



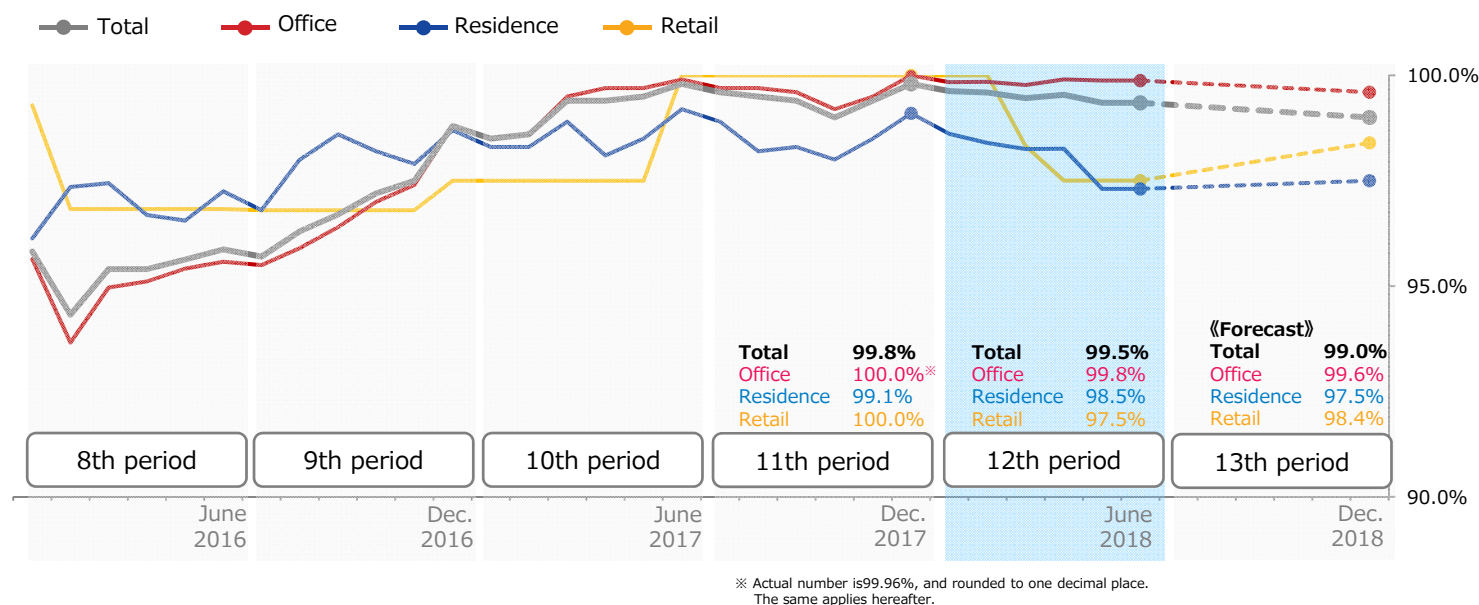
# Performance Report

(April-June 2018)

August 16, 2018

# Occupancy Rate and Free Rent Period Trend

## 《Occupancy rate tend and forecast》



## ① Maintaining a high occupancy rate

- Occupancy rate as of the end of the 12th period stood at 99.5%, maintaining a high occupancy rate

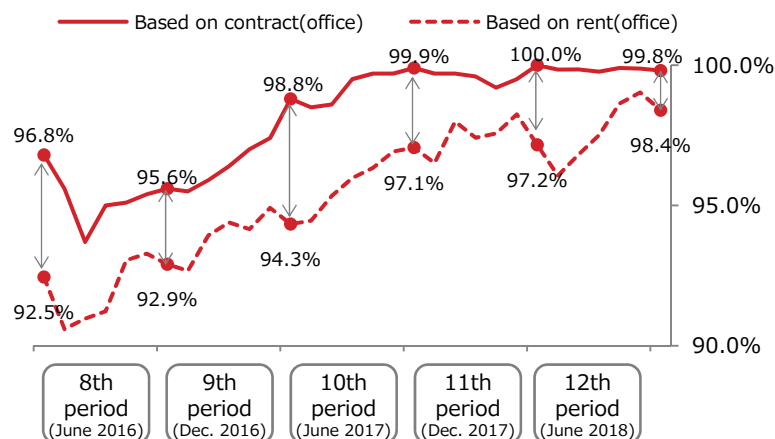
## ② Achieved the highest occupancy rate based on rent ever

- Occupancy rate based on rent achieved the highest due to compression of free rent period

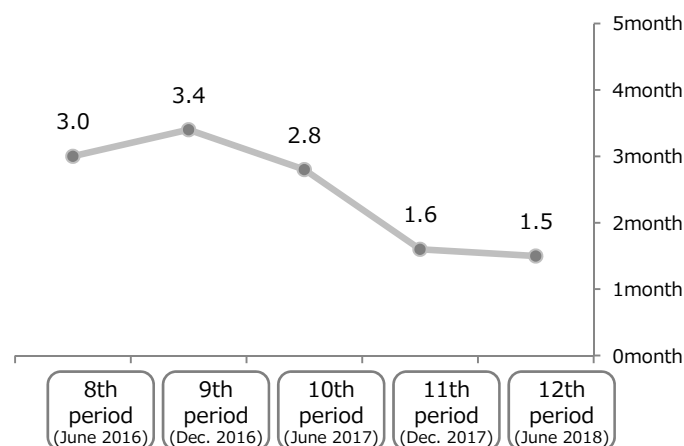
## 《Difference between occupancy rate based on contract and based on rent (office)》

	Based on contract	Based on rent	difference
8th period	95.6%	92.9%	2.7%
9th period	98.8%	94.3%	4.5%
10th period	99.9%	97.1%	2.8%
11th period	100.0%	97.2%	2.8%
12th period	99.8%	98.4%	1.4%

## 《Trend of occupancy rate based on rent (office)》



## 《Average Free Rent Period (1) Trend》



Note

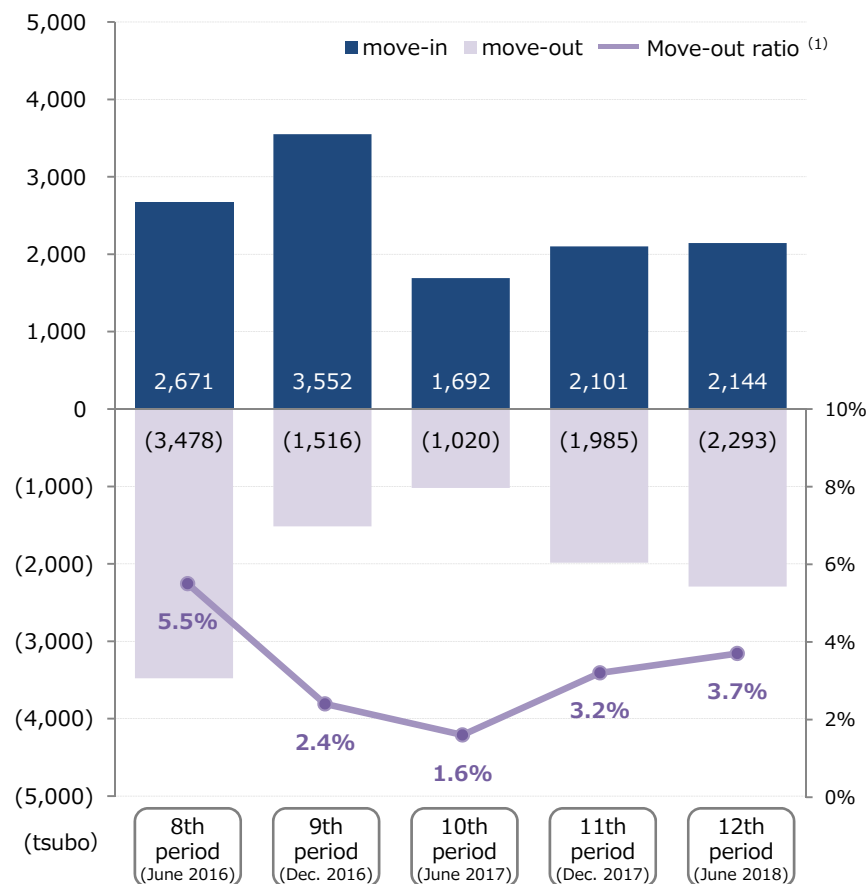
1. "Average free rent period" is calculated for end tenants conducted new lease contract during respective period as "total loss from free-rent / total contracted rent without free-rent".



# Status of Tenant Move-in and Move-out

## 《Tenant move-in and move-out, Average move-out ratio<sup>(1)</sup>》

※Total leasable area as of the end of 12th period (office):61,252tsubo



**Low move-out ratio due to tight market and satisfactory tenant relationship, Flexible and speedy tenant replacement**

• Replace tenant flexibly and speedily backed by high property competitiveness which has been improved by Engineering Management

Note

1. "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material onward.
2. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of July 2018.

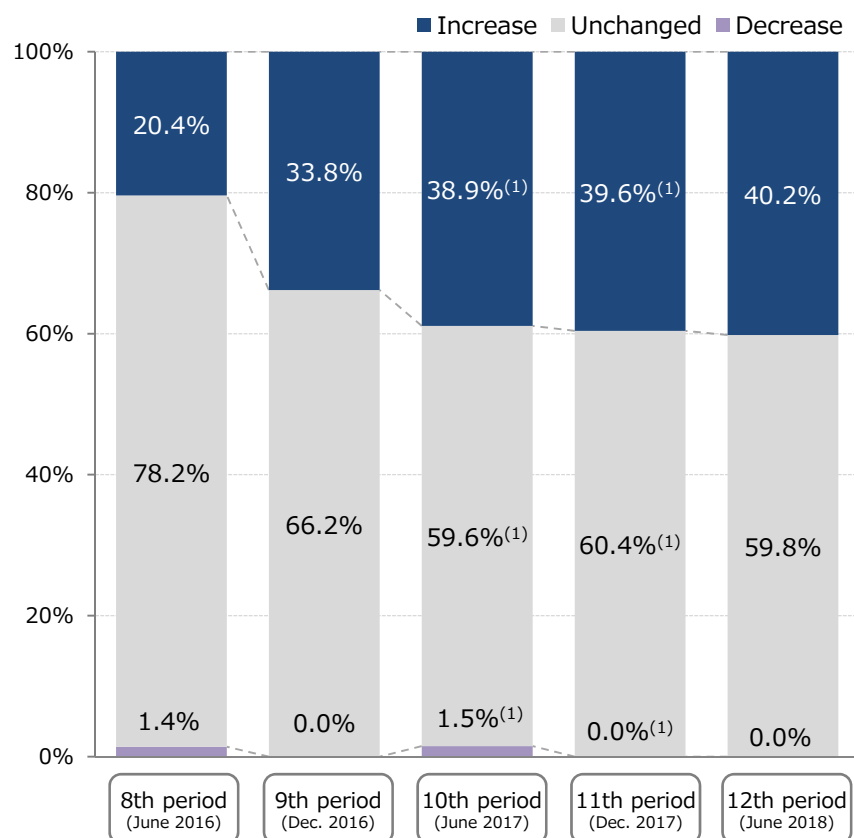
## 《Status of Termination Notices》

Property name	Occupancy rate	Termination notices section	Assumed occupancy rate <sup>(2)</sup>
GreenOak Kayabacho	98.7%	Left already:1section (15tsubo)	98.7% (Jul. 2018)
GreenOak Takanawadai	100%	Termination notice :1floor (52tsubo)	100% (Aug. 2018)
FORECAST Shin-Tokiwabashi	100%	Termination notice :1floor (46tsubo)	100% (Aug. 2018)
NORE Meieki	100%	Termination notice 1section (41tsubo)	100% (Sep. 2018)
Homat Horizon Building	100%	Termination notice :1section (32tsubo)	100% (Sep. 2018)
TK Gotanda Building	100%	Termination notice :1floor (114tsubo)	100% (Sep. 2018)
FORECAST Gotanda WEST	100%	Termination notice :1floor (172tsubo)	93.6% (Oct. 2018)
Sumitomo Mitsui Bank Koraibashi Building	100%	Left already:2sections (172tsubo) Termination notice :1section (70tsubo)	88.8% (Oct. 2018)
BECOME SAKAE	100%	Termination notice :1section (70tsubo)	100% (Oct. 2018)
FORECAST Shinagawa	100%	Termination notice :1floor (125tsubo) Termination notice :1section (86tsubo)	88.1% (Nov.2018)
Toshin Higashi-Ikebukuro Building	100%	Termination notice :1floor (76tsubo)	84.7% (Nov.2018)
Otakibashi Pacifica Building	90.8%	Left already:1floor (38tsubo) Termination notice :3floors (130tsubo)	89.2% (Nov.2018)
Komyoike Act	99.0%	Left already:1section (18tsubo) Termination notice :1section (57tsubo)	95.9% (Nov.2018)
Nihombashi Playa Building	100%	Termination notice :4floors (464tsubo)	84.6% (Dec.2018)
FORECAST Yotsuya	100%	Termination notice :1floor (52tsubo)	89.7% (Dec.2018)
FORECAST Shinjuku SOUTH	100%	Termination notice :1section (12tsubo)	99.7% (Dec.2018)
DIA Building Meieki	100%	Termination notice :1section (19tsubo)	96.4% (Dec.2018)
FORECAST Ningyocho	100%	Termination notice :1floor (112tsubo)	83.7% (Jan.2019)
MK Kojimachi Building	91%	Termination notice :3floors (144tsubo)	72.3% (Jan.2019)
Esprit Kameido	100%	Termination notice :3floors (177tsubo)	70.5% (Jan.2019)
Kudankita 325 Building	100%	Termination notice :1floor (73tsubo)	87.9% (Feb.2019)
Nishi-Gotanda 8-chome Building	100%	Termination notice :2floors (218tsubo)	75.9% (Feb.2019)

Properties of which occupancy rate is expected to be 100% because new lease contracts have been concluded for subject area

# Track Record of Rent Renewals

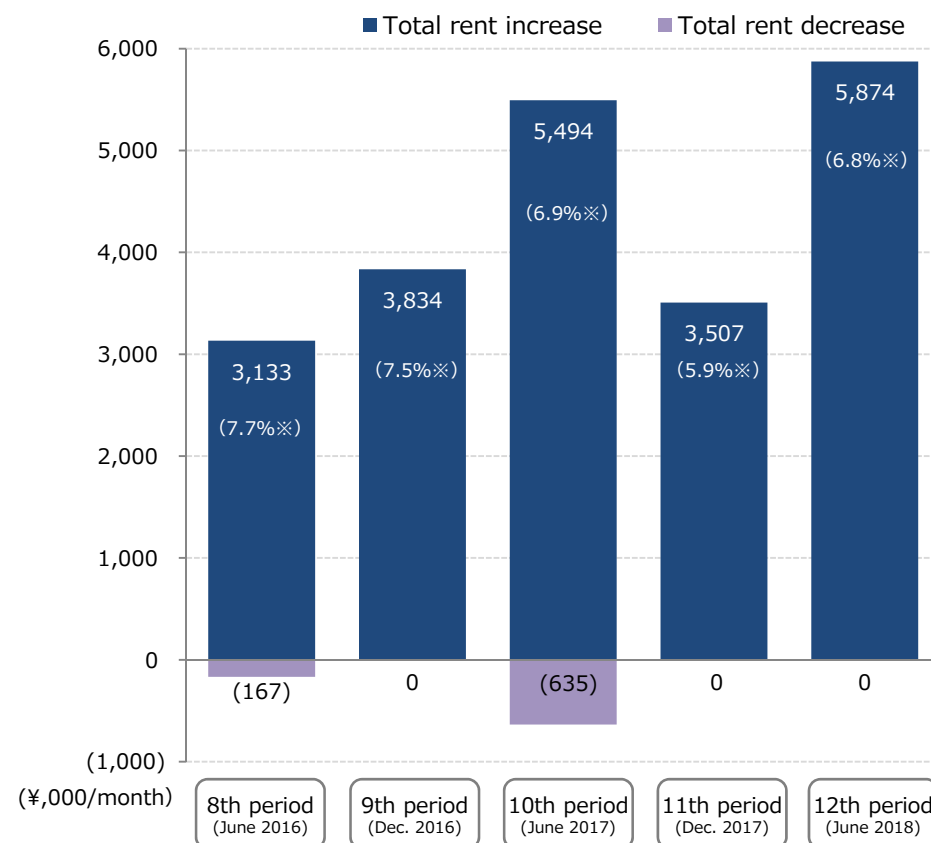
## 《Track record of rent renewals (floor space)》



③ The proportion of rent increase has been expanding due to success of measure to improve tenant satisfaction

Achieved rent increase for 40.2% of area subject to renewal, attributed to 46 tenants (5,987 tsubo) out of 144 tenants (14,903 tsubo), during the 12th period

## 《Status of rent increase(decrease) upon contract renewals》 (office / monthly rent)



③ Achieved the largest rent increase ever by rent renewal (¥5,874 thousand yen/month)

《Trend of Total Increase-decrease (monthly)》  
(Total rent increase-Total rent decrease)

8th	9th	10th	11th	12th
2,966	3,834	4,858	3,507	5,874
Thousand yen	Thousand yen	Thousand yen	Thousand yen	Thousand yen

※ Percentage of increase in rent for the respective period compared to total rent before renewal for all tenants which accepted rent increase in respective period

# Implementation Status and Major plans of Engineering Management

## 《Major implementation (from Apr. to Jun. 2018)》

### 《FORECAST Takadanobaba》

#### Increase in revenue by creating new leasable area

- Converted from electric room and storage to leasable area
- ¥2.70mn p.a. increase in income is expected



### 《FORECAST Shinjuku SOUTH》

#### Improvement of convenience and sustainability through to join rental bicycle project

- Joined rental bicycle project through providing space to set cycle port

### 《FORECAST Shinagawa》

#### Energy cost reduction and environmental consideration by installation of LED in common area

- ¥0.33mn p.a. cost reduction is expected by installation of LED light in common area, as well as reduction CO2 emission

### 《25 properties》

#### Energy cost reduction

- Concluded electricity provide contract with the most favorable terms
- ¥12.42mn p.a. cost reduction is expected

### 《FORECAST Ichigaya, La Verite AKASAKA and other 8 properties》

#### Implemented measures to enhance tenant satisfaction

- Planned to efficient measures to enhance tenant satisfaction based on tenant questionnaire
- Implemented the measures effectively in consideration of date of renewal of lease contracts to facilitate negotiation of rent increase

## 《Major plan (from Jul. 2018)》

### 《FORECAST Shinjuku SOUTH, FORECAST Ningyocho, FORECAST Waseda FIRST》

#### Increase in revenue by creating new leasable area

- Plan to set up new leasable area by using dead space etc.
- ¥2.35mn p.a. increase in income is expected

### 《14 properties》

#### Increase in revenue by setting antenna

- Plan to set antenna for mobile phone etc. at rooftop
- ¥2.94mn p.a. increase in income is expected

### 《GreenOak Kudan》

#### Increase in revenue by increase in rent through enhance tenant satisfaction

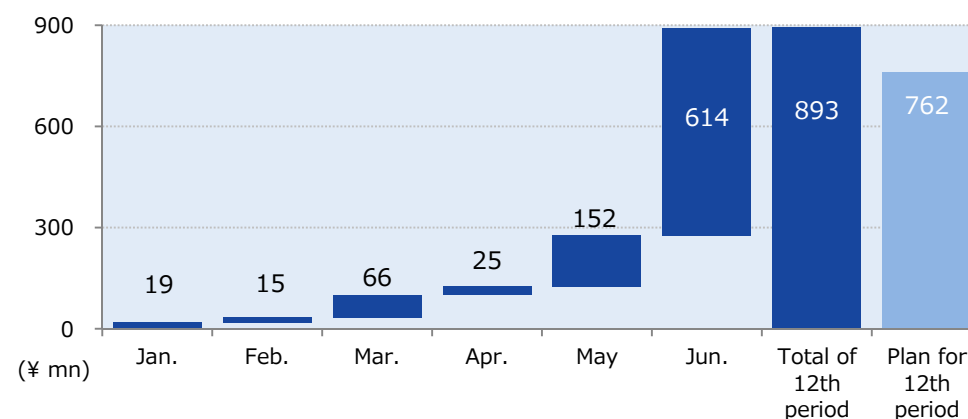
- Agreed to increase rent on condition of responding tenant needs
- ¥11.74mn p.a. increase in income is expected

### 《6 properties》

#### Environmental consideration through high efficiency equipment replacement using subsidy

- Environmental consideration through equipment replacement
- Using government subsidy to make investment more cost-effective
- Increase in income is expected by conclusion of green lease contracts

## 《 Status of Engineering Management Implementation 》



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