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For Immediate Release

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Notice Concerning Acquisition of Asset (MK Kojimachi Building)

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 (the "Acquisition").

1. Overview of acquisition

(1)	To-be-acquired asset:	Trust beneficiary right placing real estate in trust
(2)	Asset name:	MK Kojimachi Building (the "Property")
(3)	Scheduled acquisition price :	1,781 million yen (Note1)
(4)	Agreement conclusion date:	March 27, 2015 (scheduled)
(5)	Acquisition date:	March 27, 2015 (scheduled)
(6)	Seller	Not disclosed (Note2)
(7)	Acquisition financing:	Borrowings (scheduled) (Note3)
(8)	Payment date	March 27, 2015 (scheduled)

(Note1) "Scheduled acquisition price" is the acquisition price of to-be-acquired asset stipulated in sales and purchase agreements. Furthermore, the acquisition price is excluding consumption taxes, local consumption taxes and various expenses required for the acquisition, and rounded down to the nearest million yen.
(Note2) Not disclosed because consent has not been obtained from the seller.
(Note3) Please refer to the "Notice Concerning Borrowing of funds" dated today for loan details.

2. Reason for the Acquisition

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

Furthermore, the following points of the Property were favorably rated upon the Acquisition.

①Location

"Kojimachi, Hirakawacho, Kioicho" zone, in which the Property is located, is an area which a quiet cityscape spread out, with a high concentration of foreign embassies and educational Institutions, and condominiums lines sparsely along the main street, etc.,.The Property is a 1-minute walk from Kojimachi station on the Tokyo Metro Yurakucho Line and a 5-minute walk from Hanzomon station on the Tokyo Metro Hanzomon Line, located along Shinjyuku-Dori street. As for the access, the location can be evaluated to have a certain level of convenience as several lines are available within walking distance. The Property is considered to be highly

competitive towards specialty service business like law firm and accounting firm etc., and management consulting company because of the close proximity to the government facilities and the public agencies.

②Building

The building is a corner lot along the Shinjyuku-Dori Street, and has a high visibility. As mamy of the office buildings located in the zone are small-sized buildings with less than 1,000 tsubos of total floor space as equivalent to the size of the Property, the building has also standard competitive advantages in terms of the building scale. Furthermore, as the building age is equivalent to that of small-sized buildings in the zone, the building has also standard competitive advantages in terms of the building age. The building is equipped with a standard level of facilities and specifications which can meet the tenant's needs.

3. Overview of the Acquisition and Leasing

Name of property		MK Kojimachi Building
Type of specified asset		Real estate trust beneficiary right
Scheduled acquisition price		1,781 million yen
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		March 27, 2015 (scheduled)
Trust expiration date		March 27, 2025 (scheduled)
Location (indication of residential address)		4-2-1 Kojimachi Chiyoda-ku Tokyo
Land	Parcel number	4-2-1 Kojimachi Chiyoda-ku Tokyo
	Building coverage ratio / Floor area ratio	100% (Note1) / 793.92% (Note2)
	Use district	Commercial district
	Site area	247.36 ㎡
	Type of ownership	Ownership
Building	Construction completion	March 1997, Extention of building: July 2006 (Note 3)
	Structure / Floors	Steel-framed, Steel-framed reinforced concrete, Reinforced concrete structure with flat roof, B2/10F
	Use	Office
	Total floor space	1,962.22 ㎡
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (scheduled)
Type of master lease		Pass-through
Appraisal value		1,890 million yen
Real estate appraiser		Japan Real Estate Institute
PML		4.3%
Collateral after acquisition		None
Status of leasing		
	Leasable floor space	1,752.31 ㎡
	Leased floor space	1,752.31 ㎡
	Ratio of total leasable floor area in portfolio	0.86%
	Representative tenant	Not disclosed (Note 4)
	Occupancy rate	100%
	Total number of tenants	9
	Total rent income (annual)	94 million yen
	Deposits, etc.	72 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 commercial districts fire prevention districts.

(Note 2) The floor area ratio is essentialy 600%, 800% but It is 793.92% due to a weighted average based on the subject area of the respective use districts.

(Note 3) wearhouse had been extended on B2F in July 2006.

(Note 4) Not disclosed because consent has not been obtained from the end tenant.

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4.Summary of the appraisal report

Property name	MK Kojimachi Building	
Appraisal value	1,890,000,000 yen	
Real estate appraiser	Japan Real Estate Institute	
Effective date	March 1, 2015	
	Details	Outline
Appraisal Value by capitalization method	1,890,000,000 yen	Calculated by associating value based on the direct capitalization method and that based on the DCF method, both of which are considered to have the same level of canonicity
Appraisal value using the direct capitalization method	1,890,000,000 yen	
Operating income	109,132,000 yen	
Potential gross income	115,293,000 yen	Recorded based on the assessed unit price of rent, etc. which can be received over a mid- and long-term
Total of vacancy losses, etc.	6,161,000 yen	Recorded based on the assessed level of occupancy rate which is stable over a mid- and long-term
Operating expenses	28,223,000 yen	
Building management fees	6,244,000 yen	Recorded in consideration of the individuality of the target property, by reference to the scheduled building management fees, building management fees of similar properties, and the actual amount of the past years
Utilities	5,200,000 yen	Recorded in consideration of the occupancy rate etc. of the leasing space, by reference to the actual amount of the past years
Repairs and maintenance costs	1,294,000 yen	Recorded, in consideration of the actual amount of the past years, maintenance plan, a level of such costs of similar properties and an annual average of repairs, maintenance and renewal costs in the engineering report,
Property management fees	1,570,000 yen	Recorded in consideration of the rate of fees for similar properties and the individuality of the target property, by reference to rates based on the existing terms and conditions
Leasing expenses	759,000 yen	Recorded based on the average annual amount of brokerage fee and advertising expenses, etc. that was assessed based on the anticipated turnover period of the tenant
Taxes	11,276,000 yen	Assessed based on the standard taxable value and the actual amount for the year 2014
Insurance	260,000 yen	Recorded in consideration of premiums paid for scheduled insurance money, and insurance rates of similar properties, etc.
Others	1,620,000 yen	No specific cost to be recorded
Net operating income	80,909,000 yen	
Non-operating	1,471,000 yen	Assessed by multiplying the number of mid-

	income		and long-term stable months for deposits based on the existing leasing terms and the number of deposited months at the new execution of leasing agreements with multiplied by the occupancy rate, by the management yield. A level of management yield considered to be appropriate is 2.0% in consideration of both levels of interest rates for management and financing
	Capital expenditure	3,110,000 yen	Assessed in consideration of a level of capital expenditure by similar properties, age of the building and an annual average of repairs, maintenance and renewal costs in the engineering report, based on an assumption that expected expenditure is accumulated every term on average
Net income		79,270,000 yen	
Capitalization rate		4.2%	Assessed by adding or reducing a spread derived from the locational, building and other conditions of the target property, also in consideration of future uncertainties and transaction yields of similar properties, etc.
Appraisal value using the discount cash flow method		1,880,000,000 yen	
	Discount rate	3.8%	Assessed in consideration of the individuality of the target property comprehensively, by reference to investment yields of similar properties
	Terminal rate	4.2%	Assessed in consideration of future trends of investment yields, risks in the target property as an investment target and general forecasts for economic growth and trends in property prices and rents, etc. comprehensively, by reference to investment yields of similar properties
Appraisal value by cost method		1,840,000,000 yen	
Proportion of land		89.1%	
Proportion of building		10.9%	

Other matters to which the appraiser paid attention in appraisal	Determined the appraisal value using the Income Capitalization Approach Value with the Value Calculated Using the Cost Method used only for reference. The decision is made that the Income Capitalization Approach Value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

5. Overview of the seller

The seller of the Property is a Japanese corporation; however, details are not described in this press release because no consent has been obtained from the seller to disclose its name, etc. There is no capital relationship, personnel relationship or business relationship tobe stated between NIPPON REIT or SRA and the seller. The seller does not fall under the category of related party of NIPPON REIT or SRA. In addition, the seller does not fall under the category of any interested party or sponsor-related party, as of today.

6. Acquirer's profile

The seller of the Property does not fall under the category of a special related party of the asset management company.

7. Overview of brokerage

Not applicable

8. Settlement method

Settlement shall be in a lump sum at the time of the Acquisition using debt financing.

9. Schedule of acquisition

March 24, 2015	Decision on acquisition
March 27, 2015	Concludes an agreement to purchase the real estate trust beneficiary right. (scheduled) Acquisition of the trust beneficiary right and settlement of the payment. (scheduled)

10. 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.

[Explanation of matters stated in table 3. Overview of the Acquisition and Leasing]

- "Location (indication of residential address)" is the indication of residential address of the real estate that is the trust property. 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 the real estate that is the trust property, 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 held by the trustee of the real estate trust for the real estate that is the trust 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 held by the trustee of the real estate trust for the trust beneficiary right above.
- "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 real estate that is the trust 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 March 1, 2015 as the effective date of appraisal as requested as part of due diligence upon acquisition of the Property by the Issuer, 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 Property by the Issuer. 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.
- "Status of leasing" is based on the figures and information provided by the previous owner or previous trust beneficiary, etc. of the real estate that is the trust property regarding the content, etc. of the lease agreement, etc. that is valid as of February 28, 2015, 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 February 28, 2015 for the real estate that is the trust 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 real estate that is the trust property as of February 28, 2015. 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 real estate that is the trust property as of February 28, 2015. 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 real estate that is the trust property as of February 28, 2015, 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 real estate that is the trust property indicated in each lease agreement for the real estate that is the trust property as of February 28, 2015. 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 real estate that is the trust property as of February 28, 2015 (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 real estate that is the trust property as of February 28, 2015 (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 real estate that is the trust property as of February 28, 2015 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of February 28, 2015), 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 real estate that is the trust property under several lease agreements, the sum total amount thereof. In addition, common area maintenance charges are included, but storage shed, signboard, parking lot, etc. usage fees are not included, and free-rent is not taken into account (excluding consumption taxes).

<Attachment>
Portfolio summary
Photo of exterior of real estate that is the Property
Map of Specified real estate that is the Property

*This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.
*NIPPON REIT Investment Corporation website: http://www.nippon-reit.com/

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(Attachment)
Portfolio summary

As of Mar. 27, 2015 (Scheduled)

[by Asset type]

Asset type	No. of properties	Acquisition price (Scheduled)	
		Acquisition price (million yen)	Ratio
Office	44	132,663	84.0%
Residence	8	19,773	12.5%
Retail	2	5,413	3.4%
Total	54	157,850	100.0%

[by Area]

Area	No. of properties	Acquisition price (Scheduled)	
		Acquisition price (million yen)	Ratio
Central 6 wards of Tokyo	33	113,586	72.0%
3 Major Metropolitan Areas	19	42,053	26.6%
Ordinance-designated Cities, etc.	2	2,210	1.4%
Total	54	157,850	100%

(Note) Acquisition price (Scheduled) is rounded down to the nearest million yen and Ratio is rounded to one decimal place, therefore the sum total of each figure may differ from the Total stated above.

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



② Map of real estate that is the trust Property

