

NIPPON REIT Investment Corporation (TSE code : 3296)
Performance Report (April - June 2021)

August 17, 2021

NIPPON VISION

Serious, Steady, Solid

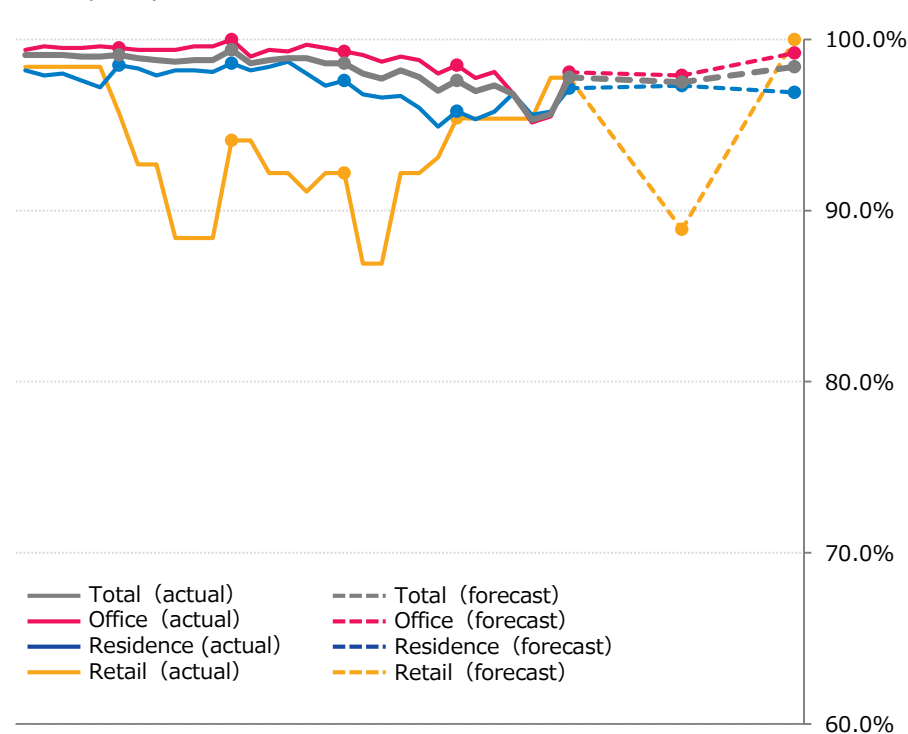


NIPPON REIT
Investment Corporation

Occupancy Rate and Free Rent Period Trend

- ◆ **Occupancy rates both of on contract and on rent show mostly stable trend**
 - Although vacancy rate of rental office market is generally increasing, the occupancy rate of the portfolio remains firm
 - Occupancy rate on rent has been decreasing due to longer free rent, and tenants leasing goes well helped by promotions

《 Occupancy rate trend and forecast 》

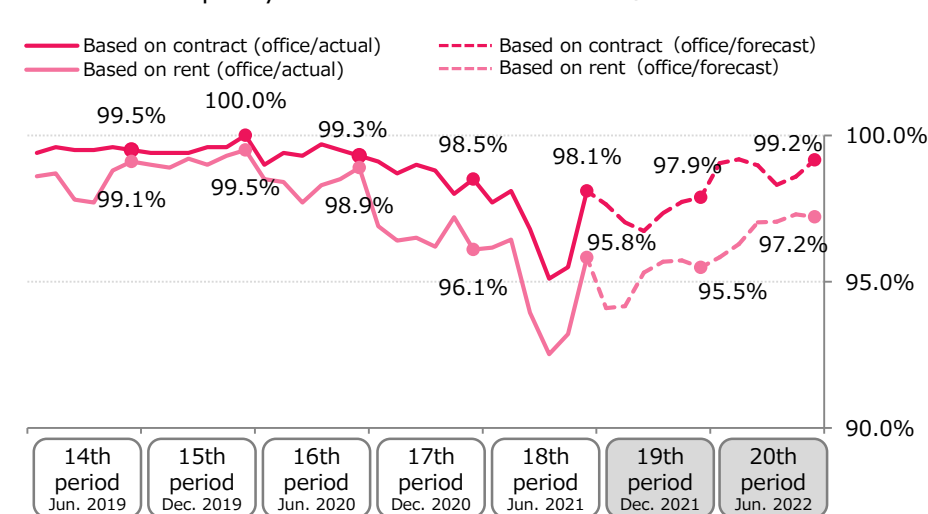


14th period	15th period	16th period	17th period	18th period	19th period	20th period	
99.1%	99.4%	98.6%	97.6%	97.8%	97.5%	98.4%	Total
99.5%	100.0%	99.3%	98.5%	98.1%	97.9%	99.2%	Office
98.5%	98.6%	97.6%	95.8%	97.1%	97.3%	96.9%	Residence
95.7%	94.1%	92.2%	95.4%	97.8%	88.9%	100.0%	Retail

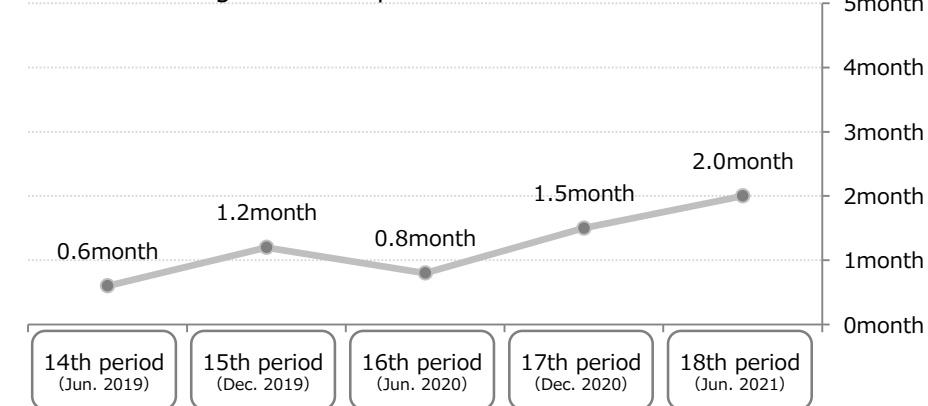
note

1. "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 ⁽¹⁾ 》



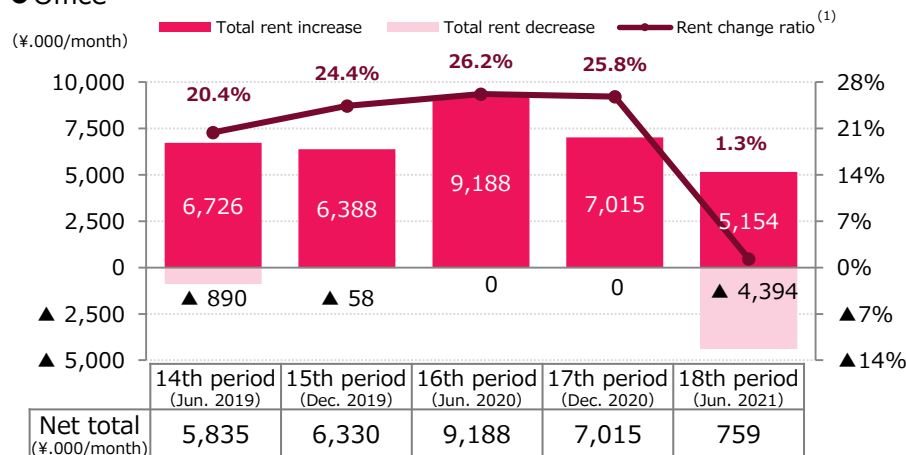
Status of Tenant Move-in and Move-out, and Rent Increase Upon Tenant Replacement

◆ The level of office rent change ratio upon tenant replacement has decreased due to the impact of the COVID-19

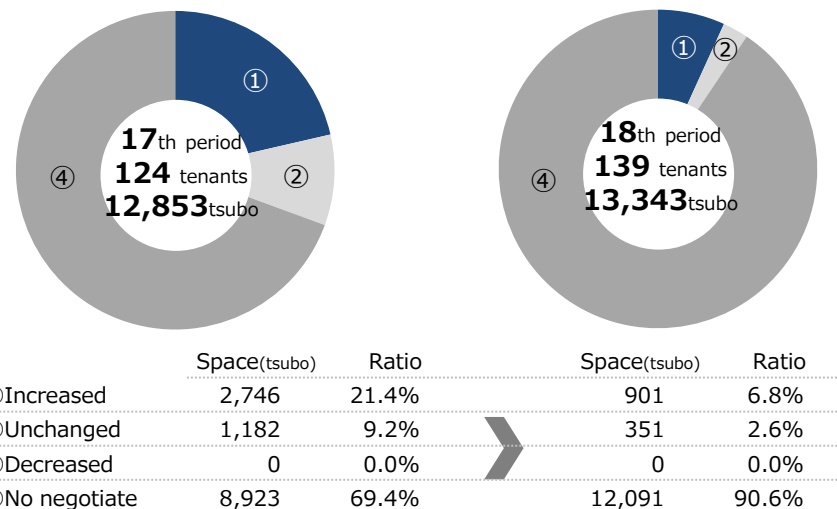
- During the 18th period due to increase in vacancy ratio, currently moving-out area exceeds moving-in area, but the move-out ratio is expected to decrease to the 3% level from after the 19th period onwards.
- Even in the case of COVID-19, the rate of increase / decrease in rent at the time of tenant replacement for both offices and housing remained positive. Expectations for upside when demand recovers toward after-COVID.

《 Monthly rent increase (decrease) upon tenant replacement 》

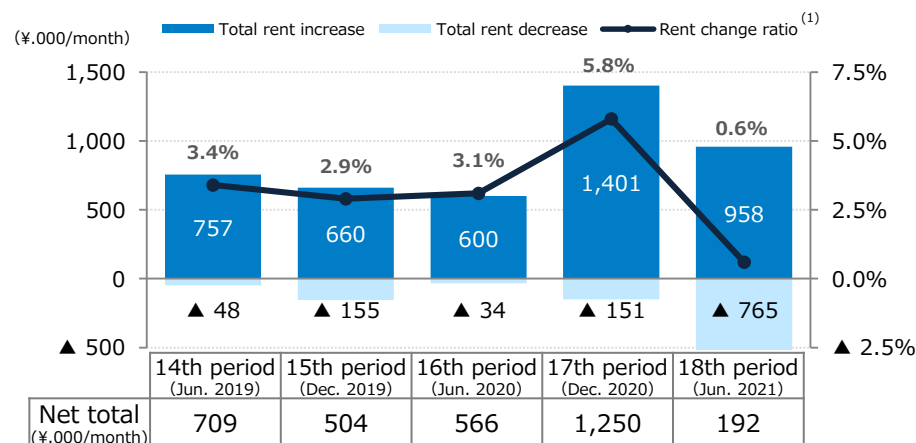
● Office



《Trend of record of rent renewals (floor space) (3) 》



● Residence (2)



note

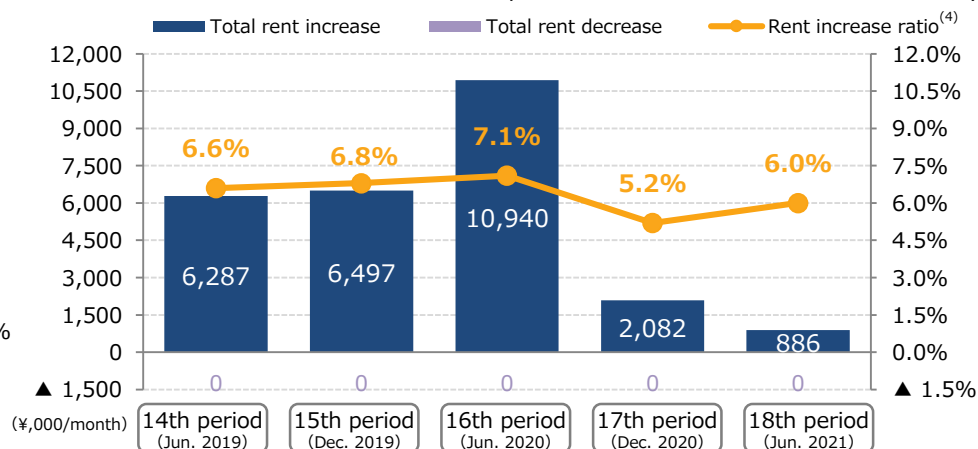
1. "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place.
 ((total rent after tenant replace - total rent before tenant replacement) / total rent before tenant replacement)

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

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



Status of Termination Notices

Property name	Occupancy rate	Status of Termination notice			Assumed occupancy rate ⁽¹⁾
La Verite AKASAKA	100.0%	1floor	(67tsubo)	Termination notice	100.0% (Aug. 2021)
Kanda Ocean Building	100.0%	1section	(6tsubo)	Termination notice	100.0% (Aug. 2021)
Kudankita 325 Building	88.0%	1floor	(73tsubo)	Left already	100.0% (Aug. 2021)
Itabashi Honcho Building	93.5%	1section 1section	(100tsubo) (24tsubo)	Left already Left already	100.0% (Sep. 2021)
Towa Kandanishikicho Building	84.8%	1floor	(61tsubo)	Left already	100.0% (Sep. 2021)
FORECAST Yotsuya	100.0%	1floor	(52tsubo)	Termination notice	100.0% (Jan. 2022)
FORECAST Shinjuku SOUTH	99.7%	1section 1section	(13tsubo) (118tsubo)	Left already Termination notice	99.7% (Aug. 2021)
FORECAST Kayabacho	100.0%	1section	(15tsubo)	Termination notice	98.7% (Nov. 2021)
Sannomiya First Building	97.5%	1section	(27tsubo)	Left already	97.5% (Jul. 2021)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1section	(43tsubo)	Termination notice	97.2% (Aug. 2021)
NORE Meieki	96.6%	1section 1section	(43tsubo) (15tsubo)	Left already Termination notice	95.4% (Jan. 2022)
Omiya Center Building	100.0%	1section 2sections	(73tsubo) (162tsubo)	Termination notice	94.5% (Jan. 2022)
The Square	100.0%	2sections 1section	(39tsubo) (29tsubo)	Termination notice	91.5% (Dec. 2021)
Towa Higashi-Gotanda Building	90.3%	1section	(86tsubo)	Left already	90.3% (Jul. 2021)
Otakibashi Pacifica Building	90.3%	1floor 1floor	(41tsubo) (41tsubo)	Left already Termination notice	90.1% (Nov. 2021)
Gotanda Sakura Building	100.0%	1floor	(49tsubo)	Termination notice	89.3% (Feb. 2022)

Property name	Occupancy rate	Status of Termination notice			Assumed occupancy rate ⁽¹⁾
BECOME SAKAE	100.0%	1floor	(159tsubo)	Termination notice	88.6% (Nov. 2021)
NRT Kandasudacho Building	100.0%	1floor	(42tsubo)	Termination notice	88.1% (Oct. 2021)
FORECAST Gotanda WEST	95.6%	1section 1floor	(120tsubo) (219tsubo)	Left already Termination notice	87.5% (Sep. 2021)
FORECAST Ningyocho PLACE	100.0%	1floor	(72tsubo)	Termination notice	87.1% (Feb. 2022)
Itohpia Kiyosubashidori Building	100.0%	1floor	(112tsubo)	Termination notice	86.0% (Dec. 2021)
GreenOak Takanawadai	100.0%	1floor	(112tsubo)	Termination notice	85.8% (Oct. 2021)
Hatchobori River Gate	100.0%	1floor	(34tsubo)	Termination notice	85.2% (Dec. 2021)
Toranomon Sakura Building	76.0%	2sections 1section	(145tsubo) (77tsubo)	Left already	84.3% (Sep. 2021)
FORECAST Sakurabashi	100.0%	1floor	(313tsubo)	Termination notice	84.2% (Aug. 2021)
FORECAST Shinagawa	100.0%	1floor	(108tsubo)	Termination notice	84.2% (Nov. 2021)
FORECAST Ningyocho	83.7%	1floor	(112tsubo)	Left already	83.7% (Jul. 2021)
Nishi-Shinjuku Sanko Building	100.0%	1floor	(123tsubo)	Termination notice	83.5% (Sep. 2021)
MK Kojimachi Building	82.9%	2floors	(91tsubo)	Left already	82.9% (Jul. 2021)
FORECAST Kameido	54.7%	1floor 1section 1section 1section	(178tsubo) (188tsubo) (55tsubo)	Left already	79.8% (Nov. 2021)
REID-C Megurofudomae	71.5%	2floors	(79tsubo)	Left already	71.5% (Jul. 2021)
East Side Building	100.0%	3floors	(342tsubo)	Termination notice	46.1% (Aug. 2021)
Toshin Higashi-Ikebukuro Building	100.0%	5floors	(380tsubo)	Termination notice	23.5% (Mar. 2022)

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 Jul. 2021.

Implementation Status and Major plans of Engineering Management

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

《Major Implementation (from Apr. to Jun. 2021) 》

《3 properties》
Increase in revenue by setting antennas on the rooftop

- Approx.¥1.95mn p.a. revenue increase is expected by setting antennas for mobile phone etc. on the rooftop

《Sun・Meiekinami Building》
Increase in revenue by subleasing of idle parking lots

- ¥1.15mn p.a. revenue and tenant satisfaction increase is expected by subleasing of idle parking lots

《FORECAST Shinjuku SOUTH》
Increase in revenue by setting share cycle port

- ¥1.14mn p.a. revenue increase is expected by setting share cycle port

《4 properties》
Cost reduction by changing outline of management work

- Approx.¥1.02mn p.a. cost reduction is expected by changing outline of building management work to improve cost efficiency

《5 properties》
Cost reduction by changing energy provider

- Approx.¥10.42mn p.a. Cost reduction is expected by changing energy provider

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

《Major Plan (from Jul. 2021) 》

《4 properties》
Increase in revenue by subleasing of idle parking lots

- Revenue and tenant satisfaction increase is expected by subleasing of idle parking lots

《FORECAST Takadanobaba》
Increase in revenue by setting new parking lot

- Revenue increase is expected by setting new parking lot using idle space after removal of water tank

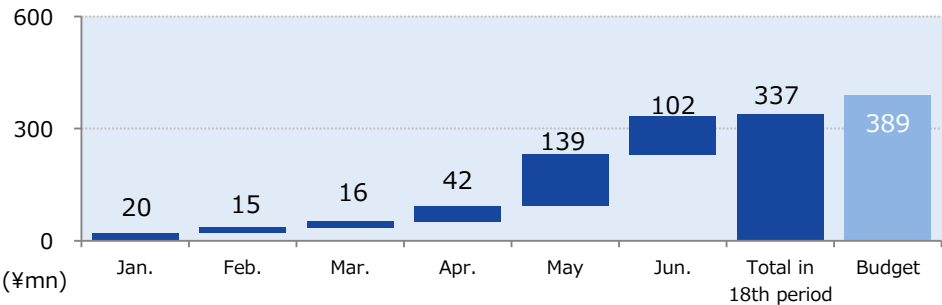
《8 residential properties》
Increase in competitiveness by providing free internet

- Increase of property competitiveness and tenant satisfaction are expected by providing free internet seizing a rise of tenant needs due to teleworking

《25 residential properties》
Cost reduction by changing energy provider

- Cost reduction is expected by changing energy provider

《18th period Status of Engineering Management Implementation⁽¹⁾》



1. Total amounts of Planned capital investment and Strategic value-enhancing investment are stated. Furthermore, the figures may change when accounting items will be determined.

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