroaki Matsumoto

Designated Engagement Partner

Certified Public Accountant

/S/ Tsugunobu Hikishikibayashi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 25, 2024

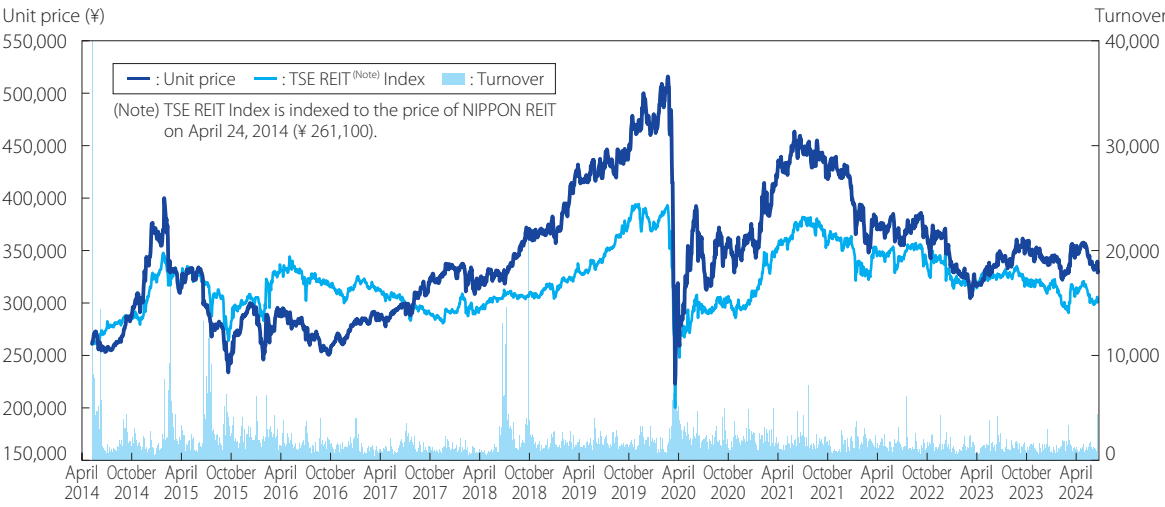
Notes to the Reader of Independent Auditor’s Report:

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

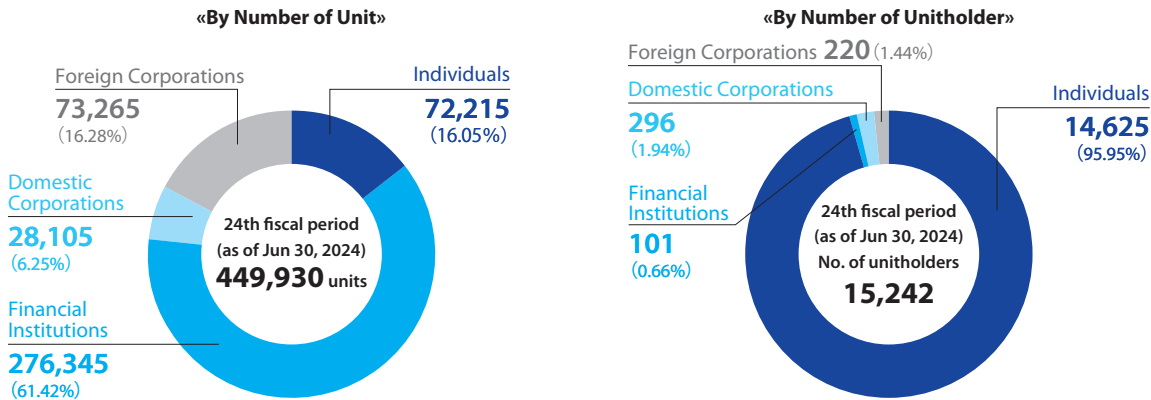
Status of Investment Units and Unitholders

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 Jun 30, 2024 (the final trading day of the 24th 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.

Website Information

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

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

