

PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS – SFDR PRE-CONTRACTUAL DISCLOSURE

Product Name: NIPPON REIT Investment Corporation.
Legal Entity Identifier: 3538004O49OJ90PEXX85

NIPPON REIT Investment Corporation (“NIPPON REIT”) promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). NIPPON REIT has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan and relies on SBI REIT Advisors Co., Ltd. (formerly known as Sojitz REIT Advisors K.K.) (the “Asset Manager”), to manage and operate the properties in NIPPON REIT’s portfolio. NIPPON REIT and the Asset Manager are hereinafter referred to collectively as “we,” “us” or “our,” unless noted otherwise. References to “fiscal year” or “FY” are to the 12 months began or beginning April 1 of the year specified in line with the fiscal year of the Asset Manager, unless noted otherwise.

Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : __% <div style="margin-left: 20px;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy </div>	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <div style="margin-left: 20px;"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective </div>
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social (“E/S”) characteristics are promoted by NIPPON REIT?

We focus on income growth and stability by taking advantage of NIPPON REIT’s characteristics as a diversified REIT, and endeavor to maximize unitholder value by conducting dynamic and timely investments and acting in the best interests of unitholders. In this regard, we view environmental, social and governance, or ESG, initiatives as key to continuously enhancing NIPPON REIT’s value, and have established a sustainability policy and sustainability targets to mitigate our environmental burden in collaboration with stakeholders. We also conduct our real estate investment management business through ongoing strong communication with investors, tenants, local communities, employees and all other stakeholders, while ensuring that investors have access to sufficient ESG-related information in order to make informed investment decisions.

The following outlines key elements of our sustainability policy.

- *Saving energy.* We engage in efforts to reduce greenhouse gas emissions by improving energy efficiency and installing energy-saving equipment. As of December 31, 2022, we had installed LED lighting at 40 properties, which constituted 25.4% of NIPPON REIT's portfolio based on gross floor area.
- *Reducing greenhouse gas emissions.* We have switched to renewable energy-based electricity at NIPPON REIT's properties below, and will continue to make this switch at an increasing number of properties:
 - Pigeon Building: All of the electricity used at the property is now generated from biomass power, estimated to reduce CO₂ emissions by 193 tons per year as compared to the electricity level prior to the switch to biomass power.
 - La Verite AKASAKA: All of the electricity used at the property is now generated from hydroelectric power, estimated to reduce CO₂ emissions by 95 tons per year as compared to the electricity level prior to the switch to hydroelectric power.
 - FORECAST Kameido: All of the electricity used at the property is now generated from biomass power, estimated to reduce CO₂ emissions by 177 tons per year as compared to the electricity level prior to the switch to biomass power.
 - Omiya Center Building: Since April 2022, all electricity consumed at the Omiya Center Building has been derived from substantially renewable energy sources which are combined of Feed-in Tariff ("FIT") non-fossil certificates and non-FIT non-fossil certificates designated for renewable energy in the non-fossil fuel energy value trading market. As a result, the Omiya Center Building will have virtually zero CO₂ emissions from electricity consumption.
- *Conserving water.* We have installed toilets with water-saving equipment, which reduces the amount of water per flush by 48%, in several properties, such as FORECAST Gotanda WEST, to help conserve water. This equipment has had the additional effect of reducing use of electricity for water pumps.
- *Collaboration with stakeholders.*
 - *Communication with investors.* We believe in fair disclosure to all investors and conduct timely disclosure, including through simultaneous disclosure of Japanese and English language press releases, as well as by making our website user-friendly.
 - *Improving tenant satisfaction.* We conduct a tenant satisfaction survey at least once every three years. The latest survey was conducted in the second half of 2021. Based on the results of the survey, we identify issues at NIPPON REIT's properties and make appropriate improvements to increase the comfort of the properties for the tenants and enhance the competitive strengths of NIPPON REIT's properties. Through efforts to improve tenant satisfaction, we seek to foster strong tenant relationships and facilitate communication between tenants and lessors.
- *ESG disclosure and environment certification.* We will continue to make our sustainability policy available to all stakeholders, including investors, and to proactively disclose information on ESG-related activities such as reducing greenhouse gas emissions and saving energy. We will continue to make effort as described in this document to obtain environmental certification for an increasing number of NIPPON REIT's properties. As of December 31, 2022, 44.1% of NIPPON REIT's properties based on gross floor area received Green Building Certification (defined below).
- *Contribution to local communities.* Our representative contributions to local communities include the following:

- *Tenant profiles that fit within local community.* For each of NIPPON REIT's properties, we make effort to attract tenants that match the needs of and fit within the local community so that the property contributes to the convenience of the people in the local community.
- *Environmentally-friendly renovations.* We have renovated the washrooms at Pigeon Building, and have introduced car sharing at Dormy Kitaakabane, a share-cycle port at FORECAST Shinjuku SOUTH and Splendid Namba, and an electric vehicle charging facility at Merveille Senzoku, and Wald Park Minamioi. These renovations have contributed to reducing CO₂ emissions, saving water and saving electricity.
- *Accessing the rooftop in disaster.* We have an agreement with the local fire department that allow them to use the Tower Court Kitashinagawa's rooftop at a time of disaster to monitor the Shinagawa area.
- *History of Shinagawa:* The Shinagawa area has extensive history dating back to the Heian Era (an approximately 400-year period from AD 794), and Shinagawa prospered as a port in Edo (Tokyo) Bay during the Kamakura Era (AD 1185-1333) and subsequently as a transportation hub. We have opened a portion of the first floor of Tower Court Kitashinagawa to the public as a gallery showcasing the history of Shinagawa.
- *PCR Testing Center.* We have set up a PCR testing center on the premises of Omiya Center Building with the aim of preventing the spread of Covid-19 and contributing to the local community.
- *Seminar regarding ESG and compliance.* The Asset Manager encourages and supports its employees to participate in a variety of internal and external education and training sessions. Internal education includes lectures by the Asset Manager's compliance officers on internal rules and by outside lecturers to deepen the employees' understanding of daily operations. All employees are required to participate in certain seminars offered outside the company to improve operational efficiency. From January to December 2022, we held 10 compliance training sessions and one sustainability training session to enhance employee's awareness of ESG, for executives and employees. We will continue to make efforts to regularly hold such trainings.

✓ ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by NIPPON REIT?***

We use the following indicators to measure the attainment of the E/S characteristics we promote.

- *Environmental certification of individual properties.* To track the environmental performance of individual properties, we rely on the following green building certifications issued by third-party organizations (collectively, "Green Building Certifications"). As of December 31, 2022, 44.1% of NIPPON REIT's properties based on gross floor area received at least one Green Building Certification.
 - *DBJ Green Building Certification.* The DBJ Green Building Certification is certification developed by Development Bank of Japan Inc. (DBJ) to identify and certify real estate properties that satisfy various social needs including environmental quality. We consider a property to have sufficient environmental certification if it received one star or higher out of DBJ's five-star ranking system.
 - *CASBEE.* The Comprehensive Assessment System for Built Environment Efficiency (CASBEE) is a system for comprehensively assessing and ranking the environmental performance of buildings with regard to aspects such as the enhancement of environmental quality and performance, including with respect to energy saving and use of materials and equipment with a lower

environmental burden, which considers indoor comfort and landscape. We consider a property to have sufficient environmental certification if it received Rank B or higher out of the CASBEE ranking system featuring Rank S, Rank A, Rank B+ and Rank B.

- *BELS Certification.* The Building-Housing Energy-efficiency Labeling System (BELS) is a third-party certification system to rate houses and buildings based on energy saving performance in accordance with the Act on Improving Energy Consumption Performance for Architectural Structures of Japan. We consider a property to have sufficient environmental certification if it received one star or higher out of BELS' five-star ranking system.
- *Low-Carbon Model Building Designation by the Tokyo Metropolitan Government.* In May 2012, the Tokyo Metropolitan Government released an assessment index for low-carbon buildings called the "Low-Carbon Benchmark" with the aim of promoting the value of buildings with low CO₂ emissions in the Tokyo Metropolitan Area. Buildings that (1) fall within the range of A1 or higher in the Low-Carbon Benchmark, and (2) are actively implementing energy-saving measures are officially recognized and publicized as "Low-Carbon Model Buildings" by the Tokyo Metropolitan Government. We consider a property to have sufficient environmental certification if it is designated as a "Low-Carbon Model Building" by the Tokyo Metropolitan Government.
- *Sustainability evaluation at the portfolio level.* GRESB is an industry-driven organization established by European pension funds committed to assessing the sustainability performance and management of real estate portfolios (public and private) around the globe. In the GRESB real estate evaluation conducted in 2022, we received "3 Stars" for the sixth consecutive year.
- *Energy consumption.* We have established a goal of reducing energy consumption intensity by 1% per year on average or 5% over the five-year period from FY2021 to FY2025 for NIPPON REIT's entire portfolio and each property.
- *Greenhouse gas ("GHG") emissions.* We have established a goal of reducing GHG emissions intensity by 1% per year on average or 5% over the five-year period from FY2021 to FY2025 for NIPPON REIT's entire portfolio and each property. We have also established a long-term goal to reduce CO₂ emissions by 50% by FY2030 compared to the FY2016 level. We have also established other targets with respect to properties in accordance with local regulations addressing global warming (such as the Tokyo Metropolitan Ordinance).
- *Water consumption.* We have established a goal of reducing water consumption by 0.5% per year over the ten-year period from FY2017 to FY2026 for NIPPON REIT's entire portfolio and each property.
- *Waste management.* We have established a goal of increasing the recycling ratio to 70% or higher over the ten-year period from FY2017 to FY2026 for NIPPON REIT's entire portfolio and each property.
- ✓ ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***
Not applicable.
- ✓ ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***
Not applicable.

Principle adverse impacts

Does NIPPON REIT consider principal adverse impacts on sustainability factors?

Yes, we consider principal adverse impacts on sustainability factors. We collect on an ongoing basis select information on NIPPON REIT's existing portfolio regarding the principal adverse impact indicators, including exposure to fossil fuels through real estate assets, exposure to energy-inefficient real estate assets, GHG emissions and waste production in operations. We aim to manage the risk connected to principal adverse impacts from our investment decisions in several ways, including general screening criteria and due diligence as described below.

- *Exposure to fossil fuels through real estate assets.* NIPPON REIT does not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.
- *Exposure to energy-inefficient real estate assets.* We consider a property to be an "energy-inefficient real estate asset" if it has not received any Green Building Certification. As of December 31, 2022, 44.1% of the properties in the portfolio, including properties in which NIPPON REIT holds quasi co-ownership interests, received at least one Green Building Certification, and 55.9% did not, based on gross floor area (including properties with expired certifications unless there is reason to believe that such properties are no longer environmentally friendly to the same degree as Green Building Certifications). We will continue our efforts to maintain and increase the current percentage of the properties with Green Building Certification in NIPPON REIT's portfolio.
- *GHG emissions.* Scope 1 and Scope 3 GHG emissions are not applicable to NIPPON REIT's properties. Total GHG emissions (i.e., Scope 2 GHG emissions) generated by NIPPON REIT's properties were 20,346 t-CO₂ in 2020, 14,591 t-CO₂ in 2021 and 15,987 t-CO₂ in 2022.
- *Waste production in operations.* The recycling rate, the ratio of the amount of waste generated and recycled to the total amount of waste generated, at NIPPON REIT's properties was 51.3% in 2020, 49.2% in 2021 and 45.6% in 2022.

We believe that investment decisions that negatively affect climate or other environment-related resources, or have negative implications for society, can have a significant impact to risk and value creation for NIPPON REIT's unitholders. To this end, we consider the principal adverse impacts of our investment decisions on the above sustainability factors throughout all major steps of the investment decision and management process throughout the lifecycle of the properties in NIPPON REIT's portfolio.

We consider, both at the entity-level (i.e., the Asset Manager) and at the fund-level (i.e., NIPPON REIT), principal adverse impacts of our investment decisions on sustainability factors. Under the Investment Trust Act of Japan, we are prohibited from having any employees and is required to outsource asset management to a third party. Accordingly, as discussed in detail elsewhere, any consideration at the fund-level of principal adverse impacts of our investment decisions on sustainability is principally conducted by the Asset Manager, subject to approval of NIPPON REIT's Board of Directors. In addition to the Asset Manager's contractual obligations to us under the asset management agreement, the Financial Instruments and Exchange Act of Japan provides that the Asset Manager owes us a fiduciary duty in conducting its activities, including making investment decisions informed by sustainability considerations.

Investment Strategy

What investment strategy does NIPPON REIT follow?

NIPPON REIT invests primarily in office buildings, residences and retail facilities. Prior to acquiring a property, we conduct due diligence review, with assistance of appropriate experts, to verify legal compliance including environmental rules/regulations. We also investigate the presence of soil contamination or hazardous substances, such as asbestos, to identify and avoid properties that are at risk due to their potential impact on the environment.

In order to conduct sustainable asset management while maximizing the value of NIPPON REIT's properties, NIPPON REIT has taken into consideration ESG factors in our investment and asset management processes. In particular, we have established a green finance framework (the "Green Finance Framework"). We plan to use funds procured under the Green Finance Framework to acquire or renovate assets or refinance funds used to acquire or renovate assets meeting either eligibility criteria A or B below (such assets, "Eligible Green Assets").

- *Eligibility criteria A.*

Assets for which any of the following certifications from a third-party certification body has been or will be obtained:

- DBJ Green Building Certification: 3 Stars, 4 Stars or 5 Stars
- BELS Certification: 3 Stars, 4 Stars or 5 Stars
- Certification for CASBEE for Real Estate: B+ , A or S Rank

- *Eligibility criteria B.*

Renovation that meets one out of the following three requirements and that has completed or will be completed within three years from the closing date of the green bond or the green loan, as the case may be:

- Renovation work intended to reduce CO₂ emissions by more than 30%
- Renovation work intended to reduce energy consumption by more than 30%
- Renovation work intended to reduce water consumption by more than 30%
- Renovation work intended to improve the number of stars or the grade/rank by one or more for any of DBJ Green Building Certification, BELS Certification or Certification for CASBEE for Real Estate

- *Third-party eligibility assessment.* The JCR Green Finance Framework Evaluation is the evaluation of the Green Finance Framework conducted by Japan Credit Rating Agency, Ltd. (JCR). JCR evaluates whether any given project conducted in accordance with the Green Finance Framework may be deemed to be a green project as well as our management/operations and transparency. The Green Finance Framework was assigned "Green 1(F)," the highest evaluation grade in the JCR Green Finance Framework Evaluation by JCR.

As of December 31, 2022, 26.1% of NIPPON REIT's properties qualified as Eligible Green Assets under eligibility criteria A above, based on book value. On an annual basis, we disclose on our website the status of allocations, including allocated and unallocated amounts for each category that meets the eligibility criteria under the Green Finance Framework.

✓ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by NIPPON REIT?***

We and the Asset Manager proactively implement ESG initiatives. In general, every three months the Sustainability Promotion Committee, which is chaired by the Asset Manager's CEO and additionally includes the Senior General Managers of the Investment Management Division, Finance & Planning Division, and the General Managers of Asset Management Department, Corporate Planning Department, Finance & Accounting Department, Engineering Management Office and Compliance Officer, reviews progress made against targets, comparing and analyzing with the previous year. This target is required under Act on the Rational Use of Energy. If we fail to achieve such target, we will be subject to the government's guidance advice.

Prior to acquiring a property, we conduct due diligence review, with assistance of appropriate experts, to verify legal compliance. We also investigate the presence of soil contamination or hazardous substances, such as asbestos, to identify and avoid properties that are at risk due to their potential impact on the environment. If the property has a high risk, we may forgo an investment.

The Green Finance Framework, which involves determination of whether a target property qualifies as an eligible asset, serves as one such initiative. The projects that meet eligible criteria are decided by the Asset Manager's Sustainability Committee, which is composed of the President and CEO, the Senior General Manager of the Investment Management Division and the Senior General Manager of the Finance & Planning Division.

✓ ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

No investments were made prior to the application of the current investment strategy. As such, all investments are made pursuant to our current investment strategy and no reduction of investments is planned.

Prior to acquiring a property, we conduct due diligence review, with assistance of appropriate experts, to verify legal compliance. We also investigate the presence of soil contamination or hazardous substances, such as asbestos, to identify and avoid properties that are at risk due to their potential impact on the environment.

In addition to these factors, we also consider factors such as surrounding land use, including trends, how much sunlight the property gets, views from the building, landscaping, and noise.

✓ ***What is the policy to assess good governance practices of the investee companies?***

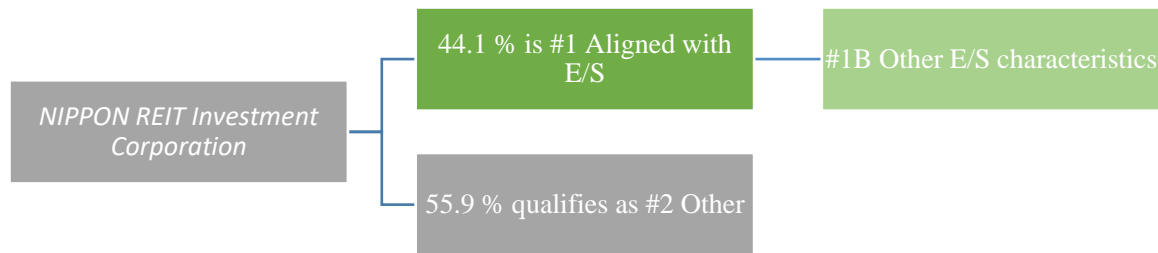
We directly or indirectly through trust beneficiary interests invest in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable.

Asset Allocation

What is the asset allocation planned for NIPPON REIT?

Our portfolio does not include assets with a specific sustainability goal. However, as of December 31, 2022, 44.1% of the properties in the portfolio, including properties in which NIPPON REIT holds quasi co-ownership interests, received at least one Green Building Certification, and 55.9% did not, based on gross floor area (including properties with expired certifications unless there is reason to believe that such properties are no longer environmentally friendly to the same degree as Green Building Certifications). We will continue our

efforts to maintain and increase the current percentage of the properties with Green Building Certification in NIPPON REIT's portfolio.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by NIPPON REIT?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

✓ ***Does NIPPON REIT invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***

Not applicable. NIPPON REIT does not invest in real estate assets involved in fossil gas and/or nuclear energy-related activities.

✓ ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes the assets that have not received at least one Green Building Certification. As of December 31, 2022, 55.9% of the properties in the portfolio, including properties in which NIPPON REIT holds

quasi co-ownership interests, did not receive at least one Green Building Certification, based on gross floor area. With each acquisition opportunity, we review findings of due diligence on the property.

Index as Reference Benchmark

Is a specific index designated as a reference benchmark to determine whether NIPPON REIT is aligned with the environmental and/or social characteristics that it promotes?

Not applicable. No specific index has been designated as reference benchmark to determine whether NIPPON REIT is aligned with the environmental and/or social characteristics that it promotes.

- ✓ *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by NIPPON REIT?*

Not applicable.

- ✓ *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- ✓ *How does the designated index differ from a relevant broad market index?*

Not applicable.

- ✓ *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.

More Product-specific Information

Where can I find more product specific information online?

More product-specific information can be found on the website: <https://www.nippon-reit.com/en/esg/esg-policy.html>

Note Regarding the EU Taxonomy Regulation

As set out above, we promote certain environmental characteristics.

The Asset Manager is required, under Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy regulation. The EU Taxonomy Regulation is to be complemented by technical standards and screening criteria which are currently developed. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021. They apply as of January 1, 2022.

NIPPON REIT invests in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The Asset Manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and the fact that, as a result thereof, data on alignment of our investments with these environmental objectives and climate related goals in line with the EU Taxonomy Regulation are not sufficiently available, the Asset Manager is not currently in a

position to disclose on an accurate and reliable basis to what extent our investments technically qualify as Taxonomy-aligned or “environmentally sustainable” within the specific meaning of the EU Taxonomy Regulation. Our investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the Asset Manager is required to state that there is no minimum proportion of our investments that qualify as such.

The Asset Manager further states that the “do no significant harm” principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF NIPPON REIT (SFDR ARTICLE 6 DISCLOSURE)

NIPPON REIT and the Asset Manager address sustainability risks by taking into account environmental, social and governance, or ESG, factors in our investment decision process and on a continuous basis.

As stated above, we have instituted a number of initiatives, at both the portfolio level and the property level, to promote the environmental and social characteristics. Such initiatives include energy-saving initiatives, waste management initiatives and initiatives for employees.

While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as a top priority in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns.

As described in further detail above, the Sustainability Promotion Committee generally meets at least four times a year to review and analyze the progress made toward achieving its targets, compared against the previous year.

Physical risks

The assets in which we invest are exposed to physical climate risks, which can materialize through, for example, floods, storms, heat and limited access to natural resources, which in turn can cause the value of NIPPON REIT's assets to decline. The following risks are particularly relevant.

Potential Changes in Business Environment	Emerging Risks	Our Understanding	Potential Countermeasures
Large-scale earthquakes	Severe physical damages caused by earthquakes	This is a relevant risk for us because earthquakes occur frequently in Japan and could affect the value of NIPPON REIT's portfolio.	In order to mitigate this risk, we generally only invest in the following properties: (i) properties with earthquake resistance meeting the current standards set forth in the Building Standards Law Enforcement Order of Japan; and (ii) properties whose probable maximum loss ("PML") is less than 15%, where the portfolio PML remains less than 15% after the acquisition of any such property. However, we may choose to invest in other properties if (x) the

			economics of the property is sufficient even after obtaining earthquake insurance, or (y) the property can be seismically reinforced to meet criteria (i) or (ii).
Flood	Severe physical damages caused by flood	This is a relevant risk for us because floods occur occasionally in areas where NIPPON REIT's properties are located and could affect the value of NIPPON REIT's portfolio.	We review the hazard map of the area where the property is located prior to acquisition, and take a cautious approach in acquiring any property with a high flood risk. If the property has a high risk of flooding, we may forgo an investment.