NIPPON REIT
Investment Corporation

真面目に、地道に、堅実に
**Serious Steady Solid**



**NIPPON REIT Investment Corporation（TSE code : 3296）**

# Performance Report

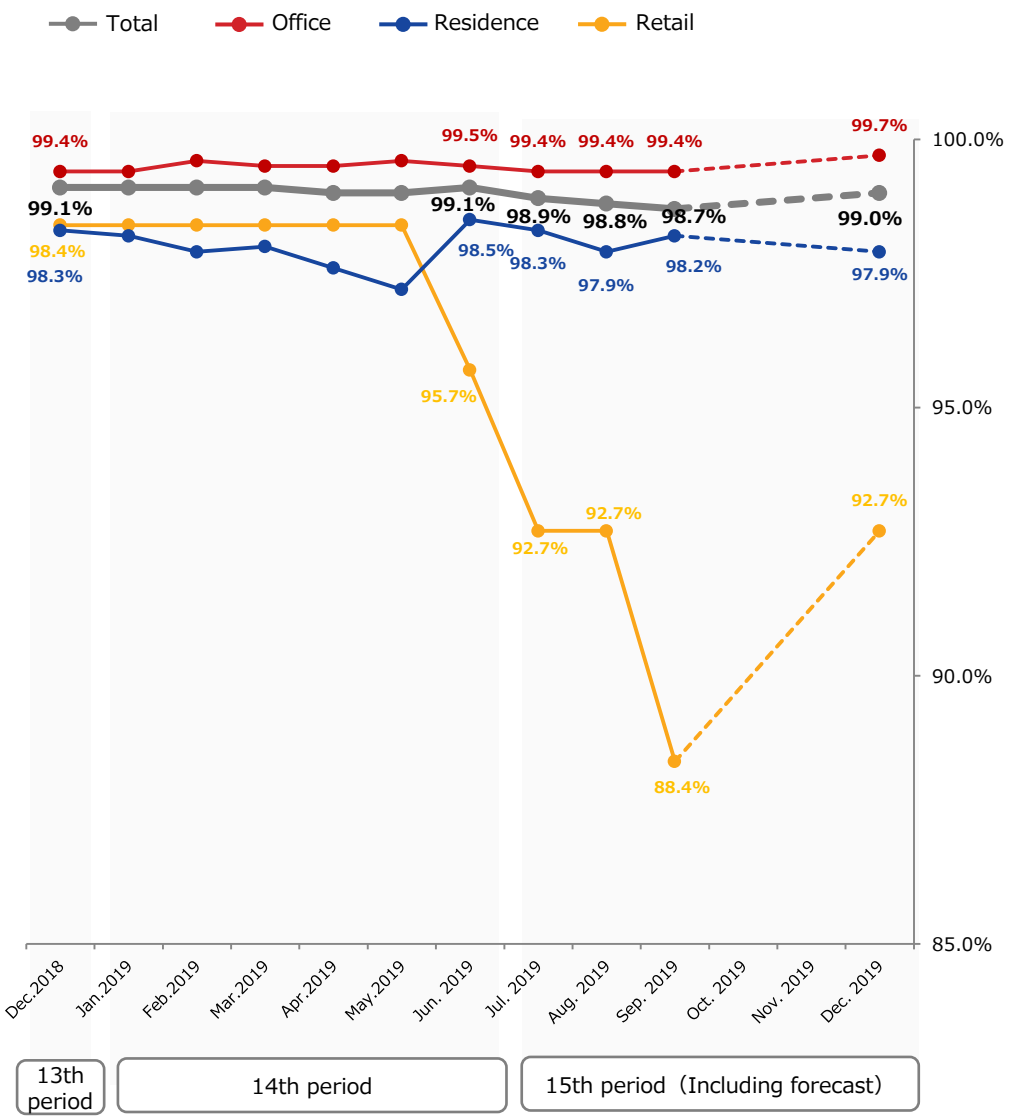
(July-September 2019)

October 31, 2019

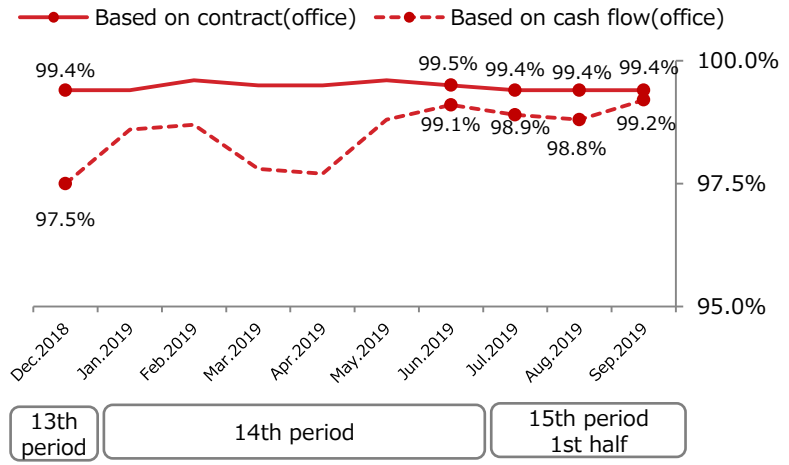
# Occupancy Rate and Free Rent Period Trend

NIPPON REIT Investment Corporation

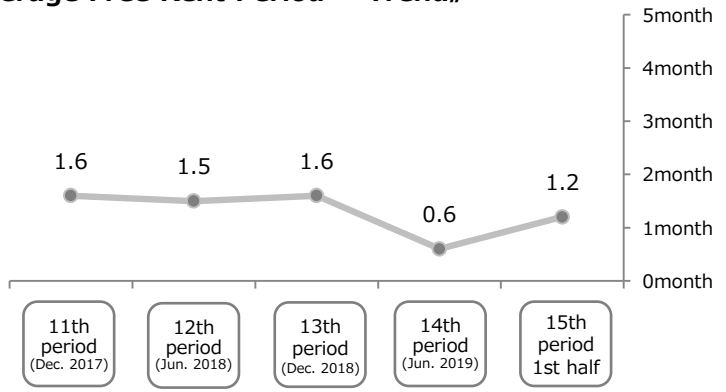
## 《Occupancy rate trend and forecast》




## 《Trend of occupancy rate based on cash flow (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

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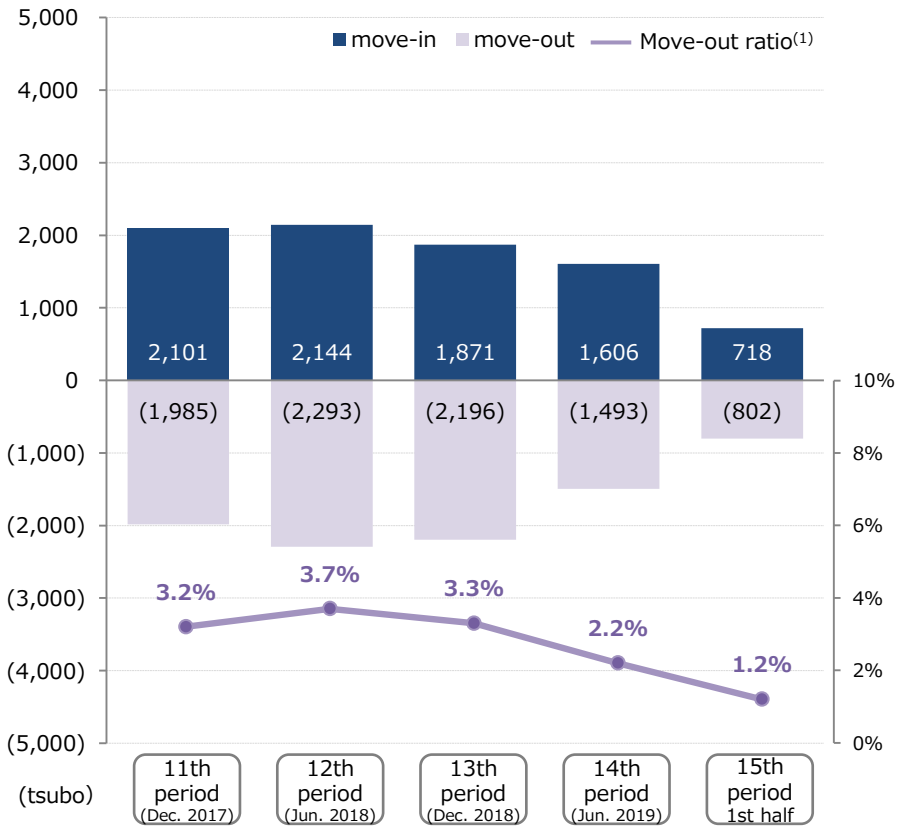
## 《Tenant move-in and move-out, Average move-out ratio》

※Total leasable areas as of the end of September 2019(office):66,671tsubo




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

- Backed by high property competitiveness which has been improved by our Engineering Management

## 《 Status of Termination Notices 》

| Property name | Occupancy rate | Termination notices section | | Assumed occupancy rate(2) |
|---|---|---|---|---|
| FORECAST Shinjuku SOUTH | 100.0% | 1section (118tsubo) | Termination notice | 100% (Nov.2019) |
| GreenOak Kayabacho | 100.0% | 1floor (123tsubo) | Termination notice | 100% (Apr.2020) |
| GreenOak Takanawadai | 100.0% | 1floor (58tsubo) | Termination notice | 92.7% (Apr.2020) |
| Higashi Ikebukuro Center Building | 100.0% | 1floor (154tsubo) | Termination notice | 100% (Dec.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) |
| I•S Minamimorimachi Building | 100.0% | 1section (58tsubo) | Termination notice | 95.4% (Apr.2020) |
| Marunouchi Sanchome Building | 95.2% | 2sections (66tsubo)<br>1section (52tsubo) | Left already Termination notice | 95.2% (Dec.2019) |
| Kanda Ocean Building | 100.0% | 2floors・1section (77tsubo) | Termination notice | 82.9% (Nov.2019) |
| FORECAST Gotanda WEST | 100.0% | 1floor (212tsubo) | Termination notice | 100% (Mar.2020) |
| Omiya Center Building | 98.3% | 1section (73tsubo)<br>2sections (204tsubo) | Left already Termination notice | 100% (Feb.2020) |
| NORE Fushimi | 100.0% | 5floors (542tsubo) | Contract expiration | 84.5% (Jan.2020) |
| NORE Meieki | 100.0% | 1floor・3sections (218tsubo) | Termination notice | 83.1% (May.2020) |
| TK Gotanda Building | 93.1% | 1floor (76tsubo) | Left already | 100% (Nov.2019) |
| Esprit Kameido | 60.7% | 3floors (179tsubo) | Left already | 90.2% (Oct.2019) |
| Alte Building Higobashi | 100.0% | 1floor・1section (169tsubo) | Termination notice | 100% (Feb.2020) |
| Komyoike Act | 96.9% | 1floor (57tsubo) | Left already | 96.9% (Sep.2019) |
| BECOME SAKAE | 73.4% | 2floors・1section (371tsubo)<br>1floor (70tsubo) | Left already Termination notice | 79.9% (Feb.2020) |

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

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

# Track Record of Rent Renewals(Office)

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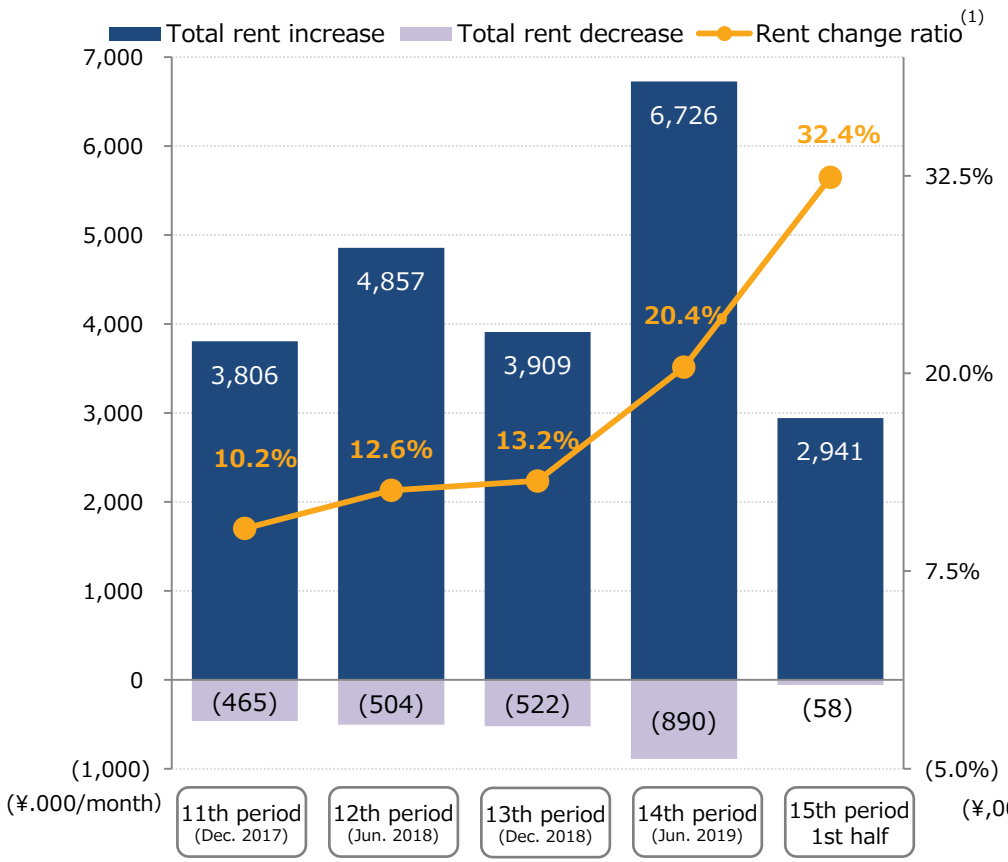
## 《Rent increase (decrease) upon tenant replacement(month) 》




## 《Status of rent increase(decrease) upon contract renewals(month) 》




## Achieved 32.4% plus of rent change ratio upon tenant replacement in the 1st half of 15th period

- Rent change ratio upon tenant replacement remains high standards, given the background of mid-sized office market in which supply-demand relationship is tight and there is high competitiveness of our properties

## Achieved rent increase of ¥2.6mn on a monthly basis during the 1st half of 15th period

《Trend of Total Rent Increase/ decrease (monthly)》
(Total rent increase-Total rent decrease)

| 11th | 12th | 13th | 14th | **15th 1st half** |
|---|---|---|---|---|
| 3,507K yen | 5,874K yen | 6,396K yen | 6,287K yen | **2,606K yen** |

Notes
1. ”Rent change ratio” is calculated in each period as follow, rounded to the first decimal place. ((total rent after tenant replace - total rent before tenant replacement )/ total rent before tenant replacement).
2. ”Rent increase ratio” is calculated in each period as follow, 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

NIPPON REIT Investment Corporation

## 《 Major implementation (from Jul. to Sep. 2019)》

### 《Itohpia Kiyosubashidori Building》

**Increase in revenue by replacing sublease parking operator**

- Replacing sublease parking operator
- Approx. ¥0.65mn 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

### 《FORECAST Ningyocho PLACE,Hiroo ON Building》

**Increase in revenue by setting antennas at rooftop**

- Plan to set antennas for mobile phone etc. at rooftop
- Approx. ¥1.56mn p.a. increase in rent is expected

### 《Field Avenue》

**Rent increased by upgrade of interior decoration**

- Keeping and improving the property competitiveness by renewal of interior decoration
- upgraded in 2 rooms, both of which gains higher rent than the previous.

## 《Major plans (from Oct. 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 rent is expected

### 《Merveille Senzoku,Wald Park Minamioi》

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

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

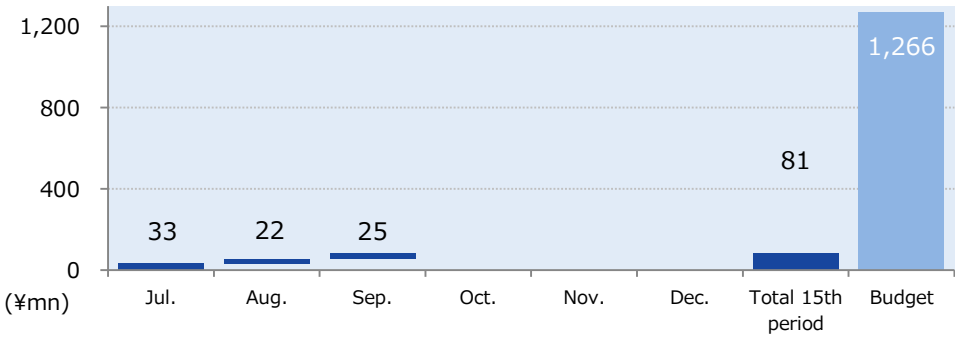
### 《4 Properties》

**Cost reduction by installment of LED light**

- Plan to install LED lights in common area
- Approx. ¥3.07mn p.a. cost reduction is expected

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

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




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

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