

Summary of Financial Results
for the Fiscal Period Ended December 31, 2020 (REIT)

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 URL: <http://www.nippon-reit.com/>
 Listed Stock Exchange: Tokyo Stock Exchange
 Securities Code: 3296
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Scheduled filing date of securities report: March 26, 2021

Scheduled date of delivery of distributions: March 24, 2021

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 December 31, 2020 (July 1, 2020 – December 31, 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	%
December 31, 2020	10,127	17.0	6,088	27.5	5,444	31.1	5,443	31.1
June 30, 2020	8,658	0.3	4,774	2.8	4,151	3.8	4,151	3.8

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
December 31, 2020	12,098	4.1	2.0	53.8
June 30, 2020	9,226	3.2	1.5	47.9

(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	%	%
December 31, 2020	12,100	5,444	-	-	100.0	4.1
June 30, 2020	9,228	4,151	-	-	100.0	3.2

(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
December 31, 2020	277,192	131,978	47.6	293,331
June 30, 2020	270,060	130,687	48.4	290,461

(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
December 31, 2020	14,347	(14,938)	1,605	16,413
June 30, 2020	5,164	(836)	(3,995)	15,398

2. Forecast of management status for the Fiscal Period Ending June 2021 (from January 1, 2021 to June 30, 2021) and the Fiscal Period Ending December 2021 (from July 1, 2021 to December 31, 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
For the fiscal period ending	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
June 30, 2021	9,450	(6.7)	5,433	(10.8)	4,789	(12.0)	4,788	(12.0)	10,643	-
December 31, 2021	8,597	(9.0)	4,593	(15.5)	3,921	(18.1)	3,920	(18.1)	8,713	-
	~8,857	~(6.3)	~4,851	~(10.7)	~4,179	~(12.7)	~4,178	~(12.7)	~9,286	-

(Note) The forecast for the 19th period is announced as range, please refer to the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2021 (from January 1, 2021 to June 30, 2021) and Fiscal Period Ending December 2021 (from July 1, 2021 to December 31, 2021)" on page 8 for detail.

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

Forecasted Net Income per unit for the fiscal period ending June 30, 2021: 10,643 yen

Forecasted Net Income per unit for the fiscal period ending December 31, 2021 : 8,713 yen~9,286 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 December 31, 2020 449,930 units As of June 30, 2020 449,930 units

(b) Number of investment treasury units:

As of December 31, 2020 0 unit As of June 30, 2020 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 June 2021 (from January 1, 2021 to June 30, 2021) and Fiscal Period Ending December 2021 (from July 1, 2021 to December 31, 2021)" on page 8.

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.

Contents

1. Management Status	2
(1) Management Status	2
(2) Investment Risks	9
2. Financial Statements	10
(1) Balance Sheets	10
(2) Statements of Income and Retained Earnings	12
(3) Statement of Change in Net Assets	13
(4) Statements of Cash Distribution	14
(5) Statements of Cash Flows	15
(6) Notes to the Going Concern Assumption	17
(7) Summary of Significant Accounting Policies	17
(8) Notes to Financial Statements	18
(9) Changes in Total Number of Investment Units Issued and Outstanding	31
3. Reference Information	32
(1) Status of Value of Investment Assets	32
(2) Status of Capital Expenditure	54

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 2019th e total number of investment units issued and outstanding as of the end of the fiscal period under review (December 31, 2020) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

During the fiscal period under review ended December 2020 the Japanese Economy recorded first increase in the real GDP for the third consecutive quarter by 5.3% (22.9% increase on an annual basis: second preliminary figures for the term from July 2020 to September 2020). While prolonging effects of the COVID-19 infection, the recovery of consumer spending remained sluggish because business conditions have been being somehow inactive particularly in cautious judgement by the non-manufacturing sector, and the employment situation are showing weakness. Nevertheless, business sentiment has been picking up recently, as evidenced by a moderate rise in consumer prices on the background of increase in industrial production and exports. Looking ahead, the recovery in business sentiment is expected to continue because of the effects of various governmental measures to prevent the spread of the COVID-19 infection and an improvement in overseas economic trends. However, attention should be paid to the heightened downside risk caused by the global spread of COVID-19 infection and the impact of fluctuations in financial markets.

In the office properties leasing market, the vacancy rate in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 4.49% up by 2.94% on a year on year basis as of the end of December 2020 reported by Miki Shoji Co., Ltd. Moreover, the average rent in the same area was 21,999 yen per tsubo, down by 0.9% on a year on year basis, as downward trend continues from July 2020. We have watched closely whether such trends will continue.

In the rental market for residential properties, it remains generally stable for both the occupancy rate and rent level. However, a number of people moving-out from central Tokyo exceeded the same of moving-in due to postponement of relocation of office workers and students on the background of progress of teleworking and remote college classes, it must be necessary to pay close attention to the supply-demand environment for residences.

In the leasing market of retail properties, affected by restriction of economic activities as prevention measure of spread of COVID-19 infection, we saw a 0.3% year-on-year decrease in retail sales announced by the Ministry of Economy, Trade and Industry in December 2020 (preliminary figures). Although sales at supermarkets increased by 1.6% year-on-year, sales at department stores showed a 13.0% year-on-year decrease due to large decrease of sales of apparel and accessories.

Considering the future leasing market deliberately, from now on, 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 the current real estate transactions market, domestic investors such as listed REITs, private placement REIT, and real estate companies, as well as foreign investors, remain actively engaged in acquiring properties as the reason for strong needs of asset management under the worldwide low interest rate environment and relative stable real estate leasing market in Japan. As the result, expected market yields on prime properties remain at low levels and transaction prices remain high.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 90 properties (with a total acquisition amounts of 249,243 million yen) as of the end of the fiscal period ended June 2020.

During the fiscal period under review (fiscal period ended December 2020) NIPPON REIT transferred 3 properties (Total transfer amount of 9,324 million yen) and acquired 13 properties (Total acquisition amounts of 13,796 million yen) as follow, as asset replacement executed from October to November 2020.

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions)	Transaction date
Acquisition	A-68	UNIZO Kandasudacho 2-chome Building	1,311	October 30, 2020
Acquisition	A-69	REID-C Megurofudomae	1,220	October 30, 2020
Acquisition	A-70	The Square	1,080	October 30, 2020
Acquisition	B-25	L'arte Nakatsu	565	October 30, 2020
Acquisition	B-26	City hills Andoji	1,750	October 30, 2020
Acquisition	B-27	Hermitage Shin-sakae	1,150	October 30, 2020
Acquisition	B-28	Sun・Meiekiminami Building	950	October 30, 2020
Acquisition	B-29	Tenjinhighashi residence	913	October 30, 2020
Transfer	A-34	Mejiro NT Building	3,920	November 17, 2020
Transfer	A-36	Mitsui Woody Building	3,246	November 17, 2020
Transfer	C-2	Komyoike Act	2,158	November 17, 2020
Acquisition	A-71	Tsukiji Front	825	November 20, 2020
Acquisition	A-72	Hatchobori River Gate	835	November 20, 2020
Acquisition	B-30	DeLCCS KASAI	1,320	November 20, 2020
Acquisition	B-31	Serenite Shin-Osaka	1,148	November 20, 2020
Acquisition	B-32	Mullion Josai	729	November 20, 2020

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

As a result, the portfolio as of the end of the fiscal period under review consisted of 67 office properties (Note 1) with a total acquisition amount of 191,937 million yen, 31 residential properties (Note 2) with a total acquisition price of 55,349 million yen and 2 retail properties (Note 3) with a total acquisition amount of 8,120 million yen. Total figures are 100 properties with a total acquisition amount of 255,406 million yen (excluding equity interests in a silent partnership) and with a total leased area of 309,182.27 m² and 97.6% of average occupancy rate and 2 equity interests in a silent partnership (investment amount 120 million yen, 10 real estate-backed properties).

- (Note 1) "Office Properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.
- (Note 2) "Residential Properties" refer to a rental housing whose primary use is 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.
- (Note 3) "Retail Properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenant. The same shall apply hereinafter.

Furthermore, we again have been granted the first negotiation right for 6 properties (approximately 4,300 million yen) which are warehoused by Sojitz Corporation, the sponsor of NIPPON REIT since January 31, 2020. (Note)

(Note) NIPPON REIT decided on February 18, 2021 that it acquires trust beneficially interests in real estate on February 26, 2021 and have concluded purchase and sell agreement. Please refer to "Notes to Significant Subsequent Events 1. Acquisition of Properties" below for detail.

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 to be done, the portfolio occupancy rate was maintained at a high level of 97.6% 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 July 21, 2020 (11,000 million yen), the borrowings of 11,000 million yen were implemented on the same day as the loans due.

Furthermore, in order to allocate funds for the acquisition of new properties and some of the payment of related costs, the borrowings of total 8,450 million yen were implemented on October 30, 2020, and implemented early repayment of 2,700 million yen on December 2, 2020 with a part of proceeds of transfer that was implemented on November 17, 2020.

As a result, the balance of interest-bearing debt as of December 31, 2020 was 132,620 million yen and the ratio of interest-bearing debt to total assets (LTV) was 47.8%.

(ii) Credit Rating

NIPPON REIT's credit rating as of December 31, 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 10,127 million yen, operating income of 6,088 million yen, ordinary income of 5,444 million yen and net income of 5,443 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 5,444,153,000 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 12,100 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 effectively will construct a diversified portfolio by also investing in residential properties and retail properties.

In order to facilitate external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are 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 be under consideration to utilize sponsors' managed bridge funds as interim ownership vehicles and 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")(Note), 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.

(Note) Sojitz General Property Management Corporation had changed its Name to Sojitz LifeOne Corporation on January 1, 2021. Same applies hereinafter.

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 47.8% and the current policy is to keep the LTV level between 45% and 55%.

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

III. Significant Subsequent Events

A. Acquisition of Properties

NIPPON REIT decided to acquire trust beneficially interests in real estate and concluded purchase and sell agreement on February 18, 2021 as described below.

Property name	Location	Scheduled acquisition date	Acquisition price (million yen) (Note 1)	Seller
TENSHO OFFICE SHINBASHI 5	Minato-ward, Tokyo	February 25, 2021	1,200	Godo Kaisha NRT Growth 14
MAISON Dino	Sumida-ward, Tokyo	February 26, 2021	700	Not disclosed (Note 2)
Meister house Kawasaki	Kawasaki, Kanagawa	February 26, 2021	709	Sojitz Corporation
LIESSE Tsurumai	Nagoya, Aichi	February 26, 2021	1,082	Sojitz Corporation
Komatsubara Yamamoto Mansion	Kagoshima Kagoshima	February 26, 2021	670	Not disclosed (Note 2)
Belleza Kanayama	Nagoya, Aichi	March 1, 2021	702	Not disclosed (Note 2)
Total			5,063	

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

(Note 2) Not disclosed because consent has not been obtained from the seller.

B. Transfer of Properties

NIPPON REIT decided to transfer trust beneficially interests in real estate and concluded purchase and sell agreement on February 18, 2021 as described below.

Property name	Location	Scheduled transfer date	Transfer price (million yen) (Note 1)	Book value (million yen)	Buyer
Higashi Ikebukuro Center Building	Toshima-ward, Tokyo	February 25, 2021	Not disclosed (Note 3)	2,649	Not disclosed (Note 3)
FORECAST Uchikanda	Chiyoda-ward, Tokyo	February 25, 2021	Not disclosed (Note 3)	1,277	Not disclosed (Note 3)
Marunouchi Sanchome Building	Nagoya, Aichi	February 25, 2021	Not disclosed (Note 3)	1,643	Not disclosed (Note 3)
Toshin Higashi-Ikebukuro Building	Toshima-ward, Tokyo	The day as is agreed from July 1, 2021 to December 31, 2021 (Note 4)	Not disclosed (Note 3)	990	Not disclosed (Note 3)
Total			8,056	6,560	

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

(Note 2) Book value as of December 31, 2020 is described, rounded down to the nearest million yen.

(Note 3) Not disclosed because consent has not been obtained from the buyer.

(Note 4) Transfer date has not been determined as of the date of this document. Furthermore, the purchase and sale agreement for the Property corresponds to the forward commitment, etc. stipulated in the Financial Services

Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." (this refers to a purchase or sale agreement with delivery date one month or more after the conclusion of agreement, and other contracts similar thereto; the same shall apply hereinafter). The purchase and sales agreement stipulates that in the event of the other party's willful or negligent breach of its obligations under the agreement, the cancellation may be effected only when the purpose of the contract cannot be achieved due to the breach of such obligations. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the estimated transfer price. Furthermore, the purchase and sales agreement stipulates that both the buyer and the seller may cancel the agreement without penalty on written notice to the other party for any reason from the date of execution of the agreement to the date of execution of the transfer (such notice shall be required to be delivered to the other party no later than one month prior to the date of cancellation).

IV. Forecast of Management Status

The forecast of management status for the fiscal period ending June 2021 (January 1, 2021 to June 30, 2021) and the fiscal period ending December 2021 (July 1, 2021 to December 31, 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 June 2021 (January 1, 2021 to June 30, 2021) and Fiscal Period Ending December 2021 (July 1, 2021 to December 31, 2021)" hereinafter described.

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

Operating revenues	9,450 million yen
Operating income	5,433 million yen
Ordinary income	4,789 million yen
Net income	4,788 million yen
Cash distributions per unit	10,643 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending December 2021 (July 1, 2021 to December 31, 2021)

Operating revenues	8,597 million yen~8,857 million yen
Operating income	4,593 million yen~4,851 million yen
Ordinary income	3,921 million yen~4,179 million yen
Net income	3,920 million yen~4,178 million yen
Cash distributions per unit	8,713 yen ~9,286 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 June 2021 (January 1, 2021 to June 30, 2021) and Fiscal Period Ending December 2021 (July 1, 2021 to December 31, 2021)

Item	Assumption
Calculation period	· Fiscal period ending June 2021 (18th fiscal period): from January 1, 2021 to June 30, 2021(181 days) · Fiscal period ending December 2021 (19th fiscal period): from July 1, 2021 to December 31, 2021 (184 days)
Assets under management	· 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 100 properties are the “acquired assets”) , Higashi Ikebukuro Center Building, FORECAST Uchikanda and Marunouchi Sanhome Building will be transferred on February 25, 2021, Toshin Higashi-Ikebukuro Building will be transferred on November 30, 2021 (the “Transfer”) (Transfer date has not been determined and it may change.). The forecast for the 19th period is announced as range with consideration for possibility of cancellation of the transfer of Toshin Higashi-Ikebukuro Building because that both the buyer and the seller may cancel the agreement without penalty for any reason from the date of execution of the agreement to the date of execution of the transfer. The forecast based on the assumption that Toshin Higashi-Ikebukuro Building will not be transferred and will be transferred are stated as Forecast 1 and 2 respectively, the same shall apply hereinafter. · TENSJO OFFICE SHINBASHI 5, MAISON Dino, Meister house Kawasaki, LIESSE Tsurumai and Komatsubara Yamamoto Mansion will be acquired on February 26, 2021 and Belleza Kanayama will be acquired on March 1, 2021 (the “Acquisition”). After those transactions, 102 properties (Forecast 2) ~103 properties (Forecast 1) in total will be held by NIPPON REIT and there would be 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 December 2021. · Furthermore, the transfer date of Toshin Higashi-Ikebukuro Building may change and there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	· 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 8,538 million yen in the fiscal period ending June 2021 and 8,581 million yen (Forecast 2) ~ 8,588 million yen (Forecast 1) in the fiscal period ending December 2021 respectively. · Gains on sales of real estate properties of 911 million yen from Higashi Ikebukuro Center Building, FORECAST Uchikanda and Marunouchi Sanhome Building will be taken into account for the fiscal period ending June 2021. In case Toshin Higashi-Ikebukuro Building will be transferred, 267 million yen of Gains on sales of real estate properties will be expected for the fiscal period ending December 2021 (Forecast 2). · Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants. · Dividend income is assumed 1 million yen in the fiscal period ending June 2021 and 9 million yen in the fiscal period ending December 2021 respectively.
Operating expenses	· 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 2,155 million yen in the fiscal period ending June 2021 and 2,121 million yen (Forecast 2) ~ 2,123 million yen (Forecast 1) in the fiscal period ending December 2021 respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 1,004 million yen in the fiscal period ending June 2021 and 1,008 million yen (Forecast 2) ~ 1,009 million yen (Forecast 1) in the fiscal period ending December 2021 respectively. · The total amounts of property taxes and city planning taxes are assumed to be 589 million yen in the fiscal period ending June 2021, and 583 million yen in the fiscal period ending December 2021 respectively. · In general, property taxes and city planning taxes upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the seller, but the amount equivalent to the reimbursement is capitalized as acquisition cost rather than recognized as expenses. Accordingly, as for 6 properties to be acquired on February and March 2021, property taxes and city planning taxes are not recognized as expenses in the fiscal period ending June 2021 and December 2021. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 6 million yen for fiscal period ending June 2021 and 9 million yen for fiscal period ending December 2021 respectively. · 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. · Asset management fees are assumed 630 million yen in the fiscal period ending June 2021 and 650 million yen (Forecast 2) ~ 651 million yen (Forecast 1) in the fiscal period ending

	December 2021 respectively. Furthermore, among the asset management fees, acquisition fee is included in the acquisition cost and disposition fee is deducted from gains of sales of real estate properties, and thus those fees are not recognized as expenses.
Non-operating expenses	Interest expense and borrowing related expenses are assumed 643 million yen in the fiscal period ending June 2021 and 672 million yen in the fiscal period ending December 2021.
Loans	- NIPPON REIT's outstanding balance of interest-bearing debt as of today is 132,620 million yen. - The assumption is that all loans which will come due before the end of the fiscal period ending December 2021 (18,500 million yen) will be refinanced (including issuance of investment corporation bonds), there will be no change in the outstanding balance of interest-bearing debt. - LTV is expected to be approximately 47.9% as of June 30, 2021 and 48.0% (Forecast 2) ~ 48.1% (Forecast 1) as of December 31, 2021 respectively. - The following formula is used in the calculation of LTV. $LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Investment units	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 December 2021.
Cash Distributions per unit	- 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. - 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.
Cash Distributions in excess of earnings per unit	- There are no plans at this time to distribute cash in excess of earnings. - 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 allowance for temporary difference.
Others	- 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. - The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.

(2) Investment Risks

As there have been no significant changes in the "Investment Risks" as described in the latest Securities Registration Statement (submitted on September 28, 2020), the disclosure is omitted.

2. Financial Statements

(1) Balance Sheets

(Yen in thousands)

	The 16th Fiscal Period (as of June 30, 2020)	The 17th Fiscal Period (as of December 31, 2020)
Assets		
Current Assets		
Cash and deposits	9,140,880	10,247,663
Cash and deposits in trust	6,258,051	6,166,218
Tenant receivables	135,639	84,245
Prepaid expenses	446,441	462,361
Income taxes refundable	552	203
Other current assets	5,824	10,778
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	15,987,389	16,971,472
Non-Current Assets		
Property, plant and equipment		
Buildings	※1 264,709	※1 266,294
Accumulated depreciation	(13,418)	(17,517)
Buildings, net	251,291	248,776
Buildings in trust	※1 61,573,977	※1 61,828,367
Accumulated depreciation	(9,551,456)	(10,046,633)
Buildings in trust, net	52,022,521	51,781,733
Structures in trust	202,535	213,877
Accumulated depreciation	(56,906)	(61,281)
Structures in trust, net	145,628	152,595
Machinery and equipment in trust	461,294	493,359
Accumulated depreciation	(106,016)	(126,089)
Machinery and equipment in trust, net	355,278	367,270
Tools, furniture and fixtures in trust	215,961	229,842
Accumulated depreciation	(64,607)	(78,076)
Tools, furniture and fixtures in trust, net	151,353	151,765
Land in trust	※2 181,678,910	※2 187,903,184
Total property, plant and equipment	234,604,984	240,605,325
Intangible assets		
Leasehold rights	1,251,662	1,251,662
Leasehold rights in trust	16,658,938	16,661,609
Other	4,754	4,561
Total intangible assets	17,915,355	17,917,832
Investments and other assets		
Investment securities	176,011	123,565
Lease and guarantee deposits	10,160	10,160
Long-term prepaid expenses	1,284,308	1,483,616
Deferred tax assets	5	2
Other	40,814	42,058
Total investments and other assets	1,511,299	1,659,403
Total Non-Current Assets	254,031,638	260,182,561
Deferred asset		
Investment corporation bond issuance costs	41,163	38,424
Total deferred asset	41,163	38,424
Total Assets	270,060,191	277,192,458

(Yen in thousands)

	The 16th Fiscal Period (as of June 30, 2020)	The 17th Fiscal Period (as of December 31, 2020)
Liabilities		
Current Liabilities		
Accounts payable	853,874	952,062
Long-term debt due within one year	19,500,000	18,500,000
Accrued expenses	261,937	276,507
Accrued consumption taxes	243,871	260,764
Advances received	1,448,495	1,464,987
Other current liabilities	590,414	846,844
Total Current Liabilities	22,898,594	22,301,168
Long-Term Liabilities		
Investment corporation bonds	4,500,000	4,500,000
Long-term debt	102,870,000	109,620,000
Tenant security deposits	57,013	75,861
Tenant security deposits in trust	9,043,598	8,713,471
Other	3,730	3,221
Total Long-Term Liabilities	116,474,342	122,912,555
Total Liabilities	139,372,936	145,213,723
Net Assets		
Unitholders' Equity		
Unitholders' capital	126,515,601	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	4,171,653	5,463,133
Total Surplus	4,171,653	5,463,133
Total Unitholders' Equity	130,687,255	131,978,735
Total Net Assets	※3 130,687,255	※3 131,978,735
Total Liabilities and Net Assets	270,060,191	277,192,458

(2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)	The 17th Fiscal Period (from July 1, 2020 to December 31, 2020)
Operating Revenues		
Rental revenues	※1 7,967,820	※1 8,051,460
Other revenues related to property leasing	※1 683,411	※1 753,488
Gain on sales of real estate properties	-	※2 1,318,589
Dividend income	7,481	3,598
Total Operating Revenues	8,658,713	10,127,137
Operating Expenses		
Property-related expenses	※1 3,050,545	※1 3,159,450
Asset management fees	642,823	643,830
Asset custody fees	10,252	10,358
Administrative service fees	41,524	41,943
Directors' compensation	2,400	2,400
Independent auditors' fees	13,600	13,950
Other operating expenses	123,389	166,651
Total Operating Expenses	3,884,535	4,038,583
Operating Income	4,774,177	6,088,553
Non-Operating Revenues		
Interest income	71	72
Reversal of distributions payable	5,005	3,260
Interest on refund	-	1
Total Non-Operating Revenues	5,076	3,334
Non-Operating Expenses		
Interest expense	332,722	334,839
Interest expense on investment corporation bonds	17,256	17,467
Amortization of investment corporation bond issuance costs	2,739	2,739
Borrowing related expenses	274,789	292,712
Other	33	34
Total Non-Operating Expenses	627,541	647,792
Ordinary Income	4,151,713	5,444,094
Extraordinary Income		
Subsidy income	※3 43,944	-
Total Extraordinary Income	43,944	-
Extraordinary Losses		
Loss on reduction of non-current assets	※4 43,705	-
Total Extraordinary Losses	43,705	-
Income Before Income Taxes	4,151,951	5,444,094
Income taxes - current	710	657
Income taxes - deferred	(4)	2
Total Income Taxes	706	660
Net Income	4,151,244	5,443,434
Retained Earnings at Beginning of Period	20,408	19,699
Retained Earnings at End of Period	4,171,653	5,463,133

(3) Statement of Change in Net Assets

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

The 17th Fiscal Period (from July 1, 2020 to December 31, 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	4,171,653	4,171,653	130,687,255	130,687,255
Changes of items during the period					
Distributions of surplus		(4,151,954)	(4,151,954)	(4,151,954)	(4,151,954)
Net income		5,443,434	5,443,434	5,443,434	5,443,434
Total changes of items during the period	—	1,291,480	1,291,480	1,291,480	1,291,480
Balance at the end of current Period	※ 1 126,515,601	5,463,133	5,463,133	131,978,735	131,978,735

(4) Statements of Cash Distribution

	The 16th Fiscal Period (from January 1, 2020 To June 30, 2020)	The 17th Fiscal Period (from July 1, 2020 to December 31, 2020)
	(Yen)	(Yen)
I Unappropriated retained earnings	4,171,653,561	5,463,133,837
II Cash distributions	4,151,954,040	5,444,153,000
(Cash distributions per unit)	(9,228)	(12,100)
III Retained earnings carried forward to the next period	19,699,521	18,980,837

Calculation method for cash distributions	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. 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.	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. In consideration of this policy, NIPPON REIT decided to distribute 5,444,153,000 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.
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(5) Statements of Cash Flows

	(Yen in thousands)	
	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)	The 17th Fiscal Period (from July 1, 2020 to December 31, 2020)
Cash Flows from Operating Activities		
Income before income taxes	4,151,951	5,444,094
Depreciation and amortization	992,330	1,016,725
Investment corporation bonds issuance expense depreciation	2,739	2,739
Loss on retirement of non-current	148	2,450
Loss on reduction of non-current assets	43,705	-
Interest income	(71)	(72)
Interest expense	349,979	352,306
(Increase) Decrease in tenant receivables	(43,216)	51,393
(Increase) Decrease in prepaid expenses	(10,282)	(15,920)
(Increase) Decrease in long-term prepaid expenses	(6,410)	(199,307)
Increase (Decrease) in accrued consumption taxes	130,322	16,893
Increase (Decrease) in accounts payable	(98,430)	202,601
Increase (Decrease) in accrued expenses	4,741	(3,526)
Increase (Decrease) in advances	9,315	16,492
Decrease in property, plant and equipment in trust due to sale	-	7,744,304
Others, net	(1,428)	51,137
Subtotal	5,525,395	14,682,313
Interest income received	71	72
Interest expense paid	(359,827)	(334,210)
Income taxes refunded (paid)	(900)	(309)
Net Cash Provided by (Used in) Operating Activities	5,164,738	14,347,866
Cash Flows from Investing Activities		
Payments for purchases of investment Properties	(33,238)	(1,584)
Payments for purchases of investment properties in trust other than leasehold rights in trust	(837,498)	(14,866,458)
Payments for purchases of Intangible assets in trust	-	(2,670)
Proceeds from tenant security deposits	-	18,848
Payments of tenant security deposits	-	(3,397)
Proceeds from tenant security deposits in trust	394,660	608,333
Payments of tenant security deposits in trust	(358,302)	(735,062)
Proceeds from refunds of investment securities	-	45,000
Payments for purchases of investment securities	(1,076)	-
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(836,699)	(14,938,236)

	(Yen in thousands)	
	The 16th Fiscal Period (from January 1, 2020 to June 30, 2020)	The 17th Fiscal Period (from July 1, 2020 to December 31, 2020)
Cash Flows from Financing Activities		
Proceeds from short-term debt	-	2,700,000
Repayments of short-term debt	-	(2,700,000)
Proceeds from long-term debt	9,500,000	16,750,000
Repayments of long-term debt	(9,500,000)	(11,000,000)
Distributions paid	(3,995,303)	(4,144,679)
Net Cash Provided by (Used in) Financing Activities	(3,995,303)	1,605,320
Net Change in Cash and Cash	332,735	1,014,950
Cash and Cash Equivalents at Beginning of Period	15,066,195	15,398,931
Cash and Cash Equivalents at End of Period	※ 1 15,398,931	※ 1 16,413,882

(6) Notes to the Going Concern Assumption
None

(7) Summary of Significant Accounting Policies

1.Basis and Method of Valuation of Assets	Securities Other securities Non-marketable securities The moving average method is employed as the cost method. 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.								
2.Method of Depreciation of Non-Current Assets	(1) Investment Properties Including Trust Assets 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: <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> (2) Intangible assets Intangible assets are amortized using the straight-line method. (3) Long-Term Prepaid Expenses Long-term prepaid expenses are amortized using the straight-line method.	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	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.								
4.Allowance for Doubtful Accounts Recognition	Allowance for Doubtful Accounts Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating uncollectible amount based on the analysis of certain individual accounts that may not be uncollectable.								
5.Revenue and Expense Recognition	Real Estate Taxes 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. 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. 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 no amount, and 7,246 thousand yen for the fiscal period under review.								
6. Method of Hedge Accounting	(1) Method of Hedge Accounting Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied. (2) Hedging instruments and hedge items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings (3) Hedging policy NIPPON REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy.								

	(4) Method of assessing hedge effectiveness 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.
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	(1) Accounting for Trust Beneficiary Interests in Real Estate 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. The following assets in trust are recognized and presented separately on the balance sheets. I. Cash and deposits in trust II. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and leasehold rights in trust III. Tenant security deposits in trust (2) Consumption Taxes 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.

(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 June 30, 2020)	Current Period (As of December 31, 2020)
Buildings	3,469	3,469
Buildings in trust	302,699	273,264
Total	306,168	276,734
*2 Reduction entry amount of tangible fixed assets acquired through exchanging (Yen in thousands)		
	Prior Period (As of June 30, 2020)	Current Period (As of December 31, 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 June 30, 2020)	Current Period (As of December 31, 2020)
	50,000	50,000

4 Commitment line agreement		
NIPPON REIT has engaged commitment line agreement		
	(Yen in thousands)	
	Prior Period (As of June 30, 2020)	Current Period (As of December 31, 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)

Notes to financial statements

*1. Rental revenues and expenses	(Yen in thousands)			
	Prior Period from January 1, 2020 to June 30, 2020		Current Period from July 1, 2020 to December 31, 2020	
A. Revenues from property leasing:				
Rental revenues				
Base rents	6,676,459		6,774,295	
Common area charges	1,042,922		1,027,871	
Parking space rental revenues	248,438	7,967,820	249,293	8,051,460
Other revenues related to property leasing				
Utilities charge reimbursements	481,845		518,653	
Others	201,566	683,411	234,834	753,488
Total revenues from property leasing		8,651,232		8,804,948
B. Property-related expenses:				
Property-related expenses				
Property management fees	556,321		556,200	
Utility expenses	426,716		424,113	
Insurance expenses	8,504		8,718	
Repair expenses	170,894		161,418	
Taxes and dues	606,496		600,503	
Depreciation	992,330		1,016,725	
Loss on retirement of non-current assets	148		2,450	
Trust fees	31,150		32,417	
Others	257,983		356,902	
Total property-related expenses		3,050,545		3,159,450
C. Income from property leasing(A-B)		5,600,686		5,645,497

*2. Breakdown of Gain on sales of real estate properties

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

None

Current Period (from July 1, 2020 to December 31, 2020)

(Yen in thousands)

Mejiro NT Building	
Revenue from transfer of real estate property	3,920,000
Cost of real estate property transferred	3,069,979
Other transfer expenses incurred	40,708
Gain on sales of real estate properties	809,311
Mitsui Woody Building	
Revenue from transfer of real estate property	3,246,100

Cost of real estate property transferred	2,655,084	
Other transfer expenses incurred	131,358	
Gain on sales of real estate properties		459,656
Komyoike Act		
Revenue from transfer of real estate property	2,158,400	
Cost of real estate property transferred	2,019,240	
Other transfer expenses incurred	89,538	
Gain on sales of real estate properties		49,621

*3. Breakdown of Subsidy income

Prior 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.

Current Period (from July 1, 2020 to December 31, 2020)

None

*4. 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.

	Prior Period from January 1, 2020 to June 30, 2020	(Yen in thousands) Current Period from July 1, 2020 to December 31, 2020
Buildings	3,469	-
Buildings in trust	40,236	-
Total	43,705	-

(Notes to Statements of Change in Net Assets)

	Prior Period from January 1, 2020 to June 30, 2020	Current Period from July 1, 2020 to December 31, 2020
*1. Total number of investment units authorized and number of investment units issued and outstanding		
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)

	Prior Period from January 1, 2020 to June 30, 2020	Current Period from July 1, 2020 to December 31, 2020
*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		(Yen in thousands)
Cash and deposits	9,140,880	10,247,663
Cash and deposits in trust	6,258,051	6,166,218
Cash and cash equivalents	15,398,931	16,413,882

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues

	Prior Period (As of June 30, 2020)	(Yen in thousands) Current Period (As of December 31, 2020)
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Due within one year	667,719	582,586
Due after one year	1,644,035	1,442,039
Total	2,311,755	2,024,626

(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 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	—	—	—

Book value, fair value and difference between the two as of December 31, 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	10,247,663	10,247,663	—
(2)Cash and deposits in trust	6,166,218	6,166,218	—
Total assets	16,413,882	16,413,882	—
(3)Long-term debt due within one year	18,500,000	18,490,436	(9,563)
(4)Investment corporation bonds	4,500,000	4,452,300	(47,700)
(5)Long-term debt	109,620,000	109,912,161	292,161
Total liabilities	132,620,000	132,854,898	234,898
(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: 57,013 thousand yen in previous period and 75,861 thousand yen in current period) and tenant security deposits in trust (Book value: 9,043,598 thousand yen in previous period and 8,713,471 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: 176,011 thousand yen in previous period and 123,565 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 (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	-	-	-	-	-

Current Period (December 31, 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	10,247,663	-	-	-	-	-
Cash and deposits in trust	6,166,218	-	-	-	-	-
Total	16,413,882	-	-	-	-	-

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

Prior 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

Current Period (December 31, 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	18,500,000	10,320,000	19,000,000	16,450,000	15,100,000	48,750,000
Total	18,500,000	10,320,000	19,000,000	16,450,000	16,100,000	52,250,000

(Notes to Investment Securities)

Prior 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.

Current Period (As of December 31, 2020)

The fair value of Equity interests in silent partnerships (Book value: 123,565 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 (June 30, 2020)

None

Current Period (December 31, 2020)

None

2. Derivative transactions to which hedge accounting is applied:

Prior 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.

Current Period (December 31, 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	124,620,000	106,120,000	Note	—
	Total		124,620,000	106,120,000	—	

(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 (June 30, 2020)

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

Current period (December 31, 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 June 30, 2020)	Current Period (As of December 31, 2020)
Deferred tax assets:		
Accrued enterprise tax	5	2
Allowance for doubtful accounts	0	0
Total deferred tax assets	5	2
Net deferred tax assets	5	2

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

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

(Notes to Equity in Income)

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

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

Current Period (from July 1, 2020 to December 31, 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 January 1, 2020 to June 30, 2020)

None

Current Period (from July 1, 2020 to December 31, 2020)

None

(2) Affiliates

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

None

Current Period (from July 1, 2020 to December 31, 2020)

None

(3) Companies under common control

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

None

Current Period (from July 1, 2020 to December 31, 2020)

None

(4) Board of Officers and major individual unitholders

Prior 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.

Current Period (from July 1, 2020 to December 31, 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)	875,035	Accounts payable	155,996
								Accrued expenses	184,074

(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 January 1, 2020 to June 30, 2020)

None

Current Period (from July 1, 2020 to December 31, 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 January 1, 2020 to June 30, 2020	Current Period from July 1, 2020 to December 31, 2020
Book value		
Balance at beginning of period	253,127,498	252,520,339
Change during period	(607,159)	6,002,819
Balance at end of period	252,520,339	258,523,158
Fair value	297,107,000	303,609,000

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

(Note 2) 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 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 the acquisition of 13 properties such as City hills Andoji (total acquisition price of 13,796,000 thousand yen), and a main reason of the decrease was due to the transfer of 3 properties such as Mejiro NT Building (total book value of 7,744,304 thousand yen).

(Note 4) 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 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.

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 July 1, 2020 to December 31, 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 January 1, 2020 to June 30, 2020	Current Period from July 1, 2020 to December 31, 2020
Net assets per unit	290,461 yen	293,331 yen
Net income per unit	9,226 yen	12,098 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 January 1, 2020 to June 30, 2020	Current Period from July 1, 2020 to December 31, 2020
Net income (Yen in thousands)	4,151,244	5,443,434
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	4,151,244	5,443,434
Weighted average number of units outstanding (units)	449,930	449,930

(Notes to Significant Subsequent Events)

1. Acquisition of Properties

NIPPON REIT decided to acquire trust beneficially interests in real estate and concluded purchase and sell agreement on February 18, 2021 as described below.

Property name	Location	Scheduled acquisition date	Acquisition price (million yen) (Note 1)	Seller
TENSHO OFFICE SHINBASHI 5	Minato-ward, Tokyo	February 25, 2021	1,200	Godo Kaisha NRT Growth 14
MAISON Dino	Sumida-ward, Tokyo	February 26, 2021	700	Not disclosed (Note 4)
Meister house Kawasaki	Kawasaki, Kanagawa	February 26, 2021	709	Sojitz Corporation
LIESSE Tsurumai	Nagoya, Aichi	February 26, 2021	1,082	Sojitz Corporation
Komatsubara Yamamoto Mansion	Kagoshima Kagoshima	February 26, 2021	670	Not disclosed (Note 4)
Belleza Kanayama	Nagoya, Aichi	March 1, 2021	702	Not disclosed (Note 4)
Total			5,063	

(Note 1) The acquisition prices represent amount of consideration stated in the purchase agreements of the trust beneficiary

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

(Note 2) Not disclosed because consent has not been obtained from the seller.

2. Transfer of Properties

NIPPON REIT decided to transfer trust beneficially interests in real estate and concluded purchase and sell agreement on February 18, 2021 as described below.

Property name	Location	Scheduled transfer date	Transfer price (million yen) (Note 1)	Book value (million yen)	Buyer
Higashi Ikebukuro Center Building	Toshima-ward, Tokyo	February 25, 2021	Not disclosed (Note 3)	2,649	Not disclosed (Note 3)
FORECAST Uchikanda	Chiyoda-ward, Tokyo	February 25, 2021	Not disclosed (Note 3)	1,277	Not disclosed (Note 3)
Marunouchi Sanchome Building	Nagoya, Aichi	February 25, 2021	Not disclosed (Note 3)	1,643	Not disclosed (Note 3)
Toshin Higashi-Ikebukuro Building	Toshima-ward, Tokyo	The day as is agreed from July 1, 2021 to December 31, 2021 (Note 4)	Not disclosed (Note 3)	990	Not disclosed (Note 3)
Total			8,056	6,560	

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

(Note 2) Book value as of December 31, 2020 is described, rounded down to the nearest million yen.

(Note 3) Not disclosed because consent has not been obtained from the buyer.

(Note 4) Transfer date has not been determined as of the date of this document. Furthermore, the purchase and sale agreement for the Property corresponds to the forward commitment, etc. stipulated in the Financial Services Agency's "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." (this refers to a purchase or sale agreement with delivery date one month or more after the conclusion of agreement, and other contracts similar thereto; the same shall apply hereinafter). The purchase and sales agreement stipulates that in the event of the other party's willful or negligent breach of its obligations under the agreement, the cancellation may be effected only when the purpose of the contract cannot be achieved due to the breach of such obligations. In such event, the canceller may request the other party to pay a penalty equivalent to 20% of the estimated transfer price. Furthermore, the purchase and sales agreement stipulates that both the buyer and the seller may cancel the agreement without penalty on written notice to the other party for any reason from the date of execution of the agreement to the date of execution of the transfer (such notice shall be required to be delivered to the other party no later than one month prior to the date of cancellation).

(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 2, 2018	Public offering	55,400	447,160	16,409	125,695	(Note 2)
July 24, 2018	Issuance of new investment units through third-party allotment	2,770	449,930	820	126,515	(Note 3)

(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 307,235 yen (issue price of 296,206 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 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 June 30, 2020)		Current period (as of December 31, 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 3)	1,502	0.6	1,500	0.5
total			1,502	0.6	1,500	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	134,984	50.0	139,035	50.2
		Three major metropolitan areas (Note 4) (excluding Six central wards of Tokyo)	60,112	22.3	55,334	20.0
		Subtotal	195,096	72.2	194,369	70.1
	Residential properties	Three major metropolitan areas (Note 4) (including Six central wards of Tokyo)	43,471	16.1	51,301	18.5
		Certain ordinance-designated and other cities (Note 5)	2,252	0.8	3,211	1.2
		Subtotal	45,724	16.9	54,513	19.7
	Retail Properties	—	10,196	3.8	8,139	2.9
	Total		251,017	92.9	257,022	92.7
Investment securities (Note 6)		176	0.1	123	0.0	
Deposits and other assets		17,363	6.4	18,545	6.7	
Total assets		270,060	100.0	277,192	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) The "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 4) 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 5) "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 6) 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 for the prior period, the equity interest in silent partnerships of Godo Kaisha NRT Growth 14 and Godo Kaisha NRT Growth 16 as operators for the current period.

B. Investment Assets

I. Major investment securities

(as of December 31, 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 16 subordinated Equity interest in silent partnership	—	73	73	0.0	(Note 5)
Total		—	123	123	0.0	

(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 TENSHO OFFICE SHINBASHI 5 and tanosio shin-yokohama.

(Note 5) 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 December 31, 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	0.8
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	2.5
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	13,875.01	13,990	5.5
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	1,899.30	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	2.9
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	1.0
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	0.6
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-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima ward, Tokyo	1,645.17	979	0.4
A-37	Itabashi Honcho Building	Office property	Itabashi ward, Tokyo	6,356.89	3,146	1.2
A-38	ANTEX24 Building	Office property	Taito ward, Tokyo	2,267.59	1,691	0.7
A-39	Itohia 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	0.5
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 Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.6
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	1.6
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	3,882.59	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	6.1
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	3,890.74	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	2.6
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	3,633.16	1,390	0.5
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	0.9
A-61	TK Gotanda Building	Office property	Shinagawa ward, Tokyo	3,716.38	4,130	1.6
A-62	Gotanda Sakura Building (Note 5)	Office property	Shinagawa ward, Tokyo	1,502.61	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
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	3,091.51	2,580	1.0

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-68	UNIZO Kandasudacho 2-chome Building	Office property	Chiyoda Ward, Tokyo	1,154.16	1,311	0.5
A-69	REID-C Megurofudomae	Office property	Shinagawa Ward, Tokyo	921.32	1,220	0.5
A-70	The Square	Office property	Nagoya, Aichi	1,520.69	1,080	0.4
A-71	Tsukiji Front	Office property	Chuo ward, Tokyo	687.97	825	0.3
A-72	Hatchobori River Gate	Office property	Chuo ward, Tokyo	760.31	835	0.3
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa ward, Tokyo	16,913.29	11,880	4.7
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 (Note 6)	Residential property	Shinjuku ward, Tokyo	6,042.29	5,200	2.0
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 (Note 7)	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	2,641.11	1,180	0.5
B-25	L'arte Nakatsu	Residential property	Osaka, Osaka	916.86	565	0.2
B-26	City hills Andoji	Residential property	Osaka, Osaka	2,754.00	1,750	0.7
B-27	Hermitage Shin-sakae	Residential property	Nagoya, Aichi	2,638.61	1,150	0.5
B-28	Sun・Meiekinami Building	Residential property	Nagoya, Aichi	1,747.07	950	0.4

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
B-29	Tenjinhighashi residence	Residential property	Fukuoka, Fukuoka	1,909.60	913	0.4
B-30	DeLCCS KASAI	Residential property	Edogawa Ward, Tokyo	2,308.59	1,320	0.5
B-31	Serenite Shin-Osaka	Residential property	Osaka, Osaka	1,854.02	1,148	0.4
B-32	Mullion Josai	Residential property	Nagoya, Aichi	1,427.90	729	0.3
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku ward, Tokyo	1,383.31	3,350	1.3
C-3	BECOME SAKAE	Retail property	Nagoya, Aichi	4,615.66	4,770	1.9
	Total			316,713.84	255,406	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	1,919.32	98.6	16	161
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	3,802.90	98.9	22	283
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	114
A-7	FORECAST Shinjuku SOUTH	13,875.01	13,875.01	100.0	19	1,158
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	192
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	3,326.81	78.8	5	168
A-14	Central Daikanyama	1,899.30	1,758.50	92.6	3	155
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	436
A-19	Kudankita 325 Building	2,003.60	1,763.24	88.0	8	104
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	2,612.48	85.5	8	139
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	7	172
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	151
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-35	Toshin Higashi-Ikebukuro Building	1,645.17	1,645.17	100.0	3	74
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	7	134

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 Sanchome Building	4,219.19	4,219.19	100.0	24	142
A-44	MK Kojimachi Building	1,761.60	1,308.70	74.3	8	77
A-45	Toranomon Sakura Building	3,049.79	2,720.24	89.2	11	206
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	1,053.06	87.3	5	66
A-49	FORECAST Kayabacho	3,882.59	3,882.59	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	497
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	27	1,000
A-53	SumitomoMitsui Bank Koraibashi Building	5,106.77	5,106.77	100.0	26	213
A-54	NORE Fushimi	3,890.74	3,890.74	100.0	10	218
A-55	NORE Meieki	4,280.75	4,280.75	100.0	20	202
A-56	Homat Horizon Building	6,077.01	6,077.01	100.0	10	391
A-57	Sannomiya First Building	3,633.16	3,543.69	97.5	23	112
A-58	Towa Kandanishikicho Building	1,324.07	922.23	69.7	4	46
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,620.54	1,620.54	100.0	8	71
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	202
A-62	Gotanda Sakura Building	1,502.61	1,502.61	100.0	10	98
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	1,717.87	96.4	9	77
A-66	TENSHO OCHANOMIZU BUILDING	1,252.89	1,252.89	100.0	1	Not disclosed (Note 6)
A-67	FORECAST Kameido	3,091.51	3,091.51	100.0	5	178
A-68	UNIZO Kandasudacho 2-chome Building	1,154.16	1,154.16	100.0	10	62
A-69	REID-C Megurofudomae	921.32	921.32	100.0	5	67
A-70	The Square	1,520.69	1,520.69	100.0	18	57
A-71	Tsukiji Front	687.97	687.97	100.0	8	45
A-72	Hatchobori River Gate	760.31	760.31	100.0	8	45
B-1	Tower Court Kitashinagawa	16,913.29	16,262.36	96.2	269	767
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

Property Number	Property name	Total leasable area (m ²)	Total leased area (m ²) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
B-7	Ciel Yakuin	1,544.87	1,544.87	100.0	42	44
B-8	Kanda Reeplex R's	2,180.93	2,180.93	100.0	41	107
B-9	Splendid Namba	6,212.36	5,912.17	95.2	239	219
B-10	Residence Hiroo	1,983.15	1,923.81	97.0	52	119
B-11	Residence Nihombashi Hakozaiki	1,449.00	1,449.00	100.0	1	Not disclosed (Note 6)
B-12	Primegate Iidabashi	6,042.29	5,738.79	95.0	63	258
B-13	Residence Edogawabashi	1,246.42	1,128.12	90.5	33	55
B-14	Merveille Senzoku	838.54	838.54	100.0	28	37
B-15	Field Avenue	3,092.63	3,065.08	99.1	56	139
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-Osaka III	4,299.12	4,185.59	97.4	150	145
B-19	ZEPHYROS Minami-horie	2,826.73	2,781.38	98.4	71	94
B-20	Charmant Fuji Osakajominami	1,512.00	1,464.00	96.8	61	47
B-21	Piacere Fuminosato	1,374.08	1,374.08	100.0	44	35
B-22	Wald Park Minamioi	750.12	750.12	100.0	29	34
B-23	LAPUTA KUJO	3,359.38	3,359.38	100.0	62	86
B-24	Imazaki Mansion N1	2,641.11	2,406.98	91.1	123	73
B-25	L'arte Nakatsu	916.86	885.44	96.6	27	29
B-26	City hills Andoji	2,754.00	2,145.77	77.9	53	72
B-27	Hermitage Shin-sakae	2,638.61	2,453.55	93.0	50	68
B-28	Sun • Meiekinminami Building	1,747.07	1,572.37	90.0	63	48
B-29	Tenjinhighashi residence	1,909.60	1,760.80	92.2	71	48
B-30	DeLCCS KASAI	2,308.59	2,234.31	96.8	28	64
B-31	Serenite Shin-Osaka	1,854.02	1,654.44	89.2	61	58
B-32	Mullion Josai	1,427.90	774.20	54.2	29	23
C-1	Otakibashi Pacifica Building	1,383.31	1,105.36	79.9	8	131
C-3	BECOME SAKAE	4,615.66	4,615.66	100.0	11	232
	Total	316,713.84	309,182.27	97.6	2,396	15,845

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements for respective properties as of December 31, 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 December 31, 2020.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 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	2,107	3,160	3,210	3.8%	3,100	3.4%	4.0%
A-2	Nihombashi Playa Building	2,130	1,985	2,520	2,560	4.3%	2,470	4.1%	4.5%
A-3	FORECAST Yotsuya	1,430	1,358	1,970	2,000	3.8%	1,930	3.6%	4.0%
A-4	FORECAST Shinjuku AVENUE	6,500	6,158	8,110	8,260	3.4%	7,960	3.2%	3.6%
A-5	FORECAST Ichigaya	4,800	4,432	6,400	6,520	3.5%	6,270	3.3%	3.7%
A-6	FORECAST Mita	1,800	1,719	2,380	2,420	3.7%	2,340	3.5%	3.9%
A-7	FORECAST Shinjuku SOUTH	13,990	14,707	18,100	18,300	3.5%	17,900	3.2%	3.7%
A-8	FORECAST Sakurabashi	5,760	5,995	6,800	6,880	4.0%	6,720	3.8%	4.2%
A-9	GreenOak Kayabacho	2,860	2,984	3,580	3,630	3.8%	3,520	3.6%	4.0%
A-10	GreenOak Kudan	2,780	2,913	3,530	3,580	3.6%	3,470	3.4%	3.8%
A-11	GreenOak Takanawadai	2,260	2,156	2,970	3,000	4.0%	2,930	3.8%	4.2%
A-13	Higashi Ikebukuro Center Building	2,520	2,649	3,010	3,030	4.5%	2,980	4.3%	4.7%
A-14	Central Daikanyama	3,510	3,683	3,760	3,800	3.6%	3,720	3.3%	3.7%
A-16	Hiroo Reeplex B's	2,827	2,856	3,410	3,470	3.8%	3,350	3.6%	4.0%
A-17	Shibakoen Sanchome Building	7,396	7,368	10,200	10,500	3.6%	10,100	3.4%	3.8%
A-19	Kudankita 325 Building	1,850	1,978	2,220	2,250	3.6%	2,180	3.4%	3.8%
A-20	FORECAST Uchikanda	1,240	1,277	1,350	1,370	3.8%	1,320	3.6%	4.0%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,890	3,290	3,330	4.0%	3,250	3.8%	4.2%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,764	2,970	3,010	4.0%	2,920	3.8%	4.2%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,232	2,580	2,610	4.0%	2,550	3.8%	4.2%
A-24	Pigeon Building	2,837	2,925	3,040	3,080	4.1%	2,990	3.9%	4.3%
A-25	FORECAST Ningyocho	2,070	2,117	2,190	2,220	4.0%	2,150	3.8%	4.2%
A-26	FORECAST Ningyocho PLACE	1,650	1,643	2,080	2,110	3.9%	2,050	3.7%	4.1%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,113	2,310	2,350	4.0%	2,260	3.8%	4.2%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,228	2,650	2,680	4.0%	2,610	3.8%	4.2%
A-29	Iidabashi Reeplex B's	1,249	1,285	1,550	1,580	3.6%	1,520	3.4%	3.8%
A-30	FORECAST Shinagawa	2,300	2,402	2,450	2,490	3.9%	2,410	3.7%	4.1%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,269	2,660	2,680	3.9%	2,630	3.7%	4.1%
A-32	Towa Higashi-Gotanda Building	2,033	2,095	2,430	2,460	3.9%	2,400	3.7%	4.1%
A-33	FORECAST Takadanobaba	5,550	5,870	6,450	6,550	4.2%	6,350	4.0%	4.4%
A-35	Toshin Higashi-Ikebukuro Building	979	990	1,140	1,150	4.5%	1,130	4.3%	4.7%
A-37	Itabashi Honcho Building	3,146	3,060	3,600	3,640	4.5%	3,550	4.2%	4.7%
A-38	ANTEX24 Building	1,691	1,763	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%	2,000	4.1%	4.6%

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-40	East Side Building	1,372	1,374	1,640	1,660	4.4%	1,610	4.2%	4.6%
A-41	I・S Minamimorimachi Building	2,258	2,377	2,810	2,840	4.3%	2,780	4.1%	4.5%
A-42	Sunworld Building	1,200	1,265	1,300	1,310	4.5%	1,280	4.3%	4.7%
A-43	Marunouchi Sanchome Building	1,626	1,643	2,040	2,060	4.4%	2,020	4.2%	4.6%
A-44	MK Kojimachi Building	1,781	1,812	2,170	2,220	3.4%	2,110	3.2%	3.6%
A-45	Toranomon Sakura Building	4,120	4,281	4,890	4,930	3.3%	4,850	3.0%	3.4%
A-46	La Verite AKASAKA	2,000	2,136	2,440	2,480	3.5%	2,390	3.3%	3.7%
A-47	Kanda Ocean Building	1,440	1,468	1,790	1,820	3.8%	1,750	3.6%	4.0%
A-48	Shinto GINZA EAST	1,352	1,347	1,450	1,480	3.7%	1,420	3.5%	3.9%
A-49	FORECAST Kayabacho	3,000	3,102	3,320	3,330	4.1%	3,310	3.8%	4.2%
A-50	FORECAST Waseda FIRST	4,775	4,799	5,000	5,090	3.8%	4,910	3.6%	4.0%
A-51	FORECAST Gotanda WEST	6,520	7,561	8,240	8,300	3.9%	8,170	3.7%	4.1%
A-52	Omiya Center Building	15,585	15,437	20,900	21,200	4.1%	20,500	3.9%	4.3%
A-53	Sumitomo Mitsui BankKoraibashi Building	2,850	2,974	3,450	3,480	4.2%	3,410	4.0%	4.4%
A-54	NORE Fushimi	2,840	2,688	4,090	4,140	4.2%	4,030	4.0%	4.4%
A-55	NORE Meieki	2,520	2,392	3,750	3,810	4.3%	3,690	4.1%	4.5%
A-56	Homat Horizon Building	6,705	6,685	7,620	7,770	3.5%	7,470	3.3%	3.7%
A-57	Sannomiya First Building	1,390	1,446	1,600	1,620	4.9%	1,580	4.7%	5.1%
A-58	Towa Kandanishikicho Building	960	973	1,060	1,060	4.2%	1,050	3.4%	4.3%
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,213	1,250	1,250	4.2%	1,240	3.9%	4.3%
A-60	Hiroo On Building	2,392	2,420	2,710	2,760	3.9%	2,660	3.7%	4.1%
A-61	TK Gotanda Building	4,130	4,423	4,500	4,540	3.8%	4,460	3.5%	3.9%
A-62	Gotanda Sakura Building	1,460	1,500	1,700	1,730	4.1%	1,660	3.6%	4.2%
A-63	Esprit Kameido	1,265	1,280	1,320	1,330	4.5%	1,300	4.3%	4.7%
A-64	Alte Building Higobashi	1,453	1,470	1,800	1,820	4.3%	1,780	4.1%	4.5%
A-65	DIA Building Meieki	1,167	1,188	1,290	1,300	4.4%	1,270	4.2%	4.6%
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,862	1,890	1,930	3.5%	1,850	3.3%	3.7%
A-67	FORECAST Kameido	2,580	2,659	2,820	2,860	4.2%	2,770	4.0%	4.4%
A-68	UNIZO Kandasudacho 2-chome Building	1,311	1,366	1,350	1,380	3.5%	1,320	3.3%	3.7%
A-69	REID-C Megurofudomae	1,220	1,238	1,230	1,250	4.2%	1,200	4.0%	4.4%
A-70	The Square	1,080	1,097	1,140	1,150	4.4%	1,120	4.2%	4.6%
A-71	Tsukiji Front	825	839	1,010	1,030	3.8%	989	3.5%	3.9%
A-72	Hatchobori River Gate	835	847	1,020	1,040	3.7%	1,000	3.5%	3.9%
B-1	Tower Court Kitashinagawa	11,880	10,682	15,300	15,500	3.9%	15,000	3.7%	4.1%
B-2	Sky Hills N11	1,570	1,623	1,870	1,880	5.0%	1,850	4.8%	5.2%

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-4	my atria Sakae	1,110	994	1,290	1,300	4.6%	1,270	4.4%	4.8%
B-5	Mac Village Heian	785	714	947	958	4.7%	935	4.5%	4.9%
B-6	Seam Dwell Tsutsui	695	663	793	803	4.6%	783	4.4%	4.8%
B-7	Ciel Yakuin	640	608	774	784	4.3%	763	4.1%	4.5%
B-8	Kanda Reeplex R's	1,813	1,729	2,070	2,090	3.9%	2,040	3.6%	4.1%
B-9	Splendid Namba	3,502	3,256	3,980	4,040	4.4%	3,910	4.2%	4.6%
B-10	Residence Hiroo	2,590	2,611	2,790	2,860	3.7%	2,760	3.5%	3.9%
B-11	Residence Nihombashi Hakozi	1,300	1,426	1,630	1,650	4.1%	1,600	3.6%	4.0%
B-12	Primegate Iidabashi	5,200	5,234	5,380	5,400	3.8%	5,350	3.5%	3.9%
B-13	Residence Edo Kawabashi	1,230	1,244	1,260	1,280	4.1%	1,230	3.9%	4.3%
B-14	Merveille Sensoku	740	748	753	766	4.0%	739	3.8%	4.2%
B-15	Field Avenue	3,110	3,137	3,150	3,170	3.9%	3,130	3.6%	4.0%
B-16	Domeal Kitaakabane	785	796	808	820	4.2%	796	4.0%	4.4%
B-17	Dormy Kitaakabane	986	994	1,030	1,040	4.3%	1,010	4.1%	4.5%
B-18	Splendid Shin-Osaka III	2,428	2,381	2,580	2,630	4.4%	2,560	4.2%	4.6%
B-19	ZEPHYROS Ninami-horie	1,608	1,619	1,750	1,770	4.2%	1,740	4.0%	4.4%
B-20	Charmant Fuji Osakajominami	905	911	911	928	4.3%	903	4.1%	4.5%
B-21	Piacere Fuminosato	571	571	581	591	4.6%	576	4.4%	4.8%
B-22	Wald Park Minamioi	715	753	735	749	3.9%	721	3.7%	4.1%
B-23	LAPUTA KUJO	1,480	1,603	1,501	1,525	4.3%	1,476	4.1%	4.5%
B-24	Imazaki Mansion N1	1,180	1,250	1,210	1,220	4.6%	1,200	4.4%	4.8%
B-25	L'arte Nakatsu	565	606	575	586	4.2%	564	4.0%	4.4%
B-26	City hills Andoji	1,750	1,864	1,860	1,900	4.1%	1,820	3.9%	4.3%
B-27	Hermitage Shin-sakae	1,150	1,230	1,220	1,240	4.3%	1,200	4.1%	4.5%
B-28	Sun・Meiekinami Building	950	987	1,010	1,030	4.2%	989	4.0%	4.4%
B-29	Tenjinhigashi residence	913	979	932	953	4.3%	911	4.1%	4.5%
B-30	DeLCCS KASAI	1,320	1,350	1,350	1,380	4.2%	1,340	4.0%	4.4%
B-31	Serenite Shin-Osaka	1,148	1,180	1,150	1,170	4.3%	1,130	4.1%	4.5%
B-32	Mullion Josai	729	756	739	749	4.4%	728	4.2%	4.6%
C-1	Otakibashi Pacifica Building	3,350	3,388	3,440	3,510	3.7%	3,360	3.5%	3.9%
C-3	BECOME SAKAE	4,770	4,751	4,840	4,930	4.0%	4,740	3.8%	4.2%
	Total	255,406	258,523	303,609	307,882		299,003		

(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 December 31, 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 December 31, 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, B-21 and B-30, to JLL Morii Valuation & Advisory K.K. for A-51, A-64, A-65, A-70, B-9, B-13, B-14, B-25, B-26, B-27, B-28 and B-29, to Japan Valuers Co., Ltd. for B-22, B-23, B-24, B-31 and B-32, and to Japan Real Estate Institute for rest of all properties.

(iv) Earnings Performance for the Individual Properties

The 17th Fiscal Period (from July 1, 2020 to December 31, 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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	89,851	85,617	56,129	204,993	157,526	65,298
Rental revenues	81,439	83,222	52,836	186,525	144,071	57,495
Other revenues related to property leasing	8,412	2,394	3,292	18,468	13,454	7,803
(2)Property related expenses	17,380	14,623	11,152	39,321	29,330	12,347
Property management fees	3,403	4,987	2,442	9,320	8,239	2,890
Utility expenses	5,025	3,404	2,511	10,062	7,207	3,923
Insurance expenses	58	63	42	124	119	44
Repair expenses	2,139	367	890	531	2,170	92
Taxes and dues	2,329	5,429	4,906	18,127	9,858	5,045
Trust fees	350	350	350	350	350	350
Others	4,073	21	8	805	1,384	2
(3)NOI (1)-(2)	72,470	70,993	44,976	165,671	128,195	52,950
(4)Depreciation	12,412	12,018	5,507	27,153	33,293	7,136
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	60,058	58,975	39,468	138,518	94,902	45,814

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	615,433	215,464	108,419	104,212	91,714	166,729
Rental revenues	579,116	200,470	98,240	96,077	84,384	102,705
Other revenues related to property leasing	36,316	14,994	10,179	8,134	7,329	64,024
(2)Property related expenses	209,889	37,718	24,236	21,530	18,151	25,027
Property management fees	35,539	13,787	6,222	5,538	3,807	8,241
Utility expenses	19,254	9,471	7,508	5,997	5,778	5,696
Insurance expenses	459	189	91	82	75	139
Repair expenses	1,951	2,042	1,278	621	539	1,394
Taxes and dues	15,701	10,314	8,220	8,937	7,593	8,634
Trust fees	350	350	350	350	350	350
Others	136,634	1,563	565	3	6	571
(3)NOI (1)-(2)	405,543	177,746	84,183	82,681	73,562	141,701
(4)Depreciation	42,500	13,745	8,556	6,960	15,061	13,532
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	363,042	164,001	75,626	75,721	58,501	128,169

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	85,216	84,962	236,241	59,678	41,298	104,545
Rental revenues	78,427	75,836	218,440	53,899	38,713	98,509
Other revenues related to property leasing	6,789	9,126	17,801	5,779	2,585	6,036
(2)Property related expenses	14,468	14,099	44,669	18,290	10,322	25,333
Property management fees	3,143	3,054	9,053	4,780	2,643	7,292
Utility expenses	3,857	3,042	12,839	2,533	2,385	7,177
Insurance expenses	50	41	183	50	47	103
Repair expenses	583	2,254	3,385	477	1,415	2,063
Taxes and dues	6,480	5,316	17,608	6,957	3,373	8,290
Trust fees	350	350	350	350	350	350
Others	3	39	1,249	3,141	107	55
(3)NOI (1)-(2)	70,747	70,863	191,571	41,388	30,976	79,212
(4)Depreciation	4,443	3,394	15,440	4,242	3,663	9,321
(5) Loss on retirement of non-current assets	1,852	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	64,452	67,468	176,131	37,146	27,313	69,891

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	85,868	79,962	Not disclosed (Note)	65,876	63,204	62,499
Rental revenues	82,814	77,007		59,561	56,211	55,488
Other revenues related to property leasing	3,053	2,954		6,315	6,993	7,010
(2)Property related expenses	18,233	22,224		15,179	13,112	10,492
Property management fees	6,870	6,194		4,293	3,386	2,448
Utility expenses	3,378	3,670		3,441	4,575	3,020
Insurance expenses	92	81		77	50	50
Repair expenses	1,283	450		673	701	980
Taxes and dues	6,060	5,402		6,343	4,026	3,636
Trust fees	350	350		350	350	350
Others	199	6,075		-	22	6
(3)NOI (1)-(2)	67,635	57,738	73,273	50,697	50,091	52,007
(4)Depreciation	11,067	9,109	9,861	6,078	3,845	4,139
(5) Loss on retirement of non-current assets	-	-	-	-	94	-
(6)Income from property leasing (3)-(4)-(5)	56,567	48,628	63,412	44,619	46,152	47,867

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	82,609	44,506	74,760	85,268	76,229	183,302
Rental revenues	75,539	36,273	66,709	73,763	71,057	170,681
Other revenues related to property leasing	7,069	8,232	8,051	11,505	5,172	12,621
(2)Property related expenses	17,833	10,293	16,412	22,440	16,127	32,399
Property management fees	4,051	2,505	5,064	6,379	5,788	9,117
Utility expenses	4,033	4,284	3,927	4,794	2,846	8,101
Insurance expenses	71	37	79	88	92	173
Repair expenses	691	156	792	973	757	1,164
Taxes and dues	6,567	2,855	6,171	7,651	6,268	12,386
Trust fees	350	350	350	350	350	350
Others	2,067	104	27	2,202	24	1,106
(3)NOI (1)-(2)	64,776	34,213	58,348	62,828	60,102	150,903
(4)Depreciation	4,760	4,161	7,522	5,194	10,747	20,105
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	60,015	30,052	50,826	57,633	49,354	130,797

(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	139days	184days	139days	184days	184days	184days
(1)Revenues from property leasing	92,837	40,579	73,341	144,193	59,920	75,125
Rental revenues	83,103	35,896	67,118	117,461	53,958	70,004
Other revenues related to property leasing	9,734	4,683	6,222	26,732	5,962	5,121
(2)Property related expenses	19,448	10,844	17,316	46,172	12,642	16,928
Property management fees	6,061	3,216	5,925	18,597	3,916	5,351
Utility expenses	4,882	2,387	4,157	11,321	3,486	4,263
Insurance expenses	127	46	118	160	65	72
Repair expenses	1,467	959	376	2,425	599	1,513
Taxes and dues	6,318	2,505	6,318	8,610	4,052	5,066
Trust fees	265	350	265	350	350	350
Others	326	1,379	155	4,706	171	311
(3)NOI (1)-(2)	73,389	29,734	56,024	98,020	47,278	58,197
(4)Depreciation	9,529	4,048	10,110	15,354	8,777	8,710
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	63,859	25,685	45,913	82,666	38,501	49,486

(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 Sanhome Building	MK Kojimachi Building	Toranomon Sakura Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	52,305	97,407	Not disclosed (Note)	79,940	40,842	113,843
Rental revenues	45,564	88,388		75,521	38,605	109,172
Other revenues related to property leasing	6,741	9,018		4,418	2,237	4,671
(2)Property related expenses	10,638	30,131		21,896	16,317	23,983
Property management fees	3,545	5,904		7,856	3,313	7,699
Utility expenses	2,863	7,084		4,912	1,693	4,689
Insurance expenses	52	144		120	45	81
Repair expenses	1,170	6,118		560	4,486	1,018
Taxes and dues	2,261	9,549		6,472	6,112	9,846
Trust fees	350	350		350	350	350
Others	394	980		1,624	315	298
(3)NOI (1)-(2)	41,666	67,276	32,675	58,043	24,525	89,860
(4)Depreciation	3,341	16,285	6,723	13,044	2,805	7,731
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	38,325	50,991	25,951	44,999	21,719	82,129

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	61,578	52,768	35,087	106,185	140,408	265,701
Rental revenues	58,669	47,271	33,987	93,506	128,073	248,343
Other revenues related to property leasing	2,909	5,497	1,099	12,679	12,335	17,358
(2)Property related expenses	11,140	12,314	7,306	23,467	32,233	62,473
Property management fees	3,561	2,446	2,154	6,668	8,021	16,511
Utility expenses	2,332	3,763	1,199	6,993	9,695	13,583
Insurance expenses	46	44	29	105	128	299
Repair expenses	22	1,222	90	983	2,087	2,946
Taxes and dues	4,828	3,452	2,880	7,841	11,375	28,264
Trust fees	350	350	350	350	350	350
Others	-	1,034	601	524	575	518
(3)NOI (1)-(2)	50,437	40,454	27,780	82,717	108,174	203,228
(4)Depreciation	3,814	3,631	2,857	10,971	11,600	43,917
(5) Loss on retirement of non-current assets	-	-	-	503	-	-
(6)Income from property leasing (3)-(4)-(5)	46,623	36,823	24,923	71,242	96,574	159,310

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	547,993	137,841	119,483	110,745	206,465	70,481
Rental revenues	515,654	111,888	106,238	97,208	198,700	60,764
Other revenues related to property leasing	32,339	25,953	13,245	13,536	7,764	9,716
(2)Property related expenses	88,760	47,829	26,430	30,017	50,389	21,455
Property management fees	33,545	10,879	7,702	7,707	12,557	8,216
Utility expenses	22,833	17,596	8,120	8,592	9,128	6,729
Insurance expenses	510	159	100	110	180	101
Repair expenses	1,525	1,503	1,070	980	2,100	1,305
Taxes and dues	26,932	17,070	7,650	9,831	24,673	4,706
Trust fees	350	350	350	350	350	350
Others	3,064	270	1,436	2,444	1,399	46
(3)NOI (1)-(2)	459,232	90,011	93,053	80,727	156,075	49,026
(4)Depreciation	61,478	18,185	19,497	17,667	14,346	10,048
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	397,753	71,825	73,555	63,060	141,729	38,977

(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	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	33,196	37,635	74,902	108,719	48,564	47,507
Rental revenues	28,572	35,670	68,202	101,159	44,071	39,594
Other revenues related to property leasing	4,624	1,964	6,700	7,559	4,492	7,912
(2)Property related expenses	50,077	11,248	15,577	28,143	14,229	12,945
Property management fees	2,361	2,564	4,880	5,555	2,271	3,223
Utility expenses	2,216	1,756	3,595	5,901	2,836	4,669
Insurance expenses	33	40	60	114	39	50
Repair expenses	39	2,417	933	2,502	13	1,532
Taxes and dues	1,365	3,846	5,652	9,075	1,468	2,964
Trust fees	350	350	350	350	-	350
Others	43,712	273	106	4,645	7,600	156
(3)NOI (1)-(2)	(16,881)	26,387	59,324	80,575	34,334	34,561
(4)Depreciation	1,780	4,451	4,541	9,252	4,099	3,156
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	(18,661)	21,935	54,783	71,323	30,235	31,404

(Yen in thousands)

Property number	A-64	A-65	A-66	A-67	A-68	A-69
Property name	Alte Building Higobashi	DIA Building Meieki	TENSHO OCHANOMIZU BUILDING	FORECAST Kameido	UNIZO Kandasudacho 2-chome Building	REID-C Megurofudomae
Operating periods	184days	184days	184days	184days	63days	63days
(1)Revenues from property leasing	70,154	49,910	Not disclosed (Note)	87,608	9,394	12,166
Rental revenues	62,370	43,688		82,904	8,681	11,661
Other revenues related to property leasing	7,784	6,221		4,704	712	505
(2)Property related expenses	19,310	14,988		18,941	3,650	1,642
Property management fees	6,481	4,646		5,529	907	761
Utility expenses	5,332	4,203		4,981	417	26
Insurance expenses	98	68		90	11	8
Repair expenses	775	407		609	166	67
Taxes and dues	6,072	4,950		7,276	-	-
Trust fees	550	350		350	103	103
Others	-	361		105	2,044	674
(3)NOI (1)-(2)	50,843	34,921	34,614	68,667	5,743	10,524
(4)Depreciation	5,375	3,018	5,113	14,111	1,091	974
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	45,468	31,903	29,501	54,555	4,652	9,549

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

(Yen in thousands)

Property number	A-70	A-71	A-72	B-1	B-2	B-4
Property name	The Square	Tsukiji Front	Hatchobori River Gate	Tower Court Kitashinagawa	Sky Hills N11	my atria Sakae
Operating periods	63days	42days	42days	184days	184days	184days
(1)Revenues from property leasing	11,444	5,328	5,720	407,055	77,128	37,979
Rental revenues	11,046	5,220	5,282	389,084	61,056	37,969
Other revenues related to property leasing	397	107	437	17,970	16,072	10
(2)Property related expenses	2,980	470	417	96,480	8,430	7,730
Property management fees	1,260	317	269	31,901	375	1,879
Utility expenses	934	80	73	4,931	-	446
Insurance expenses	18	4	4	412	124	59
Repair expenses	246	-	-	23,569	893	1,050
Taxes and dues	-	-	-	19,500	6,685	2,594
Trust fees	103	69	69	350	350	350
Others	416	-	0	15,813	2	1,350
(3)NOI (1)-(2)	8,464	4,858	5,303	310,574	68,697	30,249
(4)Depreciation	1,482	387	541	67,994	14,695	14,174
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	6,981	4,470	4,761	242,580	54,001	16,074

(Yen in thousands)

Property number	B-5	B-6	B-7	B-8	B-9	B-10
Property name	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Splendid Namba	Residence Hiroo
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	28,068	23,915	24,475	55,569	109,248	60,923
Rental revenues	27,641	23,915	23,690	54,026	107,839	58,826
Other revenues related to property leasing	426	-	785	1,543	1,408	2,096
(2)Property related expenses	4,933	5,293	6,614	10,223	22,349	11,679
Property management fees	1,895	1,874	1,370	4,754	6,082	2,489
Utility expenses	285	-	649	2	735	542
Insurance expenses	43	33	29	51	137	50
Repair expenses	434	1,073	1,645	710	3,139	2,623
Taxes and dues	1,923	1,622	1,352	2,460	7,186	2,771
Trust fees	350	350	350	350	350	350
Others	-	340	1,216	1,893	4,718	2,850
(3)NOI (1)-(2)	23,135	18,621	17,861	45,345	86,898	49,244
(4)Depreciation	9,429	7,221	6,520	8,736	33,968	5,142
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	13,706	11,399	11,341	36,609	52,930	44,101

(Yen in thousands)

Property number	B-11	B-12	B-13	B-14	B-15	B-16
Property name	Residence Nihombashi Hakozaiki	Primegate Iidabashi	Residence Edogawabashi	Merveille Senzoku	Field Avenue	Domeal Kitaakabane
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	Not disclosed (Note)	142,591	30,774	20,495	78,021	Not disclosed (Note)
Rental revenues		136,115	28,061	18,953	69,138	
Other revenues related to property leasing		6,475	2,713	1,541	8,882	
(2)Property related expenses		38,408	7,349	6,967	13,625	
Property management fees		12,650	1,545	1,254	2,703	
Utility expenses		4,178	193	231	3,365	
Insurance expenses		181	27	21	73	
Repair expenses		6,278	2,442	2,545	877	
Taxes and dues		9,651	1,222	1,012	3,442	
Trust fees		350	350	350	350	
Others		5,118	1,567	1,551	2,813	
(3)NOI (1)-(2)	34,630	104,182	23,425	13,527	64,395	16,872
(4)Depreciation	4,023	9,442	3,033	2,268	7,542	1,866
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	30,607	94,739	20,392	11,259	56,853	15,005

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

(Yen in thousands)

Property number	B-17	B-18	B-19	B-20	B-21	B-22
Property name	Dormy Kitaakabane	Splendid Shin-Osaka III	ZEPHYROS Minami-horie	Charmant Fuji Osaka jominami	Piacere Fuminosato	Wald Park Minamioi
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	Not disclosed (Note)	73,783	47,226	25,147	19,185	17,944
Rental revenues		72,709	46,980	23,554	18,272	17,318
Other revenues related to property leasing		1,073	246	1,592	912	626
(2)Property related expenses		13,287	10,590	6,819	5,409	2,652
Property management fees		4,056	2,388	1,221	1,307	835
Utility expenses		561	754	586	586	157
Insurance expenses		82	57	30	28	16
Repair expenses		1,237	2,065	2,135	1,696	43
Taxes and dues		4,820	2,457	1,356	1,016	748
Trust fees		350	350	350	350	350
Others		2,177	2,517	1,138	423	500
(3)NOI (1)-(2)	22,314	60,495	36,635	18,327	13,775	15,292
(4)Depreciation	1,825	18,646	5,649	3,654	2,823	1,439
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	20,488	41,849	30,986	14,673	10,952	13,852

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

(Yen in thousands)

Property number	B-23	B-24	B-25	B-26	B-27	B-28
Property name	LAPUTA KUJO	Imazaki Mansion N1	L'arte Nakatsu	City hills Andoji	Hermitage Shin-sakae	Sun • Meiekimina mi Building
Operating periods	184days	184days	63days	63days	63days	63days
(1)Revenues from property leasing	43,672	42,317	5,588	14,126	12,608	8,627
Rental revenues	42,423	39,289	5,165	13,271	12,551	8,429
Other revenues related to property leasing	1,248	3,027	423	854	57	197
(2)Property related expenses	11,485	13,125	669	4,072	1,866	1,572
Property management fees	3,561	2,137	331	653	924	495
Utility expenses	550	1,549	146	130	117	114
Insurance expenses	61	78	6	20	19	13
Repair expenses	690	5,599	-	2,012	470	290
Taxes and dues	2,637	2,205	-	-	-	-
Trust fees	350	350	103	103	103	103
Others	3,633	1,204	81	1,152	231	555
(3)NOI (1)-(2)	32,186	29,192	4,919	10,053	10,741	7,055
(4)Depreciation	4,391	3,878	1,013	3,451	2,616	2,224
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	27,794	25,313	3,905	6,602	8,125	4,831

(Yen in thousands)

Property number	B-29	B-30	B-31	B-32	C-1	C-2
Property name	Tenjinhighashi residence	DeLCCS KASAI	Serenite Shin-Osaka	Mullion Josai	Otakibashi Pacifica Building	Komyoike Act
Operating periods	63days	42days	42days	42days	184days	139days
(1)Revenues from property leasing	9,037	8,447	6,314	3,173	82,749	107,815
Rental revenues	8,668	8,220	6,122	2,771	74,524	72,221
Other revenues related to property leasing	369	227	191	401	8,225	35,593
(2)Property related expenses	1,180	1,466	882	385	29,381	70,834
Property management fees	561	709	339	310	4,286	16,131
Utility expenses	253	173	31	24	5,199	23,261
Insurance expenses	16	10	8	5	41	181
Repair expenses	11	40	-	-	11,221	4,530
Taxes and dues	-	-	-	-	5,412	6,545
Trust fees	120	69	69	-	350	265
Others	216	465	434	45	2,869	19,919
(3)NOI (1)-(2)	7,857	6,981	5,431	2,787	53,368	36,981
(4)Depreciation	1,686	793	872	948	10,617	20,777
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	6,170	6,187	4,559	1,838	42,750	16,203

(Yen in thousands)

Property number	C-3	
Property name	BECOME SAKAE	Total
Operating periods	184days	
(1)Revenues from property leasing	115,890	8,804,948
Rental revenues	102,861	8,051,460
Other revenues related to property leasing	13,029	753,488
(2)Property related expenses	61,189	2,140,274
Property management fees	7,698	556,200
Utility expenses	6,531	424,113
Insurance expenses	126	8,718
Repair expenses	957	161,418
Taxes and dues	10,467	600,503
Trust fees	350	32,417
Others	35,057	356,902
(3)NOI (1)-(2)	54,701	6,664,674
(4)Depreciation	14,520	1,016,725
(5) Loss on retirement of non-current assets	-	2,450
(6)Income from property leasing (3)-(4)-(5)	40,180	5,645,497

(2) Status of Capital Expenditure

A. Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 18th 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
Central Daikanyama	Shibuya Ward, Tokyo	Elevator renewal	From Jan. 2021 to Jun. 2021	13	—	—
FORECAST Takadanobaba	Toshima Ward, Tokyo	Substation facilities repairment	From Jan. 2021 to Jun. 2021	15		
Sunworld Building	Osaka, Osaka	Mechanical parking facility maintenance	From Jan. 2021 to Jun. 2021	11		
MK Kojimachi Building	Chiyoda Ward, Tokyo	Building structure repairment	From Jan. 2021 to Jun. 2021	50		
		Repairment work at 1st floor	From Jan. 2021 to Jun. 2021	10		
		Repairment work at B1 floor	From Jan. 2021 to Jun. 2021	10		
FORECAST Waseda FIRST	Shinjuku Ward, Tokyo	Ventilation system renewal at retail area on the 1st floor	From Jan. 2021 to Jun. 2021	14	—	—
Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	Automatic fire alert renewal	From Jan. 2021 to Jun. 2021	10	—	—
Homat Horizon Building	Chiyoda Ward, Tokyo	Mechanical parking facility maintenance	From Jan. 2021 to Jun. 2021	32	—	—
TK Gotanda Building	Shinagawa Ward, Tokyo	Elevator renewal	From Jan. 2021 to Jun. 2021	17		
Primegate Iidabashi	Shinjuku Ward, Tokyo	Main drain tube renewal at 5th floor	From Jan. 2021 to Jun. 2021	14	—	—
Imazaki Mansion N1	Higashi-osaka, Osaka	Interphone renewal	From Jan. 2021 to Jun. 2021	13	—	—

(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 December 31, 2020, capital expenditures totaled 398 million yen. With the addition of 161 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 559 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
Central Daikanyama	Shibuya Ward, Tokyo	Changing in use of 7th floor	From Oct. 2020 to Dec. 2020	22
FORECAST Shinagawa	Shinagawa Ward, Tokyo	Cubicle renewal	From Nov. 2020 to Nov. 2020	30
I・S Minamimorimachi Building	Osaka, Osaka	Air heat exchanger renewal	From Jul. 2020 to Nov. 2020	54
		Exterior wall repair	From Jul. 2020 to Sep. 2020	38
Homat Horizon Building	Chiyoda Ward, Tokyo	Outdoor-air processing unit renewal	From Oct. 2020 to Dec. 2020	38
Field Avenue	Ota Ward, Tokyo	Elevator renewal	From Nov. 2020 to Nov. 2020	12
Other capital expenditures				201
Total				398

(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	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	17th fiscal period From July 1, 2020 to December 31, 2020
Balance of reserves at the beginning of the period	27	307	819	507	980
Amount of reserves during the period	1,700	1,031	732	888	771
Amount of reversal of reserves during the period	1,420	519	1,044	415	398
Reserves carried forward	307	819	507	980	1,353

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