

NIPPON REIT Investment Corporation (TSE code : 3296)

# Investor Presentation

for the 16<sup>th</sup> Period (Ended June 30, 2020)

August 17, 2020

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# **1. Summary of Financial Results for the 16th Period (Jun. 2020)**

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# Impact of COVID-19 Infection

- Assumed total impact of COVID-19 infection on forecast DPU for the 17th period and the 18th period are - ¥197(- 2.12%) and - ¥401(- 4.26%) respectively
- With consideration of possibility of further spread of COVID-19 infection, "Impact of conservative assumptions" is included in addition to the impact of rent reductions and cancellations in the forecast DPU, the impact on the forecast DPU for the 18th period is - ¥240(- 2.55%) (included in the total impact above)

## Action Policy

We have confirmed the business situation of each tenant and decide to take the action after considering the difficulty of tenant replacement and the results of the inspection of cash flow with rent gap in mind

## Tenant Actions and NIPPON REIT's Actions

Type (Ratio by type)	Postponement of payment		Temporary rent reduction		Summary of tenant subject to postponement of payment and temporary rent reduction	Cancellation
	Requested	Agreed	Requested	Agreed		
<b>office</b> (77.1%)	12 tenants	8 tenants	46 tenants	7 tenants	Restaurant and school, etc.	23 tenants
<b>Residence</b> (18.8%)	0 tenants	0 tenants	5 tenants	1 tenants	Retail tenant	0 tenants
<b>Retail</b> (4.1%)	3 tenants	2 tenants	15 tenants	12 tenants	Restaurant, etc.	3 tenants
<b>Total</b>	15 tenants	10 tenants	66 tenants	20 tenants		26 tenants

## Impact on results for the 16th fiscal period

(Figures in parentheses are reference of impacts on DPU)

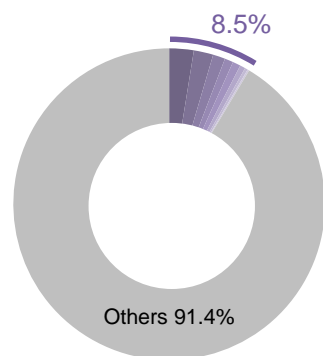
- Impact of rent reductions due to business stagnation: ¥14mn (- ¥33)
- Impact of cancellations due to business stagnation: ¥1mn (- ¥4)

## Incorporation into performance forecasts for the 17th fiscal period and beyond

(Figures in parentheses are reference of impacts on forecast DPU.)

- Impact of rent reductions due to prospect of business stagnation  
17th period: ¥0.14mn (¥0), 18th period: ¥0.17mn (¥0)
- Impact of cancellations due to prospect of business stagnation  
17th period: ¥80mn (- ¥179) 18th period: ¥72mn (- ¥160)  
※ Includes expected increase in leasing expenses, etc.
- Impact of conservative assumptions  
17th fiscal period: ¥8mn (- ¥18) 18th fiscal period: ¥108mn (- ¥240) ※  
① Contract renewal rate: Assumption of contract renewal rate of tenants with lease term expiration at each term is conservatively changed from 88% to 85  
② Assumed owntime/free rent period: Changed conservatively for some properties  
③ Leasing expense, etc.: Assumed conservatively for some items

## Proportion of industries susceptible to restraint due to stay-home request (as of the end of June 2020)



Industry type	Percentage (based on rent)
1 Conference rooms, Rental offices, Service offices	2.5%
2 Restaurants	2.0%
3 Kindergartens/nursery schools	1.3%
4 School	0.9%
5 Travel-related industries	0.8%
6 Sports club (Including ply-rate lesson type)	0.6%
7 Theatre/Hall	0.3%
8 Karaoke Box	0.2%
<b>Total</b>	<b>8.5%</b>

## Overview of the Impact of COVID-19 Infection on DPU

	16th period	17th period	18th period
DPU Forecast DPU (A)	<b>¥9,228</b>	<b>¥9,106</b>	<b>¥9,007</b>
Impact of COVID-19 infection (B)	- ¥37 (- 0.39%)	- ¥197 (- 2.12%)	- ¥401 (- 4.26%)
Impact of the temporary rent reductions and cancellations	- ¥37 (- 0.39%)	- ¥179 (- 1.93%)	- ¥161 (- 1.71%)
Impact of conservative assumptions ※	¥0 (-)	- ¥18 (- 0.19%)	- ¥240 (- 2.55%)
(Reference) (A) - (B)	¥9,265	¥9,303	¥9,408

Figures in parentheses are calculated as follow: (B) / ((A) - (B))

※ This is the current assumption calculated based on certain preconditions, and if it is not realized, it may have a positive impact on the DPU.

16th Period DPU ¥9,228 (+¥226, compared to the forecast)

Operating Revenue ¥ 8,658mn	Operating Income ¥ 4,774mn	Ordinary Income ¥ 4,151mn	Net Income ¥ 4,151mn
--------------------------------	-------------------------------	------------------------------	-------------------------

Internal growth※		External growth※	
<div>◎ Occupancy rate</div> <div>TotalOffice</div> <div>98.6%99.3%</div> <div>(-0.8%)(-0.7%)</div> <div>Maintaining a high occupancy rate</div>		<div>◎ AUM</div> <div>90properties</div> <div>¥249.2bn</div> <div>(Unchanged)</div>	
<div>◎ Increase in monthly rent (Office)</div> <div>By Rent RenewalsBy tenant replacement</div> <div>¥10.94mn¥9.18mn</div> <div>(+¥4.44mn)(+¥2.85mn)</div> <div>Contribute to DPU by ¥268/fiscal period</div>		<div>◎ Total pipeline</div> <div>21properties</div> <div>¥22.2bn</div> <div>(+¥4.3bn)</div> <div>3 bridge funds + sponsor warehousing</div>	
Financial management※			
<div>◎ Increase in NOI by Engineering Management</div> <div>37.38mn p.a.</div> <div>Contribute to DPU by ¥41/fiscal period</div>		<div>◎ LTV based on book value</div> <div>47.0%</div> <div>(+0.1%)</div>	
		<div>◎ Average borrowing period</div> <div>6.32years</div> <div>(+0.16 years)</div> <div>Continue to extend borrowing period in consideration of interest costs</div>	
		<div>◎ Average borrowing cost</div> <div>0.93%</div> <div>(-0.04%)</div>	

※ Numbers in parenthesis show the increase or decrease from the end of the previous fiscal period or the result of the previous fiscal period

17th Period  
Forecast DPU ¥9,106  
(+¥4, compared to the forecast)

Operating Revenue ¥ 8,803mn	Operating Income ¥ 4,718mn
Ordinary Income ¥ 4,097mn	Net Income ¥ 4,097mn

18th Period  
Forecast DPU ¥9,007

Operating Revenue ¥ 8,636mn	Operating Income ¥ 4,668mn
Ordinary Income ¥ 4,053mn	Net Income ¥ 4,052mn

# Summary of Financial Results for the 16th Period (Jun. 2020)

(¥/mn)	15th Period (Dec. 2019) Actual	16th Period (Jun. 2020) Forecast	16th Period (Jun. 2020) Result	16th Period (Result) vs 15th Period (Actual) (difference)	16th Period (Result) vs 16th Period (Forecast) (difference)
	a	b	c	c-a	c-b
Operating Revenues	8,634	8,680	8,658	24	▲22
Operating Expenses	(3,992)	(3,997)	(3,884)	107	113
Operating Income	4,642	4,682	4,774	132	91
Ordinary Income	4,000	4,051	4,151	151	100
Net Income	4,000	4,050	4,151	151	100
DPU	¥ 8,892	¥ 9,002	¥ 9,228	¥ 336	¥ 226
NOI	6,431	6,512	6,593	162	80
Days	184	182	182	-	-

## ◆ Comparison against the 15h Period (Dec. 2019) Actual (c-a)

《Major fluctuation factor》		(¥/mn)
<b>Increase in Operating Revenues</b>		<b>+24</b>
Increase in rental revenue	Increase in rental etc.	+48
Decrease in utility income	Seasonal factor	(91)
Increase in miscellaneous income	Construction cost reimbursement, penalty income, etc.	+64
<b>Decrease in Operating Expenses</b>		<b>+107</b>
Decrease in PM fee		+17
Decrease in utility cost	Seasonal factor	+90
Decrease in repair expense		+25
Increase in depreciation		(27)
Decrease in Commission paid	Leasing related expense etc.	+21
Increase in other fee	Third-party report acquisition fee, etc.	(14)
<b>Decrease in Non-operating Expenses</b>	Decrease in borrowing related expense, etc.	<b>+18</b>

## ◆ Comparison against the 16th Period (Jun. 2020) Forecast (c-b)

《Major fluctuation factor》		(¥/mn)
<b>Decrease in Operating Revenues</b>		<b>(22)</b>
Decrease in rental revenue	Temporary rent reductions etc.	(8)
Decrease in utility income	Decrease in use	(53)
Increase in miscellaneous income	Construction cost reimbursement, contract renewal income, etc.	+38
<b>Decrease in Operating Expenses</b>		<b>+113</b>
Decrease in PM fee		+15
Decrease in utility cost	Decrease in use	+45
Decrease in repair expense		+29
Decrease in promotional expenses	Discontinuance IR activities etc.	+11
<b>Decrease in Non-operating Expenses</b>	Decrease in borrowing related expense, etc.	<b>+4</b>

# Summary of Forecast for the 17th Period (Dec. 2020) and the 18th Period (Jun. 2021)

(¥/mn)	16th Period (Jun. 2020) Result	17th Period (Dec. 2020) Forecast	18th Period (Jun. 2021) Forecast	17th Period (Forecast) vs 16th Period (Result) (difference)	18th Period (Forecast) vs 17th Period (Forecast) (difference)
	a	b	c	b-a	c-b
Operating Revenues	8,658	8,803	8,636	144	(166)
Operating Expenses	(3,884)	(4,085)	(3,968)	(200)	116
Operating Income	4,774	4,718	4,668	(56)	(50)
Ordinary Income	4,151	4,097	4,053	(53)	(44)
Net Income	4,151	4,097	4,052	(54)	(44)
DPU	¥9,228	¥9,106	¥9,007	¥(122)	¥(99)
NOI	6,593	6,540	6,504	(52)	(36)
Days	182	184	181	-	-

## ◆ Comparison between the 16th Period (Jun. 2020) Result and the 17th Period (Dec. 2020) Forecast (b-a)

《Major fluctuation factor》		(¥/mn)
<b>Increase in Operating Revenues</b>		<b>+144</b>
Increase in rental revenue	Increase in rental of large space, etc.	+46
Increase in utility income	Seasonal factor	+81
Increase in miscellaneous income	Construction cost reimbursement, penalty income, etc.	+19
<b>Increase in Operating Expenses</b>		<b>(200)</b>
Increase in utility cost	Seasonal factor	(53)
Increase in repair expense		(87)
Increase in depreciation		(13)
Increase in Commission paid	Leasing related expense etc.	(18)
Increase other expense	Contract renewal fee of leased land, etc.	(40)
Decrease in other fee	Coming off third-party report acquisition fee, etc.	+12
<b>Decrease in Non-operating Expenses</b>		<b>+7</b>
	Decrease in borrowing related expense, etc.	

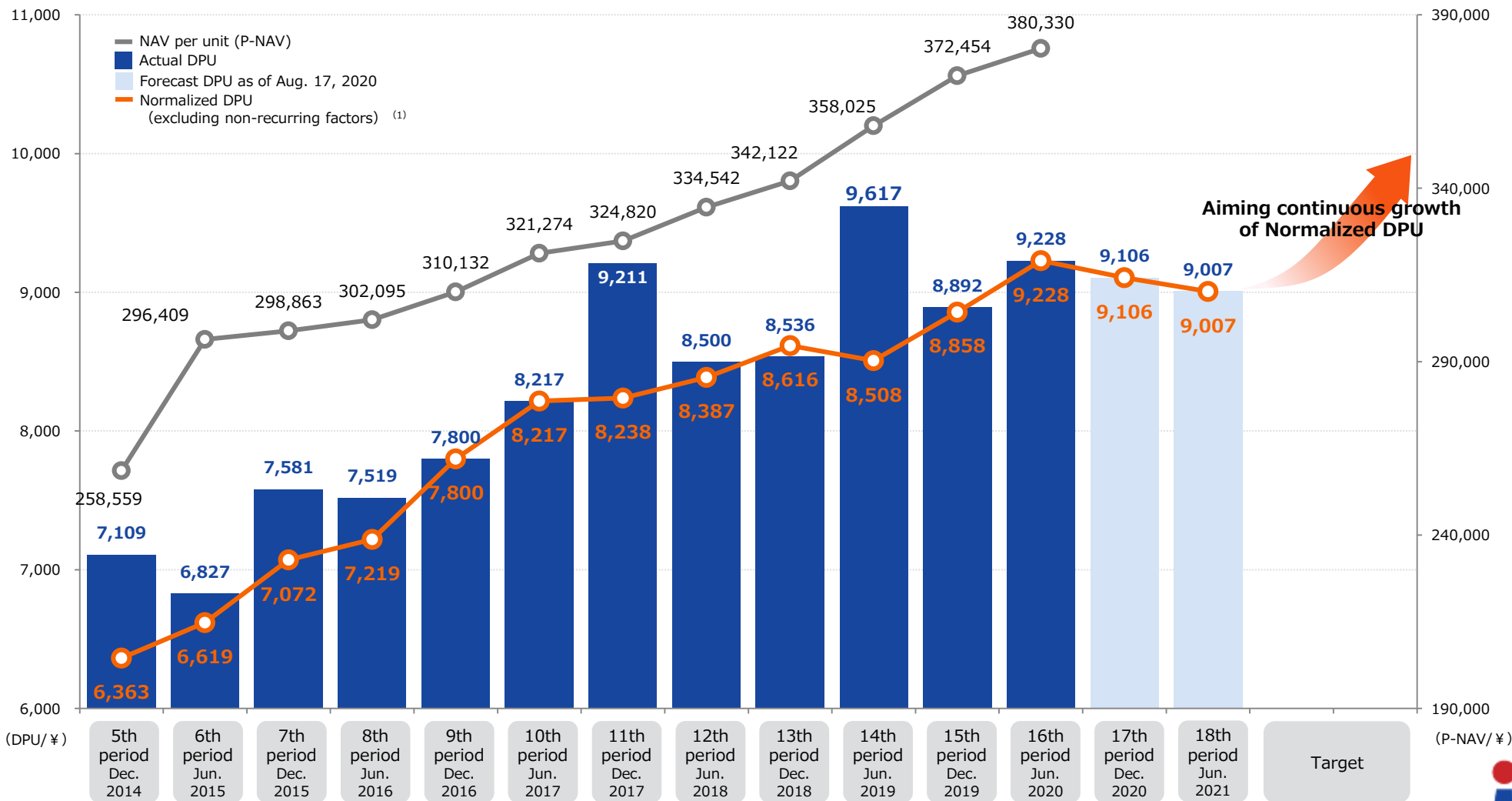
## ◆ Comparison between the 17th Period (Dec. 2020) Forecast and the 18th Period (Jun. 2021) Forecast (c-b)

《Major fluctuation factor》		(¥/mn)
<b>Decrease in Operating Revenues</b>		<b>(166)</b>
Decrease in rental revenue	Increase in moving-out ratio, etc.	(4)
Decrease in utility income	Seasonal factor	(76)
Decrease in miscellaneous income	Coming off construction cost reimbursement and penalty income, etc.	(84)
<b>Decrease in Operating Expenses</b>		<b>+116</b>
Decrease in utility cost	Seasonal factor	+87
Decrease in repair expense		+69
Increase in tax		(26)
Increase in depreciation		(10)
Increase in Commission paid	Leasing related expense etc.	(35)
Decrease other expense	Coming off contract renewal fee of leased land, etc.	+42
<b>Decrease in Non-operating Expenses</b>		<b>+5</b>
	Decrease in borrowing related expense, etc.	

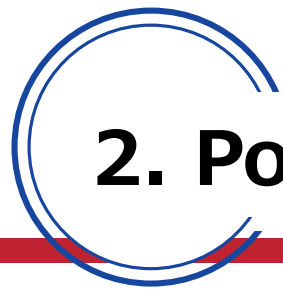
# Track Record of Unitholders' Value

- ◆ The DPU for the 16th period is increased by ¥336 from the previous period
  - Achieved the original target of normalized DPU (¥9,000) at a faster pace
- ◆ We maintain level of ¥9,000 in normalized DPU under current condition, and aim continuous growth

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







## **2. Portfolio Summary**

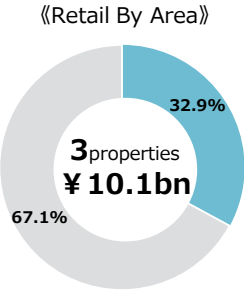
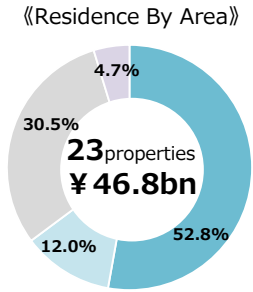
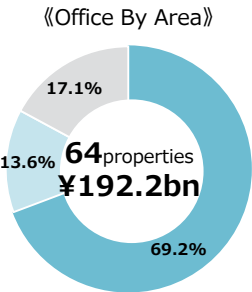
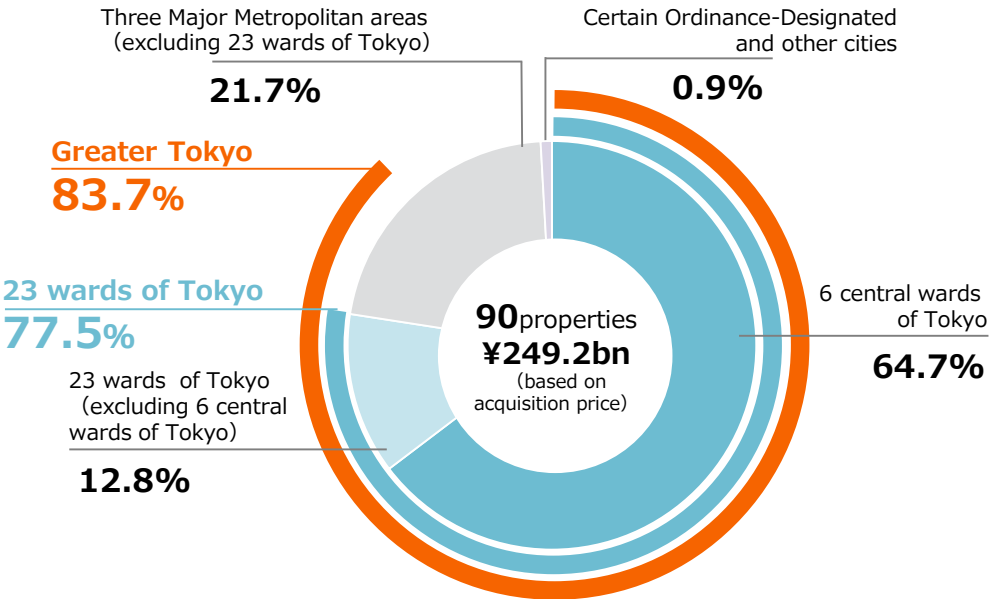
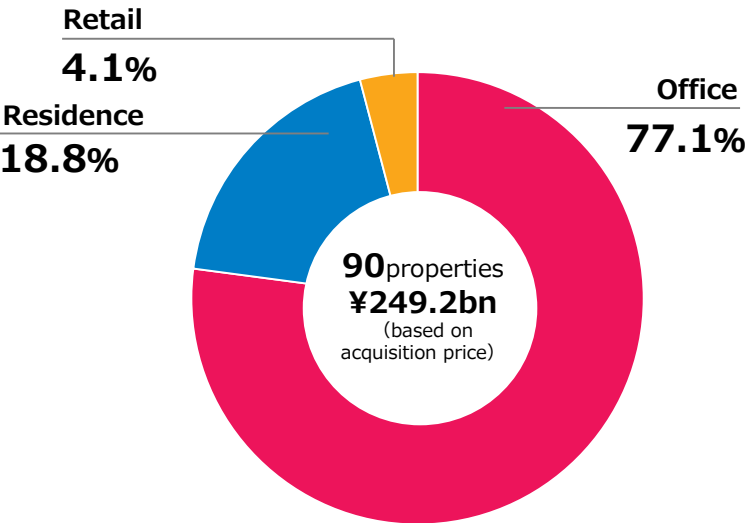
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# Portfolio Summary (as of the end of the 16th Period)

◆ Robust portfolio focusing on Mid-sized Office located in central Tokyo and residence located in 3-Major Metropolitan areas

《By type of portfolio》

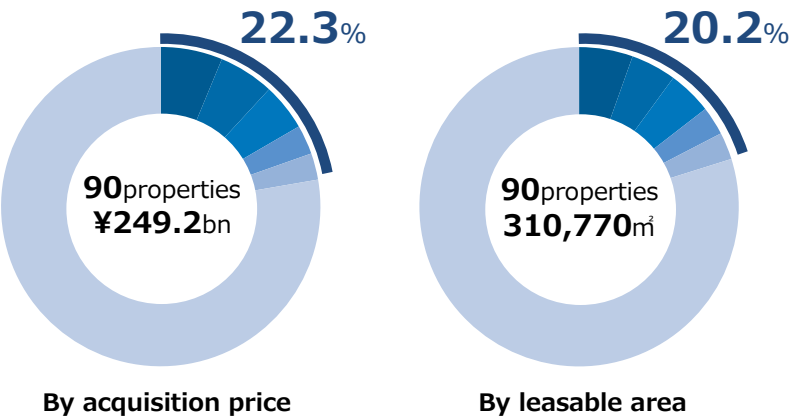
《By area <sup>(1)</sup> 》



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

◆ Maintaining the first-rating risk tolerance among all listed J-REIT

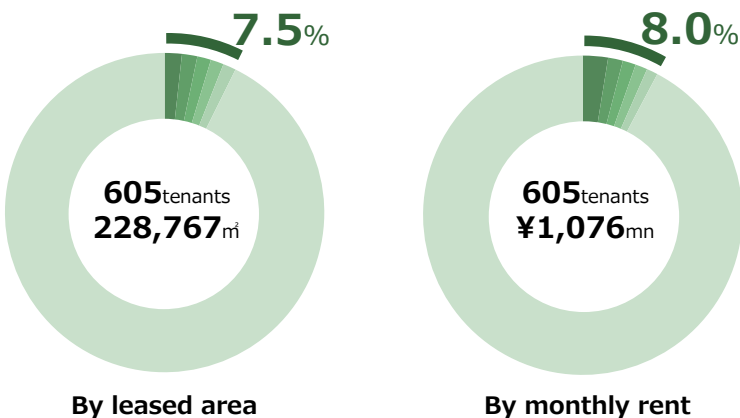
《Portfolio diversification》  
(Proportion of the 5 largest properties)



《5 largest properties (by acquisition price)》

	Property Name	Acquisition Price (¥mm)	Share
1	Omiya Center Building	15,585	6.3%
2	FORECAST Shinjuku SOUTH	13,990	5.6%
3	Tower Court Kitashinagawa	11,880	4.8%
4	Shibakoen Sanchome Building	7,396	3.0%
5	Homat Horizon Building	6,705	2.7%

《Tenant diversification》  
(Proportion of the 5 largest tenants <sup>(1)</sup>)



《5 largest tenants (by leased area)》

	Property Name	Business Category	Leased Area (㎡)	Share
1	FORECAST Shinjuku SOUTH FORECAST Shinjuku AVENUE	Telecommu- nication	4,438.55	1.9%
2	Shibakoen Sanchome Building	Telecommu- nication	3,559.85	1.6%
3	Itabashi Honcho Building	Service	3,189.12	1.4%
4	Pigeon Building	Manufacture	3,022.25	1.3%
5	Sunworld Building	Real Estate	3,012.86	1.3%



## **2. Management Status in the 16th period and Future Growth Strategies**

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Environmental Awareness (related to external growth)

- (Real Estate Trading Market)
- Due to the stagnation of the market caused by the spread of COVID-19 infection, there were cases in which sellers rushed to sell their properties around April to May 2020, but essentially market environment is continuously advantageous to sellers. (no change in financial institutions' stance on real estate lending)
  - Transaction prices in central Tokyo, 3 major metropolitan areas, and regional hub city remain persistently high.
- (Finance)
- Financial institutions' stance on lending remains unchanged, and the environment for financing through investment corporation bonds and borrowing is stable
  - On the other hand, listed J-REIT investment units' prices have been facing downward pressure, and the growth strategy through a public offering is limited to some asset classes

Environmental awareness (related to internal growth)

- (Leasing Market)
- The ability to pay rent decreased mainly that happened to some tenants in industries directly affected by the stagnation of economic activities due to COVID-19 infection  
→ Moving-out ratio and occupancy rate may decrease temporarily, and extent of rent growth at the timing of contract renewal may shrink
    - Office
      - Medium-sized office market, particularly in central Tokyo and the 3 major metropolitan areas, remains tight while there are concerns about the risk of a rise in vacancy rates and a decline in rents at large-scale office market in central Tokyo which have been facing a large amount of office floor supply
      - Attention should be paid to the diversification of office needs affected by changes in working styles and lifestyles triggered by the spread of COVID-19 infection
    - Residence
      - Due to demographic trends, trend of rents of residence properties in urban areas, particularly in the 3 major metropolitan areas, is stable
    - Retail
      - Attention should be paid to the business environment surrounding tenants. (Especially, restaurants and shop-visit-type tenants. On the other hand, daily necessities suppliers such as Super Markets showed steady growth.)

External growth strategy

- Continue to accumulate potential assets on pipeline that maintains investment discipline while implementing various measures to improve the quality the portfolio (Optimization of the current situation and strategic preparation for sustained growth)
- ① **Asset replacement to aim improve portfolio competitiveness and also to pursue additional internal growth potential**
    - ✓ Continue Portfolio Refining Strategy that we prioritize assets replacement rather than pursuing accumulation of AUM
    - ✓ Being conscious of external growth to expand internal growth potential by emphasizing on "Growth potential (such as room for rent gap position and value increase in buildings)", which is one of the investment disciplines to be maintained
  - ② **Accumulation of potential assets on pipeline that maintains investment discipline (emphasizing on internal growth potential and stability)**
    - ✓ Reflect needs of office building that is diversifying such as distributed functions and workplaces near home (e.g. satellite offices, offices near stations in residential concentration areas, etc.)
    - ✓ Continue to actively invest in residence in the 3 major metropolitan areas through a strategic sourcing from wider real estate owner universe

Internal Growth Strategy

- Internal growth mainly by rent increase at tenant replacement filling rent gap (Continuously realize the internal growth potential of the portfolio)
- ① **Achieve continuous internal growth (Increase in Rent)**
    - ✓ Increase in rent at tenant replacement using increase in moving-out ratio and rent gap
    - ✓ Continue negotiations to increase rents at the timing of contract renewal while considering tenants' financial conditions, etc.

(Increase in NOI through Engineering Management (EM))

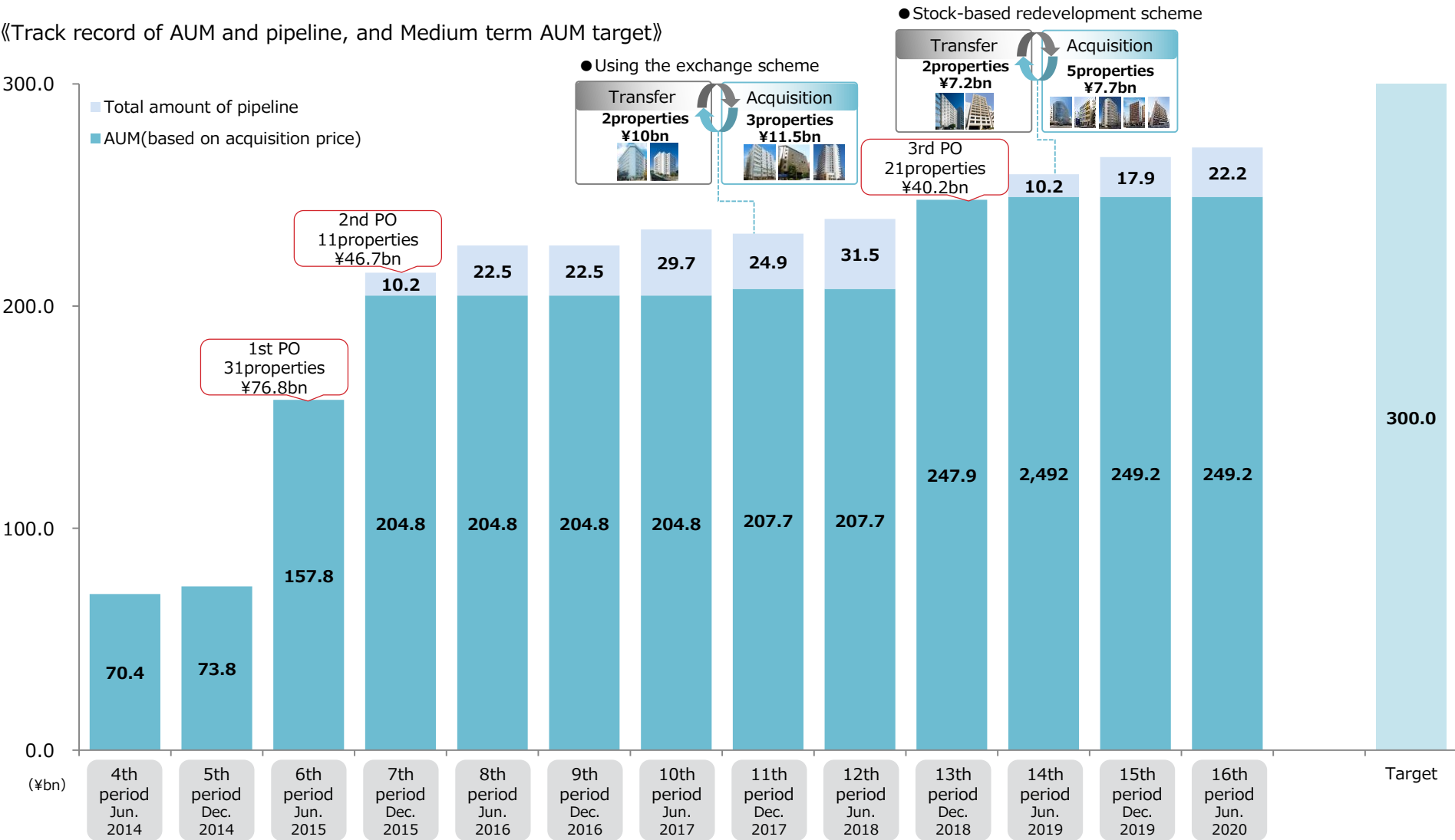
    - ✓ Continuous implementation of engineering management (EM) measures to improve competitiveness and profitability of portfolio, and cost reductions, etc.
  - ② **Maintain high occupancy rate through strategic leasing activities**
    - ✓ Development and implementation of a leasing tool that promotes tenancy
    - ✓ Expanding operational functions to meet diversifying office needs
  - ③ **Consider comfort for tenants and the environment**
    - ✓ Aim to promote "comfort in office space" and "consideration for the environment" through systematic EM



# Track Record of AUM

- ◆ **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 disciplined external growth**

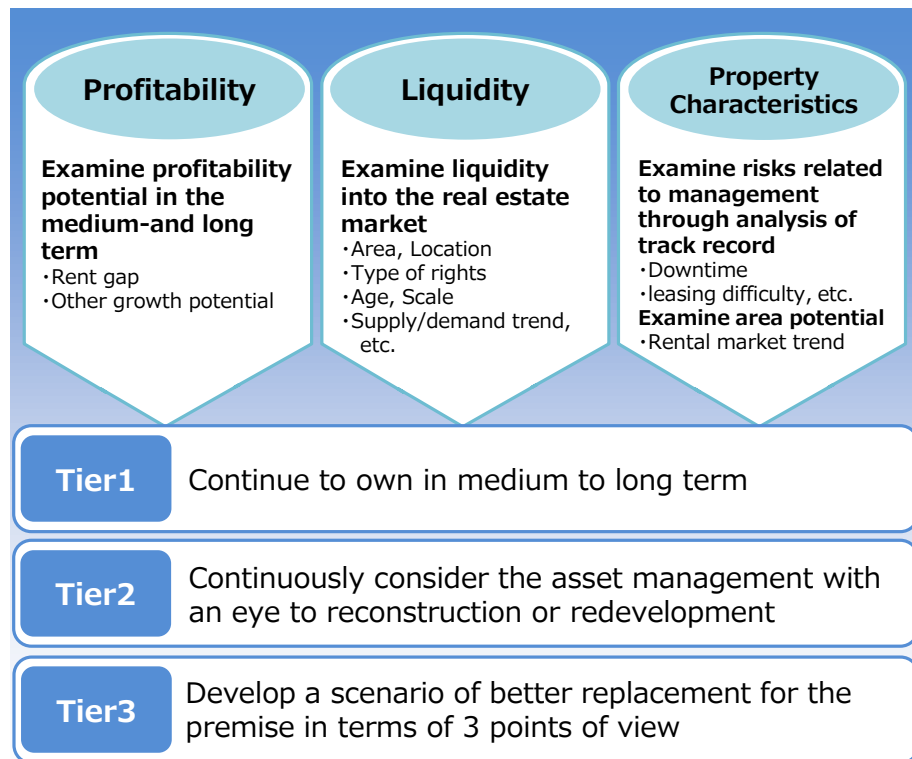
《Track record of AUM and pipeline, and Medium term AUM target》



# Summary of “Tiering Project” and Pipeline

《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



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

- ◆ Consider and execute 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

《Summary of Pipeline as of the end of the 16th period》

**Total of first negotiation price**  
(as of the end of Jun. 2020)

**¥22.2bn**

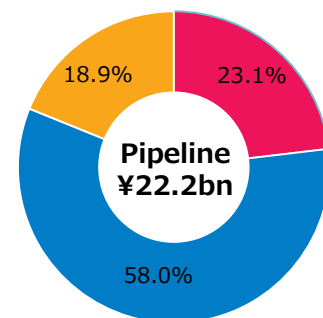
**Assumed NOI yield of pipeline <sup>(1)</sup>**

**4.3%**  
(after depreciation : 3.9%)

**Average building age of pipeline**  
(as of the end of Jun. 2020)

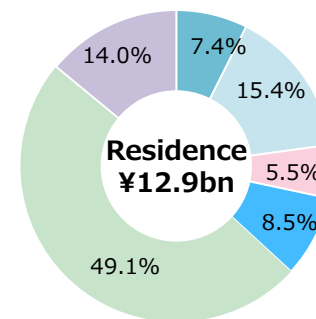
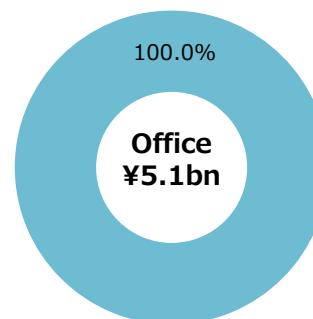
**18.2 years**

● Pipeline by type



■ office ■ Residence ■ Retail

● Pipeline by area



■ 6 central wards of Tokyo ■ Kanagawa ■ Osaka  
■ 23 wards of Tokyo (excluding six central wards of Tokyo) ■ Saitama ■ Aichi

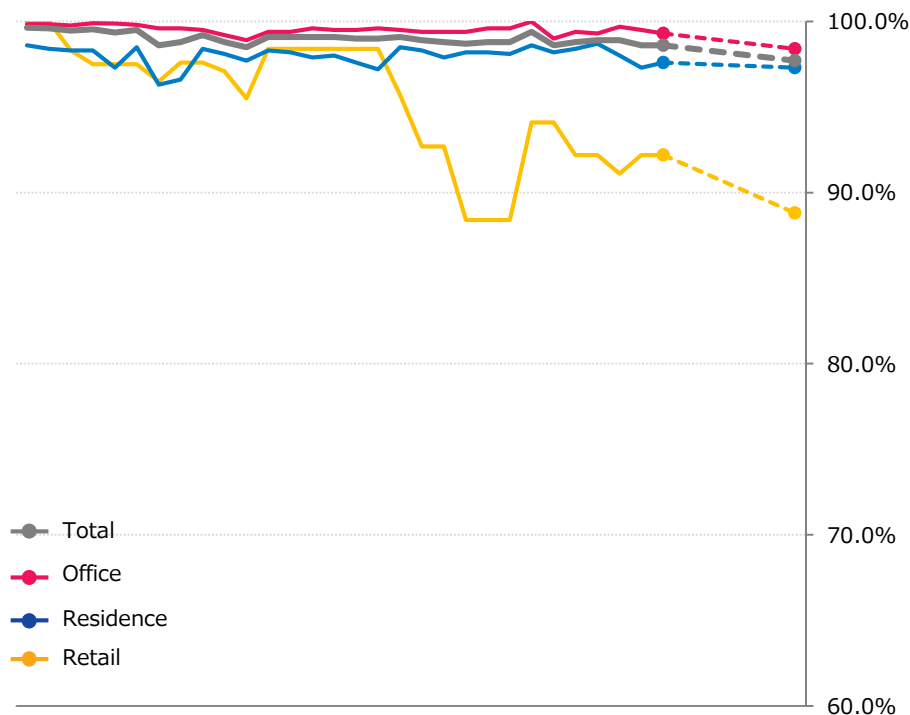
※ The first negotiation period for “TENSHO OFFICE SHINBASHI 5” and “tanosio shin-yokohama” will be end on the last day of August 2020. In case that the period ends without exercise of the first negotiation right, the right shall extinguish and the total first negotiation price of pipeline after the extinguishment shall be 16.8 billion yen.

# Occupancy Rate and Free Rent Period Trend

## ◆ Maintaining a high occupancy rate both of based on contract and rent

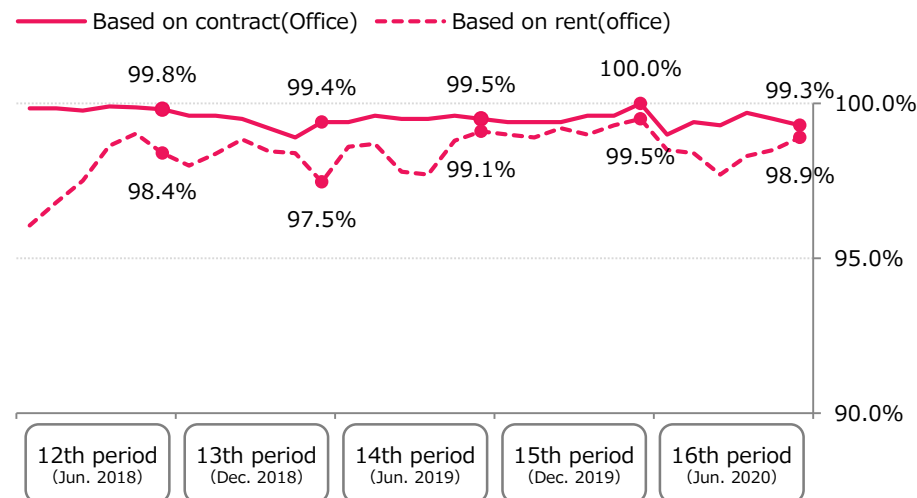
- Occupancy rate of office has been maintaining high with the background of tight mid-sized market, also the rate of residence moves steadily
- We focus on leasing activities for retail properties

《 Occupancy rate trend and forecast 》

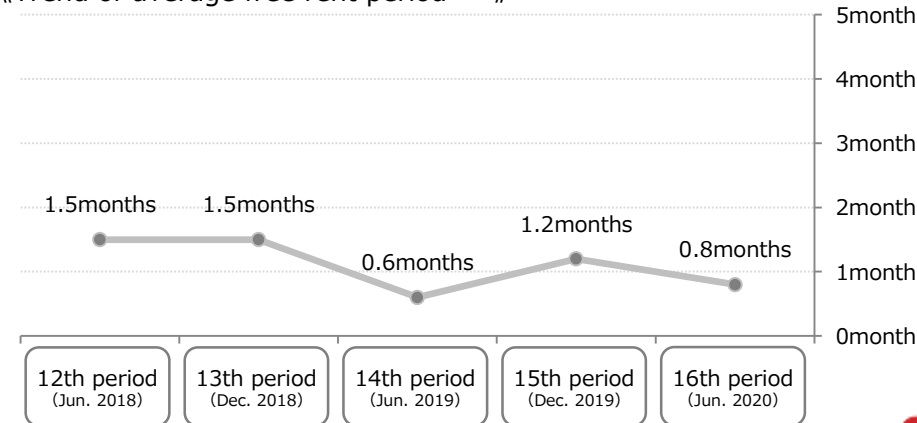


12th period	13th period	14th period	15th period	16th period	17th period	
99.5%	99.1%	99.1%	99.4%	98.6%	97.7%	Total
99.8%	99.4%	99.5%	100.0%	99.3%	98.4%	Office
98.5%	98.3%	98.5%	98.6%	97.6%	97.3%	Residence
97.5%	98.4%	95.7%	94.1%	92.2%	88.8%	Retail

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



《Trend of average free rent period <sup>(1)</sup> 》



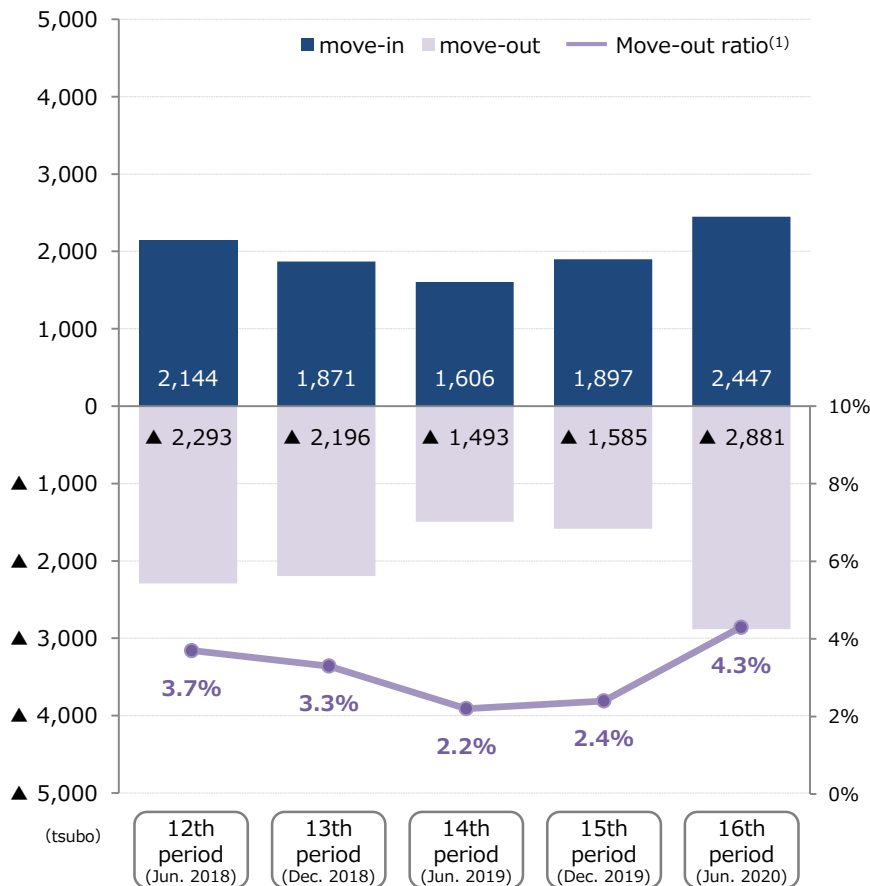
# Status of Tenant Move-in and Move-out, and Rent Increase Upon Tenant Replacement

## ◆ Increase in office rent change ratio upon tenant replacement

- Rent increase (decrease) upon tenant replacement improved, given the background of mid-sized office market in which supply-demand is tight and there is high competitiveness of our properties

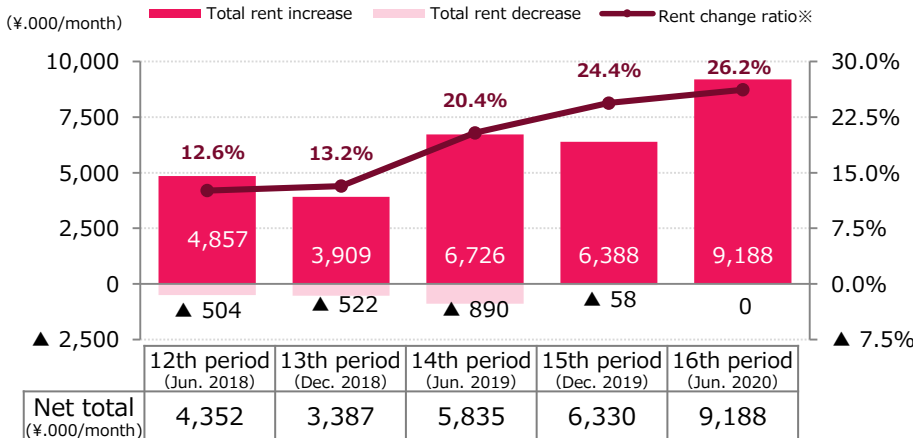
《Tenant move-in and move-out, Average move-out ratio》

※Total leasable area as of the end of 16th period (office) : 66,676 tsubo

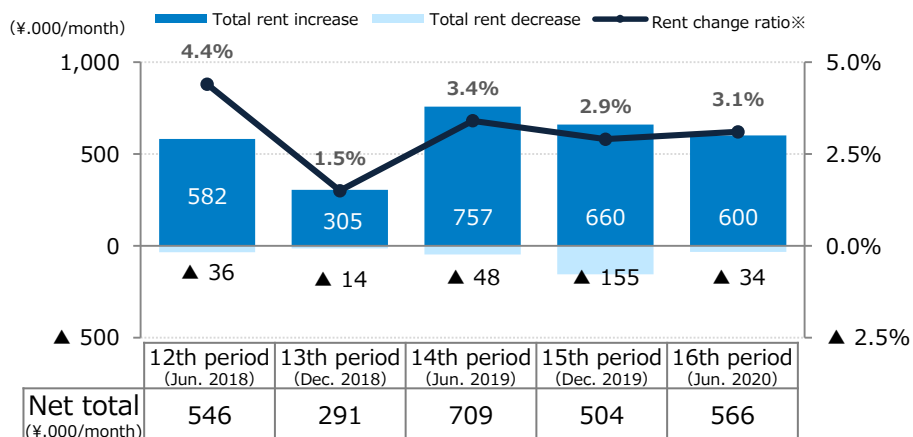


《Monthly rent increase (decrease) upon tenant replacement》

### ● Office



### ● Residence <sup>(2)</sup>

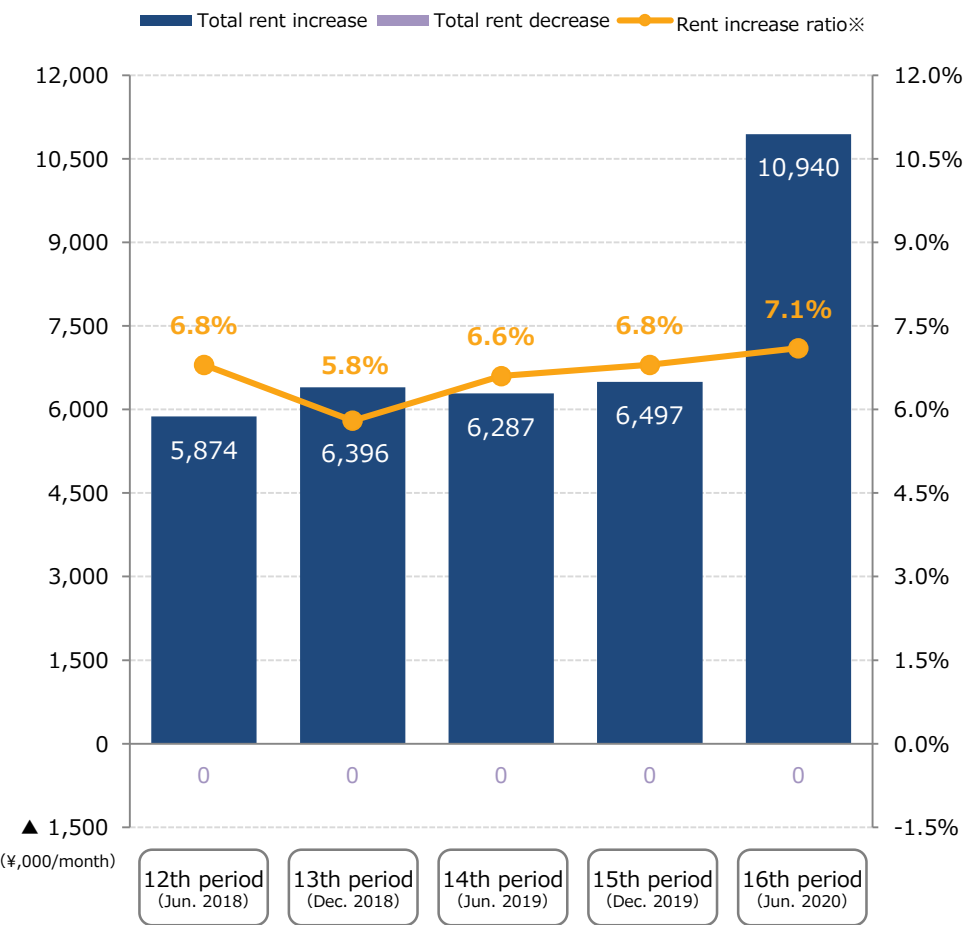


※ "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place.  
 ( (total rent after tenant replace - total rent before tenant replacement) / total rent before tenant replacement ) .

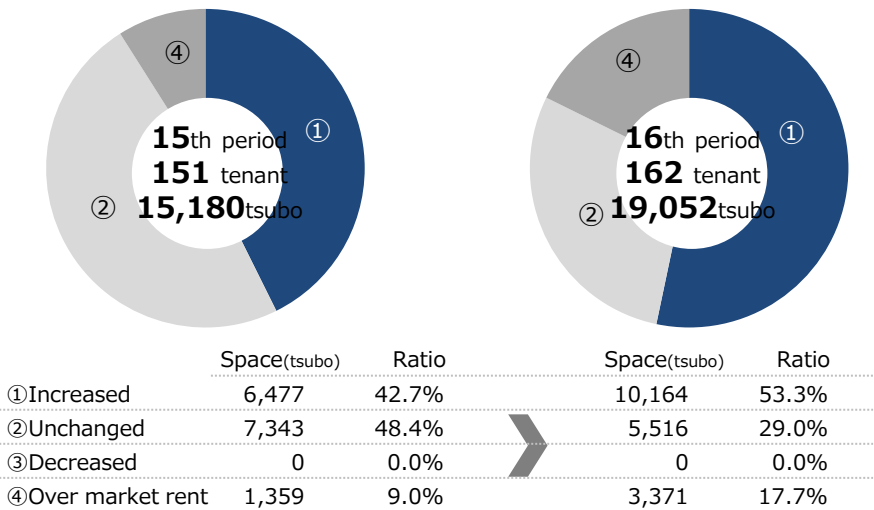
◆ Maintain rent increase trend upon contract renewal

- Achieved rent increase for 53.3% of areas subject to renewal, attributed to 70 tenants (10,164 tsubo) out of 162 tenants (19,052 tsubo) , during the 16th period

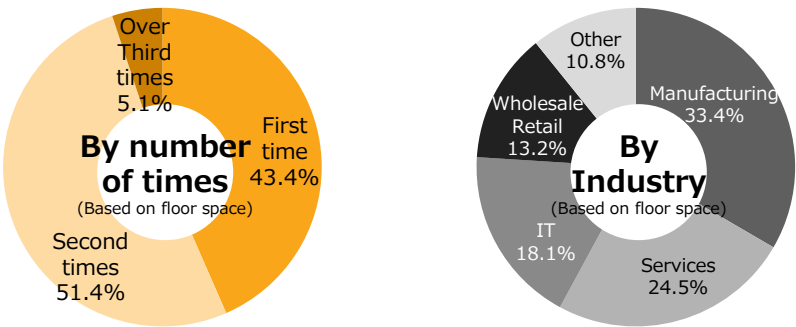
《Status of rent increase (decrease) upon contract renewals》  
(office /monthly rent)



《Trend of record of rent renewals (floor space) <sup>(1)</sup>》



《Summary of tenant that agreed on rent increase》



※ "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)

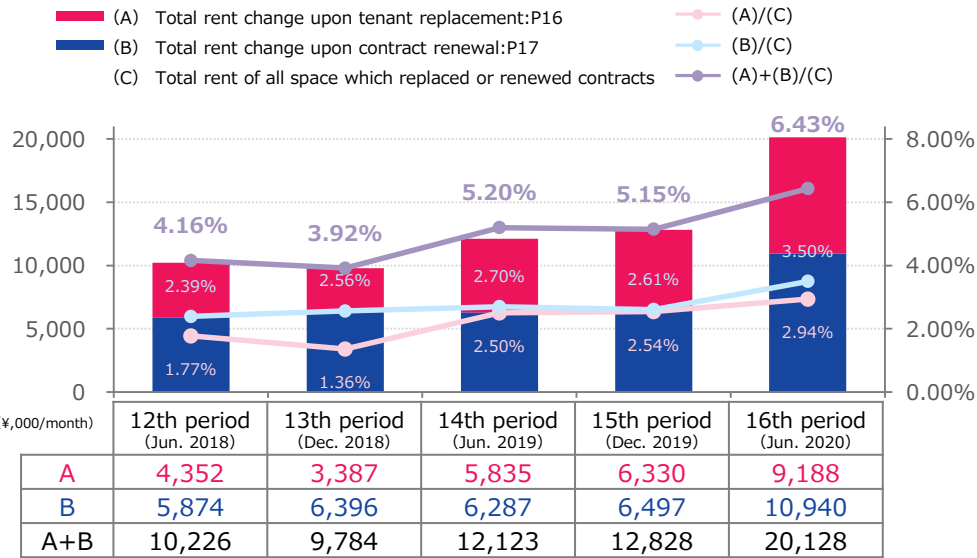


# Track Record of Rent Change Ratio and Rent Gap Trend (Office)

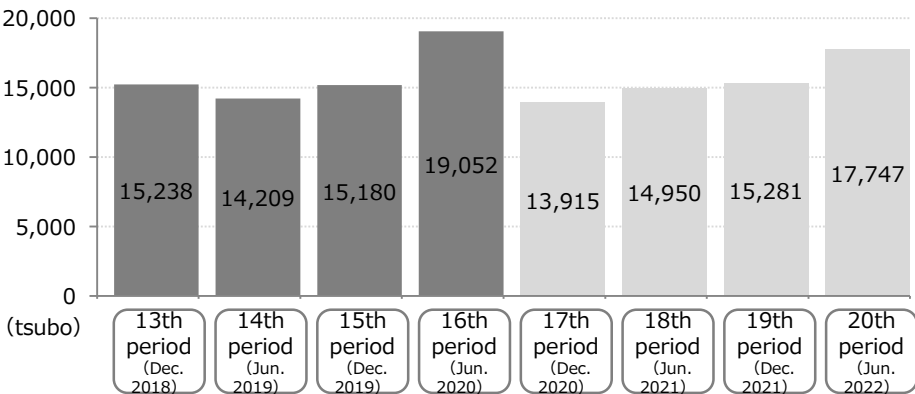
◆ **Rent gap has shrunk by approximately 2.5% due to rent growth and adjustment of market rent**

- We continue to negotiate to increase in rent mainly with tenant whose rent is lower than market rent (negative rent gap) while considering financial condition of each tenant

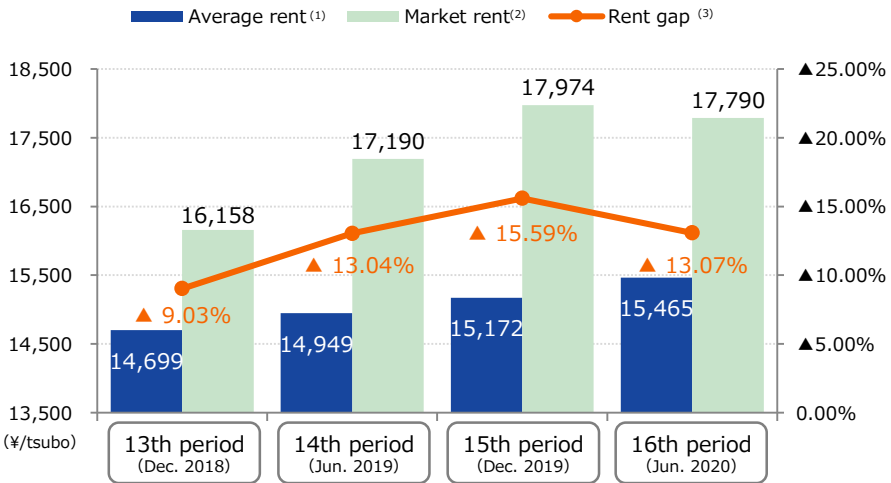
《Track record of rent change ratio (office)》



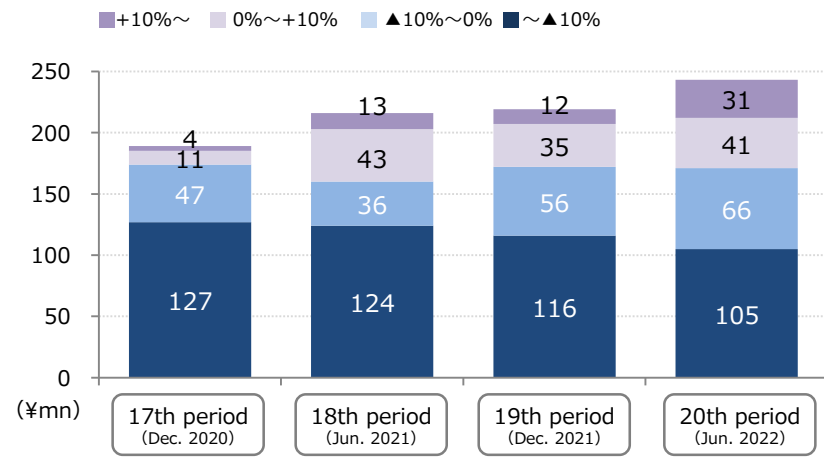
《Track record of area subject to renewal (office)》



《Rent gap trend》※Office and standard floor Only



《Status of rent gap》※Office and standard floor Only, monthly rent base



## ◆ Planning and carrying out the Engineering Management to boost internal growth

- Utilize reserved depreciation amount to make CAPEX plans more feasible (setting aside a certain amount in the event 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.

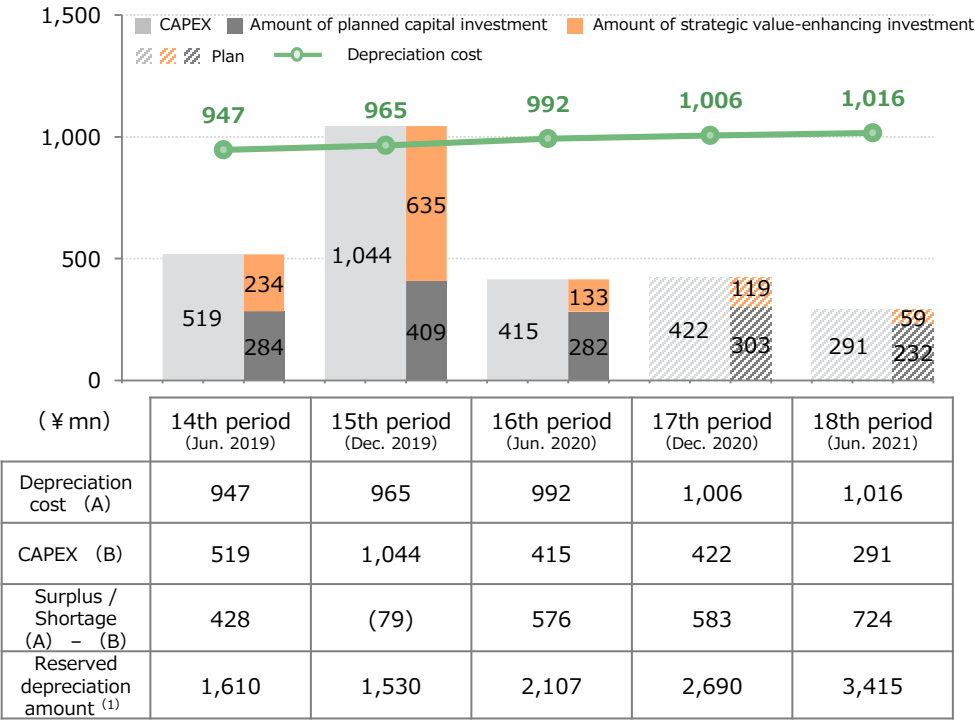
#### Improvement of tenant satisfaction

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》



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

#### ● Actual for the 16th period (Jun. 2020)

Creation of new revenue sources/Profitability enhancement		Cost reduction	
Major measure	Approx. Effect(cost)	Major measure	Approx. Effect(cost)
(2 properties) Replacing sublease parking operator, and installation of EV charging facility (Toranomom Sakura Building) Setting antennas at rooftop	¥0.31mn (¥0)	(12 properties) Replacing energy provider	¥22.29mn (¥0)
(2 properties) Value up through renewal (NORE Fushimi) Expanding leasable space, renewal of smoking space (Tower Court Kitashinagawa) Gathering posting	¥0.84mn (¥0)	(4 properties) Replacing building manager	¥9.72mn (¥0)
(2 properties) Value up through renewal (NORE Fushimi) Expanding leasable space, renewal of smoking space (Tower Court Kitashinagawa) Gathering posting	¥2.04mn (¥9.58mn)	(Seam Dwell Tsutsui) Changing contract of outside parking lots	¥0.4mn (¥0.04mn)
(Splendid Shin-Osaka III) Sublease motorcycle parking	¥1.08mn (¥7.21mn)	Total	¥32.42mn (¥0.04mn)
(2 properties) Setting share cycle port	¥0.53mn (¥0)		
Total	¥4.95mn (¥16.79mn)		

Total amount of NOI increase Approx.¥37.38mn (annual)

Totally contribute to DPU +Approx.¥41/fiscal period

#### ● Plan for the 17th period (Dec. 2020)

Creation of new revenue sources/Profitability enhancement		Cost reduction	
Major measure	Approx. Effect(cost)	Major measure	Approx. Effect(cost)
(Central Daikanyama) Change in use	¥2.54mn (¥15mn)	(Kanda Ocean Building) Change EV maintenance operator	¥0.01mn (¥0)

# Engineering Management

## 《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.

Category	Measure	Effect (p.a.)	Category	Measure	Effect (p.a.)
7th period (Actual)	● (Hiroo Reeplex B's / another) Installation of signboard by using dead space	approx. ¥4.40mn	12th period (Actual)	● (Higashi Ikebukuro Center Building) Rent increase by changing a use	approx. ¥11.95mn
	● (FORECAST Nishishinjuku) Setting up new leasing area by using dead space	approx. ¥2.00mn		● (FORECAST Mita) Setting antennas at rooftop	approx. ¥1.68mn
	Total effect (p.a.) of the 7th period	approx. ¥8.90mn		● (25 properties) Replacing energy provider	approx. ¥12.42mn
8th period (Actual)	● (Shinto GINZA EAST etc.) Leasable area expansion	approx. ¥1.18mn		Total effect (p.a.) of the 12th period	approx. ¥31.28mn
	● (40 properties) Replacing energy provider	approx. ¥60.83mn	13th period (Actual)	● (GreenOak Kudan) Rent increase by improvement of common area	Approx. ¥11.74mn
	Total effect (p.a.) of the 8th period	approx. ¥63.80mn		● (FORECAST Shinjuku SOUTH etc.) Setting up new leasing area by using dead space	Approx. ¥2.08mn
9th period (Actual)	● (20 properties) Replacement of sublease parking operator	approx. ¥27.19mn		● (FORECAST Sakurabashi etc.) Installment of LED light (common area)	Approx. ¥3.45mn
	● (16 properties) Building management cost reduction	approx. ¥9.46mn		Total effect (p.a.) of the 13th period	approx. ¥19.90mn
	● (8 properties) Installment of water saving device	approx. ¥3.70mn	14th period (Actual)	● (FORECAST Takadanobaba) Replacing sublease parking operator	Approx. ¥1.88mn
	Total effect (p.a.) of the 9th period	approx. ¥46.80mn		● (25 properties) Replacing energy provider	Approx. ¥54.14mn
10th period (Actual)	● (13 properties) Replacing energy provider	approx. ¥29.67mn		● (Sumitomo Mitsui Bank Koraibashi Building) Replacing building manager	Approx. ¥1.54mn
	● (Tower Court Kitashinagawa etc.) Installment of LED light (common area)	approx. ¥6.27mn		Total effect (p.a.) of the 14th period	approx. ¥57.81mn
	Total effect (p.a.) of the 10th period	approx. ¥47.97mn	15th period (Actual)	● (12 properties) Setting antennas at rooftop	Approx. ¥8.10mn
11th period (Actual)	● (FORECAST Shinagawa etc.) Setting up new leasing area by using dead space	approx. ¥2.64mn		● (5 properties) Value up through renewal	Approx. ¥2.79mn
	● (21properties) Replacing energy provider	approx. ¥17.94mn		● (4 properties) Installment of LED light	Approx. ¥3.23mn
	Total effect (p.a.) of the 11th period	approx. ¥26.34mn		Total effect (p.a.) of the 15th period	approx. ¥17.34mn

Engineering Management implemented from the 7th period to the 16th period

Total effect (p.a.) **Approx. ¥357mn**

## 《 Examples of Engineering Management 》

### ● Increase in revenue by expand leasable space

NORE Fushimi

- Approx. ¥1.08mn p.a. increase in revenue by expanding leasable space through changing layout as well as improvement of tenant satisfaction through renewal of common area are expected



### ● Social Contribution through vending machine

Towa Higashi-Gotanda Building

- Setting vending machine with donation system that 1 yen per 1 purchase will be donated to Tokyo greening association



### ● Increase in revenue by replacing sublease parking operator and installation of EV charging facility

Mer veille Senzoku, Wald Park Minamioi

- Sublease parking operator has replaced and approx. ¥0.31mn p.a. increase in revenue is expected
- The tenant satisfaction improved by installation of EV charging facility

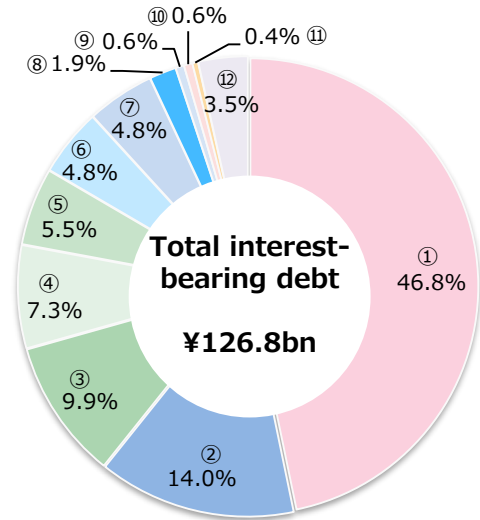


- ◆ **Enhanced financial stability**
  - Borrowing term has been extended while considering cost balance, and commitment line has been set.
- ◆ **Continuously aiming upgrade of rating**

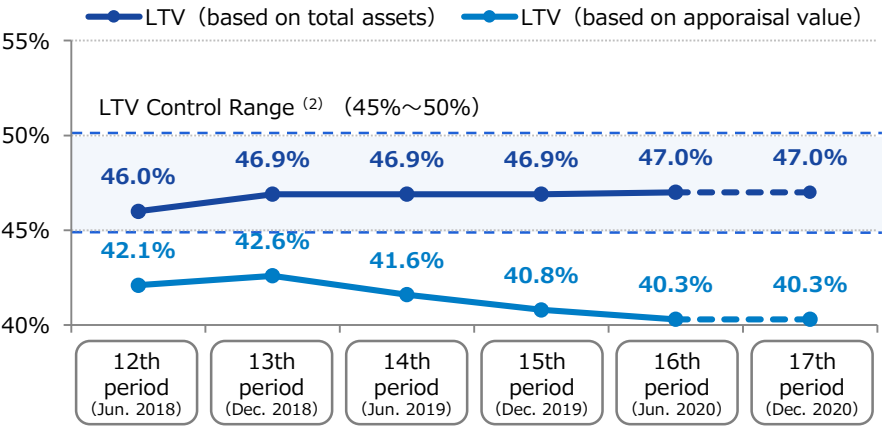
《Structure of Interest-Bearing Liabilities》

	14th period	15th period	16th period
<b>Total interest-bearing debt</b>	¥126,870mn	¥126,870mn	¥126,870mn
<b>Borrowings</b>	¥122,370mn	¥122,370mn	¥122,370mn
<b>Corporation bonds</b>	¥4,500mn	¥4,500mn	¥4,500mn
<b>Long-term debt ratio</b>	99.5%	100%	100%
<b>Fixed interest rate ratio</b>	99.5%	100%	100%
<b>Rating</b>	A (Positive)		
<b>Commitment line</b>	-	¥3,000mn	

《Bank formation》



《Total interest-bearing debt <sup>(1)</sup> 》



Lender		ratio
①	MUFG Bank, Ltd.	46.8%
②	Mizuho Bank, Ltd.	14.0%
③	Sumitomo Mitsui Banking Corporation	9.9%
④	Resona Bank, Limited	7.3%
⑤	Sumitomo Mitsui Trust Bank, Limited	5.5%
⑥	Shinsei Bank, Limited	4.8%
⑦	Mizuho Trust & Banking Corporation	4.8%
⑧	Development Bank of Japan Inc.	1.9%
⑨	Aozora Bank, Ltd.	0.6%
⑩	The Nomura Trust and Banking Co., Ltd.	0.6%
⑪	Meiji Yasuda Life Insurance Company	0.4%
⑫	Investment Corporation bonds	3.5%
(break down)		
1st unsecured bonds	Term 10 years	Issue amount ¥1.0bn
2nd unsecured bonds	7 years	¥1.0bn
3rd unsecured bonds	10years	¥1.5bn
4th unsecured bonds	10years	¥1.0bn

Total of borrowings ¥122.3bn  
10 Banks + 1 entity

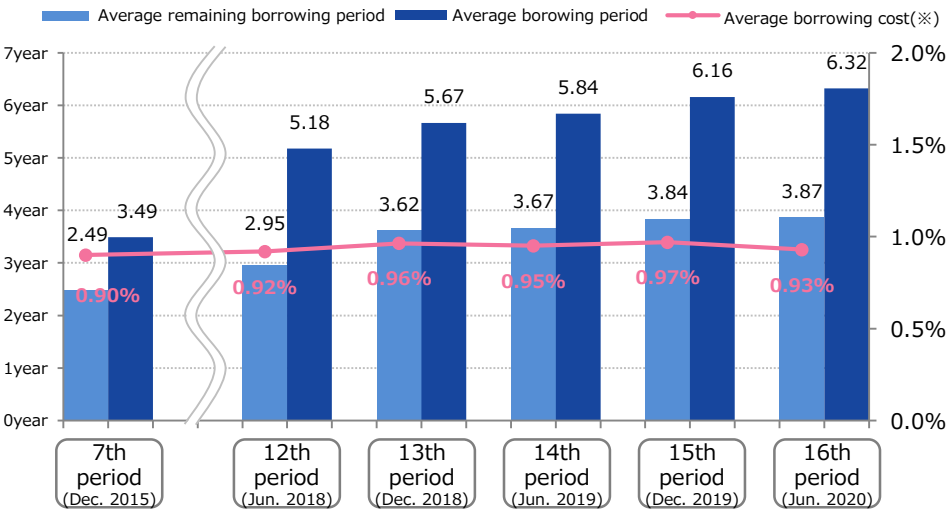
Total of Investment Corporation bonds ¥4.5bn

Total interest-bearing debt ¥126.8bn

《Overview of refinancing in the 16th period》

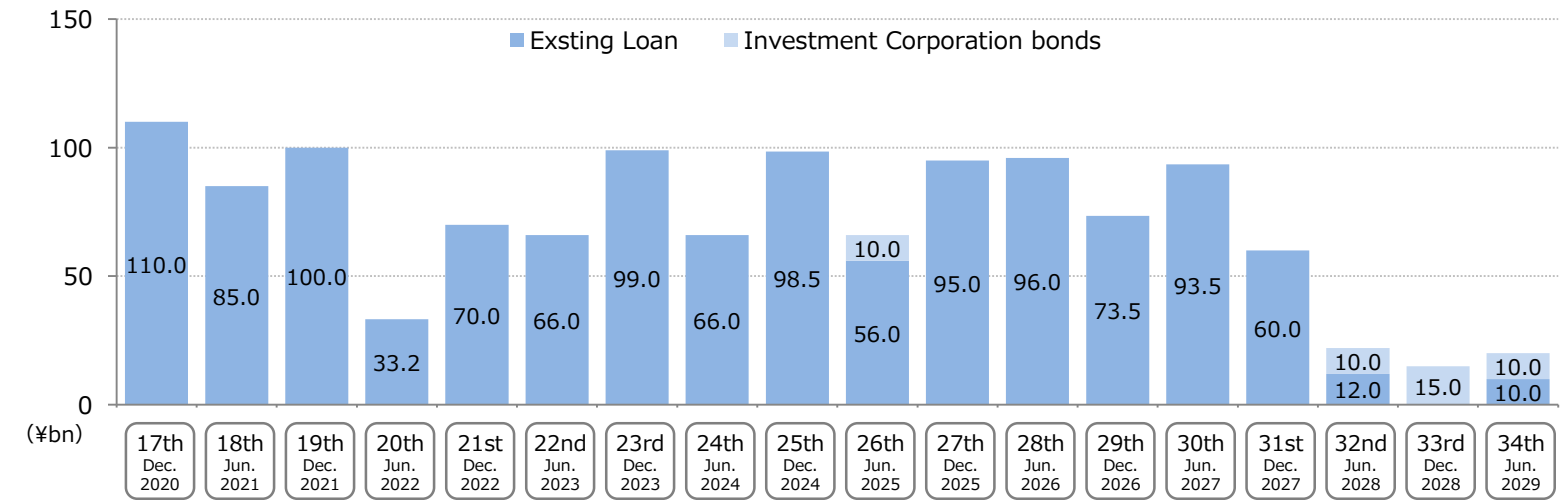
Amount (¥/mn)	Term	Interest rate	Amount (¥/mn)	Term	Interest rate
6,000	5 years	0.85306% (fixed interest rate)	500	3 years 2 months	0.246% (fixed by interest swap agreement)
			2,500	6 years 6 months	0.391% (fixed by interest swap agreement)
3,500	4 years 11 months	0.84355% (fixed interest rate)	500	7 years 2 months	0.4495% (fixed by interest swap agreement)
			6,000	7 years 6 months	0.4802% (fixed by interest swap agreement)

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



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

《Debt Maturity Schedule》



《Status of rating》

Japan Credit Rating  
Agency, Ltd. (JCR)  
Long-term issuer rating

**A**  
(Positive)





## **4. Data related with Financial Results for the 16th Period (Jun. 2020)**

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# Financial Results for the 16th Period (Jun. 2020)

Unit ¥mn	15th Period (Dec. 31, 2019) Actual	16th Period (Jun. 30, 2020) Forecast	16th Period (Jun. 30, 2020) Result	16th Period (actual) vs 15th Period (actual) (difference)	16th Period (actual) vs 16th Period (forecast) (difference)
	a	b	c	c-a	c-b
<b>Operating Revenues</b>	<b>8,634</b>	<b>8,680</b>	<b>8,658</b>	<b>+24</b>	<b>(22)</b>
Rental Revenues	7,919	7,976	7,967	+48	(8)
Other Revenues Related to property leasing	709	698	683	(25)	(14)
Dividend Income	5	6	7	+1	+1
<b>Operating Expenses</b>	<b>(3,992)</b>	<b>(3,997)</b>	<b>(3,884)</b>	<b>+107</b>	<b>+113</b>
<b>Operating Income</b>	<b>4,642</b>	<b>4,682</b>	<b>4,774</b>	<b>+132</b>	<b>+91</b>
Non-Operating Revenues	4	-	5	+0	+5
Non-Operating Expenses	(646)	(631)	(627)	+18	+4
<b>Ordinary Income</b>	<b>4,000</b>	<b>4,051</b>	<b>4,151</b>	<b>+151</b>	<b>+100</b>
<b>Net Income</b>	<b>4,000</b>	<b>4,050</b>	<b>4,151</b>	<b>+151</b>	<b>+100</b>
<b>DPU</b>	<b>¥8,892</b>	<b>¥9,002</b>	<b>¥9,228</b>	<b>+¥336</b>	<b>+¥226</b>
<b>NOI</b>	<b>6,431</b>	<b>6,512</b>	<b>6,593</b>	<b>+162</b>	<b>+80</b>
<b>FFO per Unit <sup>(1)</sup></b>	<b>¥11,049</b>	<b>¥11,227</b>	<b>¥11,438</b>	<b>+¥389</b>	<b>+¥211</b>
<b>Days</b>	<b>184</b>	<b>182</b>	<b>182</b>	<b>-</b>	<b>-</b>

## ◆ Comparison against the 15th Period (Dec. 2019) actual (c-a)

Major fluctuation factor (¥/mn)	Remarks
<b>◆ Increase in operating revenues</b> <b>+24</b>	
• Increase in rental revenue	+48 (By tenant replacement and Rent increase)
• Decrease in utility income	(91) (Restraint factor, Seasonal factor)
• Increase in miscellaneous income	+64
• Increase in dividend income	+1
• Others	+0
<b>◆ Decrease in operating expenses</b> <b>+107</b>	
• Decrease in BM fee	+17
• Decrease in utility expense	+90 (Restraint factor, Seasonal factor)
• Decrease in repair expense	+25
• Increase in tax	(18)
• Increase in depreciation	(27)
• Decrease in leasing related expense	+21
• Decrease in advertising expense	+5 (Reduced IR opportunities by prevention of COVID-19 infection)
• Increase in non-recoverable consumption tax	(4) (By the raised consumption tax)
• Others	(3)
<b>◆ Decrease in non-operating expenses</b> <b>+18</b>	
• Decrease in borrowing related expense	+18
• Others	+0

## ◆ Comparison against the 16th Period (Jun. 2020) forecast (c-b)

Major fluctuation factor (¥/mn)	Remarks
<b>◆ Decrease in operating revenues</b> <b>(22)</b>	
• Decrease in rental revenue	(8)
• Decrease in utility income	(53)
• Increase in miscellaneous income	+38 (Restoration cost (MK Kojimachi Building))
• Increase in dividend income	+1
• Others	+0
<b>◆ Decrease in operating expenses</b> <b>+113</b>	
• Decrease in PM/BM fee	+16
• Decrease in utility expense	+45 (Restraint factor)
• Decrease in repair expense	+29
• Decrease in leasing related expenses	+6
• Increase in AM fee	(6)
• Decrease in advertising expense	+11 (Reduced IR opportunities by prevention of COVID-19 infection)
• Others	+10
<b>◆ Decrease in non-operating expenses</b> <b>+4</b>	
• Decrease in investment corporation bonds related expense	+4
• Decrease in investment corporation bonds related expense	+0

# Financial Forecast for the 17th Period (Dec. 2020) and the 18th period (Jun. 2021)

Unit ¥mn	16th Period (Jun. 30, 2020) Result	17th Period (Dec. 31, 2020) Forecast	18th Period (Jun. 30, 2021) Forecast	17th Period (Forecast) vs 16th Period (Result) (difference)	18th Period (forecast) vs 17th Period (forecast) (difference)
	a	b	c	b-a	c-b
<b>Operating Revenues</b>	<b>8,658</b>	<b>8,803</b>	<b>8,636</b>	<b>+144</b>	<b>(166)</b>
Rental Revenues	7,967	8,013	8,009	+46	(4)
Other Revenues Related to property leasing	683	785	624	+102	(161)
Dividend Income	7	3	3	(3)	(0)
<b>Operating Expenses</b>	<b>(3,884)</b>	<b>(4,085)</b>	<b>(3,968)</b>	<b>(200)</b>	<b>+116</b>
<b>Operating Income</b>	<b>4,774</b>	<b>4,718</b>	<b>4,668</b>	<b>(56)</b>	<b>(50)</b>
Non-Operating Revenues	5	-	-	(5)	-
Non-Operating Expenses	(627)	(620)	(614)	+7	+5
<b>Ordinary Income</b>	<b>4,151</b>	<b>4,097</b>	<b>4,053</b>	<b>(53)</b>	<b>(44)</b>
<b>Net Income</b>	<b>4,151</b>	<b>4,097</b>	<b>4,053</b>	<b>(54)</b>	<b>(44)</b>
<b>DPU</b>	<b>¥9,228</b>	<b>¥9,106</b>	<b>¥9,007</b>	<b>¥(122)</b>	<b>¥(99)</b>
<b>NOI</b>	<b>6,593</b>	<b>6,540</b>	<b>6,504</b>	<b>(52)</b>	<b>(36)</b>
<b>FFO per Unit</b>	<b>¥11,438</b>	<b>¥11,350</b>	<b>¥11,272</b>	<b>¥(88)</b>	<b>¥(78)</b>
<b>Days</b>	<b>182</b>	<b>184</b>	<b>181</b>	<b>-</b>	<b>-</b>

## ◆ Comparison between the 17th Period (Dec. 2020) forecast and the 16th Period (Jun. 2020) Result (b-a)

Major fluctuation factor (¥/mn)

	Remarks
◆ <b>Increase in operating revenues</b> <b>+144</b>	
·Increase in rental revenue	+46 (Rent increase and recovery of the occupancy rate etc.)
·Increase in utility income	+81 (Seasonal factor)
·Increase in miscellaneous income	+19
·Decrease in dividend income	(3)
·Others	+1
◆ <b>Increase in operating expenses</b> <b>(200)</b>	
·Increase in utility expense	(53) (Seasonal factor)
·Increase in repair expense	(87)
·Increase in depreciation	(13)
·Increase in leasing related expense	(18)
·Decrease in AM fee	+5
·Others	(32) (Land lease contract renewal fee(35))
◆ <b>Decrease in non-operating expenses</b> <b>+7</b>	
·Decrease in borrowing related expense	+7 (By refinancing)
·Decrease in investment corporation bonds related expense	+0

## ◆ Comparison between the 18th Period (Jun. 2021) Forecast and the 17th Period (Dec. 2020) Forecast (c-b)

Major fluctuation factor (¥/mn)

	Remarks
◆ <b>Decrease in operating revenues</b> <b>(166)</b>	
·Decrease in rental revenue	(5) (Rent increase etc.)
·Decrease in utility income	(76) (Restraint factor, Seasonal factor)
·Decrease in miscellaneous income	(84) (Coming off cancellation penalty and restoration cost)
·Others	(0)
◆ <b>Decrease in operating expenses</b> <b>+116</b>	
·Decrease in utility expense	+87 (Seasonal factor)
·Decrease in repair expense	+69
·Increase in tax	(26)
·Increase in depreciation	(10)
·Increase in leasing related expense	(35)
·Decrease in AM fee	+7
·Others	+24 (Coming off Land lease contract renewal fee(35))
◆ <b>Decrease in non-operating expenses</b> <b>+5</b>	
·Decrease in borrowing related expense	+5
·Decrease in investment corporation bonds related expense	+0

# Financial Forecast for the 17th Period (Dec. 2020)

Unit ¥mn	17th Period (Dec. 31, 2020) <b>Original Forecast</b> As of Feb. 19, 2020	17th Period (Dec. 31, 2020) <b>Forecast</b> As of Aug. 17, 2020	17th Period (Forecast) vs 17th Period (Original Forecast) (difference)
	a	b	b-a
<b>Operating Revenues</b>	<b>8,779</b>	<b>8,803</b>	<b>+24</b>
Rental Revenues	8,080	8,013	(66)
Other Revenues Related to property leasing	693	785	+91
Dividend Income	4	3	(0)
<b>Operating Expenses</b>	<b>(4,053)</b>	<b>(4,085)</b>	<b>(31)</b>
<b>Operating Income</b>	<b>4,725</b>	<b>4,718</b>	<b>(7)</b>
Non-Operating Revenues	-	-	-
Non-Operating Expenses	(629)	(620)	+9
<b>Ordinary Income</b>	<b>4,096</b>	<b>4,097</b>	<b>+1</b>
<b>Net Income</b>	<b>4,095</b>	<b>4,097</b>	<b>+1</b>
<b>DPU</b>	<b>¥9,102</b>	<b>¥9,106</b>	<b>+¥4</b>
<b>NOI</b>	<b>6,571</b>	<b>6,540</b>	<b>(30)</b>
<b>FFO per Unit</b>	<b>¥11,386</b>	<b>¥11,350</b>	<b>¥(36)</b>
<b>Days</b>	<b>184</b>	<b>184</b>	<b>-</b>

## ◆ Comparison between the 17th Period (Dec. 2020) Original Forecast and the 17th Period (Dec. 2020) Forecast (b-a)

Major fluctuation factor (¥/mn)

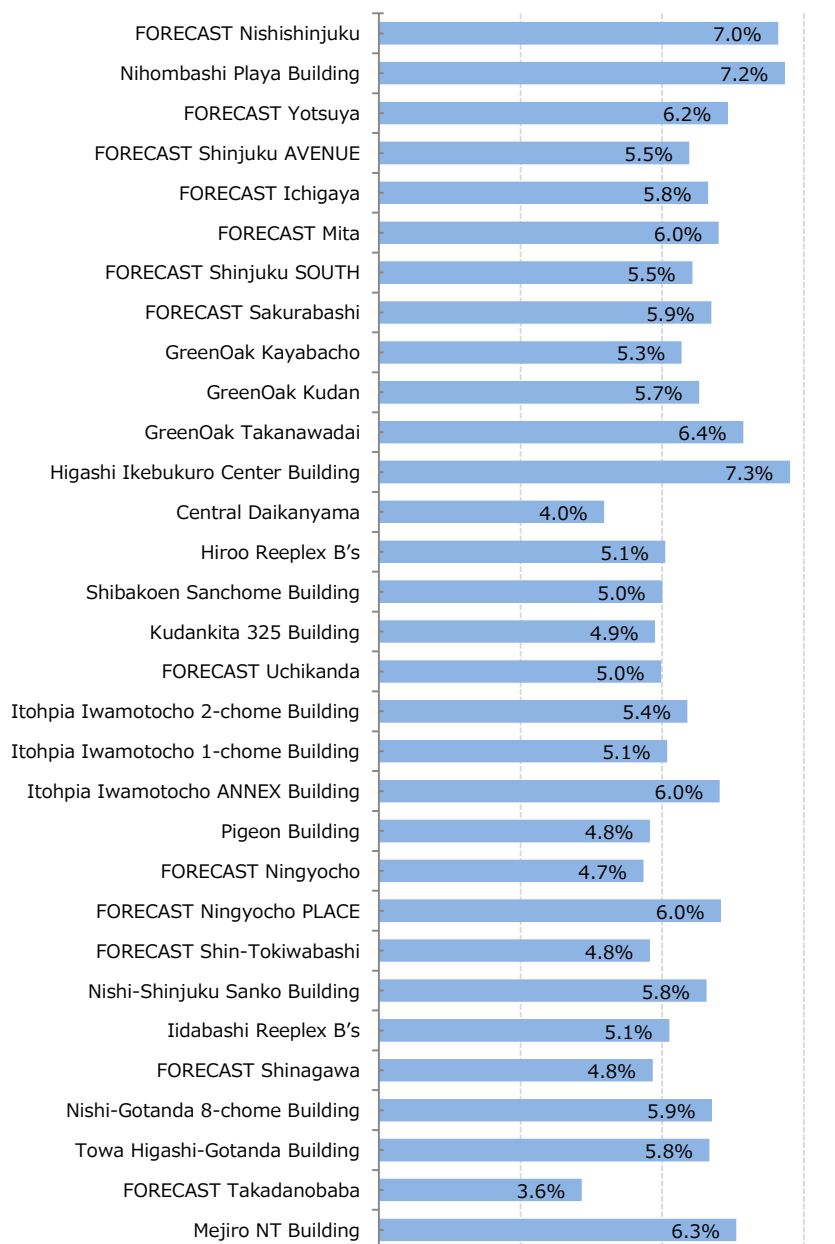
		Remarks
◆ <b>Increase in operating revenues</b>	<b>+24</b>	
• Decrease in rental revenue	(66)	
• Decrease in utility income	(12)	
• Increase in miscellaneous income	+103	(Cancellation penalty and restoration cost)
• Others	(0)	
◆ <b>Increase in operating expenses</b>	<b>(31)</b>	
• Decrease in PM/BM fee	+17	
• Decrease in utility expense	+31	(Restraint factor etc.)
• Increase in repair expense	(56)	
• Decrease in depreciation	+12	
• Increase in leasing related expense	(44)	
• Decrease in AM fee	+4	
• Others	+3	
◆ <b>Decrease in non-operating expenses</b>	<b>+9</b>	
• Decrease in borrowing related expense	+9	

# Property NOI Yield

## ■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 16<sup>th</sup> period)

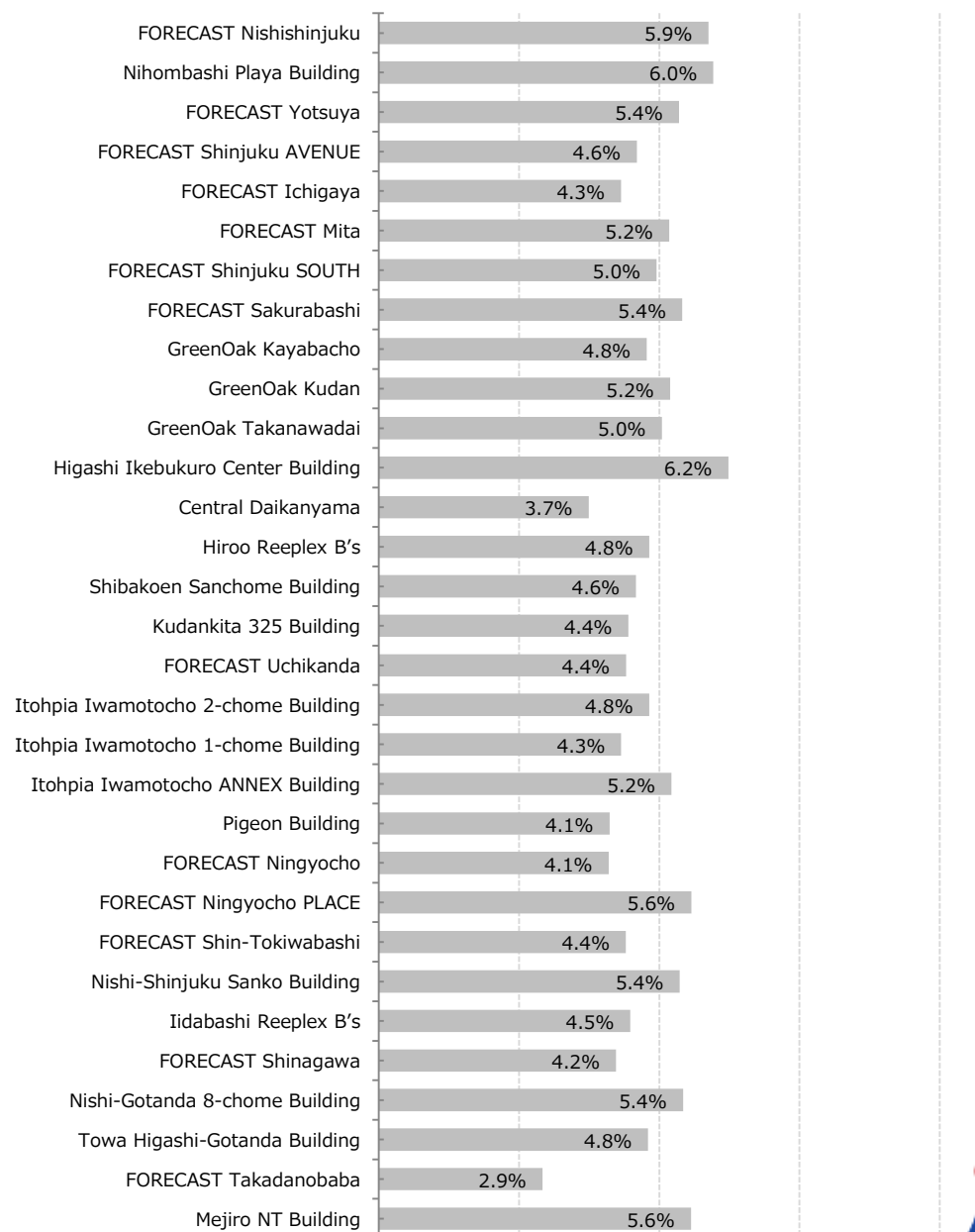
0.0% 2.5% 5.0% 7.5% 10.0%



## ■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 16<sup>th</sup> period)

0.0% 2.5% 5.0% 7.5% 10.0%

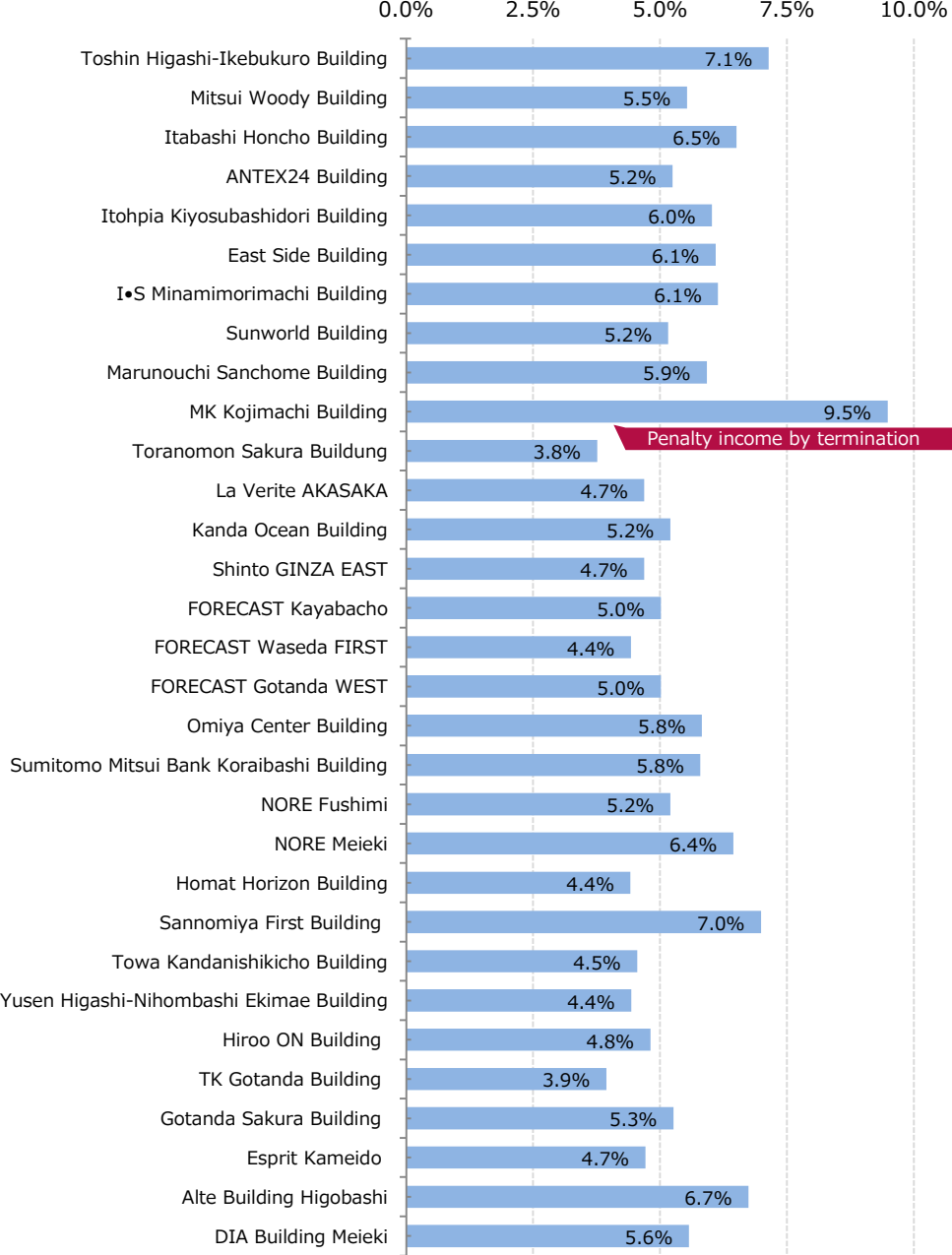




# Property NOI Yield

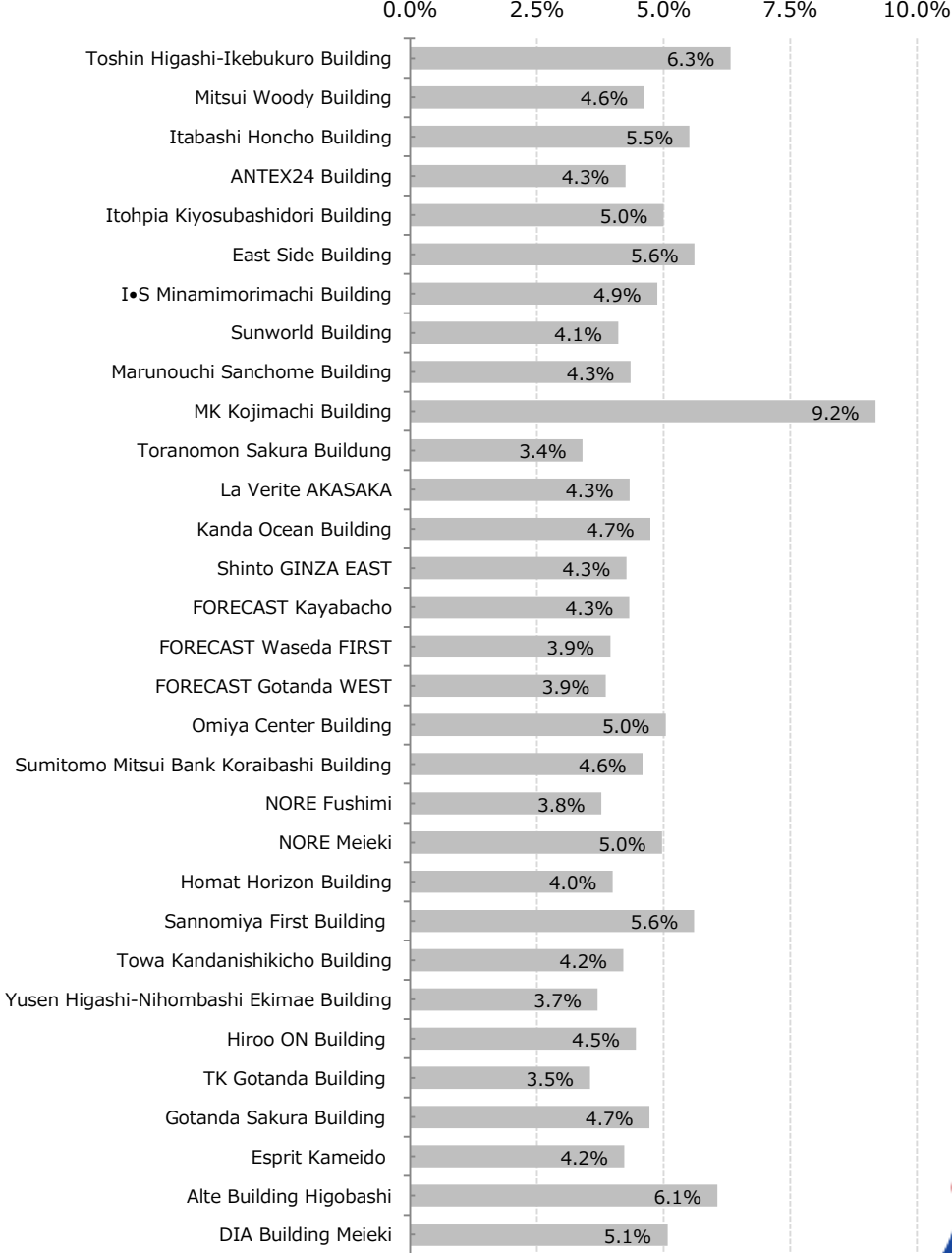
## ■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 16<sup>th</sup> period)



## ■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 16<sup>th</sup> period)

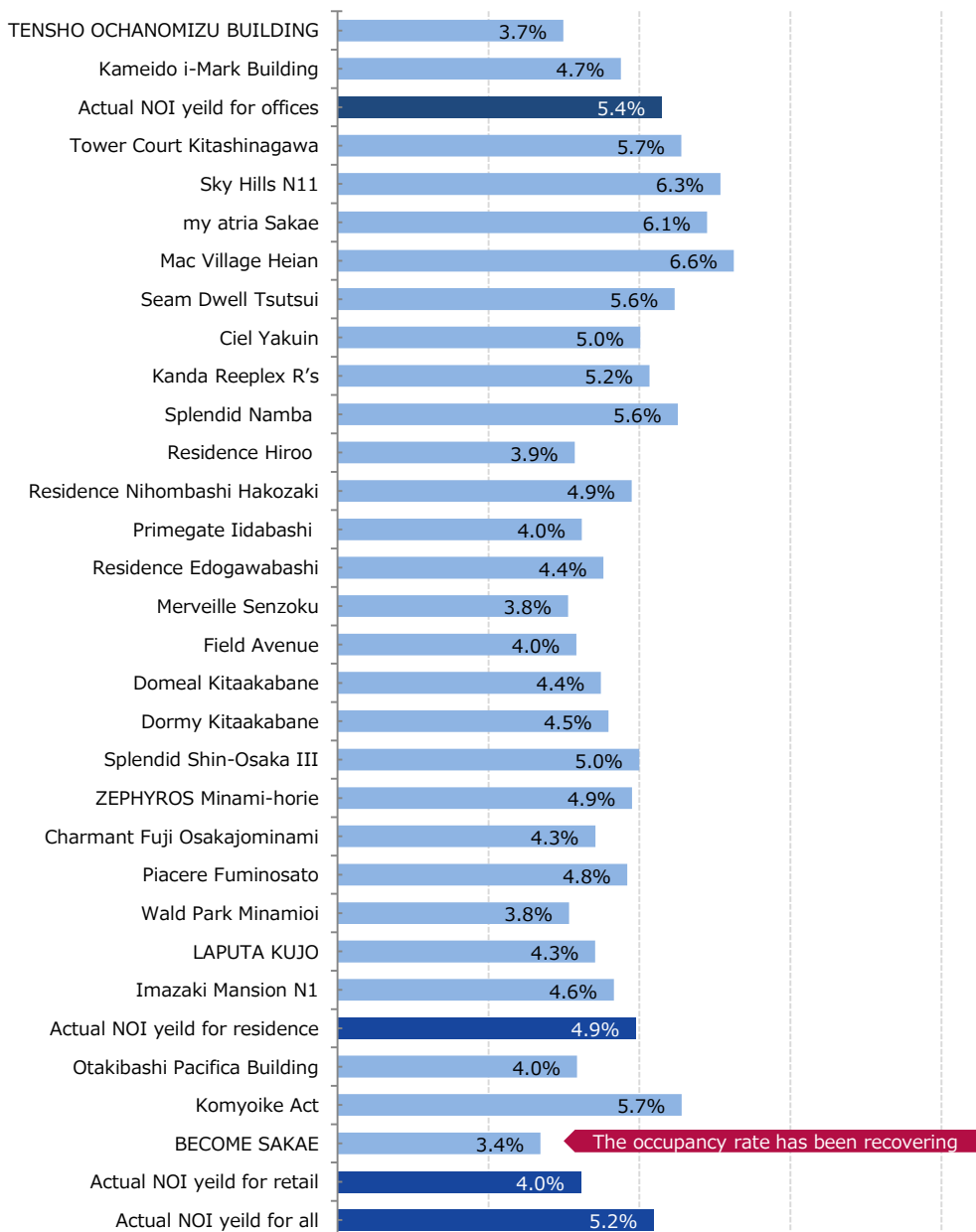


# Property NOI Yield

## ■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 16<sup>th</sup> period)

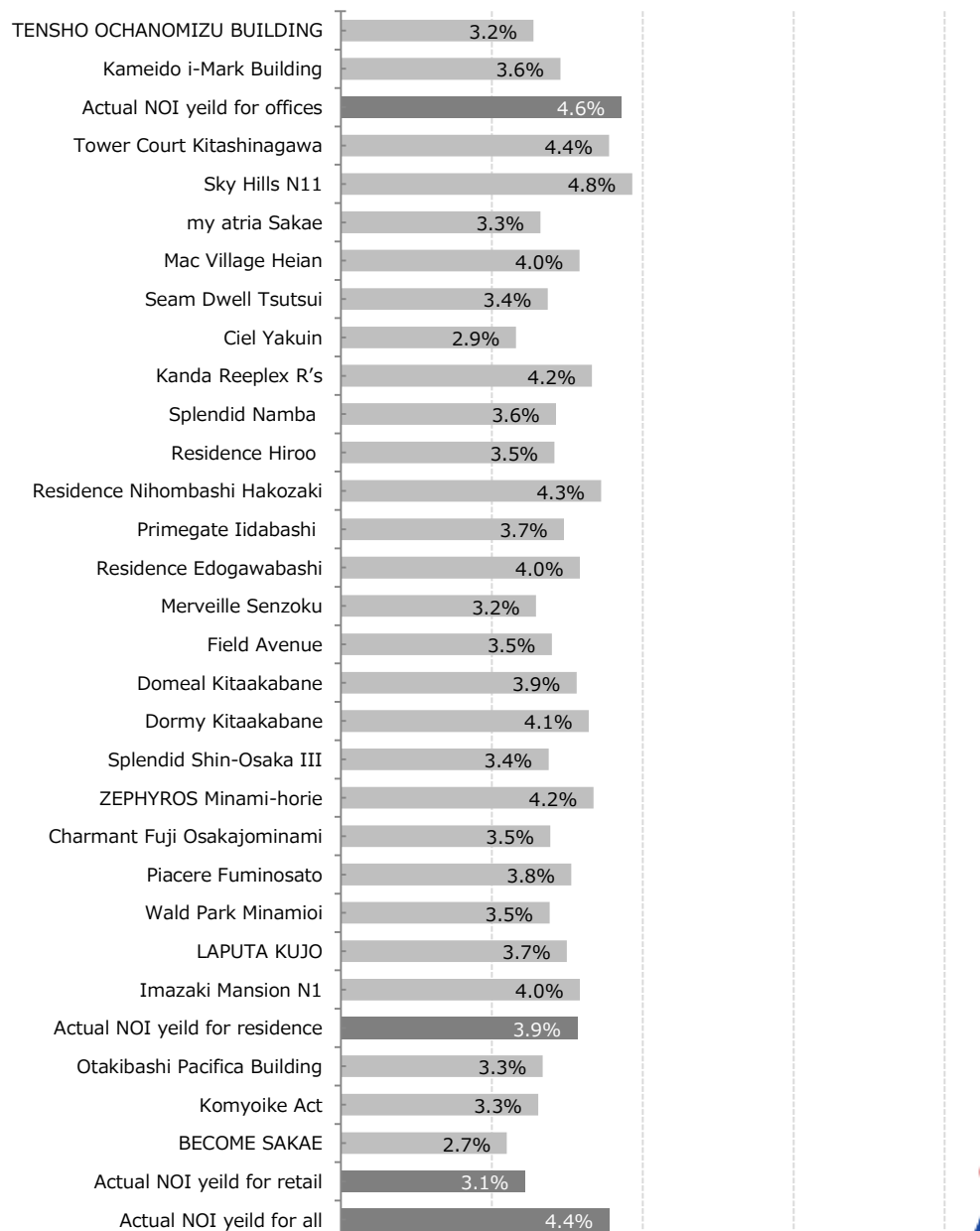
0.0% 2.5% 5.0% 7.5% 10.0%



## ■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 16<sup>th</sup> period)

0.0% 2.5% 5.0% 7.5% 10.0%



# Appraisal Value Summary

## ◆Appraisal valuation by sector

	15th period (Dec. 2019)			16th period (Jun. 2020)		
	Properties	Appraisal Value (¥ mn)	Unrealized gains (¥ mn)	Properties	Appraisal Value (¥ mn)	Unrealized gains (¥ mn)
Office	64	231,000	33,977	64	234,010	37,410
Residential	23	52,560	6,687	23	52,537	6,812
Retail	3	10,610	376	3	10,560	363
Total	90	294,170	41,042	90	297,107	44,586

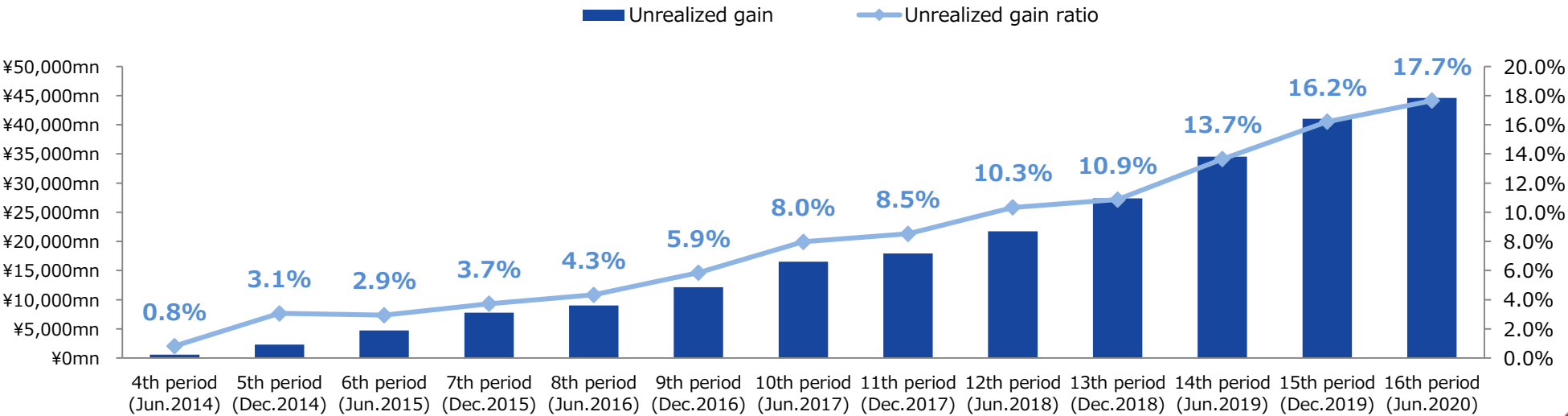
## ◆Period-to-period analysis

CAP	15th period (Dec. 2019)	16th period (Jun. 2020)
Decrease	81	2
Flat	9	86
Increase	0	2

Appraisal Value	15th period (Dec. 2019)	16th period (Jun. 2020)
Increase	76	39
Flat	14	44
Decrease	0	7

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



Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mn)	Book Value End 16 <sup>th</sup> Period (a) (¥ mn)	Unrealized gains End 16 <sup>th</sup> Period (b-a) (¥ mn)	Appraisal Value			Direct Capitalizati on	Discount Cash Flow		Appraisal NOI Yield	Major Appraisal Value Changing Factor <sup>(1)</sup> (Compared to 15 <sup>th</sup> Period)		
					End 15 <sup>th</sup> Period (¥ mn)	End 16 <sup>th</sup> Period (b) (¥ mn)	Variance (¥ mn)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 16 <sup>th</sup> Period						
Office														
A-1	FORECAST Nishisinjuku	2,260	2,119	1,040	3,160	3,160	0	3.8%	3.4%	4.0%	5.5%			
A-2	Nihombashi Playa Building	2,130	1,994	525	2,520	2,520	0	4.3%	4.1%	4.5%	5.3%			
A-3	FORECAST Yotsuya	1,430	1,363	606	1,970	1,970	0	3.8%	3.6%	4.0%	5.5%			
A-4	FORECAST Shinjuku AVENUE	6,500	6,185	1,924	8,100	8,110	10	3.4%	3.2%	3.6%	4.4%		○	
A-5	FORECAST Ichigaya	4,800	4,466	1,933	6,350	6,400	50	3.5%	3.3%	3.7%	4.8%		○	
A-6	FORECAST Mita	1,800	1,725	654	2,380	2,380	0	3.7%	3.5%	3.9%	5.1%			
A-7	FORECAST Shinjuku SOUTH	13,990	14,746	3,353	17,900	18,100	200	3.5%	3.2%	3.7%	4.7%			○
A-8	FORECAST Sakurabashi	5,760	6,008	791	6,770	6,800	30	4.0%	3.8%	4.2%	5.1%			○
A-9	GreenOak Kayabacho	2,860	2,989	590	3,530	3,580	50	3.8%	3.6%	4.0%	5.1%		○	
A-10	GreenOak Kudan	2,780	2,915	614	3,530	3,530	0	3.6%	3.4%	3.8%	4.8%			
A-11	GreenOak Takanawadai	2,260	2,171	798	2,880	2,970	90	4.0%	3.8%	4.2%	5.4%		○	
A-13	Higashi Ikebukuro Center Building	2,520	2,662	347	3,010	3,010	0	4.5%	4.3%	4.7%	5.9%			
A-14	Central Daikanyama	3,510	3,667	142	3,810	3,810	0	3.5%	3.3%	3.7%	3.9%			
A-16	Hiroo Reeplex B's	2,827	2,859	550	3,400	3,410	10	3.8%	3.6%	4.0%	4.7%			○
A-17	Shibakoen Sanchome Building	7,396	7,381	2,818	9,990	10,200	210	3.6%	3.4%	3.8%	5.2%			○
A-19	Kudankita 325 Building	1,850	1,981	238	2,160	2,220	60	3.6%	3.4%	3.8%	4.6%		○	
A-20	FORECAST Uchikanda	1,240	1,280	69	1,350	1,350	0	3.8%	3.6%	4.0%	4.6%			
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,898	391	3,290	3,290	0	4.0%	3.8%	4.2%	4.9%			
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,775	174	2,920	2,950	30	4.0%	3.8%	4.2%	4.7%		○	
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,241	338	2,570	2,580	10	4.0%	3.8%	4.2%	5.1%		○	
A-24	Pigeon Building	2,837	2,935	104	2,990	3,040	50	4.1%	3.9%	4.3%	4.8%		○	
A-25	FORECAST Ningyocho	2,070	2,124	65	2,130	2,190	60	4.0%	3.8%	4.2%	4.5%	○		
A-26	FORECAST Ningyocho PLACE	1,650	1,647	432	2,070	2,080	10	3.9%	3.7%	4.1%	5.2%		○	

Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mn)	Book Value End 16 <sup>th</sup> Period (a) (¥ mn)	Unrealized gains End 16 <sup>th</sup> Period (b-a) (¥ mn)	Appraisal Value			Direct Capitalizati on	Discount Cash Flow		Appraisal NOI Yield	Major Appraisal Value Changing Factor <sup>(1)</sup> (Compared to 15 <sup>th</sup> Period)		
					End 15 <sup>th</sup> Period (¥ mn)	End 16 <sup>th</sup> Period (b) (¥ mn)	Variance (¥ mn)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 16 <sup>th</sup> Period						
A-27	FORECAST Shin-Tokiwabashi	2,030	2,114	195	2,260	2,310	50	4.0%	3.8%	4.2%	4.7%		○	
A-28	Nishi-shinjuku Sanko Building	2,207	2,233	416	2,650	2,650	0	4.0%	3.8%	4.2%	5.1%			
A-29	Iidabashi Reeplex B's	1,249	1,289	240	1,530	1,530	0	3.6%	3.4%	3.8%	4.6%			
A-30	FORECAST Shinagawa	2,300	2,379	70	2,450	2,450	0	3.9%	3.7%	4.1%	4.5%			
A-31	Nishi-Gotanda 8-chome Building	2,210	2,274	385	2,660	2,660	0	3.9%	3.7%	4.1%	5.0%			
A-32	Towa Higashi-Gotanda Building	2,033	2,106	323	2,400	2,430	30	3.9%	3.7%	4.1%	5.1%			○
A-33	FORECAST Takadanobaba	5,550	5,887	552	5,990	6,440	450	4.2%	4.0%	4.4%	5.0%		○	
A-34	Mejiro NT Building	3,094	3,078	581	3,650	3,660	10	4.4%	4.2%	4.6%	5.6%		○	
A-35	Toshin Higashi-Ikebukuro Building	979	991	148	1,110	1,140	30	4.5%	4.3%	4.7%	5.8%		○	
A-36	Mitsui Woody Building	2,475	2,664	35	2,700	2,700	0	4.4%	4.2%	4.6%	5.3%			
A-37	Itabashi Honcho Building	3,146	3,075	524	3,590	3,600	10	4.5%	4.2%	4.7%	5.7%			○
A-38	ANTEX24 Building	1,691	1,771	158	1,930	1,930	0	4.2%	4.0%	4.4%	5.0%			
A-39	Itohpia Kiyosubashidori Building	1,550	1,705	314	1,930	2,020	90	4.3%	4.1%	4.6%	6.0%		○	
A-40	East Side Building	1,372	1,377	262	1,610	1,640	30	4.4%	4.2%	4.6%	5.6%		○	
A-41	I・S Minamimorimachi Building	2,258	2,296	513	2,760	2,810	50	4.3%	4.1%	4.5%	5.7%		○	
A-42	Sunworld Building	1,200	1,271	28	1,300	1,300	0	4.5%	4.3%	4.7%	5.3%			
A-43	Marunouchi Sanchome Building	1,626	1,655	384	2,010	2,040	30	4.4%	4.2%	4.6%	6.1%			○
A-44	MK Kojimachi Building	1,781	1,807	392	2,200	2,200	0	3.4%	3.2%	3.6%	4.4%			
A-45	Toranomon Sakura Building	4,120	4,286	593	4,630	4,880	250	3.3%	3.0%	3.4%	4.0%		○	
A-46	La Verite AKASAKA	2,000	2,138	301	2,400	2,440	40	3.5%	3.3%	3.7%	4.4%			○
A-47	Kanda Ocean Building	1,440	1,459	310	1,750	1,770	20	3.8%	3.6%	4.0%	5.1%		○	
A-48	Shinto GINZA EAST	1,352	1,349	100	1,490	1,450	(40)	3.7%	3.5%	3.9%	4.2%			○
A-49	FORECAST Kayabacho	3,000	3,106	213	3,210	3,320	110	4.1%	3.8%	4.2%	4.8%		○	
A-50	FORECAST Waseda FIRST	4,775	4,796	203	5,050	5,000	(50)	3.8%	3.6%	4.0%	4.2%			○
A-51	FORECAST Gotanda WEST	6,520	7,605	634	8,240	8,240	0	3.9%	3.7%	4.1%	5.2%			



Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mn)	Book Value End 16 <sup>th</sup> Period (a) (¥ mn)	Unrealized gains End 16 <sup>th</sup> Period (b-a) (¥ mn)	Appraisal Value			Direct Capitalizati on	Discount Cash Flow		Appraisal NOI Yield	Major Appraisal Value Changing Factor <sup>(1)</sup> (Compared to 15 <sup>th</sup> Period)		
					End 15 <sup>th</sup> Period (¥ mn)	End 16 <sup>th</sup> Period (b) (¥ mn)	Variance (¥ mn)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 16 <sup>th</sup> Period						
A-52	Omiya Center Building	15,585	15,493	5,406	20,600	20,900	300	4.1%	3.9%	4.3%	5.6%		○	
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,992	457	3,430	3,450	20	4.2%	4.0%	4.4%	5.4%		○	
A-54	NORE Fushimi	2,840	2,703	1,376	3,810	4,080	270	4.2%	4.0%	4.4%	6.3%		○	
A-55	NORE Meieki	2,520	2,407	1,332	3,470	3,740	270	4.3%	4.1%	4.5%	6.7%		○	
A-56	Homat Horizon Building	6,705	6,660	959	7,530	7,620	90	3.5%	3.3%	3.7%	4.2%			○
A-57	Sannomiya First Building	1,390	1,456	143	1,600	1,600	0	4.9%	4.7%	5.1%	6.2%			
A-58	Towa Kandanishikicho Building	960	972	67	1,040	1,040	0	4.3%	3.4%	4.3%	4.9%			
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,218	31	1,250	1,250	0	4.2%	3.9%	4.3%	4.8%			
A-60	Hiroo ON Building	2,392	2,416	293	2,680	2,710	30	3.9%	3.7%	4.1%	4.6%		○	
A-61	TK Gotanda Building	4,130	4,422	77	4,500	4,500	0	3.8%	3.5%	3.9%	4.3%			
A-62	Gotanda Sakura Building	1,460	1,502	187	1,700	1,690	(10)	4.1%	3.6%	4.2%	4.9%		○	
A-63	Esprit Kameido	1,265	1,281	38	1,320	1,320	0	4.5%	4.3%	4.7%	5.0%			
A-64	Alte Building Higobashi	1,453	1,474	305	1,780	1,780	0	4.3%	4.1%	4.5%	6.2%			
A-65	DIA Building Meieki	1,167	1,189	100	1,290	1,290	0	4.4%	4.2%	4.6%	5.5%			
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,867	32	1,900	1,900	0	3.5%	3.3%	3.7%	3.8%			
A-67	FORECAST Kameido	2,580	2,672	207	2,820	2,880	60	4.2%	4.0%	4.4%	4.8%		○	
	Subtotal office properties	192,236	196,599	37,410	231,000	234,010	3,010				5.0%			
Residence														
B-01	Tower Court Kitashinagawa	11,880	10,732	4,167	14,900	14,900	0	4.0%	3.8%	4.2%	5.2%			
B-02	Sky Hills N11	1,570	1,638	191	1,840	1,830	(10)	5.1%	4.9%	5.3%	6.6%			○
B-04	my atria Sakae	1,110	1,008	281	1,290	1,290	0	4.6%	4.4%	4.8%	5.6%			
B-05	Mac Village Heian	785	723	223	946	947	1	4.7%	4.5%	4.9%	6.0%			○
B-06	Seam Dwell Tsutsui	695	670	114	784	785	1	4.6%	4.4%	4.8%	5.5%		○	
B-07	Ciel Yakuin	640	614	139	754	754	0	4.4%	4.2%	4.6%	5.5%			
B-08	Kanda Reeplex R's	1,813	1,736	333	2,070	2,070	0	3.9%	3.6%	4.1%	4.6%			



Portfolio Appraisal Value

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					End 15 <sup>th</sup> Period (¥ mn)	End 16 <sup>th</sup> Period (b) (¥ mn)	Variance (¥ mn)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 16 <sup>th</sup> Period						
B-09	Splendid Namba	3,502	3,290	689	3,980	3,980	0	4.4%	4.2%	4.6%	5.1%			
B-10	Residence Hiroo	2,590	2,616	173	2,790	2,790	0	3.7%	3.5%	3.9%	4.1%			
B-11	Residence Nihombashi Hakozaki	1,300	1,429	160	1,590	1,590	0	4.2%	3.7%	4.1%	5.3%			
B-12	Primegate Iidabashi	5,200	5,230	149	5,380	5,380	0	3.8%	3.5%	3.9%	4.1%			
B-13	Residence Edogawabashi	1,230	1,243	16	1,290	1,260	(30)	4.1%	3.9%	4.3%	4.4%	○		
B-14	Merveille Senzoku	740	750	2	748	753	5	4.0%	3.8%	4.2%	4.3%		○	
B-15	Field Avenue	3,110	3,127	22	3,140	3,150	10	3.9%	3.6%	4.0%	4.0%			○
B-16	Domeal kitaakabane	785	797	(5)	792	792	0	4.3%	4.1%	4.5%	4.5%			
B-17	Dormy kitaakabane	986	996	1	998	998	0	4.4%	4.2%	4.6%	4.6%			
B-18	Splendid Shin-Osaka Ⅲ	2,428	2,400	179	2,580	2,580	0	4.4%	4.2%	4.6%	4.9%			
B-19	ZEPHYROS Minami-horie	1,608	1,624	125	1,750	1,750	0	4.2%	4.0%	4.4%	4.8%			
B-20	Charmant Fuji Osakajominami	905	914	(3)	911	911	0	4.3%	4.1%	4.5%	4.5%			
B-21	Piacere Fuminosato	571	574	6	581	581	0	4.6%	4.4%	4.8%	4.9%			
B-22	Wald Park Minamioi	715	753	(18)	735	735	0	3.9%	3.7%	4.1%	4.2%			
B-23	LAPUTA KUJO	1,480	1,596	(95)	1,501	1,501	0	4.3%	4.1%	4.5%	4.8%			
B-24	Imazaki Mansion N1	1,180	1,253	(43)	1,210	1,210	0	4.6%	4.4%	4.8%	5.3%			
	Subtotal residential properties	46,824	45,724	6,812	52,560	52,537	(23)				4.9%			
Retail														
C-01	Otakibashi Pacifica Building	3,350	3,397	162	3,570	3,560	(10)	3.7%	3.5%	3.9%	4.0%		○	
C-02	Komyoike Act	2,063	2,034	125	2,200	2,160	(40)	4.9%	4.7%	5.1%	6.0%			○
C-03	BECOME SAKAE	4,770	4,763	76	4,840	4,840	0	4.0%	3.8%	4.2%	4.2%			
	Subtotal retail properties	10,183	10,196	363	10,610	10,560	(50)				4.5%			
	Total	249,243	252,520	44,586	294,170	297,107	2,937				4.9%			





# Balance Sheets

(Yen in thousands)	15th FP	16th FP	Differences
<b>Assets</b>			
Current Assets			
Cash and deposits	8,849,231	9,140,880	+291,649
Cash and deposits in trust	6,216,963	6,258,051	+41,088
Tenant receivables	92,423	135,639	+43,216
Prepaid expenses	436,159	446,441	+10,282
Income taxes refundable	362	552	+190
Other current assets	4,694	5,824	+1,130
Allowance for doubtful accounts	(0)	(0)	0
Total Current Assets	15,599,836	15,987,389	+387,553
Non-Current Assets			
Property, plant and equipment			
Buildings	267,430	264,709	(2,721)
Accumulated depreciation	(9,375)	(13,418)	(4,043)
Buildings, net	258,055	251,291	(6,764)
Buildings in trust	61,260,355	61,573,977	+313,622
Accumulated depreciation	(8,604,624)	(9,551,456)	(946,832)
Buildings in trust, net	52,655,730	52,022,521	(633,209)
Structures in trust	202,535	202,535	0
Accumulated depreciation	(51,904)	(56,906)	(5,002)
Structures in trust, net	150,630	145,628	(5,002)
Machinery and equipment in trust	435,009	461,294	+26,285
Accumulated depreciation	(83,945)	(106,016)	(22,071)
Machinery and equipment in trust, net	351,064	355,278	+4,214
Tools, furniture and fixtures in trust	167,762	215,961	+48,199
Accumulated depreciation	(50,674)	(64,607)	(13,933)
Tools, furniture and fixtures in trust, net	117,088	151,353	+34,265
Land in trust	181,678,910	181,678,910	0
Construction in progress in trust	4,320	-	(4,320)
Total property, plant and equipment	235,215,801	234,604,984	(610,817)
Intangible assets			
Leasehold rights	1,251,662	1,251,662	0
Leasehold rights in trust	16,658,938	16,658,938	0
Other	5,417	4,754	(663)
Total intangible assets	17,916,017	17,915,355	(662)
Investments and other assets			
Investment securities	174,664	176,011	+1,347
Lease and guarantee deposits	10,160	10,160	0
Long-term prepaid expenses	1,277,898	1,284,308	+6,410
Deferred tax Assets	0	5	+5
Other	40,780	40,814	+34
Total investments and other assets	1,503,504	1,511,299	+7,795
Total Non-Current Assets	254,635,322	254,031,638	(603,684)
Deferred asset			
Investment corporation bond issuance costs	43,902	41,163	(2,739)
Total deferred asset	43,902	41,163	(2,739)
Total Assets	270,279,062	270,060,191	(218,871)

(Yen in thousands)	15th FP	16th FP	Differences
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	1,398,944	853,874	(545,070)
Long-term debt due within one year	20,500,000	19,500,000	(1,000,000)
Accrued expenses	267,044	261,937	(5,107)
Accrued consumption taxes	113,548	243,871	+130,323
Advances received	1,439,180	1,448,495	+9,315
Other current liabilities	339,220	590,414	+251,194
Total Current Liabilities	24,057,938	22,898,594	(1,159,344)
Long-Term Liabilities			
Investment corporation bonds	4,500,000	4,500,000	0
Long-term debt	101,870,000	102,870,000	+1,000,000
Tenant security deposits	67,051	57,013	(10,038)
Tenant security deposits in trust	9,243,045	9,043,598	(199,447)
Others	4,239	3,730	(509)
Total Long-Term Liabilities	115,684,335	116,474,342	+790,007
Total Liabilities	139,742,274	139,372,936	(369,338)
<b>Net Assets</b>			
Unitholders' Equity			
Unitholders' capital	126,515,601	126,515,601	0
Surplus			
Unappropriated retained earnings (undisposed loss)	4,021,186	4,171,653	+150,467
Total Surplus	4,021,186	4,171,653	+150,467
Total Unitholders' Equity	130,536,787	130,687,255	+150,468
Total Net Assets	130,536,787	130,687,255	+150,468
Total Liabilities and Net Assets	270,279,062	270,060,191	(218,871)

# Income Statements

(Yen in thousands)	15th FP	16th FP	Differences
Operating Revenues			
Rental revenues	7,919,159	7,967,820	+48,661
Other revenues related to property leasing	709,203	683,411	(25,792)
Dividend income	5,967	7,481	+1,514
Total Operating Revenues	8,634,330	8,658,713	+24,383
Operating Expenses			
Property-related expenses	3,165,862	3,050,545	(115,317)
Asset management fees	643,505	642,823	(682)
Asset custody fees	10,392	10,252	(140)
Administrative service fees	43,553	41,524	(2,029)
Directors' compensation	2,400	2,400	0
Independent auditors' fees	13,600	13,600	0
Other operating expenses	112,850	123,389	+10,539
Total Operating Expenses	3,992,165	3,884,535	(107,630)
Operating Income	4,642,165	4,774,177	+132,012
Non-Operating Revenues			
Interest income	71	71	0
Reversal of distributions payable	4,754	5,005	+251
Total Non-Operating Revenues	4,825	5,076	+251
Non-Operating Expenses			
Interest expense	350,679	332,722	(17,957)
Interest expense on investment corporation bonds	17,416	17,256	(160)
Amortization of investment corporation bond issuance costs	2,739	2,739	0
Borrowing related expenses	275,433	274,789	(644)
Other	33	33	0
Total Non-Operating Expenses	646,303	627,541	(18,762)
Ordinary Income	4,000,687	4,151,713	+151,026
Extraordinary Income			
Subsidy income	-	43,944	+43,944
Total Extraordinary Income	-	43,944	+43,944
Extraordinary Losses			
Loss on reduction of non-current assets	-	43,705	+43,705
Total Extraordinary Losses	-	43,705	+43,705
Income Before Income Taxes	4,000,687	4,151,951	+151,264
Income taxes - current	625	710	+85
Income taxes - deferred	0	(4)	(4)
Total Income Taxes	624	706	+82
Net Income	4,000,062	4,151,244	+151,182
Retained Earnings at Beginning of Period	21,123	20,408	(715)
Retained Earnings at End of Period	4,021,186	4,171,653	+150,467

# Historical Operating Results

		12th FP	13th FP	14th FP	15th FP	16th FP
Operating revenues	(¥mn)	7,225	8,458	8,982	8,634	8,658
Of which, rental revenues and other revenues related to property leasing	(¥mn)	(7,177)	(8,458)	(8,488)	(8,628)	(8,651)
Operating expenses	(¥mn)	3,389	3,818	4,027	3,992	3,884
Of which, property-related expenses	(¥mn)	(2,664)	(3,039)	(3,168)	(3,165)	(3,050)
Operating income	(¥mn)	3,835	4,640	4,955	4,642	4,774
Ordinary income	(¥mn)	3,329	3,840	4,326	4,000	4,151
Net income	(¥mn)	3,329	3,839	4,326	4,000	4,151
Total assets (a)	(¥mn)	230,689	269,146	270,269	270,279	270,060
Net assets (b)	(¥mn)	112,639	130,378	130,863	130,536	130,687
Interest-bearing debt (c)	(¥mn)	106,170	126,170	126,870	126,870	126,870
Interest-bearing debt to total assets ratio (c)/(a) (based on book value)	(%)	46.0	46.9	46.9	46.9	47.0
Interest-bearing debt to total assets ratio <sup>(3)</sup> (based on appraisal value)	(%)	42.1	42.6	41.6	40.8	40.3
Ordinary income to total assets ratio <sup>(3)</sup>	(%)	1.4	1.5	1.6	1.5	1.5
Return on equity <sup>(3)</sup>	(%)	3.0	3.2	3.3	3.1	3.2
Equity ratio (b)/(a)	(%)	48.8	48.4	48.4	48.3	48.4
NOI yield (acquisition value)	(%)	5.1	5.1	5.1	5.1	5.3
NOI yield (book value)	(%)	5.1	5.0	5.0	5.0	5.2
NOI yield (appraisal value)	(%)	4.6	4.5	4.5	4.3	4.5
After-depreciation yield (acquisition value)	(%)	4.4	4.3	4.3	4.4	4.5
After-depreciation yield (book value)	(%)	4.3	4.3	4.2	4.3	4.4
After-depreciation yield (appraisal value)	(%)	3.9	3.9	3.8	3.7	3.8
Implied cap rate (NOI yield) <sup>(3)</sup>	(%)	4.6	4.3	4.1	3.8	4.9
Implied cap rate (After-depreciation yield)	(%)	4.0	3.7	3.5	3.2	4.1
Unitholder's equity	(¥mn)	109,285	126,515	126,515	126,515	126,515
Number of investment units Issued and outstanding (d)		391,760	449,930	449,930	449,930	449,930
Net assets per unit (b)/(d)	(¥)	287,522	289,774	290,853	290,126	290,461
Total distributions (e)	(¥mn)	3,329	3,840	4,326	4,000	4,151
Distributions per unit (e)/(d)	(¥)	8,500	8,536	9,617	8,892	9,228
FFO <sup>(3)</sup> (funds from operations) (f)	(¥mn)	4,109	4,757	4,782	4,971	5,146
AFFO <sup>(3)</sup> (Adjusted Fund From Operations)(g)	(¥mn)	3,216	3,336	4,263	3,926	4,730
Pay out ratio (FFO) (e)/(f)	(%)	81.0	80.7	90.5	80.5	80.7
Pay out ratio (AFFO) (e)/(g)	(%)	103.5	115.1	101.5	101.9	87.8
FFO per unit <sup>(3)</sup>	(¥)	10,489	10,573	10,628	11,049	11,438
NAV per Unit <sup>(3)</sup>	(¥)	334,542	342,122	358,025	372,454	380,330

# Portfolio Summary

No.	Property Name	Type	Location	Completion	Acquisition Price (¥mn)	Investment ratio	Total leasable area (㎡)	Number of tenants	Occupancy rate	PML
A-1	FORECAST Nishishinjuku	office	Shinjuku Ward, Tokyo	Feb. 2009	2,260	0.9%	1,945.68	16	98.0%	2.7%
A-2	Nihombashi Playa Building	office	Chuo Ward, Tokyo	Feb. 2009	2,130	0.9%	2,490.08	2	100.0%	3.7%
A-3	FORECAST Yotsuya	office	Shinjuku Ward, Tokyo	Jan. 2009	1,430	0.6%	1,678.15	13	100.0%	3.6%
A-4	FORECAST Shinjuku AVENUE	office	Shinjuku Ward, Tokyo	Sep. 2008	6,500	2.6%	4,337.15	6	100.0%	2.1%
A-5	FORECAST Ichigaya	office	Shinjuku Ward, Tokyo	Aug. 2009	4,800	1.9%	3,844.66	23	100.0%	2.9%
A-6	FORECAST Mita	office	Minato Ward, Tokyo	Sep. 2009	1,800	0.7%	1,786.18	5	100.0%	2.9%
A-7	FORECAST Shinjuku SOUTH	office	Shinjuku Ward, Tokyo	Nov. 1980	13,990	5.6%	13,875.04	18	100.0%	7.0%
A-8	FORECAST Sakurabashi	office	Chuo Ward, Tokyo	Apr. 1985	5,760	2.3%	6,566.76	5	100.0%	4.2%
A-9	GreenOak Kayabacho	office	Chuo Ward, Tokyo	Mar. 1990	2,860	1.1%	2,995.35	8	100.0%	2.6%
A-10	GreenOak Kudan	office	Chiyoda Ward, Tokyo	Dec. 1987	2,780	1.1%	2,594.46	3	100.0%	5.1%
A-11	GreenOak Takanawadai	office	Minato Ward, Tokyo	Jan. 2010	2,260	0.9%	2,621.74	11	100.0%	3.6%
A-13	Higashi Ikebukuro Center Building	office	Toshima Ward, Tokyo	Nov. 1991	2,520	1.0%	4,219.65	6	100.0%	4.5%
A-14	Central Daikanyama	office	Shibuya Ward, Tokyo	Aug. 1991	3,510	1.4%	1,898.83	3	100.0%	7.1%
A-16	Hiroo Reeplex B's	office	Minato Ward, Tokyo	May 1987	2,827	1.1%	1,500.85	8	100.0%	4.4%
A-17	Shibakoen Sanchome Building	office	Minato Ward, Tokyo	Jun. 1981	7,396	3.0%	7,882.60	4	100.0%	11.3%
A-19	Kudankita 325 Building	office	Chiyoda Ward, Tokyo	Aug. 1987	1,850	0.7%	2,003.60	8	100.0%	4.5%
A-20	FORECAST Uchikanda	office	Chiyoda Ward, Tokyo	Dec. 1976	1,240	0.5%	1,230.44	5	100.0%	9.9%
A-21	Itohpia Iwamotocho 2-chome Building	office	Chiyoda Ward, Tokyo	Feb. 1991	2,810	1.1%	3,447.16	10	100.0%	4.1%
A-22	Itohpia Iwamotocho 1-chome Building	office	Chiyoda Ward, Tokyo	Jan. 1991	2,640	1.1%	3,056.56	9	100.0%	9.0%
A-23	Itohpia Iwamotocho ANNEX Building	office	Chiyoda Ward, Tokyo	Nov. 1991	2,100	0.8%	3,064.20	6	100.0%	4.1%
A-24	Pigeon Building	office	Chuo Ward, Tokyo	Aug. 1989	2,837	1.1%	3,022.25	1	100.0%	5.6%
A-25	FORECAST Ningyocho	office	Chuo Ward, Tokyo	Nov. 1990	2,070	0.8%	2,277.62	6	100.0%	11.1%
A-26	FORECAST Ningyocho PLACE	office	Chuo Ward, Tokyo	Feb. 1984	1,650	0.7%	1,867.95	7	100.0%	7.1%
A-27	FORECAST Shin-Tokiwabashi	office	Chuo Ward, Tokyo	Aug. 1991	2,030	0.8%	1,813.21	9	100.0%	4.1%
A-28	Nishi-Shinjuku Sanko Building	office	Shinjuku Ward, Tokyo	Sep. 1987	2,207	0.9%	2,479.80	8	100.0%	12.7%
A-29	Iidabashi Reeplex B's	office	Shinjuku Ward, Tokyo	Jun. 1992	1,249	0.5%	1,401.68	6	100.0%	4.4%
A-30	FORECAST Shinagawa	office	Shinagawa Ward, Tokyo	Feb. 1989	2,300	0.9%	2,276.36	6	100.0%	11.6%
A-31	Nishi-Gotanda 8-chome Building	office	Shinagawa Ward, Tokyo	Dec. 1993	2,210	0.9%	2,999.68	8	100.0%	3.9%
A-32	Towa Higashi-Gotanda Building	office	Shinagawa Ward, Tokyo	Sep. 1985	2,033	0.8%	2,939.16	7	100.0%	5.1%
A-33	FORECAST Takadanobaba	office	Toshima Ward, Tokyo	Jan. 1986	5,550	2.2%	5,661.49	7	100.0%	12.4%
A-34	Mejiro NT Building	office	Toshima Ward, Tokyo	Jul. 1990	3,094	1.2%	4,497.27	5	100.0%	6.6%
A-35	Toshin Higashi-Ikebukuro Building	office	Toshima Ward, Tokyo	Nov. 1989	979	0.4%	1,645.17	2	84.7%	3.6%

# Portfolio Summary

No.	Property Name	Type	Location	Completion	Acquisition Price (¥mn)	Investment ratio	Total leasable area (㎡)	Number of tenants	Occupancy rate	PML
A-36	Mitsui Woody Building	office	Koto Ward, Tokyo	Mar. 1990	2,475	1.0%	4,006.20	6	100.0%	11.9%
A-37	Itabashi Honcho Building	office	Itabashi Ward, Tokyo	Jan. 1993	3,146	1.3%	6,356.89	4	100.0%	7.8%
A-38	ANTEX24 Building	office	Taito Ward, Tokyo	Feb. 1988	1,691	0.7%	2,267.59	6	100.0%	3.7%
A-39	Itohpia Kiyosubashidori Building	office	Taito Ward, Tokyo	Mar. 1988	1,550	0.6%	2,651.27	8	100.0%	3.6%
A-40	East Side Building	office	Taito Ward, Tokyo	May 1988	1,372	0.6%	2,096.92	4	100.0%	3.6%
A-41	I+S Minamimorimachi Building	office	Osaka, Osaka	Aug. 1988	2,258	0.9%	4,164.82	16	100.0%	9.6%
A-42	Sunworld Building	office	Osaka, Osaka	Mar. 1993	1,200	0.5%	3,012.86	1	100.0%	12.0%
A-43	Marunouchi Sanchome Building	office	Nagoya, Aichi	Jul. 1988	1,626	0.7%	4,219.19	23	94.7%	7.1%
A-44	MK Kojimachi Building	office	Chiyoda Ward, Tokyo	Mar. 1997	1,781	0.7%	1,761.60	8	74.3%	4.3%
A-45	Toranomon Sakura Building	office	Minato Ward, Tokyo	Jul. 1983	4,120	1.7%	3,049.79	12	100.0%	8.2%
A-46	La Verite AKASAKA	office	Minato Ward, Tokyo	Dec. 1986	2,000	0.8%	1,707.18	7	100.0%	4.5%
A-47	Kanda Ocean Building	office	Chiyoda Ward, Tokyo	Jan. 1990	1,440	0.6%	1,484.74	24	100.0%	9.3%
A-48	Shinto GINZA EAST	office	Chuo Ward, Tokyo	Sep. 1990	1,352	0.5%	1,206.28	6	100.0%	5.3%
A-49	FORECAST Kayabacho	office	Chuo Ward, Tokyo	Jan. 1990	3,000	1.2%	3,882.61	16	100.0%	5.2%
A-50	FORECAST Waseda FIRST	office	Shinjyuku Ward, Tokyo	Jul. 1986	4,775	1.9%	4,340.66	8	100.0%	3.5%
A-51	FORECAST Gotanda WEST	office	Shinagawa Ward, Tokyo	Sep. 1989	6,520	2.6%	8,981.55	13	100.0%	2.3%
A-52	Omiya Center Building	office	Saitama, Saitama	Mar. 1993	15,585	6.3%	14,311.77	27	100.0%	2.0%
A-53	Sumitomo Mitsui Bank Koraibashi Building	office	Osaka, Osaka	Mar. 1994	2,850	1.1%	5,106.77	27	100.0%	7.6%
A-54	NORE Fushimi	office	Nagoya, Aichi	Nov. 2006	2,840	1.1%	3,870.93	9	93.3%	4.5%
A-55	NORE Meieki	office	Nagoya, Aichi	Jan. 2007	2,520	1.0%	4,280.75	19	94.7%	4.2%
A-56	Homat Horizon Building	office	Chiyoda Ward, Tokyo	Aug. 1987	6,705	2.7%	6,077.01	10	100.0%	7.2%
A-57	Sannomiya First Building	office	Kobe, Hyogo	Nov. 1993	1,390	0.6%	3,633.16	24	100.0%	5.4%
A-58	Towa Kandanishikicho Building	office	Chiyoda ward, Tokyo	Aug. 1992	960	0.4%	1,324.07	5	100.0%	5.6%
A-59	Yusen Higashi-Nihombashi Ekimae Building	office	Chuo ward, Tokyo	Feb. 2001	1,152	0.5%	1,620.54	8	100.0%	9.0%
A-60	Hiroo ON Building	office	Shibuya ward, Tokyo	Mar. 1995	2,392	1.0%	2,248.59	3	100.0%	3.1%
A-61	TK Gotanda Building	office	Shinagawa ward, Tokyo	Jun. 1989	4,130	1.7%	3,716.38	8	100.0%	3.7%
A-62	Gotanda Sakura Building	office	Shinagawa ward, Tokyo	Nov. 1993	1,460	0.6%	1,501.86	9	100.0%	4.8%
A-63	Esprit Kameido	office	Koto ward, Tokyo	Jun. 1991	1,265	0.5%	2,010.81	11	100.0%	6.8%
A-64	Alte Building Higobashi	office	Osaka, Osaka	Jun. 1993	1,453	0.6%	3,482.92	11	100.0%	7.2%
A-65	DIA Building Meieki	office	Nagoya, Aichi	Dec. 1991	1,167	0.5%	1,781.72	10	100.0%	3.4%
A-66	TENSHO OCHANOMIZU BUILDING	office	Chiyoda Ward, Tokyo	Nov. 2018	1,800	0.7%	1,252.89	1	100.0%	4.6%
A-67	FORECAST Kameido	office	Koto Ward, Tokyo	Sep. 2010	2,580	1.0%	3,091.52	5	100.0%	3.3%

# Portfolio Summary

No.	Property Name	Type	Location	Completion	Acquisition Price (¥mn)	Investment ratio	Total leasable area (㎡)	Number of tenants	Occupancy rate	PML
B-1	Tower Court Kitashinagawa	Residential	Shinagawa Ward, Tokyo	Feb. 2009	11,880	4.8%	16,913.29	272	97.3%	2.6%
B-2	Sky Hills N11	Residential	Sapporo, Hokkaido	Mar. 2001	1,570	0.6%	8,567.50	1	100.0%	1.3%
B-4	my atria Sakae	Residential	Nagoya, Aichi	Mar. 2007	1,110	0.4%	3,121.60	1	100.0%	4.1%
B-5	Mac Village Heian	Residential	Nagoya, Aichi	Sep. 2006	785	0.3%	2,250.00	1	100.0%	3.2%
B-6	Seam Dwell Tsutsui	Residential	Nagoya, Aichi	Feb. 2007	695	0.3%	1,800.00	1	100.0%	5.0%
B-7	Ciel Yakuin	Residential	Fukuoka, Fukuoka	Mar. 2005	640	0.3%	1,544.87	41	97.2%	5.4%
B-8	Kanda Reeplex R's	Residential	Chiyoda Ward, Tokyo	Jan. 2006	1,813	0.7%	2,180.93	41	100.0%	4.4%
B-9	Splendid Namba	Residential	Osaka, Osaka	Jan. 2015	3,502	1.4%	6,212.36	240	95.9%	6.2%
B-10	Residence Hiroo	Residential	Minato ward, Tokyo	Feb. 2004	2,590	1.0%	1,983.15	51	95.3%	3.0%
B-11	Residence Nihombashi Hakozaiki	Residential	Chuo ward, Tokyo	Mar. 2002	1,300	0.5%	1,449.00	1	100.0%	7.8%
B-12	Primegate Iidabashi	Residential	Shinjuku ward, Tokyo	Mar. 1994	5,200	2.1%	6,042.29	64	95.1%	2.8%
B-13	Residence Edogawabashi	Residential	Shinjuku ward, Tokyo	Mar. 2000	1,230	0.5%	1,246.42	34	92.9%	3.5%
B-14	Merveille Senzoku	Residential	Ota ward, Tokyo	Sep. 2002	740	0.3%	838.54	26	92.7%	5.3%
B-15	Field Avenue	Residential	Ota ward, Tokyo	①Aug. 2000 ②Jul. 2016	3,110	1.2%	3,092.63	53	96.4%	①3.1% ②6.8%
B-16	Domeal Kitaakabane	Residential	Kita ward, Tokyo	Mar. 2001	785	0.3%	1,697.11	1	100.0%	6.7%
B-17	Dormy Kitaakabane	Residential	Kita ward, Tokyo	Mar. 1997	986	0.4%	2,471.42	1	100.0%	6.5%
B-18	Splendid Shin-Osaka III	Residential	Osaka, Osaka	Feb. 2015	2,428	1.0%	4,299.12	151	98.0%	6.0%
B-19	ZEPHYROS Minami-horie	Residential	Osaka, Osaka	Mar. 2002	1,608	0.6%	2,826.73	70	97.8%	13.3%
B-20	Charmant Fuji Osakajominami	Residential	Osaka, Osaka	Apr. 2004	905	0.4%	1,512.00	60	95.2%	9.4%
B-21	Piacere Fuminosato	Residential	Osaka, Osaka	Feb. 1999	571	0.2%	1,374.08	42	96.0%	11.9%
B-22	Wald Park Minamioi	Residential	Shinagawa Ward, Tokyo	Feb. 2005	715	0.3%	750.12	28	96.7%	3.5%
B-23	LAPUTA KUJO	Residential	Osaka, Osaka	Mar. 1998	1,480	0.6%	3,359.38	60	97.0%	11.3%
B-24	Imazaki Mansion N1	Residential	Higashiosaka, Osaka	Mar. 1999	1,180	0.5%	2,643.10	134	98.6%	9.6%
C-1	Otakibashi Pacifica Building	Retail	Shinjuku Ward, Tokyo	Oct. 2008	3,350	1.3%	1,383.31	9	100.0%	4.6%
C-2	Komyoike Act	Retail	Sakai, Osaka	Apr. 1988	2,063	0.8%	6,173.41	26	96.9%	12.7%
C-3	BECOME SAKAE	Retail	Nagoya, Aichi	Aug. 2005	4,770	1.9%	4,615.66	9	83.6%	2.7%
Subtotal office properties					192,236	77.1%	220,422.62	590	99.3%	
Subtotal residential properties					46,824	18.8%	78,175.64	1,374	97.6%	
Subtotal retail properties					10,183	4.1%	12,172.38	44	92.2%	
Total					249,243	100.0%	310,770.64	2,008	98.6%	3.4%

(1)



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 16th period. The same applies hereafter.
- P7** 1 non-recurring factors” refers to the following.  
 5th period : Real estate tax capitalized (per unit)  
 6th period: Real estate tax capitalized – expenses related to public offering (per unit)  
 7th period : Real estate tax capitalized + amount equivalent to increase of dividend income from silent partnership due to transfer of asset in the bridge fund – expenses related to public offering (per unit)  
 8th period : Consumption tax settlement difference (per unit)  
 11th period: Gain on exchange of real estate properties + real estate tax capitalized-non-recoverable consumption tax  
 12th: period: Amount equivalent to increase of dividend income from silent partnership due to transfer of asset in the bridge fund and settlement (per unit)  
 13th: period: Real estate tax capitalized – expenses related to public offering (per unit)  
 14th: Gain on sales of real estate properties + real estate tax capitalized-non-recoverable consumption tax (per unit)  
 15th: Real estate tax capitalized (per unit)
- 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 residence area) and retail properties. The same applies hereafter.  
 By leased area: leased area of respective tenant as of the end of the 16th period / total leasable area  
 By monthly rent: rent (including CAM) of respective tenant as of the end of the 16th period / total rent
- P14** 1 “Assumed NOI Yield” refers to the NOI yield based on NIPPON REIT’s cash flow against first negotiation price.
- P15** 1 “Average free rent period” is calculated by following formula for each section, 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 cancellation and which occupy the retail section 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 “Reserved depreciation amount” refers to the accumulated amount of total depreciation from 4th period (Jun. 2014) to 13th period (Dec. 2018) less total capital expenditures for the same period (¥1,181mn) plus surplus (or minus shortfall) of respective period.
- 2 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 16th period. Therefore, such information does not constitute a guarantee of NIPPON REIT’s future financial results.
- P21** 1 LTV is calculated as follow  

$$\text{LTV based on total assets} = \frac{\text{total assets}}{\text{total interest bearing debt}}$$

$$\text{LTV based on appraisal value} = \frac{(\text{total assets} - \text{book value} + \text{appraisal value})}{\text{total interest bearing debt}}$$
- 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 June 30, 2020 (REIT)” announced on Aug. 17, 2020.
- P31** 1 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.
- P37** 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 (unrealized gain ratio)  

$$\frac{\text{Interest-bearing debt}}{\text{Total assets}} \text{ (unrealized gain ratio)}$$
  - Ordinary income to total assets ratio  

$$\frac{\text{Ordinary income}}{\text{average total assets}} \times 100$$
  - Return on equity  

$$\frac{\text{Net income}}{\text{average net assets}} \times 100$$
  - Implied cap rate (NOI yield)  

$$\frac{\text{NOI yield (annualized, forecast for the next fiscal period} \times 2)}{(\text{market capitalization} + \text{interest-bearing debts} - \text{cash and deposits} + \text{tenant leasehold and security deposits})}$$
  - FFO  

$$\frac{\text{Net income} + \text{depreciation} + \text{loss on retirement of investment properties} + \text{deferred asset amortization} - \text{gain / loss on real estate sales}}{\text{AFFO}}$$
  - AFFO  

$$\text{FFO} - \text{Capital expenditures}$$
  - FFO per unit  

$$\frac{(\text{Net income} + \text{depreciation} + \text{loss on retirement of investment properties} + \text{deferred asset amortization} - \text{gain / loss on real estate sales})}{\text{total investment units issued and outstanding}}$$
  - NAV per unit  

$$\frac{(\text{Net assets} + \text{appraisal value} - \text{book value})}{\text{total investment units issued and outstanding}}$$
- P40** 1 As there are two buildings for B-15 Field Avenue, each completion and PML are listed.





# Appendix

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《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



《Portfolio Development Policy <sup>(1)</sup>》

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	150 million yen
Registration and Licenses, etc.	<ul style="list-style-type: none"><li>◆ Registered as a financial instruments business operator: Registration No.1632 (Kinsho) issued by the Director-General of the Kanto Finance Bureau</li><li>◆ Licensed for building lots and buildings transaction business: License No. (3) 86984 issued by the Governor of Tokyo</li><li>◆ 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</li></ul>		

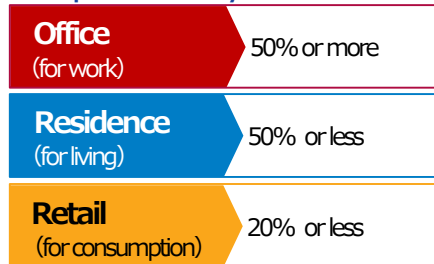
Note

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.

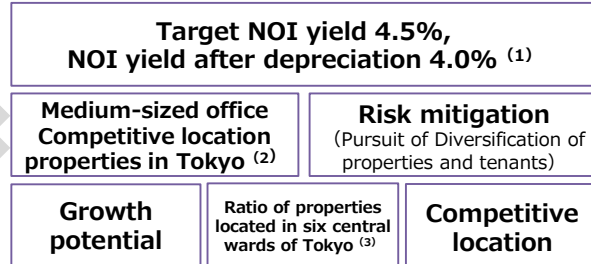
# Overview of NIPPON REIT

## Strict Investment Discipline

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



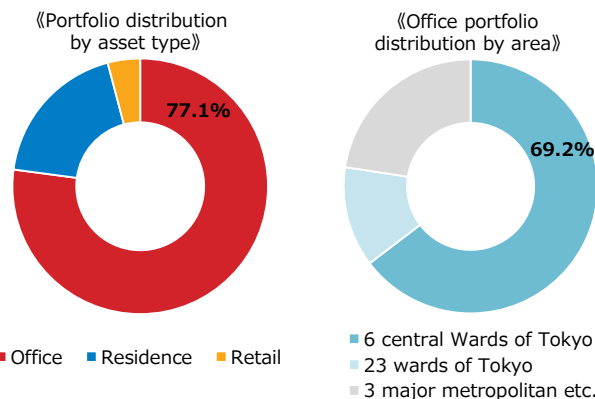
- Timely investment under the Unswerving discipline



## Pursuit of Stable and Robust Portfolio With eyes on supply/demand balance and diversification

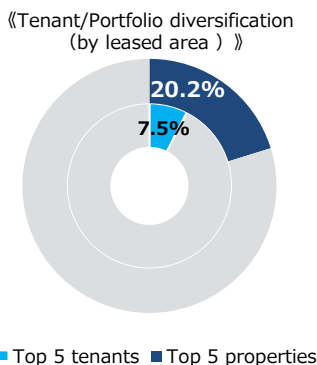
- Targeting on medium-sized office properties in Tokyo

- Ratio of office properties :77.1%
- Ratio of 6 central ward in Tokyo(office) :69.2%



- Risk Diversification

- Top5 tenants <sup>(4)</sup> :7.5%
- Top 5 properties :20.2%



### Notes

- "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.
- Mid-sized office indicates office building of which total floor space is less than 10,000tsubo. The same applies hereafter.
- "6 central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. The same applies hereafter.
- "Proportion of the 5 largest tenants" are calculated as follow for end-tenants of office (excluding residence area) and retail properties. By leased area: leased area of respective tenant as of the end of the 16th period / total leasable area

## Asset Management Structure to maximize Our Portfolio's Strengths

- Tripart Management

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

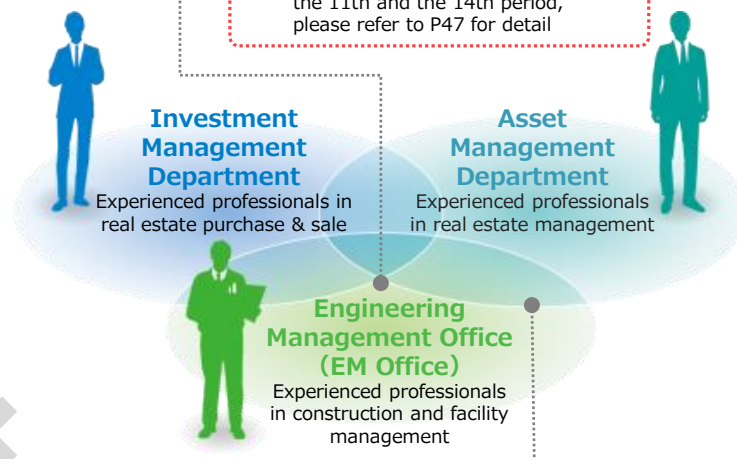
- Triple-checked investment criteria

: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 asset replacement in the 11th and the 14th period, please refer to P47 for detail



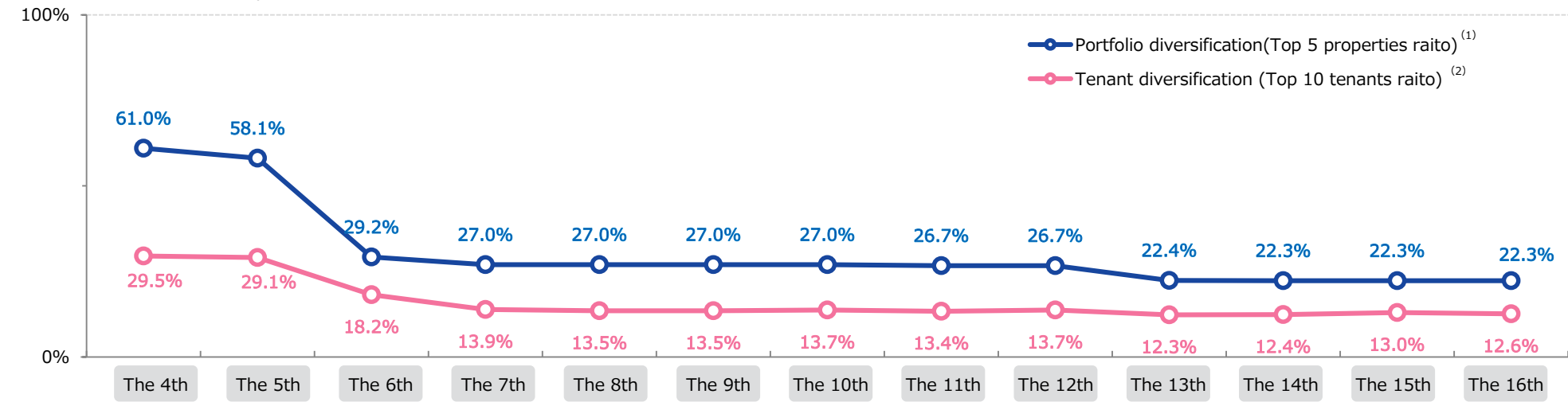
- Effective engineering management

:Aim for steady internal growth

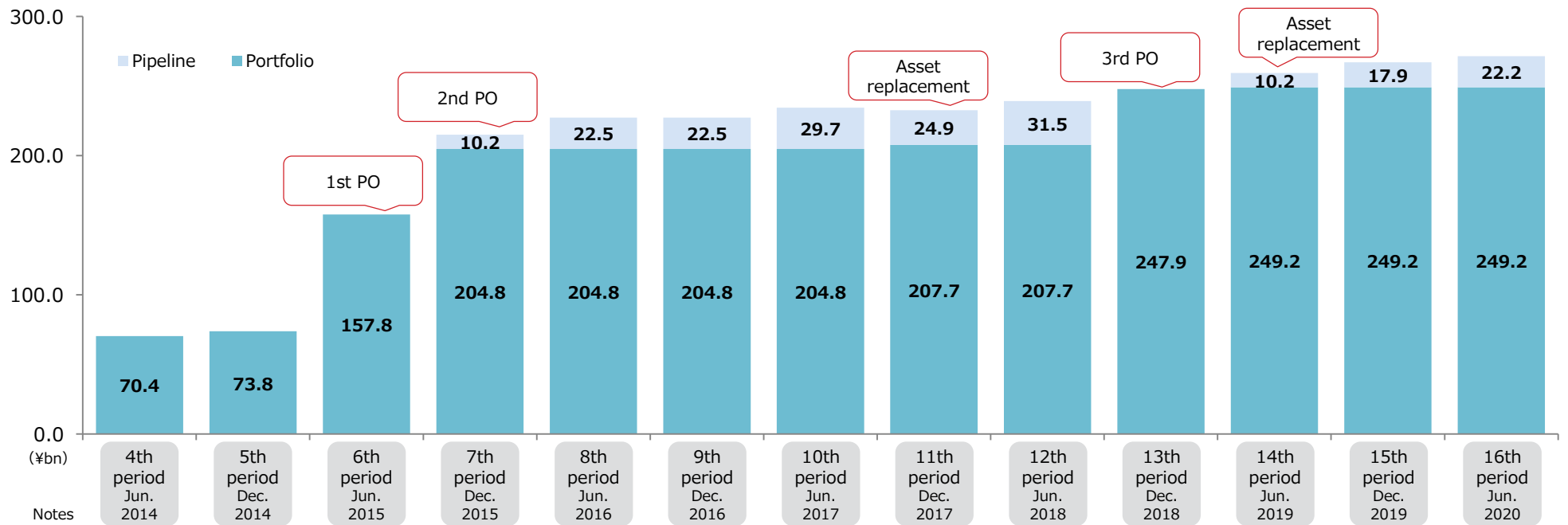
Implemented measures equivalent to NOI of approx.¥357mn/p.a. in consecutive 10 period (Simply calculating, contribution to DPU about the 16th implemented measures is approx.¥41/fiscal period) Please refer to P19 and 20 for detail

# Portfolio/Portfolio diversification/Tenant diversification Transition

## ◆ Portfolio diversification/ Tenant diversification Transition



## ◆ Portfolio Transition

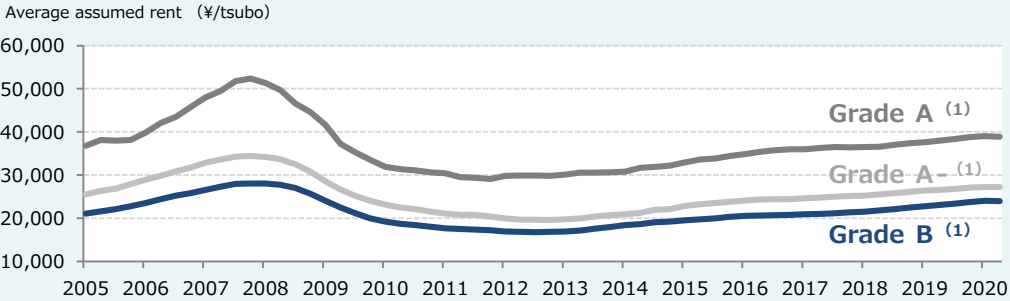


Notes  
1. Based on acquisition price.  
2. End tenants of office and retail properties only. Based on the leased area and number of end tenants as of respective period.

# Characteristics of Grade B (medium-sized) office

## 1) Low Volatility

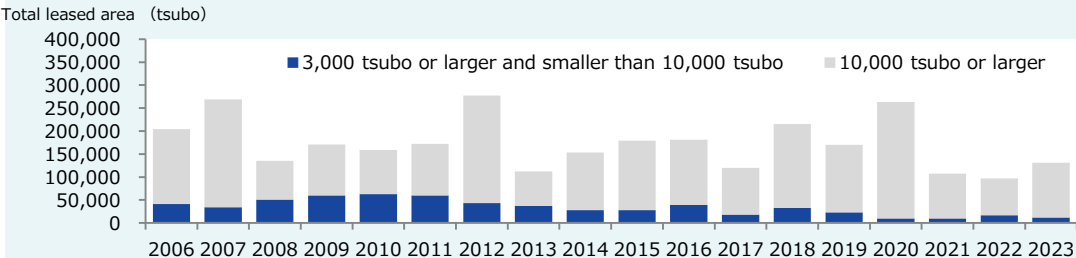
《Office Rent Trend by Building Grade in 23 Wards of Tokyo》



Source : CBRE K.K

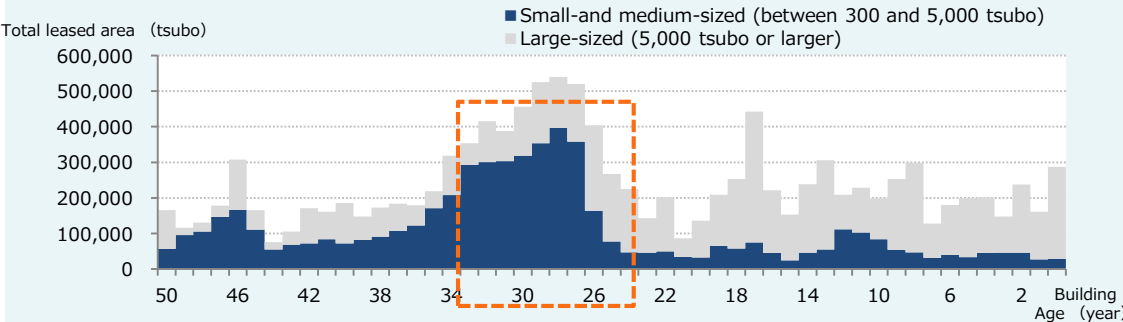
## 2) Limited Supply

《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



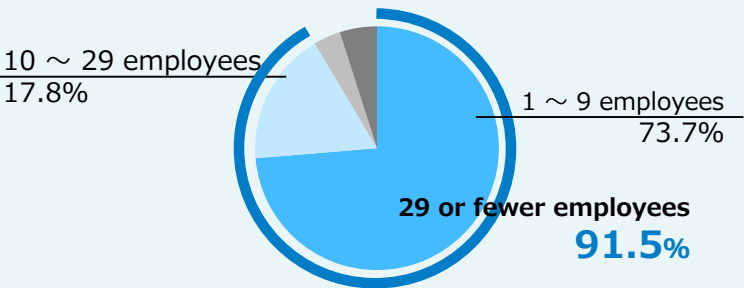
Grade B offices  
=Small-and medium-sized office



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》

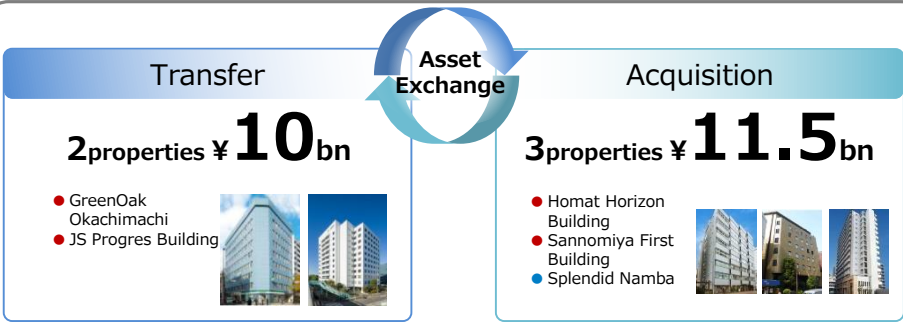


Source : prepared by Asset management company based on data provided from Statistics Bureau, MIC

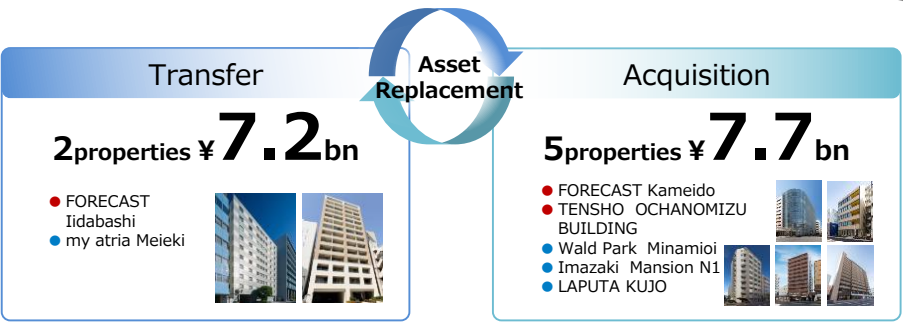
1. "Grade A" refers to the office buildings located within the areas defined by CBRE K.K. which are in 5 central wards of Tokyo, having more than 6,500 tsubo of total leasable area and 10,000 tsubo of gross floor area, less than 11 years old, and if located in 5 central wards of Tokyo, more than 500 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.

# Portfolio Refining Strategy (Achievement)

## 《Asset Exchange Implemented in the 11th Period》



## 《 Asset Replacement Implemented in the 14th Period 》



### ① Improvement of portfolio quality

<p>(1) Raise the ratio of properties in 6 central wards</p> <p>(2) Lower average building age younger</p> <p>(3) Stabilizing cash flow</p>	<p>Acquired properties located in 6 central wards of Tokyo with strong competitiveness</p> <p>Achieved to lower average building age and improve liquidity of the portfolio by exchanging properties including over 40 years old building and younger properties</p> <p>Achieved to make cash flow further stable by exchanging properties classified as Tier3 from the view of profitability and property characteristics (age, no upside potential, down time etc.) and properties that has growth potential</p>	<p>(1) Improvement of profitability</p> <p>(2) Lower average building age younger</p> <p>(3) Stabilizing cash flow</p>	<p>Improve the profitability of the portfolio with the assets acquired, an average appraisal NOI yield after depreciation <sup>(1)</sup> of which is 3.9% (+0.2% vs. assets transferred)</p> <p>Make the portfolio younger with enhanced liquidity, by acquiring 5 properties (average age: 10years) including 2 office properties located in Tokyo (average age: 5 years)</p> <p>Stabilize the cash flow of the portfolio by selling my atria Meieki, the property which will be expropriated</p>
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### ② Return to unitholders and improvement of future unitholders' value

◆ **Rise in DPU** ※Revision of forecast at the timing of announcement of asset exchange

Dec.2017	¥8,224→¥9,111	<b>+¥887(+10.8%)</b>	※Gain on sales
Jun. 2018	¥8,100→¥8,225	<b>+¥125(+1.5%)</b>	※Improvement NOI

◆ **Compression in book value**

Achieve two targets in a balanced manner: Medium- and long-term improvement in Unitholders' value and increase in distributions paid for existing unitholders

◆ **Compression in book value of ¥400mn out of ¥780mn, and allocation of ¥380mn to dividend resources for the 11th fiscal period ending in December 2017**

◆ **Rise in appraisal NOI yield of properties acquired by recording compressed book value**

	(Before reduction)	(After reduction)
Acquisition prices of three properties	¥11,597mn	¥11,191mn
Appraisal NOI yield <sup>(2)</sup>	4.7%	4.9%

◆ **Rise in DPU** ※Revision of forecast at the timing of announcement of asset replacement

Jun. 2019	¥8,556→¥9,486	<b>+¥930(+10.9%)</b>	※Gain on sales
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◆ **Stock-based redevelopment scheme**

Sold the office property located in one of the 6 central wards of Tokyo (FORECAST Iidabashi) in order to enhance its value in collaboration with a general constructor, and NRT is positioned to take advantage of its potential for external growth by securing the right of first negotiation thereof

Opportunity for redevelopment /Asset acquisition

Right of first negotiation after value enhancement

**NIPPON REIT** and **SHIMIZU CORPORATION**

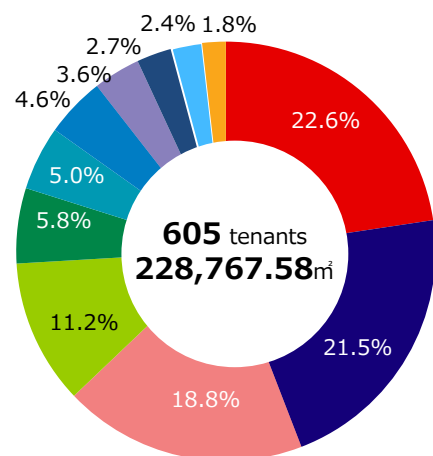
Notes

1. "Average appraisal NOI yield (after depreciation)" is calculated based on the latest appraisal and the expected depreciation amount as of the asset replacement in the 14th period, rounded to the first decimal place.

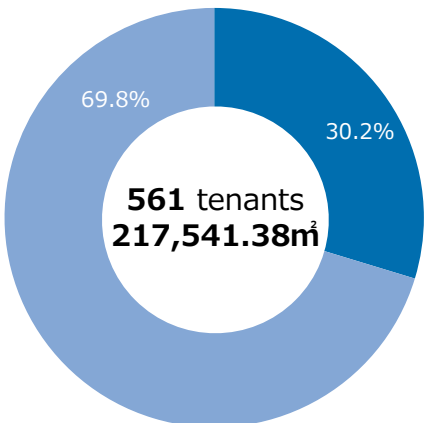
2. "Appraisal NOI yield" is calculated based on NOI stated in the appraisal report as of Sep. 1, 2017 and rounded to one decimal place.

# Ratio of Tenant (by leased area) (As of the end the 16th Period )

《By Industry <sup>(1)</sup>》



《By Scale <sup>(2)</sup>》



Industry	Leased area (m²)	Number of tenants	Share
1 Info- Telecommunications	51,758.70	106	22.6%
2 Manufacturing	49,195.06	119	21.5%
3 Services	42,924.06	122	18.8%
4 Wholesale·Retail	25,560.80	75	11.2%
5 Building constructor	13,274.83	39	5.8%
6 Finance·Insurance	11,336.53	19	5.0%
7 Real estate	10,594.22	27	4.6%
8 Education·Learning support	8,306.11	24	3.6%
9 Medical services·Social welfare	6,270.65	30	2.7%
10 Accommodations·Eating and drinking services	5,395.41	33	2.4%
11 Other	4,151.21	11	1.8%

	Leased area (m²)	Number of tenants	Share
1 Listed company on TSE and its subsidiary	65,683.39	116	30.2%
2 Other	151,857.99	445	69.8%

Notes

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



# Status of Termination Notices

Property name	Occupancy rate (Jun. 2020)	Status of termination notices		Status of leasing activities	Assumed occupancy rate <sup>(1)</sup>
Itohpia Kiyosubashidori Building	100.0%	1floor (112tsubo)	Termination notice	Lease contract	100.0% (Aug.2020)
Kudankita 325 Building	100.0%	2floors (145tsubo)	Termination notice	Planned lease contract	100.0% (Jan.2021)
Omiya Center Building	100.0%	1section (34tsubo)	Termination notice	Looking for tenants	99.2% (Oct.2020)
FORECAST Kayabacho	100.0%	1section (16tsubo)	Termination notice	Looking for tenants	98.6% (Oct.2020)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1section (21tsubo)	Termination notice	Looking for tenants	98.6% (Nov.2020)
FORECAST Shinjuku SOUTH	100.0%	1section (118tsubo) 1section (109tsubo) 1section (127tsubo)	Termination notice	Lease contract Planned lease contract Looking for tenants	97.0% (Dec.2020)
Komyoike Act	86.4%	1section (197tsubo) 1floors (57tsubo)	Left already	Planned lease contract Looking for tenants	96.9% (Sep.2020)
DIA Building Meieki	100.0%	1section (19tsubo)	Termination notice	Looking for tenants	96.4% (Dec.2020)
Homat Horizon Building	100.0%	1section (69tsubo)	Termination notice	Looking for tenants	96.2% (Jan.2021)
Marunouchi Sanchome Building	95.2%	1section (67tsubo)	Left already	Looking for tenants	95.2% (Jul.2020)
NORE Meieki	94.7%	1section (69tsubo)	Left already	Looking for tenants	94.7% (Jul.2020)
NORE Fushimi	92.8%	1section (84tsubo)	Left already	Looking for tenants	92.8% (Jul.2020)
MK Kojimachi Building	74.3%	2floors (91tsubo) 1floor (46tsubo)	Left already	Planned lease contract Looking for tenants	91.4% (Sep.2020)
Itabashi Honcho Building	100.0%	2sections (174tsubo)	Termination notice	Looking for tenants	91.0% (Jan.2021)
Towa Higashi-Gotanda Building	100.0%	1floor (86tsubo)	Termination notice	Looking for tenants	90.3% (Jan.2021)
Nishi-shinjuku Sanko Building	100.0%	1floor (75tsubo)	Termination notice	Looking for tenants	90.0% (Jan.2021)
TK Gotanda Building	100.0%	1floor (115tsubo)	Termination notice	Looking for tenants	89.8% (Dec.2020)

## Note

1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Jul. 2020.

# Status of Termination Notices





Property name	Occupancy rate (Jun. 2020)	Status of termination notices		Status of leasing activities	Assumed occupancy rate <sup>(1)</sup>
Yusen Higashi-Nihombashi Ekimae Building	100.0%	1floor (56tsubo)	Termination notice	Looking for tenants	88.5% (Jan.2021)
Nishi-Gotanda 8-chome Building	100.0%	1floor (109tsubo)	Termination notice	Looking for tenants	87.9% (Nov.2020)
Shinto GINZA EAST	100.0%	1section (46tsubo)	Termination notice	Looking for tenants	87.3% (Jan.2021)
Itohpie Iwamotocho ANNEX Building	100.0%	1floor (118tsubo) 1floor (124tsubo)	Termination notice	Lease contract Looking for tenants	87.2% (Oct.2020)
Itohpie Iwamotocho 1-chome Building	100.0%	1floor (134tsubo)	Termination notice	Looking for tenants	85.5% (Nov.2020)
Toranomon Sakura Building	100.0%	2section (141tsubo)	Termination notice	Looking for tenants	84.7% (Jun.2021)
Toshin Higashi-Ikebukuro Building	84.7%	1floor (76tsubo)	Left already	Looking for tenants	84.7% (May.2020)
Mitsui Woody Building	100.0%	1floor (187tsubo)	Termination notice	Looking for tenants	84.5% (Dec.2020)
BECOME SAKAE	83.6%	1floor・1section (229tsubo)	Left already	Looking for tenants	83.6% (Jul.2020)
Kanda Ocean Building	100.0%	1section (92tsubo)	Termination notice	Looking for tenants	79.5% (Jan.2021)
Higashi Ikebukuro Center Building	100.0%	2floor (270tsubo)	Termination notice	Looking for tenants	78.8% (Dec.2020)
Gotanda Sakura Building	100.0%	2floor (97tsubo)	Termination notice	Looking for tenants	78.6% (Nov.2020)
FORECAST Kameido	100.0%	1floor・1section (189tsubo) 2floor (245tsubo)	Left already Termination notice	Lease contract Looking for tenants	73.8% (Jan.2021)
Hiroo ON Building	100.0%	2floor (185tsubo)	Termination notice	Looking for tenants	72.8% (Jan.2021)
Otakibashi Pacifica Building	100.0%	3floor (125tsubo)	Termination notice	Looking for tenants	70.2% (Sep.2020)
Towa Kandanishikicho Building	100.0%	1floor (39tsubo) 2floor (122tsubo)	Termination notice	Planned lease contract Looking for tenants	69.7% (Nov.2020)

Note

1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Jul. 2020.

# Original Leasing Services

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

	Select Office	ittoku	shikittoku	Shikikin tsunagetoku?
Summary	Original leasing service by which tenants can select office layout from several partterns and NIPPON REIT shares costs of the office interior work 	Original leasing services with JAPAN CORPORATE PROPERTY GUARANTEE Co., Ltd. ("JCPG") 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 lease contract 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 lease contract 
Service features	<ul style="list-style-type: none"> <li>• Selectable</li> <li>• Visible Virtual Realty (VR)</li> <li>• Low Cost</li> </ul>	<ul style="list-style-type: none"> <li>• 1 month deposit</li> <li>• No warranty fee</li> <li>• No restoration cost</li> <li>• No jointly and severally liable surety</li> </ul>	<ul style="list-style-type: none"> <li>• Refund a half of deposit</li> <li>• No warranty fee</li> <li>• No jointly and severally liable surety</li> </ul>	<ul style="list-style-type: none"> <li>• Moratorium of placing a deposit</li> <li>• No warranty fee</li> </ul>
Tenants' needs	<ul style="list-style-type: none"> <li>• To improve work environment with efficient and comfortable layout</li> <li>• To reduce relocation cost to invest our business as much as possible</li> </ul>	<ul style="list-style-type: none"> <li>• To minimize initial cost of a security deposit at the move-in</li> <li>• To avoid arranging a surety jointly and severally liable for rent payment</li> </ul>	<ul style="list-style-type: none"> <li>• To make effective use of deposit</li> <li>• To avoid arranging a surety jointly and severally liable for rent payment</li> </ul>	<ul style="list-style-type: none"> <li>• To avoid double deposits</li> <li>• To increase flexibility of relocation and moving periods</li> <li>• To make effective use of cash on hand</li> </ul>
NIPPON REIT 's benefit	<ul style="list-style-type: none"> <li>• Profitability enhancement</li> <li>• Promotion of leasing activity</li> <li>• Improvement of tenant satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability enhancement</li> <li>• Wider range of leasing targets</li> <li>• Strengthening Credit management by JCPG</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability enhancement</li> <li>• Wider range of leasing targets</li> <li>• Strengthening Credit management by JCPG</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease of down-time and free rent period</li> <li>• Wider range of leasing targets</li> <li>• Strengthening Credit management by JCPG</li> </ul>

《Participating in GRESB Assessment》

<GRESB Real Estate Assessment>



We received the “Green Star recognition”, the highest in the four available categories, for the third 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.

《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.

《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 gain through working group activities into the Sojitz Group’s CSR initiatives.

《Environmental Certifications》

Aim to acquire at least 1 additional environmental certification every period year.

<DBJ Green Building>	<CASBEE>	<BELS>	<Low-Carbon Model Building>	<Environmental Considerations Rating Obtained form SMBC>
 DBJ Green Building 2018 Properties with exceptionally high environmental & social awareness	 Assessment System Class S (excellent)	 2 Stars	 A2+	 A grade
Tower Court Kitashinagawa	FORECAST Ichigaya	FORECAST Kameido FORECAST Mita Nihombashi Playa Building	FORECAST Kayabacho Higashi Ikebukuro Center Building	-

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

# Sustainability Initiatives (Environment)

## 《Sustainability Target》

### (1) Establishment of targets to reduce energy use

- Pursuant to the Energy Conservation Act (Act on the Rational Use of Energy), in the five-year period starting from fiscal 2016, 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.

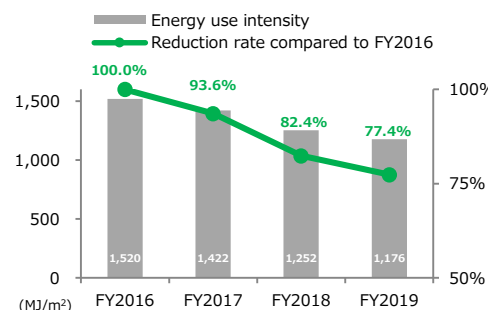
### (2) Management of targets

- 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.

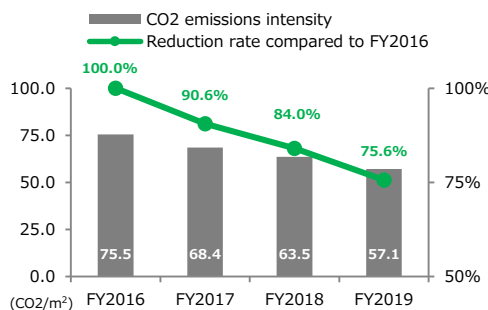
## 《Environment-related data》

We periodically measure greenhouse gas emissions data and strive to reduce its environmental burden.

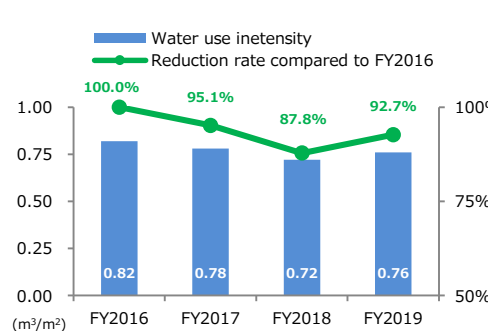
[Changes in energy use intensity]



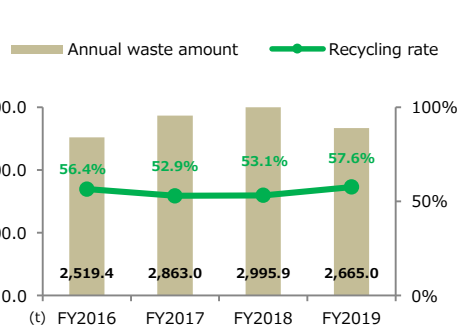
[Changes in CO2 emissions intensity]



[Change in water use intensity]

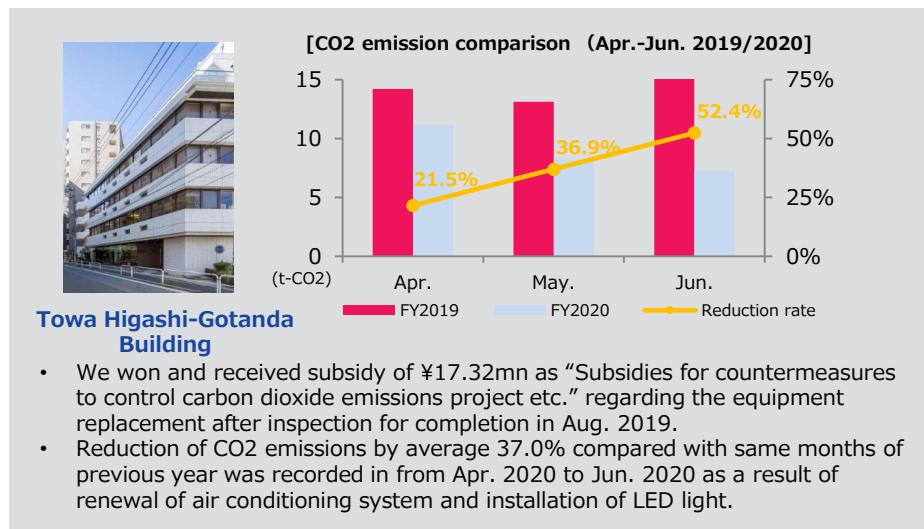


[Waste and recycling rate]



## 《Equipment replacement using government subsidy》

Ministry of the Environment runs the project to grant subsidy for equipment replacement that realize reduction of CO2 emission.  
NIPPON REIT applied for and won the subsidy.



## 《Utilize subsidies》

- Utilize governmental subsidy as well to make CAPEX plans feasible
- Intensively applying for subsidies considering change of adoption target and competition intensified

### ●Track record of utilizing subsidies

	Total Investment amount	Total Subsidy amount
2015 (6-7th period)	Approx. ¥189mn	Approx. ¥53mn
2016 (8-9th period)	Approx. ¥112mn	Approx. ¥44mn
2017 (10-11th period)	Approx. ¥450mn	Approx. ¥104mn
2018 (12-13th period)	Approx. ¥162mn	Approx. ¥64mn
2019 (14-15th period)	Approx. ¥232mn	Approx. ¥43mn

# Sustainability Initiatives (Environment/ Social)

## 《Committee of Energy Saving in Kanto region》



- Reduction of CO2 emissions by 63.9% compared with same month of previous year was recorded in Apr. to Dec. 2019 as result of renewal of air conditioning system and installation of LED light
- We received a “Committee of Energy Saving in Kanto region” for this effort on February 14th, 2020. for the third consecutive year.

**FORECAST Takadanobaba**

## 《Distribution of electricity through the use of hydraulic power generation》



- Of the total electric power consumed by La Verite AKASAKA, 205,763kWh (100.0%) per year is supplied with renewable energy from hydraulic power generation. The annual amount of CO2 reduction through the use of hydraulic power generation is estimated to be 95 tons.

**La Verite AKSAKA**

## 《Improving Tenant Satisfaction》

We have been trying to improve tenant satisfaction by identifying our properties’ issue.

### <Installed digital signages>

- In 14 properties, a digital signage was placed in the elevator hall of office items. we currently broadcasts news and promotional content to tenants and visitors waiting for elevators.



**Ex) FORECAST Ningyocho**

### <Enhancement of tenant satisfaction by setting rest area>

- Changed extra space at the first floor to rest area under the favor of the latest legal revision.
- Effectively enhancing tenant satisfaction through comfortable design for both of smoker and non-smoker.

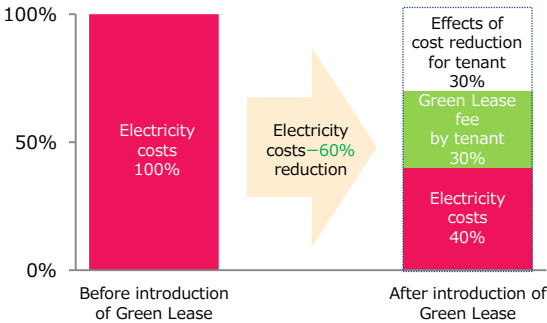


**Itohpia Kiyosubashidori Building**

## 《Green Lease Initiatives》

- To install LED light and some ecological equipments 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 propertis with Green Lease]

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

## 《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) etc.



### ■ The number of qualification holders

Asset Management Company	
Real estate notary	22
ARES Certified Master	6
Official Real Estate Consulting Master	4
First-class registered Architect	2
Securities analyst	1
Lawyer	1

Include overlapping (end of Jun. 2020)



《Method for pursuing the interest of Unitholders》

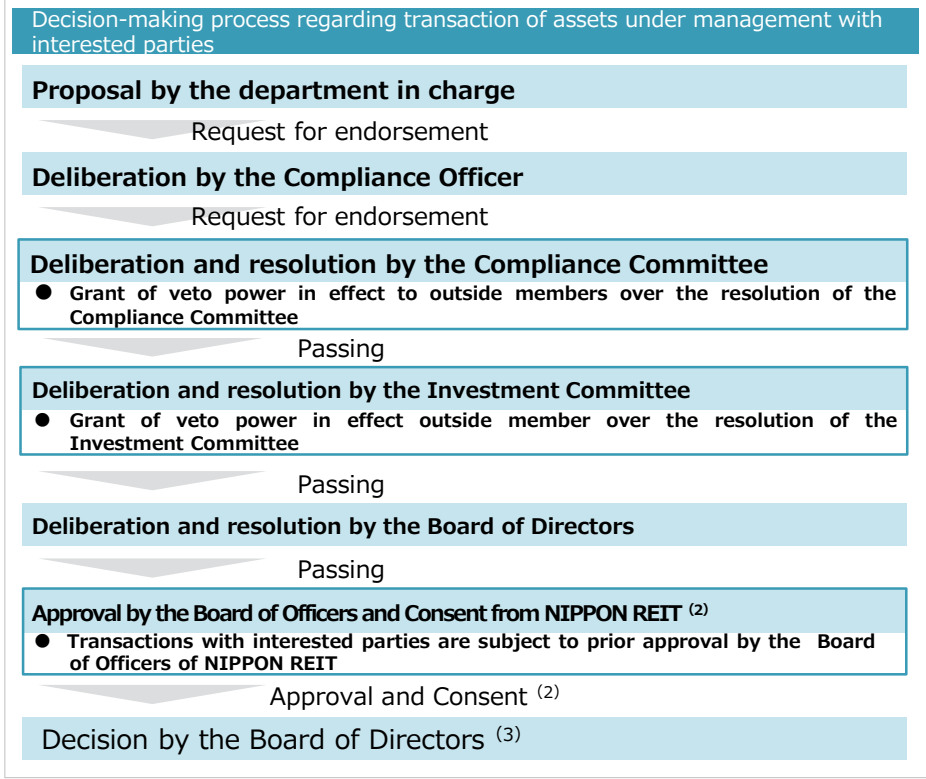
Management fee system linked to DPU	
● Asset management fee	Calculation method
AM fee1 (AUM-based fee)	Total assets of the immediately preceding period× annual rate of 0.35% (maximum rate)
AM fee2 (DPU-based fee)	NOI×DPU volatility <sup>(1)</sup> ×2.5% (maximum rate)
● Acquisition and Disposition fee	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

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

《Decision-making process》



《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.





# NIPPON REIT Investment Corporation

## External growth strategy

## Internal growth strategy

Utilize the Proprietary Networks of the Asset Management Company :



- ◆ 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 :



- ◆ **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 <sup>(1)</sup> 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 General Property Management 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)

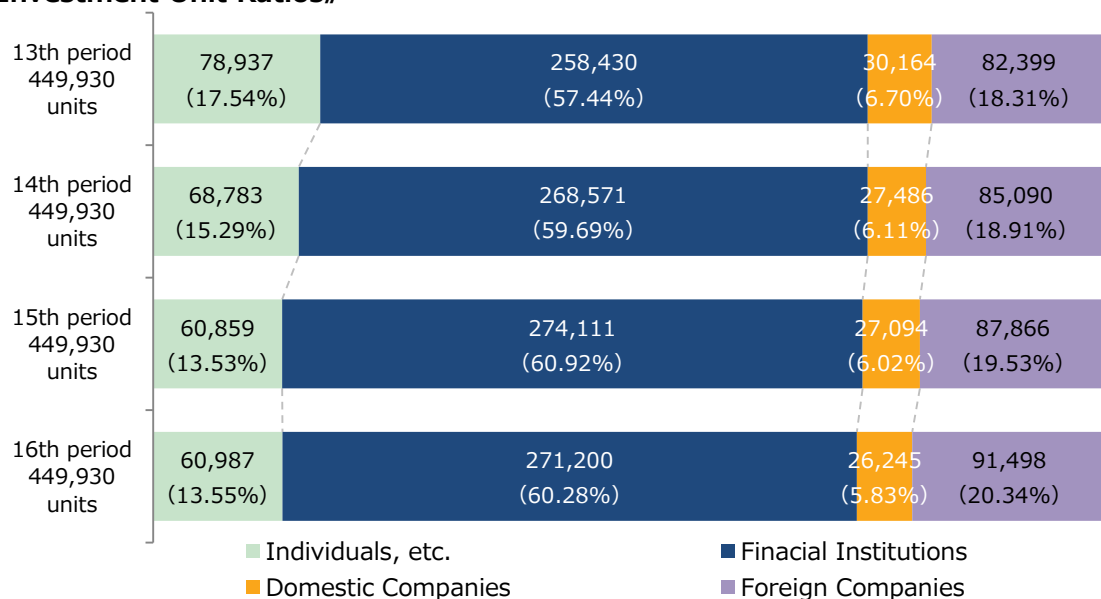
Note  
1. “Qualified real estate” refers to real estate, trust beneficiary interest in real estate, real estate-backed securities or equity interest in silent partnership backed by real estate (including real estate under development) , which are consistent with the investment policy established by NIPPON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

# Unitholder Status

## 《Number of Unitholders and Investment Units by Unitholder Type》

16th period (Jun.2020)				
	Number of Unitholders	Share	Number of unit	Share
Individuals, etc.	12,572	95.90%	60,987	13.55%
Financial Institutions	107	0.82%	271,200	60.28%
Domestic Companies	226	1.72%	26,245	5.83%
Foreign Companies	204	1.56%	91,498	20.34%
Total	13,109	100.00%	449,930	100.00%

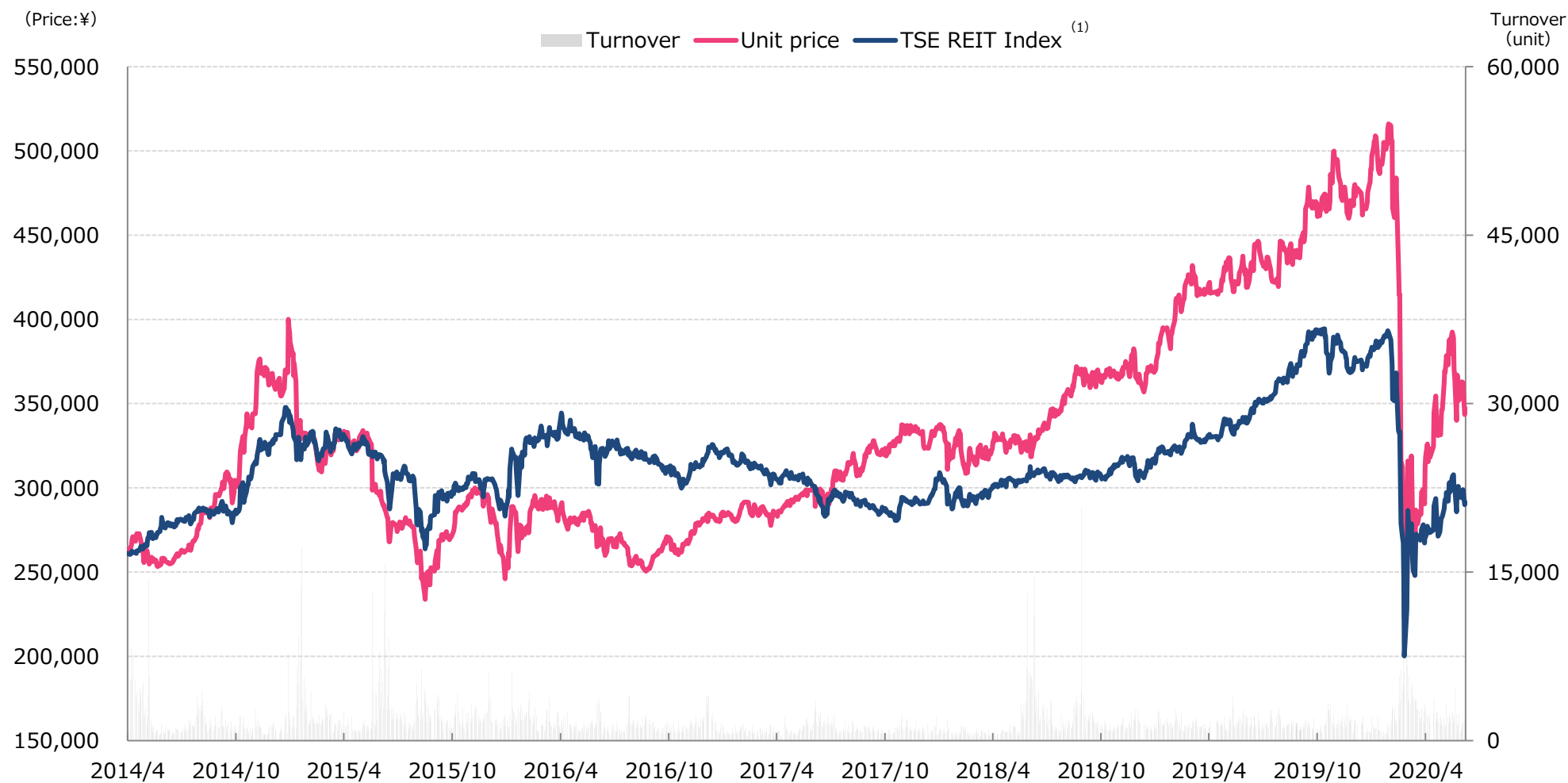
## 《Investment Unit Ratios》



## 《Top 10 Major Unitholders 》

16th period (Jun.2020)			
	Name	Number of unit	Share
1	Japan Trustee Services Bank, Ltd. (Trust Account)	96,310	21.41%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	76,605	17.03%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	23,824	5.30%
4	Sojitz Corporation	15,500	3.44%
5	Trust & Custody Service Bank, Ltd. (Securities Investment Trust Account)	13,531	3.01%
6	SSBTC CLIENT OMNIBUS ACCOUNT	10,277	2.28%
7	STATE STREET BANK WEST CLIENT - TREATY 505234	6,496	1.44%
8	JAPAN SECURITIES FINANCE CO., LTD.	6,339	1.41%
9	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	5,519	1.23%
10	NORTHERN TRUST CO. (AVFC) RE 10PCT TREATY ACCOUNT (LENDING)	4,754	1.06%
Total		259,155	57.60%

Historical Unit Price (From IPO to the end of the 16th period (Jun. 30, 2020) )



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

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