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For Immediate Release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning Receiving of Right of First Negotiation from Sponsor

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that it has been granted the right of first negotiation pertaining to an acquisition of asset by its sponsor, Sojitz Corporation, today.

1. Overview of the right of first negotiation to be granted

- | | |
|--|---|
| (1) Counterparty who grants the right: | Sojitz Corporation |
| (2) Asset: | Real estate in trust as asset under management |
| (3) Real estate in trust: | Muse Ryogoku II
Meister house Kawasaki
Minami-Horie apartment Grande
Minami-Horie apartment Cielo
Minami-Horie apartment Rio
LIESSE Tsurumai |
| (4) First negotiation price: | ¥4,330 mn(Note) |
| (5) Period: | From January 31, 2020 to October 31, 2020 |
- (Note) Rounded to one decimal place. The same shall apply hereinafter.

2. Background and Reason

The right of first negotiation has been granted to NIPPON REIT in accordance with the terms and conditions outlined in the sponsor support agreement entered into by NIPPON REIT, Sojitz REIT Advisors K.K. and Sojitz Corporation. Main sponsor of NIPPON REIT, Sojitz Corporation, has been discussing and executing multiple sponsor supports for NIPPON REIT, and it has provided a function of warehousing as part of the sponsor support.

NIPPON REIT is able to achieve flexible and timely investments as set forth in our basic policy thought out securing the right and thereby expands opportunities of our future external growth. NIPPON REIT continues to take action to grow the asset under management and ensure stable revenues while utilizing such a sponsor support.

Furthermore, there is no remuneration paid from NIPPON REIT to Sojitz Corporation for the right of first negotiation and no obligation undertaken for NIPPON REIT to acquire the property.

3. Content of the Property

① Muse Ryogoku II

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		January 31, 2020
Trust expiration date		January 31, 2030
Location (indication of residential address)		2-2-6, Ryogoku, Sumida-ku, Tokyo
Land	Parcel number	2-14-4, Ryogoku, Sumida-ku, Tokyo
	Building coverage ratio/ Floor area ratio	100%(Note1)/500%
	Use district	Commercial district
	Site area	190.41m ²
	Type of ownership	Ownership
Building	Construction completion	November 2002
	Structure / Floors	Steel-framed reinforced concrete, Reinforced concrete with flat roof,10F
	Use	Residence
	Total floor space	996.62 m ²
	Type of ownership	Ownership
PML		7.3%
Collateral after acquisition		None
Special notations		None

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

Characteristics

The property is located where multiple routes can be used, such as 11-minute walk from the Ryogoku station on the JR Chuo-Sobu Line and the Toei Oedo Line, and the Morishita station on the Toei Shinjuku Line.

There are numerous stores, such as convenience stores and supermarkets within a walking distance, making the area very convenient for people to live in. In addition, there are many downtown style places such as museums and gardens located. Although the building is time-relatedly deteriorated, the condition of maintenance and management of the property is fairly as good as that of competing properties as well as the room arrangement and specifications. Therefore, stable demands can be expected, particularly among single persons.

Photo



Map



② Meister house Kawasaki

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 22, 2019
Trust expiration date		November 30, 2029
Location (indication of residential address)		2-5-2, Minami-saiwaicho, Saiwai-ku, Kawasaki-shi, Kanagawa
Land	Parcel number	2-5-3, Minami-saiwaicho, Saiwai-ku, Kawasaki-shi, Kanagawa and another parcel
	Building coverage ratio/ Floor area ratio	100%(Note1)/400%
	Use district	Commercial district
	Site area	239.67 m ²
	Type of ownership	Ownership
Building	Construction completion	February 2004
	Structure / Floors	Reinforced concrete with flat roof, 10F
	Use	Residence
	Total floor space	956.24 m ²
	Type of ownership	Ownership
PML		6.3%
Collateral after acquisition		None
Special notations		None

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

Characteristics

The property is 9-minute walk from the Kawasaki station on the JR Keihin-Tohoku Line, the Tokaido Main Line, and the Nanbu Line, and 13-minute walk from the Keikyu-Kawasaki station on the Keikyu Main Line. It has a convenient location to commute to the midtown, and the surrounding area has a rich convenience of living.

The building is used as a 10-story apartment of approximately 16 years of age with equipment such as auto-lock, bath drying function, system kitchen, independent washbasin with shower and etc. The property is mainly composed by studio type rooms within a walking distance from the west exit of Kawasaki Station, where LAZONA Kawasaki of huge commercial facilities and other life-connected shops are located. It is considered to have a standard level of rent for similar properties, and is expected to attract rent demands for the use of single persons and company housing with corporate contracts.

Photo



Map



③ Minami-Horie apartment Grande

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 27, 2019
Trust expiration date		November 30, 2029
Location (indication of residential address)		3-7-4, Minami-horie, Nishi-ku, Osaka-shi, Osaka
Land	Parcel number	3-39-2, Minami-horie, Nishi-ku, Osaka-shi, Osaka and another parcel
	Building coverage ratio/ Floor area ratio	100%(Note1)/480%(Note2)
	Use district	Commercial district
	Site area	295.69 m ²
	Type of ownership	Ownership
Building	Construction completion	February 2008
	Structure / Floors	Reinforced concrete with flat roof, 11F
	Use	Residence
	Total floor space	1,495.11 m ²
	Type of ownership	Ownership
PML		10.6%
Collateral after acquisition		None
Special notations		None

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

(Note2) The floor area ratio is essentially 600%, but it is decreased to 480% due to restriction of regulation regarding frontal road width.

Characteristics

The property is 4-minute walk from the Sakuragawa station on the Osaka Metro Sennichimae Line and the Hanshin Nanba Line, and 7-minute walk from the Nishi-Nagahori station on the Osaka Metro Sennichimae Line and Nagahori Tsurumi Ryokuchi Line. It has a convenient location, and the surrounding area has a rich convenience of living. This area has a high competitiveness as an urban residential area due to its high accessibility to major office districts and shopping districts in Osaka Prefecture. The condition of maintenance and management of the property is fairly as good as that of competing properties, as well as the room arrangement and equipment. In addition, the property is pet friendly, considered to be more competitive than the average in the area.

Photo of real estate that is the trust property and Map
Photo



Map



④ Minami-Horie apartment Cielo(Note1)

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 27, 2019
Trust expiration date		November 30, 2029
Location (indication of residential address)		①3-7-6, Minami-horie, Nishi-ku, Osaka-shi, Osaka ②3-6-7, Minami-horie, Nishi-ku, Osaka-shi, Osaka
Land	Parcel number	①3-15-6, Minami-horie, Nishi-ku, Osaka-shi, Osaka and other 2 parcels ②3-25-2, Minami-horie, Nishi-ku, Osaka-shi, Osaka
	Building coverage ratio/ Floor area ratio	①90%(Note2)/480%(Note3) ②100%(Note4)/480%(note3)
	Use district	Commercial district
	Site area	①327.47 m ² ②128.72 m ²
	Type of ownership	Ownership
Building	Construction completion	①February 2008 ②January 2008
	Structure / Floors	①Reinforced concrete with flat roof,14F ②Steel frame structure with alloy plated steel flat roof
	Use	①Residence ②Parking
	Total floor space	①1,623.62 m ² ②38.54 m ²
	Type of ownership	Ownership
PML		①7.8% ②5.8%
Collateral after acquisition		None
Special notations		None

(Note1) Including independent building that is used as the parking, same shall apply hereinafter.

(Note2) The building coverage ratio is essentially 80%, but it is increased up to 90% due to relaxation for a building on corner lot.

(Note3) The floor area ratio is essentially 600%, but it is decreased to 480% due to restriction of regulation regarding frontal road width.

(Note4) The building coverage ratio is essentially 80%, but it is increased up to 100% due to relaxation for a building with fire-proof structures located within fire prevention district and commercial district.

Characteristics

The property is 4-minute walk from the Sakuragawa station on the Osaka Metro Sennichimae Line and the Hanshin Nanba Line, and 7-minute walk from the Nishi-Nagahori station on the Osaka Metro Sennichimae Line and Nagahori Tsurumi Ryokuchi Line. It has a convenient location, and the surrounding area has a rich convenience of living. This area has a high competitiveness as an urban residential area due to its high accessibility to major office districts and shopping districts in Osaka Prefecture. The condition of maintenance and management of the property is fairly as good as that of competing properties, as well as the room arrangement and equipment. In addition, the property is pet friendly, considered to be more competitive than the average in the area.

Photo



Map



⑤ Minami-Horie apartment Rio

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 27, 2019
Trust expiration date		November 30, 2029
Location (indication of residential address)		3-6-10, Minami-horie, Nishi-ku, Osaka-shi, Osaka
Land	Parcel number	3-11-2, Minami-horie, Nishi-ku, Osaka-shi, Osaka
	Building coverage ratio/ Floor area ratio	100%(Note1)/480%(note2)
	Use district	Commercial district
	Site area	157.95 m ²
	Type of ownership	Ownership
Building	Construction completion	February 2008
	Structure / Floors	Steel frame structure with alloy plated steel flat roof, 7F
	Use	Residence
	Total floor space	537.82 m ²
	Type of ownership	Ownership
PML		13.2%
Collateral after acquisition		None
Special notations		None

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

(Note2) The floor area ratio is essentially 600%, but it is decreased to 480% due to restriction of regulation regarding frontal road width.

Characteristics

The property is 4-minute walk from the Sakuragawa station on the Osaka Metro Sennichimae Line and the Hanshin Nanba Line, and 7-minute walk from the Nishi-Nagahori station on the Osaka Metro Sennichimae Line and Nagahori Tsurumi Ryokuchi Line. It has a convenient location, and the surrounding area has a rich convenience of living. This area has a high competitiveness as an urban residential area due to its high accessibility to major office districts and shopping districts in Osaka Prefecture. The condition of maintenance and management of the property is fairly as good as that of competing properties, as well as the room arrangement and equipment. In addition, the property is pet friendly, considered to be more competitive than the average in the area.

Photo



Map



⑥ LIESSE Tsurumai(Note1)

Type of specified asset		Trust beneficiary interests in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		January 8, 2020
Trust expiration date		January 31, 2030
Location (indication of residential address)		①2-5-1, Tsurumai, Showa-ku, Nagoya-shi, Aichi ②2-5-2, Tsurumai, Showa-ku, Nagoya-shi, Aichi
Land	Parcel number	①2-501-1, Tsurumai, Showa-ku, Nagoya-shi, Aichi ②2-501-2, Tsurumai, Showa-ku, Nagoya-shi, Aichi
	Building coverage ratio/ Floor area ratio	90%(Note2)/200%
	Use district	Neighborhood commercial districts
	Site area	①401.63 m ² ②796.96 m ²
	Type of ownership	Ownership
Building	Construction completion	March 2006
	Structure / Floors	①Reinforced concrete with flat roof,8F ②Reinforced concrete with flat roof,10F
	Use	Residence
	Total floor space	①826.35 m ² ②1,670.94 m ²
	Type of ownership	Ownership
PML		4.5%
Collateral after acquisition		None
Special notations		None

(Note1) The property including two independent buildings is described as one property in total, same shall apply hereinafter.

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

Characteristics
<p>The property is 8-minute walk from the the Maizuru station on the Nagoya City Subway Subway Maizuru Line and the Maizuru station on the JR Chuo Line. It is located in an area with high residential demands from singles and families who need high convenience for commuting.</p> <p>Although the property is somewhat affected by running sound from the elevated railroad of the Chuo Line, the three sides face the municipal roads, and it is sunshine and ventilation are fairly good, thus securing a certain level of comfort. Furthermore, life-connected facilities are located in the vicinity of the station, making it generally easy for residents to live. Although the building time-relatedly deteriorated, the condition of maintenance and management of the building is fairly as good as that of competing properties, as well as the room arrangement and specifications. Therefore, stable demands can be expected, particularly among single persons.</p>

Photo



Map



< Explanation of matters stated in table “3. Content of the Property” >

- “Location (indication of residential address)” is the indication of residential address of the Property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations in principal) is stated.
- “Parcel number”, lot number in the registry (if several, then one of the locations in principal) is stated.
- “Building coverage ratio” and “Floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on a specified asset, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the Property.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / Floors” of building is based on that stated in the registry.
- “Use” of building is the major type of building in the registry.
- “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights of the real estate held by the trustee of the Property.
- “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd., and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right by each party.
- “Characteristics” include basic characteristics and attributes of areas where such properties, namely, trust properties, are located, and are compiled mainly, are based on appraisal reports that Sojitz Corporation received from Daiwa Real Estate Appraisal Co., LTD. for Meister house Kawasaki, and JLL Morii Valuation & Advisory K.K. for the other properties due diligence upon their acquisition. Such reports are the evaluations at a specific point in time and opinions of external experts who prepare them, and do not guarantee the reasonableness or accuracy of the content. Changes in business environments and other factors that occur after the preparation of such reports are not reflected therein.

4. Future outlook

The forecast of the management status for the fiscal period ending December 2019 (from July 1, 2019 to December 31, 2019) and June 2020 (from January 1, 2020 to June 30, 2020) announced in the “Summary of Financial Results for the Fiscal Period Ended June 30, 2019 (REIT)” dated August 19, 2019 remains unchanged because the impact will be minimal.

* NIPPON REIT Investment Corporation website: <http://www.nippon-reit.com/en>

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