

NIPPON REIT Investment Corporation TSE code : 3296
Performance Report July-September 2021

October 29, 2021

NIPPON VISION

Serious, Steady, Solid

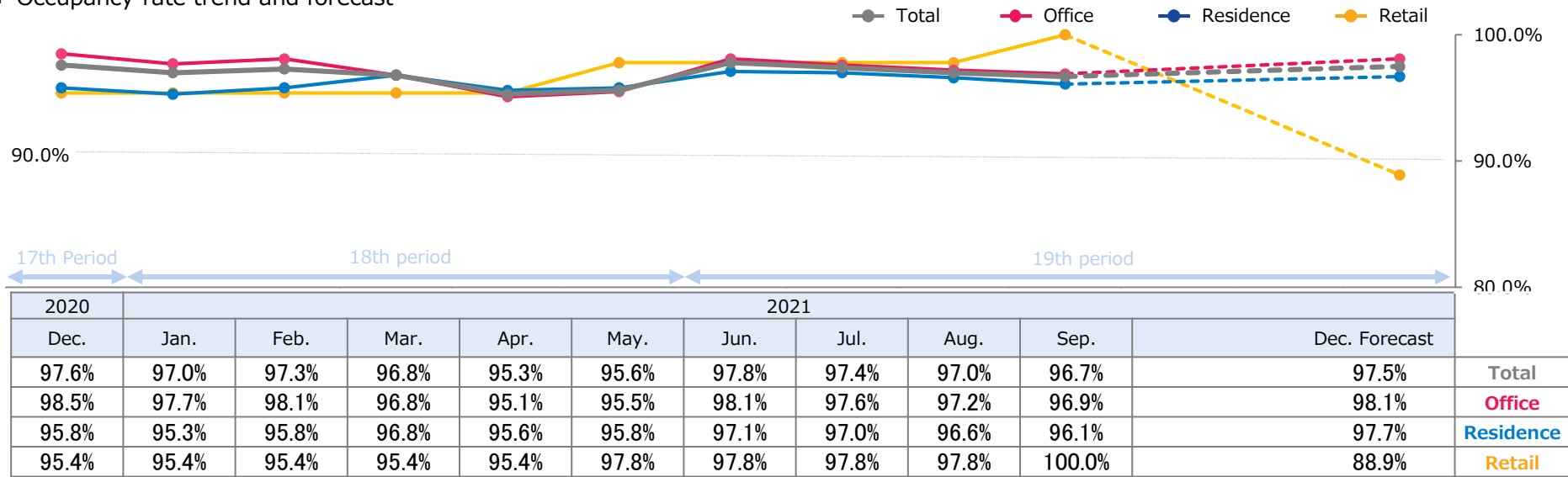


NIPPON REIT
Investment Corporation

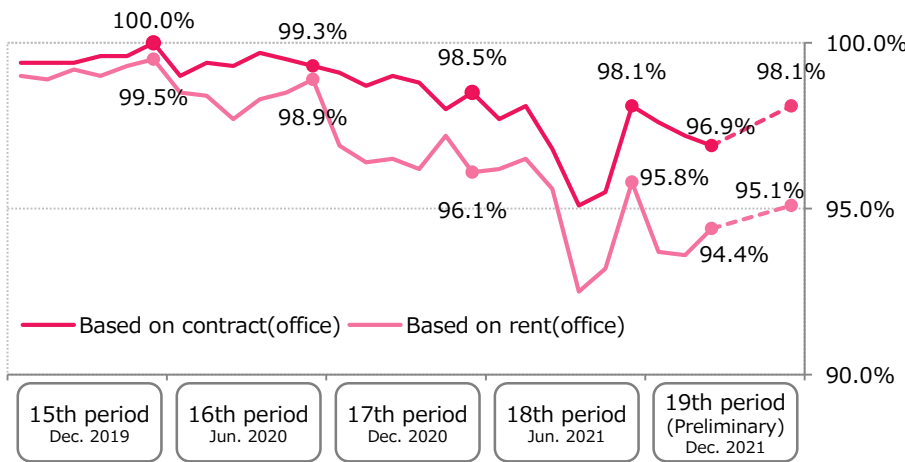
Occupancy Rate and Free Rent Period Trend

◆ The occupancy rate for the 1st half of the 19th period has been steady for both office and residential properties and leasing for retail is well in progress

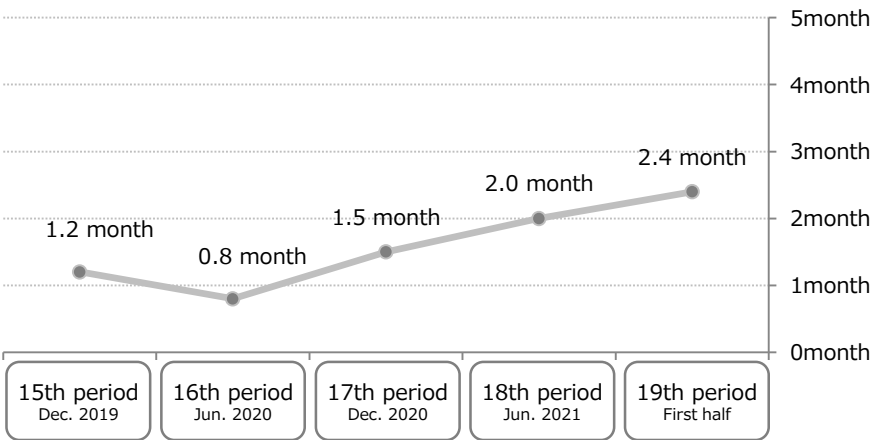
■ Occupancy rate trend and forecast



■ Trend of office occupancy rate based on rent



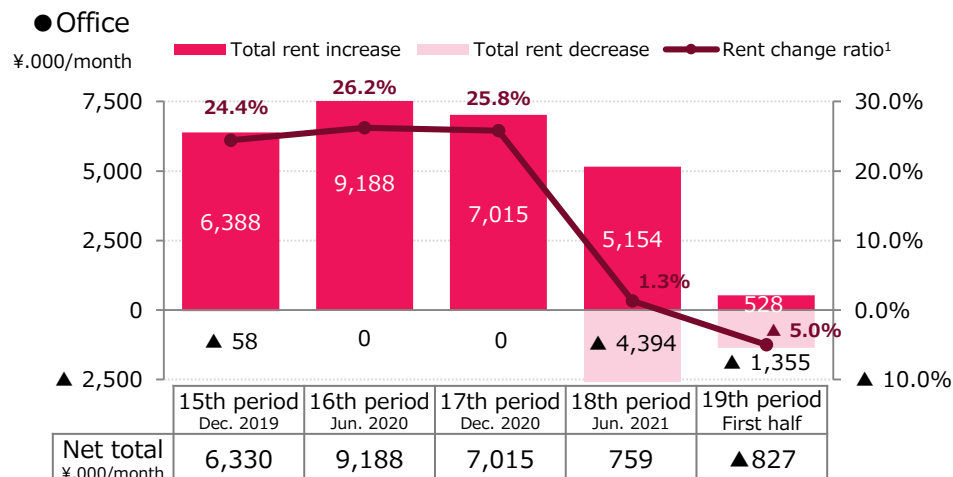
■ Trend of average free rent period for office



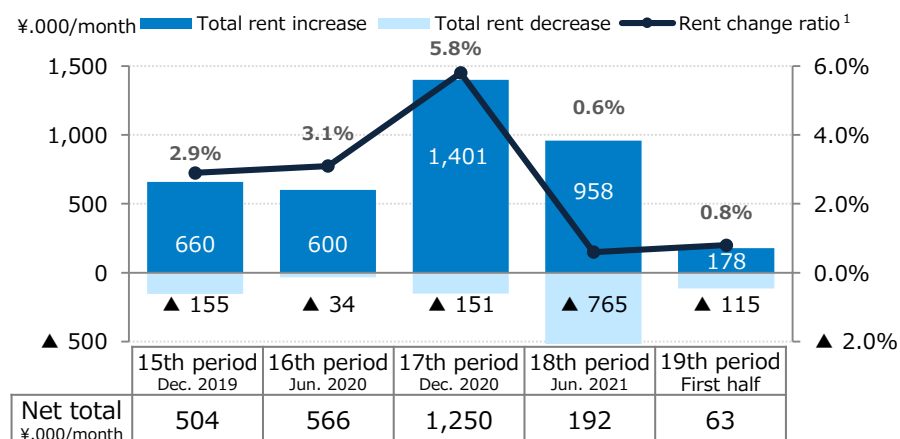
Trend of Rent Increase

◆ Rent growth at the timing of both the tenant replacement and rent renewal continue in a declining trend due to weak market rent and stagnant economic activities

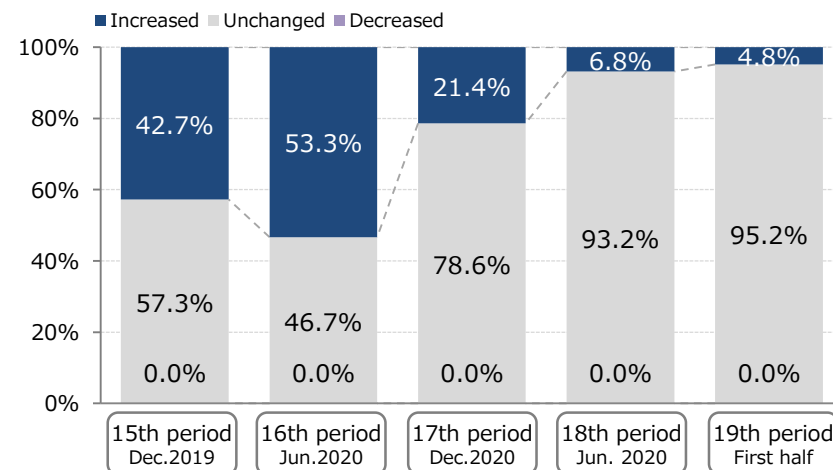
■ Monthly rent increase/decrease upon tenant replacement



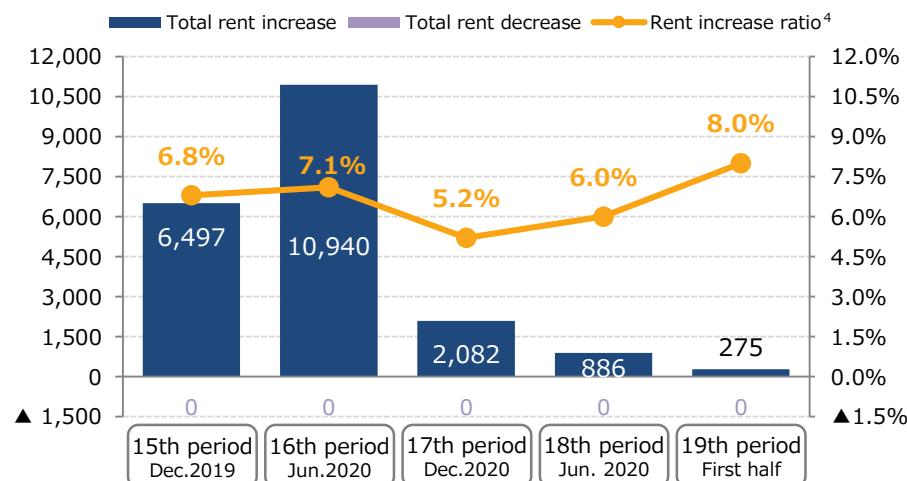
● Residence²



■ Trend of rent renewals based on floor space³



■ Status of rent increase/decrease at contract renewals



1. "Rent change ratio" is (total rent after tenant replacement - total rent before tenant replacement) / (total rent before tenant replacement). Figures are rounded to the first decimal place.

2. Residential properties that are not subject to fixed rent master lease.

3. In case where tenant categorized as "unchanged" in each period accepted rent increase in the following period, the area subject to rent renewal of the tenant is included the area of the "unchanged" and "increased" in the relevant period.

4. "Rent increase ratio" is (total rent increase after rent renewal - total rent before rent renewal) / (total rent before rent renewal). Figures are rounded to the first decimal place.

Cancellation Notices and Leasing Status

Property name	Occupancy rate	Vacancy/lease status			Assumed occupancy rate ¹
FORECAST Ningyocho	83.7%	1 floor	112 tsubo	vacant	100.0% (Oct. 2021)
Towa Kandanishikicho Building	84.8%	1 floor	61 tsubo	vacant	100.0% (Oct. 2021)
NRT Kandasudacho Building	100.0%	1 floor	42 tsubo	cancellation received	100.0% (Oct. 2021)
FORECAST Kayabacho	100.0%	1 space	15 tsubo	cancellation received	100.0% (Nov. 2021)
Itohpia Kiyosubashidori Building	100.0%	1 floor	112 tsubo	cancellation received	100.0% (Dec. 2021)
FORECAST Yotsuya	100.0%	1 floor	52 tsubo	cancellation received	100.0% (Jan. 2022)
Itohpia Iwamotocho ANNEX Building	100.0%	1 floor	68 tsubo	cancellation received	100.0% (Feb. 2022)
Sumitomo Mitsui Bank Koraihashi Building	97.2%	1 space	43 tsubo	vacant	97.2% (Sep. 2021)
Omiya Center Building	98.3%	1 space	73 tsubo	vacant	96.2% (Jan. 2022)
		2 spaces	163 tsubo	cancellation received	
NORE Meieki	96.6%	1 space	44 tsubo	vacant	95.4% (Jan. 2022)
		1 space	15 tsubo	cancellation received	
Sannomiya First Building	97.5%	1 space	27 tsubo	vacant	95.4% (Mar. 2022)
		1 space	24 tsubo	cancellation received	
FORECAST Shinjuku SOUTH	100.0%	2 spaces	254 tsubo	cancellation received	93.9% (Apr. 2022)
Kanda Ocean Building	100.0%	2 spaces	29 tsubo	cancellation received	93.5% (Mar. 2022)
FORECAST Kameido	60.7%	2 spaces	122 tsubo	vacant	92.9% (Nov. 2021)
		1 floor	122 tsubo	vacant	
Itohpia Iwamotocho 2-chome Building	100.0%	1 space	76 tsubo	cancellation received	92.7% (Mar. 2022)
The Square	94.9%	1 space	16 tsubo	cancellation received	91.5% (Dec. 2021)
		1 space	24 tsubo	vacant	

Property name	Occupancy rate	Vacancy/lease status			Assumed occupancy rate ¹
Otakibashi Pacifica Building	100.0%	1 floor	41 tsubo	cancellation received	90.1% (Nov. 2021)
REID-C Iidabashi Building	100.0%	1 floor	27 tsubo	cancellation received	88.7% (Feb. 2022)
REID-C Gotenyama Building	88.6%	1 floor	38 tsubo	vacant	88.6% (Sep. 2021)
BECOME SAKAE	100.0%	1 floor	159 tsubo	cancellation received	88.6% (Nov. 2021)
FORECAST Ningyocho PLACE	100.0%	1 floor	73 tsubo	cancellation received	87.1% (Mar. 2022)
Hiroo Reeplex B's	100.0%	1 floor	61 tsubo	cancellation received	86.5% (Mar. 2022)
Homat Horizon Building	100.0%	1 floor	248 tsubo	cancellation received	86.5% (Apr. 2022)
REID-C Megurofudomae	71.5%	2 floors	79 tsubo	vacant	85.8% (Nov. 2021)
FORECAST Shinagawa	100.0%	1 floor	109 tsubo	cancellation received	84.2% (Nov. 2021)
FORECAST Gotanda WEST	87.5%	1 space, 1 floor	340 tsubo	vacant	85.2% (Apr. 2022)
		1 space	62 tsubo	cancellation received	
Toranomon Sakura Building	84.3%	2 spaces	145 tsubo	vacant	84.3% (Sep. 2021)
FORECAST Sakurabashi	84.2%	1 floor	313 tsubo	vacant	84.2% (Sep. 2021)
Nishi-Shinjuku Sanko Building	83.5%	1 space	124 tsubo	vacant	83.5% (Sep. 2021)
MK Kojimachi Building	82.9%	2 floors	91 tsubo	vacant	82.9% (Sep. 2021)
GreenOak Takanawadai	100.0%	2 floors	170 tsubo	cancellation received	78.5% (Mar. 2022)
Gotanda Sakura Building	100.0%	2 floors	98 tsubo	cancellation received	78.5% (Apr. 2022)
Hatchobori River Gate	100.0%	3 floors	106 tsubo	cancellation received	51.9% (Feb. 2022)

■ Properties in which full occupancy is expected due to conclusion of new lease contract or receipt of tenancy application for the subject space or unit.

1. Assumed occupancy rate is the assumed occupancy rate after the realization of all tenancy applications and cancellation notices as of the end of Sep. 2020.

◆ Engineering Management measures are the sub-driver of our internal growth

■ Implemented Measures from July to September 2021

For three properties:
Sublease of Vacant Parking Spaces

- Total annual revenue increase of approx.¥4.58mm is expected through subleasing of vacant parking spaces



For six properties:
Installation of Bike Sharing Stations

- Total annual revenue increase of approx.¥0.9mm is expected through installation of bike stations for bike sharing program



For two properties:
Renewal Works on Residential Units

- Total annual revenue increase of approx.¥0.6mm is expected through rent increase of renewed units

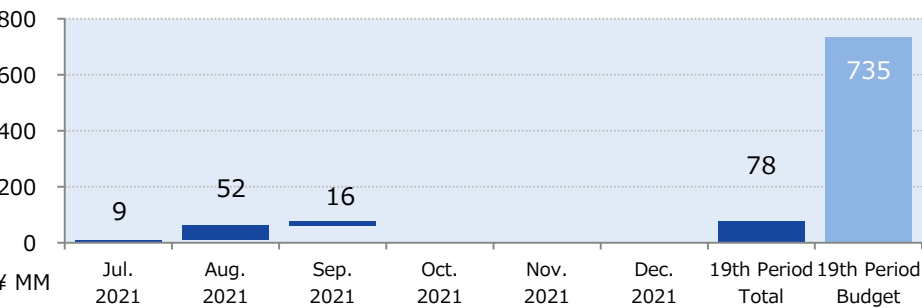


Toranomon Sakura Building:
Reduced Building Management Fee

- Total annual cost reduction of ¥0.43mm is expected by reducing the building management fee from 2.0% to 1.8%



■ Status of engineering management implementation¹⁾



■ Planned measures to be implemented after October 2021

For 25 properties:
Switching to New Power Companies (PPSs)

- Total annual electricity cost is expected to be reduced by ¥4.12mm by switching to PPSs (new type of power producer and supplier in Japan)



Omiya Center Building:
Renting of Conference Rooms to Outside Users

- Total annual revenue increase of approx. ¥1.6mm is expected through renting of rental conference room on the 2nd floor to outside users



For two properties:
Renewal Works on Residential Units

- Total annual revenue increase of approx.¥1.3mm is expected through rent increase of renewed units



FORECAST Takadanobaba:
Securing of Parking Space

- Total annual revenue increase of approx.¥0.6mm is expected through securing of parking space by removing or reducing of water tank



For eight properties:
Improving Competitiveness by Providing Free Internet Service

- Strengthen competitiveness and improve tenant satisfaction by providing free internet service



-  Measure to increase revenue
-  Measure to reduce expense
-  Measure to improve tenant satisfaction
-  Measure with environmental consideration

1. Total amounts of Planned capital investment and Strategic value-enhancing investment are stated. Furthermore, the figures may change when accounting items will be determined.

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