

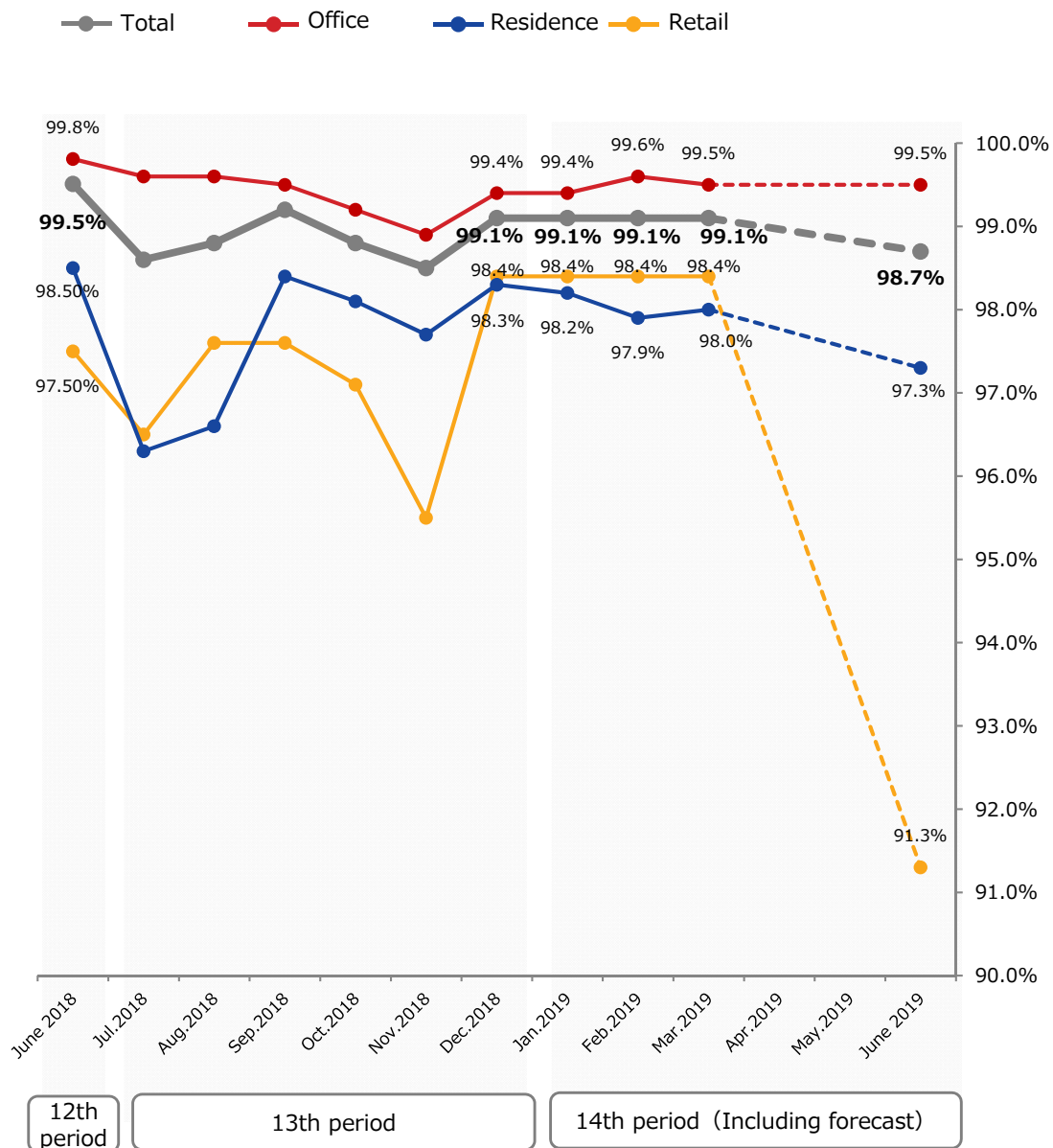


Nippon REIT Investment Corporation (TSE code : 3296)
Performance Report
(January-March 2019)

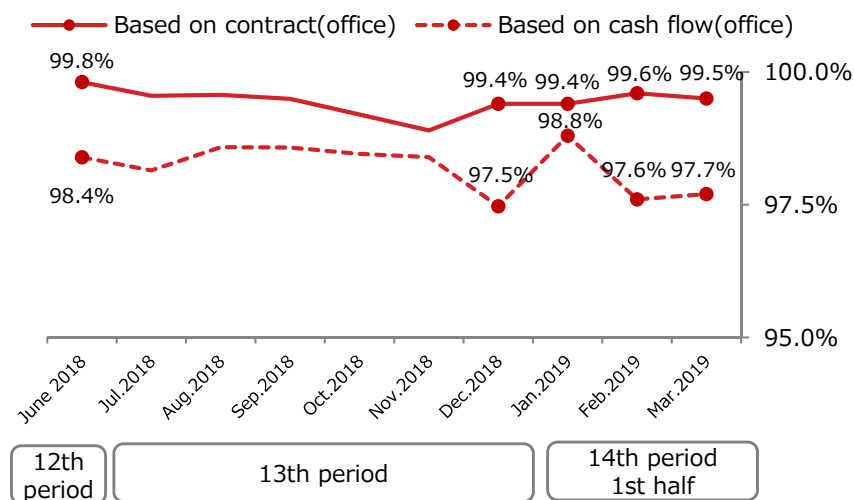
April 26, 2019

Occupancy Rate and Free Rent Period Trend

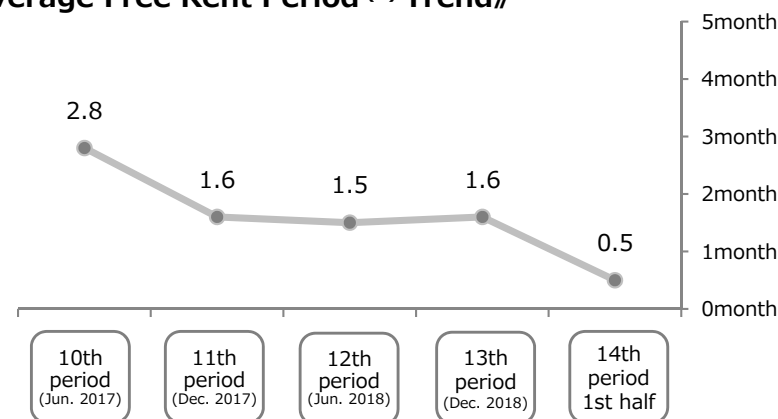
《Occupancy rate trend and forecast》



《Trend of occupancy rate based on cash flow (office)》



《Average Free Rent Period ⁽¹⁾ Trend》



Note

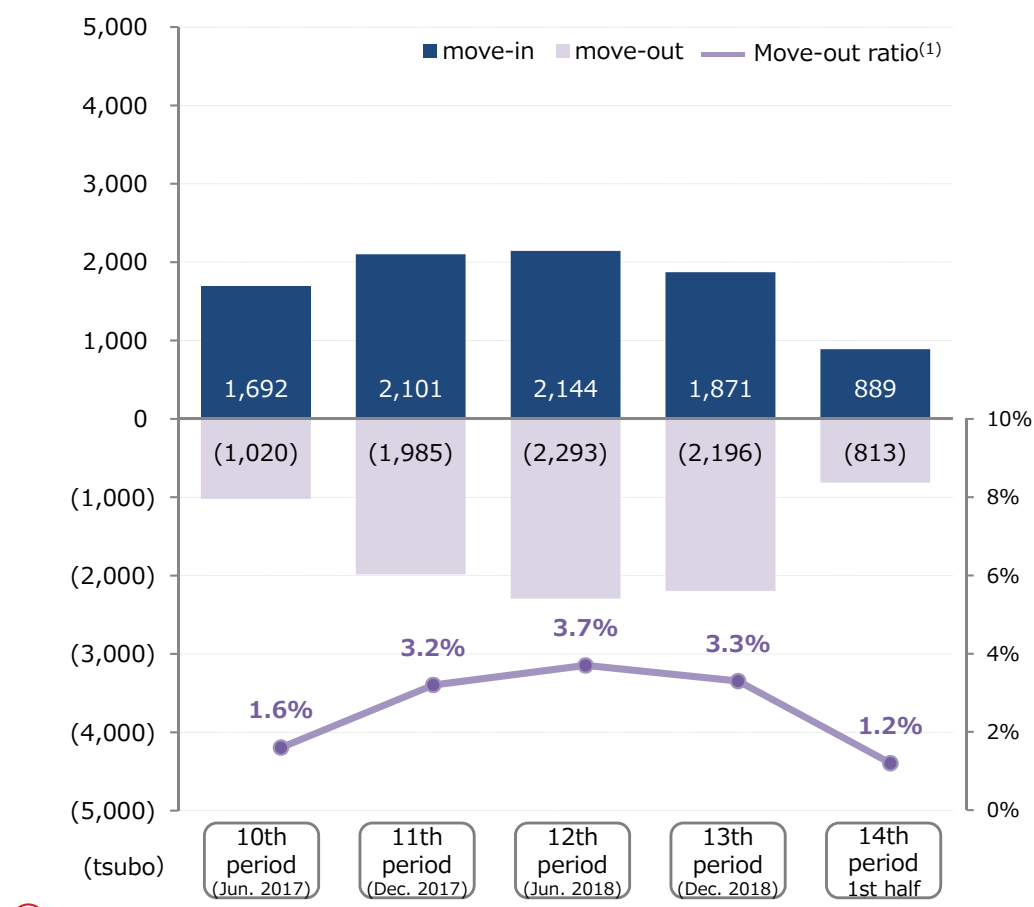
1. "Average free rent period" is calculated by following formula for each section, for new lease contracts conducted during respective period.

$$\text{Average free rent period} = \frac{\text{Reduction of rent and common benefit expense due to free rent etc}}{\text{total amount of monthly rents and common benefit expenses in normal times}}$$

Status of Tenant Move-in and Move-out

《Tenant move-in and move-out, Average move-out ratio》

※Total leasable areas as of the end of March 2019(office):66,671.13tsubo



⑤

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

《 Status of Termination Notices 》

Property name	Occupancy rate	Termination notices section	Assumed occupancy rate ⁽²⁾
FORECAST Shinjuku AVENUE	96.6%	1floor (141tsubo) 1floor (45tsubo) Termination notice Left already	100%(Apr. 2019)
GreenOak Takanawadai	100.0%	1floor (58tsubo) Termination notice	92.7%(Jul. 2019)
Central Daikanyama	100.0%	1area (33tsubo) Termination notice	100%(Jun. 2019)
Kudankita 325 Building	100.0%	1floor (73tsubo) Termination notice	100%(Jul. 2019)
FORECAST Ningyocho PLACE	100.0%	2floors (145tsubo) Termination notice	100%(Apr. 2019)
FORECAST Shin-Tokiwabashi	90.5%	1floor (52tsubo) Termination notice	100%(May 2019)
Nishi-Shinjuku Sanko Building	100.0%	1area (83tsubo) Termination notice	100%(Aug. 2019)
Marunouchi Sanchome Building	100.0%	2areas (66tsubo) Termination notice	95.2%(Oct. 2019)
Toranomon Sakura Building	100.0%	1area (22tsubo) Termination notice	100%(May 2019)
La Verite AKASAKA	100.0%	1floor (69tsubo) Termination notice	100%(Jun. 2019)
Kanda Ocean Building	100.0%	2areas (58tsubo) Termination notice	97.0%(Oct. 2019)
FORECAST Kayabacho	100.0%	1floor (162tsubo) Termination notice	86.2%(Sep. 2019)
Omiya Center Building	98.3%	1area (102tsubo) 1area (73tsubo) Termination notice Left already	98.3%(Jun. 2019)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1area (96tsubo) Termination notice	93.8%(Jul. 2019)
Homat Horizon Building	100.0%	1area (44tsubo) Termination notice	100%(Jul. 2019)
Sannomiya First Building	100.0%	2areas (43tsubo) Termination notice	96.1%(Sep. 2019)
Towa Kandanshikicho Building	100.0%	1floor (61tsubo) Termination notice	84.8%(Sep. 2019)
TK Gotanda Building	100.0%	1area (77tsubo) Termination notice	100%(Sep. 2019)
Gotanda Sakura Building	100.0%	1floor (49tsubo) Termination notice	100%(Jul. 2019)
Esprit Kameido	70.5%	3floors (179tsubo) 1floor (60tsubo) Termination notice Left already	60.7%(Jun. 2019)
DIA Building Meieki	100.0%	1area (20tsubo) Termination notice	96.3%(Aug. 2019)
Ciel Yakuin	88.4%	1area (32tsubo) Left already	88.4%(Mar. 2019)
Komyoike Act	96.9%	1area (57tsubo) Left already	96.9%(Jun. 2019)
BECOME SAKAE	100.0%	3areas (371tsubo) Termination notice	73.4%(Jun. 2019)

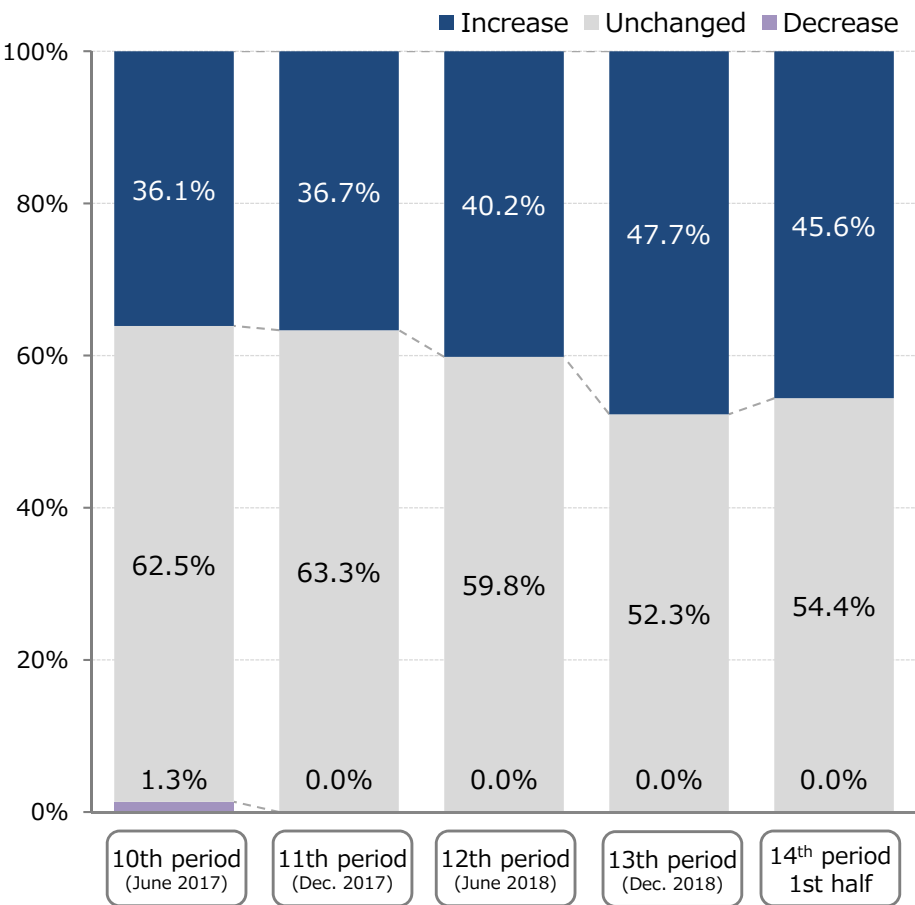
Properties of which occupancy rate is expected to be 100% because new lease contracts have been concluded or we have already received tenancy applications for subject area

Note

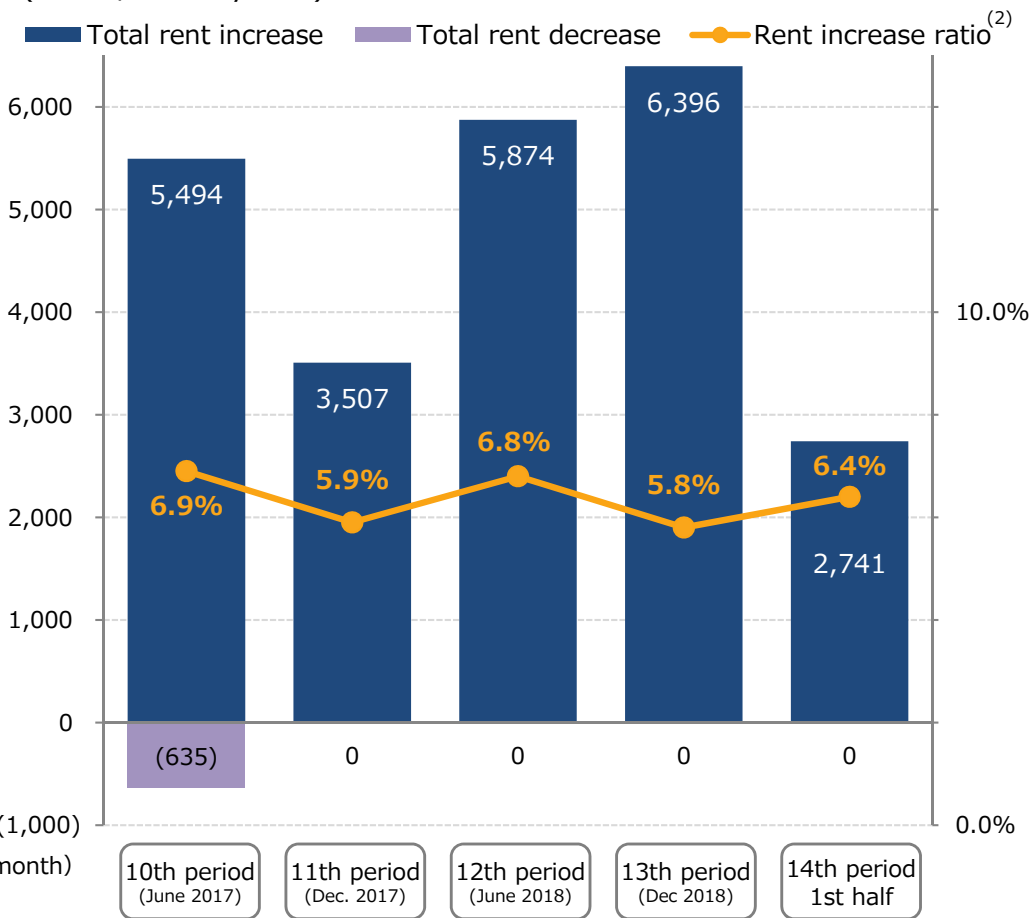
1. "Move-out ratio" is calculated as "total move-out areas during respective period / total leasable areas as of the end of the respective period". Furthermore, the areas of tenant that move-out on the end of respective month is counted as the move-out areas of next month from this material onward.
2. "Assumed occupancy rate" refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Mar.2019.

Track Record of Rent Renewals

《 Track record of rent renewals (floor space) ⁽¹⁾》



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



The proportion of rent increase has been steadily getting higher due to success of measure to improve tenant satisfaction

Achieved rent increase areas of 45.6% subject to renewal, attributed to 29 tenants (2,959 tsubo) out of 75 tenants (6,491 tsubo), from Jan. to Mar. 2019.

Achieved rent increase of ¥2.74mn on a monthly basis during the 1st half of 14th period

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

10th	11th	12th	13th	14th 1st half
4,858K yen	3,507K yen	5,874K yen	6,396K yen	2,741 K yen

Note

1. In case that tenant categorized "Uncahanged" in each period accepted rent increase after the following period, the area subject to rent renewal of the tenant is included the area categorized "Uncahanged" and "Increase" in the relevant period.
2. "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place.
(total rent increase after rent renewal - total rent before rent renewal) / total rent before rent renewal

Implementation Status and Major plans of Engineering Management

《Major implementation (from Jan. to Mar. 2019)》

Increase in revenue by measure meeting tenants' demand
 《La Verite AKASAKA》
 • Renewed restroom to meet the tenants' request
 • The tenant agreed to increase the rent by Approx. ¥2.20mn p.a.
 《GreenOak Kudan》
 • Installed security camera to meet the tenants' request
 • The tenant agreed to increase the rent

Increase in revenue by upgrade of interior finishing
 《Field Avenue》
 • Implemented interior upgrade to promote leasing
 • Achieved rent increase by ¥ 24 thousand yen p.a. compared to previous rent

Increase in revenue by setting wall signboard
 《Otakibashi Pacifica Building》
 • Added wall signboards for tenant
 • Approx. ¥0.36mn p.a. increase in revenue is expected

Electric utility cost reduction
 《23 properties》
 • Changed electric power supplier
 • Approx. ¥37.41mn p.a. cost reduction is expected

Installation of LED light
 《Alte Building Higobashi》
 • Installed LED light with environmental consideration
 • Improved tenant satisfaction by cost reduction for exclusive area
 • Cost (electric charge) reduction for common area is expected

Building management cost reduction
 《Shibakoen Sanchoe Building, 3 others》
 • Replaced building management companies, revised service specifications and installed equipment to make efficient while maintaining management quality
 • Approx. ¥0.92mn p.a. cost reduction is expected

- Measure to increase revenue
- Measure to improve tenant satisfaction
- Measure to reduce expense
- Measure with environmental consideration

《Major plans (from Apr. 2019)》

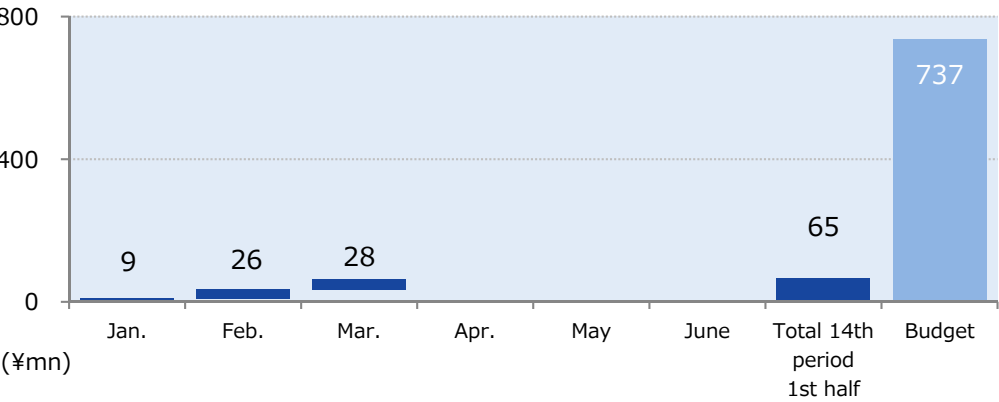
Increase in revenue by measure meeting tenants' demand
 《GreenOak Kudan》
 • Plan to change the specification so that the elevator will stay on the designated floor for the tenant's request
 • The tenant agreed to increase the rent by Approx. ¥11.7mn p.a.

Increase in revenue by setting antennas at rooftop
 《MK Kojimachi Building etc.》
 • Plan to set antenna for mobile phone etc. at rooftop
 • Approx. ¥3.30mn p.a. increase in revenue is expected

Building management cost reduction
 《FORECAST Sakurabashi etc.》
 • Revised service specifications while maintaining management quality
 • Approx. ¥5.58mn p.a. cost reduction is expected

Installation of LED light
 《I・S Minamimorimachi Building》
 • Plan to install LED light in common area
 • Approx. ¥3.00mn p.a. cost reduction is expected
 《Itohpia Kiyosubashidori Building・Towa Higashi-Gotanda Building》
 • Plan to install LED light and renew air conditioning system with environmental consideration
 • Aim to improved tenant satisfaction by cost reduction for exclusive area
 • Plan to conclude green lease agreement with tenant

《14th period Status of Engineering Management Implementation⁽¹⁾》



1.Total amounts of Planned capital investment and Strategic value-enhancing investment are stated

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