

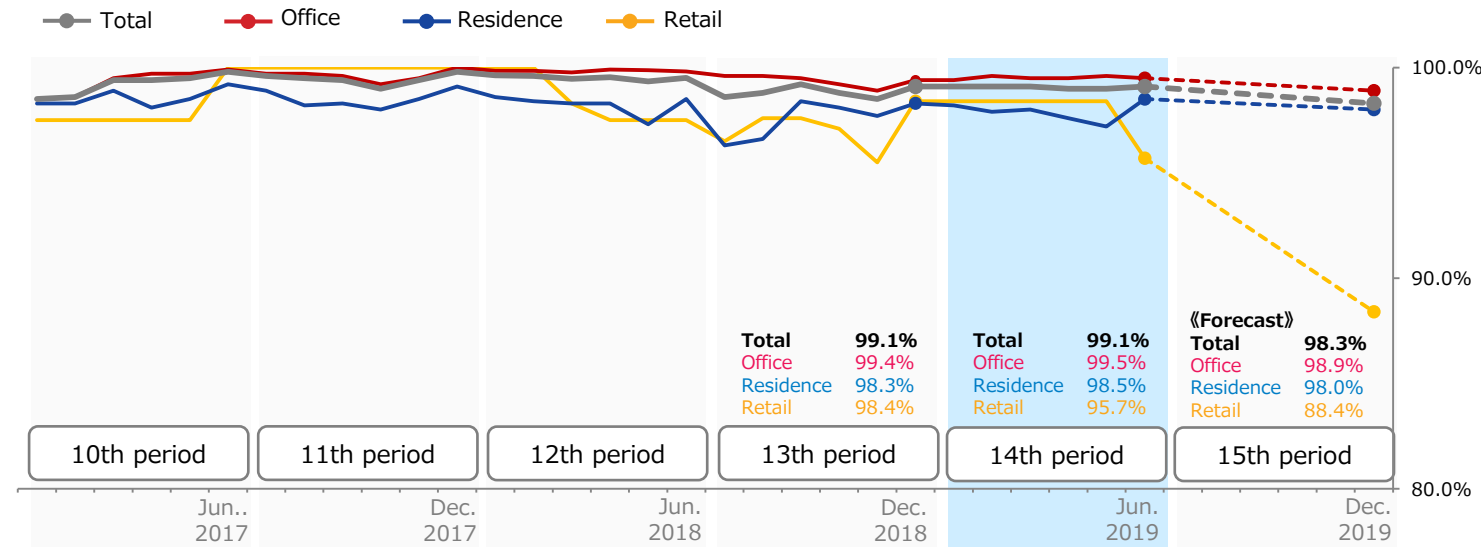


Nippon REIT Investment Corporation (TSE code : 3296)
Performance Report
(April-June 2019)

August 19, 2019

Occupancy Rate and Free Rent Period Trend

《Occupancy rate tend and forecast》



① Maintaining a high occupancy rate

- Occupancy rate as of the end of the 14th period stood at 99.1%, maintaining a high occupancy rate
- Occupancy rate of office as of the end of the 14th period stood at 99.5%.

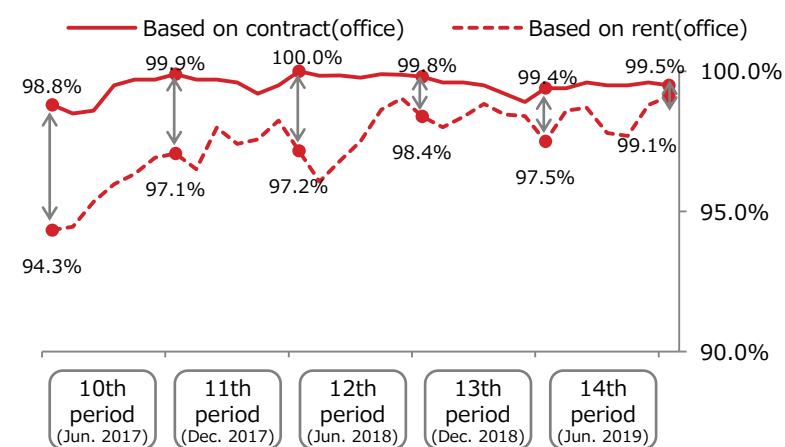
② Maintaining occupancy rate based on rent

- maintaining a high occupancy rate based on rent with the background of low free rent level

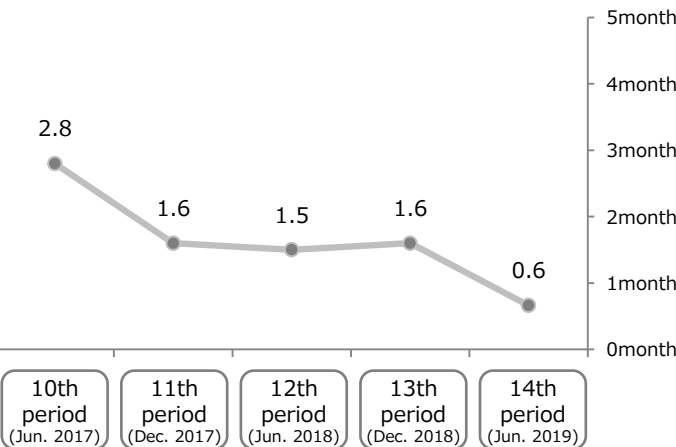
《Difference between occupancy rate based on contract and based on rent (office)》

	Based on contract	Based on rent	difference
10th Period	99.9%	97.1%	2.8%
11th period	100.0%	97.2%	2.8%
12th period	99.8%	98.4%	1.4%
13th period	99.4%	97.5%	1.9%
14th period	99.5%	99.1%	0.5%

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



《Average Free Rent Period (1) Trend》



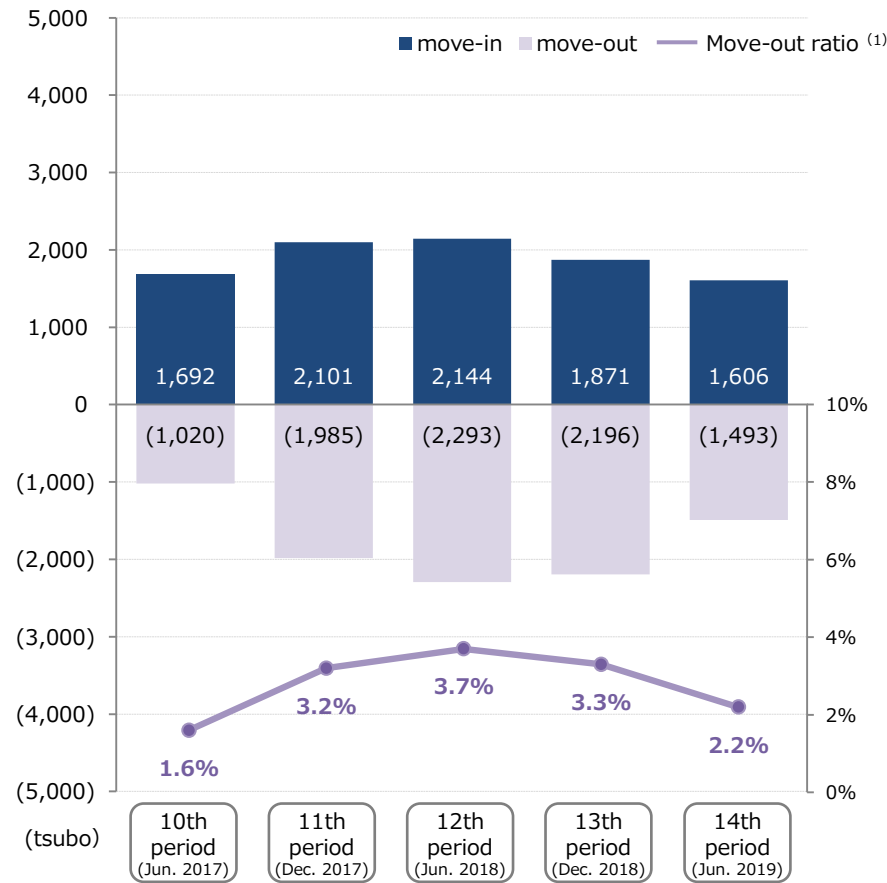
Note

1. "Average free rent period" is calculated by following formula for each section, for new lease contracts conducted during respective period.
 (Reduction of rent and common benefit expense due to free rent etc.) ÷ (total amount of monthly rents and common benefit expenses in normal times)

Status of Tenant Move-in and Move-out

《Tenant move-in and move-out, Average move-out ratio(office)》

※Total leasable area as of the end of 14th period (office): 66,671tsubo



⑥ **Low move-out ratio due to tight market and satisfactory tenant relationship, Flexible and speedy tenant replacement**

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

Notes

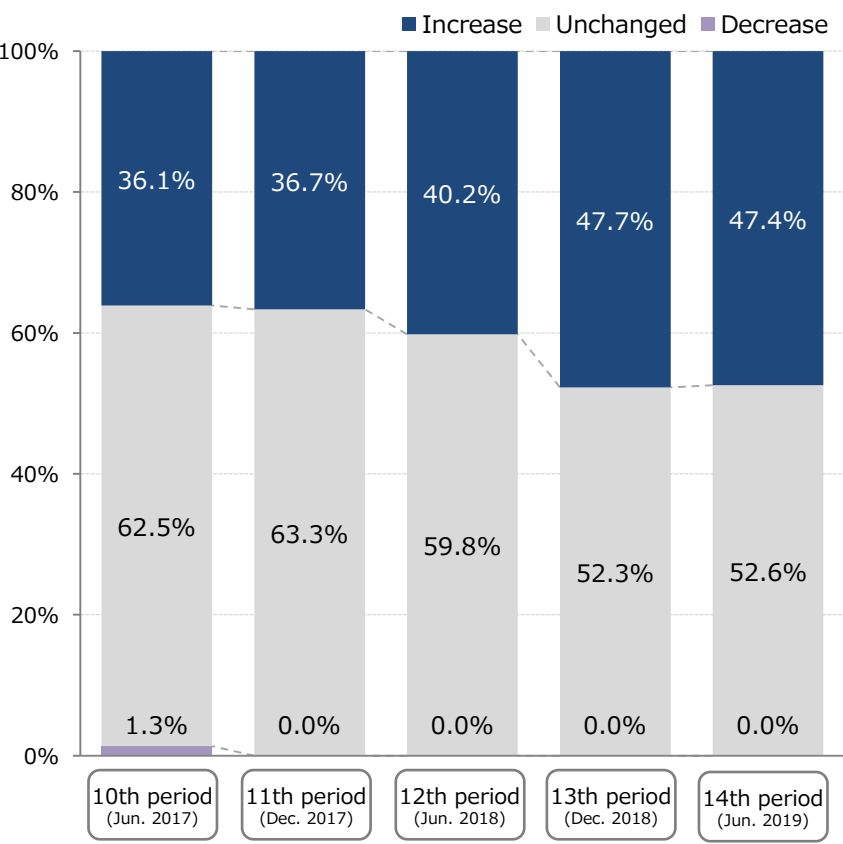
1. "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material on ward.
2. Assumed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

《Status of Termination Notices》

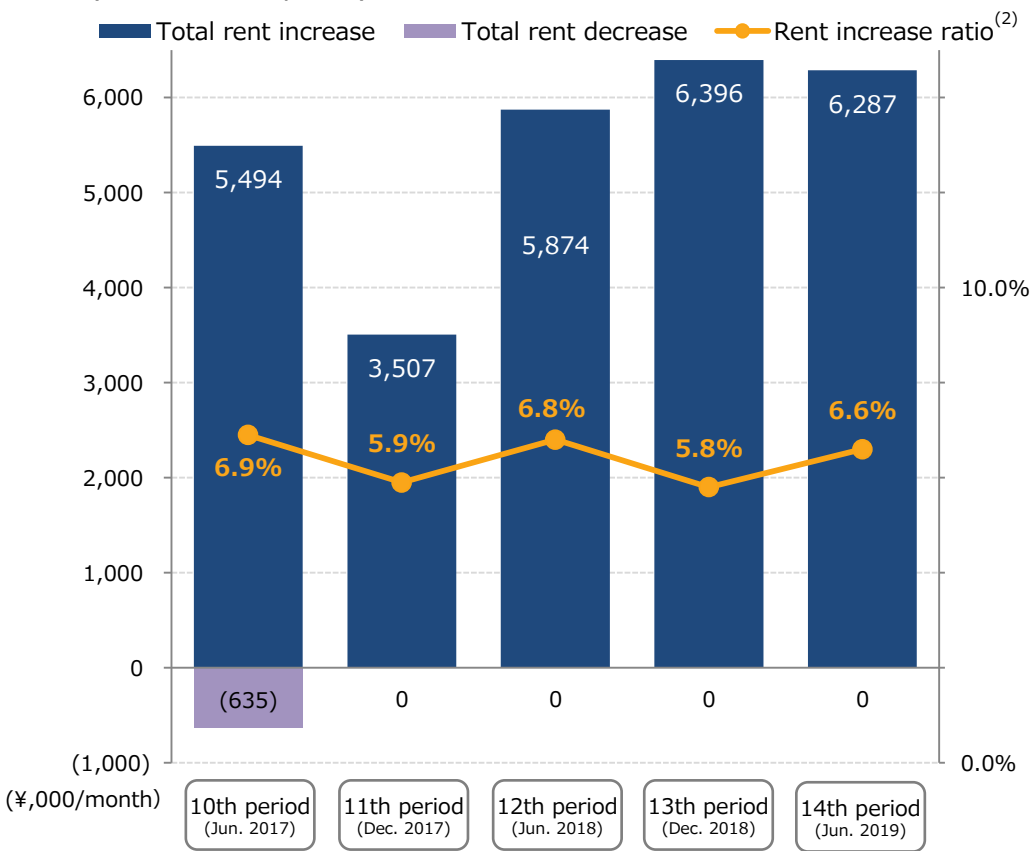
Property name	Occupancy rate	Termination notices section		Assumed occupancy rate ⁽²⁾
Nishi-Shinjuku Sanko Building	100.0%	1section	(83tsubo) Termination notice	100% (Aug.2019)
DIA Building Meieki	100.0%	1section	(20tsubo) Termination notice	100% (Aug.2019)
Sannomiya First Building	100.0%	2sections	(43tsubo) Termination notice	100% (Sep.2019)
Towa Kandanishikicho Building	100.0%	1floor	(60tsubo) Termination notice	100% (Sep.2019)
Itohpia Iwamotocho ANNEX Building	100.0%	1floor	(102tsubo) Termination notice	100% (Oct.2019)
ANTEX24 Building	100.0%	1floor	(91tsubo) Termination notice	100% (Nov.2019)
TK Gotanda Building	93.1%	1floor	(76tsubo) Left already	100% (Nov.2019)
Higashi Ikebukuro Center Building	100.0%	1floor	(154tsubo) Termination notice	100% (Dec.2019)
NORE Meieki	100.0%	1section	(15tsubo) Termination notice	98.8% (Jan.2020)
Omiya Center Building	98.3%	1section 2sections	(73tsubo) (204tsubo) Termination notice	97.6% (Feb.2020)
FORECAST Shinjuku SOUTH	100.0%	1section	(118tsubo) Termination notice	97.2% (Nov.2019)
Komyoike Act	96.9%	1floor	(57tsubo) Left already	96.9% (Jul.2019)
Marunouchi Sanchome Building	100.0%	3sections	(119tsubo) Termination notice	91.5% (Dec.2019)
FORECAST Kayabacho	100.0%	1floor	(161tsubo) Termination notice	86.2% (Sep.2019)
Alte Building Higobashi	100.0%	1floor/ 1section	(169tsubo) Termination notice	83.9% (Jan.2020)
Kanda Ocean Building	100.0%	3floors	(77tsubo) Termination notice	82.9% (Nov.2019)
Esprit Kameido	60.7%	4floors	(239tsubo) Left already	80.3% (Oct.2019)
BECOME SAKAE	84.9%	1floor /1section 1floor	(211tsubo) (161tsubo) Contract expiration	77.1% (Sep.2019)
NORE Fushimi	100.0%	5floors	(542tsubo) Contract expiration	53.6% (Dec.2019)

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

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



《Status of rent increase (decrease) upon contract renewals ⁽²⁾》
(office /monthly rent)



The proportion of rent increase accounts for approx. 50% of the total floor space due to successful measures to improve tenant satisfaction

- Achieved rent increase for 47.4% of area subject to renewal ,attributed to 69 tenants (6,741 tsubo) out of 147 tenants (14,209 tsubo), during the 14th period

Achieved one of the largest increase ever by rent renewal (¥6,287 thousand yen/month)

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

10th period	11th period	12th period	13th period	14th period
4,858	3,507	5,874	6,396	6,287
thousand yen	thousand yen	thousand yen	thousand yen	thousand yen


Notes

1. In case that tenant categorized "Unchanged" in each period accepted rent increase after the following period, the area subject to rent renewal of the tenant is included the area categorized "Unchanged" and "Increase" in the relevant period.

2. "Rent increase ratio" is calculated in each period as follows, rounded to the first decimal place. ((total rent increase after rent renewal - total rent before rent renewal) / total rent before rent renewal)


Implementation Status and Major plans of Engineering Management

《Major implementation (from Apr. to Jun. 2019)》



《FORECAST Takadanobaba》
Increase in revenue by replacing sublease parking operator

- Replacing sublease parking operator
- Approx. ¥1.88mn p.a. increase in rent is expected






《FORECAST Kayabacho》
Increase in revenue by rental space for lunch box sales at the entrance


- Rental space for lunch box sales at the entrance
- Approx. ¥0.24mn p.a. increase in rent is expected and the tenant satisfaction improved by convenience improvement





《ZEPHYROS Minami-horie》
Tenant satisfaction improved by improvement of common area

- The tenant satisfaction improved by improvement of common area






《Sumitomo Mitsui Bank Koraibashi Building》
Cost reduction by replacing building manager

- Realized cost reduction by replacing building manager but the service quality remained
- Approx. ¥1.54mn p.a. cost reduction is expected




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


《Major plans (from Jul. 2019)》



《8 Properties》
Increase in revenue by setting antennas at rooftop


- Plan to set antenna for mobile phone etc. at rooftop
- Approx. ¥4.82mn p.a. increase in rent is expected





《Splendid Namba》
Increase in revenue by introduction of bike share

- Serving portion of property site to as bicycle parking for bicycle sharing
- Approx. ¥0.02mn p.a. increase in rent is expected and the tenant satisfaction improved by convenience improvement



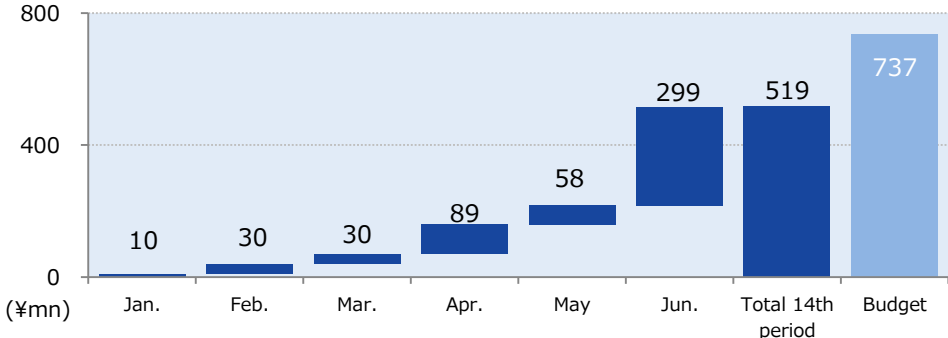


《3 Properties》
Cost reduction by installment of LED light

- Plan to install LED light in common area
- Approx. ¥2.38mn p.a. cost reduction is expected



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



Note
 1. Each of monthly figures between Jan. and Mar. is revised along with financial results in the 14th period. Total amounts of Planned capital investment and Strategic value-enhancing investment are stated

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