

Summary of Financial Results  
for the Fiscal Period Ended June 30, 2020 (REIT)

Name of issuer: NIPPON REIT Investment Corporation  
 URL: <http://www.nippon-reit.com/>  
 Listed Stock Exchange: Tokyo Stock Exchange  
 Securities Code: 3296  
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Supplementary materials for the financial results: Yes

Investor conference for the financial results: Yes (for analysts and institutional investors, in Japanese)

(Amount of less than one million yen is omitted)

1. Financial Results for the Fiscal Period Ended June 30, 2020 (January 1, 2020 – June 30, 2020)

(1) Operating Results

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
For the fiscal period ended	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
June 30, 2020	8,658	0.3	4,774	2.8	4,151	3.8	4,151	3.8
December 31, 2019	8,634	(3.9)	4,642	(6.3)	4,000	(7.5)	4,000	(7.5)

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
June 30, 2020	9,226	3.2	1.5	47.9
December 31, 2019	8,890	3.1	1.5	46.3

(2) Distributions

	Cash Distributions per Unit (excluding cash distributions in excess of earnings per unit)	Total Cash Distributions (excluding cash distributions in excess of earnings)	Cash Distributions in Excess of Earnings per Unit	Total Cash Distributions in Excess of Earnings	Payout Ratio	Cash Distributions Ratio to Net Assets
For the fiscal period ended	Yen	Yen in millions	Yen	Yen in millions	%	%
June 30, 2020	9,228	4,151	-	-	100.0	3.2
December 31, 2019	8,892	4,000	-	-	100.0	3.1

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
For the fiscal period ended	Yen in millions	Yen in millions	%	Yen
June 30, 2020	270,060	130,687	48.4	290,461
December 31, 2019	270,279	130,536	48.3	290,126

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
For the fiscal period ended	Yen in millions	Yen in millions	Yen in millions	Yen in millions
June 30, 2020	5,164	(836)	(3,995)	15,398
December 31, 2019	4,509	(460)	(4,319)	15,066

2. Forecast of management status for the Fiscal Period Ending December 2020 (from July 1, 2020 to December 31, 2020) and the Fiscal Period Ending June 2021 (from January 1, 2021 to June 30, 2021)

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending December 31, 2020	8,803	1.7	4,718	△1.2	4,097	△1.3	4,097	△1.3	9,106	-
June 30, 2021	8,636	△1.9	4,668	△1.1	4,053	△1.1	4,052	△1.1	9,007	-

(Reference) (Forecasted Net Income / Forecasted Number of Investment Units at end of the period)

Forecasted Net Income per unit for the fiscal period ending December 31, 2020: 9,106 yen

Forecasted Net Income per unit for the fiscal period ending June 30, 2021: 9,007 yen

\* Others

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(b) Changes in accounting policies due to reasons other than above (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(2) Number of investment units issued and outstanding

(a) Number of investment units issued and outstanding, including treasury units:

As of June 30, 2020 449,930 units As of December 31, 2019 449,930 units

(b) Number of investment treasury units:

As of June 30, 2020 0 unit As of December 31, 2019 0 unit

\* The Status of Statutory Audit

This summary of financial results is not subject to audit procedures by certified public accountant or audit firm.

\* Special matters

Forward-looking statements contained in this material are based on the information that NIPPON REIT has obtained as of the date hereof and certain assumptions that NIPPON REIT believes reasonable and the actual management status, etc. may significantly differ due to various reasons. In addition, the forecast is not a guarantee of the amount of distributions. For details of the assumptions underlying forecast of management status, please refer to the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2020 (from July 1, 2020 to December 31, 2020) and Fiscal Period Ending June 2021 (from January 1, 2021 to June 30, 2021)" on page 6.

This document is the English language translation of the Japanese announcement of the financial statements ("Kessan Tanshin") and is provided solely for information purposes. There is no assurance as to the accuracy of the English translation. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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## 1. Management Status

### (1) Management Status

#### I. Overview of the Fiscal Period under Review

##### A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now Sojitz REIT Advisors K.K. (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 listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24.

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. The total number of investment units issued and outstanding as of the end of the fiscal period under review (June 30, 2020) is 449,930 units.

##### B. Investment Environment and Management Performance

###### (i) Investment Environment

During the fiscal period under review ended June 2020 the Japanese Economy saw decrease in the real GDP for the second consecutive quarter by 0.6% (2.2% decrease on an annual basis: second preliminary figures for the term from January 2020 to March 2020). The volume of business investment and employment situation are showing weakness due to decrease of corporate profits because of rapid decrease of exports and industrial production under situation of world-wide spread of COVID-19. After the state of emergency declared by the Japanese Government was lifted, economic and social activities have been revitalized gently and private consumption is showing movements of picking up recently. And business confidence among Japanese firms shows signs of improvement although some severe business environments remain. In the overseas economy, it is necessary to keep a close watch on factors such as geopolitical risks, trade disputes such as trade friction between the United States and China, trend of COVID-19 spread infection, and fluctuations in financial and capital markets.

In the office properties leasing market, the vacancy rate in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 1.97% up by 0.25% on a year on year basis as of the end of June 2020 reported by Miki Shoji Co., Ltd. Moreover, the average rent in the same area was 22,880 yen per tsubo, up by 6.3% on a year on year basis. We have watched closely whether such trends will continue.

In the leasing market of residential properties, the situation remains generally stable for both the occupancy rate and rent level. It is expected without doubt to continue to stay stable backed by the well-balanced supply and demand, due to limited supply of residential properties.

In the leasing market of retail properties, effect by restriction of economic activities based on emergency statement is significant, we saw a 12.5% year-on-year decrease in retail sales announced by the Ministry of Economy, Trade and Industry in May 2020. Although sales at supermarkets increased by 4.2% year-on-year, sales at department stores showed a 63.6% year-on-year decrease due to large decrease of sales of apparel and accessories.

Considering the future leasing market, now, it is appropriate for market participants to watch closely work style reform's where to go and etc. and its impact on the leasing market. An influence of Covid-19 infection spread of term and seriousness may determine the impact to the extent of various types and classes of leasing properties.

As regards real estate transactions, yields on transactions have kept positively low due to seller's market sustained by bullish participants motivated by high liquidity in the financial market, and thus numbers of properties on sale are becoming less. Investors and their arrangers are working on to seek properties for investment to carry

out their own target subjects and returns. While overseas investors and business companies are back in action, it is not easy for J-REITs to chase properties in the competitive market so as to maintain their dividend policies. Relatively for large-cap J-REITs, external growth opportunity seems to be limited.

## (ii) Management Performance

### a. External Growth

No property was acquired during the period.

We have been granted the first negotiation right for 6 properties (approximately 4.3 billion yen) which are warehoused by Sojitz Corporation, the sponsor of NIPPON REIT.

As a result, the portfolio as of the end of the fiscal period under review consisted of 64 office properties (Note1) with a total acquisition amount of 192,236 million yen, 23 residential properties (Note2) with a total acquisition price of 46,824 million yen and 3 retail properties (Note3) with a total acquisition amount of 10,183 million yen. Total figures are 90 properties with a total acquisition amount of 249,243 million yen (excluding equity interests in a silent partnership) and with a total leased area of 306,523.13m<sup>2</sup> and 98.6% of average occupancy rate and 3 equity interests in a silent partnership (investment amount 170 million yen, 15 real estate-backed properties).

(Note1) "Office Properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.

(Note2) "Residential Properties" refer to a rental housing whose primary use is a residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of). The same shall apply hereinafter.

(Note3) "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 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, the portfolio occupancy rate was maintained at a high level of 98.6% as of the end of the fiscal period under review.

## C. Procurement of Funds

### (i) Borrowings and Repayments

In order to prepare funds for repayment of loans due on February 20, 2020 (9,500 million yen), the borrowings of 9,500 million yen were implemented on the same day as the loans due.

As a result, the balance of interest-bearing debt as of June 30, 2020 was 126,870 million yen and the ratio of interest-bearing debt to total assets (LTV) was 47.0%.

### (ii) Credit Rating

NIPPON REIT's credit rating as of June 30, 2020 is indicated below.

Credit Rating Agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A	Positive

## D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the fiscal period under review generated operating revenues of 8,658 million yen, operating income of 4,774 million yen, ordinary income of 4,151 million yen and net income of 4,151 million yen.

Concerning distributions, NIPPON REIT is set to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan), ensuring a scope that does not exceed unappropriated retained earnings, and also minimizing unitholders' burdens of income tax, etc. For the fiscal period, NIPPON REIT decided to distribute 4,151,954,040 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units. As such, cash distributions per unit were 9,228 yen.

## II. Outlook for the Next Fiscal Period

### Future Management Policy and Challenges to Address

#### 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, also seek the best interest of unitholders by utilizing the features of a 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 will construct a diversified portfolio by also investing in residential properties and retail properties.

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

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will consider preparing bridge funds for interim ownership vehicles to utilize warehousing function provided by Sojitz Corporation 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. Moreover, NIPPON REIT entrusts Property Management operations and Building Management operations mainly to Sojitz General Property Management Corporation (hereafter referred as “SGPMC”), a subsidiary of Sojitz Corporation. Cooperating with SGPMC, who has accumulated know-how of PM and BM, NIPPON REIT can maintain the occupancy rate positively with cost reduction effects via economies of scale.

With appropriate processes as a given, SGPMC will be mainly consigned for renovations and planned repairs in properties, in addition to the daily management operations. Along with SGPMC’s consistent support ranging from building diagnostics to repair designs, selection of construction companies and construction management, NIPPON REIT can 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, upon sufficient judgment of performance effectiveness.

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, etc. 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 fiscal period under review was 47.0% 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 syndicate group as of the end of the fiscal period under review.

### III. Significant Subsequent Events

None

### IV. Forecast of Management Status

The forecast of management status for the fiscal period ending December 2020 (July 1, 2020 to December 31, 2020) and the fiscal period ending June 2021 (January 1, 2021 to June 30, 2021) are as follows. For details of the assumptions underlying forecast of management status, please refer to "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2020 (July 1, 2020 to December 31, 2020) and Fiscal Period Ending June 2021 (January 1, 2021 to June 30, 2021)" hereinafter described.

Fiscal period ending December 2020 (July 1, 2020 to December 31, 2020)

Operating revenues	8,803 million yen
Operating income	4,718 million yen
Ordinary income	4,097 million yen
Net income	4,097 million yen
Cash distributions per unit	9,106 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending June 2021 (January 1, 2021 to June 30, 2021)

Operating revenues	8,636 million yen
Operating income	4,668 million yen
Ordinary income	4,053 million yen
Net income	4,052 million yen
Cash distributions per unit	9,007 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of date of this summary of financial results. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2020 (July 1, 2020 to December 31, 2020) and Fiscal Period Ending June 2021 (January 1, 2021 to June 30, 2021)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> <li>Fiscal period ending December 2020 (17th fiscal period): from July 1, 2020 to December 31, 2020(184 days)</li> <li>Fiscal period ending June 2021 (18th fiscal period): from January 1, 2021 to June 30, 2021(181 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>The assumption is that, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 90 properties are the “acquired assets”) there would be no change (no acquisition of new property, no disposition of portfolio property, etc.) expected until the end of the fiscal period ending June 2021.</li> <li>In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 8,799 million yen in the fiscal period ending December 2020 and 8,633 million yen in the fiscal period ending June 2021 respectively.</li> <li>Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants.</li> <li>Dividend income is assumed 3 million yen in the fiscal period ending December 2020 and 3 million yen in the fiscal period ending June 2021 respectively.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Property-related expenses other than depreciation, which are calculated on the basis of historical data, and reflecting factors causing fluctuation in expenses, are assumed to be 2,259 million yen in the fiscal period ending December 2020 and 2,129 million yen in the fiscal period ending June 2021 respectively.</li> <li>Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 1,006 million yen in the fiscal period ending December 2020 and 1,016 million yen in the fiscal period ending June 2021 respectively.</li> <li>The total amounts of property taxes and city planning taxes are assumed to be 602 million yen in the fiscal period ending December 2020, and 629 million yen in the fiscal period ending June 2021 respectively.</li> <li>Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company. However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal year might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast.</li> <li>Asset management fees are assumed 637 million yen in the fiscal period ending December 2020 and 629 million yen in the fiscal period ending June 2021 respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expense and borrowing related expenses are assumed 620 million yen in the fiscal period ending December 2020 and 614 million yen in the fiscal period ending June 2021.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>NIPPON REIT’s outstanding balance of interest-bearing debt as of today is 126,870 million yen.</li> <li>The assumption is that all loans which will come due before the end of the fiscal period ending June 2021 (8,500 million yen) will be refinanced (including issuance of investment corporation bonds), there will be no change in the outstanding balance of interest-bearing debt.</li> <li>LTV is expected to be approximately 47.0% as both of December 31, 2020 and June 30, 2021 respectively.</li> <li>The following formula is used in the calculation of LTV.  <math display="block">LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>The assumption is that the number of investment units is 449,930 units which are issued and outstanding as of today, and there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending June 2021.</li> </ul>
Cash Distributions per unit	<ul style="list-style-type: none"> <li>Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT’s Articles of Incorporation.</li> <li>Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events, incurrence of unexpected repairs and other changes in the management environment, fluctuation in interest rates or future additional issuance of new investment units and other events.</li> </ul>
Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>There are no plans at this time to distribute cash in excess of earnings.</li> <li>Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (xxx), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the</li> </ul>



	allowance for temporary difference.
Others	<ul style="list-style-type: none"> <li>· The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above.</li> <li>· The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.</li> </ul>

## (2) Investment Risks

Influenced by COVID-19 infection spread and other factors, the parts of the “Investment risk” section of the most recent Annual Securities Report (submitted March 27, 2020) headed “(1) Risks related to investment securities and investment corporation bonds/ (a) Risk of fluctuation in market prices of investment securities and investment corporation bonds” have changed as shown below as of the date of filing of this financial report, and “(6) Other risks/ (f) Risks related to the spread of infectious diseases” has been added. The changes are underlined.

### (1) Risks related to investment securities and investment corporation bonds

#### (a) Risk of fluctuation in market prices of investment securities and investment corporation bonds

NIPPON REIT is a closed-end J-REIT which unitholders cannot require that their existing units be redeemed. Our unitholders cannot require that we redeem their units, only way of realization shall be selling their existing units to third-party in principal.

Recently, the COVID-19 infection spread has led to business stagnation and disrupted economic activity. The NIPPON REIT's portfolio consists mainly of office buildings and residences and is unlikely to be impacted immediately. However, stock price fell down due to anxiety of that COVID-19 infection affect not only Japanese economy but also global economy, and the market price of our investment units is not an exception. After this, if the COVID-19 infection spreads more widely or its effects are prolonged, the overall market may be more adversely affected.

In addition to the foregoing, the market prices of the investment units and investment corporation bonds issued by NIPPON REIT are affected by supply and demand in the financial instruments exchange market, the market price of the investment unit may fall in case trading volumes up to certain level in short term. Furthermore, the market price of the investment unit may be affected by changes in the financial environment such as interest rate trends, economic environment as well as real estate market environment and other related factors.

If NIPPON REIT or Sojitz REIT Advisors K.K. (the “Asset Management Company”), or other investment corporation or other asset management company receives a recommendation or administrative sanction from regulatory bodies, the market price of the investment units may fall.

When the market price of investment securities and investment corporation bonds down, our unitholder may not be able to sell their existing units over the price that they acquired them for, thus they may sustain a loss.

### (6) Other risks

#### (f) Risks related to the spread of infectious diseases

The impact of global spread of COVID-19, it has caused a serious stagnation in economic activities not only domestically but also globally. In the future, if the infectious disease further spreads and its impact is prolonged, tenants may request rent reduction and tenants' rent payments are overdue, due to one of factors like deterioration in the financial condition of tenants. Furthermore, the vacancy risk may happen to be apparent due to tenants' moving out.

The Asset Management Company is dealing with the current repressive situation by shifting to a working from home that utilizes a teleworking system to prevent its officers and employees from the infection. However, there is a possibility that operations of the Asset Management Company may be delayed and the asset management service for the NIPPON REIT may be adversely affected, because there are tasks that are not suitable for teleworking and is no guarantee that the same business efficiency as before can be maintained.

Otherwise the demise of COVID-19 infection spread is certain, the final impact to our business operation might be predictable. Thus, there is a possibility that the negative influence as noted above as well as other risks may become apparent. As a result, the revenue and profits of the NIPPON REIT may be adversely affected.

## 2. Financial Statements

### (1) Balance Sheets

(Yen in thousands)

	The 15th Fiscal Period (as of December 31, 2019)	The 16th Fiscal Period (as of June 30, 2020)
<b>Assets</b>		
Current Assets		
Cash and deposits	8,849,231	9,140,880
Cash and deposits in trust	6,216,963	6,258,051
Tenant receivables	92,423	135,639
Prepaid expenses	436,159	446,441
Income taxes refundable	362	552
Other current assets	4,694	5,824
Allowance for doubtful accounts	(0)	(0)
<b>Total Current Assets</b>	<b>15,599,836</b>	<b>15,987,389</b>
Non-Current Assets		
Property, plant and equipment		
Buildings	267,430	※1 264,709
Accumulated depreciation	(9,375)	(13,418)
Buildings, net	258,055	251,291
Buildings in trust	※1 61,260,355	※1 61,573,977
Accumulated depreciation	(8,604,624)	(9,551,456)
Buildings in trust, net	52,655,730	52,022,521
Structures in trust	202,535	202,535
Accumulated depreciation	(51,904)	(56,906)
Structures in trust, net	150,630	145,628
Machinery and equipment in trust	435,009	461,294
Accumulated depreciation	(83,945)	(106,016)
Machinery and equipment in trust, net	351,064	355,278
Tools, furniture and fixtures in trust	167,762	215,961
Accumulated depreciation	(50,674)	(64,607)
Tools, furniture and fixtures in trust, net	117,088	151,353
Land in trust	※2 181,678,910	※2 181,678,910
Construction in progress in trust	4,320	-
<b>Total property, plant and equipment</b>	<b>235,215,801</b>	<b>234,604,984</b>
Intangible assets		
Leasehold rights	1,251,662	1,251,662
Leasehold rights in trust	16,658,938	16,658,938
Other	5,417	4,754
<b>Total intangible assets</b>	<b>17,916,017</b>	<b>17,915,355</b>
Investments and other assets		
Investment securities	174,664	176,011
Lease and guarantee deposits	10,160	10,160
Long-term prepaid expenses	1,277,898	1,284,308
Deferred tax assets	0	5
Other	40,780	40,814
<b>Total investments and other assets</b>	<b>1,503,504</b>	<b>1,511,299</b>
<b>Total Non-Current Assets</b>	<b>254,635,322</b>	<b>254,031,638</b>
Deferred asset		
Investment corporation bond issuance costs	43,902	41,163
<b>Total deferred asset</b>	<b>43,902</b>	<b>41,163</b>
<b>Total Assets</b>	<b>270,279,062</b>	<b>270,060,191</b>

	(Yen in thousands)	
	The 15th Fiscal Period (as of December 31, 2019)	The 16th Fiscal Period (as of June 30, 2020)
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	1,398,944	853,874
Long-term debt due within one year	20,500,000	19,500,000
Accrued expenses	267,044	261,937
Accrued consumption taxes	113,548	243,871
Advances received	1,439,180	1,448,495
Other current liabilities	339,220	590,414
Total Current Liabilities	24,057,938	22,898,594
Long-Term Liabilities		
Investment corporation bonds	4,500,000	4,500,000
Long-term debt	101,870,000	102,870,000
Tenant security deposits	67,051	57,013
Tenant security deposits in trust	9,243,045	9,043,598
Other	4,239	3,730
Total Long-Term Liabilities	115,684,335	116,474,342
Total Liabilities	139,742,274	139,372,936
<b>Net Assets</b>		
Unitholders' Equity		
Unitholders' capital	126,515,601	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	4,021,186	4,171,653
Total Surplus	4,021,186	4,171,653
Total Unitholders' Equity	130,536,787	130,687,255
Total Net Assets	※3 130,536,787	※3 130,687,255
<b>Total Liabilities and Net Assets</b>	270,279,062	270,060,191

## (2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)
<b>Operating Revenues</b>		
Rental revenues	※ 1 7,919,159	※ 1 7,967,820
Other revenues related to property leasing	※ 1 709,203	※ 1 683,411
Dividend income	5,967	7,481
<b>Total Operating Revenues</b>	<b>8,634,330</b>	<b>8,658,713</b>
<b>Operating Expenses</b>		
Property-related expenses	※ 1 3,165,862	※ 1 3,050,545
Asset management fees	643,505	642,823
Asset custody fees	10,392	10,252
Administrative service fees	43,553	41,524
Directors' compensation	2,400	2,400
Independent auditors' fees	13,600	13,600
Other operating expenses	112,850	123,389
<b>Total Operating Expenses</b>	<b>3,992,165</b>	<b>3,884,535</b>
<b>Operating Income</b>	<b>4,642,165</b>	<b>4,774,177</b>
<b>Non-Operating Revenues</b>		
Interest income	71	71
Reversal of distributions payable	4,754	5,005
<b>Total Non-Operating Revenues</b>	<b>4,825</b>	<b>5,076</b>
<b>Non-Operating Expenses</b>		
Interest expense	350,679	332,722
Interest expense on investment corporation bonds	17,416	17,256
Amortization of investment corporation bond issuance costs	2,739	2,739
Borrowing related expenses	275,433	274,789
Other	33	33
<b>Total Non-Operating Expenses</b>	<b>646,303</b>	<b>627,541</b>
<b>Ordinary Income</b>	<b>4,000,687</b>	<b>4,151,713</b>
<b>Extraordinary Income</b>		
Subsidy income	-	※ 2 43,944
<b>Total Extraordinary Income</b>	<b>-</b>	<b>43,944</b>
<b>Extraordinary Losses</b>		
Loss on reduction of non-current assets	-	※ 3 43,705
<b>Total Extraordinary Losses</b>	<b>-</b>	<b>43,705</b>
<b>Income Before Income Taxes</b>	<b>4,000,687</b>	<b>4,151,951</b>
<b>Income taxes - current</b>	<b>625</b>	<b>710</b>
<b>Income taxes - deferred</b>	<b>(0)</b>	<b>(4)</b>
<b>Total Income Taxes</b>	<b>624</b>	<b>706</b>
<b>Net Income</b>	<b>4,000,062</b>	<b>4,151,244</b>
<b>Retained Earnings at Beginning of Period</b>	<b>21,123</b>	<b>20,408</b>
<b>Retained Earnings at End of Period</b>	<b>4,021,186</b>	<b>4,171,653</b>

## (3) Statement of Change in Net Assets

The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)

(Yen in thousands)

	Unitholders' Equity				Total Net Assets
	Unitholders' capital	Surplus		Total Unitholders' Equity	
		Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at the beginning of current period	126,515,601	4,348,100	4,348,100	130,863,702	130,863,702
Changes of items during the period					
Distributions of surplus		(4,326,976)	(4,326,976)	(4,326,976)	(4,326,976)
Net income		4,000,062	4,000,062	4,000,062	4,000,062
Total changes of items during the period	—	(326,914)	(326,914)	(326,914)	(326,914)
Balance at the end of current Period	※ 1 126,515,601	4,021,186	4,021,186	130,536,787	130,536,787

The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)

(Yen in thousands)

	Unitholders' Equity				Total Net Assets
	Unitholders' capital	Surplus		Total Unitholders' Equity	
		Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at the beginning of current period	126,515,601	4,021,186	4,021,186	130,536,787	130,536,787
Changes of items during the period					
Distributions of surplus		(4,000,777)	(4,000,777)	(4,000,777)	(4,000,777)
Net income		4,151,244	4,151,244	4,151,244	4,151,244
Total changes of items during the period	—	150,467	150,467	150,467	150,467
Balance at the end of current Period	※ 1 126,515,601	4,171,653	4,171,653	130,687,255	130,687,255

(4) Statements of Cash Distribution

	The 15th Fiscal Period (from July 1, 2019 To December 31, 2019)	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)
	(Yen)	(Yen)
I Unappropriated retained earnings	4,021,186,127	4,171,653,561
II Cash distributions	4,000,777,560	4,151,954,040
(Cash distributions per unit)	(8,892)	(9,228)
III Retained earnings carried forward to the next period	20,408,567	19,699,521

Calculation method for cash distributions	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 4,000,777,560 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 4,151,954,040 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>
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## (5) Statements of Cash Flows

(Yen in thousands)

	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	4,000,687	4,151,951
Depreciation and amortization	965,269	992,330
Investment corporation bonds issuance expense depreciation	2,739	2,739
Loss on retirement of non-current	3,317	148
Loss on reduction of non-current assets	-	43,705
Interest income	(71)	(71)
Interest expense	368,096	349,979
(Increase) Decrease in tenant	(360)	(43,216)
(Increase) Decrease in prepaid	7,110	(10,282)
(Increase) Decrease in long-term	(132,748)	(6,410)
Increase (Decrease) in accrued consumption taxes	(252,837)	130,322
Increase (Decrease) in accounts	(65,613)	(98,430)
Increase (Decrease) in accrued	15,135	4,741
Increase (Decrease) in advances	(37,176)	9,315
Others, net	(5,911)	(1,428)
<b>Subtotal</b>	<b>4,867,636</b>	<b>5,525,395</b>
Interest income received	71	71
Interest expense paid	(356,621)	(359,827)
Income taxes refunded (paid)	(1,508)	(900)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>4,509,577</b>	<b>5,164,738</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of investment Properties	-	(33,238)
Payments for purchases of investment properties in trust other than leasehold rights in trust	(684,521)	(837,498)
Proceeds from tenant security deposits	48	-
Payments of tenant security deposits	(5,127)	-
Proceeds from tenant security deposits in trust	516,835	394,660
Payments of tenant security deposits in trust	(214,779)	(358,302)
Proceeds from refunds of investment securities	356	-
Payments for purchases of investment securities	(72,033)	(1,076)
Other payments	(1,244)	(1,244)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(460,466)</b>	<b>(836,699)</b>

(Yen in thousands)

	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)
<b>Cash Flows from Financing Activities</b>		
Repayments from short-term debt	(700,000)	-
Proceeds from long-term debt	11,700,000	9,500,000
Repayments of long-term debt	(11,000,000)	(9,500,000)
Payments of investment corporation bond issuance costs	(158)	-
Distributions paid	(4,319,510)	(3,995,303)
<b>Net Cash Provided by (Used in) Financing Activities</b>	(4,319,668)	(3,995,303)
<b>Net Change in Cash and Cash</b>	(270,557)	332,735
<b>Cash and Cash Equivalents at Beginning of Period</b>	15,336,752	15,066,195
<b>Cash and Cash Equivalents at End of Period</b>	※ 1 15,066,195	※ 1 15,398,931



(6) Notes to the Going Concern Assumption

None

(7) Summary of Significant Accounting Policies

1.Basis and Method of Valuation of Assets	<p>Securities</p> <p>Other securities</p> <p>Non-marketable securities</p> <p>The moving average method is employed as the cost method.</p> <p>A method in which the equivalent amount of the silent partnership is incorporated with the net amount is employed for equity interests in silent partnership.</p>								
2.Method of Depreciation of Non-Current Assets	<p>(1) Investment Properties Including Trust Assets</p> <p>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:</p> <table> <tr> <td>Buildings in trust, Buildings</td><td>2-64 years</td></tr> <tr> <td>Structures in trust</td><td>2-45 years</td></tr> <tr> <td>Machinery and equipment in trust</td><td>10 years</td></tr> <tr> <td>Tools, furniture and fixtures in trust</td><td>2-15 years</td></tr> </table> <p>(2) Intangible assets</p> <p>Intangible assets are amortized using the straight-line method.</p> <p>(3) Long-Term Prepaid Expenses</p> <p>Long-term prepaid expenses are amortized using the straight-line method.</p>	Buildings in trust, 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
Buildings in trust, 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								
3.Accounting Treatment for Deferred asset	<p>Investment corporation bond issuance costs</p> <p>Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.</p>								
4.Allowance for Doubtful Accounts Recognition	<p>Allowance for Doubtful Accounts</p> <p>Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating uncollectible amount based on the analysis of certain individual accounts that may not be uncollectable.</p>								
5.Revenue and Expense Recognition	<p>Real Estate Taxes</p> <p>Property-related taxes property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally changed to rental business expenses for the period, for the portion of such taxes corresponding to said period.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, NIPPON REIT included its pro rata property portion for the year in each property acquisition price and not as rental business expense.</p> <p>There was amount of property taxes included in acquisition costs for properties in the previous fiscal period. The amount of property taxes included in acquisition costs for properties acquired during the previous fiscal period under review was 3,975 thousand yen, and there is no amount for the fiscal period under review.</p>								
6. Method of Hedge Accounting	<p>(1) Method of Hedge Accounting</p> <p>Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedge items</p> <p>Hedging instruments: Interest rate swaps</p> <p>Hedged items: Interest on borrowings</p> <p>(3) Hedging policy</p> <p>NIPPON REIT conducts derivative transactions for hedging risks provided for in</p>								

	<p>the Articles of Incorporation of NIPPON REIT pursuant to the financing policy.</p> <p>(4) Method of assessing hedge effectiveness</p> <p>The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.</p>
7. Cash and Cash Equivalents as Stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash, demand deposits, and short-term investments that are 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.
8. Other Significant Matters Which Constitute the Basis for Preparation of Financial Statements	<p>(1) Accounting for Trust Beneficiary Interests in Real Estate</p> <p>For trust beneficial 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.</p> <p>The following assets in trust are recognized and presented separately on the balance sheets.</p> <p>I. Cash and deposits in trust</p> <p>II. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, Construction in progress in trust and leasehold rights in trust</p> <p>III. Tenant security deposits in trust</p> <p>(2) Consumption Taxes</p> <p>Consumption taxes are excluded from transaction amounts. 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.</p>

(8) Notes to Financial Statements  
(Notes to Balance Sheets)

*1 Reduction entry amount of tangible fixed assets received as governmental subsidy (Yen in thousands)		
	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
Buildings	-	3,469
Buildings in trust	262,462	302,699
Total	262,462	306,168
*2 Reduction entry amount of tangible fixed assets acquired through exchanging (Yen in thousands)		
	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
Lands in trust	416,596	416,596
*3. Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act (Yen in thousands)		
	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
	50,000	50,000

4 Commitment line agreement		
NIPPON REIT has engaged commitment line agreement		
	(Yen in thousands)	
	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
Total of maximum loan amount of commitment line agreement	3,000,000	3,000,000
Executed loan amount	-	-
Balance	3,000,000	3,000,000

(Notes to Income Statements)

*1. Rental revenues and expenses		
	(Yen in thousands)	
	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
A. Revenues from property leasing:		
Rental revenues		
Base rents	6,618,224	6,676,459
Common area charges	1,048,049	1,042,922
Parking space rental revenues	252,886	7,919,159
Other revenues related to property leasing		248,438
Utilities charge reimbursements	572,878	7,967,820
Others	136,325	481,845
Total revenues from property leasing	8,628,363	201,566
B. Property-related expenses:		
Property-related expenses		
Property management fees	573,182	683,411
Utility expenses	517,052	556,321
Insurance expenses	9,267	426,716
Repair expenses	196,498	8,504
Taxes and dues	588,553	170,894
Depreciation	965,269	606,496
Loss on retirement of non-current assets	3,317	992,330
Trust fees	31,450	148
Others	281,271	31,150
Total property-related expenses	3,165,862	257,983
C. Income from property leasing(A-B)	5,462,500	3,050,545
*2. Breakdown of Subsidy income		
Prior Period (from July 1, 2019 to December 31, 2019)		
None		
Current Period (from January 1, 2020 to June 30, 2020)		
Subsidy income is received from Subsidies for countermeasures to control carbon dioxide emissions project etc. in FY2019 and Subsidies for Capital investments contribute to reduction of electric power demand in FY2019 and Subsidies for Capital investments contribute to reduction of electric power demand in FY2019.		
*3. Loss on reduction of non-current assets is the value directly deducted from acquired value, due to the acceptance of subsidies. The breakdown is as follows.		
	(Yen in thousands)	
	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
Buildings	-	3,469

Buildings in trust	-	40,236
Total	-	43,705

(Notes to Statements of Change in Net Assets)

*1. Total number of investment units authorized and number of investment units issued and outstanding		
	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
Number of investment units authorized	4,000,000 units	4,000,000 units
Number of investment units issued and outstanding	449,930 units	449,930 units

(Notes to Statements of Cash Flows)

*1. 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		
	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
Cash and deposits	8,849,231	9,140,880
Cash and deposits in trust	6,216,963	6,258,051
Cash and cash equivalents	15,066,195	15,398,931

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues		
	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
Due within one year	672,877	667,719
Due after one year	1,786,874	1,644,035
Total	2,459,752	2,311,755

(Notes to Financial Instruments)

1. Quantitative Information for Financial Instruments

(1) Policy for Financial Instruments 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.

(2) 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.

(3) 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 the end of current fiscal period, NIPPON REIT had derivatives (interest rate swap) as hedging instrument for the purpose of fixing the interest rate of floating-rate loans to avoid the interest volatility risk. The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.

Credit risk concerning bank deposits is managed by diversifying the depositing financial institutions.

(4) Supplemental Explanation regarding Fair Value of Financial Instruments

The fair value of financial instruments is based on their quoted market price. When there is no observable market price available, fair value is based on a price that may be reasonably estimated. Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

## 2. Fair Value of Financial Instruments

Book value, fair value and difference between the two as of December 31, 2019 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	8,849,231	8,849,231	—
(2)Cash and deposits in trust	6,216,963	6,216,963	—
Total assets	15,066,195	15,066,195	—
(3)Long-term debt due within one year	20,500,000	20,512,601	12,601
(4)Investment corporation bonds	4,500,000	4,466,850	(33,150)
(5)Long-term debt	101,870,000	101,691,860	(178,139)
Total liabilities	126,870,000	126,671,312	(198,687)
(6)Derivative transactions	—	—	—

Book value, fair value and difference between the two as of June 30, 2020 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	9,140,880	9,140,880	—
(2)Cash and deposits in trust	6,258,051	6,258,051	—
Total assets	15,398,931	15,398,931	—
(3)Long-term debt due within one year	19,500,000	19,490,751	(9,248)
(4)Investment corporation bonds	4,500,000	4,444,100	(55,900)
(5)Long-term debt	102,870,000	102,749,105	(120,894)
Total liabilities	126,870,000	126,683,956	(186,043)
(6)Derivative transactions	—	—	—

(Note 1) Methods used to estimate the fair value of financial instruments and derivative transactions

(1) Cash and deposits and (2) Cash and deposits in trust

Due to the short maturities, the book value of these assets or liabilities is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(3) Long-term debt due within one year and (5) 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. For long-term debt with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(4) Investment corporation bonds

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

(6) Derivative transactions

Please refer to "(Derivative Transactions)" below.

(Note 2) Financial instruments whose fair values are deemed extremely difficult to determine are as follows:

The fair value of both of tenant security deposit (Book value: 67,051 thousand yen in previous period and 57,013 thousand yen in current period) and tenant security deposits in trust (Book value: 9,243,045 thousand yen in previous period and 9,043,598 thousand yen in current period) is not disclosed because these deposits do not have a readily available market price, and it is difficult to estimate a period as to when these deposits will be returned. Although the tenant agreements stipulate a tenancy period, the historical analysis of actual tenancy periods do not indicate any pattern of tenancy period due to their unique nature as early termination or renewal/re-contract of tenancy agreements is possible, which makes it impracticable to reasonably estimate the future cash flows.

The fair value of investment securities (Book value: 174,664 thousand yen in previous period and 176,011 thousand yen in current period) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Note 3) Redemption schedule for monetary claims

Prior Period (December 31, 2019)

(Yen in thousands)

	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
Cash and deposits	8,849,231	-	-	-	-	-
Cash and deposits in trust	6,216,963	-	-	-	-	-
Total	15,066,195	-	-	-	-	-

Current Period (June 30, 2020)

(Yen in thousands)

	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
Cash and deposits	9,140,880	-	-	-	-	-
Cash and deposits in trust	6,258,051	-	-	-	-	-
Total	15,398,931	-	-	-	-	-

(Note 4) Redemption schedule for long-term debt and investment corporation bonds

Prior Period (December 31, 2019)

(Yen in thousands)

	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
Investment corporation bonds	—	—	—	—	—	4,500,000
Long-term debt	20,500,000	18,500,000	10,320,000	16,000,000	16,450,000	40,600,000
Total	20,500,000	18,500,000	10,320,000	16,000,000	16,450,000	45,100,000

Current Period (June 30, 2020)

(Yen in thousands)

	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
Investment corporation bonds	—	—	—	—	1,000,000	3,500,000
Long-term debt	19,500,000	13,320,000	13,600,000	16,500,000	15,450,000	44,000,000
Total	19,500,000	13,320,000	13,600,000	16,500,000	16,450,000	47,500,000

(Notes to Investment Securities)

Prior Period (As of December 31, 2019)

The fair value of Equity interests in silent partnerships (Book value: 174,664 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

Current Period (As of June 30, 2020)

The fair value of Equity interests in silent partnerships (Book value: 176,011 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Notes to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied:

Prior Period (December 31, 2019)

None

Current Period (June 30, 2020)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (December 31, 2019)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	111,870,000	100,870,000	Note	—
	Total		111,870,000	100,870,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(3) Long-term debt due within one year and (5) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (June 30, 2020)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	121,370,000	101,870,000	Note	—
	Total		121,370,000	101,870,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(3) Long-term debt due within one year and (5) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (December 31, 2019)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

Current period (June 30, 2020)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.



(Notes to Deferred Tax Accounting)

1. The significant components of deferred tax assets and liabilities:

	(Yen in thousands)	
	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
Deferred tax assets:		
Accrued enterprise tax	0	5
Allowance for doubtful accounts	0	0
Total deferred tax assets	0	5
Net deferred tax assets	0	5

2. Breakdown of main items causing significant difference between statutory income tax rate and NIPPON REIT's effective tax rate

	Prior Period (As of December 31, 2019)	Current Period (As of June 30, 2020)
Statutory tax rate	31.51%	31.46%
(Adjustments)		
Deductible cash distributions	(31.51%)	(31.46%)
Per capita inhabitant taxes	0.02%	0.01%
Others	0.00%	0.00%
Effective tax rate	0.02%	0.02%

(Notes to Equity in Income)

Prior Period (from July 1, 2019 to December 31, 2019)

Not applicable as there are no affiliated companies of NIPPON REIT.

Current Period (from January 1, 2020 to June 30, 2020)

Not applicable as there are no affiliated companies of NIPPON REIT.

(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

Prior Period (from July 1, 2019 to December 31, 2019)

None

Current Period (from January 1, 2020 to June 30, 2020)

None

(2) Affiliates

Prior Period (from July 1, 2019 to December 31, 2019)

None

Current Period (from January 1, 2020 to June 30, 2020)

None

(3) Companies under common control

Prior Period (from July 1, 2019 to December 31, 2019)

None

Current Period (from January 1, 2020 to June 30, 2020)

None

(4) Board of Officers and major individual unitholders

Prior Period (from July 1, 2019 to December 31, 2019)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	Subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note 1)	644,205	Accrued expenses	183,312

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

Current Period (from January 1, 2020 to June 30, 2020)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	Subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note 1)	642,823	Accrued expenses	188,244

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

(Notes to Asset Retirement Obligation)

Prior Period (from July 1, 2019 to December 31, 2019)

None

Current Period (from January 1, 2020 to June 30, 2020)

None

(Notes to Investment Properties)

The book value, net changes in the book value and the fair value of the investment properties such as office, residential and retail properties (including the land, etc.) owned by NIPPON REIT were as follows:

(Yen in thousands)		
	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
Book value		
Balance at beginning of period	253,043,479	253,127,498
Change during period	84,018	(607,159)
Balance at end of period	253,127,498	252,520,339
Fair value	294,170,000	297,107,000

(Note 1) Amounts recorded in the balance sheet are figures in which accumulated depreciation is deducted from the acquisition costs.

(Note 2) Amounts recorded in the balance sheet include the amount of leasehold rights and leasehold rights in trust, and exclude construction in progress in trust.

(Note 3) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to capital expenditure, and a main reason of the decrease was due to depreciation.

(Note 4) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to the capital expenditure, and a main reason of the decrease was due to the depreciation recorded.

(Note 5) The fair value is determined based on appraisal values provided by external real estate appraisers.

Profit and loss associated with real estate for rental purposes is as stated in "Notes to Income Statements."

(Segment and Related Information)

Segment Information

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

(Related Information)

Prior Period (from July 1, 2019 to December 31, 2019)

1. Information about Products and Services

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

2. Information by Geographic Areas

(1) Operating revenues

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

(2) Investment properties

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

3. Information on Major Customers

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

Current Period (from January 1, 2020 to June 30, 2020)

1. Information about Products and Services

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

earnings.

## 2. Information by Geographic Areas

### (1) Operating revenues

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

### (2) Investment properties

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

## 3. Information on Major Customers

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

### (Notes to Per Unit Information)

	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
Net assets per unit	290,126 yen	290,461 yen
Net income per unit	8,890 yen	9,226 yen

(Note 1) Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units.  
Net income per unit after adjustment for residual units is not indicated because there were no residual investment units.

(Note 2) The base for the calculation of net income per unit is as follows.

	Prior Period from July 1, 2019 to December 31, 2019	Current Period from January 1, 2020 to June 30, 2020
Net income (Yen in thousands)	4,000,062	4,151,244
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	4,000,062	4,151,244
Weighted average number of units outstanding (units)	449,930	449,930

### (Notes to Significant Subsequent Events)

None

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

Changes in number of investment units issued and outstanding and total unitholders' equity for recent 5 years to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' equity (Yen in millions) (Note 1)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
July 1, 2015	Public offering	84,000	388,060	22,911	108,276	(Note 2)
July 28, 2015	Issuance of new investment units through third-party allotment	3,700	391,760	1,009	109,285	(Note 3)
July 2, 2018	Public offering	55,400	447,160	16,409	125,695	(Note 4)
July 24, 2018	Issuance of new investment units through third-party allotment	2,770	449,930	820	126,515	(Note 5)

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

(Note 2) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 282,918 yen (issue price of 272,761 yen) per unit.

(Note 3) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 272,761 yen per unit.

(Note 4) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 307,235 yen (issue price of 296,206 yen) per unit.

(Note 5) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 296,206 yen per unit.

### 3. Reference Information

#### (1) Status of Value of Investment Assets

##### A. Status of Investment

Type of assets	Property type	Area	Prior period (as of December 31, 2019)		Current period (as of June 30, 2020)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 4)	1,509	0.6	1,502	0.6
total			1,509	0.6	1,502	0.6
Real estate in trust (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	135,283	50.1	134,984	50.0
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	60,228	22.3	60,112	22.3
		Subtotal	195,512	72.3	195,096	72.2
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	43,648	16.1	43,471	16.1
		Certain ordinance-designated and other cities (Note 6)	2,224	0.8	2,252	0.8
		Subtotal	45,872	17.0	45,724	16.9
	Retail Properties	—	10,233	3.8	10,196	3.8
Total			251,617	93.1	251,017	92.9
Investment securities (Note 7)			174	0.1	176	0.1
Deposits and other assets			16,976	6.3	17,363	6.4
Total assets			270,279	100.0	270,060	100.0

(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 and real estate, book value less depreciation) and truncated to the nearest million yen.

(Note 2) Percentage to total assets represents the percentage of the amount of respective asset recorded on the balance sheet to total assets. Figures are rounded to the first decimal place and may not add up to subtotals or total.

(Note 3) Real estate in trust excludes construction in progress in trust.

(Note 4) The "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 5) The "Three major metropolitan areas" refers to the Tokyo economic area, the Osaka economic area and the Nagoya economic area. The "Tokyo economic area" refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture. The "Osaka economic area" refers to Osaka prefecture, Kyoto prefecture and Hyogo prefecture. The Nagoya economic area refers to Aichi prefecture, Gifu prefecture and Mie prefecture.

(Note 6) "Certain ordinance-designated and other cities" refers to Japanese cities that have been designated as ordinance-designated cities by an 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 to prefectural capitals that are located outside of the three major metropolitan areas.

(Note 7) Investment securities is represents the equity interest in silent partnerships of Godo Kaisha NRT Growth 14, Godo Kaisha NRT Growth 15 and Godo Kaisha NRT Growth 16 as operators.

## B. Investment Assets

### I. Major investment securities

(as of June 30, 2020)

Type	Name	Quantity (Unit)	Book value (Yen in millions) (Note 1)	Fair value (Yen in millions) (Note 1) (Note 2)	Percentage to total asset (%) (Note 3)	Note
Equity interest in a silent partnership	Godo Kaisha NRT Growth 14 Equity interest in silent partnership	—	50	50	0.0	(Note 4)
Equity interest in a silent partnership	Godo Kaisha NRT Growth 15 subordinated Equity interest in silent partnership	—	52	52	0.0	(Note 5)
Equity interest in a silent partnership	Godo Kaisha NRT Growth 16 subordinated Equity interest in silent partnership	—	73	73	0.0	(Note 6)
Total		—	176	176	0.1	

(Note 1) Book value and Fair value are truncated to the nearest million yen.

(Note 2) Book value is used as the fair value equivalent.

(Note 3) Percentage to total asset represents the percentage of the amount of respective assets recorded on the balance sheet and rounded to the first decimal place.

(Note 4) The asset under management is trust beneficiary interests in real estate of TENSIO OFFICE SHINBASHI 5 and tanosio shin-yokohama.

(Note 5) The asset under management is trust beneficiary interests in real estate of Tsukiji Front, Hatchobori River Gate, DeLCCS KASAI, Serenite Shin-Osaka and Mullion Josai.

(Note 6) The asset under management is trust beneficiary interests in real estate of REID-C Gotenyama, REID-C Iidabashi, Sylphide Higashi-shinagawa, Royal Bloom, Ever Square Doshin, Zeku Benten, Canis Court Kamishinjo and Imperial Otori.

### II. Investment Properties

Collectively indicated in "III. Other Major Investment Assets" hereinafter described.

### III. Other Major Investment Assets

#### (i) Summary of real estate in trust

The summary of real estate and real estate in trust held by NIPPON REIT as of June 30, 2020 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku ward, Tokyo	1,945.68	2,260	0.9
A-2	Nihombashi Playa Building	Office property	Chuo ward, Tokyo	2,490.08	2,130	0.9
A-3	FORECAST Yotsuya	Office property	Shinjuku ward, Tokyo	1,678.15	1,430	0.6
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku ward, Tokyo	4,337.15	6,500	2.6
A-5	FORECAST Ichigaya (Note 4)	Office property	Shinjuku ward, Tokyo	3,844.66	4,800	1.9
A-6	FORECAST Mita	Office property	Minato ward, Tokyo	1,786.18	1,800	0.7
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku ward, Tokyo	13,875.04	13,990	5.6
A-8	FORECAST Sakurabashi	Office property	Chuo ward, Tokyo	6,566.76	5,760	2.3
A-9	GreenOak Kayabacho	Office property	Chuo ward, Tokyo	2,995.35	2,860	1.1
A-10	GreenOak Kudan	Office property	Chiyoda ward, Tokyo	2,594.46	2,780	1.1
A-11	GreenOak Takanawadai	Office property	Minato ward, Tokyo	2,621.74	2,260	0.9
A-13	Higashi Ikebukuro Center Building	Office property	Toshima ward, Tokyo	4,219.65	2,520	1.0
A-14	Central Daikanyama	Office property	Shibuya ward, Tokyo	1,898.83	3,510	1.4
A-16	Hiroo Reeplex B's	Office property	Minato ward, Tokyo	1,500.85	2,827	1.1
A-17	Shibakoen Sanchome Building	Office property	Minato ward, Tokyo	7,882.60	7,396	3.0
A-19	Kudankita 325 Building	Office property	Chiyoda ward, Tokyo	2,003.60	1,850	0.7
A-20	FORECAST Uchikanda	Office property	Chiyoda ward, Tokyo	1,230.44	1,240	0.5
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda ward, Tokyo	3,447.16	2,810	1.1
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda ward, Tokyo	3,056.56	2,640	1.1
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda ward, Tokyo	3,064.20	2,100	0.8
A-24	Pigeon Building	Office property	Chuo ward, Tokyo	3,022.25	2,837	1.1
A-25	FORECAST Ningyocho	Office property	Chuo ward, Tokyo	2,277.62	2,070	0.8
A-26	FORECAST Ningyocho PLACE	Office property	Chuo ward, Tokyo	1,867.95	1,650	0.7
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo ward, Tokyo	1,813.21	2,030	0.8
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku ward, Tokyo	2,479.80	2,207	0.9
A-29	Iidabashi Reeplex B's	Office property	Shinjuku ward, Tokyo	1,401.68	1,249	0.5
A-30	FORECAST Shinagawa	Office property	Shinagawa ward, Tokyo	2,276.36	2,300	0.9
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa ward, Tokyo	2,999.68	2,210	0.9
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa ward, Tokyo	2,939.16	2,033	0.8
A-33	FORECAST Takadanobaba	Office property	Toshima ward, Tokyo	5,661.49	5,550	2.2



Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-34	Mejiro NT Building	Office property	Toshima ward, Tokyo	4,497.27	3,094	1.2
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima ward, Tokyo	1,645.17	979	0.4
A-36	Mitsui Woody Building	Office property	Koto ward, Tokyo	4,006.20	2,475	1.0
A-37	Itabashi Honcho Building	Office property	Itabashi ward, Tokyo	6,356.89	3,146	1.3
A-38	ANTEX24 Building	Office property	Taito ward, Tokyo	2,267.59	1,691	0.7
A-39	Itohpia Kiyosubashidori Building	Office property	Taito ward, Tokyo	2,651.27	1,550	0.6
A-40	East Side Building	Office property	Taito ward, Tokyo	2,096.92	1,372	0.6
A-41	I・S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	0.9
A-42	Sunworld Building	Office property	Osaka, Osaka	3,012.86	1,200	0.5
A-43	Marunouchi Sancho Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.7
A-44	MK Kojimachi Building	Office property	Chiyoda ward, Tokyo	1,761.60	1,781	0.7
A-45	Toranomon Sakura Building	Office property	Minato ward, Tokyo	3,049.79	4,120	1.7
A-46	La Verite AKASAKA	Office property	Minato ward, Tokyo	1,707.18	2,000	0.8
A-47	Kanda Ocean Building	Office property	Chiyoda ward, Tokyo	1,484.74	1,440	0.6
A-48	Shinto GINZA EAST	Office property	Chuo ward, Tokyo	1,206.28	1,352	0.5
A-49	FORECAST Kayabacho	Office property	Chuo ward, Tokyo	3,882.61	3,000	1.2
A-50	FORECAST Waseda FIRST	Office property	Shinjuku ward, Tokyo	4,340.66	4,775	1.9
A-51	FORECAST Gotanda WEST	Office property	Shinagawa ward, Tokyo	8,981.55	6,520	2.6
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	6.3
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,106.77	2,850	1.1
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,870.93	2,840	1.1
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,280.75	2,520	1.0
A-56	Homat Horizon Building	Office property	Chiyoda ward, Tokyo	6,077.01	6,705	2.7
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	3,633.16	1,390	0.6
A-58	Towa Kandanishikicho Building	Office property	Chiyoda ward, Tokyo	1,324.07	960	0.4
A-59	Yusen Higashi-Nihombashi Ekimae Building	Office property	Chuo ward, Tokyo	1,620.54	1,152	0.5
A-60	Hiroo On Building	Office property	Shibuya ward, Tokyo	2,248.59	2,392	1.0
A-61	TK Gotanda Building	Office property	Shinagawa ward, Tokyo	3,716.38	4,130	1.7
A-62	Gotanda Sakura Building (Note 5)	Office property	Shinagawa ward, Tokyo	1,501.86	1,460	0.6
A-63	Esprit Kameido	Office property	Koto ward, Tokyo	2,010.81	1,265	0.5
A-64	Alte Building Higobashi	Office property	Osaka, Osaka	3,482.92	1,453	0.6
A-65	DIA Building Meieki	Office property	Nagoya, Aichi	1,781.72	1,167	0.5

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-66	TENSHO OCHANOMIZU BUILDING	Office property	Chiyoda ward, Tokyo	1,252.89	1,800	0.7
A-67	FORECAST Kameido	Office property	Koto ward, Tokyo	3,091.52	2,580	1.0
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa ward, Tokyo	16,913.29	11,880	4.8
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.6
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.4
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.3
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.3
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.3
B-8	Kanda Reeplex R's	Residential property	Chiyoda ward, Tokyo	2,180.93	1,813	0.7
B-9	Splendid Namba	Residential property	Osaka, Osaka	6,212.36	3,502	1.4
B-10	Residence Hiroo	Residential property	Minato ward, Tokyo	1,983.15	2,590	1.0
B-11	Residence Nihombashi Hakozaki	Residential property	Chuo ward, Tokyo	1,449.00	1,300	0.5
B-12	Primegate Iidabashi (Note6)	Residential property	Shinjuku ward, Tokyo	6,042.29	5,200	2.1
B-13	Residence Edogawabashi	Residential property	Shinjuku ward, Tokyo	1,246.42	1,230	0.5
B-14	Merveille Sensoku	Residential property	Ota ward, Tokyo	838.54	740	0.3
B-15	Field Avenue (Note7)	Residential property	Ota ward, Tokyo	3,092.63	3,110	1.2
B-16	Domeal Kitaakabane	Residential property	Kita ward, Tokyo	1,697.11	785	0.3
B-17	Dormy Kitaakabane	Residential property	Kita ward, Tokyo	2,471.42	986	0.4
B-18	Splendid Shin-OsakaⅢ	Residential property	Osaka, Osaka	4,299.12	2,428	1.0
B-19	ZEPHYROS Minami-horie	Residential property	Osaka, Osaka	2,826.73	1,608	0.6
B-20	Charmant Fuji Osakajominami	Residential property	Osaka, Osaka	1,512.00	905	0.4
B-21	Piacere Fuminosato	Residential property	Osaka, Osaka	1,374.08	571	0.2
B-22	Wald Park Minamioi	Residential property	Shinagawa Ward, Tokyo	750.12	715	0.3
B-23	LAPUTA KUJO	Residential property	Osaka, Osaka	3,359.38	1,480	0.6
B-24	Imazaki Mansion N1	Residential property	Higashiosaka, Osaka	2,643.10	1,180	0.5
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku ward, Tokyo	1,383.31	3,350	1.3
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	0.8
C-3	BECOME SAKAE	Retail property	Nagoya, Aichi	4,615.66	4,770	1.9
	Total			310,770.64	249,243	100.0

(Note 1) "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 hereinafter.

(Note 2) "Acquisition price" does not include consumption taxes, local consumption taxes and acquisition-related expenses. Figures have been truncated to the nearest million yen. The same shall apply hereinafter

(Note 3) "Investment ratio" is the percentage of the acquisition price of the relevant property to total acquisition price. Figures have been rounded to the first decimal place and may not add up to total.

(Note 4) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named

"FORECAST Ichigaya". The same shall apply hereinafter.

- (Note 5) The property of A-62 is held as real estate in kind besides all other properties are real estate beneficiary interests in trust. (Note 6)  
Part of the building (1F to 4F) is named "S&S Building" as an office/retail store. However, "Primegate Iidabashi" includes the office area thereof. The same applies hereinafter.
- (Note 7) 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.

## (ii) Summary of the leasing status

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-1	FORECAST Nishishinjuku	1,945.68	1,907.05	98.0	16	160
A-2	Nihombashi Playa Building	2,490.08	2,490.08	100.0	2	165
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	105
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	6	381
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	285
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	114
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,875.04	100.0	18	1,133
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	5	392
A-9	GreenOak Kayabacho	2,995.35	2,995.35	100.0	8	190
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	3	188
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	166
A-13	Higashi Ikebukuro Center Building	4,219.65	4,219.65	100.0	6	223
A-14	Central Daikanyama	1,898.83	1,898.83	100.0	3	163
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	151
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	427
A-19	Kudankita 325 Building	2,003.60	2,003.60	100.0	8	115
A-20	FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	70
A-21	Itohpia Iwamotocho 2-chome Building	3,447.16	3,447.16	100.0	10	185
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	163
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	157
A-24	Pigeon Building	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	FORECAST Ningyocho	2,277.62	2,277.62	100.0	6	114
A-26	FORECAST Ningyocho PLACE	1,867.95	1,867.95	100.0	7	110
A-27	FORECAST Shin-Tokiwabashi	1,813.21	1,813.21	100.0	9	110
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	147
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	72
A-30	FORECAST Shinagawa	2,276.36	2,276.36	100.0	6	126
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	150
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	7	136
A-33	FORECAST Takadanobaba	5,661.49	5,661.49	100.0	7	330
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	208
A-35	Toshin Higashi-Ikebukuro Building	1,645.17	1,393.47	84.7	2	63
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	163
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	6	100
A-39	Itohpia Kiyosubashidori Building	2,651.27	2,651.27	100.0	8	122

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-40	East Side Building	2,096.92	2,096.92	100.0	4	93
A-41	I・S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	170
A-42	Sunworld Building	3,012.86	3,012.86	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sancho Building	4,219.19	3,996.52	94.7	23	131
A-44	MK Kojimachi Building	1,761.60	1,308.70	74.3	8	77
A-45	Toranomon Sakura Building	3,049.79	3,049.79	100.0	12	229
A-46	La Verite AKASAKA	1,707.18	1,707.18	100.0	7	116
A-47	Kanda Ocean Building	1,484.74	1,484.74	100.0	24	94
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	73
A-49	FORECAST Kayabacho	3,882.61	3,882.61	100.0	16	180
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	249
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	494
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	27	999
A-53	SumitomoMitsui Bank Koraibashi Building	5,106.77	5,106.77	100.0	27	213
A-54	NORE Fushimi	3,870.93	3,611.70	93.3	9	202
A-55	NORE Meieki	4,280.75	4,054.08	94.7	19	192
A-56	Homat Horizon Building	6,077.01	6,077.01	100.0	10	391
A-57	Sannomiya First Building	3,633.16	3,633.16	100.0	24	114
A-58	Towa Kandanishikicho Building	1,324.07	1,324.07	100.0	5	66
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,620.54	1,620.54	100.0	8	69
A-60	Hiroo On Building	2,248.59	2,248.59	100.0	3	129
A-61	TK Gotanda Building	3,716.38	3,716.38	100.0	8	200
A-62	Gotanda Sakura Building	1,501.86	1,501.86	100.0	9	96
A-63	Esprit Kameido	2,010.81	2,010.81	100.0	11	79
A-64	Alte Building Higobashi	3,482.92	3,482.92	100.0	11	115
A-65	DIA Building Meieki	1,781.72	1,781.72	100.0	10	80
A-66	TENSHO OCHANOMIZU BUILDING	1,252.89	1,252.89	100.0	1	Not disclosed (Note 6)
A-67	FORECAST Kameido	3,091.52	3,091.52	100.0	5	160
B-1	Tower Court Kitashinagawa	16,913.29	16,451.98	97.3	272	771
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-4	my atria Sakae	3,121.60	3,121.60	100.0	1	72
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	52
B-6	Seam Dwell Tsutsui	1,800.00	1,800.00	100.0	1	45
B-7	Ciel Yakuin	1,544.87	1,500.96	97.2	41	42
B-8	Kanda Reeplex R's	2,180.93	2,180.93	100.0	41	106
B-9	Splendid Namba	6,212.36	5,955.68	95.9	240	221
B-10	Residence Hiroo	1,983.15	1,890.30	95.3	51	117
B-11	Residence Nihombashi Hakozaiki	1,449.00	1,449.00	100.0	1	Not disclosed (Note 6)

Property Number	Property name	Total leasable area (m <sup>2</sup> )	Total leased area (m <sup>2</sup> ) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
B-12	Primegate Iidabashi	6,042.29	5,745.19	95.1	64	245
B-13	Residence Edogawabashi	1,246.42	1,158.54	92.9	34	56
B-14	Merveille Senzoku	838.54	777.67	92.7	26	35
B-15	Field Avenue	3,092.63	2,982.43	96.4	53	135
B-16	Domeal Kitaakabane	1,697.11	1,697.11	100.0	1	Not disclosed (Note 6)
B-17	Dormy Kitaakabane	2,471.42	2,471.42	100.0	1	Not disclosed (Note 6)
B-18	Splendid Shin-OsakaⅢ	4,299.12	4,211.69	98.0	151	145
B-19	ZEPHYROS Minami-horie	2,826.73	2,763.85	97.8	70	93
B-20	Charmant Fuji Osakajominami	1,512.00	1,440.00	95.2	60	47
B-21	Piacere Fuminosato	1,374.08	1,319.60	96.0	42	33
B-22	Wald Park Minamioi	750.12	725.40	96.7	28	33
B-23	LAPUTA KUJO	3,359.38	3,258.18	97.0	60	83
B-24	Imazaki Mansion N1	2,643.10	2,607.08	98.6	134	78
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	9	164
C-2	Komyoike Act	6,173.41	5,983.73	96.9	26	177
C-3	BECOME SAKAE	4,615.66	3,859.16	83.6	9	192
	Total	310,770.64	306,523.13	98.6	2,008	15,691

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements for respective properties as of June 30, 2020.

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, 2020.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2020, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of June 30, 2020, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sub-lessee who is entrusted as property manager and pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of June 30, 2020. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of June 30, 2020. Figures have been truncated to the nearest million yen and may not add up to total.

(Note 5) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(Note 6) This information is not disclosed as sub-lessee's consent to disclosure has not been obtained.

## (iii) Summary on Appraisal Report (As of June 30, 2020)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,119	3,160	3,210	3.8%	3,110	3.4%	4.0%
A-2	Nihombashi Playa Building	2,130	1,994	2,520	2,560	4.3%	2,470	4.1%	4.5%
A-3	FORECAST Yotsuya	1,430	1,363	1,970	2,000	3.8%	1,940	3.6%	4.0%
A-4	FORECAST Shinjuku AVENUE	6,500	6,185	8,110	8,240	3.4%	7,980	3.2%	3.6%
A-5	FORECAST Ichigaya	4,800	4,466	6,400	6,510	3.5%	6,280	3.3%	3.7%
A-6	FORECAST Mita	1,800	1,725	2,380	2,420	3.7%	2,340	3.5%	3.9%
A-7	FORECAST Shinjuku SOUTH	13,990	14,746	18,100	18,200	3.5%	17,900	3.2%	3.7%
A-8	FORECAST Sakurabashi	5,760	6,008	6,800	6,870	4.0%	6,720	3.8%	4.2%
A-9	GreenOak Kayabacho	2,860	2,989	3,580	3,630	3.8%	3,520	3.6%	4.0%
A-10	GreenOak Kudan	2,780	2,915	3,530	3,580	3.6%	3,480	3.4%	3.8%
A-11	GreenOak Takanawadai	2,260	2,171	2,970	3,000	4.0%	2,930	3.8%	4.2%
A-13	Higashi Ikebukuro Center Building	2,520	2,662	3,010	3,020	4.5%	2,990	4.3%	4.7%
A-14	Central Daikanyama	3,510	3,667	3,810	3,880	3.5%	3,730	3.3%	3.7%
A-16	Hiroo Reeplex B's	2,827	2,859	3,410	3,470	3.8%	3,350	3.6%	4.0%
A-17	Shibakoen Sanchome Building	7,396	7,381	10,200	10,500	3.6%	10,000	3.4%	3.8%
A-19	Kudankita 325 Building	1,850	1,981	2,220	2,250	3.6%	2,180	3.4%	3.8%
A-20	FORECAST Uchikanda	1,240	1,280	1,350	1,370	3.8%	1,330	3.6%	4.0%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,898	3,290	3,320	4.0%	3,250	3.8%	4.2%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,775	2,950	2,980	4.0%	2,920	3.8%	4.2%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,241	2,580	2,610	4.0%	2,550	3.8%	4.2%
A-24	Pigeon Building	2,837	2,935	3,040	3,080	4.1%	3,000	3.9%	4.3%
A-25	FORECAST Ningyocho	2,070	2,124	2,190	2,220	4.0%	2,150	3.8%	4.2%
A-26	FORECAST Ningyocho PLACE	1,650	1,647	2,080	2,110	3.9%	2,050	3.7%	4.1%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,114	2,310	2,340	4.0%	2,270	3.8%	4.2%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,233	2,650	2,680	4.0%	2,610	3.8%	4.2%
A-29	Iidabashi Reeplex B's	1,249	1,289	1,530	1,560	3.6%	1,500	3.4%	3.8%
A-30	FORECAST Shinagawa	2,300	2,379	2,450	2,490	3.9%	2,410	3.7%	4.1%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,274	2,660	2,680	3.9%	2,630	3.7%	4.1%
A-32	Towa Higashi-Gotanda Building	2,033	2,106	2,430	2,460	3.9%	2,400	3.7%	4.1%
A-33	FORECAST Takadanobaba	5,550	5,887	6,440	6,530	4.2%	6,340	4.0%	4.4%
A-34	Mejiro NT Building	3,094	3,078	3,660	3,700	4.4%	3,610	4.2%	4.6%
A-35	Toshin Higashi-Ikebukuro Building	979	991	1,140	1,150	4.5%	1,130	4.3%	4.7%
A-36	Mitsui Woody Building	2,475	2,664	2,700	2,730	4.4%	2,660	4.2%	4.6%
A-37	Itabashi Honcho Building	3,146	3,075	3,600	3,640	4.5%	3,560	4.2%	4.7%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-38	ANTEX24 Building	1,691	1,771	1,930	1,950	4.2%	1,900	4.0%	4.4%
A-39	Itohpia Kiyosubashidori Building	1,550	1,705	2,020	2,040	4.3%	1,990	4.1%	4.6%
A-40	East Side Building	1,372	1,377	1,640	1,660	4.4%	1,610	4.2%	4.6%
A-41	I・S Minamimorimachi Building	2,258	2,296	2,810	2,830	4.3%	2,780	4.1%	4.5%
A-42	Sunworld Building	1,200	1,271	1,300	1,310	4.5%	1,290	4.3%	4.7%
A-43	Marunouchi Sanchome Building	1,626	1,655	2,040	2,050	4.4%	2,020	4.2%	4.6%
A-44	MK Kojimachi Building	1,781	1,807	2,200	2,240	3.4%	2,150	3.2%	3.6%
A-45	Toranomon Sakura Building	4,120	4,286	4,880	4,910	3.3%	4,850	3.0%	3.4%
A-46	La Verite AKASAKA	2,000	2,138	2,440	2,480	3.5%	2,390	3.3%	3.7%
A-47	Kanda Ocean Building	1,440	1,459	1,770	1,800	3.8%	1,740	3.6%	4.0%
A-48	Shinto GINZA EAST	1,352	1,349	1,450	1,470	3.7%	1,420	3.5%	3.9%
A-49	FORECAST Kayabacho	3,000	3,106	3,320	3,320	4.1%	3,310	3.8%	4.2%
A-50	FORECAST Waseda FIRST	4,775	4,796	5,000	5,080	3.8%	4,910	3.6%	4.0%
A-51	FORECAST Gotanda WEST	6,520	7,605	8,240	8,280	3.9%	8,200	3.7%	4.1%
A-52	Omiya Center Building	15,585	15,493	20,900	21,200	4.1%	20,500	3.9%	4.3%
A-53	Sumitomo Mitsui BankKoraibashi Building	2,850	2,992	3,450	3,470	4.2%	3,430	4.0%	4.4%
A-54	NORE Fushimi	2,840	2,703	4,080	4,130	4.2%	4,030	4.0%	4.4%
A-55	NORE Meieki	2,520	2,407	3,740	3,790	4.3%	3,680	4.1%	4.5%
A-56	Homat Horizon Building	6,705	6,660	7,620	7,760	3.5%	7,470	3.3%	3.7%
A-57	Sannomiya First Building	1,390	1,456	1,600	1,610	4.9%	1,590	4.7%	5.1%
A-58	Towa Kandanishikicho Building	960	972	1,040	1,050	4.3%	1,030	3.4%	4.3%
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,218	1,250	1,250	4.2%	1,240	3.9%	4.3%
A-60	Hiroo On Building	2,392	2,416	2,710	2,750	3.9%	2,660	3.7%	4.1%
A-61	TK Gotanda Building	4,130	4,422	4,500	4,540	3.8%	4,460	3.5%	3.9%
A-62	Gotanda Sakura Building	1,460	1,502	1,690	1,720	4.1%	1,650	3.6%	4.2%
A-63	Esprit Kameido	1,265	1,281	1,320	1,330	4.5%	1,300	4.3%	4.7%
A-64	Alte Building Higobashi	1,453	1,474	1,780	1,800	4.3%	1,760	4.1%	4.5%
A-65	DIA Building Meieki	1,167	1,189	1,290	1,300	4.4%	1,270	4.2%	4.6%
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,867	1,900	1,930	3.5%	1,860	3.3%	3.7%
A-67	FORECAST Kameido	2,580	2,672	2,880	2,900	4.2%	2,850	4.0%	4.4%
B-1	Tower Court Kitashinagawa	11,880	10,732	14,900	15,100	4.0%	14,700	3.8%	4.2%
B-2	Sky Hills N11	1,570	1,638	1,830	1,840	5.1%	1,820	4.9%	5.3%
B-4	my atria Sakae	1,110	1,008	1,290	1,300	4.6%	1,270	4.4%	4.8%
B-5	Mac Village Heian	785	723	947	958	4.7%	936	4.5%	4.9%
B-6	Seam Dwell Tsutsui	695	670	785	794	4.6%	776	4.4%	4.8%



Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
B-7	Ciel Yakuin	640	614	754	764	4.4%	743	4.2%	4.6%
B-8	Kanda Reeplex R's	1,813	1,736	2,070	2,090	3.9%	2,040	3.6%	4.1%
B-9	Splendid Namba	3,502	3,290	3,980	4,040	4.4%	3,910	4.2%	4.6%
B-10	Residence Hiroo	2,590	2,616	2,790	2,860	3.7%	2,760	3.5%	3.9%
B-11	Residence Nihombashi Hakozaki	1,300	1,429	1,590	1,610	4.2%	1,570	3.7%	4.1%
B-12	Primegate Iidabashi	5,200	5,230	5,380	5,400	3.8%	5,350	3.5%	3.9%
B-13	Residence Edogawabashi	1,230	1,243	1,260	1,280	4.1%	1,230	3.9%	4.3%
B-14	Merveille Senzoku	740	750	753	766	4.0%	739	3.8%	4.2%
B-15	Field Avenue	3,110	3,127	3,150	3,160	3.9%	3,130	3.6%	4.0%
B-16	Domeal Kitaakabane	785	797	792	803	4.3%	781	4.1%	4.5%
B-17	Dormy Kitaakabane	986	996	998	1,010	4.4%	985	4.2%	4.6%
B-18	Splendid Shin-OsakaⅢ	2,428	2,400	2,580	2,620	4.4%	2,560	4.2%	4.6%
B-19	ZEPHYROS Ninami-horie	1,608	1,624	1,750	1,770	4.2%	1,740	4.0%	4.4%
B-20	Charmant Fuji Osakajominami	905	914	911	926	4.3%	904	4.1%	4.5%
B-21	Piacere Fuminosato	571	574	581	590	4.6%	577	4.4%	4.8%
B-22	Wald Park Minamioi	715	753	735	749	3.9%	720	3.7%	4.1%
B-23	LAPUTA KUJO	1,480	1,596	1,501	1,526	4.3%	1,475	4.1%	4.5%
B-24	Imazaki Mansion N1	1,180	1,253	1,210	1,220	4.6%	1,200	4.4%	4.8%
C-1	Otakibashi Pacifica Building	3,350	3,397	3,560	3,630	3.7%	3,490	3.5%	3.9%
C-2	Komyoike Act	2,063	2,034	2,160	2,190	4.9%	2,120	4.7%	5.1%
C-3	BECOME SAKAE	4,770	4,763	4,840	4,920	4.0%	4,760	3.8%	4.2%
	Total	249,243	252,520	297,107	300,856		292,916		

(Note 1) Figures in the above table are truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheets as of June 30, 2020 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2020.

As for the appraisal reports, NIPPON REIT requests real estate appraisal to DAIWA REAL ESTATE APPRAISAL CO.,LTD. for A-17, B-10, B-18, B-19, B-20 and B-21,also to JLL Morii Valuation & Advisory K.K. for A-51, A-64, A-65, B-9, B-13 and B-14, also to Japan Valuers Co., Ltd. for B-22, B-23 and B-24 and to Japan Real Estate Institute for rest of all properties.

## (iv) Earnings Performance for the Individual Properties

The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)

(Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	89,090	85,512	54,759	208,074	157,530	64,040
Rental revenues	81,948	83,222	51,657	193,865	144,697	57,471
Other revenues related to property leasing	7,142	2,289	3,101	14,209	12,832	6,568
(2)Property related expenses	14,620	14,200	12,859	38,996	28,110	12,392
Property management fees	3,357	4,939	2,428	10,079	8,294	2,890
Utility expenses	4,981	3,152	2,247	9,136	7,558	3,397
Insurance expenses	58	62	42	123	117	44
Repair expenses	99	245	2,277	1,173	862	640
Taxes and dues	2,329	5,429	4,906	18,127	9,858	5,045
Trust fees	350	350	350	350	350	350
Others	3,444	21	607	6	1,068	26
(3)NOI (1)-(2)	74,470	71,311	41,899	169,077	129,419	51,647
(4)Depreciation	12,367	11,977	5,485	27,121	33,291	7,090
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	62,102	59,334	36,414	141,956	96,127	44,556

(Yen in thousands)

Property number	A-7	A-8	A-9	A-10	A-11	A-13
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	Higashi Ikebukuro Center Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	611,404	214,221	103,375	103,285	89,761	122,325
Rental revenues	574,528	200,132	89,835	96,077	83,455	116,826
Other revenues related to property leasing	36,876	14,089	13,539	7,207	6,305	5,498
(2)Property related expenses	204,505	38,422	23,689	21,041	20,083	25,958
Property management fees	35,366	13,806	6,034	5,486	3,695	8,373
Utility expenses	21,388	9,533	7,237	5,609	5,107	6,500
Insurance expenses	454	187	90	81	75	137
Repair expenses	1,551	2,663	1,500	574	1,651	1,449
Taxes and dues	15,701	10,316	8,220	8,937	7,593	8,634
Trust fees	350	350	350	350	350	350
Others	129,692	1,565	255	3	1,611	512
(3)NOI (1)-(2)	406,899	175,798	79,685	82,243	69,677	96,367
(4)Depreciation	42,651	13,720	8,471	6,679	15,014	13,622
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	364,248	162,078	71,214	75,564	54,662	82,744

(Yen in thousands)

Property number	A-14	A-16	A-17	A-19	A-20	A-21
Property name	Central Daikanyama	Hiroo Reeplex B's	Shibakoen Sanchome Building	Kudankita 325 Building	FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	90,673	84,521	228,372	63,722	41,126	103,480
Rental revenues	81,609	75,776	214,176	57,243	38,607	98,042
Other revenues related to property leasing	9,063	8,745	14,195	6,478	2,519	5,438
(2)Property related expenses	17,907	12,387	44,197	15,541	9,302	24,767
Property management fees	3,220	3,048	8,929	5,108	2,642	7,283
Utility expenses	3,838	3,069	11,466	2,794	2,388	6,636
Insurance expenses	50	41	181	49	46	102
Repair expenses	3,968	461	4,914	161	491	1,421
Taxes and dues	6,480	5,316	17,608	6,957	3,373	8,290
Trust fees	350	350	350	350	350	350
Others	-	101	747	119	10	681
(3)NOI (1)-(2)	72,766	72,134	184,175	48,180	31,824	78,713
(4)Depreciation	4,332	3,381	15,428	4,228	3,663	9,023
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	68,433	68,752	168,747	43,951	28,161	69,690

(Yen in thousands)

Property number	A-22	A-23	A-24	A-25	A-26	A-27
Property name	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Pigeon Building	FORECAST Ningyocho	FORECAST Ningyocho PLACE	FORECAST Shin-Tokiwabashi
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	88,495	83,062	Not disclosed (Note)	64,801	62,459	61,619
Rental revenues	85,327	80,356		59,561	56,138	54,720
Other revenues related to property leasing	3,167	2,705		5,240	6,321	6,898
(2)Property related expenses	18,042	15,814		15,335	12,840	11,170
Property management fees	6,836	6,107		4,242	3,415	2,637
Utility expenses	3,606	3,717		3,323	4,335	3,262
Insurance expenses	91	80		76	50	49
Repair expenses	720	152		878	553	282
Taxes and dues	6,060	5,402		6,343	4,026	3,636
Trust fees	350	350		350	350	350
Others	377	3		121	109	952
(3)NOI (1)-(2)	70,452	67,247	70,043	49,466	49,619	50,448
(4)Depreciation	10,636	8,952	9,831	6,075	3,841	4,007
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	59,816	58,295	60,212	43,390	45,778	46,441

(Note) This information is not disclosed as tenant's consent has not been obtained.

(Yen in thousands)

Property number	A-28	A-29	A-30	A-31	A-32	A-33
Property name	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa	Nishi-Gotanda 8-chome Building	Towa Higashi-Gotanda Building	FORECAST Takadanobaba
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	79,888	44,135	73,589	86,316	77,077	149,835
Rental revenues	75,288	36,273	66,754	77,037	72,275	138,863
Other revenues related to property leasing	4,599	7,861	6,834	9,279	4,802	10,971
(2)Property related expenses	15,463	11,165	16,250	19,606	15,769	44,649
Property management fees	4,083	2,569	5,027	6,353	5,465	8,800
Utility expenses	4,053	4,522	4,141	4,961	3,023	8,513
Insurance expenses	71	37	78	87	91	171
Repair expenses	270	827	482	202	546	4,088
Taxes and dues	6,567	2,855	6,171	7,651	6,268	12,387
Trust fees	350	350	350	350	350	350
Others	68	2	-	-	24	10,338
(3)NOI (1)-(2)	64,424	32,970	57,338	66,710	61,307	105,185
(4)Depreciation	4,673	4,156	7,177	5,194	10,735	19,465
(5) Loss on retirement of non-current assets	-	-	-	-	148	-
(6)Income from property leasing (3)-(4)-(5)	59,751	28,814	50,161	61,515	50,424	85,720

(Yen in thousands)

Property number	A-34	A-35	A-36	A-37	A-38	A-39
Property name	Mejiro NT Building	Toshin Higashi kebukuro Building	Mitsui Woody Building	Itabashi Honcho Building	ANTEX24 Building	Itohpia Kiyosubashi dori Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	120,917	44,514	96,544	144,951	59,018	68,534
Rental revenues	110,185	35,551	88,981	117,113	53,451	64,131
Other revenues related to property leasing	10,731	8,963	7,563	27,838	5,566	4,403
(2)Property related expenses	24,011	9,207	23,057	45,146	12,672	17,312
Property management fees	7,982	3,175	7,933	19,260	3,724	5,250
Utility expenses	5,940	2,259	5,587	11,547	3,399	4,120
Insurance expenses	131	46	123	158	65	71
Repair expenses	810	282	634	1,719	971	220
Taxes and dues	8,270	2,505	8,227	8,610	4,052	5,066
Trust fees	350	350	350	350	350	350
Others	527	588	200	3,499	109	2,233
(3)NOI (1)-(2)	96,906	35,307	73,487	99,805	46,345	51,222
(4)Depreciation	11,455	4,026	12,100	15,316	8,777	8,665
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	85,451	31,280	61,386	84,488	37,568	42,556

(Yen in thousands)

Property number	A-40	A-41	A-42	A-43	A-44	A-45
Property name	East Side Building	I-S Minamimori machi Building	Sunworld Building	Marunouchi Sanchoime Building	MK Kojimachi Building	Toranomon Sakura Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	51,249	94,185	Not disclosed (Note)	73,745	101,048	113,690
Rental revenues	46,800	86,544		69,414	51,550	109,438
Other revenues related to property leasing	4,449	7,640		4,330	49,497	4,251
(2)Property related expenses	9,401	23,854		24,852	15,590	33,249
Property management fees	3,544	5,821		7,717	3,460	7,923
Utility expenses	2,675	6,054		4,856	2,304	5,251
Insurance expenses	52	142		118	44	80
Repair expenses	370	1,040		2,193	3,155	962
Taxes and dues	2,262	9,549		6,472	6,112	9,849
Trust fees	350	350		350	350	350
Others	147	896		3,145	163	8,831
(3)NOI (1)-(2)	41,848	70,330	32,729	48,892	85,457	80,441
(4)Depreciation	3,317	14,486	6,697	12,977	2,677	7,692
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	38,531	55,844	26,032	35,914	82,780	72,749

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	A-46	A-47	A-48	A-49	A-50	A-51
Property name	La Verite AKASAKA	Kanda Ocean Building	Shinto GINZA EAST	FORECAST kayabacho	FORECAST Waseda FIRST	FORECAST Gotanda WEST
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	61,438	49,384	38,673	102,839	140,085	253,705
Rental revenues	58,669	44,991	36,825	91,442	128,147	237,761
Other revenues related to property leasing	2,768	4,393	1,847	11,397	11,938	15,944
(2)Property related expenses	11,442	11,515	7,118	25,104	34,223	63,434
Property management fees	3,522	2,437	2,186	6,651	8,000	16,635
Utility expenses	2,398	3,674	1,522	6,490	9,294	14,290
Insurance expenses	45	44	29	104	127	295
Repair expenses	298	1,130	146	1,179	4,503	1,436
Taxes and dues	4,828	3,452	2,880	7,841	11,375	28,264
Trust fees	350	350	350	350	350	350
Others	-	426	3	2,488	572	2,161
(3)NOI (1)-(2)	49,995	37,869	31,554	77,735	105,862	190,271
(4)Depreciation	3,806	3,385	2,830	10,717	11,392	43,888
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	46,188	34,483	28,724	67,017	94,470	146,382

(Yen in thousands)

Property number	A-52	A-53	A-54	A-55	A-56	A-57
Property name	Omiya Center Building	Sumitomo Mitsui Bank Koraihashi Building	NORE Fushimi	NORE Meieki	Homat Horizon Building	Sannomiya First Building
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	542,368	132,800	98,017	104,821	205,072	70,889
Rental revenues	512,482	109,326	88,270	93,223	198,328	61,488
Other revenues related to property leasing	29,886	23,473	9,746	11,597	6,743	9,400
(2)Property related expenses	92,289	46,342	27,853	27,483	58,390	20,139
Property management fees	35,546	10,557	7,573	7,576	12,653	8,272
Utility expenses	23,875	16,014	6,706	8,153	8,618	6,176
Insurance expenses	504	157	99	109	178	100
Repair expenses	3,327	1,929	1,245	603	11,908	534
Taxes and dues	26,934	17,070	7,650	9,832	24,673	4,706
Trust fees	350	350	350	350	350	350
Others	1,750	261	4,227	857	9	-
(3)NOI (1)-(2)	450,078	86,457	70,163	77,337	146,681	50,749
(4)Depreciation	60,247	17,996	19,329	17,629	13,887	10,048
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	389,830	68,461	50,834	59,708	132,794	40,701

(Yen in thousands)

Property number	A-58	A-59	A-60	A-61	A-62	A-63
Property name	Towa Kandanishik icho Building	Yusen Higashi-Nihombashi Ekimae Building	Hiroo On Building	TK Gotanda Building	Gotanda Sakura Building	Esprit Kameido
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	37,864	36,666	74,647	109,888	52,135	42,668
Rental revenues	33,072	34,824	68,202	102,544	48,282	35,589
Other revenues related to property leasing	4,792	1,842	6,444	7,344	3,853	7,079
(2)Property related expenses	15,808	9,746	16,693	22,985	12,698	12,570
Property management fees	2,342	2,552	4,701	5,506	2,250	3,291
Utility expenses	2,824	2,025	3,802	6,781	3,347	4,202
Insurance expenses	32	39	59	112	39	49
Repair expenses	1,089	420	2,097	817	△61	1,623
Taxes and dues	1,365	3,846	5,652	9,078	1,473	2,936
Trust fees	350	350	350	350	-	350
Others	7,803	512	29	339	5,650	117
(3)NOI (1)-(2)	22,056	26,919	57,953	86,903	39,437	30,098
(4)Depreciation	1,658	4,451	4,297	8,666	4,063	3,118
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	20,397	22,468	53,656	78,236	35,374	26,980

(Yen in thousands)

Property number	A-64	A-65	A-66	A-67	B-1	B-2
Property name	Alte Building Higobashi	DIA Building Meieki	TENSHO OCHANOMIZU BUILDING	FORECAST Kameido	Tower Court Kitashinagawa	Sky Hills N11
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	69,769	49,081	Not disclosed (Note)	88,351	410,573	61,128
Rental revenues	60,332	44,039		82,223	394,668	61,056
Other revenues related to property leasing	9,437	5,041		6,127	15,904	72
(2)Property related expenses	20,226	16,055		25,822	105,900	9,342
Property management fees	6,364	4,687		5,550	31,538	300
Utility expenses	5,535	4,853		6,586	3,834	-
Insurance expenses	97	67		89	408	122
Repair expenses	1,506	927		1,433	34,081	1,836
Taxes and dues	6,072	4,950		7,276	19,500	6,686
Trust fees	350	350		350	350	350
Others	300	217		4,536	16,187	46
(3)NOI (1)-(2)	49,542	33,026	34,815	62,529	304,672	51,785
(4)Depreciation	4,952	2,897	5,113	14,090	67,013	12,376
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	44,590	30,128	29,701	48,438	237,659	39,409

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-4	B-5	B-6	B-7	B-8	B-9
Property name	my atria Sakae	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Splendid Namba
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	37,979	28,227	24,008	22,797	56,975	113,862
Rental revenues	37,969	27,734	23,999	21,904	53,785	112,293
Other revenues related to property leasing	10	492	9	893	3,190	1,568
(2)Property related expenses	7,210	4,548	5,338	7,425	12,247	21,406
Property management fees	1,879	1,895	1,874	1,353	3,590	6,158
Utility expenses	383	271	-	652	8	761
Insurance expenses	58	43	32	29	51	135
Repair expenses	553	23	1,070	2,038	2,765	3,022
Taxes and dues	2,594	1,923	1,622	1,352	2,460	7,187
Trust fees	350	350	350	350	350	350
Others	1,391	41	387	1,649	3,020	3,791
(3)NOI (1)-(2)	30,769	23,679	18,669	15,372	44,728	92,455
(4)Depreciation	14,157	9,420	7,213	6,483	8,708	33,968
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	16,611	14,258	11,456	8,888	36,019	58,487

(Yen in thousands)

Property number	B-10	B-11	B-12	B-13	B-14	B-15
Property name	Residence Hiroo	Residence Nihombashi Hakozaiki	Primegate Iidabashi	Residence Edogawabashi	Merveille Senzoku	Field Avenue
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	62,915	Not disclosed (Note)	141,876	32,570	19,112	77,175
Rental revenues	59,959		134,650	29,451	18,537	69,586
Other revenues related to property leasing	2,955		7,225	3,118	575	7,588
(2)Property related expenses	11,677		36,353	5,275	4,826	15,492
Property management fees	2,387		12,543	1,477	1,215	2,749
Utility expenses	534		3,942	182	230	3,185
Insurance expenses	49		179	26	21	72
Repair expenses	2,744		5,343	888	951	3,245
Taxes and dues	2,771		9,651	1,222	1,012	3,442
Trust fees	350		350	350	350	350
Others	2,839		4,341	1,127	1,045	2,446
(3)NOI (1)-(2)	51,237	34,734	105,522	27,295	14,286	61,682
(4)Depreciation	5,096	3,998	9,133	2,760	2,184	7,223
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	46,140	30,736	96,389	24,534	12,101	54,459

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-16	B-17	B-18	B-19	B-20	B-21
Property name	Domeal Kitaakabane	Dormy Kitaakabane	Splendid Shin-Osaka III	ZEPHYROS Minami-horie	Charmant Fuji Osaka jominami	Piacere Fuminosato
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	Not disclosed (Note)	Not disclosed (Note)	74,353	49,518	25,439	18,990
Rental revenues			72,594	47,908	24,138	17,901
Other revenues related to property leasing			1,759	1,610	1,301	1,088
(2)Property related expenses			14,535	10,031	5,970	5,250
Property management fees			4,062	2,372	1,191	1,295
Utility expenses			579	1,417	848	780
Insurance expenses			81	57	30	28
Repair expenses			1,645	1,955	1,356	953
Taxes and dues			4,821	2,457	1,356	1,016
Trust fees			350	350	350	350
Others			2,995	1,420	838	825
(3)NOI (1)-(2)	17,344	22,303	59,817	39,487	19,469	13,740
(4)Depreciation	1,828	1,900	18,646	5,619	3,654	2,818
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	15,515	20,402	41,171	33,867	15,815	10,921

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.



(Yen in thousands)

Property number	B-22	B-23	B-24	C-1	C-2	C-3
Property name	Wald Park Minamioi	LAPUTA KUJO	Imazaki Mansion N1	Otakibashi Pacifica Building	Komyoike Act	BECOME SAKAE
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	18,135	43,364	42,872	87,198	123,796	104,614
Rental revenues	17,268	42,474	39,121	77,598	98,919	89,627
Other revenues related to property leasing	866	890	3,751	9,599	24,877	14,987
(2)Property related expenses	3,740	9,395	14,271	19,999	65,991	24,797
Property management fees	853	3,544	2,223	3,977	20,681	7,353
Utility expenses	158	570	1,671	6,928	25,664	5,078
Insurance expenses	16	60	77	41	195	124
Repair expenses	974	808	4,248	2,274	9,581	1,181
Taxes and dues	748	2,637	2,206	5,412	8,681	10,467
Trust fees	350	350	350	350	350	350
Others	638	1,424	3,492	1,015	836	241
(3)NOI (1)-(2)	14,395	33,968	28,601	67,198	57,805	79,817
(4)Depreciation	1,409	4,177	3,859	10,558	24,645	14,514
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	12,985	29,791	24,742	56,640	33,159	65,302

(Yen in thousands)

Property number	
Property name	Total
Operating periods	
(1)Revenues from property leasing	8,651,232
Rental revenues	7,967,820
Other revenues related to property leasing	683,411
(2)Property related expenses	2,058,066
Property management fees	556,321
Utility expenses	426,716
Insurance expenses	8,504
Repair expenses	170,894
Taxes and dues	606,496
Trust fees	31,150
Others	257,983
(3)NOI (1)-(2)	6,593,165
(4)Depreciation	992,330
(5) Loss on retirement of non-current assets	148
(6)Income from property leasing (3)-(4)-(5)	5,600,686

(2) Status of Capital Expenditure

A. Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 17th 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
Higashi Ikebukuro Center Building	Toshima Ward, Tokyo	Interior work at 1st floor	From Jul. 2020 to Dec. 2020	39	—	—
Central Daikanyama	Shibuya Ward, Tokyo	Changing in use of 7th floor	From Jul. 2020 to Dec. 2020	15	—	—
FORECAST Shinagawa	Shinagawa Ward, Tokyo	Cubicle renewal	From Jul. 2020 to Dec. 2020	30	—	—
I・S Minamimorimachi Building	Osaka, Osaka	Air heat exchanger renewal	From Jul. 2020 to Dec. 2020	37	—	—
		Exterior wall repair	From Jul. 2020 to Dec. 2020	53	—	—
Sunworld Building	Osaka, Osaka	Mechanical parking facility maintenance	From Jul. 2020 to Dec. 2020	11	—	—
Homat Horizon Building	Chiyoda Ward, Tokyo	Outdoor-air processing unit renewal	From Jul. 2020 to Dec. 2020	37	—	—
Field Avenue	Ota Ward, Tokyo	Elevator renewal	From Jul. 2020 to Dec. 2020	11	—	—
Imazaki Mansion N1	Higashi-osaka, Osaka	Interphone renewal	From Jul. 2020 to Dec. 2020	24	—	—

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

## B. Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the fiscal period under review. In the fiscal period ended June 30, 2020, capital expenditures totaled 415 million yen. With the addition of 170 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 586 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
Itohpia Iwamotocho 2-chome Building	Chiyoda Ward, Tokyo	Elevator renewal	From Jan. 2020 to Mar. 2020	17
Itohpia Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Elevator renewal	From Jan. 2020 to Mar. 2020	15
Itohpia Iwamotocho ANNEX Building	Chiyoda Ward, Tokyo	Elevator renewal	From Jan. 2020 to Mar. 2020	15
FORECAST Takadanobaba	Toshima Ward, Tokyo	Substation renewal	From Jan. 2020 to May 2020	14
Omiya Center Building	Saitama, Saitama	Exterior wall of parking building repair	From Jan. 2020 to Mar. 2020	19
		Exterior wall repair (No.2)	From Jan. 2020 to Jun. 2020	79
Homat Horizon Building	Chiyoda Ward, Tokyo	Waterproofing repair on balcony	From Jan. 2020 to Jun. 2020	13
Sky Hills N11	Sapporo, Hokkaido	Ventilation system renewal	From Jan. 2020 to Jun. 2020	41
Other capital expenditures				198
Total				415

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

### C. 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 thousands)

Operating period	12th fiscal period From January 1, 2018 to June 30, 2018	13th fiscal period From July 1, 2018 to December 31, 2018	14th fiscal period From January 1, 2019 to June 30, 2019	15th fiscal period From July 1, 2019 to December 31, 2019	16th fiscal period From January 1, 2020 to June 30, 2020
Balance of reserves at the beginning of the period	121	27	307	819	507
Amount of reserves during the period	800	1,700	1,031	732	888
Amount of reversal of reserves during the period	893	1,420	519	1,044	415
Reserves carried forward	27	307	819	507	980

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