

NIPPONREIT
Investment Corporation

真面目に、地道に、堅実に
Serious Steady Solid



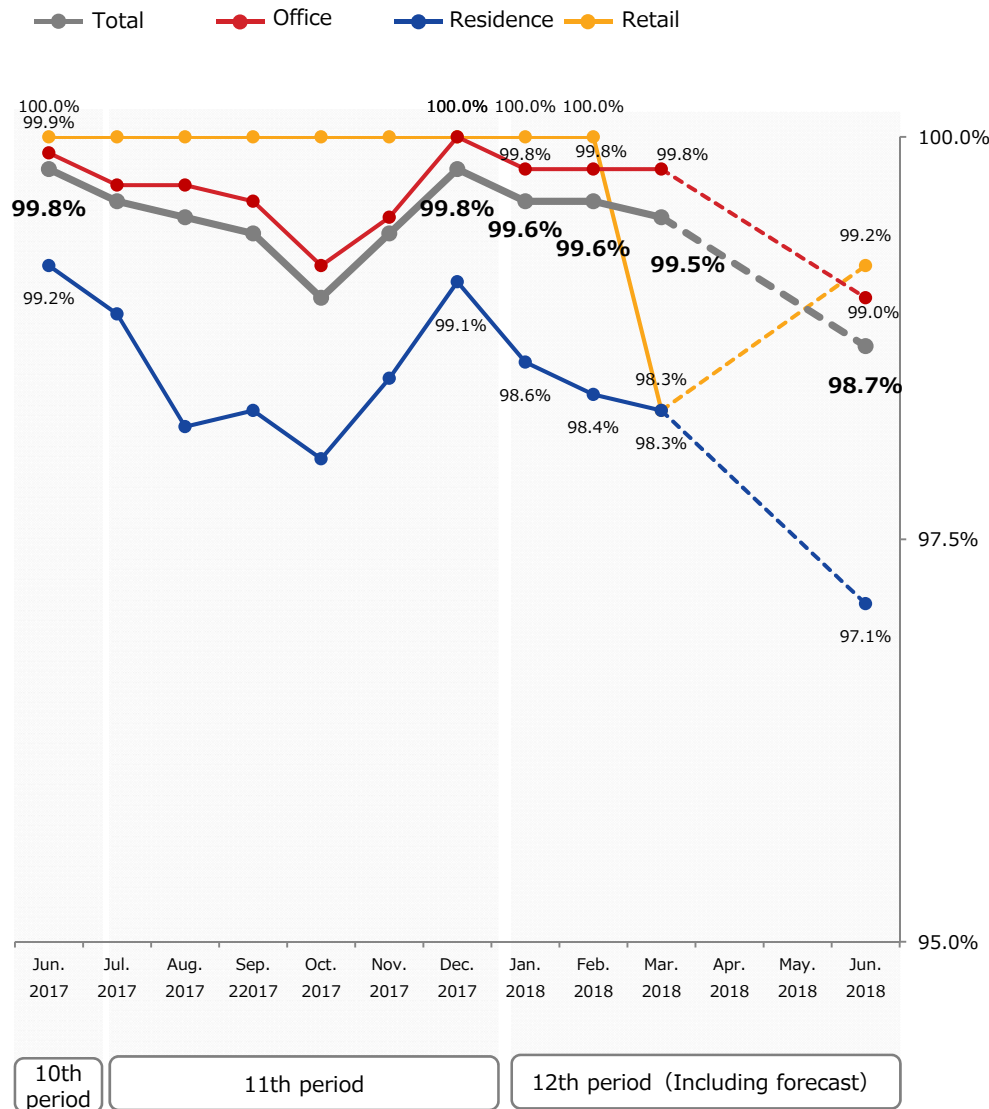
Performance Report

(January-March 2018)

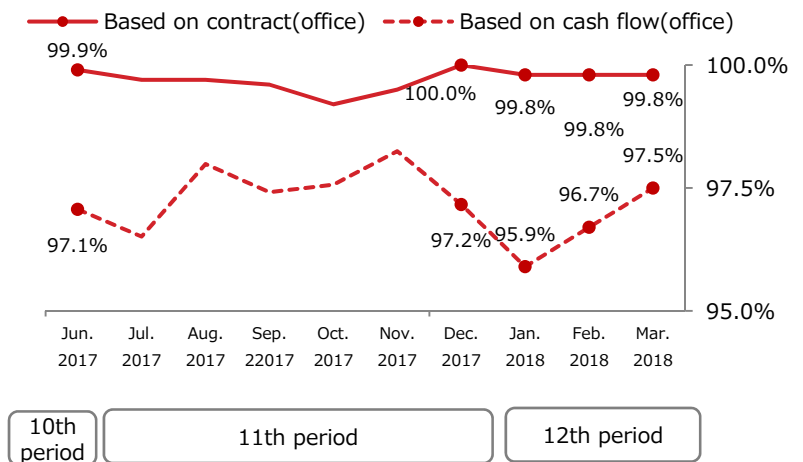
April 27, 2018

Occupancy Rate and Free Rent Period Trend

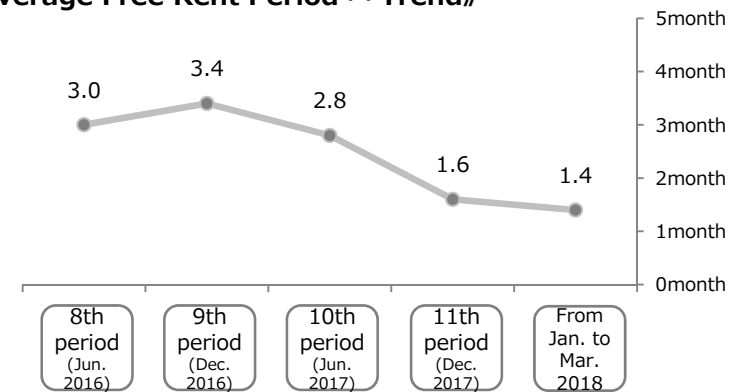
《Occupancy rate trend and forecast》



《Trend of occupancy rate based on cash flow (office)》



《Average Free Rent Period (1) Trend》



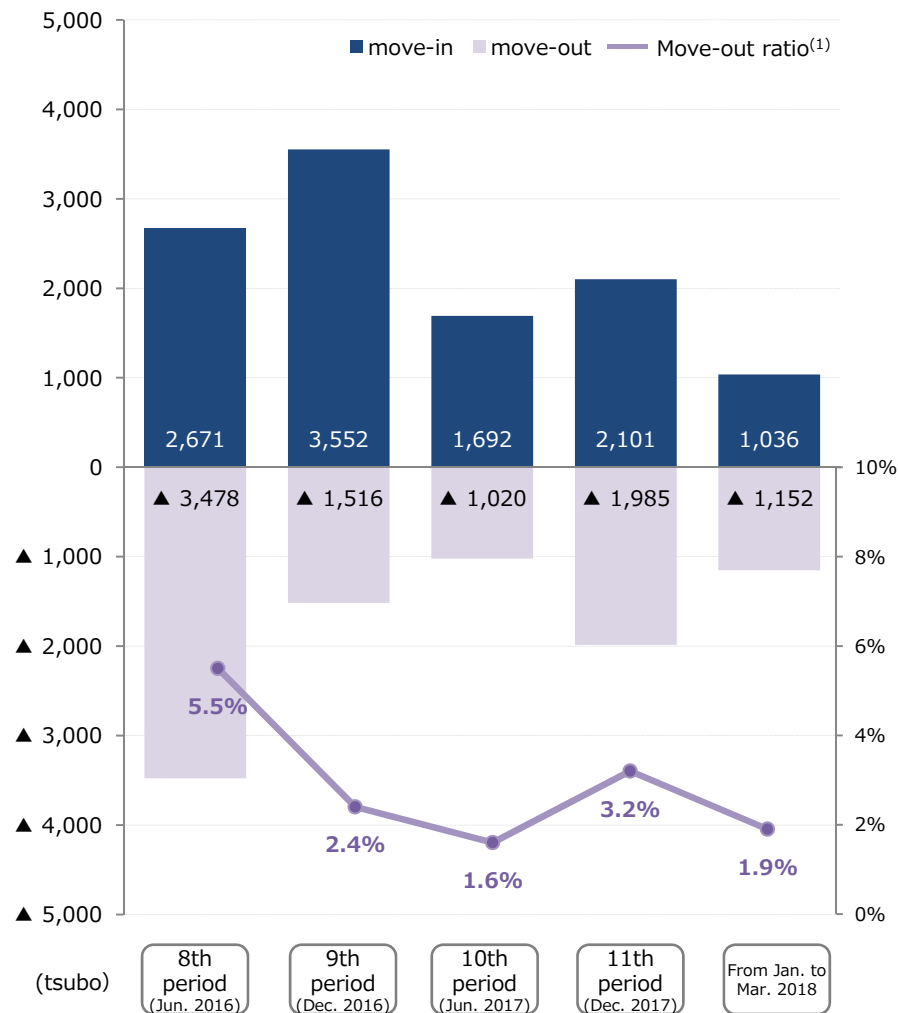
● Maintaining a high occupancy rate
 Maintaining a high occupancy rate over 99%, trend of shortening free rent continues as well.

Note
 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".

Status of Tenant Move-in and Move-out

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

※Total leasable area as of the end of March 2018 (office):61,329tsubo



Note

1. "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material onward.
2. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and termination notices at the end of Mar.2018.

《 Status of Termination Notices 》

Property name	Occupancy rate	Termination notices section	Assumed occupancy rate ⁽²⁾
Omiya Center Building	100%	Left already already :1section (34tsubo)	100% (Feb. 2018)
		Termination notice :2sections (386tsubo)	
NORE Fushimi	100%	Termination notice :1floor (120tsubo)	100% (Feb. 2018)
FORECAST Ichigaya	100%	Termination notice :1floor (61tsubo)	100% (Apr.2018)
FORECAST Iidabashi	100%	Termination notice :2sections (64tsubo)	100% (Apr.2018)
Sannomiya First Building	100%	Termination notice :1section (29tsubo)	100% (Apr.2018)
Komyoike Act	100%	Termination notice :1section (19tsubo)	99.0% (Apr.2018)
FORECAST Ningyocho PLACE	100%	Termination notice :1floor (72tsubo)	100% (Apr.2018)
Kanda Ocean Building	92.2%	Left already :1section (44tsubo)	100% (May2018)
FORECAST Shinjuku SOUTH	100%	Termination notice :2sections (191tsubo)	100% (May2018)
Itohpia Kiyosubashidori Building	100%	Termination notice :1floor (114tsubo)	100% (May2018)
GreenOak Takanawadai	100%	Termination notice :1floor (52tsubo)	93.4% (Jun.2018)
Iidabashi Reeplex B's	100%	Termination notice :1floor (39tsubo)	90.7% (Jun.2018)
GreenOak Kayabacho	100%	Termination notice :3floors (369tsubo)	86.4% (Jun.2018)
NORE Meieki	100%	Termination notice :1section (41tsubo)	96.8% (Jul.2018)
		Termination notice :1section (68tsubo)	
Sumitomo Mitsui Bank Koraibashi Building	100%	Termination notice :5sections (547tsubo)	84.3% (Jul.2018)
Homat Horizon Building	100%	Termination notice :1section (32tsubo)	98.2% (Sep.2018)
MK Kojimachi Building	100%	Termination notice :2floors (96tsubo)	81.6% (Oct.2018)
Otakibashi Pacifica Building	90.8%	Termination notice :3sections (131tsubo)	59.6% (Nov.2018)

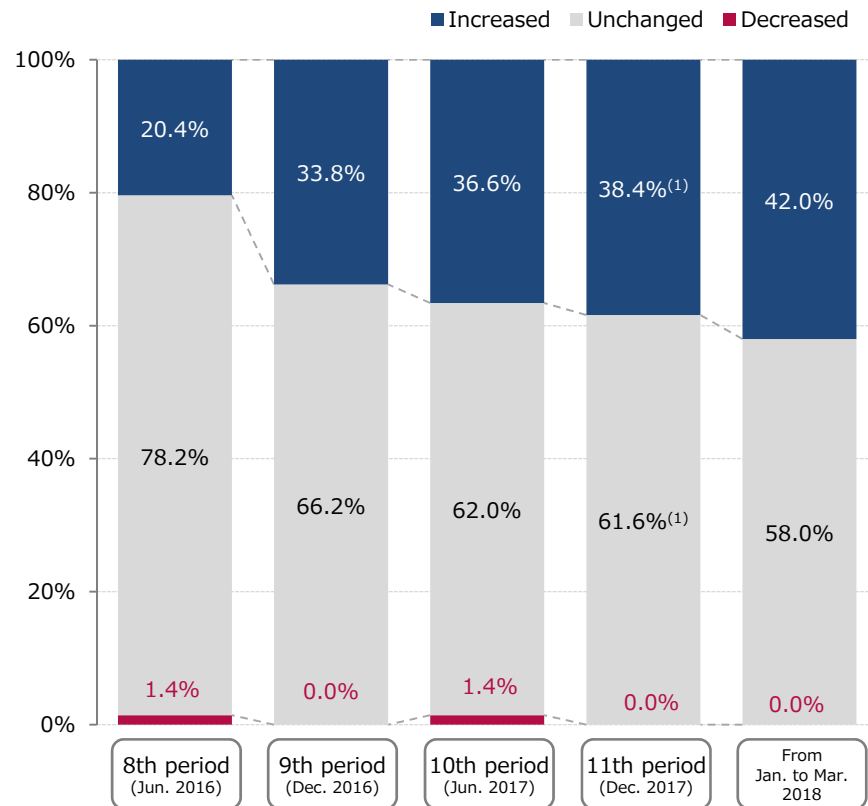
Properties of which occupancy rate is expected to be 100% because new lease contracts have been concluded for subject area

Flexible and speedy tenant replacement based on high competitiveness

No properties under leasing initiative (properties 90% or below in occupancy rate as of the end of March 2018)

Track Record of Rent Renewals

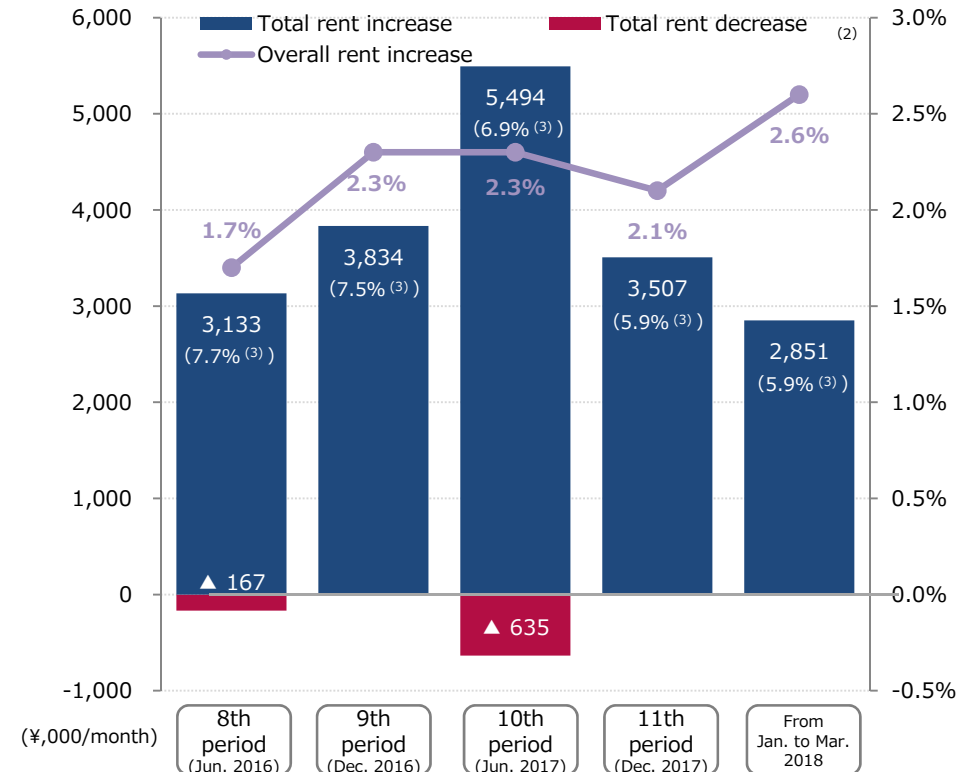
《 Track record of rent renewals (floor space) 》



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

Achieved rent increase for 42.0% of area subject to renewal, attributed to 25 tenants (3,200 tsubo) out of 70 tenants (7,613 tsubo), from Jan to Mar. 2018

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



Achieved ¥2.85mn increase in monthly rent in small area subject to renewal

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

8th	9th	10th	11th	From Jan. to Mar. 2018
2,966	3,834	4,858	3,507	2,851
Thousand yen	Thousand yen	Thousand yen	Thousand yen	Thousand yen

Note

- The figures were changed from the data released on Feb. 16, 2018 due to 4 tenants (497.10 tsubo) which agreed rent increase from Jan. to Mar. 2018 after contract updating with unchanged condition in the 11th period.
- "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.
- Increase ratio of total rent increase for the respective period to total rent before renewal of all tenants which accepted rent increase in respective period

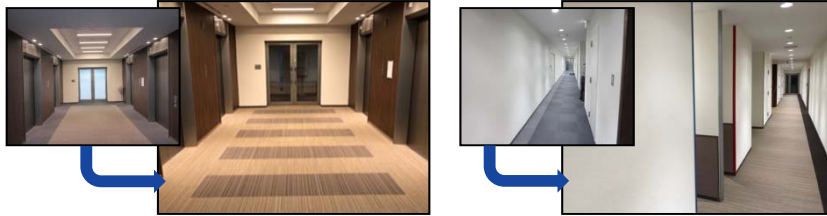
Implementation Status and Major plans of Engineering Management

《Major implementation (from Jan. to Mar. 2018)》

《FORECAST Shinjuku SOUTH》

Improvement of tenant satisfaction by renewal of common area

- Renewed wallpaper and carpet, and recoated in common area such as lavatory and corridor as measure to improve tenant satisfaction



《Higashi Ikebukuro Center Building》

Increase in revenue by changing a use

- Captured needs for retail through marketing at the timing of re-tenant on the 1st floor
- Changed a use from office to retail after conclusion of lease contract, approx. ¥11.95 mn p.a. increase in income is expected



《 FORECAST Mita 》

Increase in revenue by setting antenna

- Plan to set antenna for mobile phone etc. at rooftop
- ¥1.68mn p.a. increase in rent is expected

《Sumitomo Mitsui Bank Koraibashi Building》

Increase in revenue of parking by changing leasing conditions

- Plan to revise sublease conditions for parking lots
- ¥1.42mn p.a. increase in income is expected

《 Forecast Iidabash 》

Increase in revenue and improvement of tenant satisfaction by setting space for food wagon

- Set space for food wagon which sells lunch box by using dead space
- 0.36mn p.a. increase in income and improvement of tenant satisfaction is expected

《FORECAST Takadanobaba》

Increase in revenue by setting new parking lots

- Set new parking lots by using dead space
- ¥0.75mn p.a. increase in income is expected

《Major plan (from Apr. 2018)》

《 FORECAST Shinjuku SOUTH etc. 》

Increase in revenue by creating new leasable area

- Plan to convert extra space to leasable area
- ¥4.02mn p.a. increase in income is expected

《 FORECAST Shinjuku SOUTH 》

Improvement of convenience and sustainability through to join rental bicycle project

- Joining rental bicycle project through providing space to set cycle port.

《 FORECAST Shinagawa 》

Energy cost reduction and environmental consideration by installation of LED in common area

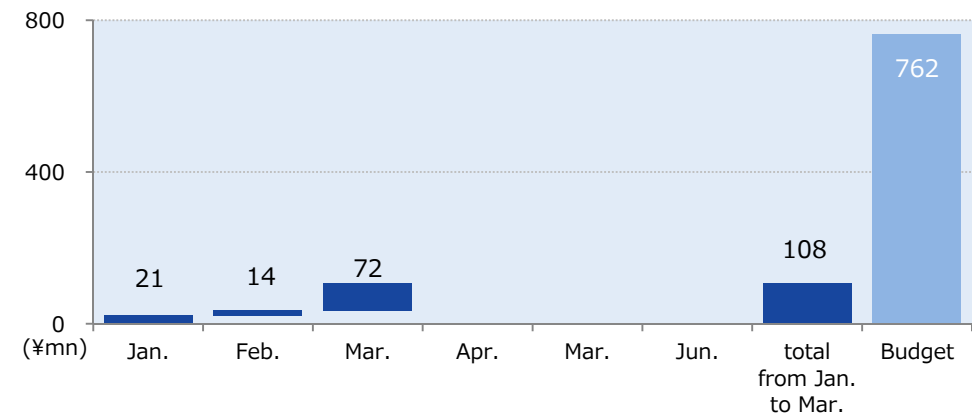
- ¥0.33mn p.a. cost reduction is expected by installation of LED light in common area, as well as reduction CO2 emission

《 25 roperties 》

Energy cost reduction

- Plan to conclude electricity provide contract with the most favorable terms
- ¥12.42mn p.a. cost reduction is expected

《Status of Engineering Management Implementation》



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