

**NIPPON REIT Investment Corporation (TSE code: 3296)**  
**Performance Report (October - December 2022)**

**February 16, 2023**



**NIPPON VISION**

*Serious, Steady, Solid.*



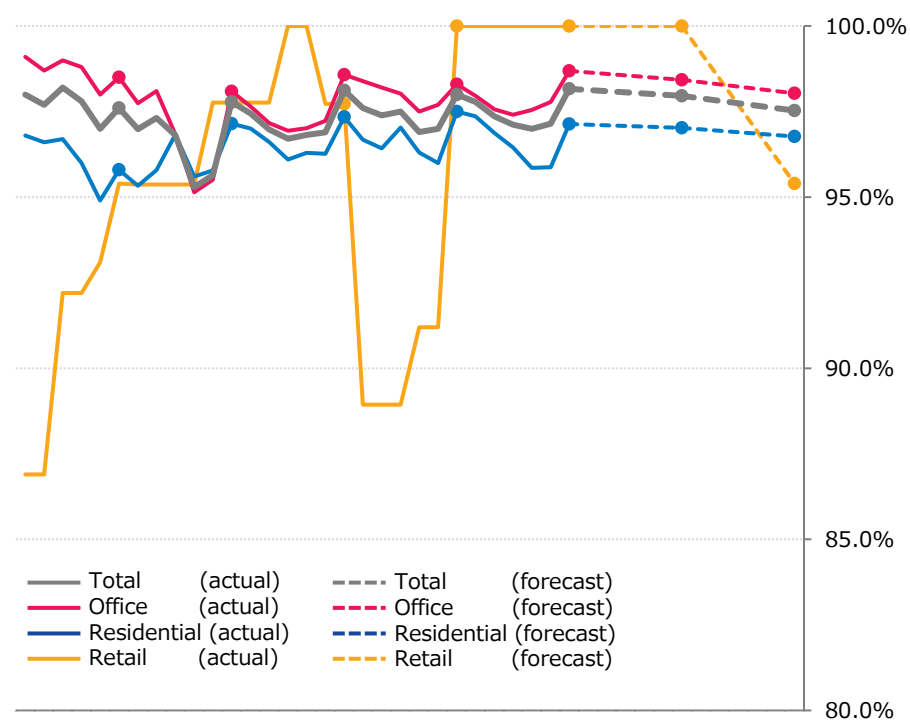
**NIPPON REIT**  
Investment Corporation

# Occupancy Rate and Rent-free Period Trend

◆ Both contract and rent occupancy rate show stable trend

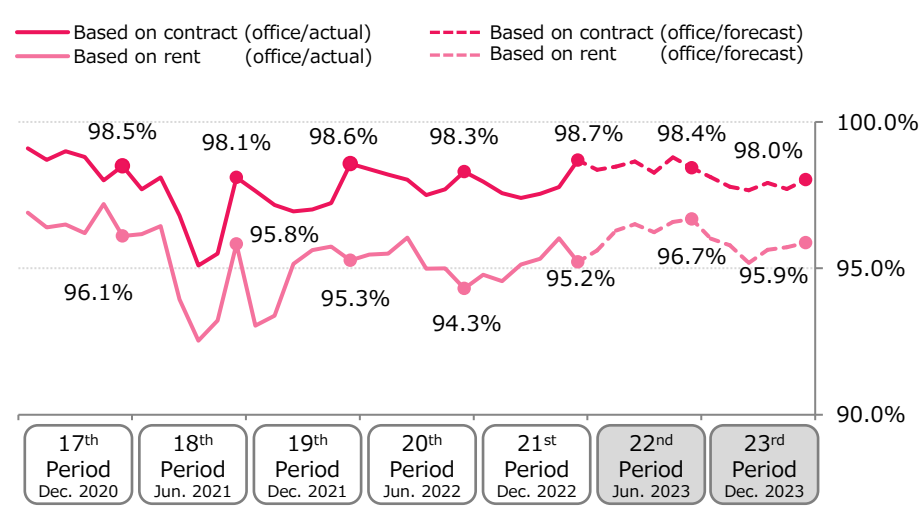
- Portfolio occupancy rate continues to be stable (the decline of retail properties in the 23<sup>rd</sup> Period is based on the assumed cancellation model, not the receipt of cancellation notice)
- The average rent-free period decreased after reaching its peak in the 19<sup>th</sup> and 20<sup>th</sup> Period, and the gap between the contract and rent based occupancy rate is minimizing

《Occupancy rate trend and forecast》

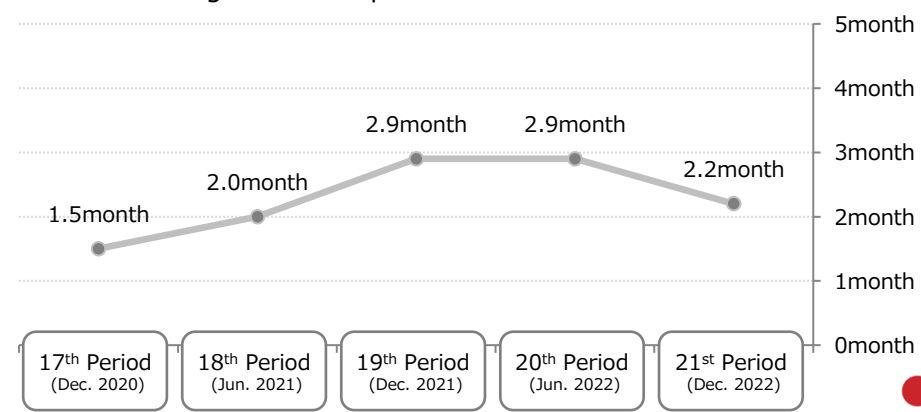


| 17 <sup>th</sup> Period | 18 <sup>th</sup> Period | 19 <sup>th</sup> Period | 20 <sup>th</sup> Period | 21 <sup>st</sup> Period | 22 <sup>nd</sup> Period | 23 <sup>rd</sup> Period |             |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------|
| 97.6%                   | 97.8%                   | 98.1%                   | 98.0%                   | 98.2%                   | 98.0%                   | 97.5%                   | Total       |
| 98.5%                   | 98.1%                   | 98.6%                   | 98.3%                   | 98.7%                   | 98.4%                   | 98.0%                   | Office      |
| 95.8%                   | 97.1%                   | 97.3%                   | 97.5%                   | 97.1%                   | 97.0%                   | 96.8%                   | Residential |
| 95.4%                   | 97.8%                   | 97.7%                   | 100.0%                  | 100.0%                  | 100.0%                  | 95.4%                   | Retail      |

《Trend of occupancy rate based on rent (office)》



《Trend of average rent-free period <sup>(1)</sup>》

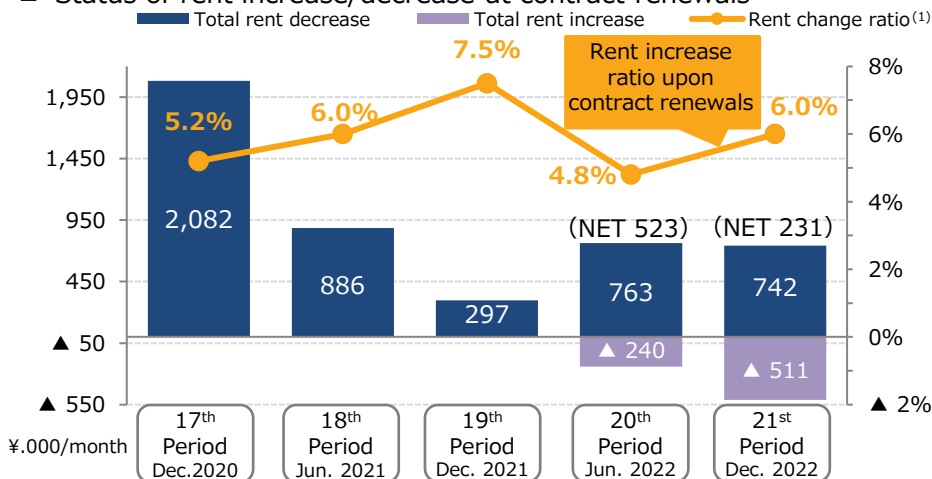


# Trend of Rent Change (Office)

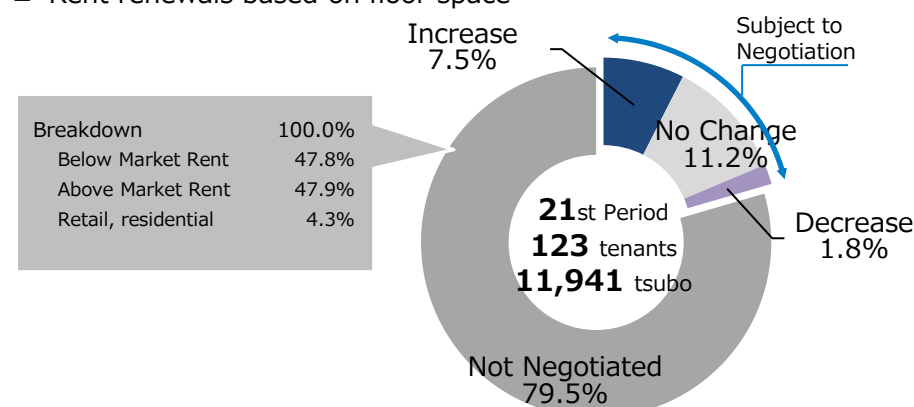
## ◆ Continue negotiations to increase rent at the timing of rent renewal

- For the 21<sup>st</sup> Period, rent increase was achieved for 7.5% of the space subject to contract renewals, i.e., 895 tsubo (15 tenants) out of 11,941 tsubo (123 tenants)
- Considering the impact of the COVID-19 pandemic, negotiations were postponed for 9,494 tsubo (95 tenants) of office space (of which 47.9% is above the market rent), which is 79.5% of the office space.

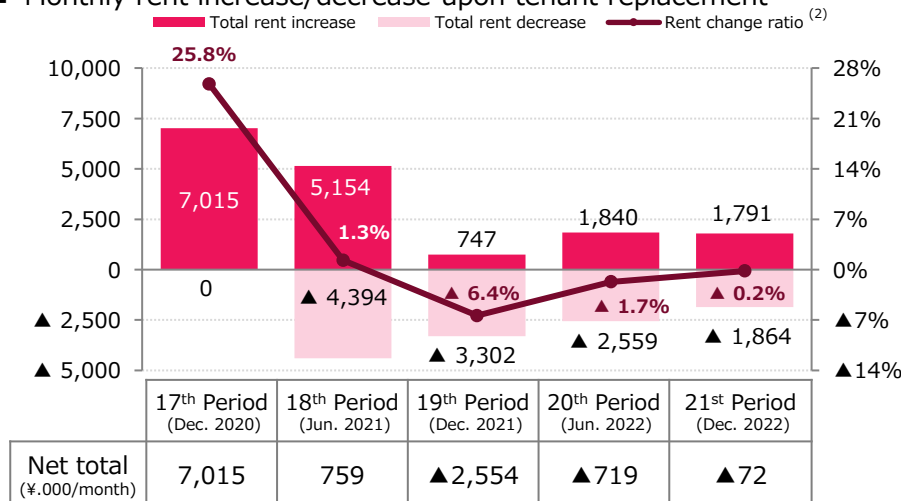
### ■ Status of rent increase/decrease at contract renewals



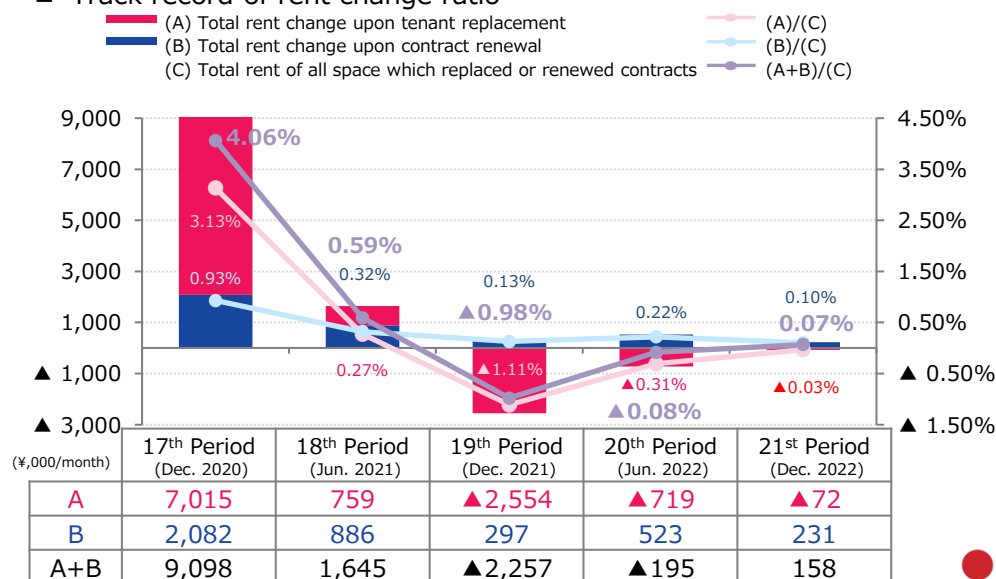
### ■ Rent renewals based on floor space



### ■ Monthly rent increase/decrease upon tenant replacement



### ■ Track record of rent change ratio



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.

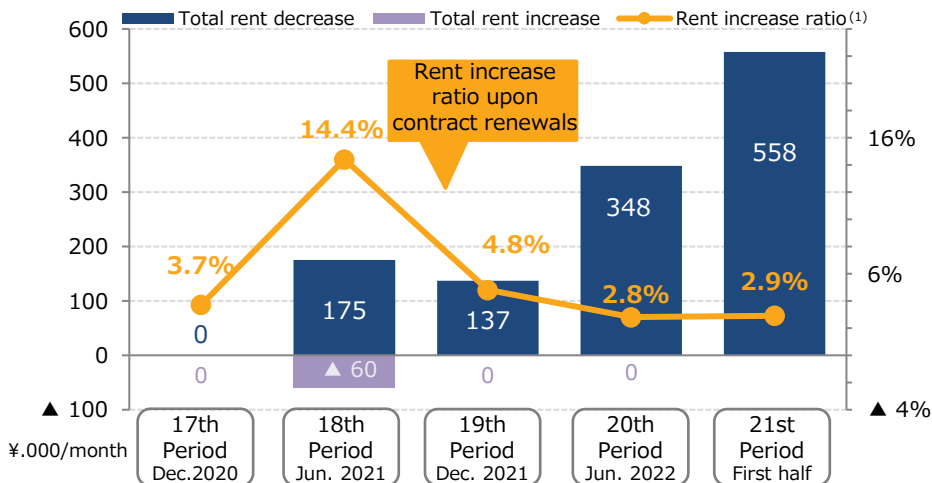
2. "Rent increase ratio" is (total rent increase after rent renewal - total rent before rent renewal) / (total rent before rent renewal). Figures are rounded to the first decimal place.

# Trend of Rent Change (Residential)

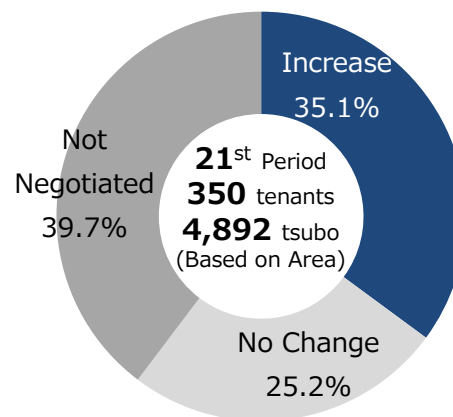
## ◆ Rent increase achieved through the efforts to raise rent at the time of contract renewal

- During the 21<sup>st</sup> Period, monthly rent increase of ¥558 thousand was achieved by contract renewal
- Occupancy rate were stable in all region

### ■ Status of rent increase/decrease at contract renewals



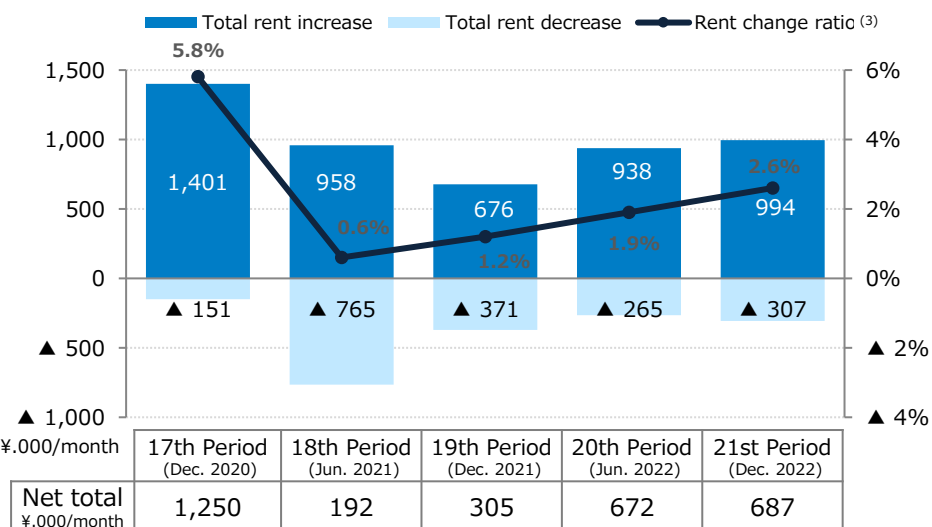
### ■ Rent renewals based on floor space



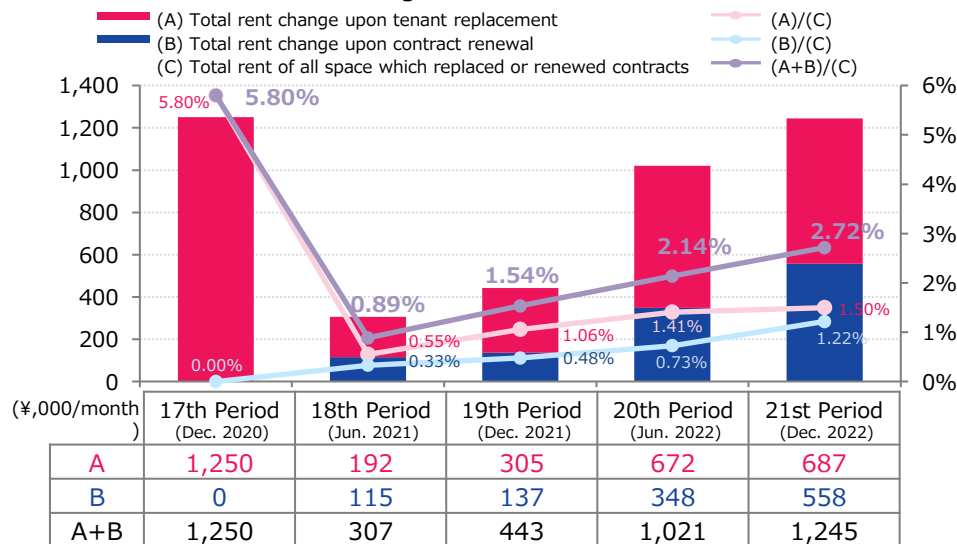
Total Rent Increase  
¥558k/month

Total Rent Decrease  
¥0/month

### ■ Monthly rent increase/decrease upon tenant replacement (2)



### ■ Track record of rent change ratio



1. "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.

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

3. "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.

# Status of Cancellation Notices (Office & Retail)

| Property name                | Occupancy rate | Status of cancellation notice  |   |   | Assumed occupancy rate <sup>(1)</sup> |
|------------------------------|----------------|--------------------------------|---|---|---------------------------------------|
| FORECAST Yotsuya             | 89.7%          | 1 floor                        | (52 tsubo)                              | vacant                                    | 100.0% (Feb. 2023)                    |
| FORECAST Kameido             | 94.7%          | 1 space                        | (49 tsubo)                              | vacant                                    | 100.0% (Feb. 2023)                    |
| Omiya Center Building        | 98.6%          | 1 space<br>1 space             | (60 tsubo)<br>(73 tsubo)                | vacant<br>cancellation received           | 100.0% (Jun. 2023)                    |
| GreenOak Takanawadai         | 82.1%          | 1 floor<br>2 floors<br>1 floor | (52 tsubo)<br>(116 tsubo)<br>(89 tsubo) | vacant<br>cancellation received<br>vacant | 100.0% (Jun. 2023)                    |
| FORECAST Kayabacho           | 100.0%         | 1 space<br>1 floor             | (15 tsubo)<br>(149 tsubo)               | cancellation received                     | 98.7% (Jun. 2023)                     |
| Kanda Ocean Building         | 90.2%          | 1 floor<br>1 space             | (43 tsubo)<br>(9 tsubo)                 | vacant<br>cancellation received           | 97.9% (Mar. 2023)                     |
| I・S Minamimorimachi Building | 100.0%         | 1 space                        | (33 tsubo)                              | cancellation received                     | 97.3% (Aug. 2023)                     |
| FORECAST Shinjuku SOUTH      | 100.0%         | 1 space                        | (164 tsubo)                             | cancellation received                     | 96.1% (Apr. 2023)                     |
| The Square                   | 100.0%         | 1 space                        | (23 tsubo)                              | cancellation received                     | 94.9% (Apr. 2023)                     |
| FORECAST Gotanda WEST        | 100.0%         | 1 space<br>1 floor             | (141 tsubo)<br>(212 tsubo)              | cancellation received                     | 94.8% (Sep. 2023)                     |
| FORECAST Ichigaya            | 100.0%         | 1 space                        | (61 tsubo)                              | cancellation received                     | 94.7% (Aug. 2023)                     |
| FORECAST Sakurabashi         | 100.0%         | 1 space                        | (118 tsubo)                             | cancellation received                     | 94.1% (Mar. 2023)                     |
| DIA Building Meieki          | 100.0%         | 2 spaces                       | (38 tsubo)                              | cancellation received                     | 92.8% (Aug. 2023)                     |
| Toranomon Sakura Building    | 90.8%          | 1 space<br>1 floor             | (84 tsubo)<br>(184 tsubo)               | vacant<br>cancellation received           | 90.8% (Apr. 2023)                     |

| Property name                       | Occupancy rate | Status of cancellation notice |                            |                       | Assumed occupancy rate <sup>(1)</sup> |
|-------------------------------------|----------------|-------------------------------|----------------------------|-----------------------|---------------------------------------|
| MK Kojimachi Building               | 90.7%          | 1 floor                       | (50 tsubo)                 | vacant                | 90.7% (Jan. 2023)                     |
| NRT Kandasudacho Building           | 100.0%         | 1 floor                       | (33 tsubo)                 | cancellation received | 90.5% (Mar. 2023)                     |
| Alte Building Higobashi             | 100.0%         | 1 floor                       | (110 tsubo)                | cancellation received | 89.5% (Jul. 2023)                     |
| Tsukiji Front                       | 100.0%         | 1 floor                       | (25 tsubo)                 | cancellation received | 88.0% (Feb. 2023)                     |
| ANTEX24 Building                    | 86.7%          | 1 floor                       | (90 tsubo)                 | vacant                | 86.7% (Jan. 2023)                     |
| La Verite AKASAKA                   | 100.0%         | 1 floor<br>1 floor            | (69 tsubo)<br>(69 tsubo)   | cancellation received | 86.7% (Jul. 2023)                     |
| Itohpia Iwamotocho 2-chome Building | 100.0%         | 2 spaces                      | (146 tsubo)                | cancellation received | 86.0% (Jun. 2023)                     |
| FORECAST Takadanobaba               | 83.8%          | 1 floor                       | (277 tsubo)                | vacant                | 83.8% (Jan. 2023)                     |
| Towa Higashi-Gotanda Building       | 100.0%         | 1 floor                       | (158 tsubo)                | cancellation received | 82.1% (Jun. 2023)                     |
| Nishi-Gotanda 8-chome Building      | 100.0%         | 2 floors<br>1 floor           | (202 tsubo)<br>(109 tsubo) | cancellation received | 77.7% (Aug. 2023)                     |
| Shinto GINZA EAST                   | 74.1%          | 2 floors                      | (95 tsubo)                 | vacant                | 74.1% (Jan. 2023)                     |
| Itohpia Iwamotocho ANNEX Building   | 100.0%         | 2 floors                      | (249 tsubo)                | cancellation received | 73.1% (Aug. 2023)                     |
| Central Daikanyama                  | 100.0%         | 2 floors<br>1 space           | (175 tsubo)                | cancellation received | 69.5% (Aug. 2023)                     |
| Hiroo ON Building                   | 100.0%         | 5 floors                      | (421 tsubo)                | cancellation received | 37.7% (Nov. 2023)                     |

Properties of which occupancy rate is expected to be 100% because new lease contracts have been concluded or we have already received tenancy applications for subject area  
 1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and cancellation notices at the end of September 2022.




◆ **Engineering Management, another driver of internal growth, is planned and carried out in a consistent manner**

■ Implemented measures from Oct. – Dec. 2022



**Omiya Center Building:**  
**Converted conference room into office space**

- Converted rental conference room into office space; expecting revenue increase of approx. ¥16.99mm p.a.




**GreenOak Kudan:**  
**Revenue increase from attracting museum as a tenant**

- Attracted museum as a tenant and conducted conversion works; expecting revenue increase of approx. ¥11.70mm p.a.




**Sumitomo Mitsui Bank Koraibashi:**  
**Revenue increase through revision of parking lot sublease contract**

- Revenue increase of approx. ¥2.16mm p.a. in sublease rent



**FORECAST Gotanda WEST and other two properties:**  
**Revenue increase through installation of cell phone base stations**


- Revenue increase of approx. ¥1.23mm p.a. is expected through installation of new or additional cell phone base station on the rooftop



■ Planned measures to be implemented after Jan. 2023

**FORECAST Shinjuku SOUTH and other two properties:**  
**Revenue increase through revision of parking lot sublease contract**

- Revenue increase is expected through revision of parking lot sublease contract and adding additional parking space in the contract




**Primegate Iidabashi:**  
**Revenue increase through large-scale renovation of a residential unit**

- Increase of revenue is expected through large-scale renovation of a residential unit upon tenant's move-out





**FORECAST Mita:**  
**Revenue increase through installing a new coin-operated parking space**

- Increase of revenue is expected from leasing of a vacant parking space to a coin-operated parking operator

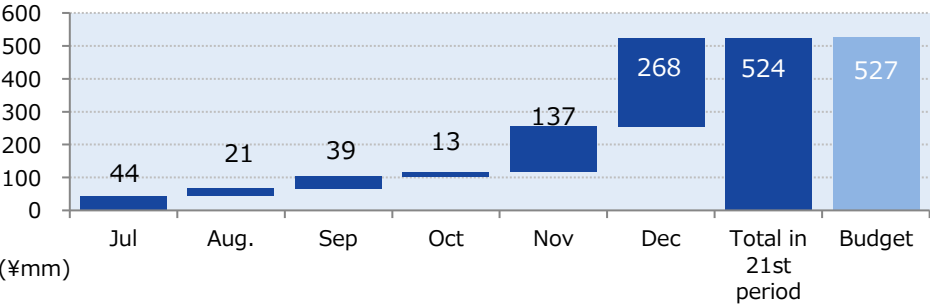






**Hermitage Shin-sakae, DeLCCS KASAI:**  
**Electricity cost reduction through installation of LED lighting to common area**

- Reduction of CO2 emission and electricity cost is expected through large-scale renovation of installing LED lightings



■ Status of Engineering Management Implementation <sup>(1)</sup>



-  Measure to increase revenue
-  Measure to improve tenant satisfaction
-  Measure to reduce expense
-  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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