NIPPON REIT Investment Corporation (TSE code: 3296)

Performance Report (January - March 2023)

April 28, 2023

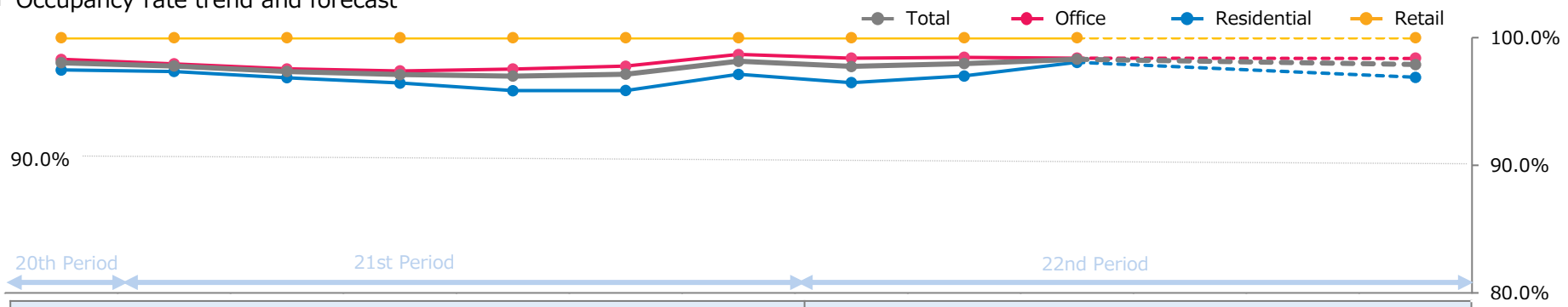


Occupancy Rate and Free Rent Period Trend

NIPPON REIT Investment Corporation

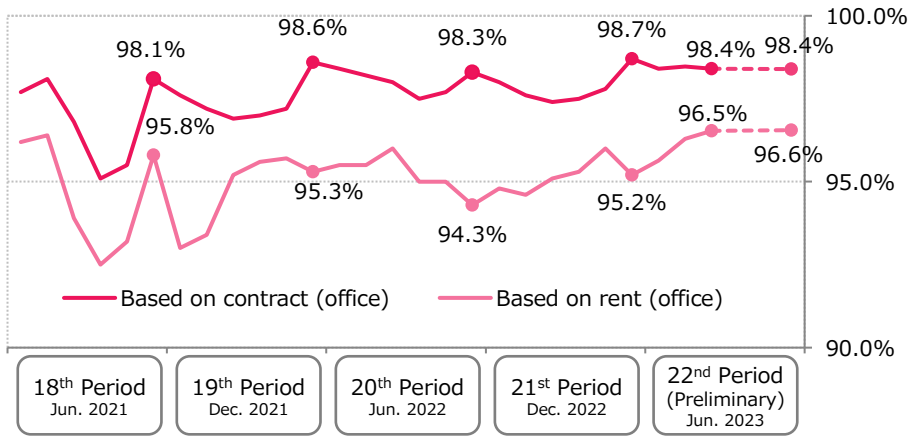
◆ The occupancy rate is steady for the 1st half of the 22nd Period

■ Occupancy rate trend and forecast

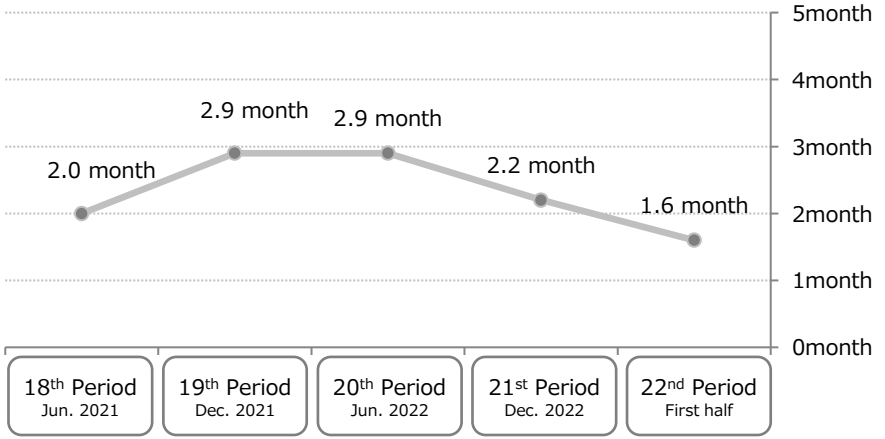


2022							2023				
Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Jun. (Forecast)	
98.0%	97.8%	97.4%	97.1%	97.0%	97.1%	98.2%	97.7%	98.0%	98.3%	97.9%	Total
98.3%	98.0%	97.6%	97.4%	97.5%	97.8%	98.7%	98.4%	98.5%	98.4%	98.4%	Office
97.5%	97.4%	96.9%	96.5%	95.9%	95.9%	97.1%	96.5%	97.0%	98.1%	96.9%	Residential
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	Retail

■ Trend of office occupancy rate based on rent



■ Trend of average free rent period for office

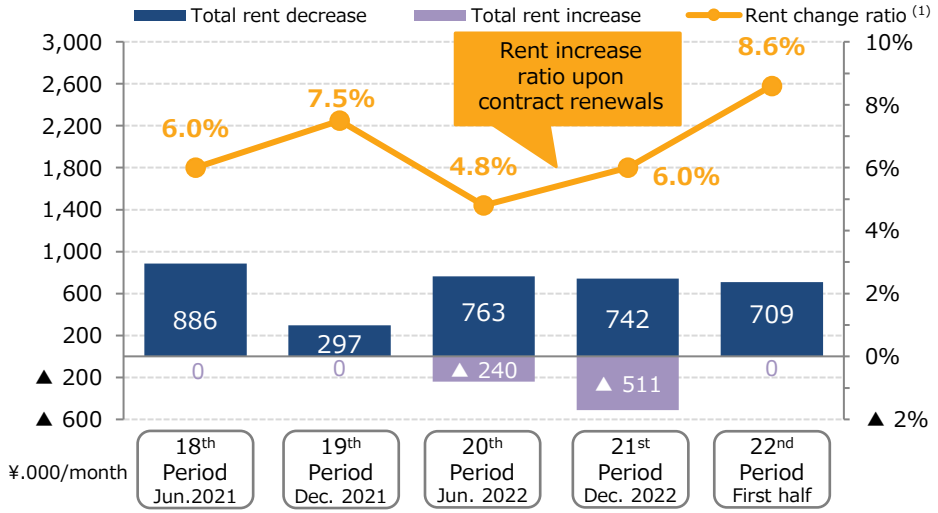


Trend of Rent Change (Office)

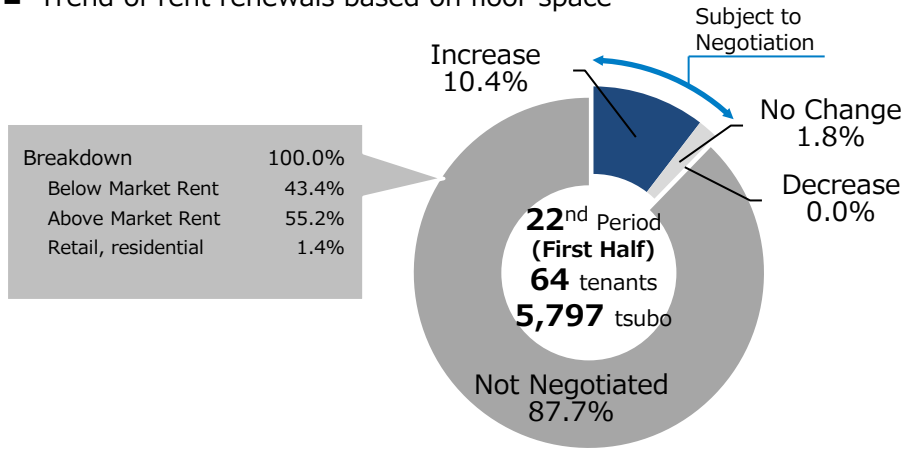
NIPPON REIT Investment Corporation

◆ Efforts to raise rents at the time of contract renewal are showing solid results

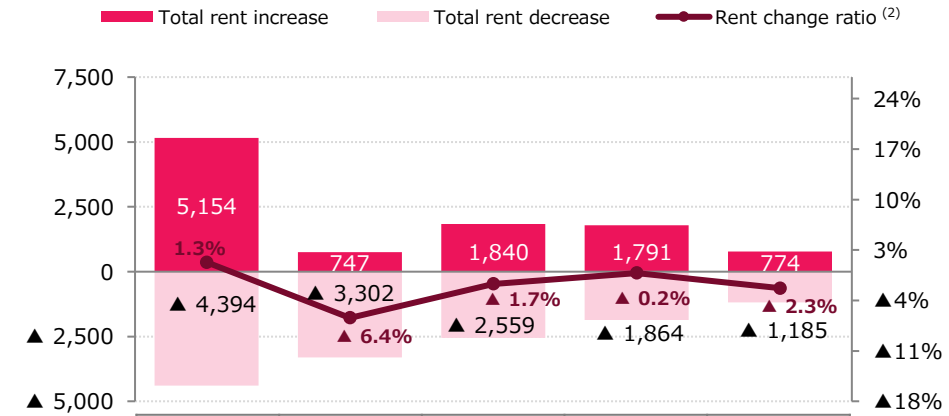
■ Status of rent increase/decrease at contract renewals



■ Trend of rent renewals based on floor space

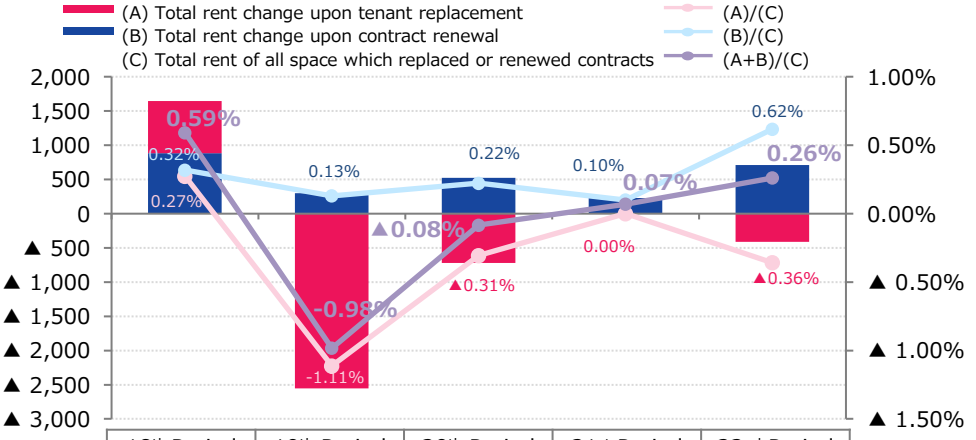


■ Monthly rent increase/decrease upon tenant replacement



¥.000/month	18th Period (Jun. 2021)	19th Period (Dec. 2021)	20th Period (Jun. 2022)	21st Period (Dec. 2022)	22nd Period (First Half)
Net total ¥.000/month	759	▲2,554	▲719	▲72	▲411

■ Monthly rent increase/decrease upon tenant replacement



(¥,000/month)	18th Period (Jun. 2021)	19th Period (Dec. 2021)	20th Period (Jun. 2022)	21st Period (Dec. 2022)	22nd Period (First Half)
A	759	▲2,554	▲719	▲72	▲411
B	886	297	523	231	709
A+B	1,645	▲2,257	▲195	158	298

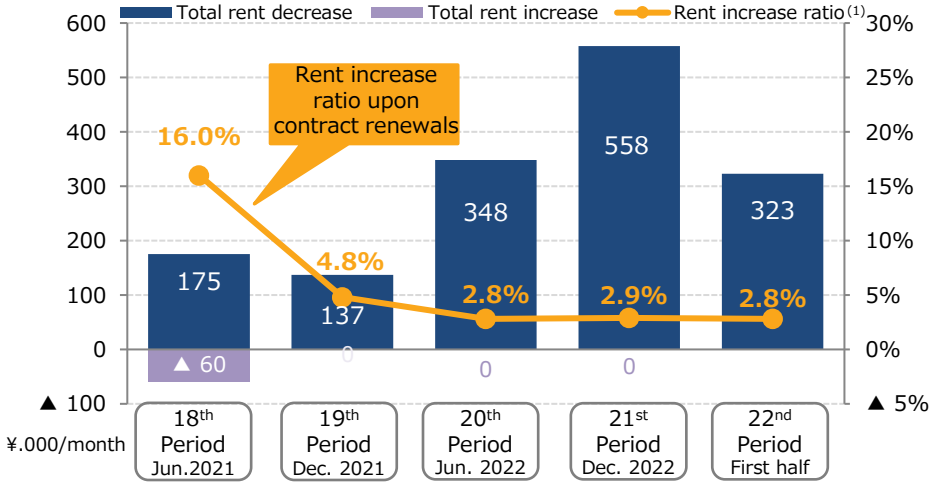
1. "Rent change ratio" is (total rent after tenant replacement – total rent before tenant replacement) /(total rent before tenant replacement). Figures are rounded to the first decimal place.
2. "Rent increase ratio" is (total rent increase after rent renewal - total rent before rent renewal) / (total rent before rent renewal). Figures are rounded to the first decimal place.

Trend of Rent Change (Residential)

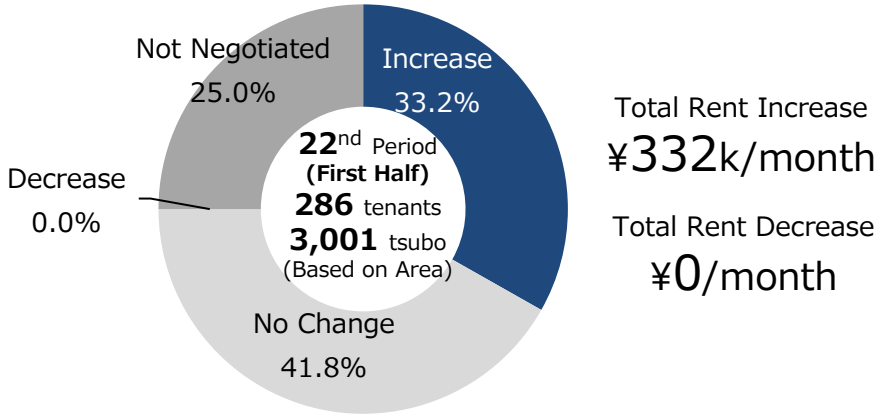
NIPPON REIT Investment Corporation

◆ **Continuing the efforts to raise rents at contract renewal, which started in the 20th Period**

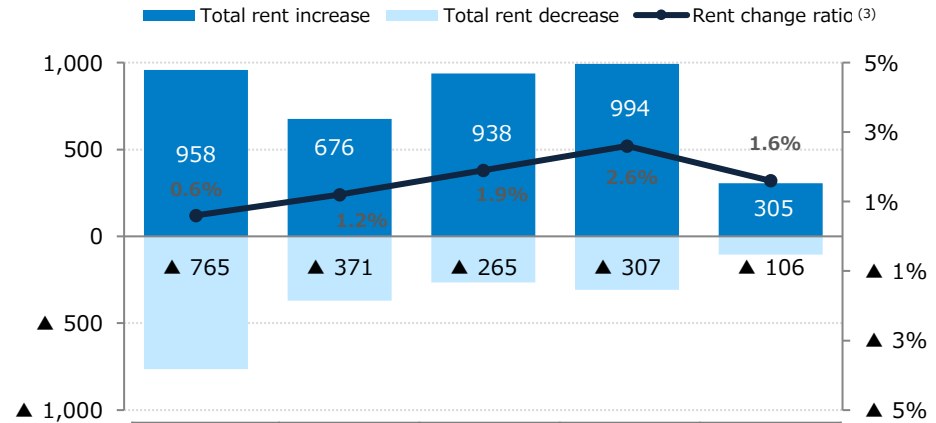
■ Status of rent increase/decrease at contract renewals



■ Trend of rent renewals based on floor space

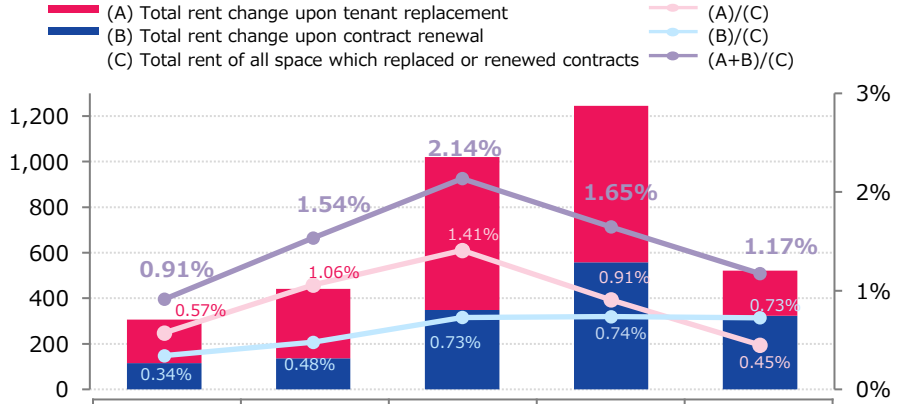


■ Monthly rent increase/decrease upon tenant replacement (2)



Net total ¥.000/month	18th Period (Jun. 2021)	19th Period (Dec. 2021)	20th Period (Jun. 2022)	21st Period (Dec. 2022)	22nd Period (First Half)
	192	305	672	687	199

■ Monthly rent increase/decrease upon tenant replacement



(¥,000/month)	18th Period (Jun. 2021)	19th Period (Dec. 2021)	20th Period (Jun. 2022)	21st Period (Dec. 2022)	22nd Period (First Half)
A	192	305	672	687	199
B	115	137	348	558	323
A+B	307	443	1,021	1,245	522

1. "Rent increase ratio" is (total rent increase after rent renewal - total rent before rent renewal) / (total rent before rent renewal). Figures are rounded to the first decimal place.
2. Residential properties that are not subject to fixed rent master lease.
3. "Rent change ratio" is (total rent after tenant replacement – total rent before tenant replacement) /(total rent before tenant replacement). Figures are rounded to the first decimal place.

Status of Cancellation Notices (Office & Retail)

Property name	Occupancy rate	Status of cancellation notice			Assumed occupancy rate(1)	
FORECAST Takadanobaba	83.8%	1 floor	(277 tsubo)	vacant	100.0%	(May.2023)
FORECAST Shinjuku SOUTH	100.0%	1 space	(164 tsubo)	cancellation received	100.0%	(Jun.2023)
GreenOak Takanawadai	93.4%	1 floor	(52 tsubo)	vacant	100.0%	(Jun.2023)
		2 floors	(116 tsubo)	cancellation received		
Alte Building Higobashi	100.0%	1 floor	(110 tsubo)	cancellation received	100.0%	(Jul.2023)
FORECAST Ichigaya	100.0%	1 space	(61 tsubo)	cancellation received	100.0%	(Aug.2023)
Nishi-Gotanda 8-chome Building	100.0%	3 floors	(311 tsubo)	cancellation received	100.0%	(Aug.2023)
DIA Building Meieki	100.0%	2 spaces	(38 tsubo)	cancellation received	100.0%	(Aug.2023)
Omiya Center Building	100.0%	1 floor	(325 tsubo)	cancellation received	100.0%	(Oct.2023)
		3 spaces	(236 tsubo)			
Kanda Ocean Building	97.9%	2 spaces	(13 tsubo)	cancellation received	99.0%	(Oct.2023)
I•S Minamimorimachi Building	100.0%	1 space	(33 tsubo)	cancellation received	97.3%	(Aug.2023)
BECOME SAKAE	100.0%	1 space	(70 tsubo)	cancellation received	95.0%	(Oct.2023)
FORECAST Gotanda WEST	100.0%	1 space	(141 tsubo)	cancellation received	94.8%	(Sep.2023)
		1 floor	(212 tsubo)		94.8%	(Sep.2023)
FORECAST Sakurabashi	94.1%	1 space	(118 tsubo)	vacant	94.1%	(Mar.2023)
FORECAST Kayabacho	100.0%	2 floors	(222 tsubo)	cancellation received	93.8%	(Aug.2023)
		1 space	(15 tsubo)		93.8%	
Itohpia Iwamotocho 2-chome Building	100.0%	2 spaces	(146 tsubo)	cancellation received	93.0%	(Jun.2023)

Property name	Occupancy rate	Status of cancellation notice			Assumed occupancy rate(1)	
Toranomon Sakura Building	90.8%	1 space	(84 tsubo)	vacant	90.8%	(Apr.2023)
		1 floor	(184 tsubo)	cancellation received		
MK Kojimachi Building	90.6%	1 floor	(50 tsubo)	vacant	90.6%	(Mar.2023)
NRT Kandasudacho Building	90.5%	1 floor	(33 tsubo)	vacant	90.5%	(Mar.2023)
The Square	100.0%	2 spaces	(47 tsubo)	cancellation received	89.7%	(Sep.2023)
Tsukiji Front	100.0%	1 floor	(25 tsubo)	vacant	88.0%	(Mar.2023)
La Verite AKASAKA	100.0%	2 floors	(138 tsubo)	cancellation received	86.7%	(Jul.2023)
REID-C Megurofudomae	100.0%	1 floor	(39 tsubo)	cancellation received	85.7%	(Jul.2023)
Towa Higashi-Gotanda Building	100.0%	1 floor	(158 tsubo)	cancellation received	82.1%	(Jun.2023)
Shinto GINZA EAST	74.1%	2 floors	(95 tsubo)	vacant	74.1%	(Mar.2023)
Itohpia Iwamotocho ANNEX Building	100.0%	2 floors	(249 tsubo)	cancellation received	73.1%	(Feb.2024)
Central Daikanyama	100.0%	2 floors	(142 tsubo)	cancellation received	69.5%	(Aug.2023)
		1 space	(33 tsubo)			
TK Gotanda Building	100.0%	3 floors	(355 tsubo)	cancellation received	68.4%	(Sep.2023)
Hiroo ON Building	100.0%	5 floors	(421 tsubo)	cancellation received	38.0%	(Nov.2023)

Properties of which occupancy rate is expected to be 100% because new lease contracts have been concluded or we have already received tenancy applications for subject area

1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and cancellation notices at the end of March 2023.

Engineering Management: Plans and Implementation Status

NIPPON REIT Investment Corporation

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

■ Implemented measures from Jan. – Mar. 2023

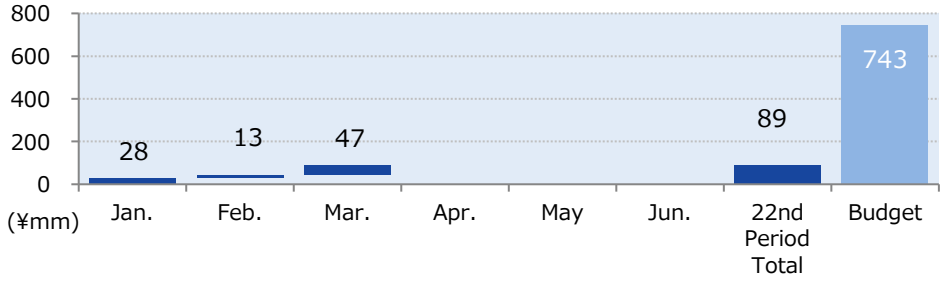
Field Avenue and LAPUTA KUJO:
Revenue increase through revision of parking lot sublease contract
- Total annual revenue increase of approx. ¥1.74mm is expected through revision of sublease contract and inclusion of additional parking lots to the contract

Meister house Kawasaki and Piacere Fuminosato:
Revenue increase through installation of additional cell phone base stations
- Total annual revenue increase of approx. ¥0.54mm is expected through installation of new cell phone base stations on the rooftop

DeLCCS KASAI:
Revenue increase through renovation of residential units
- Total annual revenue increase of approx. 0.40mm is expected through renovation of residential units

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

■ Status of Engineering Management Implementation (1)



■ Planned measures to be implemented after Apr. 2023

FORECAST Shinjuku SOUTH and other two properties:
Revenue increase through revision of parking lot sublease contract
- Revenue increase is expected through revision of parking lot sublease contract and inclusion of additional parking space to the contract

Primegate Iidabashi:
Revenue increase through renovation of a unit
- Revenue increase is expected through large-scale renovation of a unit, which the former tenant has moved out

FORECAST Mita and Sylphide Higashi-shinagawa:
Revenue increase through installation of new coin-operated parking spaces
- Revenue increase is expected through leasing of four vacant parking spaces to a coin-operated parking operator

Omiya Center Building:
Renovation of building entrance and office spaces
- Improvement in aesthetics of building and leasing competitiveness is expected through large-scale renovation of building entrance and office spaces

Homat Horizon Building:
Distinctive cost reduction through optimization of building maintenance works
- Cost reduction through optimization of building maintenance works and frequency

Tsukiji Front:
Revenue increase through ready-to-use office conversion
- Revenue increase is expected through ready-to-use office conversion of 3rd floor office space upon tenant's move-out

1. Total amounts of Planned capital investment and Strategic value-enhancing investment are stated. Furthermore, the figures may change when accounting items will be determined.

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