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For Immediate Release

Real Estate Investment Trust Securities  
Issuer:

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### Notice Concerning Acquisition of Asset (TMK Preferred Securities)

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that Sojitz REIT Advisors K.K. ("SRA"), which is entrusted to manage the assets of NIPPON REIT, today decided on the following acquisition of an asset (TMK preferred securities) (the "Acquisition").

#### 1. Overview of acquisition

- |                               |   |
|-------------------------------|---|
| (1) To-be-acquired asset:     | Preferred Equity Securities as stipulated in Article 2, Section 9 of the Act on Securitization of Assets (the "Securitization Act") |
| (2) Issuer:                   | Gotandaohashi Investment Tokutei Mokuteki Kaisha ("TMK")  |
| (3) Specified asset:          | POLA Daisan Gotanda Building (the "Specified Asset")  |
| (4) Equity investment amount: | 50 million yen (approximately 2.0% of total amount of preferred securities(Note))   |
| (5) Agreement execution date: | December 16, 2014   |
| (6) Acquisition date:         | December 18, 2014 (scheduled)   |
| (7) Acquisition funds:        | Funds on hand   |

(Note) Rounded to one decimal place. The same shall apply hereinafter.

## 2. Reason for acquisition

SRA decided on the Acquisition with an aim to develop a portfolio that achieves growth of asset size and secures stable revenue through investing in preferred securities in accordance with the asset management targets and policy set forth in the articles of incorporation of NIPPON REIT.

The Acquisition is thought to achieve dynamic and timely investments as set forth in the basic policy of NIPPON REIT and thereby largely contribute to the future external growth of NIPPON REIT.

NIPPON REIT, as a result of the Acquisition, will receive profits in the form of preferred dividends, sourced from rent and other income from the lessees of the abovementioned Specified Asset. In addition, with the Acquisition, NIPPON REIT will be granted the right of first negotiation pertaining to the acquisition of the Specified Asset (for details, please refer to “3. Outline of to-be-acquired asset; (1) Overview of preferred securities; Other; Right of first negotiation to be granted with the Acquisition” below), but this does not mean that NIPPON REIT will be obliged to acquire the Specified Asset.

## 3. Outline of to-be-acquired asset

### (1) Overview of the preferred securities

Name	Gotandaohashi Investment TMK Preferred Securities						
Overview of the Scheme	<p>The following is an overview of TMK.</p> <table border="1"> <thead> <tr> <th colspan="2">Gotandaohashi Investment Tokutei Mokuteki Kaisha</th></tr> </thead> <tbody> <tr> <td rowspan="3">Specified Asset etc. 6,370 million yen (Note 1)</td><td>Specific Bonds 3,900 million yen</td></tr> <tr> <td>Preferred Shares (Note 2) 2,470 million yen</td></tr> <tr> <td>Common Shares 100 thousand yen</td></tr> </tbody> </table> <p>Calculation period: The six-month periods every year from May 1 to the last day of October, and from November 1 to the last day of April.</p> <p>Distribution of dividends:</p> <ol style="list-style-type: none"> <li>Preferred shareholders have the right to receive for each calculation period the dividends within the scope of the dividend payable under the Securitization Act based on a resolution at the general meeting of shareholders. As the common shareholder has waived the right to receive dividends, TMK shall not distribute any of the dividends to the common shareholder and shall distribute only to preferred shareholders in proportion to their shareholding ratio thereof.</li> <li>All of residual assets are distributed to preferred shareholders in proportion to their shareholding ratio thereof. As the common shareholder has waived the right to receive the distribution of residual assets, TMK shall not distribute any of the residual assets to the common shareholder and shall distribute only to preferred shareholders in proportion to their shareholding ratio thereof.</li> </ol>	Gotandaohashi Investment Tokutei Mokuteki Kaisha		Specified Asset etc. 6,370 million yen (Note 1)	Specific Bonds 3,900 million yen	Preferred Shares (Note 2) 2,470 million yen	Common Shares 100 thousand yen
Gotandaohashi Investment Tokutei Mokuteki Kaisha							
Specified Asset etc. 6,370 million yen (Note 1)	Specific Bonds 3,900 million yen						
	Preferred Shares (Note 2) 2,470 million yen						
	Common Shares 100 thousand yen						

Other	Right of first negotiation to be granted with the Acquisition	
	Content of right	The right to be the first to be entitled to negotiate acquisition of the Specified Asset scheduled to be acquired by TMK on December 22, 2014 (please refer to 7. Below)
	Period	To January 31, 2016 (scheduled)
	Terms and conditions of sale upon first negotiation	6,500 million yen or more (excluding consumption taxes)

(Note 1) Specified Asset, etc. includes arrangement costs and reserves, etc. Furthermore, the real estate appraisal value is 6,610 million yen.

(Note 2) Of the total 49,400 units of preferred securities in TMK (total amount of 2,470 million yen), NIPPON REIT is scheduled to acquire 1,000 units (50 million yen) (approximately 2.0%).

(Note 3) Genkai Capital Management Co., Ltd. is scheduled to be the asset manager for the TMK.

(Note 4) SPC Securities Inc. is scheduled to be the party handling the private placement for the TMK.

(Note 5) The pricing terms for preferred negotiations are represented by an amount rounded down to the nearest million yen.

## (2) Overview of TMK operator

Name	Gotandaohasi Investment Tokutei Mokuteki Kaisha
Location	1-4-1 Nihombashi, Chuo-ku, Tokyo
Line of business	1. Businesses related to the acquisition, management, and disposal of specified assets in accordance with the asset securitization plan under the Securitization Act. 2. Other businesses incidental or related to the businesses listed in the preceding item
Title and name of representative	Takanori Mishina, Director
Capital	100 thousand yen
Preferred shareholders	Not disclosed (Note)
Date of incorporation	November 14, 2014
Net asset	2,470 million yen (Scheduled)
Total asset	6,370 million yen (Scheduled)
Relationship with NIPPON REIT or asset management company	
Capital relationship Personnel relationship Business relationship	There is no capital relationship, personnel relationship or business relationship to be stated between NIPPON REIT or the asset management company and the concerned company. In addition, there is no capital relationship, personnel relationship or business relationship to be specially noted between associated persons and associated companies of NIPPON REIT or the asset management company and associated persons and associated companies of the concerned company.
Related-party status	The concerned company does not fall under the category of a related party of NIPPON REIT or the asset management company. In addition, any of associated persons and associated companies of the concerned company does not fall under the category of a related party of NIPPON REIT or the asset management company.

(Note) Not disclosed because consent has not obtained from other preferred shareholders.

#### 4. Settlement method

Settlement shall be in a lump sum at the time of an acquisition of preferred securities as stated in "5. Schedule of acquisition" below.

#### 5. Schedule of acquisition

December 16, 2014	Decision on acquisition
December 17, 2014	Payment of the Preferred investments (scheduled)
December 18, 2014	Acquisition of the Preferred securities (scheduled)

#### 6. Future outlook

The forecast of the management status for the fiscal period ending December 2014 (from July 1, 2014 to December 31, 2014) remains unchanged because the impact will be minimal.

#### 7. Overview of Specified Asset

##### (1) Details of the property

Name of property		POLA Daisan Gotanda Building
Type of specified asset		Real estate
Scheduled acquisition date		December 22, 2014 (scheduled)
Location (indication of residential address)		8-9-5 Nishi-gotanda, Shinagawa-ku, Tokyo
Land	Parcel number	8-9-11 Nishi-gotanda, Shinagawa-ku, Tokyo (and 9 other parcels)
	Building coverage ratio / Floor area ratio	100% (Note 1) / 700%
	Use district	Commercial district
	Site area	1,840.57 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction completion	September 1989
	Structure / Floors	Steel-framed reinforced concrete, reinforced concrete structure with flat roof B2 / 12F
	Use	Office
	Total floor space	13,581.66 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (scheduled)
Type of master lease		Pass-through
Appraisal value		6,610 million yen
Real estate appraiser		Morii Appraisal & Investment Consulting Inc.
PML		2.3%
Collateral after acquisition		The property has a general mortgage established with the investor of the specific bonds to the Issuer as the mortgagor.
Status of leasing		
	Leasable floor space	9,122.48 m <sup>2</sup> (Note 2)
	Leased floor space	9,122.48 m <sup>2</sup>
	Occupancy rate	100.0%
	Total number of tenants	13
	Total rent income (annual)	387 million yen
	Deposits, etc.	224 million yen
Special notations		Not applicable

(Note 1) The building coverage ratio is essentially 80%, but it is 100% due to relaxation for fire-proof structures within commercial districts and fire prevention districts.

(Note 2) Including warehouse areas (284.93 m<sup>2</sup>)

[Explanation of matters stated in table 7.Overview of Specified Asset (1) Details of the property ]

- Y “Location (indication of residential address)” is the indication of residential address of the real estate. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations) is stated.
- Y “Building coverage ratio” and “Floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on a specified asset, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- Y “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- Y “Site area” of land is based on that stated in the registry and may differ from the present state.
- Y “Type of ownership” of land is the type of rights of the real estate held by the Issuer of the TMK preferred securities.
- Y “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- Y “Structure / Floors” of building is based on that stated in the registry.
- Y “Use” of building is the major type of building in the registry.
- Y “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- Y “Type of ownership” of building is the type of rights of the real estate held by the issuer of the TMK preferred securities.
- Y “Master lease company” is the company that has concluded or the company that is scheduled to conclude a master lease agreement that is valid as of today for the Specified asset.
- Y “Type of master lease” is the main type of master lease agreement concluded or scheduled to be concluded as of today, where “Pass-through” is a master lease agreement in which the master lease company shall pay the same amount of rent as the rent payable by end tenants to the master lease company and “Rent guaranteed” is a master lease agreement in which the master lease company shall pay a fixed amount of rent.
- Y “Appraisal value” is the appraisal value stated in the appraisal report prepared by Morii Consulting & Investment Inc. with November 30, 2014 as the effective date of appraisal as requested as part of due diligence upon acquisition of the Specified Asset by TMK, and rounded down to the nearest million yen.
- Y “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd. as requested as part of due diligence upon acquisition of the Specified Asset by TMK, and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- Y “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the Specified Asset by TMK.
- Y “Status of leasing” is based on the figures and information provided by the previous owner, etc. of the Specified Asset regarding the content, etc. of the lease agreement, etc. that is valid as of October 31, 2014, unless otherwise stated.
- Y “Leasable floor space” is the floor space regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building of each asset as of October 31, 2014 for the Specified Asset.
- Y “Leased floor space” is the sum total of the leased floor space indicated in each lease contract or each provisional lease contract for the Specified Asset as of October 31, 2014.

However, in cases where a pass-through type master lease agreement is scheduled to be concluded, the sum total of the leased floor space of end tenants indicated in each sublease contract or each provisional sublease contract for the Specified Asset as of October 31, 2014. Furthermore, because there are cases where leased floor space indicated in lease contracts, etc. includes the portion not included in total floor space, there are cases where total leased floor space may exceed total floor space.

- Y "Occupancy rate" is the ratio of the leased floor space to the leasable floor space for the Specified Asset as of October 31, 2014, and rounded to one decimal place.
- Y "Total number of tenants" is the sum total of the number of tenants (Note 1) in the lease agreement of the Specified Asset indicated in each lease agreement for the Specified Asset as of October 31, 2014. Furthermore, in cases where a pass-through type master lease agreement is scheduled to be concluded for the concerned asset, the total number of end tenants (Note 1) is stated. However, even in the case of a pass-through type master lease agreement, in cases where the sublessee subleasing the entire property from the master lease company has been entrusted with property management and shall pay fixed rent to the master lease company, the total number of tenants is stated as 1.
- Y "Total rent income (annual)" is the annual rent, or the amount annualized by multiplying the monthly rent by 12, for the building indicated in each lease contract or each provisional lease contract for the Specified Asset as of October 31, 2014 (Note 2), and rounded down to the nearest million yen. However, in cases where a pass-through type master lease agreement is scheduled to be concluded between the master lease company and the lessor, etc. in which, in principle, the rent, etc. from end tenants is received as is, the annual rent, or the amount annualized by multiplying the monthly rent by 12, indicated in each sublease contract or each provisional sublease contract with end tenants for the Specified Asset as of October 31, 2014 (Note 2), and rounded down to the nearest million yen is stated.
- Y "Deposits, etc." is the sum total amount of tenant leasehold and security deposits required based on each lease agreement for the Specified Asset as of October 31, 2014 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of October 31, 2014), and rounded down to the nearest million yen. In cases where a master lease agreement is scheduled to be concluded for the concerned asset, the sum total amount of tenant leasehold and security deposits required based on the lease agreement concluded with end tenants, and rounded down to the nearest million yen is stated.

(Note 1) Excluding warehouse, signboard, parking lot, etc.

(Note 2) For the Specified Asset under several lease agreements, the sum total amount thereof. In addition, common area maintenance charges are included, but warehouse, signboard, parking lot, etc. usage fees are not included, and free-rent is not taken into account (excluding consumption taxes).

#### <Attachment>

Photo of exterior of the Specified Asset

Map of Specified the Asset

\* This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

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

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(Attachment)

① Photo of exterior of Specified Asset



② Map of Specified Asset

