

Summary of Financial Results  
for the Fiscal Period Ended June 30, 2019 (REIT)

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 URL: <http://www.nippon-reit.com/>  
 Listed Stock Exchange: Tokyo Stock Exchange  
 Securities Code: 3296  
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Supplementary materials for the financial results: Yes

Investor conference for the financial results: Yes (for analysts and institutional investors, in Japanese)

(Amount of less than one million yen is omitted)

1. Financial Results for the Fiscal Period Ended June 30, 2019 (January 1, 2019 – June 30, 2019)

(1) Operating Results (Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
For the fiscal period ended	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
June 30, 2019	8,982	6.2	4,955	6.8	4,326	12.7	4,326	12.7
December 31, 2018	8,458	17.1	4,640	21.0	3,840	15.3	3,839	15.3

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
June 30, 2019	9,615	3.3	1.6	48.2
December 31, 2018	8,546	3.2	1.5	45.4

(2) Distributions

	Cash Distributions per Unit (excluding cash distributions in excess of earnings per unit)	Total Cash Distributions (excluding cash distributions in excess of earnings)	Cash Distributions in Excess of Earnings per Unit	Total Cash Distributions in Excess of Earnings	Payout Ratio	Cash Distributions Ratio to Net Assets
For the fiscal period ended	Yen	Yen in millions	Yen	Yen in millions	%	%
June 30, 2019	9,617	4,326	-	-	100.0	3.3
December 31, 2018	8,536	3,840	-	-	100.0	3.0

(Note) Payout Ratio for the fiscal period ended December 31, 2018 is calculated by the formula described below, considering changes in number of investment units due to Public Offering implemented in the fiscal period under review.

Payout Ratio = Total Cash Distributions ÷ Net Income x 100

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
For the fiscal period ended	Yen in millions	Yen in millions	%	Yen
June 30, 2019	270,269	130,863	48.4	290,853
December 31, 2018	269,146	130,378	48.4	289,774

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
For the fiscal period ended	Yen in millions	Yen in millions	Yen in millions	Yen in millions
June 30, 2019	13,019	(9,474)	(3,153)	15,336
December 31, 2018	3,540	(40,498)	33,766	14,945

2. Forecast of management status for the Fiscal Period Ending December 2019 (from July 1, 2019 to December 31, 2019) and the Fiscal Period Ending June 2020 (from January 1, 2020 to June 30, 2020)

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending December 31, 2019	8,645	(3.8)	4,581	(7.5)	3,932	(9.1)	3,931	(9.1)	8,737	-
June 30, 2020	8,565	(0.9)	4,589	0.2	3,962	0.8	3,961	0.8	8,805	-

(Reference) (Forecasted Net Income / Forecasted Number of Investment Units at end of the period)  
Forecasted Net Income per unit for the fiscal period ending December 31, 2019: 8,737 yen  
Forecasted Net Income per unit for the fiscal period ending June 30, 2020: 8,805 yen

\* Others

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(b) Changes in accounting policies due to reasons other than above (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(2) Number of investment units issued and outstanding

(a) Number of investment units issued and outstanding, including treasury units:

As of June 30, 2019 449,930 units As of December 31, 2018 449,930 units

(b) Number of investment treasury units:

As of June 30, 2019 0 unit As of December 31, 2018 0 unit

\* The Status of Statutory Audit

This summary of financial results is not subject to audit procedures by certified public accountant or audit firm.

\* special matters

Forward-looking statements contained in this material are based on the information that NIPPON REIT has obtained as of the date hereof and certain assumptions that NIPPON REIT believes reasonable and the actual management status, etc. may significantly differ due to various reasons. In addition, the forecast is not a guarantee of the amount of distributions. For details of the assumptions underlying forecast of management status, please refer to the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2019 (from July 1, 2019 to December 31, 2019) and Fiscal Period Ending June 2020 (from January 1, 2020 to June 30, 2020)" on page 8.

This document is the English language translation of the Japanese announcement of the financial statements ("Kessan Tanshin") 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.

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## 1. Management Status

### (1) Management Status

#### I. Overview of the Fiscal Period under Review

##### A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now Sojitz REIT Advisors K.K. (hereafter referred to as the "Asset Management Company")) as the founder under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) on April 23, 2014 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24.

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018. The total number of investment units issued and outstanding as of the end of the fiscal period under review (June 30, 2019) is 449,930 units.

##### B. Investment Environment and Management Performance

###### (i) Investment Environment

During the fiscal period under review ended June 2019, the Japanese Economy saw increase in the real GDP by 0.6% (2.2% increase on an annual basis: second preliminary figures for the term from January 2019 to March 2019). As consumer prices are rising moderately, although firms' judgment on current business conditions show cautiousness, mainly among manufacturers, corporate profits hold firm at a high level, therefore the employment situation have been improving steadily.

Concerning short-term prospects, weakness of exporting remains for the time being, but the economy is expected to continue recovering, supported by the effects of the policies, while employment and income situation is improving. However, further attention should be given to the effects of situations over trade issues on the world economy, while the prospect of the Chinese economy, the uncertainty of situations and policies in overseas economies and the effects of fluctuations in the financial and capital markets also need attention.

In the office properties leasing market, the vacancy rate in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 1.72% down by 0.85% on a year on year basis as of the end of June 2019 reported by Miki Shoji Co., Ltd. Moreover, the average rent in the same area was 21,518 yen per tsubo, up by 7.01% on a year on year basis. Such small-scale upward trends are still ongoing.

In the leasing market of residential properties, the situation remains generally stable for both the occupancy rate and rent level. It is expected without doubt to continue to stay stable backed by the well-balanced supply and demand, while populations in Japan has been inclined to concentrate in three major metropolitan areas where have been well-developed and so the rentable residential properties seems limited to be supplied.

In the leasing market of retail properties, we saw a 1.3% year-on-year increase in retail sales announced by the Ministry of Economy, Trade and Industry in May 2019. That showed gradual recovering mainly in retail business such as machinery/equipment, medicinal supplies and cosmetics, dry goods, apparel and apparel accessories. On the other hand, that also reported decreasing trend in retail trade, general merchandise (Department store etc.). If we look at another important indicator of consumers' activities, sales at department stores and GMS showed a 0.5% year-on-year decrease. As for short-term prospects, private consumption expected to move forward to recovery, confirmed by the background of improving job environment in the employment and income growth.

As regards real estate transactions, yields on transactions have kept positively low due to seller's market sustained by bullish participants shopping around the market and stable lending attitude maintained by financial institutions in Japan. And thus numbers of properties on sale are becoming less. Investors and their arrangers are working on to seek subjects to carry out their own target subjects and returns. While overseas investors and

business companies are active, J-REITs could not chase properties in the hectic market to maintain their dividend policies. External growth opportunity seems to be limited relatively for large-cap J-REITs.

## (ii) Management Performance

### a. External Growth

NIPPON REIT owned 87 properties (with a total acquisition amounts of 247,998 million yen) as of the end of the fiscal period ended December 2018.

During the fiscal period under review (fiscal period ended June 2019) NIPPON REIT transferred 2 properties (Total transfer amount of 7,272 million yen) and acquired 5 properties (Total acquisition amounts of 7,755 million yen) as follow, as asset replacement executed from January to February 2019.

Transaction	Property Number	Property name	Transfer price or Acquisition price (Yen in millions) (Note)	Acquisition date
Acquisition	B-22	Wald Park Minamioi	715	January 31, 2019
Transfer	B-3	my atria Meieki	1,782	February 26, 2019
Transfer	A-18	FORECAST Iidabashi	5,490	February 27, 2019
Acquisition	A-66	TENSHO OCHANOMIZU BUILDING	1,800	February 27, 2019
Acquisition	A-67	Kameido i-Mark Building	2,580	February 27, 2019
Acquisition	B-23	LAPUTA KUJO	1,480	February 28, 2019
Acquisition	B-24	Imazaki Mansion N1	1,180	February 28, 2019

(Note) The transfer prices and the acquisition prices represent amount of consideration stated in the purchase agreements of each of the trust beneficiary interests in real estate. The transfer prices and the acquisition prices do not include expenses related to the transfer or the acquisition, consumption taxes and local tax. Furthermore, the transfer price and the acquisition price of less than one million yen is omitted.

Furthermore, NIPPON REIT acquired the following silent partnership equity interest as pipelines for external growth, and has been granted the right of first negotiation pertaining to the acquisition of total of 7 real estate-backed properties.

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note)	Acquisition date
Godo Kaisha NRT Growth 14 silent partnership equity interest	2	50	February 27, 2019
Godo Kaisha NRT Growth 15 subordinated silent partnership equity interest	5	50	April 25, 2019

(Note) As "Investment amount", exclude various expenses required for the transaction, and is rounded down to the nearest million yen.

As a result, the portfolio as of the end of the fiscal period under review consisted of 64 office properties (Note1) with a total acquisition amount of 192,236 million yen, 23 residential properties (Note2) with a total acquisition price of 46,824 million yen and 3 retail properties (Note3) with a total acquisition amount of 10,183 million yen. Total figures are 90 properties with a total acquisition amount of 249,243 million yen (excluding equity interests in a silent partnership) and with a total leased area of 308,016.21m<sup>2</sup> and 99.1% of average occupancy rate and 2 equity interests in a silent partnership (investment amount 100 million yen, 7 real estate-backed properties).

(Note1) "Office Properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.

(Note2) "Residential Properties" refer to a rental housing whose primary use is a residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of). The same shall apply hereinafter.

(Note3) "Retail Properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenant. The same shall apply hereinafter.

### b. Internal Growth

NIPPON REIT emphasizes management that maintains and increases the portfolio's asset value and actively

reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts were kept, the portfolio occupancy rate was maintained at a high level of 99.1% as of the end of the fiscal period under review.

#### C. Procurement of Funds

##### (i) Borrowings and Repayments

In order to allocate funds for the acquisition of new properties and some of the payment of related costs, the borrowings of total 700 million yen were implemented on February 28, 2019.

In order to prepare funds for repayment of loans due on April 24, 2019 (10,970 million yen in total), the issuance of investment corporation bonds of 1,000 million yen in total and the borrowings of 9,970 million yen in total were implemented on the same day as the loans due.

As a result, the balance of interest-bearing debt as of June 30, 2019 was 126,870 million yen and the ratio of interest-bearing debt to total assets (LTV) was 46.9%.

##### (ii) Credit Rating

NIPPON REIT's credit rating as of June 30, 2019 is indicated below.

Credit Rating Agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A	Positive

#### D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the fiscal period under review generated operating revenues of 8,982 million yen, operating income of 4,955 million yen, ordinary income of 4,326 million yen and net income of 4,326 million yen.

Concerning distributions, NIPPON REIT is set to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan), ensuring a scope that does not exceed unappropriated retained earnings, and also minimizing unitholders' burdens of income tax, etc. For the fiscal period, NIPPON REIT decided to distribute 4,326,976,810 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units. As such, cash distributions per unit were 9,617 yen.

## II. Outlook for the Next Fiscal Period

#### Future Management Policy and Challenges to Address

##### A. Management Policy

With the corporate policy of "untiringly pursuing the best interest of NIPPON REIT's unitholders", NIPPON REIT plans to engage in the following measures to maximize unitholders' value through flexible and timely investment, also seek the best interest of unitholders by utilizing the features of a diversified REIT and focus on the growth of potential and stability of revenues.

##### B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will invest to "three types of assets deeply rooted in the Japanese society (office, residence and retail)". Furthermore, NIPPON REIT will focus on middle-sized office properties located in Tokyo central area as its main target of investment in consideration of the balance of supply and demand, and construct a diversified portfolio by also investing in residential properties and retail properties.

In order to promote external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are Sojitz Corporation, the main sponsor and sub-sponsor companies of Cushman & Wakefield Asset Management K.K. (hereafter referred

to as “Cushman”) and Agility Asset Advisers Inc.. Assisted by those sponsors’ powers, NIPPON REIT will increase its asset size through property acquisitions mainly transacted on a negotiation basis with third parties.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will consider to prepare bridge funds for interim ownership vehicles to utilize warehousing function provided by Sojitz Corporation who may participate in vehicles. Such consideration comes from our investment strategy to avoid loss of opportunities for acquisitions and aim to realize growth opportunities as much as possible.

#### C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties reflecting their own features. For the purpose of the management, NIPPON REIT utilizes the Asset Management Company and its officers and employees who have unique networks and expertise nurtured at sponsor companies. Moreover, by entrusting property management operations and building management operations to professional property managers, mainly to Sojitz General Property Management Corporation (hereafter referred as “SGPMC”), a subsidiary of Sojitz Corporation. Cooperating with SGPMC, NIPPON REIT can maintain the occupancy rate positively and increase profitability helped by SGPMC’s knowledge on experience and cost reduction effects via economies of scale.

With appropriate processes as a given, SGPMC will be mainly consigned for renovations and planned repairs in properties, in addition to the daily management operations. Along with SGPMC’s consistent support ranging from building diagnostics to repair designs, selection of construction companies and construction management, NIPPON REIT can maintain and increase the value of assets under management by delivering effective and deliberate repairs that consider the priority of construction work and optimization of costs, upon sufficient judgment of performance effectiveness.

Furthermore, regarding leasing plans for offices, new asking rent for potential tenants and renewed rent for existing tenants will be set with reference to various data, etc. provided by Cushman, a sub-sponsor, and agile leasing activities will be implemented in line with the effective operational-policy for new potential tenants.

#### D. Financial Strategy

NIPPON REIT’s basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to establish a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT’s LTV as of the end of the fiscal period under review was 46.9% and the current policy is to keep the LTV level between 45% and 55%.

With regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the syndicate group as of the end of the fiscal period under review.

### III. Significant Subsequent Events

None

### IV. Forecast of Management Status

The forecast of management status for the fiscal period ending December 2019 (July 1, 2019 to December 31, 2019) and the fiscal period ending June 2020 (January 1, 2020 to June 30, 2020) are as follows. For details of the assumptions underlying forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2019 (July 1, 2019 to December 31, 2019) and Fiscal Period Ending June 2020 (January 1, 2020 to June 30, 2020)” hereinafter described.

Fiscal period ending December 2019 (July 1, 2019 to December 31, 2019)

Operating revenues	8,645 million yen
Operating income	4,581 million yen
Ordinary income	3,932 million yen
Net income	3,931 million yen

Cash distributions per unit	8,737 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending June 2020 (January 1, 2020 to June 30, 2020)

Operating revenues	8,565 million yen
Operating income	4,589 million yen
Ordinary income	3,962 million yen
Net income	3,961 million yen
Cash distributions per unit	8,805 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of date of this summary of financial results. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.



Assumptions Underlying Forecast of Management Status for Fiscal Period Ending December 2019 (July 1, 2019 to December 31, 2019) and Fiscal Period Ending June 2020 (January 1, 2020 to June 30, 2020)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> <li>· Fiscal period ending December 2019 (15th fiscal period): from July 1, 2019 to December 31, 2019(184 days)</li> <li>· Fiscal period ending June 2020 (16th fiscal period): from January 1, 2020 to June 30, 2020(182 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>· The assumption is that, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 90 properties are the “acquired assets”) there would be no change (no acquisition of new property, no disposition of portfolio property, etc.) expected until the end of the fiscal period ending June 2020.</li> <li>· In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>· Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 8,641 million yen in the fiscal period ending December 2019 and 8,562 million yen in the fiscal period ending June 2020 respectively.</li> <li>· Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants.</li> <li>· Dividend income is assumed 3 million yen in the fiscal period ending December 2019 and 3 million yen in the fiscal period ending June 2020 respectively</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>· Property-related expenses other than depreciation, which are calculated on the basis of historical data, and reflecting factors causing fluctuation in expenses, are assumed to be 2,263 million yen in the fiscal period ending December 2019 and 2,145 million yen in the fiscal period ending June 2020 respectively.</li> <li>· Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 969 million yen in the fiscal period ending December 2019 and 1,002 million yen in the fiscal period ending June 2020 respectively.</li> <li>· In general, property taxes and city planning taxes upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the seller, but the amount equivalent to the reimbursement is capitalized as acquisition cost rather than recognized as expenses. Accordingly, as to properties acquired in January and February 2019, property taxes and city planning taxes are not recognized as expenses in the fiscal period ending December 2019. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned 5 assets are assumed to be 15 million yen in the fiscal period ending December 2019.</li> <li>· Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company. However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal year might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast.</li> <li>· Asset management fees are assumed 640 million yen in the fiscal period ending December 2019 and 633 million yen in the fiscal period ending June 2020 respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>· Interest expense and borrowing related expenses are assumed 652 million yen in the fiscal period ending December 2019 and 627 million yen in the fiscal period ending June 2020.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>· NIPPON REIT's outstanding balance of interest-bearing debt as of today is 126,870 million yen.</li> <li>· The assumption is that all loans which will come due before the end of the fiscal period ending June 2020 (9,500 million yen) will be refinanced (including issuance of investment corporation bonds), there will be no change in the outstanding balance of interest-bearing debt.</li> <li>· LTV is expected to be approximately 46.9% as of December 31, 2019 and approximately 47.0% as of June 30, 2020 respectively.</li> <li>· The following formula is used in the calculation of LTV.  <math display="block">LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>· The assumption is that the number of investment units is 449,930 units which are issued and outstanding as of today, and there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending June 2020.</li> </ul>
Cash Distributions per unit	<ul style="list-style-type: none"> <li>· Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT's Articles of Incorporation.</li> <li>· Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events,</li> <li>· Incurrence of unexpected repairs and other changes in the management environment, fluctuation in interest rates or future additional issuance of new investment units and other events.</li> </ul>

Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>· There are no plans at this time to distribute cash in excess of earnings.</li> <li>· Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (xxx), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.</li> </ul>
Others	<ul style="list-style-type: none"> <li>· The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above.</li> <li>· The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.</li> </ul>

## (2) Investment Risks

As there have been no significant changes in the “Investment Risks” as described in the latest Securities Registration Statement (submitted on March 28, 2019), the disclosure is omitted.

## 2. Financial Statements

### (1) Balance Sheets

(Yen in thousands)

	The 13th Fiscal Period (as of December 31, 2018)	The 14th Fiscal Period (as of June 30, 2019)
<b>Assets</b>		
Current Assets		
Cash and deposits	8,981,536	9,009,860
Cash and deposits in trust	5,964,196	6,326,892
Tenant receivables	88,158	92,063
Prepaid expenses	437,146	443,269
Income taxes refundable	1,065	-
Consumption taxes receivable	496,617	-
Other current assets	5,842	8,093
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	15,974,563	15,880,179
Non-Current Assets		
Property, plant and equipment		
Buildings	234,960	234,960
Accumulated depreciation	(3,053)	(6,122)
Buildings, net	231,906	228,837
Buildings in trust	※ <sup>1</sup> 59,444,603	※ <sup>1</sup> 60,348,113
Accumulated depreciation	(6,987,861)	(7,679,424)
Buildings in trust, net	52,456,741	52,668,689
Structures in trust	197,330	202,527
Accumulated depreciation	(42,332)	(46,903)
Structures in trust, net	154,998	155,623
Machinery and equipment in trust	357,904	357,750
Accumulated depreciation	(48,292)	(65,167)
Machinery and equipment in trust, net	309,611	292,583
Tools, furniture and fixtures in trust	122,424	142,763
Accumulated depreciation	(28,970)	(38,771)
Tools, furniture and fixtures in trust, net	93,454	103,991
Land in trust	※ <sup>2</sup> 180,791,041	※ <sup>2</sup> 181,677,527
Construction in progress in trust	5,256	1,824
Total property, plant and equipment	234,043,010	235,129,077
Intangible assets		
Leasehold rights	1,251,662	1,251,662
Leasehold rights in trust	16,658,938	16,658,938
Other	5,835	5,626
Total intangible assets	17,916,435	17,916,226
Investments and other assets		
Investment securities	-	102,041
Lease and guarantee deposits	10,160	10,160
Long-term prepaid expenses	1,129,373	1,145,150
Deferred tax assets	0	0
Other	38,290	39,535
Total investments and other assets	1,177,825	1,296,887
Total Non-Current Assets	253,137,271	254,342,191
Deferred asset		
Investment corporation bond issuance costs	35,152	46,641
Total deferred asset	35,152	46,641
Total Assets	269,146,988	270,269,012

		(Yen in thousands)	
		The 13th Fiscal Period (as of December 31, 2018)	The 14th Fiscal Period (as of June 30, 2019)
<b>Liabilities</b>			
Current Liabilities			
Accounts payable		1,539,384	1,094,796
Short term debt		-	700,000
Long-term debt due within one year		21,970,000	20,500,000
Accrued expenses		247,820	240,433
Accrued corporation taxes		-	520
Accrued consumption taxes		-	366,386
Advances received		1,391,630	1,476,356
Other current liabilities		588,439	371,080
Total Current Liabilities		25,737,275	24,749,574
Long-Term Liabilities			
Investment corporation bonds		3,500,000	4,500,000
Long-term debt		100,700,000	101,170,000
Tenant security deposits		65,153	72,129
Tenant security deposits in trust		8,766,512	8,908,858
Other		-	4,747
Total Long-Term Liabilities		113,031,666	114,655,736
Total Liabilities		138,768,941	139,405,310
<b>Net Assets</b>			
Unitholders' Equity			
Unitholders' capital		126,515,601	126,515,601
Surplus			
Unappropriated retained earnings (undisposed loss)		3,862,444	4,348,100
Total Surplus		3,862,444	4,348,100
Total Unitholders' Equity		130,378,046	130,863,702
Total Net Assets		※3 130,378,046	※3 130,863,702
<b>Total Liabilities and Net Assets</b>		269,146,988	270,269,012

## (2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)
<b>Operating Revenues</b>		
Rental revenues	※ 1 7,678,447	※ 1 7,798,437
Other revenues related to property leasing	※ 1 780,485	※ 1 689,629
Gain on sales of real estate properties	-	※ 2 494,334
Dividend income	-	390
<b>Total Operating Revenues</b>	<b>8,458,932</b>	<b>8,982,791</b>
<b>Operating Expenses</b>		
Property-related expenses	※ 1 3,039,219	※ 1 3,168,309
Asset management fees	566,187	623,563
Asset custody fees	13,241	12,419
Administrative service fees	47,578	44,459
Directors' compensation	2,400	2,400
Independent auditors' fees	13,500	13,800
Other operating expenses	135,996	162,593
<b>Total Operating Expenses</b>	<b>3,818,123</b>	<b>4,027,544</b>
<b>Operating Income</b>	<b>4,640,809</b>	<b>4,955,246</b>
<b>Non-Operating Revenues</b>		
Interest income	80	69
Reversal of distributions payable	3,662	4,268
Interest on refund	38	1,639
<b>Total Non-Operating Revenues</b>	<b>3,781</b>	<b>5,977</b>
<b>Non-Operating Expenses</b>		
Interest expense	347,971	348,376
Interest expense on investment corporation bonds	7,417	14,427
Amortization of investment corporation bond issuance costs	1,507	2,382
Borrowing related expenses	335,206	269,482
Investment units issuance costs	112,068	-
Other	17	28
<b>Total Non-Operating Expenses</b>	<b>804,187</b>	<b>634,697</b>
<b>Ordinary Income</b>	<b>3,840,403</b>	<b>4,326,525</b>
<b>Extraordinary Income</b>		
Subsidy income	-	※ 3 64,782
<b>Total Extraordinary Income</b>	<b>-</b>	<b>64,782</b>
<b>Extraordinary Losses</b>		
Loss on reduction of non-current assets	-	※ 4 64,438
<b>Total Extraordinary Losses</b>	<b>-</b>	<b>64,438</b>
<b>Income Before Income Taxes</b>	<b>3,840,403</b>	<b>4,326,869</b>
Income taxes - current	621	610
Income taxes - deferred	2	0
<b>Total Income Taxes</b>	<b>624</b>	<b>611</b>
<b>Net Income</b>	<b>3,839,779</b>	<b>4,326,257</b>
<b>Retained Earnings at Beginning of Period</b>	<b>22,665</b>	<b>21,842</b>
<b>Retained Earnings at End of Period</b>	<b>3,862,444</b>	<b>4,348,100</b>

## (3) Statement of Change in Net Assets

The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)

(Yen in thousands)

	Unitholders' Equity				Valuation and Translation Adjustments		Total Net Assets
	Unitholders' capital	Surplus		Total Unitholders' Equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total Surplus				
Balance at the beginning of current period	109,285,298	3,352,625	3,352,625	112,637,924	1,946	1,946	112,639,871
Changes of items during the period							
Issuance of new investment units	17,230,303			17,230,303			17,230,303
Distributions of surplus		(3,329,960)	(3,329,960)	(3,329,960)			(3,329,960)
Net income		3,839,779	3,839,779	3,839,779			3,839,779
Changes of items during the period other than unitholders' equity (net)					(1,946)	(1,946)	(1,946)
Total changes of items during the period	17,230,303	509,819	509,819	17,740,122	(1,946)	(1,946)	17,738,175
Balance at the end of current Period	※ 1 126,515,601	3,862,444	3,862,444	130,378,046	—	—	130,378,046

The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)

(Yen in thousands)

	Unitholders' Equity				Total Net Assets
	Unitholders' capital	Surplus		Total Unitholders' Equity	
		Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at the beginning of current period	126,515,601	3,862,444	3,862,444	130,378,046	130,378,046
Changes of items during the period					
Distributions of surplus		(3,840,602)	(3,840,602)	(3,840,602)	(3,840,602)
Net income		4,326,257	4,326,257	4,326,257	4,326,257
Total changes of items during the period	—	485,655	485,655	485,655	485,655
Balance at the end of current Period	※ 1 126,515,601	4,348,100	4,348,100	130,863,702	130,863,702

(4) Statements of Cash Distribution

	The 13th Fiscal Period (from July 1, 2018 To December 31, 2018)	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)
	(Yen)	(Yen)
I Unappropriated retained earnings	3,862,444,951	4,348,100,448
II Cash distributions	3,840,602,480	4,326,976,810
(Cash distributions per unit)	(8,536)	(9,617)
III Retained earnings carried forward to the next period	21,842,471	21,123,638

Calculation method for cash distributions	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,840,602,480 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.</p> <p>Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 4,326,976,810 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.</p> <p>Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>
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## (5) Statements of Cash Flows

(Yen in thousands)

	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)
<b>Cash Flows from Operating Activities</b>		
Income before income taxes	3,840,403	4,326,869
Depreciation and amortization	907,332	947,836
Investment corporation bonds issuance expense depreciation	1,507	2,382
Loss on retirement of non-current	8,711	79
Loss on reduction of non-current assets	-	64,438
Investment unit issuance expenses	112,068	-
Interest income	(80)	(69)
Interest expense	355,388	362,803
(Increase) Decrease in tenant	(573)	(3,904)
(Increase) Decrease in prepaid	(62,178)	(6,123)
(Increase) Decrease in long-term	(347,845)	(15,776)
(Increase) Decrease in consumption taxes receivable	(496,617)	496,617
Increase (Decrease) in accrued consumption taxes	(40,897)	366,386
Increase (decrease) in accounts	66,208	163,400
Increase (decrease) in accrued	23,360	(5,421)
Increase (decrease) in advances	163,791	84,725
Decrease in property, plant and equipment in trust due to sale	-	6,619,520
Others, net	(650,001)	(20,992)
<b>Subtotal</b>	<b>3,880,575</b>	<b>13,382,772</b>
Interest income received	80	69
Interest expense paid	(348,587)	(364,769)
Income taxes refunded (paid)	8,178	975
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,540,247</b>	<b>13,019,048</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of investment properties other than leasehold rights	(234,960)	-
Payments for purchases of investment properties in trust other than leasehold rights in trust	(39,769,669)	(9,321,682)
Payments for purchases of intangible fixed assets	(1,251,662)	-
Payments for purchases of Intangible assets in trust	(848,737)	-
Proceeds from tenant security deposits	66,174	6,976
Payments of tenant security deposits	(1,020)	-
Proceeds from tenant security deposits in trust	1,263,566	514,486
Payments of tenant security deposits in trust	(353,565)	(572,118)
Payments of security deposits	(50)	-
Proceeds from refunds of investment securities	632,278	1,133
Payments for purchases of investment securities	-	(101,861)
Other payments	(1,244)	(1,244)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(40,498,889)</b>	<b>(9,474,311)</b>



(Yen in thousands)

	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)
<b>Cash Flows from Financing Activities</b>		
Proceeds from short-term debt	-	700,000
Repayments from short-term debt	(2,600,000)	-
Proceeds from long-term debt	33,400,000	9,970,000
Repayments of long-term debt	(12,300,000)	(10,970,000)
Proceeds from issuance of investment corporation bonds	1,483,660	986,286
Proceeds from issuance of investment units	17,118,234	-
Distributions paid	(3,335,053)	(3,840,003)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>33,766,841</b>	<b>(3,153,717)</b>
<b>Net Change in Cash and Cash</b>	<b>(3,191,800)</b>	<b>391,019</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>18,137,533</b>	<b>14,945,733</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>※ 1 14,945,733</b>	<b>※ 1 15,336,752</b>

(6) Notes to the Going Concern Assumption

None

(7) Summary of Significant Accounting Policies

1.Basis and Method of Valuation of Assets	<p>Securities</p> <p>Other securities</p> <p>Non-marketable securities</p> <p>The moving average method is employed as the cost method.</p> <p>A method in which the equivalent amount of the silent partnership is incorporated with the net amount is employed for equity interests in silent partnership.</p>								
2.Method of Depreciation of Non-Current Assets	<p>(1) Investment Properties Including Trust Assets</p> <p>Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:</p> <table> <tr> <td>Buildings in trust , Buildings</td><td>2-64 years</td></tr> <tr> <td>Structures in trust</td><td>2-45 years</td></tr> <tr> <td>Machinery and equipment in trust</td><td>10 years</td></tr> <tr> <td>Tools, furniture and fixtures in trust</td><td>2-15 years</td></tr> </table> <p>(2) Intangible assets</p> <p>Intangible assets are amortized using the straight-line method.</p> <p>(3) Long-Term Prepaid Expenses</p> <p>Long-term prepaid expenses are amortized using the straight-line method.</p>	Buildings in trust , Buildings	2-64 years	Structures in trust	2-45 years	Machinery and equipment in trust	10 years	Tools, furniture and fixtures in trust	2-15 years
Buildings in trust , Buildings	2-64 years								
Structures in trust	2-45 years								
Machinery and equipment in trust	10 years								
Tools, furniture and fixtures in trust	2-15 years								
3.Accounting Treatment for Deferred asset	<p>Investment corporation bond issuance costs</p> <p>Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.</p> <p>Investment Units Issuance Costs</p> <p>The issuance costs of new investment units are expensed when incurred.</p>								
4.Allowance for Doubtful Accounts Recognition	<p>Allowance for Doubtful Accounts</p> <p>Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating uncollectible amount based on the analysis of certain individual accounts that may not be uncollectable.</p>								
5.Revenue and Expense Recognition	<p>Real Estate Taxes</p> <p>Property-related taxes property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally changed to rental business expenses for the period, for the portion of such taxes corresponding to said period.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, NIPPON REIT included its pro rata property portion for the year in each property acquisition price and not as rental business expense.</p> <p>There was amount of property taxes included in acquisition costs for properties in the previous fiscal period. The amount of property taxes included in acquisition costs for properties acquired during the previous fiscal period under review was 75,889 thousand yen and the fiscal period under review was 21,341 thousand yen.</p>								
6. Method of Hedge Accounting	<p>(1) Method of Hedge Accounting</p> <p>Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedge items</p> <p>Hedging instruments: Interest rate swaps</p>								

	<p>Hedged items: Interest on borrowings</p> <p>(3) Hedging policy NIPPON REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy.</p> <p>(4) Method of assessing hedge effectiveness The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.</p>
7. Cash and Cash Equivalents as Stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash, demand deposits, and short-term investments that are liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.
8. Other Significant Matters Which Constitute the Basis for Preparation of Financial Statements	<p>(1) Accounting for Trust Beneficiary Interests in Real Estate For trust beneficial interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings. The following assets in trust are recognized and presented separately on the balance sheets.</p> <p>I. Cash and deposits in trust</p> <p>II. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, Construction in progress in trust and leasehold rights in trust</p> <p>III. Tenant security deposits in trust</p> <p>(2) Consumption Taxes Consumption taxes are excluded from transaction amounts. Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.</p>

(8) Notes to Financial Statements

(Notes to Balance Sheets)

*1 Reduction entry amount of tangible fixed assets received as governmental subsidy (Yen in thousands)		
	Prior Period (As of December 31, 2018)	Current Period (As of June 30, 2019)
Buildings in trust	198,024	262,462
*2 Reduction entry amount of tangible fixed assets acquired through exchanging (Yen in thousands)		
	Prior Period (As of December 31, 2018)	Current Period (As of June 30, 2019)
Lands in trust	416,596	416,596
*3. Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act (Yen in thousands)		
	Prior Period (As of December 31, 2018)	Current Period (As of June 30, 2019)
	50,000	50,000

## (Notes to Income Statements)

*1. Rental revenues and expenses	(Yen in thousands)			
	Prior Period from July 1, 2018 to December 31, 2018		Current Period from January 1, 2019 to June 30, 2019	
A. Revenues from property leasing:				
Rental revenues				
Base rents	6,340,589		6,483,174	
Common area charges	1,076,546		1,056,802	
Parking space rental revenues	261,311	7,678,447	258,459	7,798,437
Other revenues related to property leasing				
Utilities charge reimbursements	602,936		536,604	
Others	177,549	780,485	153,025	689,629
Total revenues from property leasing		8,458,932		8,488,066
B. Property-related expenses:				
Property-related expenses				
Property management fees	576,734		575,412	
Utility expenses	554,322		504,550	
Insurance expenses	8,365		8,382	
Repair expenses	182,114		242,616	
Taxes and dues	515,919		592,055	
Depreciation	907,332		947,836	
Loss on retirement of non-current assets	8,711		79	
Trust fees	30,050		30,958	
Others	255,668		266,418	
Total property-related expenses		3,039,219		3,168,309
C. Income from property leasing(A-B)		5,419,712		5,319,757

## \*2. Breakdown of Gain on sales of real estate properties

Prior Period (from July 1, 2018 to December 31, 2018)

None

Current Period (from January 1, 2019 to June 30, 2019)

(Yen in thousands)

## FORECAST Iidabashi

Revenue from transfer of real estate property	5,490,000
Cost of real estate property transferred	5,393,231
Other transfer expenses incurred	84,565
Gain on sales of real estate properties	12,203

## my atria Meieki

Revenue from transfer of real estate property	1,782,160
Cost of real estate property transferred	1,226,289
Other transfer expenses incurred	73,739
Gain on sales of real estate properties	482,130

## \*3. Breakdown of Subsidy income

Prior Period (from July 1, 2018 to December 31, 2018)

None

Current Period (from January 1, 2019 to June 30, 2019)

Subsidy income is received from Subsidies for countermeasures to control carbon dioxide emissions project etc.

in FY2018.

- \*4. Loss on reduction of non-current assets is the value directly deducted from acquired value, due to the acceptance of subsidies. The breakdown is as follows. (Yen in thousands)

	Prior Period from July 1, 2018 to December 31, 2018	Current Period from January 1, 2019 to June 30, 2019
Buildings in trust	–	64,438

(Notes to Statements of Change in Net Assets)

	Prior Period from July 1, 2018 to December 31, 2018	Current Period from January 1, 2019 to June 30, 2019
*1. Total number of investment units authorized and number of investment units issued and outstanding		
Number of investment units authorized	4,000,000 units	4,000,000 units
Number of investment units issued and outstanding	449,930 units	449,930 units

(Notes to Statements of Cash Flows)

	Prior Period from July 1, 2018 to December 31, 2018	Current Period from January 1, 2019 to June 30, 2019
*1. Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows (Yen in thousands)		
Cash and deposits	8,981,536	9,009,860
Cash and deposits in trust	5,964,196	6,326,892
Cash and cash equivalents	14,945,733	15,336,752

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues

	Prior Period (As of December 31, 2018)	Current Period (As of June 30, 2019)
		(Yen in thousands)
Due within one year	608,367	706,427
Due after one year	1,431,026	1,953,748
Total	2,039,393	2,660,176

(Notes to Financial Instruments)

1. Quantitative Information for Financial Instruments

(1) Policy for Financial Instruments Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

(2) Nature and Extent of Risks arising from Financial Instruments

Proceeds from borrowings and investment corporation bonds are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings and investment corporation bonds are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT's surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

(3) Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions, and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates.

Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of the end of current fiscal period, NIPPON REIT had a derivatives (interest rate swap) as hedging instrument for the purpose of fixing the interest rate of floating-rate loans to avoid the interest volatility risk. The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.

Credit risk concerning bank deposits is managed by diversifying the depositing financial institutions.

(4) Supplemental Explanation regarding Fair Value of Financial Instruments

The fair value of financial instruments is based on their quoted market price. When there is no observable market price available, fair value is based on a price that may be reasonably estimated. Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

## 2. Fair Value of Financial Instruments

Book value, fair value and difference between the two as of December 31, 2018 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	8,981,536	8,981,536	—
(2)Cash and deposits in trust	5,964,196	5,964,196	—
Total assets	14,945,733	14,945,733	—
(3)Short-term debt	—	—	—
(4)Long-term debt due within one year	21,970,000	21,977,143	7,143
(5)Investment corporation bonds	3,500,000	3,494,800	(5,200)
(6)Long-term debt	100,700,000	100,515,130	(184,869)
Total liabilities	126,170,000	125,987,074	(182,925)
(7)Derivative transactions	—	—	—

Book value, fair value and difference between the two as of June 30, 2019 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	9,009,860	9,009,860	—
(2)Cash and deposits in trust	6,326,892	6,326,892	—
Total assets	15,336,752	15,336,752	—
(3)Short-term debt	700,000	700,000	—
(4)Long-term debt due within one year	20,500,000	20,519,933	19,933
(5)Investment corporation bonds	4,500,000	4,532,050	32,050
(6)Long-term debt	101,170,000	101,401,962	231,962
Total liabilities	126,870,000	127,153,946	283,946
(7)Derivative transactions	—	—	—

(Note 1) Methods used to estimate the fair value of financial instruments and derivative transactions

(1) Cash and deposits, (2) Cash and deposits in trust and (3)Short-term debt

Due to the short maturities, the book value of these assets or liabilities is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(4) Long-term debt due within one year and (6) Long-term debt

For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. For long-term debt with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(5) Investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

(7) Derivative transactions

Please refer to "(Derivative Transactions)" below.

(Note 2) Financial instruments whose fair values are deemed extremely difficult to determine are as follows:

The fair value of both of tenant security deposit (Book value: 65,153 thousand yen in previous period and 72,129 thousand yen in current period) and tenant security deposits in trust (Book value: 8,766,512 thousand yen in previous period and 8,908,858 thousand yen in current period) is not disclosed because these deposits do not have a readily available market price, and it is difficult to estimate a period as to when these deposits will be returned. Although the tenant agreements stipulate a tenancy period, the historical analysis of actual tenancy periods do not indicate any pattern of tenancy period due to their unique nature as early termination or renewal/re-contract of tenancy agreements is possible, which makes it impracticable to reasonably estimate the future cash flows.

The fair value of investment securities (Book value: 102,041 thousand yen in current period) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Note 3) Redemption schedule for monetary claims

Prior Period (December 31, 2018)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	8,981,536	-	-	-	-	-
Cash and deposits in trust	5,964,196	-	-	-	-	-
Total	14,945,733	-	-	-	-	-

Current Period (June 30, 2019)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	9,009,860	-	-	-	-	-
Cash and deposits in trust	6,326,892	-	-	-	-	-
Total	15,336,752	-	-	-	-	-

(Note4) Redemption schedule for short-term debt, long-term debt, and investment corporation bonds

Prior Period (December 31, 2018)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	—	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,500,000
Long-term debt	21,970,000	20,500,000	18,500,000	7,000,000	16,000,000	38,700,000
Total	21,970,000	20,500,000	18,500,000	7,000,000	16,000,000	42,200,000

Current Period (June 30, 2019)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	700,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	4,500,000
Long-term debt	20,500,000	19,500,000	13,320,000	13,100,000	16,500,000	38,750,000
Total	21,200,000	19,500,000	13,320,000	13,100,000	16,500,000	43,250,000

(Notes to Investment Securities)

Prior Period (As of December 31, 2018)

None

Current Period (As of June 30, 2019)

The fair value of Equity interests in silent partnerships (Book value: 102,041 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.



(Notes to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied:

Prior Period (December 31, 2018)

None

Current Period (June 30, 2019)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (December 31, 2018)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	111,100,000	90,200,000	Note	—
	Total		111,100,000	90,200,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in “(4) Long-term debt due within one year and (6) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments” above.

Current Period (June 30, 2019)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	111,170,000	100,170,000	Note	—
	Total		111,170,000	100,170,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in “(4) Long-term debt due within one year and (6) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments” above.

(Note on Employee Retirement Benefits)

Prior period (December 31, 2018)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

Current period (June 30, 2019)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

(Notes to Deferred Tax Accounting)

1. The significant components of deferred tax assets and liabilities:

	(Yen in thousands)	
	Prior Period (As of December 31, 2018)	Current Period (As of June 30, 2019)
Deferred tax assets:		
Accrued enterprise tax	0	0
Allowance for doubtful accounts	0	0
Total deferred tax assets	0	0
Net deferred tax assets	0	0

2. Breakdown of main items causing significant difference between statutory income tax rate and NIPPON REIT's effective tax rate

	Prior Period (As of December 31, 2018)	Current Period (As of June 30, 2019)
Statutory tax rate	31.51%	31.51%
(Adjustments)		
Deductible cash distributions	(31.51%)	(31.51%)
Per capita inhabitant taxes	0.02%	0.01%
Others	0.00%	0.00%
Effective tax rate	0.02%	0.01%

(Notes to Equity in Income)

Prior Period (from July 1, 2018 to December 31, 2018)

Not applicable as there are no affiliated companies of NIPPON REIT.

Current Period (from January 1, 2019 to June 30, 2019)

Not applicable as there are no affiliated companies of NIPPON REIT.

(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

Prior Period (from July 1, 2018 to December 31, 2018)

None

Current Period (from January 1, 2019 to June 30, 2019)

None

(2) Affiliates

Prior Period (from July 1, 2018 to December 31, 2018)

None

Current Period (from January 1, 2019 to June 30, 2019)

None

(3) Companies under common control

Prior Period (from July 1, 2018 to December 31, 2018)

None

Current Period (from January 1, 2019 to June 30, 2019)

None

(4) Board of Officers and major individual unitholders

Prior Period (from July 1, 2018 to December 31, 2018)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	902,812	Accrued expenses	171,896

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

Current Period (from January 1, 2019 to June 30, 2019)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	774,838	Accrued expenses	168,941

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

(Notes to Asset Retirement Obligation)

Prior Period (from July 1, 2018 to December 31, 2018)

None

Current Period (from January 1, 2019 to June 30, 2019)

None

(Notes to Investment Properties)

The book value, net changes in the book value and the fair value of the investment properties such as office, residential and retail properties (including the land, etc.) owned by NIPPON REIT were as follows:

(Yen in thousands)

	Prior Period from July 1, 2018 to December 31, 2018	Current Period from January 1, 2019 to June 30, 2019
Book value		
Balance at beginning of period	210,475,599	251,954,190
Change during period	41,478,591	1,089,289
Balance at end of period	251,954,190	253,043,479
Fair value	279,348,000	287,593,000

(Note 1) Amounts recorded in the balance sheet are figures in which accumulated depreciation is deducted from the acquisition costs.

(Note 2) Amounts recorded in the balance sheet include the amount of leasehold rights and leasehold rights in trust, and exclude construction in progress in trust.

(Note 3) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to income from newly acquired 21 properties such as Primegate Iidabashi etc. (total 40,911,158 thousand yen), and a main reason of the decrease was due to the depreciation recorded.

(Note 4) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to acquisition of 5 properties such as Kameido i-Mark Building etc. (total 8,160,448 thousand yen), and a main reason of the decrease was due to transfer of 2 properties such as FORECAST Iidabashi (total 6,619,520 thousand yen)

(Note 5) The fair value is determined based on appraisal values provided by external real estate appraisers.

Profit and loss associated with real estate for rental purposes is as stated in "Notes to Income Statements."

(Segment and Related Information)

(Segment Information)

Segment information is omitted as NIPPON REIT has one segment, which is property-leasing business.

(Related Information)

Prior Period (from July 1, 2018 to December 31, 2018)

1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

2. Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Current Period (from January 1, 2019 to June 30, 2019)

1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service

category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

## 2. Information by Geographic Areas

### (1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

### (2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

## 3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

### (Notes to Per Unit Information)

	Prior Period from July 1, 2018 to December 31, 2018	Current Period from January 1, 2019 to June 30, 2019
Net assets per unit	289,774 yen	290,853 yen
Net income per unit	8,546 yen	9,615 yen

(Note 1) Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units. Net income per unit after adjustment for residual units is not indicated because there were no residual investment units.

(Note 2) The base for the calculation of net income per unit is as follows.

	Prior Period from July 1, 2018 to December 31, 2018	Current Period from January 1, 2019 to June 30, 2019
Net income (Yen in thousands)	3,839,779	4,326,257
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	3,839,779	4,326,257
Weighted average number of units outstanding (units)	449,282	449,930

### (Notes to Significant Subsequent Events)

None

(9) Changes in Total Number of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and total unitholders' equity for recent 5 years to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' equity (Yen in millions) (Note 1)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
February 10, 2015	Public offering	145,000	296,810	46,137	83,057	(Note 2)
March 10, 2015	Issuance of new investment units through third-party allotment	7,250	304,060	2,306	85,364	(Note 3)
July 1, 2015	Public offering	84,000	388,060	22,911	108,276	(Note 4)
July 28, 2015	Issuance of new investment units through third-party allotment	3,700	391,760	1,009	109,285	(Note 5)
July 2, 2018	Public offering	55,400	447,160	16,409	125,695	(Note 6)
July 24, 2018	Issuance of new investment units through third-party allotment	2,770	449,930	820	126,515	(Note 7)

(Note 1) Total unitholders' equity is truncated to the nearest million yen.

(Note 2) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 330,037 yen (issue price of 318,189 yen) per unit.

(Note 3) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 318,189 yen per unit.

(Note 4) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 282,918 yen (issue price of 272,761 yen) per unit.

(Note 5) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 272,761 yen per unit.

(Note 6) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 307,235 yen (issue price of 296,206 yen) per unit.

(Note 7) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 296,206 yen per unit.

### 3. Reference Information

#### (1) Status of Value of Investment Assets

##### A. Status of Investment

Type of assets	Property type	Area	Prior period (as of December 31, 2018)		Current period (as of June 30, 2019)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 4)	1,483	0.6	1,480	0.5
total			1,483	0.6	1,480	0.5
Real estate in trust (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	138,562	51.5	135,054	50.0
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	57,828	21.5	60,279	22.3
		Subtotal	196,391	73.0	195,334	72.3
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	41,607	15.5	43,815	16.2
		Certain ordinance-designated and other cities (Note 6)	2,168	0.8	2,151	0.8
		Subtotal	43,775	16.3	45,967	17.0
	Retail Properties	—	10,303	3.8	10,261	3.8
Total			250,470	93.1	251,562	93.1
Investment securities (Note 7)			-	-	102	0.0
Deposits and other assets			17,192	6.4	17,123	6.3
Total assets			269,146	100.0	270,269	100.0

(Note 1) Total amount held represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust and real estate, book value less depreciation) and truncated to the nearest million yen.

(Note 2) Percentage to total assets represents the percentage of the amount of respective asset recorded on the balance sheet to total assets. Figures are rounded to the first decimal place and may not add up to subtotals or total.

(Note 3) Real estate in trust excludes construction in progress in trust.

(Note 4) The "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 5) The "Three major metropolitan areas" refers to the Tokyo economic area, the Osaka economic area and the Nagoya economic area. The "Tokyo economic area" refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture. The "Osaka economic area" refers to Osaka prefecture, Kyoto prefecture and Hyogo prefecture. The Nagoya economic area refers to Aichi prefecture, Gifu prefecture and Mie prefecture.

(Note 6) "Certain ordinance-designated and other cities" refers to Japanese cities that have been designated as ordinance-designated cities by an order of the cabinet under the Local Autonomy Law of Japan and that are located outside of the Three major metropolitan areas (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and to prefectural capitals that are located outside of the three major metropolitan areas.

(Note 7) Investment securities is not applicable for prior period, and represents the equity interest in silent partnerships of Godo Kaisha NRT Growth 14 and Godo Kaisha NRT Growth 15 as operators respectively for current period.

## B. Investment Assets

### I. Major investment securities

(as of June 30, 2019)

Type	Name	Quantity (Unit)	Book value (Yen in millions) (Note 1)	Fair value (Yen in millions) (Note 1) (Note 2)	Percentage to total asset (%) (Note 3)	Note
Equity interest in a silent partnership	Godo Kaisha NRT Growth 14 Equity interest in silent partnership	—	50	50	0.0	(Note4)
Equity interest in a silent partnership	Godo Kaisha NRT Growth 15 subordinated Equity interest in silent partnership	—	51	51	0.0	(Note5)
Total		—	102	102	0.0	

(Note 1) Book value and Fair value are truncated to the nearest million yen.

(Note 2) Book value is used as the fair value equivalent.

(Note 3) Percentage to total asset represents the percentage of the amount of respective assets recorded on the balance sheet and rounded to the first decimal place.

(Note 4) The asset under management is trust beneficiary interests in real estate of TENSHO OFFICE SHINBASHI 5 and tanosio shin-yokohama.

(Note 5) The asset under management is trust beneficiary interests in real estate of Tsukiji Front, Hatchobori River Gate, DeLCCS KASAI, Serenite Shin-Osaka and Mullion Josai.

### II. Investment Properties

Collectively indicated in "III. Other Major Investment Assets" hereinafter described.



### III. Other Major Investment Assets

#### (i) Summary of real estate in trust

The summary of real estate and real estate in trust held by NIPPON REIT as of June 30, 2019 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku ward, Tokyo	1,945.68	2,260	0.9
A-2	Nihombashi Playa Building	Office property	Chuo ward, Tokyo	2,490.08	2,130	0.9
A-3	FORECAST Yotsuya	Office property	Shinjuku ward, Tokyo	1,678.15	1,430	0.6
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku ward, Tokyo	4,337.15	6,500	2.6
A-5	FORECAST Ichigaya (Note 4)	Office property	Shinjuku ward, Tokyo	3,844.66	4,800	1.9
A-6	FORECAST Mita	Office property	Minato ward, Tokyo	1,786.18	1,800	0.7
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku ward, Tokyo	13,875.04	13,990	5.6
A-8	FORECAST Sakurabashi	Office property	Chuo ward, Tokyo	6,566.76	5,760	2.3
A-9	GreenOak Kayabacho	Office property	Chuo ward, Tokyo	2,995.35	2,860	1.1
A-10	GreenOak Kudan	Office property	Chiyoda ward, Tokyo	2,594.46	2,780	1.1
A-11	GreenOak Takanawadai	Office property	Minato ward, Tokyo	2,621.74	2,260	0.9
A-13	Higashi Ikebukuro Center Building	Office property	Toshima ward, Tokyo	4,219.65	2,520	1.0
A-14	Central Daikanyama	Office property	Shibuya ward, Tokyo	1,898.83	3,510	1.4
A-16	Hiroo Reeplex B's	Office property	Minato ward, Tokyo	1,500.85	2,827	1.1
A-17	Shibakoen Sanchome Building	Office property	Minato ward, Tokyo	7,882.60	7,396	3.0
A-19	Kudankita 325 Building	Office property	Chiyoda ward, Tokyo	2,003.60	1,850	0.7
A-20	FORECAST Uchikanda	Office property	Chiyoda ward, Tokyo	1,230.44	1,240	0.5
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda ward, Tokyo	3,447.16	2,810	1.1
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda ward, Tokyo	3,056.56	2,640	1.1
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda ward, Tokyo	3,064.20	2,100	0.8
A-24	Pigeon Building	Office property	Chuo ward, Tokyo	3,022.25	2,837	1.1
A-25	FORECAST Ningyocho	Office property	Chuo ward, T Okyo	2,277.62	2,070	0.8
A-26	FORECAST Ningyocho PLACE	Office property	Chuo ward, Tokyo	1,867.95	1,650	0.7
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo ward, Tokyo	1,808.65	2,030	0.8
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku ward, Tokyo	2,479.80	2,207	0.9
A-29	Iidabashi Reeplex B's	Office property	Shinjuku ward, Tokyo	1,401.68	1,249	0.5
A-30	FORECAST Shinagawa	Office property	Shinagawa ward, Tokyo	2,276.36	2,300	0.9
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa ward, Tokyo	2,999.68	2,210	0.9
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa ward, Tokyo	2,939.16	2,033	0.8
A-33	FORECAST Takadanobaba	Office property	Toshima ward, Tokyo	5,661.49	5,550	2.2

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-34	Mejiro NT Building	Office property	Toshima ward, Tokyo	4,497.27	3,094	1.2
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima ward, Tokyo	1,645.18	979	0.4
A-36	Mitsui Woody Building	Office property	Koto ward, Tokyo	4,006.20	2,475	1.0
A-37	Itabashi Honcho Building	Office property	Itabashi ward, Tokyo	6,356.89	3,146	1.3
A-38	ANTEX24 Building	Office property	Taito ward, Tokyo	2,267.59	1,691	0.7
A-39	Itohpia Kiyosubashidori Building	Office property	Taito ward, Tokyo	2,651.27	1,550	0.6
A-40	East Side Building	Office property	Taito ward, Tokyo	2,096.92	1,372	0.6
A-41	I・S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	0.9
A-42	Sunworld Building	Office property	Osaka, Osaka	3,012.86	1,200	0.5
A-43	Marunouchi Sancho Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.7
A-44	MK Kojimachi Building	Office property	Chiyoda ward, Tokyo	1,761.60	1,781	0.7
A-45	Toranomon Sakura Building	Office property	Minato ward, Tokyo	3,049.79	4,120	1.7
A-46	La Verite AKASAKA	Office property	Minato ward, Tokyo	1,707.18	2,000	0.8
A-47	Kanda Ocean Building	Office property	Chiyoda ward, Tokyo	1,484.74	1,440	0.6
A-48	Shinto GINZA EAST	Office property	Chuo ward, Tokyo	1,206.28	1,352	0.5
A-49	FORECAST Kayabacho	Office property	Chuo ward, Tokyo	3,882.61	3,000	1.2
A-50	FORECAST Waseda FIRST	Office property	Shinjuku ward, Tokyo	4,340.66	4,775	1.9
A-51	FORECAST Gotanda WEST	Office property	Shinagawa ward, Tokyo	8,981.55	6,520	2.6
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	6.3
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,106.77	2,850	1.1
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,857.58	2,840	1.1
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,280.75	2,520	1.0
A-56	Homat Horizon Building	Office property	Chiyoda ward, Tokyo	6,077.01	6,705	2.7
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	3,630.88	1,390	0.6
A-58	Towa Kandanishikicho Building	Office property	Chiyoda ward, Tokyo	1,324.07	960	0.4
A-59	Yusen Higashi-Nihombashi Ekimae Building	Office property	Chuo ward, Tokyo	1,620.54	1,152	0.5
A-60	Hiroo On Building	Office property	Shibuya ward, Tokyo	2,248.59	2,392	1.0
A-61	TK Gotanda Building	Office property	Shinagawa ward, Tokyo	3,719.98	4,130	1.7
A-62	Gotanda Sakura Building (Note 5)	Office property	Shinagawa ward, Tokyo	1,501.86	1,460	0.6
A-63	Esprit Kameido	Office property	Koto ward, Tokyo	2,010.81	1,265	0.5
A-64	Alte Building Higobashi	Office property	Osaka, Osaka	3,482.92	1,453	0.6
A-65	DIA Building Meieki	Office property	Nagoya, Aichi	1,781.72	1,167	0.5

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-66	TENSHO OCHANOMIZU BUILDING	Office property	Chiyoda ward, Tokyo	1,252.89	1,800	0.7
A-67	Kameido i-Mark Building	Office property	Koto ward, Tokyo	3,091.52	2,580	1.0
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa ward, Tokyo	16,913.29	11,880	4.8
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.6
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.4
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.3
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.3
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.3
B-8	Kanda Reeplex R's	Residential property	Chiyoda ward, Tokyo	2,180.93	1,813	0.7
B-9	Splendid Namba	Residential property	Osaka, Osaka	6,212.36	3,502	1.4
B-10	Residence Hiroo	Residential property	Minato ward, Tokyo	1,983.15	2,590	1.0
B-11	Residence Nihombashi Hakozaki	Residential property	Chuo ward, Tokyo	1,449.00	1,300	0.5
B-12	Primegate Iidabashi (Note6)	Residential property	Shinjuku ward, Tokyo	6,055.81	5,200	2.1
B-13	Residence Edogawabashi	Residential property	Shinjuku ward, Tokyo	1,246.42	1,230	0.5
B-14	Merveille Senzoku	Residential property	Ota ward, Tokyo	838.54	740	0.3
B-15	Field Avenue (Note7)	Residential property	Ota ward, Tokyo	3,092.63	3,110	1.2
B-16	Domeal Kitaakabane	Residential property	Kita ward, Tokyo	1,697.11	785	0.3
B-17	Dormy Kitaakabane	Residential property	Kita ward, Tokyo	2,471.42	986	0.4
B-18	Splendid Shin-OsakaⅢ	Residential property	Osaka, Osaka	4,299.12	2,428	1.0
B-19	ZEPHYROS Minami-horie	Residential property	Osaka, Osaka	2,826.73	1,608	0.6
B-20	Charmant Fuji Osakajominami	Residential property	Osaka, Osaka	1,512.00	905	0.4
B-21	Piacere Fuminosato	Residential property	Osaka, Osaka	1,374.08	571	0.2
B-22	Wald Park Minamioi	Residential property	Shinagawa Ward, Tokyo	750.12	715	0.3
B-23	LAPUTA KUJO	Residential property	Osaka, Osaka	3,359.38	1,480	0.6
B-24	Imazaki Mansion N1	Residential property	Higashiosaka, Osaka	2,658.85	1,180	0.5
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku ward, Tokyo	1,383.31	3,350	1.3
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	0.8
C-3	BECOME SAKAE	Retail property	Nagoya, Aichi	4,615.66	4,770	1.9
	Total			310,783.33	249,243	100.0

(Note 1) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers leasable based on relevant lease agreements or floor plans. The same shall apply hereinafter.

(Note 2) "Acquisition price" does not include consumption taxes, local consumption taxes and acquisition-related expenses. Figures have been truncated to the nearest million yen. The same shall apply hereinafter

(Note 3) "Investment ratio" is the percentage of the acquisition price of the relevant property to total acquisition price. Figures have been rounded to the first decimal place and may not add up to total.

(Note 4) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named

"FORECAST Ichigaya". The same shall apply hereinafter.

(Note 5) The property of A-62 is held as real estate in kind besides all other properties are real estate beneficiary interests in trust.

(Note 6) Part of the building (1F to 4F) is named "S&S Building" as an office/retail store. However, "Primegate Iidabashi" includes the office area thereof. The same applies hereinafter.

(Note 7) This property includes a separate building, which is structurally independent from the main building, and these two buildings are counted as one property. The same applies hereinafter.

## (ii) Summary of the leasing status

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-1	FORECAST Nishishinjuku	1,945.68	1,945.68	100.0	17	163
A-2	Nihombashi Playa Building	2,490.08	2,490.08	100.0	2	165
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	104
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	6	381
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	276
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	113
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,875.04	100.0	18	1,097
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	5	390
A-9	GreenOak Kayabacho	2,995.35	2,995.35	100.0	8	182
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	3	188
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	153
A-13	Higashi Ikebukuro Center Building	4,219.65	4,219.65	100.0	6	217
A-14	Central Daikanyama	1,898.83	1,898.83	100.0	3	163
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	151
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	420
A-19	Kudankita 325 Building	2,003.60	2,003.60	100.0	8	110
A-20	FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	70
A-21	Itohpia Iwamotocho 2-chome Building	3,447.16	3,447.16	100.0	10	176
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	158
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	147
A-24	Pigeon Building	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	FORECAST Ningyocho	2,277.62	2,277.62	100.0	6	113
A-26	FORECAST Ningyocho PLACE	1,867.95	1,867.95	100.0	7	107
A-27	FORECAST Shin-Tokiwabashi	1,808.65	1,808.65	100.0	10	105
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	131
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	72
A-30	FORECAST Shinagawa	2,276.36	2,276.36	100.0	6	124
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	146
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	7	132
A-33	FORECAST Takadanobaba	5,661.49	5,661.49	100.0	7	308
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	203
A-35	Toshin Higashi-Ikebukuro Building	1,645.18	1,645.18	100.0	3	71
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	163
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	7	92
A-39	Itohpia Kiyosubashidori Building	2,651.27	2,651.27	100.0	8	118

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-40	East Side Building	2,096.92	2,096.92	100.0	4	92
A-41	I・S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	168
A-42	Sunworld Building	3,012.86	3,012.86	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sanchome Building	4,219.19	4,219.19	100.0	22	129
A-44	MK Kojimachi Building	1,761.60	1,761.60	100.0	9	111
A-45	Toranomon Sakura Building	3,049.79	3,049.79	100.0	12	219
A-46	La Verite AKASAKA	1,707.18	1,707.18	100.0	7	116
A-47	Kanda Ocean Building	1,484.74	1,484.74	100.0	24	93
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	72
A-49	FORECAST Kayabacho	3,882.61	3,882.61	100.0	14	160
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	248
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	453
A-52	Omiya Center Building	14,311.77	14,069.45	98.3	26	956
A-53	SumitomoMitsui Bank Koraibashi Building	5,106.77	5,106.77	100.0	27	206
A-54	NORE Fushimi	3,857.58	3,857.58	100.0	7	172
A-55	NORE Meieki	4,280.75	4,280.75	100.0	20	185
A-56	Homat Horizon Building	6,077.01	6,077.01	100.0	10	386
A-57	Sannomiya First Building	3,630.88	3,630.88	100.0	24	115
A-58	Towa Kandanishikicho Building	1,324.07	1,324.07	100.0	5	62
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,620.54	1,620.54	100.0	8	69
A-60	Hiroo On Building	2,248.59	2,248.59	100.0	3	129
A-61	TK Gotanda Building	3,719.98	3,719.98	100.0	8	195
A-62	Gotanda Sakura Building	1,501.86	1,501.86	100.0	10	94
A-63	Esprit Kameido	2,010.81	1,220.21	60.7	7	48
A-64	Alte Building Higobashi	3,482.92	3,482.92	100.0	11	111
A-65	DIA Building Meieki	1,781.72	1,781.72	100.0	10	76
A-66	TENSHO OCHANOMIZU BUILDING	1,252.89	1,252.89	100.0	1	Not disclosed (Note 6)
A-67	Kameido i-Mark Building	3,091.52	3,091.52	100.0	5	160
B-1	Tower Court Kitashinagawa	16,913.29	16,503.97	97.6	272	773
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-4	my atria Sakae	3,121.60	3,121.60	100.0	1	72
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	52
B-6	Seam Dwell Tsutsui	1,800.00	1,800.00	100.0	1	45
B-7	Ciel Yakuin	1,544.87	1,354.73	87.7	39	36
B-8	Kanda Reeplex R's	2,180.93	2,180.93	100.0	41	106
B-9	Splendid Namba	6,212.36	6,023.12	97.0	244	223
B-10	Residence Hiroo	1,983.15	1,947.21	98.2	53	120
B-11	Residence Nihombashi Hakozaiki	1,449.00	1,449.00	100.0	1	Not disclosed (Note 6)

Property Number	Property name	Total leasable area (m <sup>2</sup> )	Total leased area (m <sup>2</sup> ) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
B-12	Primegate Iidabashi	6,055.81	5,984.78	98.8	65	252
B-13	Residence Edogawabashi	1,246.42	1,216.00	97.6	36	59
B-14	Merveille Senzoku	838.54	838.54	100.0	28	37
B-15	Field Avenue	3,092.63	3,092.63	100.0	57	139
B-16	Domeal Kitaakabane	1,697.11	1,697.11	100.0	1	Not disclosed (Note 6)
B-17	Dormy Kitaakabane	2,471.42	2,471.42	100.0	1	Not disclosed (Note 6)
B-18	Splendid Shin-OsakaⅢ	4,299.12	4,178.63	97.2	150	144
B-19	ZEPHYROS Minami-horie	2,826.73	2,826.73	100.0	72	94
B-20	Charmant Fuji Osakajominami	1,512.00	1,512.00	100.0	63	49
B-21	Piacere Fuminosato	1,374.08	1,319.60	96.0	42	33
B-22	Wald Park Minamioi	750.12	750.12	100.0	29	34
B-23	LAPUTA KUJO	3,359.38	3,359.38	100.0	62	84
B-24	Imazaki Mansion N1	2,658.85	2,550.79	95.9	130	76
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	9	163
C-2	Komyoike Act	6,173.41	6,173.41	100.0	27	175
C-3	BECOME SAKAE	4,615.66	4,090.58	88.6	10	210
	Total	310,783.33	308,016.21	99.1	2,023	15,358

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements for respective properties as of June 30, 2019. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2019.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2019, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of June 30, 2019, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sub-lessee who is entrusted as property manager and pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of June 30, 2019. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of June 30, 2019. Figures have been truncated to the nearest million yen and may not add up to total.

(Note 5) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(Note 6) This information is not disclosed as sub-lessee's consent to disclosure has not been obtained.

## (iii) Summary on Appraisal Report (As of June 30, 2019)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,141	3,090	3,130	3.9%	3,040	3.5%	4.1%
A-2	Nihombashi Playa Building	2,130	2,018	2,480	2,520	4.4%	2,440	4.2%	4.6%
A-3	FORECAST Yotsuya	1,430	1,373	1,940	1,970	3.9%	1,910	3.7%	4.1%
A-4	FORECAST Shinjuku AVENUE	6,500	6,238	8,060	8,200	3.5%	7,920	3.3%	3.7%
A-5	FORECAST Ichigaya	4,800	4,532	6,010	6,120	3.6%	5,900	3.4%	3.8%
A-6	FORECAST Mita	1,800	1,736	2,360	2,400	3.8%	2,310	3.6%	4.0%
A-7	FORECAST Shinjuku SOUTH	13,990	14,823	17,800	18,000	3.5%	17,500	3.2%	3.7%
A-8	FORECAST Sakurabashi	5,760	6,029	6,570	6,640	4.1%	6,490	3.9%	4.3%
A-9	GreenOak Kayabacho	2,860	2,997	3,430	3,480	3.9%	3,370	3.7%	4.1%
A-10	GreenOak Kudan	2,780	2,901	3,500	3,550	3.7%	3,450	3.5%	3.9%
A-11	GreenOak Takanawadai	2,260	2,200	2,670	2,690	4.1%	2,640	3.9%	4.3%
A-13	Higashi Ikebukuro Center Building	2,520	2,689	2,970	2,990	4.6%	2,950	4.4%	4.8%
A-14	Central Daikanyama	3,510	3,670	3,810	3,880	3.6%	3,730	3.4%	3.8%
A-16	Hiroo Reeplex B's	2,827	2,865	3,360	3,420	3.9%	3,300	3.7%	4.1%
A-17	Shibakoen Sanchome Building	7,396	7,407	9,690	10,000	3.7%	9,550	3.5%	3.9%
A-19	Kudankita 325 Building	1,850	1,940	2,150	2,190	3.7%	2,110	3.5%	3.9%
A-20	FORECAST Uchikanda	1,240	1,287	1,340	1,360	3.9%	1,310	3.7%	4.1%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,895	3,200	3,250	4.1%	3,150	3.9%	4.3%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,768	2,890	2,930	4.1%	2,850	3.9%	4.3%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,242	2,520	2,550	4.1%	2,480	3.9%	4.3%
A-24	Pigeon Building	2,837	2,942	2,980	3,020	4.1%	2,930	3.9%	4.3%
A-25	FORECAST Ningyocho	2,070	2,135	2,110	2,140	4.2%	2,070	4.0%	4.4%
A-26	FORECAST Ningyocho PLACE	1,650	1,651	2,020	2,040	4.0%	1,990	3.8%	4.2%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,117	2,150	2,160	4.2%	2,140	3.9%	4.3%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,238	2,510	2,540	4.1%	2,470	3.9%	4.3%
A-29	Iidabashi Reeplex B's	1,249	1,297	1,500	1,520	3.7%	1,470	3.5%	3.9%
A-30	FORECAST Shinagawa	2,300	2,390	2,370	2,400	4.0%	2,330	3.8%	4.2%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,284	2,660	2,680	4.0%	2,630	3.8%	4.2%
A-32	Towa Higashi-Gotanda Building	2,033	2,071	2,400	2,430	4.0%	2,360	3.8%	4.2%
A-33	FORECAST Takadanobaba	5,550	5,895	5,990	6,080	4.3%	5,890	4.1%	4.5%
A-34	Mejiro NT Building	3,094	3,090	3,650	3,690	4.4%	3,600	4.2%	4.6%
A-35	Toshin Higashi-Ikebukuro Building	979	991	1,110	1,120	4.6%	1,100	4.4%	4.8%
A-36	Mitsui Woody Building	2,475	2,687	2,690	2,700	4.6%	2,680	4.3%	4.7%
A-37	Itabashi Honcho Building	3,146	3,105	3,560	3,600	4.6%	3,520	4.3%	4.8%



Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-38	ANTEX24 Building	1,691	1,777	1,830	1,830	4.4%	1,820	4.1%	4.5%
A-39	Itohpia Kiyosubashidori Building	1,550	1,651	1,920	1,930	4.5%	1,900	4.2%	4.7%
A-40	East Side Building	1,372	1,383	1,590	1,610	4.5%	1,560	4.3%	4.7%
A-41	I・S Minamimorimachi Building	2,258	2,315	2,710	2,740	4.4%	2,680	4.2%	4.6%
A-42	Sunworld Building	1,200	1,284	1,300	1,310	4.6%	1,280	4.4%	4.8%
A-43	Marunouchi Sanchome Building	1,626	1,672	2,010	2,030	4.5%	1,980	4.3%	4.7%
A-44	MK Kojimachi Building	1,781	1,810	2,180	2,220	3.5%	2,140	3.3%	3.7%
A-45	Toranomon Sakura Building	4,120	4,282	4,610	4,650	3.4%	4,570	3.1%	3.5%
A-46	La Verite AKASAKA	2,000	2,145	2,380	2,420	3.6%	2,340	3.4%	3.8%
A-47	Kanda Ocean Building	1,440	1,463	1,690	1,720	3.9%	1,660	3.7%	4.1%
A-48	Shinto GINZA EAST	1,352	1,354	1,470	1,490	3.8%	1,440	3.6%	4.0%
A-49	FORECAST Kayabacho	3,000	3,117	3,170	3,180	4.2%	3,160	3.9%	4.3%
A-50	FORECAST Waseda FIRST	4,775	4,817	4,970	5,060	3.9%	4,880	3.7%	4.1%
A-51	FORECAST Gotanda WEST	6,520	7,420	7,840	7,990	4.0%	7,680	3.8%	4.2%
A-52	Omiya Center Building	15,585	15,444	19,800	20,100	4.2%	19,500	4.0%	4.4%
A-53	Sumitomo Mitsui BankKoraibashi Building	2,850	3,004	3,380	3,420	4.4%	3,340	4.2%	4.6%
A-54	NORE Fushimi	2,840	2,735	3,330	3,370	4.3%	3,290	4.1%	4.5%
A-55	NORE Meieki	2,520	2,441	3,020	3,050	4.4%	2,980	4.2%	4.6%
A-56	Homat Horizon Building	6,705	6,662	7,480	7,620	3.6%	7,330	3.4%	3.8%
A-57	Sannomiya First Building	1,390	1,476	1,600	1,620	5.0%	1,580	4.8%	5.2%
A-58	Towa Kandanishikicho Building	960	971	1,020	1,030	4.4%	1,010	3.5%	4.4%
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,168	1,230	1,240	4.3%	1,220	4.0%	4.4%
A-60	Hiroo On Building	2,392	2,419	2,630	2,670	4.0%	2,580	3.8%	4.2%
A-61	TK Gotanda Building	4,130	4,344	4,300	4,340	4.0%	4,250	3.6%	4.0%
A-62	Gotanda Sakura Building	1,460	1,480	1,690	1,720	4.2%	1,660	3.7%	4.3%
A-63	Esprit Kameido	1,265	1,282	1,290	1,300	4.6%	1,270	4.3%	4.7%
A-64	Alte Building Higobashi	1,453	1,470	1,660	1,690	4.4%	1,620	4.2%	4.6%
A-65	DIA Building Meieki	1,167	1,188	1,280	1,300	4.5%	1,260	4.3%	4.7%
A-65	DIA Building Meieki	1,800	1,873	1,850	1,890	3.6%	1,810	3.4%	3.8%
A-66	TENSHO OCHANOMIZU BUILDING	2,580	2,692	2,780	2,820	4.3%	2,740	4.1%	4.5%
B-1	Tower Court Kitashinagawa	11,880	10,842	14,500	14,700	4.1%	14,300	3.9%	4.3%
B-2	Sky Hills N11	1,570	1,526	1,800	1,810	5.2%	1,780	5.0%	5.4%
B-4	my atria Sakae	1,110	1,036	1,260	1,280	4.7%	1,240	4.5%	4.9%
B-5	Mac Village Heian	785	741	907	918	4.8%	896	4.6%	5.0%
B-6	Seam Dwell Tsutsui	695	681	772	781	4.7%	762	4.5%	4.9%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
B-7	Ciel Yakuin	640	625	744	755	4.5%	732	4.3%	4.7%
B-8	Kanda Reeplex R's	1,813	1,750	2,020	2,040	4.0%	1,990	3.7%	4.2%
B-9	Splendid Namba	3,502	3,358	3,880	3,940	4.5%	3,820	4.3%	4.7%
B-10	Residence Hiroo	2,590	2,622	2,690	2,760	3.8%	2,660	3.6%	4.0%
B-11	Residence Nihombashi Hakozaki	1,300	1,436	1,550	1,570	4.3%	1,530	3.8%	4.2%
B-12	Primegate Iidabashi	5,200	5,243	5,300	5,330	3.9%	5,270	3.6%	4.0%
B-13	Residence Edogawabashi	1,230	1,245	1,260	1,280	4.1%	1,240	3.9%	4.3%
B-14	Merveille Senzoku	740	751	747	762	4.0%	732	3.8%	4.2%
B-15	Field Avenue	3,110	3,138	3,120	3,140	4.0%	3,100	3.7%	4.1%
B-16	Domeal Kitaakabane	785	798	787	798	4.3%	775	4.1%	4.5%
B-17	Dormy Kitaakabane	986	1,000	997	1,010	4.4%	983	4.2%	4.6%
B-18	Splendid Shin-Osaka III	2,428	2,437	2,520	2,560	4.5%	2,500	4.3%	4.7%
B-19	ZEPHYROS Ninami-horie	1,608	1,632	1,710	1,730	4.3%	1,700	4.1%	4.5%
B-20	Charmant Fuji Osakajominami	905	917	906	923	4.4%	898	4.2%	4.6%
B-21	Piacere Fuminosato	571	579	577	587	4.7%	573	4.5%	4.9%
B-22	Wald Park Minamioi	715	754	735	750	3.9%	720	3.7%	4.1%
B-23	LAPUTA KUJO	1,480	1,583	1,501	1,527	4.3%	1,475	4.1%	4.5%
B-24	Imazaki Mansion N1	1,180	1,261	1,210	1,220	4.6%	1,200	4.4%	4.8%
C-1	Otakibashi Pacifica Building	3,350	3,416	3,510	3,580	3.8%	3,440	3.6%	4.0%
C-2	Komyoike Act	2,063	2,058	2,200	2,210	5.0%	2,190	4.8%	5.2%
C-3	BECOME SAKAE	4,770	4,786	4,840	4,920	4.1%	4,750	3.9%	4.3%
	Total	249,243	253,043	287,593	291,631		283,366		

(Note 1) Figures in the above table are truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheets as of June 30, 2019 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2019.

As for the appraisal reports, NIPPON REIT requests real estate appraisal to DAIWA REAL ESTATE APPRAISAL CO.,LTD. for A-17, B-10, B-18, B-19, B-20 and B-21, also to JLL Morii Valuation & Advisory K.K. for A-51, A-64, A-65, B-9, B-13 and B-14, also to Japan Valuers Co., Ltd. for B-22, B-23 and B-24 and to Japan Real Estate Institute for rest of all properties.

## (iv) Earnings Performance for the Individual Properties

The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)

(Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	88,452	66,146	54,508	204,558	153,754	64,366
Rental revenues	79,794	63,629	50,259	187,780	140,887	56,482
Other revenues related to property leasing	8,658	2,516	4,249	16,777	12,867	7,883
(2)Property related expenses	19,750	19,360	11,642	41,334	29,369	12,822
Property management fees	3,519	4,937	2,467	9,955	8,362	2,876
Utility expenses	6,066	3,765	2,643	9,884	8,677	4,150
Insurance expenses	58	63	43	126	119	44
Repair expenses	1,733	338	679	400	1,378	364
Taxes and dues	2,328	5,440	4,911	18,137	9,914	5,034
Trust fees	350	350	350	350	350	350
Others	5,692	4,465	547	2,481	566	3
(3)NOI (1)-(2)	68,702	46,785	42,866	163,223	124,385	51,543
(4)Depreciation	12,268	11,967	5,480	27,048	33,274	7,006
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	56,433	34,818	37,385	136,174	91,110	44,536

(Yen in thousands)

Property number	A-7	A-8	A-9	A-10	A-11	A-13
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	Higashi Ikebukuro Center Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	599,702	216,478	103,046	113,312	84,125	120,819
Rental revenues	559,398	199,455	93,227	105,322	77,404	114,334
Other revenues related to property leasing	40,304	17,023	9,818	7,989	6,721	6,485
(2)Property related expenses	225,395	41,186	24,910	21,997	18,944	28,671
Property management fees	35,296	15,158	6,132	5,893	3,703	8,292
Utility expenses	24,698	11,532	7,555	6,621	5,864	8,127
Insurance expenses	444	186	91	81	75	137
Repair expenses	15,578	2,213	2,559	92	1,200	2,529
Taxes and dues	15,847	10,353	8,216	8,932	7,614	8,665
Trust fees	350	350	350	350	350	350
Others	133,180	1,392	6	27	136	570
(3)NOI (1)-(2)	374,307	175,292	78,136	91,314	65,181	92,148
(4)Depreciation	42,257	13,465	8,151	6,051	15,022	13,620
(5) Loss on retirement of non-current assets	79	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	331,970	161,826	69,984	85,263	50,159	78,527

(Yen in thousands)

Property number	A-14	A-16	A-17	A-18	A-19	A-20
Property name	Central Daikanyama	Hiroo Reeplex B's	Shibakoen Sanchome Building	FORECAST Iidabashi	Kudankita 325 Building	FORECAST Uchikanda
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	87,841	84,267	227,711	45,644	63,733	41,080
Rental revenues	81,006	75,776	212,298	41,617	55,058	38,598
Other revenues related to property leasing	6,834	8,490	15,413	4,026	8,675	2,481
(2)Property related expenses	17,562	12,651	44,067	7,947	17,874	9,795
Property management fees	3,179	3,368	8,794	2,285	5,434	2,785
Utility expenses	4,223	3,327	12,298	2,699	3,539	2,704
Insurance expenses	50	39	173	71	47	45
Repair expenses	2,787	208	4,191	392	205	530
Taxes and dues	6,343	5,319	17,631	2,340	6,945	3,373
Trust fees	350	350	350	109	350	350
Others	629	38	627	48	1,352	7
(3)NOI (1)-(2)	70,278	71,615	183,644	37,696	45,859	31,284
(4)Depreciation	3,872	3,364	15,199	3,388	2,558	3,623
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	66,405	68,251	168,445	34,308	43,300	27,660

(Yen in thousands)

Property number	A-21	A-22	A-23	A-24	A-25	A-26
Property name	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Pigeon Building	FORECAST Ningyocho	FORECAST Ningyocho PLACE
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	98,826	85,659	78,095	Not disclosed (Note)	62,864	56,368
Rental revenues	93,557	82,765	74,768		57,317	50,558
Other revenues related to property leasing	5,268	2,893	3,326		5,546	5,810
(2)Property related expenses	25,437	18,590	20,245		15,305	18,520
Property management fees	7,363	6,812	6,671		4,482	3,546
Utility expenses	7,146	4,063	5,139		3,780	4,661
Insurance expenses	99	88	77		72	48
Repair expenses	1,633	965	1,091		132	3,177
Taxes and dues	8,307	6,077	5,415		6,356	4,007
Trust fees	350	350	350		350	350
Others	537	232	1,500		131	2,729
(3)NOI (1)-(2)	73,388	67,068	57,849	68,068	47,558	37,848
(4)Depreciation	8,413	9,481	8,528	9,379	6,057	3,695
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	64,975	57,587	49,321	58,689	41,500	34,152

(Note) This information is not disclosed as tenant's consent has not been obtained

(Yen in thousands)

Property number	A-27	A-28	A-29	A-30	A-31	A-32
Property name	FORECAST Shin- Tokiwabashi	Nishi-Shinju ku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa	Nishi-Gotanda 8-chome Building	Towa Higashi- Gotanda Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	56,781	72,096	44,533	69,902	83,312	72,934
Rental revenues	50,090	66,946	36,181	62,751	73,137	66,790
Other revenues related to property leasing	6,690	5,149	8,352	7,150	10,174	6,143
(2)Property related expenses	49,988	19,404	11,683	17,456	24,915	17,743
Property management fees	2,592	3,976	2,887	5,247	6,856	6,513
Utility expenses	3,405	5,334	5,137	4,520	5,702	4,415
Insurance expenses	47	66	35	74	82	88
Repair expenses	38,949	332	342	956	4,026	53
Taxes and dues	3,633	6,563	2,861	6,174	7,661	6,295
Trust fees	350	350	350	350	350	350
Others	1,010	2,781	69	132	235	28
(3)NOI (1)-(2)	6,792	52,691	32,850	52,446	58,396	55,190
(4)Depreciation	3,894	4,618	4,143	7,069	5,194	8,786
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	2,898	48,072	28,707	45,377	53,202	46,404

(Yen in thousands)

Property number	A-33	A-34	A-35	A-36	A-37	A-38
Property name	FORECAST Takadanobaba	Mejiro NT Building	Toshin Higashi kebukuro Building	Mitsui Woody Building	Itabashi Honcho Building	ANTEX24 Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	171,786	120,150	39,730	95,656	146,464	56,495
Rental revenues	159,051	107,743	35,116	87,732	118,241	49,846
Other revenues related to property leasing	12,735	12,407	4,614	7,924	28,223	6,648
(2)Property related expenses	40,886	25,763	9,292	25,604	45,847	16,123
Property management fees	9,218	8,069	3,270	8,121	18,792	3,834
Utility expenses	13,684	7,583	2,619	6,938	13,226	3,990
Insurance expenses	165	124	44	118	149	62
Repair expenses	3,907	737	198	1,724	1,203	2,678
Taxes and dues	12,406	8,266	2,513	8,152	8,624	4,000
Trust fees	350	350	350	350	350	350
Others	1,154	632	295	199	3,501	1,206
(3)NOI (1)-(2)	130,899	94,386	30,438	70,052	100,616	40,371
(4)Depreciation	18,804	11,088	3,704	11,322	15,308	8,210
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	112,095	83,297	26,733	58,729	85,308	32,160

(Yen in thousands)

Property number	A-39	A-40	A-41	A-42	A-43	A-44
Property name	Itohpia Kiyosubashi dori Building	East Side Building	I•S Minamimori machi Building	Sunworld Building	Marunouchi Sanhome Building	MK Kojimachi Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	67,701	50,905	95,254	Not disclosed (Note)	77,353	52,620
Rental revenues	62,293	46,316	87,214		72,273	49,172
Other revenues related to property leasing	5,407	4,589	8,039		5,079	3,448
(2)Property related expenses	17,407	10,233	28,481		26,595	16,288
Property management fees	5,407	3,704	6,174		7,846	3,494
Utility expenses	5,597	3,014	7,122		5,621	2,816
Insurance expenses	65	50	136		111	43
Repair expenses	529	848	5,132		6,156	573
Taxes and dues	4,979	2,264	9,565		6,337	6,114
Trust fees	350	350	350		350	350
Others	478	1	-		172	2,896
(3)NOI (1)-(2)	50,293	40,671	66,773	30,559	50,757	36,332
(4)Depreciation	6,168	3,295	14,255	6,638	12,450	2,614
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	44,125	37,376	52,518	23,921	38,307	33,718

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	A-45	A-46	A-47	A-48	A-49	A-50
Property name	Toranomon Sakura Building	La Verite AKASAKA	Kanda Ocean Building	Shinto GINZA EAST	FORECAST kayabacho	FORECAST Waseda FIRST
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	113,081	59,304	51,189	38,133	94,443	139,549
Rental revenues	108,496	56,246	46,134	34,300	84,533	127,057
Other revenues related to property leasing	4,585	3,058	5,055	3,832	9,910	12,491
(2)Property related expenses	32,914	15,619	12,419	7,790	24,091	33,335
Property management fees	7,523	3,612	2,485	2,222	6,994	8,180
Utility expenses	5,970	2,695	4,604	1,929	6,258	10,478
Insurance expenses	79	44	43	29	103	127
Repair expenses	7,909	1,025	751	329	2,047	2,226
Taxes and dues	9,629	4,841	3,441	2,880	7,866	11,363
Trust fees	350	350	350	350	350	350
Others	1,451	3,050	744	50	470	608
(3)NOI (1)-(2)	80,167	43,685	38,770	30,343	70,352	106,214
(4)Depreciation	7,063	3,796	3,292	2,820	10,507	10,999
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	73,104	39,888	35,478	27,522	59,844	95,214

(Yen in thousands)

Property number	A-51	A-52	A-53	A-54	A-55	A-56
Property name	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi	NORE Meieki	Homat Horizon Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	242,771	534,428	126,080	105,311	102,330	204,580
Rental revenues	224,944	495,247	101,345	90,497	90,310	195,071
Other revenues related to property leasing	17,827	39,180	24,735	14,813	12,020	9,508
(2)Property related expenses	82,377	104,242	57,566	26,613	28,713	51,224
Property management fees	20,949	34,278	11,724	7,393	7,223	12,736
Utility expenses	18,118	26,357	16,951	10,679	9,884	11,774
Insurance expenses	284	496	156	98	107	172
Repair expenses	14,320	12,528	10,043	91	171	318
Taxes and dues	27,448	26,983	16,954	7,592	9,772	24,660
Trust fees	350	350	350	350	350	350
Others	906	3,246	1,384	408	1,204	1,212
(3)NOI (1)-(2)	160,393	430,185	68,514	78,697	73,617	153,355
(4)Depreciation	28,367	58,604	17,268	19,261	17,576	13,284
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	132,026	371,581	51,246	59,435	56,040	140,071

(Yen in thousands)

Property number	A-57	A-58	A-59	A-60	A-61	A-62
Property name	Sannomiya First Building	Towa Kandanishik icho Building	Yusen Higashi- Nihombashi Ekimae Building	Hiroo On Building	TK Gotanda Building	Gotanda Sakura Building
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	70,904	36,225	37,663	73,424	106,871	51,746
Rental revenues	61,789	31,497	34,824	67,123	99,481	47,113
Other revenues related to property leasing	9,114	4,728	2,839	6,300	7,389	4,633
(2)Property related expenses	24,701	15,749	11,252	18,181	23,687	15,098
Property management fees	8,290	2,383	2,635	5,547	5,824	2,439
Utility expenses	7,688	2,811	3,119	4,775	6,872	3,906
Insurance expenses	96	32	39	58	109	38
Repair expenses	3,553	1,007	992	1,185	1,171	899
Taxes and dues	4,707	1,361	3,846	5,670	9,025	1,450
Trust fees	350	350	350	350	350	-
Others	15	7,802	270	593	334	6,365
(3)NOI (1)-(2)	46,202	20,476	26,410	55,242	83,183	36,647
(4)Depreciation	10,047	1,601	2,506	4,092	6,487	3,068
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	36,154	18,875	23,903	51,150	76,695	33,578

(Yen in thousands)

Property number	A-63	A-64	A-65	A-66	A-67	B-1
Property name	Esprit Kameido	Alte Building Higobashi	DIA Building Meiki	TENSHO OCHANOMIZU BUILDING	Kameido i-Mark Building	Tower Court Kitashinagawa
Operating periods	181days	181days	181days	124days	124days	181days
(1)Revenues from property leasing	33,191	65,351	47,185	Not disclosed (Note)	53,043	406,155
Rental revenues	27,160	57,958	42,011		48,975	392,746
Other revenues related to property leasing	6,031	7,393	5,173		4,068	13,408
(2)Property related expenses	15,257	22,374	15,643		10,628	90,243
Property management fees	3,315	6,439	4,678		4,449	32,531
Utility expenses	4,669	6,988	4,703		4,962	4,238
Insurance expenses	48	94	65		61	421
Repair expenses	886	1,953	614		35	18,117
Taxes and dues	2,936	5,963	4,760		-	19,465
Trust fees	350	350	350		338	350
Others	3,049	584	471		783	15,118
(3)NOI (1)-(2)	17,934	42,976	31,542	7,263	42,414	315,912
(4)Depreciation	2,969	4,795	2,863	4,227	11,525	65,452
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	14,965	38,181	28,678	3,035	30,889	250,459

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-2	B-3	B-4	B-5	B-6	B-7
Property name	Sky Hills N11	my atria Meiki	my atria Sakae	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	61,128	16,318	38,159	28,143	24,266	23,302
Rental revenues	61,056	14,983	38,149	28,087	24,264	22,423
Other revenues related to property leasing	72	1,335	10	56	1	879
(2)Property related expenses	8,409	4,053	8,125	4,629	6,284	7,580
Property management fees	375	1,103	1,879	1,895	1,884	1,311
Utility expenses	-	277	543	316	-	687
Insurance expenses	122	46	59	44	33	30
Repair expenses	892	429	1,354	93	1,889	2,663
Taxes and dues	6,667	1,097	2,588	1,928	1,614	1,229
Trust fees	350	109	350	350	350	350
Others	2	989	1,350	-	513	1,308
(3)NOI (1)-(2)	52,718	12,264	30,033	23,514	17,981	15,722
(4)Depreciation	11,182	4,861	14,147	9,367	7,090	6,363
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	41,535	7,403	15,885	14,147	10,890	9,358



(Yen in thousands)

Property number	B-8	B-9	B-10	B-11	B-12	B-13
Property name	Kanda Reeplex R's	Splendid Namba	Residence Hiroo	Residence Nihombashi Hakozaki	Primegate Iidabashi	Residence Edogawabashi
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	55,086	111,635	62,287	Not disclosed (Note)	144,332	32,732
Rental revenues	53,561	109,577	59,567		135,039	29,530
Other revenues related to property leasing	1,525	2,057	2,720		9,293	3,201
(2)Property related expenses	13,799	24,186	11,036		37,731	6,723
Property management fees	4,981	6,110	2,645		13,434	1,511
Utility expenses	6	790	575		5,590	231
Insurance expenses	48	131	48		176	26
Repair expenses	3,200	2,773	2,310		4,213	1,272
Taxes and dues	2,463	7,194	2,734		9,583	1,218
Trust fees	350	350	350		350	350
Others	2,749	6,835	2,372		4,383	2,112
(3)NOI (1)-(2)	41,287	87,448	51,250	33,759	106,600	26,009
(4)Depreciation	8,575	33,968	4,894	3,919	8,458	2,637
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	32,711	53,480	46,355	29,840	98,142	23,371

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-14	B-15	B-16	B-17	B-18	B-19
Property name	Merveille Senzoku	Field Avenue	Domeal Kitaakaban e	Dormy Kitaakabane	Splendid Shin-Osaka III	ZEPHYROS Minami-horie
Operating periods	181days	181days	181days	181days	181days	181days
(1)Revenues from property leasing	19,854	78,122	Not disclosed (Note)	Not disclosed (Note)	72,852	46,656
Rental revenues	19,051	69,474			71,631	45,425
Other revenues related to property leasing	802	8,648			1,220	1,231
(2)Property related expenses	5,368	14,382			16,291	13,318
Property management fees	1,401	3,075			4,003	2,467
Utility expenses	268	4,035			593	1,267
Insurance expenses	21	72			80	57
Repair expenses	1,195	1,061			1,918	3,151
Taxes and dues	1,010	3,422			4,861	2,399
Trust fees	350	350			350	350
Others	1,120	2,365			4,482	3,625
(3)NOI (1)-(2)	14,485	63,740	15,707	20,009	56,561	33,337
(4)Depreciation	2,114	7,062	1,767	1,900	18,626	5,313
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	12,371	56,678	13,940	18,108	37,935	28,024

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

Property number	B-20	B-21	B-22	B-23	B-24	C-1
Property name	Charmant Fuji Osaka jominami	Piacere Fuminosato	Wald Park Minamioi	LAPUTA KUJO	Imazaki Mansion N1	Otakibashi Pacifica Building
Operating periods	181days	181days	151days	123days	123days	181days
(1)Revenues from property leasing	25,488	19,366	15,832	30,307	28,395	93,935
Rental revenues	24,056	18,235	14,145	29,231	26,770	78,238
Other revenues related to property leasing	1,431	1,131	1,687	1,075	1,625	15,696
(2)Property related expenses	6,517	4,324	3,217	5,149	6,179	22,843
Property management fees	1,196	1,301	847	2,554	1,518	4,276
Utility expenses	859	785	125	876	556	8,675
Insurance expenses	29	28	14	43	54	41
Repair expenses	1,612	545	848	924	2,483	950
Taxes and dues	1,344	1,017	-	-	-	5,430
Trust fees	350	350	290	236	236	350
Others	1,124	297	1,092	514	1,330	3,118
(3)NOI (1)-(2)	18,970	15,041	12,614	25,157	22,215	71,091
(4)Depreciation	3,564	2,818	1,307	3,119	3,104	10,497
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	15,405	12,223	11,307	22,037	19,111	60,594

(Yen in thousands)

Property number	C-2	C-3	
Property name	Komyoike Act	BECOME SAKAE	Total
Operating periods	181days	181days	
(1)Revenues from property leasing	133,661	131,717	8,488,066
Rental revenues	104,783	115,985	7,798,437
Other revenues related to property leasing	28,878	15,732	689,629
(2)Property related expenses	63,869	28,437	2,220,393
Property management fees	21,389	8,002	575,412
Utility expenses	29,328	8,539	504,550
Insurance expenses	190	122	8,382
Repair expenses	1,780	857	242,616
Taxes and dues	8,703	10,076	592,055
Trust fees	350	350	30,958
Others	2,127	488	266,418
(3)NOI (1)-(2)	69,792	103,280	6,267,673
(4)Depreciation	23,644	14,300	947,836
(5) Loss on retirement of non-current assets	-	-	79
(6)Income from property leasing (3)-(4)-(5)	46,148	88,980	5,319,757

(2) Status of Capital Expenditure

A. Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 15th fiscal period accompanying planned renovations and repairs for those properties held. The following scheduled construction amount includes the portion charged to expenses in accounting:

Property name	Location	Purpose	Schedule	Scheduled construction amount (Yen in millions) (Note)		
				Total	Amount to be paid in the current fiscal period	Amount already paid
GreenOak Kudan	Chiyoda Ward, Tokyo	Alteration work of express elevator system	From July 2019 to Dec. 2019	19	—	—
Kudankita 325 Building	Chiyoda Ward, Tokyo	Ventilation system renewal	From July 2019 to Dec. 2019	64	—	—
Itohpie Iwamotocho 2-chome Building	Chiyoda Ward, Tokyo	Elevator renewal	From July 2019 to Dec. 2019	16	—	—
Itohpie Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Elevator renewal	From July 2019 to Dec. 2019	16	—	—
		Mechanical parking facility maintenance	From July 2019 to Dec. 2019	11	—	—
Itohpie Iwamotocho ANNEX Building	Chiyoda Ward, Tokyo	Elevator renewal	From July 2019 to Dec. 2019	16	—	—
Towa Higashi-Gotanda Building	Shinagawa Ward, Tokyo	Ventilation system and lighting renewal	From July 2019 to Dec. 2019	63	—	—
FORECAST Takadanobaba	Toshima Ward, Tokyo	Ventilation system renewal on B1 floor	From July 2019 to Dec. 2019	13	—	—
Itohpie Kiyosubashidori Building	Taito Ward, Tokyo	Ventilation system and lighting renewal	From July 2019 to Dec. 2019	65	—	—
Sunworld Building	Osaka, Osaka	Mechanical parking facility maintenance	From July 2019 to Dec. 2019	11	—	—
Toranomon Sakura Building	Minato Ward, Tokyo	Substation renovation	From July 2019 to Dec. 2019	17	—	—
FORECAST Gotanda WEST	Shinagawa Ward, Tokyo	Mechanical parking facility repair	From July 2019 to Dec. 2019	54	—	—
		Whole building renewal (No.5)	From July 2019 to Dec. 2019	201	—	—
Omiya Center Building	Saitama, Saitama	Exterior wall repair (No.1)	From July 2019 to Dec. 2019	64	—	—
Yusen Higashi-Nihombashi Ekimae Building	Chuo Ward, Tokyo	Ventilation system and lighting renewal	From July 2019 to Dec. 2019	61	—	—
TK Gotanda Building	Shinagawa Ward, Tokyo	Renewal work on 1 <sup>st</sup> floor	From July 2019 to Dec. 2019	82	—	—
Gotanda Sakura Building	Shinagawa Ward, Tokyo	Ventilation system renewal	From July 2019 to Dec. 2019	20	—	—
Sky Hills N11	Sapporo, Hokkaido	Exterior wall repair	From May 2019 to Dec. 2019	95	—	—
Mac Village Heian	Nagoya, Aichi	Parts renewal of mechanical parking facility	From July 2019 to Dec. 2019	13	—	—
LAPUTA KUJO	Osaka, Osaka	Common area renewal	From July 2019 to Dec. 2019	18	—	—
BECOME SAKAE	Nagoya, Aichi	Divide work on 7 <sup>th</sup> and 9 <sup>th</sup> floor	From July 2019 to Dec. 2019	46	—	—

(Note) The scheduled construction amount is truncated to the nearest million yen

## B. Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the fiscal period under review. In the fiscal period ended June 30, 2019 (14th period), capital expenditures totaled 519 million yen. With the addition of 242 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 761 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
CENTRAL Daikanyama	Shibuya Ward, Tokyo	Major repair and maintenance	From Apr. 2019 To June 2019	29
Itohpia Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Exterior wall repair	From Nov. 2018 to Apr. 2019	71
Mitsui Woody Building	Koto Ward, Tokyo	Substation renovation	From Apr. 2019 to May 2019	32
FORECAST Gotanda WEST	Shinagawa Ward, Tokyo	Whole building renewal (No.4)	From Jan. 2019 to June 2019	208
Other capital expenditures				176
Total				519

(Note) Capital expenditures are truncated to the nearest million yen.

### C. Cash Reserves for Long-Term Repairs and Maintenance Plans

Based on a long-term repair and maintenance plan compiled for each property, NIPPON REIT sets aside the following cash reserves from cash flows during the fiscal period in order to provide the payment of funds for major repairs and maintenance, etc., over the medium to long term:

(Yen in thousands)

Operating period	10th fiscal period From January 1, 2017 to June 30, 2017	11th fiscal period From July 1, 2017 to December 31, 2017	12th fiscal period From January 1, 2018 to June 30, 2018	13th fiscal period From July 1, 2018 to December 31, 2018	14th fiscal period From January 1, 2019 to June 30, 2019
Balance of reserves at the beginning of the period	687	747	121	27	307
Amount of reserves during the period	456	460	800	1,700	1,031
Amount of reversal of reserves during the period	396	1,086	893	1,420	519
Reserves carried forward	747	121	27	307	819

(Note) Figures in the above table are truncated to the nearest million yen.