NIPPON REIT
Investment Corporation

真面目に、地道に、堅実に
Serious Steady Solid

Nippon REIT Investment Corporation

Investor Presentation
for the 10th Period (Ended June 30, 2017)

August 17, 2017

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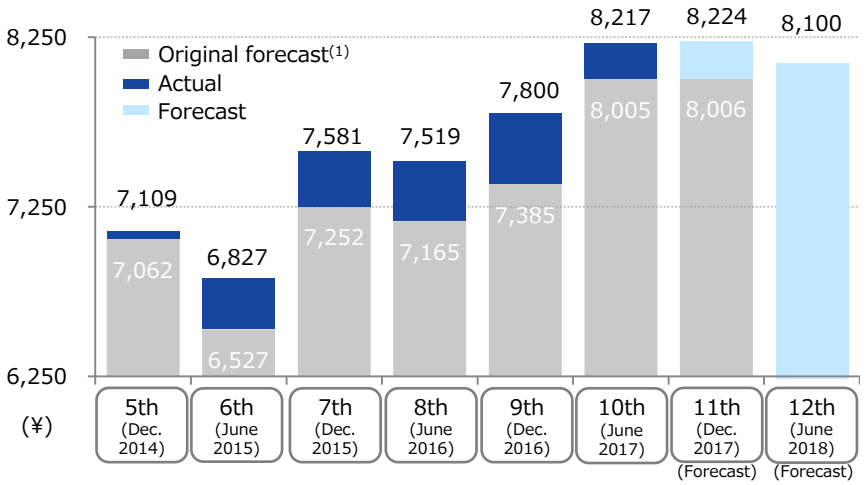
1. Summary of Financial Results for the 10th Period (June 2017)

Financial Highlights

	Financial Results 10th Period (June 2017)	Forecast 11th Period (Dec. 2017)	Forecast 12th Period (June 2018)
Operating Revenue	¥6,947mn	¥7,101mn	¥6,976mn
Operating Income	¥3,696mn	¥3,729mn	¥3,684mn
Ordinary Income	¥3,218mn	¥3,222mn	¥3,174mn
Net Income	¥3,218mn	¥3,221mn	¥3,173mn
DPU	¥8,217	¥8,224	¥8,100

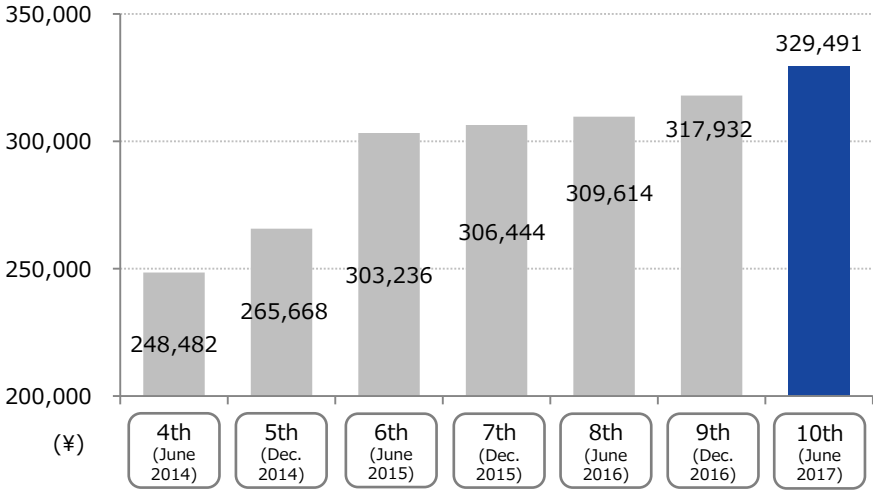
《**DPU Transition** (compared to the respective forecast) 》

● **Exceeded respective forecast every period since IPO**



《**Growth in NAV per Unit(2)**》

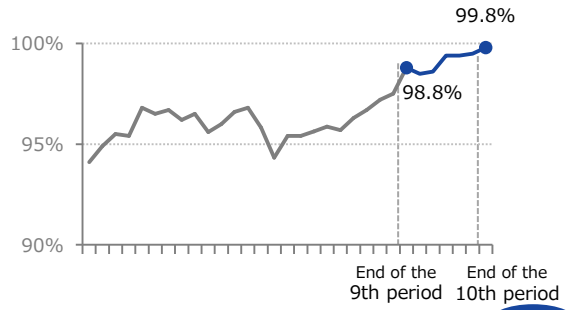
● **Increased by approx. 33% since 4th period**



1 Recorded the highest occupancy rate and increase in rent ever, expected total NOI increase of ¥195mn over 5 periods by EM※

《Occupancy rate 》

as of the end of the 10th period :99.8%



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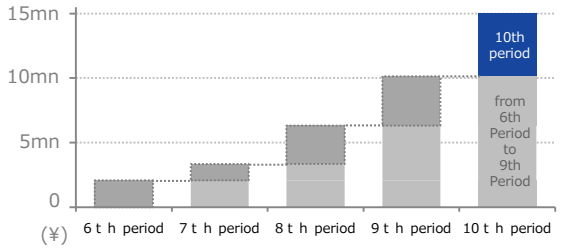
《Increase in rent》

During the 10th period: approx.¥**4.85**mn(monthly)

Total from the 6th period: approx.¥**15**mn



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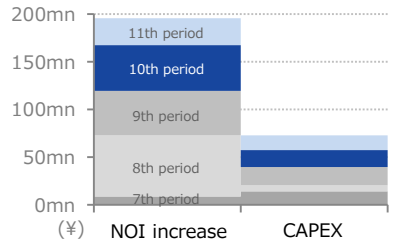
《Increase in NOI by EM》

During the 10th period: approx.¥**47.96**mn p.a.

Total from the 7th period: approx.¥**195**mn p.a.

(including plan for the 11th period)

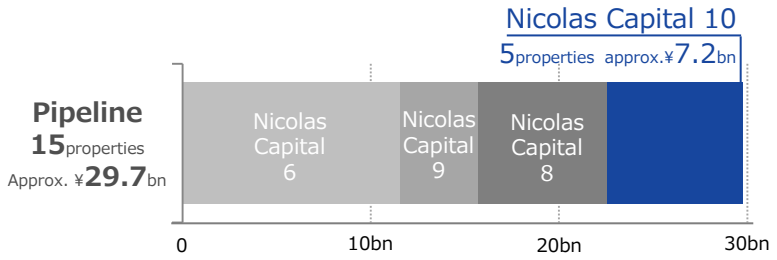


P20

2 Accumulated pipeline

During the 10th period: 5properties approx.¥**7.2**bn

(Total of Pipeline: 15 properties approx.¥**29.7**bn**)**



P13

3 Further stabilization of financing status

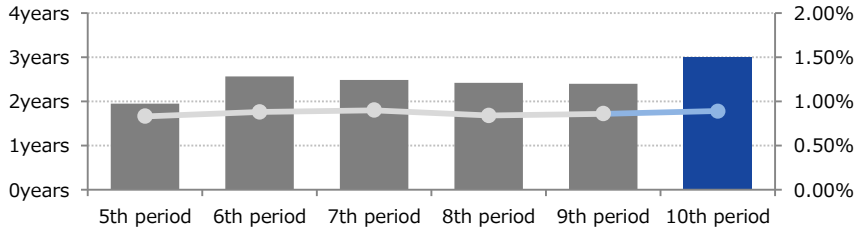
Average borrowing period:4.51year

Average borrowing cost:0.89%(1)

(As of the end of the 10th period)

Revision of Rating

A-(positive)→**A(Stable)**



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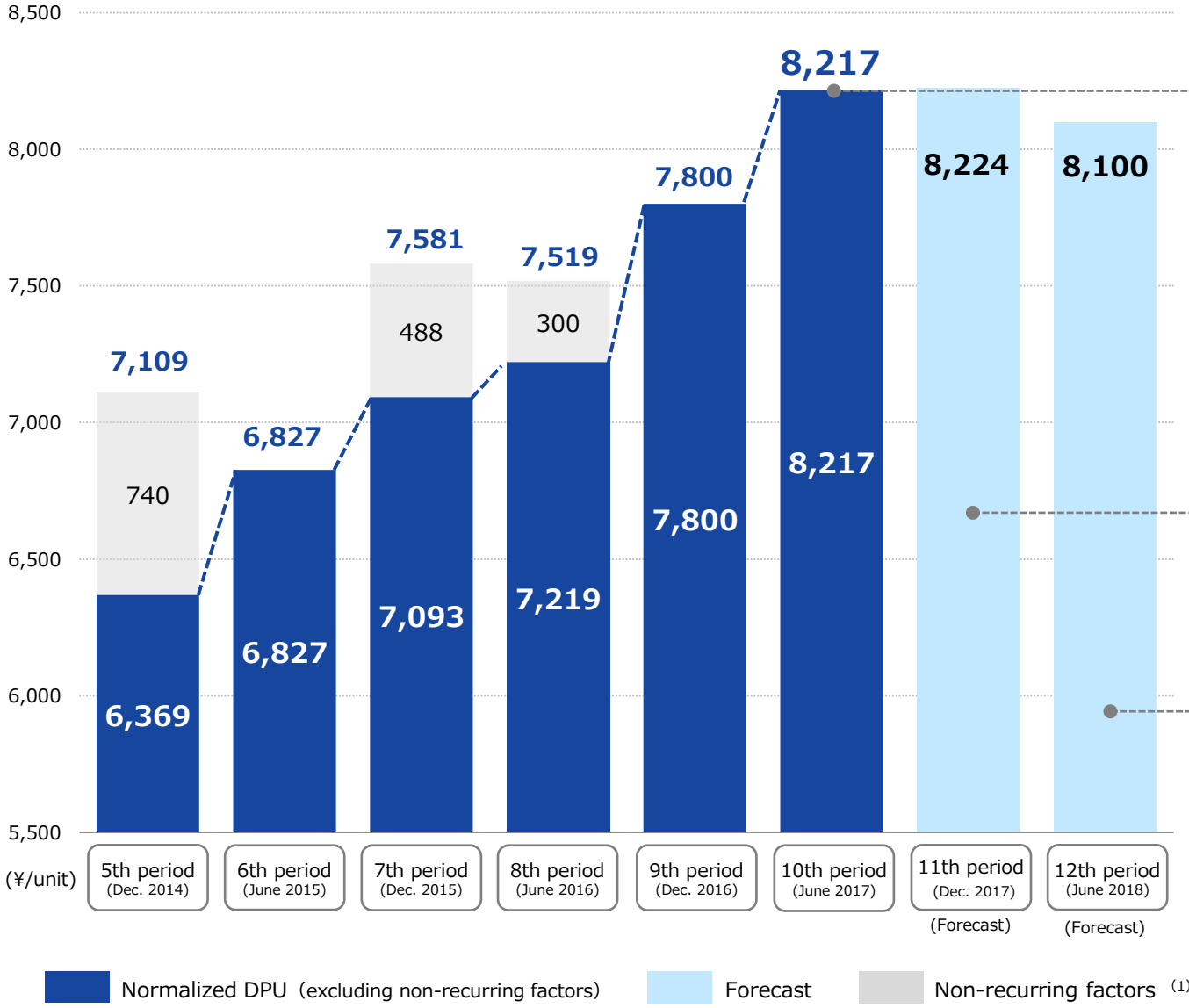
※EM=Engineering Management

Summary of Financial Results for the 10th Period

	Released on Feb. 16, 2017			Released on Aug. 17, 2017							
				10th period actual			11th period forecast			12th period forecast	
Unit:¥mn	9th Period (Dec. 31, 2016) Actual (a)	10th period (June 30, 2017) Forecast As of Feb.16,2017 (b)	11th period (Dec. 31, 2017) Forecast As of Feb.16,2017 (c)	10th period (June 30, 2017) Actual (d)	Compared to 9th period actual (d-a)	Compared to 10th period forecast As of Feb.16,2017 (d-b)	11th period (Dec. 31, 2017) Forecast As of Aug.17,2017 (e)	Compared to 10th period actual (e-d)	Compared to 11th period forecast As of Feb.16,2017 (e-c)	12th period (June 30, 2017) Forecast As of Aug.17,2017 (f)	Compared to 11th period forecast As of Aug.17,2017 (f-e)
Operating Revenues	**6,836**	**6,915**	**6,965**	**6,947**	**110**	**31**	**7,101**	**154**	**136**	**6,976**	**(124)**
Rental Revenues	6,110	6,271	6,271	6,278	167	6	6,390	112	118	6,304	(85)
Other Revenues Related to property leasing	693	618	668	628	(65)	9	690	61	22	638	(51)
Dividend Income	32	24	25	40	8	15	20	(19)	(4)	33	12
Operating Expenses	(3,309)	(3,296)	(3,304)	(3,250)	58	45	(3,372)	(121)	(67)	(3,292)	79
Operating Income	**3,527**	**3,618**	**3,660**	**3,696**	**168**	**77**	**3,729**	**32**	**68**	**3,684**	**(44)**
Non-Operating Revenues	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expenses	(471)	(481)	(523)	(477)	(5)	4	(506)	(29)	16	(510)	(3)
Ordinary Income	**3,055**	**3,136**	**3,137**	**3,218**	**163**	**81**	**3,222**	**3**	**85**	**3,174**	**(48)**
Net Income	**3,054**	**3,136**	**3,136**	**3,218**	**163**	**82**	**3,221**	**3**	**85**	**3,173**	**(48)**
DPU	**¥7,800**	**¥8,005**	**¥8,006**	**¥8,217**	**¥417**	**¥212**	**¥8,224**	**¥7**	**¥218**	**¥8,100**	**(¥124)**
NOI	4,952	5,067	5,096	5,111	158	43	5,171	60	75	5,125	(46)
Days	184	181	184	181	-	-	184	-	-	181	-

Track Record and Forecast of DPU

《Transition of DPU》



Exceeded forecast by 2.6%, Increase from previous period of 5.3%

DPU of the 10th period stood at ¥8,217, exceeding the forecast as of the end of the 9th period (¥8,005) by 2.6%, increased by 5.3% from previous period

《Major Drivers》
(compared to the forecast)

Increase in rental revenue etc.	:¥41
Increase in dividend income	:¥40
Decrease of operating expenses etc.	:¥117
Decrease of borrowing related expense	:¥10

Forecast DPU for the 11th period exceeds ¥ 8,200

Move-out ratio is expected to remain low in the 11th period, forecast DPU for the 11th period revised up by 2.7%, exceeds ¥ 8,200,

Certain stress such as move-out ratio etc.

Loaded with a stress by certain move-out ratio etc. for the forecast for the 12th period

2. Management Status in the 10th period and Future Growth Strategies

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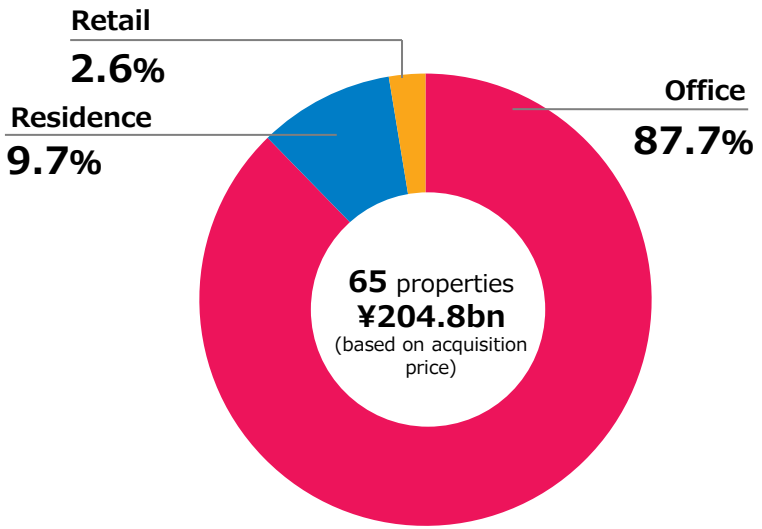
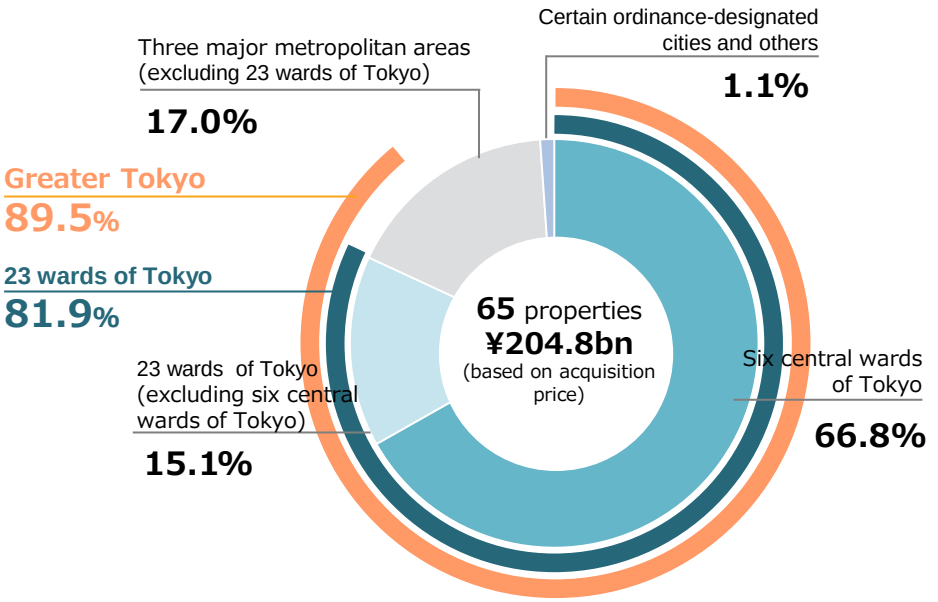
Portfolio Summary(as of end of the 10th Period)

NIPPON REIT Investment Corporation

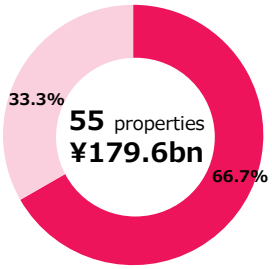
《By Type of Portfolio》



《By Area(1)》

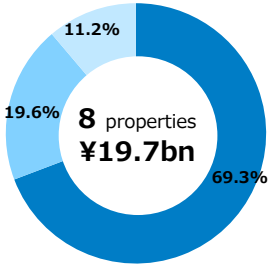


《Office By Area》



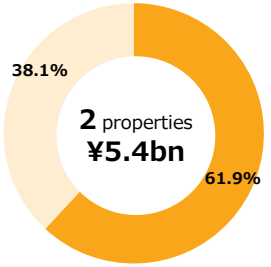
Six central wards of Tokyo
Three major metropolitan areas

《Residence By Area》



Six central wards of Tokyo
Three major metropolitan areas
Certain ordinance-designated and other cities

《Retail By Area》



Six central wards of Tokyo
Three major metropolitan areas

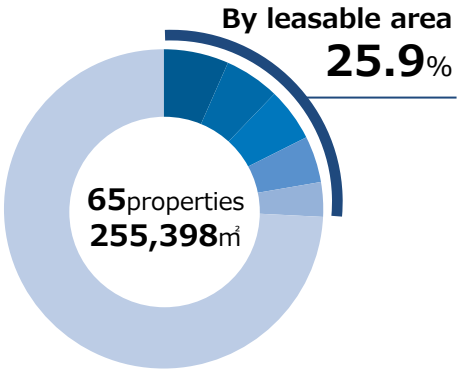
①Timely and flexible Investment
→Portfolio is composed of office buildings located in central Tokyo mainly to pursue growth potential

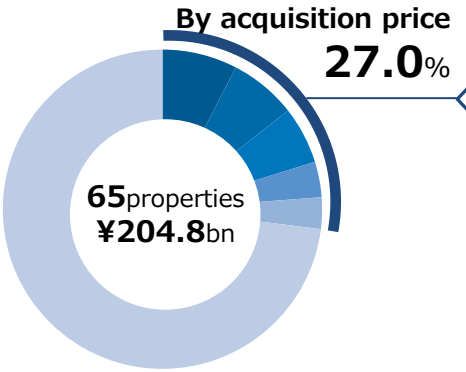
We always invest timely depending on market condition while taking advantage of characteristics as Diversified REIT
Current Portfolio is composed of Grade B office building located in central Tokyo mainly, we achieved the highest occupancy rate and rent growth ever in the latest period with the portfolio

Risk Diversification(as of end of the 10th Period)

② Reinforced risk tolerance by maintaining the highly balanced portfolio and tenant diversification among all listed J-REITs

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

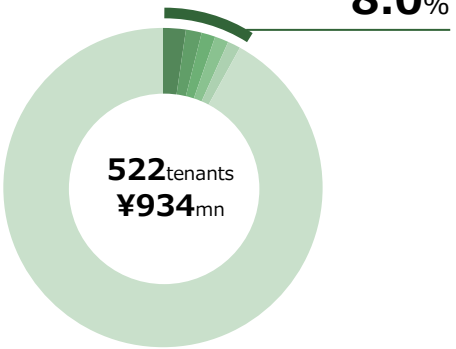


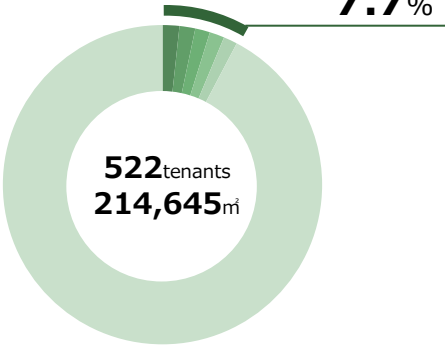


《5 largest properties (by acquisition price)》

	Property Name	Acquisition Price(¥mm)	Share
1	Omiya Center Building	15,585	7.6%
2	FORECAST Shinjuku SOUTH	13,990	6.8%
3	Tower Court Kitashinagawa	11,880	5.8%
4	Shibakoen Sanchome Building	7,396	3.6%
5	FORECAST Gotanda WEST	6,520	3.2%

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





《5 largest tenants (by leased area) 》

	Property Name	Business Category	Leased Area(㎡)	Share
1	Shibakoen Sanchome Building	Telecommu-nication	3,559.85	1.7%
2	FORECAST Shinjuku SOUTH FORECAST Shinjuku AVENUE	Telecommu-nication	3,342.60	1.6%
3	Sunworld Building	Real Estate	3,314.58	1.5%
4	Itabashi Honcho Building	Service	3,189.12	1.5%
5	GreenOak Okachimachi	Building constructor	3,048.47	1.4%

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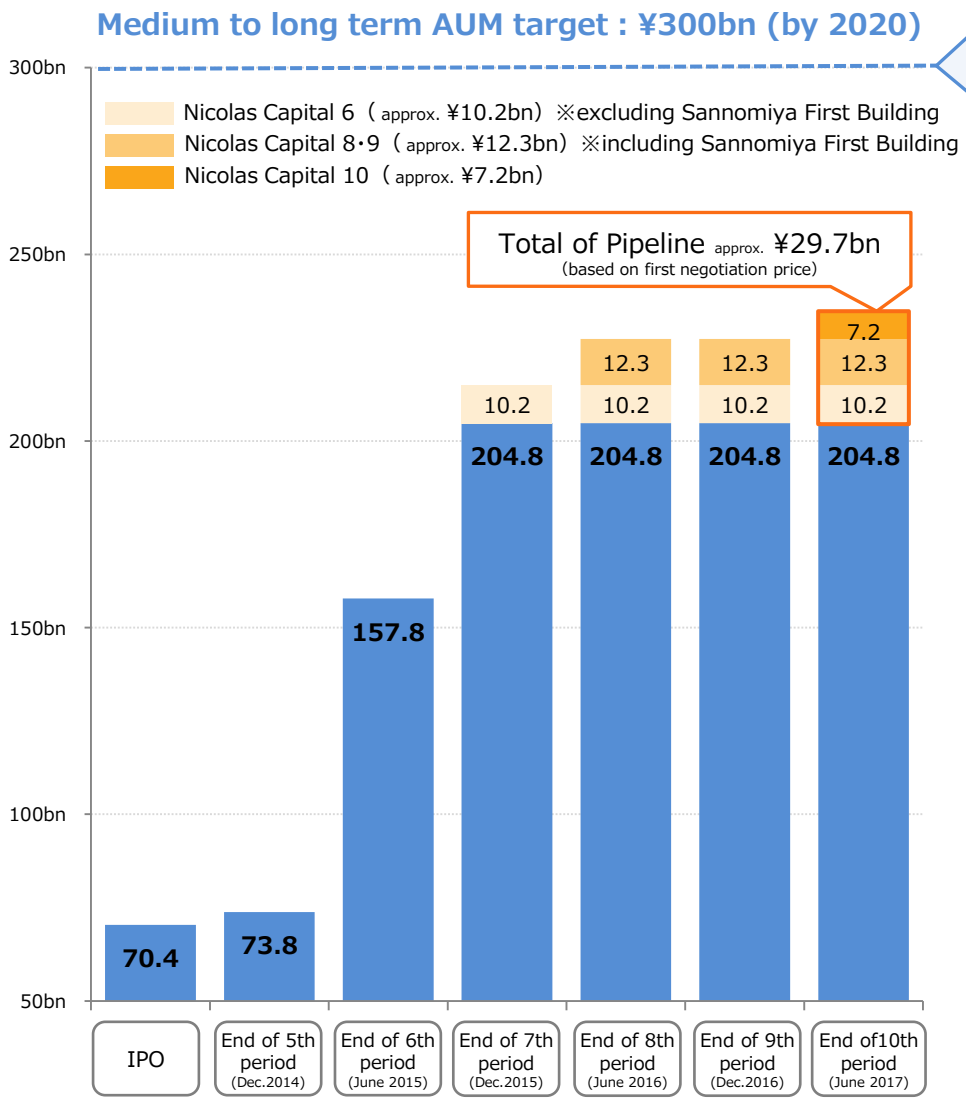
AUM Target

《Track Record of AUM and Pipeline, Medium to Long Term AUM Target》



Striving to achieve the medium to long term AUM target through disciplined external growth

③ Maintain the acquisition target since IPO

- **Target NOI yield(1) 4.5%** (NOI yield after depreciation:4.0%)
- **Well diversified portfolio** (portfolio and tenant diversification)
- Highly concentrated in **central Tokyo** (office) (over 60% of properties are located in 6 central ward of Tokyo)
- High **growth potential** (potential for building･rent gap)
- High competitiveness in **location** (area with growth potential)
- Stable **B class** (office) (low rent volatility･well balanced supply)

④ Flexible replacement depending on the market condition

Implemented plan to enable timely and flexible replacement of properties (calling “Tiering”) and revise it every year

⑤ In principle, avoid offering at NAV discount

Pursue external growth through offering which contribute to maximization of Unitholders’ Value

Summary of Pipeline

	Nicolas Capital6	Nicolas Capital9	Nicolas Capital8	Nicolas Capital10	Total
first negotiation price	¥11,597mn	¥4,090mn	¥6,835mn	¥7,234mn	¥29,756mn
Total appraisal value	¥11,700mn	¥4,090mn	¥6,950mn	¥7,276mn	¥30,016mn
Equity investment amount	¥220mn	¥100mn	¥500mn	¥50mn	¥870mn
Date of establishment of the fund(1)	Dec. 17, 2015	Mar. 30, 2016	June 30, 2016	Mar. 29, 2017	
Deadline of the first negotiation	Feb 28, 2018	Feb 28, 2018	Dec. 31, 2017	Mar. 29, 2019	
No. of properties	3	3	4	5	15

- **Pipeline reached approx. ¥29.7bn**
- **Sponsor support**
  Sojitz Corporation, the main sponsor of NIPPON REIT, acquired part of subordinated silent partnership equity interest of Nicolas Capital 10 as part of sponsor support
- **Rearrangement of bridge funds**

Residence

Splendid Namba
(Naniwa-ku, Osaka)

Office

Sannomiya
First Building
(Chuo-ku, Kobe)

Office

Homat Horizon
Building
(Chiyoda-ku, Tokyo)

Residence

ZEPHYROS
Minami-horie
(Nishi-ku, Osaka)

Office

Yusen Higashi-
Nihombashi
(Chuo-ku, Tokyo)

Residence

Residence
Edogawabashi
(Shinjuku-ku, Tokyo)

Office

SC Sakaisujihonmachi
Building
(Chuo-ku, Osaka)

Office

DIA Building Meieki
(Nakamura-ku,
Nagoya)

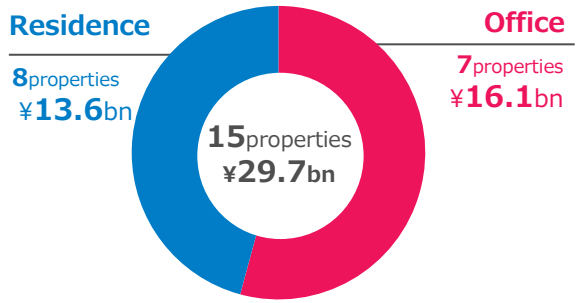
Office

Alte Building Higobashi
(Nishi-ku, Osaka)

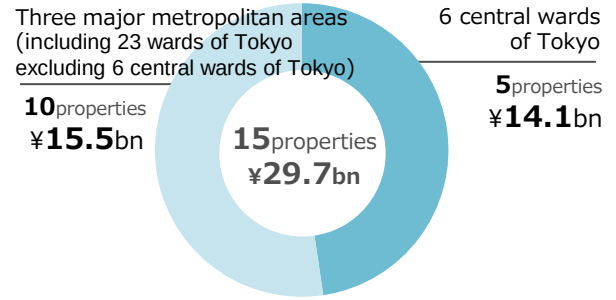
Office

Hiroo ON Building
(Shibuya-ku, Tokyo)

《By Type of Pipeline》



《By area of Pipeline》

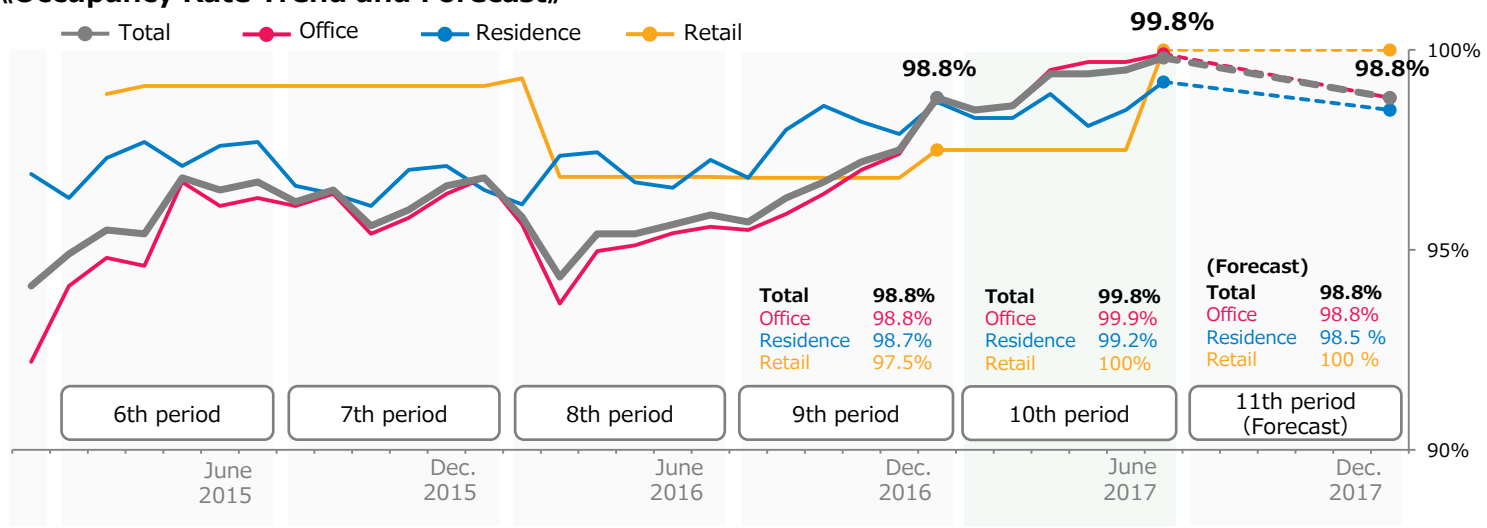


Summary of Nicolas Capital 10

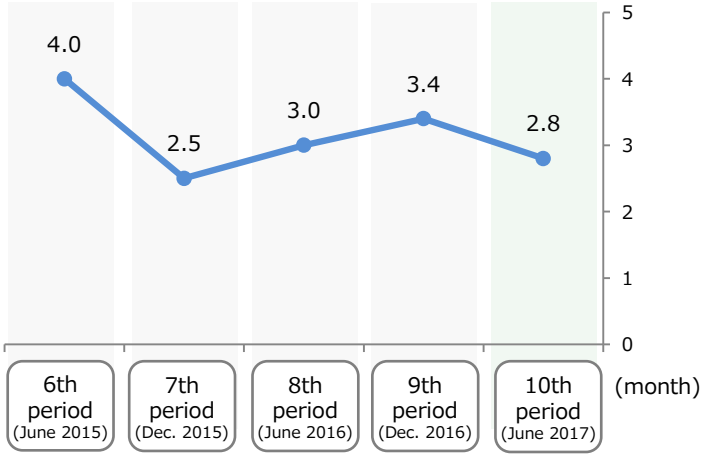
Property Name	(Tentative) Residence Hiroo	Merveille Senzoku	Splendid Shin-osakaⅢ	Charmant Fuji Osakajominami	Piacere Fuminosato
Type	Residence	Residence	Residence	Residence	Residence
Photo					
Map					
Location	5-1-10 Minami-azabu Minato-ku Tokyo	1-10-1 Kitasenzoku Oota-ku Tokyo	2-1-11, Higashinakajima Higashiyodogawa-ku Osaka,Osaka	3-3-8 Uchikyuhojimachi chuo-ku Osaka, Osaka	1-12-18 Hannancho Abeno-ku Osaka, Osaka
Total floor space	2,422.10㎡	1,079.99㎡ (注)	4,794.48㎡	1,612.76㎡	1,511.30㎡
Completion	Feb. 2004	Sep. 2002	Feb. 2015	Apr. 2004	Feb. 1999
Appraisal value	¥2,590mn	¥740mn	¥2,470mn	¥905mn	¥571mn

Occupancy Rate and Move-out Ratio Trend

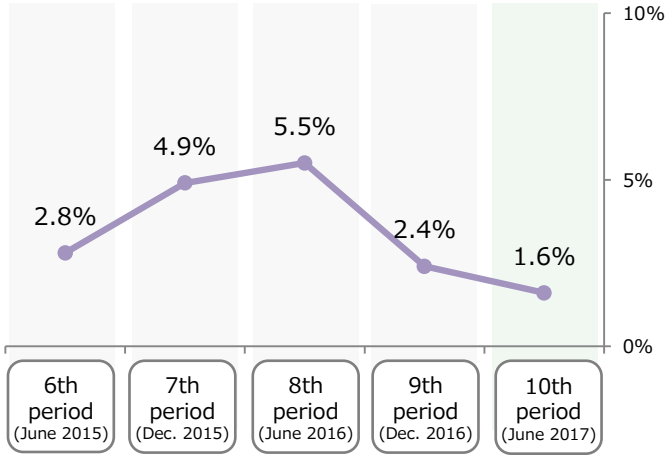
《Occupancy Rate Trend and Forecast》



《Average Free Rent Period (1) Trend》



《Average Move-out ratio (2) Trend》



Maintaining a high occupancy rate

Occupancy rate as of the end of the 10th period stood at 99.8%, outperformed the result of 9th period, to become the highest record

《Major occupancy rate changing factors》

	9th	10th
GreenOak Kayabacho	86.4%	100%
FORECAST Shin-Tokiwabashi	85.3%	100%
Itohpia Kiyosubashidori Building	86.0%	100%
Toranomon Sakura Building	89.5%	100%
FORECAST Waseda FIRST	85.2%	100%

Further compressed downtime and free rent period

Downtime and free rent period has been further compressed during the 10th period and, occupancy rent (based on cash flow) increased as well

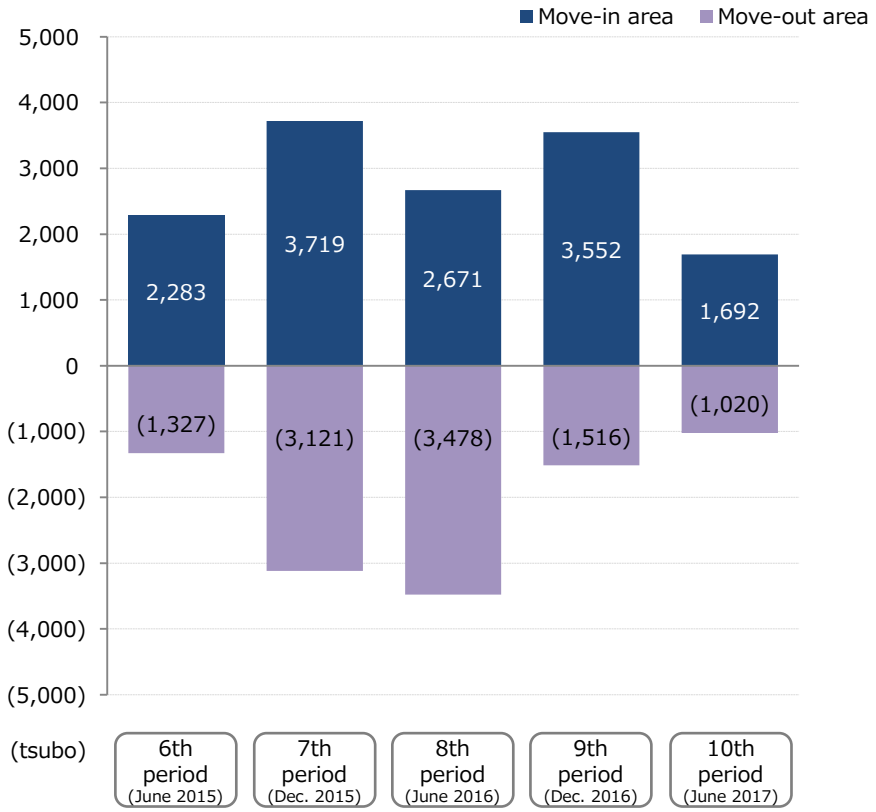
Low move-out ratio due to tight market and satisfactory tenant relationship

Given the background of Grade B office market in which supply-demand balance is tight, improvement of tenant satisfaction succeed, Move-out ratio declined to 1.6% during the 10th period

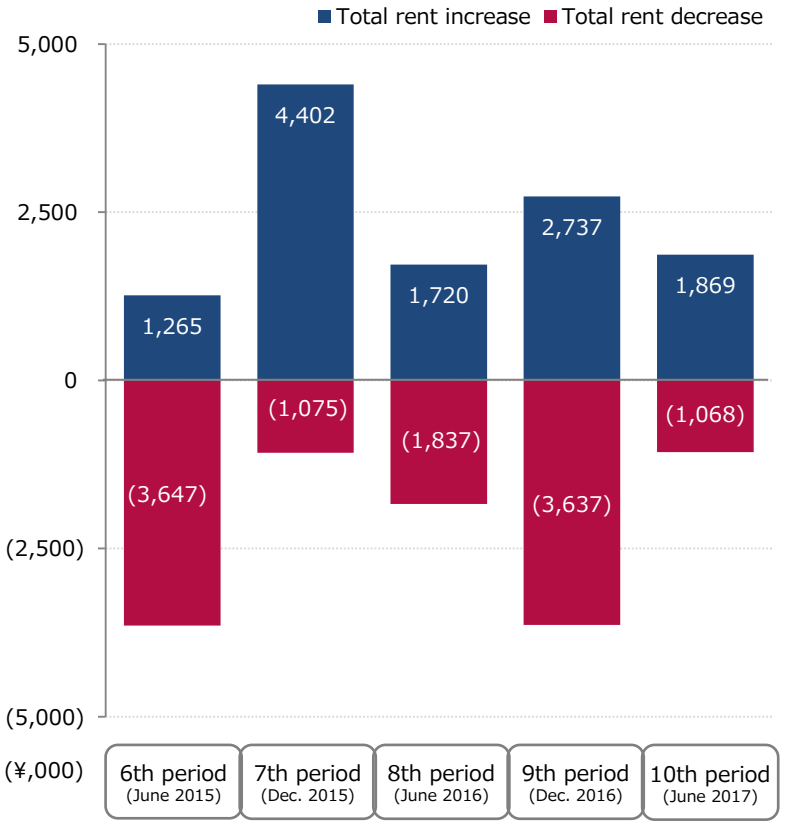
Status of Tenant Move-in and Move-out

《Tenant Move-in and Move-out》

※Total leasable area as of the end of 10th period (office):63,092tsubo



《Rent Increase(Decrease) upon Tenant Replacement》



● Flexible and speedy tenant replacement

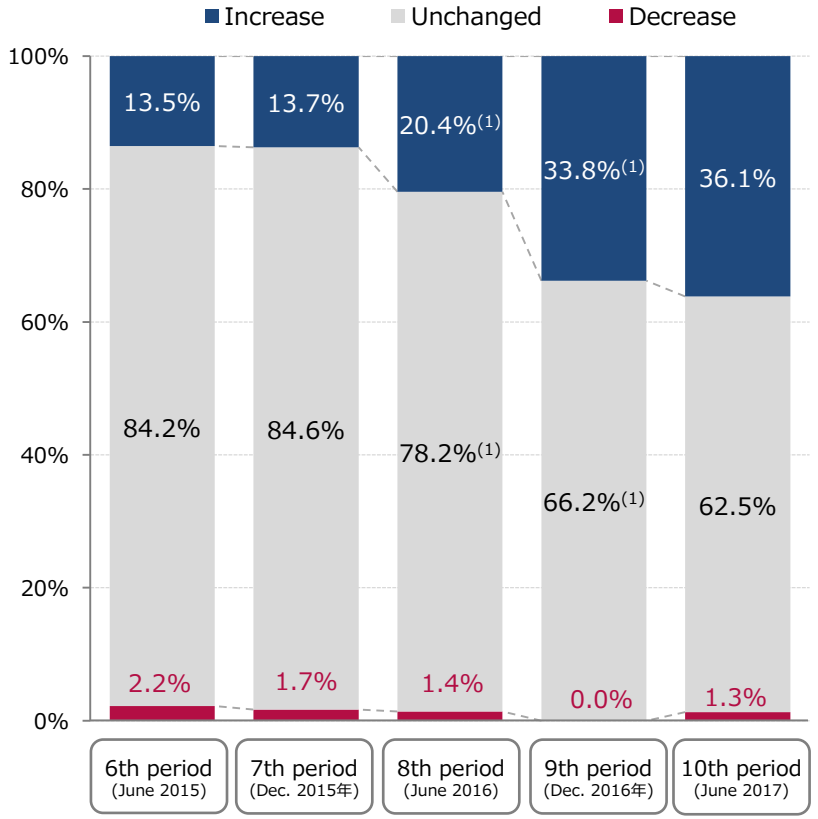
Replace tenant flexibly and speedily backed by high property competitiveness which has been improved by Engineering Management

● Drastic improvement in rent increase(decrease) upon tenant replacement

Rent increase(decrease) upon tenant replacement improved greatly, given the background of Grade B office market in which supply-demand balance is tight and there is high property competitiveness

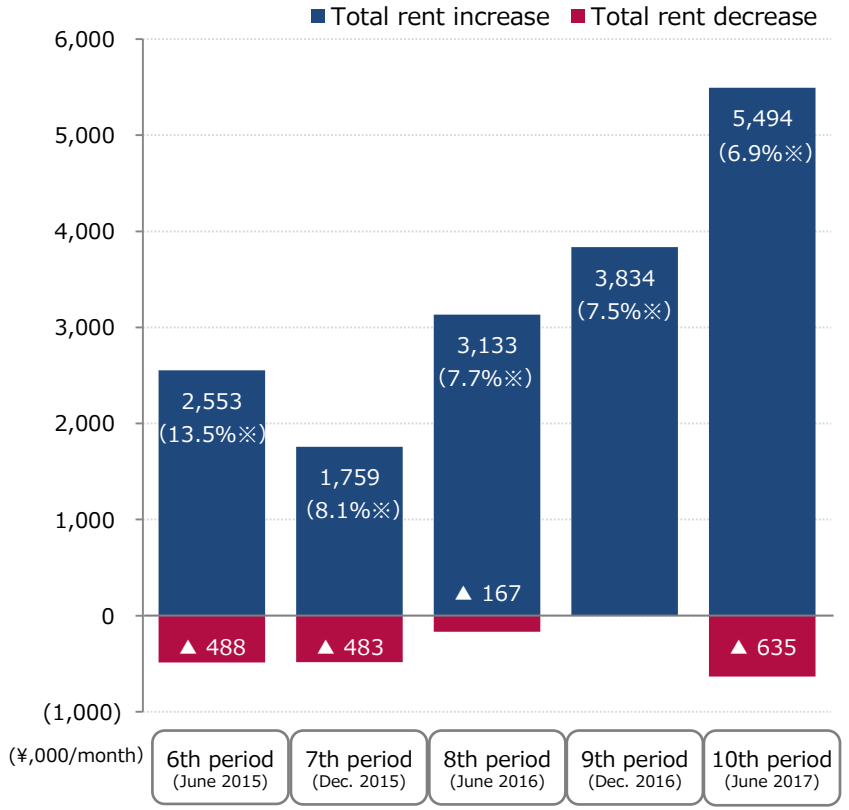
Track Record of Rent Renewals

《Track Record of Rent Renewals (floor space) 》



《Status of Rent Increase(Decrease) upon Contract Renewals 》

(office /monthly rent)



The proportion of rent increase has been expanding due to success of measure to improve tenant satisfaction

Achieved rent increase for 36.1% of area subject to renewal ,attributed to 46 tenants (5,494 tsubo)out of 120 tenants (15,217 tsubo), during 10th period

Achieved the largest rent increase ever by rent renewal (¥5,494 thousand yen/month)

《Trend of Total Increase-decrease (monthly)》
(Total rent increase-Total rent decrease)

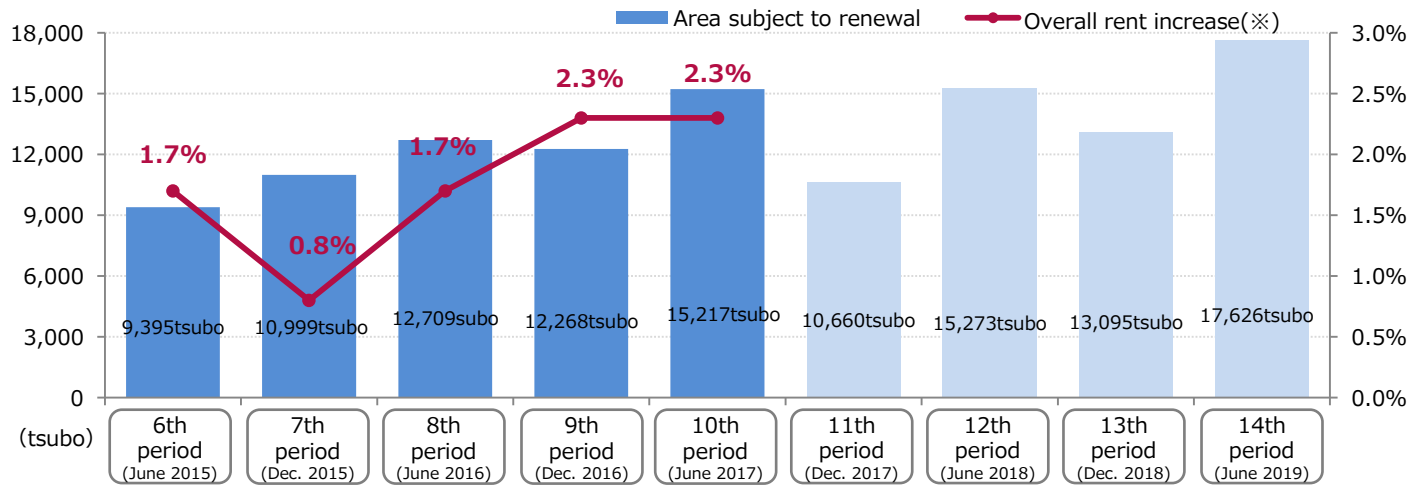
6th	7th	8th	9th	**10th**
2,065 Thousand yen	1,275 Thousand yen	2,966 Thousand yen	3,834 Thousand yen	**4,858** Thousand yen

※ Percentage of increase in rent for the respective period compared to total rent before renewal for all tenants which accepted rent increase in respective period

Track Record of Overall Rent Increase and Rent Gap Trend

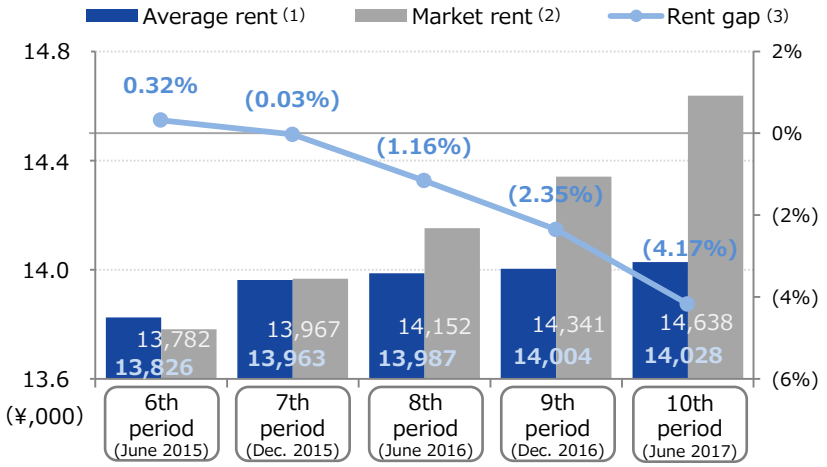
NIPPON REIT Investment Corporation

《Track record of area subject to renewal and overall rent increase》



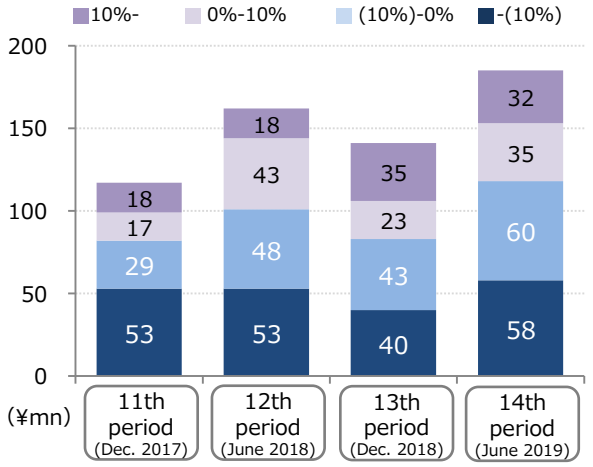
《Rent Gap Trend》

※Office and standard floor Only



《Status of Rent Gap》

※Office and standard floor Only



Achieved the largest rent increase

Overall rent increase for the 10th period turned out to be 2.3%, outperforming the target (1.5%)

※ "Overall rent increase" is percentage of total increase-decrease in rent for the respective period to total rent of all tenants which renewed contracts in the respective period. The "rent increase target" and "contribution to DPU" stated do not guarantee increase of DPU for respective period.

Further expanded rent gap due to rising market rent

Rent gap as of the end of the 10th period turned out to be ▲4.17%, with further potential of rent increase in the future

Continuous negotiation with tenant

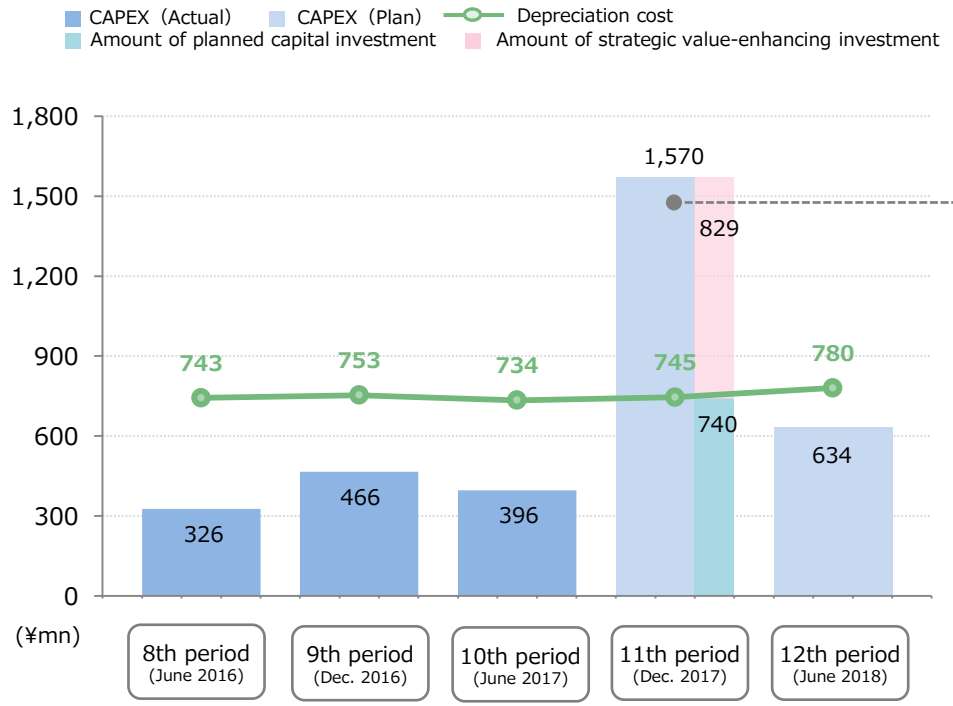
We continue to negotiate rent increase mainly with tenant whose rent is lower than the market rent (negative rent gap)

Plan and Budget of Engineering Management

(Planned capital investment and strategic value-enhancing investment)

NIPPON REIT Investment Corporation

《Plan and Budget of Engineering Management》



	8th period (June 2016)	9th period (Dec. 2016)	10th period (June 2017)	11th period (Dec. 2017)	12th period (June 2018)
Depreciation cost (A)	743	753	734	745	780
CAPEX (B)	326	466	396	1,570	634
Surplus / Shortage (A) – (B)	416	287	337	(825)	146
Reserved depreciation amount(1)	1,522	1,809	2,147	1,321	1,468

Utilize depreciation effectively while reserving enough amount for emergency repair expense

Given the characteristic of NIPPON REIT which hold many Grade B office buildings, we utilize depreciation effectively to enhance and maintain portfolio value within the value at depreciation while reserving enough amount for emergency repair expense

Utilize reserved depreciation amount effectively

Utilize reserved depreciation amount to make CAPEX plans more feasible (in the event intensive investment improves its efficiency drastically, etc.)

Utilize subsidies

Utilize government subsidy as well to make CAPEX plans feasible, Select and apply for the best one from several subsidy systems carefully to receive subsidies more certainly

《Track record and plan of utilizing subsidies 》

	Total Investment amount	Total Subsidy amount
By the 10th period	Approx. ¥274mn	Approx. ¥98mn
11th period	Approx.¥695mn	Approx. ¥192mn

●Introduction of Green Lease Contract

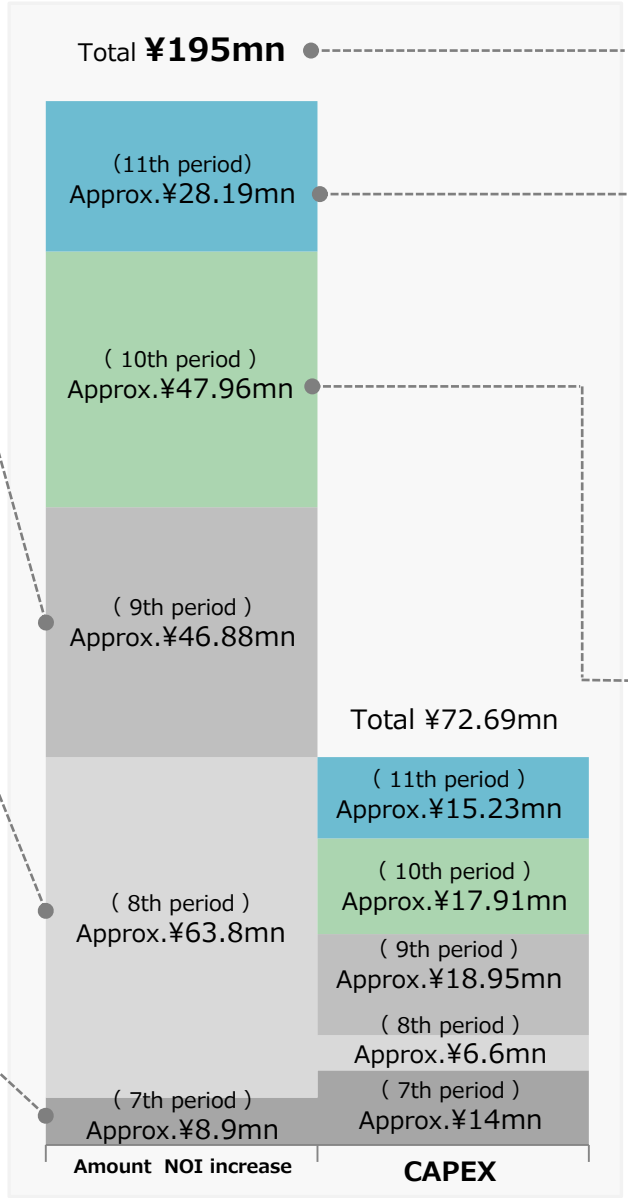
We plan to introduce Green Lease Contract in which we receive part of benefits that tenants enjoy by installation of high energy efficiency equipment as revenue

Construction cost reduction by E M Office

Construction cost reduced by 10.9%(1) through examination by Engineering Management Office which actively improves the efficiency and economy of CAPEX plans

Achievements of NOI Enhancement through Engineering Management(1)

(Strategic value-enhancing investment)



《9th Period (Dec. 2016) **Completed》**

Revenue Increase : Approx. ¥30.49mn p.a.
・Replacement of parking sublessee etc.

Cost Reduction : Approx. ¥16.39mn p.a.
・Installment of LED light etc.

Total NOI increase Approx. ¥46.88mn p.a.
(CAPEX Approx.¥18.95mn)

《8th Period (June 2016) **Completed》**

Revenue Increase : Approx. ¥2.85mn p.a.
・Parking lot expansion etc.

Cost Reduction : Approx. ¥60.97mn p.a.
・Energy cost reduction etc.

Total NOI increase Approx. ¥63.8mn p.a.
(CAPEX Approx.¥6.6mn)

《7th Period (Dec. 2015) **Completed》**

Revenue Increase : Approx. ¥8.9mn p.a.
・Setting up new leasing area etc.

Total NOI increase Approx. ¥8.9mn p.a.
(CAPEX Approx.¥14.0mn)

Expect to achieve ¥195mn p.a. NOI increase

Expected to attribute to total of ¥195mn p.a. from 7th period including plan for the 11th period
(Target ROI:15% in principal)

《11th Period (Dec. 2017) **Planed》**

● **Major examples**

	Increase in revenue
(FORECAST Shinjuku SOUTH, 2 others) Setting up new leasing area	Approx. ¥2.4mn p.a.
(JS Progres Building) Setting up new parking	Approx. ¥4.32mn p.a.
	Decrease in cost
(Mejiro NT Building, 1 other) Building management cost reduction	Approx. ¥3.53mn p.a.
(21 properties) Energy cost reduction	Approx. ¥17.93mn p.a.

Total NOI increase Approx. ¥28.19mn p.a.
(CAPEX Approx.¥15.23mn)

《10th Period (June 2017) **Completed》**

● **Major examples**

	Increase in revenue
(FORECAST Shinjuku SOUTH, 1 other) Replacement of sublessee parking operator	Approx. ¥3.26mn p.a.
(La verite AKASAKA, 12 others) Installment of antennas for mobile phone	Approx. ¥2.64mn p.a.
	Decrease in cost
(FORECAST Waseda FIRST, 1 other) Building management cost reduction	Approx. ¥6.11mn p.a.
(13 properties) Energy cost reduction	Approx. ¥29.67mn p.a.
(Tower Court Kitashinagawa, 1 other) Installment of LED light	Approx. ¥6.27mn p.a.

Total NOI increase Approx. ¥47.96mn p.a.
(CAPEX Approx.¥17.91mn)

Examples of Engineering Management(Strategic value-enhancing investment)

NIPPON REIT Investment Corporation

《Outline of Engineering Management》

1 Planned capital investment

Repair, renewal and maintenance of facilities necessary to maintain and improve asset value for a long term

2 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.

Profitability enhancement | Cost reduction | tenant satisfaction | Environmental Consideration

Create new revenue sources

Try to create new revenue sources

Achievement in 10th period

《La verite AKASAKA, and other 12 properties 》

Installation of antennas for mobile phone etc. at rooftop

Installed antennas for mobile phone etc. at roof top of 13 properties, ¥2.64mn NOI increase p.a. is expected

Profitability enhancement | Cost reduction | tenant satisfaction | Environmental Consideration

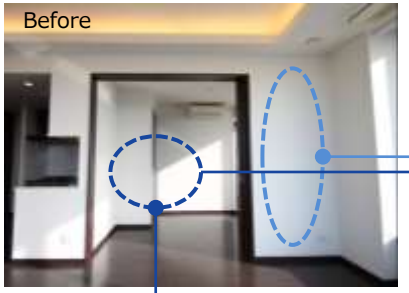
Enhancement of competitiveness through renovation

Aim to shorten downtime, enhance profitability such as rent increase, and improve tenant satisfaction through efficient renewal works which reflect trends

Achievement in 10th period

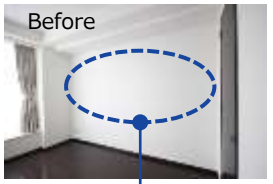
《Tower Court Kitashinagawa》

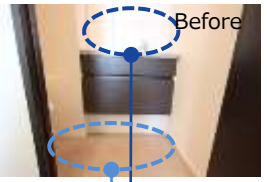
Shorten downtime by improvement of specification on the high-rent units on the upper floors

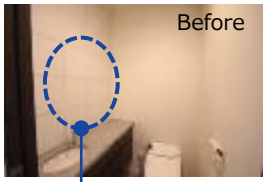


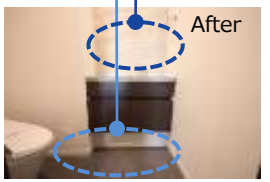
Changed to modern atmosphere with accent tiles

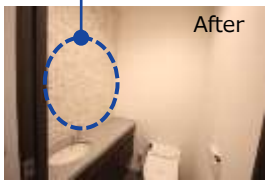
Profitability enhancement through changing to popular layout (removal works of part of wall and storage)











Drastically improvement of specification by changing materials on walls and floors effectively, while saving construction cost

Examples of Engineering Management(Strategic value-enhancing investment)

Profitability enhancement | Cost reduction | tenant satisfaction | Environmental Consideration

NOI increase through management cost reduction and changing condition

Aim to increase in NOI by cost reduction through installation high energy efficiency equipment, revision of building management service specification etc.

Achievement in 10th period

《Tower Court Kitashinagawa, Kudankita 325 Building》

Cost reduction by installation of LED light

¥6.27mn p.a. cost reduction is expected by installation of LED light, as well as improvement of tenant satisfaction and profitability enhancement

《 Tower Court Kitashinagawa, FORECAST Waseda FIRST》

Building management cost reduction

¥6.11mn p.a. cost reduction is expected by improvement of efficiency while keeping management quality such as introduction of automatic controller and revision of building management service specification

《 FORECAST Sinjuku SOUTH, Mejiro NT Building》

Increase in income of parking by changing leasing conditions

¥3.26mn p.a. increase in income is expected by revision of the leasing conditions for parking lots

Profitability enhancement | Cost reduction | tenant satisfaction | Environmental Consideration

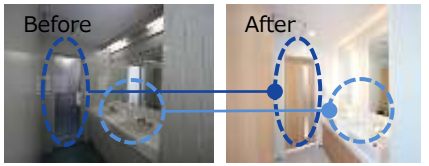
Improvement of tenant satisfaction by renewal works

Aim to minimize tenant vacancy risk by improvement of tenant satisfaction through effective renewal works based on questionnaire

Achievement in 10th period

《Pigeon Building, FORECAST Kayabacho》

Improvement of tenant satisfaction by renewal works at rest room



Aim to enhance convenience by changing design including rearrangement of layout

Profitability enhancement | Cost reduction | tenant satisfaction | Environmental Consideration

Profitability enhancement by revolutionary leasing activity

"Select Office" project which aims beneficent tenant replacement for both of lessee and lessor has been commenced as one of leasing promotion activities

Achievement in 10th period

《 FORECAST Waseda FIRST 》

Achieved both of shortening downtime and higher rent by "Select Office" project

We quickly replaced tenant with better condition which resulted in the rent being approx. ¥1.42mn p.a. higher than the market rent

WIN Advantages for Tenant

- Low initial cost
  (NRT set up wall and floor for the tenant)
- Easy to realize dream office
  (By choosing material of wall and floor, layout)

WIN Advantages for NRT

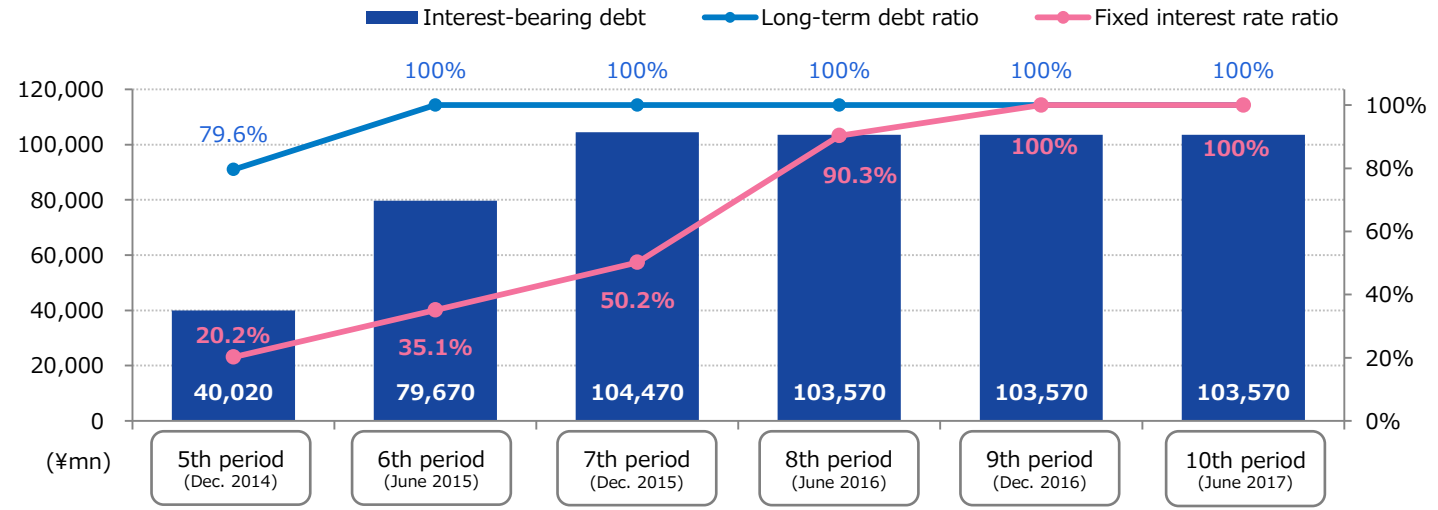
- Win higher rent
- Shorten downtime
- Effective improvement of tenant satisfaction

※ Please refer to P52 for detail of "Select Office"

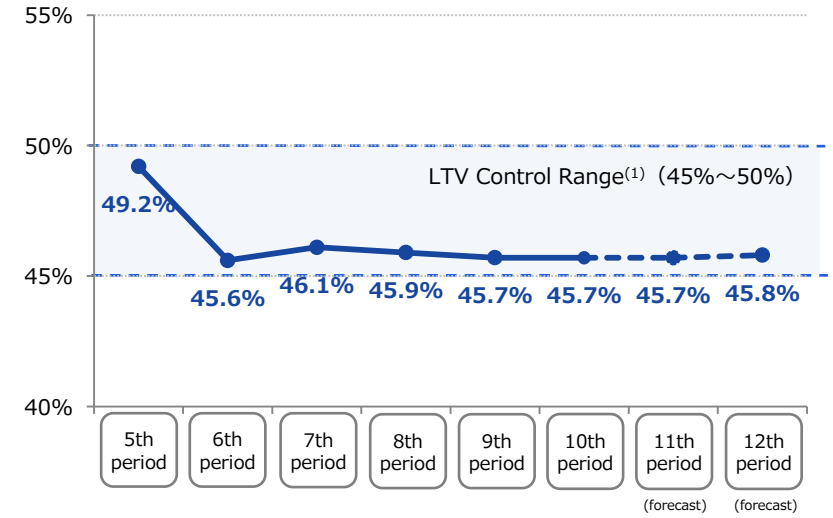
Financial Status

NIPPON REIT Investment Corporation

《Historical Total interest-bearing debt, Long-term debt ratio and Fixed interest rate ratio》



《Historical and forecast LTV》



《Overview of refinancing》

(Executed in Apr. 2017)

	Before refinancing		After refinancing	
Amount and Term	¥11,600 mn	3 years	¥5,600 mn	6 years
			¥3,400 mn	7 years
			¥2,600 mn	8 years
Interest rate	Average rate during 9th period		Fixed by interest rate swap agreement	
	0.25%		0.4758%	
			0.5600%	
			0.7023%	

Maintaining 100% in Long-term debt ratio and Fixed interest rate ratio

Total interest-bearing debt as of the end of the 10th period is ¥103.57bn
We maintain 100% in long-term debt ratio and fixed interest rate ratio

Maintaining LTV control level

LTV as of the end of the 10th period was 45.7%,
We maintain LTV control policy in which LTV is maintained between 45% and 50%

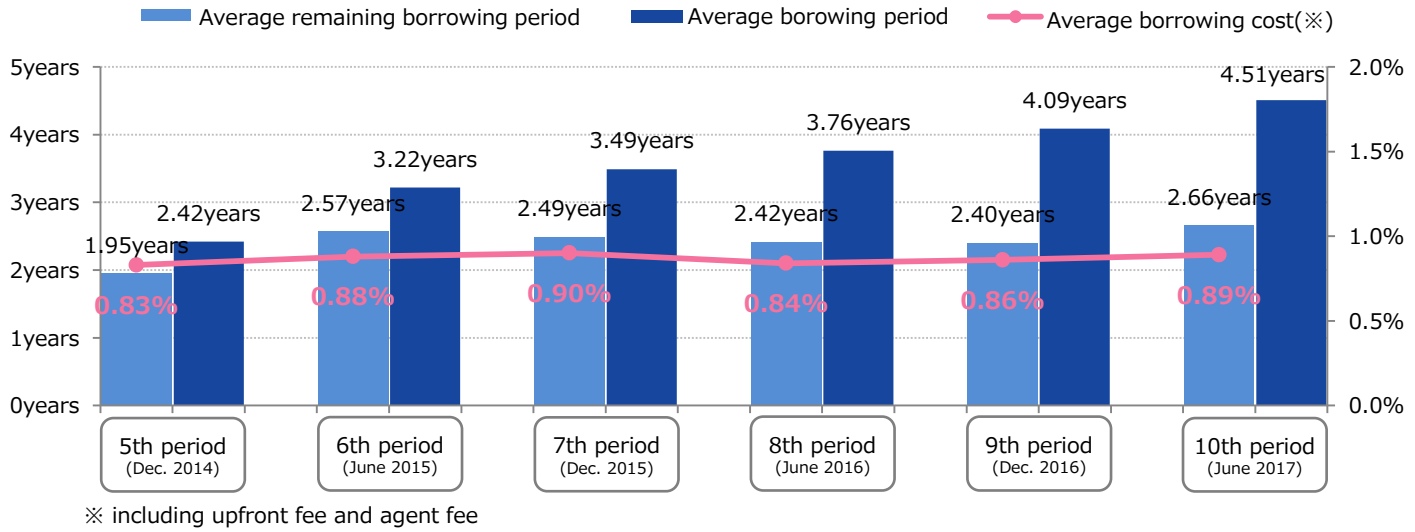
Refinancing

Borrowing term has been extended at the timing of refinance in April 2017 while keeping level of borrowing cost

Financial Status

NIPPON REIT Investment Corporation

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



※ including upfront fee and agent fee

Extend Average borrowing period

Enhanced financial stability in consideration of interest costs

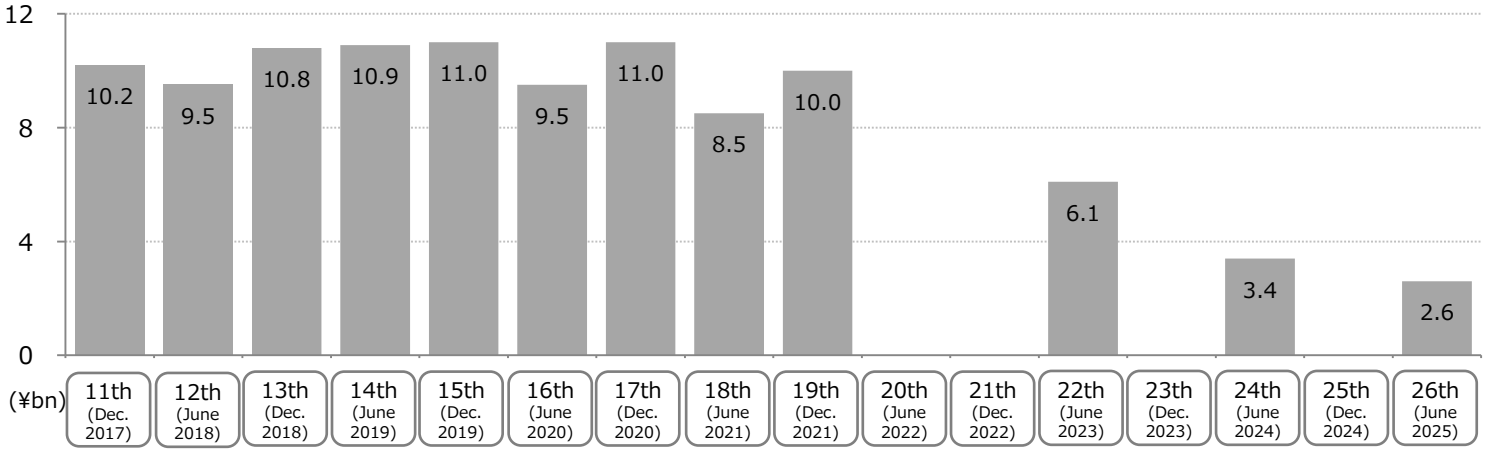
Further dispersion of maturity

We will maintain dispersion of maturity so that around ¥10bn fall due every period

Revision of Rating

Rating has been upgraded to A (stable) in April 2017

《Debt Maturity Schedule》



《Revision of Rating》

Japan Credit Rating Agency, Ltd.(JCR)
Long-term issuer rating(1)

Before	After
	Apr. 2017
A - (Positive)	A (Stable)

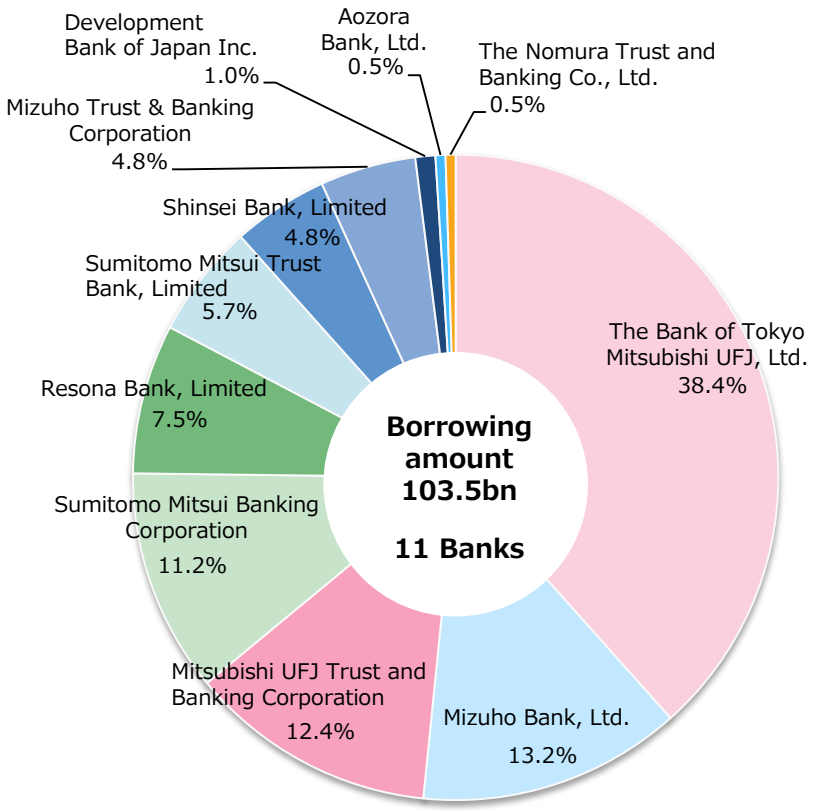
List of Interest-Bearing Debts and Bank Formation(as of end of the 10th Period)

NIPPON REIT Investment Corporation

《List of interest-bearing debts》

Lender	Amount (¥mn)	Interest rate	Floating /Fixed	Drawdown date	Repayment date
The Bank of Tokyo Mitsubishi UFJ, Ltd. And Syndicate groups with The Bank of Tokyo Mitsubishi UFJ, Ltd. as arranger	7,000	0.80448%	Fixed	Apr. 24, 2014	Apr. 24, 2018
	1,070	0.91443%	Fixed	Apr. 24, 2014	Apr. 24, 2019
	3,700	0.236%(1)	Fixed	Dec. 19, 2014	Aug. 21, 2017
	5,700	0.221%(1)	Fixed	Jan. 8, 2015	Aug. 20, 2018
	6,500	0.236%(1)	Fixed	Feb. 12, 2015	Aug. 21, 2017
	5,100	0.221%(1)	Fixed	Feb. 12, 2015	Aug. 20, 2018
	6,000	0.85306%	Fixed	Feb. 12, 2015	Feb. 20, 2020
	500	1.23580%	Fixed	Feb. 12, 2015	Feb. 20, 2023
	3,500	0.84355%	Fixed	Mar. 12, 2015	Feb. 20, 2020
	9,900	0.51040% (1)	Fixed	Apr. 24, 2015	Apr. 24, 2019
	2,500	0.44375% (1)	Fixed	July 2, 2015	Apr. 24, 2018
	11,000	0.54175% (1)	Fixed	July 2, 2015	July 22, 2019
	11,000	0.65425% (1)	Fixed	July 2, 2015	July 21, 2020
	8,500	0.3625%(1)	Fixed	Apr. 25, 2016	Apr. 20, 2021
	10,000	0.3771%(1)	Fixed	Aug. 22, 2016	Aug. 20, 2021
	5,600	0.4758%(1)	Fixed	Apr. 24, 2017	Apr. 20, 2023
	3,400	0.5600%(1)	Fixed	Apr. 24, 2017	Apr. 22, 2024
	2,600	0.7023%(1)	Fixed	Apr. 24, 2017	Apr. 21, 2025
Total	103,570				

《Bank formation》



DPU Growth

《Transition of Actual and Forecast DPU》

	As of Aug. 16, 2016	As of Feb. 16, 2017	As of Aug. 17, 2017
9th period (Dec. 2016)	¥7,385 (Forecast)		
10th period (June 2017)	¥7,436 (Forecast)	¥8,005 (Forecast)	
11th period (Dec. 2017)		¥8,006 (Forecast)	¥8,224 (Forecast)
12th period (June 2018)			¥8,100 (Forecast)
DPU p.a.	¥14,821 (Forecast)	¥16,011 (Forecast)	¥16,324 (Forecast)
		+8.0%	+2.0%

- **Increase in annualized DPU of 10% by accumulation of internal growth**

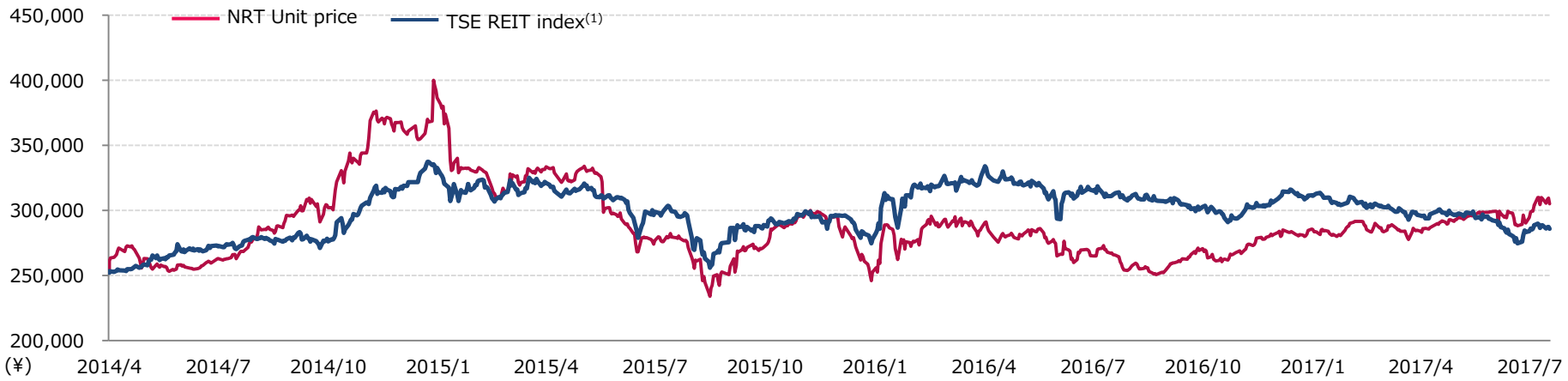
  Unit price performs favorably as well

- **Aim for external growth that contains internal growth potential by capital increase which maximize unitholders' value**

  Pursue to maximize unitholders' value persistently through "positive spiral" in which external growth creates potential for internal growth

Unit price as of Aug. 15, 2017
¥307,500

《Transition of Unit price》



3. Financial Results for the 10th Period (June 2017)

Financial Results for the 10th Period (June 2017) (compared to the 9th Period)

Unit : ¥million	9th Period (Dec. 31, 2016) Actual (a)	10th Period (June 30, 2017) Actual (b)	(b-a)
Operating Revenues	**6,836**	**6,947**	**110**
Rental Revenues	6,110	6,278	167
Other Revenues Related to property leasing	693	628	(65)
Dividend Income	32	40	8
Operating Expenses	(3,309)	(3,250)	58
Operating Income	**3,527**	**3,696**	**168**
Non-Operating Revenues	0	0	0
Non-Operating Expenses	(471)	(477)	(5)
Ordinary Income	**3,055**	**3,218**	**163**
Net Income	**3,054**	**3,218**	**163**
DPU	**¥7,800**	**¥8,217**	**¥417**
NOI	4,952	5,111	158
Days	184	181	-

	9th period actual	10th period actual
NOI Yield(1)	**4.8%**	**5.0%**
FFO per Unit(2)	**¥9,726**	**¥10,091**
NAV per Unit	**¥317,932**	**¥329,491**

Major fluctuation factor

- Increase in rental revenue +162
  (improvement of occupancy rate, expiration of free rent period)
  Increase in rental revenue(parking) +5
  (replacement of sublessee parking operator)
- Decrease in utility income(seasonal factor) (48)
  Decrease in miscellaneous income (17)
  (restoration cost, indemnity)
- Increase in dividend income from silent partnership +8
- Decrease in operation expenses +76
  (leasing cost, repair expenses etc.)
  Increase in other expenses (18)
- Increase in borrowing related expense (5)

Financial Results for the 10th Period (June 2017) (compared to the Forecast for the 10th period)

Unit : ¥million	10th Period (June 30, 2017) Forecast As of Feb. 16, 2017 (a)	10th Period (June 30, 2017) Actual (b)	(b-a)
Operating Revenues	**6,915**	**6,947**	**31**
Rental Revenues	6,271	6,278	6
Other Revenues Related to property leasing	618	628	9
Dividend Income	24	40	15
Operating Expenses	(3,296)	(3,250)	45
Operating Income	**3,618**	**3,696**	**77**
Non-Operating Revenues	0	0	0
Non-Operating Expenses	(481)	(477)	4
Ordinary Income	**3,136**	**3,218**	**81**
Net Income	**3,136**	**3,218**	**82**
DPU	**¥8,005**	**¥8,217**	**¥212**
NOI	5,067	5,111	43
Days	181	181	-

	10th period forecast	10th period actual
NOI Yield	**5.0%**	**5.0%**
FFO per Unit	**¥9,890**	**¥10,091**

Major fluctuation factor

Increase in rental revenue (improvement of occupancy rate)	+6
Increase in rental revenue from incidental facilities (signboard etc.)	+1
Increase in miscellaneous income (restoration costs etc.)	+11
Decrease in Utility income(seasonal factor)	(3)
Increase in dividend income from silent partnership	+15
Decrease in operation expenses (repair expenses etc.)	+31
Decrease in other expenses	+14
Increase in asset management fee	(4)
Decrease in borrowing related expense	+4

Financial Forecast for the 11th Period (Dec. 2017) (compared to the 10th period)

Unit : ¥million	10th Period (June 30, 2017) Actual (a)	11th Period (Dec. 31, 2017) Forecast As of Aug. 17, 2017 (b)	(b-a)
Operating Revenues	**6,947**	**7,101**	**154**
Rental Revenues	6,278	6,390	112
Other Revenues Related to property leasing	628	690	61
Dividend Income	40	20	(19)
Operating Expenses	(3,250)	(3,372)	(121)
Operating Income	**3,696**	**3,729**	**32**
Non-Operating Revenues	0	0	0
Non-Operating Expenses	(477)	(506)	(29)
Ordinary Income	**3,218**	**3,222**	**3**
Net Income	**3,218**	**3,221**	**3**
DPU	**¥8,217**	**¥8,224**	**¥7**
NOI	5,111	5,171	60
Days	181	184	-

	10th period actual	11th period forecast
NOI Yield	**5.0%**	**5.0%**
FFO per Unit	**¥10,091**	**¥10,132**

Major fluctuation factor

Increase in rental revenue (expiration of free rent period)	+111
Increase in rental revenue(parking) (improvement of occupancy rate)	+1
Increase in utility income (seasonal factor)	+52
Increase in miscellaneous income (restoration costs etc.)	+10
Decrease in dividend income from silent partnership	(19)
Decrease in other expenses	+5
Increase in operation expenses (Utility cost, repair expenses etc.)	(125)
Increase in asset management fee	(1)
Increase in borrowing related expense	(29)

Financial Forecast for the 11th Period (Dec. 2017)
(compared to the forecast for 11th period as of Feb. 16, 2017)

Unit : ¥million	11th Period (Dec. 31, 2017) Forecast As of Feb. 16, 2017 (a)	11th Period (Dec. 31, 2017) Forecast As of Aug. 17, 2017 (b)	(b-a)
Operating Revenues	**6,965**	**7,101**	**136**
Rental Revenues	6,271	6,390	118
Other Revenues Related to property leasing	668	690	22
Dividend Income	25	20	▲4
Operating Expenses	(3,304)	(3,372)	▲67
Operating Income	**3,660**	**3,729**	**68**
Non-Operating Revenues	0	0	0
Non-Operating Expenses	(523)	(506)	16
Ordinary Income	**3,137**	**3,222**	**85**
Net Income	**3,136**	**3,221**	**85**
DPU	**¥8,006**	**¥8,224**	**¥218**
NOI	5,096	5,171	75
Days	184	184	-

	11th period original forecast	11th period revised forecast
NOI Yield	**4.9%**	**5.0%**
FFO per Unit	**¥9,921**	**¥10,132**

Major fluctuation factor

- Increase in rental revenue (+118)
  (Decrease of estimated cancellation which NIPPON REIT may receive in 11th period, Increase in occupancy rate)
- Increase in miscellaneous income (+22)
  (indemnity etc.)
- Decrease in dividend income from silent partnership (4)
- Increase in operation expenses (62)
  (Utility cost, repair expenses etc.)
  Increase in other expenses (3)
  Increase in asset management fee (2)
- Decrease in borrowing related expense (+16)

Financial Forecast for the 12th Period (June 2018) (compared to the forecast for the 11th period)

Unit : ¥million	11th Period (Dec. 31, 2017) Forecast As of Aug. 17, 2017 (a)	12th Period (June 30, 2018) Forecast As of Aug. 17, 2017 (b)	(b-a)
Operating Revenues	**7,101**	**6,976**	**(124)**
Rental Revenues	6,390	6,304	(85)
Other Revenues Related to property leasing	690	638	(51)
Dividend Income	20	33	12
Operating Expenses	(3,372)	▲3,292	79
Operating Income	**3,729**	**3,684**	**(44)**
Non-Operating Revenues	0	0	0
Non-Operating Expenses	(506)	(510)	(3)
Ordinary Income	**3,222**	**3,174**	**(48)**
Net Income	**3,221**	**3,173**	**(48)**
DPU	**¥8,224**	**¥8,100**	**(¥124)**
NOI	5,171	5,125	(46)
Days	184	181	-

	11th period forecast	12th period forecast
NOI Yield	**5.0%**	**5.1%**
FFO per Unit	**¥10,132**	**¥10,098**

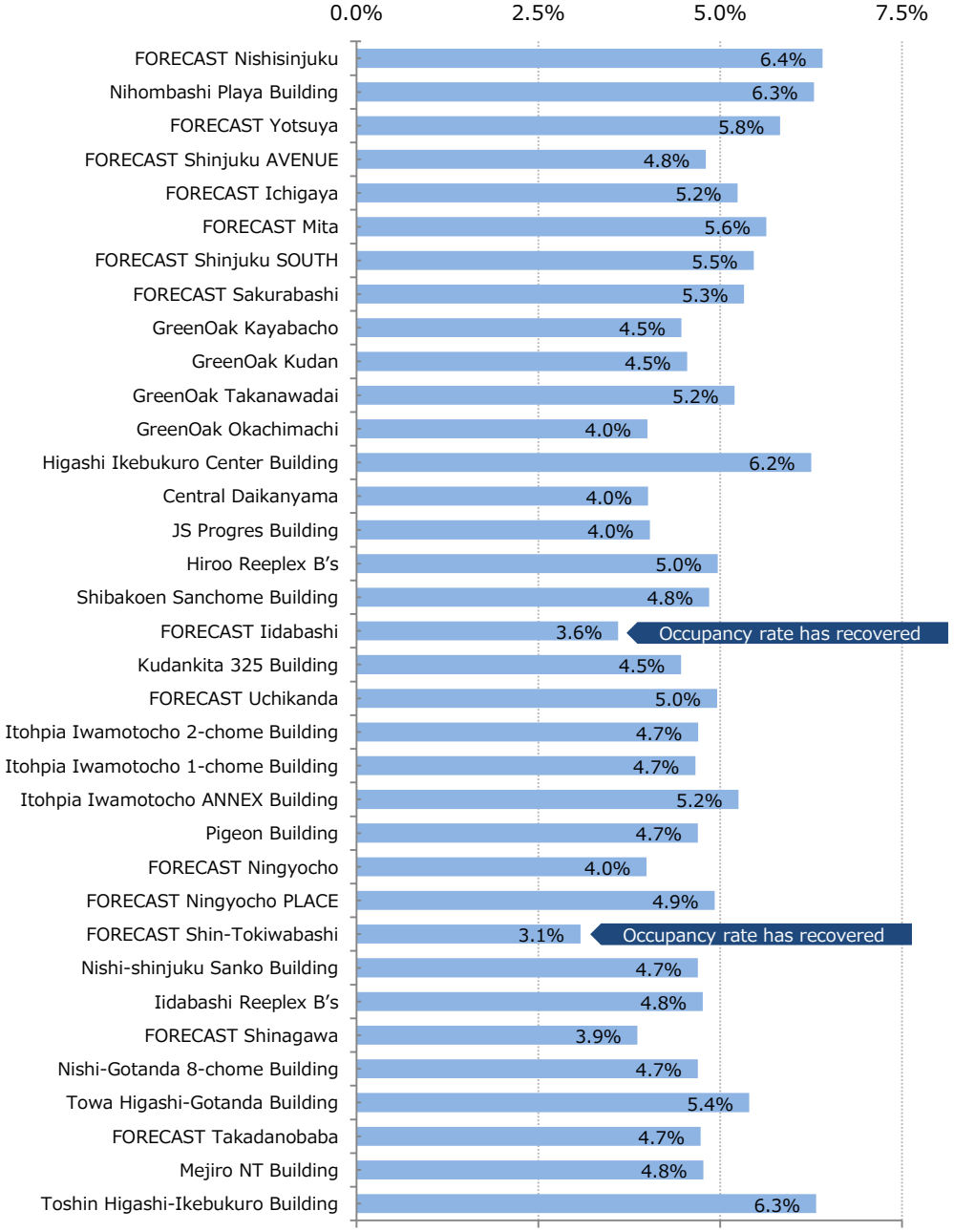
Major fluctuation factor

- Decrease in rental revenue (85)
  (estimated load on move-out ratio)
- Increase in miscellaneous income +2
  (indemnity etc.)
  Decrease in Utility income(seasonal factor) (54)
- Increase in dividend income from silent partnership +12
- Decrease in operation expenses +55
  (Utility cost, repair expenses etc.)
  Decrease in asset management fee +9
  Decrease in other expenses +14
- Increase in borrowing related expense (3)

Property NOI Yield

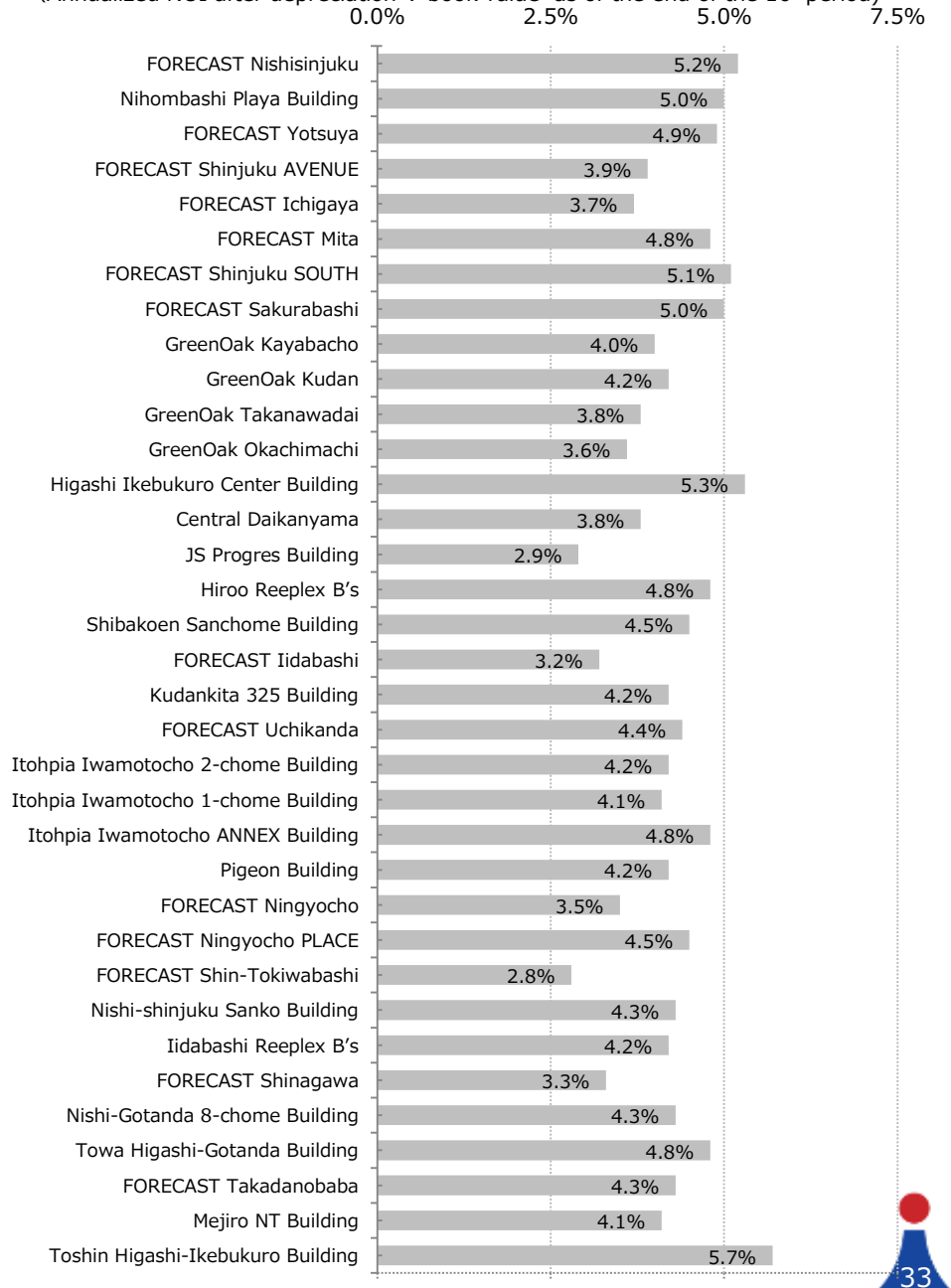
Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 10th period)



Actual NOI Yield (after depreciation)

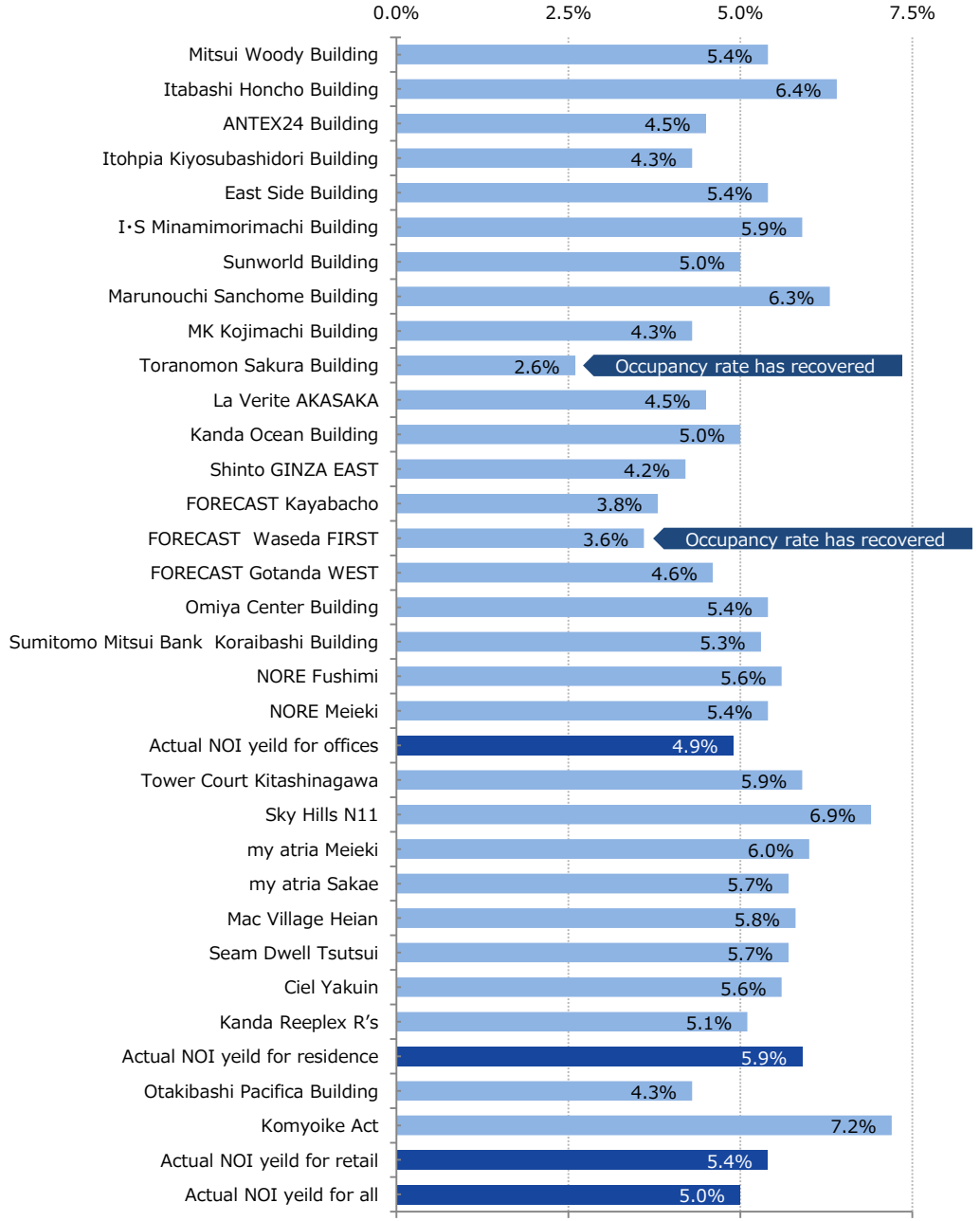
(Annualized NOI after depreciation ÷ book value as of the end of the 10th period)



Property NOI Yield

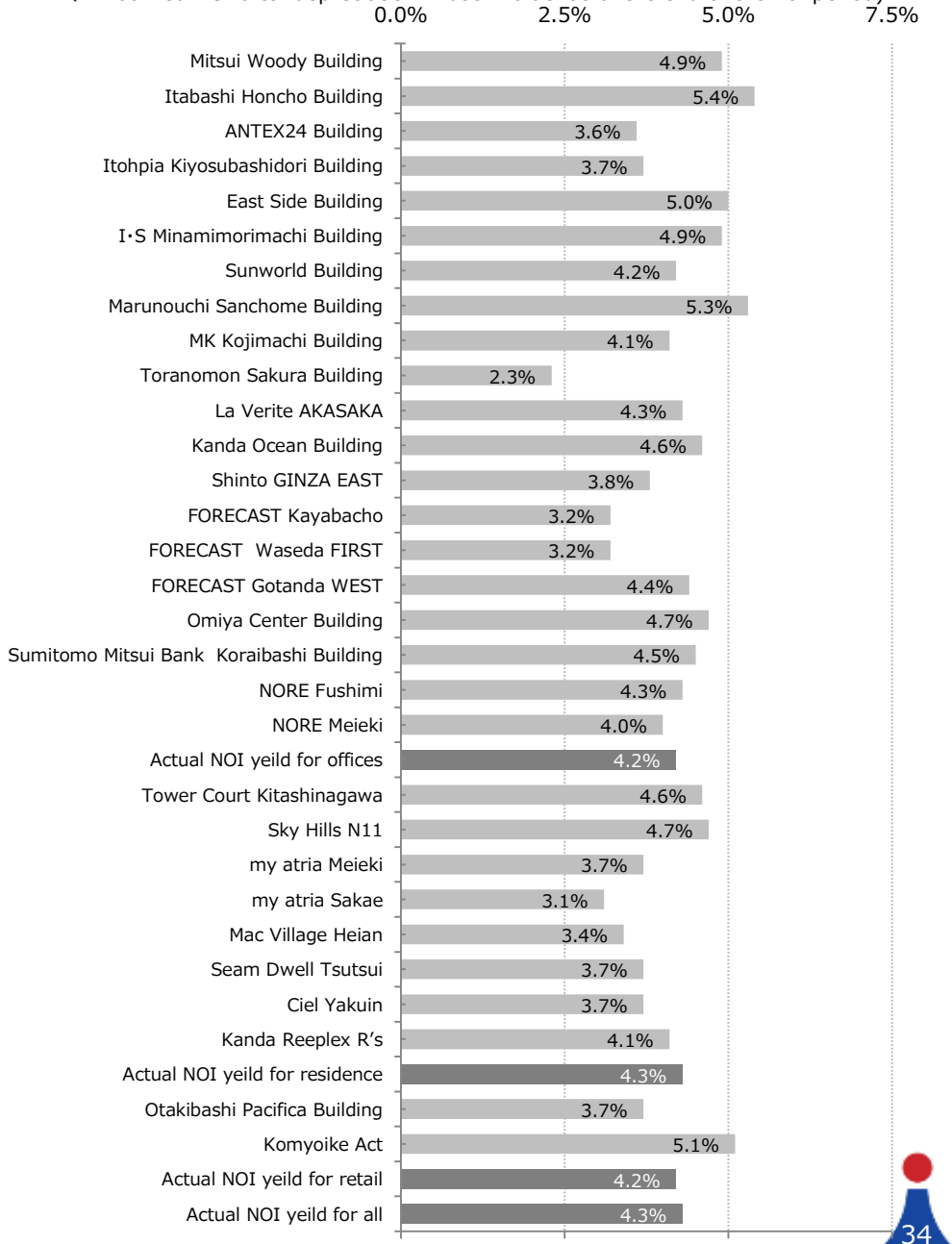
Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 10th period)



Actual NOI Yield (after depreciation)

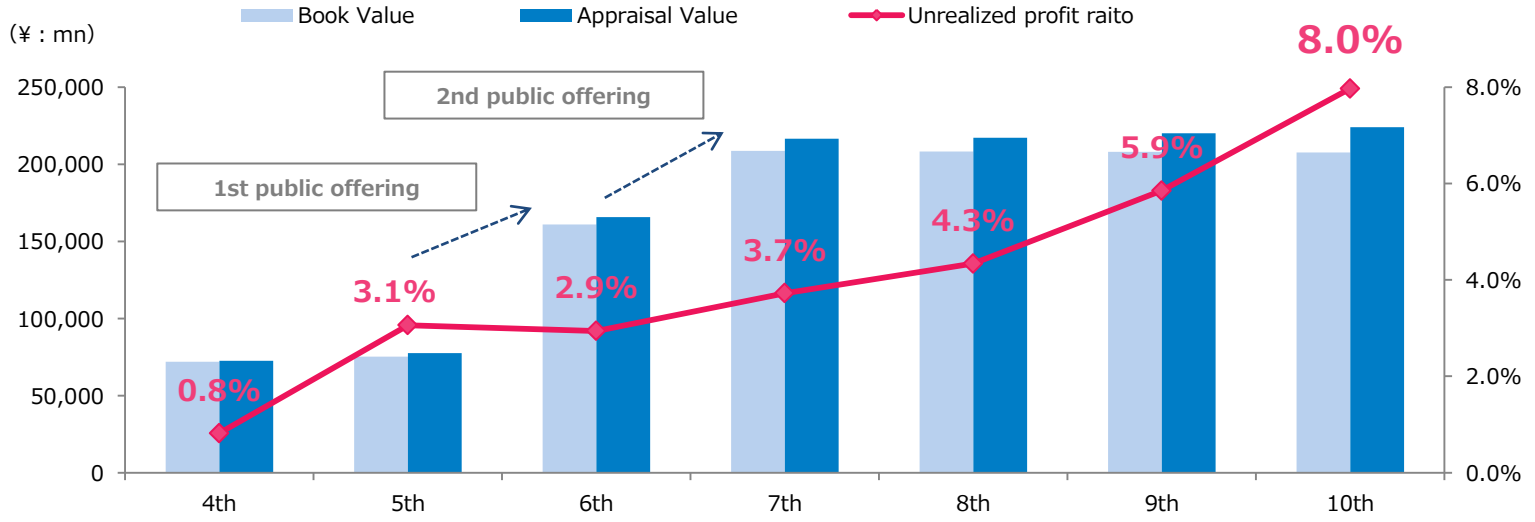
(Annualized NOI after depreciation ÷ book value as of the end of the 10th period)



Appraisal Value Summary

・Unrealized profits of the end of 10th Fiscal Period is approximately 16.5bn in our portfolio.
・Unrealized profits ratio of the end of 10th Fiscal Period is approximately 8.0%.

		4th	5th	6th	7th	8th	9th	10th
Office	Book Value	53,820	57,340	135,800	183,725	183,457	183,340	183,100
	Appraisal Value	54,130	58,900	139,250	189,440	190,270	192,710	196,120
	Unrealized profit	**309**	**1,559**	**3,449**	**5,714**	**6,812**	**9,369**	**13,019**
Residential	Book Value	18,083	17,919	19,563	19,387	19,215	19,048	18,922
	Appraisal Value	18,364	18,664	20,993	21,402	21,363	21,737	22,302
	Unrealized profit	**280**	**744**	**1,429**	**2,014**	**2,147**	**2,688**	**3,379**
Retail	Book Value	-	-	5,584	5,568	5,539	5,533	5,517
	Appraisal Value	-	-	5,440	5,610	5,610	5,640	5,660
	Unrealized profit	-	-	**-144**	**41**	**70**	**106**	**142**
Total	Book Value	71,904	75,259	160,948	208,681	208,212	207,922	207,540
	Appraisal Value	72,494	77,564	165,683	216,452	217,243	220,087	224,082
	Unrealized profit	**589**	**2,304**	**4,734**	**7,770**	**9,030**	**12,164**	**16,541**



注記集

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

P3 1 "Original forecast" refers to the forecasts announced as of following dates.
5th period : Aug. 14, 2014, 6th period : Feb. 19, 2015, 7th period : Aug. 20, 2015, 8th period : Feb. 18, 2016, 9th : Aug. 16, 2016, 10th period and 11th period : Feb. 16, 2017

2 "NAV per unit" is calculated by following formula, with figures as of the end of respective period. The same applies hereafter.
(Net Asset + Total Appraisal Value – Total Book Value) / Investment Units Issued and Outstanding

P4 1 Amounts of properties held by bridge funds are stated based on first negotiation price for Godo Kaisha Nicolas Capital 6, 8 and 10, and appraisal value for Godo Kaisha Nicolas Capital 9. The same applies hereafter.

2 Including upfront fee and agent fee.

P6 1 "non-recurring factors" refers to the following.
5th period : Real estate tax capitalized
7th period : Real estate tax capitalized – expenses related to public offering
8th period : Consumption tax settlement difference

P9 1 "Six 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. Tokyo economic bloc (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.

P10 1 "Proportion of the 5 largest tenants" are calculated based on the leased area total rent (including CAM) as of the end of the 10th period for end-tenants of office (excluding residence area)and retail properties.

P12 "Acquisition 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.

P13 1 Acquisition date of the silent partnership equity interest is stated.

P14 1 includes the floor space of following annex buildings.

P15 1 "Average free rent period" is calculated for end tenants conducted new lease contract during respective period as "total loss from free-rent / total contracted rent without free-rent".

2 "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.

P17 1 The figures were changed from the data released on Feb. 16, 2017 due to following tenants which agreed rent increase after contract updating with unchanged condition in the respective period.
8th period: 574.77 tsubo (3 tenants) 9th period : 1,051.05tsubo (10 tenants)

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

P19 1 "Accumulated surplus " refers to the accumulated amount of total depreciation from 4th period(June 2014) to 7th period(Dec. 2015) less total capital expenditures for the same period (¥1,105mm) plus surplus (or minus shortfall) of respective period.

2 The rate of construction cost decrease are calculated based on the aggregated amount of original quotations (¥370mn) and actual cost (¥330mn) of total capital expenditures in the 10th period.

P20 1 The result and forecast of NOI increase on this page is proprietary calculated by the asset management company based on contracts, quotations and/or proposals for respective items. Therefore, such information does not constitute a guarantee of NIPPON REIT's future financial results.

P23 1 "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, 2017 (REIT) announced on August 17, 2017.

P24 1 The rating is the issuer rating for NIPPON REIT as of the date of this presentation material, and does not represent a rating with respect to the investment units. The investment units have no credit rating and there is no expectation that they will receive any rating.

P25 1 The interest rate is fixed by the interest rate swap contract, thus the interest rate shown above is the fixed rate.

P26 1 TSE REIT Index is indexed to the IPO issue price of NIPPON REIT on April 24, 2014 (¥252,000)

P28 1 "NOI Yield" is calculated by Annualized NOI / Acquisition Price, using annualized NOIs of respective properties and rounded to one decimal place. The same applies hereafter.

2 "FFO per unit" = (Net income + Depreciation+Loss on retirement of non-current assets+Deferred assets amortization-Real estate buying and selling income) / Investment units issued and outstanding

Appendix

Appendix

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Nippon REIT's Policy and Asset Management Company

NIPPON REIT Investment Corporation

- Timely and Flexible Investment
- Diversified Portfolio
- Growth strategies with Sponsor's network

Asset Management Company	Sojitz REIT Advisors K.K.
Sponsors – Main	Sojitz Corporation
Sponsors – Sub	CUSHMAN & WAKEFIELD; AGILITY ASSET ADVISERS

Company Profile of Asset Management Company

Name	Sojitz REIT Advisors K.K.		
Established	November 2, 2006	**Paid-in capital**	150 million yen
Registration and Licenses, etc.	◆ Registered as a financial instruments business operator: Registration No.1632 (Kinsho) issued by the Director-General of the Kanto Finance Bureau ◆ Licensed for building lots and buildings transaction business: License No.(3) 86984 issued by the Governor of Tokyo ◆ Certified as entrustment-based agency under the building lots and buildings transaction business: License No.56 issued by the Ministry of Land, Infrastructure, Transportation and Tourism		

Portfolio Development Policy (1)

	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		

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.

Portfolio Transition

	As of end of 4th period	As of end of 5th period	As of end of 6th period	As of end of 7th period	As of end of 8th period	As of end of 9th period	As of end of 10th period
AUM (Acquisition price)	¥70.4bn	¥73.8bn	¥157.8bn	¥204.8bn	¥204.8bn	¥204.8bn	¥204.8bn
Appraisal value	¥72.4bn	¥77.5bn	¥165.6bn	¥216.4bn	¥217.2bn	¥220.0bn	¥ 224.0bn
Appraisal NOI yield	5.0%	5.1%	5.0%	4.9%	4.9%	4.9%	4.9%
Leasable area	89,839.03㎡	91,840.93㎡	203,359.35㎡	255,560.43㎡	255,396.84㎡	255,393.62㎡	255,398.17㎡
Number of properties (proportion of the 5 largest properties)(1)	20properties (61.0%)	21properties (58.1%)	54properties (29.2%)	65properties (27.0%)	65properties (27.0%)	65properties (27.0%)	65properties (27.0%)
Number of tenants (proportion of the 10 largest tenants)(2)	92tenants (29.5%)	94tenants (29.1%)	347tenants (18.2%)	492tenants (13.9%)	501tenants (13.5%)	513tenants (13.5%)	522tenants (13.7%)

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.

List of Portfolio(new listing and 1st public offering)

A-1
FORECAST
Nishishinjuku

A-2
Nihombashi
Playa Building

A-4
FORECAST
Shinjuku AVENUE

A-5
FORECAST
Ichigaya

A-7
FORECAST
Shinjuku SOUTH

A-3
FORECAST
Yotsuya

A-6
FORECAST
Mita

A-8
FORECAST
Sakurabashi

A-9
GreenOak
Kayabacho

A-10
GreenOak
Kudan

A-11
GreenOak
Takanawadai

A-12
GreenOak
Okachimachi

A-13
Higashi Ikebukuro
Center Building

B-2
Sky Hills N11

B-3
my atria
Meieki

B-1
Tower Court Kitashinagawa

B-4
my atria Sakae

B-5
Mac Village
Heian

B-6
Seam Dwell
Tsutsui

B-7
Ciel Yakuin

A-14
Central
Daikanyama

A-15
JS Progres
Building

A-16
Hiroo Reeplex B's

A-17
Shibakoen
Sanchome Building

A-18
FORECAST
Iidabashi

A-19
Kudankita
325 Building

A-20
FORECAST
Uchikanda

A-21
Itohpia Iwamotocho
2-chome Building

A-22
Itohpia Iwamotocho
1-chome Building

A-23
Itohpia Iwamotocho
ANNEX Building

A-24
Pigeon Building

A-25
FORECAST
Ningyocho

A-26
FORECAST
Ningyocyo PLACE

A-27
FORECAST
Shin-Tokiwabashi

A-28
Nishi-shinjuku
Sanko Building

A-29
Iidabashi
Reeplex B's

Acquired from sponsor

List of Portfolio(1st and 2nd public offering)

A-30
FORECAST Shinagawa

A-31
Nishi-Gotanda 8-chome Building

A-32
Towa Higashi-Gotanda Building

A-33
FORECAST Takadanobaba

A-34
Mejiro NT Building

A-35
Toshin Higashi-Ikebukuro Building

A-36
Mitsui Woody Building

A-37
Itabashi Honcho Building

A-38
ANTEX24 Building

A-39
Itohpia Kiyosubashidori Building

A-40
East Side Building

A-41
I・S Minamimorimachi Building

A-42
Sunworld Building

A-43
Marunouchi Sanchome Building

B-8
Kanda Reeplex R's

C-1
Otakibashi Pacifica Building

C-2
Komyoike Act

A-44
MK Kojimachi Building

A-45
Toranomon Sakura Building

A-46
La Verite AKASAKA

A-47
Kanda Ocean Building

A-48
Shinto GINZA EAST

A-49
FORECAST Kayabacho

A-50
FORECAST Waseda FIRST

A-55
NORE Meieki

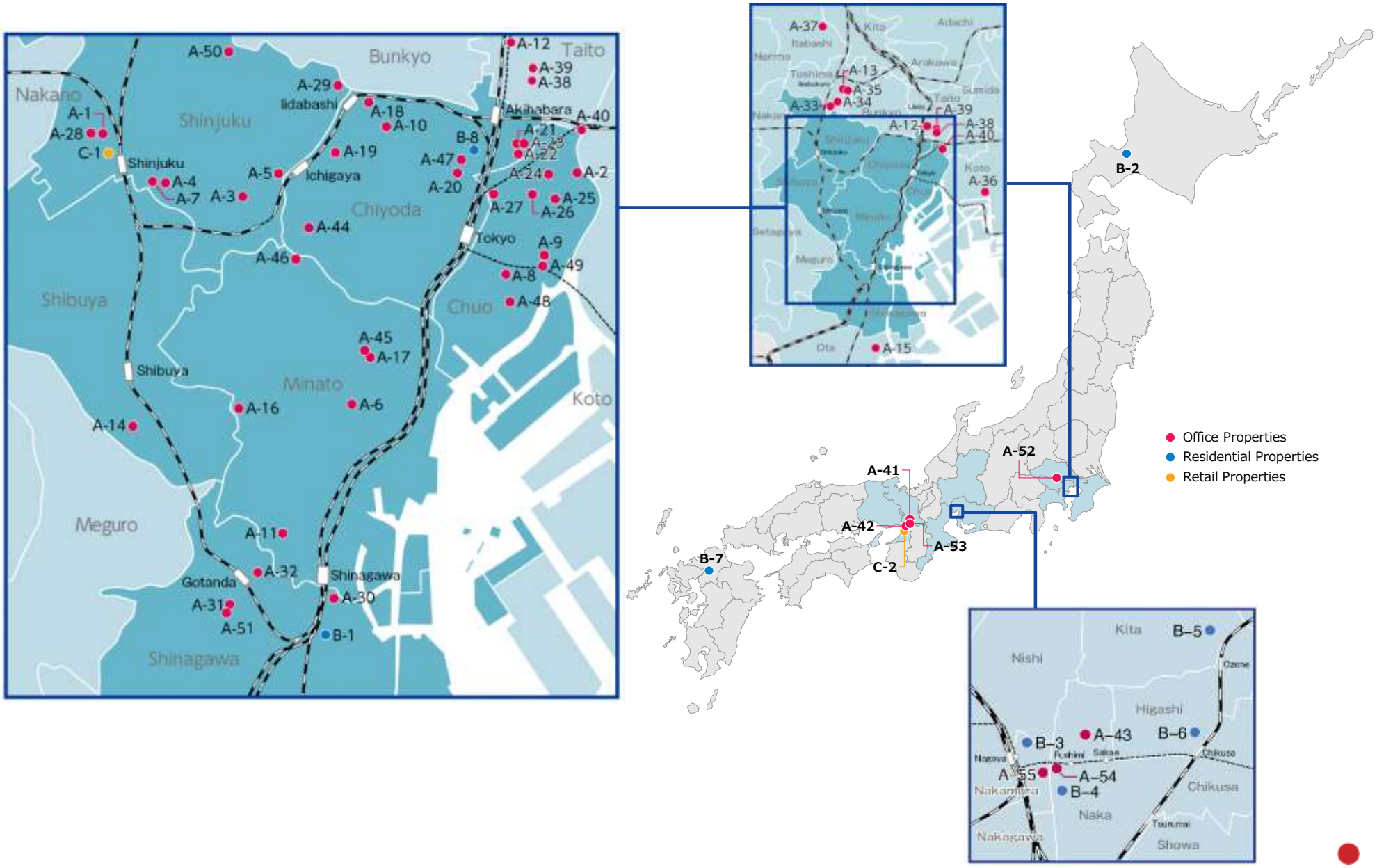
A-51
FORECAST Gotanda WEST

A-52
Omiya Center Building

A-53
Sumitomo Mitsui Bank Koraibashi Building

A-54
NORE Fushimi

Portfolio Map

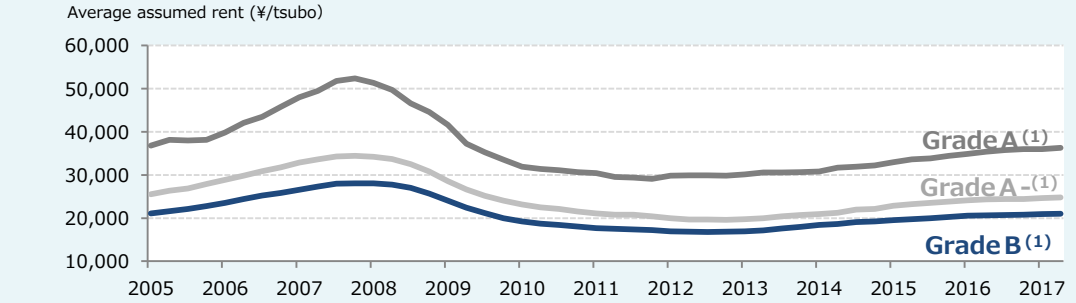


- Office Properties
- Residential Properties
- Retail Properties

Characteristic of Grade B (small- and medium-sized) office

1) Low Volatile

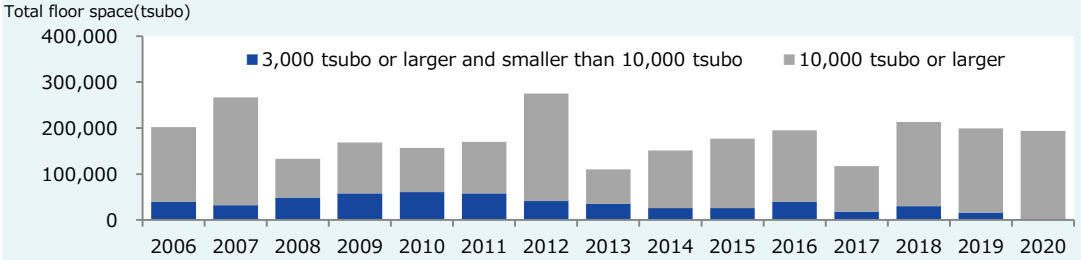
《Office Rent Trend by Building Grade》



Source : CBRE K.K

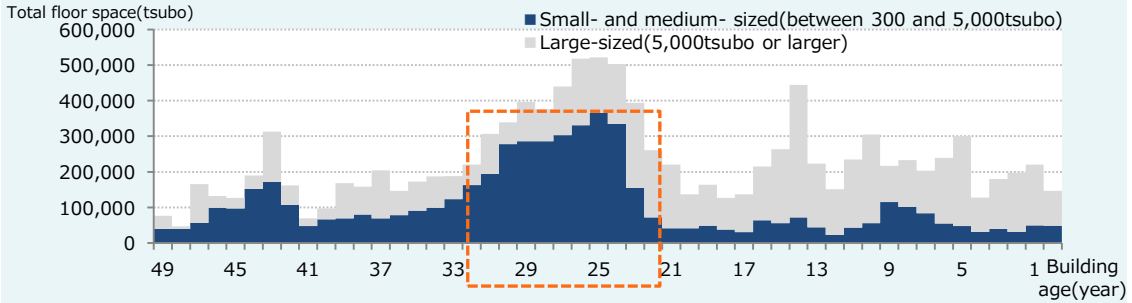
2) Limited Capital

《Office Building Supply in 23 Wards of Tokyo》



Source : 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

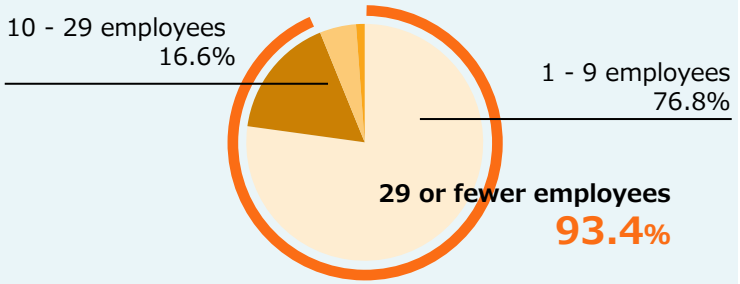
Grade A offices
=large-sized office

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》



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

Note
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 and high office concentration areas in major wards of Osaka and Nagoya, having more than 6,500 tsubo of total leasable area and 10,000 tsubo of gross floor area, less than 11years old, and if located in 5 central wards of Tokyo, more than 500 tsubo of basic floor area, and if located in Osaka or Nagoya, more than 350 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, and in Osaka and Nagoya, having more than 2,000 tsubo of gross floor area and comply with the current earthquake resistance standard.

NRT's portfolio management

External growth

Investment Management Division

Acquisition of properties with an eye to growth potential and stability of portfolio

- **Thoroughly pursue internal growth potential and stability**
  Yield and ratio of properties in metropolitan areas (through analysis of properties and area competitiveness)
  Potential increase in rent (in consideration of rent gap)
  Risk-tolerance (diversification in properties and tenants)
- **Develop and execute mid- and long-term management strategy**

Internal growth

Asset Management Division

Management to maintain and improve asset value

- **Thoroughly focus on maximizing NOI**
  Promote upward rent revisions, maintain and improve the occupancy rate
- **Develop an effective CAPEX plan and verify its effects**
- **Build and reinforce relations with tenants**

Disciplined external growth based on triple-checked investment criteria

Maximize Unitholders' Value through Trinity Management

Mid to long-term portfolio management strategy

Maintenance and improvement of profitability and competitiveness of the portfolio through effective engineering management

Engineering management office (EM Office)

Support for investment decisions based on solid understanding of property conditions

- Examine capital expenditure needed after an acquisition by inspecting buildings and facilities
- Ascertain necessary investment amounts to boost competitiveness of properties
- Verify whether the running cost is optimized
- Check construction-related law amendment

Support for execution of value-enhancing plans from a viewpoint of construction professionals

- Keep up with building conditions through annual inspections
- Examine a priority order of repair works
- Validate construction works (necessity, specifications, cost)
- Control capital expenditure properly

Achievements of NOI Enhancement through Engineering Management(1)

Expected to attribute to total of ¥190mn p.a. from 7th period including plan for the 11th period.

《Major results of Engineering Management for NOI enhancement and cost reduction》

			Amount of Revenue increase or Cost reduction
11th Period (Planned)	JS Progres Building	Setting up new parking	Approx. ¥4.32mn p.a.
	FORECAST Shinjuku SOUTH /2 others	Setting up new leasing areas	Approx. ¥2.40mn p.a.
	21properties	Energy cost reduction through replacing energy provider	Approx. ¥17.93mn p.a.
	Mejiro NT Building / Mitsui Woody Building	Building management cost reduction	Approx. ¥3.53mn p.a.
10th Period (Completed)	FORECAST Shinjuku SOUTH/Mejiro NT Building	Replacement of sublessee parking operator	Approx. ¥3.26mn p.a.
	La verite AKASAKA / 12 more propaties	Installment of antennas for mobile	Approx. ¥2.64mn p.a.
	13 properties	Energy cost reduction through replacing energy provider	Approx. ¥29.67mn p.a.
	Tower Court Kitashinagawa /Kudankita 325 Building	Installment of LED light (common area)	Approx. ¥6.27mn p.a.
	Tower Court Kitashinagawa / FORECAST Waseda FIRST	Building management cost reduction	Approx. ¥6.11mn p.a.
9th Period (Completed)	20 properties	Replacement of sublessee parking operator	Approx. ¥27.19mn p.a.
	JS Progres Building	Parking lot expansion	Approx. ¥2.40mn p.a.
	FORECAST Shin-Tokiwabashi	Installment of antennas for mobile	Approx. ¥0.90mn p.a.
	16 properties	Building management cost reduction	Approx. ¥9.46mn p.a.
	8 properties	Installment of water saving device	Approx. ¥3.70mn p.a.
	my atria Meieki / Komyoike Act	Installment of LED light (common area)	Approx. ¥3.23mn p.a.
8th Period (Completed)	La verite AKASAKA / Shinto Ginza EAST	Leasable area expansion (inclusion of common area)	Approx. ¥1.18mn p.a.
	La verite AKASAKA	Increase in new rent accompanied by utility space (Pantry, Rest Room) renovation	Approx. ¥0.83mn p.a.
	Omiya Center Building	Catering wagon service contract	Approx. ¥0.48mn p.a.
	Mitsui Woody Building	Parking lot expansion	Approx. ¥0.36mn p.a.
	40 properties	Energy cost reduction through replacing energy provider	Approx. ¥60.83mn p.a.
	Toshin Higashi-Ikebukuo Building	Installment of LED light (common area)	Approx. ¥0.14mn p.a.
7th Period (Completed)	Hiroo Reeplex B's / GreenOak Okachimachi	Installation of signboard	Approx. ¥4.40mn p.a.
	Mejiro NT Building	Parking lot expansion	Approx. ¥2.50mn p.a.
	FORECAST Nishishinjuku	Setting up new leasing area	Approx. ¥2.00mn p.a.

Note

1. The result and forecast of NOI increase on this page is proprietary calculated by the asset management company based on contracts, quotations and/or proposals for respective items. Therefore, such information does not constitute a guarantee of NIPPON REIT's future financial results.

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 Nishisinjuku	Office	Shinjuku Ward, Tokyo	Feb.2009	2,260	1.1%	1,945.68	17	100.0%	2.7%
A-2	Nihombashi Playa Building	Office	Chuo Ward, Tokyo	Feb.2009	2,130	1.0%	2,490.08	2	100.0%	3.7%
A-3	FORECAST Yotsuya	Office	Shinjuku Ward, Tokyo	Jan.2009	1,430	0.7%	1,678.15	13	100.0%	3.6%
A-4	FORECAST Shinjuku AVENUE	Office	Shinjuku Ward, Tokyo	Sep.2008	6,500	3.2%	4,337.15	6	100.0%	2.1%
A-5	FORECAST Ichigaya	Office	Shinjuku Ward, Tokyo	Aug.2009	4,800	2.3%	3,844.66	22	98.9%	2.9%
A-6	FORECAST Mita	Office	Minato Ward, Tokyo	Sep.2009	1,800	0.9%	1,786.18	5	100.0%	2.9%
A-7	FORECAST Shinjuku SOUTH	Office	Shinjuku Ward, Tokyo	Nov.1980	13,990	6.8%	13,875.04	18	100.0%	7.0%
A-8	FORECAST Sakurabashi	Office	Chuo Ward, Tokyo	Apr.1985	5,760	2.8%	6,566.76	6	100.0%	4.2%
A-9	GreenOak Kayabacho	Office	Chuo Ward, Tokyo	Mar.1990	2,860	1.4%	2,984.94	6	100.0%	2.6%
A-10	GreenOak Kudan	Office	Chiyoda Ward, Tokyo	Dec.1987	2,780	1.4%	2,594.46	3	100.0%	5.1%
A-11	GreenOak Takanawadai	Office	Minato Ward, Tokyo	Jan.2010	2,260	1.1%	2,621.74	10	100.0%	3.6%
A-12	GreenOak Okachimachi	Office	Taito Ward, Tokyo	Jan.1977	3,330	1.6%	3,497.09	5	100.0%	7.7%
A-13	Higashi Ikebukuro Center Building	Office	Toshima Ward, Tokyo	Nov.1991	2,520	1.2%	4,219.65	5	100.0%	4.5%
A-14	Central Daikanyama	Office	Shibuya Ward, Tokyo	Aug.1991	3,510	1.7%	1,898.83	4	100.0%	7.1%
A-15	JS Progres Building	Office	Ota Ward, Tokyo	Apr.1993	5,325	2.6%	11,988.14	9	100.0%	6.9%
A-16	Hiroo Reeplex B's	Office	Minato Ward, Tokyo	May.1987	2,827	1.4%	1,500.85	8	100.0%	4.4%
A-17	Shibakoen Sanchome Building	Office	Minato Ward, Tokyo	June 1981	7,396	3.6%	7,882.60	4	100.0%	11.3%
A-18	FORECAST Iidabashi	Office	Chiyoda Ward, Tokyo	Nov.1978	5,230	2.6%	4,066.50	25	100.0%	7.1%
A-19	Kudankita 325 Building	Office	Chiyoda Ward, Tokyo	Aug.1987	1,850	0.9%	2,007.07	8	100.0%	4.5%
A-20	FORECAST Uchikanda	Office	Chiyoda Ward, Tokyo	Dec.1976	1,240	0.6%	1,230.44	5	100.0%	9.9%
A-21	Itohpia Iwamotocho 2-chome Building	Office	Chiyoda Ward, Tokyo	Feb.1991	2,810	1.4%	3,447.16	10	100.0%	4.1%
A-22	Itohpia Iwamotocho 1-chome Building	Office	Chiyoda Ward, Tokyo	Jan.1991	2,640	1.3%	3,056.56	9	100.0%	9.0%
A-23	Itohpia Iwamotocho ANNEX Building	Office	Chiyoda Ward, Tokyo	Nov.1991	2,100	1.0%	3,064.20	6	100.0%	4.1%
A-24	Pigeon Building	Office	Chuo Ward, Tokyo	Aug.1989	2,837	1.4%	3,022.25	1	100.0%	5.6%
A-25	FORECAST Ningyocho	Office	Chuo Ward, Tokyo	Nov.1990	2,070	1.0%	2,277.61	7	100.0%	11.1%
A-26	FORECAST Ningyocho PLACE	Office	Chuo Ward, Tokyo	Feb.1984	1,650	0.8%	1,867.95	6	100.0%	7.1%
A-27	FORECAST Shin-Tokiwabashi	Office	Chuo Ward, Tokyo	Aug.1991	2,030	1.0%	1,799.53	11	100.0%	4.1%
A-28	Nishi-shinjuku Sanko Building	Office	Shinjuku Ward, Tokyo	Sep.1987	2,207	1.1%	2,479.80	8	100.0%	12.7%
A-29	Iidabashi Reeplex B's	Office	Shinjuku Ward, Tokyo	June 1992	1,249	0.6%	1,401.68	6	100.0%	4.4%
A-30	FORECAST Shinagawa	Office	Shinagawa Ward, Tokyo	Feb.1989	2,300	1.1%	2,385.47	6	100.0%	11.6%
A-31	Nishi-Gotanda 8-chome Building	Office	Shinagawa Ward, Tokyo	Dec.1993	2,210	1.1%	2,999.68	8	100.0%	3.9%
A-32	Towa Higashi-Gotanda Building	Office	Shinagawa Ward, Tokyo	Sep.1985	2,033	1.0%	2,939.16	8	100.0%	5.1%
A-33	FORECAST Takadanobaba	Office	Toshima Ward, Tokyo	Jan.1986	5,550	2.7%	5,614.35	7	100.0%	12.4%
A-34	Mejiro NT Building	Office	Toshima Ward, Tokyo	July 1990	3,094	1.5%	4,497.27	5	100.0%	6.6%
A-35	Toshin Higashi-Ikebukuro Building	Office	Toshima Ward, Tokyo	Nov.1989	979	0.5%	1,645.19	4	100.0%	3.6%

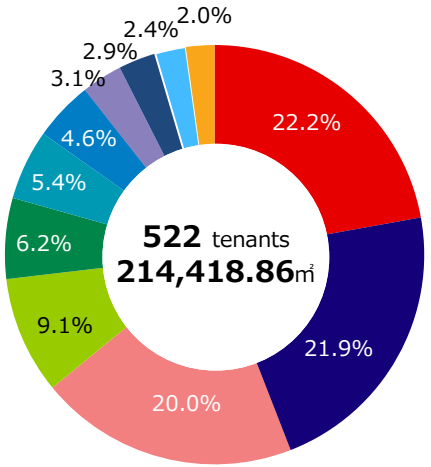
Portfolio Summary

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	1.2%	4,006.20	6	100.0%	11.9%
A-37	Itabashi Honcho Building	Office	Itabashi Ward, Tokyo	Jan.1993	3,146	1.5%	6,356.89	4	100.0%	7.8%
A-38	ANTEX24 Building	Office	Taito Ward, Tokyo	Feb.1988	1,691	0.8%	2,267.59	7	100.0%	3.7%
A-39	Itohpia Kiyosubashidori Building	Office	Taito Ward, Tokyo	Mar.1988	1,550	0.8%	2,659.67	8	100.0%	3.6%
A-40	East Side Building	Office	Taito Ward, Tokyo	May.1988	1,372	0.7%	2,096.92	4	100.0%	3.6%
A-41	I･S Minamimorimachi Building	Office	Osaka, Osaka	Aug.1993	2,258	1.1%	4,164.82	16	100.0%	9.6%
A-42	Sunworld Building	Office	Osaka, Osaka	Mar.1993	1,200	0.6%	3,314.58	1	100.0%	12.0%
A-43	Marunouchi Sanchome Building	Office	Nagoya, Aichi	July 1988	1,626	0.8%	4,219.19	22	100.0%	7.1%
A-44	MK Kojimachi Building	Office	Chiyoda Ward, Tokyo	Mar.1997	1,781	0.9%	1,748.92	9	100.0%	4.3%
A-45	Toranomon Sakura Building	Office	Minato Ward, Tokyo	July 1983	4,120	2.0%	3,049.79	12	100.0%	8.2%
A-46	La Verite AKASAKA	Office	Minato Ward, Tokyo	Dec.1986	2,000	1.0%	1,707.18	6	100.0%	4.5%
A-47	Kanda Ocean Building	Office	Chiyoda Ward, Tokyo	Jan.1990	1,440	0.7%	1,484.74	24	100.0%	9.3%
A-48	Shinto GINZA EAST	Office	Chuo Ward, Tokyo	Sep.1990	1,352	0.7%	1,206.28	6	100.0%	5.3%
A-49	FORECAST Kayabacho	Office	Chuo Ward, Tokyo	Jan.1990	3,000	1.5%	3,882.61	14	100.0%	5.2%
A-50	FORECAST Waseda FIRST	Office	Shinjuku Ward, Tokyo	July 1986	4,775	2.3%	4,340.66	8	100.0%	3.5%
A-51	FORECAST Gotanda WEST	Office	Shinagawa Ward, Tokyo	Sep.1989	6,520	3.2%	8,981.55	13	100.0%	2.3%
A-52	Omiya Center Building	Office	Omiya, Saitama	Mar.1993	15,585	7.6%	14,311.77	27	100.0%	2.0%
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office	Osaka, Osaka	Mar.1994	2,850	1.4%	5,102.55	23	100.0%	7.6%
A-54	NORE Fushimi	Office	Nagoya, Aichi	Nov.2006	2,840	1.4%	3,857.58	7	100.0%	4.5%
A-55	NORE Meieki	Office	Nagoya, Aichi	Jan.2007	2,520	1.2%	4,296.12	19	94.7%	4.2%
B-1	Tower Court Kitashinagawa	Residential	Shinagawa Ward, Tokyo	Feb.2009	11,880	5.8%	16,913.29	276	99.2%	2.6%
B-2	Sky Hills N11	Residential	Sapporo, Hokkaido	Mar.2001	1,570	0.8%	8,567.50	1	100.0%	1.3%
B-3	my atria Meieki	Residential	Nagoya, Aichi	Mar.2006	1,280	0.6%	2,890.78	68	100.0%	4.4%
B-4	my atria Sakae	Residential	Nagoya, Aichi	Mar.2007	1,110	0.5%	3,121.60	1	100.0%	4.1%
B-5	Mac Village Heian	Residential	Nagoya, Aichi	Sep.2006	785	0.4%	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	38	90.8%	5.4%
B-8	Kanda Reeplex R's	Residential	Chiyoda Ward, Tokyo	Jan.2006	1,813	0.9%	2,183.93	40	97.9%	4.4%
C-1	Otakibashi Pacifica Building	Retail	Shinjuku Ward, Tokyo	Oct.2008	3,350	1.6%	1,383.31	8	100.0%	4.6%
C-2	Komyoike Act	Retail	Sakai, Osaka	Apr.1988	2,063	1.0%	6,173.41	25	100.0%	12.7%
	Subtotal office properties				179,666	87.7%	208,569.48	519	99.9%	
	Subtotal residential properties				19,773	9.7%	39,271.97	426	99.2%	
	Subtotal retail properties				5,413	2.6%	7,556.72	33	100%	
	Total				204,852	100.0%	255,398.17	978	99.8%	

Ratio of Tenant (by leased area) (As of the end the 10th Period)

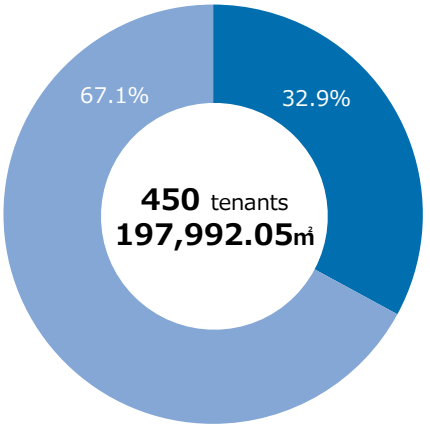
NIPPON REIT Investment Corporation

《By Industry(1)》



	Industry	Leaded area (㎡)	Number of tenants	Share
1	Manufacturing	47,505.87	106	22.2%
2	Industries Telecommunications	47,030.74	102	21.9%
3	Services	42,826.99	104	20.0%
4	Wholesale･Retail	19,458.19	60	9.1%
5	Finance･Insurance	13,354.03	17	6.2%
6	Building constructor	11,621.99	28	5.4%
7	Real estate	9,871.16	24	4.6%
8	Education･Learning support	6,730.06	19	3.1%
9	Medical services･Social welfare	6,219.09	21	2.9%
10	Accommodations･Eating and drinking services	5,092.51	29	2.4%
11	Other	4,708.23	12	2.2%

《By Scale(2)》



		Leased area (㎡)	Number of tenants	Share
1	Listed company on TSE and its subsidiary	65,176.07	84	32.9%
2	Other	132,815.98	366	67.1%

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 (June 2017)	Status of termination notices	Status of leasing activities	Assumed occupancy rate(1)
FORECAST Nishisinjuku	100%	Termination notice :1floor (64tsubo)	Lease contract :1floor	100% (Aug. 2017)
FORECAST Shinjuku AVENUE	100%	Termination notice :2floors (281tsubo)	Lease contract :2floors	100% (Aug. 2017)
FORECAST Ningyocho PLACE	100%	Termination notice :1floor (72tsubo)	Lease contract :1floor	100% (Aug. 2017)
FORECAST Ningyocho	100%	Termination notice :1floor (72tsubo)	Lease contract :1floor	100% (Sep. 2017)
Sumitomo Mitsui Bank Koraibashi Building	100%	Termination notice :1floor (17tsubo)	Lease contract :1floor	100% (Oct. 2017)
Towa Higashi-Gotanda Building	100%	Termination notice :1floor (79tsubo)	Tenancy application :1floor	100% (Nov. 2017)
Toshin Higashi-Ikebukuro Building	100%	Termination notice :1floor (76tsubo)	Lease contract :1floor	100% (Nov. 2017)
Nishi-Gotanda 8-chome Building	100%	Termination notice :2floors (159tsubo)	Lease contract :2floors	100% (Dec. 2017)
Omiya Center Building	100%	Termination notice :1section (34tsubo)	looking for tenants	99.2% (Jan. 2018)
FORECAST Kayabacho	100%	Termination notice :1section (15tsubo)	looking for tenants	98.7% (Jan. 2018)
FORECAST Iidabashi	100%	Termination notice :1section (42tsubo)	looking for tenants	96.6% (Jan. 2018)
FORECAST Shinjuku SOUTH	100%	Termination notice :2floors (172tsubo)	Tenancy application :1floor looking for tenants	96.2% (Dec. 2017)
Marunouchi Sanchome Building	100%	Termination notice :2sections (85tsubo)	looking for tenants	93.3% (Jan. 2018)
GreenOak Takanawadai	100%	Termination notice :1floor (58tsubo)	looking for tenants	92.7% (Nov. 2017)
FORECAST Shin-Tokiwabashi	100%	Termination notice :1floor (46tsubo)	looking for tenants	91.4% (Dec. 2017)
Higashi Ikebukuro Center Building	100%	Termination notice :1floor (115tsubo)	looking for tenants	90.9% (Feb. 2018)
NORE Fushimi	100%	Termination notice :1floor (120tsubo)	looking for tenants	89.7% (Feb. 2018)
NORE Meieki	94.7%	Left already:2sections (137tsubo)	looking for tenants	89.4% (July 2017)
Kanda Ocean Building	100%	Termination notice :4sections (72tsubo)	Lease contract :1section looking for tenants	83.6% (Mar. 2018)
FORECAST Ichigaya	100%	Termination notice :2floors (235tsubo)	looking for tenants	77.6% (Feb. 2018)
Kudankita 325 Building	100%	Termination notice :2floors (145tsubo)	looking for tenants	76.0% (Dec. 2017)
FORECAST Sakurabashi	100%	Termination notice :2floors (594tsubo)	looking for tenants	70.1% (Dec. 2017)

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

Sustainability Initiatives

《Sustainability Policy》

Sojitz REIT Advisors K.K. , an asset management company of NIPPON REIT, has established the Sustainability Policy and practices it with an understanding that taking viewpoint of ESG (Environment, society and Governance) seriously contributes to realization of basic policy of NIPPON REIT such as maximization of unitholders' value while focusing on income growth and stability.

1. **Effort to save energy and reduce greenhouse gas emission**
2. **Realization of recycling-oriented society**
3. **Compliance with environment-related laws and regulations**
4. **Environmental education and enlightenment**
5. **Collaboration with outside stakeholders**
6. **Disclosure of ESG information and obtaining of environment certification**

《Contribution to the community》

Sojitz REIT Advisors K.K. , an asset management company of NIPPON REIT, contributes to community to participate in community activities positively such local cleaning projects.

《GRESB Survey Participation》

NIPPON REIT Investment Corporation participated in GRESB Survey for the first time in 2017.

"Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark developed by a group of leading European pension funds.
It is becoming a de facto standard among major European, American and Asian institutional investors utilized in their investment decision-making processes.

《Green Building Certification》

NIPPON REIT Investment Corporation received a DBJ Green Building Certification for Tower Court Kitashinagawa (4-star) and a CASBEE Rank S Certification (the highest rank) for FORECAST Ichigaya.

Tower Court Kitashinagawa

Location	Kita-Shinagawa 3-chome, Shinagawa-ku, Tokyo
Site area	2,879.77㎡
Total floor space	24,007.74㎡
Completion	February 2009
Structure	36-storied with B1

DBJ Green Building 2016

Properties with exceptionally high environmental & social awareness

FORECAST Ichigaya

Location	Ichigaya Honmura-cho, Shinjuku-ku, Tokyo
Site area	809.55㎡
Total floor space	5,404.86㎡
Completion	August 2009
Structure	9-storied with B1

CASBEE 不動産 2016

Assessment System: Class S (excellent)

Commencement of “Select Office” project

We commence “select office” project as new leasing activity, aim to enhance property competitiveness by satisfying tenant needs flexibly and effectively.

・We want to improve work environment with efficient layout comfortable office
・At the same time we want to reduce relocation cost to invest our business as much as possible

We can reduce relocation cost when we have a office with all its furnishings, but it is hard to find that office just we want

Solution **To satisfy tenant needs flexibly and effectively**

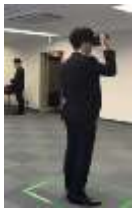
Select Office

Characteristic1 Visible

Visible image of dream office (layout, design) and future vision by Virtual Realty

《Case: for 10 employees 》

《Case: for 30 employees 》



《 Virtual Realty viewing》

Characteristic2 Selectable

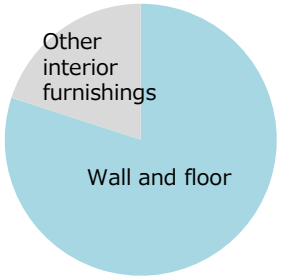
Realization of tenants’ dream office by selectable material of wall and floor, and layout

《Wall》

《Floor》

Characteristic3 Low Cost

NIPPON REIT shares work and cost for furnishings (wall and floor) with tenant to ease tenants’ relocation cost burden and workload



※ The interior construction cost of wall and floor which account for 80 % of all interior construction cost could be burden for tenant considering relocation

AM Point **Promotion of leasing activity**

We promote leasing activity and further stabilize occupancy rate through giving tenant candidate image easily by Virtual Reality

AM Point **Effective improvement of tenant satisfaction**

We do not set up interior furnishings intentionally to improve tenant satisfaction effectively with selectable layout, material of wall and floor.

AM Point **Profitability enhancement**

We aim to enhance profitability by concluding leasing contract at longer term and higher rent (than market rent) instead of the interior construction (wall and floor) .

Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mn)	Book Value End 10th Period (a) (¥ mn)	Appraisal profit or loss End 10th Period (b-a) (¥ mn)	Appraisal Value			Direct Capitalization	Discount Cash Flow		Appraisal NOI Yield	Major Appraisal Value Changing Factor (1) (Compared to 9thPeriod)		
					End 9th Period (¥ mn)	End 10th Period (b) (¥ mn)	Variance (¥ mn)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 10th Period						
Office														
A-1	FORECAST Nishisinjuku	2,260	2,186	703	2,830	2,890	60	4.2%	3.8%	4.4%	5.5%	○		
A-2	Nihombashi Playa Building	2,130	2,062	307	2,330	2,370	40	4.5%	4.3%	4.7%	5.1%	○		
A-3	FORECAST Yotsuya	1,430	1,395	414	1,770	1,810	40	4.1%	3.9%	4.3%	5.3%	○		
A-4	FORECAST Shinjuku AVENUE	6,500	6,343	1,186	7,150	7,530	380	3.9%	3.6%	4.0%	4.6%	○		
A-5	FORECAST Ichigaya	4,800	4,665	1,024	5,550	5,690	140	3.8%	3.6%	4.0%	4.6%	○		
A-6	FORECAST Mita	1,800	1,765	424	2,090	2,190	100	4.0%	3.8%	4.2%	5.0%	○		
A-7	FORECAST Shinjuku SOUTH	13,990	14,494	1,805	15,900	16,300	400	3.8%	3.5%	4.0%	4.6%	○		
A-8	FORECAST Sakurabashi	5,760	6,026	163	6,160	6,190	30	4.3%	4.1%	4.5%	5.0%	○		
A-9	GreenOak Kayabacho	2,860	2,976	223	3,110	3,200	90	4.2%	4.0%	4.4%	5.0%	○		
A-10	GreenOak Kudan	2,780	2,875	304	3,100	31,800	80	4.0%	3.8%	4.2%	4.8%	○		
A-11	GreenOak Takanawadai	2,260	2,250	249	2,430	2,500	70	4.3%	4.1%	4.5%	4.9%	○		
A-12	GreenOak Okachimachi	3,330	3,454	(444)	3,000	3,010	10	4.6%	4.3%	4.7%	4.4%	○		
A-13	Higashi Ikebukuro Center Building	2,520	2,712	47	2,730	2,760	30	4.7%	4.5%	4.9%	5.6%	○		
A-14	Central Daikanyama	3,510	3,651	(61)	3,490	3,590	100	3.8%	3.6%	4.0%	4.0%	○		
A-15	JS Progres Building	5,325	5,413	(163)	5,240	5,250	10	5.0%	4.8%	5.2%	5.3%	○		
A-16	Hiroo Reeplex B's	2,827	2,861	248	2,990	3,110	120	4.2%	4.0%	4.4%	4.7%	○		
A-17	Shibakoen Sanchome Building	7,396	7,438	2,191	9,400	9,630	230	3.7%	3.5%	3.9%	5.0%	○		
A-18	FORECAST Iidabashi	5,230	5,414	75	5,440	5,490	50	4.0%	3.7%	4.1%	4.3%	○		
A-19	Kudankita 325 Building	1,850	1,935	24	1,950	1,960	10	4.1%	3.8%	4.2%	4.5%	○		
A-20	FORECAST Uchikanda	1,240	1,296	(26)	1,260	1,270	10	4.2%	4.0%	4.4%	4.7%	○		
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,833	166	2,960	3,000	40	4.3%	4.1%	4.5%	4.9%	○		
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,686	13	2,690	2,700	10	4.3%	4.1%	4.5%	4.7%	○		
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,117	222	2,320	2,340	20	4.3%	4.1%	4.5%	5.1%	○		
A-24	Pigeon Building	2,837	2,877	42	2,890	2,920	30	4.3%	4.1%	4.5%	4.8%	○		
A-25	FORECAST Ningyocho	2,070	2,154	(84)	2,070	2,070	0	4.4%	4.2%	4.6%	4.7%			

Note
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Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mn)	Book Value End 10th Period (a) (¥ mn)	Appraisal profit or loss End 10th Period (b-a) (¥ mn)	Appraisal Value			Direct Capitalization			Discount Cash Flow	Appraisal NOI yield	Major Appraisal Value Changing Factor(1) (Compared to 9thPeriod)		
					End 9th Period (¥ mn)	End 10th Period (b) (¥ mn)	Variance (¥ mn)	CAP rate	Discount Rate	Terminal Rate			CR	Income	Expense
								End of 10th Period							
A-26	FORECAST Ningyocho PLACE	1,650	1,662	97	1,760	1,760	0	4.4%	4.2%	4.6%		4.9%			
A-27	FORECAST Shin-Tokiwabashi	2,030	2,120	(60)	2,030	2,060	30	4.4%	4.1%	4.5%		4.6%	○		
A-28	Nishi-shinjuku Sanko Building	2,207	2,238	31	2,270	2,270	0	4.4%	4.2%	4.6%		4.9%			
A-29	Iidabashi Reeplex B's	1,249	1,295	94	1,360	1,390	30	3.9%	3.7%	4.1%		4.6%	○		
A-30	FORECAST Shinagawa	2,300	2,398	(98)	2,300	2,300	0	4.3%	4.1%	4.5%		4.5%			
A-31	Nishi-Gotanda 8-chome Building	2,210	2,305	54	2,240	2,360	120	4.3%	4.1%	4.5%		4.8%	○		
A-32	Towa Higashi-Gotanda Building	2,033	2,064	75	2,120	2,140	20	4.3%	4.1%	4.5%		5.1%	○		
A-33	FORECAST Takadanobaba	5,550	5,790	(210)	5,570	5,580	10	4.6%	4.4%	4.8%		4.8%	○		
A-34	Mejiro NT Building	3,094	3,109	190	3,240	3,300	60	4.7%	4.5%	4.9%		5.3%	○		
A-35	Toshin Higashi-Ikebukuro Building	979	992	57	1,030	1,050	20	4.8%	4.6%	5.0%		5.6%	○		
A-36	Mitsui Woody Building	2,475	2,545	134	2,640	2,680	40	4.8%	4.5%	4.9%		5.7%	○		
A-37	Itabashi Honcho Building	3,146	3,155	164	3,220	3,320	100	4.9%	4.6%	5.1%		5.7%	○		
A-38	ANTEX24 Building	1,691	1,791	(61)	1,730	1,730	0	4.7%	4.4%	4.8%		5.2%			
A-39	Itohpia Kiyosubashidori Building	1,550	1,602	167	1,720	1,770	50	4.8%	4.5%	5.0%		5.8%	○		
A-40	East Side Building	1,372	1,384	85	1,470	1,470	0	4.8%	4.6%	5.0%		5.5%			
A-41	I・S Minamimorimachi Building	2,258	2,287	172	2,410	2,460	50	4.7%	4.5%	4.9%		5.5%	○		
A-42	Sunworld Building	1,200	1,255	(25)	1,230	1,230	0	5.0%	4.8%	5.2%		5.4%			
A-43	Marunouchi Sanchome Building	1,626	1,627	232	1,790	1,860	70	4.9%	4.7%	5.1%		6.1%		○	
A-44	MK Kojimachi Building	1,781	1,811	148	1,960	1,960	0	3.9%	3.6%	4.0%		4.5%			
A-45	Toranomon Sakura Building	4,120	4,306	(26)	4,270	4,280	10	3.7%	3.4%	3.8%		3.9%		○	
A-46	La Verite AKASAKA	2,000	2,101	28	2,080	2,130	50	3.9%	3.7%	4.1%		4.3%	○		
A-47	Kanda Ocean Building	1,440	1,467	92	1,520	1,560	40	4.1%	3.9%	4.3%		4.7%	○		
A-48	Shinto GINZA EAST	1,352	1,365	34	1,400	1,400	0	4.1%	3.8%	4.2%		4.4%			
A-49	FORECAST Kayabacho	3,000	3,125	(155)	2,960	2,970	10	4.4%	4.1%	4.5%		4.6%	○		
A-50	FORECAST Waseda FIRST	4,775	4,811	88	4,900	4,900	0	4.3%	4.0%	4.4%		4.6%			

Note

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Portfolio Appraisal Value

No	Property Name	Acquisition Price (¥ mn)	Book Value End 10th Period (a) (¥ mn)	Appraisal profit or loss End 10th Period (b-a) (¥ mn)	Appraisal Value			Direct Capitalization	Discount Cash Flow		Appraisal NOI yield	Major Appraisal Value Changing Factor (1) (Compared to 9thPeriod)		
					End 9th Period (¥ mn)	End 10th Period (b) (¥ mn)	Variance (¥ mn)	CAP rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 10th Period						
A-51	FORECAST Gotanda WEST	6,520	6,773	96	6,790	6,870	80	4.0%	3.8%	4.2%	4.5%	○		
A-52	Omiya Center Building	15,585	15,620	1,879	17,100	17,500	400	4.5%	4.3%	4.7%	5.2%	○		
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,903	16	2,900	2,920	20	4.6%	4.4%	4.8%	5.0%	○		
A-54	NORE Fushimi	2,840	2,804	285	3,020	3,090	70	4.6%	4.4%	4.8%	5.1%	○		
A-55	NORE Meieki	2,520	2,490	369	2,830	2,860	30	4.7%	4.5%	4.9%	5.5%	○		
	Subtotal office properties	179,666	183,100	13,019	192,710	196,120	3,410				4.9%			
Residence														
B-01	Tower Court Kitashinagawa	11,880	11,079	2,520	13,200	13,600	400	4.3%	4.1%	4.5%	5.1%	○		
B-02	Sky Hills N11	1,570	1,567	162	1,700	1,730	30	5.5%	5.3%	5.7%	6.6%	○		
B-03	my atria Meieki	1,280	1,273	216	1,450	1,490	40	4.8%	4.6%	5.0%	5.7%	○		
B-04	my atria Sakae	1,110	1,091	118	1,190	1,210	20	5.0%	4.8%	5.2%	5.7%	○		
B-05	Mac Village Heian	785	777	88	849	866	17	5.1%	4.9%	5.3%	6.0%	○		
B-06	Seam Dwell Tsutsui	695	707	61	768	769	1	5.0%	4.8%	5.2%	5.8%	○		
B-07	Ciel Yakuin	640	646	60	690	707	17	4.7%	4.5%	4.9%	5.5%	○		
B-08	Kanda Reeplex R's	1,813	1,778	151	1,890	1,930	40	4.3%	4.0%	4.5%	4.7%	○		
	Subtotal residential properties	19,773	18,922	3,379	21,737	22,302	565				5.3%			
Retail														
C-01	Otakibashi Pacifica Building	3,350	3,453	16	3,470	3,470	0	4.0%	3.8%	4.2%	4.2%			
C-02	Komyoike Act	2,063	2,064	125	2,170	2,190	20	5.2%	5.0%	5.4%	6.3%	○		
	Subtotal retail properties	5,413	5,517	142	5,640	5,660	20				5.0%			
Total		204,852	207,540	16,541	220,087	224,082	3,995				4.9%			

Note
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Balance Sheets

(Yen in thousands)	The 9th Fiscal Period (as of December 31, 2016)	The 10th Fiscal Period (as of June 30, 2017)
Assets		
Current Assets		
Cash and deposits	4,269,839	11,217,610
Cash and deposits in trust	12,204,569	5,523,380
Tenant receivables	100,762	112,358
Prepaid expenses	351,021	370,288
Income taxes refundable	2,597	8,006
Other current assets	12,520	5,554
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	16,941,311	17,237,198
Non-Current Assets		
Property, plant and equipment		
Buildings in trust	48,349,873	48,602,616
Accumulated depreciation	(4,100,611)	(4,820,866)
Buildings in trust, net	44,249,261	43,781,749
Structures in trust	155,644	157,997
Accumulated depreciation	(28,886)	(32,975)
Structures in trust, net	126,758	125,021
Machinery and equipment in trust	74,342	156,868
Accumulated depreciation	(3,527)	(8,993)
Machinery and equipment in trust, net	70,815	147,875
Tools, furniture and fixtures trust	50,572	64,963
Accumulated depreciation	(7,590)	(12,010)
Tools, furniture and fixtures in trust ,net	42,982	52,952
Land in trust	147,626,696	147,626,696
Construction in progress in trust	3,146	-
Total property, plant and equipment	192,119,660	191,734,295
Intangible assets		
Leasehold rights in trust	15,806,402	15,806,402
Total intangible assets	15,806,402	15,806,402
Investments and other assets		
Investment securities	848,175	895,866
Lease and guarantee deposits	10,110	10,110
Long-term prepaid expenses	614,313	699,633
Other	58,074	50,535
Total investment s and other assets	1,530,672	1,656,145
Total Non-Current Assets	209,456,735	209,196,843
Total Assets	226,398,047	226,434,042

(Yen in thousands)	The 9th Fiscal Period (as of December 31, 2016)	The 10th Fiscal Period (as of June 30, 2017)
Liabilities		
Current Liabilities		
Accounts payable	809,189	611,972
Long-term debt due within one year	21,800,000	19,700,000
Accrued expenses	218,573	223,658
Accrued consumption taxes	176,742	107,251
Deferred tax liabilities	3,160	495
Advances received	1,091,790	1,172,706
Other current liabilities	251,084	360,827
Total current liabilities	24,350,541	22,176,913
Long-Term Liabilities		
Long-term debt	81,770,000	83,870,000
Tenant security deposits in trust	7,880,370	7,841,792
Deferred tax liabilities	7,802	5,034
Total Long- Term Liabilities	89,658,172	91,716,827
Total Liabilities	114,008,714	113,893,741
Net Assets		
Unitholders' equity		
Unitholders' capital	109,285,298	109,285,298
Surplus		
Unappropriated retained earnings (undisposed loss)	3,080,273	3,242,988
Total surplus	3,080,273	3,242,988
Total unitholders' equity	112,365,572	112,528,286
Valuation and translation adjustments		
Deferred gains or losses on hedges	23,761	12,014
Total valuation and translation adjustments	23,761	12,014
Total Net Assets	112,389,333	112,540,301
Total Liabilities and Net Assets	226,398,047	226,434,042

Income Statements

(Yen in thousands)	The 9th Fiscal Period (as of December 31, 2016)	The 10th Fiscal Period (as of June 30, 2017)
Operating Revenues		
Rental revenues	6,110,177	6,278,141
Other revenues related to property leasing	693,951	628,546
Dividend income	32,307	40,482
Total Operating Revenues	6,836,436	6,947,169
Operating Expenses		
Property-related expenses	2,606,741	2,530,372
Asset management fees	527,285	527,524
Asset custody fees	12,995	12,841
Administrative service fees	50,230	49,256
Directors' compensation	4,200	4,200
Independent auditors' fees	13,000	13,000
Other operating expenses	94,725	113,783
Total Operating Expenses	3,309,177	3,250,978
Operating Income	3,527,258	3,696,191
Non-Operating income		
Interest income	76	77
Interest on refund	–	2
Total non-operating Revenues	76	80
Non-Operating Expenses		
Interest expense	247,058	250,354
Borrowing related expenses	224,763	227,077
Total Non-Operating Expenses	471,822	477,432
Ordinary Income	3,055,512	3,218,840
Extraordinary Income		
Subsidy income	–	44,834
Total extraordinary income	–	44,834
Extraordinary Losses		
Loss on reduction of non-current assets	–	44,593
Total extraordinary losses	–	44,593
Income Before Income Taxes	3,055,512	3,219,081
Income taxes – current	643	638
Income taxes – deferred	(0)	0
Total income taxes	643	638
Net Income	3,054,868	3,218,442
Retained Earnings at Beginning of Period	25,404	24,545
Retained Earnings at End of Period	3,080,273	3,242,988

Historical Operating Results

		The 6th Fiscal Period (as of June 30, 2015)	The 7th Fiscal Period (as of December 31, 2015)	The 8th Fiscal Period (as of June 30, 2016)	The 9th Fiscal Period (as of December 31, 2016)	The 10th Fiscal Period (as of June 30, 2017)
Operating revenues	(¥mn)	4,596	6,682	6,607	6,836	6,947
Of which, rental revenues and other revenues related to property leasing	(¥mn)	(4,577)	(6,672)	(6,600)	(6,804)	(6,906)
Operating expenses	(¥mn)	2,040	2,975	3,319	3,309	3,250
Of which, property-related expenses	(¥mn)	(1,690)	(2,343)	(2,631)	(2,606)	(2,530)
Operating income	(¥mn)	2,556	3,706	3,287	3,527	3,696
Ordinary income	(¥mn)	2,077	2,969	2,944	3,055	3,218
Net income	(¥mn)	2,075	2,968	2,944	3,054	3,218
Total assets (a)	(¥mn)	174,642	226,633	225,842	226,398	226,434
Net assets (b)	(¥mn)	87,468	112,282	112,263	112,389	112,540
Interest-bearing debt (c)	(¥mn)	79,670	104,470	103,570	103,570	103,570
Interest-bearing debt to total assets ratio (c)/(a)	(%)	45.6	46.1	45.9	45.7	45.7
Ordinary income to total assets ratio (3)	(%)	1.6	1.5	1.3	1.4	1.4
Return on equity (3)	(%)	3.3	3.0	2.6	2.7	2.9
Equity ratio (b)/(a)	(%)	50.1	49.5	49.7	49.6	49.7
Unitholders' equity	(¥mn)	85,364	109,285	109,285	109,285	109,285
Number of investment units Issued and outstanding (d)		304,060	391,760	391,760	391,760	391,760
Net assets per unit (b)/(d)	(¥)	287,667	286,609	286,562	286,883	287,268
Total distributions (e)	(¥mn)	2,075	2,969	2,945	3,055	3,219
Distributions per unit (e)/(d)	(¥)	6,827	7,581	7,519	7,800	8,217
FFO (3) (funds from operations)	(¥mn)	2,624	3,699	3,688	3,810	3,953
AFFO (3) (Adjusted Fund From Operations)	(¥mn)	2,531	3,304	3,361	3,344	3,556
FFO per unit (3)	(¥)	8,633	9,442	9,414	9,726	10,091
NAV per Unit (3)	(¥)	303,236	306,444	309,614	317,932	329,491
Depreciation during the period	(¥mn)	549	730	743	753	734
Capital expenditures during the period	(¥mn)	93	395	326	466	396
Number of investment properties		54	65	65	65	65
Total leasable area	(㎡)	203,359.35	255,560.43	255,396.84	255,393.62	255,398.17
Number of tenants (4)		798	938	946	966	978
Rental NOI (3)	(¥mn)	3,436	5,059	4,713	4,952	5,111
Number of operating days	(days)	181	184	182	184	181

Notes

1. NIPPON REIT's fiscal periods have covered every six months from January 1 to June 30 and from July 1 to December 31 of each year, while the fourth fiscal period was the one-year period from July 1 to June 30 of the following 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.
   - Ordinary income to total assets ratio
     Ordinary income/average total assets × 100
   - Return on equity
     Net income / average net assets × 100
   - FFO
     Net income + depreciation + loss on retirement of investment properties + deferred asset amortization – gain / loss on real estate sales
   - AFFO
     FFO – Capital expenditures
   - FFO per unit
     (Net income + depreciation + loss on retirement of investment properties + deferred asset amortization – gain / loss on real estate sales) ÷ total investment units issued and outstanding
   - NAV per unit
     (Net assets + appraisal value – book value) ÷ total investment units issued and outstanding
   - Leasing NOI
     Income from property leasing for the fiscal period under review (rental revenues – rental expenses) + depreciation + loss on retirement of investment properties
4. This denotes the total number of tenants (excluding those for warehouses, billboards, and parking lots) in leasing contracts for each building acquired at the end of the period. It should be noted that in the event a pass-through master lease contract is entered into for said assets, the total number of end-tenants is employed in the calculation (excluding those for warehouses, billboards, and parking lots).
5. Monetary figures are truncated, while percentages are rounded.

Overview of Sponsor Support

NIPPON REIT Investment Corporation

External growth strategy

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

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

Internal growth strategy

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

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

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

- **PM and BM operations utilizing a subsidiary of Sojitz**
  - Consign PM and BM services for assets under management primary to Sojitz 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..

Governance Structure

Management structure for pursuing the interest of NRT Unitholders

Method for pursuing the interest of Unitholders

Management fee system linked to DPU

<Asset management (AM) fee 1 and Asset management fee 2>

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

<Acquisition fee 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

Governance system

Decision-making process

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

Proposal by the department in charge

Request for endorsement

Deliberation by the Compliance Officer — Questioned

Request for endorsement

Deliberation and resolution by the Compliance Committee — Rejected

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

Passing

Deliberation and resolution by the Investment Committee — Rejected / Remanded by the Compliance Officer

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

Passing

Deliberation and resolution by the Board of Directors — Rejected

Passing

Approval by the Board of Officers and Consent from NIPPON REIT(4) — Disapproved

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

Approval and Consent

Decision by the Board of Directors (5) — Procedure incomplete

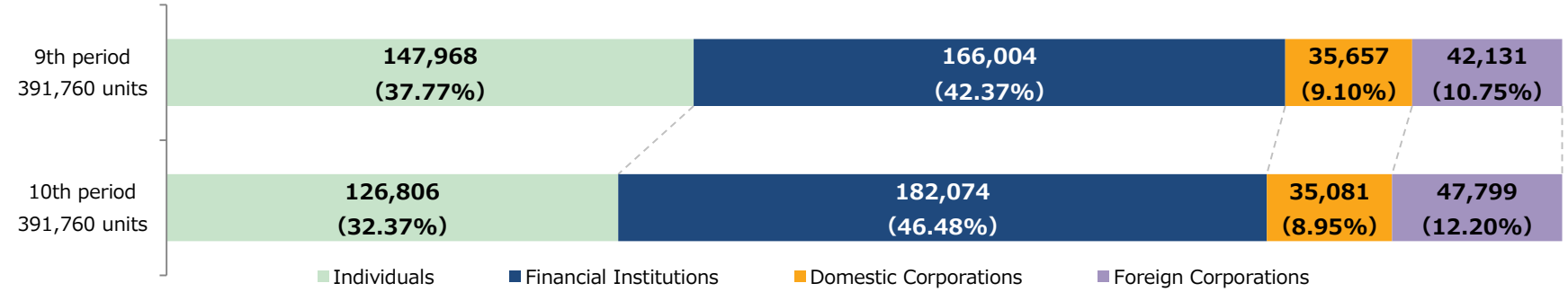
Sent back

Notes

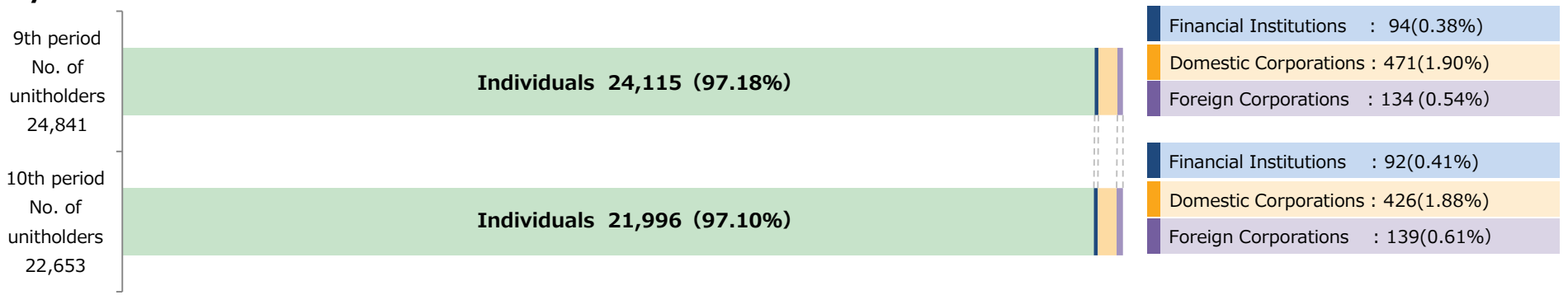
1. **DPU volatility = (Adjusted DPU for a certain fiscal period (2) - adjusted DPU for the preceding fiscal period) / adjusted DPU for the previous fiscal period + 1**
2. "Adjusted DPU" is the amount obtained by dividing the distributable amount before deducting fees and compensations (3) for a certain fiscal period by the number of investment units issued and outstanding as of the settlement date for the fiscal period (rounded down to the nearest one yen)
3. "Distributable amount before deducting fees and compensations" is the amount of income before income taxes for the fiscal period in accordance with the accounting practices generally accepted in Japan (on the condition that the AM fee2 and gain or loss on sale of specified assets are not added to or subtracted from the amount)
4. 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.
5. The Board of Directors makes a decision after confirming that each procedure has been appropriately completed

Unitholder Compositions

■ By Number of Unit



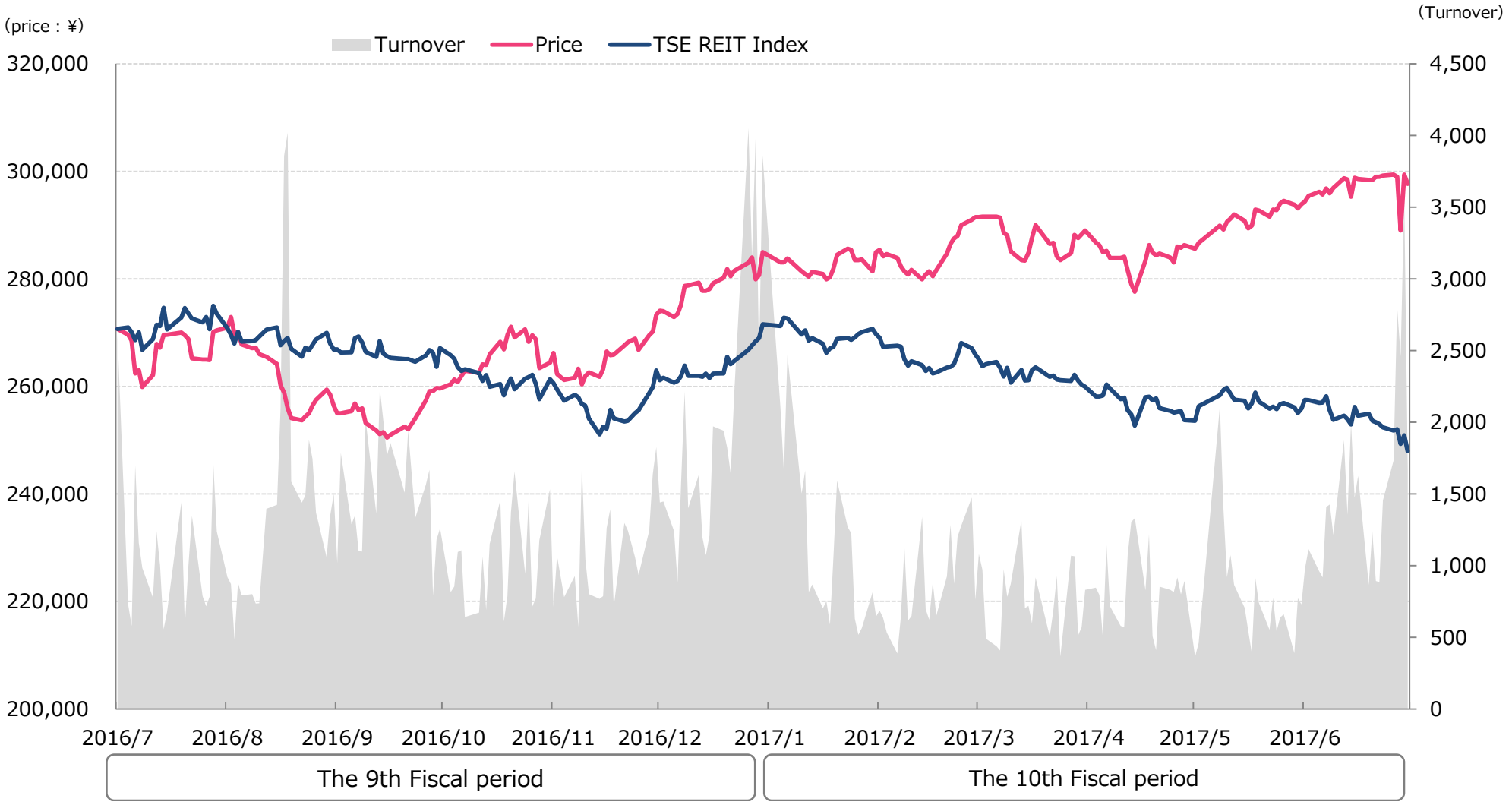
■ By Number of Unitholder



■ Top 10 Major Unitholders (10th Period)

	Name	Number of unit	Share		Name	Number of unit	Share
1	Japan Trustee Services Bank, Ltd. (Trust Account)	71,271	18.19%	6	STATE STREET BANK AND TRUST COMPANY 505012	5,802	1.48%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	32,821	8.38%	7	NOMURA BANK (LUXEMBOURG) S.A.	3,835	0.98%
3	Trust & Custody Service Bank, Ltd.(Securities Investment Trust Account)	32,639	8.33%	8	STATE STREET BANK AND TRUST COMPANY 505001	3,754	0.96%
4	Sojitz Corporation	15,500	3.96%	9	Shikoku Railway Company	3,342	0.85%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	15,198	3.88%	10	BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	2,609	0.67%
					Total	**186,771**	**47.67%**

Historical Unit Price (From The 9th Fiscal period to The 10th Fiscal Period)



Note
1. TSE REIT Index is indexed to the price of NIPPON REIT on July 1, 2017 (¥270,700).

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