

October 25, 2017

For Immediate Release

Real Estate Investment Trust Securities Issuer:
NIPPON REIT Investment Corporation
1-18-1 Shimbashi, Minato-ku, Tokyo
Toshio Sugita
Executive Officer
(Securities Code: 3296)

Asset Management Company:
Sojitz REIT Advisors K.K.
Toshio Sugita
President, Director & CEO

Contact: Takahiro Ishii
General Manager
Corporate Planning Department
Finance & Planning Division
(TEL: +81-3-5501-0080)

Notice Concerning Acquisition of Asset and Consent to Transfer of a Property
(Godo Kaisha Nicolas Capital 11 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") and consent to transfer of a property of which NIPPON REIT has been granted rights of first negotiation pertaining to 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 11 silent partnership equity interest |
| (3) Real estate that is the trust property (the "Property"): | Yusen Higashi-Nihombashi Ekimae Building
Residence Edogawabashi
ZEPHYROS Minami-horie
SC Sakaisujihonmachi Building
Alte Building Higobashi
DIA Building Meieki
Hiroo ON Building |
| (4) Equity investment amount: | 500 million yen (15.9% of the total amount of equity investment in silent partnership (Note1)) |
| (5) Agreement conclusion date: | October 27, 2017 (Scheduled) |
| (6) Acquisition date: | October 30, 2017 (Scheduled) |
| (7) Acquisition funds: | Funds on hand |

(Note1) Rounded to one decimal place. The same shall apply hereinafter.

2. Reason for acquisition and consent to transfer

NIPPON REIT was granted rights of first negotiation pertaining to the acquisition of the Property with the acquisition of silent partnership equity interest of Godo Kaisha Nicolas Capital 8 on March 30, 2016 and Godo Kaisha Nicolas Capital 9 on June 28, 2016. NIPPON REIT will be newly granted the rights of first negotiation pertaining to the acquisition of the Property from Godo Kaisha Nicolas Capital 11 to extend the period of the rights before the rights will reach its expiration in February 2018 or December 2017(Note1). This does not mean that NIPPON REIT

will be obliged to acquire the Property, the same as before.

Furthermore NIPPON REIT consents that Godo Kaisha Nicolas Capital 11 will transfer SC Sakaisujihonmachi Building stated above 1. Overview of acquisition (3) Real estate that is the trust property to third party on condition that the certain amount which is calculated based on transfer price will be allotted to reduction of the first negotiation price of 6 properties except SC Sakaisujihonmachi Building (please refer to below "3. Outline of to-be-acquired asset (1) Overview of the silent partnership, the target of equity investment, Other, Right of first negotiation to be granted with the Acquisition" for detail), etc.. Purchase and sale agreement of SC Sakaisujihonmachi Building is scheduled to be concluded on October 31, 2017 between Godo Kaisha Nicolas Capital 11 and the concerned third party. (Note2)

After the Acquisition, in the event the transfer of SC Sakaisujihonmachi Building will be executed, NIPPON REIT shall waive the right of first negotiation pertaining to the acquisition of SC Sakaisujihonmachi Building, in case the transfer will not be realized NIPPON REIT will continue to be granted the right. (Note3)

The Acquisition and consent to the transfer is thought to achieve flexible and timely investments as set forth in the basic policy of NIPPON REIT through (i) extending the period of the rights to ensure opportunity of external growth, and (ii) obtaining possibility to change conditions advantageously when NIPPON REIT will exercise the rights, thereby largely contribute to the future external growth of NIPPON REIT.

(Note1) NIPPON REIT shall exercise the first negotiation rights granted by Godo Kaisha Nicolas Capital 8 and Godo Kaisha Nicolas Capital 9 to transfer the asset to newly established Godo Kaisha Nicolas Capital 11.

(Note2) Conclusion of the purchase and sale agreement may be suspended or deferred due to decision of Godo Kaisha Nicolas Capital 11 as an operator.

(Note3) In case the transfer will not be realized the first negotiation price of the Property will not be changed.

3. Outline of to-be-acquired asset

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

Operator name	Godo Kaisha Nicolas Capital 11							
Effective period of silent partnership agreement	To October 30, 2023							
Total amount of equity investment in silent partnership, etc.	3,150 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 11</th></tr><tr><td rowspan="3">Real estate trust beneficiary right, etc. 11,450 million yen (Note 1)</td><td>Non-recourse loan (senior) 6,830 million yen</td></tr><tr><td>Non-recourse loan (mezzanine) 1,470 million yen</td></tr><tr><td>Equity investment in silent partnership, etc. 3,150 million yen (Note2)</td></tr></table>		Godo Kaisha Nicolas Capital 11		Real estate trust beneficiary right, etc. 11,450 million yen (Note 1)	Non-recourse loan (senior) 6,830 million yen	Non-recourse loan (mezzanine) 1,470 million yen	Equity investment in silent partnership, etc. 3,150 million yen (Note2)
Godo Kaisha Nicolas Capital 11								
Real estate trust beneficiary right, etc. 11,450 million yen (Note 1)	Non-recourse loan (senior) 6,830 million yen							
	Non-recourse loan (mezzanine) 1,470 million yen							
	Equity investment in silent partnership, etc. 3,150 million yen (Note2)							

	<p>Calculation period: The three-month periods every year from March 1 to the last day of May, from June 1 to the last day of August, from September 1 to the last day of November and from December 1 to the last day of February in the following year. However, the first calculation period shall be from the agreement for the Acquisition conclusion date to the last day of November 2017.</p> <p>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 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.</p>
--	--

Other	Right of first negotiation to be granted with the Acquisition	
	Content of right	<p>In the event that the trust beneficiary rights scheduled to be acquired on October 31, 2017 (please refer to “6. Content of the Property” below) or the real estate that is the trust property (the “Real estate trust beneficiary right, etc.”) is placed an offer by NIPPON REIT to be purchased subject to the terms and conditions stated in “Terms and conditions of price upon first negotiation” below no later than the end of January 1, 2021, the operator shall grant the right to be the first to be entitled to negotiate to conclude purchase and sale agreement for entire of the Real estate trust beneficiary right, etc. to NIPPON REIT during the period from the equity interest acquisition date to the end of April 2021.(Note3)</p> <p>In addition, during the six month period from May 1, 2021 (in the event NIPPON REIT does not place an offer to purchase no later than the end of January 2021, from February 2021), in the event that the operator is to sell the Real estate trust beneficiary right, etc. to a third party, the operator shall have the obligation to notify NIPPON REIT of the transaction price and other terms and conditions and the operator shall discontinue the sale to the concerned third party and then sell to NIPPON REIT if NIPPON REIT offers to purchase at a price that exceeds the concerned transaction price or under other terms and conditions that reasonably satisfy the operator.</p>
	Period	Until the end of April 2021 (Scheduled)
	Terms and conditions of price upon first negotiation	<p>① That repairs of the real estate beyond a reasonable scope not be demanded of the operator.</p> <p>② That the internal rate of return (IRR) of the operator be reasonably deemed to be above a predetermined level.</p> <p>③ That the asking purchase price exceeds the amount arrived at when adding up the operator’s book value of the real estate, etc. and brokerage fees (excluding consumption taxes) and other expenses actually incurred in the sale. That the transaction proceeds be paid in a lump sum on the date that the transaction is executed.</p>

(Note 1) Real estate trust beneficiary right, etc. includes arrangement costs and reserves, etc. Furthermore, the total real estate appraisal value of the seven properties is 11,250 million yen. In addition, NIPPON REIT consents that Godo Kaisha Nicolas Capital 11 will transfer SC Sakaisujihonmachi Building to third party as stated above “2. Reason for acquisition and consent to transfer”, in the event the transfer will be executed cash equivalent to transfer price will be reserved.

(Note 2) Of the total amount of equity investment in silent partnership, etc., NIPPON REIT’s equity investment is scheduled to be 500 million yen (15.9% of the total amount of equity investment in silent partnership, etc.).

(Note3) NIPPON REIT consents that Godo Kaisha Nicolas Capital 11 will transfer SC Sakaisujihonmachi Building to third party as stated above "2. Reason for acquisition and consent to transfer", in the event the transfer will be executed, NIPPON REIT shall waive the right of first negotiation pertaining to the acquisition of SC Sakaisujihonmachi Building, in case the transfer will not be realized NIPPON REIT will continue to be granted the right.

(Note 4) Mizuho Trust & Banking Co., Ltd. is the asset manager for Godo Kaisha Nicolas Capital 11.

(Note 5) SPC Securities Inc. is the party handling the private placement for Godo Kaisha Nicolas Capital 11.

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

Name	Godo Kaisha Nicolas Capital 11
Location	2-7-1 Nihonbashi Chuo-ku Tokyo
Line of business	1. Acquisition, holding, disposition, leasing and management of real estate 2. Acquisition, holding and disposition of real estate trust beneficiary right 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 11 Person to execute duties: Keisuke Moriyasu
Capital	100 thousand yen
Other equity investor in silent partnership	Not disclosed (Note 1)
Date of incorporation	September 15, 2017
Total asset	11,450 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.

(Note1) Not disclosed because consent has not been obtained from other equity investor in silent partnership.

4. Schedule of acquisition

October 25, 2017 Decision on acquisition and consent of transfer

October 27, 2017 Conclusion of silent partnership agreement (scheduled)

October 30, 2017 Equity investment in silent partnership (scheduled)

5. Future outlook

There is no change in the forecast of the management status for Fiscal Period Ending December 2017 (from July 1, 2017 to December 31, 2017) and Fiscal Period Ending June 2018 (from January 1, 2018 to June 30, 2018) from that announced in the "Notice Concerning Revision of the Forecast of Management Status and the Estimated Distribution for the Fiscal Period Ending December 2017 and June 2018 " as of September 15, 2017 because the impact will be minimal.

6. Content of the Property

(1) Yusen Higashi-Nihombashi Ekimae Building

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust establishment date		March 30, 2016
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		3-7-19 Higashi-nihombashi, Chuo-ku, Tokyo
Land	Parcel number	3-8-41 Higashi-nihombashi, Chuo-ku, Tokyo (and other 2 parcels)
	Building coverage ratio / Floor area ratio	100% (Note1) /700%
	Use district	Commercial district
	Site area	276.22 m ²
	Type of ownership	Ownership
Building	Construction completion	February 2001
	Structure / Floors	Steel-framed reinforced concrete with flat roof,9F
	Use	Office/Retail
	Total floor space	1,879.72 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		1,210 million yen
Real estate appraiser		Japan Real Estate Institute
PML		9.0%
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	1,620.57 m ²
	Leased floor space	1,620.57 m ²
	Occupancy rate	100%
	Total number of tenants	8
	Total rent income (annual)	69 million yen
	Deposits, etc.	47 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.

Characteristics

• Location

The Horidomecho/Higashi-Nihombashi zone where the subject property is located has Kodemmacho Station on the Tokyo Metro Hibiya Line, Bakuroyokoyama Station on the Toei Subway Shinjuku Line, Bakurocho Station on the JR Sobu Line and Higashi-Nihombashi Station on the Toei Subway Akasaka Line and multiple train routes and stations are available. The zone is considered to have certain solicitation power in terms of access convenience because of the direct access to the terminal stations including Tokyo, Shinjuku and Nihombashi stations, etc.

As for office buildings, the zone consists mainly of medium- to small-sized offices including company's own buildings. The zone has a mix of office buildings and condominiums as the supply of rental condominiums can be found recently, while many office buildings were supplied during the bubble economy period.

The subject property is located at a minute walk from Higashi-Nihombashi Station on the Toei Subway Asakusa Line and Bakuroyokoyama Station on the Toei Subway Shinjuku Line and it is considered to have strong solicitation power in terms of the proximity to the nearest station. In addition, its location also has a competitive edge in the zone as it is located at Kiyosubashi Dori Street and Kiyosugi Dori Street intersection and highly visible.

• Building

The subject property has a total floor space of around 600 tsubo and a standard floor area of 60 tsubo, so it is categorized as small-sized building. The size of subject property is considered to be in the volume zone (zone with the largest distribution) as many of office buildings located in the Horidomecho/Higashi-Nihombashi zone are small-sized buildings less than 1,000 tsubo. Furthermore, it is expected to have high competitive advantage in terms of building age as it is younger than that of buildings in the volume zone.

① Photo of exterior of real estate that is the trust property



② Map of real estate that is the trust property



(2) Residence Edogawabashi

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust establishment date		March 30, 2016
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		4-22 Suidocho, Shinjuku-ku, Tokyo
Land	Parcel number	52-8 Suidocho, Shinjuku-ku, Tokyo (and other 2 parcels)
	Building coverage ratio / Floor area ratio	100%(Note1)/500%
	Use district	Commercial district
	Site area	277.83 m ²
	Type of ownership	Ownership
Building	Construction completion	March 2000
	Structure / Floors	Reinforced concrete structure/flat roof,10F
	Use	Residence/Retail
	Total floor space	1,323.15 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		1,250 million yen
Real estate appraiser		Morii Appraisal & Investment Consulting, Inc.
PML		3.5%
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	1,246.42 m ²
	Leased floor space	1,158.54 m ²
	Occupancy rate	92.9%
	Number of leasable units	37 units
	Number of leased units	34 units
	Unit occupancy rate	91.9%
	Total number of tenants	31
	Monthly rent	56 million yen
	Deposits, etc.	17 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.

Characteristics

• Location

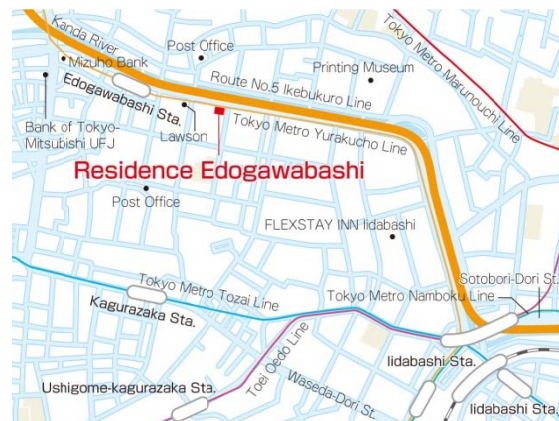
The subject property is approximately a 4-minute walk from Edogawabashi Station on the Tokyo Metro Yurakucho Line and located in the area where multiple train routes are available including Kagurazaka Station on the Tokyo Metro Tozai line. It can be said to have superior living convenience as there are Jizo Dori shopping street in parallel with Mejiro Dori Street along the south side of Edogawabashi Station.

The same demand/supply zone is a mixture of retail and residential area spread from the northeast part of Shinjuku Ward to the west part of Bunkyo ward and have superior proximity to central Tokyo and demand for rental condominium for singles and families that value proximity to workplace is existed in the area. The subject property can expect demand especially from singles because of the location.

• Building

The target property is considered to have a standard level of competitiveness in the same demand/supply zone as the building glaze and maintenance condition of the building is standard and the equipment specification of its rooms are appropriate for the age.

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



(3) ZEPHYROS Minami-horie

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust establishment date		March 30, 2016
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka
Land	Parcel number	1-14-3, Minami-horie, Nishi-ku, Osaka, Osaka (and other 2 parcels)
	Building coverage ratio / Floor area ratio	80%/600%
	Use district	Commercial district
	Site area	576.42 m ²
	Type of ownership	Ownership
Building	Construction completion	March 2002
	Structure / Floors	Steel-framed reinforced concrete with flat roof, 14F
	Use	Residence/Retail
	Total floor space	3,114.33 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		1,670million yen
Real estate appraiser		DAIWA REAL ESTATE APPRAISAL Co., Ltd.
PML		13.3%
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	2,824.63 m ²
	Leased floor space	2,682.87 m ²
	Occupancy rate	95.0%
	Number of leasable units	72 units
	Number of leased units	68 units
	Unit occupancy rate	94.4%
	Total number of tenants	68
	Monthly rent	89 million yen
	Deposits, etc.	1 million yen
Special notations		Not applicable

Characteristics

• Location

The subject property is located in the Horie Area. A concentration of clothing stores, boutique shops and variety stores is observed especially along the Tachibana dori street (Orange Street) which is the main street in the Horie Area and crowded with shoppers on holidays. Recently, the supply of rental condominiums and for-sale condominiums are observed between these retail buildings and the area is under the circumstance that residential use stands out. The surrounding area is approximately a 5-minute walk from Yotsubashi Station and Namba Station on the Osaka Municipal Subway Yotsubashi Line. The area boasts its traffic convenience as it is a walking distance from Minami Area where represents the commercial district in Osaka, has superior proximity to central business district and commercial district in Kita Ward and Chuo Ward and superior accessibility to central Osaka. in the same demand/supply zone

Demand from single office workers that value on living and traffic convenience and corporations for employee housing can be expected in the same demand/supply zone because of the characteristics of the area and the rent levels mainly of the recently constructed condominiums are remain stable.

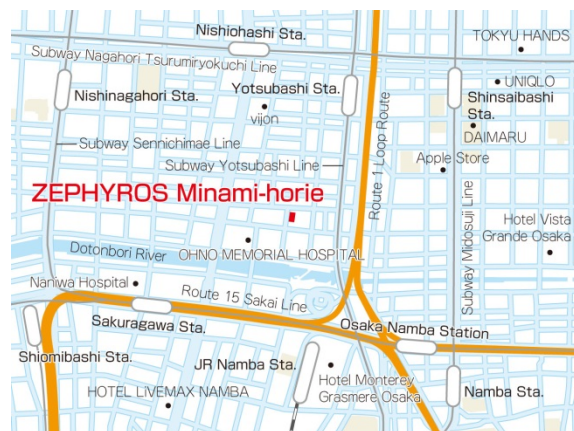
• Building

The subject property is a standard level of rental condominium in the area in terms of location including proximity to the nearest station and surrounding area, building glade, building age and equipment and considered to have a standard competitiveness in the same demand/supply zone.

① Photo of exterior of real estate that is the trust property



② Map of real estate that is the trust property



(4) SC Sakaisujihonmachi Building

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		September 30, 2003
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		1-4-15 Kitakyuhojimachi, Chuo-ku, Osaka, Osaka
Land	Parcel number	1-9-5 Kitakyuhojimachi, Chuo-ku, Osaka, Osaka
	Building coverage ratio / Floor area ratio	100%(Note1) / 600%
	Use district	Commercial district
	Site area	985.42 m ²
	Type of ownership	Ownership
Building	Construction completion	March 1998
	Structure / Floors	Steel structure with flat roof 9F
	Use	Office
	Total floor space	6,075.86 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		1,840 million yen
Real estate appraiser		Morii Appraisal & Investment Consulting Inc.
PML		7.0%
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	4,550.14 m ²
	Leased floor space	4,434.60 m ²
	Occupancy rate	97.5%
	Total number of tenants	10
	Total rent income (annual)	125 million yen
	Deposits, etc.	111 million yen
Special notations		Not applicable

(Note1) The building coverage ratio is essentially 80%, but it is 100% due to relaxation for fire-proof structures within commercial district and fire prevention districts.

Characteristics

• Location

The Sakaisuji-honmachi zone, where the property is located, is served by Sakaisuji-honmachi Station on the Osaka Municipal Subway Sakaisuji Line and Chuo Line, and office buildings stand mainly along Sakaisuji Street, Honmachi-dori Street and Chuo-odori Street.

The area originally has been developed as an office area for textile wholesalers and trading companies, however the mixture of business facilities and residences is progressing mainly along the back streets in recent years. In addition, derived demands from subsidiaries of tenants located in the neighboring Honmachi zone are often recognized in the area. The property is located at a 3-minute walk from above-mentioned Sakaisuji-honmachi station.

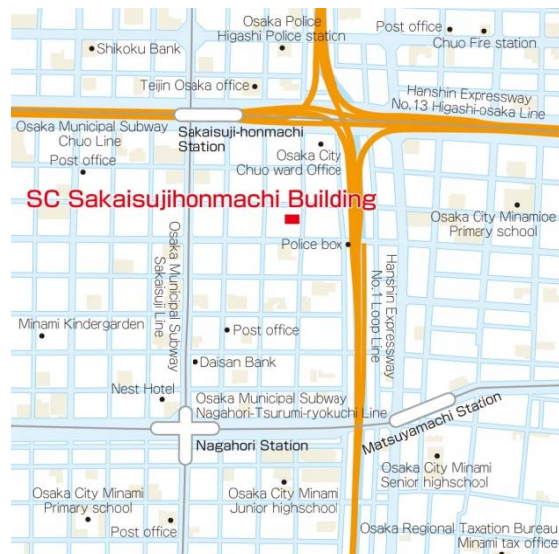
• Building

The property is categorized as a mid-sized building in Sakaisuji-honmachi zone as it has a total floor space of approximately 1,800 tsubo and the standard floor space of approximately 180 tsubo. The leasing spaces are regularly shaped and considered to have high layout efficiency. Its building age is relatively young in the zone in which the supply of new building is limited. The property is equipped with standard level of specifications which can meet tenants' needs. The subject property is well-managed as it underwent entrance and common area renovation recently, and it is considered to maintain certain level of competitiveness in the market.

① Photo of exterior of real estate that is the trust property



② Map of real estate that is the trust property



(5) Alte Building Higobashi

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		August 13, 2004
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		1-15-27 Edobori, Nishi-ku, Osaka, Osaka
Land	Parcel number	1-24-1 Edobori, Nishi-ku, Osaka, Osaka (and other 3 parcels)
	Building coverage ratio / Floor area ratio	100%(Note1) / 800% (Note2)
	Use district	Commercial district
	Site area	543.72 m ²
	Type of ownership	Ownership
Building	Construction completion	June 1993
	Structure / Floors	Steel structure with flat roof, B1/10F
	Use	Office/Retail
	Total floor space	4,503.74 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		1,550 million yen
Real estate appraiser		Morii Appraisal & Investment Consulting Inc.
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	3,482.92 m ²
	Leased floor space	3,482.92 m ²
	Occupancy rate	100.0%
	Total number of tenants	11
	Total rent income (annual)	106 million yen
	Deposits, etc.	91 million yen
Special notations		Not applicable

(Note1) The building coverage ratio is essentially 80%, but it is 100% due to relaxation for fire-proof structures within commercial district and fire prevention districts.

(Note2) The floor area ratio is essentially 400% or 800%, but it is 800% due to a weighted average based on the respective use districts.

Characteristics

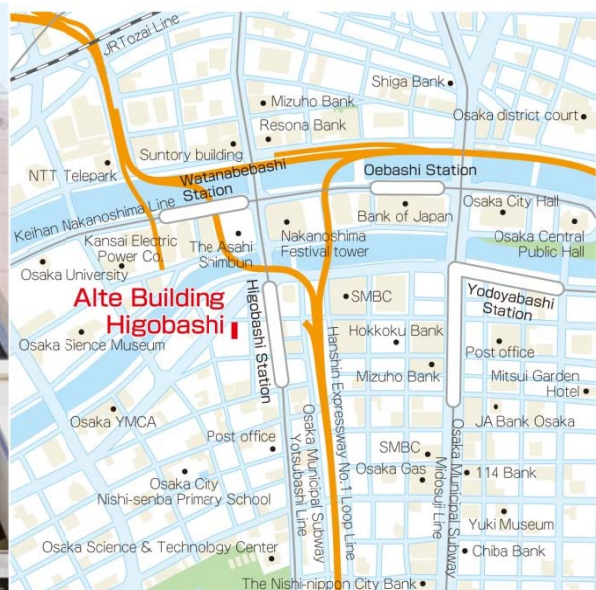
• Location

The Higobashi zone, where the property is located is served by Higobashi Station on the Osaka Municipal Subway Yotsubashi Line, and office buildings stand mainly along Yotsubashisuji Street and Tosabori-dori Street. The area has been developed as a sub-market of Midosuji area and Dojima/Nakanoshima area, however the mixture of business facilities and residence is progressing mainly along the back streets in recent years. In addition, derived demands from subsidiaries of tenants located in the neighboring Dojima/Nakanoshima zone and Yodoyabashi zone are often recognized in the area. The property is located at a 2-minute walk from the above-mentioned Higobashi station, although the building does not face to the main street of Yotsubashisuji Street, it is considered to be highly competitive in the market as it is close to the station and has visibility from Tosabori-dori Street on the north side.

• Building

The property is categorized as a small- and medium-sized building as it has the total floor space of approximately 1,400 tsubo and the standard floor space of approximately 120 tsubo. The property is considered to be highly evaluated since its leasing spaces are regularly shaped with no pillars and can be divided into small sections of 15 tsubo at the minimum. Its building age and level of equipment are at standard level in the zone, and the building specification can meet tenants' needs. The building is considered to maintain a certain competitive edge in the market since it underwent entrance and common area renovation recently and the property has incidental facilities including refreshment room.

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



(6) DIA Building Meieki

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		July 30, 2015
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		3-8-7 Meieki, Nakamura-ku, Nagoya, Aichi
Land	Parcel number	3-806 Meieki, Nakamura-ku, Nagoya, Aichi (and another parcel)
	Building coverage ratio / Floor area ratio	100% (Note1) / 462%(Note2)
	Use district	Commercial district
	Site area	563.51 m ²
	Type of ownership	Ownership
Building	Construction completion	December 1991
	Structure / Floors	Steel-framed reinforced concrete with flat roof, B1/6F
	Use	Office
	Total floor space	2,909.28 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		1,230 million yen
Real estate appraiser		Morii Appraisal & Investment Consulting Inc.
PML		3.4%
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	1,781.72 m ²
	Leased floor space	1,781.72 m ²
	Occupancy rate	100.0%
	Total number of tenants	11
	Total rent income (annual)	74 million yen
	Deposits, etc.	48 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 district and fire prevention districts.

(Note 2) The floor area ratio is essentially 400% or 500%, but it is 462% due to a weighted average based on the respective use districts.

Characteristics

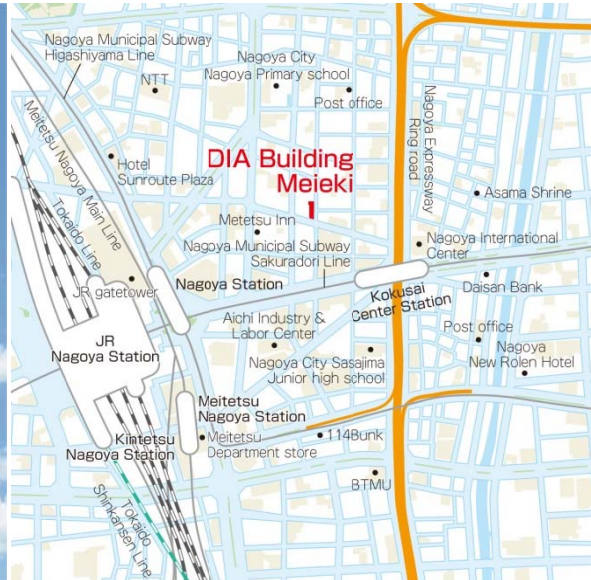
• Location

The Meieki zone, where the property is located, is an area extending on the east side of Nagoya Station. The zone enjoys excellent traffic convenience as multiple train lines including the JR Lines, the Meitetsu Lines, the Kintetsu Line, and the Nagoya Municipal Subway Higashiyama and Sakura-dori Lines are available. The zone is highly evaluated in terms of the access to extensive areas using the Tokaido Shinkansen. The zone is recognized as a center of Nagoya City and becomes more competitive than other areas with an increasing stock in high-quality properties after the recent reconstruction projects. The property is a 3-minute walk from Kokusai Center Station on the Nagoya Municipal Subway Sakura-dori Line and within the walking distance from Nagoya station on the JR Lines, and it is considered to receive relatively high appreciation in terms of traffic convenience.

• Building

The property is categorized as a small- and medium-sized building as it has the total floor space of approximately 880 tsubo and the standard floor space of approximately 100 tsubo which are the standard size in the zone. Its leasing spaces are regularly shaped with no pillars and considered to have relatively high layout flexibility. The property meets the new earthquake-resistance standards and considered to have no difficulty in attracting tenants as many old buildings are accumulated in the Meieki zone. Furthermore, it is equipped with standard level of specifications which can meet tenants' needs.

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



(7) Hiroo ON Building

Type of specified asset		Real estate trust beneficiary right
Acquisition date		October 31, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		April 2, 2007
Trust expiration date		The last day of October 2027 (Scheduled)
Location (indication of residential address)		5-19-9 Hiroo, Shibuya-ku, Tokyo
Land	Parcel number	5-14-1 Hiroo, Shibuya-ku, Tokyo (and other 8 parcels) (Note1)
	Building coverage ratio / Floor area ratio	100%(Note2) / 453%(Note3)
	Use district	Commercial district
	Site area	595.55 m ² (Note1)
	Type of ownership	Ownership(Note1)
Building	Construction completion	March 1995
	Structure / Floors	Steel-framed reinforced concrete with flat roof, B1/8F
	Use	Office
	Total floor space	2,707.95 m ²
	Type of ownership	Ownership
Master lease company		Godo Kaisha Nicolas Capital 11 (Scheduled)
Type of master lease		Pass-through
Appraisal value		2,500 million yen
Real estate appraiser		Japan Real Estate Institute
PML		3.1%
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	2,248.59 m ²
	Leased floor space	2,248.59 m ²
	Occupancy rate	100.0%
	Total number of tenants	3
	Total rent income (annual)	125 million yen
	Deposits, etc.	65 million yen
Special notations		Not applicable

(Note 1) Part of the land area includes the land ownership right in which the leasehold interest with an intention of owning a solid building is established (underlying land). The area of such underlying land is 60.67 m².

(Note 2) The building coverage ratio is essentially 80%, but it is 100% due to relaxation for fire-proof structures within commercial district and fire prevention districts.

(Note 3) The floor area ratio is essentially 400% or 500%, but it is 453% due to a weighted average based on the respective use districts.

Characteristics

• Location

The Ebisu/Hiroo zone, where the property is located, is an office area expands around Ebisu station. The area's degree of recognition has been dramatically improved as the supply of large-scale buildings has seen successively since the opening of the landmark property "Yebisu Garden Place". In addition to the favorable impression on locational environment of the zone where a quiet residential area is spread and small stores are concentrated, three of the JR lines (Yamanote Line, Saikyo Line and Shonan-Shinjuku Line) are available. Furthermore, access to Tokyo central area including Roppongi and Kasumigaseki by the Tokyo Metro Hibiya Line is appreciated. The property is within a 5-minute walking distance from the closest station and considered to receive certain appreciation in terms of traffic convenience. The property is located in Shibuya ward where the demand for office is the tightest in central Tokyo, and among all, it is assumed to have an appealing power especially over IT related companies who prefer the zone and foreign-affiliated companies focus on locational impression and composed work environment.

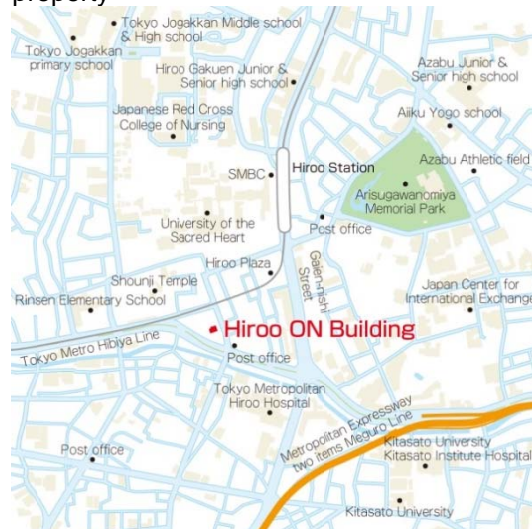
• Building

The property is categorized as a small-sized building as it has a total floor space of approximately 820 tsubo and the standard floor space of approximately 90 tsubo. As many buildings in the zone have total floor space of less than 1,000 tsubo, the property is standard-sized in a and standard level in terms of building age and competitiveness. The property is equipped with standard level of specifications which can meet tenants' needs.

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 6. 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 (Yusen Higash-Nihombashi Ekimae Building, Hiroo ON Building), Morii Appraisal and Investment Consulting, Inc. (Residence Edogawabashi, SC Sakaisujihonmachi Building, Alte Building Higobashi, DIA Building Meieki) Daiwa Real Estate Appraisal Co., Ltd. (ZEPHYROS Minami-horie) with October 1, 2017 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 11, 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 10, 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 10.
- “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 September 30, 2017, 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 September 30, 2017 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 September 30, 2017. 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 September 30, 2017. 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 September 30, 2017, 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 September 30, 2017. 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 September 30, 2017 (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 September 30, 2017 (Note 2), and rounded down to the nearest million yen 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 September 30, 2017 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of September 30, 2017), 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).

*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/en>

This notice is the English translation of the original Japanese document 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.