

Investor Presentation Regarding Ownership Changes in the Asset Management Company

October 11, 2022

Sojitz REIT Advisors K.K.

Investment Corporation

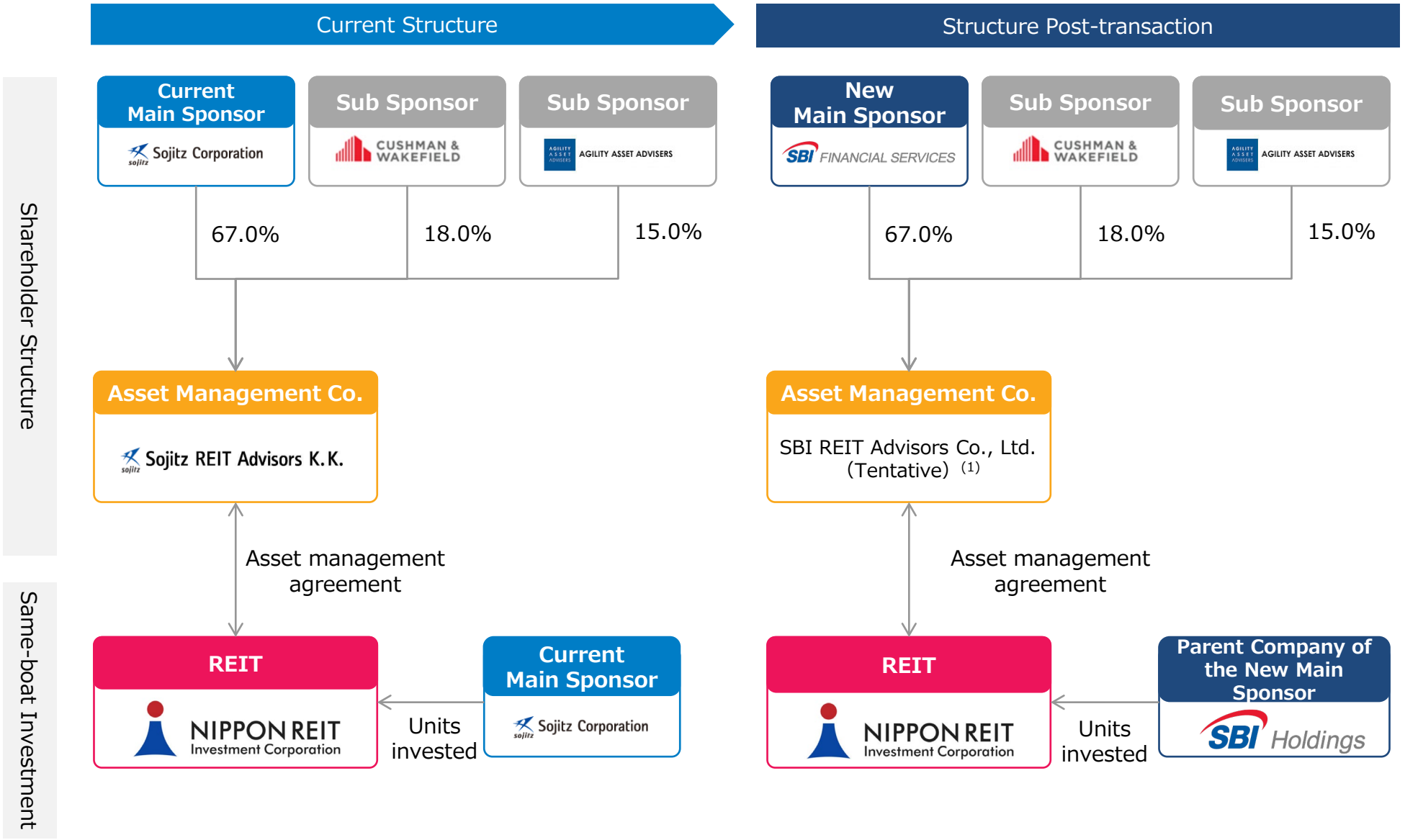
NIPPON REIT Investment Corporation

Overview

- **SBI Group has acquired 67.0% stake of Sojitz REIT Advisors K.K. from Sojitz Corporation and has become the new main sponsor for NIPPON REIT**
- **NIPPON REIT's current policy and strategies will be maintained, and limited influence on ordinary operations. With support from the SBI Group, NIPPON REIT will continue its endeavor to maximize unitholder value**

1 **Change in the Main Sponsor with Continued Support from Sub Sponsors**	• SBI Financial Services Co., Ltd. ("SBI") will acquire 67% stake (2,010 shares) of Sojitz REIT Advisors K.K. ("SRA") from Sojitz Corporation ("Sojitz"), with SBI Holdings, Inc. ("SBI Holdings") acquiring all units of NIPPON REIT held by Sojitz (15,500 units, 3.44% of all units outstanding) • SBI Financial Services Co., Ltd. is a wholly owned subsidiary of SBI Holdings • The SBI Group (collectively the "Group") is a comprehensive financial services group aiming to achieve its goal of "going beyond finance with finance as its core", with its main focus on online securities, banking, insurance and other financial services business • The other shareholders Cushman & Wakefield Asset Management K.K.("Cushman") (540 shares, 18.0%) and Agility Asset Advisers Inc.("AAA")(450 shares, 15.0%) will retain its current positions
2 **Maintaining the Current Business and Focuses**	• The new main sponsor will maintain NIPPON REIT's current strategies • NIPPON REIT will continually aim to create a robust portfolio focused on mid-sized offices, whilst maintaining its investment discipline • Its Tripart management to maximize portfolio value will be also maintained
3 **Operation Stability with a Smooth Transition Period**	• There will be no significant changes from the current organization structure, and a segue period will be made for employees seconded and returning to Sojitz • A transitional service agreement will be agreed upon and signed between Sojitz, SBI and SRA as to achieve a smooth transition period
4 **Sponsor Support Unique from the SBI Group**	• SBI Group has previously acquired Tozai Asset Management Co., Ltd. ("Tozai AM"), a frontier company in real estate finances, and expanded its real estate asset management business • Invested in two real estate developers to preemptively answer the heightening demand for acquiring development-phase properties nowadays • Introduced the leading-edge technologies in real estate finance, including executing the first domestic public token offering secured by property
Schedules	October 11, 2022 Share transfer agreement and disclosure November 30, 2022 Execution of the transfer (scheduled)

1 Change in the Main Sponsor with Continued Support from Sub Sponsors



Note:
1. Following the transaction and change in the main sponsor, the Asset Management Company “Sojitz REIT Advisors” plans to change its company name and logo

2 Maintaining the Current Business and Focuses

◆ **NIPPON REIT will maintain its management policy and characteristics after the main sponsor change**

Strict Investment Discipline

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

◎ Timely investment under the Unswerving discipline

Office (for work)	50%or more	Maintain current target for both NOI yield and NOI yield after depreciation
Residential (for living)	50% or less	Mid-sized office Competitive location properties in Tokyo / Risk mitigation (Pursuit of Diversification of properties and tenants)
Retail (for consumption)	20% or less	Growth potential / Ratio of properties located in six central wards of Tokyo / Competitive location

Pursuit of Stable and Robust Portfolio

With eyes on supply/demand balance and diversification

◎ Targeting on mid-sized office properties in Tokyo

◎ Risk Durability through Diversification

Asset Management Structure to maximize Our Portfolio's Strengths

◎ Tripart Management

- Utilizing the synergy and the checks and balances of 3 organizations, aim to optimize portfolio from a mid-to-long-term standpoint
  - **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



- **Effective engineering management**
  :Aim for steady internal growth

SBI Group supports NIPPON REIT's current internal as well as external growth strategies, and will be supporting the Asset Management Company's current strategies and its continuity

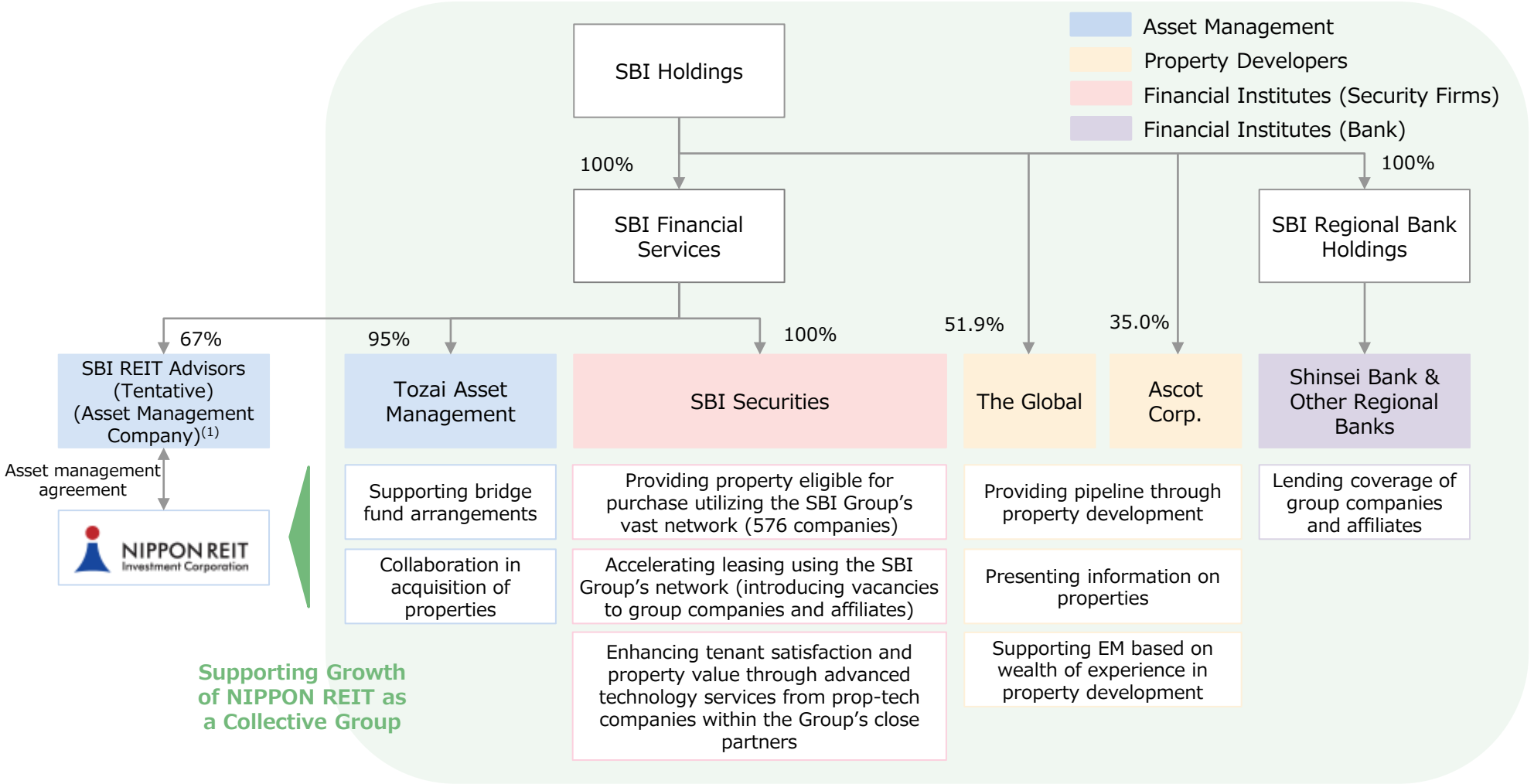
3 Operation Stability with a Smooth Transition Period

- **Limited influence on current operations from the sponsor change**
- **Sojitz, SBI and SRA will sign a transitional service agreement, with Sojitz fully providing support for a stable changeover**

Maintaining Current Management	• The current management (excluding some seconded from Sojitz) is expected to continuously carry on business as usual • No significant changes assumed as over half of the major officers and general managers are regular staffs (including those fully moved to SRA from Sojitz) or seconded from the sub sponsors • In addition, ensuring a smooth transition, a segue period will be made for employees seconded and returning to Sojitz
Continued Support from the Sub Sponsors	• The sub sponsors Cushman & Wakefield Asset Management and Agility Asset Advisers will stay as shareholders after the transfer, and continue their support • The sub sponsors will also fully provide support for a stable changeover
Property and Building Managements	• 47 properties held by NIPPON REIT currently are delegates to PM/BM work to Sojitz LifeOne Corporation (as well as 6 properties with only PM and 17 properties with only BM services), and there will be no changes for the foreseeable future • As to enhance property value, the PM/BM companies have been selected by SRA through a bidding process, and will continue to be done so post-transaction, including for outstanding properties
Transitional Service Agreement	• Sojitz, SBI and SRA will sign a transitional service agreement, with Sojitz fully providing support for a stable changeover

4 SBI Group's Collective Support to NIPPON REIT

◆ **With support from group affiliates, the SBI Group intends to support NIPPON REIT from multiple facets including providing pipeline (eligible property information and development), arranging bridge funds to a more flexible acquisition schedule, and offering lending support**



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4 Sponsor Support Unique to the SBI Group (1/2)

◆ **Supporting NIPPON REIT's growth through utilizing the comprehensive strengths within the SBI Group**

External Growth

Expanding the Pipeline with Support from the SBI Group

<Utilizing the property development capability>

- SBI Group has invested in The Global Group as a consolidated subsidiary as well as Ascot Corp.as an affiliate
  - ✓ THE Global Group and Ascot Corp. engage mainly in residential development, Ascot Corp. also develops mid-sized offices and retail facilities
- Seek support in expanding the pipeline from the above two developers

<Utilizing the vast information network>

- SBI Securities has been mandated as bookrunner for 19 out of the past 20 IPOs of real estate companies, including 4 instances of lead bookrunner
- Property introductions are expected, utilizing the SBI Group's intelligence network including high-growth real estate ventures

Flexible Acquisition of Properties utilizing Bridge Funds

<Arranging bridge funds with the Group's asset management company>

- Through support and cooperation with Tozai AM, arrange bridge fund in which the SBI Group can invest or contribute funding in
- Factoring in the market environment, **support smooth and flexible acquisitions by bridge funds for NIPPON REIT**

Internal Growth

Accelerating Leasing through Prop-tech Services as well as Engineering Management

<Various Prop-tech services>

- Prop-tech services can be used widely in a variety of areas
  - ✓ **Examples of Leasing Accelerations** : 'Support of property lease brokerage・management', 'Data Utilization', and 'VR・AR'
  - ✓ **Examples of Engineering Management** : 'Data Utilization', 'Sharing', and 'IoT・Smart Homes'
- SBI Group has investment precedents in venture companies including an AI-run property management platform company, smart-key and property management software company, and a sharing platform company
- Maintaining the appropriate management withheld until now, whilst also contemplating the introduction of new technologies to optimize efficiency in wide areas

4 Sponsor Support Unique to the SBI Group (2/2)

◆ **Supporting NIPPON REIT's growth through utilizing the comprehensive strengths within the SBI Group**

Financial Strategy

Creating a New Investor Base

<A new investor base based on internet retail investors>

- The user base below 50 years old of SBI Securities is around 80%, following their familiarity with the online securities
- Strong trend for long-term investment, with **over 80% of J-REIT investments over 1 year old** (according to SBI Securities internal research)
- With the above, SBI plans to bring in support from retail investors to finance further growth henceforth
- For instance, utilize online IR to retail investors with familiarity to the internet

Diversifying Lending Sources

<Support from regional banks etc.>

- The SBI Group has strategic financial partnerships with 9 regional banks
- Using past transactions, considering diversification of lending sources to finance future growth
- Support leveraging SBI Group's wealth of experience in the latest financial products

Operational Platform

Real Estate Specialists from the SBI Group

<Specialists with expertise on real estate and related business>

- **SBI Group has in total nearly 100 specialists on real estate and related business**, including 35 employees currently working on the real estate asset management business in Tozai AM
- **Support stable operations and growth** through personnel exchange etc within the SBI Group

(Reference) Sponsor Support following the Share Transaction

◆ Leveraging sponsor support, NIPPON REIT aims for growth via acquisitions

NIPPON REIT Investment Corporation

External Growth Strategy

Expanding the asset size through utilizing the real estate network respective sponsor companies and acquisition from external sources

Internal Growth Strategy

Recognizing and retaining with experienced PM an BM provider, whilst utilizing prop-tech services within the SBI Group

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 Networks of the Respective Sponsor Companies: SBI GROUP / 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 **SBI**)
- ◆ **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

- ◆ **Recognizing and retaining past transactions with a experienced PM and BM provider**
  - Considering the continuation of the PM and BM contracts for properties with a subsidiary of the current sponsor for its accumulated experience
- ◆ **Utilizing prop-tech services within the SBI Group**
  - Maintaining the appropriate management withheld until now, whilst also contemplating the introduction of new technologies to optimize efficiency in wide areas including 'Support of property lease brokerage・management' 'VR・AR', 'Data Utilization', 'Sharing', 'IoT/Smart Homes' etc.

Support Details

- ◆ **Provision of human resources**
  - Cooperation in securing human resources (by respective sponsor companies)
  - Provision of training to the officers and employees (by **SBI** and AAA)
- ◆ **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)

(Trademark license provided by Sojitz will expired and the name changed after a grade period for tenants)

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 SRA

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