

Summary of Financial Results
for the Fiscal Period Ended December 31, 2018 (REIT)

Name of issuer: NIPPON REIT Investment Corporation
 URL: <http://www.nippon-reit.com/>
 Listed Stock Exchange: Tokyo Stock Exchange
 Securities Code: 3296
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Supplementary materials for the financial results: Yes

Investor conference for the financial results: Yes (for analysts and institutional investors, in Japanese)

(Amount of less than one million yen is omitted)

1. Financial Results for the Fiscal Period Ended December 31, 2018 (July 1, 2018 – December 31, 2018)

(1) Operating Results

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
For the fiscal period ended	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
December 31, 2018	8,458	17.1	4,640	21.0	3,840	15.3	3,839	15.3
June 30, 2018	7,225	(4.3)	3,835	(6.8)	3,329	(7.7)	3,329	(7.7)

	Net Income per Unit	Return on Equity	Return on Assets	Ordinary Income to Operating Revenues
For the fiscal period ended	Yen	%	%	%
December 31, 2018	8,546	3.2	1.5	45.4
June 30, 2018	8,498	3.0	1.4	46.1

(2) Distributions

	Cash Distributions per Unit (excluding cash distributions in excess of earnings per unit)	Total Cash Distributions (excluding cash distributions in excess of earnings)	Cash Distributions in Excess of Earnings per Unit	Total Cash Distributions in Excess of Earnings	Payout Ratio	Cash Distributions Ratio to Net Assets
For the fiscal period ended	Yen	Yen in millions	Yen	Yen in millions	%	%
December 31, 2018	8,536	3,840	0	0	100.0	3.0
June 30, 2018	8,500	3,329	0	0	100.0	3.0

(Note) Payout Ratio for the fiscal period ended December 31, 2018 is calculated by the formula described below, considering changes in number of investment units due to Public Offering implemented in the fiscal period under review.

Payout Ratio = Total Cash Distributions ÷ Net Income x 100

(3) Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Unit
For the fiscal period ended	Yen in millions	Yen in millions	%	Yen
December 31, 2018	269,146	130,378	48.4	289,774
June 30, 2018	230,689	112,639	48.8	287,522

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
For the fiscal period ended	Yen in millions	Yen in millions	Yen in millions	Yen in millions
December 31, 2018	3,540	(40,498)	33,766	14,945
June 30, 2018	4,856	(1,156)	(3,620)	18,137

2. Forecast of management status for the Fiscal Period Ending June 2019 (from January 1, 2019 to June 30, 2019) and the Fiscal Period Ending December 2019 (from July 1, 2019 to December 31, 2019)

(Description of % is indicated as the change rate compared with the prior period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income		Cash Distributions per Unit (excluding excess of earnings per Unit)	Cash Distributions in Excess of Earnings per Unit
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	Yen
For the fiscal period ending June 30, 2019	8,983	6.2	4,903	5.7	4,268	11.2	4,268	11.2	9,486	0
December 31, 2019	8,579	(4.5)	4,565	(6.9)	3,895	(8.7)	3,895	(8.7)	8,657	0

(Reference) (Forecasted Net Income / Forecasted Number of Investment Units at end of the period)

Forecasted Net Income per unit for the fiscal period ending June 30, 2019: 9,486 yen

Forecasted Net Income per unit for the fiscal period ending December 31, 2019: 8,657 yen

* Others

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(b) Changes in accounting policies due to reasons other than above (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(2) Number of investment units issued and outstanding

(a) Number of investment units issued and outstanding, including treasury units:

As of December 31, 2018 449,930 units As of June 30, 2018 391,760 units

(b) Number of investment treasury units:

As of December 31, 2018 0 unit As of June 30, 2018 0 unit

* The Status of Statutory Audit

The audit procedure of the financial statements under the Financial Instruments and Exchange Act has not been completed as of today.

* Appropriate use of the forecast of management status and other special matters

Forward-looking statements contained in this material are based on the information that NIPPON REIT has obtained as of the date hereof and certain assumptions that NIPPON REIT believes reasonable and the actual management status, etc. may significantly differ due to various reasons. In addition, the forecast is not a guarantee of the amount of distributions. For details of the assumptions underlying forecast of management status, please refer to the "Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2019 (from January 1, 2019 to June 30, 2019) and Fiscal Period Ending December 2019 (from July 1, 2019 to December 31, 2019)" on page 9.

This document is the English language translation of the Japanese announcement of the financial statements ("Kessan Tanshin") and is provided solely for information purposes. There is no assurance as to the accuracy of the English translation. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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1. Associated Corporations of NIPPON REIT

Structure of NIPPON REIT

Disclosure of this part is omitted because of no significant changes in the names, operational roles and overview of associated business operations of NIPPON REIT Investment Corporation (“NIPPON REIT”) and the associated corporations of NIPPON REIT (including other main associated parties of NIPPON REIT) from those of “Structure of NIPPON REIT” in the latest securities report (submitted on September 28, 2018)

2. Management Policy and Management Status

(1) Management Policy

Disclosure of this part is omitted because of no significant changes from “Investment Policy”, “Investment Targets” and “Distribution Policy” in the latest securities report (submitted on September 28, 2018).

(2) Management Status

I. Overview of the Fiscal Period under Review

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010 by Polaris Investment Advisors K.K. (now Sojitz REIT Advisors K.K. (hereafter referred to as the “Asset Management Company”)) as the founder under the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) on April 23, 2014 as the payment date and listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24.

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018. The total number of investment units issued and outstanding as of the end of the fiscal period under review (December 31, 2018) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

During the fiscal period under review ended December 2018, the Japanese Economy saw decrease in the real GDP by 0.6% (2.5% decrease on an annual basis: second preliminary figures of FY2018 2nd Quarter for the term from July 2018 to September 2018). The decline seemed to be led by pushdowns of private consumption and foreign demand due to supply constraints caused by natural disasters including the earthquake in Hokkaido, torrential rains mainly in west Japan and also decline in consumer sentiment. The economic impact of natural disasters had passed, and supply constraints and poor consumer sentiment will be resumed as time passes.

As consumer prices increasing moderately, corporate profits, judgment on current business conditions and the job environment have been improving steadily. A continuous and gradual recovery has been seen in the near term, with support backed up by the governmental policies, while employment and income environment has been improving. Attentions, however, are drawn to keep eyes on the worldwide trade negotiation etc., of which result may impact on the global economy and may leave us to experience uncertain situation in a certain term. One of these may cause further issue that fluctuates possibly the financial and capital markets.

In the office properties leasing market, the vacancy rate in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 1.88% down by 0.10% on a year on year basis as of the end of December 2018 reported by Miki Shoji Co., Ltd. Moreover, the average rent in the same area was 20,887 yen per tsubo, up by 8.94 % on a year on year basis. Such small-scale upward trends are still ongoing.

In the leasing market of residential properties, the situation remains generally stable for both the occupancy rate and rent level. It is expected without doubt to continue to stay stable backed by the well-balanced supply and demand, while populations in Japan has been inclined to concentrate in three major metropolitan areas where have been well-developed and so the rentable residential properties seems limited to be supplied.

In the leasing market of retail properties, we saw a 1.4% year-on-year increase in retail sales announced by the Ministry of Economy, Trade and Industry in November 2018. That showed gradual recovering mainly in retail business such as fuel retailing, car dealing, medicinal supplies and cosmetics, food and beverage retailing. On the other hand, that also reported decreasing trend in several businesses such as textiles, apparel including machinery/equipment, woven fabrics, apparel, accessories and notions. If we look at another important indicator of consumers' activities, sales at department stores and GMS showed a 1.7% year-on-year decrease. As for short-term prospects, private consumption expected to move forward to recovery, confirmed by the background of

improving job environment in the employment and income growth.

As regards real estate transactions, yields on transactions have kept positively low due to seller's market sustained by bullish participants shopping around the market and stable lending attitude maintained by financial institutions in Japan. And thus numbers of properties on sale are becoming less. Investors and their arrangers are working on to seek subjects to carry out their own target subjects and returns. While oversea investors and business companies are active, J-REITs could not chase properties in the hectic market to maintain their dividend policies. External growth opportunity seems to be limited relatively for large-cap J-REITs.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 66 properties (with a total acquisition amounts of 207,795 million yen) and silent partnership equity interest (investment amount 740 million yen, 16 real estate-backed properties) as of the end of the fiscal period ended June 2018.

During the fiscal period under review (fiscal period ended December 2018) NIPPON REIT acquired the following 21 properties (Total acquisition amounts of 40,202 million yen through the Public offering in July 2018).

Transaction	Property Number	Property name	Acquisition price (Yen in millions) (Note1)	Acquisition date
Acquisition	A-58	Towa Kandanishikicho Building	960	July 3, 2018
Acquisition	A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	
Acquisition	A-60	Hiroo ON Building	2,392	
Acquisition	A-61	TK Gotanda Building	4,130	
Acquisition	A-62	Gotanda Sakura Building (Note 2)	1,460	
Acquisition	A-63	Esprit Kameido	1,265	
Acquisition	A-64	Alte Building Higobashi	1,453	
Acquisition	A-65	DIA Building Meieki	1,167	
Acquisition	B-10	Residence Hiroo	2,590	
Acquisition	B-11	Residence Nihombashi Hakozaki	1,300	
Acquisition	B-12	Primegate Iidabashi (Note 3)	5,200	
Acquisition	B-13	Residence Edogawabashi	1,230	
Acquisition	B-14	Merveille Senzoku	740	
Acquisition	B-15	Field Avenue (Note 4)	3,110	
Acquisition	B-16	Domeal Kitaakabane	785	
Acquisition	B-17	Dormy Kitaakabane	986	
Acquisition	B-18	Splendid Shin-Osaka III	2,428	
Acquisition	B-19	ZEPHYROS Minami-horie	1,608	
Acquisition	B-20	Charmant Fuji Osakajominami	905	
Acquisition	B-21	Piacere Fuminosato	571	
Acquisition	C-3	BECOME SAKAE	4,770	
Total			40,202	

(Note1) The acquisition prices represent amount of consideration stated in the purchase agreements of each of the real estate and the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition (includes the amount NIPPON REIT paid as consideration for the succession of the status of the buyer), consumption taxes and local tax. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) The property of A-62 is held as real estate in kind and the rest of all other properties are held as real estate beneficiary

interests in trust.

- (Note3) Lower floors (1F to 4F) of the building is named "S&S Building" that provides office/retail area. "Primegate Iidabashi" includes the office/retail area thereof. The same applies hereinafter.
- (Note4) This property includes a separate building, which is structurally independent from the main building, and these two buildings are counted as one property. The same shall apply hereinafter.

As a result, the portfolio as of the end of the fiscal period under review consisted of 63 office properties (Note1) with a total acquisition amount of 193,086 million yen, 21 residential properties (Note2) (with a total acquisition price of 44,728 million yen) and 3 retail properties (Note3) with a total acquisition amount of 10,183 million yen. Total figures are 87 properties with a total acquisition amount of 247,998 million yen and with a total leased area of 303,742.00m² and 99.1% of average occupancy rate.

(Note1) "Office Properties" refer to an office building whose primary use is the office. The same shall apply hereinafter.

(Note2) "Residential Properties" refer to a rental housing whose primary use is a residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of). The same shall apply hereinafter.

(Note3) "Retail Properties" refers to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc.) as the main tenant. The same shall apply hereinafter.

b. Internal Growth

NIPPON REIT emphasizes management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts were kept, the portfolio occupancy rate was maintained at a high level of 99.1% as of the end of the fiscal period under review.

C. Procurement of Funds

(i) Issuance of Investment Units

NIPPON REIT issued new investment units (55,400 units) through public offering and procured 16,409 million yen on July 2, 2018. In addition, new investment units (2,770 units) were issued through third-party allotment and NIPPON REIT procured 820 million yen on July 24, 2018. As a result, unitholders' capital was 126,515 million yen and the total number of investment units issued and outstanding was 449,930 units as of December 31, 2018.

(ii) Borrowings and Repayments

In order to allocate funds for the acquisition of new properties and some of the payment of related costs, the borrowings of total 20,000 million yen were implemented on July 3, 2018.

In order to prepare funds for repayment of loans due on August 20, 2018 (13,400 million yen in total), the borrowings of 13,400 million yen in total were implemented on the same day as the loans due.

Issuance of investment corporation bonds of 1,500 million yen in total were implemented on November 30, 2018, the borrowings of 1,500 million yen was repaid on December 7, 2018 before the loan due on August 20, 2019.

As a result, the balance of borrowings as of December 31, 2018 was 126,170 million yen and the ratio of interest-bearing debt to total assets (LTV) was 46.9%.

(iii) Credit Rating

NIPPON REIT's credit rating as of December 31, 2018 is indicated below.

Credit Rating Agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A	Stable

D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the fiscal period under review generated operating revenues of 8,458 million yen, operating income of 4,640 million yen, ordinary income of 3,840 million yen and net income of 3,839 million yen.

Concerning distributions, NIPPON REIT is set to be eligible for application of the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan), ensuring a scope that does

not exceed unappropriated retained earnings, and also minimizing unitholders' burdens of income tax, etc. For the fiscal period, NIPPON REIT decided to distribute 3,840,602,480 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units. As such, cash distributions per unit were 8,536 yen.

II. Outlook for the Next Fiscal Period

Future Management Policy and Challenges to Address

A. Management Policy

With the corporate policy of "untiringly pursuing the best interest of NIPPON REIT's unitholders", NIPPON REIT plans to engage in the following measures to maximize unitholders' value through flexible and timely investment, also seek the best interest of unitholders by utilizing the features of a diversified REIT and focus on the growth of potential and stability of revenues.

B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will invest to "three types of assets deeply rooted in the Japanese society (office, residence and retail)". Furthermore, NIPPON REIT will focus on middle-sized office properties located in Tokyo central area as its main target of investment in consideration of the balance of supply and demand, and construct a diversified portfolio by also investing in residential properties and retail properties.

In order to promote external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are Sojitz Corporation, the main sponsor and sub-sponsor companies of Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") and Agility Asset Advisers Inc.. Assisted by those powers, NIPPON REIT will increase its asset size through property acquisitions mainly transacted on a negotiation basis with third parties.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will consider to prepare bridge funds for interim ownership vehicles to utilize warehousing function provided by Sojitz Corporation who may participate in vehicles. Such consideration comes from our investment strategy to avoid loss of opportunities for acquisitions and aim to realize growth opportunities as much as possible.

C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties reflecting their own features. For the purpose of the management, NIPPON REIT utilizes the Asset Management Company and its officers and employees who have unique networks and expertise nurtured at sponsor companies. Moreover, by entrusting property management operations and building management operations to professional property manager, mainly to Sojitz General Property Management Corporation (hereafter referred as "SGPMC"), a subsidiary of Sojitz Corporation. Cooperating with SGPMC, NIPPON REIT can maintain the occupancy rate positively and increase profitability helped by SGPMC's knowledge on experience and cost reduction effects via economies of scale.

With appropriate processes as a given, SGPMC will be mainly consigned for renovations and planned repairs in properties, in addition to the daily management operations. Along with SGPMC's consistent support ranging from building diagnostics to repair designs, selection of construction companies and construction management, NIPPON REIT can maintain and increase the value of assets under management by receiving effective and deliberate repairs that consider the priority of construction work and optimization of costs, upon sufficient consideration of performance effectiveness.

Furthermore, regarding leasing plans for offices, new asking rent and renewed rent for existing tenants will be set with reference to various data, etc. provided by Cushman, a sub-sponsor, and agile leasing activities will be implemented in line with the effective operational-policy for new potential tenants.

D. Financial Strategy

NIPPON REIT's basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to establish a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the fiscal period under review was 46.9% and the current policy is to keep the LTV level between 45% and 55%.

With regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the syndicate group as of the end of the fiscal period under review.

III. Significant Subsequent Events

A. Acquisition of Properties

(i) NIPPON REIT acquired trust beneficially interests in real estate on January 31, 2019 as described below.

Property name	Location	Acquisition price (Yen in millions) (Note 1)	Seller
Wald Park Minamioi	Shinagawa ward, Tokyo	715	Not disclosed (Note 2)

(Note1) The acquisition price represents amount of consideration stated in the purchase agreement of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition and consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) Not disclosed because consent has not been obtained from the seller.

(ii) NIPPON REIT decided to acquire the trust beneficially interests in real estate on February 18, 2019 as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
TENSHO OCHANOMIZU BUILDING	Chiyoda ward, Tokyo	February 27, 2019	1,800	Not disclosed (Note 2)
Kameido i-Mark Building	Koto ward, Tokyo	February 27, 2019	2,580	SHIMIZU CORPORATION
LAPUTA KUJO	Osaka, Osaka	February 28, 2019	1,480	Not disclosed (Note 2)
Imazaki Mansion N1	Higashi-Osaka, Osaka	February 28, 2019	1,180	Not disclosed (Note 2)
Total			7,040	

(Note1) The scheduled acquisition prices represent amount of consideration stated in the purchase agreements of the trust beneficiary interests in real estate. Each acquisition price does not include expenses related to the acquisition and consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) Not disclosed because consent has not been obtained from the seller.

B. Transfer of Properties

NIPPON REIT decided to transfer the trust beneficially interests in real estate on February 18, 2019 as described below.

Property name	Location	Scheduled transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)	Transferee
FORECAST Iidabashi	Chiyoda ward, Tokyo	February 27, 2019	5,490	5,396	SHIMIZU CORPORATION
my atria Meieki	Nagoya, Aichi	February 26, 2019	1,782	1,231	Not disclosed (Note 3)
Total			7,272	6,627	

(Note1) The scheduled transfer prices represent amount of consideration stated in the sales agreements of the trust beneficiary interests in real estate. Each acquisition price does not include expenses related to the disposition and consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) Book value of each property is indicated as of December, 2018. Furthermore, the acquisition price of less than one million yen is omitted.

(Note3) Not disclosed because consent has not been obtained from the transferee.

C. Borrowing of Funds

NIPPON REIT decided to borrow funds on February 19, 2019 for use as a part of funds for acquisition of the properties described in “A. Acquisition of Properties (LAPUTA KUJO and Imazaki Mansion N1)” above. Scheduled borrowing execution day is February 28, 2019.

Lender	Amount (Yen in millions)	Interest rate	Fix / Floating	Repayment due date	Repayment method
MUFG Bank, Ltd.	700	Interest rate of base rate plus 0.20% (Note 1)	Floating	July 22, 2019	Lump-sum payment at maturity (Note 2)

(Note 1) The first interest payment date shall be March 20, 2019, and the subsequent interest payment date shall be the 20th day of every month (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA one-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date. In the event that the interest calculation period is more than one month or less than one month, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.

(Note2) NIPPON REIT can make early repayment of the loan, in whole or in part, if it gives prior written notice and other certain terms and conditions are met by the repayment date.

IV. Forecast of Management Status

The forecast of management status for the fiscal period ending June 2019 (January 1, 2019 to June 30, 2019) and the fiscal period ending December 2019 (July 1, 2019 to December 31, 2019) are as follows. For details of the assumptions underlying forecast of management status, please refer to “Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2019 (January 1, 2019 to June 30, 2019) and Fiscal Period Ending December 2019 (July 1, 2019 to December 31, 2019)” hereinafter described.

Fiscal period ending June 2019 (January 1, 2019 to June 30, 2019)

Operating revenues	8,983 million yen
Operating income	4,903 million yen
Ordinary income	4,268 million yen
Net income	4,268 million yen
Cash distributions per unit	9,486 yen
Cash distributions in excess of earnings per unit	0 yen

Fiscal period ending December 2019 (July 1, 2019 to December 31, 2019)

Operating revenues	8,579 million yen
Operating income	4,565 million yen
Ordinary income	3,895 million yen
Net income	3,895 million yen
Cash distributions per unit	8,657 yen
Cash distributions in excess of earnings per unit	0 yen

(Note) The above figures are calculated based on certain assumptions as of February 18, 2019. Actual net income, distributions, etc. may fluctuate due to changing circumstances. In addition, the figures do not guarantee the amount of distributions.

Assumptions Underlying Forecast of Management Status for Fiscal Period Ending June 2019 (January 1, 2019 to June 30, 2019) and Fiscal Period Ending December 2019 (July 1, 2019 to December 31, 2019)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> · Fiscal period ending June 2019 (14th fiscal period): (from January 1, 2019 to June 30, 2019)(181 days) · Fiscal period ending December 2019 (15th fiscal period): (from July 1, 2019 to December 31, 2019)(184 days)
Assets under management	<ul style="list-style-type: none"> · The assumption is that, based on the trust beneficiary interests in real estate and real estate held by NIPPON REIT as of today (total of 88 properties are the “acquired assets”), my atrie Meieki will be transferred on February 26, 2019, FORECAST Iidabashi will be transferred on February 27, 2019, Kameido i-Mark Building and TENSHO OCHANOMIZU BUILDING will be acquired on February 27, 2019, Imazaki Mansion N1 and LAPUTA KUJO will be acquired on February 28, 2019. After those transactions, 90 properties in total will be held by NIPPON REIT and there would be no change (no acquisition of new property, no disposition of portfolio property, etc.) expected until the end of the fiscal period ending December 2019. In actual practice, however, the forecast is subject to change due to changes in the investment portfolio.
Operating revenues	<ul style="list-style-type: none"> · Revenues from property leasing are estimated based on the historical data and respectively taking into account such factors as market trends and property competitiveness. The total amounts of revenues from property leasing are assumed 8,490 million yen in the fiscal period ending June 2019 and 8,579 million yen in the fiscal period ending December 2019 respectively. · Gains on sales of real estate properties of 492 million yen from FORECAST Iidabashi and my atrie Meieki will be taken into account for the fiscal period ending June 2019. · Rental revenues are based on the assumption of no delinquent or unpaid rent by tenants.
Operating expenses	<ul style="list-style-type: none"> · Property-related expenses other than depreciation, which are calculated on the basis of historical data and data provided by ex-owner, and reflecting factors causing fluctuation in expenses, are assumed to be 2,265 million yen in the fiscal period ending June 2019 and 2,191 million yen in the fiscal period ending December 2019 respectively. · Depreciation, which is calculated using the straight-line method on the acquisition price including incidental expenses, is assumed 951 million yen in the fiscal period ending June 2019 and 979 million yen in the fiscal period ending December 2019 respectively. · In general, property taxes and city planning taxes upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the seller, but the amount equivalent to the reimbursement is capitalized as acquisition cost rather than recognized as expenses. Accordingly, as to one property acquired in January 2019 and four properties to be acquired in February 2019, property taxes and city planning taxes are not recognized as expenses in the fiscal period ending June 2019 and also ending December 2019. Furthermore, the total amounts of property taxes and city planning taxes capitalized as acquisition cost of abovementioned assets are assumed to be 10 million yen in the fiscal period ending June 2019 and 15 million yen in the fiscal period ending December 2019. · Repair expenses are recognized in the necessary amount assumed on the repair plan formulated by the Asset Management Company (Sojitz REIT Advisors K.K.). However, as the repairs might be carried out due to unforeseeable causes, the difference in the amount depending on every fiscal year might be generally large and the repairs would not be carried out periodically, repair expenses may materially differ from the forecast. · Asset management fees are assumed 620 million yen in the fiscal period ending June 2019 and 640 million yen in the fiscal period ending December 2019 respectively. Furthermore, among the asset management fees, acquisition fee is included in the acquisition cost and disposition fee is deducted from gains of sales of real estate properties, and thus those fees are not recognized as expenses.
Non-operating revenues	<ul style="list-style-type: none"> · They are assumed neither in the fiscal period ending June 2019, nor in the fiscal period ending December 2019.
Non-operating expenses	<ul style="list-style-type: none"> · Interest expense and borrowing related expenses are assumed 634 million yen in the fiscal period ending June 2019 and 669 million yen in the fiscal period ending December 2019.
Loans	<ul style="list-style-type: none"> · NIPPON REIT's outstanding balance of interest-bearing debt as of today is 126,170 million yen. · An amount of 700 million yen on February 28, 2019 is scheduled to be borrowed for use as a part of funds of acquisition of LAPUTA KUJO and Imazaki Mansion N1. The assumption is that all loans which will come due before the end of the fiscal period ending December 2019 (22,670 million yen) will be refinanced, there will be no change in the outstanding balance of interest-bearing debt. · LTV is expected to be approximately 47.0% as of June 30, 2019 and approximately 47.0% as of December 31, 2019 respectively. · The following formula is used in the calculation of LTV. $LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$

Investment units	<ul style="list-style-type: none"> The assumption is that the number of investment units is 449,930 units which are issued and outstanding as of today, and there will be no change in the number of investment units due to issuance of new investment units, etc. until the end of the fiscal period ending December 2019.
Cash Distributions per unit	<ul style="list-style-type: none"> Cash distributions per unit is calculated based on the assumption that the entire amount of earnings will be distributed in accordance with the cash distribution policy set forth in NIPPON REIT's Articles of Incorporation. Cash distributions per unit may vary materially due to various factors, including fluctuation in rent income accompanying future additional acquisition or disposition of real estate, etc., change in tenants and other events, Incurrence of unexpected repairs and other changes in the management environment, fluctuation in interest rates or future additional issuance of new investment units and other events.
Cash Distributions in excess of earnings per unit	<ul style="list-style-type: none"> There are no plans at this time to distribute cash in excess of earnings. Furthermore, in case the differed gains or losses on hedges become negative, taking the effect of a deduction in net assets (as stipulated in Article 2, (2), (xxx), (b) of the Rules for the Calculation of the Investment Corporation) on distributions into consideration, NIPPON REIT may distribute the amount equivalent to the deduction in net assets determined by NIPPON REIT as the allowance for temporary difference.
Others	<ul style="list-style-type: none"> The assumption is that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of Tokyo Stock Exchange, Inc., rules of The Investment Trusts Association, Japan, etc. that will impact the forecast figures above. The assumption is that there will be no unforeseen serious change in general economic trends and real estate market conditions, etc.

(3) Investment Risks

As there have been no significant changes in the "Investment Risks" as described in the latest Securities Registration Statement (submitted on September 28, 2018), the disclosure is omitted.

3. Financial Statements

(1) Balance Sheets

(Yen in thousands)

	The 12th Fiscal Period (as of June 30, 2018)	The 13th Fiscal Period (as of December 31, 2018)
Assets		
Current Assets		
Cash and deposits	12,032,033	8,981,536
Cash and deposits in trust	6,105,500	5,964,196
Tenant receivables	87,585	88,158
Prepaid expenses	374,967	437,146
Income taxes refundable	9,865	1,065
Consumption taxes receivable	—	496,617
Other current assets	14,661	5,842
Allowance for doubtful accounts	(0)	(0)
Total Current Assets	18,624,613	15,974,563
Non-Current Assets		
Property, plant and equipment		
Buildings	—	234,960
Accumulated depreciation	—	(3,053)
Buildings, net	—	231,906
Buildings in trust	※1 50,843,163	※1 59,444,603
Accumulated depreciation	(6,114,724)	(6,987,861)
Buildings in trust, net	44,728,438	52,456,741
Structures in trust	171,631	197,330
Accumulated depreciation	(37,690)	(42,332)
Structures in trust, net	133,941	154,998
Machinery and equipment in trust	345,584	357,904
Accumulated depreciation	(31,722)	(48,292)
Machinery and equipment in trust, net	313,861	309,611
Tools, furniture and fixtures in trust	92,852	122,424
Accumulated depreciation	(21,364)	(28,970)
Tools, furniture and fixtures in trust, net	71,487	93,454
Land in trust	※2 149,411,625	※2 180,791,041
Construction in progress in trust	72,898	5,256
Total property, plant and equipment	194,732,254	234,043,010
Intangible assets		
Leasehold rights	—	1,251,662
Leasehold rights in trust	15,806,402	16,658,938
Other	9,841	5,835
Total intangible assets	15,816,243	17,916,435
Investments and other assets		
Investment securities	667,069	—
Lease and guarantee deposits	10,110	10,160
Long-term prepaid expenses	781,528	1,129,373
Deferred tax assets	—	0
Other	37,046	38,290
Total investments and other assets	1,495,754	1,177,825
Total Non-Current Assets	212,044,252	253,137,271
Deferred asset		
Investment corporation bond issuance costs	20,320	35,152
Total deferred asset	20,320	35,152
Total Assets	230,689,186	269,146,988

(Yen in thousands)

	The 12th Fiscal Period (as of June 30, 2018)	The 13th Fiscal Period (as of December 31, 2018)
Liabilities		
Current Liabilities		
Accounts payable	1,251,212	1,539,384
Short term debt	2,600,000	—
Long-term debt due within one year	21,770,000	21,970,000
Accrued expenses	217,659	247,820
Accrued consumption taxes	40,897	—
Advances received	1,227,838	1,391,630
Other current liabilities	1,246,730	588,439
Total Current Liabilities	28,354,338	25,737,275
Long-Term Liabilities		
Investment corporation bonds	2,000,000	3,500,000
Long-term debt	79,800,000	100,700,000
Tenant security deposits	—	65,153
Tenant security deposits in trust	7,894,084	8,766,512
Deferred tax liabilities	891	—
Total Long-Term Liabilities	89,694,976	113,031,666
Total Liabilities	118,049,315	138,768,941
Net Assets		
Unitholders' Equity		
Unitholders' capital	109,285,298	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	3,352,625	3,862,444
Total Surplus	3,352,625	3,862,444
Total Unitholders' Equity	112,637,924	130,378,046
Valuation and translation adjustments		
Deferred gains or losses on hedges	1,946	—
Total Valuation and Translation Adjustments	1,946	—
Total Net Assets	※3 112,639,871	※3 130,378,046
Total Liabilities and Net Assets	230,689,186	269,146,988

(2) Statements of Income and Retained Earnings

(Yen in thousands)

	The 12th Fiscal Period (from January 1, 2018 to June 30, 2018)	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)
Operating Revenues		
Rental revenues	※1 6,551,743	※1 7,678,447
Other revenues related to property leasing	※1 625,895	※1 780,485
Dividend income	47,868	—
Total Operating Revenues	7,225,507	8,458,932
Operating Expenses		
Property-related expenses	※1 2,664,876	※1 3,039,219
Asset management fees	536,111	566,187
Asset custody fees	13,014	13,241
Administrative service fees	46,767	47,578
Directors' compensation	2,400	2,400
Independent auditors' fees	15,000	13,500
Other operating expenses	111,812	135,996
Total Operating Expenses	3,389,981	3,818,123
Operating Income	3,835,526	4,640,809
Non-Operating Revenues		
Interest income	84	80
Reversal of distributions payable	1,226	3,662
Interest on refund	8	38
Total Non-Operating Revenues	1,318	3,781
Non-Operating Expenses		
Interest expense	278,644	347,971
Interest expense on investment corporation bonds	2,269	7,417
Amortization of investment corporation bond issuance costs	614	1,507
Borrowing related expenses	225,843	335,206
Investment Units Issuance Costs	—	112,068
Other	5	17
Total Non-Operating Expenses	507,377	804,187
Ordinary Income	3,329,467	3,840,403
Extraordinary Income		
Subsidy income	※3 104,414	—
Total Extraordinary Income	104,414	—
Extraordinary Losses		
Loss on reduction of non-current assets	※4 103,833	—
Total Extraordinary Losses	103,833	-
Income Before Income Taxes	3,330,048	3,840,403
Income taxes - current	681	621
Income taxes - deferred	0	2
Total Income Taxes	681	624
Net Income	3,329,367	3,839,779
Retained Earnings at Beginning of Period	23,258	22,665
Retained Earnings at End of Period	3,352,625	3,862,444

(3) Statement of Change in Net Assets

The 12th Fiscal Period (from January 1, 2018 to June 30, 2018)

(Yen in thousands)

	Unitholders' Equity				Valuation and Translation Adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	109,285,298	3,631,760	3,631,760	112,917,058	7,254	7,254	112,924,313
Changes of items during the period							
Distributions of surplus		(3,608,501)	(3,608,501)	(3,608,501)			(3,608,501)
Net income		3,329,367	3,329,367	3,329,367			3,329,367
Changes of items during the period other than unitholders' equity (net)					(5,308)	(5,308)	(5,308)
Total changes of items during the period	—	(279,134)	(279,134)	(279,134)	(5,308)	(5,308)	(284,442)
Balance at the end of current Period	※ 1 109,285,298	3,352,625	3,352,625	112,637,924	1,946	1,946	112,639,871

The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)

(Yen in thousands)

	Unitholders' Equity				Valuation and Translation Adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at the beginning of current period	109,285,298	3,352,625	3,352,625	112,637,924	1,946	1,946	112,639,871
Changes of items during the period							
Issuance of new investment units	17,230,303			17,230,303			17,230,303
Distributions of surplus		(3,329,960)	(3,329,960)	(3,329,960)			(3,329,960)
Net income		3,839,779	3,839,779	3,839,779			3,839,779
Changes of items during the period other than unitholders' equity (net)					(1,946)	(1,946)	(1,946)
Total changes of items during the period	17,230,303	509,819	509,819	17,740,122	(1,946)	(1,946)	17,738,175
Balance at the end of current Period	※ 1 126,515,601	3,862,444	3,862,444	130,378,046	—	—	130,378,046

(4) Statements of Cash Distribution

	The 12th Fiscal Period (from January 1, 2018 To June 30, 2018)	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)
	(Yen)	(Yen)
I Unappropriated retained earnings	3,352,625,792	3,862,444,951
II Cash distributions	3,329,960,000	3,840,602,480
(Cash distributions per unit)	(8,500)	(8,536)
III Retained earnings carried forward to the next period	22,665,792	21,842,471

Calculation method for cash distributions	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,329,960,000 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 391,760 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.</p> <p>Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of NIPPON REIT, the amount of cash distributions shall be limited to the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>In consideration of this policy, NIPPON REIT decided to distribute 3,840,602,480 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.</p> <p>Furthermore, NIPPON REIT does not distribute cash distributions in excess of its earnings as stipulated in Articles 35, Paragraph 2 of its Articles of Incorporation.</p>
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(5) Statements of Cash Flows

(Yen in thousands)

	The 12th Fiscal Period (from January 1, 2018 to June 30, 2018)	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)
Cash Flows from Operating Activities		
Income before income taxes	3,330,048	3,840,403
Depreciation and amortization	776,033	907,332
Investment corporation bonds issuance expense depreciation	614	1,507
Loss on retirement of non-current assets	3,277	8,711
Loss on reduction of non-current assets	103,833	—
Investment unit issuance expenses	—	112,068
Interest income	(84)	(80)
Interest expense	280,914	355,388
(Increase) Decrease in tenant receivables	(352)	(573)
(Increase) Decrease in prepaid expenses	(4,338)	(62,178)
(Increase) Decrease in long-term prepaid	(20,624)	(347,845)
(Increase) Decrease in consumption taxes receivable	—	(496,617)
Increase (Decrease) in accrued consumption taxes	(97,692)	(40,897)
Increase (decrease) in accounts payable	(47,853)	66,208
Increase (decrease) in accrued expenses	7,634	23,360
Increase (decrease) in advances received	81,368	163,791
Others, net	739,859	(650,001)
Subtotal	5,152,638	3,880,575
Interest income received	84	80
Interest expense paid	(293,694)	(348,587)
Income taxes refunded (paid)	(2,993)	8,178
Net Cash Provided by (Used in) Operating Activities	4,856,035	3,540,247
Cash Flows from Investing Activities		
Payments for purchases of investment properties other than leasehold rights	—	(234,960)
Payments for purchases of investment properties in trust other than leasehold rights in trust	(1,038,302)	(39,769,669)
Payments for purchases of intangible fixed Assets.	—	(1,251,662)
Payments for purchases of Intangible assets in trust	(9,954)	(848,737)
Proceeds from tenant security deposits	—	66,174
Payments of tenant security deposits	—	(1,020)
Proceeds from tenant security deposits in trust	339,923	1,263,566
Payments of tenant security deposits in trust	(348,187)	(353,565)
Payments of security deposits	—	(50)
Proceeds from refunds of investment securities	95,477	632,278
Payments for purchases of investment securities	(194,091)	—
Other payments	(1,244)	(1,244)
Net Cash Provided by (Used in) Investing Activities	(1,156,379)	(40,498,889)
Cash Flows from Financing Activities		
Proceeds from short-term debt	—	(2,600,000)
Proceeds from long-term debt	7,500,000	33,400,000
Repayments of long-term debt	(9,500,000)	(12,300,000)
Proceeds from issuance of investment corporation bonds	1,979,064	1,483,660

(Yen in thousands)		
	The 12th Fiscal Period (from January 1, 2018 to June 30, 2018)	The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)
Proceeds from issuance of investment units	—	17,118,234
Distributions paid	(3,599,245)	(3,335,053)
Net Cash Provided by (Used in) Financing Activities	(3,620,181)	33,766,841
Net Change in Cash and Cash Equivalents	79,475	(3,191,800)
Cash and Cash Equivalents at Beginning of Period	18,058,058	18,137,533
Cash and Cash Equivalents at End of Period	※ ¹ 18,137,533	※ ¹ 14,945,733

(6) Notes to the Going Concern Assumption

None

(7) Summary of Significant Accounting Policies

1.Basis and Method of Valuation of Assets	<p>Securities</p> <p>Other securities</p> <p>Non-marketable securities</p> <p>The moving average method is employed as the cost method.</p> <p>A method in which the equivalent amount of the silent partnership is incorporated with the net amount is employed for equity interests in silent partnership.</p>								
2.Method of Depreciation of Non-Current Assets	<p>(1) Investment Properties Including Trust Assets</p> <p>Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:</p> <table><tr><td>Buildings in trust , Buildings</td><td>2-63 years</td></tr><tr><td>Structures in trust</td><td>2-45 years</td></tr><tr><td>Machinery and equipment in trust</td><td>10 years</td></tr><tr><td>Tools, furniture and fixtures in trust</td><td>2-15 years</td></tr></table> <p>(2) Intangible assets</p> <p>Intangible assets are amortized using the straight-line method.</p> <p>(3) Long-Term Prepaid Expenses</p> <p>Long-term prepaid expenses are amortized using the straight-line method.</p>	Buildings in trust , Buildings	2-63 years	Structures in trust	2-45 years	Machinery and equipment in trust	10 years	Tools, furniture and fixtures in trust	2-15 years
Buildings in trust , Buildings	2-63 years								
Structures in trust	2-45 years								
Machinery and equipment in trust	10 years								
Tools, furniture and fixtures in trust	2-15 years								
3.Accounting Treatment for Deferred asset	<p>Investment Units Issuance Costs</p> <p>The issuance costs of new investment units are expensed when incurred.</p> <p>Investment corporation bond issuance costs</p> <p>Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.</p>								
4.Allowance for Doubtful Accounts Recognition	<p>Allowance for Doubtful Accounts</p> <p>Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating uncollectible amount based on the analysis of certain individual accounts that may not be uncollectable.</p>								
5.Revenue and Expense Recognition	<p>Real Estate Taxes</p> <p>Property-related taxes property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally changed to rental business expenses for the period, for the portion of such taxes corresponding to said period.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, NIPPON REIT included its pro rata property portion for the year in each property acquisition price and not as rental business expense.</p> <p>There was amount of property taxes included in acquisition costs for properties in the previous fiscal period. The amount of property taxes included in acquisition costs for properties acquired during the fiscal period under review was 75,887 thousand yen. No property taxes included in acquisition costs for properties acquired during the previous fiscal period under review.</p>								
6. Method of Hedge Accounting	<p>(1) Method of Hedge Accounting</p> <p>Method of deferred on hedges is applied. Furthermore, for interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedge items</p> <p>Hedging instruments: Interest rate swaps</p> <p>Hedged items: Interest on borrowings</p>								

	<p>(3) Hedging policy NIPPON REIT conducts derivative transactions for hedging risks provided for in the Articles of Incorporation of NIPPON REIT pursuant to the financing policy.</p> <p>(4) Method of assessing hedge effectiveness The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.</p>
7. Cash and Cash Equivalents as Stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash, demand deposits, and short-term investments that are liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.
8. Other Significant Matters Which Constitute the Basis for Preparation of Financial Statements	<p>(1) Accounting for Trust Beneficiary Interests in Real Estate For trust beneficial interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings. The following assets in trust are recognized and presented separately on the balance sheets.</p> <p>I. Cash and deposits in trust</p> <p>II. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, Construction in progress in trust and leasehold rights in trust</p> <p>III. Tenant security deposits in trust</p> <p>(2) Consumption Taxes Consumption taxes are excluded from transaction amounts. Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.</p>

(8) Note to changes in Presentation or Classification

As NIPPON REIT started application of “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No.28, February 16, 2018) from the fiscal period under review (December 31, 2018), changes in the amount of are made to indicate deferred tax assets under investments and other assets and deferred tax liabilities under noncurrent liabilities. Thereby, deferred tax liabilities of 891 thousand yen under current liabilities filed in prior period was switched to deferred tax liabilities under long-term liabilities.

(9) Notes to Financial Statements

(Notes to Balance Sheets)

*1 Reduction entry amount of tangible fixed assets received as governmental subsidy (Yen in thousands)		
	Prior Period (As of June 30, 2018)	Current Period (As of December 31, 2018)
Buildings in trust	201,203	198,024
*2 Reduction entry amount of tangible fixed assets acquired through exchanging (Yen in thousands)		
	Prior Period (As of June 30, 2018)	Current Period (As of December 31, 2018)
Lands in trust	416,596	416,596
*3. Minimum net assets as required by Article 67, Paragraph 4 of the Investment Trust Act (Yen in thousands)		
	Prior Period (As of June 30, 2018)	Current Period (As of December 31, 2018)
	50,000	50,000

(Notes to Income Statements)

*1. Rental revenues and expenses		(Yen in thousands)	
	Prior Period from January 1, 2018 to June 30, 2018	Current Period from July 1, 2018 to December 31, 2018	
A. Revenues from property leasing:			
Rental revenues			
Base rents	5,340,869	6,340,589	
Common area charges	989,568	1,076,546	
Parking space rental revenues	221,305	261,311	7,678,447
Other revenues related to property leasing			
Utilities charge reimbursements	494,329	602,936	
Others	131,566	177,549	780,485
Total revenues from property leasing	7,177,639	8,458,932	
B. Property-related expenses:			
Property-related expenses			
Property management fees	499,049	576,734	
Utility expenses	446,685	554,322	
Insurance expenses	6,992	8,365	
Repair expenses	197,036	182,114	
Taxes and dues	515,873	515,919	
Depreciation	776,033	907,332	
Loss on retirement of non-current assets	3,277	8,711	
Trust fees	23,100	30,050	
Others	196,828	255,668	
Total property-related expenses	2,664,876	3,039,219	
C. Income from property leasing(A-B)	4,512,762	5,419,712	
*2 Breakdown of Subsidy income			
Prior Period (from January 1, 2018 to June 30, 2018)			
Subsidy income is received from Subsidies for countermeasures to control carbon dioxide emissions project etc. in FY2017 and Subsidies to promote energy-saving investment in FY2017.			
Current Period (from July 1, 2018 to December 31, 2018)			
None			
*3. Loss on reduction of non-current assets is the value directly deducted from acquired value, due to the acceptance of subsidies. The breakdown is as follows.			
		(Yen in thousands)	
	Prior Period from January 1, 2018 to June 30, 2018	Current Period from July 1, 2018 to December 31, 2018	
Buildings in trust	103,833	—	

(Notes to Statements of Change in Net Assets)

	Prior Period	Current Period
	from January 1, 2018 to June 30, 2018	from July 1, 2018 to December 31, 2018
*1. Total number of investment units authorized and number of investment units issued and outstanding		
Number of investment units authorized	4,000,000 units	4,000,000 units
Number of investment units issued and outstanding	391,760 units	449,930 units

(Notes to Statements of Cash Flows)

	Prior Period	Current Period
	from January 1, 2018 to June 30, 2018	from July 1, 2018 to December 31, 2018
*1. Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows		
		(Yen in thousands)
Cash and deposits	12,032,033	8,981,536
Cash and deposits in trust	6,105,500	5,964,196
Cash and cash equivalents	18,137,533	14,945,733

(Notes to Lease Transactions)

Existing non-cancelable operating leases (As lessor)

Future minimum rental revenues	Prior Period	Current Period
	(As of June 30, 2018)	(As of December 31, 2018)
Due within one year	340,798	608,367
Due after one year	537,595	1,431,026
Total	878,394	2,039,393

(Notes to Financial Instruments)

1. Quantitative Information for Financial Instruments

(1) Policy for Financial Instruments Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

(2) Nature and Extent of Risks arising from Financial Instruments

Proceeds from borrowings and investment corporation bonds are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings and investment corporation bonds are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT's surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

(3) Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions, and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates.

Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of the end of current fiscal period, NIPPON REIT had a derivatives (interest rate swap) as hedging instrument for the purpose of fixing the interest rate of floating-rate loans to avoid the interest volatility risk. The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instrument and the change in aggregated amount of cash flow of the hedged item. Furthermore, the assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.

Credit risk concerning bank deposits is managed by diversifying the depositing financial institutions.

(4) Supplemental Explanation regarding Fair Value of Financial Instruments

The fair value of financial instruments is based on their quoted market price. When there is no observable market price available, fair value is based on a price that may be reasonably estimated. Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

2. Fair Value of Financial Instruments

Book value, fair value and difference between the two as of June 30, 2018 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	12,032,033	12,032,033	—
(2)Cash and deposits in trust	6,105,500	6,105,500	—
Total assets	18,137,533	18,137,533	—
(3)Short-term debt	2,600,000	2,600,000	—
(4)Long-term debt due within one year	21,770,000	21,770,003	3
(5)Investment corporation bonds	2,000,000	1,997,000	(3,000)
(6)Long-term debt	79,800,000	79,566,838	(233,161)
Total liabilities	106,170,000	105,933,842	(236,157)
(7)Derivative transactions	2,842	(9,366)	(12,208)

Book value, fair value and difference between the two as of December 31, 2018 were as follows. The financial instruments whose fair values are deemed extremely difficult to determine (Note 2) are excluded from the table below.

(Yen in thousands)

	Book value	Fair value	Difference
(1)Cash and deposits	8,981,536	8,981,536	—
(2)Cash and deposits in trust	5,964,196	5,964,196	—
Total assets	14,945,733	14,945,733	—
(3)Short-term debt	—	—	—
(4)Long-term debt due within one year	21,970,000	21,977,143	7,143
(5)Investment corporation bonds	3,500,000	3,494,800	(5,200)
(6)Long-term debt	100,700,000	100,515,130	(184,869)
Total liabilities	126,170,000	125,987,074	(182,925)
(7)Derivative transactions	—	—	—

(Note 1) Methods used to estimate the fair value of financial instruments and derivative transactions

(1) Cash and deposits, (2) Cash and deposits in trust and (3) Short-term debt

Due to the short maturities, the book value of these assets or liabilities is deemed a reasonable approximation of the fair value; therefore, the book value is used as the fair value equivalent.

(4) Long-term debt due within one year and (6) Long-term debt

For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. For long-term debt with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar loan that is made corresponding to the remaining period.

(5) Investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

(7) Derivative transactions

Please refer to "(Derivative Transactions)" below.

(Note 2) Financial instruments whose fair values are deemed extremely difficult to determine are as follows:

The fair value of both of tenant security deposit (Book value: 65,153 thousand yen in current period) and tenant security deposits in trust (Book value: 7,894,084 thousand yen in previous period and 8,766,512 thousand yen in current period) is not disclosed because these deposits do not have a readily available market price, and it is difficult to estimate a period as to when these deposits will be returned. Although the tenant agreements stipulate a tenancy period, the historical analysis of actual tenancy periods do not indicate any pattern of tenancy period due to their unique nature as early termination or renewal/re-contract of tenancy agreements is possible, which makes it impracticable to reasonably estimate the future cash flows.

The fair value of investment securities (Book value: 667,069 thousand yen in prior period) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

(Note 3) Redemption schedule for monetary claims

Prior Period (June 30, 2018)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	12,032,033	-	-	-	-	-
Cash and deposits in trust	6,105,500	-	-	-	-	-
Total	18,137,533	-	-	-	-	-

Current Period (December 31, 2018)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	8,981,536	-	-	-	-	-
Cash and deposits in trust	5,964,196	-	-	-	-	-
Total	14,945,733	-	-	-	-	-

(Note4) Redemption schedule for short-term debt and long-term debt

Prior Period (June 30, 2018)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	2,600,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	2,000,000
Long-term debt	21,770,000	20,500,000	19,500,000	10,000,000	6,100,000	23,700,000
Total	24,370,000	20,500,000	19,500,000	10,000,000	6,100,000	25,700,000

Current Period (December 31, 2018)

(Yen in thousands)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term debt	—	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	3,500,000
Long-term debt	21,970,000	20,500,000	18,500,000	7,000,000	16,000,000	38,700,000
Total	21,970,000	20,500,000	18,500,000	7,000,000	16,000,000	42,200,000

(Notes to Investment Securities)

Prior Period (As of June 30, 2018)

The fair value of Equity interests in silent partnerships (Book value: 667,069 thousand yen) is not disclosed because these securities do not have available market price, and it is difficult to estimate fair values.

Current Period (As of December 31, 2018)

None

(Notes to Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied:

Prior Period (June 30, 2018)

None

Current Period (December 31, 2018)

None

2. Derivative transactions to which hedge accounting is applied:

Prior Period (June 30, 2018)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Principle method	Interest rate swaps Receive floating / Pay fix	Long-term debt	10,800,000	—	2,842	According to the price that the counterparty applied
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	97,700,000 (Note1)	87,800,000 (Note1)	(12,208) (Note2)	
	Total		108,500,000	87,800,000	(9,366)	

(Note 1) The amount includes the contract amount of the interest rate swap agreement concluded as of June 29, 2018 (18,500,000 thousand yen). The execution date for the borrowing hedged by the interest rate swap is July 3, 2018.

(Note 2) Regarding the interest rate swap concluded as of June 29, 2018, since the occurrence of a long-term debt treated integrally is not recognized due to the special treatment of interest rate swaps as of June 30, 2018, the market value as of June 30, 2018 is indicated. Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(4) Long-term debt due within one year and (6) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

Current Period (December 31, 2018)

(Yen in thousands)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term debt	111,100,000	90,200,000	Note	—
	Total		111,100,000	90,200,000	—	

(Note) Since those with special treatment of interest rate swaps are treated integrally with hedged long-term debt, the market values of such are shown as included in the market value in "(4) Long-term debt due within one year and (6) Long-term debt, Financial Instruments, 2. Fair Value of Financial Instruments" above.

(Note on Employee Retirement Benefits)

Prior period (June 30, 2018)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

Current period (December 31, 2018)

Not applicable as NIPPON REIT does not have an employee retirement benefits scheme.

(Notes to Deferred Tax Accounting)

1. The significant components of deferred tax assets and liabilities:

	(Yen in thousands)	
	Prior Period (As of June 30, 2018)	Current Period (As of December 31, 2018)
Deferred tax assets:		
Accrued enterprise tax	3	0
Allowance for doubtful accounts	0	0
Total deferred tax assets	3	0
Deferred tax liabilities:		
Deferred gains or losses on hedges	895	—
Total deferred tax liabilities	895	—
Net deferred tax assets (liabilities)	(891)	0

2. Breakdown of main items causing significant difference between statutory income tax rate and NIPPON REIT's effective tax rate

	Prior Period (As of June 30, 2018)	Current Period (As of December 31, 2018)
Statutory tax rate	31.74%	31.51%
(Adjustments)		
Deductible cash distributions	(31.74%)	(31.51%)
Per capita inhabitant taxes	0.02%	0.02%
Others	0.00%	0.00%
Effective tax rate	0.02%	0.02%

(Notes to Equity in Income)

Prior Period (from January 1, 2018 to June 30, 2018)

Not applicable as there are no affiliated companies of NIPPON REIT.

Current Period (from July 1, 2018 to December 31, 2018)

Not applicable as there are no affiliated companies of NIPPON REIT.

(Notes to Related Party Transactions)

1. Related party transactions

(1) Parent company and major corporate unitholders

Prior Period (from January 1, 2018 to June 30, 2018)

None

Current Period (from July 1, 2018 to December 31, 2018)

None

(2) Affiliates

Prior Period (from January 1, 2018 to June 30, 2018)

None

Current Period (from July 1, 2018 to December 31, 2018)

None

(3) Companies under common control

Prior Period (from January 1, 2018 to June 30, 2018)

None

Current Period (from July 1, 2018 to December 31, 2018)

None

(4) Board of Officers and major individual unitholders

Prior Period (from January 1, 2018 to June 30, 2018)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	537,761	Accrued expenses	147,090

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation. Furthermore total amount of the price paid during the period under review is stated even though Toshio Sugita was appointed to the same position on October 1, 2017.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

Current Period (from July 1, 2018 to December 31, 2018)

Attribute	Name	Address	Capital or investment amount (Yen in millions)	Line of business	Right to vote holding (owned) rates	Content of transaction	Transaction price (Yen in thousands)	subjects	Balance at the end of the period (Yen in thousands)
Executive and its relatives	Toshio Sugita	—	—	Executive Officer, NIPPON REIT Investment Corporation and President & CEO, Sojitz REIT Advisors K.K.	—	Payment of Asset management fee to Sojitz REIT Advisors K.K.(Note1)	902,812	Accrued expenses	171,896

(Note 1) Toshio Sugita implemented the transaction as President & CEO of third party (Sojitz REIT Advisors K.K.), and Asset management fee is following conditions stipulated in articles of incorporation.

(Note 2) Transaction price excludes consumption tax, but Balance at the end of the period includes.

(Notes to Asset Retirement Obligation)

Prior Period (from January 1, 2018 to June 30, 2018)

None

Current Period (from July 1, 2018 to December 31, 2018)

None

(Notes to Investment Properties)

The book value, net changes in the book value and the fair value of the investment properties such as office, residential and retail properties (including the land, etc.) owned by NIPPON REIT were as follows:

(Yen in thousands)

	Prior Period from January 1, 2018 to June 30, 2018	Current Period from July 1, 2018 to December 31, 2018
Book value		
Balance at beginning of period	210,445,943	210,475,599
Change during period	29,655	41,478,591
Balance at end of period	210,475,599	251,954,190
Fair value	232,226,000	279,348,000

(Note 1) Amounts recorded in the balance sheet are figures in which accumulated depreciation is deducted from the acquisition costs.

(Note 2) Amounts recorded in the balance sheet include the amount of leasehold rights and leasehold rights in trust, and exclude construction in progress in trust.

(Note 3) Among changes in the amount of real estate for rental purposes that occurred during the previous fiscal period under review, the main increase was due capital expenditures and the main decrease was due to the recording of depreciation

(Note 4) Among changes in the amount of real estate for rental purposes that occurred during the fiscal period, a main reason of the increase was due to income from newly acquired 21 properties such as Primegate Iidabasshi etc. (total 40,911,158 thousand yen), and a main reason of the decrease was due to the depreciation recorded.

(Note 5) The fair value is determined based on appraisal values provided by external real estate appraisers.

Profit and loss associated with real estate for rental purposes is as stated in "Notes to Income Statements."

(Segment and Related Information)

(Segment Information)

Segment information is omitted as NIPPON REIT has one segment, which is property-leasing business.

(Related Information)

Prior Period (from January 1, 2018 to June 30, 2018)

1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

2. Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Current Period (from June 1, 2018 to December 31, 2018)

1. Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category accounts for more than 90% of the operating revenues on the statements of income and retained earnings.

earnings.

2. Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues accounts for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties accounts for more than 90% of the book value of the total investment properties.

3. Information on Major Customers

Disclosure of this information is omitted as there is no customer that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

(Notes to Per Unit Information)

	Prior Period from January 1, 2018 to June 30, 2018	Current Period from July 1, 2018 to December 31, 2018
Net assets per unit	287,522yen	289,774yen
Net income per unit	8,498yen	8,546yen

(Note 1) Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units.
Net income per unit after adjustment for residual units is not indicated because there were no residual investment units.

(Note 2) The base for the calculation of net income per unit is as follows.

	Prior Period from January 1, 2018 to June 30, 2018	Current Period from July 1, 2018 to December 31, 2018
Net income (Yen in thousands)	3,329,367	3,839,779
Amount not attributable to ordinary unitholders (Yen in thousands)	—	—
Net income attributable to ordinary unitholders (Yen in thousands)	3,329,367	3,839,779
Weighted average number of units outstanding (units)	391,760	449,282

(Notes to Significant Subsequent Events)

A. Acquisition of Properties

(i) NIPPON REIT acquired trust beneficially interests in real estate on July 3, 2018 as described below.

Property name	Location	Acquisition price (Yen in millions) (Note 1)	Seller
Wald Park Minamioi	Shinagawa ward, Tokyo	715	Not disclosed (Note 2)

(Note1) The acquisition price represents amount of consideration stated in the purchase agreements of the trust beneficiary interests in real estate. The acquisition price does not include expenses related to the acquisition and consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) Not disclosed because consent has not been obtained from the seller.

(ii) NIPPON REIT decided to acquire the trust beneficially interests in real estate on February 18, 2019 as described below.

Property name	Location	Scheduled acquisition date	Scheduled acquisition price (Yen in millions) (Note 1)	Seller
TENSHO OCHANOMIZU BUILDING	Chiyoda ward, Tokyo	February 27, 2019	1,800	Not disclosed (Note 2)
Kameido i-Mark Building	Koto ward, Tokyo	February 27, 2019	2,580	SHIMIZU CORPORATION

LAPUTA KUJO	Osaka, Osaka	February 28, 2019	1,480	Not disclosed (Note 2)
Imazaki Mansion N1	Higashi-Osaka, Osaka	February 28, 2019	1,180	Not disclosed (Note 2)
Total			7,040	

(Note1) The scheduled acquisition prices represent amount of consideration stated in the purchase agreements of the trust beneficiary interests in real estate. Each acquisition price does not include expenses related to the acquisition and consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) Not disclosed because consent has not been obtained from the seller.

B. Transfer of Properties

NIPPON REIT decided to transfer the trust beneficially interests in real estate on February 18, 2019 as described below.

Property name	Location	Scheduled transfer date	Scheduled transfer price (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 1)	Transferee
FORECAST Iidabashi	Chiyoda ward, Tokyo	February 27, 2019	5,490	5,396	SHIMIZU CORPORATION
my atria Meieki	Nagoya, Aichi	February 26, 2019	1,782	1,231	Not disclosed (Note 2)
Total			7,272	6,627	

(Note1) The scheduled transfer prices represent amount of consideration stated in the sales agreements of the trust beneficiary interests in real estate. Each disposition price does not include expenses related to the disposition and consumption taxes. Furthermore, the acquisition price of less than one million yen is omitted.

(Note2) Not disclosed because consent has not been obtained from the transferee.

C. Borrowing of Funds

NIPPON REIT decided to borrow funds on February 18, 2019 for use as a part of funds for acquisition of the properties described in "A. Acquisition of Properties (LAPUTA KUJO and Imazaki Mansion N1)" above. Scheduled borrowing execution day is February 28, 2019.

Lender	Amount (Yen in millions)	Interest rate	Fix / Floating	Repayment due date	Repayment method
MUFG Bank, Ltd.	700	Interest rate of base rate plus 0.20% (Note 1)	Floating	July 22, 2019	Lump-sum payment at maturity (Note 2)

(Note 1) The first interest payment date shall be March 20, 2019, and the subsequent interest payment date shall be the 20th day of every month (if the date is not a business day, then it shall be the next business day.) and the principal repayment date. The base rate applicable to the interest payable on an interest payment date shall be JBA one-month Japanese Yen TIBOR announced two business days prior to the interest payment date immediately preceding the respective interest payment date. In the event that the interest calculation period is more than one month or less than one month, the base rate corresponding to the interest calculation period shall be calculated using the method stipulated in the loan agreement.

(Note2) NIPPON REIT can make early repayment of the loan, in whole or in part, if it gives prior written notice and other certain terms and conditions are met by the repayment date.

(10) Changes in Number of total of Investment Units Issued and Outstanding

Changes in number of investment units issued and outstanding and total unitholders' equity for recent 5 years to the end of current period are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' equity (Yen in millions) (Note 1)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
January 17, 2014	Unit split	200	400	-	100	(Note 2)
April 23, 2014	Public offering	144,200	144,600	35,066	35,166	(Note 3)
May 23, 2014	Issuance of new investment units through third-party allotment	7,210	151,810	1,753	36,919	(Note 4)
February 10, 2015	Public offering	145,000	296,810	46,137	83,057	(Note 5)
March 10, 2015	Issuance of new investment units through third-party allotment	7,250	304,060	2,306	85,364	(Note 6)
July 1, 2015	Public offering	84,000	388,060	22,911	108,276	(Note 7)
July 28, 2015	Issuance of new investment units through third-party allotment	3,700	391,760	1,009	109,285	(Note 8)
July 2, 2018	Public offering	55,400	447,160	16,409	125,695	(Note 9)
July 24, 2018	Issuance of new investment units through third-party allotment	2,770	449,930	820	126,515	(Note 10)

(Note 1) Total unitholders' equity is truncated to the nearest million yen.

(Note 2) NIPPON REIT implemented a two-for-one split of investment units with an effective date of January 17, 2014.

(Note 3) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 252,000 yen (issue price of 243,180 yen) per unit.

(Note 4) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 243,180 yen per unit.

(Note 5) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 330,037 yen (issue price of 318,189 yen) per unit.

(Note 6) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 318,189 yen per unit.

(Note 7) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 282,918 yen (issue price of 272,761 yen) per unit.

(Note 8) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 272,761 yen per unit.

(Note 9) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 307,235 yen (issue price of 296,206 yen) per unit.

(Note 10) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 296,206 yen per unit.

4. Changes in Officers and Directors

(1) Changes in Officers of NIPPON REIT

There has been no change in Officers of NIPPON REIT during the fiscal period under review. Regarding Officers as of the date of this summary, please refer to the latest Securities Report (Submitted on September 28, 2018). Furthermore, in response to resignation of Director (full time) Masataka Nogi on August 31, 2018, the board of Directors of NIPPON REIT resolved the cancellation of substitute Executive Officer.

(2) Changes in Directors of the Asset Management Company

Regarding Officers as of the date of this summary, please refer to the latest Securities Report (Submitted on September 28, 2018).

Furthermore, during the period under review Masataka Nogi resigned Director (full time) on August 31, 2018 and Kinji Kaiho was appointed the position (part time) on September 1, 2018.

5. Reference Information

(1) Status of Investment

Type of assets	Property type	Area	Prior period (as of June 30, 2018)		Current period (as of December 31, 2018)	
			Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 4)	-	-	1,483	0.6
total			-	-	1,483	0.6
Real estate in trust (Note 3)	Office properties	Six central wards of Tokyo (Note 4)	129,287	56.0	138,562	51.5
		Three major metropolitan areas (Note 5) (excluding Six central wards of Tokyo)	53,580	23.2	57,828	21.5
		Subtotal	182,868	79.3	196,391	73.0
	Residential properties	Three major metropolitan areas (Note 5) (including Six central wards of Tokyo)	19,909	8.6	41,607	15.5
		Certain ordinance-designated and other cities (Note 6)	2,173	0.9	2,168	0.8
		Subtotal	22,082	9.6	43,775	16.3
	Retail Properties	—	5,524	2.4	10,303	3.8
	Total		210,475	91.2	250,470	93.1
Investment securities (Note 7)		667	0.3	-	-	
Deposits and other assets		19,546	8.5	17,192	6.4	
Total assets		230,689	100.0	269,146	100.0	

(Note 1) Total amount held represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust and real estate, book value less depreciation) and truncated to the nearest million yen.

(Note 2) Percentage to total assets represents the percentage of the amount of respective asset recorded on the balance sheet to total assets. Figures are rounded to the first decimal place and may not add up to subtotals or total.

(Note 3) Real estate in trust excludes construction in progress in trust.

(Note 4) The “Six central wards of Tokyo” refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

(Note 5) The “Three major metropolitan areas” refers to the Tokyo economic area, the Osaka economic area and the Nagoya economic area. The “Tokyo economic area” refers to the Tokyo metropolitan area, Kanagawa prefecture, Chiba prefecture and Saitama prefecture. The “Osaka economic area” refers to Osaka prefecture, Kyoto prefecture and Hyogo prefecture. The Nagoya economic area refers to Aichi prefecture, Gifu prefecture and Mie prefecture.

(Note 6) “Certain ordinance-designated and other cities” refers to Japanese cities that have been designated as ordinance-designated cities by an order of the cabinet under the Local Autonomy Law of Japan and that are located outside of the Three major metropolitan areas (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and to prefectural capitals that are located outside of the three major metropolitan areas.

(Note 7) Investment securities represents the equity interest in silent partnerships of Godo Kaisha Nicolas Capital 10, Godo Kaisha Nicolas Capital 11, Godo Kaisha NRT Growth 12 and Godo Kaisha NRT Growth 13 as operators respectively for prior period, and not applicable for current period.

(2) Investment Assets

I. Major investment securities

Not applicable as of December 31, 2018.

II. Investment Properties

Collectively indicated in "III. Other Major Investment Assets" hereinafter described.

III. Other Major Investment Assets

(i) Summary of real estate in trust

The summary of real estate and real estate in trust held by NIPPON REIT as of December 31, 2018 is as follows:

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-1	FORECAST Nishishinjuku	Office property	Shinjuku ward, Tokyo	1,945.68	2,260	0.9
A-2	Nihombashi Playa Building	Office property	Chuo ward, Tokyo	2,490.08	2,130	0.9
A-3	FORECAST Yotsuya	Office property	Shinjuku ward, Tokyo	1,678.15	1,430	0.6
A-4	FORECAST Shinjuku AVENUE	Office property	Shinjuku ward, Tokyo	4,337.15	6,500	2.6
A-5	FORECAST Ichigaya (Note 4)	Office property	Shinjuku ward, Tokyo	3,844.66	4,800	1.9
A-6	FORECAST Mita	Office property	Minato ward, Tokyo	1,786.18	1,800	0.7
A-7	FORECAST Shinjuku SOUTH	Office property	Shinjuku ward, Tokyo	13,875.04	13,990	5.6
A-8	FORECAST Sakurabashi	Office property	Chuo ward, Tokyo	6,566.76	5,760	2.3
A-9	GreenOak Kayabacho	Office property	Chuo ward, Tokyo	2,995.35	2,860	1.2
A-10	GreenOak Kudan	Office property	Chiyoda ward, Tokyo	2,594.46	2,780	1.1
A-11	GreenOak Takanawadai	Office property	Minato ward, Tokyo	2,621.74	2,260	0.9
A-13	Higashi Ikebukuro Center Building	Office property	Toshima ward, Tokyo	4,219.65	2,520	1.0
A-14	Central Daikanyama	Office property	Shibuya ward, Tokyo	1,898.83	3,510	1.4
A-16	Hiroo Reeplex B's	Office property	Minato ward, Tokyo	1,500.85	2,827	1.1
A-17	Shibakoen Sanchome Building	Office property	Minato ward, Tokyo	7,882.60	7,396	3.0
A-18	FORECAST Iidabashi	Office property	Chiyoda ward, Tokyo	4,066.50	5,230	2.1
A-19	Kudankita 325 Building	Office property	Chiyoda ward, Tokyo	2,007.07	1,850	0.7
A-20	FORECAST Uchikanda	Office property	Chiyoda ward, Tokyo	1,230.44	1,240	0.5
A-21	Itohpia Iwamotocho 2-chome Building	Office property	Chiyoda ward, Tokyo	3,447.16	2,810	1.1
A-22	Itohpia Iwamotocho 1-chome Building	Office property	Chiyoda ward, Tokyo	3,056.56	2,640	1.1
A-23	Itohpia Iwamotocho ANNEX Building	Office property	Chiyoda ward, Tokyo	3,064.20	2,100	0.8
A-24	Pigeon Building	Office property	Chuo ward, Tokyo	3,022.25	2,837	1.1
A-25	FORECAST Ningyocho	Office property	Chuo ward, Tokyo	2,277.62	2,070	0.8
A-26	FORECAST Ningyocho PLACE	Office property	Chuo ward, Tokyo	1,867.95	1,650	0.7
A-27	FORECAST Shin-Tokiwabashi	Office property	Chuo ward, Tokyo	1,808.65	2,030	0.8
A-28	Nishi-Shinjuku Sanko Building	Office property	Shinjuku ward, Tokyo	2,479.80	2,207	0.9
A-29	Iidabashi Reeplex B's	Office property	Shinjuku ward, Tokyo	1,401.68	1,249	0.5
A-30	FORECAST Shinagawa	Office property	Shinagawa ward, Tokyo	2,276.36	2,300	0.9
A-31	Nishi-Gotanda 8-chome Building	Office property	Shinagawa ward, Tokyo	2,999.68	2,210	0.9
A-32	Towa Higashi-Gotanda Building	Office property	Shinagawa ward, Tokyo	2,939.16	2,033	0.8

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
A-33	FORECAST Takadanobaba	Office property	Toshima ward, Tokyo	5,661.49	5,550	2.2
A-34	Mejiro NT Building	Office property	Toshima ward, Tokyo	4,497.27	3,094	1.2
A-35	Toshin Higashi-Ikebukuro Building	Office property	Toshima ward, Tokyo	1,645.18	979	0.4
A-36	Mitsui Woody Building	Office property	Koto ward, Tokyo	4,006.20	2,475	1.0
A-37	Itabashi Honcho Building	Office property	Itabashi ward, Tokyo	6,356.89	3,146	1.3
A-38	ANTEX24 Building	Office property	Taito ward, Tokyo	2,267.59	1,691	0.7
A-39	Itohpia Kiyosubashidori Building	Office property	Taito ward, Tokyo	2,651.27	1,550	0.6
A-40	East Side Building	Office property	Taito ward, Tokyo	2,096.92	1,372	0.6
A-41	I-S Minamimorimachi Building	Office property	Osaka, Osaka	4,164.82	2,258	0.9
A-42	Sunworld Building	Office property	Osaka, Osaka	3,012.86	1,200	0.5
A-43	Marunouchi Sanchome Building	Office property	Nagoya, Aichi	4,219.19	1,626	0.7
A-44	MK Kojimachi Building	Office property	Chiyoda ward, Tokyo	1,748.92	1,781	0.7
A-45	Toranomon Sakura Building	Office property	Minato ward, Tokyo	3,049.79	4,120	1.7
A-46	La Verite AKASAKA	Office property	Minato ward, Tokyo	1,707.18	2,000	0.8
A-47	Kanda Ocean Building	Office property	Chiyoda ward, Tokyo	1,484.74	1,440	0.6
A-48	Shinto GINZA EAST	Office property	Chuo ward, Tokyo	1,206.28	1,352	0.5
A-49	FORECAST Kayabacho	Office property	Chuo ward, Tokyo	3,882.61	3,000	1.2
A-50	FORECAST Waseda FIRST	Office property	Shinjuku ward, Tokyo	4,340.66	4,775	1.9
A-51	FORECAST Gotanda WEST	Office property	Shinagawa ward, Tokyo	8,981.55	6,520	2.6
A-52	Omiya Center Building	Office property	Saitama, Saitama	14,311.77	15,585	6.3
A-53	Sumitomo Mitsui Bank Koraibashi Building	Office property	Osaka, Osaka	5,106.77	2,850	1.1
A-54	NORE Fushimi	Office property	Nagoya, Aichi	3,857.58	2,840	1.1
A-55	NORE Meieki	Office property	Nagoya, Aichi	4,280.75	2,520	1.0
A-56	Homat Horizon Building	Office property	Chiyoda ward, Tokyo	6,077.01	6,705	2.7
A-57	Sannomiya First Building	Office property	Kobe, Hyogo	3,630.88	1,390	0.6
A-58	Towa Kandanishikicho Building	Office property	Chiyoda ward, Tokyo	1,324.07	960	0.4
A-59	Yusen Higashi-Nihombashi Ekimae Building	Office property	Chuo ward, Tokyo	1,620.54	1,152	0.5
A-60	Hiroo On Building	Office property	Shibuya ward, Tokyo	2,248.59	2,392	1.0
A-61	TK Gotanda Building	Office property	Shinagawa ward, Tokyo	3,719.98	4,130	1.7
A-62	Gotanda Sakura Building (Note 5)	Office property	Shinagawa ward, Tokyo	1,501.86	1,460	0.6
A-63	Esprit Kameido	Office property	Koto ward, Tokyo	2,010.81	1,265	0.5
A-64	Alte Building Higobashi	Office property	Osaka, Osaka	3,482.92	1,453	0.6
A-65	DIA Building Meieki	Office	Nagoya, Aichi	1,781.72	1,167	0.5

Property Number	Property name	Asset type	Location	Total leasable area (㎡) (Note 1)	Acquisition price (Yen in millions) (Note 2)	Investment ratio (%) (Note 3)
		property				
B-1	Tower Court Kitashinagawa	Residential property	Shinagawa ward, Tokyo	16,913.29	11,880	4.8
B-2	Sky Hills N11	Residential property	Sapporo, Hokkaido	8,567.50	1,570	0.6
B-3	my atria Meieki	Residential property	Nagoya, Aichi	2,890.70	1,280	0.5
B-4	my atria Sakae	Residential property	Nagoya, Aichi	3,121.60	1,110	0.4
B-5	Mac Village Heian	Residential property	Nagoya, Aichi	2,250.00	785	0.3
B-6	Seam Dwell Tsutsui	Residential property	Nagoya, Aichi	1,800.00	695	0.3
B-7	Ciel Yakuin	Residential property	Fukuoka, Fukuoka	1,544.87	640	0.3
B-8	Kanda Reeplex R's	Residential property	Chiyoda ward, Tokyo	2,180.93	1,813	0.7
B-9	Splendid Namba	Residential property	Osaka, Osaka	6,212.36	3,502	1.4
B-10	Residence Hiroo	Residential property	Minato ward, Tokyo	1,983.15	2,590	1.0
B-11	Residence Nihombashi Hakozaki	Residential property	Chuo ward, Tokyo	1,449.00	1,300	0.5
B-12	Primegate Iidabashi	Residential property	Shinjuku ward, Tokyo	6,055.81	5,200	2.1
B-13	Residence Edogawabashi	Residential property	Shinjuku ward, Tokyo	1,246.42	1,230	0.5
B-14	Merveille Senzoku	Residential property	Ota ward, Tokyo	841.26	740	0.3
B-15	Field Avenue	Residential property	Ota ward, Tokyo	3,092.63	3,110	1.3
B-16	Domeal Kitaakabane	Residential property	Kita ward, Tokyo	1,697.11	785	0.3
B-17	Dormy Kitaakabane	Residential property	Kita ward, Tokyo	2,471.42	986	0.4
B-18	Splendid Shin-OsakaⅢ	Residential property	Osaka, Osaka	4,299.12	2,428	1.0
B-19	ZEPHYROS Minami-horie	Residential property	Osaka, Osaka	2,826.73	1,608	0.6
B-20	Charmant Fuji Osakajominami	Residential property	Osaka, Osaka	1,512.00	905	0.4
B-21	Piacere Fuminosato	Residential property	Osaka, Osaka	1,374.08	571	0.2
C-1	Otakibashi Pacifica Building	Retail property	Shinjuku ward, Tokyo	1,383.31	3,350	1.4
C-2	Komyoike Act	Retail property	Sakai, Osaka	6,173.41	2,063	0.8
C-3	BECOME SAKAE	Retail property	Nagoya, Aichi	4,615.66	4,770	1.9
	Total			306,621.28	247,998	100.0

(Note 1) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers leasable based on relevant lease agreements or floor plans. The same shall apply hereinafter.

(Note 2) "Acquisition price" does not include consumption taxes, local consumption taxes and acquisition-related expenses. Figures have been truncated to the nearest million yen. The same shall apply hereinafter

(Note 3) "Investment ratio" is the percentage of the acquisition price of the relevant property to total acquisition price. Figures have been rounded to the first decimal place and may not add up to total.

(Note 4) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named "FORECAST Ichigaya". The same shall apply hereinafter.

(Note 5) The property of A-62 is held as real estate in kind besides all other properties are real estate beneficiary interests in trust.

(ii) Summary of the leasing status

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-1	FORECAST Nishishinjuku	1,945.68	1,945.68	100.0	17	159
A-2	Nihombashi Playa Building	2,490.08	2,106.60	84.6	1	Not disclosed (Note 5)
A-3	FORECAST Yotsuya	1,678.15	1,678.15	100.0	13	103
A-4	FORECAST Shinjuku AVENUE	4,337.15	4,337.15	100.0	6	389
A-5	FORECAST Ichigaya	3,844.66	3,844.66	100.0	23	276
A-6	FORECAST Mita	1,786.18	1,786.18	100.0	5	112
A-7	FORECAST Shinjuku SOUTH	13,875.04	13,875.04	100.0	19	1,083
A-8	FORECAST Sakurabashi	6,566.76	6,566.76	100.0	5	390
A-9	GreenOak Kayabacho	2,995.35	2,995.35	100.0	8	181
A-10	GreenOak Kudan	2,594.46	2,594.46	100.0	3	188
A-11	GreenOak Takanawadai	2,621.74	2,621.74	100.0	11	151
A-13	Higashi Ikebukuro Center Building	4,219.65	4,219.65	100.0	6	217
A-14	Central Daikanyama	1,898.83	1,898.83	100.0	4	162
A-16	Hiroo Reeplex B's	1,500.85	1,500.85	100.0	8	151
A-17	Shibakoen Sanchome Building	7,882.60	7,882.60	100.0	4	420
A-18	FORECAST Iidabashi	4,066.50	4,066.50	100.0	22	248
A-19	Kudankita 325 Building	2,007.07	2,007.07	100.0	8	107
A-20	FORECAST Uchikanda	1,230.44	1,230.44	100.0	5	70
A-21	Itohpia Iwamotocho 2-chome Building	3,447.16	3,447.16	100.0	10	175
A-22	Itohpia Iwamotocho 1-chome Building	3,056.56	3,056.56	100.0	9	156
A-23	Itohpia Iwamotocho ANNEX Building	3,064.20	3,064.20	100.0	6	145
A-24	Pigeon Building	3,022.25	3,022.25	100.0	1	Not disclosed (Note 5)
A-25	FORECAST Ningyocho	2,277.62	2,277.62	100.0	6	107
A-26	FORECAST Ningyocho PLACE	1,867.95	1,867.95	100.0	7	100
A-27	FORECAST Shin-Tokiwabashi	1,808.65	1,808.65	100.0	10	102
A-28	Nishi-Shinjuku Sanko Building	2,479.80	2,479.80	100.0	8	129
A-29	Iidabashi Reeplex B's	1,401.68	1,401.68	100.0	6	72
A-30	FORECAST Shinagawa	2,276.36	2,276.36	100.0	6	124
A-31	Nishi-Gotanda 8-chome Building	2,999.68	2,999.68	100.0	8	137
A-32	Towa Higashi-Gotanda Building	2,939.16	2,939.16	100.0	7	132
A-33	FORECAST Takadanobaba	5,661.49	5,661.49	100.0	7	308
A-34	Mejiro NT Building	4,497.27	4,497.27	100.0	5	203
A-35	Toshin Higashi-Ikebukuro Building	1,645.18	1,393.47	84.7	2	60
A-36	Mitsui Woody Building	4,006.20	4,006.20	100.0	6	163
A-37	Itabashi Honcho Building	6,356.89	6,356.89	100.0	4	222
A-38	ANTEX24 Building	2,267.59	2,267.59	100.0	7	91
A-39	Itohpia Kiyosubashidori Building	2,651.27	2,651.27	100.0	8	118

Property Number	Property name	Total leasable area (㎡)	Total leased area (㎡) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
A-40	East Side Building	2,096.92	2,096.92	100.0	4	92
A-41	I・S Minamimorimachi Building	4,164.82	4,164.82	100.0	16	168
A-42	Sunworld Building	3,012.86	3,012.86	100.0	1	Not disclosed (Note 6)
A-43	Marunouchi Sanchome Building	4,219.19	4,219.19	100.0	22	128
A-44	MK Kojimachi Building	1,748.92	1,426.46	81.6	7	85
A-45	Toranomon Sakura Building	3,049.79	3,049.79	100.0	12	218
A-46	La Verite AKASAKA	1,707.18	1,707.18	100.0	6	113
A-47	Kanda Ocean Building	1,484.74	1,440.05	97.0	23	89
A-48	Shinto GINZA EAST	1,206.28	1,206.28	100.0	6	72
A-49	FORECAST Kayabacho	3,882.61	3,882.61	100.0	14	159
A-50	FORECAST Waseda FIRST	4,340.66	4,340.66	100.0	8	244
A-51	FORECAST Gotanda WEST	8,981.55	8,981.55	100.0	13	448
A-52	Omiya Center Building	14,311.77	14,311.77	100.0	28	955
A-53	SumitomoMitsui Bank Koraibashi Building	5,106.77	5,106.77	100.0	27	205
A-54	NORE Fushimi	3,857.58	3,857.58	100.0	7	171
A-55	NORE Meieki	4,280.75	4,280.75	100.0	20	176
A-56	Homat Horizon Building	6,077.01	6,077.01	100.0	11	382
A-57	Sannomiya First Building	3,630.88	3,630.88	100.0	24	115
A-58	Towa Kandanishikicho Building	1,324.07	1,324.07	100.0	5	62
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,620.54	1,620.54	100.0	8	69
A-60	Hiroo On Building	2,248.59	2,248.59	100.0	3	125
A-61	TK Gotanda Building	3,719.98	3,719.98	100.0	8	194
A-62	Gotanda Sakura Building	1,501.86	1,501.86	100.0	10	94
A-63	Esprit Kameido	2,010.81	1,615.51	80.3	9	62
A-64	Alte Building Higobashi	3,482.92	3,482.92	100.0	11	106
A-65	DIA Building Meieki	1,781.72	1,781.72	100.0	10	76
B-1	Tower Court Kitashinagawa	16,913.29	16,508.40	97.6	272	767
B-2	Sky Hills N11	8,567.50	8,567.50	100.0	1	115
B-3	my atria Meieki	2,890.70	2,670.20	92.4	62	86
B-4	my atria Sakae	3,121.60	3,121.60	100.0	1	73
B-5	Mac Village Heian	2,250.00	2,250.00	100.0	1	52
B-6	Seam Dwell Tsutsui	1,800.00	1,800.00	100.0	1	49
B-7	Ciel Yakuin	1,544.87	1,544.87	100.0	42	45
B-8	Kanda Reeplex R's	2,180.93	2,180.93	100.0	41	106
B-9	Splendid Namba	6,212.36	5,859.25	94.3	239	217
B-10	Residence Hiroo	1,983.15	1,947.21	98.2	53	119
B-11	Residence Nihombashi Hakozaeki	1,449.00	1,449.00	100.0	1	Not disclosed (Note 6)
B-12	Primegate Iidabashi	6,055.81	6,055.81	100.0	66	254
B-13	Residence Edogawabashi	1,246.42	1,246.42	100.0	37	60

Property Number	Property name	Total leasable area (m ²)	Total leased area (m ²) (Note 1)	Occupancy rate (%) (Note 2)	Number of tenants (Note 3)	Annual contracted rent (Yen in millions) (Note 4)
B-14	Merveille Senzoku	841.26	814.22	96.8	27	36
B-15	Field Avenue	3,092.63	3,092.63	100.0	57	139
B-16	Domeal Kitaakabane	1,697.11	1,697.11	100.0	1	Not disclosed (Note 6)
B-17	Dormy Kitaakabane	2,471.42	2,471.42	100.0	1	Not disclosed (Note 6)
B-18	Splendid Shin-OsakaⅢ	4,299.12	4,239.53	98.6	152	145
B-19	ZEPHYROS Minami-horie	2,826.73	2,687.08	95.1	68	88
B-20	Charmant Fuji Osakajominami	1,512.00	1,488.00	98.4	62	48
B-21	Piacere Fuminosato	1,374.08	1,346.84	98.0	43	33
C-1	Otakibashi Pacifica Building	1,383.31	1,383.31	100.0	9	163
C-2	Komyoike Act	6,173.41	5,983.73	96.9	26	175
C-3	BECOME SAKAE	4,615.66	4,615.66	100.0	11	230
	Total	306,621.28	303,742.00	99.1	1,878	15,111

(Note 1) "Total leased area" is the aggregate leased area described in the relevant lease agreements for respective properties as of December 31, 2018. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of December 31, 2018.

(Note 2) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of December 31, 2018, and rounding to the first decimal place.

(Note 3) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of December 31, 2018, excluding warehouses, signboards and parking lots. For properties subject to a pass-through master lease, the number of tenant is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sub-lessee who is entrusted as property manager and pays a fixed amount of rent to the master lessee, we consider number of the tenants to be "1".

(Note 4) "Annual contracted rent" is the aggregate annual rent as described in the relevant lease agreements as of December 31, 2018. In the case of monthly rent payments, annual rent is calculated by multiplying the aggregate monthly rent by 12. Annual contracted rent includes common area maintenance charges but excludes usage fees for warehouses, signboards and parking lots as well as consumption taxes. Free rent periods are not taken into account in determining annual contracted rent. For properties subject to a pass-through master lease, annual contracted rent is based on the relevant sublease agreements as of December 31, 2018. Figures have been truncated to the nearest million yen and may not add up to total.

(Note 5) This information is not disclosed as tenant's consent to disclosure has not been obtained.

(Note 6) This information is not disclosed as sub-lessee's consent to disclosure has not been obtained.

(iii) Summary on Appraisal Report (As of December 31, 2018)

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-1	FORECAST Nishishinjuku	2,260	2,151	3,010	3,050	4.0%	2,960	3.6%	4.2%
A-2	Nihombashi Playa Building	2,130	2,030	2,400	2,430	4.4%	2,360	4.2%	4.6%
A-3	FORECAST Yotsuya	1,430	1,379	1,860	1,890	4.0%	1,820	3.8%	4.2%
A-4	FORECAST Shinjuku AVENUE	6,500	6,262	7,890	8,020	3.6%	7,750	3.4%	3.8%
A-5	FORECAST Ichigaya	4,800	4,565	5,840	5,940	3.7%	5,740	3.5%	3.9%
A-6	FORECAST Mita	1,800	1,743	2,300	2,340	3.9%	2,260	3.7%	4.1%
A-7	FORECAST Shinjuku SOUTH	13,990	14,848	17,200	17,400	3.6%	17,000	3.3%	3.8%
A-8	FORECAST Sakurabashi	5,760	6,035	6,430	6,500	4.2%	6,360	4.0%	4.4%
A-9	GreenOak Kayabacho	2,860	3,000	3,350	3,400	4.0%	3,290	3.8%	4.2%
A-10	GreenOak Kudan	2,780	2,904	3,300	3,350	3.8%	3,240	3.6%	4.0%
A-11	GreenOak Takanawadai	2,260	2,214	2,610	2,630	4.2%	2,580	4.0%	4.4%
A-13	Higashi Ikebukuro Center Building	2,520	2,703	2,970	2,990	4.6%	2,950	4.4%	4.8%
A-14	Central Daikanyama	3,510	3,643	3,770	3,840	3.6%	3,690	3.4%	3.8%
A-16	Hiroo Replex B's	2,827	2,869	3,290	3,340	4.0%	3,230	3.8%	4.2%
A-17	Shibakoen Sanchome Building	7,396	7,421	9,680	10,000	3.7%	9,540	3.5%	3.9%
A-18	FORECAST Iidabashi	5,230	5,396	5,490	5,520	3.9%	5,460	3.6%	4.0%
A-19	Kudankita 325 Building	1,850	1,942	2,100	2,130	3.8%	2,060	3.6%	4.0%
A-20	FORECAST Uchikanda	1,240	1,290	1,310	1,330	4.0%	1,290	3.8%	4.2%
A-21	Itohia Iwamotocho 2-chome Building	2,810	2,899	3,100	3,140	4.1%	3,050	3.9%	4.3%
A-22	Itohia Iwamotocho 1-chome Building	2,640	2,704	2,830	2,870	4.1%	2,790	3.9%	4.3%
A-23	Itohia Iwamotocho ANNEX Building	2,100	2,249	2,430	2,460	4.1%	2,390	3.9%	4.3%
A-24	Pigeon Building	2,837	2,944	2,970	3,010	4.2%	2,920	4.0%	4.4%
A-25	FORECAST Ningyocho	2,070	2,141	2,080	2,110	4.3%	2,040	4.1%	4.5%
A-26	FORECAST Ningyocho PLACE	1,650	1,655	1,900	1,930	4.1%	1,860	3.9%	4.3%
A-27	FORECAST Shin-Tokiwabashi	2,030	2,119	2,150	2,160	4.2%	2,130	3.9%	4.3%
A-28	Nishi-Shinjuku Sanko Building	2,207	2,242	2,370	2,410	4.2%	2,330	4.0%	4.4%
A-29	Iidabashi Replex B's	1,249	1,301	1,450	1,470	3.7%	1,420	3.5%	3.9%
A-30	FORECAST Shinagawa	2,300	2,397	2,350	2,390	4.1%	2,310	3.9%	4.3%
A-31	Nishi-Gotanda 8-chome Building	2,210	2,289	2,490	2,520	4.1%	2,460	3.9%	4.3%
A-32	Towa Higashi-Gotanda Building	2,033	2,077	2,240	2,270	4.1%	2,200	3.9%	4.3%
A-33	FORECAST Takadanobaba	5,550	5,940	5,640	5,720	4.4%	5,560	4.2%	4.6%
A-34	Mejiro NT Building	3,094	3,101	3,600	3,640	4.5%	3,560	4.3%	4.7%
A-35	Toshin Higashi-Ikebukuro Building	979	992	1,110	1,120	4.7%	1,100	4.5%	4.9%
A-36	Mitsui Woody Building	2,475	2,688	2,690	2,700	4.7%	2,670	4.4%	4.8%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
A-37	Itabashi Honcho Building	3,146	3,120	3,450	3,490	4.7%	3,410	4.4%	4.9%
A-38	ANTEX24 Building	1,691	1,784	1,740	1,750	4.5%	1,730	4.2%	4.6%
A-39	Itohpia Kiyosubashidori Building	1,550	1,657	1,900	1,910	4.6%	1,880	4.3%	4.8%
A-40	East Side Building	1,372	1,385	1,560	1,580	4.6%	1,540	4.4%	4.8%
A-41	I・S Minamimorimachi Building	2,258	2,326	2,630	2,650	4.5%	2,600	4.3%	4.7%
A-42	Sunworld Building	1,200	1,289	1,280	1,290	4.8%	1,270	4.6%	5.0%
A-43	Marunouchi Sanchome Building	1,626	1,675	1,980	2,000	4.7%	1,960	4.5%	4.9%
A-44	MK Kojimachi Building	1,781	1,812	2,090	2,130	3.6%	2,040	3.4%	3.8%
A-45	Toranomon Sakura Building	4,120	4,288	4,460	4,490	3.5%	4,420	3.2%	3.6%
A-46	La Verite AKASAKA	2,000	2,147	2,250	2,280	3.7%	2,210	3.5%	3.9%
A-47	Kanda Ocean Building	1,440	1,466	1,650	1,670	4.0%	1,620	3.8%	4.2%
A-48	Shinto GINZA EAST	1,352	1,357	1,460	1,460	3.9%	1,450	3.6%	4.0%
A-49	FORECAST Kayabacho	3,000	3,126	3,090	3,110	4.3%	3,070	4.0%	4.4%
A-50	FORECAST Waseda FIRST	4,775	4,822	4,920	5,000	4.0%	4,830	3.8%	4.2%
A-51	FORECAST Gotanda WEST	6,520	7,232	7,190	7,250	4.0%	7,120	3.8%	4.2%
A-52	Omiya Center Building	15,585	15,500	19,000	19,300	4.3%	18,700	4.1%	4.5%
A-53	Sumitomo Mitsui BankKoraibashi Building	2,850	3,018	3,330	3,360	4.5%	3,290	4.3%	4.7%
A-54	NORE Fushimi	2,840	2,754	3,230	3,270	4.4%	3,180	4.2%	4.6%
A-55	NORE Meieki	2,520	2,459	2,930	2,960	4.5%	2,890	4.3%	4.7%
A-56	Homat Horizon Building	6,705	6,673	7,130	7,260	3.7%	6,990	3.5%	3.9%
A-57	Sannomiya First Building	1,390	1,486	1,600	1,610	5.1%	1,580	4.9%	5.3%
A-58	Towa Kandanishikicho Building	960	972	1,000	1,020	4.5%	989	3.6%	4.5%
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,170	1,230	1,240	4.3%	1,220	4.0%	4.4%
A-60	Hiroo On Building	2,392	2,422	2,620	2,660	4.1%	2,570	3.9%	4.3%
A-61	TK Gotanda Building	4,130	4,344	4,300	4,350	4.1%	4,250	3.7%	4.1%
A-62	Gotanda Sakura Building	1,460	1,483	1,590	1,620	4.3%	1,560	3.8%	4.4%
A-63	Esprit Kameido	1,265	1,281	1,290	1,300	4.7%	1,270	4.4%	4.8%
A-64	Alte Building Higobashi	1,453	1,473	1,570	1,590	4.5%	1,540	4.3%	4.7%
A-65	DIA Building Meieki	1,167	1,187	1,240	1,250	4.6%	1,220	4.4%	4.8%
B-1	Tower Court Kitashinagawa	11,880	10,898	14,200	14,400	4.2%	13,900	4.0%	4.4%
B-2	Sky Hills N11	1,570	1,537	1,770	1,780	5.3%	1,750	5.1%	5.5%
B-3	my atria Meieki	1,280	1,231	1,540	1,550	4.6%	1,520	4.4%	4.8%
B-4	my atria Sakae	1,110	1,050	1,230	1,240	4.9%	1,210	4.7%	5.1%
B-5	Mac Village Heian	785	750	889	899	4.9%	879	4.7%	5.1%
B-6	Seam Dwell Tsutsui	695	688	771	780	4.9%	762	4.7%	5.1%
B-7	Ciel Yakuin	640	630	740	748	4.5%	732	4.3%	4.7%

Property Number	Property name	Acquisition price (Yen in millions)	Book value (Yen in millions) (Note 2)	Appraisal value (Yen in millions) (Note 3)	Direct capitalization method		Discounted cash flow method		
					Appraisal value (Yen in millions)	Direct capitalization rate	Appraisal value (Yen in millions)	Discount rate	Terminal capitalization rate
B-8	Kanda Reeplex R's	1,813	1,756	1,990	2,010	4.1%	1,960	3.8%	4.3%
B-9	Splendid Namba	3,502	3,392	3,790	3,840	4.6%	3,730	4.4%	4.8%
B-10	Residence Hiroo	2,590	2,626	2,630	2,700	3.9%	2,600	3.7%	4.1%
B-11	Residence Nihombashi Hakozaiki	1,300	1,437	1,530	1,550	4.4%	1,510	3.9%	4.3%
B-12	Primegate Iidabashi	5,200	5,241	5,290	5,320	3.9%	5,260	3.6%	4.0%
B-13	Residence Edoawabashi	1,230	1,247	1,260	1,280	4.1%	1,230	3.9%	4.3%
B-14	Merveille Senzoku	740	752	743	757	4.1%	729	3.9%	4.3%
B-15	Field Avenue	3,110	3,140	3,110	3,130	4.1%	3,090	3.8%	4.2%
B-16	Domeal Kitaakabane	785	800	785	796	4.3%	773	4.1%	4.5%
B-17	Dormy Kitaakabane	986	1,002	997	1,010	4.4%	983	4.2%	4.6%
B-18	Splendid Shin-Osaka III	2,428	2,455	2,480	2,510	4.6%	2,460	4.4%	4.8%
B-19	ZEPHYROS Ninami-horie	1,608	1,631	1,670	1,690	4.4%	1,660	4.2%	4.6%
B-20	Charmant Fuji Osakajominami	905	919	906	924	4.5%	898	4.3%	4.7%
B-21	Piacere Fuminosato	571	582	577	587	4.7%	572	4.5%	4.9%
C-1	Otakibashi Pacifica Building	3,350	3,423	3,510	3,570	3.9%	3,440	3.6%	4.0%
C-2	Komyoike Act	2,063	2,081	2,190	2,200	5.1%	2,170	4.9%	5.3%
C-3	BECOME SAKAE	4,770	4,799	4,840	4,910	4.1%	4,760	3.9%	4.3%
	Total	247,998	251,954	279,348	283,051		275,347		

(Note 1) Figures in the above table are truncated to the nearest million yen.

(Note 2) "Book value" is the value recorded on the balance sheets as of December 31, 2018 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses).

(Note 3) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of December 31, 2018. As for the appraisal reports, NIPPON REIT requests real estate appraisal to DAIWA REAL ESTATE APPRAISAL CO.,LTD. for A-17, B-10, B-18, B-19, B-20 and B-21, also to JLL Morii Valuation & Advisory K.K. for A-51, A-64, A-65, B-9,B-13 and B-14, and to Japan Real Estate Institute for rest of all properties.

(iv) Earnings Performance for the Individual Properties

The 13th Fiscal Period (from July 1, 2018 to December 31, 2018)

(Yen in thousands)

Property number	A-1	A-2	A-3	A-4	A-5	A-6
Property name	FORECAST Nishishinjuku	Nihombashi Playa Building	FORECAST Yotsuya	FORECAST Shinjuku AVENUE	FORECAST Ichigaya	FORECAST Mita
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	90,180	72,775	53,325	216,295	153,896	65,110
Rental revenues	79,584	69,269	49,742	197,547	139,984	56,133
Other revenues related to property leasing	10,596	3,505	3,582	18,747	13,912	8,976
(2)Property related expenses	18,687	19,363	15,138	46,280	32,305	13,025
Property management fees	3,353	4,752	2,409	9,655	8,309	2,951
Utility expenses	7,917	4,883	2,993	13,095	7,601	4,501
Insurance expenses	59	63	43	128	121	45
Repair expenses	818	3,852	648	1,651	4,145	180
Taxes and dues	2,340	5,435	4,916	18,153	10,056	4,933
Trust fees	350	350	350	350	350	350
Others	3,848	25	3,777	3,245	1,722	63
(3)NOI (1)-(2)	71,492	53,411	38,186	170,014	121,590	52,085
(4)Depreciation	12,172	11,883	5,480	27,018	33,256	7,006
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	59,320	41,528	32,706	142,996	88,334	45,078

(Yen in thousands)

Property number	A-7	A-8	A-9	A-10	A-11	A-13
Property name	FORECAST Shinjuku SOUTH	FORECAST Sakurabashi	GreenOak Kayabacho	GreenOak Kudan	GreenOak Takanawadai	Higashi Ikebukuro Center Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	597,050	216,579	96,120	99,211	82,167	131,535
Rental revenues	551,878	198,587	86,101	90,190	72,647	114,418
Other revenues related to property leasing	45,171	17,991	10,018	9,021	9,519	17,117
(2)Property related expenses	202,749	46,715	22,711	23,603	19,980	32,345
Property management fees	35,061	16,227	5,882	5,478	3,617	8,903
Utility expenses	30,724	13,982	6,906	7,305	6,316	7,596
Insurance expenses	449	192	92	82	76	138
Repair expenses	3,210	3,293	1,139	518	916	5,870
Taxes and dues	15,909	10,391	8,214	8,885	7,481	8,675
Trust fees	350	350	350	350	350	350
Others	117,043	2,277	126	982	1,222	810
(3)NOI (1)-(2)	394,300	169,863	73,409	75,607	62,186	99,189
(4)Depreciation	41,858	13,203	7,968	5,955	14,837	13,488
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	352,441	156,659	65,440	69,652	47,348	85,701

(Yen in thousands)

Property number	A-14	A-16	A-17	A-18	A-19	A-20
Property name	Central Daikanyama	Hiroo Reeplex B's	Shibakoen Sanchome Building	FORECAST Iidabashi	Kudankita 325 Building	FORECAST Uchikanda
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	88,369	84,703	228,533	139,030	62,456	41,257
Rental revenues	81,212	75,693	211,706	127,930	53,549	38,586
Other revenues related to property leasing	7,157	9,009	16,826	11,099	8,907	2,671
(2)Property related expenses	14,304	13,478	45,192	24,423	19,427	9,732
Property management fees	3,222	3,186	8,989	6,874	5,919	2,743
Utility expenses	4,405	3,997	14,993	8,111	4,174	2,634
Insurance expenses	51	40	174	115	47	45
Repair expenses	371	478	1,177	1,318	622	592
Taxes and dues	5,902	5,052	17,571	6,864	6,826	3,353
Trust fees	350	350	350	350	350	350
Others	1	373	1,934	789	1,487	13
(3)NOI (1)-(2)	74,065	71,225	183,341	114,606	43,028	31,525
(4)Depreciation	3,745	3,137	14,776	10,139	2,556	3,590
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	70,319	68,087	168,564	104,466	40,472	27,934

(Yen in thousands)

Property number	A-21	A-22	A-23	A-24	A-25	A-26
Property name	Itohpia Iwamotocho 2-chome Building	Itohpia Iwamotocho 1-chome Building	Itohpia Iwamotocho ANNEX Building	Pigeon Building	FORECAST Ningyocho	FORECAST Ningyocho PLACE
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	99,133	85,047	78,050	Not disclosed (Note)	62,235	56,925
Rental revenues	93,477	82,472	74,138		56,129	50,650
Other revenues related to property leasing	5,656	2,575	3,912		6,106	6,274
(2)Property related expenses	24,443	18,156	18,700		17,461	14,058
Property management fees	7,960	7,079	6,984		4,364	3,458
Utility expenses	7,388	3,606	5,564		4,560	5,633
Insurance expenses	99	88	77		73	48
Repair expenses	411	948	200		372	563
Taxes and dues	8,227	6,056	5,417		6,242	3,979
Trust fees	350	350	350		350	350
Others	6	27	107		1,499	25
(3)NOI (1)-(2)	74,690	66,891	59,349	69,185	44,773	42,867
(4)Depreciation	7,722	8,951	8,338	8,938	6,023	3,690
(5) Loss on retirement of non-current assets	-	164	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	66,968	57,774	51,011	60,246	38,750	39,176

(Note) This information is not disclosed as tenant's consent has not been obtained

(Yen in thousands)

Property number	A-27	A-28	A-29	A-30	A-31	A-32
Property name	FORECAST Shin- Tokiwabashi	Nishi-Shinju ku Sanko Building	Iidabashi Reeplex B's	FORECAST Shinagawa	Nishi-Gotanda 8-chome Building	Towa Higashi- Gotanda Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	57,332	72,248	44,998	66,849	80,722	75,331
Rental revenues	50,210	66,554	34,932	59,009	68,148	67,958
Other revenues related to property leasing	7,122	5,694	10,066	7,839	12,574	7,373
(2)Property related expenses	16,339	19,111	12,874	19,874	27,204	18,224
Property management fees	2,631	4,500	2,765	4,916	6,799	6,278
Utility expenses	3,368	6,064	6,511	5,223	7,710	4,436
Insurance expenses	47	66	35	75	82	88
Repair expenses	6,327	1,578	224	1,765	663	891
Taxes and dues	3,524	6,544	2,832	6,123	7,675	6,071
Trust fees	350	350	350	350	350	350
Others	88	6	155	1,419	3,923	108
(3)NOI (1)-(2)	40,993	53,137	32,124	46,974	53,518	57,107
(4)Depreciation	3,830	4,589	4,113	6,871	5,194	8,674
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	37,163	48,547	28,011	40,103	48,323	48,433

(Yen in thousands)

Property number	A-33	A-34	A-35	A-36	A-37	A-38
Property name	FORECAST Takadanobaba	Mejiro NT Building	Toshin Higashi kebukuro Building	Mitsui Woody Building	Itabashi Honcho Building	ANTEX24 Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	181,990	119,953	45,107	96,928	146,699	55,850
Rental revenues	159,072	106,430	34,694	86,707	118,241	49,359
Other revenues related to property leasing	22,917	13,523	10,413	10,221	28,457	6,490
(2)Property related expenses	44,872	28,253	11,673	27,853	48,765	12,855
Property management fees	9,373	8,058	3,164	7,927	18,942	3,845
Utility expenses	18,251	9,123	2,979	9,443	16,044	3,763
Insurance expenses	167	125	45	119	149	62
Repair expenses	4,088	1,190	1,223	1,847	1,167	482
Taxes and dues	12,332	8,285	2,522	7,961	8,608	4,022
Trust fees	350	350	350	350	350	350
Others	308	1,120	1,387	204	3,502	330
(3)NOI (1)-(2)	137,118	91,700	33,434	69,074	97,933	42,994
(4)Depreciation	17,026	10,987	3,621	9,335	15,139	8,005
(5) Loss on retirement of non-current assets	614	-	-	185	-	-
(6)Income from property leasing (3)-(4)-(5)	119,477	80,713	29,812	59,553	82,794	34,988

(Yen in thousands)

Property number	A-39	A-40	A-41	A-42	A-43	A-44
Property name	Itohpia Kiyosubashi dori Building	East Side Building	I・S Minamimori machi Building	Sunworld Building	Marunouchi Sanhome Building	MK Kojimachi Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	70,111	52,686	96,417	Not disclosed (Note)	77,045	48,253
Rental revenues	63,557	46,170	87,099		71,556	44,673
Other revenues related to property leasing	6,553	6,515	9,317		5,489	3,579
(2)Property related expenses	18,433	9,819	30,344		23,487	14,074
Property management fees	5,245	3,704	6,114		7,863	4,038
Utility expenses	5,466	2,810	8,589		6,236	2,772
Insurance expenses	66	50	137		111	44
Repair expenses	1,999	148	5,528		3,106	426
Taxes and dues	4,993	2,268	9,588		5,693	6,006
Trust fees	350	350	350		350	350
Others	311	487	35		125	436
(3)NOI (1)-(2)	51,677	42,866	66,072	33,072	53,557	34,178
(4)Depreciation	5,699	3,278	12,297	6,608	12,379	2,500
(5) Loss on retirement of non-current assets	-	-	1,879	-	2,218	-
(6)Income from property leasing (3)-(4)-(5)	45,978	39,587	51,894	26,464	38,959	31,678

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	A-45	A-46	A-47	A-48	A-49	A-50
Property name	Toranomon Sakura Building	La Verite AKASAKA	Kanda Ocean Building	Shinto GINZA EAST	FORECAST kayabacho	FORECAST Waseda FIRST
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	114,284	58,171	51,735	36,969	93,157	137,926
Rental revenues	108,929	55,330	45,930	35,352	83,035	125,601
Other revenues related to property leasing	5,355	2,841	5,805	1,617	10,121	12,324
(2)Property related expenses	25,057	11,455	11,904	7,447	24,405	32,219
Property management fees	7,744	3,762	2,509	2,161	7,263	8,027
Utility expenses	5,626	2,204	5,139	1,597	7,205	9,962
Insurance expenses	84	45	44	29	105	129
Repair expenses	1,944	60	227	451	1,107	836
Taxes and dues	9,009	4,847	3,416	2,854	7,836	11,374
Trust fees	350	350	350	350	350	350
Others	297	185	217	3	536	1,538
(3)NOI (1)-(2)	89,227	46,716	39,831	29,522	68,752	105,706
(4)Depreciation	7,057	3,735	3,251	2,817	10,200	10,893
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	82,169	42,980	36,579	26,704	58,552	94,813

(Yen in thousands)

Property number	A-51	A-52	A-53	A-54	A-55	A-56
Property name	FORECAST Gotanda WEST	Omiya Center Building	Sumitomo Mitsui Bank Koraibashi Building	NORE Fushimi	NORE Meieki	Homat Horizon Building
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	239,683	532,971	99,953	106,668	101,025	203,852
Rental revenues	216,726	497,106	74,399	89,731	86,109	193,301
Other revenues related to property leasing	22,957	35,864	25,553	16,937	14,915	10,551
(2)Property related expenses	90,708	95,168	59,890	27,845	30,385	56,061
Property management fees	20,223	36,481	11,146	7,441	7,551	13,063
Utility expenses	19,834	26,990	17,728	11,362	10,210	12,309
Insurance expenses	289	505	169	100	109	175
Repair expenses	15,684	2,170	7,128	903	2,330	4,909
Taxes and dues	27,371	26,825	16,400	7,306	9,353	24,200
Trust fees	350	350	350	350	350	350
Others	6,955	1,845	6,967	382	481	1,052
(3)NOI (1)-(2)	148,975	437,802	40,062	78,822	70,639	147,791
(4)Depreciation	18,383	58,462	14,041	19,156	17,411	12,186
(5) Loss on retirement of non-current assets	-	-	632	1,368	952	-
(6)Income from property leasing (3)-(4)-(5)	130,592	379,340	25,388	58,298	52,275	135,605

(Yen in thousands)

Property number	A-57	A-58	A-59	A-60	A-61	A-62
Property name	Sannomiya First Building	Towa Kandanishik icho Building	Yusen Higashi- Nihombashi Ekimae Building	Hiroo On Building	TK Gotanda Building	Gotanda Sakura Building
Operating periods	184days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	71,565	35,653	37,388	70,607	100,706	47,741
Rental revenues	61,920	31,158	34,449	64,522	94,239	43,011
Other revenues related to property leasing	9,644	4,494	2,939	6,084	6,466	4,729
(2)Property related expenses	28,335	13,226	8,132	19,193	15,156	13,290
Property management fees	8,471	2,357	3,020	4,688	6,440	2,278
Utility expenses	8,002	2,510	3,346	4,796	5,448	3,597
Insurance expenses	98	32	39	59	110	38
Repair expenses	6,679	501	1,106	8,929	423	1,172
Taxes and dues	4,712	-	-	-	-	-
Trust fees	350	347	347	347	346	-
Others	20	7,476	271	373	2,386	6,204
(3)NOI (1)-(2)	43,230	22,427	29,256	51,413	85,549	34,450
(4)Depreciation	7,828	1,581	2,483	4,051	6,139	3,053
(5) Loss on retirement of non-current assets	694	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	34,706	20,845	26,772	47,362	79,409	31,396

(Yen in thousands)

Property number	A-63	A-64	A-65	B-1	B-2	B-3
Property name	Esprit Kameido	Alte Building Higobashi	DIA Building Meieki	Tower Court Kitashinagawa	Sky Hills N11	my atria Meieki
Operating periods	182days	182days	182days	184days	184days	184days
(1)Revenues from property leasing	39,894	64,101	59,651	407,952	61,128	51,156
Rental revenues	33,341	56,906	40,774	397,252	61,056	47,400
Other revenues related to property leasing	6,552	7,195	18,876	10,700	72	3,756
(2)Property related expenses	10,775	13,391	11,111	82,759	8,376	13,174
Property management fees	3,332	6,247	4,694	32,555	589	3,703
Utility expenses	4,950	6,246	4,449	4,584	-	574
Insurance expenses	49	95	66	425	122	66
Repair expenses	1,896	451	1,267	13,991	735	2,835
Taxes and dues	-	-	-	19,422	6,577	3,385
Trust fees	347	347	347	350	350	350
Others	199	4	287	11,430	2	2,259
(3)NOI (1)-(2)	29,118	50,709	48,539	325,193	52,751	37,982
(4)Depreciation	2,917	4,739	2,735	64,953	10,654	14,545
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	26,201	45,970	45,804	260,240	42,097	23,437

(Yen in thousands)

Property number	B-4	B-5	B-6	B-7	B-8	B-9
Property name	my atria Sakae	Mac Village Heian	Seam Dwell Tsutsui	Ciel Yakuin	Kanda Reeplex R's	Splendid Namba
Operating periods	184days	184days	184days	184days	184days	184days
(1)Revenues from property leasing	38,410	28,086	24,547	26,097	54,893	112,079
Rental revenues	38,329	28,077	24,546	25,378	52,774	109,950
Other revenues related to property leasing	81	9	1	719	2,119	2,128
(2)Property related expenses	7,651	5,090	6,356	4,995	15,400	20,777
Property management fees	1,879	1,895	1,884	1,490	4,743	6,238
Utility expenses	369	283	-	682	8	783
Insurance expenses	60	45	34	30	50	134
Repair expenses	1,057	582	2,001	685	3,863	2,669
Taxes and dues	2,583	1,933	1,603	1,219	2,473	7,197
Trust fees	350	350	350	350	350	350
Others	1,350	-	483	536	3,911	3,403
(3)NOI (1)-(2)	30,759	22,995	18,191	21,102	39,492	91,302
(4)Depreciation	14,143	9,324	7,081	6,351	8,496	33,960
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	16,616	13,671	11,110	14,751	30,996	57,341

(Yen in thousands)

Property number	B-10	B-11	B-12	B-13	B-14	B-15
Property name	Residence Hiroo	Residence Nihombashi Hakozaiki	Primegate Iidabashi	Residence Edogawabashi	Merveille Senzoku	Field Avenue
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	61,093	Not disclosed (Note)	141,084	31,210	19,160	74,010
Rental revenues	59,172		134,370	28,867	18,966	66,219
Other revenues related to property leasing	1,921		6,714	2,342	194	7,790
(2)Property related expenses	12,681		25,921	4,486	4,538	11,319
Property management fees	2,530		12,902	1,789	1,255	2,690
Utility expenses	645		5,860	210	239	4,397
Insurance expenses	48		178	27	22	72
Repair expenses	3,627		3,228	813	2,054	824
Taxes and dues	-		-	-	-	-
Trust fees	347		347	347	347	347
Others	5,481		3,404	1,297	618	2,987
(3)NOI (1)-(2)	48,411	11,921	115,163	26,723	14,622	62,690
(4)Depreciation	4,695	3,555	8,091	2,598	2,056	6,886
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	43,716	8,365	107,071	24,125	12,565	55,803

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	B-16	B-17	B-18	B-19	B-20	B-21
Property name	Domeal Kitaakabane	Dormy Kitaakabane	Splendid Shin-Osaka III	ZEPHYROS Minami-horie	Charmant Fuji Osaka jominami	Piacere Fuminosato
Operating periods	182days	182days	182days	182days	182days	182days
(1)Revenues from property leasing	Not disclosed (Note)	Not disclosed (Note)	73,841	47,329	25,230	18,630
Rental revenues			72,583	45,399	24,103	17,680
Other revenues related to property leasing			1,257	1,930	1,126	949
(2)Property related expenses			7,619	7,124	3,908	3,519
Property management fees			4,280	2,381	1,317	1,385
Utility expenses			546	1,127	791	700
Insurance expenses			81	58	29	28
Repair expenses			525	1,312	941	758
Taxes and dues			-	-	-	-
Trust fees			347	347	347	347
Others			1,837	1,896	480	298
(3)NOI (1)-(2)	18,948	23,736	66,221	40,204	21,322	15,110
(4)Depreciation	1,743	1,877	18,408	5,135	3,459	2,765
(5) Loss on retirement of non-current assets	-	-	-	-	-	-
(6)Income from property leasing (3)-(4)-(5)	17,204	21,859	47,812	35,068	17,862	12,345

(Note) This information is not disclosed as sub-lessee's consent has not been obtained.

(Yen in thousands)

Property number	C-1	C-2	C-3	
Property name	Otakibashi Pacifica Building	Komyoike Act	BECOME SAKAE	Total
Operating periods	184days	184days	182days	
(1)Revenues from property leasing	88,623	142,195	135,814	8,458,932
Rental revenues	74,026	105,840	113,668	7,678,447
Other revenues related to property leasing	14,597	36,354	22,146	780,485
(2)Property related expenses	34,860	70,374	23,467	2,123,176
Property management fees	4,164	21,851	7,961	576,734
Utility expenses	8,849	34,602	11,897	554,322
Insurance expenses	42	190	123	8,365
Repair expenses	5,359	2,004	1,629	182,114
Taxes and dues	5,456	8,686	-	515,919
Trust fees	350	350	347	30,050
Others	10,638	2,690	1,507	255,668
(3)NOI (1)-(2)	53,762	71,820	112,347	6,335,756
(4)Depreciation	10,403	22,922	14,197	907,332
(5) Loss on retirement of non-current assets	-	-	-	8,711
(6)Income from property leasing (3)-(4)-(5)	43,358	48,898	98,149	5,419,712