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For Immediate Release

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Notice Concerning Acquisition of Asset  
(Godo Kaisha Nicolas Capital 6 Silent Partnership Equity Interest)

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 (Silent Partnership Equity Interest) (the "Acquisition").

1. Overview of acquisition

- |                                                              |                                                                                                                               |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| (1) To-be-acquired asset:                                    | Silent partnership equity interest that has beneficiary right of trust placing real estate in trust as asset under management |
| (2) Asset name:                                              | Godo Kaisha Nicolas Capital 6 silent partnership equity interest                                                              |
| (3) Real estate that is the trust property (the "Property"): | Homat Horizon Building<br>Splendid Namba                                                                                      |
| (4) Equity investment amount:                                | 102.5 million yen (3.7% of total amount of equity investment in silent partnership (Note))                                    |
| (5) Agreement conclusion date:                               | December 16, 2015 (scheduled)                                                                                                 |
| (6) Acquisition date:                                        | December 17, 2015 (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 silent partnership 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 flexible 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 dividends from the operator of the silent partnership (Godo Kaisha Nicolas Capital 6), sourced from rent and other income from the lessees of the Property. In addition, with the Acquisition, NIPPON REIT will be granted the right of first negotiation pertaining to the acquisition of the Property (for details, please refer to “3. Outline of to-be-acquired asset; (1) Overview of silent partnership, the target of equity investment; 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 Property.

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

### (1) Overview of the silent partnership, the target of equity investment

(1) Overview of the silent partnership, the target of equity investment							
Operator name	Godo Kaisha Nicolas Capital 6						
Effective period of silent partnership agreement	To the last day of February 2018						
Total amount of equity investment in silent partnership, etc.	2,750 million yen						
Overview of silent partnership agreement	<div>The following is an overview of this equity investment in silent partnership.</div> <table><tr><th colspan="2">Godo Kaisha Nicolas Capital 6</th></tr><tr><td rowspan="3">Real estate trust beneficiary right, etc. 10,755 million yen (Note 1)</td><td>Non-recourse loan (senior) 6,005 million yen</td></tr><tr><td>Non-recourse loan (mezzanine) 2,000 million yen</td></tr><tr><td>Equity investment in silent partnership, etc. 2,750 million yen (Note 2)</td></tr></table> <div>Calculation period: The three-month periods every year from December 1 to the last day of February in the following year, from March 1 to the last day of May, from June 1 to the last day of August and from September 1 to the last day of November. However, the first calculation period shall be from the equity interest acquisition date to the last day of May 2016.</div> <div>Distribution of earnings(losses): In the event that the business generates earnings in the respective calculation period, the operator shall distribute the entire amount thereof to equity investors in accordance with their proportion of equity investment on the last day of the respective calculation period. In addition, in the event that the business</div>	Godo Kaisha Nicolas Capital 6		Real estate trust beneficiary right, etc. 10,755 million yen (Note 1)	Non-recourse loan (senior) 6,005 million yen	Non-recourse loan (mezzanine) 2,000 million yen	Equity investment in silent partnership, etc. 2,750 million yen (Note 2)
Godo Kaisha Nicolas Capital 6							
Real estate trust beneficiary right, etc. 10,755 million yen (Note 1)	Non-recourse loan (senior) 6,005 million yen						
	Non-recourse loan (mezzanine) 2,000 million yen						
	Equity investment in silent partnership, etc. 2,750 million yen (Note 2)						

	generates losses in the respective calculation period, distributions shall be in accordance with their proportion of equity investment on the last day of the respective calculation period for up to the amount of losses of the business. However, in the event that the cumulative amount of losses to be distributed to equity investors exceeds the total amount of equity investment, the entire portion in excess shall be distributed to the operator.	
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 real estate trust beneficiary right scheduled to be acquired by the operator on December 18, 2015 (please refer to 7. Below) or the real estate that is the trust property
	Period	To the last day of February 2018 (scheduled)
	Terms and conditions of price upon first negotiation	10,207 million yen or less (excluding consumption taxes) Breakdown (excluding consumption taxes) (Note 3): Homat Horizon Building : 6,705 million yen Splendid Namba : 3,502 million yen

(Note 1) Real estate trust beneficiary right, etc. includes arrangement costs and reserves, etc. Furthermore, the total real estate appraisal value of two properties is 10,230 million yen.

(Note 2) Of the total amount of equity investment in silent partnership, etc., NIPPON REIT's equity investment is scheduled to be 102.5 million yen (3.7% of the total amount of equity investment in silent partnership, etc.).

(Note 3) The pricing terms for preferred negotiations are represented by an amount rounded down to the nearest million yen. Accordingly, the figures for each real estate that is the trust property may not necessarily add up to the figure in the total column.

(Note 3) Cushman and Wakefield Asset Management K.K. is the asset manager for Godo Kaisha Nicolas Capital 6.

(Note 4) Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is the party handling the private placement for Godo Kaisha Nicolas Capital 6.

(2) Overview of operator of silent partnership in which equity investment is to be made

Name	Godo Kaisha Nicolas Capital 6
Location	1-1-7 Motoakasaka, Minato-ku, Tokyo
Line of business	1. Acquisition, holding and disposition of real estate trust beneficiary right 2. Acquisition, holding, disposition, leasing and management of real estate 3. Other businesses incidental or related to businesses listed in the preceding items
Title and name of representative	Representative member: Ippan Shadan Hojin Nicolas Funding 6 Person to execute duties: Terumitsu Nosaka
Capital	100 thousand yen
Other equity investor in silent partnership	Not disclosed (Note)
Date of incorporation	March 18, 2010
Total asset	10,755 million yen (Scheduled)
Net asset	100 thousand yen
Relationship with NIPPON REIT or SRA	
Capital relationship Personnel relationship Business relationship	There is no capital relationship, personnel relationship or business relationship to be stated between NIPPON REIT or SRA 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 SRA 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 SRA. 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 SRA.

(Note) Not disclosed because consent has not been obtained from other equity investor in silent partnership.

4. Settlement method

Settlement shall be in a lump sum at the time of equity investment in silent partnership as stated in "5. Schedule of acquisition"

5. Schedule of acquisition

December 15, 2015	Decision on acquisition
December 16, 2015	Conclusion of silent partnership agreement (scheduled)
December 17, 2015	Equity investment in silent partnership (scheduled)
December 18, 2015	Delivery of real estate trust beneficiary right to silent partnership operator (scheduled)

6. 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.

7. Content of the Property  
(i) Homat Horizon Building

Type of specified asset		Real estate trust beneficiary right
Acquisition date		December 18, 2015 (scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		December 18, 2015 (scheduled)
Trust expiration date		The last day of November, 2025 (scheduled)
Location (indication of residential address)		6-2 Gobancho, Chiyoda-ku, Tokyo
Land	Parcel number	6-2 Gobancho, Chiyoda-ku, Tokyo (and another parcel)
	Building coverage ratio / Floor area ratio	96% (Note 1) / 571% (Note 2)
	Use district	Commercial district, Category 1 residential district
	Site area	1,531.26 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction completion	September, 1987
	Structure / Floors	Steel-framed reinforced concrete structure with flat roof B1 / 8F
	Use	Office
	Total floor space	8,143.02 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		6,710 million yen
Real estate appraiser		Japan Real Estate Institute
PML		7.2%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee. In addition, an agreement on establishment of a mortgage with a condition precedent that agrees to the concerned loaner as the mortgagee is scheduled to be concluded for the real estate that is the trust property.
Status of leasing		
	Leasable floor space	6,038.51 m <sup>2</sup>
	Leased floor space	5,218.47 m <sup>2</sup>
	Occupancy rate	86.4%
	Total number of tenants	13
	Total rent income (annual)	317 million yen
	Deposits, etc.	227 million yen
Special notations		Not applicable

(Note 1) The building coverage ratio is essentially 60% or 80%, but it is 96% due to relaxation for fire-proof structures within fire prevention districts as well as due to a weighted average based on the respective use districts.

(Note 2) The floor area ratio is essentially 400% or 600%, but it is 571% due to a weighted average based on the respective use districts.

### Characteristics

#### • Location

The Bancho zone where the subject property is located extends from the south side of Ichigaya station towards kojimachi and mainly consists of residences and schools, while the zone's office market volume is the smallest in Chiyoda ward due to the restrictions on construction of high-rise office building. However, as several embassies and luxury residences are concentrated, the zone is recognized as prestigious high-quality area. In addition, as the green scenery and atmosphere, relatively spacious environment, regulation for building height and limited supply of office work positively, the zone has certain appealing power over tenant emphasizing work environment.

The subject property is a 2-minute walk from Ichigaya station on the JR Sobu line, the Toei Shinjuku line and the Tokyo Metro Yurakucho line and a 5-minute walk from Ichigaya station on the Tokyo Metro Namboku line. The traffic convenience can be evaluated in the zone at a certain level as JR lines are available within walking distance.

#### • Building

Homat Horizon Building is categorized as a small- and mid-sized building as it has a total floor space of approximately 2,600 tsubos and the standard floor space of approximately 250 tsubos. As many buildings located in the Bancho zone are small-sized building with the total floor space of less than 1,000 tsubos, the size of the subject property has relatively high competing power. Furthermore, building age of the subject property has a standard level of competitiveness.

- ① Photo of exterior of real estate that is the trust property      ② Map of real estate that is the trust property



## (ii) Splendid Namba

(ii) Sprendid Naniwa		
Type of specified asset		Real estate trust beneficiary right
Acquisition date		December 18, 2015 (scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		December 18, 2015 (scheduled)
Trust expiration date		The last day of November, 2025 (scheduled)
Location (indication of residential address)		2-1-23 Inari, Naniwa-ku, Osaka, Osaka
Land	Parcel number	2-1-1 Inari, Naniwa-ku, Osaka, Osaka
	Building coverage ratio / Floor area ratio	80% / 600%
	Use district	Commercial district
	Site area	1,067.80 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction completion	January 2015
	Structure / Floors	Reinforced concrete structure with flat roof 15F
	Use	Residential
	Total floor space	8,031.78 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		3,520 million yen
Real estate appraiser		Morii Appraisal and Investment Consulting, Inc.
PML		6.2%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee. In addition, an agreement on establishment of a mortgage with a condition precedent that agrees to the concerned loaner as the mortgagee is scheduled to be concluded for the real estate that is the trust property.
Status of leasing		
	Leasable floor space	6,212.36 m <sup>2</sup>
	Leased floor space	5,356.76 m <sup>2</sup>
	Occupancy rate	86.2%
	Number of leasable units	252 units
	Number of leased units	212 units
	Unit occupancy rate	84.1%
	Total number of tenants	212
	Monthly rent	15 million yen
	Deposits, etc.	0 yen
Special notations		Not applicable



### Characteristics

#### • Location

The area where Splendid Namba is located is adjacent to “Namba and Shinsaibashi area” which is one of the largest commercial districts in Japan. The subject property is a 4-minute walk from Sakuragawa station on the Osaka municipal subway Sennichimae line and has a good traffic convenience as it is located within the walking distance from Namba station on the JR lines which is a base of wide area transportation. In addition, the subject property has a competitive advantage in terms of living convenience as there is an abundance of living convenience facilities such as supermarkets and daily necessities shops near the subject property and has a certain competitive edge as a rental condominium primarily for singles.

#### • Building

The building is newly built and has standard room layout like studio or one-bedroom. The building is considered to have relatively superior competitiveness among properties in the surrounding area in terms of building grade, design and level of equipment, etc..

- ① Photo of exterior of real estate that is the trust property      ② Map of real estate that is the trust property





[Explanation of matters stated in table 7. Content of the Property]

- “Location (indication of residential address)” is the indication of residential address of the Property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations) is stated.
- “Building coverage ratio” and “Floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on a specified asset, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the Property.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / Floors” of building is based on that stated in the registry.
- “Use” of building is the major type of building in the registry.
- “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights of the real estate held by the trustee of the Property.
- “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 Property.
- “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 with November 1, 2015 (Homat Horizon Building) or prepared by Morii Appraisal and Investment Consulting, Inc. with September 1, 2015 as the effective date of appraisal as requested as part of due diligence upon acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 6, and rounded down to the nearest million yen.
- “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 real estate trust beneficiary right by Godo Kaisha Nicolas Capital 6, and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 6.
- “Status of leasing” is based on the figures and information provided by the previous owner or the trust beneficiary, etc. regarding the content, etc. of the lease agreement, etc. that is valid as of October 31, 2015, unless otherwise stated.
- “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, 2015 for the Property.
- “Leased floor space” is the sum total of the leased floor space indicated in each lease contract or each provisional lease contract for the Property as of October 31, 2015. 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 Property as of October 31, 2015.

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.

- Occupancy rate” is the ratio of the leased floor space to the leasable floor space for the Property as of October 31, 2015, and rounded to one decimal place.
- For (ii), “Number of leasable units” is the number of units available for leasing (including the number of stores, etc., if any) as of October 31, 2015 for the asset to be acquired.
- For (ii), “Number of leased units” is the number of units leased to end tenants for which a lease agreement has actually been concluded with end tenants as of October 31, 2015 for the asset to be acquired.
- For (ii), “Unit occupancy rate” is the ratio of the number of leased units to the number of leasable units for the asset to be acquired as of October 31, 2015, and rounded to one decimal place.
- “Total number of tenants” is the sum total of the number of tenants (Note 1) in the lease agreement of the Property indicated in each lease agreement for the Property as of October 31, 2015. 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 sub lessee 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.
- “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 Property as of October 31, 2015 (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 Property as of October 31, 2015 (Note 2), and rounded down to the nearest million yen is stated.
- “Monthly rent” for (ii) is the monthly rent of the building indicated in each lease contract or each provisional lease contract for each real estate in trust as of October 31, 2015 (Note 2). However, in cases where a pass-through type master lease agreement has been 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 monthly rent indicated in each sublease contract or each provisional sublease contract with end tenants for each real estate in trust as of October 31, 2015 (Note 2) is stated.
- “Deposits, etc.” is the sum total amount of tenant leasehold and security deposits required based on each lease agreement for the Property as of October 31, 2015 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of October 31, 2015), 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 Property 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).

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

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