

May 14, 2018

For Immediate Release

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**Notice Concerning Introduction of New Leasing Package Product “ittoku” to
Managed Assets**

NIPPON REIT Investment Corporation (“NIPPON REIT”) announces that Sojitzu REIT Advisors K.K. (“SRA”), which is entrusted to manage the assets of NIPPON REIT, today decided on the joint development of a new guarantee service “ittoku”, which requires a lease deposit of one month’s rent at the time of renting an office, with JAPAN CORPORATE PROPERTY GUARANTEE Co., Ltd. (“JCPG”). SRA will introduce “ittoku” (“New Product”) to properties held by NIPPON REIT with the aim to strengthen its competitiveness in the leasing of its invested assets by supporting the occupancy of venture companies and others, thereby contributing to the internal growth of NIPPON REIT. Details are as follows.

1. Purpose of the development and introduction of “ittoku” and its content

The supply of medium-sized office buildings on which NIPPON REIT focuses its investment has remained limited historically, and their supply after 1995, in particular, has been overwhelmingly lower than large office buildings. This trend continues given rising land prices and construction costs. While the supply of medium-sized office buildings is limited, small and medium enterprises, which are the demand segment of these buildings, make up the vast majority of companies (ratio of businesses with 29 or fewer employees nationwide: 93.4% (Bureau of Statistics of the Ministry of Internal Affairs and Communications)). While the demand is mainly supported by small and medium enterprises, venture companies and others, the supply of medium-sized office buildings is very limited due to factors such as a fall in the vacancy rate and the redevelopment of large office buildings following the demolition of medium-sized office buildings. In addition, because young venture companies and others take on a heavy financial burden at the time of renting an office and arranging the joint and several guarantors to meet the so-called credit terms for renting the office, they can have difficulty with the rental. SRA and JCPG have come to develop the New Product to propose a new way of renting an office that includes support for venture companies and others when renting an office based on the common idea of growing together by supporting them.

“ittoku” is a service to promote occupancy by venture companies and others for whom the payment of funds when renting an office becomes a burden, by requiring a one-month lease deposit in principle and not asking the representative of the lessee to provide joint and several guarantees by concluding a guarantee contract with JCPG. If JCPG, a guarantee company, is used as the guarantor, JCPG will pay the rent other costs when a tenant who occupies the office falls behind.

Given that NIPPON REIT will be able to target a wider range of demand segments and

directly approach the existing customers of JCPG by utilizing the New Product when properties held by NIPPON REIT are leased, we believe that NIPPON REIT will be able to develop new leasing channels that other properties do not have. In addition, the use of the New Product will lead to the possibility of raising rent at properties held by NIPPON REIT by differentiating them from competitive properties by utilizing the New Property when they are leased.

NIPPON REIT will also seek to activate the future office rental market by proposing the leasing style reform of offices to venture companies and others through the New Product.

2. Overview of JCPG

- (1) Name JAPAN CORPORATE PROPERTY GUARANTEE Co., Ltd.
- (2) Address 3F, Shiodome Building, 2-20 Kaigan 1-chome, Minato-ku, Tokyo
- (3) Representative Junya Toyooka, Representative Director and President
- (4) Main business Credit guarantee business
- (5) Capital 443.3 million yen (as of end of March 2018)
- (6) Date of establishment September 16, 2011

3. Future outlook

The forecast of the management status for fiscal period ending June 2018 (from January 1, 2018 to June 30, 2018) and fiscal period ending December 2018 (from July 1, 2018 to December 31, 2018) announced in the “Summary of Financial Results for the Fiscal Period Ended December 31, 2017 (REIT)” dated February 16, 2018 remains unchanged because the impact will be minimal.

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

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