

NIPPON REIT Investment Corporation (TSE code : 3296)
Performance Report (October-December 2019)

February 19, 2020

真面目に、
地道に、
堅実に。

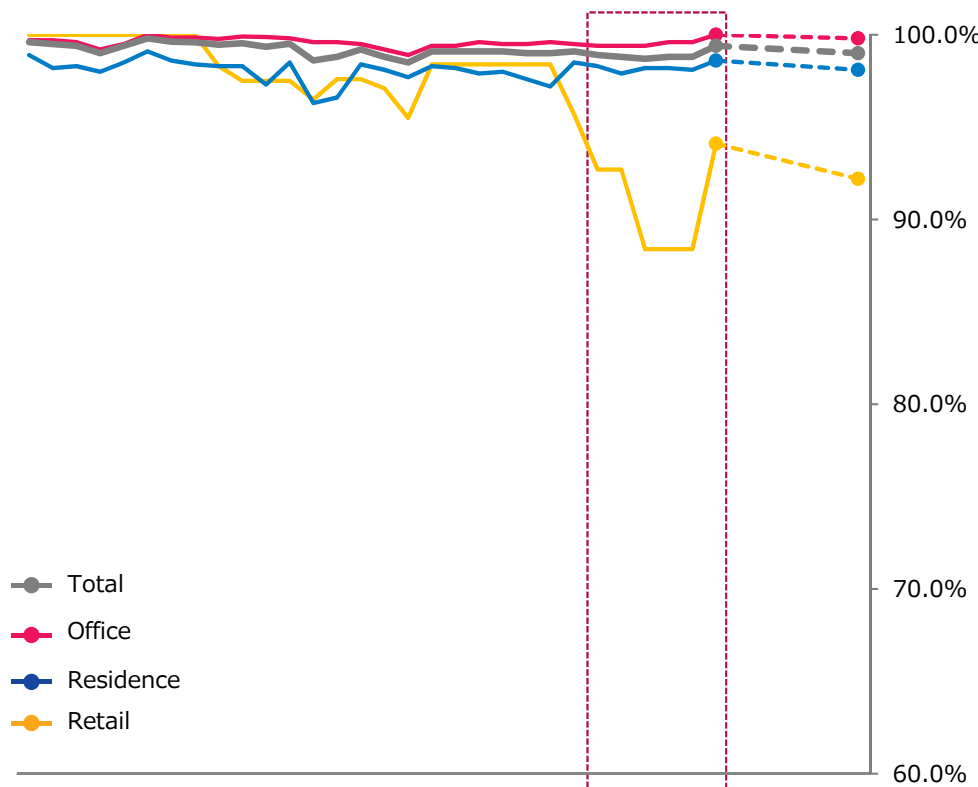


Occupancy Rate and Free Rent Period Trend

1 Maintaining a high occupancy rate both of based on contract and rent

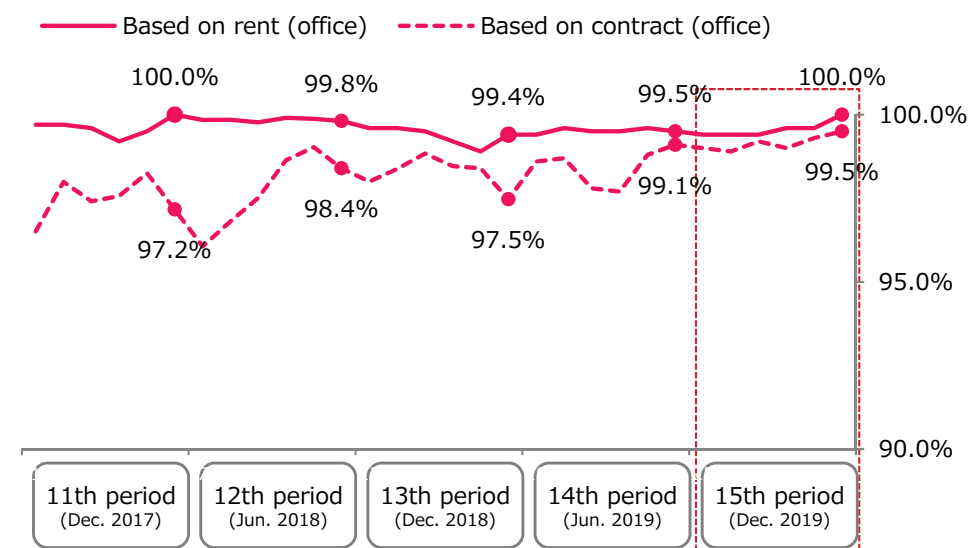
- Average occupancy rate of office reaches 100% at the end of Dec. 2019 with the background of tight mid-sized market
- Average occupancy rate of retail properties has recovered due to proactive leasing activities

《Occupancy rate trend and forecast》

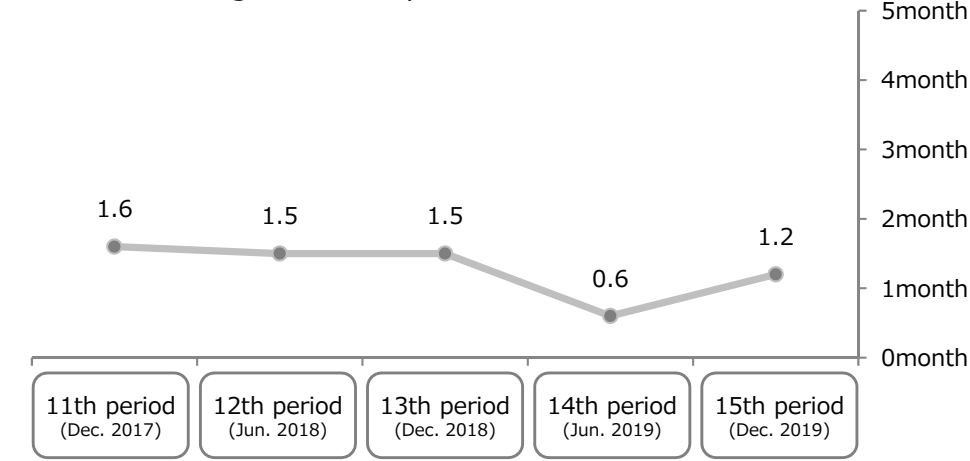


11th period	12th period	13th period	14th period	15th period	16th period	
99.8%	99.5%	99.1%	99.1%	99.4%	99.0%	Total
100%	99.8%	99.4%	99.5%	100%	99.8%	Office
99.1%	98.5%	98.3%	98.5%	98.6%	98.1%	Residence
100%	97.5%	98.4%	95.7%	94.1%	92.2%	Retail

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



《Trend of average free rent period⁽¹⁾》



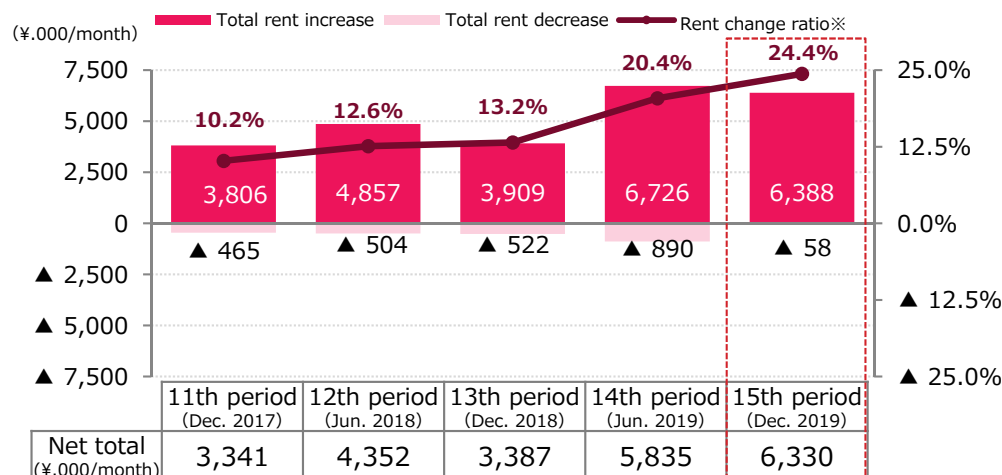
Status of Tenant Move-in and Move-out, and Rent Increase Upon Tenant Replacement

2 Increase in office rent change ratio upon tenant replacement

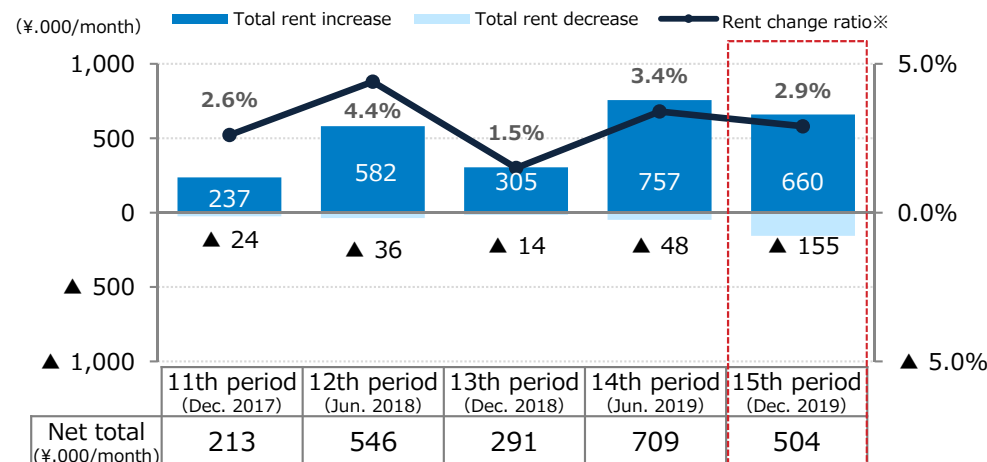
- Rent increase(decrease) upon tenant replacement improved, given the background of mid-sized office market in which supply-demand is tight and there is high property competitiveness

《 Monthly rent increase (decrease) upon tenant replacement 》

● Office



● Residence (1)



《 Status of Termination Notices 》

Property name	Occupancy rate	Termination notices section	Assumed occupancy rate
Omiya Center Building	100.0%	1section (102tsubo) Termination notice	100% (Feb.2020)
Alte Building Higobashi	100.0%	1floor (123tsubo) Termination notice	100% (Feb.2020)
GreenOak	100.0%	1floor (58tsubo) Termination notice	100% (Mar.2020)
Takanawadai	100.0%	2floors+1section (610tsubo) Termination notice	100% (Mar.2020)
FORECAST Takadanobaba	100.0%	1section (58tsubo) Left already	100% (Mar.2020)
I・S Minamimorimachi Building	100.0%	1floor (212tsubo) Termination notice	100% (Mar.2020)
FORECAST Gotanda WEST	100.0%	1floor (123tsubo) Left already	100% (Apr.2020)
GreenOak Kayabacho	100.0%	1floor (47tsubo) Termination notice	100% (Jun.2020)
FORECAST Shin-Tokiyabashi	100.0%	2sections (32tsubo) Termination notice	98.6% (May.2020)
FORECAST Kayabacho	96.9%	1floor (57tsubo) Left already	96.9% (Jan.2020)
Komyoike Act	100.0%	1section (110tsubo) Termination notice	93.5% (May.2020)
NORE Meieki	100.0%	1section (69tsubo) Termination notice	
		1section (15tsubo) Left already	
Toranomon Sakura Building	100.0%	2sections (161tsubo) Termination notice	82.5% (May.2020)
Marunouchi Sanchoe Building	100.0%	2sections (119tsubo) Termination notice	91.5% (Jun.2020)
		1section (67tsubo) Termination notice	
Higashi Ikebukuro Center Building	100.0%	1floor (115tsubo) Termination notice	90.9% (Aug.2020)
Toshin Higashi-Ikebukuro Building	100.0%	1floor (76tsubo) Termination notice	84.7% (Mar.2020)
BECOME SAKAE	88.6%	1section (60tsubo) Termination notice	83.6% (Feb.2020)
		1floor (158tsubo) Left already	
NORE Fushimi	100.0%	1section (78tsubo) Termination notice	83.0% (Jun.2020)
		2floors (240tsubo) Left already	
		1floor (120tsubo) Left already	
		1floor (61tsubo) Left already	
FORECAST Kameido	100.0%	1floor+1section (189tsubo) Termination notice	79.8% (Jul.2020)
MK Kojimachi Building	100.0%	3floors (137tsubo) Termination notice	74.3% (May.2020)

Note

1. Residential properties of which rents are not fixed, are stated.

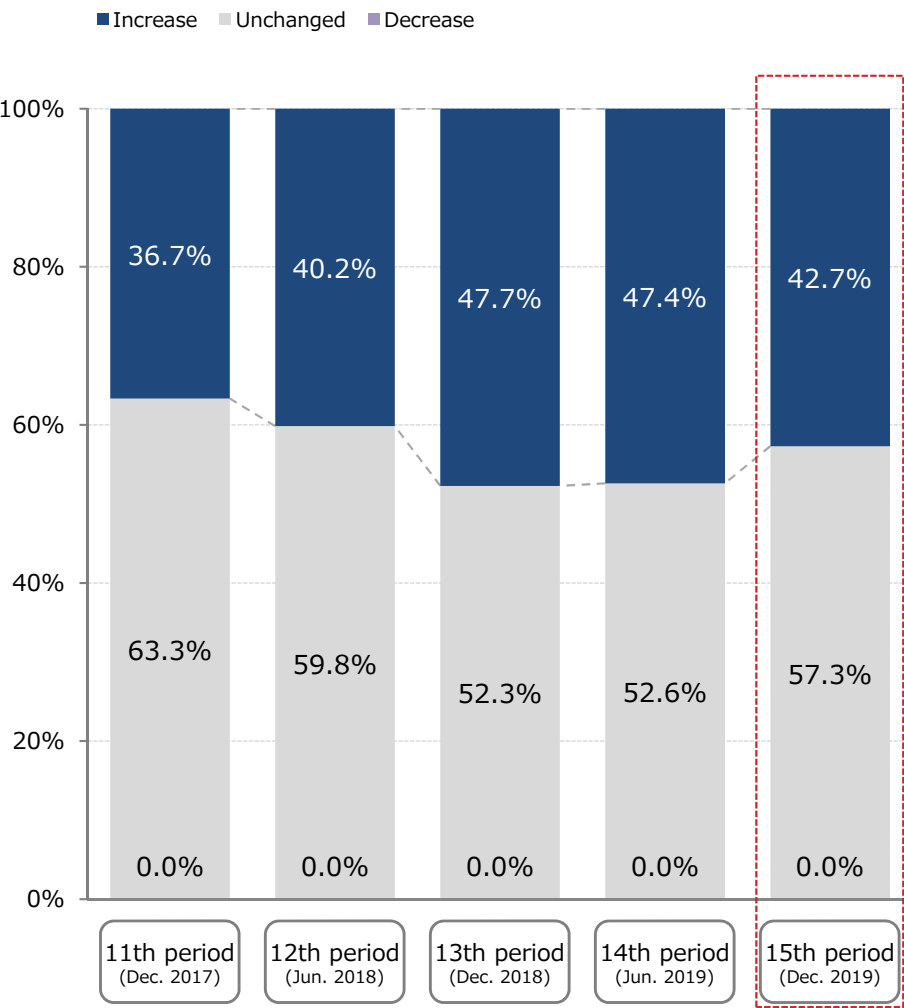
Track Record of Rent Renewals and Rent Increase Upon Contract Renewals(Office)

3

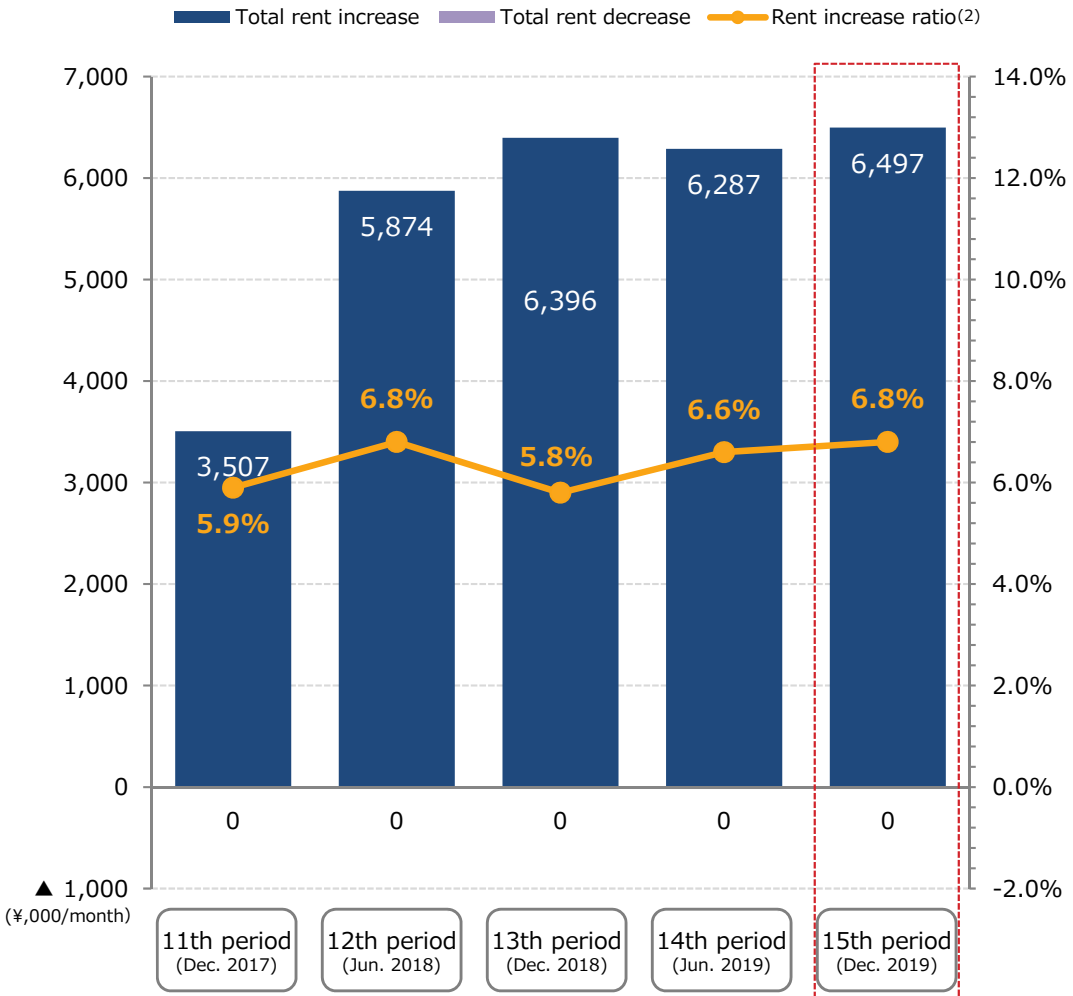
Maintain rent increase trend upon contract renewal

- Achieved rent increase for 42.7% of area subject to renewal ,attributed to 60 tenants (6,477 tsubo) out of 151 tenants (15,180 tsubo), during the 15th period

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



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



Note

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

Implementation Status and Major plans of Engineering Management

4 Planning and carrying out the Engineering Management to boost internal growth

《Major implementation (from Oct. to Dec. 2019)》

《10 properties》

Increase in revenue by setting antennas at rooftop

- Plan to set antennas for mobile phone etc. at rooftop
- Approx. ¥6.54mn p.a. increase in revenue is expected



《4 properties》

Cost reduction by installment of LED light

- Plan to install LED lights in common area
- Approx. ¥3.23mn p.a. cost reduction is expected



《FORECAST Sinjuku AVENUE, FORECAST Nishishinjuku》

Setting Umbrella sharing

- Improved convenience for tenants
- Contributing to waste reduction by sharing umbrellas



《Major implementation (from Jan. 2020)》

《Merveille Senszoku, Wald Park Minamioi》

Increase in revenue by replacing sublease parking operator and installation of EV charging facility

- Plan to replace sublease parking operator and approx. ¥0.31mn p.a. increase in revenue is expected
- The tenant satisfaction improved by installation of EV charging facility



《NORE Fushimi》

Increase in revenue by expand leasable space

- Plan to expand leasable space by changing layout
- Approx. ¥0.72mn p.a. increase in revenue is expected



《Splendid Shin-Osaka Ⅲ》

Increase in revenue by sublease contract

- Plan to conclude sublease contract for motor bicycle parking
- Approx. ¥0.1mn p.a. increase in revenue is expected



《12 properties》

Cost reduction by changing electric power provider

- Plan to change electric power provider
- Approx. ¥22.29mn p.a. cost reduction is expected



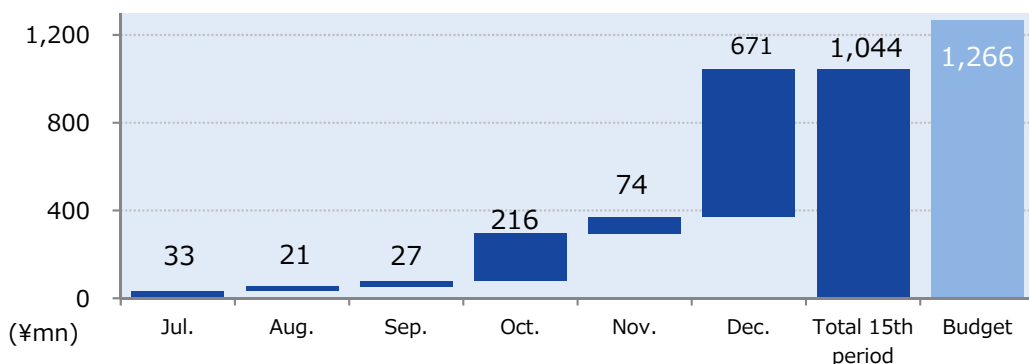
《4 properties》

Cost reduction by replacing building manager

- Plan to replace building manager of the properties located in same area
- Approx. ¥9.72mn p.a. cost reduction is expected



《15th period Status of Engineering Management Implementation⁽¹⁾》



Note

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

● Measure to increase revenue

● Measure to reduce expense

● Measure to improve tenant satisfaction

● Measure with environmental consideration

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