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For Immediate Release

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Notice Concerning Acquisition of Asset (Godo Kaisha Nicolas Capital 5 Silent Partnership Equity Interest)

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that Sojitz REIT Advisors K.K. ("SRA"), which is entrusted to manage the assets of NIPPON REIT, today decided on the following acquisition of an asset (Silent Partnership Equity Interest) (the "Acquisition").

1. Overview of acquisition

(1)	To-be-acquired asset:	Silent partnership equity interest that has beneficiary right of trust placing real estate in trust as asset under management
(2)	Asset name:	Godo Kaisha Nicolas Capital 5 silent partnership equity interest
(3)	Real estate that is the trust property (the "Property"):	Omiya Center Building
(4)	Equity investment amount:	100 million yen (2.0 % of total amount of equity investment in silent partnership(Note))
(5)	Agreement conclusion date:	March 11, 2015
(6)	Acquisition date:	March 12, 2015 (scheduled)
(7)	Acquisition funds:	Funds on hand

(Note) Rounded to one decimal place. The same shall apply hereinafter.

2. Reason for acquisition

SRA decided on the Acquisition with an aim to develop a portfolio that achieves growth of asset size and secures stable revenue through investing in silent partnership in accordance with the asset management targets and policy set forth in the articles of incorporation of NIPPON REIT.

The Acquisition is thought to achieve dynamic and timely investments as set forth in the basic policy of NIPPON REIT and thereby largely contribute to the future external growth of NIPPON REIT.

NIPPON REIT, as a result of the Acquisition, will receive profits in the form of dividends from the operator of the silent partnership (Godo Kaisha Nicolas Capital 5), sourced from rent and other income from the lessees of the Property. In addition, with the Acquisition, NIPPON REIT will be granted the right of first negotiation pertaining to the acquisition of the Property (for details, please refer to "3. Outline of to-be-acquired asset; (1) Overview of silent partnership, the target of equity investment; Other; Right of first negotiation to be granted with the Acquisition" below), but this does not mean that NIPPON REIT will be obliged to acquire the Property.

3. Outline of to-be-acquired asset

(1) Overview of the silent partnership, the target of equity investment

<table>
<tr><td>Operator name</td><td>Godo Kaisha Nicolas Capital 5</td></tr>
<tr><td>Effective period of silent partnership agreement</td><td>To March 13, 2018</td></tr>
<tr><td>Total amount of equity investment in silent partnership, etc.</td><td>5,000 million yen</td></tr>
<tr><td>Overview of silent partnership agreement</td><td>The following is an overview of this equity investment in silent partnership.
<table><tr><td colspan="2">Godo Kaisha Nicolas Capital 5</td></tr><tr><td rowspan="2">Real estate trust beneficiary right, etc.
16,250 million yen
(Note 1)</td><td>Non-recourse loan
11,250 million yen</td></tr><tr><td>Equity investment in silent partnership, etc.
5,000 million yen
(Note 2)</td></tr></table>
Calculation period:
The three-month periods every year from March 1 to the last day of May, from June 1 to the last day of Augst, from September 1 to the last day of November and from December 1 to the last day of February in the following year. However, the first calculation period shall be from the Acquisition date to the last day of May 2015.
Distribution of earnings(losses):
In the event that the business generates earnings in the respective calculation period, the operator shall distribute the entire amount thereof to equity investors in accordance with their proportion of equity investment on the last day of the respective calculation period. In addition, in the event that the business generates losses in the respective calculation period, distributions shall be in accordance with their proportion of equity investment on the last day of the respective calculation period for up to the amount of losses of the business. However, in the event that the cumulative amount of losses to be distributed to</td></tr>
</table>

	equity investors exceeds the total amount of equity investment, the entire portion in excess shall be distributed to the operator.
Other	Right of first negotiation to be granted with the Acquisition

Content of right	The right to be the first to be entitled to negotiate acquisition of the real estate trust beneficiary right scheduled to be acquired by the operator on March 12, 2015 (please refer to 7. Below) or the real estate that is the trust property
Period	To May 13, 2017 (scheduled)
Terms and conditions of price upon first negotiation	15,666 million yen (including consumption taxes)

(Note 1) Real estate trust beneficiary right, etc. includes arrangement costs and reserves, etc. Furthermore, the real estate appraisal value is 15,500 million yen.
(Note 2) Of the total amount of equity investment in silent partnership, etc., NIPPON REIT's equity investment is scheduled to be 100 million yen (2.0 % of the total amount of equity investment in silent partnership, etc.).
(Note 3) Samurai Capital Co., Ltd. is scheduled to be the asset manager for Godo Kaisha Nicolas Capital 5.
(Note 4) Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is the party handling the private placement for Godo Kaisha Nicolas Capital 5.

(2) Overview of operator of silent partnership in which equity investment is to be made

Name	Godo Kaisha Nicolas Capital 5
Location	1-1-7 Motoakasaka Minato-Ku Tokyo
Line of business	1. Acquisition, holding, disposition and management of real estate trust beneficiary right 2. Acquisition, holding, leasing and management of real estate 3. Other businesses incidental or related to businesses listed in the preceding items
Title and name of representative	Representative member: Ippan Shadan Hojin Nicolas Funding 5 Person to execute duties: Terumitsu Nosaka
Capital	100 thousand yen
Other equity investor in silent partnership	Not disclosed (Note)
Date of incorporation	March 18, 2010
Total asset	16,250 million yen (scheduled)
Net asset	100 thousand yen
Relationship with NIPPON REIT or asset management company	
Capital relationship Personnel relationship Business relationship	There is no capital relationship, personnel relationship or business relationship to be stated between NIPPON REIT or the asset management company and the concerned company. In addition, there is no capital relationship, personnel relationship or business relationship to be specially noted between associated persons and associated companies of NIPPON REIT or the asset management company and associated persons and associated companies of the concerned company.
Related-party status	The concerned company does not fall under the category of a related party of NIPPON REIT or the asset management company. In addition, any of associated persons and associated companies of the concerned company does not fall under the category of a related party of NIPPON REIT or the asset management company.

(Note) Not disclosed because consent has not obtained from other equity investors in silent partnership.

4. Settlement method

Settlement shall be in a lump sum at the time of equity investment in silent partnership as stated in “5. Schedule of acquisition” below.

5. Schedule of acquisition

March 11, 2015	Decision on acquisition
March 11, 2015	Conclusion of silent partnership agreement
March 12, 2015	Equity investment in silent partnership (scheduled)
March 13, 2015	Delivery of real estate trust beneficiary right to silent partnership operator (scheduled)

6. Future outlook

The forecast of the management status for the fiscal period ending June 2015 (from January 1, 2015 to June 30, 2015) and Decmber 2015(from July 1, 2015 to December 31, 2015) announced in the “Summary of Financial Results for the Fiscal Period Ended December 31, 2014 (REIT)” dated February 19, 2015 remains unchanged because the impact will be minimal.

NIPPON REIT Investment Corporation

7. Content of the Property

(1) Omiya Center Building

Type of specified asset		Real estate trust beneficiary right
Scheduled acquisition date		March 12, 2015 (scheduled)
Trustee		Mizuho Trust & Banking Co., Ltd. (scheduled)
Trust establishment date		Octover 15, 2004
Trust expiration date		March 31, 2025 (scheduled)
Location (indication of residential address)		1-9-6 sakuragicho omiya-ku Saitama-city Saitama
Land	Parcel number	1-9-6 sakuragicho omiya-ku Saitama-city Saitama (and 31 other parcels)
	Building coverage ratio / Floor area ratio	100% (Note 1) / 600%
	Use district	Commercial district
	Site area	3,480.05 ㎡
	Type of ownership	Ownership
Building	Construction completion	March 1993
	Structure / Floors	Steel-framed reinforced concrete structure/flat roof, B1/14F
	Use	Office
	Total floor space	22,174.45 ㎡(Note 2)
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing
Type of master lease		Pass-through
Appraisal value		15,500 million yen
Real estate appraiser		Japan Real Estate Institute
PML		2.0%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee. In addition, an agreement on establishment of a mortgage with a condition precedent that agrees to the concerned loaner as the mortgagee is scheduled to be concluded for the real estate that is the trust property.
Status of leasing		
	Leasable floor space	14,311.77 ㎡
	Leased floor space	14,311.77 ㎡
	Occupancy rate	100%
	Total number of tenants	25
	Total rent income (annual)	878 million yen
	Deposits, etc.	686 million yen
Special notations		Not applicable

(Note 1) The building coverage ratio is essentially 80%, but it is 100% due to relaxation for fire-proof structures within fire prevention districts.

(Note 2) The following annex is included.
Type of building: Parking lot, Structure: Steel-framed structure with zinc coated steel sheet / 1F, Total foor area: 38.48 ㎡

Characteristics
・Location The Omiya west exit zone, in which Omiya Center building is located, is an office area extending along the west side of the Omiya Station of the JR Lines. As the wide area transportation network including Tohoku, Nagano and Jyoetsu Shinkansen, etc. are available from the station, the concerned zone is positioned as the operational hub of North Kanto region and Jyoshinetsu region. Omiya Center Building is within a 3-minute walk from the Omiya station of the JR Lines, this proximity to the nearest station and superior access has an appealing power. However, due to it being located slightly away from Mihashichuo-dori street, it is slightly inferior in terms of visibility. ・Building As many buildings located in the Omiya west exit zone are small-sized buildings with around 1,000 tsubos of total floor space, the size of Omiya Center Building is greater than that of buildings in the volume zone (zone with largest distribution). In particular, the solicitation power in terms of the standard floor size can be evaluated. However, as the building age is equivalent to that of buildings in the volume zone, the building has standard competitive advantages in terms of the building age. The building is equipped with a standard level of facilities and specifications which meet the tenants' needs. Furthermore, the parking lot secures sufficient capacity of 51 units (mechanical and flat lot). In this regard, the building is expected to be evaluated highly mainly from tenants who prioritize car usage.

① Photo of exterior of real estate that is the trust property



② Map of real estate that is the trust property



[Explanation of matters stated in table 7.Overview of the Property]

- "Location (indication of residential address)" is the indication of residential address of the real estate. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations) 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.
- "Master lease company" is the company that has concluded or the company that is scheduled to conclude a master lease agreement that is valid as of today for the Property.
- "Type of master lease" is the main type of master lease agreement concluded or scheduled to be concluded as of today, where "Pass-through" is a master lease agreement in which the master lease company shall pay the same amount of rent as the rent payable by end tenants to the master lease company and "Rent guaranteed" is a master lease agreement in which the master lease company shall pay a fixed amount of rent.
- "Appraisal value" is the appraisal value stated in the appraisal report prepared by Japan Real Estate Institute with February 1, 2015 as the effective date of appraisal as requested as part of due diligence upon acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 4, and rounded down to the nearest million yen.
- "PML" is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd. as requested as part of due diligence upon acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 4, 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 Godo Kaisha Nicolas Capital 4.
- "Status of leasing" is based on the figures and information provided by the previous owner or the trust beneficiary, etc. regarding the content, etc. of the lease agreement, etc. that is valid as of December 31, 2014, unless otherwise stated.
- "Leasable floor space" is the floor space regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building of each asset as of December 31, 2014 for the Property.
- "Leased floor space" is the sum total of the leased floor space indicated in each lease contract or each provisional lease contract for the Property as of December 31, 2014. However, in cases where a pass-through type master lease agreement is scheduled to be concluded, the sum total of the leased floor space of end tenants indicated in each sublease

contract or each provisional sublease contract for the Property as of December 31, 2014. Furthermore, because there are cases where leased floor space indicated in lease contracts, etc. includes the portion not included in total floor space, there are cases where total leased floor space may exceed total floor space.

- Occupancy rate" is the ratio of the leased floor space to the leasable floor space for the Property as of December 31, 2014, and rounded to one decimal place.
- "Total number of tenants" is the sum total of the number of tenants (Note 1) in the lease agreement of the Property indicated in each lease agreement for the Property as of December 31, 2014. Furthermore, in cases where a pass-through type master lease agreement is scheduled to be concluded for the concerned asset, the total number of end tenants (Note 1) is stated. However, even in the case of a pass-through type master lease agreement, in cases where the sub lessee subleasing the entire property from the master lease company has been entrusted with property management and shall pay fixed rent to the master lease company, the total number of tenants is stated as 1.
- "Total rent income (annual)" is the annual rent, or the amount annualized by multiplying the monthly rent by 12, for the building indicated in each lease contract or each provisional lease contract for the Property as of December 31, 2014 (Note 2), and rounded down to the nearest million yen. However, in cases where a pass-through type master lease agreement is scheduled to be concluded between the master lease company and the lessor, etc. in which, in principle, the rent, etc. from end tenants is received as is, the annual rent, or the amount annualized by multiplying the monthly rent by 12, indicated in each sublease contract or each provisional sublease contract with end tenants for the Property as of December 31, 2014 (Note 2), and rounded down to the nearest million yen is stated.
- "Deposits, etc." is the sum total amount of tenant leasehold and security deposits required based on each lease agreement for the Property as of December 31, 2014 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of December 31, 2014), and rounded down to the nearest million yen. In cases where a master lease agreement is scheduled to be concluded for the concerned asset, the sum total amount of tenant leasehold and security deposits required based on the lease agreement concluded with end tenants, and rounded down to the nearest million yen is stated.

(Note 1) Excluding warehouse, signboard, parking lot, etc.
(Note 2) For the Property under several lease agreements, the sum total amount thereof. In addition, common area maintenance charges are included, but warehouse, signboard, parking lot, etc. usage fees are not included, and free-rent is not taken into account (excluding consumption taxes).

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

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