February 19, 2020

Summary of Financial Results for the Fiscal Period Ended December 31, 2019 (REIT)

Name of issuer: NIPPON REIT Investment Corporation
URL: http://www.nippon-reit.com/
Listed Stock Exchange: Tokyo Stock Exchange
Securities Code: 3296
Representative: Toshio Sugita, Executive Officer

Asset Management Company: Sojitz REIT Advisors K.K.
Representative: Toshio Sugita, President & CEO
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Scheduled date of delivery of distributions: March 23, 2020

Supplementary materials for the financial results: Yes
Investor conference for the financial results: Yes (for analysts and institutional investors, in Japanese)

(Amount of less than one million yen is omitted)

1. Financial Results for the Fiscal Period Ended December 31, 2019 (July 1, 2019 – December 31, 2019)

(1) Operating Results

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
For the fiscal period ended	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
December 31, 2019	8,634	(3.9)	4,642	(6.3)	4,000	(7.5)	4,000	(7.5)
June 30, 2019	8,982	6.2	4,955	6.8	4,326	12.7	4,326	12.7

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
December 31, 2019	8,890	3.1	1.5	46.3
June 30, 2019	9,615	3.3	1.6	48.2

(2) Distributions

	Cash Distributions per Unit (excluding cash distributions in excess of earnings per unit)	Total Cash Distributions (excluding cash distributions in excess of earnings)	Cash Distributions in Excess of Earnings per Unit	Total Cash Distributions in Excess of Earnings	Payout Ratio	Cash Distributions Ratio to Net Assets
For the fiscal period ended	Yen	Yen in millions	Yen	Yen in millions	%	%
December 31, 2019	8,892	4,000	-	-	100.0	3.1
June 30, 2019	9,617	4,326	-	-	100.0	3.3

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
For the fiscal period ended	Yen in millions	Yen in millions	%	Yen
December 31, 2019	270,279	130,536	48.3	290,126
June 30, 2019	270,269	130,863	48.4	290,853

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
For the fiscal period ended	Yen in millions	Yen in millions	Yen in millions	Yen in millions
December 31, 2019	4,509	(460)	(4,319)	15,066
June 30, 2019	13,019	(9,474)	(3,153)	15,336

2. Forecast of management status for the Fiscal Period Ending June 2020 (from January 1, 2020 to June 30, 2020) and the Fiscal Period Ending December 2020 (from July 1, 2020 to December 31, 2020)

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
For the fiscal period ending	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
June 30, 2020	8,680	0.5	4,682	0.9	4,051	1.3	4,050	1.3	9,002	-
December 31, 2020	8,779	1.1	4,725	0.9	4,096	1.1	4,095	1.1	9,102	-

(Reference) (Forecasted Net Income / Forecasted Number of Investment Units at end of the period)
Forecasted Net Income per unit for the fiscal period ending June 30, 2020: 9,002 yen
Forecasted Net Income per unit for the fiscal period ending December 31, 2020: 9,102 yen

* Others

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(b) Changes in accounting policies due to reasons other than above (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(2) Number of investment units issued and outstanding

(a) Number of investment units issued and outstanding, including treasury units:

As of December 31, 2019	449,930 units	As of June 30, 2019	449,930 units

(b) Number of investment treasury units:

As of December 31, 2019	0 unit	As of June 30, 2019	0 unit

* The Status of Statutory Audit

This summary of financial results is not subject to audit procedures by certified public accountant or audit firm.

* special matters

Forward-looking statements contained in this material are based on the information that NIPPON REIT has obtained as of the date hereof and certain assumptions that NIPPON REIT believes reasonable and the actual management status, etc. may significantly differ due to various reasons. In addition, the forecast is not a guarantee of the amount of distributions. For details of the assumptions underlying forecast of management status, please refer to the “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2020 (from January 1, 2020 to June 30, 2020) and Fiscal Period Ending December 2020 (from July 1, 2020 to December 31, 2020)” on page 6.

This document is the English language translation of the Japanese announcement of the financial statements (“Kessan Tanshin”) and is provided solely for information purposes. There is no assurance as to the accuracy of the English translation. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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1. Management Status

(1) Management Status

I. Overview of the Fiscal Period under Review

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now Sojitz REIT Advisors K.K. (hereafter referred to as the “Asset Management Company”)) as the founder under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) on April 23, 2014 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24.

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018. The total number of investment units issued and outstanding as of the end of the fiscal period under review (December 31, 2019) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

During the fiscal period under review ended December 2019, the Japanese Economy saw increase in the real GDP by 0.4% (1.8% increase on an annual basis: second preliminary figures for the term from July 2019 to September 2019). Although Corporate profits have been at high levels, exports have weakened and firms' judgment on current business conditions show cautiousness mainly among manufacturers. The pace of increase in the CPI has slowed recently, but the employment situation has improved as economic activity has improved while private consumption has picked up and machinery investment has been on a moderate uptrend. As for the outlook for the Japanese economy, although weakness remains for the time being, the economy is expected to continue to recover moderately, supported by the effects of various policies and the continued accommodative monetary policy by the Bank of Japan, as the employment and income situation continues to improve. However, downside risks to overseas economies remain significant due to factors such as geopolitical risks, trade problems such as trade friction between the United States and China, the outlook for the Chinese economy, overseas economic trends such as the United Kingdom's exit from the EU, and fluctuations in financial and capital markets. In the Japanese economy, it is necessary to keep a close watch on consumer sentiment after the consumption tax increase.

In the office properties leasing market, the vacancy rate in Tokyo’s five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 1.55% down by 0.33% on a year on year basis as of the end of December 2019 reported by Miki Shoji Co., Ltd. Moreover, the average rent in the same area was 22,206 yen per tsubo, up by 6.3% on a year on year basis. Such small-scale upward trends are still ongoing.

In the leasing market of residential properties, the situation remains generally stable for both the occupancy rate and rent level. It is expected without doubt to continue to stay stable backed by the well-balanced supply and demand, while populations in Japan has been inclined to concentrate in three major metropolitan areas where have been well-developed and so the rentable residential properties seems limited to be supplied.

In the leasing market of retail properties, we saw a 2.1% year-on-year decrease in retail sales announced by the Ministry of Economy, Trade and Industry in November 2019. That showed gradual recovering mainly in retail business such as the pharmaceutical, cosmetics, and beverage retail sectors. On the other hand, that also reported decreasing trend in the machinery, appliance, and fuel retail sectors. If we look at another important indicator of consumers’ activities, sales at department stores and GMS showed a 1.8% year-on-year decrease (4.8% at department stores and 0.2% at supermarkets). As for the outlook, the economy is expected to continue picking up as the employment and income situation improves. However, attention should be given to the effects of consumer confidence on consumption.

As regards real estate transactions, yields on transactions have kept positively low due to seller's market sustained by bullish participants shopping around the market and stable lending attitude maintained by financial institutions in Japan. And thus numbers of properties on sale are becoming less. Investors and their arrangers are working on to seek subjects to carry out their own target subjects and returns. While oversea investors and business companies are active, J-REITs could not chase properties in the hectic market to maintain their dividend policies. External growth opportunity seems to be limited relatively for large-cap J-REITs.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 90 properties (with a total acquisition amounts of 249,243 million yen, excluding silent partnership equity interest) and silent partnership equity interest (investment amount 100 million yen, 7 real estate-backed properties) as of the end of the fiscal period ended June 2019.

During the fiscal period under review (fiscal period ended December 2019) NIPPON REIT acquired the following silent partnership equity interest as pipelines for external growth, and has been granted the right of first negotiation pertaining to the acquisition of total of 8 real estate-backed properties.

Name	Number of backed real estate properties	Investment amount (Yen in millions) (Note)	Acquisition date
Godo Kaisha NRT Growth 16 subordinated silent partnership equity interest	8	70	September 26, 2019

(Note) As "Investment amount", exclude various expenses required for the transaction, and is rounded down to the nearest million yen.

As a result, the portfolio as of the end of the fiscal period under review consisted of 64 office properties (Note1) with a total acquisition amount of 192,236 million yen, 23 residential properties (Note2) with a total acquisition price of 46,824 million yen and 3 retail properties (Note3) with a total acquisition amount of 10,183 million yen. Total figures are 90 properties with a total acquisition amount of 249,243 million yen (excluding equity interests in a silent partnership) and with a total leased area of 308,995.46㎡ and 99.4% of average occupancy rate and 3 equity interests in a silent partnership (investment amount 170 million yen, 15 real estate-backed properties).

(Note1) "Office Properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.

(Note2) "Residential Properties" refer to a rental housing whose primary use is a residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of). The same shall apply hereinafter.

(Note3) "Retail Properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenant. The same shall apply hereinafter.

b. Internal Growth

NIPPON REIT emphasizes management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts were kept, the portfolio occupancy rate was maintained at a high level of 99.4% as of the end of the fiscal period under review.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to prepare funds for repayment of loans due on July 22, 2019 (11,700 million yen), the borrowings of 11,700 million yen were implemented on the same day as the loans due.

As a result, the balance of interest-bearing debt as of December 31, 2019 was 126,870 million yen and the ratio of interest-bearing debt to total assets (LTV) was 46.9%.

Furthermore, the commitment line agreement (maximum loan amount of 3,000 million yen) was executed on December 27, 2019 for securing flexible and stable financing methods against unforeseen circumstances.

(ii) Credit Rating

NIPPON REIT's credit rating as of December 31, 2019 is indicated below.

Credit Rating Agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A	Positive

D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the fiscal period under review generated operating revenues of 8,634 million yen, operating income of 4,642 million yen, ordinary income of 4,000 million yen and net income of 4,000 million yen.

Concerning distributions, NIPPON REIT is set to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan), ensuring a scope that does not exceed unappropriated retained earnings, and also minimizing unitholders' burdens of income tax, etc. For the fiscal period, NIPPON REIT decided to distribute 4,000,777,560 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units. As such, cash distributions per unit were 8,892 yen.

II. Outlook for the Next Fiscal Period

Future Management Policy and Challenges to Address

A. Management Policy

With the corporate policy of "untiringly pursuing the best interest of NIPPON REIT's unitholders", NIPPON REIT plans to engage in the following measures to maximize unitholders' value through flexible and timely investment, also seek the best interest of unitholders by utilizing the features of a diversified REIT and focus on the growth of potential and stability of revenues.

B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will invest to "three types of assets deeply rooted in the Japanese society (office, residence and retail)". Furthermore, NIPPON REIT will focus on middle-sized office properties located in Tokyo central area as its main target of investment in consideration of the balance of supply and demand, and construct a diversified portfolio by also investing in residential properties and retail properties.

In order to promote external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are Sojitz Corporation, the main sponsor and sub-sponsor companies of Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") and Agility Asset Advisers Inc.. Assisted by those sponsors' powers, NIPPON REIT will increase its asset size through property acquisitions mainly transacted on a negotiation basis with third parties.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will consider to prepare bridge funds for interim ownership vehicles to utilize warehousing function provided by Sojitz Corporation who may participate in those vehicles. Such consideration comes from our investment strategy to avoid loss of opportunities for acquisitions and aim to realize growth opportunities as much as possible.

C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties reflecting their own features. For the purpose of the management, NIPPON REIT utilizes the Asset Management Company and its officers and employees who have unique networks and expertise nurtured at sponsor companies. Moreover, by entrusting property management operations and building management operations to professional property managers, mainly to Sojitz General Property Management Corporation (hereafter referred as "SGPMC"), a subsidiary of Sojitz Corporation. Cooperating with SGPMC, NIPPON REIT can maintain the occupancy rate positively and increase profitability helped by SGPMC's knowledge on experience and cost reduction effects via economies of scale.

With appropriate processes as a given, SGPMC will be mainly consigned for renovations and planned repairs in properties, in addition to the daily management operations. Along with SGPMC's consistent support ranging from building diagnostics to repair designs, selection of construction companies and construction management, NIPPON REIT can maintain and increase the value of assets under management by delivering effective and deliberate repairs that consider the priority of construction work and optimization of costs, upon sufficient judgment of performance effectiveness.

Furthermore, regarding leasing plans for offices, new asking rent for potential tenants and renewed rent for existing tenants will be set with reference to various data, etc. provided by Cushman, a sub-sponsor, and agile leasing activities will be implemented in line with the effective operational-policy for new potential tenants.

D. Financial Strategy

NIPPON REIT's basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to establish a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the fiscal period under review was 46.9% and the current policy is to keep the LTV level between 45% and 55%.

With regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the syndicate group as of the end of the fiscal period under review.

III. Significant Subsequent Events

None

IV. Forecast of Management Status

The forecast of management status for the fiscal period ending June 2020 (January 1, 2020 to June 30, 2020) and the fiscal period ending December 2020 (July 1, 2020 to December 31, 2020) are as follows. For details of the assumptions underlying forecast of management status, please refer to "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2020 (January 1, 2020 to June 30, 2020) and Fiscal Period Ending December 2020 (July 1, 2020 to December 31, 2020)" hereinafter described.

Fiscal period ending June 2020 (January 1, 2020 to June 30, 2020)

Operating revenues	8,680 million yen
Operating income	4,682 million yen
Ordinary income	4,051 million yen
Net income	4,050 million yen
Cash distributions per unit	9,002 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending December 2020 (July 1, 2020 to December 31, 2020)

Operating revenues	8,779 million yen
Operating income	4,725 million yen
Ordinary income	4,096 million yen
Net income	4,095 million yen
Cash distributions per unit	9,102 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of date of this summary of financial results. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2020 (January 1, 2020 to June 30, 2020) and Fiscal Period Ending December 2020 (July 1, 2020 to December 31, 2020)

Item	Assumption
Calculation period	· Fiscal period ending June 2020 (16th fiscal period): from January 1, 2020 to June 30, 2020(182 days) · Fiscal period ending December 2020 (17th fiscal period): from July 1, 2020 to December 31, 2020(184 days)
Assets under management	· The assumption is that, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 90 properties are the “acquired assets”) there would be no change (no acquisition of new property, no disposition of portfolio property, etc.) expected until the end of the fiscal period ending December 2020. · In actual practice, there may be any changes due to acquisition of new property, or disposition of portfolio property, etc.
Operating revenues	· Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 8,674 million yen in the fiscal period ending June 2020 and 8,774 million yen in the fiscal period ending December 2020 respectively. · Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants. · Dividend income is assumed 6 million yen in the fiscal period ending June 2020 and 4 million yen in the fiscal period ending December 2020 respectively
Operating expenses	· Property-related expenses other than depreciation, which are calculated on the basis of historical data, and reflecting factors causing fluctuation in expenses, are assumed to be 2,165 million yen in the fiscal period ending June 2020 and 2,209 million yen in the fiscal period ending December 2020 respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 994 million yen in the fiscal period ending June 2020 and 1,018 million yen in the fiscal period ending December 2020 respectively. · The total amounts of property taxes and city planning taxes are assumed to be 602 million yen in the fiscal period ending June 2020, and 602 million yen in the fiscal period ending December 2020 respectively. · Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company. However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal year might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast. · Asset management fees are assumed 636 million yen in the fiscal period ending June 2020 and 641 million yen in the fiscal period ending December 2020 respectively.
Non-operating expenses	· Interest expense and borrowing related expenses are assumed 631 million yen in the fiscal period ending June 2020 and 629 million yen in the fiscal period ending December 2020.
Loans	· NIPPON REIT’s outstanding balance of interest-bearing debt as of today is 126,870 million yen. · The assumption is that all loans which will come due before the end of the fiscal period ending December 2020 (20,500 million yen) will be refinanced (including issuance of investment corporation bonds), there will be no change in the outstanding balance of interest-bearing debt. · LTV is expected to be approximately 47.0% as of June 30, 2020 and approximately 47.0% as of December 31, 2020 respectively. · The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt ÷ Total assets × 100
Investment units	· The assumption is that the number of investment units is 449,930 units which are issued and outstanding as of today, and there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending December 2020.
Cash Distributions per unit	· Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT`s Articles of Incorporation. · Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events, · Incurrence of unexpected repairs and other changes in the management environment, fluctuation in interest rates or future additional issuance of new investment units and other events.
Cash Distributions in excess of earnings per unit	· There are no plans at this time to distribute cash in excess of earnings. · Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (xxx), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute

	the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.
Others	· The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. · The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.

(2) Investment Risks

As there have been no significant changes in the “Investment Risks” as described in the latest Securities Registration Statement (submitted on September 26, 2019), the disclosure is omitted.

2. Financial Statements

(1) Balance Sheets

(Yen in thousands)

	The 14th Fiscal Period (as of June 30, 2019)	The 15th Fiscal Period (as of December 31, 2019)
Assets		
Current Assets		
Cash and deposits	9,009,860	8,849,231
Cash and deposits in trust	6,326,892	6,216,963
Tenant receivables	92,063	92,423
Prepaid expenses	443,269	436,159
Income taxes refundable	-	362
Other current assets	8,093	4,694
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	15,880,179	15,599,836
Non-Current Assets		
Property, plant and equipment		
Buildings	234,960	267,430
Accumulated depreciation	(6,122)	(9,375)
Buildings, net	228,837	258,055
Buildings in trust	※1 60,348,113	※1 61,260,355
Accumulated depreciation	(7,679,424)	(8,604,624)
Buildings in trust, net	52,668,689	52,655,730
Structures in trust	202,527	202,535
Accumulated depreciation	(46,903)	(51,904)
Structures in trust, net	155,623	150,630
Machinery and equipment in trust	357,750	435,009
Accumulated depreciation	(65,167)	(83,945)
Machinery and equipment in trust, net	292,583	351,064
Tools, furniture and fixtures in trust	142,763	167,762
Accumulated depreciation	(38,771)	(50,674)
Tools, furniture and fixtures in trust, net	103,991	117,088
Land in trust	※2 181,677,527	※2 181,678,910
Construction in progress in trust	1,824	4,320
Total property, plant and equipment	235,129,077	235,215,801
Intangible assets		
Leasehold rights	1,251,662	1,251,662
Leasehold rights in trust	16,658,938	16,658,938
Other	5,626	5,417
Total intangible assets	17,916,226	17,916,017
Investments and other assets		
Investment securities	102,041	174,664
Lease and guarantee deposits	10,160	10,160
Long-term prepaid expenses	1,145,150	1,277,898
Deferred tax assets	0	0
Other	39,535	40,780
Total investments and other assets	1,296,887	1,503,504
Total Non-Current Assets	254,342,191	254,635,322
Deferred asset		
Investment corporation bond issuance costs	46,641	43,902
Total deferred asset	46,641	43,902
Total Assets	270,269,012	270,279,062

(Yen in thousands)

	The 14th Fiscal Period (as of June 30, 2019)	The 15th Fiscal Period (as of December 31, 2019)
Liabilities		
Current Liabilities		
Accounts payable	1,094,796	1,398,944
Short term debt	700,000	-
Long-term debt due within one year	20,500,000	20,500,000
Accrued expenses	240,433	267,044
Accrued corporation taxes	520	-
Accrued consumption taxes	366,386	113,548
Advances received	1,476,356	1,439,180
Other current liabilities	371,080	339,220
Total Current Liabilities	24,749,574	24,057,938
Long-Term Liabilities		
Investment corporation bonds	4,500,000	4,500,000
Long-term debt	101,170,000	101,870,000
Tenant security deposits	72,129	67,051
Tenant security deposits in trust	8,908,858	9,243,045
Other	4,747	4,239
Total Long-Term Liabilities	114,655,736	115,684,335
Total Liabilities	139,405,310	139,742,274
Net Assets		
Unitholders' Equity		
Unitholders' capital	126,515,601	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	4,348,100	4,021,186
Total Surplus	4,348,100	4,021,186
Total Unitholders' Equity	130,863,702	130,536,787
Total Net Assets	※3 130,863,702	※3 130,536,787
Total Liabilities and Net Assets	270,269,012	270,279,062

(2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)
Operating Revenues		
Rental revenues	※1 7,798,437	※1 7,919,159
Other revenues related to property leasing	※1 689,629	※1 709,203
Gain on sales of real estate properties	※2 494,334	-
Dividend income	390	5,967
Total Operating Revenues	8,982,791	8,634,330
Operating Expenses		
Property-related expenses	※1 3,168,309	※1 3,165,862
Asset management fees	623,563	643,505
Asset custody fees	12,419	10,392
Administrative service fees	44,459	43,553
Directors' compensation	2,400	2,400
Independent auditors' fees	13,800	13,600
Other operating expenses	162,593	112,850
Total Operating Expenses	4,027,544	3,992,165
Operating Income	4,955,246	4,642,165
Non-Operating Revenues		
Interest income	69	71
Reversal of distributions payable	4,268	4,754
Interest on refund	1,639	-
Total Non-Operating Revenues	5,977	4,825
Non-Operating Expenses		
Interest expense	348,376	350,679
Interest expense on investment corporation bonds	14,427	17,416
Amortization of investment corporation bond issuance costs	2,382	2,739
Borrowing related expenses	269,482	275,433
Other	28	33
Total Non-Operating Expenses	634,697	646,303
Ordinary Income	4,326,525	4,000,687
Extraordinary Income		
Subsidy income	※3 64,782	-
Total Extraordinary Income	64,782	-
Extraordinary Losses		
Loss on reduction of non-current assets	※4 64,438	-
Total Extraordinary Losses	64,438	-
Income Before Income Taxes	4,326,869	4,000,687
Income taxes - current	610	625
Income taxes - deferred	0	(0)
Total Income Taxes	611	624
Net Income	4,326,257	4,000,062
Retained Earnings at Beginning of Period	21,842	21,123
Retained Earnings at End of Period	4,348,100	4,021,186

(3) Statement of Change in Net Assets

The 14th Fiscal Period（from January 1, 2019 to June 30, 2019）

(Yen in thousands)

	Unitholders' Equity				Total Net Assets
	Unitholders' capital	Surplus		Total Unitholders' Equity	
		Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at the beginning of current period	126,515,601	3,862,444	3,862,444	130,378,046	130,378,046
Changes of items during the period					
Distributions of surplus		(3,840,602)	(3,840,602)	(3,840,602)	(3,840,602)
Net income		4,326,257	4,326,257	4,326,257	4,326,257
Total changes of items during the period	－	485,655	485,655	485,655	485,655
Balance at the end of current Period	※1 126,515,601	4,348,100	4,348,100	130,863,702	130,863,702

The 15th Fiscal Period（from July 1, 2019 to December 31, 2019）

(Yen in thousands)

	Unitholders' Equity				Total Net Assets
	Unitholders' capital	Surplus		Total Unitholders' Equity	
		Unappropriated retained earnings (undisposed loss)	Total Surplus		
Balance at the beginning of current period	126,515,601	4,348,100	4,348,100	130,863,702	130,863,702
Changes of items during the period					
Distributions of surplus		(4,326,976)	(4,326,976)	(4,326,976)	(4,326,976)
Net income		4,000,062	4,000,062	4,000,062	4,000,062
Total changes of items during the period	－	(326,914)	(326,914)	(326,914)	(326,914)
Balance at the end of current Period	※1 126,515,601	4,021,186	4,021,186	130,536,787	130,536,787

(4) Statements of Cash Distribution

	The 14th Fiscal Period (from January 1, 2019 To June 30, 2019)	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)
	(Yen)	(Yen)
Ⅰ Unappropriated retained earnings	4,348,100,448	4,021,186,127
Ⅱ Cash distributions	4,326,976,810	4,000,777,560
(Cash distributions per unit)	(9,617)	(8,892)
Ⅲ Retained earnings carried forward to the next period	21,123,638	20,408,567

Calculation method for cash distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, NIPPON REIT decided to distribute 4,326,976,810 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In consideration of this policy, NIPPON REIT decided to distribute 4,000,777,560 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.

(5) Statements of Cash Flows

(Yen in thousands)

	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)
Cash Flows from Operating Activities		
Income before income taxes	4,326,869	4,000,687
Depreciation and amortization	947,836	965,269
Investment corporation bonds issuance expense depreciation	2,382	2,739
Loss on retirement of non-current	79	3,317
Loss on reduction of non-current assets	64,438	-
Interest income	(69)	(71)
Interest expense	362,803	368,096
(Increase) Decrease in tenant	(3,904)	(360)
(Increase) Decrease in prepaid	(6,123)	7,110
(Increase) Decrease in long-term	(15,776)	(132,748)
(Increase) Decrease in consumption taxes receivable	496,617	-
Increase (Decrease) in accrued consumption taxes	366,386	(252,837)
Increase (Decrease) in accounts	163,400	(65,613)
Increase (Decrease) in accrued	(5,421)	15,135
Increase (Decrease) in advances	84,725	(37,176)
Decrease in property, plant and equipment in trust due to sale	6,619,520	-
Others, net	(20,992)	(5,911)
Subtotal	13,382,772	4,867,636
Interest income received	69	71
Interest expense paid	(364,769)	(356,621)
Income taxes refunded (paid)	975	(1,508)
Net Cash Provided by (Used in) Operating Activities	13,019,048	4,509,577
Cash Flows from Investing Activities		
Payments for purchases of investment properties in trust other than leasehold rights in trust	(9,321,682)	(684,521)
Proceeds from tenant security deposits	6,976	48
Payments of tenant security deposits	-	(5,127)
Proceeds from tenant security deposits in trust	514,486	516,835
Payments of tenant security deposits in trust	(572,118)	(214,779)
Proceeds from refunds of investment securities	1,133	356
Payments for purchases of investment securities	(101,861)	(72,033)
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(9,474,311)	(460,466)

(Yen in thousands)

	The 14th Fiscal Period (from January 1, 2019 to June 30, 2019)	The 15th Fiscal Period (from July 1, 2019 to December 31, 2019)
Cash Flows from Financing Activities		
Proceeds from short-term debt	700,000	-
Repayments from short-term debt	-	(700,000)
Proceeds from long-term debt	9,970,000	11,700,000
Repayments of long-term debt	(10,970,000)	(11,000,000)
Proceeds from issuance of investment corporation bonds	1,000,000	-
Payments of investment corporation bond issuance costs	(13,713)	(158)
Distributions paid	(3,840,003)	(4,319,510)
Net Cash Provided by (Used in) Financing Activities	(3,153,717)	(4,319,668)
Net Change in Cash and Cash	391,019	(270,557)
Cash and Cash Equivalents at Beginning of Period	14,945,733	15,336,752
Cash and Cash Equivalents at End of Period	※1 15,336,752	※1 15,066,195

(6) Notes to the Going Concern Assumption

None

(7) Summary of Significant Accounting Policies

1.Basis and Method of Valuation of Assets	Securities Other securities Non-marketable securities The moving average method is employed as the cost method. A method in which the equivalent amount of the silent partnership is incorporated with the net amount is employed for equity interests in silent partnership.
2.Method of Depreciation of Non-Current Assets	(1) Investment Properties Including Trust Assets Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows: Buildings in trust , Buildings 2-64 years Structures in trust 2-45 years Machinery and equipment in trust 10 years Tools, furniture and fixtures in trust 2-15 years (2) Intangible assets Intangible assets are amortized using the straight-line method. (3) Long-Term Prepaid Expenses Long-term prepaid expenses are amortized using the straight-line method.
3.Accounting Treatment for Deferred asset	Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.
4.Allowance for Doubtful Accounts Recognition	Allowance for Doubtful Accounts Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating uncollectible amount based on the analysis of certain individual accounts that may not be uncollectable.
5.Revenue and Expense Recognition	Real Estate Taxes Property-related taxes property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally changed to rental business expenses for the period, for the portion of such taxes corresponding to said period. In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, NIPPON REIT included its pro rata property portion for the year in each property acquisition price and not as rental business expense. There was amount of property taxes included in acquisition costs for properties in the previous fiscal period. The amount of property taxes included in acquisition costs for properties acquired during the previous fiscal period under review was 21,341 thousand yen and the fiscal period under review was 3,975 thousand yen.
6. Method of Hedge Accounting	(1) Method of Hedge Accounting Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied. (2) Hedging instruments and hedge items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings (3) Hedging policy

	NIPPON REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy. (4) Method of assessing hedge effectiveness The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.
7. Cash and Cash Equivalents as Stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash, demand deposits, and short-term investments that are liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.
8.Other Significant Matters Which Constitute the Basis for Preparation of Financial Statements	(1) Accounting for Trust Beneficiary Interests in Real Estate For trust beneficial interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings. The following assets in trust are recognized and presented separately on the balance sheets. I. Cash and deposits in trust II.Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, Construction in progress in trust and leasehold rights in trust III.Tenant security deposits in trust (2) Consumption Taxes Consumption taxes are excluded from transaction amounts. Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.

(8) Notes to Financial Statements

(Notes to Balance Sheets)

*1 Reduction entry amount of tangible fixed assets received as governmental subsidy (Yen in thousands)

	Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
Buildings in trust	262,462	262,462

*2 Reduction entry amount of tangible fixed assets acquired through exchanging (Yen in thousands)

	Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
Lands in trust	416,596	416,596

*3. Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act (Yen in thousands)

Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
50,000	50,000

4 Commitment line agreement

NIPPON REIT has engaged commitment line agreement (Yen in thousands)

	Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
Total of maximum loan amount of commitment line agreement	-	3,000,000
Executed loan amount	-	-
Balance	-	3,000,000

(Notes to Income Statements)

*1. Rental revenues and expenses (Yen in thousands)

	Prior Period from January 1, 2019 to June 30, 2019		Current Period from July 1, 2019 to December 31, 2019	
A. Revenues from property leasing:				
Rental revenues				
Base rents	6,483,174		6,618,224	
Common area charges	1,056,802		1,048,049	
Parking space rental revenues	258,459	7,798,437	252,886	7,919,159
Other revenues related to property leasing				
Utilities charge reimbursements	536,604		572,878	
Others	153,025	689,629	136,325	709,203
Total revenues from property leasing		8,488,066		8,628,363
B. Property-related expenses:				
Property-related expenses				
Property management fees	575,412		573,182	
Utility expenses	504,550		517,052	
Insurance expenses	8,382		9,267	
Repair expenses	242,616		196,498	
Taxes and dues	592,055		588,553	
Depreciation	947,836		965,269	
Loss on retirement of non-current assets	79		3,317	
Trust fees	30,958		31,450	
Others	266,418		281,271	
Total property-related expenses		3,168,309		3,165,862
C. Income from property leasing(A-B)		5,319,757		5,462,500

*2. Breakdown of Gain on sales of real estate properties

Prior Period (from January 1, 2019 to June 30, 2019)

(Yen in thousands)

FORECAST Iidabashi		
Revenue from transfer of real estate property	5,490,000	
Cost of real estate property transferred	5,393,231	
Other transfer expenses incurred	84,565	
Gain on sales of real estate properties		12,203
my atria Meieki		
Revenue from transfer of real estate property	1,782,160	
Cost of real estate property transferred	1,226,289	
Other transfer expenses incurred	73,739	
Gain on sales of real estate properties		482,130

Current Period (from July 1, 2019 to December 31, 2019)

None

*3. Breakdown of Subsidy income

Prior Period (from January 1, 2019 to June 30, 2019)

Subsidy income is received from Subsidies for countermeasures to control carbon dioxide emissions project etc. in FY2018.

Current Period (from July 1, 2019 to December 31, 2019)

None

*4. Loss on reduction of non-current assets is the value directly deducted from acquired value, due to the acceptance of subsidies. The breakdown is as follows. (Yen in thousands)

	Prior Period from January 1, 2019 to June 30, 2019	Current Period from July 1, 2019 to December 31, 2019
Buildings in trust	64,438	-

(Notes to Statements of Change in Net Assets)

*1. Total number of investment units authorized and number of investment units issued and outstanding

	Prior Period from January 1, 2019 to June 30, 2019	Current Period from July 1, 2019 to December 31, 2019
Number of investment units authorized	4,000,000 units	4,000,000 units
Number of investment units issued and outstanding	449,930 units	449,930 units

(Notes to Statements of Cash Flows)

*1. Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows (Yen in thousands)

	Prior Period from January 1, 2019 to June 30, 2019	Current Period from July 1, 2019 to December 31, 2019
Cash and deposits	9,009,860	8,849,231
Cash and deposits in trust	6,326,892	6,216,963
Cash and cash equivalents	15,336,752	15,066,195

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues (Yen in thousands)

	Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
Due within one year	706,427	672,877
Due after one year	1,953,748	1,786,874
Total	2,660,176	2,459,752

(Notes to Financial Instruments)

1. Quantitative Information for Financial Instruments

(1) Policy for Financial Instruments Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

(2) Nature and Extent of Risks arising from Financial Instruments

Proceeds from borrowings and investment corporation bonds are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings and investment corporation bonds are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT's surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

(3) Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions, and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates.

Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of the end of current fiscal period, NIPPON REIT had a derivatives (interest rate swap) as hedging instrument for the purpose of fixing the interest rate of floating-rate loans to avoid the interest volatility risk. The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.

Credit risk concerning bank deposits is managed by diversifying the depositing financial institutions.

(4) Supplemental Explanation regarding Fair Value of Financial Instruments

The fair value of financial instruments is based on their quoted market price. When there is no observable market price available, fair value is based on a price that may be reasonably estimated. Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

2. Fair Value of Financial Instruments

Book value, fair value and difference between the two as of June 30, 2019 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	9,009,860	9,009,860	—
(2)Cash and deposits in trust	6,326,892	6,326,892	—
Total assets	15,336,752	15,336,752	—
(3)Short-term debt	700,000	700,000	—
(4)Long-term debt due within one year	20,500,000	20,519,933	19,933
(5)Investment corporation bonds	4,500,000	4,532,050	32,050
(6)Long-term debt	101,170,000	101,401,962	231,962
Total liabilities	126,870,000	127,153,946	283,946
(7)Derivative transactions	—	—	—

Book value, fair value and difference between the two as of December 31, 2019 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	8,849,231	8,849,231	—
(2)Cash and deposits in trust	6,216,963	6,216,963	—
Total assets	15,066,195	15,066,195	—
(3)Short-term debt	—	—	—
(4)Long-term debt due within one year	20,500,000	20,512,601	12,601
(5)Investment corporation bonds	4,500,000	4,466,850	(33,150)
(6)Long-term debt	101,870,000	101,691,860	(178,139)
Total liabilities	126,870,000	126,671,312	(198,687)
(7)Derivative transactions	—	—	—

(Note 1) Methods used to estimate the fair value of financial instruments and derivative transactions

(1) Cash and deposits, (2) Cash and deposits in trust and (3)Short-term debt

Due to the short maturities, the book value of these assets or liabilities is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(4) Long-term debt due within one year and (6) Long-term debt

For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. For long-term debt with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with he said interest rate swap, at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(5) Investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

(7) Derivative transactions

Please refer to "(Derivative Transactions)" below.

(Note 2) Financial instruments whose fair values are deemed extremely difficult to determine are as follows:

The fair value of both of tenant security deposit (Book value: 72,129 thousand yen in previous period and 67,051 thousand yen in current period) and tenant security deposits in trust (Book value: 8,908,858 thousand yen in previous period and 9,243,045 thousand yen in current period) is not disclosed because these deposits do not have a readily available market price, and it is difficult to estimate a period as to when these deposits will be returned. Although the tenant agreements stipulate a tenancy period, the historical analysis of actual tenancy periods do not indicate any pattern of tenancy period due to their unique nature as early termination or renewal/re-contract of tenancy agreements is possible, which makes it impracticable to reasonably estimate the future cash flows.

The fair value of investment securities (Book value: 102,041 thousand yen in previous period and 174,664 thousand yen in current period) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Note 3) Redemption schedule for monetary claims

Prior Period (June 30, 2019)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	9,009,860	-	-	-	-	-
Cash and deposits in trust	6,326,892	-	-	-	-	-
Total	15,336,752	-	-	-	-	-

Current Period (December 31, 2019)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	8,849,231	-	-	-	-	-
Cash and deposits in trust	6,216,963	-	-	-	-	-
Total	15,066,195	-	-	-	-	-

(Note4) Redemption schedule for short-term debt, long-term debt, and investment corporation bonds

Prior Period (June 30, 2019)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	700,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	4,500,000
Long-term debt	20,500,000	19,500,000	13,320,000	13,100,000	16,500,000	38,750,000
Total	21,200,000	19,500,000	13,320,000	13,100,000	16,500,000	43,250,000

Current Period (December 31, 2019)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	—	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	4,500,000
Long-term debt	20,500,000	18,500,000	10,320,000	16,000,000	16,450,000	40,600,000
Total	20,500,000	18,500,000	10,320,000	16,000,000	16,450,000	45,100,000

(Notes to Investment Securities)

Prior Period (As of June 30, 2019)

The fair value of Equity interests in silent partnerships (Book value: 102,041 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

Current Period (As of December 31, 2019)

The fair value of Equity interests in silent partnerships (Book value: 174,664 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Notes to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied:

Prior Period (June 30, 2019)

None

Current Period (December 31, 2019)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (June 30, 2019)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	111,170,000	100,170,000	Note	—
	Total		111,170,000	100,170,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(4) Long-term debt due within one year and (6) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (December 31, 2019)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	111,870,000	100,870,000	Note	—
	Total		111,870,000	100,870,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(4) Long-term debt due within one year and (6) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (June 30, 2019)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

Current period (December 31, 2019)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

(Notes to Deferred Tax Accounting)

1. The significant components of deferred tax assets and liabilities:

(Yen in thousands)

	Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
Deferred tax assets:		
Accrued enterprise tax	0	0
Allowance for doubtful accounts	0	0
Total deferred tax assets	0	0
Net deferred tax assets	0	0

2. Breakdown of main items causing significant difference between statutory income tax rate and NIPPON REIT's effective tax rate

	Prior Period (As of June 30, 2019)	Current Period (As of December 31, 2019)
Statutory tax rate	31.51%	31.51%
(Adjustments)		
Deductible cash distributions	(31.51%)	(31.51%)
Per capita inhabitant taxes	0.01%	0.02%
Others	0.00%	0.00%
Effective tax rate	0.01%	0.02%

(Notes to Equity in Income)

Prior Period (from January 1, 2019 to June 30, 2019)

Not applicable as there are no affiliated companies of NIPPON REIT.

Current Period (from July 1, 2019 to December 31, 2019)

Not applicable as there are no affiliated companies of NIPPON REIT.

(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

Prior Period (from January 1, 2019 to June 30, 2019)

None

Current Period (from July 1, 2019 to December 31, 2019)

None

(2) Affiliates

Prior Period (from January 1, 2019 to June 30, 2019)

None

Current Period (from July 1, 2019 to December 31, 2019)

None

(3) Companies under common control

Prior Period (from January 1, 2019 to June 30, 2019)

None

Current Period (from July 1, 2019 to December 31, 2019)

None

(4) Board of Officers and major individual unitholders

Prior Period (from January 1, 2019 to June 30, 2019)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	774,838	Accrued expenses	168,941

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

Current Period (from July 1, 2019 to December 31, 2019)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	644,205	Accrued expenses	183,312

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

(Notes to Asset Retirement Obligation)

Prior Period (from January 1, 2019 to June 30, 2019)

None

Current Period (from July 1, 2019 to December 31, 2019)

None

(Notes to Investment Properties)

The book value, net changes in the book value and the fair value of the investment properties such as office, residential and retail properties (including the land, etc.) owned by NIPPON REIT were as follows:

(Yen in thousands)

		Prior Period from January 1, 2019 to June 30, 2019	Current Period from July 1, 2019 to December 31, 2019
Book value			
	Balance at beginning of period	251,954,190	253,043,479
	Change during period	1,089,289	84,018
	Balance at end of period	253,043,479	253,127,498
Fair value		287,593,000	294,170,000

(Note 1) Amounts recorded in the balance sheet are figures in which accumulated depreciation is deducted from the acquisition costs.

(Note 2) Amounts recorded in the balance sheet include the amount of leasehold rights and leasehold rights in trust, and exclude construction in progress in trust.

(Note 3) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to the acquisition of 5 properties such as “FORECAST Kameido” (total acquisition price of 8,160,448 yen), and a main reason of the decrease was due to the transfer of 2 properties such as “FORECAST Iidabashi” (total transfer price of 6,619,520 yen).

(Note 4) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to the capital expenditure, and a main reason of the decrease was due to the depreciation recorded.

(Note 5) The fair value is determined based on appraisal values provided by external real estate appraisers.

Profit and loss associated with real estate for rental purposes is as stated in “Notes to Income Statements.”

(Segment and Related Information)

(Segment Information)

Segment information is omitted as NIPPON REIT has one segment, which is property-leasing business.

(Related Information)

Prior Period (from January 1, 2019 to June 30, 2019)

1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

2. Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Current Period (from July 1, 2019 to December 31, 2019)

1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained

earnings.

2. Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

(Notes to Per Unit Information)

	Prior Period from January 1, 2019 to June 30, 2019	Current Period from July 1, 2019 to December 31, 2019
Net assets per unit	290,853 yen	290,126 yen
Net income per unit	9,615 yen	8,890 yen

(Note 1) Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units.
Net income per unit after adjustment for residual units is not indicated because there were no residual investment units.

(Note 2) The base for the calculation of net income per unit is as follows.

	Prior Period from January 1, 2019 to June 30, 2019	Current Period from July 1, 2019 to December 31, 2019
Net income (Yen in thousands)	4,326,257	4,000,062
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	4,326,257	4,000,062
Weighted average number of units outstanding (units)	449,930	449,930

(Notes to Significant Subsequent Events)

None

(9) Changes in Total Number of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and total unitholders' equity for recent 5 years to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' equity (Yen in millions) (Note 1)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
February 10, 2015	Public offering	145,000	296,810	46,137	83,057	(Note 2)
March 10, 2015	Issuance of new investment units through third-party allotment	7,250	304,060	2,306	85,364	(Note 3)
July 1, 2015	Public offering	84,000	388,060	22,911	108,276	(Note 4)
July 28, 2015	Issuance of new investment units through third-party allotment	3,700	391,760	1,009	109,285	(Note 5)
July 2, 2018	Public offering	55,400	447,160	16,409	125,695	(Note 6)
July 24, 2018	Issuance of new investment units through third-party allotment	2,770	449,930	820	126,515	(Note 7)

(Note 1) Total unitholders' equity is truncated to the nearest million yen.

(Note 2) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 330,037 yen (issue price of 318,189 yen) per unit.

(Note 3) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 318,189 yen per unit.

(Note 4) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 282,918 yen (issue price of 272,761 yen) per unit.

(Note 5) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 272,761 yen per unit.

(Note 6) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 307,235 yen (issue price of 296,206 yen) per unit.

(Note 7) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 296,206 yen per unit.

3. Reference Information

(1) Status of Value of Investment Assets

A. Status of Investment

Type of assets	Property type	Area	Prior period (as of June 30, 2019)		Current period (as of December 31, 2019)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 4)	1,480	0.5	1,509	0.6
total			1,480	0.5	1,509	0.6
Real estate in trust (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	135,054	50.0	135,283	50.1
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	60,279	22.3	60,228	22.3
		Subtotal	195,334	72.3	195,512	72.3
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	43,815	16.2	43,648	16.1
		Certain ordinance-designated and other cities (Note 6)	2,151	0.8	2,224	0.8
		Subtotal	45,967	17.0	45,872	17.0
	Retail Properties	—	10,261	3.8	10,233	3.8
Total			251,562	93.1	251,617	93.1
Investment securities (Note 7)			102	0.0	174	0.1
Deposits and other assets			17,123	6.3	16,976	6.3
Total assets			270,269	100.0	270,279	100.0

(Note 1) Total amount held represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust and real estate, book value less depreciation) and truncated to the nearest million yen.

(Note 2) Percentage to total assets represents the percentage of the amount of respective asset recorded on the balance sheet to total assets. Figures are rounded to the first decimal place and may not add up to subtotals or total.

(Note 3) Real estate in trust excludes construction in progress in trust.

(Note 4) The “Six central wards of Tokyo” refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 5) The “Three major metropolitan areas” refers to the Tokyo economic area, the Osaka economic area and the Nagoya economic area. The “Tokyo economic area” refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture. The “Osaka economic area” refers to Osaka prefecture, Kyoto prefecture and Hyogo prefecture. The Nagoya economic area refers to Aichi prefecture, Gifu prefecture and Mie prefecture.

(Note 6) “Certain ordinance-designated and other cities” refers to Japanese cities that have been designated as ordinance-designated cities by an order of the cabinet under the Local Autonomy Law of Japan and that are located outside of the Three major metropolitan areas (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and to prefectural capitals that are located outside of the three major metropolitan areas.

(Note 7) Investment securities is represents the equity interest in silent partnerships of Godo Kaisha NRT Growth 14 and Godo Kaisha NRT Growth 15 as operators respectively for prior period, and represents the equity interest in silent partnerships of Godo Kaisha NRT Growth 14, Godo Kaisha NRT Growth 15 and Godo Kaisha NRT Growth 16 as operators respectively for current period.

B. Investment Assets

I. Major investment securities

(as of December 31, 2019)

Type	Name	Quantity (Unit)	Book value (Yen in millions) (Note 1)	Fair value (Yen in millions) (Note 1) (Note 2)	Percentage to total asset (%) (Note 3)	Note
Equity interest in a silent partnership	Godo Kaisha NRT Growth 14 Equity interest in silent partnership	—	49	49	0.0	(Note4)
Equity interest in a silent partnership	Godo Kaisha NRT Growth 15 subordinated Equity interest in silent partnership	—	53	53	0.0	(Note5)
Equity interest in a silent partnership	Godo Kaisha NRT Growth 16 subordinated Equity interest in silent partnership	—	71	71	0.0	(Note6)
Total		—	174	174	0.1	

(Note 1) Book value and Fair value are truncated to the nearest million yen.

(Note 2) Book value is used as the fair value equivalent.

(Note 3) Percentage to total asset represents the percentage of the amount of respective assets recorded on the balance sheet and rounded to the first decimal place.

(Note 4) The asset under management is trust beneficiary interests in real estate of TENSHO OFFICE SHINBASHI 5 and tanosio shin-yokohama.

(Note 5) The asset under management is trust beneficiary interests in real estate of Tsukiji Front, Hatchobori River Gate, DeLCCS KASAI, Serenite Shin-Osaka and Mullion Josai.

(Note 6) The asset under management is trust beneficiary interests in real estate of REID-C Gotenyama, REID-C Iidabashi, Sylphide Higashi-shinagawa, Royal Bloom, Ever Square Doshin, Zeku Benten, Canis Court Kamishinjo and Imperial Otori.

II. Investment Properties

Collectively indicated in "Ⅲ. Other Major Investment Assets" hereinafter described.

III. Other Major Investment Assets

(i) Summary of real estate in trust

The summary of real estate and real estate in trust held by NIPPON REIT as of December 31, 2019 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku ward, Tokyo	1,945.68	2,260	0.9
A-2	Nihombashi Playa Building	Office property	Chuo ward, Tokyo	2,490.08	2,130	0.9
A-3	FORECAST Yotsuya	Office property	Shinjuku ward, Tokyo	1,678.15	1,430	0.6
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku ward, Tokyo	4,337.15	6,500	2.6
A-5	FORECAST Ichigaya (Note 4)	Office property	Shinjuku ward, Tokyo	3,844.66	4,800	1.9
A-6	FORECAST Mita	Office property	Minato ward, Tokyo	1,786.18	1,800	0.7
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku ward, Tokyo	13,875.04	13,990	5.6
A-8	FORECAST Sakurabashi	Office property	Chuo ward, Tokyo	6,566.76	5,760	2.3
A-9	GreenOak Kayabacho	Office property	Chuo ward, Tokyo	2,995.35	2,860	1.1
A-10	GreenOak Kudan	Office property	Chiyoda ward, Tokyo	2,594.46	2,780	1.1
A-11	GreenOak Takanawadai	Office property	Minato ward, Tokyo	2,621.74	2,260	0.9
A-13	Higashi Ikebukuro Center Building	Office property	Toshima ward, Tokyo	4,219.65	2,520	1.0
A-14	Central Daikanyama	Office property	Shibuya ward, Tokyo	1,898.83	3,510	1.4
A-16	Hiroo Reeplex B's	Office property	Minato ward, Tokyo	1,500.85	2,827	1.1
A-17	Shibakoen Sanchome Building	Office property	Minato ward, Tokyo	7,882.60	7,396	3.0
A-19	Kudankita 325 Building	Office property	Chiyoda ward, Tokyo	2,003.60	1,850	0.7
A-20	FORECAST Uchikanda	Office property	Chiyoda ward, Tokyo	1,230.44	1,240	0.5
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda ward, Tokyo	3,447.16	2,810	1.1
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda ward, Tokyo	3,056.56	2,640	1.1
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda ward, Tokyo	3,064.20	2,100	0.8
A-24	Pigeon Building	Office property	Chuo ward, Tokyo	3,022.25	2,837	1.1
A-25	FORECAST Ningyocho	Office property	Chuo ward, Tokyo	2,277.62	2,070	0.8
A-26	FORECAST Ningyocho PLACE	Office property	Chuo ward, Tokyo	1,867.95	1,650	0.7
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo ward, Tokyo	1,808.65	2,030	0.8
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku ward, Tokyo	2,479.80	2,207	0.9
A-29	Iidabashi Reeplex B's	Office property	Shinjuku ward, Tokyo	1,401.68	1,249	0.5
A-30	FORECAST Shinagawa	Office property	Shinagawa ward, Tokyo	2,276.36	2,300	0.9
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa ward, Tokyo	2,999.68	2,210	0.9
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa ward, Tokyo	2,939.16	2,033	0.8
A-33	FORECAST Takadanobaba	Office property	Toshima ward, Tokyo	5,661.49	5,550	2.2

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-34	Mejiro NT Building	Office property	Toshima ward, Tokyo	4,497.27	3,094	1.2
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima ward, Tokyo	1,645.18	979	0.4
A-36	Mitsui Woody Building	Office property	Koto ward, Tokyo	4,006.20	2,475	1.0
A-37	Itabashi Honcho Building	Office property	Itabashi ward, Tokyo	6,356.89	3,146	1.3
A-38	ANTEX24 Building	Office property	Taito ward, Tokyo	2,267.59	1,691	0.7
A-39	Itohpia Kiyosubashidori Building	Office property	Taito ward, Tokyo	2,651.27	1,550	0.6
A-40	East Side Building	Office property	Taito ward, Tokyo	2,096.92	1,372	0.6
A-41	I•S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	0.9
A-42	Sunworld Building	Office property	Osaka, Osaka	3,012.86	1,200	0.5
A-43	Marunouchi Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.7
A-44	MK Kojimachi Building	Office property	Chiyoda ward, Tokyo	1,761.60	1,781	0.7
A-45	Toranomon Sakura Building	Office property	Minato ward, Tokyo	3,049.79	4,120	1.7
A-46	La Verite AKASAKA	Office property	Minato ward, Tokyo	1,707.18	2,000	0.8
A-47	Kanda Ocean Building	Office property	Chiyoda ward, Tokyo	1,484.74	1,440	0.6
A-48	Shinto GINZA EAST	Office property	Chuo ward, Tokyo	1,206.28	1,352	0.5
A-49	FORECAST Kayabacho	Office property	Chuo ward, Tokyo	3,882.61	3,000	1.2
A-50	FORECAST Waseda FIRST	Office property	Shinjuku ward, Tokyo	4,340.66	4,775	1.9
A-51	FORECAST Gotanda WEST	Office property	Shinagawa ward, Tokyo	8,981.55	6,520	2.6
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	6.3
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,106.77	2,850	1.1
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,857.58	2,840	1.1
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,280.75	2,520	1.0
A-56	Homat Horizon Building	Office property	Chiyoda ward, Tokyo	6,077.01	6,705	2.7
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	3,633.16	1,390	0.6
A-58	Towa Kandanishikicho Building	Office property	Chiyoda ward, Tokyo	1,324.07	960	0.4
A-59	Yusen Higashi-Nihombashi Ekimae Building	Office property	Chuo ward, Tokyo	1,620.54	1,152	0.5
A-60	Hiroo On Building	Office property	Shibuya ward, Tokyo	2,248.59	2,392	1.0
A-61	TK Gotanda Building	Office property	Shinagawa ward, Tokyo	3,716.38	4,130	1.7
A-62	Gotanda Sakura Building (Note 5)	Office property	Shinagawa ward, Tokyo	1,501.86	1,460	0.6
A-63	Esprit Kameido	Office property	Koto ward, Tokyo	2,010.81	1,265	0.5
A-64	Alte Building Higobashi	Office property	Osaka, Osaka	3,482.92	1,453	0.6
A-65	DIA Building Meieki	Office property	Nagoya, Aichi	1,781.72	1,167	0.5

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-66	TENSHO OCHANOMIZU BUILDING	Office property	Chiyoda ward, Tokyo	1,252.89	1,800	0.7
A-67	FORECAST Kameido (Note6)	Office property	Koto ward, Tokyo	3,091.52	2,580	1.0
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa ward, Tokyo	16,913.29	11,880	4.8
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.6
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.4
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.3
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.3
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.3
B-8	Kanda Reeplex R's	Residential property	Chiyoda ward, Tokyo	2,180.93	1,813	0.7
B-9	Splendid Namba	Residential property	Osaka, Osaka	6,212.36	3,502	1.4
B-10	Residence Hiroo	Residential property	Minato ward, Tokyo	1,983.15	2,590	1.0
B-11	Residence Nihombashi Hakozaki	Residential property	Chuo ward, Tokyo	1,449.00	1,300	0.5
B-12	Primegate Iidabashi (Note7)	Residential property	Shinjuku ward, Tokyo	6,055.81	5,200	2.1
B-13	Residence Edogawabashi	Residential property	Shinjuku ward, Tokyo	1,246.42	1,230	0.5
B-14	Merveille Senzoku	Residential property	Ota ward, Tokyo	838.54	740	0.3
B-15	Field Avenue (Note8)	Residential property	Ota ward, Tokyo	3,092.63	3,110	1.2
B-16	Domeal Kitaakabane	Residential property	Kita ward, Tokyo	1,697.11	785	0.3
B-17	Dormy Kitaakabane	Residential property	Kita ward, Tokyo	2,471.42	986	0.4
B-18	Splendid Shin-OsakaⅢ	Residential property	Osaka, Osaka	4,299.12	2,428	1.0
B-19	ZEPHYROS Minami-horie	Residential property	Osaka, Osaka	2,826.73	1,608	0.6
B-20	Charmant Fuji Osakajominami	Residential property	Osaka, Osaka	1,512.00	905	0.4
B-21	Piacere Fuminosato	Residential property	Osaka, Osaka	1,374.08	571	0.2
B-22	Wald Park Minamioi	Residential property	Shinagawa Ward, Tokyo	750.12	715	0.3
B-23	LAPUTA KUJO	Residential property	Osaka,Osaka	3,359.38	1,480	0.6
B-24	Imazaki Mansion N1	Residential property	Higashiosaka, Osaka	2,643.10	1,180	0.5
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku ward, Tokyo	1,383.31	3,350	1.3
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	0.8
C-3	BECOME SAKAE	Retail property	Nagoya, Aichi	4,615.66	4,770	1.9
	Total			310,766.26	249,243	100.0

(Note 1) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers leasable based on relevant lease agreements or floor plans. The same shall apply hereinafter.

(Note 2) "Acquisition price" does not include consumption taxes, local consumption taxes and acquisition-related expenses. Figures have been truncated to the nearest million yen. The same shall apply hereinafter

(Note 3) "Investment ratio" is the percentage of the acquisition price of the relevant property to total acquisition price. Figures have been rounded to the first decimal place and may not add up to total.

(Note 4) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named

“FORECAST Ichigaya”. The same shall apply hereinafter.

(Note 5) The property of A-62 is held as real estate in kind besides all other properties are real estate beneficiary interests in trust.

(Note 6) The name of property was changed as follow. The same shall apply hereinafter.

Date of change	Old name	New name
December 27, 2019	Kameido i-Mark Building	FORECAST Kameido

(Note 7) Part of the building (1F to 4F) is named “S&S Building” as an office/retail store. However, “Primegate Iidabashi” includes the office area thereof. The same applies hereinafter.

(Note 8) This property includes a separate building, which is structurally independent from the main building, and these two buildings are counted as one property. The same applies hereinafter.

(ii) Summary of the leasing status

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-1	FORECAST Nishishinjuku	1,945.68	1,945.68	100.0	17	163
A-2	Nihombashi Playa Building	2,490.08	2,490.08	100.0	2	165
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	104
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	6	381
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	276
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	113
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,875.04	100.0	18	1,117
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	5	390
A-9	GreenOak Kayabacho	2,995.35	2,995.35	100.0	8	185
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	3	188
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	160
A-13	Higashi Ikebukuro Center Building	4,219.65	4,219.65	100.0	6	221
A-14	Central Daikanyama	1,898.83	1,898.83	100.0	3	163
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	151
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	420
A-19	Kudankita 325 Building	2,003.60	2,003.60	100.0	8	113
A-20	FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	70
A-21	Itohpia Iwamotocho 2-chome Building	3,447.16	3,447.16	100.0	10	184
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	159
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	157
A-24	Pigeon Building	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	FORECAST Ningyocho	2,277.62	2,277.62	100.0	6	113
A-26	FORECAST Ningyocho PLACE	1,867.95	1,867.95	100.0	7	109
A-27	FORECAST Shin-Tokiwabashi	1,808.65	1,808.65	100.0	10	108
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	145
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	72
A-30	FORECAST Shinagawa	2,276.36	2,276.36	100.0	6	126
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	149
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	7	132
A-33	FORECAST Takadanobaba	5,661.49	5,661.49	100.0	7	310
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	208
A-35	Toshin Higashi-Ikebukuro Building	1,645.18	1,645.18	100.0	3	71
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	163
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	7	100
A-39	Itohpia Kiyosubashidori Building	2,651.27	2,651.27	100.0	8	121

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-40	East Side Building	2,096.92	2,096.92	100.0	4	92
A-41	I•S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	168
A-42	Sunworld Building	3,012.86	3,012.86	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sanchome Building	4,219.19	4,219.19	100.0	24	132
A-44	MK Kojimachi Building	1,761.60	1,761.60	100.0	9	111
A-45	Toranomon Sakura Building	3,049.79	3,049.79	100.0	12	219
A-46	La Verite AKASAKA	1,707.18	1,707.18	100.0	7	116
A-47	Kanda Ocean Building	1,484.74	1,484.74	100.0	24	94
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	73
A-49	FORECAST Kayabacho	3,882.61	3,882.61	100.0	15	168
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	249
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	457
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	27	986
A-53	SumitomoMitsui Bank Koraibashi Building	5,106.77	5,106.77	100.0	27	211
A-54	NORE Fushimi	3,857.58	3,857.58	100.0	7	173
A-55	NORE Meieki	4,280.75	4,280.75	100.0	20	188
A-56	Homat Horizon Building	6,077.01	6,077.01	100.0	10	390
A-57	Sannomiya First Building	3,633.16	3,633.16	100.0	24	114
A-58	Towa Kandanishikicho Building	1,324.07	1,324.07	100.0	5	66
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,620.54	1,620.54	100.0	8	69
A-60	Hiroo On Building	2,248.59	2,248.59	100.0	3	129
A-61	TK Gotanda Building	3,716.38	3,716.38	100.0	8	199
A-62	Gotanda Sakura Building	1,501.86	1,501.86	100.0	9	96
A-63	Esprit Kameido	2,010.81	2,010.81	100.0	11	79
A-64	Alte Building Higobashi	3,482.92	3,482.92	100.0	11	111
A-65	DIA Building Meieki	1,781.72	1,781.72	100.0	10	79
A-66	TENSHO OCHANOMIZU BUILDING	1,252.89	1,252.89	100.0	1	Not disclosed (Note 6)
A-67	FORECAST Kameido	3,091.52	3,091.52	100.0	5	160
B-1	Tower Court Kitashinagawa	16,913.29	16,684.26	98.6	275	779
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-4	my atria Sakae	3,121.60	3,121.60	100.0	1	72
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	52
B-6	Seam Dwell Tsutsui	1,800.00	1,800.00	100.0	1	45
B-7	Ciel Yakuin	1,544.87	1,474.26	95.4	40	42
B-8	Kanda Reeplex R's	2,180.93	2,089.30	95.8	39	102
B-9	Splendid Namba	6,212.36	6,144.57	98.9	249	228
B-10	Residence Hiroo	1,983.15	1,916.03	96.6	52	118
B-11	Residence Nihombashi Hakozaki	1,449.00	1,449.00	100.0	1	Not disclosed (Note 6)

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
B-12	Primegate Iidabashi	6,055.81	5,972.30	98.6	65	255
B-13	Residence Edogawabashi	1,246.42	1,246.42	100.0	37	60
B-14	Merveillle Senzoku	838.54	838.54	100.0	28	37
B-15	Field Avenue	3,092.63	3,092.63	100.0	57	139
B-16	Domeal Kitaakabane	1,697.11	1,697.11	100.0	1	Not disclosed (Note 6)
B-17	Dormy Kitaakabane	2,471.42	2,471.42	100.0	1	Not disclosed (Note 6)
B-18	Splendid Shin-OsakaⅢ	4,299.12	4,172.10	97.0	150	144
B-19	ZEPHYROS Minami-horie	2,826.73	2,826.73	100.0	72	95
B-20	Charmant Fuji Osakajominami	1,512.00	1,464.00	96.8	61	47
B-21	Piacere Fuminosato	1,374.08	1,265.12	92.1	40	31
B-22	Wald Park Minamioi	750.12	750.12	100.0	29	34
B-23	LAPUTA KUJO	3,359.38	3,359.38	100.0	62	85
B-24	Imazaki Mansion N1	2,643.10	2,480.73	93.9	127	74
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	9	163
C-2	Komyoike Act	6,173.41	5,983.73	96.9	26	175
C-3	BECOME SAKAE	4,615.66	4,090.58	88.6	10	209
	Total	310,766.26	308,995.46	99.4	2,028	15,565

(Note 1) “Total leased area” is the aggregate leased area described in the relevant lease agreements for respective properties as of December 31, 2019. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of December 31, 2019.

(Note 2) “Occupancy rate” is calculated by dividing total leased area by total leasable area as of December 31, 2019, and rounding to the first decimal place.

(Note 3) “Number of tenants” is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of December 31, 2019, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sub-lessee who is entrusted as property manager and pays a fixed amount of rent to the master lessee, we consider number of the tenants to be “1”.

(Note 4) “Annual contracted rent” is the aggregate annual rent as described in the relevant lease agreements as of December 31, 2019. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of December 31, 2019. Figures have been truncated to the nearest million yen and may not add up to total.

(Note 5) This information is not disclosed as tenant’s consent to disclosure has not been obtained.

(Note 6) This information is not disclosed as sub-lessee’s consent to disclosure has not been obtained.

(iii) Summary on Appraisal Report (As of December 31, 2019)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,130	3,160	3,210	3.8%	3,110	3.4%	4.0%
A-2	Nihombashi Playa Building	2,130	2,006	2,520	2,560	4.3%	2,470	4.1%	4.5%
A-3	FORECAST Yotsuya	1,430	1,368	1,970	2,000	3.8%	1,930	3.6%	4.0%
A-4	FORECAST Shinjuku AVENUE	6,500	6,211	8,100	8,230	3.4%	7,960	3.2%	3.6%
A-5	FORECAST Ichigaya	4,800	4,499	6,350	6,460	3.5%	6,230	3.3%	3.7%
A-6	FORECAST Mita	1,800	1,732	2,380	2,420	3.7%	2,340	3.5%	3.9%
A-7	FORECAST Shinjuku SOUTH	13,990	14,788	17,900	18,100	3.5%	17,700	3.2%	3.7%
A-8	FORECAST Sakurabashi	5,760	6,020	6,770	6,840	4.0%	6,690	3.8%	4.2%
A-9	GreenOak Kayabacho	2,860	2,991	3,530	3,580	3.8%	3,480	3.6%	4.0%
A-10	GreenOak Kudan	2,780	2,917	3,530	3,580	3.6%	3,480	3.4%	3.8%
A-11	GreenOak Takanawadai	2,260	2,185	2,880	2,910	4.0%	2,850	3.8%	4.2%
A-13	Higashi Ikebukuro Center Building	2,520	2,676	3,010	3,020	4.5%	3,000	4.3%	4.7%
A-14	Central Daikanyama	3,510	3,669	3,810	3,880	3.5%	3,730	3.3%	3.7%
A-16	Hiroo Reeplex B’s	2,827	2,862	3,400	3,460	3.8%	3,330	3.6%	4.0%
A-17	Shibakoen Sanchome Building	7,396	7,396	9,990	10,300	3.6%	9,860	3.4%	3.8%
A-19	Kudankita 325 Building	1,850	1,985	2,160	2,190	3.6%	2,120	3.4%	3.8%
A-20	FORECAST Uchikanda	1,240	1,284	1,350	1,370	3.8%	1,330	3.6%	4.0%
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,887	3,290	3,320	4.0%	3,250	3.8%	4.2%
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,761	2,920	2,960	4.0%	2,880	3.8%	4.2%
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,234	2,570	2,600	4.0%	2,540	3.8%	4.2%
A-24	Pigeon Building	2,837	2,944	2,990	3,030	4.0%	2,940	3.8%	4.2%
A-25	FORECAST Ningyocho	2,070	2,129	2,130	2,160	4.1%	2,100	3.9%	4.3%
A-26	FORECAST Ningyocho PLACE	1,650	1,651	2,070	2,090	3.9%	2,040	3.7%	4.1%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,113	2,260	2,290	4.0%	2,220	3.8%	4.2%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,233	2,650	2,680	4.0%	2,610	3.8%	4.2%
A-29	Iidabashi Reeplex B’s	1,249	1,293	1,530	1,560	3.6%	1,500	3.4%	3.8%
A-30	FORECAST Shinagawa	2,300	2,386	2,450	2,490	3.9%	2,410	3.7%	4.1%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,279	2,660	2,680	3.9%	2,630	3.7%	4.1%
A-32	Towa Higashi-Gotanda Building	2,033	2,127	2,400	2,430	3.9%	2,370	3.7%	4.1%
A-33	FORECAST Takadanobaba	5,550	5,880	5,990	6,080	4.2%	5,900	4.0%	4.4%
A-34	Mejiro NT Building	3,094	3,090	3,650	3,690	4.4%	3,600	4.2%	4.6%
A-35	Toshin Higashi-Ikebukuro Building	979	996	1,110	1,120	4.5%	1,100	4.3%	4.7%
A-36	Mitsui Woody Building	2,475	2,675	2,700	2,700	4.5%	2,690	4.2%	4.6%
A-37	Itabashi Honcho Building	3,146	3,089	3,590	3,630	4.5%	3,550	4.2%	4.7%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-38	ANTEX24 Building	1,691	1,778	1,930	1,950	4.2%	1,900	4.0%	4.4%
A-39	Itohpia Kiyosubashidori Building	1,550	1,728	1,930	1,940	4.4%	1,920	4.1%	4.6%
A-40	East Side Building	1,372	1,380	1,610	1,630	4.4%	1,590	4.2%	4.6%
A-41	I•S Minamimorimachi Building	2,258	2,300	2,760	2,780	4.3%	2,730	4.1%	4.5%
A-42	Sunworld Building	1,200	1,277	1,300	1,310	4.5%	1,290	4.3%	4.7%
A-43	Marunouchi Sanchome Building	1,626	1,665	2,010	2,030	4.4%	1,990	4.2%	4.6%
A-44	MK Kojimachi Building	1,781	1,808	2,200	2,240	3.4%	2,150	3.2%	3.6%
A-45	Toranomon Sakura Building	4,120	4,294	4,630	4,660	3.3%	4,600	3.0%	3.4%
A-46	La Verite AKASAKA	2,000	2,141	2,400	2,440	3.5%	2,360	3.3%	3.7%
A-47	Kanda Ocean Building	1,440	1,462	1,750	1,780	3.8%	1,720	3.6%	4.0%
A-48	Shinto GINZA EAST	1,352	1,352	1,490	1,510	3.7%	1,460	3.5%	3.9%
A-49	FORECAST Kayabacho	3,000	3,107	3,210	3,210	4.1%	3,200	3.8%	4.2%
A-50	FORECAST Waseda FIRST	4,775	4,807	5,050	5,130	3.8%	4,960	3.6%	4.0%
A-51	FORECAST Gotanda WEST	6,520	7,642	8,240	8,320	3.9%	8,150	3.7%	4.1%
A-52	Omiya Center Building	15,585	15,453	20,600	20,900	4.1%	20,300	3.9%	4.3%
A-53	Sumitomo Mitsui BankKoraibashi Building	2,850	3,004	3,430	3,450	4.3%	3,400	4.1%	4.5%
A-54	NORE Fushimi	2,840	2,716	3,810	3,860	4.2%	3,750	4.0%	4.4%
A-55	NORE Meieki	2,520	2,425	3,470	3,520	4.3%	3,420	4.1%	4.5%
A-56	Homat Horizon Building	6,705	6,658	7,530	7,670	3.5%	7,390	3.3%	3.7%
A-57	Sannomiya First Building	1,390	1,466	1,600	1,610	4.9%	1,590	4.7%	5.1%
A-58	Towa Kandanishikicho Building	960	970	1,040	1,050	4.3%	1,030	3.4%	4.3%
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,227	1,250	1,250	4.2%	1,240	3.9%	4.3%
A-60	Hiroo On Building	2,392	2,416	2,680	2,720	3.9%	2,630	3.7%	4.1%
A-61	TK Gotanda Building	4,130	4,421	4,500	4,540	3.8%	4,460	3.5%	3.9%
A-62	Gotanda Sakura Building	1,460	1,509	1,700	1,730	4.1%	1,660	3.6%	4.2%
A-63	Esprit Kameido	1,265	1,284	1,320	1,330	4.5%	1,300	4.3%	4.7%
A-64	Alte Building Higobashi	1,453	1,466	1,780	1,810	4.3%	1,750	4.1%	4.5%
A-65	DIA Building Meieki	1,167	1,185	1,290	1,300	4.4%	1,280	4.2%	4.6%
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,872	1,900	1,930	3.5%	1,860	3.3%	3.7%
A-67	FORECAST Kameido	2,580	2,686	2,820	2,860	4.2%	2,780	4.0%	4.4%
B-1	Tower Court Kitashinagawa	11,880	10,788	14,900	15,100	4.0%	14,600	3.8%	4.2%
B-2	Sky Hills N11	1,570	1,604	1,840	1,850	5.1%	1,820	4.9%	5.3%
B-4	my atria Sakae	1,110	1,022	1,290	1,300	4.6%	1,270	4.4%	4.8%
B-5	Mac Village Heian	785	732	946	956	4.7%	935	4.5%	4.9%
B-6	Seam Dwell Tsutsui	695	676	784	793	4.6%	774	4.4%	4.8%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
B-7	Ciel Yakuin	640	619	754	764	4.4%	744	4.2%	4.6%
B-8	Kanda Reeplex R's	1,813	1,744	2,070	2,090	3.9%	2,040	3.6%	4.1%
B-9	Splendid Namba	3,502	3,324	3,980	4,040	4.4%	3,910	4.2%	4.6%
B-10	Residence Hiroo	2,590	2,620	2,790	2,860	3.7%	2,760	3.5%	3.9%
B-11	Residence Nihombashi Hakozaki	1,300	1,433	1,590	1,610	4.2%	1,570	3.7%	4.1%
B-12	Primegate Iidabashi	5,200	5,236	5,380	5,400	3.8%	5,350	3.5%	3.9%
B-13	Residence Edogawabashi	1,230	1,246	1,290	1,310	4.0%	1,270	3.8%	4.2%
B-14	Merveillle Senzoku	740	749	748	762	4.0%	734	3.8%	4.2%
B-15	Field Avenue	3,110	3,133	3,140	3,150	3.9%	3,120	3.6%	4.0%
B-16	Domeal Kitaakabane	785	797	792	803	4.3%	781	4.1%	4.5%
B-17	Dormy Kitaakabane	986	998	998	1,010	4.4%	985	4.2%	4.6%
B-18	Splendid Shin-OsakaⅢ	2,428	2,418	2,580	2,620	4.4%	2,560	4.2%	4.6%
B-19	ZEPHYROS Ninami-horie	1,608	1,629	1,750	1,770	4.2%	1,740	4.0%	4.4%
B-20	Charmant Fuji Osakajominami	905	918	911	926	4.3%	904	4.1%	4.5%
B-21	Piacere Fuminosato	571	576	581	590	4.6%	577	4.4%	4.8%
B-22	Wald Park Minamioi	715	753	735	750	3.9%	720	3.7%	4.1%
B-23	LAPUTA KUJO	1,480	1,588	1,501	1,527	4.3%	1,475	4.1%	4.5%
B-24	Imazaki Mansion N1	1,180	1,257	1,210	1,220	4.6%	1,200	4.4%	4.8%
C-1	Otakibashi Pacifica Building	3,350	3,405	3,570	3,630	3.7%	3,500	3.5%	3.9%
C-2	Komyoike Act	2,063	2,048	2,200	2,210	4.9%	2,190	4.7%	5.1%
C-3	BECOME SAKAE	4,770	4,778	4,840	4,920	4.0%	4,750	3.8%	4.2%
	Total	249,243	253,127	294,170	298,041		290,079		

(Note 1) Figures in the above table are truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheets as of December 31, 2019 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of December 31, 2019.
As for the appraisal reports, NIPPON REIT requests real estate appraisal to DAIWA REAL ESTATE APPRAISAL CO.,LTD. for A-17, B-10, B-18, B-19, B-20 and B-21,also to JLL Morii Valuation & Advisory K.K. for A-51, A-64, A-65, B-9, B-13 and B-14, also to Japan Valuers Co., Ltd. for B-22, B-23 and B-24 and to Japan Real Estate Institute for rest of all properties.

(iv) Earnings Performance for the Individual Properties

The 15th Fiscal Period (from July 1, 2019 to December 31, 2019) (Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	90,372	85,620	55,381	210,728	154,186	65,295
Rental revenues	81,925	83,222	51,806	193,665	141,407	56,657
Other revenues related to property leasing	8,447	2,397	3,575	17,063	12,778	8,638
(2)Property related expenses	16,630	14,903	10,532	40,333	28,876	15,652
Property management fees	3,474	4,962	2,426	9,505	8,386	3,025
Utility expenses	6,228	3,439	2,693	10,967	8,593	4,694
Insurance expenses	65	70	47	140	133	49
Repair expenses	517	615	70	1,225	348	2,376
Taxes and dues	2,328	5,440	4,911	18,137	9,914	5,034
Trust fees	350	350	350	350	350	350
Others	3,664	24	33	8	1,151	122
(3)NOI (1)-(2)	73,742	70,716	44,848	170,394	125,309	49,642
(4)Depreciation	12,284	11,968	5,480	27,106	33,284	7,023
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	61,458	58,748	39,368	143,288	92,025	42,619

(Yen in thousands)

Property number	A-7	A-8	A-9	A-10	A-11	A-13
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	Higashi Ikebukuro Center Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	606,274	216,531	104,617	104,718	86,719	121,498
Rental revenues	565,776	199,455	94,335	96,005	79,313	114,819
Other revenues related to property leasing	40,497	17,076	10,282	8,712	7,405	6,679
(2)Property related expenses	212,783	40,549	27,706	22,677	20,647	30,531
Property management fees	35,267	13,996	6,057	5,519	3,802	8,700
Utility expenses	24,271	11,889	8,361	7,143	6,283	8,134
Insurance expenses	500	208	101	91	84	153
Repair expenses	8,248	2,016	548	635	781	1,377
Taxes and dues	15,847	10,350	8,216	8,932	7,614	8,665
Trust fees	350	350	350	350	350	350
Others	128,297	1,737	4,072	6	1,730	3,151
(3)NOI (1)-(2)	393,491	175,982	76,910	82,040	66,072	90,967
(4)Depreciation	42,648	13,615	8,394	6,392	15,036	13,621
(5) Loss on retirement of non-current assets	-	-	-	345	-	-
(6)Income from property leasing (3)-(4)-(5)	350,842	162,366	68,516	75,302	51,035	77,346

(Yen in thousands)

Property number	A-14	A-16	A-17	A-19	A-20	A-21
Property name	Central Daikanyama	Hiroo Reeplex B's	Shibakoen Sanchome Building	Kudankita 325 Building	FORECAST Uchikanda	Itohpia Iwamotocho 2-chome Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	87,839	84,820	229,116	63,209	41,458	101,878
Rental revenues	80,980	75,776	212,298	55,534	38,607	95,989
Other revenues related to property leasing	6,858	9,043	16,817	7,674	2,850	5,888
(2)Property related expenses	14,962	12,369	43,500	20,544	9,701	25,275
Property management fees	3,282	3,130	9,058	5,209	2,702	7,781
Utility expenses	4,314	3,481	13,427	3,456	2,903	7,604
Insurance expenses	56	45	198	54	52	113
Repair expenses	615	-	1,620	4,430	304	724
Taxes and dues	6,343	5,319	17,631	6,945	3,373	8,307
Trust fees	350	350	350	350	350	350
Others	0	42	1,213	98	15	394
(3)NOI (1)-(2)	72,876	72,450	185,615	42,665	31,756	76,603
(4)Depreciation	4,227	3,371	15,277	2,913	3,650	8,623
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	68,648	69,079	170,338	39,751	28,106	67,979

(Yen in thousands)

Property number	A-22	A-23	A-24	A-25	A-26	A-27
Property name	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Pigeon Building	FORECAST Ningyocho	FORECAST Ningyocho PLACE	FORECAST Shin-Tokiwabashi
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	86,236	78,803	Not disclosed (Note)	64,954	62,219	60,521
Rental revenues	83,602	75,154		58,723	55,047	53,606
Other revenues related to property leasing	2,633	3,648		6,230	7,171	6,915
(2)Property related expenses	18,279	18,459		15,834	14,532	11,277
Property management fees	6,950	6,683		4,351	3,473	2,666
Utility expenses	3,679	5,075		3,956	5,245	3,257
Insurance expenses	100	88		84	55	54
Repair expenses	932	252		729	1,128	782
Taxes and dues	6,077	5,415		6,356	4,007	3,633
Trust fees	350	350		350	350	350
Others	188	593		6	273	534
(3)NOI (1)-(2)	67,956	60,344	67,925	49,120	47,686	49,244
(4)Depreciation	10,151	8,639	9,661	6,060	3,786	3,982
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	57,805	51,705	58,263	43,060	43,899	45,262

(Note) This information is not disclosed as tenant's consent has not been obtained

(Yen in thousands)

Property number	A-28	A-29	A-30	A-31	A-32	A-33
Property name	Nishi-Shinjuku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa	Nishi-Gotanda 8-chome Building	Towa Higashi-Gotanda Building	FORECAST Takadanobaba
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	75,567	45,370	74,910	87,637	77,584	174,724
Rental revenues	70,590	36,273	66,834	76,163	70,483	160,127
Other revenues related to property leasing	4,976	9,097	8,076	11,474	7,100	14,596
(2)Property related expenses	17,522	11,618	17,448	23,088	20,763	35,782
Property management fees	4,427	2,563	5,258	6,958	6,250	9,246
Utility expenses	5,061	5,325	4,842	6,059	4,873	10,651
Insurance expenses	76	40	86	95	100	189
Repair expenses	582	473	735	1,836	2,315	2,169
Taxes and dues	6,563	2,861	6,174	7,661	6,295	12,406
Trust fees	350	350	350	350	350	350
Others	460	4	2	126	577	769
(3)NOI (1)-(2)	58,044	33,752	57,462	64,549	56,821	138,941
(4)Depreciation	4,651	4,150	7,141	5,194	9,365	19,063
(5) Loss on retirement of non-current assets	-	-	-	-	643	-
(6)Income from property leasing (3)-(4)-(5)	53,393	29,601	50,320	59,354	46,811	119,878

(Yen in thousands)

Property number	A-34	A-35	A-36	A-37	A-38	A-39
Property name	Mejiro NT Building	Toshin Higashikebukuro Building	Mitsui Woody Building	Itabashi Honcho Building	ANTEX24 Building	Itohpia Kiyosubashi dori Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	121,741	42,646	97,214	145,415	56,645	70,082
Rental revenues	109,511	37,760	88,976	117,551	50,548	63,950
Other revenues related to property leasing	12,230	4,886	8,237	27,864	6,096	6,132
(2)Property related expenses	26,989	10,051	24,658	50,002	13,329	19,599
Property management fees	8,070	3,332	8,001	18,818	4,127	5,286
Utility expenses	7,092	2,614	6,366	12,780	4,026	5,958
Insurance expenses	143	50	135	172	71	76
Repair expenses	2,376	922	295	4,496	403	2,473
Taxes and dues	8,265	2,513	8,043	8,624	4,000	4,978
Trust fees	350	350	350	350	350	350
Others	691	268	1,466	4,760	350	476
(3)NOI (1)-(2)	94,751	32,595	72,555	95,413	43,315	50,482
(4)Depreciation	11,330	4,025	12,066	15,308	8,380	6,883
(5) Loss on retirement of non-current assets	-	-	-	-	-	620
(6)Income from property leasing (3)-(4)-(5)	83,421	28,569	60,489	80,104	34,934	42,979

(Yen in thousands)

Property number	A-40	A-41	A-42	A-43	A-44	A-45
Property name	East Side Building	I•S Minamimori machi Building	Sunworld Building	Marunouchi Sanchome Building	MK Kojimachi Building	Toranomon Sakura Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	49,770	95,920	Not disclosed (Note)	75,463	59,527	115,937
Rental revenues	44,996	87,214		70,316	55,561	109,702
Other revenues related to property leasing	4,773	8,705		5,146	3,965	6,235
(2)Property related expenses	10,646	25,338		24,035	14,509	27,366
Property management fees	3,626	6,341		7,978	3,572	7,882
Utility expenses	3,006	6,984		5,631	3,136	6,112
Insurance expenses	57	156		128	49	89
Repair expenses	1,288	1,933		258	1,120	1,986
Taxes and dues	2,264	9,565		6,337	6,114	9,626
Trust fees	350	350		350	350	350
Others	54	7		3,351	166	1,318
(3)NOI (1)-(2)	39,124	70,581	30,632	51,427	45,018	88,571
(4)Depreciation	3,313	14,370	6,672	12,681	2,631	7,272
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	35,810	56,210	23,959	38,746	42,386	81,298

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	A-46	A-47	A-48	A-49	A-50	A-51
Property name	La Verite AKASAKA	Kanda Ocean Building	Shinto GINZA EAST	FORECAST kayabacho	FORECAST Waseda FIRST	FORECAST Gotanda WEST
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	61,460	51,208	38,369	95,435	139,947	248,440
Rental revenues	58,669	44,410	36,685	84,492	127,574	228,925
Other revenues related to property leasing	2,790	6,797	1,684	10,943	12,373	19,514
(2)Property related expenses	11,857	14,074	8,234	27,329	34,240	98,841
Property management fees	3,584	2,551	2,259	6,703	8,275	20,720
Utility expenses	2,556	4,542	1,805	6,660	10,920	18,030
Insurance expenses	50	48	32	115	142	322
Repair expenses	472	796	833	2,481	2,483	21,245
Taxes and dues	4,841	3,441	2,880	7,866	11,363	27,448
Trust fees	350	350	350	350	350	350
Others	3	2,344	73	3,152	704	10,724
(3)NOI (1)-(2)	49,602	37,133	30,134	68,106	105,706	149,598
(4)Depreciation	3,801	3,314	2,821	10,532	11,335	35,990
(5) Loss on retirement of non-current assets	-	-	-	-	-	947
(6)Income from property leasing (3)-(4)-(5)	45,801	33,819	27,313	57,573	94,371	112,660

(Yen in thousands)

Property number	A-52	A-53	A-54	A-55	A-56	A-57
Property name	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi	NORE Meieki	Homat Horizon Building	Sannomiya First Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	534,366	135,657	105,110	108,493	207,722	69,699
Rental revenues	500,250	108,486	90,315	92,318	197,679	60,212
Other revenues related to property leasing	34,116	27,171	14,794	16,174	10,042	9,486
(2)Property related expenses	96,301	49,613	36,299	33,565	52,588	24,734
Property management fees	33,840	10,950	7,429	7,591	12,801	8,673
Utility expenses	26,360	18,711	10,158	10,401	11,974	7,006
Insurance expenses	558	176	110	121	179	100
Repair expenses	442	2,360	3,223	2,601	2,149	2,725
Taxes and dues	26,980	16,954	7,592	9,772	24,660	4,707
Trust fees	350	350	350	350	350	350
Others	7,769	110	7,435	2,727	473	1,170
(3)NOI (1)-(2)	438,065	86,043	68,810	74,927	155,133	44,965
(4)Depreciation	58,818	17,421	19,262	17,599	13,490	10,048
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	379,246	68,622	49,547	57,327	141,643	34,916

(Yen in thousands)

Property number	A-58	A-59	A-60	A-61	A-62	A-63
Property name	Towa Kandanishikicho Building	Yusen Higashi-Nihombashi Ekimae Building	Hiroo On Building	TK Gotanda Building	Gotanda Sakura Building	Esprit Kameido
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	36,694	37,868	75,399	101,235	52,738	31,651
Rental revenues	31,780	34,824	68,325	93,652	47,373	24,171
Other revenues related to property leasing	4,914	3,044	7,074	7,582	5,365	7,480
(2)Property related expenses	16,762	15,356	17,702	38,815	19,591	18,568
Property management fees	2,372	2,852	4,221	5,984	2,448	3,527
Utility expenses	2,940	3,335	5,050	7,010	4,542	4,249
Insurance expenses	34	41	62	117	40	51
Repair expenses	436	4,656	2,311	13,613	5,482	1,027
Taxes and dues	1,361	3,846	5,677	9,027	1,448	2,936
Trust fees	350	350	350	350	-	350
Others	9,267	273	29	2,712	5,630	6,425
(3)NOI (1)-(2)	19,931	22,512	57,697	62,419	33,147	13,082
(4)Depreciation	1,609	2,878	4,174	7,508	3,252	3,100
(5) Loss on retirement of non-current assets	-	271	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	18,322	19,362	53,522	54,911	29,894	9,981

(Yen in thousands)

Property number	A-64	A-65	A-66	A-67	B-1	B-2
Property name	Alte Building Higobashi	DIA Building Meieki	TENSHO OCHANOMIZU BUILDING	FORECAST Kameido	Tower Court Kitashinagawa	Sky Hills N11
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	67,532	49,406	Not disclosed (Note)	89,134	408,879	61,128
Rental revenues	60,021	43,309		81,987	396,575	61,056
Other revenues related to property leasing	7,510	6,097		7,146	12,304	72
(2)Property related expenses	25,257	16,906		16,981	90,615	9,006
Property management fees	6,799	4,744		5,669	31,994	623
Utility expenses	6,957	5,299		8,013	5,186	-
Insurance expenses	100	70		91	464	137
Repair expenses	2,336	1,641		2,819	19,002	1,225
Taxes and dues	5,963	4,760		30	19,465	6,667
Trust fees	350	350		350	350	350
Others	2,749	41		7	14,152	2
(3)NOI (1)-(2)	42,274	32,499	37,324	72,153	318,263	52,121
(4)Depreciation	4,834	2,880	5,099	13,871	66,257	11,627
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	37,440	29,618	32,224	58,281	252,006	40,493

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-4	B-5	B-6	B-7	B-8	B-9
Property name	my atria Sakae	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Splendid Namba
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	37,979	28,122	24,172	21,811	57,205	114,164
Rental revenues	37,969	27,993	24,172	20,871	53,580	112,541
Other revenues related to property leasing	10	129	-	939	3,624	1,623
(2)Property related expenses	7,080	6,009	5,593	7,190	12,341	20,815
Property management fees	1,879	1,895	1,880	1,296	4,771	6,214
Utility expenses	425	284	-	684	11	771
Insurance expenses	66	48	37	33	55	136
Repair expenses	420	1,500	1,225	1,848	2,530	2,056
Taxes and dues	2,588	1,928	1,613	1,229	2,463	7,193
Trust fees	350	350	350	350	350	350
Others	1,350	-	487	1,748	2,158	4,093
(3)NOI (1)-(2)	30,899	22,113	18,578	14,621	44,864	93,348
(4)Depreciation	14,153	9,402	7,118	6,405	8,657	33,968
(5) Loss on retirement of non-current assets	-	-	-	340	-	-
(6)Income from property leasing (3)-(4)-(5)	16,745	12,711	11,459	7,875	36,206	59,380

(Yen in thousands)

Property number	B-10	B-11	B-12	B-13	B-14	B-15
Property name	Residence Hiroo	Residence Nihombashi Hakozaki	Primegate Iidabashi	Residence Edogawabashi	Merveillle Senzoku	Field Avenue
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	62,319	Not disclosed (Note)	144,872	32,792	20,300	78,342
Rental revenues	60,513		137,152	29,844	19,755	70,329
Other revenues related to property leasing	1,806		7,719	2,947	544	8,012
(2)Property related expenses	10,580		33,766	6,662	4,526	12,682
Property management fees	2,512		13,198	1,548	1,310	2,749
Utility expenses	551		5,564	205	224	4,337
Insurance expenses	51		186	27	22	76
Repair expenses	2,092		2,248	1,536	457	734
Taxes and dues	2,734		9,595	1,218	1,010	3,435
Trust fees	350		350	350	350	350
Others	2,287		2,623	1,775	1,150	999
(3)NOI (1)-(2)	51,739	34,351	111,105	26,130	15,774	65,660
(4)Depreciation	5,002	3,967	8,993	2,657	2,141	7,182
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	46,736	30,384	102,111	23,473	13,632	58,477

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-16	B-17	B-18	B-19	B-20	B-21
Property name	Domeal Kitaakabane	Dormy Kitaakabane	Splendid Shin-Osaka Ⅲ	ZEPHYROS Minami-horie	Charmant Fuji Osaka jominami	Piacere Fuminosato
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	Not disclosed (Note)	Not disclosed (Note)	72,821	48,490	25,318	18,092
Rental revenues			73,673	46,982	24,049	16,655
Other revenues related to property leasing			1,147	1,508	1,269	1,437
(2)Property related expenses			13,509	11,940	6,505	6,979
Property management fees			4,035	2,976	1,226	1,335
Utility expenses			579	1,241	858	782
Insurance expenses			85	59	31	29
Repair expenses			1,404	2,308	1,950	2,147
Taxes and dues			4,861	2,399	1,344	1,016
Trust fees			350	350	350	350
Others			2,193	2,604	743	1,318
(3)NOI (1)-(2)	17,030	22,458	60,311	36,550	18,813	11,112
(4)Depreciation	1,777	1,900	18,646	5,573	3,615	2,818
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	15,252	20,557	41,665	30,976	15,198	8,294

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-22	B-23	B-24	C-1	C-2	C-3
Property name	Wald Park Minamioi	LAPUTA KUJO	Imazaki Mansion N1	Otakibashi Pacifica Building	Komyoike Act	BECOME SAKAE
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	17,630	44,066	40,968	93,937	136,190	113,583
Rental revenues	17,017	42,919	37,798	81,946	105,965	96,645
Other revenues related to property leasing	613	1,146	3,169	11,990	30,225	16,938
(2)Property related expenses	2,440	7,232	11,296	21,896	67,800	40,150
Property management fees	832	3,915	2,149	4,240	21,657	7,610
Utility expenses	159	657	1,686	9,944	33,143	8,379
Insurance expenses	16	62	78	46	216	130
Repair expenses	531	1,105	4,579	1,180	1,654	5,042
Taxes and dues	-	-	-	5,430	8,702	10,076
Trust fees	350	350	350	350	350	650
Others	550	1,140	2,452	705	2,076	8,261
(3)NOI (1)-(2)	15,190	36,834	29,672	72,040	68,389	73,432
(4)Depreciation	1,380	3,949	3,857	10,527	23,950	14,380
(5) Loss on retirement of non-current assets	-	-	-	-	-	148
(6)Income from property leasing (3)-(4)-(5)	13,810	32,884	25,814	61,513	44,439	58,904

(Yen in thousands)

Property number	
Property name	Total
Operating periods	
(1)Revenues from property leasing	8,628,363
Rental revenues	7,919,159
Other revenues related to property leasing	709,203
(2)Property related expenses	2,197,276
Property management fees	573,182
Utility expenses	517,052
Insurance expenses	9,267
Repair expenses	196,498
Taxes and dues	588,553
Trust fees	31,450
Others	281,271
(3)NOI (1)-(2)	6,431,086
(4)Depreciation	965,269
(5) Loss on retirement of non-current assets	3,317
(6)Income from property leasing (3)-(4)-(5)	5,462,500

(2) Status of Capital Expenditure

A. Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 16th fiscal period accompanying planned renovations and repairs for those properties held. The following scheduled construction amount includes the portion charged to expenses in accounting:

Property name	Location	Purpose	Schedule	Scheduled construction amount (Yen in millions) (Note)		
				Total	Amount to be paid in the current fiscal period	Amount already paid
GreenOak Kayabacho	Chuo Ward, Tokyo	Mechanical parking facility maintenance	From Jan. 2020 to Jun. 2020	18	—	—
Itohpia Iwamotocho 2-chome Building	Chiyoda Ward, Tokyo	Elevator renewal	From Jan. 2020 to Jun. 2020	16	—	—
Itohpia Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Elevator renewal	From Jan. 2020 to Jun. 2020	15	—	—
		Mechanical parking facility maintenance	From Jan. 2020 to Jun. 2020	10	—	—
Itohpia Iwamotocho ANNEX Building	Chiyoda Ward, Tokyo	Elevator renewal	From Jan. 2020 to Jun. 2020	15	—	—
FORECAST Takadanobaba	Toshima Ward, Tokyo	Substation renewal	From Jan. 2020 to Jun. 2020	14	—	—
Omiya Center Building	Saitama, Saitama	Exterior wall of parking building repair	From Jan. 2020 to Jun. 2020	19	—	—
		Exterior wall repair (No.2)	From Jan. 2020 to Jun. 2020	77	—	—
Homat Horizon Building	Chiyoda Ward, Tokyo	Waterproofing repair on balcony	From Jan. 2020 to Jun. 2020	14	—	—
Sky Hills N11	Sapporo, Hokkaido	Ventilation system renewal	From Jan. 2020 to Jun. 2020	41	—	—
Komyoike Act	Sakai,Osaka	Ventilation system and heat source repair	From Jan. 2020 to Jun. 2020	25	—	—

(Note) The scheduled construction amount is truncated to the nearest million yen

B. Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the fiscal period under review. In the fiscal period ended December 31, 2019, capital expenditures totaled 1,044 million yen. With the addition of 196 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 1,241 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
GreenOak Kudan	Chiyoda Ward, Tokyo	Elevator hall relocation work	From Aug. 2019 To Oct. 2019	20
Kudankita 325 Building	Chiyoda Ward, Tokyo	Ventilation system renewal	From Oct. 2019 to Dec. 2019	46
Towa Higashi-Gotanda Building	Shinagawa Ward, Tokyo	Ventilation system and lighting renewal	From Oct. 2019 to Dec. 2019	61
ANTEX24 Building	Taito Ward, Tokyo	Modification work for mechanical parking facility	From Nov. 2019 to Nov. 2019	10
Itohpia Kiyosubashidori Building	Taito Ward, Tokyo	Ventilation system and lighting renewal	From Jul. 2019 to Dec. 2019	67
Toranomon Sakura Buildung	Minato Ward, Tokyo	Substation renewal	From Nov. 2019 to Nov. 2019	17
FORECAST Gotanda WEST	Shinagawa Ward, Tokyo	Mechanical parking facility maintenance	From Oct. 2019 to Dec. 2019	55
		Whole building renewal (No.5)	From Jul. 2019 to Dec. 2019	203
Omiya Center Building	Saitama, Saitama	Exterior wall repair (No.1)	From Aug. 2019 To Dec. 2019	65
Yusen Higashi-Nihombashi Ekimae Building	Chuo Ward, Tokyo	Ventilation system and lighting renewal	From Jul. 2019 to Dec. 2019	62
TK Gotanda Building	Shinagawa Ward, Tokyo	Renewal work on 1st floor	From Jul. 2019 to Oct. 2019	81
Gotanda Sakura Building	Shinagawa Ward, Tokyo	Ventilation system renewal	From Nov. 2019 to Dec. 2019	20
Sky Hills N11	Sapporo, Hokkaido	Exterior wall repair	From May 2019 to Oct. 2019	85
Other capital expenditures				247
Total				1,044

(Note) Capital expenditures are truncated to the nearest million yen.

C. Cash Reserves for Long-Term Repairs and Maintenance Plans

Based on a long-term repair and maintenance plan compiled for each property, NIPPON REIT sets aside the following cash reserves from cash flows during the fiscal period in order to provide the payment of funds for major repairs and maintenance, etc., over the medium to long term:

(Yen in thousands)

Operating period	11th fiscal period From July 1, 2017 to December 31, 2017	12th fiscal period From January 1, 2018 to June 30, 2018	13th fiscal period From July 1, 2018 to December 31, 2018	14th fiscal period From January 1, 2019 to June 30, 2019	15th fiscal period From July 1, 2019 to December 31, 2019
Balance of reserves at the beginning of the period	747	121	27	307	819
Amount of reserves during the period	460	800	1,700	1,031	732
Amount of reversal of reserves during the period	1,086	893	1,420	519	1,044
Reserves carried forward	121	27	307	819	507

(Note) Figures in the above table are truncated to the nearest million yen.