

# NIPPON REIT Investment Corporation(TSE code : 3296) Performance Report (October -December 2020)

February 18, 2021

## NIPPON VISION

*Serious, Steady, Solid*



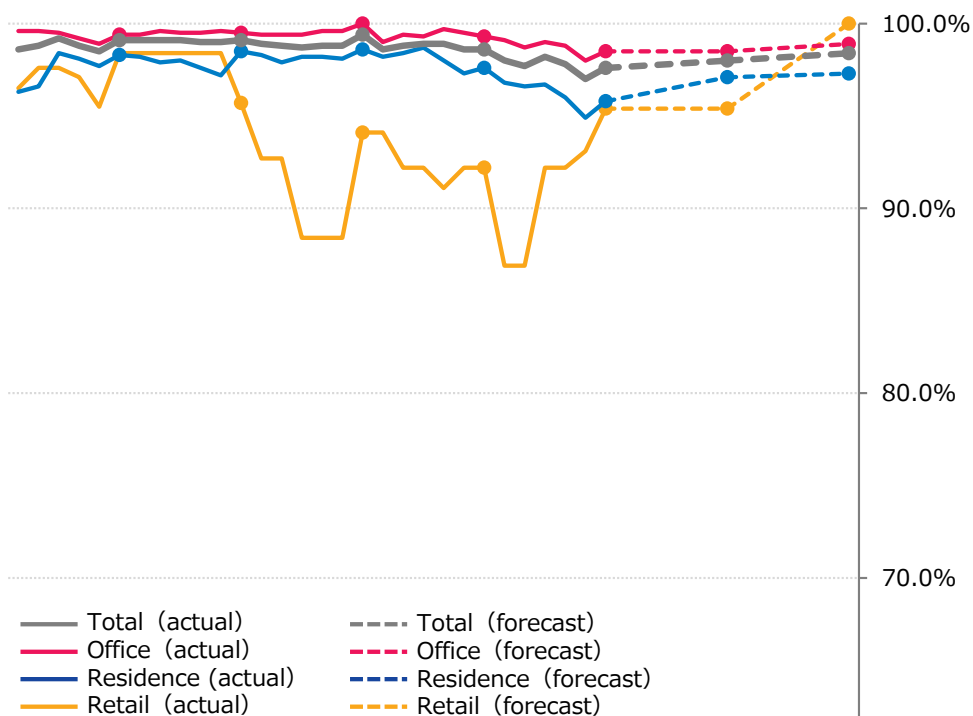
**NIPPON REIT**  
Investment Corporation

# Occupancy Rate and Free Rent Period Trend

## ◆ Both of occupancy rate on contract and rent show stable trend

• Although vacancy rate of rental office market is increasing, the occupancy rate if the portfolio moves stable

### 《 Occupancy rate trend and forecast 》



13th period	14th period	15th period	16th period	17th period	18th period	19th period <sup>(1)</sup>	
99.1%	99.1%	99.4%	98.6%	97.6%	98.0%	98.4%	Total
99.4%	99.5%	100.0%	99.3%	98.5%	98.5%	98.9%	Office
98.3%	98.5%	98.6%	97.6%	95.8%	97.1%	97.3%	Residence
98.4%	95.7%	94.1%	92.2%	95.4%	95.4%	100.0%	Retail

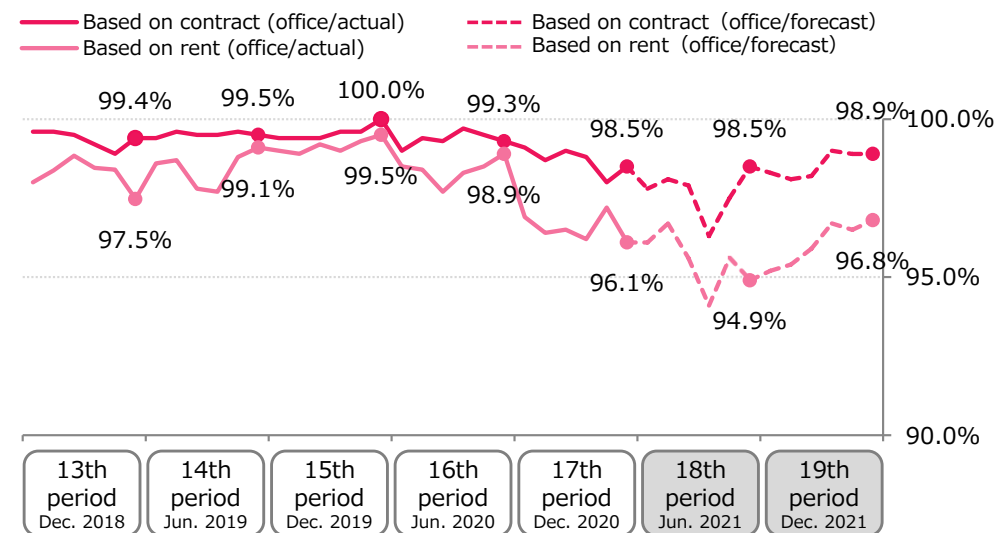
note

1. The figures of forecast for the 19th period is calculated based on assumption that the Toshin Higashi-Ikebukuro Building will not be transferred in the period as planned.

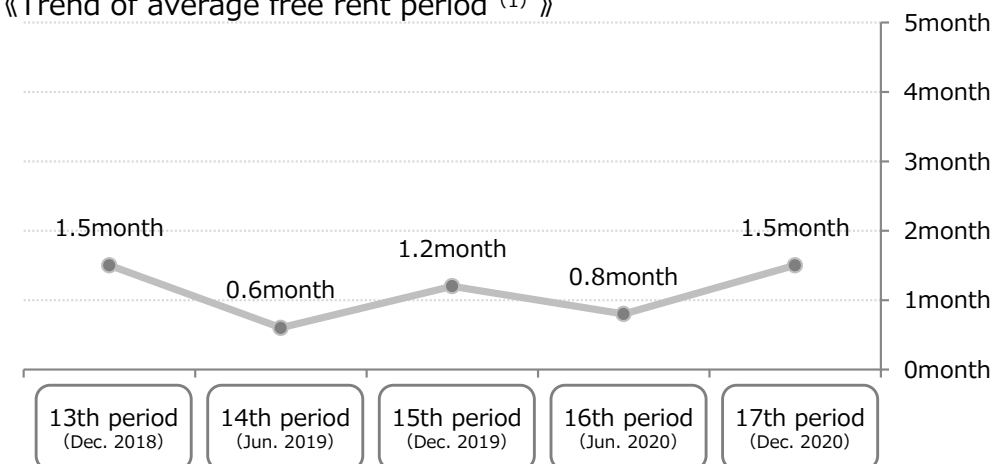
2. "Average free rent period" is calculated by following formula for each section, for new lease contracts conducted during respective period.

(Reduction of rent and common benefit expense due to free rent etc.) ÷ (total amount of monthly rents and common benefit expenses in normal times)

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



### 《Trend of average free rent period <sup>(1)</sup> 》



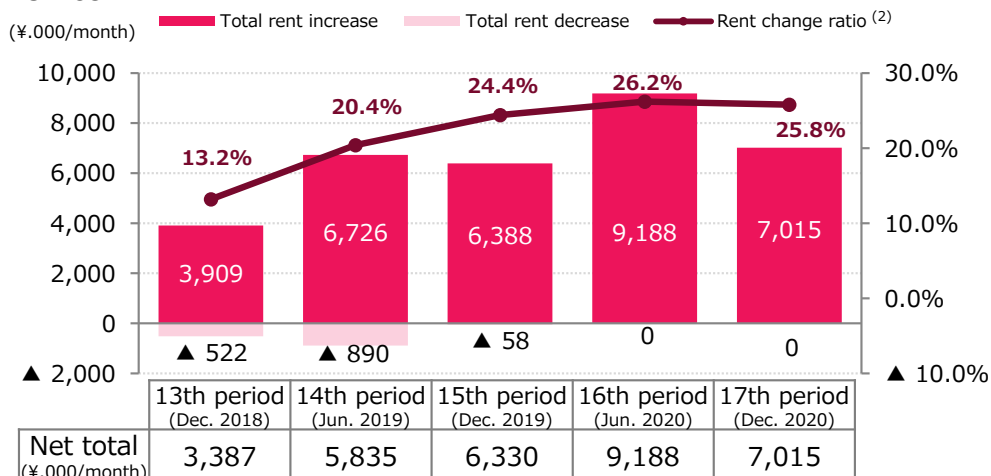
# Status of Rent Increase

## ◆ Continue to negotiate rent increase at the timing of rent renewal

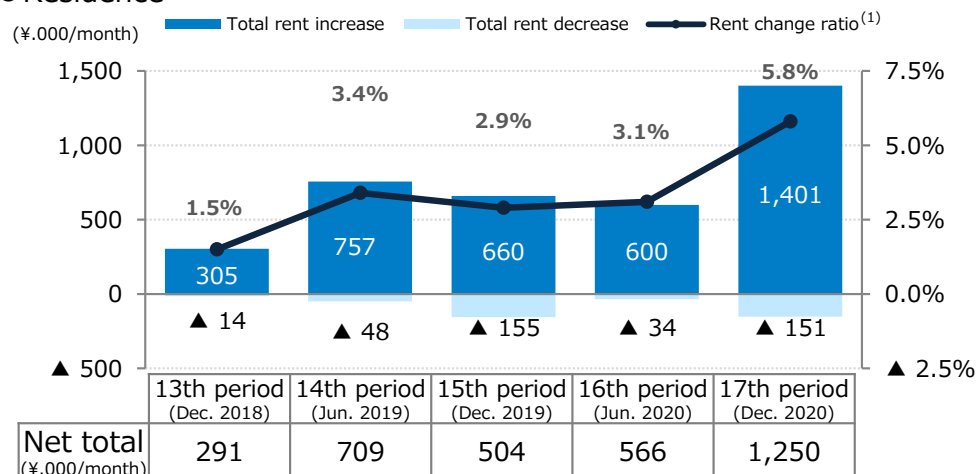
• Achieved rent increase for 21.4% of areas subject to renewal, attributed to 19 tenants (2,746 tsubo) out of 124 tenants (12,853 tsubo), during the 17th period, no negotiation for 69.4% (8,923 tsubo, 94 tenants) due to stagnant economic activity etc. (over market rent: 12.6% out of no negotiation)

### 《Monthly rent increase (decrease) upon tenant replacement》

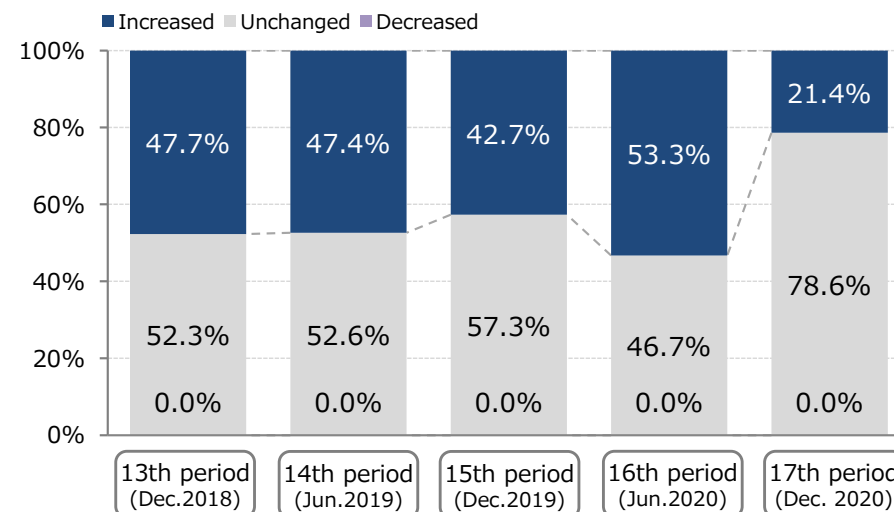
#### ● Office



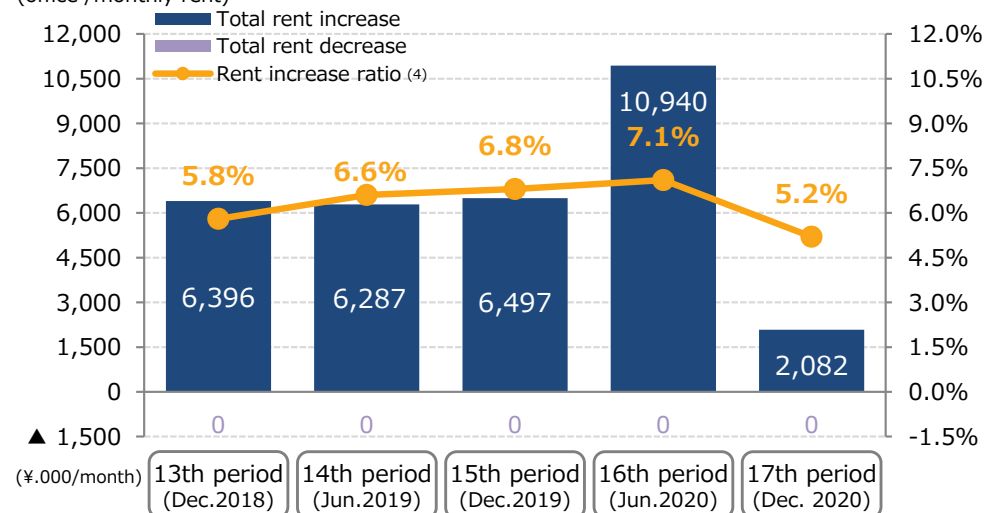
#### ● Residence<sup>(2)</sup>



### 《Trend of record of rent renewals (floor space)<sup>(3)</sup>》



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



1. "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place.  
 $((\text{total rent after tenant replace} - \text{total rent before tenant replacement}) / \text{total rent before tenant replacement})$

2. Residential properties of which rents are not fixed, are stated.

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

4. "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place.  $((\text{total rent increase after rent renewal} - \text{total rent before rent renewal}) / \text{total rent before rent renewal})$

# Status of Termination Notices

Property name	Occupancy rate	Status of Termination notice	Assumed occupancy rate <sup>(1)</sup>
Kanda Ocean Building	100.0%	1floor (92tsubo) Termination notice	100.0% (Feb.2021)
Homat Horizon Building	100.0%	1section (69tsubo) Termination notice	100.0% (Feb.2021)
FORECAST Shin-Tokiwabashi	100.0%	1floor (52tsubo) Termination notice	100.0% (Mar.2021)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1section (43tsubo) Termination notice	100.0% (Mar.2021)
DIA Building Meieki	100.0%	1section (19tsubo) Termination notice	100.0% (Mar.2021)
FORECAST Waseda FIRST	100.0%	1section (59tsubo) Termination notice	100.0% (Apr.2021)
Sannomiya First Building	97.5%	1section (27tsubo) Left already	97.5% (Jan.2021)
FORECAST Shinjuku SOUTH	100.0%	1section (13tsubo) Termination notice 1section (118tsubo) Termination notice	97.2% (Aug.2021)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1section (43tsubo) Termination notice 1section (43tsubo) Termination notice	97.2% (Aug.2021)
NORE Meieki	100.0%	1section (69tsubo) Termination notice 1section (44tsubo) Termination notice	96.6% (Jul.2021)
Omiya Center Building	100.0%	1section (163tsubo) Termination notice	96.2% (Jun.2021)
Marunouchi Sanhome Building	100.0%	2sections (81tsubo) Termination notice 1section (67tsubo) Termination notice	95.2% (Apr.2021)
Itabashi Honcho Building	100.0%	2sections (124tsubo) Termination notice	93.5% (Apr.2021)
The Square	100.0%	1section (29tsubo) Termination notice	93.5% (Jul.2021)
TK Gotanda Building	100.0%	1floor (76tsubo) Termination notice	93.2% (May.2021)
GreenOak Takanawadai	100.0%	1floor (58tsubo) Termination notice	92.7% (Mar.2021)
Higashi Ikebukuro Center Building	78.8%	1floor (154tsubo) Left already 1floor (116tsubo) Left already	90.9% (May.2021)
Towa Higashi-Gotanda Building	90.3%	1section (86tsubo) Left already	90.3% (Jan.2021)
Tsukiji Front	100.0%	1floor (18tsubo) Termination notice 1floor (22tsubo) Termination notice	89.3% (Mar.2021)
FORECAST Nishishinjuku	100.0%	1floor (65tsubo) Termination notice	89.0% (Apr.2021)
Yusen Higashi-Nihombashi Ekimae Building	100.0%	1floor (56tsubo) Termination notice	88.5% (Feb.2021)
Kudankita 325 Building	100.0%	1floor (73tsubo) Termination notice	88.0% (Jul.2021)

Property name	Occupancy rate	Status of Termination notice	Assumed occupancy rate <sup>(1)</sup>
Nishi-Gotanda 8-chome Building	100.0%	1floor (109tsubo) Termination notice	87.9% (Mar.2021)
Shinto GINZA EAST	87.3%	1floor (46tsubo) Left already 1floor (46tsubo) Termination notice	87.3% (Feb.2021)
FORECAST Kayabacho	100.0%	1floor (149tsubo) Termination notice	87.3% (Jun.2021)
Itohpia Iwamotocho ANNEX Building	100.0%	1floor (109tsubo) Termination notice 1floor (125tsubo) Termination notice	86.5% (Apr.2021)
Itohpia Iwamotocho 1-chome Building	85.5%	1floor (134tsubo) Left already	85.5% (Jan.2021)
FORECAST Gotanda WEST	100.0%	1floor (220tsubo) 3sections (404tsubo) Termination notice	85.2% (May.2021)
FORECAST Sakurabashi	100.0%	1floor (313tsubo) Termination notice	84.2% (Aug.2021)
Hatchobori River Gate	100.0%	1floor (38tsubo) Termination notice	83.4% (May.2021)
FORECAST Ningyocho	100.0%	1floor (112tsubo) Termination notice	83.4% (Jul.2021)
MK Kojimachi Building	74.3%	1floor (50tsubo) Termination notice 2floors (91tsubo) Left already 1floor (46tsubo) Left already	82.9% (Mar.2021)
Otakibashi Pacifica Building	79.9%	2floors (84tsubo) Left already	79.9% (Jan.2021)
FORECAST Shinjuku AVENUE	100.0%	1floor (141tsubo) Termination notice 2floors (282tsubo) Termination notice	78.5% (Jul.2021)
Iidabashi Reeplex B's	100.0%	2floors (100tsubo) Termination notice	76.5% (Jun.2021)
La Verite AKASAKA	100.0%	2floors (134tsubo) Termination notice	73.9% (Aug.2021)
Hiroo ON Building	72.8%	2floors (185tsubo) Left already	72.8% (Jan.2021)
REID-C Megurofudomae	100.0%	2floors (78tsubo) Termination notice	71.7% (Mar.2021)
Toranomon Sakura Building	89.2%	1section (100tsubo) Left already 3sections (163tsubo) Termination notice	71.6% (Jul.2021)
Towa Kandanishikicho Building	69.7%	2floors (122tsubo) Left already	69.7% (Jan.2021)
Central Daikanyama	92.6%	1floor (43tsubo) Left already 2floors (157tsubo) Termination notice 1section (37tsubo) Termination notice	66.2% (Mar.2021)
FORECAST Kameido	73.8%	1floor (122tsubo) Termination notice 2sections (112tsubo) Termination notice 2floor (244tsubo) Left already	48.8% (Apr.2021)

Properties of which occupancy rate is expected to be 100% because new lease contracts have been concluded or we have already received tenancy applications for subject area

1.Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Jan. 2021.



# Implementation Status and Major plans of Engineering Management

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

《 Major implementation (from Oct. to Dec. 2020) 》

### 《Central Daikanyama》

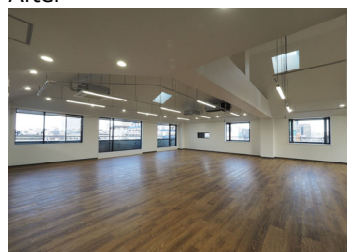
#### Rent increase by changing a use

- Implemented conversion work from residential area to office
- Rent increase by changing use is expected

Before



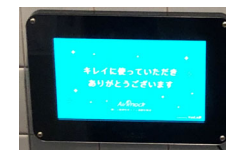
After



### 《3 properties》

#### Rent increase by broadcasting advertisement in restroom

- Commission income is expected by distributing advertisements and notices to tablet screens



《 Major plan (from Jan. 2021) 》

### 《22 properties》

#### Cost decrease by replacing energy provider

- Plan to replace the new energy provider to decrease in cost



### 《FORECAST Shin-Tokiwabashi and other 3 properties》

#### Cost down by changing building specifications of management work

- Revised service specifications while maintaining management quality



### 《Alte Building Higobashi》

#### Cost down by changing property and building manager and outline of management work

- Cost down by BID associated with switching PBM



### 《Primegate Iidabashi》

#### Improve tenant satisfaction by setting delivery box

- Plan to delivery box at entrance
- Improvement of tenant satisfaction through setting equipment that meets recent tenant needs is expected



Before





After



### 《Towa Higashi-Gotanda Building》

#### Committee of Energy Saving in Kanto region

- Reduction of CO2 emissions by 35.1% compared with same month of previous year was recorded in Jan. to Dec. 2020 as result of renewal of air conditioning system and installation of LED light
- We received a "Committee of Energy Saving in Kanto region" for this effort on February 10th, 2021. for the third consecutive year.



 Measure to increase revenue  
 Measure to reduce expense

 Measure to improve tenant satisfaction  
 Measure with environmental consideration

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