

March 26, 2021

For Immediate Release

Real Estate Investment Trust Securities Issuer:
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(Securities Code: 3296)

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Notice Concerning Receiving of Right of First Negotiation from Sponsor

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that it has been granted the right of first negotiation pertaining to an acquisition of asset by its sponsor, Sojitz Corporation, today.

1. Overview of the right of first negotiation to be granted

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| (1) Counterparty who grants the right: | Sojitz Corporation |
| (2) Asset: | Real estate in trust as asset under management |
| (3) Real estate in trust: | Belle Face Kawaharadori |
| (4) First negotiation price: | ¥845 mn(Note) |
| (5) Period: | From April 1, 2021 to the last day of March 2023 |
- (Note) First negotiation price excludes consumption tax, local consumption tax and various expensed required for acquisition.

2. Background and Reason

The right of first negotiation has been granted to NIPPON REIT in accordance with the terms and conditions outlined in the sponsor support agreement entered into by NIPPON REIT, Sojitz REIT Advisors K.K. and Sojitz Corporation. Main sponsor of NIPPON REIT, Sojitz Corporation, has been discussing and executing multiple sponsor supports for NIPPON REIT, and it has provided a function of warehousing as part of the sponsor support.

NIPPON REIT is able to achieve flexible and timely investments as set forth in our basic policy thought out securing the right and thereby expands opportunities of our future external growth. NIPPON REIT continues to take action to grow the asset under management and ensure stable revenues while utilizing such a sponsor support.

Furthermore, there is no remuneration paid from NIPPON REIT to Sojitz Corporation for the right of first negotiation and no obligation undertaken for NIPPON REIT to acquire the property.

3. Content of the Property

Belle Face Kawaharadori

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		March 26, 2021
Trust expiration date		The last day of March 2031
Location (indication of residential address)		5-5, Kawaharadori, Showa-ku, Nagoya, Aichi
Land	Parcel number	5-5, Kawaharadori, Showa-ku, Nagoya, Aichi
	Building coverage ratio/ Floor area ratio ratio	90%(Note1)/300%
	Use district	Neighborhood commercial districts
	Site area	666.54m ²
	Type of ownership	Ownership
Building	Construction completion	May 2006
	Structure / Floors	Steel-framed reinforced concrete with flat roof, 14F
	Use	Residence
	Total floor space	2,119.97m ²
	Type of ownership	Ownership
PML		3.0%
Collateral after acquisition		None
Special notations		None

(Note1) The building coverage ratio is essentially 80%, but it is increased up to 90% due to relaxation for a building with fire-proof structures located within quasi fire prevention district.

Characteristics
<p>•Location</p> <p>The Property is located approximately 7 minute-walk to the Kawana Station on the Nagoya Municipal Subway. It is considered to be convenient for transportation because it takes approximately 13 minutes from the station to the Fushimi Station, and approximately 20 minutes to Nagoya Station. There are commercial facilities such as supermarkets and restaurants around the Property due to the convenience of transportation. In addition, Kawana Park is also within walking distance, so residential comfort is considered to be good.</p> <p>•Building</p> <p>The condition of the building and maintenance of the Property is comparable to competing properties, and the layout, equipment and specifications are similar. Therefore, we believe that the Property has a standard competitiveness in the area.</p>

Photo



Map



< Explanation of matters stated in table “3. Content of the Property” >

- “Location (indication of residential address)” is the indication of residential address of the Property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations in principal) is stated.
- “Parcel number”, lot number in the registry (if several, then one of the locations in principal) is stated.
- “Building coverage ratio” and “Floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on a specified asset, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the Property.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / Floors” of building is based on that stated in the registry.
- “Use” of building is the major type of building in the registry.
- “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights of the real estate held by the trustee of the Property.
- “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd., and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right by each party.
- “Characteristics” include basic characteristics and attributes of areas where such properties, namely, trust properties, are located, and are compiled mainly, are based on appraisal reports that Sojitz Corporation received from JLL Mori Valuation & Advisory K.K. due diligence upon their acquisition. Such reports are the evaluations at a specific point in time and opinions of external experts who prepare them, and do not guarantee the reasonableness or accuracy of the content. Changes in business environments and other factors that occur after the preparation of such reports are not reflected therein.

4. Future outlook

The forecast of the management status for the fiscal period ending June 2021 (from January 1, 2021 to June 30, 2021) and December 2021 (from July 1, 2021 to December 31, 2021) announced in the “Summary of Financial Results for the Fiscal Period Ended December 31, 2020 (REIT)” dated February 18, 2021 remains unchanged because the impact will be minimal.

* NIPPON REIT Investment Corporation website: <http://www.nippon-reit.com/en>

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