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For Immediate Release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning Receiving of Preferential Negotiation Right from the Sponsor

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that it has been granted the preferential negotiation right (the "Preferential Negotiation Right") pertaining to an acquisition of asset by its sponsor, Sojitz Corporation, today.

1. Overview of the Preferential Negotiation Right

(1) Counterparty who grants the right:	Sojitz Corporation
(2) Asset:	Trust beneficiary interest in real estate
(3) Real estate in trust:	MAISON NISHI MAGOME
(4) Preferential negotiation price:	¥ 791 MM (Note)
(5) Preferential negotiation period:	From October 26, 2021 to October 25, 2023

Note: Preferential negotiation price does not include consumption tax, local consumption tax and various costs required for acquisition.

2. Background and Reason

The Preferential Negotiation Right has been granted to NIPPON REIT in accordance with the terms and conditions outlined in the sponsor support agreement concluded between NIPPON REIT, Sojitz REIT Advisors K.K. and Sojitz Corporation. Sojitz Corporation, the main sponsor of NIPPON REIT, is continuously considering and executing various sponsor supports for NIPPON REIT, and it has provided a function of warehousing as part of the sponsor supports.
We believe that the granting of the Preferential Negotiation Right enables the realization of flexible and timely investments as stipulated in in our basic policy, and has the effect of expanding external growth in the future. NIPPON REIT will continue to actively utilize such sponsor supports to increase asset size and secure stable revenues.
Furthermore, there is no payment of remuneration for the grant of the Preferential Negotiation Right from NIPPON REIT to Sojitz Corporation and there is no obligation for NIPPON REIT to acquire the above asset.

3. Property Summary

MAISON NISHI MAGOME

Type of specified asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		October 26, 2021
Trust expiration date		October 31, 2031
Location (indication of residential address)		2-21-14 Nakaikegami, Ota-ku, Tokyo
Land	Parcel number	2-644-1 Nakaikegami, Ota-ku, Tokyo
	Building coverage ratio/ floor area ratio	80% (Note)/200%
	Use district	Quasi-industrial district
	Site area	473.76 m^2
	Type of ownership	Leasehold (right to lease)
Building	Completion	October 2006
	Structure / floors	Reinforced concrete with flat roof / 5 stories
	Use	Residence
	Total floor space	994.63 m^2
	Type of ownership	Ownership
PML		8.7%
Collateral after acquisition		None
Special notations		The trustee and the owner of the land have concluded a land lease agreement for the purpose of using it as the site of the building, and have agreed on the lease period and the obligation to obtain consent in certain cases. The land lease right is based on the former land lease law, however, the content is not disclosed as the consent from the land owner has not been obtained as of today.

Note1: The building coverage ratio is essentially 60%, but it is increased to 80% due to relaxation for a building with fire-proof structures located within quasi fire prevention district.

Characteristics
・ Location The property is located approximately 10 minute-walk to the Nishi-magome Station on the Toei Asakusa Line. The location is considered convenient for transportation as it takes about 30 minutes from Nishi-magome Station to Tokyo Station, transferring at Shimbashi Station. A calm living environment is formed around the property with supermarkets and other convenient living facilities. ・ Building The quality of the building and state of maintenance of the property; floor plans, facilities and specifications of the rental rooms are about the same as the comparable properties. Therefore, we believe that the property has standard competitiveness within the same supply and demand area.

Photo



Map



Explanation of matters stated in “3. Property Summary”

- “Location (indication of residential address)” is the indication of residential address of the Property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations in principal) is stated.
- “Parcel number” of land indicates the parcel number on the registry (in principal, if there are several, then one of the parcels).
- “Building coverage ratio” and “floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on the specified asset, there are cases where “building coverage ratio” and “floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the property.
- “Completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / floors” of building is based on the registry.
- “Use” of building is the major type of building indicated in the registry.
- “Total floor space” of building is based on the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights of the real estate held by the trustee of the property.
- “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis by Tokio Marine dR Co., Ltd., which was conducted upon request from Sojitz Corporation as part of the due diligence for the acquisition of the trust beneficiary right. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the property.
- “Characteristics” include basic characteristics and attributes of areas where the trust property is located, and are compiled mainly, based on the appraisal report that Sojitz Corporation received from JLL Morii Valuation & Advisory K.K. as part of the due diligence upon their acquisition. Such reports are the evaluations at a specific point in time and opinions of external experts who prepare them, and do not guarantee the reasonableness or accuracy of the content. Changes in business environments and other factors that occur after the preparation of such reports are not reflected therein.

4. Future Outlook

The granting of the Preferential Negotiation Right has no effect on the outlook of the management status of NIPPON REIT. The forecast of the management status for the fiscal period ending December 2021 (from July 1, 2021 to December 31, 2021) and June 2022 (from January 1, 2022 to June 30, 2022) announced in the “Summary of Financial Results for the Fiscal Period Ended June 30, 2021 (REIT)” dated August 17, 2021 remains unchanged.

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

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