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For Immediate Release

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**Notice Concerning Acquisition of Asset (Silent Partnership Equity Interest)**  
**(Godo Kaisha NRT Growth 14)**

NIPPON REIT Investment Corporation (“NIPPON REIT”) announces that Sojitz REIT Advisors K.K. (“SRA”), which is entrusted to manage the assets of NIPPON REIT, today decided on the following acquisition of an asset (Silent Partnership Equity Interest) (the “Acquisition”).

1. Overview of acquisition

- |                                                              |                                                                                                                               |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| (1) To-be-acquired asset:                                    | Silent partnership equity interest that has beneficiary right of trust placing real estate in trust as asset under management |
| (2) Asset name:                                              | Godo Kaisha NRT Growth 14 silent partnership equity interest                                                                  |
| (3) Real estate that is the trust property (the “Property”): | TENSHO OFFICE SHINBASHI 5<br>tanosio shin-yokohama                                                                            |
| (4) Equity investment amount:                                | 50 million yen (3.09% of the total amount of equity investment in silent partnership (Note))                                  |
| (5) Agreement conclusion date:                               | February 27, 2019                                                                                                             |
| (6) Acquisition date:                                        | February 27, 2019                                                                                                             |
| (7) Acquisition funds:                                       | Funds on hand                                                                                                                 |

(Note) Rounded to one decimal place. The same shall apply hereinafter.

2. Reason for acquisition

SRA decided on the Acquisition with an aim to develop a portfolio that achieves growth of asset size and secures stable revenue through investing in silent partnership in accordance with the asset management targets and policy set forth in the articles of incorporation of NIPPON REIT. The Acquisition is thought to achieve flexible and timely investments as set forth in the basic policy of NIPPON REIT and thereby largely contribute to the future external growth of NIPPON REIT.

NIPPON REIT, as a result of the Acquisition, will receive profits in the form of dividends from the operator of the silent partnership (Godo Kaisha NRT Growth 14), sourced from rent and other income from the lessees of the Property. In addition, with the Acquisition, NIPPON REIT will be granted the right of first negotiation pertaining to the acquisition of the Property (for details, please refer to “3. Outline of to-be-acquired asset; (1) Overview of silent partnership, the target of equity investment; Other; Right of first negotiation to be granted with the Acquisition” below), but this does not mean that NIPPON REIT will be obliged to acquire the Property.

NIPPON REIT continues to have actions to grow asset under management and ensure stable revenue while utilizing such a sponsor support.

3. Outline of to-be-acquired asset

(1) Overview of the silent partnership, the target of equity investment

Operator name	Godo Kaisha NRT Growth 14						
Effective period of silent partnership agreement	Till February 28, 2021 However, provided that the owner's debt is not paid off on the date, it will be automatically extended until the debt is paid off.						
Total amount of equity investment in silent partnership, etc.	Total 1,620 million yen						
Overview of silent partnership agreement	<p>The following is an overview of this equity investment in silent partnership</p> <table border="1" data-bbox="571 719 1318 1070"> <thead> <tr> <th colspan="2">Godo Kaisha NRT Growth 14</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Trust beneficiary interests in real estate, etc. 5,530 million yen (Note 1)</td> <td>Non-recourse loan (senior) 3,140 million yen</td> </tr> <tr> <td>Non-recourse loan (mezzanine) 770 million yen</td> </tr> <tr> <td>Equity investment in silent partnership, etc. 1,620 million yen (Note2)</td> </tr> </tbody> </table> <p>Calculation period: The three-month periods every year from February 1 to the last day of April, from May 1 to the last day of July, from August 1 to the last day of October and from November 1 to the last day of January in the following year. However, the first calculation period shall be from the acquisition date (February 27, 2019) to the last day of April 2019.</p> <p>Distribution of earnings(losses): In the event that the business generates earnings in the respective calculation period, the operator shall distribute the entire amount thereof to equity investors in accordance with their proportion of equity investment on the last day of the respective calculation period. In addition, in the event that the business generates losses in the respective calculation period, distributions shall be in accordance with their proportion of equity investment on the last day of the respective calculation period for up to the amount of losses of the business. However, in the event that the cumulative amount of losses to be distributed to equity investors exceeds the total amount of equity investment, the entire portion in excess shall be distributed to the operator.</p>	Godo Kaisha NRT Growth 14		Trust beneficiary interests in real estate, etc. 5,530 million yen (Note 1)	Non-recourse loan (senior) 3,140 million yen	Non-recourse loan (mezzanine) 770 million yen	Equity investment in silent partnership, etc. 1,620 million yen (Note2)
Godo Kaisha NRT Growth 14							
Trust beneficiary interests in real estate, etc. 5,530 million yen (Note 1)	Non-recourse loan (senior) 3,140 million yen						
	Non-recourse loan (mezzanine) 770 million yen						
	Equity investment in silent partnership, etc. 1,620 million yen (Note2)						

Other	Right of first negotiation to be granted with the Acquisition	
	Content of right	<p>If the operator makes an offer by May 31, 2020, to purchase the trust beneficiary interests in real estate that will be acquired on February 28, 2019 (please refer to “6. Content of real estate that is treated as a trusted property under the trust beneficiary interests in real estate”), or real estate that will be treated as a trust property (hereinafter called the “Real Estate, etc.”), the operator shall grant NIPPON REIT the preferential negotiation rights to conclude a sales/purchase agreement whereby such Real Estate, etc. shall be sold/purchased in its entirety during the period ending on August 31, 2020.</p> <p>If the operator transfers the Real Estate, etc. to a third party during the three-month period from the next day of the expiry date of the preferential purchase period until May 31, 2020 (or from June 2020 if NIPPON REIT does not make any such offer until May 31, 2020), the operator shall be obliged to provide notification of the terms and conditions including the sales price to NIPPON REIT. If NIPPON REIT offers to purchase such Real Estate, etc. with conditions that reasonably satisfy the operator, such as a price that exceeds the relevant sales price, the operator shall stop transferring such Real Estate, etc. to the third party and transfer it to NIPPON REIT.</p>
	Period	Till the last day of August 2020 (Scheduled)
	Terms and conditions of price upon first negotiation	<p>① That repairs of the real estate which cause by something occurred before conclusion of the silent partnership agreement and also repairs of the real estate which cause something after conclusion of the silent partnership agreement beyond a reasonable scope would not be demanded of the operator.</p> <p>② That the internal rate of return (IRR) of the operator be reasonably deemed to be above a predetermined level.</p> <p>③ That the sales price shall be higher than 5,400 million yen (excluding tax) and the transaction proceeds be paid in a lump sum on the date that the transaction is executed.</p>

(Note1) Real estate trust beneficiary right, etc. includes arrangement costs and reserves, etc. Furthermore, the total real estate appraisal value of the 2 properties is 5,410 million yen.

(Note2) Among the total amount of equity investment in silent partnership, etc., NIPPON REIT's equity investment is scheduled to be 50 million yen (3.09% of the total amount of equity investment in silent partnership, etc.).

(Note3) Mizuho Trust & Banking Co., Ltd. is the asset managers for Godo Kaisha NRT Growth 14.

(Note4) SPC Securities Inc. is the party handling the private placement for Godo Kaisha NRT Growth 14.

(2) Overview of operator of silent partnership in which equity investment is to be made

Name	Godo Kaisha NRT Growth 14
Location	2-7-1 Nihombashi, Chuo-ku, Tokyo
Line of business	1. Acquisition, holding and disposition of trust beneficiary interests in real estate 2. Acquisition, holding, disposition, leasing and management of real estate 3. Other businesses incidental or related to businesses listed in the preceding items
Title and name of representative	Representative member: Ippan Shadan Hojin NRT Growth 14 Person to execute duties: Shogo Kikuchi
Capital	100 thousand yen
Other equity investor in silent partnership	Not disclosed (Note1)
Date of incorporation	February 4, 2019
Total asset	5,530 million yen (Scheduled) (Note2)
Net asset	100 thousand yen
Relationship with NIPPON REIT or SRA	
Capital relationship	There is no capital relationship, personnel relationship or business relationship to be stated between NIPPON REIT or SRA and the concerned company. In addition, there is no capital relationship, personnel relationship or business relationship to be specially noted between associated persons and associated companies of NIPPON REIT or SRA and associated persons and associated companies of the concerned company.
Personnel relationship	
Business relationship	
Related-party status	The concerned company does not fall under the category of a related party of NIPPON REIT or SRA. In addition, any of associated persons and associated companies of the concerned company does not fall under the category of a related party of NIPPON REIT or SRA.

(Note1) Not disclosed because consent has not been obtained from other equity investor in silent partnership.

(Note2) Total asset is rounded down to the nearest million yen.

4. Schedule of acquisition

February 27, 2019	Decision on acquisition
February 27, 2019	Conclusion of silent partnership agreement
February 27, 2019	Equity investment in silent partnership

5. Future outlook

The forecast of the management status for the fiscal period ending June 2019 (from January 1, 2019 to June 30, 2019) and December 2019 (from July 1, 2019 to December 31, 2019) announced in the "Summary of Financial Results for the Fiscal Period Ended December 31, 2018 (REIT)" dated February 18, 2019 remains unchanged because the impact will be minimal.

6. Content of real estate that is treated as a trusted property under the trust beneficiary interests in real estate

(i) TENSHO OFFICE SHINBASHI 5

Type of specified asset		Trust beneficiary interests in real estate
Acquisition date		February 28, 2019 (Scheduled)
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust establishment date		February 28, 2019 (Scheduled)
Trust expiration date		February 28, 2029 (Scheduled)
Location (indication of residential address)		5-12-11 Shimbashi, Minato-ku, Tokyo
Land	Parcel number	5-6-6 Shimbashi, Minato-ku, Tokyo and another parcel
	Building coverage ratio/ Floor area ratio	100%(Note1) / 640%(Note2)
	Use district	Commercial district
	Site area	144.39m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction completion	September 12, 2018
	Structure / Floors	Steel-framed flat roof, 10F
	Use	Office
	Total floor space	828.19m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Not disclosed (Note3)
Type of master lease		Rent guarantee
Appraisal value		1,210 million yen
Real estate appraiser		Japan Real Estate Institute
PML		3.5%
Collateral after acquisition		The trust beneficiary interests in real estate is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee. In addition, an agreement on establishment of a mortgage with a condition precedent that agrees to the concerned loaner as the mortgagee is scheduled to be concluded for the real estate that is the trust property.
Status of leasing		
	Leasable floor space	828.19m <sup>2</sup>
	Leased floor space	828.19m <sup>2</sup>
	Occupancy rate	100%
	Total number of tenants	1
	Total rent income (annual)	Not disclosed (Note3)
	Deposits, etc.	Not disclosed (Note3)
Special notations		None

(Note1) The building coverage ratio is essentially 80%, but it is increased up to 100% due to relaxation for a building with fire-proof structures located within fire prevention district and commercial district.

(Note2) The floor area ratio is essentially 700%, but it is limited to 640% because width of the front road is less than 12 meters.

(Note3) Not disclosed because approval has not been obtained from the master lease company.

Characteristics

• Location

“Shimbashi” zone where the Property is located, extends across two major streets of Sotobori Street and Hibiya Street around JR Shimbashi Station. The location is one of well-known office areas in Tokyo and still developing with new tastes. The zone was used to be characterized by the stock of few large-sized excellent office buildings newly built but many relatively aged and small-sized office buildings.

“Shimbashi” zone has improved location factors of functionality and brand recognition for prime office area dramatically after the opening of Shiodome Station served by the Toei Oedo Subway and Yurikamome Lines opened in 2002 and the completion of Shiodome area, used to be JR railroad yards developed from 2003 to 2005, and subsequently the zone has been increasing its overall competitiveness of office location. Within all areas of “Shimbashi zone, however, the areas’ characters and aspects are depicted individually like to following, Shiodome area where new and large-sized buildings are centralized, the western district of Shiodome where many new mid-sized buildings exist, and Shimbashi nearby JR Station and Nishi-shimbashi districts where relatively aged buildings are centralized.

The Property is located within a six-minute walk from Shimbashi Station on the JR Line, Toei Asakusa and Yurikamome Lines and Shiodome Station of the Toei Oedo and Yurikamome Lines. Although it is located slightly off the main street, the location is a strong point of appeal, because the area is within walking distance from Shimbashi Station, which features good traffic convenience.

• Building

The Property is a new building constructed in 2018. Within many aged buildings in the Shimbashi zone, it offers advantages in terms of facilities competitiveness with standard equipment supposed to have specifications that meet the needs of tenants.

(ii) Photo of real estate that is the trust property and Map

①Photo



②Map



(ii) tanosio shin-yokohama

Type of specified asset		Trust beneficiary interests in real estate
Acquisition date		February 28, 2019 (Scheduled)
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Trust establishment date		February 28, 2019 (Scheduled)
Trust expiration date		February 28, 2029 (Scheduled)
Location (indication of residential address)		2-5-16, Shin-yokohama, Minatokita-ku, Yokohama, Kanagawa
Land	Parcel number	2-5-16, Shin-yokohama, Minatokita-ku, Yokohama, Kanagawa
	Building coverage ratio/ Floor area ratio	100% (Note) / 800%
	Use district	Commercial district
	Site area	688.00m <sup>2</sup>
	Type of ownership	Ownership
Building (Note3)	Construction completion	September 30, 1998
	Structure / Floors	Steel-framed · Steel-framed reinforced concrete with flat roof, B3/9F
	Use	Retail
	Total floor space	6,205.92 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Godo Kaisha NRT Growth 14 (Scheduled)
Type of master lease		Pass-through
Appraisal value		4,200 million yen
Real estate appraiser		Japan Valuers Co., Ltd.
PML		7.1%
Collateral after acquisition		The trust beneficiary interests in real estate is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee. In addition, an agreement on establishment of a mortgage with a condition precedent that agrees to the concerned loaner as the mortgagee is scheduled to be concluded for the real estate that is the trust property.
Status of leasing		
	Leasable floor space	4,528.19 m <sup>2</sup>
	Leased floor space	3,228.88 m <sup>2</sup>
	Occupancy rate	71.3%
	Total number of tenants	8
	Total rent income (annual)	188 million yen
	Deposits, etc.	99 million yen
Special notations		None

(Note) The building coverage ratio is essentially 80%, but it is increased up to 100% due to relaxation for a building with fire-proof structures within fire prevention district and commercial district.

### Characteristics

• Location

The Property is located within a four-minute walk from Shin-yokohama Station on the Yokohama Municipal Subway Blue Line. The Blue Line Station and JR Line Station are connected by a passage, making the station on the JR Line accessible.

Arena Street in front of the Property is a two-lane street with width ranging from 5.5 meters to 13.0 meters that crosses the Central Avenue, a wide street extended from the station. The street, not wide enough but offers good visibility. The Property can be recognized from the Central Avenue. Along Marinos Street crossing Arena Street, a number of buildings including the Property stand in a row with tenants of mainly restaurants and cafes attracting many pedestrians in the daytime and especially at night. Because of office buildings and banks located in the adjacent areas of the Property sitting nearby the station, the Property stays in very busy area where people stop by on their way home. As Nissan Stadium and Yokohama Arena located in the vicinity of the north exit of Shin-yokohama Station, the area of the Property is usually bustling on holidays and before or after events then many people will dine in restaurants in the Property.

• Building

Each floor of the Property is basically occupied by a single tenant except for the third and eighth floors consist of more than two tenants respectively as of December 2018. Each floor excluding Basement Level 1 has a space of more than 100 tsubo.

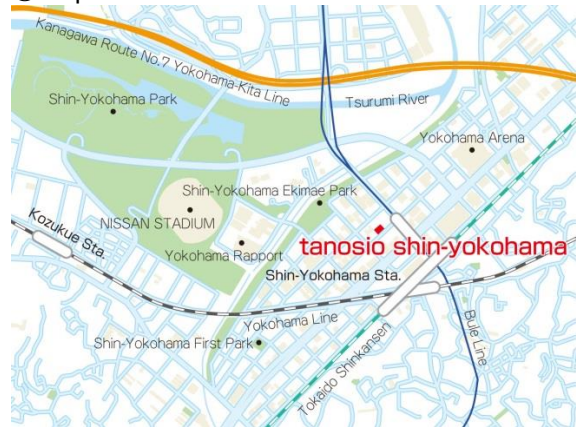
A space of more than 100 tsubo on one floor seems larger than other store-spaces around adjacent areas and relatively valued for the concerned.

(ii) Photo of real estate that is the trust property and Map

①Photo



②Map





<「6. Explanation of matters stated in table 3. Content of the Property」>

- “Location (indication of residential address)” is the indication of residential address of the Property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations) is stated.
- “Parcel number”, lot number in the registry (if several, then one of the locations) is stated.
- “Building coverage ratio” and “Floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on a specified asset, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the Property.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any.
- “Structure / Floors” of building is based on that stated in the registry.
- “Use” of building is the major type of building in the registry.
- “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any.
- “Type of ownership” of building is the type of rights of the real estate held by the trustee of the Property.
- “Master lease company” is the company that has concluded or the company that is scheduled to conclude a master lease agreement that is valid as of today for the Property.
- “Type of master lease” is the main type of master lease agreement concluded or scheduled to be concluded as of today, where “Pass-through” is a master lease agreement in which the master lease company shall pay the same amount of rent as the rent payable by end tenants to the master lease company and “Rent guaranteed” is a master lease agreement in which the master lease company shall pay a fixed amount of rent.
- “Appraisal value” is the appraisal value stated in the appraisal report of TENSHO OFFICE SHINBASHI 5 prepared by Japan Real Estate Institute and tanosio shin-yokohama prepared by Japan Valuers Co., Ltd. with February 1, 2019 respectively as the effective date of appraisal as requested as part of due diligence upon acquisition of the trust beneficiary interests in real estate by Godo Kaisha NRT Growth 14, and rounded down to the nearest million yen.
- “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd., and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right by each party.
- “Status of leasing” is based on the figures and information provided by the previous owner or the trust beneficiary, etc. regarding the content, etc. of the lease agreement, etc. that is valid as of the end of December 2018, unless otherwise stated.
- “Leasable floor space” is the floor space regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building of each asset as of the end of December 2018 for the Property.
- “Leased floor space” is the sum total of the leased floor space indicated in each lease contract or each provisional lease contract for the Property as of the end of December 2018. However, in cases where a pass-through type master lease agreement is scheduled to be concluded, the

sum total of the leased floor space of end tenants indicated in each sublease contract or each provisional sublease contract for the Property as of the end of December 2018. Furthermore, because there are cases where leased floor space indicated in lease contracts, etc. includes the portion not included in total floor space, there are cases where total leased floor space may exceed total floor space.

- “Occupancy rate” is the ratio of the leased floor space to the leasable floor space for the Property as of the end of December 2018, and rounded to one decimal place.
- “Total number of tenants” is the sum total of the number of tenants in the lease agreement of the Property indicated in each lease agreement for the Property as of the end of December 2018. Furthermore, in cases where a pass-through type master lease agreement is scheduled to be concluded for the concerned asset, the total number of end tenants (Note 1) is stated. However, even in the case of a pass-through type master lease agreement, in cases where the sub lessee subleasing the entire property from the master lease company has been entrusted with property management and shall pay fixed rent to the master lease company, the total number of tenants is stated as 1.
- “Total rent income (annual)” is the annual rent, or the amount annualized by multiplying the monthly rent by 12, for the building indicated in each lease contract or each provisional lease contract for the Property as of end of December 2018 (Note 2), and rounded down to the nearest million yen. However, in cases where a pass-through type master lease agreement is scheduled to be concluded between the master lease company and the lessor, etc. in which, in principle, the rent, etc. from end tenants is received as is, the annual rent, or the amount annualized by multiplying the monthly rent by 12, indicated in each sublease contract or each provisional sublease contract with end tenants for the property as of the end of December 2018 (Note 2), and rounded down to the nearest million yen is stated.
- “Deposits, etc.” is the sum total amount of tenant leasehold and security deposits required based on each lease agreement for the Property as of end of December 2018 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of the end of December 2018), and rounded down to the nearest million yen. In cases where a master lease agreement is scheduled to be concluded for the concerned asset, the sum total amount of tenant leasehold and security deposits required based on the lease agreement concluded with end tenants, and rounded down to the nearest million yen is stated.
- “Characteristics” include basic characteristics and attributes of areas where such properties, namely, trust properties, are located, and are compiled mainly based on appraisal reports as well as market reports prepared by CBRE K.K. for TENSHO OFFICE SHINBASHI 5 and Geo-Akamatsu Co., Ltd for tanosio shin-yokohama respectively. Such reports are the evaluations at a specific point in time and opinions of external experts who prepare them, and do not guarantee the reasonableness or accuracy of the content. Changes in business environments and other factors that occur after the preparation of such reports are not reflected therein.

(Note1) Excluding warehouse, signboard, parking lot, etc.

(Note2) For the Property under several lease agreements, the sum total amount thereof. In addition, common area maintenance charges are included, but warehouse, signboard, parking lot, etc. usage fees are not included, and free-rent is not taken into account (excluding consumption taxes).

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

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