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For Immediate Release

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Notice Concerning Acquisition of Asset  
(Godo Kaisha Nicolas Capital 10 Silent Partnership Equity Interest)

NIPPON REIT Investment Corporation ("NIPPON REIT") announces that Sojitz REIT Advisors K.K. ("SRA"), which is entrusted to manage the assets of NIPPON REIT, today decided on the following acquisition of an asset (Silent Partnership Equity Interest) (the "Acquisition").

1. Overview of acquisition

(i) Overview no.1 (initial acquisition)

- (1) To-be-acquired asset: Subordinated silent partnership equity interest that has beneficiary right of trust placing real estate in trust as asset under management ("Initial acquisition")
- (2) Asset name: Godo Kaisha Nicolas Capital 10 subordinated silent partnership equity interest
- (3) Real estate that is the trust property (the "Property"):  
(Tentative) Residence Hiroo  
Mervielle Senzoku
- (4) Equity investment amount: 28 million yen (2.7% of the total amount of equity investment in silent partnership (Note1)(Note2))
- (5) Agreement conclusion date: March 28, 2017 (Scheduled)
- (6) Acquisition date: March 29, 2017 (Scheduled)
- (7) Acquisition funds: Funds on hand

(ii) Overview no.2 (additional acquisition)

- (1) To-be-acquired asset: Subordinated silent partnership equity interest that has beneficiary right of trust placing real estate in trust as asset under management ("Additional acquisition")
- (2) Asset name: Godo Kaisha Nicolas Capital 10 subordinated silent partnership equity interest
- (3) Real estate that is the trust property (the "Property"):  
(a) Assets under management  
(Tentative) Residence Hiroo  
Merveille Senzoku  
(b) Additional acquisition  
Splendid Shin-osakaⅢ  
Charmant Fuji Osakajominami  
Piacere Fuminosato

- (4) Equity investment amount: 22 million yen (2.7% of the total amount of equity investment in silent partnership (Note1)(Note2))  
 Total investment amount 50 million yen (2.7% of the total amount of equity investment in silent partnership (Note1)(Note2))
- (5) Agreement conclusion date: April 7, 2017 (Scheduled)  
 (6) Acquisition date: April 10, 2017 (Scheduled)  
 (7) Acquisition funds: Funds on hand

(Note1) Rounded to one decimal place. The same shall apply hereinafter.

(Note2) Total amount of equity investment in silent partnership means total of amount of privileged silent partnership equity interest and amount of subordinated silent partnership equity interest.

## 2. Reason for acquisition

SRA decided on the Acquisition with an aim to develop a portfolio that achieves growth of asset size and secures stable revenue through investing in silent partnership in accordance with the asset management targets and policy set forth in the articles of incorporation of NIPPON REIT. The Acquisition is thought to achieve flexible and timely investments as set forth in the basic policy of NIPPON REIT and thereby largely contribute to the future external growth of NIPPON REIT.

NIPPON REIT, as a result of the Acquisition, will receive profits in the form of dividends from the operator of the silent partnership (Godo Kaisha Nicolas Capital 10), sourced from rent and other income from the lessees of the Property. In addition, with the Acquisition, NIPPON REIT will be granted the right of first negotiation pertaining to the acquisition of the Property (for details, please refer to “3. Outline of to-be-acquired asset; (1) Overview of silent partnership, the target of equity investment; Other; Right of first negotiation to be granted with the Acquisition” below), but this does not mean that NIPPON REIT will be obliged to acquire the Property.

Furthermore Godo Kaisha Nicolas Capital 10 has two layer structure, composed of privileged silent partnership equity interest and subordinated silent partnership equity interest. Sojitz Corporation, the main sponsor of NIPPON REIT, plans to acquire part of subordinated silent partnership equity interest at the both timing of the Initial acquisition and the Additional acquisition as one of sponsor support. (Please refer to 3. Outline of to-be-acquired asset (1)Overview of the silent partnership, the target of equity investment for detail.)

NIPPON REIT continues to have actions to grow asset under management and ensure stable revenue while utilizing such a sponsor support.

### 3. Outline of to-be-acquired asset

#### (1) Overview of the silent partnership, the target of equity investment

Operator name	Godo Kaisha Nicolas Capital 10																		
Effective period of silent partnership agreement	Initial acquisition: To the last day of February 2019 Additional Acquisition: To the last day of February 2019																		
Total amount of equity investment in silent partnership, etc.	Initial acquisition: 1,036 million yen Additional Acquisition: 814 million yen Total: 1,850 million yen																		
Overview of silent partnership agreement	<div>The following is an overview of this equity investment in silent partnership</div> <table><tr><th colspan="2">Godo Kaisha Nicolas Capital 10 (Initial acquisition)</th></tr><tr><td rowspan="4">Real estate trust beneficiary right, etc. 3,533 million yen (Note 1)</td><td>Non-recourse loan (senior) 1,890 million yen</td></tr><tr><td>Non-recourse loan (mezzanine) 607 million yen</td></tr><tr><td>Equity investment in silent partnership, etc. 1,036 million yen (Note2)</td></tr><tr><td>Privileged silent partnership equity interest 364 million yen</td></tr><tr><td>Subordinated silent partnership equity interest 672 million yen</td></tr></table> <table><tr><th colspan="2">Godo Kaisha Nicolas Capital 10 (After additional acquisition)</th></tr><tr><td rowspan="4">Real estate trust beneficiary right, etc. 7,550 million yen (Note 3)</td><td>Non-recourse loan (senior) 4,400 million yen</td></tr><tr><td>Non-recourse loan (mezzanine) 1,300 million yen</td></tr><tr><td>Equity investment in silent partnership, etc. 1,850 million yen (Note4)</td></tr><tr><td>privileged silent partnership equity interest 650 million yen</td></tr><tr><td>subordinated silent partnership equity interest 1,200 million yen</td></tr></table>			Godo Kaisha Nicolas Capital 10 (Initial acquisition)		Real estate trust beneficiary right, etc. 3,533 million yen (Note 1)	Non-recourse loan (senior) 1,890 million yen	Non-recourse loan (mezzanine) 607 million yen	Equity investment in silent partnership, etc. 1,036 million yen (Note2)	Privileged silent partnership equity interest 364 million yen	Subordinated silent partnership equity interest 672 million yen	Godo Kaisha Nicolas Capital 10 (After additional acquisition)		Real estate trust beneficiary right, etc. 7,550 million yen (Note 3)	Non-recourse loan (senior) 4,400 million yen	Non-recourse loan (mezzanine) 1,300 million yen	Equity investment in silent partnership, etc. 1,850 million yen (Note4)	privileged silent partnership equity interest 650 million yen	subordinated silent partnership equity interest 1,200 million yen
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subordinated silent partnership equity interest 1,200 million yen																			

	<p>Calculation period: The three-month periods every year from March 1 to the last day of May from June 1 to the last day of August, from September 1 to the last day of November and from December 1 to the last day of February in the following year. However, the first calculation period shall be from the agreement for the Initial acquisition conclusion date to the last day of May 2017.</p> <p>Distribution of earnings(losses): In the event that the business generates earnings in the respective calculation period, the operator shall distribute as follow on the last day of the respective calculation period.</p> <p>i) Operator shall distribute the amount correspond to certain proportion prescribed in the silent partnership agreement of equity investment amount of each privileged silent partnership equity interest investor times days of each calculation period to privileged silent partnership equity interest investor equally prior to subordinated silent partnership equity interest investors.</p> <p>ii) Operator shall distribute remains of the earnings to subordinated silent partnership equity interest investors in accordance with their proportion of equity investment, if any.</p> <p>In addition, in the event that the business generates losses in the respective calculation period, distributions shall be in the following sequence on the last day of the respective calculation period for up to the amount of losses of the business.</p> <p>1) Subordinated silent partnership equity interest 2) Privileged silent partnership equity interest</p> <p>However, in the event that the cumulative amount of losses to be distributed to equity investors exceeds the total amount of equity investment, the entire portion in excess shall be distributed to the operator.</p> <p>Equity investment in silent partnership, etc.: Sojitz Corporation, the main sponsor of NIPPON REIT, acquires total of 300 million yen of subordinated silent partnership equity interest out of total amount of subordinated silent partnership equity interest of 1,200 million yen as one of sponsor support.</p>
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Other	Right of first negotiation to be granted with the Acquisition	
	Content of right	The right to be the first to be entitled to negotiate acquisition of the real estate trust beneficiary right scheduled to be acquired by the operator on April 11, 2017 (please refer to 6. Below) or the real estate that is the trust property
	Period	To March 29, 2019 (Scheduled)
	Terms and conditions of price upon first negotiation	Up to 7,234 million yen (excluding consumption taxes) Breakdown (excluding consumption taxes) (Note 5): (Tentative) Residence Hiroo :2,590 million yen Merveille Senzoku :740 million yen Splendid Shin-osakaⅢ :2,428 million yen Charmant Fuji Osakajominami :905 million yen Piacere Fuminosato :571 million yen

(Note 1) Real estate trust beneficiary right, etc. includes arrangement costs and reserves, etc. Furthermore, the total real estate appraisal value of the two properties is 3,330 million yen.

(Note 2) Of the total amount of equity investment in silent partnership, etc., NIPPON REIT's equity investment is scheduled to be 28 million yen (2.7% of the total amount of equity investment in silent partnership, etc.).

(Note 3) Real estate trust beneficiary right, etc. includes arrangement costs and reserves, etc. Furthermore, the total real estate appraisal value of the five properties is 7,276 million yen.

(Note 4) Of the total amount of equity investment in silent partnership, etc., NIPPON REIT's equity investment is scheduled to be 50 million yen (2.7% of the total amount of equity investment in silent partnership, etc.).

(Note 5) The pricing terms for first negotiations are represented by an amount rounded down to the nearest million yen.

(Note 6) Agility Asset Advisers is the asset managers for Godo Kaisha Nicolas Capital 10.

(Note 7) Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is the party handling the private placement for Godo Kaisha Nicolas Capital 10.

(2) Overview of operator of silent partnership in which equity investment is to be made

Name	Godo Kaisha Nicolas Capital 10
Location	2-7-1 Nihonbashi Chuo-ku Tokyo
Line of business	1. Acquisition, holding, disposition, leasing and management of real estate 2. Acquisition, holding and disposition of real estate trust beneficiary right 3. Other businesses incidental or related to businesses listed in the preceding items
Title and name of representative	Representative member: Ippan Shadan Hojin Nicolas Funding 10 Person to execute duties: Hiroshi Ariwara
Capital	100 thousand yen
Other equity investor in silent partnership	Not disclosed (Note 1)
Date of incorporation	February 21, 2017
Total asset	After initial acquisition 3,533 million yen (Scheduled)(Note 2) After additional acquisition 7,550 million yen (Scheduled)(Note 2)
Net asset	100 thousand yen
Relationship with NIPPON REIT or SRA	
Capital relationship Personnel relationship Business relationship	There is no capital relationship, personnel relationship or business relationship to be stated between NIPPON REIT or SRA and the concerned company. In addition, there is no capital relationship, personnel relationship or business relationship to be specially noted between associated persons and associated companies of NIPPON REIT or SRA and associated persons and associated companies of the concerned company.
Related-party status	The concerned company does not fall under the category of a related party of NIPPON REIT or SRA. In addition, any of associated persons and associated companies of the concerned company does not fall under the category of a related party of NIPPON REIT or SRA.

(Note1) Not disclosed because consent has not been obtained from other equity investor in silent partnership.

(Note2) Total asset is rounded down to the nearest million yen.

4. Schedule of acquisition

(i) Initial acquisition

March 28, 2017 Decision on acquisition

March 28, 2017 Conclusion of silent partnership agreement (scheduled)

March 29, 2017 Equity investment in silent partnership (scheduled)

(ii) Additional acquisition

March 28, 2017 Decision on acquisition

April 7, 2017 Conclusion of silent partnership agreement (scheduled)

April 10, 2017 Equity investment in silent partnership (scheduled)

5. Future outlook

The forecast of the management status for the fiscal period ending June 2017 (from January 1, 2017 to June 30, 2017) and December 2017 (from July 1, 2017 to December 31, 2017) announced in the "Summary of Financial Results for the Fiscal Period Ended December 31, 2016 (REIT)" dated February 16, 2017 remains unchanged because the impact will be minimal.

## 6. Content of the Property

### (i) (Tentative) Residence Hiroo

Type of specified asset		Real estate trust beneficiary right
Acquisition date		March 30, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		March 30, 2017(Scheduled)
Trust expiration date		The last day of March 2027 (Scheduled)
Location (indication of residential address)		5-1-10 Minami-azabu Minato-ku Tokyo
Land	Parcel number	5-79-46 Minami-azabu Minato-ku Tokyo
	Building coverage	80%(Note1) / 400%
	Use district	category I residential area
	Site area	608.63 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction	February 2004
	Structure / Floors	Reinforced concrete structure/flat roof, 12F
	Use	Residence, Retail
	Total floor space	2,422.10 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		2,590 million yen
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
PML		3.0%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee.
Status of leasing		
	Leasable floor space	1,983.15 m <sup>2</sup>
	Leased floor space	1,844.64 m <sup>2</sup>
	Occupancy rate (by space)	93.0%
	Number of leasable units	53 units (Residence) / 1 section (Retail)
	Number of leased units	49 units (Residence) / 1 section (Retail)
	Occupancy rate (by number of units)	92.6%
	Total number of tenants	48
	Total rent income (annual)	112 million yen
	Deposits, etc.	40 million yen
Special notations		Not applicable

(Note1) The building coverage ratio is essentially 60%, but it is 80% due to relaxation for fire-proof structures within fire prevention districts and for a corner lot.



### Characteristics

#### Location

The subject property is approximately 3-minute walk from the Hiroo station of Tokyo Metro, high and medium-high office buildings, stores and residences line along a prefectural road around the property. The area is one of the most luxury residential area historically, the residences of peerages or high-level military personnel and embassy etc. have placed around Arisugawa-no-miya Memorial Park after Meiji period. High and medium-high apartment houses, stores and office buildings line along an arterial road, on the other hand relatively big detached houses and low apartment houses line behind the road, quiet and elegant atmosphere has been created. Around the property, in addition to luxury grocery store which has foodstuffs from abroad and Hiroo Sanpo Dori that is old-fashioned shopping street, medical institutions such as Japan Red Cross Medical Center and Tokyo Metropolitan Hiroo Hospital, schools with long history such as University of the Sacred Heart, Tokyo, Tokyo Jogakkan, Keio Gijuku Yochisha Primary School are located, the area combines quiet living environment and convenience.

#### Building

The design and material are generally satisfactory, and rooms are composed of studio type and 1DK type which takes aim at single persons as main target. It also is equipped satisfactory such as automatic locking device, home delivery box, security camera, intercom with monitor, bathroom ventilating heating drier, bathtub with reheating function and 2 burner gas stove.

Furthermore it is easily accessible to the central Tokyo, the property is expected to have demand from single business man and companies which need apartment for their employees.

① Map of real estate that is the trust property



② Photo of exterior and interior of real estate that is the trust property





## (ii) Merveille Senszoku

Type of specified asset		Real estate trust beneficiary right
Acquisition date		March 30, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		March 30, 2017 (Scheduled)
Trust expiration date		The last day of March 2027 (Scheduled)
Location (indication of residential address)		1-10-1 kitasenzoku Oota-ku Tokyo
Land	Parcel number	1-672-3 kitasenzoku Oota-ku Tokyo (and other 1 parcels)
	Building coverage	80%(Note1) / 300%
	Use district	Quasi-residential zone
	Site area	300.32 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction	September 2002
	Structure / Floors	Steel-framed reinforced concrete, Reinforced concrete structure/flat roof, B1/9F
	Use	Residence
	Total floor space	1,079.99 m <sup>2</sup> (Note2)
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		740 million yen
Real estate appraiser		Morii Appraisal & Investment Consulting Inc.
PML		5.3%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee.
Status of leasing		
	Leasable floor space	843.54 m <sup>2</sup>
	Leased floor space	813.26 m <sup>2</sup>
	Occupancy rate (by space)	96.4%
	Number of leasable units	28 units
	Number of leased units	27 units
	Occupancy rate (by number of units)	96.4%
	Total number of tenants	27
	Total rent income (annual)	36 million yen
	Deposits, etc.	3 million yen
Special notations		A part of the building and the fence transgresses the border between proximate roads which are located on the northeast side and west side. Though the bother transgression should be reformed at the timing of rebuilding, we confirmed with the government that any correction is not required as long as current building exists.

(Note1) The building coverage ratio is essentially 60%, but it is 80% due to relaxation for fire-proof structures within fire prevention districts and for a corner lot.

(Note2) Total floor space includes the floor space of following annex buildings.

Use: Garbage area    Structure: Reinforced concrete structure/flat roof    floor space: 4.14 ㎡

Characteristics
<p><b>Location</b></p> <p>The property is 6-minute walk from the Senszoku station on the Tokyu Meguro Line, 7-minute walk from the Kita-senzoku station and 10-minute walk from Ookayama station on the Tokyu Oimachi Line, several lines and stations are available. Many kind of community facilities such as grocery store, convenience store, hospital, bank, library and children's play-ground are located within 10-minute walkable area, the area combines satisfactory living environment and convenience. Regarding the surrounding environment, many apartment houses line along an arterial road as popular location for urban residence, on the other hand lots of detached house are concentrated behind the road, quiet atmosphere has been created. The property is affected by noises and dust as location along the Loop Road No.7, however certain lovability is maintained by balconies which place at back of the road, certain sunshine and ventilation. The property in proximity of the station and commercial district around the station, the location is high in convenience, furthermore it takes 12 minutes by train from the Senszoku station to the Shibuya station via the Meguro station, and 19 minutes by train to the Shinjuku station via the Meguro station, the area is considered to have strong demand as residence district.</p> <p><b>Building</b></p> <p>Though the deterioration has been seen as aging, the condition of the building and equipment has been maintained at the same level as buildings which compete with the property. Both of layout and equipment are standard level, the property is expected to be in demand stably from single persons mainly.</p>

① Map of real estate that is the trust property



② Photo of exterior and interior of real estate that is the trust property



(iii) Splendid Shin-osakaⅢ

Type of specified asset		Real estate trust beneficiary right
Acquisition date		April 11, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		April 11, 2017 (Scheduled)
Trust expiration date		The last day of March 2027 (Scheduled)
Location (indication of residential address)		2-1-11, Higashinakajima Higashiyodogawa-ku Osaka, Osaka
Land	Parcel number	2-1-5, Higashinakajima Higashiyodogawa-ku Osaka, Osaka
	Building coverage	80% / 400%
	Use district	Commercial district
	Site area	1,118.04 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction	February 2015
	Structure / Floors	Steel-framed reinforced concrete with flat roof 15F
	Use	Residence
	Total floor space	4,794.48 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		2,470 million yen
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
PML		6.0%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee.
Status of leasing		
	Leasable floor space	4,299.12 m <sup>2</sup>
	Leased floor space	4,244.75 m <sup>2</sup>
	Occupancy rate (by space)	98.7%
	Number of leasable units	154 units
	Number of leased units	152 units
	Occupancy rate (by number of units)	98.7%
	Total number of tenants	127
	Total rent income (annual)	146 million yen
	Deposits, etc.	0 million yen
Special notations		Not applicable

### Characteristics

#### Location

The subject property is 9-minute walk from Nishinakajima-Minamigata station on the Osaka Municipal Subway Midosuji Line, it takes 5 minutes from the station to the Umeda station and 2 minutes to the Shin-osaka station, great access to the center of the Osaka city. High and medium-high residences and office buildings spread in the area, it is a mixed area of commercial zone and residence zone. Community facilities such as restaurant and grocery store are located around the nearest station, the convenience of the area is satisfactory.

#### Building

The first floor is for the entrance and common space, and the subject property has various type of layout such as 1K type room(26.10-27.84㎡) of 126 units, 1LDK type room (33.06㎡) of 14 units and 1K+S type room(33.06㎡) of 14 units, it is considered to attract rental demand widely. Furthermore the property is equipped with consideration for single women from the aspect of security and livability such as spacy entrance with automatic locking device and home delivery box. In rental rooms it is equipped with standard level of specifications which can meet general tenants' needs such as independent type washstand, inside space for washing machine, bathroom heating dryer, air conditioner, internet system, closet and shoes box.

① Map of real estate that is the trust property



② Photo of exterior and interior of real estate that is the trust property



(iv) Charmant Fuji Osakajominami

Type of specified asset		Real estate trust beneficiary right
Acquisition date		April 11, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		April 11, 2017 (Scheduled)
Trust expiration date		The last day of March 2027 (Scheduled)
Location (indication of residential address)		3-3-8 Uchikyuhojimachi chuo-ku Osaka, Osaka
Land	Parcel number	3-25-1 Uchikyuhojimachi chuo-ku Osaka, Osaka
	Building coverage	80% / 400%
	Use district	Commercial district
	Site area	397.96 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction	April 2004
	Structure / Floors	Reinforced concrete structure/flat roof, 10F
	Use	Residence
	Total floor space	1,612.76 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		905 million yen
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
PML		9.4%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee.
Status of leasing		
	Leasable floor space	1,512.00 m <sup>2</sup>
	Leased floor space	1,440.00 m <sup>2</sup>
	Occupancy rate (by space)	95.2%
	Number of leasable units	63 units
	Number of leased units	60 units
	Occupancy rate (by number of units)	95.2%
	Total number of tenants	60
	Total rent income (annual)	48 million yen
	Deposits, etc.	2 million yen
Special notations		Not applicable



### Characteristics

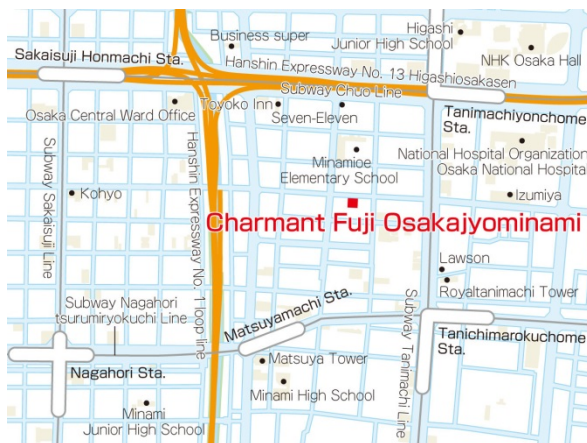
#### Location

The subject property is 6-minute walk from the Tanimachi-yonchome station on the Osaka Municipal Subway Tanimachi Line and Chuo Line, has proximally location to the station. It takes 7 minutes by train from the station to the Higashi-umeda station on the Osaka Municipal Subway Tanimachi Line, and 9 minutes to the Namba station on the Osaka Municipal Subway Sennichimae Line, great access to both of Umeda area and Namba area which are one of the biggest commercial district in Kansai area. In addition, it is easily accessible to each business area in the Osaka city, convenience in transportation of the location is relatively satisfactory. The area is a commercial area which medium-high office buildings intermingle with apartment houses, community facilities such as grocery store, restaurant and convenience store are located around the station, it is satisfactory livable area.

#### Buileding

Though the deterioration has been seen as aging, the property meets rental needs in the area with 1K type rooms (24.00㎡) for single person. Furthermore the property is equipped with consideration for single women from the aspect of security and livability such as spacy entrance with automatic locking device and home delivery box. In rental rooms it is equipped with standard level of specifications which can meet general tenants' needs such as air conditioner, washstand with shower, inside space for washing machine, internet system, closet and shoes box.

① Map of real estate that is the trust property



② Photo of exterior and interior of real estate that is the trust property



( v ) Piacere Fuminosato

Type of specified asset		Real estate trust beneficiary right
Acquisition date		April 11, 2017 (Scheduled)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (scheduled)
Trust establishment date		April 11, 2017 (Scheduled)
Trust expiration date		The last day of March 2027 (Scheduled)
Location (indication of residential address)		1-12-18 Hannancho Abeno-ku Osaka, Osaka
Land	Parcel number	1-12-31 Hannancho Abeno-ku Osaka, Osaka
	Building coverage	80% / 300%
	Use district	Category I residential area
	Site area	499.00 m <sup>2</sup>
	Type of ownership	Ownership
Building	Construction	February 1999
	Structure / Floors	Reinforced concrete structure/flat roof, 8F
	Use	Residence
	Total floor space	1,511.30 m <sup>2</sup>
	Type of ownership	Ownership
Master lease company		Yugen Kaisha Forecast Leasing (Scheduled)
Type of master lease		Pass-through
Appraisal value		571 million yen
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
PML		11.9%
Collateral after acquisition		The real estate trust beneficiary right is scheduled to have a pledge established with the loaner of the non-recourse loan to the operator as the pledgee.
Status of leasing		
	Leasable floor space	1,374.08 m <sup>2</sup>
	Leased floor space	1,265.12 m <sup>2</sup>
	Occupancy rate (by space)	92.1%
	Number of leasable units	44 units
	Number of leased units	40 units
	Occupancy rate (by number of units)	90.9%
	Total number of tenants	40
	Total rent income (annual)	28 million yen
	Deposits, etc.	0 million yen
Special notations		Not applicable



Characteristics
<p><b>Location</b> The property is 2-minute walk from the Fuminosato station on the Osaka Municipal Subway Tanimachi Line, walkable from the Showamachi station on the Osaka Municipal Subway Midosuji Line, great access to the center of the commercial area in the Osaka city with Osaka Municipal Subway Midosuji Line which is one of main line in the city, convenience in transportation of the location is satisfactory. The area is considered to have demand from businessman who commutes to Tennoji / Abeno area or student of vocational school.</p> <p><b>Builinging</b> The property aims single person with standard resident-friendly layout and satisfactory building design and grade, it is considered to have standard competitiveness power.</p>

① Map of real estate that is the trust property



② Photo of exterior and interior of real estate that is the trust property



[Explanation of matters stated in table 6. Content of the Property]

- “Location (indication of residential address)” is the indication of residential address of the Property. In addition, if there is no indication of residential address, the building location in the registry (if several, then one of the locations) is stated.
- “Building coverage ratio” and “Floor area ratio” of land are, in principle, the figures provided in accordance with related laws and regulations, such as the Building Standards Act and the City Planning Act, and rounded to the nearest whole number. Depending on a specified asset, there are cases where “Building coverage ratio” and “Floor area ratio” are subject to certain relaxation measures or restriction measures. In addition, where there are several floor area ratios that apply to a site, the floor area ratio is stated by converting to one that applies to the entire site.
- “Use district” of land is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- “Site area” of land is based on that stated in the registry and may differ from the present state.
- “Type of ownership” of land is the type of rights of the real estate held by the trustee of the Property.
- “Construction completion” of building is the date of new construction in the registry. In addition, the date of extension, reconstruction, etc. are also stated, if any. “Structure / Floors” of building is based on that stated in the registry. “Use” of building is the major type of building in the registry.
- “Total floor space” of building is based on that stated in the registry, and annex buildings are separately stated, if any. “Type of ownership” of building is the type of rights of the real estate held by the trustee of the Property.
- “Master lease company” is the company that has concluded or the company that is scheduled to conclude a master lease agreement that is valid as of today for the Property.
- “Type of master lease” is the main type of master lease agreement concluded or scheduled to be concluded as of today, where “Pass-through” is a master lease agreement in which the master lease company shall pay the same amount of rent as the rent payable by end tenants to the master lease company and “Rent guaranteed” is a master lease agreement in which the master lease company shall pay a fixed amount of rent.
- “Appraisal value” is the appraisal value stated in the appraisal report prepared by Daiwa Real Estate Appraisal Co., Ltd. with February 28, 2017 ((Tentative) Residence Hiroo, Splendid Shin-osaka III, Charmant Fuji Osakajominami, Piacere Fuminosato) or prepared by Morii Appraisal & Investment Consulting Inc. with February 28, 2017 (Merveille Senzoku) as the effective date of appraisal as requested as part of due diligence upon acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 10, and rounded down to the nearest million yen.
- “PML” is the PML (Probable Maximum Loss) calculated in the evaluation of seismic risk analysis conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd. as requested as part of due diligence upon acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 10, and rounded to one decimal place. Furthermore, “Probable Maximum Loss” means the probable maximum loss that may result from an earthquake and, herein, refers to the extent of damage that may be suffered due to an earthquake of the assumed maximum scale (earthquake with a probability of occurring once in 475 years = earthquake with a 10% probability of occurrence in 50 years) in the assumed scheduled use period (50 years = useful life of a general building), expressed as the estimated cost of restoring such damage as a percentage (%) of the replacement cost.
- “Collateral after acquisition” is whether or not collateral is scheduled to be established after acquisition of the real estate trust beneficiary right by Godo Kaisha Nicolas Capital 10.
- “Status of leasing” is based on the figures and information provided by the previous owner or the trust beneficiary, etc. regarding the content, etc. of the lease agreement, etc. that is valid as of February 28, 2017, unless otherwise stated.
- “Leasable floor space” is the floor space regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building of each asset as of February 28, 2017 for the Property.
- “Leased floor space” is the sum total of the leased floor space indicated in each lease contract or each provisional lease contract for the Property as of February 28, 2017. However, in cases where a pass-through type master lease agreement is scheduled to be concluded, the sum total

of the leased floor space of end tenants indicated in each sublease contract or each provisional sublease contract for the Property as of February 28, 2017. Furthermore, because there are cases where leased floor space indicated in lease contracts, etc. includes the portion not included in total floor space, there are cases where total leased floor space may exceed total floor space.

- “Occupancy rate” is the ratio of the leased floor space to the leasable floor space for the Property as of February 28, 2017, and rounded to one decimal place.
- “Total number of tenants” is the sum total of the number of tenants (Note 1) in the lease agreement of the Property indicated in each lease agreement for the Property as of February 28, 2017. Furthermore, in cases where a pass-through type master lease agreement is scheduled to be concluded for the concerned asset, the total number of end tenants (Note 1) is stated. However, even in the case of a pass-through type master lease agreement, in cases where the sub lessee subleasing the entire property from the master lease company has been entrusted with property management and shall pay fixed rent to the master lease company, the total number of tenants is stated as 1.
- “Total rent income (annual)” is the annual rent, or the amount annualized by multiplying the monthly rent by 12, for the building indicated in each lease contract or each provisional lease contract for the Property as of February 28, 2017 (Note 2), and rounded down to the nearest million yen. However, in cases where a pass-through type master lease agreement is scheduled to be concluded between the master lease company and the lessor, etc. in which, in principle, the rent, etc. from end tenants is received as is, the annual rent, or the amount annualized by multiplying the monthly rent by 12, indicated in each sublease contract or each provisional sublease contract with end tenants for the Property as of February 28, 2017 (Note 2), and rounded down to the nearest million yen is stated.
- “Deposits, etc.” is the sum total amount of tenant leasehold and security deposits required based on each lease agreement for the Property as of February 28, 2017 (limited to the tenant leasehold and security deposits based on the lease agreement for the leasing space occupied as of February 28, 2017), and rounded down to the nearest million yen. In cases where a master lease agreement is scheduled to be concluded for the concerned asset, the sum total amount of tenant leasehold and security deposits required based on the lease agreement concluded with end tenants, and rounded down to the nearest million yen is stated.

(Note 1) Excluding warehouse, signboard, parking lot, etc.

(Note 2) For the Property under several lease agreements, the sum total amount thereof. In addition, common area maintenance charges are included, but warehouse, signboard, parking lot, etc. usage fees are not included, and free-rent is not taken into account (excluding consumption taxes).

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

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