NIPPON REIT Investment Corporation（TSE code：3296）

Investor Presentation

for the 19th Period （Ended December 31, 2021）

February 17, 2022



Contents

1. Summary of Financial Results for the 19th Period (Dec. 2021)

- Financial Highlights 3
- Summary of Financial Results for the 19th Period (Dec. 2021) 4
- Summary of Forecast for the 20th Period (Jun. 2022) and the 21st Period (Dec. 2022) 5
- Track Record of Unitholders' Value 6

2. Portfolio Summary

- Portfolio Summary (As of the end of the 19th Period) 9
- Risk Diversification (As of the end of the 19th Period) 10

3. Management Status for the 19th Period

- Environment Recognition and Growth Strategies 12
- Track Record of AUM 13
- Asset Replacement and Pipeline 14
- Occupancy Rate and Rent-free Period Trend 15
- Status of Tenant Move-in and Move-out, and Rent Increase Upon Tenant Replacement 16
- Track Record of Rent Renewals and Rent Increase Upon Contract Renewals (Office) 17
- Track Record of Rent Change Ratio and Rent Gap Trend (Office) 18
- Engineering Management 19
- Financial Management 21
- Sustainability Initiatives (Summary) 23

4. Data Related to Financial Results for the 19th Period (Dec. 2021)

- Financial Results for the 19th Period (Dec. 2021) 25
- Financial Forecast for the 20th Period (Jun. 2022) and the 21st Period (Dec. 2022) 26
- Financial Forecast for the 20th Period (Jun. 2022) 27
- Balance Sheets 28
- Historical Operating Results 29
- Property NOI Yield 30
- Appraisal Value Summary 35
- Portfolio Appraisal Value 36
- Portfolio Summary 40
- Notes 44

1. Summary of Financial Results for the 19th Period（Dec. 2021）

NIPPON REIT Investment Corporation

19th Period DPU ¥11,665 (±¥0 Change from the Forecast)

Operating Revenue	Operating Income	Ordinary Income	Net Income
¥ 10,041mm	¥ 6,043mm	¥ 5,390mm	¥ 5,335mm

External growth

AUM
(as of the end of 19th period)

107 properties ¥255.9bn

Asset Replacement
(during the 19th period)

Transfer **4 properties ¥8.6bn**
Acquisition **8 properties ¥7.6bn**

Gain on Sales **¥1.60bn**

Pipeline
(as of the end of 19th period)
8 properties ¥6.2bn

Internal growth

Occupancy Rate
(as of the end of 19th period)

98.1%
(office 98.6%)

Monthly Rent Decrease
(Office) (in the 19th period)
through Rent Renewal and Tenant Replacement
▲¥2.25mm/month
-¥30/fiscal period in DPU

Expected NOI Increase through Engineering Management
(for the 19h period)
¥17.24mm p.a.
¥19/fiscal period in DPU

20th Period

DPU Forecast ¥8,586

(Includes expected gain on sale per unit of ¥283)

Operating Revenue	Operating Income
¥8,519mm	¥4,495mm
Ordinary Income	**Net Income**
¥3,863mm	¥3,863mm

21st Period

DPU Forecast ¥8,159

Operating Revenue	Operating Income
¥8,346mm	¥4,343mm
Ordinary Income	**Net Income**
¥3,671mm	¥3,671mm

Summary of Financial Results for the 19th Period (Dec. 2021)

(¥/mm)	18th Period (Jun. 2021) Result	19th Period (Dec. 2021) Forecast	19th Period (Dec. 2021) Result	19th Period (Result) vs 18th Period (Result) (difference)	19th Period (Result) vs 19h Period (Forecast) (difference)
	A	b	c	c-a	c-b
Operating Revenues	9,410	10,042	10,041	630	(1)
Operating Expenses	(3,910)	(4,138)	(3,997)	(87)	140
Operating Income	5,499	5,904	6,043	543	138
Ordinary Income	4,859	5,249	5,390	531	141
Net Income	4,858	5,248	5,335	477	87
DPU	¥10,800	¥11,665	¥11,665	¥865	¥0
NOI	6,457	6,226	6,355	(101)	129
Days	181	184	184	-	-

◆ Comparison against the 18th Period (Jun. 2021) Result (c-a)

《Major fluctuation factor》 (¥/mm)

Increase in Operating Revenues		**+630**
Decrease in rental revenue	Asset replacement, By tenant cancellation, etc.	(65)
Increase in utilities charge revenue	Asset replacement, Seasonal factors, etc.	+8
Decrease in miscellaneous income	Penalties, Seasonal factors, etc.	(5)
Increase in gain on sales of real estate properties	(Gain on the sale of the Toshin Higashi-Ikebukuro Building and three other properties)	+691
Increase in Operating Expenses		**(87)**
Increase in utility expenses	Seasonal factors, Unit price increase	(39)
Increase in repair expense		(41)
Decrease in Leasing related expense		+44
Increase in other expense	Renewal Fee, etc.	(36)
Increase in non-deductible consumption taxes		(23)
Increase in Non-operating Expenses	Rising interest rates, Increase in Business days, etc.	**(12)**

◆ Comparison against the 19th Period (Dec. 2021)Forecast (c-b)

《Major fluctuation factor》 (¥/mm)

Decrease in Operating Revenues		**(1)**
Decrease in rental revenue		(15)
Decrease in utilities charge revenue		(7)
Increase in miscellaneous income		+19
Decrease in Operating Expenses		**+140**
Decrease in repair expense		+92
Decrease in Leasing related expense	Delay in leasing progress, etc.	+19
Decrease in other expense	Non-Incidence of Entry Support Funds, etc.	+20
Decrease in promotional expenses	Changes in overseas investor relations methods, etc.	+13

<Retained Earnings>
To prepare for future contingencies, ¥87mm of net income for the 19th Period (Dec. 2021), which exceeds the forecast, is carried forward as retained earnings (total amount of retained earnings to be carried forward to the next fiscal year is ¥105mm (¥234 per unit)).

Summary of Forecast for the 20th Period (Jun. 2022) and the 21st Period (Dec. 2022)

(¥/mm)	19th Period (Dec. 2021) Result	20th Period (Jun. 2022) Forecast	21st Period (Dec. 2022) Forecast	20th Period (Forecast) vs 19th Period (Result) (difference)	21st Period (Forecast) vs 20th Period (Forecast) (difference)
	a	b	c	b-a	c-b
Operating Revenues	10,041	8,519	8,346	(1,522)	(172)
Operating Expenses	(3,997)	(4,023)	(4,002)	(25)	21
Operating Income	6,043	4,495	4,343	(1,548)	(151)
Ordinary Income	5,390	3,863	3,671	(1,526)	(192)
Net Income	5,335	3,863	3,671	(1,472)	(192)
DPU	¥11,665	¥8,586	¥8,159	(¥3,079)	(¥427)
NOI	6,355	6,222	6,204	(132)	(18)
Days	184	181	184	-	-

◆ Comparison between the 19th Period(Dec. 2021)Result and the 20th Period(Jun. 2022)Forecast (b-a)

《Major fluctuation factor》 (¥/mm)

Decrease in Operating Revenues		**(1,522)**
Decrease in rental revenue	Asset replacement, etc.	(20)
Decrease in utilities charge revenue	Asset replacement, Seasonal factors, etc.	(37)
Increase in miscellaneous income	Gratuity fee, Renewal fee, Penalty	+9
Decrease in Gain on sales of real estate properties	Absence of gain on sales of properties	(1,474)
Increase in Operating Expenses		**(25)**
Increase in utility expenses	Rise in the unit price for adjusting electricity cost, etc.	(44)
Increase in tax	Increase in properties acquired, etc.	(38)
Increase in Leasing related expense	Increase in expected number of tenants, etc.	(38)
Decrease in other expense	Removal of leasehold renewal fee, etc.	+25
Decrease in non-recoverable consumption tax		+33
Decrease in Non-operating Expenses	Decrease in Interest expense, etc.	**+14**

◆ Comparison between the 20th Period(Jun. 2022)Forecast and the 21st Period(Dec. 2022)Forecast (c-b)

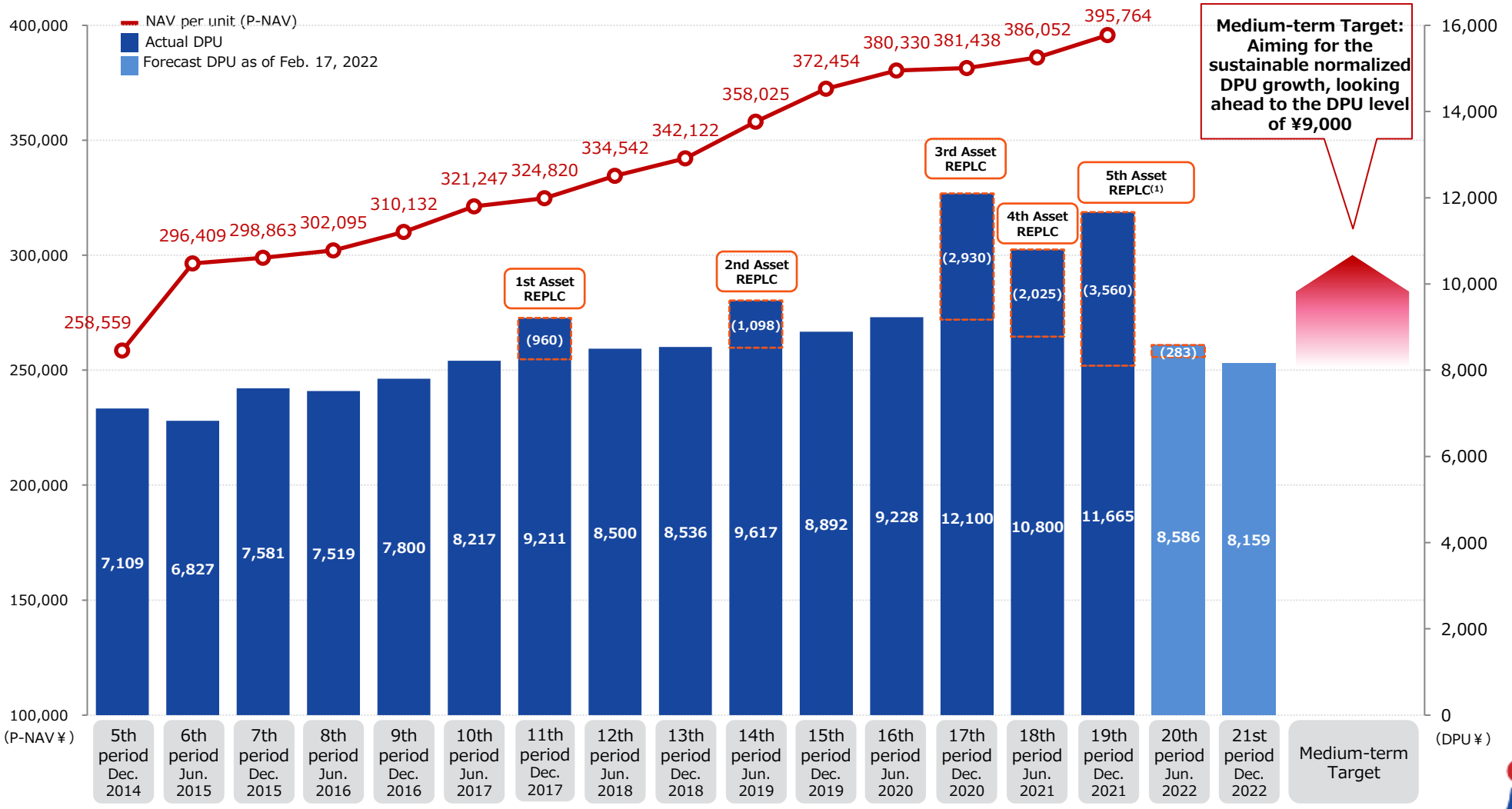
《Major fluctuation factor》 (¥/mm)

Decrease in Operating Revenues		**(172)**
Decrease in rental revenue	Property sales, Decrease in revenue due to cancellation, etc.	(35)
Increase in utilities charge revenue	Seasonal factor, etc.	+28
Decrease in miscellaneous income	Decrese in Gratuity fee and Renewal fee, etc.	(36)
Decrease in Gain on sales of real estate properties	Absence of gain on sales of properties	(127)
Decrease in Operating Expenses		**+21**
Increase in utility expenses	Seasonal factor, Rise in the unit price of electricity, etc.	(40)
Decrease in Leasing related expense	For leasing progress by fiscal 20th	+51
Decrease in other expense		+5
Increase in promotional expense	Increase in investor relations opportunities	(9)
Decrease in non-deductible consumption taxes		+11
Increase in Non-operating Expenses	Refinancing costs, Increase in Business days, etc.	(31)

Track Record of Unitholders' Value

- **The DPU for the 19th period increased by ¥865 from the previous period to ¥11,665**
- **NAV per unit increased by ¥9,721 (2.5%) to ¥395,764**
- **Continue to pursue asset replacement opportunities to refine portfolio quality, focusing on the realization of unrealized gains and returns; for that pursuit, internal reserve may be considered when appropriate**

《Track record of NAV per unit and DPU, and medium-term target》



※The figures in parentheses represents the amount of increase included in the total distribution per unit that is due to gain on sales of real estate properties or gain on exchange of real estate properties.

MEMO

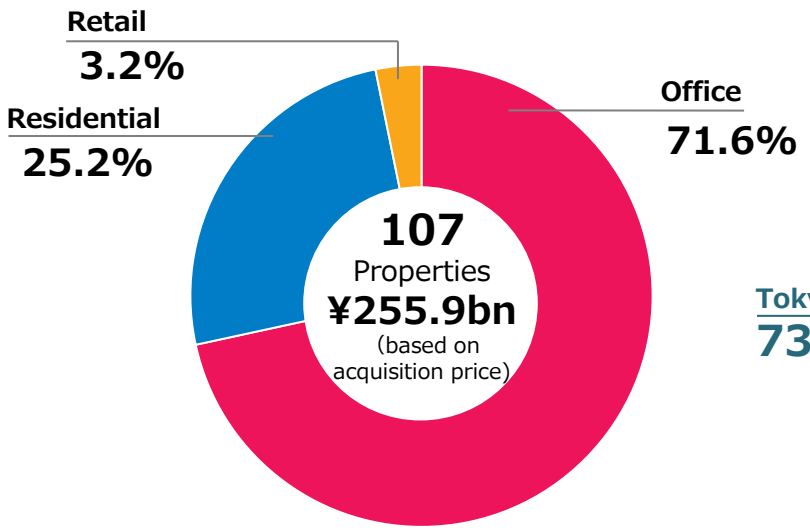
2. Portfolio Summary

Portfolio Summary (as of the end of the 19th Period Ended Dec. 2021)

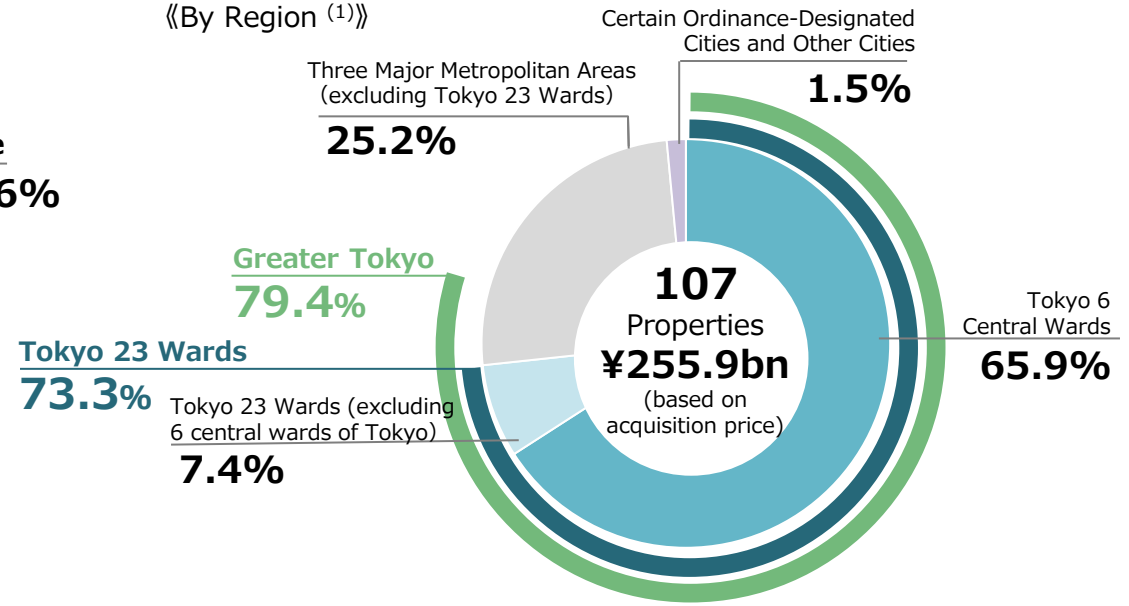
NIPPON REIT Investment Corporation

◆ **Robust portfolio focusing on Mid-sized Office located in central Tokyo and residential located in 3-Major Metropolitan Areas**

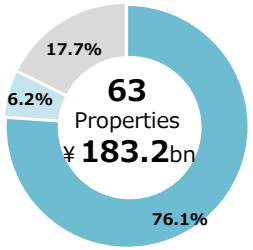
《By Property Type》



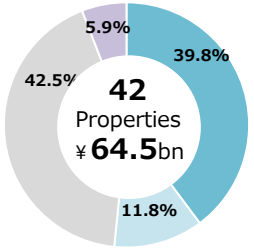
《By Region (1)》



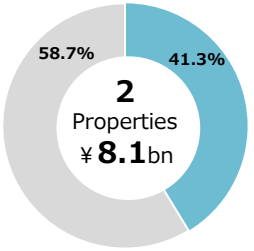
《Office by Region》



《Residential by Region》



《Retail by Region》



- 6 central wards of Tokyo (6 central)
- 23 wards of Tokyo (excluding 6 central wards of Tokyo) (23 wards)
- Three Major Metropolitan areas (excluding 23 wards of Tokyo) (3MM)
- Certain Ordinance-Designated and other cities (COD)

●Change in type

	Office	Residential	Retail
At the end of 18th period	73.6%	23.2%	3.2%
At the end of 19th period	71.6%	25.2%	3.2%
After sale of Sunworld Building	71.5%	25.4%	3.2%

●Change in area

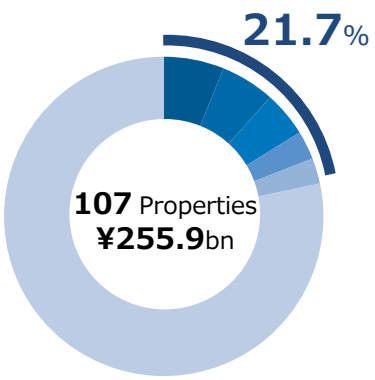
	Central 6 Wards	23 Wards	Greater Tokyo	3MM	COD
At the end of 18th period	64.8%	10.1%	81.0%	23.6%	1.5%
At the end of 19th period	65.9%	7.4%	79.4%	25.2%	1.5%
After sale of Sunworld Building	66.2%	7.5%	79.8%	24.9%	1.5%

Risk Diversification (as of the end of the 19th Period Ended Dec. 2021)

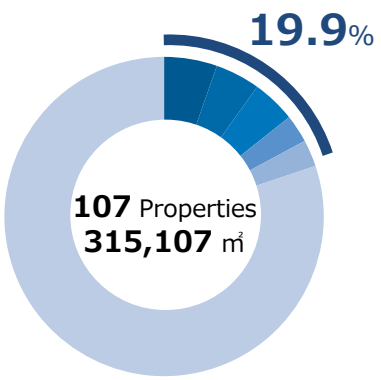
NIPPON REIT Investment Corporation

◆ **Top-class risk tolerance among all listed J-REIT**

《Portfolio Diversification 》
(Proportion of the 5 largest properties)

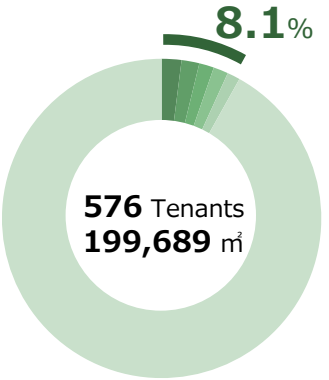


By Acquisition Price

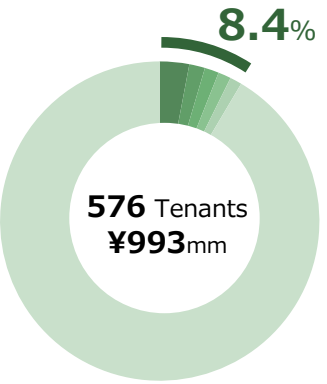


By Leasable Area

《Tenant Diversification》
(Proportion of the 5 largest tenants (1))



By Leased Area



By Monthly Rent

《5 Largest Properties (by acquisition price)》

	Property Name	Acquisition Price (¥mm)	Share
1	Omiya Center Building	15,585	6.1%
2	FORECAST Shinjuku SOUTH	13,990	5.5%
3	Tower Court Kitashinagawa	11,880	4.6%
4	Shibakoen Sanchome Building	7,396	2.9%
5	Homat Horizon Building	6,705	2.6%

《5 Largest Tenants (by leased area)》

	Property Name	Business Category	Leased Area (㎡)	Share
1	FORECAST Shinjuku AVENUE FORECAST Shinjuku SOUTH	Telecommu-nication	4,047.88	2.0%
2	Shibakoen Sanchome Building	Telecommu-nication	3,559.85	1.8%
3	Pigeon Building	Manufacturing	3,022.25	1.5%
4	Sunworld Building	Real Estate	3,012.86	1.5%
5	Shibakoen Sanchome Building	Wholesale/ Retail	2,579.22	1.3%

3. Management Status for the 19th Period

Environment Recognition and Growth Strategies

NIPPON REIT Investment Corporation

Environmental Recognition	Forecast	Growth Strategies
Real Estate Trading Market		**◆External Growth Strategy**
• In the Tokyo Economic Area, the three major metropolitan areas, and the core cities, the acquisition environment continues to be overheated; real estate transaction prices are trending at high level due to the strong drive for acquisition seen in both domestic and foreign investors against the backdrop of a favorable financing environment	• Cap rates in real estate transactions generally remains on a downward trend as a whole, and it is expected that transactions at the current high level will continue for a while, and the harsh acquisition environment will continue • While the impact of the COVID-19 is limited at this moment, need to pay close attention to its impact on Japanese real estate market and global interest rate trends	■ **Asset replacement to strengthen portfolio competitiveness** • Continue to exercise portfolio refining strategy and consider asset replacement for properties which decline in profitability are concerned. Aim to improve the quality of the portfolio and build a portfolio with growth potential and defensiveness • Realization of unrealized gain utilizing the high liquidity of medium-sized office and residential properties in a timely manner ■ **Expansion of pipeline that adheres discipline (emphasis on stability)** • Aiming for external growth that will contribute to enhancing unitholders' value with a view to conduct public offering backed by building-up pipelines through main sponsor's warehousing function and formation of bridge funds
Leasing Market		**◆Internal Growth Strategy**
● **Office** • Future outlook is uncertain, as the spread of the Omicron variant is a risk factor that may cause delay in economic recovery. Due to the prolonged impact of the COVID-19 and easing of supply and demand, vacancy rate continues to rise and rent index is declining moderately. • For medium-sized offices, the increase in the move-out ratio has peaked out due to the deterioration of the business performance of small and medium-sized enterprises. However, a certain volume of cancellations are expected to occur. • Diversified work styles; people working remotely ● **Residential** • In 2021, while the number of people moving in exceeded the number of people moving out from to the Tokyo Economic Zone, the number in excess has narrowed down. • Some demand groups tend to focus on better living conditions in urban areas than in the periphery and near stations, and corporate demand, studio demand and foreign expatriate demand tend to decline ● **Retail** • Due to the prolonged impact of the COVID-19, the motives for tenants to open stores are limited and due to changes in consumption trends, situation widely varies depending on the industry type	● **Office** • The vacancy rate in the Tokyo business district continues to rise, and the rent index is on a gradual down trend and close attention needs to be paid to the large-scale of new supply expected in 2023 and 2025. However, the average annual new supply for the five years from 2021 to 2025 is 169,000 tsubo, which is lower than the past 10-year average of 190,000 tsubo, and as most of the new supply are S class properties, the impact on B and C class properties is limited • For medium-sized office properties, even in the pandemic, as a certain amount of demands for new openings, relocations, and floor expansion demands exist; backfilling of vacancies remains firm ● **Residential** • Corporate demand and studio demand are on a recovery trend. It will take some time for foreign expatriates' demand to recover • Impact on occupancy rate is limited and rent is expected to be stable ● **Retail** • While situation varies by industry, demands for new store openings are limited. With regards to demands from overseas, reactionary demand is expected in anticipation of post-pandemic normalization of economy	■ **Leasing strategy** • Improve contract occupancy rate by implementing various measures while paying close attention to office market trends ■ **Realization of internal Growth** • Improve NOI through implementing strategic value enhancement measures with high investment efficiency and rent increase at the time of lease contract renewal for residential properties. ■ **Improving tenant satisfaction** • Maintain/improve profitability and minimize tenants' move out by improving tenant satisfaction; providing services that meet the changing market situation and diversifying needs from tenants and changing market situation.
Finance･ESG		**◆Financial Strategy･ESG**
■ **Finance** Domestic and overseas stock prices and the Tokyo Stock Exchange REIT Index fell sharply due to the impact of rising US interest rates, however, funding environment is stable ■ **ESG** As the stakeholder interest in ESG increases, further ESG initiatives and information disclosure are required	■ **Finance** JGB yields are expected to rise moderately affected by the US yields. No significant change in the lending attitude of financial institutions ■ **ESG** As ESG takes more significant role in investment decision making, management companies are putting further emphasis on ESG initiatives	■ **Prolonging borrowing periods and fixing interest rates while keeping costs down** • LTV is controlled in the range of 45-50% • Maintaining an average funding cost of around 1% • Diversification of financing methods, including the issuance of green bonds ■ **Contributing to the Realization of a Sustainable Society** • Continue to consider environment through efficient energy use, and other measures • Aiming to maintain/improve GRESB Green Star rating

Track Record of AUM

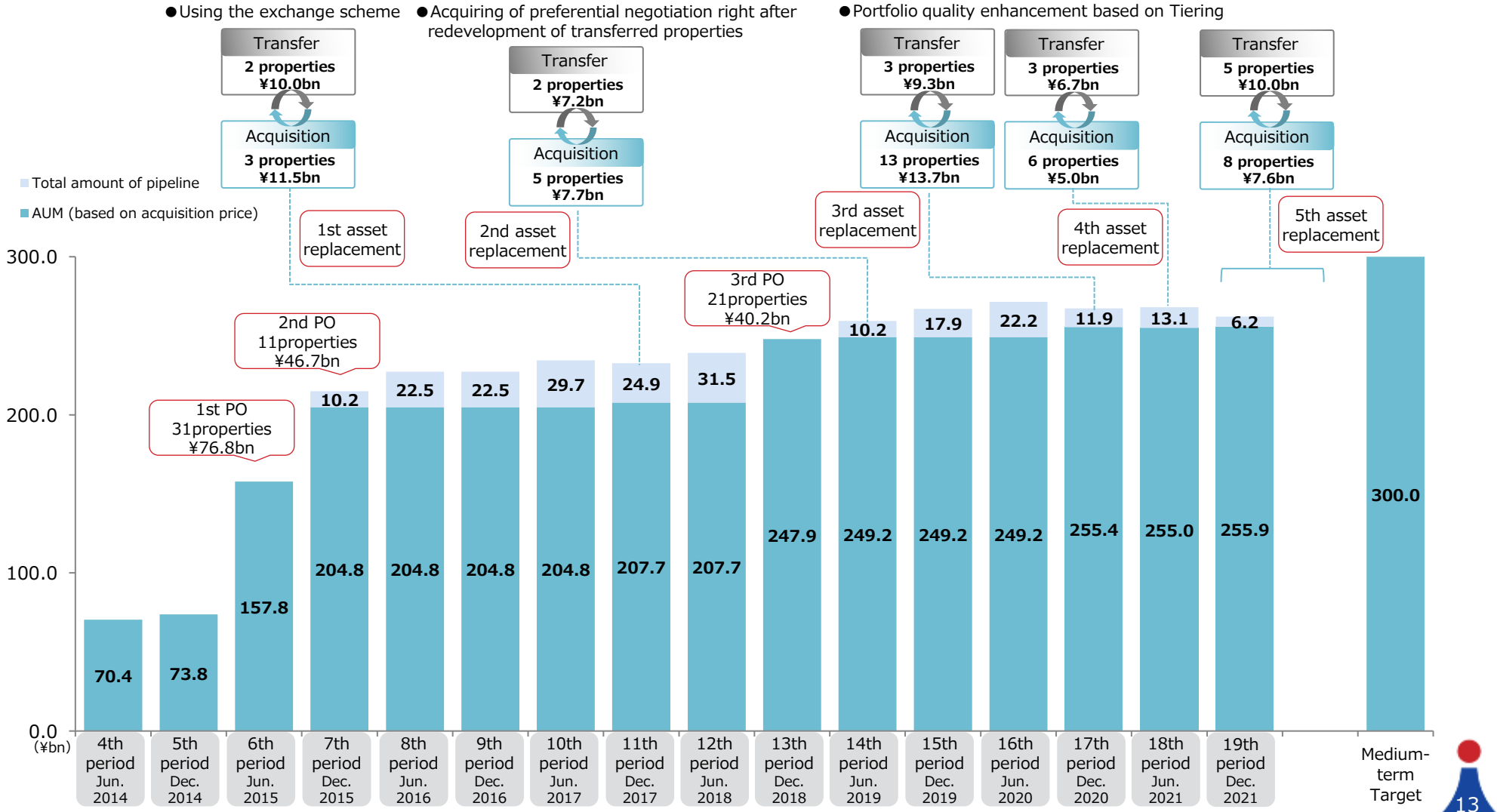
NIPPON REIT Investment Corporation

◆ **Execution of Portfolio Refining Strategy Prioritizing Asset Replacement**

- Realizing robust portfolio while responding to the rapid market changes through asset replacement based on result of "Tiering Project" utilizing the pipeline assets

◆ **Striving to achieve the AUM target ¥300bn through building-up our pipeline in a disciplined manner and timely PO**

《Track record of AUM and pipeline, and medium-term AUM target》



Asset Replacement and Pipeline

- Office (6 Central Wards of Tokyo)
- Office (Three Major Metropolitan Areas)
- Residential (6 Central Wards of Tokyo)
- Residential Office (Three Major Metropolitan Areas)

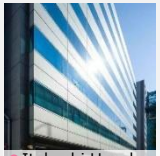
NIPPON REIT Investment Corporation

5th Asset Replacement From 19th Period (Dec. 2021) and Onward

Transfer

■ **August 2021 Disposition of office properties located around the city center with building age of about 30 years old**


Toshin Higashi-Ikebukuro Building


Itabashi Honcho Building


East Side Building


Esprit Kameido

4 properties ¥8.6bn

■ **February 2022 One property scheduled to be transferred**


Sunworld Building

1 property ¥1.4bn

5 properties ¥10.0bn Gain on Sales ¥1.73bn

Acquisition

■ **August 2021 Acquired office properties in 6 central wards of Tokyo and highly stable residential properties from the bridge fund, "NRT Growth 16."**


REID-C Iidabashi Building


REID-C Gotenyama Building


Sylphide Higashi-shinagawa


Royal Bloom


Ever Square Doshin


Zeku Benten

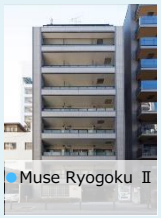

Canis Court Kamishinjo

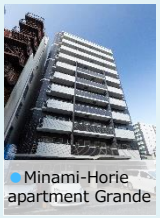

Imperial Otori

8 properties ¥7.6bn

Acquisition Pipeline

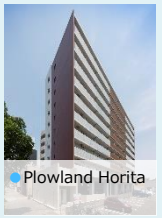
《 Bridge Fund "NRT Growth 17" (composed in the 18th period) 》

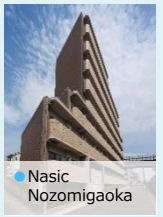

Muse Ryogoku Ⅱ


Minami-Horie apartment Grande


Minami-Horie apartment Cielo


Minami-Horie apartment Rio


Plowland Horita


Nasic Nozomigaoka

6 properties ¥4.6bn

《Sponsor Warehousing》


Belle Face Kawaharadori


MAISON NISHI MAGOME

2 properties ¥1.6bn

Pipeline Total
8 properties
6.2bn

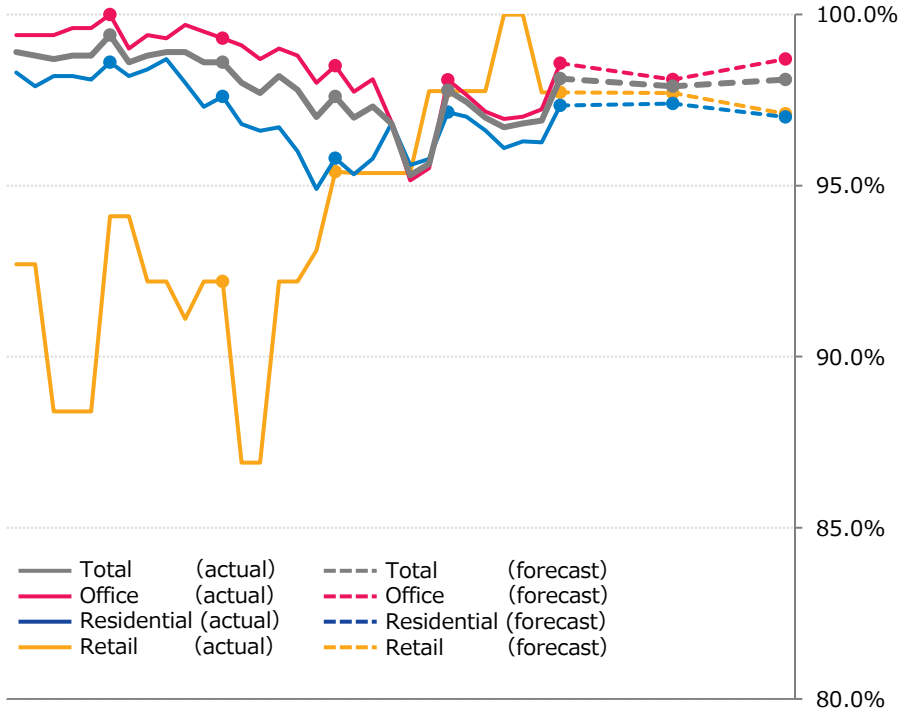
Occupancy Rate and Rent-free Period Trend

NIPPON REIT Investment Corporation

◆ Both contract and rent occupancy rate show stable trend

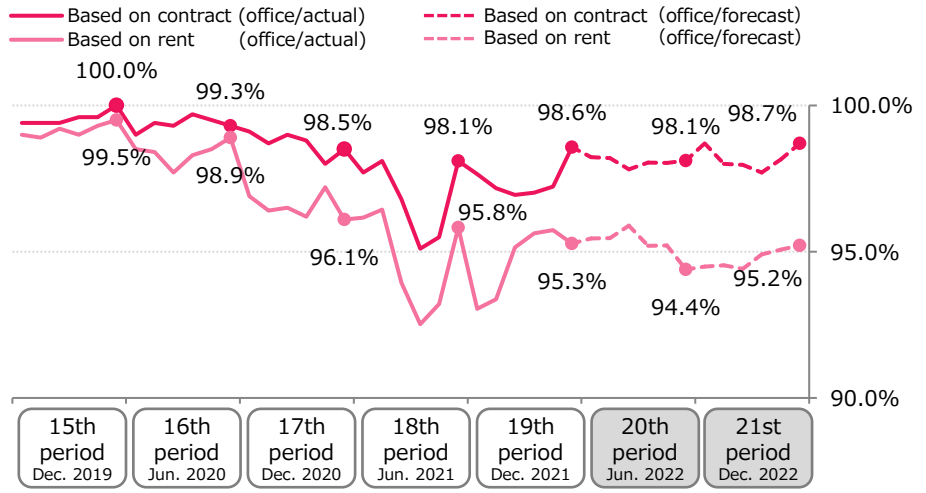
- Although market vacancy rate is on the rise, the occupancy rate of the portfolio remains stable
- Rent occupancy remains 1-4% lower than contract occupancy rate due to a leasing promotion of granting longer rent-free period

《 Occupancy rate trend and forecast 》

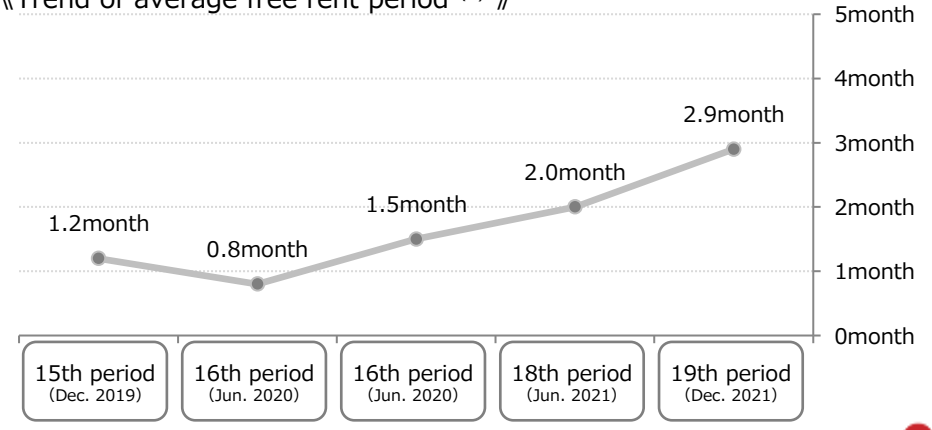


15th period	16th period	17th period	18th period	19th Period	20th Period	21st Period	
99.4%	**98.6%**	**97.6%**	**97.8%**	**98.1%**	**97.9%**	**98.1%**	Total
100.0%	**99.3%**	**98.5%**	**98.1%**	**98.6%**	**98.1%**	**98.7%**	Office
98.6%	97.6%	95.8%	97.1%	97.3%	97.4%	97.0%	Residen -tial
94.1%	92.2%	95.4%	97.8%	97.7%	97.7%	97.1%	Retail

《Trend of occupancy rate based on rent (office)》



《Trend of average free rent period (1) 》



Status of Tenant Move-in and Move-out, and Rent Increase Upon Tenant Replacement

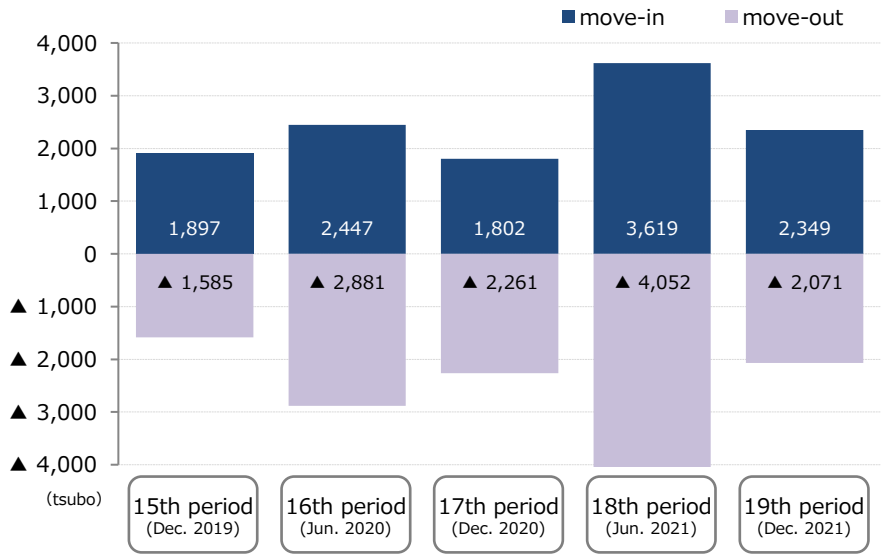
NIPPON REIT Investment Corporation

◆ The level of office rent change ratio upon tenant replacement is decreasing due to the impact of the COVID-19

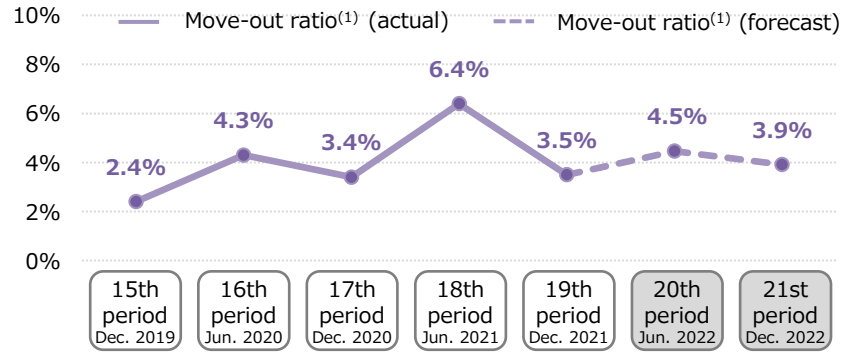
- Move-out ratio decreased to the 3% level in the 19th period
- Rent increase/decrease rate for office at the time of tenant replacement turned negative. COVID-19, rent increase (decrease) upon tenant replacement for both offices and residential properties remained positive. We look forward to the post-pandemic demand recovery.

《Tenant move-in and move-out (office)》

※Total leasable area as of the end of 19th period (office): 59,885 tsubo

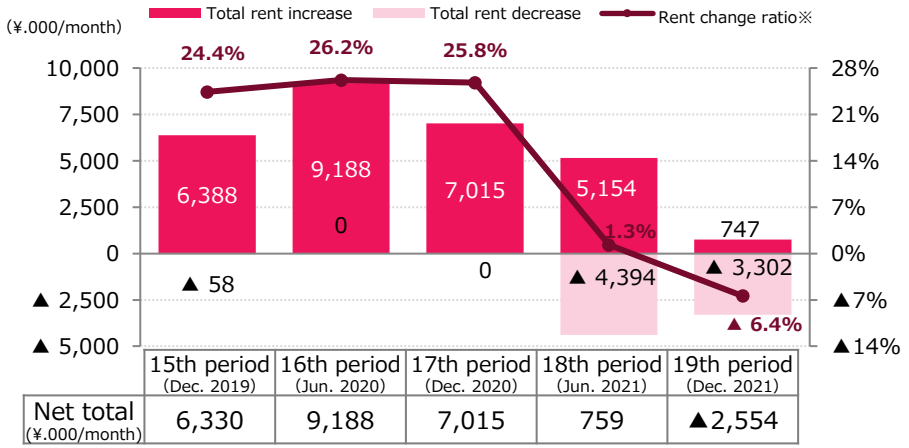


《Average move-out ratio (office)》



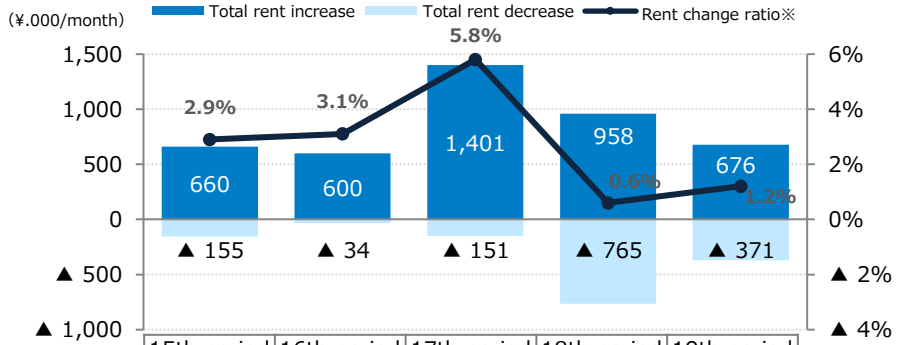
《 Monthly rent increase/decrease upon tenant replacement》

●Office



	15th period (Dec. 2019)	16th period (Jun. 2020)	17th period (Dec. 2020)	18th period (Jun. 2021)	19th period (Dec. 2021)
Net total (¥.000/month)	6,330	9,188	7,015	759	▲2,554

●Residential (2)



	15th period (Dec. 2019)	16th period (Jun. 2020)	17th period (Dec. 2020)	18th period (Jun. 2021)	19th period (Dec. 2021)
Net total (¥.000/month)	504	566	1,250	192	305

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

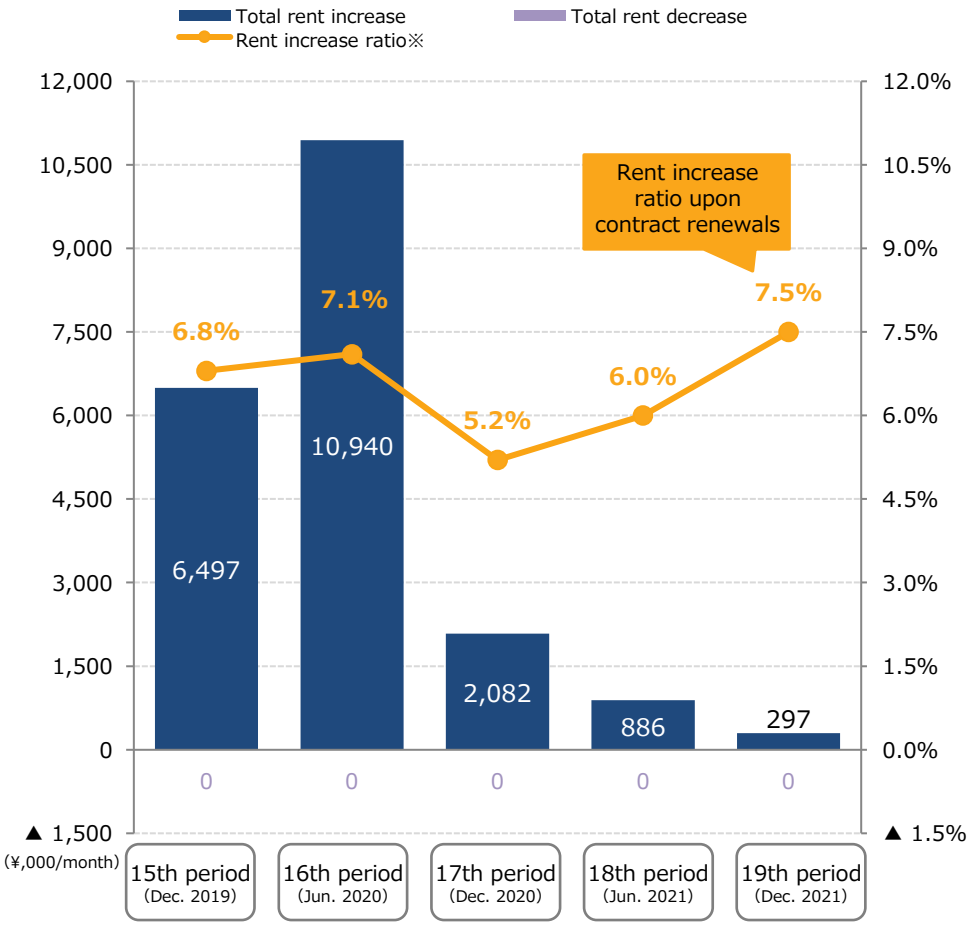
Track Record of Rent Renewals and Rent Increase Upon Contract Renewals (Office)

NIPPON REIT Investment Corporation

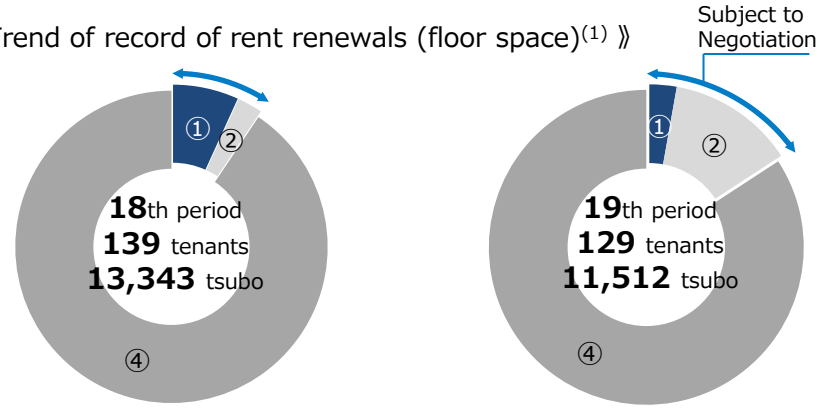
◆ Continue negotiations to increase rent at the timing of rent renewal

- For the 19th Period, rent increase was achieved for 2.8% of the subject space, i.e., 319 tsubo (4 tenants) out of 11,152 tsubo (129 tenants)
- Due to the stagnation of economic activity due to the spread of the COVID-19, negotiations were postponed for 9,691 tsubo (116 tenants) of office space (of which 46.2% is above the market rent), which is 84.2% of the office space.

《Status of rent increase/decrease upon contract renewals》
(office /monthly rent)

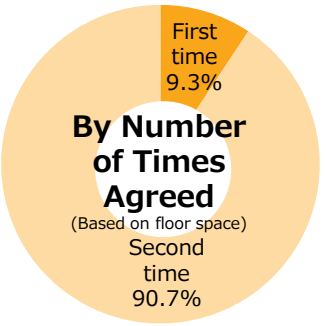


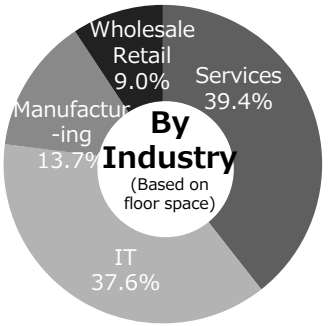
《Trend of record of rent renewals (floor space)(1) 》



	Space (tsubo)	Ratio		Space (tsubo)	Ratio
① Increase	901	6.8%		319	2.8%
② No Change	351	2.6%		1,501	13.0%
③ Decrease	0	0.0%		0	0.0%
④ Not negotiated	12,091	90.6%		9,691	84.2%
④ Breakdown	12,091	100.0%		9,691	100.0%
Below Market Rent	7,289	60.3%		5,121	52.8%
Above Market Rent	4,285	35.4%		4,478	46.2%
Retail, residential	515	4.3%		91	0.9%

《Summary of tenant that agreed on rent increase in the 19th period》





※ "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place.
((total rent increase after rent renewal - total rent before rent renewal) / total rent before rent renewal)

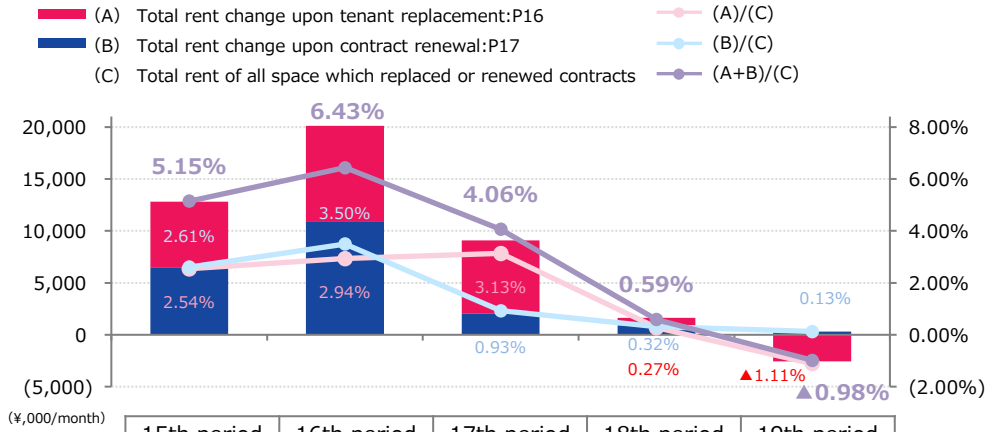
Track Record of Rent Change Ratio and Rent Gap Trend (Office)

NIPPON REIT Investment Corporation

◆ Rent gap narrowed by approx. 3.1% due to market rent adjustment and increase in contract rent

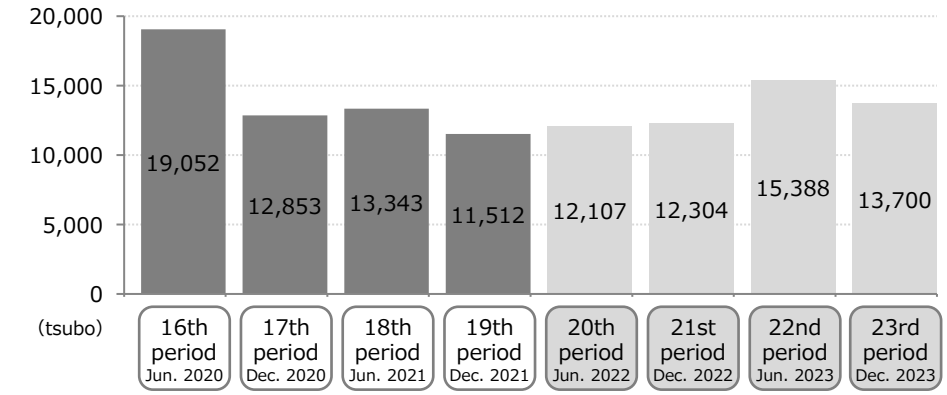
・Continue to increase rents by capturing the timing of tenants' move-in and out, and negotiate rent increases with existing tenants, mainly targeting tenants with a negative rent gap while considering tenants' financial situation and tenant's business sector.

《Track record of rent change ratio (office)》

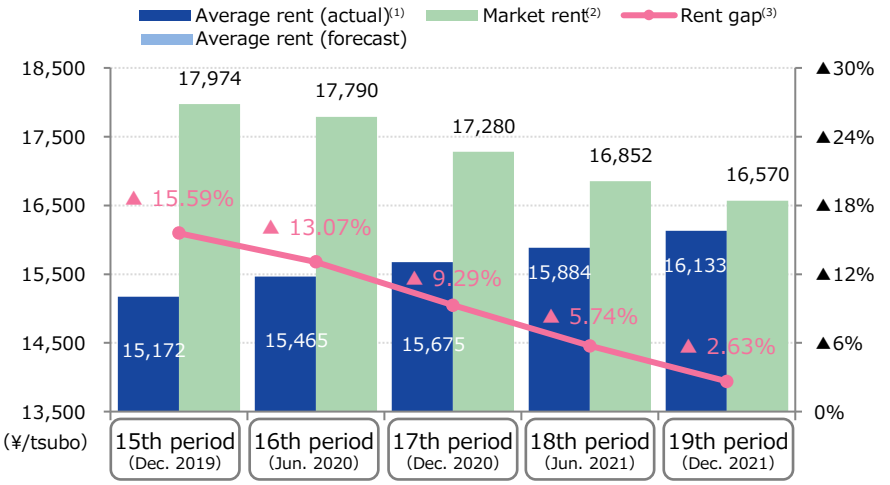


	15th period (Dec. 2019)	16th period (Jun. 2020)	17th period (Dec. 2020)	18th period (Jun. 2021)	19th period (Dec. 2021)
A	6,330	9,188	7,015	759	▲2,554
B	6,497	10,940	2,082	886	297
A+B	12,828	20,128	9,098	1,645	▲2,257

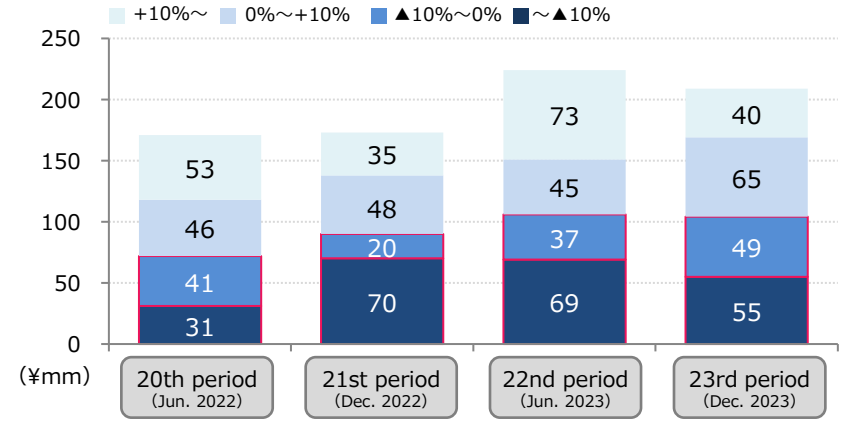
《Track record of area subject to renewal (office)》



《Rent gap trend》 *Office and standard floor only



《Status of rent gap》 *Office and standard floor only, based on monthly rent.



Engineering Management

◆ Engineering Management, another driver of internal growth, is planned and carried out in a planned and consistent manner

・Utilize reserved cash from depreciation to make CAPEX plans more feasible (setting aside a certain amount in the event of intensive investment required.)

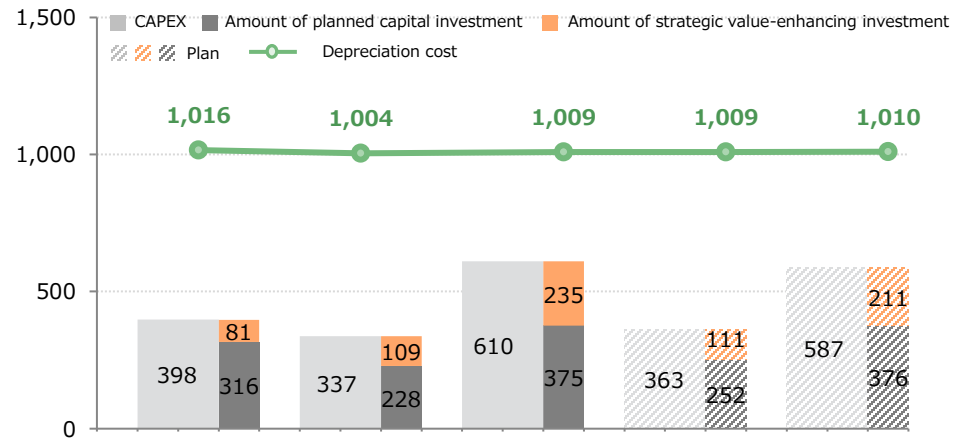
Outline of Engineering Management

◆ **Planned capital investment:** Equipments' replacement and retrofit to maintain and improve assets values

◆ **Strategic value-enhancing investment :**

- **Profitability enhancement** — Measures to increase rents / raise income, etc.
- **Cost reduction** — Reduction of management cost through energy conservation, etc.
- **Improvement of tenant satisfaction** — Minimization of tenant vacancy risk, Shorten leasing periods
- **Environmental consideration** — Installation of high energy efficiency equipment etc. while using a energy saving subsidy

《Plan and Budget of Engineering Management》



(¥mm)	17th period (Dec. 2020)	18th period (Jun. 2021)	19th period (Dec. 2021)	20th period (Jun. 2022)	21st period (Dec. 2022)
Depreciation Cost(A)	1,016	1,004	1,009	1,009	1,010
CAPEX(B)	398	337	610	363	587
CAPEX ratio (B)/(A)	39.2%	33.6%	60.4%	35.9%	58.1%

《Major measure and effect of Strategic value-enhancing investment 》

● Achievements for the 19th period (Dec. 2021)

Creation of new revenue sources/profitability enhancement	
Major measure	Approx. Effect(cost)
(3 properties) Sublease of vacant parking space	¥4.58mm (¥0)
(7 properties) Installation of bike and scooter sharing stations	¥1.02mm (¥0)
(TK Gotanda Building) Converting unused space to metered parking	¥1.09mm (¥0)
(5 properties) Installation of cell phone base station	¥1.00mm (¥0)
Subtotal	¥12.69mm (¥17.17mm)

Cost reduction	
Major measure	Approx. Effect(cost)
(25 properties) Switching power provider	¥4.12mm (¥0)
(Toranomon Sakura Building) Changing building manager	¥0.43mm (¥0)
Subtotal	¥4.55mm (¥0)

Total amount of NOI increase Approx.¥17.24mm /annum

Totally contribute to DPU +Approx.¥19/fiscal period

● Main measures planned from the 20th period onwards

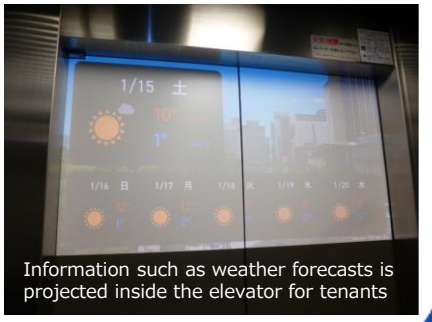
(NORE Meieki and 4 other properties)
- Increase revenue through installation of cell phone base station

(FORECAST Shinjuku SOUTH)
- Increase revenue through switching of parking lot subleaser

(Omiya Center Building)
- Increase revenue through renting of conference rooms to outside users

(Residential Properties)
- Raise tenant satisfaction through installation of contactless delivery system; likely to have additional benefit of reduced CO2 emission

(Tower Court Kitashinagawa)
- Raise customer satisfaction through installation of cinema projector inside the elevator



Information such as weather forecasts is projected inside the elevator for tenants

Engineering Management

NIPPON REIT Investment Corporation

《 Track record of Major measure 》

【Category】● Profitability enhancement ● Cost reduction ● Tenant satisfaction ● Environmental Consideration
※please note that adding up of effect of each measure may not match the total effect because a part of measures are stated as example.

	Cate-gory	Measure	Effect (p.a.)
7th Period	●	(Hiroo Reeplex B's / another) Installation of signboard by using dead space	approx. ¥4.40mm
	●	(Mejiro NT Building) Parking lot expansion by using dead space	approx. ¥2.50mm
		Total effect (p.a.) for the 7th period	approx. ¥8.90mm
8th Period	●	(Shinto GINZA EAST etc.) Leasable area expansion	approx. ¥1.18mm
	●	(40 properties) Replacing energy provider	approx. ¥60.83mm
		Total effect (p.a.) for the 8th period	approx. ¥63.82mm
9th Period	●	(20 properties) Replacement of sublease parking operator	approx. ¥27.19mm
	●	(16 properties) Building management cost reduction	approx. ¥9.46mm
		Total effect (p.a.) for the 9th period	approx. ¥46.88mm
10th Period	●	(FORECAST Shinjuku SOUTH etc.) Change of sublease contracted	approx. ¥3.26mm
	●	(13 properties) Replacing energy provider	approx. ¥29.67mm
		Total effect (p.a.) for the 10th period	approx. ¥47.97mm
11th Period	●	(FORECAST Shinagawa etc.) Setting up new leasing area by using dead space	approx. ¥2.64mm
	●	(21properties) Replacing energy provider	approx. ¥17.94mm
	●	(Mejiro NT Building etc.) Building management cost reduction	approx. ¥3.63mm
		Total effect (p.a.) for the 11th period	approx. ¥26.34mm

	Cate-gory	Measure	Effect (p.a.)
12th Period	●	(Higashi Ikebukuro Center Building) Rent increase by changing a use	approx. ¥11.95mm
	●	(FORECAST Takadanobaba) Setting up new leasing area by using dead space	approx. ¥2.70mm
	●	(25 properties) Replacing energy provider	approx. ¥12.42mm
		Total effect (p.a.) for the 12th period	approx. ¥31.28mm
13th Period	● ●	(GreenOak Kudan) Rent increase by improvement of common area	Approx. ¥11.74mm
	●	(FORECAST Shinjuku SOUTH etc.) Setting up new leasing area by using dead space	Approx. ¥2.08mm
	● ●	(FORECAST Sakurabashi etc.) Installment of LED light (common area)	Approx. ¥3.45mm
		Total effect (p.a.) for the 13th period	approx. ¥19.90mm
14th Period	●	(FORECAST Takadanobaba) Replacing sublease parking operator	Approx. ¥1.88mm
	●	(25 properties) Replacing energy provider	Approx. ¥54.14mm
	●	(Sumitomo Mitsui Bank Koraibashi Building) Replacing building manager	Approx. ¥1.54mm
		Total effect (p.a.) for the 14th period	approx. ¥57.81mm
15th Period	●	(12 properties) Setting antennas at rooftop	approx. ¥8.10mm
	●	(5 properties) Value up through renewal	approx. ¥2.79mm
	● ●	(4 properties) Installment of LED light	approx. ¥3.23mm
		Total effect (p.a.) for the 15th period	approx. ¥17.34mm

	Cate-gory	Measure	Effect (p.a.)
16th Period	●	(2 properties) Value up through renewal	approx. ¥2.04mm
	●	(12 properties) Replacing energy provider	approx. ¥22.29mm
	●	(4 properties) Replacing building manager	approx. ¥9.72mm
		Total effect (p.a.) for the 16th period	approx. ¥37.38mm
17th Period	●	(Central Daikanyama) Rent increase by changing a use	approx. ¥2.54mm
	●	(3 properties) Value up through renewal	approx. ¥1.04mm
	● ●	(Alte Building Higobashi) Building management cost reduction	approx. ¥0.96mm
		Total effect (p.a.) for the 17th period	approx. ¥5.50mm
18th Period	●	(5 properties) Replacing power provider	approx. ¥10.42mm
	●	(3 properties) Setting antennas for mobile phone base at rooftop	approx. ¥1.95mm
	●	(Sun・Meiekiminami Building) Subleasing of idle parking lots	approx. ¥1.15mm
		Total effect for the 18th period	approx. ¥17.33mm
19th Period	●	(3 properties) Sublease of vacant parking space	approx. ¥4.58mm
	●	(25 properties) Switching power provider	approx. ¥4.12mm
	● ● ●	(7 properties) Installation of bike and scooter sharing stations	approx. ¥1.02mm
		Total effect for the 18th period	approx. ¥17.24mm

Engineering Management implemented from the 7th period to the 19th period

Total effect (p.a.) Approx. ¥390mm

Financial Management

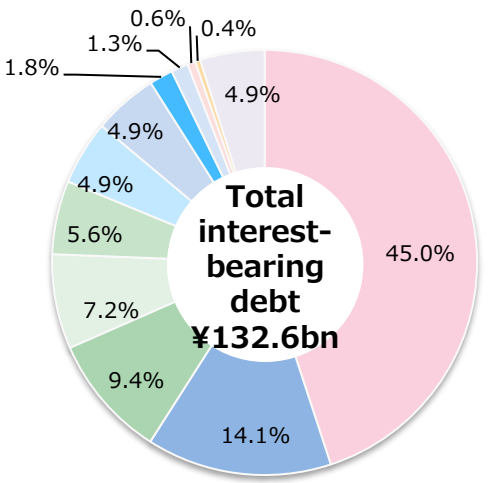
NIPPON REIT Investment Corporation

- **Enhancing financial stability**
  - ・Prolonging borrowing periods and fixing interest rates while keeping costs down
  - ・Procured refinancing of ¥10bn yen in the 19th Period, which includes our first Green Bond of ¥2bn
- **Rating upgraded to A+ (Stable) in July 2021. Aiming for continuous improvement in the future**

《Structure of Interest-Bearing Liabilities》 (¥/mm)

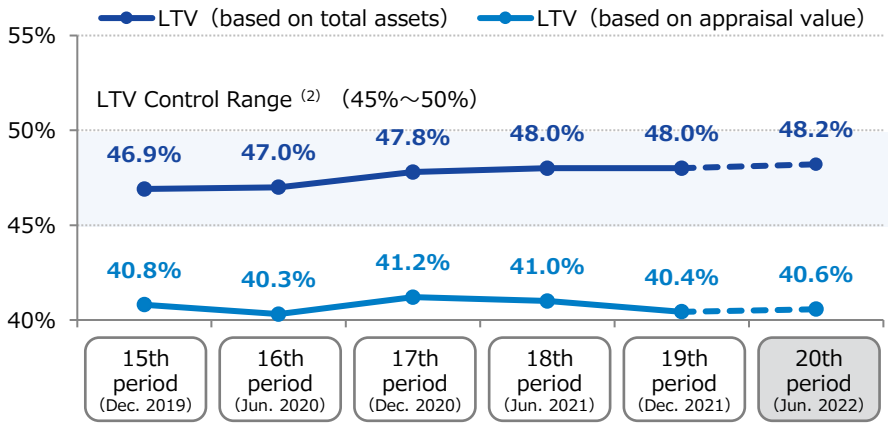
	17th period	18th period	19th period
Total interest-bearing debt	132,620	132,620	132,620
Borrowings	128,120	128,120	126,120
Corporation bonds	4,500	4,500	6,500
Long-term debt ratio	100%	100%	100%
Fixed interest rate ratio	98.1%	97.2%	97.2%
Rating	A (positive)		A+ (stable)
Commitment line	3,000		

《Bank formation》



MUFG Bank, Ltd.	¥59.6bn	45.0%
Mizuho Bank, Ltd.	¥18.7bn	14.1%
Sumitomo Mitsui Banking Corporation	¥12.5bn	9.4%
Resona Bank, Limited	¥9.6bn	7.2%
Sumitomo Mitsui Trust Bank, Limited	¥7.4bn	5.6%
Shinsei Bank, Limited	¥6.4bn	4.9%
Mizuho Trust & Banking Corporation	¥6.4bn	4.9%
Development Bank of Japan Inc.	¥2.4bn	1.8%
Aozora Bank, Ltd.	¥1.7bn	1.3%
The Nomura Trust and Banking Co., Ltd.	¥0.7bn	0.6%
Meiji Yasuda Life Insurance Company	¥0.5bn	0.4%
Investment Corporation bonds	¥6.5bn	4.9%

《Total interest-bearing debt [1] 》



Corporate Bonds	Issued	Term	Issue amount	Interest rate
1st unsecured bonds	Apr. 2018	7 years	¥1.0bn	0.54%
2nd unsecured bonds	Apr. 2018	10 years	¥1.0bn	0.70%
3rd unsecured bonds	Nov. 2018	10 years	¥1.5bn	0.88%
4th unsecured bonds	Apr. 2019	10 years	¥1.0bn	0.90%
5th unsecured bonds (Green Bond)	Aug. 2021	10 years	¥2.0bn	0.67%
Total			¥6.5bn	

Financial Management

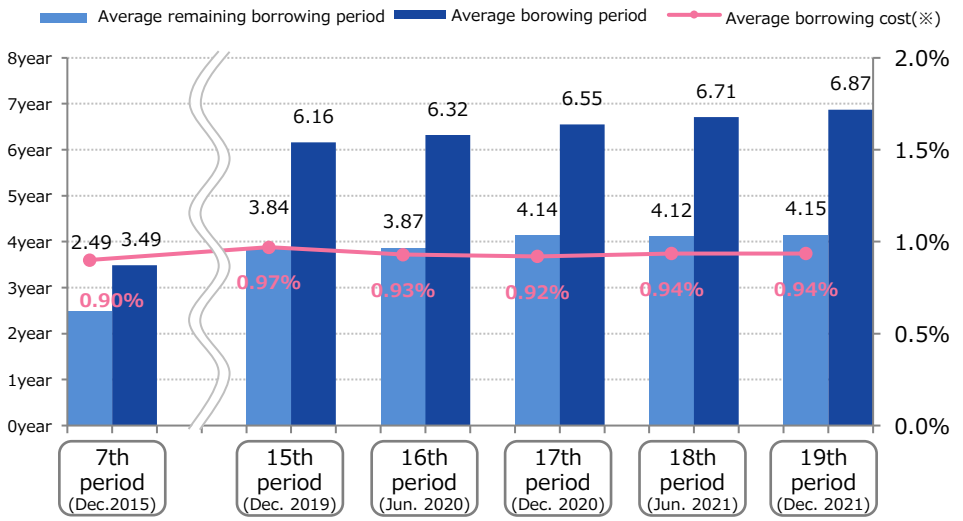
NIPPON REIT Investment Corporation

《Overview of refinancing in the 19th period》

Amount (¥/mm)	Term	Interest rate
10,000	5 years	0.3771% (fixed by interest swap agreement)

Amount (¥/mm)	Term	Interest rate
1,950	3 Years	0.2985% (fixed by interest swap agreement)
2,950	7 Years	0.4230% (fixed by interest swap agreement)
3,100	8 Years	0.5536% (fixed by interest swap agreement)
2,000	10 Years	0.6700% (Investment corporation bond)

《Historical average remaining borrowing period, average borrowing period and average borrowing cost》



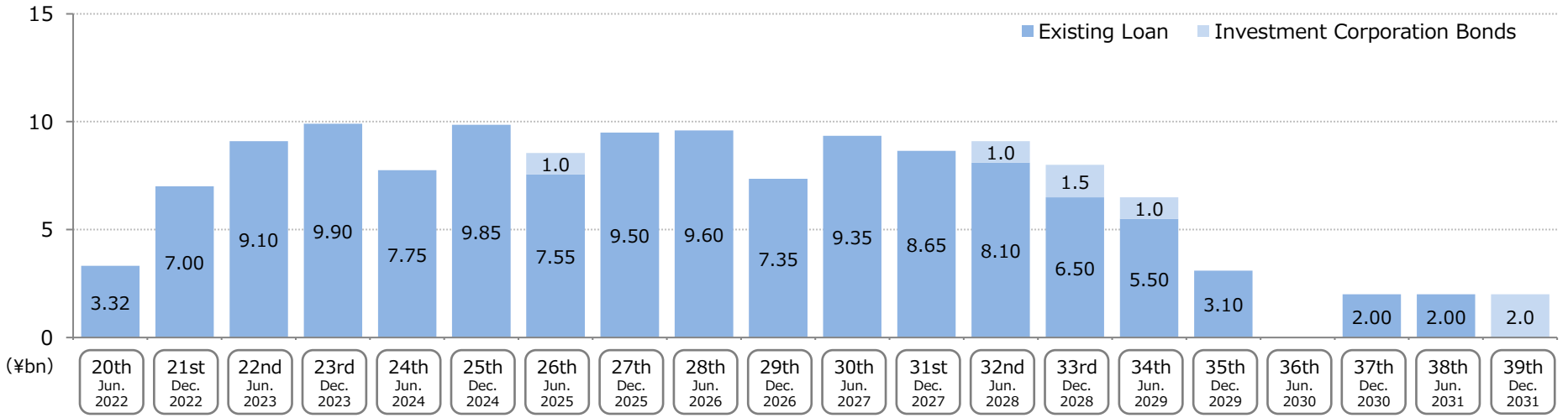
※ including upfront fee, agent fee and investment corporation bonds issued cost

《Status of rating》

Japan Credit Rating Agency, Ltd. (JCR)
Long-term issuer rating
A+ (Stable)
Upgraded in Jul. 2021

Issued Green Bond (Aug. 2021)
Amount: ¥2.0bn
Term: 10years
Interest Rate: 0.67%

《Debt Maturity Schedule》



Sustainability Initiatives (Summary)

NIPPON REIT Investment Corporation

◆ ESG initiatives positioned as one of important management issues, mitigating the environmental impacts in cooperation and collaboration with stakeholders.

■ Formulation and execution of Materiality

Environment

- Countering Climate Change
- Enhancing Energy Efficiency
- Countering Water Resources
- Waste Management
- Sustainability Certification

Social

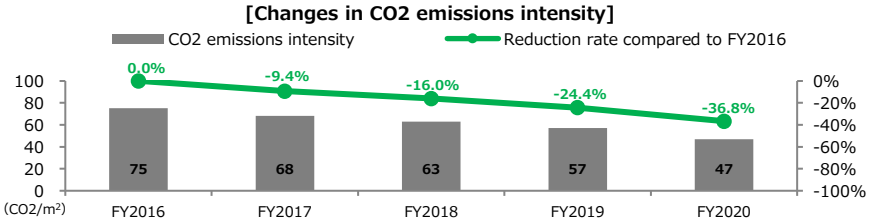
- Ensuring the Security and Safety of Tenants, Enhancing User Comfort
- Contributing of Communities
- Stakeholder Engagement and Timely and Appropriate Information Disclosure
- Developing Human Resources and Creating a Satisfactory Workplace

Governance

- Building a Governance System that Emphasizes the Third Party and Diversity of Officers
- Ensuring Legal Compliance by Raising Awareness of Compliance
- Appropriate Risk Management such as Elimination of Conflicts of Interest Related to Transactions with Interested Parties, etc.
- Ensuring the Effectiveness of Internal Control Processes through Internal Audits

■ Reduction of environmental load

- We have set a coal of reducing CO2 emission intensity of entire portfolio by 50% from fiscal year 2016 to 2030



■ Participation to the GRESB Real Estate Assessment

- Achieved “3 Stars” in GRESB rating
- Received “Green Star” designation for the Fifth consecutive years
- Earned the highest “A” level for the GRESB Public Disclosure

GRESB ★★★☆☆ 2021

GRESB Public Disclosure 2021

■ Promoting further acquisition of environmental certifications

- Acquired BELS certification for seven properties in Nov. 2021
- Acquired BELS certification for Nishi-Shinjuku Sanko Building and ZEB Ready for Nishi-Shinjuku Sanko Building and La Verite AKASAKA in Jan. 2022

■ Current status of environmental certifications

DBJ Green Building Certification (2 properties, 6.91%)	CASBEE for Real Estate (1 property, 1.33%)	BELS Certification (21 properties, 28.27%)	Low-Carbon Model Building (3 properties, 2.48%)
DBJ Green Building	CASBEE 不動産 2021	BELS	A3

Total 24 properties 35.43% (based on the total floor area)

*In case when a property holds multiple certifications, it is calculated as one property.

■ Green Finance Framework Evaluation

- Received “Green 1 (F),” the highest evaluation grade in the Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd.

■ Improving tenant satisfaction

- Utilizing empty space as a place for shared cycles
- Providing free WiFi for residential tenants
- Inviting food trucks



■ Strengthening ESG disclosure

- Released ESG Annual Report (Apr.2021)
- Released GRI Standards Comparison (Jun.2021)

4. Data related with Financial Results for the 19th Period (Dec. 2021)

Financial Results for the 19th Period (Dec. 2021)

Unit ¥mm	18th Period (Jun. 2021) Result a	19th Period (Dec. 2021) Forecast As of Aug. 17, 2021 b	19th Period (Dec. 2021) Result c	19th Period (Result) vs 18th Period (Result) (difference) c-a	19th Period (Result) vs 19th Period (Forecast) (difference) c-b
Operating Revenues	**9,410**	**10,042**	**10,041**	**630**	**(1)**
Rental Revenues	7,884	7,835	7,819	(65)	(15)
Other Revenues Related to property leasing	610	601	615	4	13
Gain on sales of real estate properties	911	1,602	1,602	691	0
Dividend Income	3	3	4	0	0
Operating Expenses	**(3,910)**	**(4,138)**	**(3,997)**	**(87)**	**140**
Operating Income	**5,499**	**5,904**	**6,043**	**543**	**138**
Non-Operating Revenues	**0**	**-**	**1**	**0**	**1**
Non-Operating Expenses	**(641)**	**(655)**	**(653)**	**(12)**	**(1)**
Ordinary Income	**4,859**	**5,249**	**5,390**	**531**	**141**
Net Income	**4,858**	**5,248**	**5,335**	**477**	**87**
DPU	**¥10,800**	**¥11,665**	**¥11,665**	**¥865**	**¥0**
NOI	**6,457**	**6,226**	**6,355**	**(101)**	**129**
FFO per Unit(1)	**¥11,025**	**¥10,369**	**¥10,564**	**(¥461)**	**¥195**
Days	**181**	**184**	**184**	**-**	**-**

◆ Comparison against the 18th Period (Jun. 2021) result (c-a)

Major fluctuation factor(¥/mm)		Remarks
◆ **Increase in operating revenues**	**+630**	
・Decrease in rental revenue	(65)	(Replacement of the properties, By tenant termination, etc.)
・Increase in utilities charge revenue	+8	(Replacement of the properties, Seasonal factors, etc.)
・Decrease in miscellaneous income	(5)	(Penalty, Seasonal Factor, etc.)
・Increase in gain on sales of real estate properties	+691	(Gain on the sale of the Toshin Higashi-Ikebukuro Building and three other properties)
・Others	+1	
◆ **Increase in operating expenses**	**(87)**	
・Decrease in PM/BM fee	+12	
・Increase in utility expenses	(39)	(Seasonal Factor, Unit price increase)
・Increase in repair expense	(41)	
・Decrease in tax	+16	(Asset replacement, etc.)
・Increase in depreciation	(5)	
・Decrease in Leasing related expense	+44	
・Increase in other expense	(36)	(Renewal fee for leased land, etc.)
・Increase AM fee	(5)	(Increase in Business days, etc.)
・Increase in non-recoverable consumption tax	(23)	
・Others	(9)	
◆ **Increase in non-operating expenses**	**(12)**	
・Increase in borrowing expense	(5)	(Rising interest rates, Increase in Business days, etc.)
・Increase in investment corporation bonds related expense	(6)	
・Others	(0)	

◆ Comparison against the 19th Period(Dec. 2021) (As of Aug. 17, 2021)forecast(c-b)

Major fluctuation factor(¥/mm)		Remarks
◆ **Decrease in operating revenues**	**(1)**	
・Decrease in rental revenue	(15)	
・Decrease in utilities charge revenue	(7)	
・Increase in miscellaneous income	+19	(Penalty, etc.)
・Others	+2	
◆ **Decrease in operating expenses**	**+140**	
・Decrease in repair expense	+92	
・Decrease in Leasing related expense	+19	(Non-Incidence of Entry Support Funds, etc.)
・Decrease other expense	+20	(Non-Incidence of Entry Support Funds, etc.)
・Increase in AM fee	(8)	(NOI increase, etc.)
・Decrease in promotional expense	+13	(Changes in overseas investor relations methods, etc.)
・Decrease in non-recoverable consumption tax	+2	
・Others	+0	

Financial Forecast for the 20th Period (Jun. 2022) and the 21st period (Dec. 2022)

Unit ¥mm	19th Period (Dec. 2021) Result	20th Period (Jun. 2022) Forecast	21st Period (Dec. 2022) Forecast	20th Period (Forecast) vs 19th Period (Result) (difference)	21st Period (Forecast) vs 20th Period (Forecast) (difference)
	a	b	c	b-a	c-b
Operating Revenues	**10,041**	**8,519**	**8,346**	**(1,522)**	**(172)**
Rental Revenues	7,819	7,799	7,763	(20)	(35)
Other Revenues Related to property leasing	615	588	579	(26)	(8)
Gain on sales of real estate properties	1,602	127	-	(1,474)	(127)
Dividend Income	4	4	2	0	(1)
Operating Expenses	**(3,997)**	**(4,023)**	**(4,002)**	**(25)**	**21**
Operating Income	**6,043**	**4,495**	**4,343**	**(1,548)**	**(151)**
Non-Operating Revenues	**1**	**8**	**-**	**7**	**(8)**
Non-Operating Expenses	**(653)**	**(639)**	**(671)**	**14**	**(31)**
Ordinary Income	**5,390**	**3,863**	**3,671**	**(1,526)**	**(192)**
Net Income	**5,335**	**3,863**	**3,671**	**(1,472)**	**(192)**
DPU	**¥11,665**	**¥8,586**	**¥8,159**	**(¥3,079)**	**(¥427)**
NOI	**6,355**	**6,222**	**6,204**	**(132)**	**(18)**
FFO per Unit	**¥10,564**	**¥10,555**	**¥10,414**	**(¥9)**	**(¥141)**
Days	**184**	**181**	**184**	**-**	**-**

◆ Comparison between the 20th Period (Jun. 2022) forecast and the 19th Period (Dec. 2021) Result (b-a)

Major fluctuation factor(¥/mm)		Remarks
◆ **Decrease in operating revenues**	**(1,522)**	
・Decrease in rental revenue	(20)	(Sale of property, etc.)
・Decrease in utilities charge revenue	(37)	(Asset replacement, Seasonal factors, etc.)
・Increase in miscellaneous income	+9	(Gratuity fee, Renewal fee, Penalty)
・Decrease in gain on sales of real estate properties	(1,474)	
・Others	+0	
◆ **Increase in operating expenses**	**(25)**	
・Decrease in PM/BM fee	+9	
・Increase in utility expenses	(44)	(Rise in the unit price for adjusting electricity cost, etc.)
・Increase in tax	(38)	(Increase in properties acquired, etc.)
・Increase in leasing related expense	(38)	Increase in expected number of tenants, etc.
・Decrease other depreciation	+25	
・Decrease in AM fee	+8	(Increase in Business days, etc.)
・Decrease in non-recoverable consumption tax	+33	
・Others	+18	
◆ **Increase in non-operating revenues**	**+7**	
・Increase in rental revenue	+8	(BELS subsidies)
・Others	(1)	
◆ **Decrease in non-operating expenses**	**+14**	
・Decrease in borrowing expense	+15	(Decrease in Interest expense, etc.)
・Increase in investment corporation bonds related expense	(1)	

◆ Comparison between the 20th Period (Jun. 2022) Forecast and the 21st Period (Dec. 2022) Forecast(c-b)

Major fluctuation factor(¥/mm)		Remarks
◆ **Decrease in operating revenues**	**(172)**	
・Decrease in rental revenue	(35)	(Sale of property, By tenant cancellation, etc.)
・Increase in utilities charge revenue	+28	(Seasonal factor, etc.)
・Decrease in miscellaneous income	(36)	(Gratuity fee, Increase in Renewal fee, etc.)
・Decrease in gain on sales of real estate properties	(127)	(Absence of gain on sales of properties)
・Others	(1)	
◆ **Decrease in operating expenses**	**+21**	
・Increase in utility expenses	(40)	(Seasonal factor, Rise in the unit price of electricity, etc.)
・Decrease in leasing related expense	+51	For leasing progress by fiscal 20th
・Decrease in other depreciation	+5	
・Increase in promotional expense	(9)	(Increase in investor relations opportunities)
・Decrease in non-recoverable consumption tax	+11	
・Others	(2)	
◆ **Increase in non-operating expenses**	**(31)**	
・Increase in borrowing related expense	(31)	(Refinancing costs, Increase in Business days, etc.)
・Increase in investment corporation bonds related expense	(0)	(Increase in Business days, etc.)
・Others	+0	

Financial Forecast for the 20th Period (Jun. 2022)

Unit ¥mm	20th Period (Jun. 2022) Original Forecast As of Aug. 17, 2021 a	20th Period (Jun. 2022) Revised Forecast As of Feb. 17, 2022 b	20th Period (Revised Forecast) vs 20th Period (Original Forecast) (difference) b-a
Operating Revenues	**8,513**	**8,519**	**5**
Rental Revenues	7,935	7,799	(136)
Other Revenues Related to property leasing	575	588	12
Gain on sales of real estate properties	-	127	127
Dividend Income	3	4	1
Operating Expenses	**(3,933)**	**(4,023)**	**(89)**
Operating Income	**4,579**	**4,495**	**(84)**
Non-Operating Revenues	**-**	**8**	**8**
Non-Operating Expenses	**(642)**	**(639)**	**2**
Ordinary Income	**3,937**	**3,863**	**(73)**
Net Income	**3,936**	**3,863**	**(73)**
DPU	**¥8,750**	**¥8,586**	**(¥164)**
NOI	**6,464**	**6,222**	**(242)**
FFO per Unit	**¥11,034**	**¥10,555**	**(¥479)**
Days	**181**	**181**	**-**

◆ Comparison between original forecast (As of Aug. 17, 2021)and revised forecast for the 20th Period(Jun. 2022)

Major fluctuation factor(¥/mm)		Remarks
◆ **Increase in operating revenues**	**+5**	
・Decrease in rental revenue	(136)	(Sale of property, Decrease in revenue due to cancellation, etc.)
・Decrease in utilities charge revenue	(3)	
・Increase in miscellaneous income	+13	(Penalty, etc.)
・Increase in gain on sales of real estate properties	+127	(Sale of property, etc.)
・Increase in dividend income	+1	
・Others	(0)	
◆ **Increase in operating expenses**	**(89)**	
・Decrease in PM/BM fee	+10	(Sale of property, etc.)
・Increase in utility expenses	(68)	(Increase in unit price of fuel adjustment, etc.)
・Increase in repair expense	(24)	(Restitution work, External wall survey, etc.)
・Decrease in tax	+4	(Sale of property, etc.)
・Decrease in depreciation	+14	(Sale of property, etc.)
・Increase in leasing related expense	(33)	(Increase in leasing expenses due to cancellation, etc.)
・Increase in other expense	(8)	(Interior finishing work during leasing, etc.)
・Decrease in AM fee	+21	(Decrease in Linked Compensation due to NOI and DPU Decreases, etc.)
・Decrease in promotional expense	+4	(Decrease in expenses due to change in investor relations method, etc.)
・Increase in non-deductible consumption tax	(10)	(Sale of property, etc.)
・Others	+1	
◆ **Increase in non-operating revenues**	**+8**	
・Increase in borrowing related expense	+8	(BELS subsidies)
◆ **Decrease in non-operating expenses**	**+2**	
・Decrease in borrowing related expense	+2	
・Increase in investment corporation bonds related expense	(0)	

Balance Sheets

(Yen in thousands)	18th FP (Jun.2021)	19th FP (Dec.2021)
Assets		
Current Assets		
Cash and deposits	10,216,985	9,800,419
Cash and deposits in trust	6,036,298	6,259,224
Tenant receivables	87,954	90,080
Prepaid expenses	473,755	473,994
Income taxes refundable	271	-
Other current assets	9,745	6,766
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	16,825,011	16,630,485
Non-Current Assets		
Property, plant and equipment		
Buildings	266,294	271,075
Accumulated depreciation	(21,625)	(25,760)
Buildings, net	244,668	245,314
Buildings in trust	61,856,016	62,000,270
Accumulated depreciation	(10,701,124)	(11,359,199)
Buildings in trust, net	51,154,891	50,641,070
Structures in trust	219,057	228,251
Accumulated depreciation	(66,739)	(71,496)
Structures in trust, net	152,318	156,754
Machinery and equipment in trust	457,818	512,770
Accumulated depreciation	(120,600)	(143,030)
Machinery and equipment in trust, net	337,217	369,739
Tools, furniture and fixtures in trust	265,493	279,508
Accumulated depreciation	(88,986)	(102,271)
Tools, furniture and fixtures in trust, net	176,506	177,236
Land in trust	187,607,130	189,412,955
Total property, plant and equipment	239,672,733	241,003,071
Intangible assets		
Leasehold rights	1,251,662	1,256,792
Leasehold rights in trust	16,661,609	16,099,139
Other	4,368	4,174
Total intangible assets	17,917,639	17,360,106
Investments and other assets		
Investment securities	123,888	50,617
Lease and guarantee deposits	10,197	10,197
Long-term prepaid expenses	1,492,457	1,428,682
Deferred tax Assets	2	0
Other	43,303	42,563
Total investments and other assets	1,669,849	1,532,061
Total Non-Current Assets	259,260,222	259,895,239
Deferred asset		
Investment corporation bond issuance costs	35,685	51,714
Total deferred asset	35,685	51,714
Total Assets	276,120,919	276,577,439

(Yen in thousands)	18th FP (Jun.2021)	19th FP (Dec.2021)
Liabilities		
Current Liabilities		
Accounts payable	671,379	1,085,637
Long-term debt due within one year	13,320,000	10,320,000
Accrued expenses	269,886	284,505
Income Taxes Payable	-	53,731
Accrued consumption taxes	369,292	122,731
Advances received	1,442,023	1,446,012
Other current liabilities	635,199	534,642
Total Current Liabilities	16,707,781	13,847,261
Long-Term Liabilities		
Investment corporation bonds	4,500,000	6,500,000
Long-term debt	114,800,000	115,800,000
Tenant security deposits	75,861	55,353
Tenant security deposits in trust	8,641,513	8,502,901
Others	2,712	2,204
Total Long-Term Liabilities	128,020,088	130,860,458
Total Liabilities	144,727,869	144,707,720
Net Assets		
Unitholders' Equity		
Unitholders' capital	126,515,601	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	4,877,448	5,354,117
Total Surplus	4,877,448	5,354,117
Total Unitholders' Equity	131,393,050	131,869,718
Total Net Assets	131,393,050	131,869,718
Total Liabilities and Net Assets	276,120,919	276,577,439

19th Period (Ended Dec.2021) Action

(Yen in millions)

- 19th Period (Dec.2021): Eight properties acquired (total acquisition price: 7,615)
- 19th Period (Dec.2021): Four properties transferred (total transfer price: 8,630)
- LTV: 48% at the End of the 18th Period (Jun.2021), 48.0% at the end of the 19th Period (Dec. 2021)

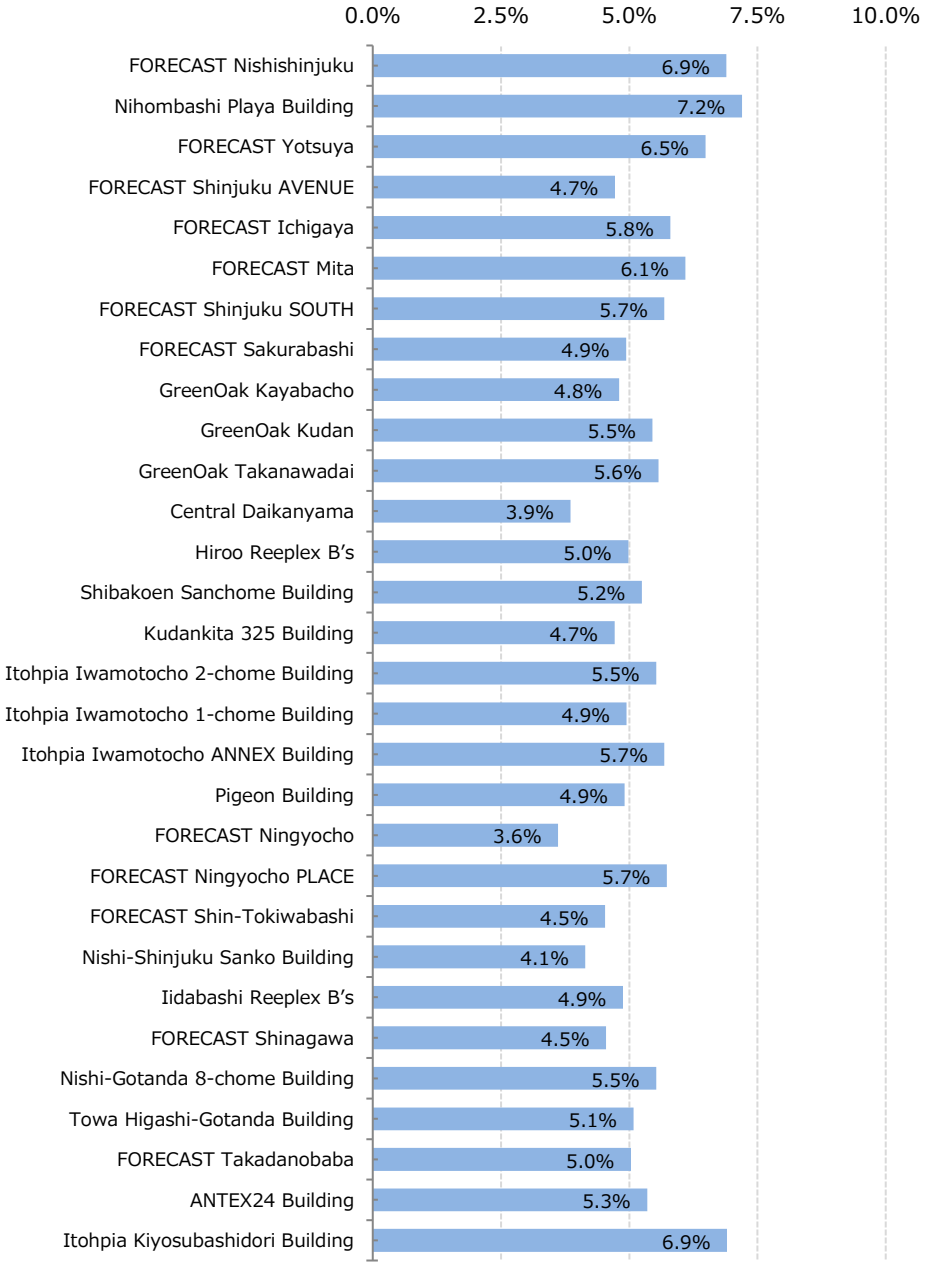
Historical Operating Results

		15th FP (Dec.2019)	16th FP (Jun.2020)	17th FP (Dec.2020)	18th FP (Jun.2021)	19th FP (Dec.2021)
Operating revenues	(¥mm)	8,634	8,658	10,127	9,410	10,041
Of which, rental revenues and other revenues related to property leasing	(¥mm)	(8,628)	(8,651)	(8,804)	(8,495)	(8,434)
Operating expenses	(¥mm)	3,992	3,884	4,038	3,910	3,997
Of which, property-related expenses	(¥mm)	(3,165)	(3,050)	(3,159)	(3,048)	(3,095)
Operating income	(¥mm)	4,642	4,774	6,088	5,499	6,043
Ordinary income	(¥mm)	4,000	4,151	5,444	4,859	5,390
Net income	(¥mm)	4,000	4,151	5,443	4,858	5,335
Total assets (a)	(¥mm)	270,279	270,060	277,192	276,120	276,577
Net assets (b)	(¥mm)	130,536	130,687	131,978	131,393	131,869
Interest-bearing debt (c)	(¥mm)	126,870	126,870	132,620	132,620	132,620
Interest-bearing debt to total assets ratio (c)/(a) (based on book value)	(%)	46.9	47.0	47.8	48.0	48.0
Interest-bearing debt to total assets ratio [3] (based on appraisal value)	(%)	40.8	40.3	41.2	41.0	40.4
Ordinary income to total assets ratio[3]	(%)	1.5	1.5	2.0	1.8	2.0
Return on equity[3]	(%)	3.1	3.2	4.1	3.7	4.1
Equity ratio (b)/(a)	(%)	48.3	48.4	47.6	47.6	47.7
NOI yield (acquisition value)	(%)	5.1	5.3	5.2	5.1	4.9
NOI yield (book value)	(%)	5.0	5.2	5.1	5.0	4.9
NOI yield (appraisal value)	(%)	4.3	4.5	4.4	4.3	4.1
After-depreciation yield (acquisition value)	(%)	4.4	4.5	4.4	4.3	4.1
After-depreciation yield (book value)	(%)	4.3	4.4	4.3	4.3	4.1
After-depreciation yield (appraisal value)	(%)	3.7	3.8	3.7	3.6	3.4
Implied cap rate (NOI yield) [3]	(%)	3.8	4.9	4.2	3.9	4.1
Implied cap rate (after-depreciation yield)	(%)	3.2	4.1	3.5	3.3	3.5
Unitholder's equity	(¥mm)	126,515	126,515	126,515	126,515	126,515
Number of investment units Issued and outstanding (d)		449,930	449,930	449,930	449,930	449,930
Net assets per unit (b)/(d)	(¥)	290,126	290,461	293,331	292,029	293,089
Total distributions (e)	(¥mm)	4,000	4,151	5,444	4,859	5,248
Distributions per unit (e)/(d)	(¥)	8,892	9,228	12,100	10,800	11,665
FFO[3](Funds From Operations) (f)	(¥mm)	4,971	5,146	5,146	4,960	4,753
AFFO[3] (Adjusted Fund From Operations)(g)	(¥mm)	3,926	4,730	4,748	4,622	4,142
Pay out ratio (FFO) (e)/(f)	(%)	80.5	80.7	105.8	98.0	110.4
Pay out ratio (AFFO) (e)/(g)	(%)	101.9	87.8	114.7	105.1	126.7
FFO per unit[3]	(¥)	11,049	11,438	11,439	11,025	10,564
NAV per Unit[3]	(¥)	372,454	380,330	381,438	386,052	395,764

Property NOI Yield

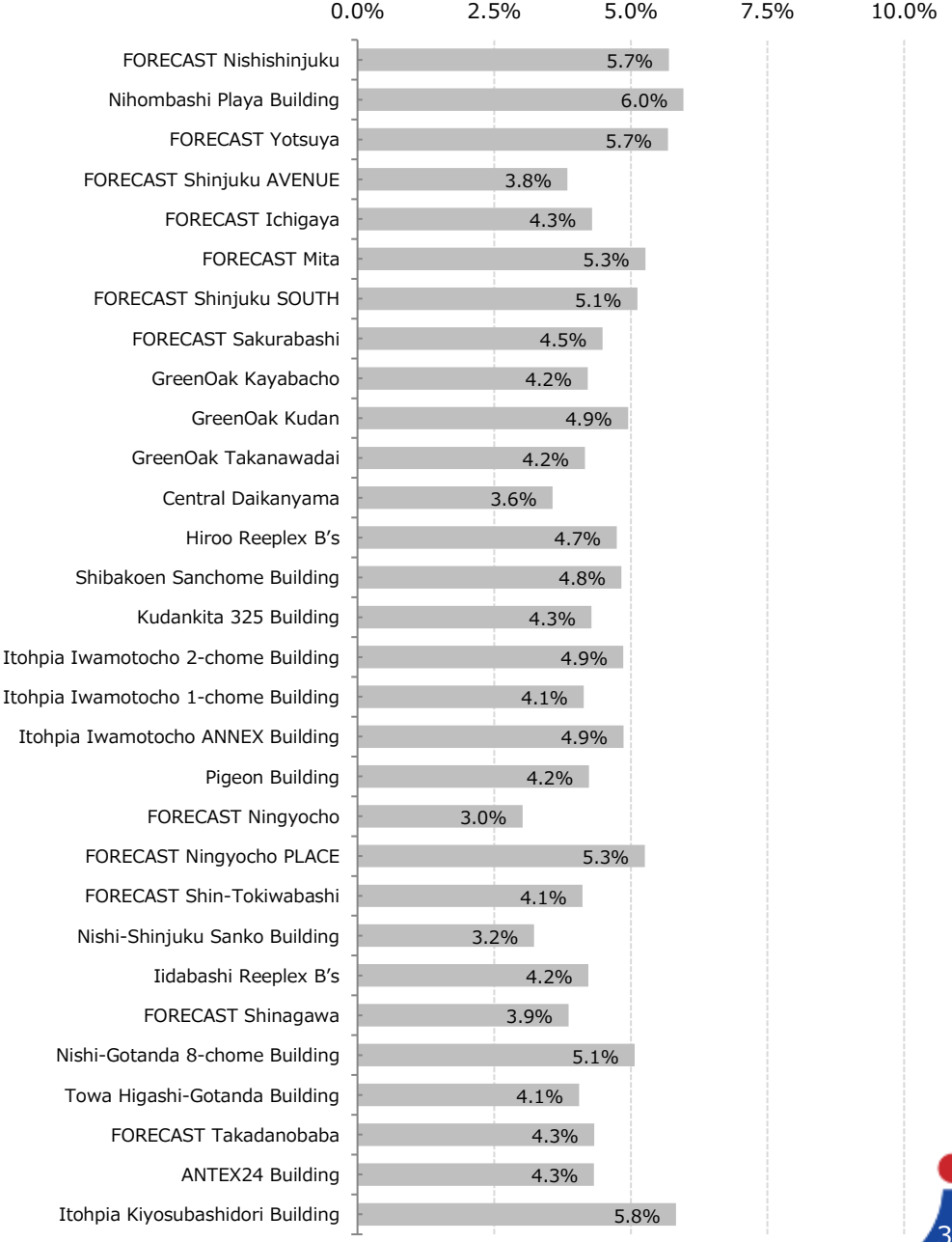
■Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 19th period)



■ Actual NOI Yield (after depreciation)

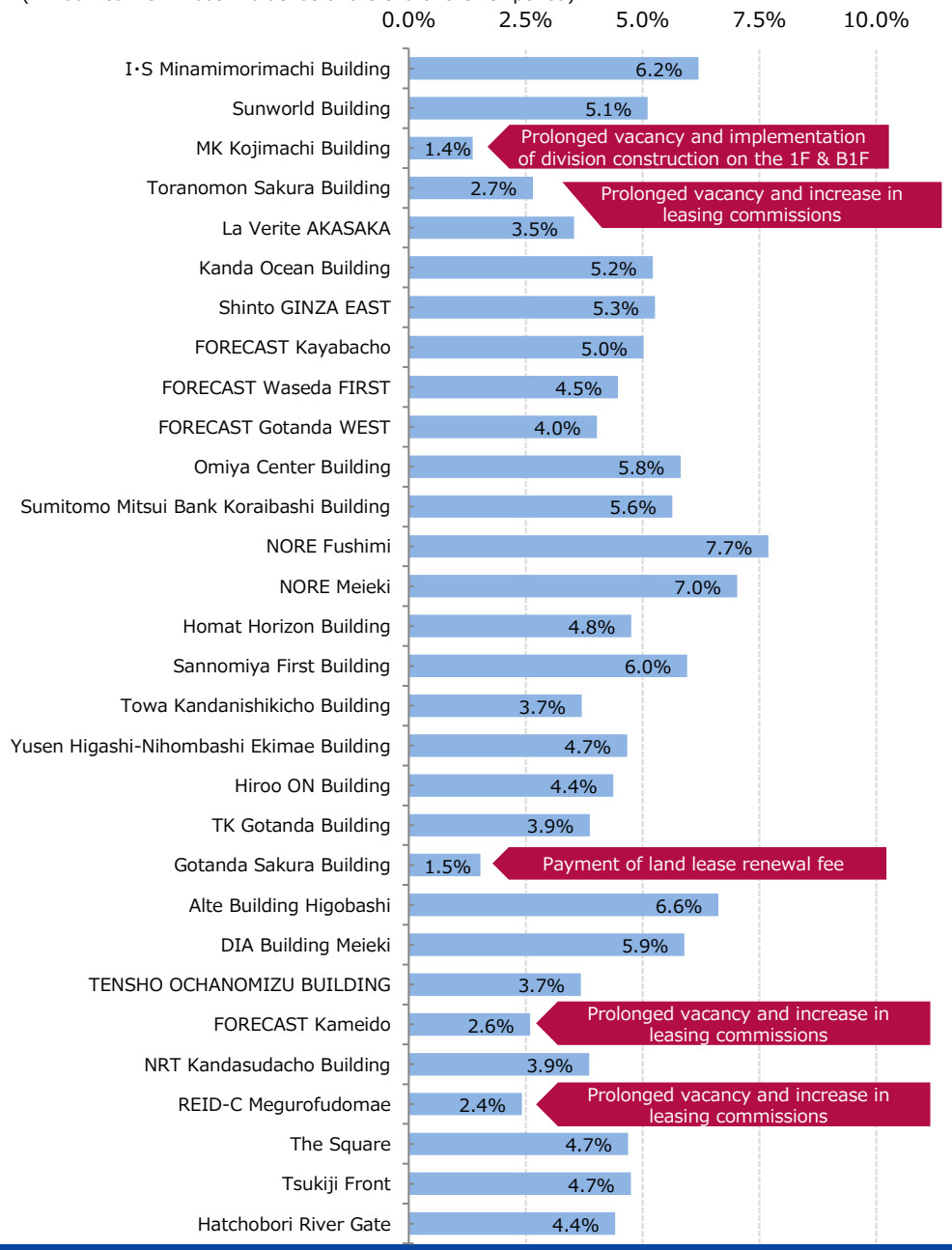
(Annualized NOI after depreciation ÷ book value as of the end of the 19th period)



Property NOI Yield

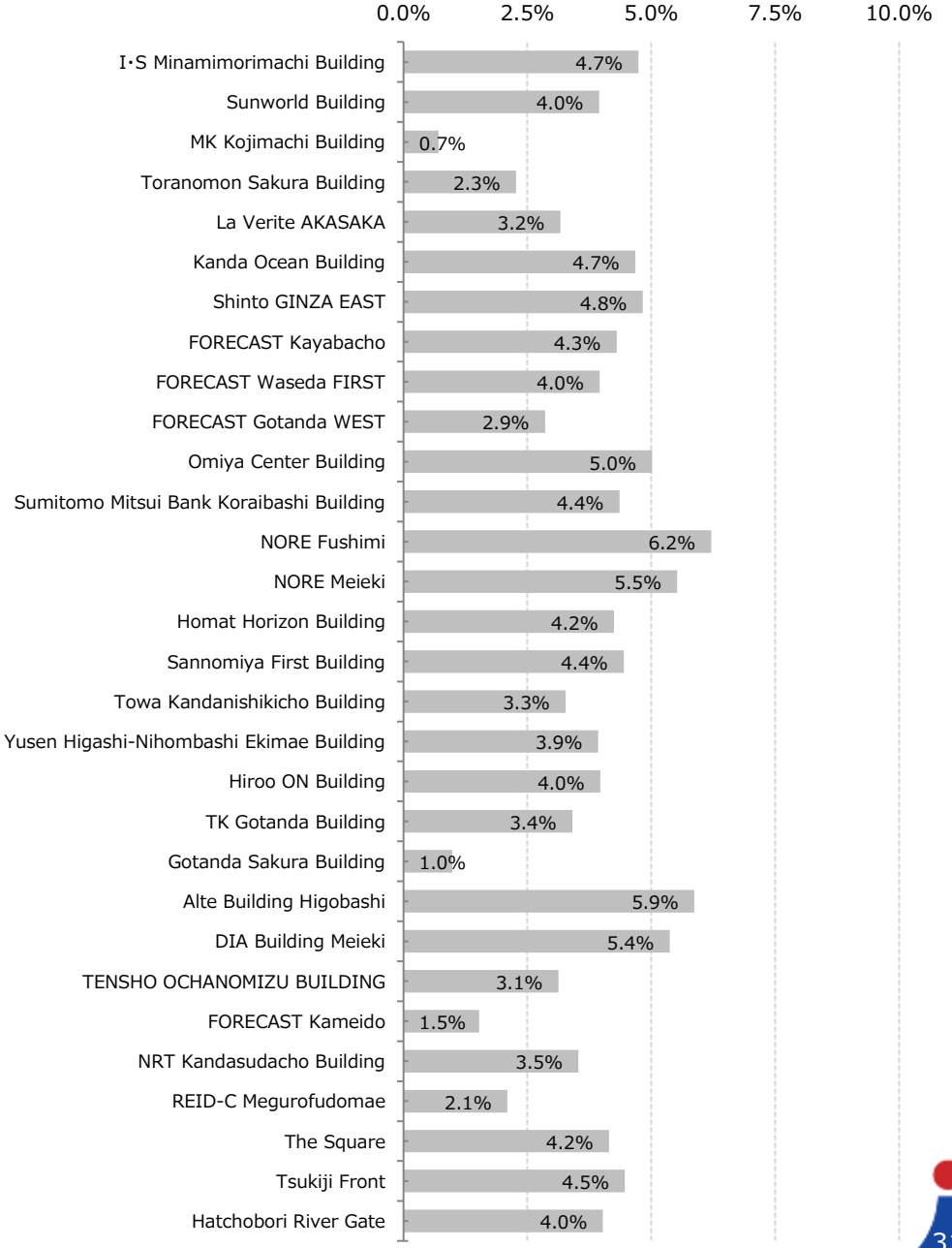
Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 19th period)



Actual NOI Yield (after depreciation)

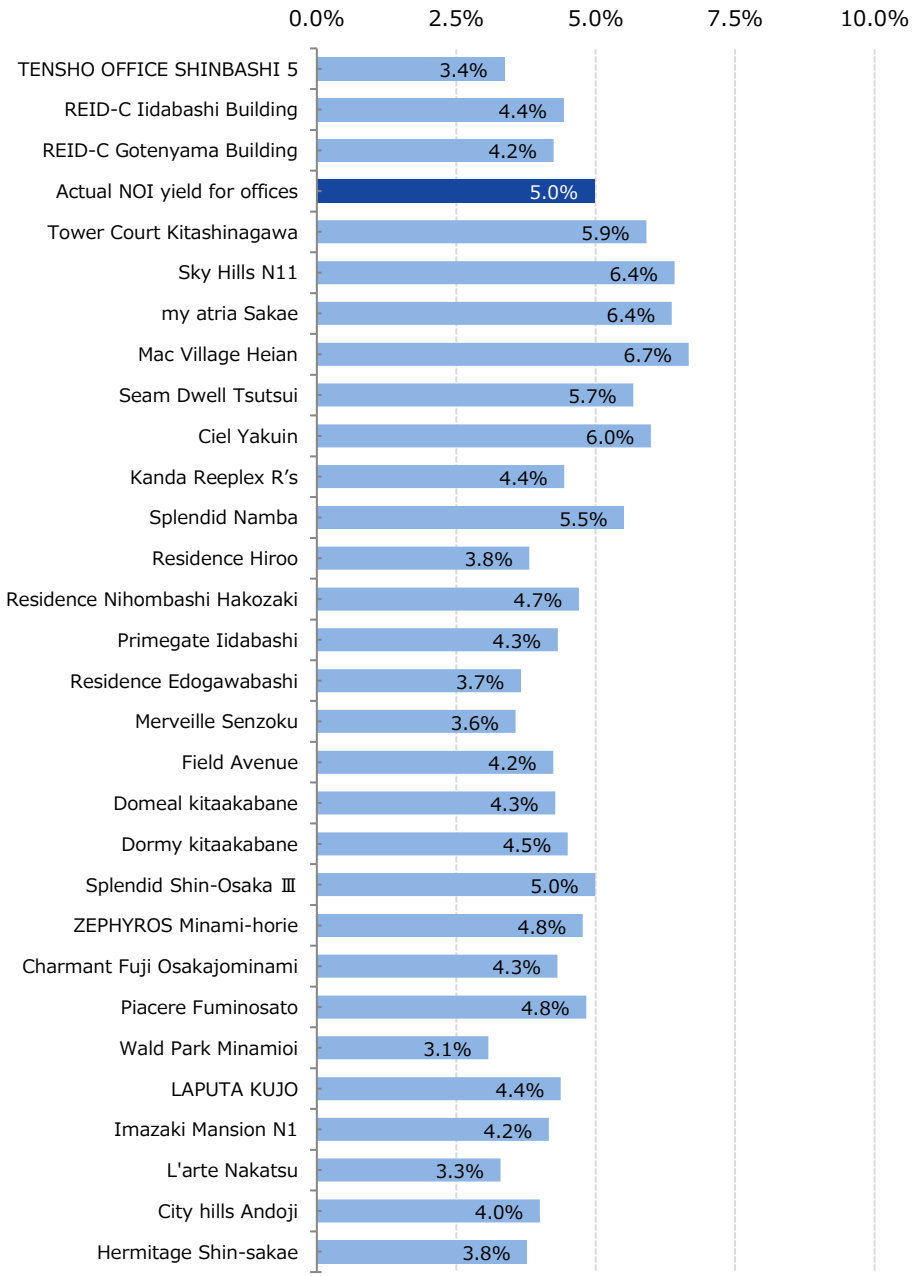
(Annualized NOI after depreciation ÷ book value as of the end of the 19th period)



Property NOI Yield

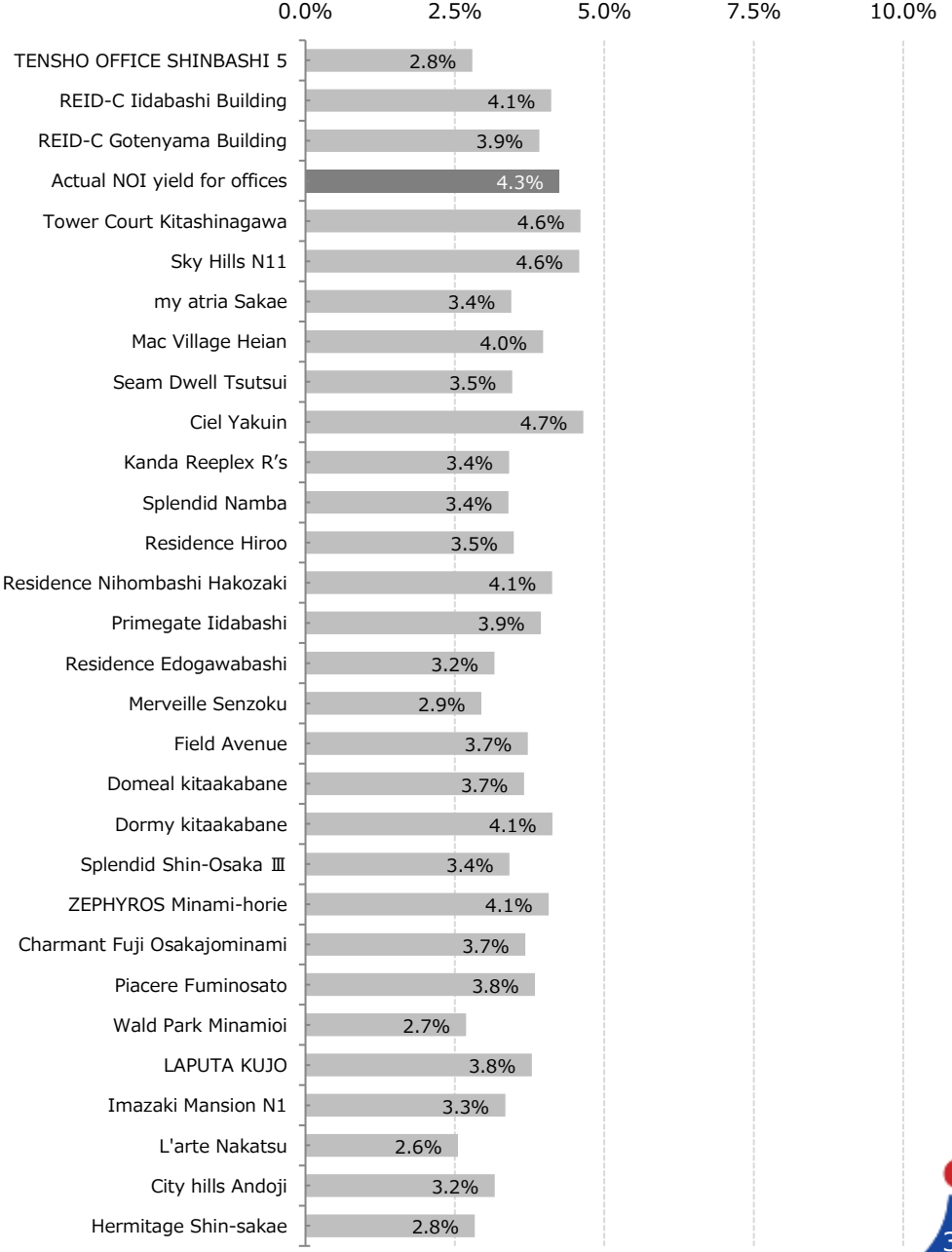
■Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 19th period)



■Actual NOI Yield (after depreciation)

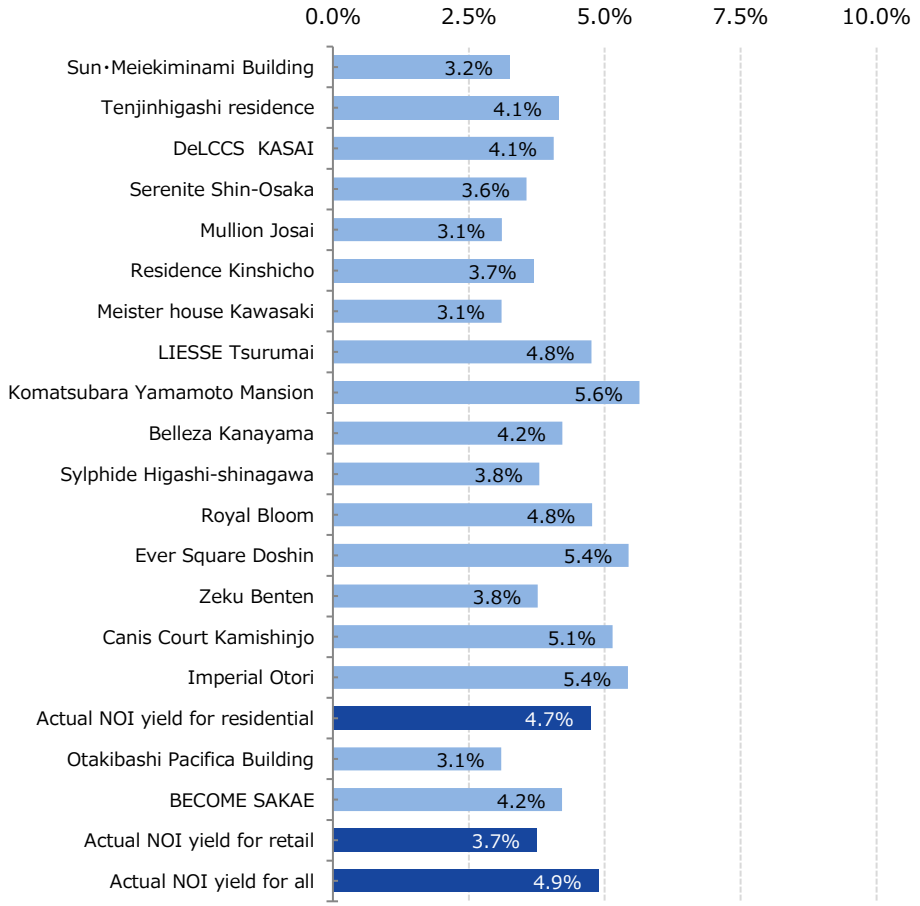
(Annualized NOI after depreciation ÷ book value as of the end of the 19th period)



Property NOI Yield

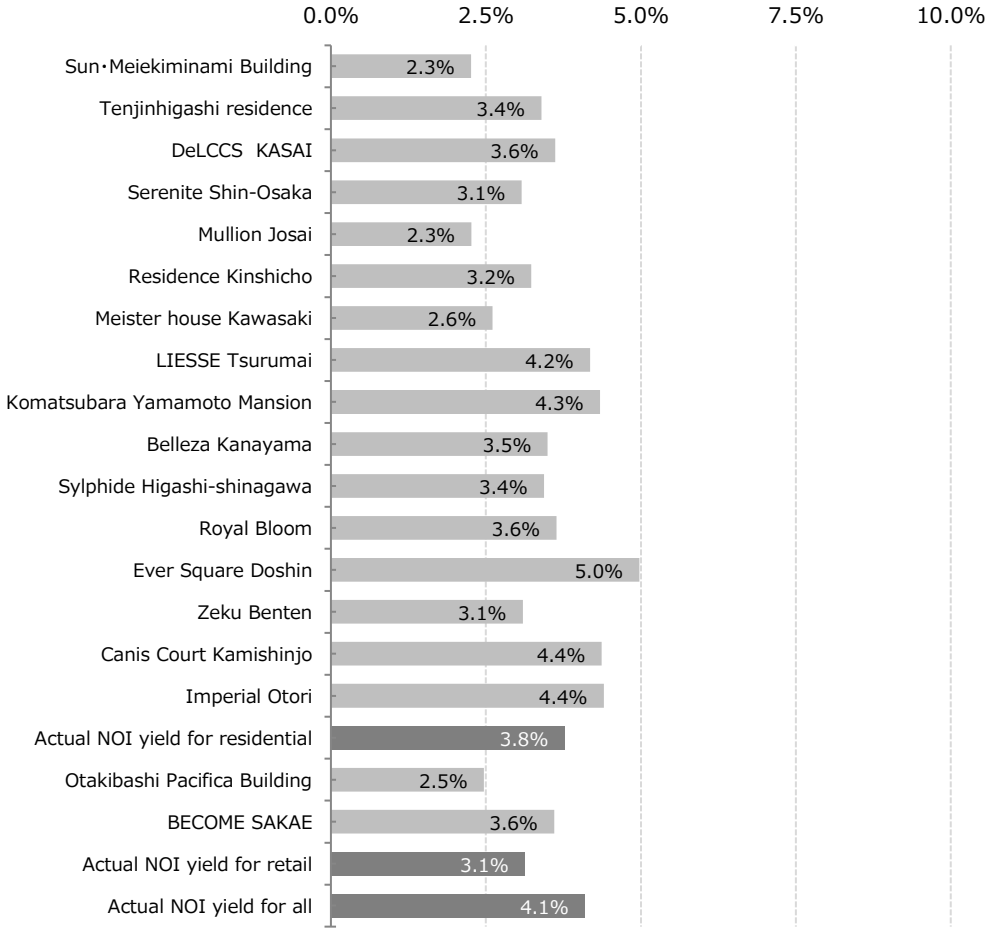
■Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 19th period)



■Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 19th period)



MEMO

Appraisal Value Summary

◆Appraisal valuation by sector

	18th Period (Jun. 2021)			19th Period (Dec. 2021)		
	Number of Properties	Appraisal Value (¥ mm)	Unrealized gains (¥ mm)	Number of Properties	Appraisal Value (¥ mm)	Unrealized gains (¥ mm)
Office	65	229,320	38,220	63	227,760	41,238
Residential	36	67,163	8,787	42	73,778	10,027
Retail	2	8,270	155	2	8,270	179
Total	**103**	**304,753**	**47,162**	**107**	**309,808**	**51,444**

◆Period-to-period analysis(1)

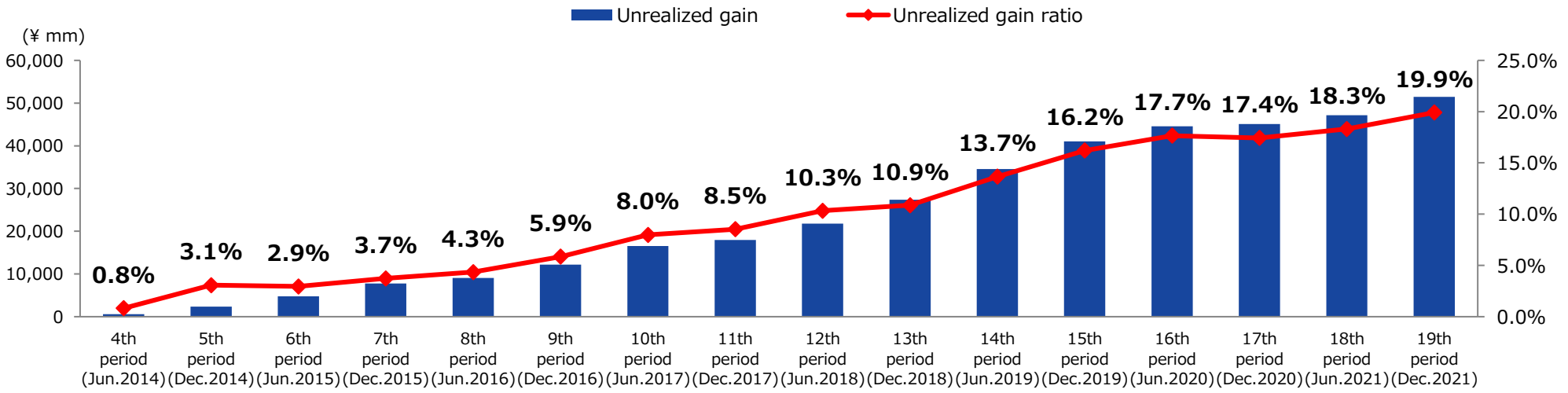
(Number of Properties)

Appraisal CAP	18th Period (Jun. 2021)	19th Period (Dec. 2021)
Decrease	25	61
Flat	72	37
Increase	0	1

Appraisal Value	18th Period (Jun. 2021)	19th Period (Dec. 2021)
Increase	55	62
Flat	37	32
Decrease	5	5

*"Appraisal CAP" refers to the capitalization rate by the direct capitalization.

◆Amount of change in unrealized gain and rate of change in unrealized gain



Portfolio Appraisal Value

NIPPON REIT Investment Corporation

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 19th Period (a) (¥ mm)	Unrealized Gains End of 19th Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza-tion	Discount Cash Flow		Appraisal NOI Yield (1)	Major Appraisal Value Changing Factor (2) (Compared to 18th Period)		
					End of 18th Period (¥ mm)	End of 19th Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 19th Period						
Office														
A-1	FORECAST Nishishinjuku	2,260	2,089	1,160	3,190	3,250	60	3.7%	3.3%	3.9%	5.5%	○		
A-2	Nihombashi Playa Building	2,130	1,962	617	2,530	2,580	50	4.2%	4.0%	4.4%	5.3%	○		
A-3	FORECAST Yotsuya	1,430	1,347	672	1,970	2,020	50	3.7%	3.5%	3.9%	5.4%	○		
A-4	FORECAST Shinjuku AVENUE	6,500	6,105	2,284	8,130	8,390	260	3.3%	3.1%	3.5%	4.4%	○		
A-5	FORECAST Ichigaya	4,800	4,369	2,220	6,400	6,590	190	3.4%	3.2%	3.6%	4.9%	○		
A-6	FORECAST Mita	1,800	1,705	724	2,390	2,430	40	3.6%	3.4%	3.8%	5.1%	○		
A-7	FORECAST Shinjuku SOUTH	13,990	14,625	4,174	18,200	18,800	600	3.4%	3.1%	3.6%	4.7%	○		
A-8	FORECAST Sakurabashi	5,760	5,971	1,018	6,820	6,990	170	3.9%	3.7%	4.1%	5.1%	○		
A-9	GreenOak Kayabacho	2,860	2,970	659	3,600	3,630	30	3.7%	3.5%	3.9%	5.0%	○		
A-10	GreenOak Kudan	2,780	2,916	713	3,540	3,630	90	3.5%	3.3%	3.7%	4.8%	○		
A-11	GreenOak Takanawadai	2,260	2,132	897	2,960	3,030	70	3.9%	3.7%	4.1%	5.4%	○		
A-14	Central Daikanyama	3,510	3,686	173	3,810	3,860	50	3.4%	3.2%	3.6%	3.9%	○		
A-16	Hiroo Reeplex B's	2,827	2,849	620	3,430	3,470	40	3.7%	3.5%	3.9%	4.7%	○		
A-17	Shibakoen Sanchome Building	7,396	7,338	2,861	10,200	10,200	0	3.6%	3.4%	3.8%	5.1%			
A-19	Kudankita 325 Building	1,850	1,971	348	2,250	2,320	70	3.5%	3.3%	3.7%	4.6%	○		
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,879	510	3,300	3,390	90	3.9%	3.7%	4.1%	4.9%	○		
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,747	312	2,970	3,060	90	3.9%	3.7%	4.1%	4.7%	○		
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,215	494	2,620	2,710	90	3.9%	3.7%	4.1%	5.2%	○		
A-24	Pigeon Building	2,837	2,905	224	3,060	3,130	70	4.0%	3.8%	4.2%	4.8%	○		
A-25	FORECAST Ningyocho	2,070	2,112	127	2,190	2,240	50	3.8%	3.6%	4.0%	4.4%	○		
A-26	FORECAST Ningyocho PLACE	1,650	1,640	509	2,100	2,150	50	3.8%	3.6%	4.0%	5.2%	○		
A-27	FORECAST Shin-Tokiwabashi	2,030	2,105	274	2,340	2,380	40	3.9%	3.7%	4.1%	4.7%	○		
A-28	Nishi-Shinjuku Sanko Building	2,207	2,394	315	2,650	2,710	60	3.9%	3.7%	4.1%	5.1%	○		
A-29	Iidabashi Reeplex B's	1,249	1,278	301	1,580	1,580	0	3.5%	3.3%	3.7%	4.6%			
A-30	FORECAST Shinagawa	2,300	2,387	62	2,450	2,450	0	3.8%	3.6%	4.0%	4.3%			
A-31	Nishi-Gotanda 8-chome Building	2,210	2,259	460	2,660	2,720	60	3.9%	3.7%	4.1%	5.1%		○	
A-32	Towa Higashi-Gotanda Building	2,033	2,076	433	2,440	2,510	70	3.8%	3.6%	4.0%	5.1%	○		

Portfolio Appraisal Value

NIPPON REIT Investment Corporation

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 19th Period (a) (¥ mm)	Unrealized Gains End of 19th Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza-tion	Discount Cash Flow		Appraisal NOI Yield (1)	Major Appraisal Value Changing Factor (2) (Compared to 18th Period)		
					End of 18th Period (¥ mm)	End of 19th Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 19th Period						
A-33	FORECAST Takadanobaba	5,550	5,845	784	6,480	6,630	150	4.1%	3.9%	4.3%	5.0%	○		
A-38	ANTEX24 Building	1,691	1,752	217	1,930	1,970	40	4.1%	3.9%	4.3%	5.0%	○		
A-39	Itohpia Kiyosubashidori Building	1,550	1,688	381	2,030	2,070	40	4.2%	4.0%	4.5%	6.0%	○		
A-41	I・S Minamimorimachi Building	2,258	2,347	462	2,810	2,810	0	4.3%	4.1%	4.5%	5.7%			
A-42	Sunworld Building	1,200	1,264	45	1,310	1,310	0	4.5%	4.3%	4.7%	5.3%			
A-44	MK Kojimachi Building	1,781	1,992	137	2,170	2,130	(40)	3.3%	3.1%	3.5%	4.2%	○		
A-45	Toranomon Sakura Building	4,120	4,313	576	4,890	4,890	0	3.2%	2.9%	3.3%	3.9%			
A-46	La Verite AKASAKA	2,000	2,129	420	2,440	2,550	110	3.4%	3.2%	3.6%	4.5%	○		
A-47	Kanda Ocean Building	1,440	1,474	375	1,800	1,850	50	3.7%	3.5%	3.9%	5.2%	○		
A-48	Shinto GINZA EAST	1,352	1,344	115	1,450	1,460	10	3.6%	3.4%	3.8%	4.2%	○		
A-49	FORECAST Kayabacho	3,000	3,092	327	3,340	3,420	80	4.0%	3.7%	4.1%	4.8%	○		
A-50	FORECAST Waseda FIRST	4,775	4,792	357	5,000	5,150	150	3.7%	3.5%	3.9%	4.2%	○		
A-51	FORECAST Gotanda WEST	6,520	7,478	701	8,250	8,180	(70)	3.9%	3.7%	4.1%	5.2%		○	
A-52	Omiya Center Building	15,585	15,321	6,078	21,300	21,400	100	4.1%	3.9%	4.3%	5.7%		○	
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,950	609	3,480	3,560	80	4.1%	3.9%	4.3%	5.4%	○		
A-54	NORE Fushimi	2,840	2,650	1,559	4,120	4,210	90	4.1%	3.9%	4.3%	6.3%	○		
A-55	NORE Meieki	2,520	2,357	1,512	3,780	3,870	90	4.2%	4.0%	4.4%	6.7%	○		
A-56	Homat Horizon Building	6,705	6,686	1,293	7,670	7,980	310	3.4%	3.2%	3.6%	4.3%	○		
A-57	Sannomiya First Building	1,390	1,471	138	1,610	1,610	0	4.9%	4.7%	5.1%	6.3%			
A-58	Towa Kandanishikicho Building	960	979	80	1,060	1,060	0	4.2%	3.4%	4.3%	4.8%			
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,207	72	1,260	1,280	20	4.0%	3.8%	4.2%	4.7%	○		
A-60	Hiroo ON Building	2,392	2,414	355	2,730	2,770	40	3.8%	3.6%	4.0%	4.6%	○		
A-61	TK Gotanda Building	4,130	4,424	25	4,420	4,450	30	3.7%	3.4%	3.8%	4.1%	○		
A-62	Gotanda Sakura Building	1,460	1,502	207	1,710	1,710	0	4.1%	3.5%	4.2%	5.0%			
A-64	Alte Building Higobashi	1,453	1,463	336	1,800	1,800	0	4.3%	4.1%	4.5%	6.3%			
A-65	DIA Building Meieki	1,167	1,185	74	1,290	1,260	(30)	4.5%	4.3%	4.7%	5.5%	○		
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,852	47	1,890	1,900	10	3.5%	3.3%	3.7%	3.8%			○
A-67	FORECAST Kameido	2,580	2,634	275	2,820	2,910	90	4.1%	3.9%	4.3%	4.8%	○		
A-68	NRT Kandasudacho Building	1,311	1,363	(13)	1,350	1,350	0	3.5%	3.3%	3.7%	3.8%			

Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 19th Period (a) (¥ mm)	Unrealized Gains End of 19th Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza-tion	Discount Cash Flow		Appraisal NOI Yield (1)	Major Appraisal Value Changing Factor (2) (Compared to 18th Period)		
					End of 18th Period (¥ mm)	End of 19th Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 19th Period						
A-69	REID-C Megurofudomae	1,220	1,234	15	1,230	1,250	20	4.1%	3.9%	4.3%	4.4%	○		
A-70	The Square	1,080	1,094	45	1,140	1,140	0	4.4%	4.2%	4.6%	5.0%			
A-71	Tsukiji Front	825	837	182	1,020	1,020	0	3.8%	3.5%	3.9%	4.8%			
A-72	Hatchobori River Gate	835	844	185	1,020	1,030	10	3.7%	3.4%	3.8%	4.7%	○		
A-73	TENSHO OFFICE SHINBASHI 5	1,200	1,213	26	1,240	1,240	0	3.6%	3.3%	3.7%	3.8%			
A-74	REID-C Iidabashi Building	1,195	1,211	38	-	1,250	-	3.7%	3.4%	3.8%	4.0%			
A-75	REID-C Gotenyama Building	1,040	1,054	15	-	1,070	-	3.9%	3.6%	4.0%	4.5%			
	Subtotal office properties	183,222	186,521	41,238	221,620	227,760	3,820				4.9%			
Residential														
B-01	Tower Court Kitashinagawa	11,880	10,568	5,631	15,700	16,200	500	3.7%	3.5%	3.9%	5.2%	○		
B-02	Sky Hills N11	1,570	1,594	305	1,860	1,900	40	4.9%	4.7%	5.1%	6.6%	○		
B-04	my atria Sakae	1,110	966	353	1,320	1,320	0	4.5%	4.3%	4.7%	5.6%			
B-05	Mac Village Heian	785	695	286	961	982	21	4.5%	4.3%	4.7%	6.0%	○		
B-06	Seam Dwell Tsutsui	695	650	161	795	812	17	4.4%	4.2%	4.6%	5.5%	○		
B-07	Ciel Yakuin	640	602	184	774	787	13	4.1%	3.9%	4.3%	5.4%	○		
B-08	Kanda Reeplex R's	1,813	1,715	464	2,110	2,180	70	3.7%	3.4%	3.9%	4.6%	○		
B-09	Splendid Namba	3,502	3,189	850	4,040	4,040	0	4.3%	4.1%	4.5%	5.1%			
B-10	Residential Hiroo	2,590	2,604	295	2,860	2,900	40	3.5%	3.3%	3.7%	4.1%	○		
B-11	Residential Nihombashi Hakozaki	1,300	1,419	290	1,670	1,710	40	3.9%	3.4%	3.8%	5.3%	○		
B-12	Primegate Iidabashi	5,200	5,217	592	5,630	5,810	180	3.6%	3.3%	3.7%	4.2%	○		
B-13	Residential Edogawabashi	1,230	1,240	49	1,290	1,290	0	4.0%	3.8%	4.2%	4.4%			
B-14	Merveille Senzoku	740	749	18	768	768	0	3.9%	3.7%	4.1%	4.3%			
B-15	Field Avenue	3,110	3,124	95	3,160	3,220	60	3.8%	3.5%	3.9%	4.0%	○		
B-16	Domeal kitaakabane	785	800	31	832	832	0	4.1%	3.9%	4.3%	4.5%			
B-17	Dormy kitaakabane	986	991	58	1,050	1,050	0	4.2%	4.0%	4.4%	4.6%			
B-18	Splendid Shin-Osaka Ⅲ	2,428	2,344	355	2,640	2,700	60	4.2%	4.0%	4.4%	4.9%	○		
B-19	ZEPHYROS Minami-horie	1,608	1,608	181	1,750	1,790	40	4.1%	3.9%	4.3%	4.8%	○		
B-20	Charmant Fuji Osakajominami	905	904	33	929	938	9	4.1%	3.9%	4.3%	4.4%	○		
B-21	Piacere Fuminosato	571	565	41	594	607	13	4.4%	4.2%	4.6%	5.0%	○		

Portfolio Appraisal Value

NIPPON REIT Investment Corporation

No	Property Name	Acquisition Price (¥ mm)	Book Value End 19th Period (a) (¥ mm)	Unrealized gains End 19th Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza-tion	Discount Cash Flow		Appraisal NOI Yield (1)	Major Appraisal Value Changing Factor (2) (Compared to 18th Period)		
					End 18th Period (¥ mm)	End 19th Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 19th Period						
B-22	Wald Park Minamioi	715	750	(15)	735	735	0	3.9%	3.7%	4.1%	4.2%			
B-23	LAPUTA KUJO	1,480	1,610	(108)	1,501	1,502	1	4.3%	4.1%	4.5%	4.8%		○	
B-24	Imazaki Mansion N1	1,180	1,257	(47)	1,210	1,210	0	4.6%	4.4%	4.8%	5.3%			
B-25	L'arte Nakatsu	565	605	(28)	577	577	0	4.1%	3.9%	4.3%	4.4%			
B-26	City hills Andoji	1,750	1,851	(31)	1,860	1,820	(40)	4.0%	3.8%	4.2%	4.4%			○
B-27	Hermitage Shin-sakae	1,150	1,219	20	1,240	1,240	0	4.2%	4.0%	4.4%	5.0%			
B-28	Sun･Meiekiminami Building	950	978	51	1,020	1,030	10	4.1%	3.9%	4.3%	4.7%		○	
B-29	Tenjinhigashi Residential	913	974	(23)	951	951	0	4.2%	4.0%	4.4%	4.7%			
B-30	DeLCCS KASAI	1,320	1,398	(28)	1,350	1,370	20	4.0%	3.8%	4.2%	4.5%	○		
B-31	Serenite Shin-Osaka	1,148	1,175	(25)	1,150	1,150	0	4.1%	3.9%	4.3%	4.3%			
B-32	Mullion Josai	729	752	(36)	720	716	(4)	4.4%	4.2%	4.6%	4.5%		○	
B-33	Residential Kinshicho	700	722	9	732	732	0	3.9%	3.7%	4.1%	4.3%			
B-34	Meister house Kawasaki	709	730	8	732	739	7	3.9%	3.7%	4.1%	4.3%	○		
B-35	LIESSE Tsurumai	1,082	1,120	79	1,200	1,200	0	4.3%	4.1%	4.5%	5.0%			
B-36	Komatsubara Yamamoto Mansion	670	733	(39)	694	694	0	5.3%	5.1%	5.5%	6.0%			
B-37	Belleza Kanayama	702	752	5	758	758	0	4.2%	4.0%	4.4%	4.9%			
B-38	Sylphide Higashi-shinagawa	961	987	22	-	1,010	-	3.7%	3.5%	3.9%	4.1%			
B-39	Royal Bloom	1,100	1,130	29	-	1,160	-	4.2%	4.0%	4.4%	4.5%			
B-40	Ever Square Doshin	609	631	(31)	-	600	-	4.2%	4.0%	4.4%	4.4%			
B-41	Zeku Benten	506	527	(5)	-	522	-	4.3%	4.1%	4.5%	4.8%			
B-42	Canis Court Kamishinjo	1,359	1,409	(39)	-	1,370	-	4.3%	4.1%	4.5%	4.9%			
B-43	Imperial Otori	845	875	(19)	-	856	-	4.3%	4.1%	4.5%	4.7%			
	Subtotal residential properties	64,592	63,750	10,027	67,163	73,778	1,097				4.8%			
Retail														
C-01	Otakibashi Pacifica Building	3,350	3,366	63	3,430	3,430	0	3.7%	3.5%	3.9%	3.9%			
C-03	BECOME SAKAE	4,770	4,723	116	4,840	4,840	0	4.0%	3.8%	4.2%	4.2%			
	Subtotal retail properties	8,120	8,090	179	8,270	8,270	0				4.0%			
	Total	255,935	258,363	51,444	297,053	309,808	4,917				4.9%			

Portfolio Summary (as of the end of the 19th Period)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
Office									
A-1	FORECAST Nishishinjuku	Shinjuku Ward, Tokyo	Feb. 2009	2,260	0.9%	1,945.68	17	100.0%	2.7%
A-2	Nihombashi Playa Building	Chuo Ward, Tokyo	Feb. 2009	2,130	0.8%	2,490.08	2	100.0%	3.7%
A-3	FORECAST Yotsuya	Shinjuku Ward, Tokyo	Jan. 2009	1,430	0.6%	1,678.15	13	100.0%	3.6%
A-4	FORECAST Shinjuku AVENUE	Shinjuku Ward, Tokyo	Sep. 2008	6,500	2.5%	4,337.15	7	100.0%	2.1%
A-5	FORECAST Ichigaya	Shinjuku Ward, Tokyo	Aug. 2009	4,800	1.9%	3,844.66	22	98.8%	2.9%
A-6	FORECAST Mita	Minato Ward, Tokyo	Sep. 2009	1,800	0.7%	1,786.18	5	100.0%	2.9%
A-7	FORECAST Shinjuku SOUTH	Shinjuku Ward, Tokyo	Nov. 1980	13,990	5.5%	13,875.01	19	100.0%	7.0%
A-8	FORECAST Sakurabashi	Chuo Ward, Tokyo	Apr. 1985	5,760	2.3%	6,566.76	5	100.0%	4.2%
A-9	GreenOak Kayabacho	Chuo Ward, Tokyo	Mar. 1990	2,860	1.1%	2,995.35	7	86.4%	2.6%
A-10	GreenOak Kudan	Chiyoda Ward, Tokyo	Dec. 1987	2,780	1.1%	2,594.46	3	100.0%	5.1%
A-11	GreenOak Takanawadai	Minato Ward, Tokyo	Jan. 2010	2,260	0.9%	2,621.74	10	85.8%	3.6%
A-14	Central Daikanyama	Shibuya Ward, Tokyo	Aug. 1991	3,510	1.4%	1,899.30	7	100.0%	7.1%
A-16	Hiroo Reeplex B's	Minato Ward, Tokyo	May 1987	2,827	1.1%	1,500.85	8	100.0%	4.4%
A-17	Shibakoen Sanchome Building	Minato Ward, Tokyo	Jun. 1981	7,396	2.9%	7,882.60	4	100.0%	11.3%
A-19	Kudankita 325 Building	Chiyoda Ward, Tokyo	Aug. 1987	1,850	0.7%	2,003.60	8	100.0%	4.5%
A-21	Itohpia Iwamotocho 2-chome Building	Chiyoda Ward, Tokyo	Feb. 1991	2,810	1.1%	3,447.16	10	100.0%	4.1%
A-22	Itohpia Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Jan. 1991	2,640	1.0%	3,056.56	9	100.0%	9.0%
A-23	Itohpia Iwamotocho ANNEX Building	Chiyoda Ward, Tokyo	Nov. 1991	2,100	0.8%	3,064.20	7	100.0%	4.1%
A-24	Pigeon Building	Chuo Ward, Tokyo	Aug. 1989	2,837	1.1%	3,022.25	1	100.0%	5.6%
A-25	FORECAST Ningyocho	Chuo Ward, Tokyo	Nov. 1990	2,070	0.8%	2,277.62	6	100.0%	11.1%
A-26	FORECAST Ningyocho PLACE	Chuo Ward, Tokyo	Feb. 1984	1,650	0.6%	1,867.95	7	100.0%	7.1%
A-27	FORECAST Shin-Tokiwabashi	Chuo Ward, Tokyo	Aug. 1991	2,030	0.8%	1,813.21	9	100.0%	4.1%
A-28	Nishi-Shinjuku Sanko Building	Shinjuku Ward, Tokyo	Sep. 1987	2,207	0.9%	2,479.80	7	83.5%	12.7%
A-29	Iidabashi Reeplex B's	Shinjuku Ward, Tokyo	Jun. 1992	1,249	0.5%	1,401.68	7	100.0%	4.4%
A-30	FORECAST Shinagawa	Shinagawa Ward, Tokyo	Feb. 1989	2,300	0.9%	2,276.36	5	84.2%	11.6%
A-31	Nishi-Gotanda 8-chome Building	Shinagawa Ward, Tokyo	Dec. 1993	2,210	0.9%	2,999.68	8	100.0%	3.9%
A-32	Towa Higashi-Gotanda Building	Shinagawa Ward, Tokyo	Sep. 1985	2,033	0.8%	2,939.16	7	100.0%	5.1%
A-33	FORECAST Takadanobaba	Toshima Ward, Tokyo	Jan. 1986	5,550	2.2%	5,661.49	7	100.0%	12.4%
A-38	ANTEX24 Building	Taito Ward, Tokyo	Feb. 1988	1,691	0.7%	2,267.59	6	100.0%	3.7%
A-39	Itohpia Kiyosubashidori Building	Taito Ward, Tokyo	Mar. 1988	1,550	0.6%	2,651.27	7	100.0%	3.6%
A-41	I・S Minamimorimachi Building	Osaka, Osaka	Aug. 1993	2,258	0.9%	4,164.82	16	100.0%	9.6%

Portfolio Summary (as of the end of the 19th Period)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
A-42	Sunworld Building	Osaka, Osaka	Mar. 1993	1,200	0.5%	3,012.86	1	100.0%	12.0%
A-44	MK Kojimachi Building	Chiyoda Ward, Tokyo	Mar. 1997	1,781	0.7%	1,761.60	10	91.7%	4.3%
A-45	Toranomon Sakura Building	Minato Ward, Tokyo	Jul. 1983	4,120	1.6%	3,049.79	11	89.2%	8.2%
A-46	La Verite AKASAKA	Minato Ward, Tokyo	Dec. 1986	2,000	0.8%	1,719.75	7	100.0%	4.5%
A-47	Kanda Ocean Building	Chiyoda Ward, Tokyo	Jan. 1990	1,440	0.6%	1,484.87	22	100.0%	9.3%
A-48	Shinto GINZA EAST	Chuo Ward, Tokyo	Sep. 1990	1,352	0.5%	1,214.32	6	100.0%	5.3%
A-49	FORECAST Kayabacho	Chuo Ward, Tokyo	Jan. 1990	3,000	1.2%	3,882.59	16	100.0%	5.2%
A-50	FORECAST Waseda FIRST	Shinjyuku Ward, Tokyo	Jul. 1986	4,775	1.9%	4,340.66	7	100.0%	3.5%
A-51	FORECAST Gotanda WEST	Shinagawa Ward, Tokyo	Sep. 1989	6,520	2.5%	8,944.03	12	100.0%	2.3%
A-52	Omiya Center Building	Saitama, Saitama	Mar. 1993	15,585	6.1%	14,311.77	27	100.0%	2.0%
A-53	Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	Mar. 1994	2,850	1.1%	5,106.77	26	100.0%	7.6%
A-54	NORE Fushimi	Nagoya, Aichi	Nov. 2006	2,840	1.1%	3,890.74	10	100.0%	4.5%
A-55	NORE Meieki	Nagoya, Aichi	Jan. 2007	2,520	1.0%	4,280.75	19	100.0%	4.2%
A-56	Homat Horizon Building	Chiyoda Ward, Tokyo	Aug. 1987	6,705	2.6%	6,077.01	10	100.0%	7.2%
A-57	Sannomiya First Building	Kobe, Hyogo	Nov. 1993	1,390	0.5%	3,633.16	23	97.5%	5.4%
A-58	Towa Kandanishikicho Building	Chiyoda ward, Tokyo	Aug. 1992	960	0.4%	1,324.07	6	100.0%	5.6%
A-59	Yusen Higashi-Nihombashi Ekimae Building	Chuo ward, Tokyo	Feb. 2001	1,152	0.5%	1,631.09	8	100.0%	9.0%
A-60	Hiroo ON Building	Shibuya ward, Tokyo	Mar. 1995	2,392	0.9%	2,248.59	4	100.0%	3.1%
A-61	TK Gotanda Building	Shinagawa ward, Tokyo	Jun. 1989	4,130	1.6%	3,716.38	7	100.0%	3.7%
A-62	Gotanda Sakura Building	Shinagawa ward, Tokyo	Nov. 1993	1,460	0.6%	1,502.61	10	100.0%	4.8%
A-64	Alte Building Higobashi	Osaka, Osaka	Jun. 1993	1,453	0.6%	3,482.92	11	100.0%	7.2%
A-65	DIA Building Meieki	Nagoya, Aichi	Dec. 1991	1,167	0.5%	1,781.72	10	100.0%	3.4%
A-66	TENSHO OCHANOMIZU BUILDING	Chiyoda Ward, Tokyo	Nov. 2018	1,800	0.7%	1,252.89	1	100.0%	4.6%
A-67	FORECAST Kameido	Koto Ward, Tokyo	Sep. 2010	2,580	1.0%	3,091.51	6	92.9%	3.3%
A-68	NRT Kandasudacho Building	Chiyoda Ward, Tokyo	Mar. 1993	1,311	0.5%	1,154.16	9	100.0%	4.4%
A-69	REID-C Megurofudomae	Shinagawa ward, Tokyo	Oct. 1996	1,220	0.5%	921.32	4	85.7%	3.5%
A-70	The Square	Nagoya, Aichi	Jun. 2003	1,080	0.4%	1,520.69	17	94.9%	3.5%
A-71	Tsukiji Front	Chuo Ward, Tokyo	Aug. 1991	825	0.3%	687.97	8	100.0%	5.7%
A-72	Hatchobori River Gate	Chuo Ward, Tokyo	Aug. 1989	835	0.3%	760.31	7	85.2%	3.0%
A-73	TENSHO OFFICE SHINBASHI 5	Minato Ward, Tokyo	Sep. 2018	1,200	0.5%	828.19	1	100.0%	3.5%
A-74	REID-C Iidabashi Building	Chiyoda Ward, Tokyo	Apr. 1988	1,195	0.5%	859.38	9	100.0%	3.6%
A-75	REID-C Gotenyama Building	Shinagawa Ward, Tokyo	Jan. 1989	1,040	0.4%	1,086.11	4	88.6%	11.4%
	Subtotal office properties			183,222	71.6%	197,972.95	585	98.6%	

Portfolio Summary (as of the end of the 19th Period)

NIPPON REIT Investment Corporation

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
Residential									
B-1	Tower Court Kitashinagawa	Shinagawa Ward, Tokyo	Feb. 2009	11,880	4.6%	16,913.29	270	96.9%	2.6%
B-2	Sky Hills N11	Sapporo, Hokkaido	Mar. 2001	1,570	0.6%	8,567.50	1	100.0%	1.3%
B-4	my atria Sakae	Nagoya, Aichi	Mar. 2007	1,110	0.4%	3,121.60	1	100.0%	4.1%
B-5	Mac Village Heian	Nagoya, Aichi	Sep. 2006	785	0.3%	2,250.00	1	100.0%	3.2%
B-6	Seam Dwell Tsutsui	Nagoya, Aichi	Feb. 2007	695	0.3%	1,800.00	1	100.0%	5.0%
B-7	Ciel Yakuin	Fukuoka, Fukuoka	Mar. 2005	640	0.3%	1,544.87	40	94.9%	5.4%
B-8	Kanda Reeplex R's	Chiyoda Ward, Tokyo	Jan. 2006	1,813	0.7%	2,180.93	41	100.0%	4.4%
B-9	Splendid Namba	Osaka, Osaka	Jan. 2015	3,502	1.4%	6,212.36	238	95.2%	6.2%
B-10	Residential Hiroo	Minato ward, Tokyo	Feb. 2004	2,590	1.0%	1,983.15	53	98.4%	3.0%
B-11	Residential Nihombashi Hakozaki	Chuo ward, Tokyo	Mar. 2002	1,300	0.5%	1,449.00	1	100.0%	7.8%
B-12	Primegate Iidabashi	Shinjuku ward, Tokyo	Mar. 1994	5,200	2.0%	6,042.28	67	98.7%	2.8%
B-13	Residential Edogawabashi	Shinjuku ward, Tokyo	Mar. 2000	1,230	0.5%	1,246.42	35	95.1%	3.5%
B-14	Merveille Senzoku	Ota ward, Tokyo	Sep. 2002	740	0.3%	834.72	28	100.0%	5.3%
B-15	Field Avenue	Ota ward, Tokyo	①Aug. 2000 ②Jul. 2016	3,110	1.2%	3,092.63	56	99.1%	①3.1% ②6.8%(1)
B-16	Domeal Kitaakabane	Kita ward, Tokyo	Mar. 2001	785	0.3%	1,697.11	1	100.0%	6.7%
B-17	Dormy Kitaakabane	Kita ward, Tokyo	Mar. 1997	986	0.4%	2,471.42	1	100.0%	6.5%
B-18	Splendid Shin-Osaka III	Osaka, Osaka	Feb. 2015	2,428	0.9%	4,299.12	152	98.7%	6.0%
B-19	ZEPHYROS Minami-horie	Osaka, Osaka	Mar. 2002	1,608	0.6%	2,826.73	67	93.9%	13.3%
B-20	Charmant Fuji Osakajominami	Osaka, Osaka	Apr. 2004	905	0.4%	1,512.00	61	96.8%	9.4%
B-21	Piacere Fuminosato	Osaka, Osaka	Feb. 1999	571	0.2%	1,374.08	43	98.0%	11.9%
B-22	Wald Park Minamioi	Shinagawa Ward, Tokyo	Feb. 2005	715	0.3%	750.12	27	93.4%	3.5%
B-23	LAPUTA KUJO	Osaka,Osaka	Mar. 1998	1,480	0.6%	3,359.38	62	100.0%	11.3%
B-24	Imazaki Mansion N1	Higashiosaka, Osaka	Mar. 1999	1,180	0.5%	2,643.11	126	93.2%	9.6%
B-25	L'arte Nakatsu	Osaka,Osaka	May. 2006	565	0.2%	916.86	28	100.0%	9.4%
B-26	City hills Andoji	Osaka,Osaka	Mar. 2008	1,750	0.7%	2,754.00	67	96.5%	7.6%
B-27	Hermitage Shin-sakae	Nagoya, Aichi	Apr. 2008	1,150	0.4%	2,638.61	52	95.5%	3.4%
B-28	Sun･Meiekiminami Building	Nagoya, Aichi	Jan. 2014	950	0.4%	1,747.10	67	95.7%	5.0%
B-29	Tenjinhigashi Residential	Fukuoka, Fukuoka	Aug. 2005	913	0.4%	1,909.60	72	93.5%	3.7%
B-30	DeLCCS KASAI	Edogawa Ward, Tokyo	Jul. 1998	1,320	0.5%	2,308.59	29	100.0%	5.1%
B-31	Serenite Shin-Osaka	Osaka,Osaka	Mar. 2007	1,148	0.4%	1,854.02	65	95.3%	6.1%

Portfolio Summary (as of the end of the 19th Period)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
B-32	Mullion Josai	Nagoya, Aichi	Jan. 2007	729	0.3%	1,427.90	47	96.5%	5.0%
B-33	Residential Kinshicho	Sumida-ward, Tokyo	Oct. 2006	700	0.3%	813.51	25	96.9%	6.9%
B-34	Meister house Kawasaki	Kawasaki, Kanagawa	Feb. 2004	709	0.3%	891.60	32	90.7%	6.3%
B-35	LIESSE Tsurumai	Nagoya, Aichi	Mar. 2006	1,082	0.4%	2,192.91	82	94.4%	①4.5% ②4.4%(1)
B-36	Komatsubara Yamamoto Mansion	Kagoshima, Fukuoka	Jan. 2004	670	0.3%	2,671.99	90	90.3%	8.5%
B-37	Belleza Kanayama	Nagoya, Aichi	Sep. 2006	702	0.3%	1,254.97	47	96.2%	7.1%
B-38	Sylphide Higashi-shinagawa	Shinagawa Ward, Tokyo	Jun. 2003	961	0.4%	1,174.19	38	88.3%	8.9%
B-39	Royal Bloom	Saitama, Saitama	Mar. 2018	1,100	0.4%	1,236.61	35	100.0%	5.0%
B-40	Ever Square Doshin	Osaka, Osaka	Oct. 2001	609	0.2%	910.07	39	94.9%	7.7%
B-41	Zeku Benten	Osaka, Osaka	Apr. 2006	506	0.2%	1,093.21	32	95.2%	14.2%
B-42	Canis Court Kamishinjo	Osaka, Osaka	Feb. 2002	1,359	0.5%	2,804.02	57	100.0%	5.6%
B-43	Imperial Otori	Sakai, Osaka	Oct. 2007	845	0.3%	2,363.88	30	100.0%	14.7%
	Subtotal residential properties			64,592	25.2%	111,135.46	2,307	97.3%	
Retail									
C-1	Otakibashi Pacifica Building	Shinjuku Ward, Tokyo	Oct. 2008	3,350	1.3%	1,383.31	9	90.1%	4.6%
C-3	BECOME SAKAE	Nagoya, Aichi	Aug. 2005	4,770	1.9%	4,615.66	11	100.0%	2.7%
	Subtotal retail properties			8,120	3.2%	5,998.97	20	97.7%	
	Total			255,935	100.0%	315,107.38	2,912	98.1%	3.2%

Notes

Unless otherwise specified, figures are truncated and % figures are rounded to the relevant unit.

P3 1 "Contribute to DPU" for each actual achievement is calculated based on each actual achievement and the number of investment units issued as of the end of the 19th period. The same applies hereafter.

P6 1 "The fifth asset replacement" refers to a series of transactions involving the four properties transferred in the 19th Period (Toshin Higashi-Ikebukuro Building, Itabashi Honcho Building, East Side Building, and Esprit Kameido) and the eight properties acquired (REID-C Iidabashi Building, REID-C Gotenyama Building, Sylphide Higashi-shinagawa, Royal Bloom, Ever Square Doshin, Zeku Benten, Canis Court Kamishinjo, and Imperial Otori) and one property scheduled to be transferred in the 20th period (Sunworld Building). The same applies hereafter.

P9 1 "6 central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. "Three major metropolitan area" refers to the three Major Metropolitan Areas (i.e. Greater Tokyo area (Tokyo, Kanagawa, Chiba and Saitama), Osaka economic bloc (Osaka, Kyoto and Hyogo) and Nagoya economic bloc (Aichi, Gifu and Mie)). "Certain ordinance-designated and other cities" refers to the ordinance-designated cities located in areas other than "Three major metropolitan areas" (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and prefectural capitals. The same applies hereafter.

P10 1 "Proportion of the 5 largest tenants" are calculated as follow for end-tenants of office (excluding Residential area)and retail properties. The same applies hereafter.
By leased area: leased area of respective tenant as of the end of the 19th period / total leasable area
By monthly rent: rent (including CAM) of respective tenant as of the end of the 19th period / total rent

P15 1 "Average free rent period" is calculated by following formula for each space, for new Lease contracts conducted during respective period.
(Reduction of rent and common benefit expense due to free rent etc.) ÷ (total amount of monthly rents and common benefit expenses in normal times)

P16 1 "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material onward.

2 Residential properties of which rents are not fixed, are stated.

P17 1 In case that tenant categorized "Unchanged" in each period accepted rent increase after the following period, the area subject to rent renewal of the tenant is included the area categorized "Unchanged" and "Increase" in the relevant period.

P18 1 "Average rent" is represented by the contract-based rent, which is a weighted-average of each office property based on the occupied floor area. Each weighted average excludes tenants which have submitted a notice of cancelation and which occupy the retail space between the second floor to the basement floor of buildings.

2 "Market rent" is represented by an average of the maximum and minimum of the rent of respective properties, as described in the market reports prepared by Sanko Estate and CBRE K.K. Such average is a weighted-average of each office properties based on the occupied floor area.

3 "Rent gap" of properties held by bridge funds is calculated as "Average rent of all offices / Average market rent – 1" based on market reports as requested as part of due diligence upon acquisition. The same applies hereafter.

P19 1 The Effect of strategic value-enhancing investment or result and forecast of NOI increase on P19 and 20 is proprietary calculated by the asset management company based on contracts, quotations and/or proposals for respective items. Furthermore, the Contribute to DPU is calculated based on the effect and the number of investment units issued as of the end of 19th period. Therefore, such information does not constitute a guarantee of NIPPON REIT's future financial results.

P21 1 LTV is calculated as follow
LTV based on total assets =total interest bearing debt ÷ total assets
LTV based on appraisal value =total interest bearing debt ÷(total assets−book value + appraisal value)

2 "LTV control range" refers to the LTV level that NIPPON REIT intend to maintain within the NIPPON REIT's current policy (between 45% and 55%) stated in the "Summary of Financial Results for the Fiscal Period Ended December 31, 2021(REIT) announced on Feb. 17, 2022.

P29 1 NIPPON REIT's fiscal periods have covered every six months from January 1 to Jun. 30 and from July 1 to December 31 of each year.

2 Operating revenues, etc. do not include consumption taxes.

3 The following denotes the calculation methods for the indicators employed by NIPPON REIT. It should be noted that calculations on an annual basis are calculated using the number of business days for each period.

- Interest-bearing debt to total assets ratio(based on appraisal value)
  Interest-bearing debt ÷ Total assets(based on appraisal value)
- Ordinary income to total assets ratio
  Ordinary income ÷ average total assets × 100
- Return on equity
  Net income ÷ average net assets × 100
- Implied cap rate (NOI yield)
  NOI yield (annualized, forecast for the next fiscal period × 2) ÷ (market capitalization + interest-bearing debts – cash and deposits + tenant leasehold and security deposits)
- FFO
  Net income + depreciation + loss on retirement of investment properties + deferred asset amortization – gain / loss on real estate sales
- AFFO
  FFO – Capital expenditures
- FFO per unit
  (Net income + depreciation + loss on retirement of investment properties + deferred asset amortization – gain / loss on real estate sales) ÷ total investment units issued and outstanding
- NAV per unit
  ((Net assets + appraisal value−book value)÷ total investment units issued and outstanding

P35 1 Properties acquired or sold during the period are excluded.

P36 1 "Appraisal NOI" is the NOI by the direct capitalization method described in the appraisal report. "Appraisal NOI Yield" is calculated by Appraisal NOI ÷ Acquisition Price.

2 Major fluctuation factors are indicated following rule. "CR": In the event cap rate has changed. "Income" : In the event cap rate has not changed, and the major fluctuation factor is income. "Expense" : In the event cap rate has not changed, and the major fluctuation factor is expense. The same applies hereafter.

P42 1 As there are two buildings for B-15 Field Avenue , each completion and PML are listed.

P43 1 As there are two buildings for B-35 LIESSE Tsurumai , each completion and PML are listed.

MEMO

Appendix

- Nippon REIT's Policy and Asset Management Company 47
- Overview of NIPPON REIT 48
- Portfolio/Portfolio Diversification/Tenant Diversification Transition 49
- Characteristics of Medium-sized Office 50
- Ratio of Tenant (by leased area) (as of the end of the 19th Period) 51
- Track Record of Asset Replacement Based on Tearing Projects 52
- Status of Cancellation Notices (Office & Retail) 53
- Original Leasing Services 55
- Sustainability Initiatives 56
- Overview of Sponsor Support 60
- Unitholder Status 61
- Historical Unit Price (from IPO to the end of the 19th Period (Dec. 31, 2021)) 62

Nippon REIT's Policy and Asset Management Company

NIPPON REIT Investment Corporation

《Nippon REIT's Policy 》

- Timely and Flexible Investment
- Portfolio focused on growth and diversification of risks
- Growth strategies with Sponsor's network

《Sponsor support》

Investment Corporation which has General trading company "Sojitz Corporation" as sponsor

NIPPON REIT Investment Corporation

Asset Management Company

Sojitz REIT Advisors K.K.

Main Sponsor

Sojitz Corporation

- ・Provision of warehousing function
- ・Provision of redevelopment function for our properties
- ・Provision of information on sales of real estate
- ・Provision of property management function through subsidiaries.
- ・Provision of human resources

Sub Sponsors

CUSHMAN & WAKEFIELD

AGILITY ASSET ADVISERS

- ・Provision of information on sales of real estate
- ・Leasing support for our properties
- ・Provision of asset management function
- ・Provision of human resources

《Portfolio Development Policy(1)》

Investment in 3 property types that main sponsor has knowledge about.

	Investment ratio by asset type for the entire portfolio	Investment ratio by area for each asset type		
		3 Major Metropolitan Areas		Ordinance-Designated Cities,etc.
		6 Central Wards of Tokyo		
Office	**50%** or more	**60%** or more	40% or less	20% or less
Residential	**50%** or less	**60%** or more		40% or less
Retail	**20%** or less	No investment ratio by area has been set up		

《Company Profile of Asset Management Company》

Each sponsor provide professional human resources in each field

Name	Sojitz REIT Advisors K.K.		
Established	November 2, 2006	**Paid-in capital**	¥ 0.15 bn
Registration and Licenses, etc.	◆ Registered as a financial instruments business operator: Registration No.1632 (Kinsho) issued by the Director-General of the Kanto Finance Bureau ◆ Licensed for building lots and buildings transaction business: License No.(4) 86984 issued by the Governor of Tokyo ◆ Certified as entrustment-based agency under the building lots and buildings transaction business: License No.56 issued by the Ministry of Land, Infrastructure, Transportation and Tourism		

Note

1. "6 Central Wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. "3 Major Metropolitan Areas" refers to the Tokyo economic bloc, Osaka economic bloc and Nagoya economic bloc. "Ordinance-Designated Cities, etc." refers to the ordinance-designated cities located in areas other than the 3 Major Metropolitan Areas (Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and cities that are prefectural capitals.

NIPPON REIT Investment Corporation

Strict Investment Discipline

◎ Targeting on investing three types of assets that are deeply rooted in Japanese society

Office (for work)	50% or more
Residential (for living)	50% or less
Retail (for consumption)	20% or less

◎ Timely investment under the Unswerving discipline

Target NOI yield 4.5%, NOI yield after depreciation 4.0%(1)

Medium-sized office Competitive location properties in Tokyo(2)	Risk mitigation (Pursuit of Diversification of properties and tenants)

Growth potential	Ratio of properties located in six central wards of Tokyo(3)	Competitive location

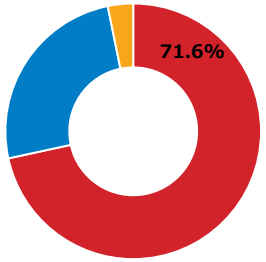
Pursuit of Stable and Robust Portfolio

With eyes on supply/demand balance and diversification

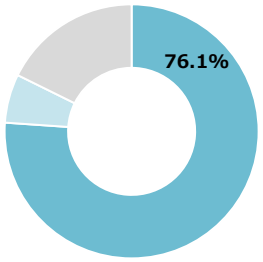
◎ Targeting on medium-sized office properties in Tokyo

- Ratio of office properties :71.6%
- Ratio of 6 central ward in Tokyo(office) :76.1%

《Portfolio distribution by asset type》



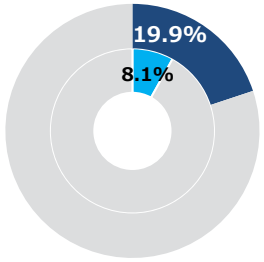
《Office portfolio distribution by area》



◎ Risk Diversification

- Top 5 tenants(4) : 8.1%
- Top 5 properties :19.9%

《Tenant/Portfolio diversification (by leased area)》



Asset Management Structure to maximize Our Portfolio's Strengths

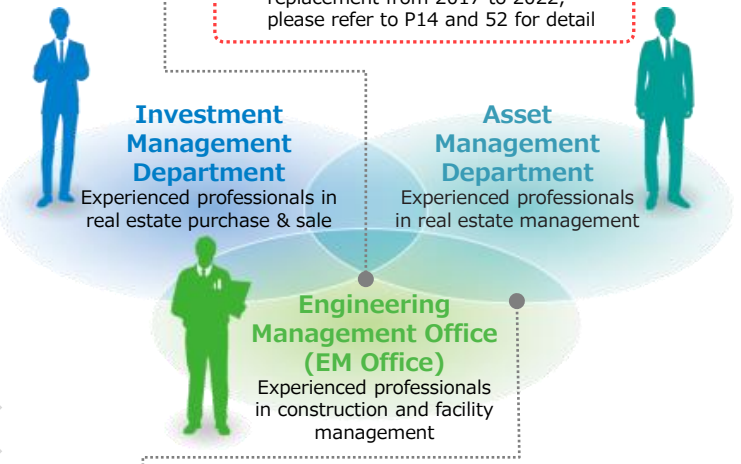
◎ Tripart Management

- Two business departments and the engineering team work in close cooperation during all phases of asset management

● Triple-checked investment criteria
:Establish stable and robust portfolio with growth potential

● Mid to long-term portfolio management Strategy (Tiering Project)
:Aim for asset replacement at optimal timing

▶▶ Implemented 5 times asset replacement from 2017 to 2022, please refer to P14 and 52 for detail



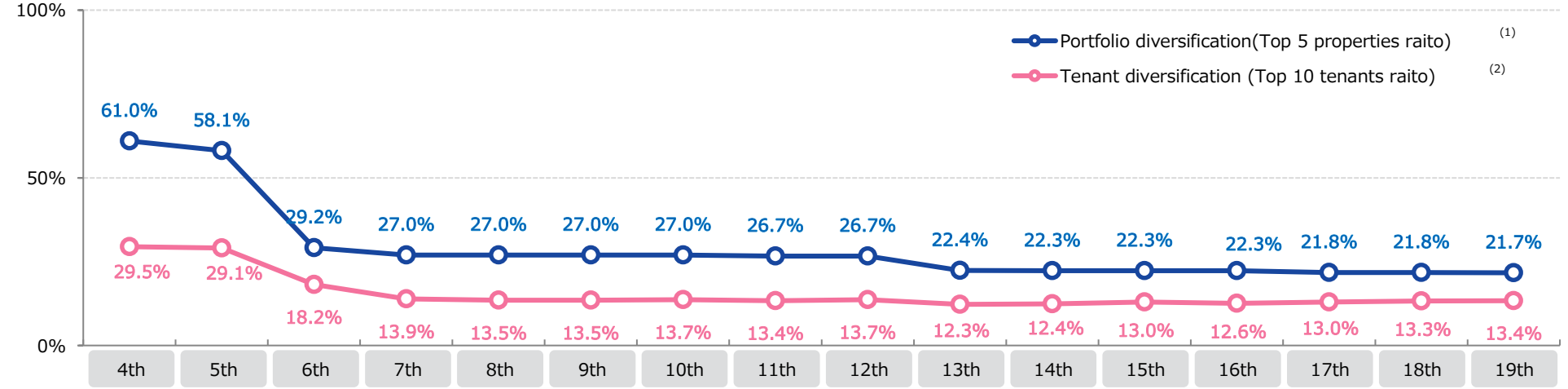
● Effective engineering management
:Aim for steady internal growth

▶▶ Implemented measures equivalent to NOI of approx.¥390mm/p.a. in consecutive 13 period, please refer to P19 and 20 for detail

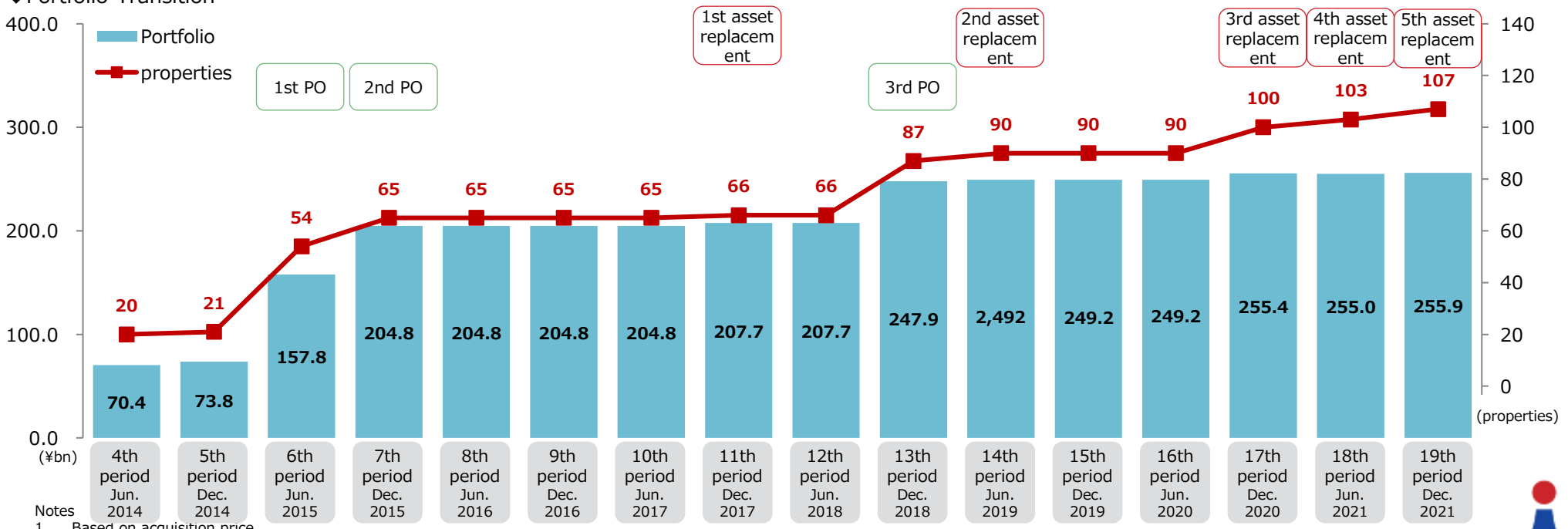
Notes
1. "Target NOI Yield" refers to the NOI yield based on NIPPON REIT's cash flow projection at the time of the acquisition against acquisition price. The same applies hereafter.
2. Mid-sized office indicates office building of which total floor space is less than 10,000 tsubo . The same applies hereafter.
3. "6 central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. The same applies hereafter.
4. "Proportion of the 5 largest tenants" are calculated as follow for end-tenants of office (excluding Residential area)and retail properties. By leased area: leased area of respective tenant as of the end of the 18th period / total leasable area.

Portfolio/Portfolio diversification/Tenant diversification Transition

◆Portfolio diversification/ Tenant diversification Transition



◆Portfolio Transition



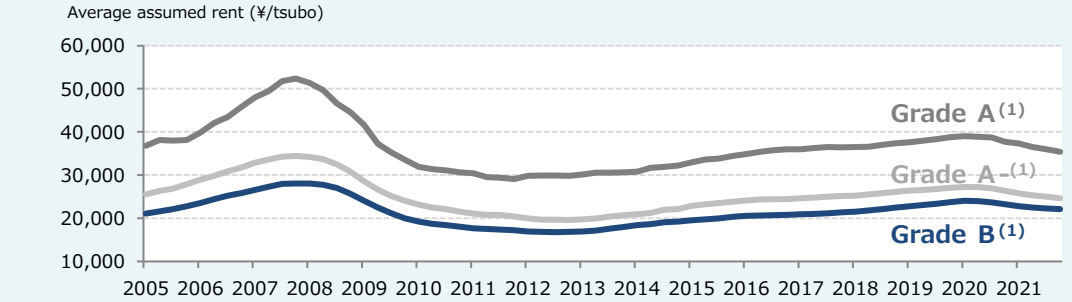
Notes
1. Based on acquisition price.
2. End tenants of office and retail properties only. Based on the leased area and number of end tenants as of respective period.

Characteristics of Medium-sized Office

NIPPON REIT Investment Corporation

1) Low Volatility

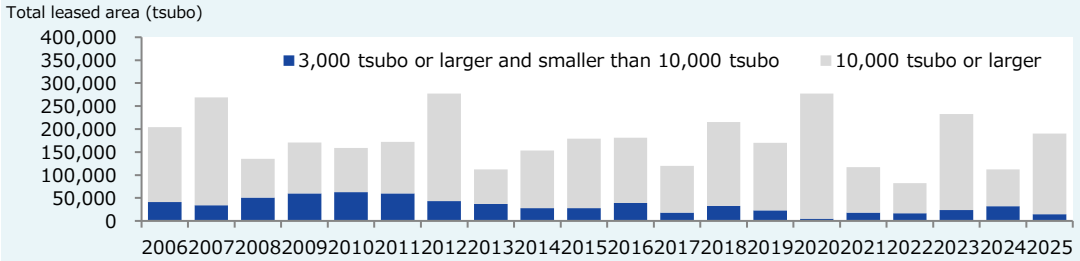
《Office Rent Trend by Building Grade in 23 Wards of Tokyo 》



Source：CBRE K.K

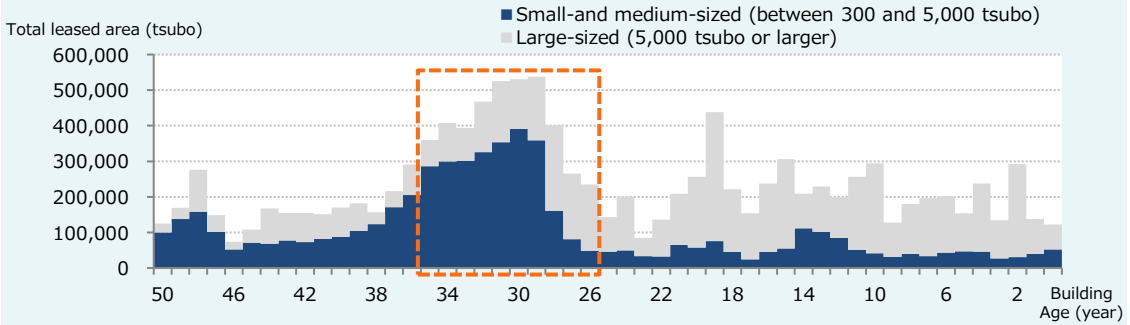
2) Limited Supply

《Office Building Supply in 23 Wards of Tokyo》



Source： prepared by Asset management company based on data provided from Xymax Real Estate Institute Corporation

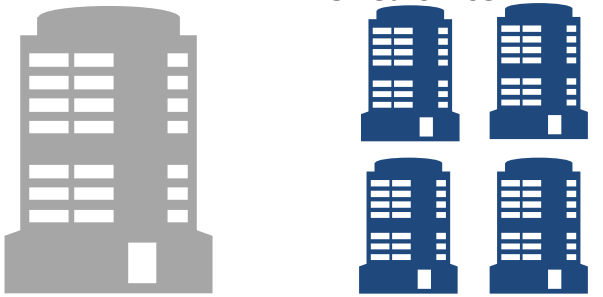
《Office Building Stocks in 23 Wards of Tokyo》



Source： prepared by Asset management company based on data provided from Xymax Real Estate Institute Corporation

Grade A offices
=large-sized office

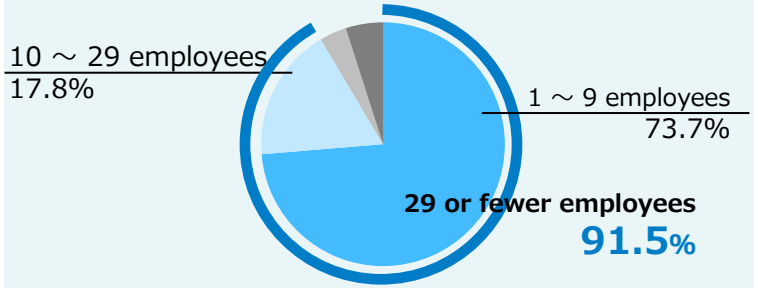
Grade B offices
=Small-and medium-sized office



All of office properties in our portfolio
=Grade B office

3) Strong Demand

《Composition of Offices by Number of Employees in 23 Wards of Tokyo》



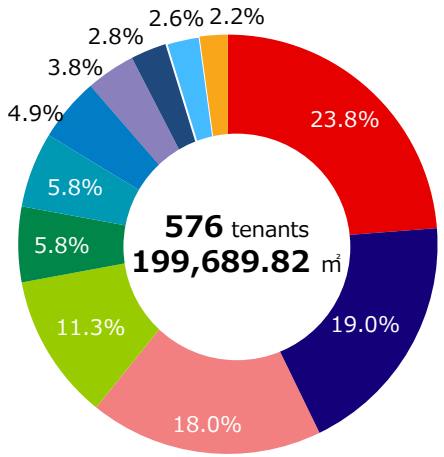
Source：prepared by Asset management company based on data provided from Statistics Bureau, MIC

1. "Grade A" refers to the office buildings located within the areas defined by CBRE K.K. which are in 5 central wards of Tokyo, having more than 6,500 tsubo of total leasable area and 10,000 tsubo of gross floor area, less than 11years old, and if located in 5 central wards of Tokyo, more than 500 tsubo of basic floor area. "Grade A-" refers to the office buildings located within the areas defined by CBRE K.K. in 23 wards of Tokyo, having more than 250 tsubo of basic floor area, 4,500 tsubo of total leasable area, and 7,000 tsubo of gross floor area and comply with the current earthquake resistance standard. "Grade B" refers to the office buildings located within the areas defined by CBRE K.K. in 23 wards of Tokyo, having more than 200 tsubo of basic floor area, between 2,000 and 7,000 tsubo of gross floor area, and comply with the current earthquake resistance standard.

Ratio of Tenant (by leased area)(As of the end the 19th Period)

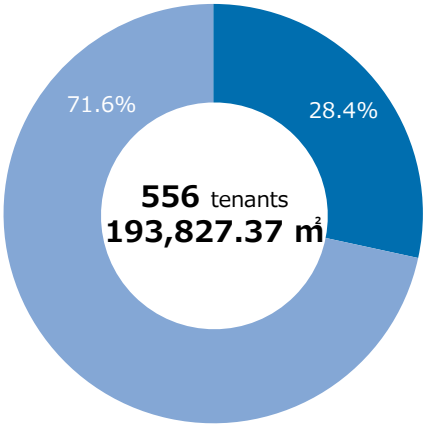
NIPPON REIT Investment Corporation

《By Industry(1)》



	Industry	Leased area (㎡)	Number of tenants	Share
1	Info- Telecommunications	47,474.45	114	23.8%
2	Manufacturing	37,991.37	100	19.0%
3	Services	35,954.94	127	18.0%
4	Wholesale･Retail	22,525.84	72	11.3%
5	Finance･Insurance	11,610.08	22	5.8%
6	Real estate	11,603.76	28	5.8%
7	Building constructor	9,818.91	32	4.9%
8	Education･Learning support	7,597.36	22	3.8%
9	Medical services･Social welfare	5,646.52	21	2.8%
10	Transportation	5,154.37	12	2.6%
11	Other	4,312.22	26	2.2%

《By Scale(2)》



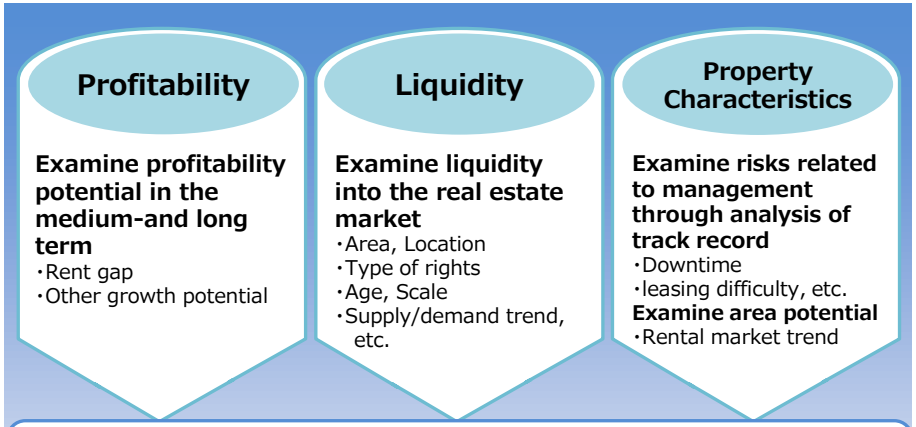
		Leased area (㎡)	Number of tenants	Share
1	Listed company on TSE and its subsidiary	55,039.48	106	28.4%
2	Other	138,787.89	450	71.6%

Notes
1. Calculated for end-tenants of office (excluding Residential area) and retail properties.
2. Calculated for end-tenants of office (excluding Residential and retail area).

Track Records for Asset Replacement Based on Tiering Projects

《Summary of Tiering Project》

1 Analyze properties in terms of 3 points of view and then classify them into any of Tier1, 2 or 3



Tier1	Continue to own in medium to long term
Tier2	Continuously consider the asset management with an eye to reconstruction or redevelopment
Tier3	Develop a scenario of better replacement for the premise in terms of 3 points of view

2 Develop 3-5 years management strategy according to the classification

◆Consider and excute efficient CAPEX plan
◆Anticipate the proper timing of asset replacement by sensing market trend

3 Execute strategic efficient asset management

◆Review the asset classification through periodic verification

《Asset replacement Records (Include plans)》

1st asset replacement
11th Period (Dec. 2017)

(Transfer) 2 properties ¥10.0bn
(Acquisition) 3 properties ¥11.5bn
Gain on sale ¥0.78bn
Reduction in book value ¥0.4bn

2nd asset replacement
14th Period (Jun. 2019)

(Transfer) 2 properties ¥7.2bn
(Acquisition) 5 properties ¥7.7bn
Gain on sale ¥0.49bn

3rd asset replacement
17th Period (Dec. 2020)

(Transfer) 3 properties ¥9.3bn
(Acquisition) 13 properties ¥13.7bn
Gain on sale ¥1.31bn

4th asset replacement
18th Period (Jun. 2021)

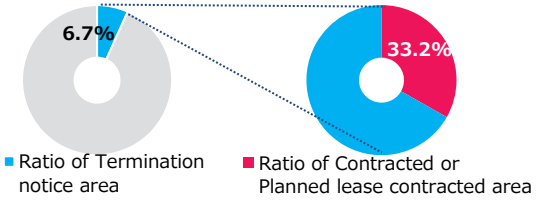
(Transfer) 3 properties ¥6.7bn
(Acquisition) 6 properties ¥5.0bn
Gain on sale ¥1.17bn

5th asset replacement
19th Period (Dec. 2021) and thereafter

(Transfer) 5 properties ¥10.0bn (scheduled)
(Acquisition) 8 properties ¥7.6bn
Gain on sale ¥1.73bn

Status of Cancellation Notices (Office & Retail)

《Ratio of Cancellation notice area, Contracted or Planned Looking for tenants area(by area) 》



① : Total leasable floor space		203,971.92 ㎡ (61,701 tsubo)	
② : Total area of cancellation notices	13,697 ㎡ (4,143 tsubo)	③ : Area in ② where contract is closed or expected to be closed	4,552 ㎡ (1,377 tsubo)
Ratio	**6.7%**	Ratio	**33.2%**

Property Name	Occupancy Rate (Dec. 2021)	Status of Cancellation Notices		Status of Leasing Activities	Assumed Occupancy Rate(1)
Itohpia Iwamotocho ANNEX Building	100.0%	1 floor (67 tsubo)	Cancellation notice	Lease contracted	100.0% (Feb. 2022)
Kanda Ocean Building	100.0%	2 spaces (29 tsubo)	Cancellation notice	Lease contracted	100.0% (Mar. 2022)
FORECAST Kameido	92.9%	1 space (66 tsubo)	Vacant	Planned Lease contracted	100.0% (Mar. 2022)
Hiroo Reeplex B's	100.0%	1 floor (61 tsubo)	Cancellation notice	Planned Lease contracted	100.0% (Apr. 2022)
Itohpia Iwamotocho 1-chome Building	100.0%	2 floors (182 tsubo)	Cancellation notice	Lease contracted	100.0% (Apr. 2022)
FORECAST Gotanda WEST	100.0%	1 space (62 tsubo)	Cancellation notice	Lease contracted	100.0% (Apr. 2022)
Homat Horizon Building	100.0%	1 floor (248 tsubo)	Cancellation notice	Planned Lease contracted	100.0% (Apr. 2022)
The Square	94.9%	1 space (23 tsubo)	Vacant	Planned Lease contracted	100.0% (May. 2022)
BECOME SAKAE	100.0%	1 floor (159 tsubo)	Vacant	Planned Lease contracted	100.0% (May. 2022)
Nishi-Gotanda 8-chome Building	100.0%	1 floor (92 tsubo)	Cancellation notice	Planned Lease contracted	100.0% (Jun. 2022)
FORECAST Shinjuku SOUTH	100.0%	1 space (135 tsubo) 1 space (118 tsubo)	Cancellation notice	Looking for tenants Lease contracted	96.8% (Apr. 2022)
NORE Meieki	100.0%	1 space (68 tsubo)	Cancellation notice	Looking for tenants	94.7% (Mar. 2022)
Itohpia Iwamotocho 2-chome Building	100.0%	1 space (75 tsubo) 1 space (73 tsubo)	Cancellation notice	Lease contracted Looking for tenants	93.0% (Aug. 2022)
MK Kojimachi Building	91.7%	1 floor (43 tsubo)	Vacant	Looking for tenants	91.7% (Jan. 2022)
Omiya Center Building	100.0%	3 spaces (386 tsubo)	Cancellation notice	Looking for tenants	91.1% (Jun. 2022)

Note
1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and Cancellation notices at the end of Jan. 2022.

Status of Cancellation notices(Office & Retail)

Property name	Occupancy Rate (Dec. 2021)	Status of Cancellation notices		Status of Leasing Activities	Assumed Occupancy Rate(1)
Otakibashi Pacifica Building	90.3%	1 floor (41 tsubo)	Vacant	Looking for tenants	90.1% (Jan. 2022)
Toranomon Sakura Building	100.0%	1 space (99 tsubo)	Vacant	Looking for tenants	89.2% (Jan. 2022)
REID-C Iidabashi Building	100.0%	1 floor (27 tsubo) 1 floor (27 tsubo)	Cancellation notice	Looking for tenants Lease contracted	88.7% (Apr. 2022)
REID-C Gotenyama Building	88.6%	1 floor (37 tsubo)	Vacant	Looking for tenants	88.6% (Jan. 2022)
Sannomiya First Building	97.5%	1 space (27 tsubo) 4 spaces (109 tsubo)	Vacant Cancellation notice	Looking for tenants	87.6% (Aug. 2022)
FORECAST Ningyocho PLACE	100.0%	1 floor (72 tsubo)	Cancellation notice	Looking for tenants	87.1% (Mar. 2022)
GreenOak Kayabacho	86.4%	1 floor (123 tsubo) 1 floor (123 tsubo)	Cancellation notice Vacant	Planned Lease contracted Looking for tenants	86.4% (May. 2022)
REID-C Megurofudomae	85.7%	1 floor (39 tsubo) 1 floor (39 tsubo)	Vacant Cancellation notice	Planned Lease contracted Looking for tenants	85.8% (Mar. 2022)
FORECAST Shinagawa	84.2%	1 floor (108 tsubo)	Vacant	Looking for tenants	84.2% (Jan. 2022)
FORECAST Takadanobaba	100.0%	1 floor (277 tsubo)	Cancellation notice	Looking for tenants	83.8% (Aug. 2022)
FORECAST Shin-Tokiwabashi	100.0%	2 floors (90 tsubo)	Cancellation notice	Looking for tenants	83.6% (Aug. 2022)
Nishi-Shinjuku Sanko Building	83.5%	1 space (123 tsubo)	Vacant	Looking for tenants	83.5% (Jan. 2022)
TK Gotanda Building	100.0%	2 floors (203 tsubo)	Cancellation notice	Looking for tenants	81.9% (Jul. 2022)
GreenOak Takanawadai	85.8%	1 floor (58 tsubo) 1 floor (112 tsubo)	Cancellation notice Vacant	Looking for tenants	78.5% (Mar. 2022)
Gotanda Sakura Building	100.0%	2 floors (97 tsubo)	Cancellation notice	Looking for tenants	78.5% (Apr. 2022)
FORECAST Mita	100.0%	1 floor (116 tsubo)	Cancellation notice	Looking for tenants	78.4% (May. 2022)
ANTEX24 Building	100.0%	2 floors (181 tsubo)	Cancellation notice	Looking for tenants	73.5% (Apr. 2022)
Hatchobori River Gate	85.2%	2 floors (72 tsubo) 1 floor (38 tsubo)	Vacant Cancellation notice	Looking for tenants	51.9% (Feb. 2022)

Note
1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and Cancellation notices at the end of Jan. 2022.

Original Leasing Services

We use a variety of leasing service to proactively support small and medium enterprises and venture companies etc., who are main target tenants for NIPPON REIT, to move into the properties held by NIPPON REIT

	Select Office	ittoku	shikittoku	Shikikin tsunagetoku?
Summary	Original leasing service by which tenants can select office layout from several patterns and NIPPON REIT shares costs of the office interior work	Original leasing services with NISSHO-HO Co.,Ltd("NISSHO-HO") by which tenant can reduce drastically relocation costs	Original leasing services with JCPG by which NIPPON REIT refunds a half of deposit after the end of original Looking for tenants period depending on the tenant's financial condition	Original leasing services with JCPG to promote office transfer by allowing up to 9 months of deposit of deposits at the time of the conclusion of a Looking for tenants
Service features	・Selectable ・Visible Virtual Realty(VR) ・Low Cost	・1 month deposit ・No warranty fee ・No restoration cost ・No jointly and severally liable surety	・Refund a half of deposit ・No warranty fee ・No jointly and severally liable surety	・Moratorium of placing a deposit ・No warranty fee
Tenants' needs	・To improve work environment with efficient and comfortable layout ・To reduce relocation cost to invest our business as much as possible	・To minimize initial cost of a security deposit at the move-in ・To avoid arranging a surety jointly and severally liable for rent payment	・To make effective use of deposit ・To avoid arranging a surety jointly and severally liable for rent payment	・To avoid double deposits ・To increase flexibility of relocation and moving periods ・To make effective use of cash on hand
NIPPON REIT 's benefit	・Profitability enhancement ・Promotion of leasing activity ・Improvement of tenant satisfaction	・Profitability enhancement ・Wider range of leasing targets ・Strengthening Credit management by JCPG	・Profitability enhancement ・Wider range of leasing targets ・Strengthening Credit management by JCPG	・Decrease of down-time and free rent period ・Wider range of leasing targets ・Strengthening Credit management by JCPG

Sustainability Initiatives (Environment)

《Participating in GRESB Assessment》

《GRESB Real Estate Assessment》

We received the “Green Star designation” in 2021, that expresses excellence in both management and performance, for the Fifth consecutive year. We have also received “3 stars” in “GRESB Rating”, which is evaluated in 5 grades depending on the relative ranking of the overall GRESB Score.

GRESB is a benchmark originally developed by a group of leading European pension funds.

《the Principles for Financial Action for the 21st Century》

Sojitz REIT Advisors K.K, has become a signatory to the Principles for Financial Action for the 21st Century (PFA21) in December 2020. PFA21 was established in October 2011 as a guideline for financial institutions seeking to fulfil their roles and responsibilities in shaping a sustainable society, with the Ministry of Environment taking on the role of secretariat.

<Environmental Considerations Rating Obtained form SMBC>

“SMBC Environmental Assessment Loan” assesses status of corporate initiatives for environmental considerations, on loan execution and establishment of lending conditions, based on environmental assessment criteria developed independently by SMBC and The Japan Research Institute, Limited.

NIPPON REIT received an “A” grade from SMBC in accordance with “SMBC Environmental Assessment Loan”, in recognition of its commitment to environmental initiatives in asset management.

《Participation in the United Nations Global Compact(UNGC)》

In April 2009, Sojitz, the main sponsor joined the “UNGC”.
Sojitz is a member of the Global Compact Network Japan, an organization which consists of UNGC member companies and incorporate the knowledge and information Sojitz recognized through working group activities into the Sojitz Group’s CSR initiatives.

《 Complying with Task Force on Climate-related Financial Disclosures (TCFD)》

In August 2018, Sojitz Corporation (“Sojitz”), the main sponsor declared our endorsement of the final recommendations of the “TCFD” and are striving to cooperate with a wide range of stakeholders, proactively disclose information, and improve our transparency.

● Acquisition of Environmental Certification

DBJ Green Building Certification (2 properties・6.91%)	CASBEE for Real Estate (1 property・1.33%)	BELS Certification (21 properties・28.27%)	Low-Carbon Model Building (3 property・2.48%)

Total 24 properties 35.43%
(percentages against the total floor space of properties owned by NIPPON REIT)
*Properties with multiple certifications are calculated as one.

Details of each authentication are provided on each authentication name at the link to which it is attached.

Sustainability Initiatives (Environment)

NIPPON REIT Investment Corporation

《Sustainability Target》

(1) Establishment of targets to reduce energy use

- Pursuant to the Energy Conservation Act (Act on the Rational Use of Energy), in every year period, the basic target is set for reducing the basic unit of energy consumption by 1% annually on average for the entire portfolio and individual properties.
- The targets of the properties subject to municipal ordinances related to global warming countermeasures will be set individually.

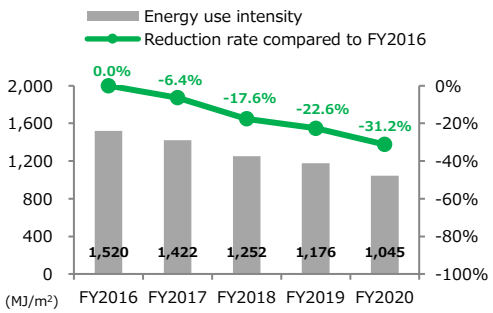
(2) Management of targets

- As a general principle, every three months we carry out target management, review the progress made toward achieving its targets and analyze the causes behind changes in usage by comparing to the previous period at a general meeting called Sustainability Promotion Conference.

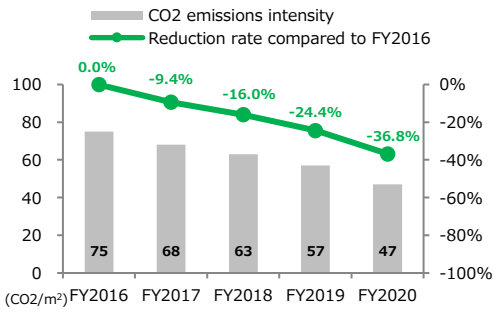
《Environment-related data》

- We periodically measure greenhouse gas emissions data and strive to reduce its environmental burden.
- We have set a coal of reducing CO2 emission intensity of entire portfolio by 50% from fiscal year 2016 to 2030.

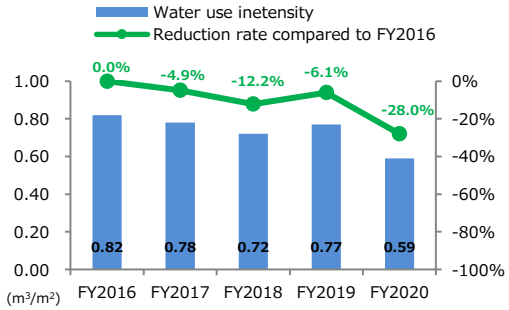
[Changes in energy use intensity]



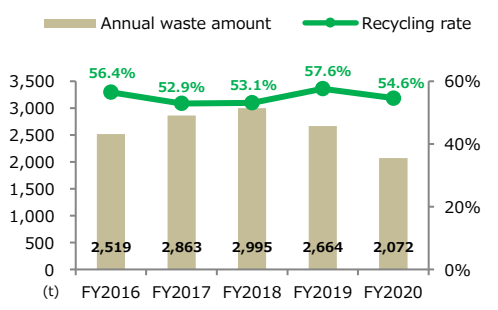
[Changes in CO2 emissions intensity]



[Change in water use intensity]



[Waste and recycling rate]



《ZEB Promotion》

"ZEB" is an abbreviation for Net Zero Energy Building, which aims to achieve a comfortable indoor environment while eliminating the annual balance of primary energy consumed in buildings.

The Nishi-Shinjuku Sanko Building and La Verite AKASAKA have obtained "ZEB Ready*" and 5-star in BELS certification.

*High thermal insulation of the outer as an advanced building with a view to ZEB

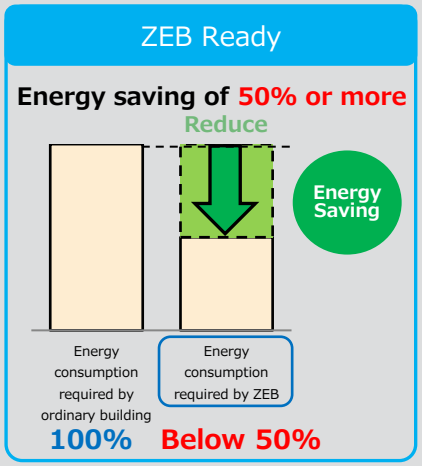
ZEB Ready Certified and BELS 5-Star Properties



Nishi-Shinjuku Sanko Building



La Verite AKASAKA



《Utilize subsidies》

- Utilize governmental subsidy as well to make CAPEX plans beneficial
- Front-load applying for subsidies considering change of adoption target and fierce competition

《Acquisition of compliance for Low-Carbon Model Buildings in Tokyo》

- The Tokyo Metropolitan Government discloses small and medium-sized tenant buildings that are actively working to conserve energy classified as A1 or higher in the "Low Carbon Building Evaluation Index (Low Carbon Building Benchmark)" as small and medium-sized low carbon model buildings.
- The Itopia Iwamotomachi ANNEX Building was newly certified by replacing all air-conditioning equipment with high-efficiency packaged air-conditioners, as well as by introducing LED-certified lighting equipment and lights with human sensors.
- In addition to replacing all air-conditioning equipment with high-efficiency packaged air-conditioners, Shinto GINZA EAST has newly obtained compliance through measures such as replacing lighting equipment with LED-guided lamps.

[Low-Carbon Model Buildings in Tokyo certified properties]



Itohpia Iwamotocho ANNEX Building



Shinto GINZA EAST



FORECAST Kayabacho

Sustainability Initiatives (Environment/ Social)

《Switching to electricity derived from renewable energy》

- By starting the use of electricity derived from renewable energy, CO2 emissions from the electricity consumed in the three properties have been reduced to almost zero.
- La Verite AKASAKA, which supplies electricity using hydroelectric power, supplies 194,809kWh (100.0%) of its electricity annually using renewable energy from hydroelectric power, and expects that CO2 emission of hydroelectric power is supposed to reduce CO2 by 89.63 tons annually.

[Properties switched to "renewable energy" derived electricity]


La Verite AKASAKA

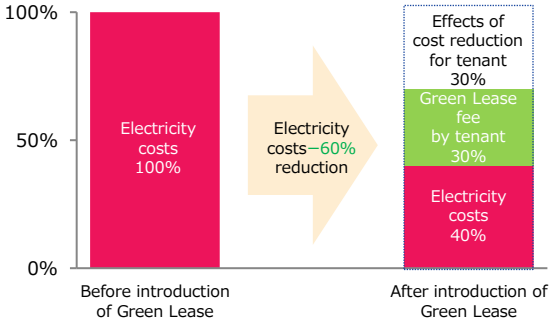

Pigeon Building


FORECAST Kameido

《 Green Lease Initiatives 》

- To install LED light and some ecological equipment with government subsidy, we make efforts to reduce energy.
- And, making a contract with each tenant for Green Lease, we earn part of incomes that are performed by reduction of utility costs.

Green Lease structure case



[Our properties with Green Lease]

・La Verite AKASAKA
・Itohpia Iwamotocho 1-chome Building
・FORECAST Gotanda WEST
・Pigeon Building
・FORECAST Takadanobaba
・Towa Higashi-Gotanda Building
・Itohpia Kiyosubashidori Building

《Improving Tenant Satisfaction》

We have been trying to improve tenant satisfaction by identifying our properties' issues through annual tenants' satisfaction survey.

<Installed digital signages>

- Installed digital signages were installed at the elevator hall of 36 office and 1 Residential properties. we currently broadcast news and promotional content to tenants and visitors waiting for elevators.



Ex) FORECAST Ningyocho

<Installed delivery box>

- Installed delivery box at entrance hall based on tenants' needs to improve tenant satisfaction.



Ex) Ciel Yakuin

《Easy place to work》

We are aiming to create environment where employees can work comfortably and peacefully. We implement various initiatives from aspects of health and safety including work life balance, health and labor management, as well as job satisfaction.

■Various Initiatives

- Super Flextime System
- Support for Childcare
- Education and Training
- Acquisition of Qualification
- Questionnaire on Employees' Satisfaction
- Sound design for Office (BGM)
- Implementation of Work From Home

etc.

■The number of qualification holders

Asset Management Company	
Real estate notary	26
ARES Certified Master	9
Official Real Estate Consulting Master	2
First-class registered Architect	1
Securities analyst	2

Include overlapping (end of Dec. 2021)

Sustainability Initiatives (Governance)

《Method for pursuing the interest of Unitholders》

Management fee system linked to DPU

● Asset management fee

	Calculation method
AM fee1 (AUM-based fee)	Total assets of the immediately preceding period × annual rate of 0.35% (maximum rate)
AM fee2 (DPU-based fee)	NOI × DPU volatility (1) × 2.5%(maximum rate)

● Acquisition and Disposition fee

	Calculation method
Acquisition fee	Acquisition price × 1.0%(maximum rate) ※Acquisition from interested parties : acquisition price × 0.5%(maximum rate)
Disposition fee	Transfer price × 1.0%(maximum rate) ※Transfer to interested parties : transfer price × 0.5%(maximum rate)

Same-boat investment by the sponsor

Sojitz, the main sponsor	Owns 15,500 investment units of NIPPON REIT

Same-boat measure by director and employee of the AM

DPU-based remuneration(director)	Introduced DPU-based remuneration
AM fee 2-based incentive bonus (employee)	Introduced AM fee2-based incentive bonus for employees
Employee Investment Unit Ownership Program	Name: Sojitz REIT Advisors K.K. Investment Unit Ownership Association Membership eligibility: Employees of SRA (Exclude the director of SRA) Date of introduction: June 2019

《Decision-making process》

Decision-making process regarding transaction of assets under management with interested parties

Proposal by the department in charge

Request for endorsement

Deliberation by the Compliance Officer

Request for endorsement

Deliberation and resolution by the Compliance Committee

- **Grant of veto power in effect to outside members over the resolution of the Compliance Committee**

Passing

Deliberation and resolution by the Investment Committee

- **Grant of veto power in effect outside member over the resolution of the Investment Committee**

Passing

Deliberation and resolution by the Board of Directors

Passing

Approval by the Board of Officers and Consent from NIPPON REIT(2)

- **Transactions with interested parties are subject to prior approval by the Board of Officers of NIPPON REIT**

Approval and Consent(2)

Decision by the Board of Directors(3)

《Principles for Customer-Oriented Business Conduct》

Sojitz REIT Advisors K.K. adopted "the Principles for Customer-Oriented Business Conduct" announced on March 30, 2017 by the Financial Services Agency. Positioning the Investment Corporation and its unitholders as customers, the Company prepared and announced the policy for implementing customer-oriented operations in its asset management. It has been disclosing the implementation of the policy as necessary once a year.
Please click here for details.

Notes
1. **DPU volatility = (Adjusted DPU for a certain fiscal period - adjusted DPU for the preceding fiscal period) / adjusted DPU for the previous fiscal period + 1**
2. Consent from NIPPON REIT shall not be required but approval from the Board of Officers shall be required for the transactions stipulated in article 2-1 of the Investment Trusts act and articles 245-2 of the Order for Enforcement of the Investment Trust Acts.
3. The Board of Directors makes a decision after confirming that each procedure has been appropriately completed

Overview of Sponsor Support

NIPPON REIT Investment Corporation

External growth strategy | **Internal growth strategy**

Utilize the Proprietary Networks of the Asset Management Company : Sojitz REIT Advisors K.K.

- Build the Asset Management Company's proprietary networks for property acquisitions by assigning human resources who have experiences at respective sponsor companies in property acquisitions mainly through negotiated transactions with third parties

- Maintain and enhance competitiveness in accordance with the characteristics of the portfolio and individual properties, based on the proprietary networks and knowledge fostered through operations at respective sponsor companies.
- Build an appropriate administration and operation system by selecting the most suitable property management companies

Utilize the Support of Respective Sponsor Companies : Sojitz Corporation / CUSHMAN & WAKEFIELD / AGILITY ASSET ADVISERS

- **Utilize the networks of respective sponsor companies**
  - Preferentially obtain property information and be granted a exclusive negotiation right to purchase properties (from respective sponsor companies)
  - Provision of information on sales of qualified real estate (1) owned by business partners (from Sojitz)
- **Utilize bridge funds that are formed with the involvement of respective sponsor companies**
  - Avoid missing acquisition opportunities and maximize growth opportunities by taking advantage of the bridge funds that are formed with the involvement of the respective sponsor companies for the purpose of future acquisition

- **PM and BM operations utilizing a subsidiary of Sojitz**
  - Consign PM and BM services for assets under management primary to Sojitz Life One Corporation, assuming that appropriate selection processes are taken
  - Upon implementing systematic maintenance and repair work, provide full support ranging from building diagnostics to repair planning , constructor selection and work supervision, utilizing knowledge fostered through consulting services for large-scale repairs at for-sale condominiums consigned to manage
  - Make various proposals and provide improvement measures in line with the tenant needs by taking advantage of knowledge fostered through large-scale relocation and integration projects at office buildings

Other

- **Provision of human resources**
  - Cooperation in securing human resources (by respective sponsor companies)
  - Provision of training to the officers and employees (by Sojitz and AAA)
- **Trademarks**
  - Gratis licensing of the "FORECAST" trademark (by Sojitz)
- **Survey of real estate and market trends**
  - Survey and provision of information regarding qualified real estate and trends in the real estate transaction or rental market, etc. (by Cushman)

Note
1. "Qualified real estate" refers to real estate, trust beneficiary interest in real estate, real estate-backed securities or equity interest in silent partnership backed by real estate (including real estate under development), which are consistent with the investment policy established by NIPPON REIT and Sojitz REIT Advisors K.K..

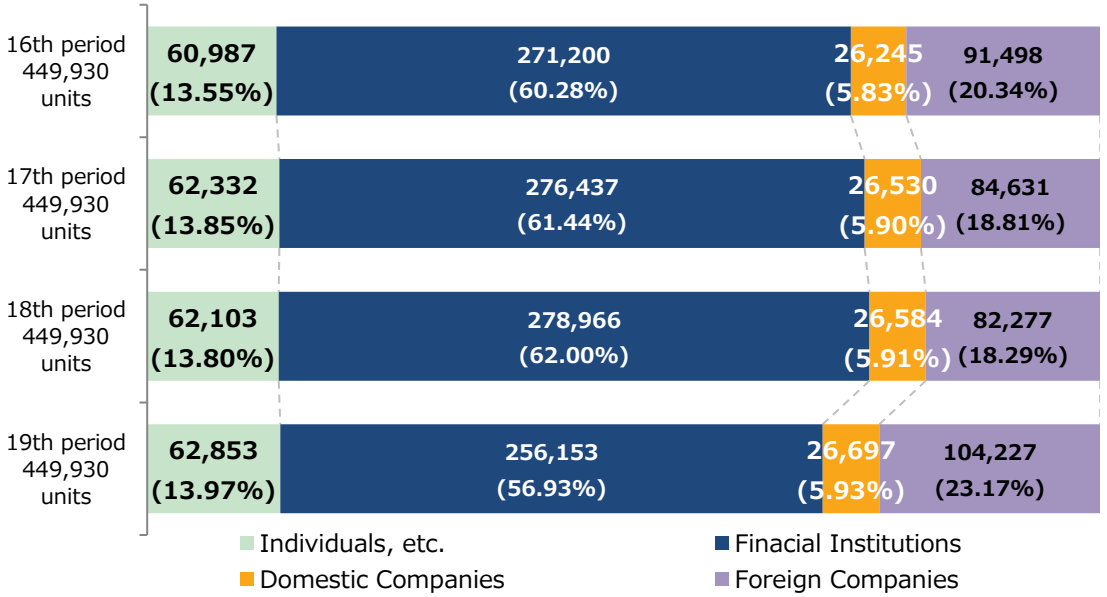
Unitholder Status

NIPPON REIT Investment Corporation

《Number of Unitholders and Investment Units by Unitholder Type》

	19th period(Dec.2021)			
	Number of Unitholders	Share	Number of unit	Share
Individuals, etc.	12,813	95.51%	62,853	13.97%
Financial Institutions	110	0.82%	256,153	56.93%
Domestic Companies	259	1.93%	26,697	5.93%
Foreign Companies	233	1.74%	104,227	23.17%
Total	13,415	100.00%	449,930	100.00%

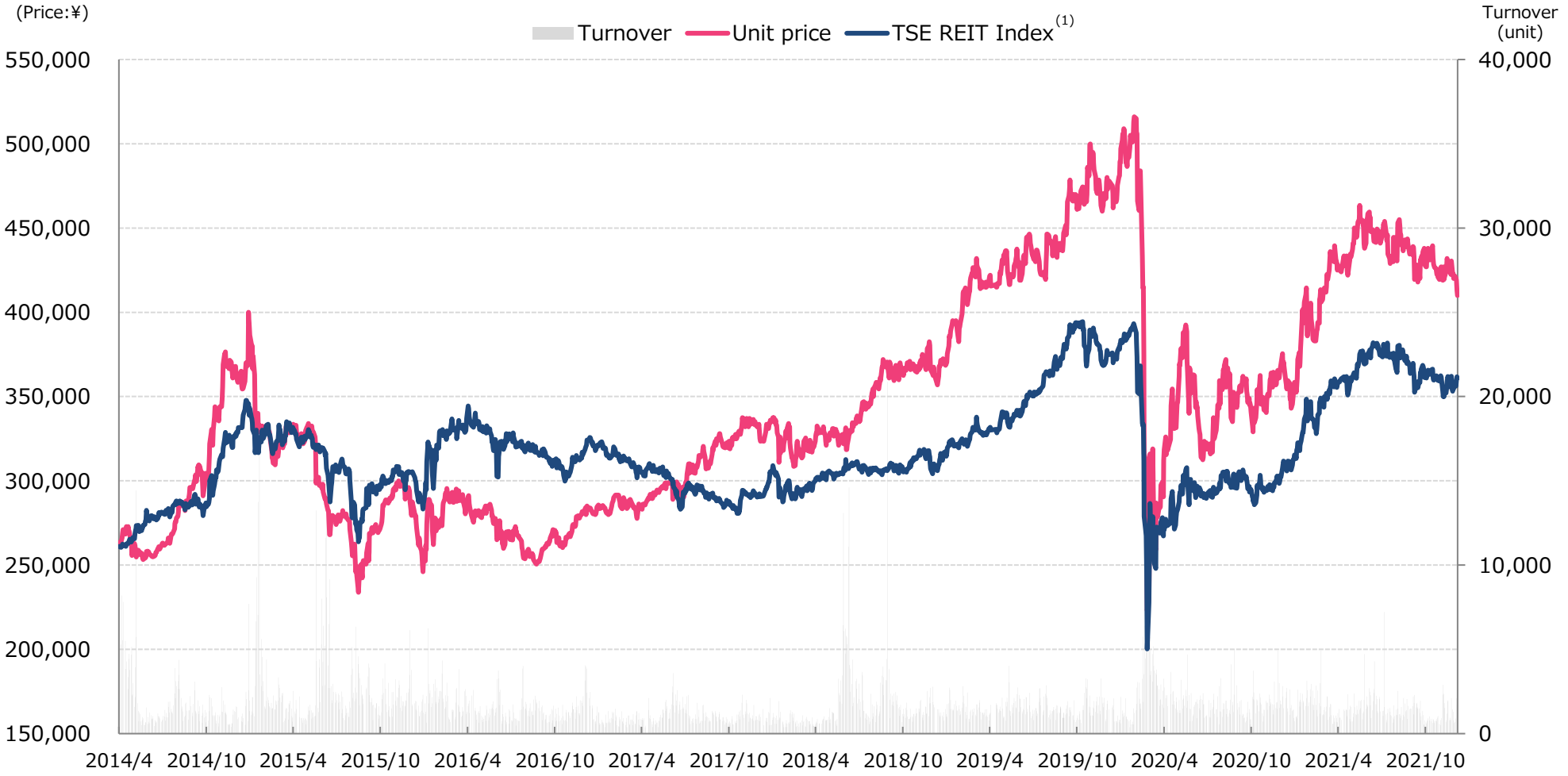
《Investment Unit Ratios》



《Top 10 Major Unitholders 》

	19th period(Dec.2021)		
	Name	Number of unit	Share
1	Custody Bank of Japan, Ltd. (Trust Account)	91,813	20.41%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	74,557	16.57%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	18,972	4.22%
4	Sojitz Corporation	15,500	3.44%
5	Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	14,253	3.17%
6	BNYM AS AGT／CLTS NON TREATY JASDEC	7,327	1.63%
7	STATE STREET BANK WEST CLIENT – TREATY 505234	7,159	1.59%
8	SSBTC CLIENT OMNIBUS ACCOUNT	5,903	1.31%
9	JP MORGAN CHASE BANK 385781	5,715	1.27%
10	Japan Securities Finance Co., Ltd.	5,163	1.15%
Total		246,362	54.76%

Historical Unit Price (From IPO to the end of the 19th period (Dec. 31, 2021))



Note
1. TSE REIT Index is indexed to the price of NIPPON REIT on April 24, 2014 (¥261,100).

Disclaimer

This presentation material may include forward-looking statements on the financial standing and operating results of NIPPON REIT. These forward-looking statements include portions that assume certain risks and uncertainty. As such, please note that actual results may differ due to changes in the business environment in the future and other factors.

The purpose of this presentation material is to provide information of NIPPON REIT, and not to solicit investments in or recommend trading of specific products.

NIPPON REIT assumes no responsibility for any problems, losses or damage resulting from any activity related to decisions based on the information on this presentation material. In addition, please note that NIPPON REIT cannot take any responsibility for any damage occurring from any falsification of texts, leakage of texts and content, unauthorized use by third parties or any other accidents that are not attributable to NIPPON REIT.

The content may be changed without notice, and NIPPON REIT does not bear any responsibility for any problems, losses or damage caused by the action.

Contact for inquiries
Sojitz REIT Advisors K.K.
TEL: +81-3-5501-0080
https://www.sojitz-sra.com/en