

Summary of Financial Results
for the Fiscal Period Ended June 30, 2023 (REIT)

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 URL: <https://www.nippon-reit.com/>
 Listed Stock Exchange: Tokyo Stock Exchange
 Securities Code: 3296
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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 June 30, 2023 (January 1, 2023 – June 30, 2023)

(1) Operating Results

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
For the fiscal period ended June 30, 2023	8,865	3.7	4,440	(0.0)	3,772	(0.1)	3,771	(0.1)
December 31, 2022	8,547	0.2	4,442	(3.4)	3,774	(4.9)	3,773	(5.0)

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
For the fiscal period ended June 30, 2023	8,381	2.9	1.4	42.6
December 31, 2022	8,387	2.9	1.4	44.2

(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
	Yen	Yen in millions	Yen	Yen in millions	%	%
For the fiscal period ended June 30, 2023	8,381	3,770	-	-	100.0	2.9
December 31, 2022	8,387	3,773	-	-	100.0	2.9

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
	Yen in millions	Yen in millions	%	Yen
For the fiscal period ended June 30, 2023	275,414	130,392	47.3	289,807
December 31, 2022	275,138	130,395	47.4	289,812

(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
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
For the fiscal period ended June 30, 2023	8,101	(1,503)	(3,769)	20,150
December 31, 2022	4,863	(120)	(3,963)	17,321

2. Forecast of management status for the Fiscal Period Ending December 31, 2023 (from July 1, 2023 to December 31, 2023) and the Fiscal Period Ending June 2024 (from January 1, 2024 to June 30, 2024)

	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
December 31, 2023	8,579	(3.2)	4,403	(0.8)	3,674	(2.6)	3,674	(2.6)	8,166	-
June 30, 2024	8,621	0.5	4,533	2.9	3,798	3.3	3,797	3.4	8,440	-

(Description of % is indicated as the change rate compared with the prior period)

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

Forecasted Net Income per unit for the fiscal period ending December 31, 2023: 8,166 yen

Forecasted Net Income per unit for the fiscal period ending June 30, 2024: 8,440 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 June 30, 2023 449,930 units As of December 31, 2022 449,930 units

(b) Number of investment treasury units:

As of June 30, 2023 0 unit As of December 31, 2022 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 December 2023 (from July 1, 2023 to December 31, 2023) and Fiscal Period Ending June 2024 (from January 1, 2024 to June 30, 2024)" on page 7.

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.

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1. Management Status

(1) Management Status

I. Overview of the Fiscal Period ended June 30, 2023

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now SBI REIT Advisors Co., Ltd. (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 2018, and the total number of investment units issued and outstanding as of the end of the current period (June 30, 2023) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the current period (the fiscal period ended June 30, 2023) saw an increase of 0.7% (an annual increase of 2.7%) in the real GDP growth rate (second preliminary figures) for the period from January to March 2023 compared to the previous period, the second consecutive quarter of positive growth albeit at a moderate pace. Currently, exports are growing steadily, and industrial production is showing signs of picking up while the pace of recovery in overseas economy is slowing. Business conditions are showing signs of recovery and capital expenditure plan for fiscal 2023 are expected to increase according to the Bank of Japan Tankan Survey (June 2023) and the Business Outlook Survey (April to June 2023). Looking at individual indicators, the consumer spending is also increasing gradually, despite being affected by inflation, amid the moderate improvement in the employment and income situation as a whole. As for the outlook, gradual growth in Japanese economy is expected to continue while it is necessary to pay attention to the effect of tightening of monetary policy on a global basis as well as downward risk by inflation and other factors. It is necessary to keep a close watch on intensifying situation in Ukraine and the impact of the fluctuations in financial and capital markets.

In the office properties leasing market, the vacancy rate as of the end of June 2023 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 6.48%, up 0.09% from the same month last year. Moreover, the average rent in the same area as of the end of June 2023 was 19,838 yen per tsubo, down 2.15% from the same month last year, as downward trend continues from August 2020. It is necessary to keep a close watch continuously whether such trends will continue in future.

In terms of the residential properties leasing market, while the situation remains generally stable for both occupancy rate and rent level mainly in the Tokyo metropolitan area, it is necessary to keep a close watch on supply and demand conditions in the residential leasing properties in each metropolitan areas, as it tends to be affected by the working environment and changes in revenues of individuals, situation of the spread of a variant of COVID-19 infection, changes in working style, such as remote working, the demographic migration and supply conditions in the residential leasing properties.

In the leasing market of retail properties, as the government promoted transition to the new stage of post-pandemic, we saw a 5.7% year-on-year increase in total retail sales announced by the Ministry of Economy, Trade and Industry in the current commercial statistics for May 2023. Sales at pharmaceuticals and cosmetics stores, automobile stores, food and beverage stores and other retailers showed 10.8%, 19.1%, 6.6% and 7.2% year-on-year increase, respectively, while sales at mechanical equipment stores decreased by 5.6% year-on-year and woven fabrics and apparel stores and fuel stores have also been sluggish recently and showed decrease by 3.7% and 1.8% year-on-year, respectively.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 106 properties (with a total acquisition amounts of 254,735 million yen) and two equity interests in a silent partnership (investment amount 80 million yen, nine real estate-backed properties) as of the end of the fiscal period ended December 2022.

During the fiscal period under review (fiscal period ended June 2023) NIPPON REIT transferred 2 properties and acquired 1 property as follows, as a part of the asset replacement.

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note)	Transaction date
Transfer	A-38	ANTEX24 Building	2,070	March 30, 2023
Acquisition	B-44	MAISON NISHI MAGOME	791	March 30, 2023
Transfer	B-24	Imazaki Mansion N1	1,050	June 30, 2023

(Note) The transfer prices and the acquisition price 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 consumption taxes. 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 current period consisted of 61 office properties (Note 1) with a total acquisition amount of 180,330 million yen, 42 residential properties (Note 2) with a total acquisition amount of 64,203 million yen and two retail properties (Note 3) with a total acquisition amount of 8,120 million yen, totaling 105 properties with a total acquisition amount of 252,654 million yen, and two equity interests in a silent partnership (with a total investment amount of 80 million yen and total of nine real estate-backed properties) with a total leased area of 302,664.97 m² and 98.2% of average occupancy rate.

(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.

b. Internal Growth

NIPPON REIT emphasizes operational 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 98.2% as of the end of the current period.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to prepare funds for repayment of long-term loans due on February 20, 2023 (500 million yen), the long-term borrowings of 500 million yen on the same day were implemented as the loans due. Further, in order to prepare funds for repayment of long-term loans due on April 20, 2023 (8,600 million yen), the long-term borrowings of 8,600 million yen on the same day were implemented as the loans due.

As a result, the balance of interest-bearing debt as of June 30, 2023 was 132,620 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.2%.

(ii) Credit Rating

NIPPON REIT's credit rating as of today is indicated below.

Credit Rating Agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A+	Stable
Rating and Investment Information, Inc.	Issuer rating: A+	Stable

D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the current period generated operating revenues of 8,865 million yen, operating income of 4,440 million yen, ordinary income of 3,772 million yen and net income of 3,771 million yen.

Concerning distributions, NIPPON REIT decided to distribute 3,770,863,330 yen, cash distributions per unit of 8,381 yen. which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied, and within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.

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 SBI Financial Services, the main sponsor, Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman,") the sub-sponsor and other sponsor companies including 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 warehousing function as interim ownership vehicles provided by SBI Group through arrangement by SBI Securities Co., Ltd. a wholly owned subsidiary of SBI Financial Services and sponsors' managed bridge funds as interim ownership vehicles, 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. NIPPON REIT plans to improve its earnings power and maintain the occupancy rate of the portfolio by selecting Property Management companies that are the most suitable for individual properties and establishing appropriate management and operation scheme.

By utilizing companies selected through appropriate process as consignee for the Property Management operations and Building Management operations in order to achieve efficient and value-added management operation and improve satisfaction of tenants, NIPPON REIT plans to 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 with sufficient attention to renovation and cost performance, upon sufficient judgment of performance effectiveness, as well as the daily management operations.

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 current period was 48.2% 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 current period.

III. Significant Subsequent Events

Acquisition of Properties

NIPPON REIT acquired trust beneficially interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (million yen) (Note)	Seller
Muse Ryogoku II	Sumida ward, Tokyo	July 14, 2023	630	Godo Kaisha NRT Growth 17
Minami-Horie apartment Cielo	Osaka, Osaka		805	
Minami-Horie apartment Grande	Osaka, Osaka		770	
Minami-Horie apartment Rio	Osaka, Osaka		250	
Plowland Horita	Nagoya, Aichi		1,375	
Nasic Nozomigaoka	Nagoya, Aichi		695	
Total			4,525	

(Note) 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.

IV. Forecast of Management Status

The forecast of management status for the fiscal period ending December 2023 (July 1, 2023 to December 31, 2023) and the fiscal period ending June 2024 (January 1, 2024 to June 30, 2024) 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 December 2023 (July 1, 2023 to December 31, 2023) and Fiscal Period Ending June 2024 (January 1, 2024 to June 30, 2024)” hereinafter described.

Fiscal period ending December 2023 (July 1, 2023 to December 31, 2023)

Operating revenues	8,579 million yen
Operating income	4,403 million yen
Ordinary income	3,674 million yen
Net income	3,674 million yen
Cash distributions per unit	8,166 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending June 2024 (January 1, 2024 to June 30, 2024)

Operating revenues	8,621 million yen
Operating income	4,533 million yen
Ordinary income	3,798 million yen
Net income	3,797 million yen
Cash distributions per unit	8,440 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 December 2023 (July 1, 2023 to December 31, 2023) and Fiscal Period Ending June 2024 (January 1, 2024 to June 30, 2024)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> · Fiscal period ending December 2023 (23rd fiscal period): from July 1, 2023 to December 31, 2023 (184 days) · Fiscal period ending June 2024 (24th fiscal period): from January 1, 2024 to June 30, 2024 (182 days)
Assets under management	<ul style="list-style-type: none"> · 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 111 properties are the “acquired assets”), 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 June 2024. · Furthermore, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	<ul style="list-style-type: none"> · 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 8,577 million yen in the fiscal period ending December 2023 and 8,620 million yen in the fiscal period ending June 2024, respectively. · Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants. · Dividend income is assumed 2 million yen in the fiscal period ending December 2023 and 1 million yen in the fiscal period ending June 2024, respectively.
Operating expenses	<ul style="list-style-type: none"> · Property-related expense other than depreciation, which is calculated on the basis of historical data, and reflecting factors causing fluctuation in expenses, is assumed to be 2,294 million yen in the fiscal period ending December 2023 and 2,218 million yen in the fiscal period ending June 2024, respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 1,009 million yen in the fiscal period ending December 2023 and 992 million yen in the fiscal period ending June 2024, respectively. · The total amounts of property taxes and city planning taxes are assumed to be 614 million yen in the fiscal period ending December 2023 and 632 million yen in the fiscal period ending June 2024, 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 7 properties acquired in March and July 2023 property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2023. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 9 million yen for fiscal period ending December 2023. · Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company based on engineering reports obtained for individual properties. However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal period 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 639 million yen in the fiscal period ending December 2023 and 646 million yen in the fiscal period ending June 2024, respectively. Among the asset management fees, acquisition fees are not included in the above amounts because they will be included in acquisition costs.
Non-operating expenses	<ul style="list-style-type: none"> · Interest expense and borrowing related expenses are assumed 728 million yen in the fiscal period ending December 2023 and 735 million yen in the fiscal period ending June 2024, respectively.
Loans	<ul style="list-style-type: none"> · NIPPON REIT’s outstanding balance of interest-bearing debt as of the end of the current period is 132,620 million yen. · The assumption is that all loans which will come due before the end of the fiscal period ending June 2024 (17,650 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 48.2% as of December 31, 2023 and 48.1% as of June 30, 2024, 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	<ul style="list-style-type: none"> · 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 June 2024.
Cash Distributions per unit	<ul style="list-style-type: none"> · 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

	<p>REIT's Articles of Incorporation. Retained earnings carried forward will be utilized for offsetting negative impact of short-term or unexpected decline in revenue and increase in expenses and securing stable distribution level per unit.</p> <ul style="list-style-type: none"> · 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	<ul style="list-style-type: none"> · 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), (30), (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	<ul style="list-style-type: none"> · 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 March 29, 2023), the disclosure is omitted.

2. Financial Statements

(1) Balance Sheets

	(Yen in thousands)	
	The 21st Fiscal Period (as of December 31, 2022)	The 22nd Fiscal Period (as of June 30, 2023)
Assets		
Current Assets		
Cash and deposits	11,179,214	14,095,856
Cash and deposits in trust	6,141,943	6,054,170
Tenant receivables	122,283	107,830
Prepaid expenses	463,531	476,632
Other current assets	10,549	11,667
Total Current Assets	17,917,521	20,746,157
Non-Current Assets		
Property, plant and equipment		
Buildings	※1 273,355	※1 286,915
Accumulated depreciation	(34,333)	(38,821)
Buildings, net	239,021	248,093
Tools, furniture and fixtures	184	184
Accumulated depreciation	(12)	(21)
Tools, furniture and fixtures, net	171	162
Buildings in trust	※1 62,227,779	※1 62,188,797
Accumulated depreciation	(13,168,131)	(13,962,298)
Buildings in trust, net	49,059,647	48,226,498
Structures in trust	230,133	234,024
Accumulated depreciation	(84,317)	(90,414)
Structures in trust, net	145,815	143,609
Machinery and equipment in trust	518,575	504,124
Accumulated depreciation	(193,333)	(208,249)
Machinery and equipment in trust, net	325,242	295,874
Tools, furniture and fixtures in trust	※1 329,740	※1 336,331
Accumulated depreciation	(146,498)	(164,543)
Tools, furniture and fixtures in trust, net	183,242	171,787
Land in trust	※2 188,518,790	※2 186,153,895
Construction in progress in trust	-	1,315
Total property, plant and equipment	238,471,932	235,241,237
Intangible assets		
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	16,099,139	16,792,459
Other	3,788	3,594
Total intangible assets	17,359,720	18,052,847
Investments and other assets		
Investment securities	82,973	82,973
Lease and guarantee deposits	10,197	10,137
Long-term prepaid expenses	1,243,411	1,231,408
Deferred tax assets	21	27
Other	8,167	8,668
Total investments and other assets	1,344,771	1,333,216
Total Non-Current Assets	257,176,424	254,627,301
Deferred asset		
Investment corporation bond issuance costs	44,294	40,584
Total deferred asset	44,294	40,584
Total Assets	275,138,240	275,414,043

	(Yen in thousands)	
	The 21st Fiscal Period (as of December 31, 2022)	The 22nd Fiscal Period (as of June 30, 2023)
Liabilities		
Current Liabilities		
Accounts payable	907,771	1,160,600
Long-term debt due within one year	19,000,000	17,650,000
Accrued expenses	299,322	316,821
Accrued corporation taxes	378	357
Accrued consumption taxes	79,125	239,800
Advances received	1,459,320	1,466,309
Other current liabilities	212,826	143,618
Total Current Liabilities	21,958,745	20,977,507
Long-Term Liabilities		
Investment corporation bonds	6,500,000	6,500,000
Long-term debt	107,120,000	108,470,000
Tenant security deposits	62,921	62,921
Tenant security deposits in trust	9,100,062	9,010,034
Other	1,186	678
Total Long-Term Liabilities	122,784,171	124,043,634
Total Liabilities	144,742,916	145,021,142
Net Assets		
Unitholders' Equity		
Unitholders' capital	126,515,601	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	3,879,722	3,877,299
Total Surplus	3,879,722	3,877,299
Total Unitholders' Equity	130,395,324	130,392,900
Total Net Assets	※3 130,395,324	※3 130,392,900
Total Liabilities and Net Assets	275,138,240	275,414,043

(2) Statements of Income and Retained Earnings

	(Yen in thousands)	
	The 21st Fiscal Period (from July 1, 2022 to December 31, 2022)	The 22nd Fiscal Period (from January 1, 2023 to June 30, 2023)
Operating Revenues		
Rental revenues	※1 7,809,688	※1 7,884,841
Other revenues related to property leasing	※1 734,953	※1 725,486
Gain on sales of real estate properties	-	※2 251,132
Dividend income	3,247	3,983
Total Operating Revenues	8,547,889	8,865,444
Operating Expenses		
Property-related expenses	※1 3,263,191	※1 3,313,612
Loss on sales of real estate properties	-	※2 238,026
Asset management fees	638,865	635,575
Asset custody fees	10,532	10,368
Administrative service fees	42,779	42,391
Directors' compensation	2,400	2,400
Independent auditors' fees	14,800	14,900
Other operating expenses	132,646	167,583
Total Operating Expenses	4,105,215	4,424,858
Operating Income	4,442,674	4,440,586
Non-Operating Revenues		
Interest income	79	81
Reversal of distributions payable	7,247	6,532
Interest on tax refund	5	12
Total Non-Operating Revenues	7,333	6,626
Non-Operating Expenses		
Interest expense	370,204	377,246
Interest expense on investment corporation bonds	24,085	23,841
Amortization of investment corporation bond issuance costs	3,709	3,709
Borrowing related expenses	277,129	270,050
Other	48	48
Total Non-Operating Expenses	675,177	674,896
Ordinary Income	3,774,829	3,772,316
Income Before Income Taxes	3,774,829	3,772,316
Income taxes - current	1,054	1,183
Income taxes - deferred	(21)	(6)
Total Income Taxes	1,032	1,177
Net Income	3,773,797	3,771,139
Retained Earnings Brought Forward	105,925	106,159
Retained Earnings at End of Period	3,879,722	3,877,299

(3) Statement of Change in Net Assets

The 21st Fiscal Period (from July 1, 2022 to December 31, 2022)

(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	4,076,557	4,076,557	130,592,159	130,592,159
Changes of items during the period					
Distributions of surplus		(3,970,632)	(3,970,632)	(3,970,632)	(3,970,632)
Net income		3,773,797	3,773,797	3,773,797	3,773,797
Total changes of items during the period	—	(196,835)	(196,835)	(196,835)	(196,835)
Balance at the end of current Period	※ 1 126,515,601	3,879,722	3,879,722	130,395,324	130,395,324

The 22nd Fiscal Period (from January 1, 2023 to June 30, 2023)

(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	3,879,722	3,879,722	130,395,324	130,395,324
Changes of items during the period					
Distributions of surplus		(3,773,562)	(3,773,562)	(3,773,562)	(3,773,562)
Net income		3,771,139	3,771,139	3,771,139	3,771,139
Total changes of items during the period	—	(2,423)	(2,423)	(2,423)	(2,423)
Balance at the end of current Period	※ 1 126,515,601	3,877,299	3,877,299	130,392,900	130,392,900

(4) Statements of Cash Distribution

	The 21st Fiscal Period (from July 1, 2022 to December 31, 2022)	The 22nd Fiscal Period (from January 1, 2023 to June 30, 2023)
	(Yen)	(Yen)
I Unappropriated retained earnings	3,879,722,598	3,877,299,121
II Cash distributions	3,773,562,910	3,770,863,330
(Cash distributions per unit)	(8,387)	(8,381)
III Retained earnings carried forward to the next period	106,159,688	106,435,791

Calculation method for cash distributions	<p>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.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,773,562,910 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.</p>	<p>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.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,770,863,330 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.</p>
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(5) Statements of Cash Flows

	(Yen in thousands)	
	The 21st Fiscal Period (from July 1, 2022 to December 31, 2022)	The 22nd Fiscal Period (from January 1, 2023 to June 30, 2023)
Cash Flows from Operating Activities		
Income before income taxes	3,774,829	3,772,316
Depreciation and amortization	1,005,405	1,007,847
Investment corporation bonds issuance expense depreciation	3,709	3,709
Loss on retirement of non-current assets	1,586	7,075
Interest income	(79)	(81)
Interest expense	394,289	401,088
(Increase) Decrease in tenant receivables	(35,512)	14,453
(Increase) Decrease in prepaid expenses	16,018	(13,100)
(Increase) Decrease in long-term prepaid expenses	45,232	12,002
Increase (Decrease) in accrued consumption taxes	(22,044)	160,675
Increase (Decrease) in accounts payable	54,844	122,607
Increase (Decrease) in accrued expenses	(5,976)	4,622
Increase (Decrease) in advances received	11,232	6,988
Decrease in property, plant and equipment in trust due to sale	-	2,988,584
Others, net	3,088	1,713
Subtotal	5,246,623	8,490,505
Interest income received	79	81
Interest expense paid	(382,261)	(388,212)
Income taxes refunded (paid)	(655)	(1,204)
Net Cash Provided by (Used in) Operating Activities	4,863,787	8,101,169
Cash Flows from Investing Activities		
Payments for purchases of investment Properties	(2,280)	(230)
Payments for purchases of investment properties in trust other than leasehold rights in trust	(326,125)	(641,425)
Payments for purchases of leasehold rights in trust	-	(693,320)
Payments of tenant security deposits	(8,301)	-
Proceeds from tenant security deposits in trust	511,093	396,345
Payments of tenant security deposits in trust	(293,880)	(563,433)
Proceeds from refund of lease and guarantee deposits	-	60
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(120,739)	(1,503,248)
Cash Flows from Financing Activities		
Proceeds from long-term debt	7,000,000	9,100,000
Repayments of long-term debt	(7,000,000)	(9,100,000)
Distributions paid	(3,963,313)	(3,769,051)
Net Cash Provided by (Used in) Financing Activities	(3,963,313)	(3,769,051)
Net Change in Cash and Cash Cash and Cash Equivalents at Beginning of Period	779,734 16,541,423	2,828,869 17,321,157
Cash and Cash Equivalents at End of Period	※ 1 17,321,157	※ 1 20,150,026

(6) Notes to the Going Concern Assumption
None

(7) Summary of Significant Accounting Policies

1.Basis and Method of Valuation of Assets	<p>Securities</p> <p>Other securities</p> <p>Non-marketable securities</p> <p>The moving average method is employed as the cost method.</p> <p>Equity interests in silent partnership</p> <p>A method in which the equivalent amount of the silent partnership is incorporated with the net amount is employed.</p>								
2.Method of Depreciation of Non-Current Assets	<p>(1) Investment Properties Including Trust Assets</p> <p>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:</p> <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, tools, furniture and fixtures</td><td>2-15 years</td></tr> </table> <p>(2) Intangible Assets</p> <p>Intangible assets are amortized using the straight-line method.</p> <p>(3) Long-Term Prepaid Expenses</p> <p>Long-term prepaid expenses are amortized using the straight-line method.</p>	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, tools, furniture and fixtures	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, tools, furniture and fixtures	2-15 years								
3.Accounting Treatment for Deferred asset	<p>Investment Corporation Bond Issuance Costs</p> <p>Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.</p>								
4.Allowance for Doubtful Accounts Recognition	<p>Allowance for Doubtful Accounts</p> <p>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.</p>								
5.Revenue and Expense Recognition	<p>(1) Revenue Recognition</p> <p>Major contents of performance obligations relating to revenue arising from contracts with customers of NIPPON REIT and general timing of satisfying such performance obligations (general timing of revenue recognition for the revenue recognition) are as follows:</p> <p>A. Sales of Real Estate Properties</p> <p>Revenue is recognized at the time of a purchaser of real estate property as a customer obtains control over the real estate property by satisfying delivery obligation as described in a contract regarding the sale of the real estate property.</p> <p>Net amount is presented as "Gain on sales of real estate properties" or "Loss on sales of real estate properties" on the Statements of Income and Retained Earnings calculated as "Revenue from transfer of real estate property" which represents consideration for the transfer of investment property by deducting "Cost of real estate property transferred" which represents the book value of the investment property transferred and "Other transfer expenses incurred" which represents other direct expenses for the transfer.</p> <p>B. Utility Charge Revenue</p> <p>Utility charge revenue is recognized depending on volume of supply of electricity, water and others to a tenant as a customer based on the lease agreement of the</p>								

	<p>related property and contents of ancillary agreements.</p> <p>(2) Real Estate Taxes</p> <p>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.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the current period, NIPPON REIT included its pro rata property portion for the year in each property acquisition price and not as rental business expense.</p> <p>The amount of property taxes included in acquisition costs for properties acquired during the prior period was not applicable and the current period was 1,122 thousand yen.</p>
6. Method of Hedge Accounting	<p>(1) Method of Hedge Accounting</p> <p>Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedge items</p> <p>Hedging instruments: Interest rate swaps</p> <p>Hedged items: Interest on borrowings</p> <p>(3) Hedging policy</p> <p>NIPPON REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy.</p> <p>(4) Method of assessing hedge effectiveness</p> <p>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.</p>
7. Cash and Cash Equivalents as Stated in the Statements of Cash Flows	<p>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.</p>
8. Other Significant Matters Which Constitute the Basis for Preparation of Financial Statements	<p>(1) Accounting for Trust Beneficiary Interests in Real Estate</p> <p>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.</p> <p>The following assets in trust are recognized and presented separately on the balance sheets.</p> <p>I. Cash and deposits in trust</p> <p>II. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, leasehold rights in trust and construction in progress trust</p> <p>III. Tenant security deposits in trust</p> <p>(2) Consumption Taxes</p> <p>Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.</p>

(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 December 31, 2022)	Current Period (As of June 30, 2023)
Buildings	3,469	3,469
Buildings in trust	304,567	287,484
Tools, furniture and fixtures in trust	262	262
Total	308,299	291,216

*2 Reduction entry amount of tangible fixed assets acquired through exchanging (Yen in thousands)

	Prior Period (As of December 31, 2022)	Current Period (As of June 30, 2023)
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 December 31, 2022)	Current Period (As of June 30, 2023)
	50,000	50,000

4. Commitment line agreement

NIPPON REIT has engaged commitment line agreement (Yen in thousands)

	Prior Period (As of December 31, 2022)	Current Period (As of June 30, 2023)
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)

*1. Rental revenues and expenses

(Yen in thousands)

	Prior Period from July 1, 2022 to December 31, 2022		Current Period from January 1, 2023 to June 30, 2023	
A. Revenues from property leasing:				
Rental revenues				
Base rents	6,674,169		6,772,861	
Common area charges	905,634		884,625	
Parking space rental revenues	229,884	7,809,688	227,354	7,884,841
Other revenues related to property leasing				
Utility charge revenue	570,398		559,524	
Others	164,555	734,953	165,961	725,486
Total revenues from property leasing		8,544,642		8,610,328
B. Property-related expenses:				
Property-related expenses				
Property management fees	514,010		510,332	
Utility expenses	582,077		551,457	
Insurance expenses	8,393		8,274	
Repair expenses	205,269		279,928	
Taxes and dues	600,273		621,340	
Depreciation	1,005,405		1,007,847	
Loss on retirement of non- current assets	1,586		7,075	
Trust fees	35,550		35,771	
Others	310,624		291,583	
Total property-related expenses		3,263,191		3,313,612
C. Income from property leasing(A-B)		5,281,450		5,296,715

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

Prior Period (from July 1, 2022 to December 31, 2022)

Not applicable

Current Period (from January 1, 2023 to June 30, 2023)

(Yen in thousands)

ANTEX24 Building

Revenue from transfer of real estate property	2,070,000	
Cost of real estate property transferred	1,733,504	
Other transfer expenses incurred	85,362	
Gain on sales of real estate properties		251,132

(Yen in thousands)

Imazaki Mansion N1

Revenue from transfer of real estate property	1,050,888	
Cost of real estate property transferred	1,255,080	
Other transfer expenses incurred	33,834	
Loss on sales of real estate properties		238,026

(Notes to Statements of Change in Net Assets)

*1. Total number of investment units authorized and number of investment units issued and outstanding

	Prior Period from July 1, 2022 to December 31, 2022	Current Period from January 1, 2023 to June 30, 2023
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)

*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)

	Prior Period from July 1, 2022 to December 31, 2022	Current Period from January 1, 2023 to June 30, 2023
Cash and deposits	11,179,214	14,095,856
Cash and deposits in trust	6,141,943	6,054,170
Cash and cash equivalents	17,321,157	20,150,026

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues

(Yen in thousands)

	Prior Period (As of December 31, 2022)	Current Period (As of June 30, 2023)
Due within one year	695,755	786,451
Due after one year	1,792,921	1,603,081
Total	2,488,677	2,389,533

(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 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

Certain assumptions and factors are reflected in estimating the fair value of financial instruments. 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 December 31, 2022 were as follows. Investments in partnerships (Note 2) are excluded from the table below. Disclosure of cash and deposits and cash and deposits in trust is omitted because the book value of these assets is deemed a reasonable approximation of the fair value as they are cash or with short maturities. Disclosure of tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

(Yen in thousands)

	Book value	Fair value	Difference
(1) Long-term debt due within one year	19,000,000	18,997,111	(2,888)
(2) Investment corporation bonds	6,500,000	6,298,000	(202,000)
(3) Long-term debt	107,120,000	104,553,307	(2,566,692)
Total liabilities	132,620,000	129,848,418	(2,771,581)
(4) Derivative transactions	—	—	—

Book value, fair value and difference between the two as of June 30, 2023 were as follows. Investments in partnerships (Note 2) are excluded from the table below. Disclosure of cash and deposits and cash and deposits in trust is omitted because the book value of these assets is deemed a reasonable approximation of the fair value as they are cash or with short maturities. Disclosure of tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

(Yen in thousands)

	Book value	Fair value	Difference
(1) Long-term debt due within one year	17,650,000	17,650,400	400
(2) Investment corporation bonds	6,500,000	6,392,700	(107,300)
(3) Long-term debt	108,470,000	107,734,727	(735,272)
Total liabilities	132,620,000	131,777,827	(842,172)
(4) Derivative transactions	—	—	—

(Note 1) Methods used to estimate the fair value of financial instruments and derivative transactions

(1) Long-term debt due within one year and (3) 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. For long-term debt with fixed interest rates, their fair value is calculated based on the present value of principal and interest cash flows discounted at the current interest rate which is estimated to be applied if similar new debt is entered into.

(2) Investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

(4) Derivative transactions

Please refer to "(Derivative Transactions)" below.

(Note 2) Equity interests in silent partnership

Notes as stipulated in Paragraph 4 (1) of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, revised on March 31, 2020) are not disclosed by applying the treatment stipulated in paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, revised on June 17, 2021).

The balance sheet amounts of investment in partnerships to which the above treatment is applied are 82,973 thousand yen and 82,973 thousand yen as of December 31, 2022 and June 30, 2023, respectively.

(Note 3) Redemption schedule for long-term debt and investment corporation bonds

Prior Period (December 31, 2022)

(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	—	—	5,500,000
Long-term debt	19,000,000	17,600,000	17,550,000	19,400,000	18,000,000	34,570,000
Total	19,000,000	17,600,000	18,550,000	19,400,000	18,000,000	40,070,000

Current Period (June 30, 2022)

(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	—	—	1,000,000	4,500,000
Long-term debt	17,650,000	17,900,000	19,100,000	20,450,000	16,750,000	34,270,000
Total	17,650,000	18,900,000	19,100,000	20,450,000	17,750,000	38,770,000

(Notes to Investment Securities)

Prior Period (As of December 31, 2022)

Based on Article 8-6-2, paragraph 3 of the Regulations on Financial Statements, note disclosures defined in item 2 of the said paragraph for equity interests in silent partnerships (Book value: 82,973 thousand yen) are omitted.

Current Period (As of June 30, 2023)

Based on Article 8-6-2, paragraph 3 of the Regulations on Financial Statements, note disclosures defined in item 2 of the said paragraph for equity interests in silent partnerships (Book value: 82,973 thousand yen) are omitted.

(Notes to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied:

Prior Period (December 31, 2022)

Not applicable

Current Period (June 30, 2023)

Not applicable

2. Derivative transactions to which hedge accounting is applied:

Prior Period (December 31, 2022)

(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	120,970,000	104,970,000	Note	—
	Total		120,970,000	104,970,000	—	

(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 "(1) Long-term debt due within one year and (3) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (June 30, 2023)

(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	122,670,000	106,170,000	Note	—
	Total		122,670,000	106,170,000	—	

(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 "(1) Long-term debt due within one year and (3) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (December 31, 2022)

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

Current period (June 30, 2023)

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 December 31, 2022)	Current Period (As of June 30, 2023)
Deferred tax assets:		
Accrued enterprise tax	21	27
Total deferred tax assets	21	27
Net deferred tax assets	21	27

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

	Prior Period (As of December 31, 2022)	Current Period (As of June 30, 2023)
Statutory tax rate	31.46%	31.46%
(Adjustments)		
Deductible cash distributions	(31.45%)	(31.45) %
Per capita inhabitant taxes	0.02%	0.02%
Others	0.00%	0.00%
Effective tax rate	0.03%	0.03%

(Notes to Equity in Income)

Prior Period (from July 1, 2022 to December 31, 2022)

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

Current Period (from January 1, 2023 to June 30, 2023)

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

(Notes to Related Party Transactions)

1. Parent company and major corporate unitholders

Prior Period (from July 1, 2022 to December 31, 2022)

Not applicable

Current Period (from January 1, 2023 to June 30, 2023)

Not applicable

2. Affiliates

Prior Period (from July 1, 2022 to December 31, 2022)

Not applicable

Current Period (from January 1, 2023 to June 30, 2023)

Not applicable

3. Companies under common control

Prior Period (from July 1, 2022 to December 31, 2022)

Not applicable

Current Period (from January 1, 2023 to June 30, 2023)

Not applicable

4. Board of Officers and major individual unitholders

Prior Period (from July 1, 2022 to December 31, 2022)

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, SBI REIT Advisors Co., Ltd.	—	Payment of Asset management fee to SBI REIT Advisors Co., Ltd. (Note 1)	638,865	Accrued expenses	169,228

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (SBI REIT Advisors Co., Ltd.), 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 January 1, 2023 to June 30, 2023)

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, SBI REIT Advisors Co., Ltd. (Note 1)	—	Payment of Asset management fee to SBI REIT Advisors Co., Ltd. (Note 2)	664,185	—	—

(Note 1) Toshio Sugita resigned as President & CEO of SBI REIT Advisors Co., Ltd. on June 29, 2023.

(Note 2) Toshio Sugita implemented the transaction as President & CEO of third party (SBI REIT Advisors Co., Ltd.), and Asset management fee is following conditions stipulated in articles of incorporation. The amount of asset management fee is the total amount for the current period.

(Note 3) Transaction price excludes consumption tax, but Balance at the end of the period includes.

(Notes to Asset Retirement Obligation)

Prior Period (from July 1, 2022 to December 31, 2022)

Not applicable

Current Period (from January 1, 2023 to June 30, 2023)

Not applicable

(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 July 1, 2022 to December 31, 2022	Current Period from January 1, 2023 to June 30, 2023
Book value		
Balance at beginning of period	256,305,864	255,831,652
Change during period	(474,211)	(2,538,883)
Balance at end of period	255,831,652	253,292,769
Fair value	319,449,000	316,751,000

(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 prior 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 current period, the main reason for the increase was due to acquisition of MAISON NISHI MAGOME (791,000 thousand yen), and the main decrease was due to transfer of 2 properties such as ANTEX24 Building etc. (total 2,988,584 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."

(Notes to Revenue Recognition)

Prior Period (from July 1, 2022 to December 31, 2022)

Information on breakdown of revenues arising from contracts with customers

Information on breakdown of revenues arising from contracts with customers is presented in (Notes to Income Statements)

*1. Rental revenues and expenses. *1. Rental revenues and expenses include revenues relating to property leasing for which "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) is applied. Major revenues arising from contracts with customers is utility charge revenues.

Current Period (from January 1, 2023 to June 30, 2023)

Information on breakdown of revenues arising from contracts with customers

Information on breakdown of revenues arising from contracts with customers is presented in (Notes to Income Statements)

*1. Rental revenues and expenses and *2. Breakdown of Gain or Loss on sales of real estate properties. *1. Rental revenues and expenses include revenues relating to property leasing for which "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13) is applied. Major revenues arising from contracts with customers are sales of real estate properties and utility charge revenues.

(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 July 1, 2022 to December 31, 2022)

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 January 1, 2023 to June 30, 2023)

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.

(Notes to Per Unit Information)

	Prior Period from July 1, 2022 to December 31, 2022	Current Period from January 1, 2023 to June 30, 2023
Net assets per unit	289,812 yen	289,807 yen
Net income per unit	8,387 yen	8,381 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 July 1, 2022 to December 31, 2022	Current Period from January 1, 2023 to June 30, 2023
Net income (Yen in thousands)	3,773,797	3,771,139
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	3,773,797	3,771,139
Weighted average number of units outstanding (units)	449,930	449,930

(Notes to Significant Subsequent Events)

A. Acquisition of Properties

NIPPON REIT acquired trust beneficially interests in real estate as described below.

Property name	Location	Acquisition date	Acquisition price (million yen) (Note)	Seller
Muse Ryogoku II	Sumida ward, Tokyo	July 14, 2023	630	Godo Kaisha NRT Growth 17
Minami-Horie apartment Cielo	Osaka, Osaka		805	
Minami-Horie apartment Grande	Osaka, Osaka		770	
Minami-Horie apartment Rio	Osaka, Osaka		250	
Plowland Horita	Nagoya, Aichi		1,375	
Nasic Nozomigaoka	Nagoya, Aichi		695	
Total			4,525	—

(Note) 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.

(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 December 31, 2022)		Current period (as of June 30, 2023)	
			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)	1,495	0.5	1,505	0.5
total			1,495	0.5	1,505	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	140,441	51.0	140,341	51.0
		Three major metropolitan areas (Note 4) (excluding Six central wards of Tokyo)	42,490	15.4	40,703	14.8
		Subtotal	182,932	66.5	181,044	65.7
	Residential properties	Three major metropolitan areas (Note 4) (including Six central wards of Tokyo)	59,495	21.6	58,878	21.4
		Certain ordinance-designated and other cities (Note 5)	3,860	1.4	3,837	1.4
		Subtotal	63,355	23.0	62,716	22.8
	Retail Properties	—	8,046	2.9	8,026	2.9
	Total		254,335	92.4	251,787	91.4
Investment securities (Note 6)		82	0.0	82	0.0	
Deposits and other assets		19,223	7.0	22,038	8.0	
Total assets		275,138	100.0	275,414	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 represent the equity interest in silent partnerships of Godo Kaisha NRT Growth 17 and Godo Kaisha NRT Growth 18 as operators. Godo Kaisha NRT Growth 17 transferred all of the asset under management to NIPPON REIT as of July 14, 2023.

B. Investment Assets

I. Major investment securities

(as of June 30, 2023)

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 17 Subordinated equity interest in silent partnership	—	50	50	0.0	(Note 4)
Equity interest in a silent partnership	Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership	—	32	32	0.0	(Note 5)
Total		—	82	82	0.0	

(Note 1) "Book value" and "Fair value" are truncated to the nearest million yen.

(Note 2) Balance sheet amount is used as "Fair value" by applying the treatment stipulated in paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, revised on June 17, 2021).

(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 Muse Ryogoku II, Minami-Horie apartment Grande, Minami-Horie apartment Cielo, Minami-Horie apartment Rio, Plowland Horita and Nasic Nozomigaoka. All of the asset under management was transferred to NIPPON REIT as of July 14, 2023.

(Note 5) The asset under management is trust beneficiary interests in real estate of 30 Sankyo Building, St. Lake Celeb Daikancho and Belle Face Kawaharadori.

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 the end of current period is as follows:

Property Number	Property name	Asset type	Location	Acquisition price (Yen in millions) (Note 1)	Investment ratio (%) (Note 2)	Book value (Yen in millions) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku ward, Tokyo	2,260	0.9	2,058
A-2	Nihombashi Playa Building	Office property	Chuo ward, Tokyo	2,130	0.8	1,927
A-3	FORECAST Yotsuya	Office property	Shinjuku ward, Tokyo	1,430	0.6	1,384
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku ward, Tokyo	6,500	2.6	6,026
A-5	FORECAST Ichigaya (Note 4)	Office property	Shinjuku ward, Tokyo	4,800	1.9	4,276
A-6	FORECAST Mita	Office property	Minato ward, Tokyo	1,800	0.7	1,685
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku ward, Tokyo	13,990	5.5	14,501
A-8	FORECAST Sakurabashi	Office property	Chuo ward, Tokyo	5,760	2.3	5,945
A-9	GreenOak Kayabacho	Office property	Chuo ward, Tokyo	2,860	1.1	2,955
A-10	GreenOak Kudan	Office property	Chiyoda ward, Tokyo	2,780	1.1	2,915
A-11	GreenOak Takanawadai	Office property	Minato ward, Tokyo	2,260	0.9	2,089
A-14	Central Daikanyama	Office property	Shibuya ward, Tokyo	3,510	1.4	3,674
A-16	Hiroo Reeplex B's	Office property	Minato ward, Tokyo	2,827	1.1	2,844
A-17	Shibakoen Sanchome Building	Office property	Minato ward, Tokyo	7,396	2.9	7,304
A-19	Kudankita 325 Building	Office property	Chiyoda ward, Tokyo	1,850	0.7	1,971
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda ward, Tokyo	2,810	1.1	2,856
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda ward, Tokyo	2,640	1.0	2,718
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda ward, Tokyo	2,100	0.8	2,191
A-24	Pigeon Building	Office property	Chuo ward, Tokyo	2,837	1.1	2,909
A-25	FORECAST Ningyocho	Office property	Chuo ward, Tokyo	2,070	0.8	2,170
A-26	FORECAST Ningyocho PLACE	Office property	Chuo ward, Tokyo	1,650	0.7	1,685
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo ward, Tokyo	2,030	0.8	2,107
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku ward, Tokyo	2,207	0.9	2,307
A-29	Iidabashi Reeplex B's	Office property	Shinjuku ward, Tokyo	1,249	0.5	1,270
A-30	FORECAST Shinagawa	Office property	Shinagawa ward, Tokyo	2,300	0.9	2,398
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa ward, Tokyo	2,210	0.9	2,250
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa ward, Tokyo	2,033	0.8	2,052
A-33	FORECAST Takadanobaba	Office property	Toshima ward, Tokyo	5,550	2.2	5,790
A-39	Itohpia Kiyosubashidori Building	Office property	Taito ward, Tokyo	1,550	0.6	1,669
A-41	I・S Minamimorimachi Building	Office property	Osaka, Osaka	2,258	0.9	2,316

Property Number	Property name	Asset type	Location	Acquisition price (Yen in millions) (Note 1)	Investment ratio (%) (Note 2)	Book value (Yen in millions) (Note 3)
A-44	MK Kojimachi Building	Office property	Chiyoda ward, Tokyo	1,781	0.7	1,995
A-45	Toranomon Sakura Building	Office property	Minato ward, Tokyo	4,120	1.6	4,290
A-46	La Verite AKASAKA	Office property	Minato ward, Tokyo	2,000	0.8	2,117
A-47	Kanda Ocean Building	Office property	Chiyoda ward, Tokyo	1,440	0.6	1,464
A-48	Shinto GINZA EAST	Office property	Chuo ward, Tokyo	1,352	0.5	1,343
A-49	FORECAST Kayabacho	Office property	Chuo ward, Tokyo	3,000	1.2	3,177
A-50	FORECAST Waseda FIRST	Office property	Shinjuku ward, Tokyo	4,775	1.9	4,760
A-51	FORECAST Gotanda WEST	Office property	Shinagawa ward, Tokyo	6,520	2.6	7,427
A-52	Omiya Center Building	Office property	Saitama, Saitama	15,585	6.2	15,288
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	2,850	1.1	2,908
A-54	NORE Fushimi	Office property	Nagoya, Aichi	2,840	1.1	2,595
A-55	NORE Meieki	Office property	Nagoya, Aichi	2,520	1.0	2,305
A-56	Homat Horizon Building	Office property	Chiyoda ward, Tokyo	6,705	2.7	6,641
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	1,390	0.6	1,434
A-58	Towa Kandanishikicho Building	Office property	Chiyoda ward, Tokyo	960	0.4	982
A-59	Yusen Higashi-Nihombashi Ekimae Building	Office property	Chuo ward, Tokyo	1,152	0.5	1,211
A-60	Hiroo On Building	Office property	Shibuya ward, Tokyo	2,392	0.9	2,408
A-61	TK Gotanda Building	Office property	Shinagawa ward, Tokyo	4,130	1.6	4,405
A-62	Gotanda Sakura Building (Note 5)	Office property	Shinagawa ward, Tokyo	1,460	0.6	1,505
A-64	Alte Building Higobashi	Office property	Osaka, Osaka	1,453	0.6	1,482
A-65	DIA Building Meieki	Office property	Nagoya, Aichi	1,167	0.5	1,176
A-66	TENSHO OCHANOMIZU BUILDING	Office property	Chiyoda ward, Tokyo	1,800	0.7	1,837
A-67	FORECAST Kameido	Office property	Koto ward, Tokyo	2,580	1.0	2,593
A-68	NRT Kandasudacho Building	Office property	Chiyoda ward, Tokyo	1,311	0.5	1,393
A-69	REID-C Megurofudomae	Office property	Shinagawa ward, Tokyo	1,220	0.5	1,234
A-70	The Square	Office property	Nagoya, Aichi	1,080	0.4	1,141
A-71	Tsukiji Front	Office property	Chuo ward, Tokyo	825	0.3	844
A-72	Hatchobori River Gate	Office property	Chuo ward, Tokyo	835	0.3	841
A-73	TENSHO OFFICE SHINBASHI 5	Office property	Minato ward, Tokyo	1,200	0.5	1,203
A-74	REID-C Iidabashi Building	Office property	Chiyoda ward, Tokyo	1,195	0.5	1,224
A-75	REID-C Gotenyama Building	Office property	Shinagawa ward, Tokyo	1,040	0.4	1,058
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa ward, Tokyo	11,880	4.7	10,401
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	1,570	0.6	1,552

Property Number	Property name	Asset type	Location	Acquisition price (Yen in millions) (Note 1)	Investment ratio (%) (Note 2)	Book value (Yen in millions) (Note 3)
B-4	my atria Sakae	Residential property	Nagoya, Aichi	1,110	0.4	931
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	785	0.3	677
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	695	0.3	633
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	640	0.3	594
B-8	Kanda Reeplex R's	Residential property	Chiyoda ward, Tokyo	1,813	0.7	1,727
B-9	Splendid Namba	Residential property	Osaka, Osaka	3,502	1.4	3,092
B-10	Residence Hiroo	Residential property	Minato ward, Tokyo	2,590	1.0	2,594
B-11	Residence Nihombashi Hakozaki	Residential property	Chuo ward, Tokyo	1,300	0.5	1,409
B-12	Primegate Iidabashi (Note 6)	Residential property	Shinjuku ward, Tokyo	5,200	2.1	5,228
B-13	Residence Edogawabashi	Residential property	Shinjuku ward, Tokyo	1,230	0.5	1,236
B-14	Merveille Senzoku	Residential property	Ota ward, Tokyo	740	0.3	748
B-15	Field Avenue (Note 7)	Residential property	Ota ward, Tokyo	3,110	1.2	3,105
B-16	Domeal Kitaakabane	Residential property	Kita ward, Tokyo	785	0.3	792
B-17	Dormy Kitaakabane	Residential property	Kita ward, Tokyo	986	0.4	986
B-18	Splendid Shin-Osaka III	Residential property	Osaka, Osaka	2,428	1.0	2,288
B-19	ZEPHYROS Minami-horie	Residential property	Osaka, Osaka	1,608	0.6	1,598
B-20	Charmant Fuji Osakajominami	Residential property	Osaka, Osaka	905	0.4	896
B-21	Piacere Fuminosato	Residential property	Osaka, Osaka	571	0.2	558
B-22	Wald Park Minamioi	Residential property	Shinagawa ward, Tokyo	715	0.3	749
B-23	LAPUTA KUJO	Residential property	Osaka, Osaka	1,480	0.6	1,642
B-25	L'arte Nakatsu	Residential property	Osaka, Osaka	565	0.2	600
B-26	City hills Andoji	Residential property	Osaka, Osaka	1,750	0.7	1,832
B-27	Hermitage Shin-sakae	Residential property	Nagoya, Aichi	1,150	0.5	1,205
B-28	Sun ・ Meiekinami Building	Residential property	Nagoya, Aichi	950	0.4	964
B-29	Tenjin Higashi residence	Residential property	Fukuoka, Fukuoka	913	0.4	966
B-30	DeLCCS KASAI	Residential property	Edogawa ward, Tokyo	1,320	0.5	1,412
B-31	Serenite Shin-Osaka	Residential property	Osaka, Osaka	1,148	0.5	1,172
B-32	Mullion Josai	Residential property	Nagoya, Aichi	729	0.3	745
B-33	Residence Kinshicho	Residential property	Sumida ward, Tokyo	700	0.3	719
B-34	Meister house Kawasaki	Residential property	Kawasaki, Kanagawa	709	0.3	733
B-35	LIESSE Tsurumai (Note 8)	Residential property	Nagoya, Aichi	1,082	0.4	1,113
B-36	Komatsubara Yamamoto Mansion	Residential property	Kagoshima, Kagoshima	670	0.3	724
B-37	Belleza Kanayama	Residential property	Nagoya, Aichi	702	0.3	743

Property Number	Property name	Asset type	Location	Acquisition price (Yen in millions) (Note 1)	Investment ratio (%) (Note 2)	Book value (Yen in millions) (Note 3)
B-38	Sylphide Higashi-shinagawa	Residential property	Shinagawa ward, Tokyo	961	0.4	985
B-39	Royal Bloom	Residential property	Saitama, Saitama	1,100	0.4	1,114
B-40	Ever Square Doshin	Residential property	Osaka, Osaka	609	0.2	629
B-41	Zeku Benten	Residential property	Osaka, Osaka	506	0.2	523
B-42	Canis Court Kamishinjo	Residential property	Osaka, Osaka	1,359	0.5	1,399
B-43	Imperial Otori	Residential property	Sakai, Osaka	845	0.3	867
B-44	MAISON NISHI MAGOME	Residential property	Ota ward, Tokyo	791	0.3	815
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku ward, Tokyo	3,350	1.3	3,336
C-3	BECOME SAKAE	Retail property	Nagoya, Aichi	4,770	1.9	4,690
	Total			252,654	100.0	253,292

(Note 1) "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 2) "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 3) "Book value" is the value recorded on the balance sheets as of June 30, 2023 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(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.

(Note 8) This property includes two separate building which are counted as one property. The same applies hereinafter.

(ii) Summary of the leasing status

Property Number	Property name	Total leasable area (㎡) (Note 1)	Total leased area (㎡) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual contracted rent (Yen in millions) (Note 5)
A-1	FORECAST Nishishinjuku	1,945.68	1,945.68	100.0	15	163
A-2	Nihombashi Playa Building	2,490.08	2,490.08	100.0	2	Not disclosed (Note 6)
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	103
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	7	365
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	285
A-6	FORECAST Mita	1,786.81	1,786.81	100.0	5	114
A-7	FORECAST Shinjuku SOUTH	13,875.01	13,875.01	100.0	18	1,149
A-8	FORECAST Sakurabashi	6,566.76	6,176.19	94.1	4	359
A-9	GreenOak Kayabacho	2,995.35	2,995.35	100.0	8	184
A-10	GreenOak Kudan	2,595.04	2,595.04	100.0	6	198
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	10	150
A-14	Central Daikanyama	1,899.30	1,899.30	100.0	7	161
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	7	152
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	436
A-19	Kudankita 325 Building	2,003.60	2,003.60	100.0	8	123
A-21	Itohpia Iwamotocho 2-chome Building	3,447.16	3,447.16	100.0	8	195
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	165
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	181
A-24	Pigeon Building	3,022.25	3,022.25	100.0	1	Not disclosed (Note 6)
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	8	107
A-27	FORECAST Shin-Tokiwabashi	1,822.33	1,822.33	100.0	9	110
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	153
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	7	71
A-30	FORECAST Shinagawa	2,276.36	2,276.36	100.0	6	117
A-31	Nishi-Gotanda 8-chome Building	2,999.72	2,636.88	87.9	7	135
A-32	Towa Higashi-Gotanda Building	2,939.16	2,413.99	82.1	6	110
A-33	FORECAST Takadanobaba	5,661.49	5,661.49	100.0	6	340
A-39	Itohpia Kiyosubashidori Building	2,651.27	2,651.27	100.0	7	134
A-41	I・S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	170
A-44	MK Kojimachi Building	1,761.60	1,596.20	90.6	10	90
A-45	Toranomon Sakura Building	3,049.79	2,769.36	90.8	10	186
A-46	La Verite AKASAKA	1,719.75	1,719.75	100.0	7	111
A-47	Kanda Ocean Building	1,484.53	1,484.53	100.0	23	96
A-48	Shinto GINZA EAST	1,214.32	907.88	74.8	6	54
A-49	FORECAST Kayabacho	3,882.59	3,882.59	100.0	15	177

Property Number	Property name	Total leasable area (m ²) (Note 1)	Total leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual contracted rent (Yen in millions) (Note 5)
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	7	249
A-51	FORECAST Gotanda WEST	8,967.07	8,967.07	100.0	11	479
A-52	Omiya Center Building	14,524.63	14,524.63	100.0	30	1,058
A-53	SumitomoMitsui Bank Koraibashi Building	5,106.77	5,106.77	100.0	26	217
A-54	NORE Fushimi	3,890.74	3,890.74	100.0	9	218
A-55	NORE Meieki	4,280.75	4,280.75	100.0	18	207
A-56	Homat Horizon Building	6,077.01	6,077.01	100.0	9	397
A-57	Sannomiya First Building	3,633.16	3,633.16	100.0	24	115
A-58	Towa Kandanishikicho Building	1,324.07	1,324.07	100.0	6	67
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,631.09	1,631.09	100.0	8	74
A-60	Hiroo On Building	2,248.59	1,970.51	87.6	4	117
A-61	TK Gotanda Building	3,716.38	3,716.38	100.0	8	198
A-62	Gotanda Sakura Building	1,502.61	1,502.61	100.0	10	93
A-64	Alte Building Higobashi	3,482.92	3,482.92	100.0	11	136
A-65	DIA Building Meieki	1,781.72	1,781.72	100.0	10	82
A-66	TENSHO OCHANOMIZU BUILDING	1,252.89	1,252.89	100.0	1	Not disclosed (Note 7)
A-67	FORECAST Kameido	3,091.51	3,091.51	100.0	7	173
A-68	NRT Kandasudacho Building	1,154.16	1,154.16	100.0	9	62
A-69	REID-C Megurofudomae	921.32	921.32	100.0	5	63
A-70	The Square	1,520.69	1,442.42	94.9	17	59
A-71	Tsukiji Front	687.97	605.33	88.0	7	42
A-72	Hatchobori River Gate	760.31	760.31	100.0	8	44
A-73	TENSHO OFFICE SHINBASHI 5	828.19	828.19	100.0	1	Not disclosed (Note 7)
A-74	REID-C Iidabashi Building	827.74	827.74	100.0	8	48
A-75	REID-C Gotenyama Building	1,086.11	1,086.11	100.0	4	50
B-1	Tower Court Kitashinagawa	16,913.29	16,658.76	98.5	274	810
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	69
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	52
B-6	Seam Dwell Tsutsui	1,800.00	1,530.00	85.0	51	42
B-7	Ciel Yakuin	1,544.87	1,509.73	97.7	41	43
B-8	Kanda Reeplex R's	2,180.93	2,135.11	97.9	40	106
B-9	Splendid Namba	6,212.36	5,910.35	95.1	239	220
B-10	Residence Hiroo	1,983.15	1,983.15	100.0	54	123
B-11	Residence Nihombashi Hakozaki	1,449.00	1,449.00	100.0	1	Not disclosed (Note 7)
B-12	Primegate Iidabashi	6,044.17	5,895.59	97.5	67	277
B-13	Residence Edogawabashi	1,246.42	1,155.16	92.7	34	57
B-14	Merveille Senzoku	834.72	803.99	96.3	27	36

Property Number	Property name	Total leasable area (m^2) (Note 1)	Total leased area (m^2) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual contracted rent (Yen in millions) (Note 5)
B-15	Field Avenue	3,092.63	3,035.41	98.1	56	138
B-16	Domeal Kitaakabane	1,697.11	1,697.11	100.0	1	Not disclosed (Note 7)
B-17	Dormy Kitaakabane	2,471.42	2,471.42	100.0	1	Not disclosed (Note 7)
B-18	Splendid Shin-Osaka III	4,299.12	4,119.04	95.8	148	143
B-19	ZEPHYROS Minami-horie	2,826.73	2,795.68	98.9	71	95
B-20	Charmant Fuji Osakajominami	1,512.00	1,416.00	93.7	59	45
B-21	Piacere Fuminosato	1,374.08	1,346.84	98.0	43	34
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	90
B-25	L'arte Nakatsu	916.86	848.72	92.6	26	28
B-26	City hills Andoji	2,754.00	2,580.98	93.7	65	86
B-27	Hermitage Shin-sakae	2,638.61	2,236.11	84.7	46	63
B-28	Sun · Meiekinminami Building	1,747.10	1,622.27	92.9	65	50
B-29	Tenjinhighashi residence	1,909.60	1,810.40	94.8	73	51
B-30	DeLCCS KASAI	2,308.59	2,234.31	96.8	29	68
B-31	Serenite Shin-Osaka	1,854.02	1,802.00	97.2	66	62
B-32	Mullion Josai	1,433.40	1,358.70	94.8	46	39
B-33	Residence Kinshicho	813.51	751.83	92.4	24	32
B-34	Meister house Kawasaki	891.60	867.24	97.3	34	37
B-35	LIESSE Tsurumai	2,192.91	2,094.55	95.5	83	63
B-36	Komatsubara Yamamoto Mansion	2,671.99	2,542.64	95.2	95	52
B-37	Belleza Kanayama	1,261.05	1,212.97	96.2	47	41
B-38	Sylphide Higashi-shinagawa	1,174.19	1,174.19	100.0	43	50
B-39	Royal Bloom	1,236.61	1,236.61	100.0	35	61
B-40	Ever Square Doshin	910.07	865.57	95.1	39	31
B-41	Zeku Benten	1,093.21	1,027.53	94.0	32	30
B-42	Canis Court Kamishinjo	2,804.02	2,804.02	100.0	57	71
B-43	Imperial Otori	2,363.88	2,291.28	96.9	29	46
B-44	MAISON NISHI MAGOME	928.71	906.19	97.6	38	42
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	10	148
C-3	BECOME SAKAE	4,615.66	4,615.66	100.0	11	236
	Total	308,340.29	302,664.97	98.2	2,870	15,587

(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.

(Note 2) "Total leased area" is the aggregate leased area described in the relevant lease agreements for respective properties as of June 30, 2023. 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 June 30, 2023.

(Note 3) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2023, and rounding to the first decimal place.

(Note 4) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of June 30, 2023, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenants 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 5) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of June 30, 2023. 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 June 30, 2023. Figures have been truncated to the nearest million yen and may not add up to total.

(Note 6) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(Note 7) This information is not disclosed as sub-lessee's consent to disclosure has not been obtained.

(iii) Summary on Appraisal Report (As of June 30, 2023)

Property Number	Property name	Appraisal value (Yen in millions) (Note 2)	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	3,310	3,360	3.60%	3,250	3.20%	3.80%
A-2	Nihombashi Playa Building	2,520	2,570	4.20%	2,470	4.00%	4.30%
A-3	FORECAST Yotsuya	2,060	2,080	3.60%	2,040	3.40%	3.70%
A-4	FORECAST Shinjuku AVENUE	8,530	8,610	3.20%	8,440	3.00%	3.30%
A-5	FORECAST Ichigaya	6,800	6,870	3.30%	6,720	3.10%	3.40%
A-6	FORECAST Mita	2,530	2,550	3.50%	2,500	3.30%	3.60%
A-7	FORECAST Shinjuku SOUTH	18,400	18,600	3.30%	18,200	3.00%	3.50%
A-8	FORECAST Sakurabashi	7,050	7,090	3.90%	7,000	3.70%	4.00%
A-9	GreenOak Kayabacho	3,680	3,710	3.60%	3,650	3.40%	3.70%
A-10	GreenOak Kudan	3,730	3,740	3.50%	3,720	3.30%	3.60%
A-11	GreenOak Takanawadai	2,990	3,010	3.80%	2,960	3.60%	3.90%
A-14	Central Daikanyama	3,780	3,830	3.40%	3,730	3.20%	3.50%
A-16	Hiroo Reeplex B's	3,560	3,590	3.60%	3,530	3.40%	3.70%
A-17	Shibakoen Sanchome Building	10,100	10,400	3.50%	9,980	3.30%	3.70%
A-19	Kudankita 325 Building	2,410	2,430	3.40%	2,390	3.20%	3.50%
A-21	Itohpia Iwamotocho 2-chome Building	3,590	3,600	3.80%	3,570	3.60%	3.90%
A-22	Itohpia Iwamotocho 1-chome Building	3,240	3,260	3.80%	3,220	3.60%	3.90%
A-23	Itohpia Iwamotocho ANNEX Building	2,800	2,800	3.80%	2,790	3.60%	3.90%
A-24	Pigeon Building	3,140	3,160	4.00%	3,120	3.80%	4.10%
A-25	FORECAST Ningyocho	2,280	2,290	3.70%	2,260	3.50%	3.80%
A-26	FORECAST Ningyocho PLACE	2,160	2,180	3.80%	2,140	3.60%	3.90%
A-27	FORECAST Shin-Tokiwabashi	2,440	2,460	3.80%	2,420	3.60%	3.90%
A-28	Nishi-Shinjuku Sanko Building	2,820	2,830	3.80%	2,800	3.60%	3.90%
A-29	Iidabashi Reeplex B's	1,640	1,650	3.40%	1,620	3.20%	3.50%
A-30	FORECAST Shinagawa	2,340	2,360	3.70%	2,320	3.50%	3.80%
A-31	Nishi-Gotanda 8-chome Building	2,710	2,730	3.80%	2,690	3.60%	3.90%
A-32	Towa Higashi-Gotanda Building	2,530	2,550	3.70%	2,510	3.50%	3.80%
A-33	FORECAST Takadanobaba	6,760	6,810	4.00%	6,710	3.80%	4.10%
A-39	Itohpia Kiyosubashidori Building	2,160	2,160	4.10%	2,150	3.90%	4.30%
A-41	I・S Minamimorimachi Building	3,010	3,010	4.00%	3,000	3.80%	4.10%
A-44	MK Kojimachi Building	2,120	2,140	3.20%	2,090	3.00%	3.30%
A-45	Toranomon Sakura Building	4,560	4,620	3.10%	4,500	2.90%	3.20%
A-46	La Verite AKASAKA	2,630	2,660	3.30%	2,590	3.10%	3.40%
A-47	Kanda Ocean Building	1,930	1,940	3.60%	1,910	3.40%	3.70%
A-48	Shinto GINZA EAST	1,450	1,470	3.50%	1,430	3.30%	3.60%

Property Number	Property name	Appraisal value (Yen in millions) (Note 2)	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-49	FORECAST Kayabacho	3,430	3,450	3.80%	3,400	3.60%	3.90%
A-50	FORECAST Waseda FIRST	5,250	5,300	3.60%	5,200	3.40%	3.70%
A-51	FORECAST Gotanda WEST	8,340	8,420	3.80%	8,250	3.60%	4.00%
A-52	Omiya Center Building	24,700	25,000	3.70%	24,400	3.50%	3.80%
A-53	Sumitomo Mitsui BankKoraibashi Building	3,730	3,760	3.90%	3,690	3.70%	4.10%
A-54	NORE Fushimi	4,450	4,480	3.80%	4,420	3.60%	3.90%
A-55	NORE Meieki	4,170	4,200	3.90%	4,130	3.70%	4.00%
A-56	Homat Horizon Building	8,410	8,500	3.30%	8,320	3.10%	3.40%
A-57	Sannomiya First Building	1,610	1,620	4.60%	1,600	4.40%	4.70%
A-58	Towa Kandanishikicho Building	1,020	1,030	4.10%	1,010	3.30%	4.20%
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,400	1,400	3.90%	1,390	3.70%	4.00%
A-60	Hiroo On Building	2,830	2,860	3.70%	2,800	3.50%	3.80%
A-61	TK Gotanda Building	4,320	4,370	3.50%	4,270	3.30%	3.60%
A-62	Gotanda Sakura Building	1,640	1,650	4.00%	1,620	3.40%	4.10%
A-64	Alte Building Higobashi	2,050	2,150	4.30%	2,010	4.10%	4.50%
A-65	DIA Building Meieki	1,270	1,290	4.40%	1,240	4.20%	4.60%
A-66	TENSHO OCHANOMIZU BUILDING	1,910	1,930	3.50%	1,890	3.30%	3.60%
A-67	FORECAST Kameido	2,920	2,920	4.00%	2,910	3.80%	4.10%
A-68	NRT Kandasudacho Building	1,410	1,420	3.40%	1,390	3.20%	3.50%
A-69	REID-C Megurofudomae	1,270	1,280	4.10%	1,260	3.90%	4.20%
A-70	The Square	1,150	1,170	4.40%	1,120	4.20%	4.60%
A-71	Tsukiji Front	1,040	1,040	3.80%	1,030	3.50%	3.80%
A-72	Hatchobori River Gate	1,040	1,050	3.60%	1,030	3.40%	3.70%
A-73	TENSHO OFFICE SHINBASHI 5	1,270	1,280	3.50%	1,260	3.30%	3.60%
A-74	REID-C Iidabashi Building	1,240	1,250	3.50%	1,220	3.30%	3.60%
A-75	REID-C Gotenyama Building	1,070	1,070	3.80%	1,060	3.50%	3.80%
B-1	Tower Court Kitashinagawa	18,200	18,400	3.40%	18,000	3.20%	3.50%
B-2	Sky Hills N11	1,970	1,970	4.60%	1,960	4.40%	4.70%
B-4	my atria Sakae	1,280	1,280	4.10%	1,270	3.90%	4.20%
B-5	Mac Village Heian	996	1,000	4.20%	992	4.00%	4.30%
B-6	Seam Dwell Tsutsui	860	866	3.90%	853	3.70%	4.00%
B-7	Ciel Yakuin	800	805	3.80%	794	3.60%	3.90%
B-8	Kanda Reeplex R's	2,400	2,410	3.40%	2,380	3.10%	3.50%
B-9	Splendid Namba	4,080	4,150	4.20%	4,010	4.00%	4.40%
B-10	Residence Hiroo	2,990	3,060	3.30%	2,960	3.10%	3.50%
B-11	Residence Nihombashi Hakozaeki	1,800	1,800	3.70%	1,790	3.20%	3.50%

Property Number	Property name	Appraisal value (Yen in millions) (Note 2)	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-12	Primegate Iidabashi	6,370	6,400	3.30%	6,340	3.00%	3.40%
B-13	Residence Edogawabashi	1,320	1,340	3.90%	1,290	3.70%	4.10%
B-14	Merveille Sensoku	767	781	3.90%	752	3.70%	4.10%
B-15	Field Avenue	3,510	3,550	3.40%	3,470	3.20%	3.50%
B-16	Domeal Kitaakabane	871	878	3.80%	864	3.60%	3.90%
B-17	Dormy Kitaakabane	1,100	1,110	3.90%	1,090	3.70%	4.00%
B-18	Splendid Shin-Osaka III	2,840	2,890	4.00%	2,820	3.80%	4.20%
B-19	ZEPHYROS Ninami-horie	1,830	1,850	3.90%	1,820	3.70%	4.10%
B-20	Charmant Fuji Osakajominami	960	975	3.90%	953	3.70%	4.10%
B-21	Piacere Fuminosato	608	615	4.20%	605	4.00%	4.40%
B-22	Wald Park Minamioi	749	764	3.60%	733	3.40%	3.80%
B-23	LAPUTA KUJO	1,601	1,623	4.00%	1,578	3.80%	4.20%
B-25	L'arte Nakatsu	600	611	4.00%	589	3.80%	4.20%
B-26	City hills Andoji	1,830	1,860	3.90%	1,800	3.70%	4.10%
B-27	Hermitage Shin-sakae	1,260	1,280	4.10%	1,240	3.90%	4.30%
B-28	Sun・Meiekinami Building	1,050	1,070	4.00%	1,030	3.80%	4.20%
B-29	Tenjinhigashi residence	958	977	4.10%	938	3.90%	4.30%
B-30	DeLCCS KASAI	1,440	1,470	3.80%	1,430	3.60%	4.00%
B-31	Serenite Shin-Osaka	1,190	1,200	3.80%	1,170	3.60%	4.00%
B-32	Mullion Josai	718	727	4.10%	708	3.90%	4.30%
B-33	Residence Kinshicho	747	763	3.80%	731	3.60%	4.00%
B-34	Meister house Kawasaki	772	783	3.70%	767	3.50%	3.90%
B-35	LIESSE Tsurumai	1,230	1,250	4.20%	1,200	4.00%	4.40%
B-36	Komatsubara Yamamoto Mansion	696	706	5.20%	685	5.00%	5.40%
B-37	Belleza Kanayama	772	788	4.10%	756	3.90%	4.30%
B-38	Sylphide Higashi-shinagawa	1,050	1,060	3.50%	1,040	3.30%	3.60%
B-39	Royal Bloom	1,270	1,280	3.90%	1,260	3.70%	4.00%
B-40	Ever Square Doshin	615	627	4.10%	602	3.90%	4.30%
B-41	Zeku Benten	538	545	4.00%	530	3.80%	4.20%
B-42	Canis Court Kamishinjo	1,370	1,390	4.30%	1,340	4.10%	4.50%
B-43	Imperial Otori	869	877	4.00%	861	3.80%	4.20%
B-44	MAISON NISHI MAGOME	824	847	3.90%	800	3.70%	4.10%
C-1	Otakibashi Pacifica Building	3,460	3,500	3.50%	3,420	3.30%	3.60%
C-3	BECOME SAKAE	4,890	4,960	3.90%	4,810	3.70%	4.10%
	Total	316,751	320,098		313,371		

(Note 1) Figures in the above table are truncated to the nearest million yen.

(Note 2) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2023.

(Note 3) 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, B-30 and B-34, 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, B-29, B-33, B-35, B-36, B-37, B-40, B-42 and B-44, to Japan Valuers Co., Ltd. for B-22, B-23, B-31, B-32, B-41 and B-43,

and to Japan Real Estate Institute for rest of all properties.

(iv) Earnings Performance for the Individual Properties

The 22nd Fiscal Period (from January 1, 2023 to June 30, 2023)

(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	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	85,446	Not disclosed (Note)	56,539	208,596	159,739	63,623
Rental revenues	78,511		50,174	187,782	145,207	55,983
Other revenues related to property leasing	6,935		6,364	20,814	14,531	7,640
(2)Property related expenses	16,484		16,371	49,274	32,900	13,646
Property management fees	3,370		2,328	9,667	8,321	2,893
Utility expenses	5,302		3,663	15,888	10,355	4,720
Insurance expenses	57		41	122	117	43
Repair expenses	1,196		3,342	3,304	1,804	167
Taxes and dues	2,307		5,295	19,936	10,392	5,468
Trust fees	350		350	350	350	350
Others	3,900		1,350	5	1,559	2
(3)NOI (1)-(2)	68,962	69,934	40,167	159,322	126,839	49,977
(4)Depreciation	12,547	11,905	5,521	27,298	33,544	7,218
(5) Loss on retirement of non-current assets	-	806	-	-	128	-
(6)Income from property leasing (3)-(4)-(5)	56,414	57,223	34,646	132,023	93,165	42,758

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

(Yen in thousands)

Property number	A-7	A-8	A-9	A-10	A-11	A-14
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	Central Daikanyama
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	621,093	209,417	108,002	100,004	78,146	87,372
Rental revenues	575,560	188,533	94,459	93,060	65,563	80,609
Other revenues related to property leasing	45,533	20,883	13,543	6,944	12,583	6,762
(2)Property related expenses	227,760	45,393	28,605	24,266	25,669	16,954
Property management fees	35,257	13,748	6,094	5,260	3,575	3,172
Utility expenses	33,692	15,868	11,385	6,445	6,842	5,265
Insurance expenses	452	186	89	81	74	49
Repair expenses	2,855	2,588	1,856	2,192	1,797	908
Taxes and dues	15,309	10,838	8,822	9,932	8,109	7,202
Trust fees	350	350	350	350	350	350
Others	139,843	1,811	6	5	4,919	5
(3)NOI (1)-(2)	393,333	164,024	79,397	75,738	52,477	70,417
(4)Depreciation	41,847	14,299	9,173	8,274	15,390	5,357
(5) Loss on retirement of non-current assets	-	-	-	-	5,611	-
(6)Income from property leasing (3)-(4)-(5)	351,486	149,724	70,223	67,463	31,474	65,060

(Yen in thousands)

Property number	A-16	A-17	A-19	A-21	A-22	A-23
Property name	Hiroo Reeplex B's	Shibakoen Sanchoe Building	Kudankita 325 Building	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	84,882	241,527	69,526	110,477	93,067	99,828
Rental revenues	76,312	220,923	61,897	100,486	86,364	91,768
Other revenues related to property leasing	8,569	20,603	7,629	9,990	6,702	8,059
(2)Property related expenses	14,593	50,831	19,117	30,371	20,508	20,065
Property management fees	3,056	8,828	4,804	7,056	6,886	6,514
Utility expenses	4,726	18,465	5,162	9,060	5,681	7,179
Insurance expenses	40	180	49	102	90	80
Repair expenses	450	2,760	1,100	1,200	1,054	218
Taxes and dues	5,929	19,479	7,650	8,875	6,436	5,719
Trust fees	350	350	350	350	350	350
Others	40	767	-	3,726	9	3
(3)NOI (1)-(2)	70,288	190,696	50,408	80,105	72,558	79,763
(4)Depreciation	3,389	15,996	4,769	9,992	11,496	9,235
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	66,898	174,699	45,638	70,112	61,062	70,527

(Yen in thousands)

Property number	A-24	A-25	A-26	A-27	A-28	A-29
Property name	Pigeon Building	FORECAST Ningyocho	FORECAST Ningyocho PLACE	FORECAST Shin- Tokiwabashi	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	Not disclosed (Note)	66,289	55,680	64,449	81,005	46,464
Rental revenues		59,080	47,823	55,167	76,598	35,938
Other revenues related to property leasing		7,208	7,856	9,281	4,407	10,526
(2)Property related expenses		18,473	14,142	13,247	17,100	16,330
Property management fees		4,258	3,277	2,593	4,035	2,501
Utility expenses		5,945	5,915	5,375	4,298	7,917
Insurance expenses		76	49	49	70	36
Repair expenses		1,155	59	988	825	2,437
Taxes and dues		6,687	4,468	3,879	7,309	3,053
Trust fees		350	350	350	350	350
Others		-	22	10	210	34
(3)NOI (1)-(2)	66,196	47,816	41,537	51,202	63,905	30,134
(4)Depreciation	10,837	7,091	5,981	4,707	8,598	4,188
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	55,359	40,725	35,555	46,494	55,307	25,945

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

(Yen in thousands)

Property number	A-30	A-31	A-32	A-33	A-38	A-39
Property name	FORECAST Shinagawa	Nishi- Gotanda 8- chome Building	Towa Higashi- Gotanda Building	FORECAST Takadanoba ba	ANTEX24 Building	Itohpia Kiyosubashi dori Building
Operating periods	181days	181days	181days	181days	88days	181days
(1)Revenues from property leasing	59,715	77,585	78,065	157,484	28,630	78,402
Rental revenues	51,177	67,829	71,527	145,700	23,432	72,240
Other revenues related to property leasing	8,537	9,756	6,537	11,783	5,198	6,161
(2)Property related expenses	20,232	23,342	20,347	41,648	7,541	17,890
Property management fees	4,631	6,257	5,713	8,708	1,848	5,391
Utility expenses	6,154	7,771	4,409	11,312	3,158	5,800
Insurance expenses	77	87	91	170	46	71
Repair expenses	2,308	506	2,748	2,976	49	581
Taxes and dues	6,710	8,177	6,629	13,482	2,001	5,390
Trust fees	350	350	350	350	168	350
Others	-	192	406	4,647	269	306
(3)NOI (1)-(2)	39,482	54,243	57,717	115,835	21,089	60,511
(4)Depreciation	8,842	5,548	11,059	20,902	4,582	9,315
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	30,640	48,694	46,658	94,933	16,506	51,196

(Yen in thousands)

Property number	A-41	A-44	A-45	A-46	A-47	A-48
Property name	I•S Minamimori machi Building	MK Kojimachi Building	Toranomon Sakura Building	La Verite AKASAKA	Kanda Ocean Building	Shinto GINZA EAST
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	97,989	47,251	101,100	55,375	50,636	27,593
Rental revenues	88,691	44,029	94,670	52,183	45,218	25,575
Other revenues related to property leasing	9,297	3,221	6,430	3,191	5,418	2,017
(2)Property related expenses	27,552	14,289	29,008	16,152	14,170	8,549
Property management fees	5,920	3,317	7,058	3,522	2,515	2,078
Utility expenses	10,231	2,978	6,230	2,777	5,182	1,489
Insurance expenses	141	44	80	45	44	29
Repair expenses	758	295	1,093	1,634	1,477	1,491
Taxes and dues	10,150	6,835	10,962	5,196	3,761	3,105
Trust fees	350	350	350	350	350	350
Others	-	468	3,234	2,626	839	5
(3)NOI (1)-(2)	70,436	32,961	72,091	39,222	36,465	19,044
(4)Depreciation	18,221	6,803	8,771	3,937	4,074	3,133
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	52,215	26,157	63,319	35,284	32,391	15,910

(Yen in thousands)

Property number	A-49	A-50	A-51	A-52	A-53	A-54
Property name	FORECAST kayabacho	FORECAST Waseda FIRST	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	100,967	142,089	269,335	556,095	142,367	128,177
Rental revenues	87,670	127,969	247,179	516,143	114,662	112,523
Other revenues related to property leasing	13,297	14,119	22,155	39,951	27,704	15,653
(2)Property related expenses	28,793	35,821	69,659	108,359	50,146	29,758
Property management fees	6,383	7,874	16,566	33,975	10,481	6,722
Utility expenses	9,205	12,540	21,103	36,643	17,961	12,963
Insurance expenses	104	126	294	501	157	98
Repair expenses	1,564	2,149	1,252	4,326	2,570	1,204
Taxes and dues	8,268	12,205	29,608	28,199	18,104	8,211
Trust fees	350	350	350	350	350	350
Others	2,916	575	484	4,362	520	207
(3)NOI (1)-(2)	72,174	106,268	199,675	447,735	92,220	98,418
(4)Depreciation	13,067	12,633	44,395	63,507	19,182	18,624
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	59,106	93,634	155,279	384,228	73,038	79,794

(Yen in thousands)

Property number	A-55	A-56	A-57	A-58	A-59	A-60
Property name	NORE Meieki	Homat Horizon Building	Sannomiya First Building	Towa Kandanishik icho Building	Yusen Higashi- Nihombashi Ekimae Building	Hiroo ON Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	121,968	216,185	70,353	38,606	41,379	65,920
Rental revenues	105,113	202,479	62,172	33,548	37,762	57,704
Other revenues related to property leasing	16,855	13,706	8,181	5,057	3,616	8,215
(2)Property related expenses	32,873	56,597	25,695	17,752	59,784	20,890
Property management fees	6,893	12,369	8,321	2,348	2,597	4,477
Utility expenses	13,503	15,598	8,836	4,819	3,063	4,920
Insurance expenses	109	180	102	32	39	59
Repair expenses	969	695	2,929	669	48,984	699
Taxes and dues	10,613	27,045	5,102	1,338	4,092	6,128
Trust fees	350	350	350	350	350	350
Others	435	357	54	8,193	656	4,256
(3)NOI (1)-(2)	89,094	159,588	44,657	20,854	(18,404)	45,029
(4)Depreciation	16,721	17,297	12,372	2,362	4,580	5,026
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	72,372	142,290	32,285	18,491	(22,985)	40,003

(Yen in thousands)

Property number	A-61	A-62	A-64	A-65	A-66	A-67
Property name	TK Gotanda Building	Gotanda Sakura Building	Alte Building Higobashi	DIA Building Meieki	TENSHO OCHANOMIZU BUILDING	FORECAST Kameido
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	108,281	50,201	75,513	51,856	Not disclosed (Note)	96,819
Rental revenues	98,293	45,118	64,964	44,756		88,105
Other revenues related to property leasing	9,987	5,082	10,549	7,099		8,713
(2)Property related expenses	31,510	15,380	25,934	17,331		23,432
Property management fees	5,620	2,235	5,982	4,499		5,648
Utility expenses	8,601	4,371	9,347	5,874		7,956
Insurance expenses	112	38	96	67		88
Repair expenses	3,822	1,134	1,852	582		1,094
Taxes and dues	9,796	1,498	6,375	5,271		7,644
Trust fees	350	-	350	350		350
Others	3,207	6,102	1,929	686		651
(3)NOI (1)-(2)	76,770	34,820	49,579	34,524	34,246	73,387
(4)Depreciation	10,536	4,497	6,504	3,245	5,113	14,240
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	66,234	30,322	43,075	31,279	29,133	59,146

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

(Yen in thousands)

Property number	A-68	A-69	A-70	A-71	A-72	A-73
Property name	NRT Kandasudacho Building	REID-C Meguro-fudomae	The Square	Tsukiji Front	Hatchobori River Gate	TENSHO OFFICE SHINBASHI 5
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	30,496	34,342	37,721	24,984	25,047	Not disclosed (Note)
Rental revenues	27,892	31,536	35,063	21,719	22,757	
Other revenues related to property leasing	2,604	2,806	2,658	3,265	2,290	
(2)Property related expenses	8,391	6,859	11,478	7,340	5,556	
Property management fees	2,634	2,205	3,253	1,477	1,224	
Utility expenses	2,206	2,293	3,425	2,273	1,827	
Insurance expenses	32	25	53	17	19	
Repair expenses	759	690	970	2,044	501	
Taxes and dues	1,815	1,340	3,119	1,170	1,312	
Trust fees	300	300	300	300	300	
Others	642	4	356	56	371	
(3)NOI (1)-(2)	22,105	27,483	26,243	17,644	19,490	18,412
(4)Depreciation	2,912	2,117	4,975	1,329	1,698	3,474
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	19,193	25,366	21,268	16,314	17,792	14,937

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

(Yen in thousands)

Property number	A-74	A-75	B-1	B-2	B-4	B-5
Property name	REID-C Iidabashi Building	REID-C Gotenyama Building	Tower Court Kitashinaga wa	Sky Hills N11	my atria Sakae	Mac Village Heian
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	31,154	28,896	429,071	61,128	36,995	27,936
Rental revenues	28,301	26,398	410,895	61,056	36,985	27,490
Other revenues related to property leasing	2,852	2,497	18,175	72	10	445
(2)Property related expenses	7,800	6,746	85,313	9,410	7,897	6,470
Property management fees	2,442	2,008	31,532	300	1,908	1,895
Utility expenses	1,650	2,007	6,109	-	466	404
Insurance expenses	24	29	406	122	58	42
Repair expenses	730	410	14,644	1,807	1,128	1,655
Taxes and dues	2,555	1,931	19,650	6,829	2,636	1,911
Trust fees	300	300	350	350	350	350
Others	97	59	12,620	2	1,350	210
(3)NOI (1)-(2)	23,354	22,149	343,757	51,717	29,097	21,466
(4)Depreciation	1,779	1,672	70,325	14,890	10,408	5,713
(5) Loss on retirement of non-current assets	-	-	26	-	-	-
(6)Income from property leasing (3)-(4)-(5)	21,574	20,477	273,405	36,826	18,689	15,752

(Yen in thousands)

Property number	B-6	B-7	B-8	B-9	B-10	B-11
Property name	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Splendid Namba	Residence Hiroo	Residence Nihombashi Hakozaki
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	23,539	24,154	56,533	110,490	62,926	Not disclosed (Note)
Rental revenues	23,040	23,435	54,384	107,842	61,632	
Other revenues related to property leasing	498	719	2,149	2,648	1,294	
(2)Property related expenses	5,578	7,716	11,410	29,288	9,604	
Property management fees	1,887	1,261	3,546	6,099	2,410	
Utility expenses	224	635	12	671	649	
Insurance expenses	32	29	50	137	49	
Repair expenses	867	2,886	2,087	7,811	1,596	
Taxes and dues	1,636	1,419	2,477	8,127	2,900	
Trust fees	600	350	350	350	350	
Others	329	1,133	2,885	6,090	1,648	
(3)NOI (1)-(2)	17,961	16,438	45,122	81,202	53,322	34,790
(4)Depreciation	5,666	3,982	5,710	31,786	4,365	4,074
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	12,294	12,456	39,412	49,415	48,956	30,715

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

(Yen in thousands)

Property number	B-12	B-13	B-14	B-15	B-16	B-17
Property name	Primegate Iidabashi	Residence Edogawabashi	Merveille Senzoku	Field Avenue	Domeal Kitaakabane	Dormy Kitaakabane
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	158,404	31,981	20,847	78,267	Not disclosed (Note)	Not disclosed (Note)
Rental revenues	145,458	29,506	19,761	69,451		
Other revenues related to property leasing	12,946	2,475	1,085	8,816		
(2)Property related expenses	39,035	6,467	5,668	19,830		
Property management fees	12,622	1,478	1,245	2,675		
Utility expenses	6,110	197	252	4,844		
Insurance expenses	178	26	21	72		
Repair expenses	4,139	2,161	1,584	4,556		
Taxes and dues	10,116	1,259	1,040	3,570		
Trust fees	350	350	350	350		
Others	5,518	994	1,173	3,760		
(3)NOI (1)-(2)	119,369	25,514	15,178	58,437	17,521	21,514
(4)Depreciation	11,559	3,320	2,393	8,415	2,505	1,844
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	107,809	22,193	12,785	50,021	15,016	19,669

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

(Yen in thousands)

Property number	B-18	B-19	B-20	B-21	B-22	B-23
Property name	Splendid Shin-Osaka III	ZEPHYROS Minami-horie	Charmant Fuji Osaka jominami	Piacere Fuminosato	Wald Park Minamioi	LAPUTA KUJO
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	73,966	49,421	24,795	19,010	18,261	47,097
Rental revenues	72,196	48,860	23,783	17,753	16,624	45,436
Other revenues related to property leasing	1,769	561	1,012	1,257	1,637	1,661
(2)Property related expenses	8,157	9,129	5,986	5,782	4,766	12,459
Property management fees	4,040	2,397	1,185	1,283	827	3,624
Utility expenses	620	452	828	689	170	482
Insurance expenses	80	56	30	27	16	60
Repair expenses	△3,463	2,480	1,580	1,962	1,359	3,357
Taxes and dues	4,734	2,492	1,389	1,018	760	2,658
Trust fees	350	350	350	350	350	350
Others	1,794	899	621	450	1,283	1,926
(3)NOI (1)-(2)	65,808	40,292	18,808	13,228	13,494	34,638
(4)Depreciation	18,662	5,733	2,948	2,738	1,187	5,383
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	47,145	34,559	15,860	10,489	12,307	29,254

(Yen in thousands)

Property number	B-24	B-25	B-26	B-27	B-28	B-29
Property name	Imazaki Mansion N1	L'arte Nakatsu	City hills Andoji	Hermitage Shin-sakae	Sun・Meiekinami Building	Tenjinhighashi residence
Operating periods	180days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	41,067	16,081	46,418	38,248	27,600	28,123
Rental revenues	38,101	14,761	45,553	36,576	26,319	26,656
Other revenues related to property leasing	2,966	1,319	865	1,671	1,281	1,467
(2)Property related expenses	55,750	4,179	11,763	10,163	8,639	8,850
Property management fees	2,408	1,078	2,134	2,947	1,576	1,671
Utility expenses	1,657	492	463	606	802	1,160
Insurance expenses	92	20	59	54	39	46
Repair expenses	44,628	720	3,186	2,081	1,976	2,606
Taxes and dues	2,145	947	2,468	2,615	2,284	1,643
Trust fees	350	300	300	300	300	350
Others	4,467	621	3,151	1,557	1,661	1,372
(3)NOI (1)-(2)	(14,682)	11,902	34,655	28,084	18,961	19,273
(4)Depreciation	5,229	2,438	8,076	5,982	4,672	3,949
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	(19,911)	9,463	26,578	22,101	14,289	15,324

(Yen in thousands)

Property number	B-30	B-31	B-32	B-33	B-34	B-35
Property name	DeLCCS KASAI	Serenite Shin-Osaka	Mullion Josai	Residence Kinshicho	Meister house Kawasaki	LIESSE Tsurumai
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	39,361	32,420	20,279	18,127	20,838	34,391
Rental revenues	37,192	30,389	19,705	16,813	18,940	32,540
Other revenues related to property leasing	2,169	2,030	574	1,314	1,897	1,851
(2)Property related expenses	11,267	8,918	10,180	5,209	4,813	11,143
Property management fees	3,269	1,608	1,561	1,148	1,576	2,503
Utility expenses	1,796	577	404	208	225	514
Insurance expenses	47	40	30	18	20	47
Repair expenses	2,023	1,905	3,128	1,756	1,002	2,850
Taxes and dues	2,302	2,291	1,428	770	984	2,490
Trust fees	300	300	350	300	300	300
Others	1,528	2,194	3,276	1,007	704	2,437
(3)NOI (1)-(2)	28,094	23,502	10,099	12,917	16,025	23,248
(4)Depreciation	3,868	3,071	3,421	1,726	2,208	3,531
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	24,226	20,431	6,678	11,191	13,816	19,717

(Yen in thousands)

Property number	B-36	B-37	B-38	B-39	B-40	B-41
Property name	Komatsubara Yamamoto Mansion	Belleza Kanayama	Sylphide Higashi-shinagawa	Royal Bloom	Ever Square Doshin	Zeku Benten
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	27,230	21,347	24,850	31,632	16,927	14,770
Rental revenues	26,684	21,082	24,133	29,732	16,323	14,436
Other revenues related to property leasing	546	264	716	1,900	603	334
(2)Property related expenses	11,241	5,833	8,740	6,753	4,788	5,225
Property management fees	2,018	1,227	1,553	1,786	1,142	1,040
Utility expenses	354	283	435	300	612	130
Insurance expenses	49	25	28	25	18	24
Repair expenses	4,793	1,224	3,083	1,414	1,096	1,110
Taxes and dues	2,244	1,266	1,577	1,707	893	1,016
Trust fees	300	300	300	300	300	300
Others	1,480	1,505	1,761	1,218	724	1,603
(3)NOI (1)-(2)	15,989	15,513	16,110	24,879	12,138	9,545
(4)Depreciation	4,869	2,780	1,707	5,544	1,423	1,604
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	11,120	12,733	14,402	19,334	10,714	7,941

(Yen in thousands)

Property number	B-42	B-43	B-44	C-1	C-3	
Property name	Canis Court Kamishinjo	Imperial Otori	MAISON NISHI MAGOME	Otakibashi Pacifica Building	BECOME SAKAE	Total
Operating periods	181days	181days	93days	181days	181days	
(1)Revenues from property leasing	41,297	26,574	11,305	74,848	134,817	8,610,328
Rental revenues	37,669	24,175	10,932	61,277	116,921	7,884,841
Other revenues related to property leasing	3,627	2,399	373	13,571	17,896	725,486
(2)Property related expenses	10,307	6,988	1,866	22,626	32,190	2,298,689
Property management fees	1,830	1,304	671	4,121	7,828	510,332
Utility expenses	1,317	416	76	9,073	11,920	551,457
Insurance expenses	60	45	12	40	124	8,274
Repair expenses	3,157	1,706	308	110	860	279,928
Taxes and dues	2,737	1,923	-	5,955	11,058	621,340
Trust fees	300	300	152	350	350	35,771
Others	903	1,291	644	2,975	48	291,583
(3)NOI (1)-(2)	30,989	19,586	9,439	52,221	102,627	6,311,638
(4)Depreciation	4,998	4,081	874	10,672	9,772	1,007,847
(5) Loss on retirement of non-current assets	-	-	-	502	-	7,075
(6)Income from property leasing (3)-(4)-(5)	25,990	15,505	8,564	41,046	92,855	5,296,715

(2) Status of Capital Expenditure

A. Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 23rd 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
FORECAST Shinjuku AVENUE	Shinjuku ward, Tokyo	Whole building LED renewal	From Jul. 2023 to Dec. 2023	37	—	—
		Mechanical parking parts replacement	From Jul. 2023 to Dec. 2023	18	—	—
Shibakoen Sanchome Building	Minato ward, Tokyo	Mechanical parking renewal	From Jul. 2023 to Dec. 2023	30	—	—
Itohia Iwamotocho 2- chome Building	Chiyoda ward, Tokyo	Whole building LED renewal	From Jul. 2023 to Dec. 2023	22	—	—
Pigeon Building	Chuo ward, Tokyo	Mechanical parking parts replacement	From Jul. 2023 to Dec. 2023	44	—	—
FORECAST Ningyocho	Chuo ward, Tokyo	2nd floor bathroom and kitchen renewal	From Jul. 2023 to Dec. 2023	12	—	—
Nishi-Shinjuku Sanko Building	Shinjuku ward, Tokyo	Exterior wall repair	From Jul. 2023 to Dec. 2023	25	—	—
Kanda Ocean Building	Chiyoda ward, Tokyo	Exterior wall repair	From Jul. 2023 to Dec. 2023	26	—	—
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Exterior wall repair (Phase 2)	From Jul. 2023 to Dec. 2023	113	—	—
		Substation facilities repairment (Phase1)	From Jul. 2023 to Dec. 2023	19	—	—
		Bathroom renewal	From Jul. 2023 to Dec. 2023	14	—	—
Omiya Center Building	Saitama, Saitama	Common area renewal	From Jul. 2023 to Dec. 2023	148	—	—
Homat Horizon Building	Chiyoda ward, Tokyo	Whole building LED renewal	From May 2023 to Jul. 2023	29	—	—
Hiroo On Building	Shibuya ward, Tokyo	Whole building LED renewal	From Jul. 2023 to Dec. 2023	17	—	—
TK Gotanda Building	Shinagawa ward, Tokyo	Mechanical parking parts replacement	From Jul. 2023 to Dec. 2023	26	—	—
		5th and 7th floor bathroom renewal	From Jul. 2023 to Dec. 2023	15	—	—
NRT Kandasudacho Building	Chiyoda ward, Tokyo	Elevator control renewal	From Jul. 2023 to Dec. 2023	16	—	—
REID-C Gotenyama Building	Shinagawa ward, Tokyo	Elevator control renewal	From Jul. 2023 to Dec. 2023	15	—	—
ZEPHYROS Minami- horie	Osaka, Osaka	Automatic doors installation and delivery locker renewal	From Jul. 2023 to Dec. 2023	11	—	—
LAPUTA KUJO	Osaka, Osaka	Private area renewal	From Jul. 2023 to Dec. 2023	25	—	—
Mullion Josai	Nagoya, Aichi	Exterior wall repair	From Jul. 2023 to Dec. 2023	29	—	—

(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 current period. In the fiscal period ended June 30, 2023, capital expenditures totaled 640 million yen. With the addition of 279 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 920 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note1)
FORECAST Yotsuya	Shinjuku ward, Tokyo	Exterior wall repair	From Feb. 2023 to Jun. 2023	48
FORECAST Sakurabashi	Chuo ward, Tokyo	Substation facilities repairment (Phase 5)	From Mar. 2023 to Mar. 2023	10
GreenOak Kudan	Chiyoda ward, Tokyo	Elevator renewal	From Mar. 2023 to Mar. 2023	12
FORECAST Ningyocho	Chuo ward, Tokyo	Elevator control renewal	From Jun. 2023 to Jun. 2023	32
FORECAST Shinagawa	Shinagawa ward, Tokyo	Elevator control renewal	From Apr. 2023 to Apr. 2023	32
FORECAST Kayabacho	Chuo ward, Tokyo	Elevator control renewal	From May 2023 to May 2023	32
FORECAST Gotanda WEST	Shinagawa ward, Tokyo	Exterior wall repair (Phase 1)	From Jan. 2023 to Jun. 2023	70
Omiya Center Building	Saitama, Saitama	11th floor common area renewal	From Apr. 2023 to Jun. 2023	77
		1st floor common area renewal	From Apr. 2023 to Jun. 2023	24
		Parking halon fire extinguishing equipment renewal	From Nov. 2022 to Jan. 2023	10
Yusen Higashi-Nihombashi Ekimae Building	Chuo ward, Tokyo	Exterior wall repair	From Apr. 2023 to Jun. 2023	17
Gotanda Sakura Building	Shinagawa ward, Tokyo	Elevator control renewal	From Apr. 2023 to May 2023	13
Alte Building Higobashi	Osaka, Osaka	Whole building LED renewal	From May 2023 to Jun. 2023	18
REID-C Iidabashi Building	Chiyoda ward, Tokyo	Substation facilities repairment	From Apr. 2023 to May 2023	15
Imazaki Mansion N1 (Note 2)	Osaka, Higashiosaka	Rooftop waterproofing	From Mar. 2023 to Jun. 2023	12
Other capital expenditures				210
Total				640

(Note1) Capital expenditures are truncated to the nearest million yen.

(Note 2) Transferred as of June 30, 2023.

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 millions)

Operating period	18th fiscal period from January 1, 2021 to June 30, 2021	19th fiscal period from July 1, 2021 to December 31, 2021	20th fiscal period from January 1, 2022 to June 30, 2022	21st fiscal period from July 1, 2022 to December 31, 2022	22nd fiscal period from January 1, 2023 to June 30, 2023
Balance of reserves at the beginning of the period	1,353	1,726	1,841	2,414	2,876
Amount of reserves during the period	710	725	843	986	1,237
Amount of reversal of reserves during the period	337	610	270	524	640
Reserves carried forward	1,726	1,841	2,414	2,876	3,473

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