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For Immediate Release

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Notice Concerning Acquisition of Asset
(Additional Acquisition of Multistory Parking Lot of Omiya Center Building)

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 additional acquisition of an asset (the "Acquisition").

1. Overview of the Acquisition

- | | |
|-----------------------------------|---|
| (1) To-be-acquired asset: | Real estate (Building under sectional ownership and the Land) (Note1) |
| (2) Asset name: | Multistory Parking Lot of Omiya Center Building (the "Property") (The annex building of property number A-52 (the "Existing Property")) (Note2) |
| (3) Scheduled acquisition price : | 255 million yen (Note3) |
| (4) Agreement conclusion date: | September 28, 2015 (scheduled) |
| (5) Acquisition date: | September 28, 2015 (scheduled) |
| (6) Seller | Not disclosed (Note4) |
| (7) Acquisition financing: | Funds on hands |
| (8) Payment date | September 28, 2015 |

(Note1) NIPPON REIT has the beneficiary right of trust placing the Existing Property and a part of its multistory parking lot in trust as asset under management, and will set up an additional trust for the Property as of the acquisition date. After the entrustment, the trustee will severally own the entire building under sectional ownership and its land.

(Note2) "Property Number" is the number of each property in accordance with each asset type designated by NIPPON REIT. "A" represents office and the same shall apply hereinafter

(Note3) "Scheduled acquisition price" is the acquisition price of to-be-acquired asset stipulated in the sales and purchase agreement. Furthermore, the acquisition price is excluding consumption taxes, local consumption taxes and various expenses required for the acquisition, and rounded down to the nearest million yen.

(Note4) Not disclosed because the consent to disclosure has not been obtained from the seller.

2. Reason for the Acquisition

The Property is an annex building of the Existing Property owned by NIPPON REIT. As a result of the Acquisition, NIPPON REIT will own the entire building and land of Omiya Center Building and accordingly, the rental expenses for the Property (15,600 thousand yen per annum) which previously have been borne by NIPPON REIT will be eliminated in the future.

Consequently, it is believed that the Acquisition contributes to the improvement of the profitability and the liquidity of the Existing Property and will enhance the value of the Existing Property more than scheduled acquisition price.

For details of the Existing Property, please refer to the “Notice Concerning Acquisition and Leasing of Assets” announced on June 10, 2015.

3. Outline of the Property

Name of property		Multistory Parking Lot of Omiya Center Building
Type of specified asset		Real estate
Scheduled acquisition price		255 million yen
Location (indication of residential address)		1-9-6, Sakuragicho, Omiya-ku, Saitama, Saitama
Land	Parcel number	1-9-37, Sakuragicho, Omiya-ku, Saitama, Saitama
	Building coverage ratio / Floor area ratio	100% (Note1) / 600%
	Use district	Commercial district
	Site area	62.60 m ²
	Type of ownership	Ownership
Building	Construction completion	March 1993
	Structure / Floors	Steel-framed structure with zinc coated steel sheet / 1F
	Use	Parking lot
	Total floor space	80.27 m ² (Note2)
	Type of ownership	Sectional Ownership
Master lease company		Yugen Kaisha Forecast Leasing
Type of master lease		Pass-through
Appraisal value		292 million yen
Real estate appraiser		Japan Real Estate Institute
PML		-
Collateral after acquisition		None
Status of leasing		
	Leasable floor space	-
	Leased floor space	-
	Ratio of total leasable floor area in portfolio	-
	Representative tenant	-
	Occupancy rate	-
	Total number of tenants	-
	Total rent income (annual)	-
	Deposits, etc.	-
Special notations		<ol style="list-style-type: none"> 1. NIPPON REIT has the beneficiary right of trust placing the Existing Property and a part of its multistory parking lot in trust as asset under management, and will set up an additional trust for the Property as of the acquisition date. After the entrustment, the trustee will severally own the entire building under sectional ownership and its land. 2. In accordance with the Acquisition, the agreement with the seller in regard with restrictions on transfer of the Property will be terminated. Furthermore, the Property is leased by the property management company of the Existing Property as of today while the concerned lease agreement will be terminated upon the Acquisition.

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

(Note 2) Although the Property is a building under sectional ownership, the figure for the entire building is stated.

4. Summary of the appraisal report

Property name	Multistory parking lot of Omiya Center Building
Appraisal value	292 million yen
Real estate appraiser	Japan Real Estate Institute
Effective date	September 1, 2015

(Yen in thousands)

	Details	Outline
Appraisal Value by capitalization method	292,000	Calculated by associating the value based on the direct capitalization method and that based on the DCF method, both of which are considered to have the same level of canonicity
Appraisal value using the direct capitalization method	296,000	
Operating income	15,600	
Potential gross income	15,600	Recorded in consideration of the rent based on scheduled lease contract which is stable over a mid- and long-term, by reference to the actual rent based on current lease contract
Total of vacancy losses, etc.	0	Considered not to be necessary by reference to the occupancy rate and supply and demand trends of the similar properties, in addition to the occupancy rate and scheduled terms and conditions
Operating expenses	763	
Building management fees	0	Considered not to be necessary in consideration of the individuality of the target property including scheduled terms and conditions, by reference to the actual amount of the past years, current management fees and building management fees of similar properties
Utilities	0	Considered not to be necessary in consideration of the actual amount of the past years and scheduled terms and conditions
Repairs and maintenance costs	138	Recorded, in consideration of the actual amount of the past years, maintenance plan, a level of such costs of similar properties and an annual average of repairs, maintenance and renewal costs in the engineering report
Property management fees	156	Recorded in consideration of the individuality of the target property including rate of fees for adjoined property and the scheduled terms and conditions, by reference to rates of fees for similar properties
Leasing expenses	0	Considered not to be necessary by reference to the turnover period and scheduled terms and conditions
Taxes	461	Recorded the actual amount for the year 2015
Insurance	8	Recorded in consideration of premiums paid for scheduled insurance money, and insurance rates of similar properties, etc.
Others	0	No specific cost to be recorded
Net operating income	14,837	
Non-operating income	0	No transfer of deposits
Capital expenditure	323	Assessed in consideration of a level of capital expenditure by similar properties, age of the building and an annual average of repairs, maintenance and renewal costs in the engineering report, based on an assumption that expected expenditure is accumulated every term on average
Net income	14,514	
Capitalization rate	4.9%	Assessed in consideration of the usage as whole building after the amalgamation, based on the analysis of conditions of the adjoined building. Also, assessed by adding or reducing, to or from standard yields of respective area, a spread derived from the

			locational, building and other conditions of the target property, in consideration of future uncertainties and transaction yields of similar properties, etc.
	Appraisal value using the discount cash flow method	288	
	Discount rate	4.7%	Assessed in consideration of usage as whole building after the amalgamation and the individuality of the target property, etc., especially based on the analysis of conditions of the adjoined building, by reference to investment yields of similar properties
	Terminal rate	5.1%	Assessed in consideration of future trends of investment yields, risks in the target property as an investment target and general forecasts for economic growth and trends in property prices and rents, etc. comprehensively, by reference to investment yields of similar properties
	Appraisal value by cost method	171,000	
	Proportion of land	80.2%	
	Proportion of building	19.8%	
Other matters to which the appraiser paid attention in appraisal		Determined the appraisal value using the Income Capitalization Approach Value with the Value Calculated Using the Cost method used only for reference. The decision is made upon consideration that the Income Capitalization Approach Value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.	

5. Overview of the seller

The sellers of the Propertis are a Japanese corporation and an individual. however, details are not described in this press release because no consent has been obtained from the seller to disclose its name, etc. There is no capital relationship, personnel relationship or business relationship to be stated between NIPPON REIT or SRA and the seller. The seller does not fall under the category of related party of NIPPON REIT or SRA. In addition, the seller does not fall under the category of any interested party or sponsor-related party, as of today.

6. Acquirer's profile

The seller of the Property does not fall under the category of a special related party of NIPPON REIT and SRA.

7. Overview of brokerage

(1) Overview of broker

Name	Sojitz General Property Management Corporation
Location	2-3-1, Daiba, Minatoku, Tokyo
Title and name of representative	President & CEO: Takahiro Toyota
Capital	324,000,000
Date of establishment	September 12, 1989
Line of Business	<ol style="list-style-type: none"> 1. Management of real estate properties 2. Sales, maintenance and management of plumbing equipment, sanitary equipment, elevating machines, refrigeration and heating equipment, electric facilities, other machines and equipment and materials, and construction machinery for buildings, renewal of buildings, and sales of machines and materials for building renewal 3. Trading, leasing, rental, agency and brokerage thereof and import and export of equipment attached to residential properties such as furniture, fixtures, interior ornaments, ready-to-assemble garages, gates and fences (including used goods) 4. Trading, leasing and brokerage of real estate properties 5. Planning, inspection, designing, execution, supervision and contract work of engineering and construction works 6. Non-life insurance agency and insurance agency based on the Automobile Liability Security Act 7. Solicitation of life insurance 8. Sales and intermediacy of tobacco, alcohol, soft drink, tea, food and commodities 9. Forwarding and home-delivery service agency 10. Worker dispatch based on the Worker Dispatch Law 11. Security services 12. Janitorial services 13. Any and all businesses incidental to each of the foregoing
Relationship with NIPPON REIT or SRA	
Capital relationship	The company is 100% subsidiary of Sojitz New Urban Development Corporation whose parent company is Sojitz Corporation which is the parent company (67% stake) of SRA and thus falls under the category of interested persons, etc. as provided in the Act on Investment Trusts and Investment Corporations.
Personnel relationship	5 of the officers and employees of SRA are seconded from Sojitz Corporation which is the parent company of the company.
Business relationship	NIPPON REIT paid administration expenses of 220,529 thousand yen, repair construction expenses of 131,319 thousand yen and other leasing business expenses of 17,219 thousand yen to Sojitz General Property Management Corporation. This company is a sponsor group company based on the Sponsor Support Agreement executed between NIPPON REIT and SRA, and Sojitz Corporation.
Related-party status	<p>The company falls under the category of a related party of NIPPON REIT and SRA. In addition, as stated above, the company falls under the category of interested persons, etc. of SRA as provided in the Act on Investment Trusts and Investment Corporations.</p> <p>NIPPON REIT and SRA have conducted an appropriate approval procedure upon the entrustment of brokerage service pertaining to the Acquisition in accordance with voluntary rules pursuant to the rules on transactions with interested parties.</p>
Special notations	Not applicable

(Note) The entrustment of a brokerage service above falls under the category of a related-party transaction pursuant to the SRA's voluntary rules on transactions with interested parties, and pursuant to the rules, is subject to a condition precedent that the proposal of the said transaction shall be submitted to and approved by the meeting of the Board of Officers of NIPPON REIT to be held on September 18, 2015.

(2) Brokerage fees

7,710 thousand yen (excluding consumption taxes and local consumption taxes)

8. Transaction with interested persons, etc.

Concerning the Existing Property, the trustee of NIPPON REIT has concluded an asset management agreement with Sojitz General Property Management Corporation and after the Acquisition, Sojitz General Property Management Corporation will conclude the amendment to the asset management agreement and continue to manage the entire asset including the Property.

In addition, NIPPON REIT will entrust a brokerage service to Sojitz General Property Management Corporation.

As Sojitz General Property Management Corporation is a wholly-owned subsidiary of the Sojitz New Urban Development Corporation which is a wholly-owned subsidiary of the parent company of SRA (67% of stake) and falls under the category of interested persons, etc. as provided in the Article 201 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Order of Enforcement thereof, as well as of interested persons stipulated in the SRA internal rules, "Rules on Transactions by Interested Persons," SRA underwent the review and resolution as stipulated in the Rules on Transactions by Interested Persons when NIPPON REIT makes the trustee execute or continue agreements with Sojitz General Property Management Corporation.

(Note) The execution of the amendment to the asset management agreement and entrustment of a brokerage service above fall under the category of a related-party transaction pursuant to the SRA's voluntary rules on transactions with interested parties, and pursuant to the rules, are subject to a condition precedent that the proposal of the said transactions shall be submitted to and approved by the meeting of the Board of Officers of NIPPON REIT to be held on September 18, 2015.

9. Settlement method

Settlement shall be in a lump sum at the time of the Acquisition using funds on hand.

10. Schedule of acquisition

September 16, 2015	Decision on acquisition
September 28, 2015	Conclusion an agreement to purchase the real estate (scheduled)
	Settlement of the payment(scheduled)
	Acquisition (scheduled)

11. Future outlook

The forecast of the management status for the fiscal period ending December 2015 (from July 1, 2015 to December 31, 2015) and June 2016(from January 1, 2016 to June 30, 2016) announced in the "Summary of Financial Results for the Fiscal Period Ended June 30, 2015 (REIT)" dated August 20, 2015 remains unchanged because the impact will be minimal.

[Explanation of matters stated in table 3. Outline of the Property]

- “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.
- “Parcel number” of land indicates the parcel number of the registry (if several, one of the parcels).
- “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 the real estate, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights held by NIPPON REIT for the real estate.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / Floors” of building is based on that stated in the registry.
- “Use” of building is the major type of building in the registry.
- “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights held by NIPPON REIT for the real estate above.
- “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 real estate.
- “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.
- “Appraisal value” is the appraisal value stated in the appraisal report prepared by Japan Real Estate Institute and rounded down to the nearest million yen. The appraisal value at present and in the future. Neither NIPPON REIT or SRA has special interest with the appraiser Japan Real Estate Institute.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right.

<Attachment>

Portfolio summary

Map of Specified real estate that is the Property

*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)
Portfolio summary

As of Sep. 28, 2015 (Scheduled)

[by Asset type]

Asset type	No. of properties	Acquisition price (Scheduled)	
		Acquisition price (million yen)	Ratio
Office	55	179,666	87.7%
Residence	8	19,773	9.7%
Retail	2	5,413	2.6%
Total	65	204,852	100.0%

[by Area]

Area	No. of properties	Acquisition price (Scheduled)	
		Acquisition price (million yen)	Ratio
Central 6 wards of Tokyo	40	136,794	66.8%
3 Major Metropolitan Areas	23	65,848	32.1%
Certain Ordinance-designated and other Cities	2	2,210	1.1%
Total	65	204,852	100%

(Note) Acquisition price (Scheduled) is rounded down to the nearest million yen and Ratio is rounded to one decimal place, therefore the sum total of each figure may differ from the Total stated above.

Map of the Property

