

NIPPON REIT Investment Corporation (TSE code : 3296)  
Performance Report (April -June 2020)

August 17, 2020

真面目に、  
地道に、  
堅実に。



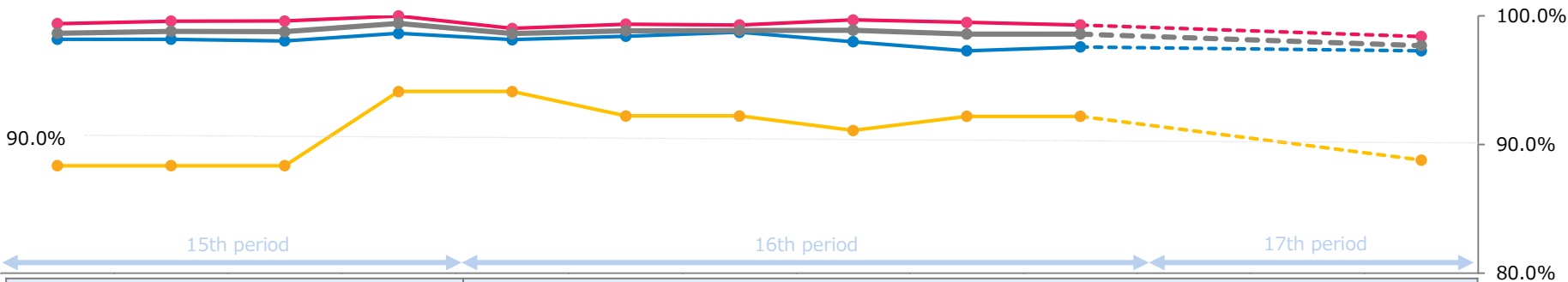
# Occupancy Rate and Free Rent Period Trend

◆ **Maintaining a high occupancy rate both of based on contract and rent**

• Occupancy rate has been moving along smoothly in the second half of the 16<sup>th</sup> period

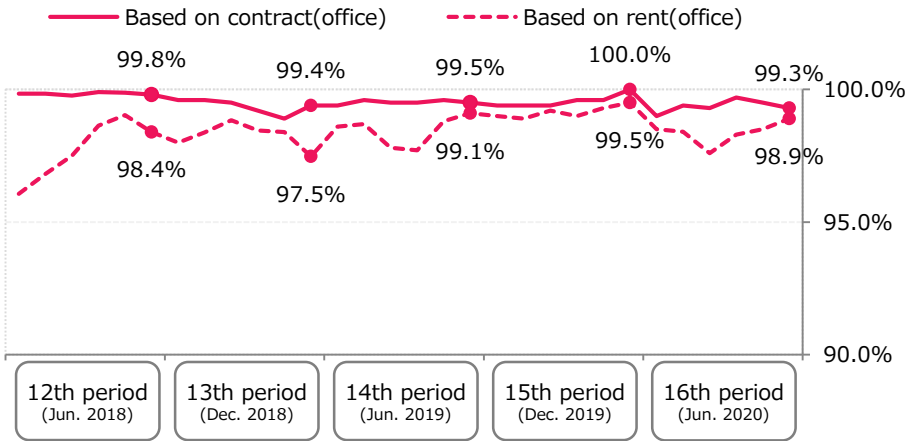
《 Occupancy rate trend and forecast 》

— Total    — Office    — Residence    — Retail

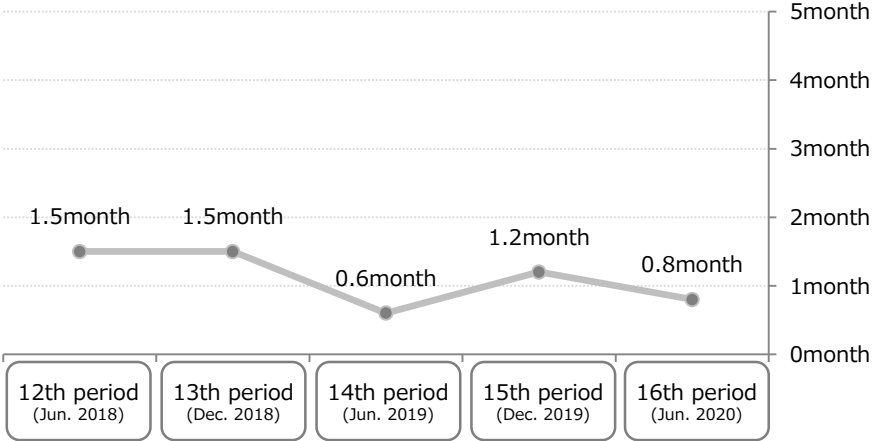


2019				2020							
Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Dec. (Forecast)	
98.7%	98.8%	98.8%	99.4%	98.6%	98.8%	98.9%	98.9%	98.6%	98.6%	97.7%	Total
99.4%	99.6%	99.6%	100.0%	99.0%	99.4%	99.3%	99.7%	99.5%	99.3%	98.4%	Office
98.2%	98.2%	98.1%	98.6%	98.2%	98.4%	98.7%	98.0%	97.3%	97.6%	97.3%	Residence
88.4%	88.4%	88.4%	94.1%	94.1%	92.2%	92.2%	91.1%	91.1%	92.2%	88.8%	Retail

《 Trend of occupancy rate based on rent (office) 》



《 Trend of average free rent period (office) 》



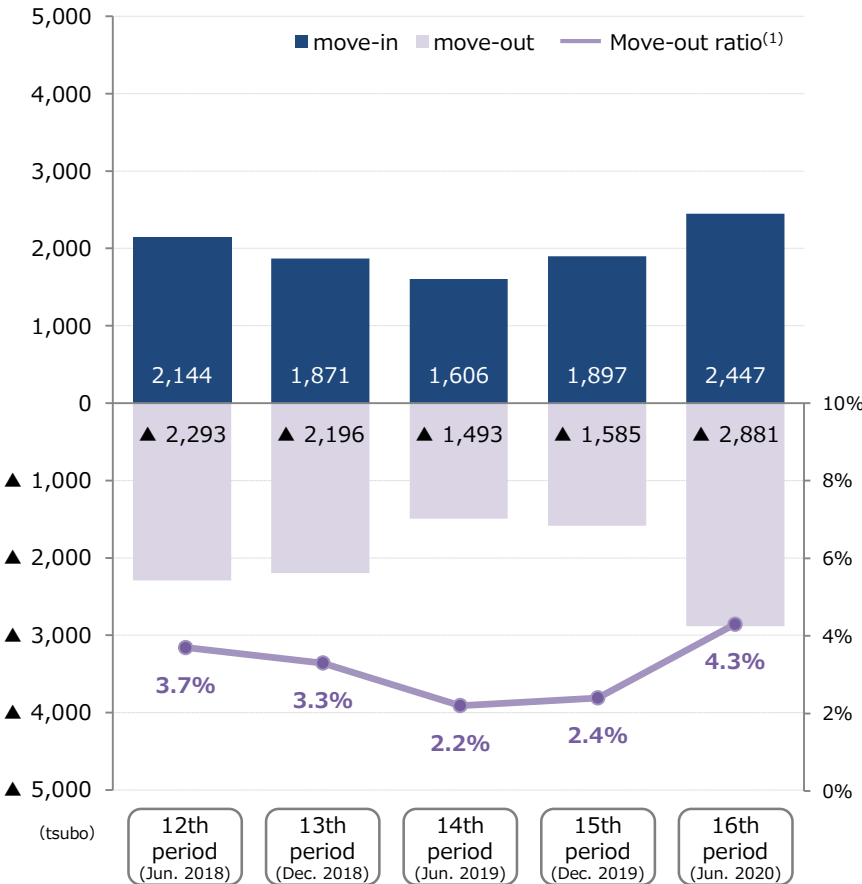
# Status of Tenant Move-in and Move-out, and Rent Increase Upon Tenant Replacement

## ◆ Increase in office rent change ratio upon tenant replacement

- Rent increase (decrease) upon tenant replacement improved, given the background of mid-sized office market in which supply-demand is tight and there is high competitiveness of our properties

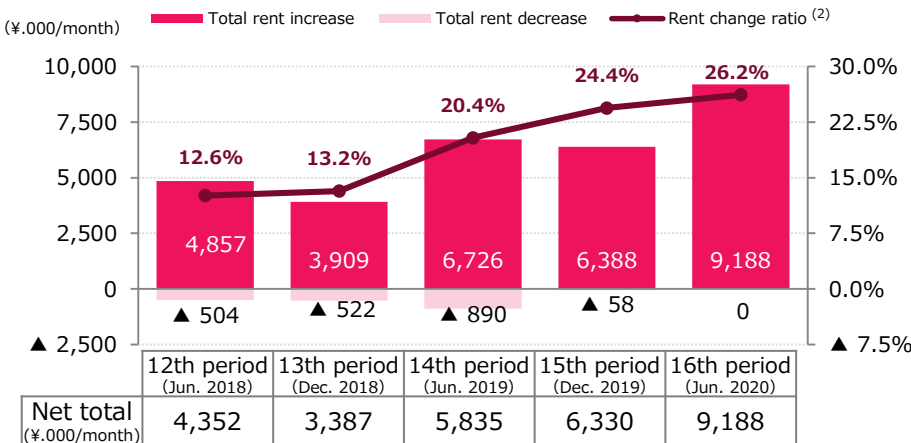
《Tenant move-in and move-out, Average move-out ratio》

※Total leasable area as of the end of 16th period (office) : 66,676 tsubo

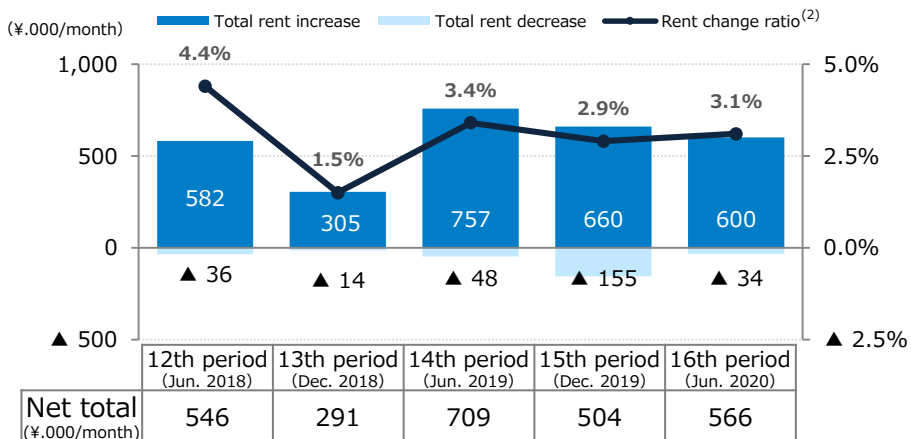


《Monthly rent increase (decrease) upon tenant replacement》

### ● Office



### ● Residence<sup>(3)</sup>



1. "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material onward.  
 2. "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place. ( (total rent after tenant replace - total rent before tenant replacement) / total rent before tenant replacement )  
 3. Residential properties of which rents are not fixed, are stated.

# Status of Termination Notices

Property name	Occupancy rate (Jun. 2020)	Status of termination notices		Status of leasing activities	Assumed occupancy rate <sup>(1)</sup>
Itohpia Kiyosubashidori Building	100.0%	1floor (112tsubo)	Termination notice	Lease contract	100.0% (Aug.2020)
Kudankita 325 Building	100.0%	2floors (145tsubo)	Termination notice	Planned lease contract	100.0% (Jan.2021)
Omiya Center Building	100.0%	1section (34tsubo)	Termination notice	Looking for tenants	99.2% (Oct.2020)
FORECAST Kayabacho	100.0%	1section (16tsubo)	Termination notice	Looking for tenants	98.6% (Oct.2020)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1section (21tsubo)	Termination notice	Looking for tenants	98.6% (Nov.2020)
FORECAST Shinjuku SOUTH	100.0%	1section (118tsubo) 1section (109tsubo) 1section (127tsubo)	Termination notice	Lease contract Planned lease contract Looking for tenants	97.0% (Dec.2020)
Komyoike Act	86.4%	1section (197tsubo) 1floors (57tsubo)	Left already	Planned lease contract Looking for tenants	96.9% (Sep.2020)
DIA Building Meieki	100.0%	1section (19tsubo)	Termination notice	Looking for tenants	96.4% (Dec.2020)
Homat Horizon Building	100.0%	1section (69tsubo)	Termination notice	Looking for tenants	96.2% (Jan.2021)
Marunouchi Sanchome Building	95.2%	1section (67tsubo)	Left already	Looking for tenants	95.2% (Jul.2020)
NORE Meieki	94.7%	1section (69tsubo)	Left already	Looking for tenants	94.7% (Jul.2020)
NORE Fushimi	92.8%	1section (84tsubo)	Left already	Looking for tenants	92.8% (Jul.2020)
MK Kojimachi Building	74.3%	2floors (91tsubo) 1floor (46tsubo)	Left already	Planned lease contract Looking for tenants	91.4% (Sep.2020)
Itabashi Honcho Building	100.0%	2sections (174tsubo)	Termination notice	Looking for tenants	91.0% (Jan.2021)
Towa Higashi-Gotanda Building	100.0%	1floor (86tsubo)	Termination notice	Looking for tenants	90.3% (Jan.2021)
Nishi-shinjuku Sanko Building	100.0%	1floor (75tsubo)	Termination notice	Looking for tenants	90.0% (Jan.2021)
TK Gotanda Building	100.0%	1floor (115tsubo)	Termination notice	Looking for tenants	89.8% (Dec.2020)

1.Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Jul. 2020.

# Status of Termination Notices

Property name	Occupancy rate (Jun. 2020)	Status of termination notices		Status of leasing activities	Assumed occupancy rate <sup>(1)</sup>
Yusen Higashi-Nihombashi Ekimae Building	100.0%	1floor (56tsubo)	Termination notice	Looking for tenants	88.5% (Jan.2021)
Nishi-Gotanda 8-chome Building	100.0%	1floor (109tsubo)	Termination notice	Looking for tenants	87.9% (Nov.2020)
Shinto GINZA EAST	100.0%	1section (46tsubo)	Termination notice	Looking for tenants	87.3% (Jan.2021)
Itohpie Iwamotocho ANNEX Building	100.0%	1floor (118tsubo) 1floor (124tsubo)	Termination notice	Lease contract Looking for tenants	87.2% (Oct.2020)
Itohpie Iwamotocho 1-chome Building	100.0%	1floor (134tsubo)	Termination notice	Looking for tenants	85.5% (Nov.2020)
Toranomon Sakura Building	100.0%	2section (141tsubo)	Termination notice	Looking for tenants	84.7% (Jun.2021)
Toshin Higashi-Ikebukuro Building	84.7%	1floor (76tsubo)	Left already	Looking for tenants	84.7% (May.2020)
Mitsui Woody Building	100.0%	1floor (187tsubo)	Termination notice	Looking for tenants	84.5% (Dec.2020)
BECOME SAKAE	83.6%	1floor・1section (229tsubo)	Left already	Looking for tenants	83.6% (Jul.2020)
Kanda Ocean Building	100.0%	1section (92tsubo)	Termination notice	Looking for tenants	79.5% (Jan.2021)
Higashi Ikebukuro Center Building	100.0%	2floor (270tsubo)	Termination notice	Looking for tenants	78.8% (Dec.2020)
Gotanda Sakura Building	100.0%	2floor (97tsubo)	Termination notice	Looking for tenants	78.6% (Nov.2020)
FORECAST Kameido	100.0%	1floor・1section (189tsubo) 2floor (245tsubo)	Left already Termination notice	Lease contract Looking for tenants	73.8% (Jan.2021)
Hiroo ON Building	100.0%	2floor (185tsubo)	Termination notice	Looking for tenants	72.8% (Jan.2021)
Otakibashi Pacifica Building	100.0%	3floor (125tsubo)	Termination notice	Looking for tenants	70.2% (Sep.2020)
Towa Kandanishikicho Building	100.0%	1floor (39tsubo) 2floor (122tsubo)	Termination notice	Planned lease contract Looking for tenants	69.7% (Nov.2020)

1.Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Jul. 2020.

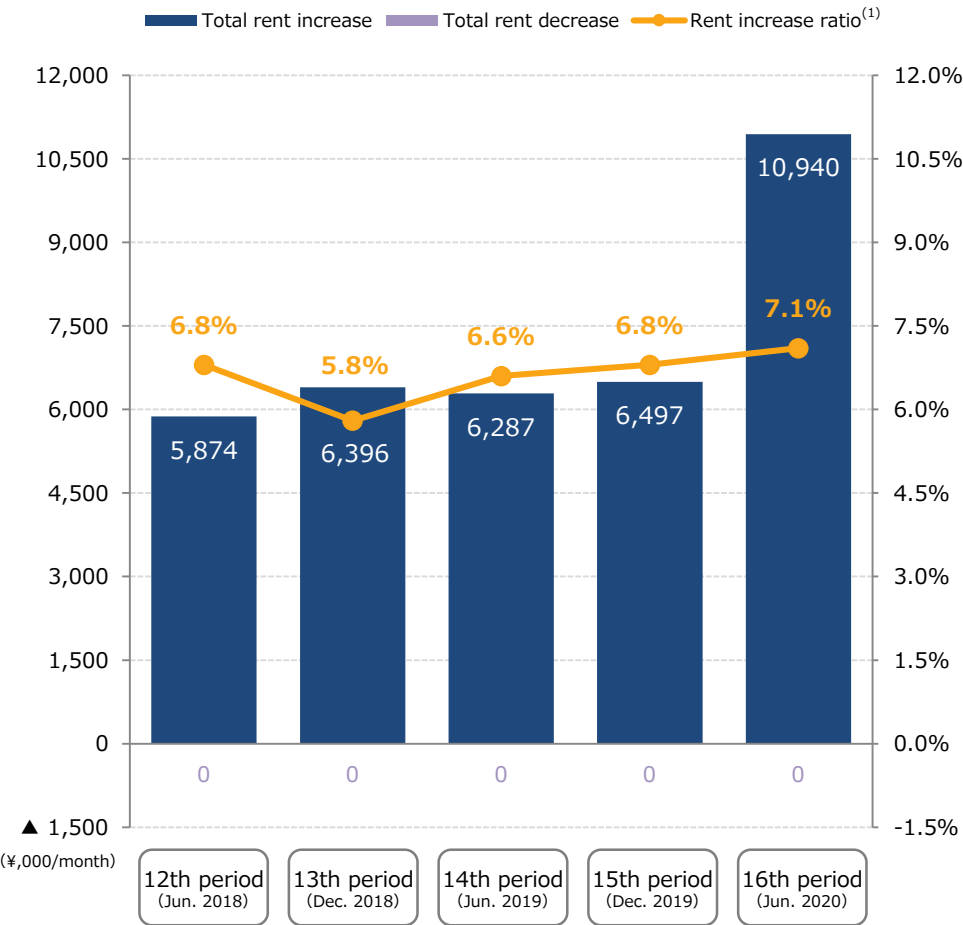


# Track Record of Rent Renewals and Rent Increase Upon Contract Renewals (Office)

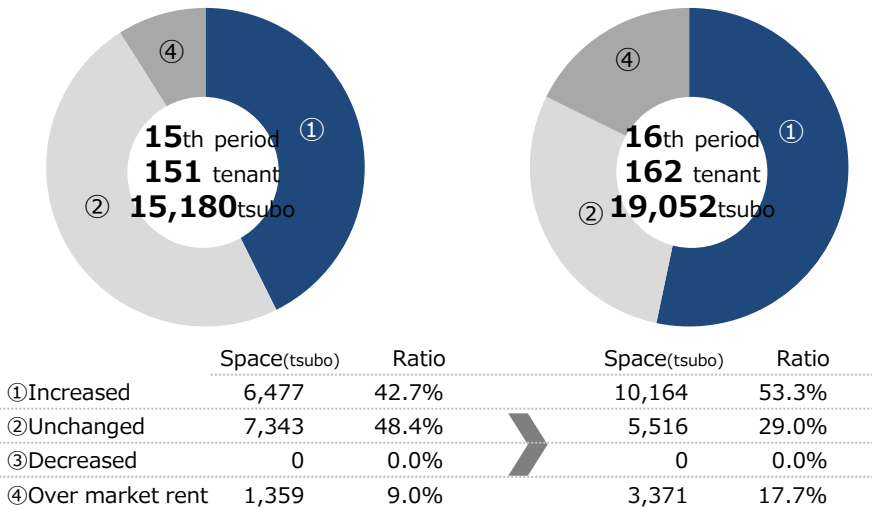
## ◆ Maintain rent increase trend upon contract renewal

- Achieved rent increase for 53.3% of area subject to renewal, attributed to 70 tenants (10,164 tsubo) out of 162 tenants (19,052 tsubo) , during the 16th period

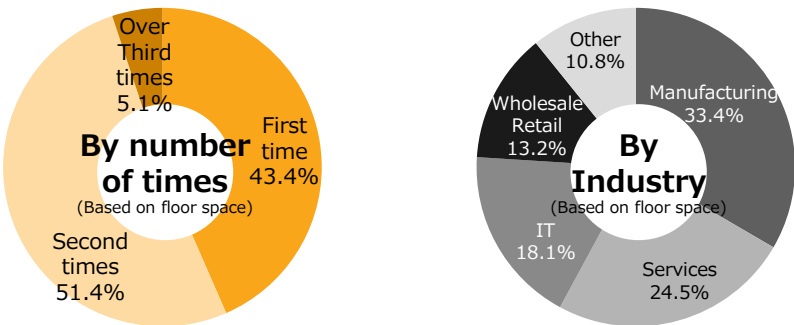
《Status of rent increase (decrease) upon contract renewals》  
(office /monthly rent)



《Trend of record of rent renewals (floor space) <sup>(2)</sup>》



《Summary of tenant that agreed on rent increase》



1. "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place.

( total rent increase after rent renewal - total rent before rent renewal ) / total rent before rent renewal

2. In case that tenant categorized "Unchanged" in each period accepted rent increase after the following period, the area subject to rent renewal of the tenant is included the area categorized "Unchanged" and "Increase" in the relevant period.

# Implementation Status and Major plans of Engineering Management


## ◆ Planning and carrying out the Engineering Management to boost internal growth

《Major implementation (from Apr. to Jun. 2020)》

《NORE Fushimi》

**Increase in revenue by expanding leasable area**


- Approx. ¥1.08mn p.a. increase in revenue by expanding leasable space through changing layout as well as improvement of tenant satisfaction through renewal of common area are expected



《Toranomom Sakura Building》

**Increase in revenue by setting antennas on the rooftop**

- Plan to set antennas for mobile phone etc. on the rooftop
- Approx. ¥0.84mn p.a. increase in revenue is expected



《Sky Hills N11》

**Improvement of tenant satisfaction by effective renewal of ventilation system**


- Plan to improve tenant satisfaction by effective renewal of ventilation system using campaign of Hokkaido Electric Power Co., Inc.



《51 Properties》

**Installed digital signages**

- Setting up digital signage at the entrance of office buildings, and we broadcast news and content related surrounding area to tenants and visitors to use their waiting time efficiently.



《Category》

- Measure to increase revenue
- Measure to improve tenant satisfaction
- Measure to reduce expense
- Measure with environmental consideration

《Major implementation (from Jul. 2020)》

《Shibakoen Sanchome Building》

**Improvement of tenant satisfaction by install ventilation system at restroom**

- Plan to ventilation at restroom upon request from tenant to improve tenant satisfaction..



《Tower Court Kitashinagawa》

**Improvement of environment of the Sky Lounge**


- Plan to set up window blind and put glass-film at Sky Lounge
- Utility cost reduction sue to improvement of air conditioning efficiency as well as improvement of tenant satisfaction



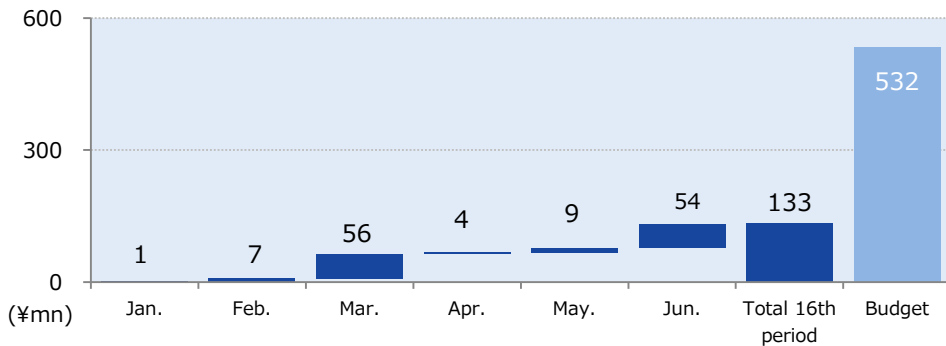
《La Verite AKASAKA》

**Introduction of vending machine with donation system**

- Setting vending machine adopted no-smoking design to promote health awareness as one of NRT's ESG measure



《16th period Status of Engineering Management Implementation<sup>(1)</sup>》



1. Total amounts of Planned capital investment and Strategic value-enhancing investment are stated. Furthermore, the figures changed from the previous performance report due to decision of accounting items

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