

**NIPPON REIT Investment Corporation (TSE code : 3296)**  
**Performance Report (April - June 2022)**

**August 16, 2022**

**NIPPON VISION**

*Serious, Steady, Solid.*

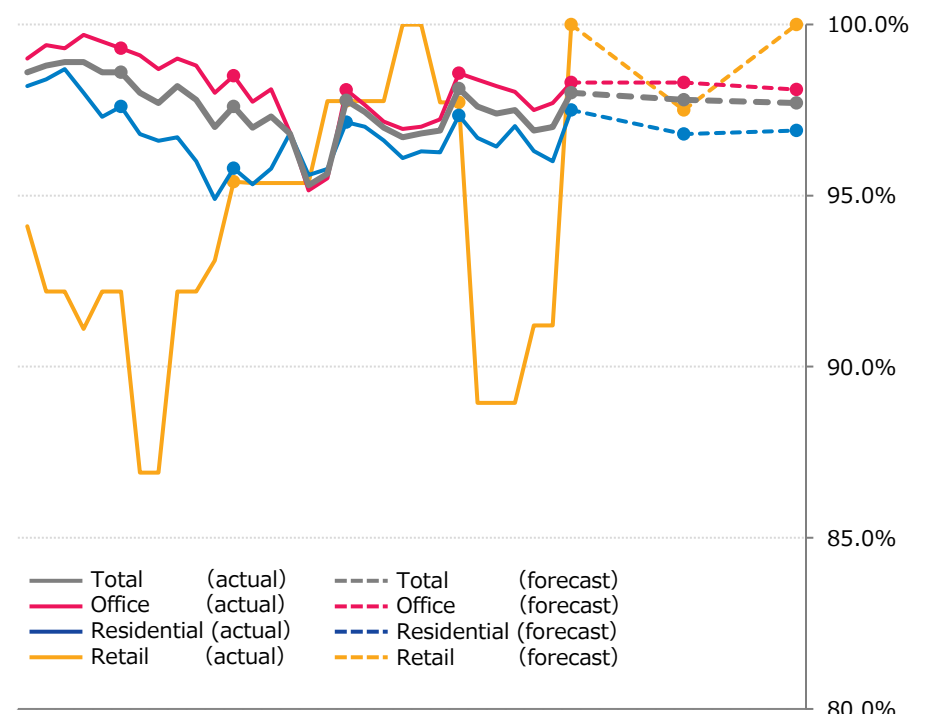


**NIPPON REIT**  
Investment Corporation

# Occupancy Rate and Rent-free Period Trend

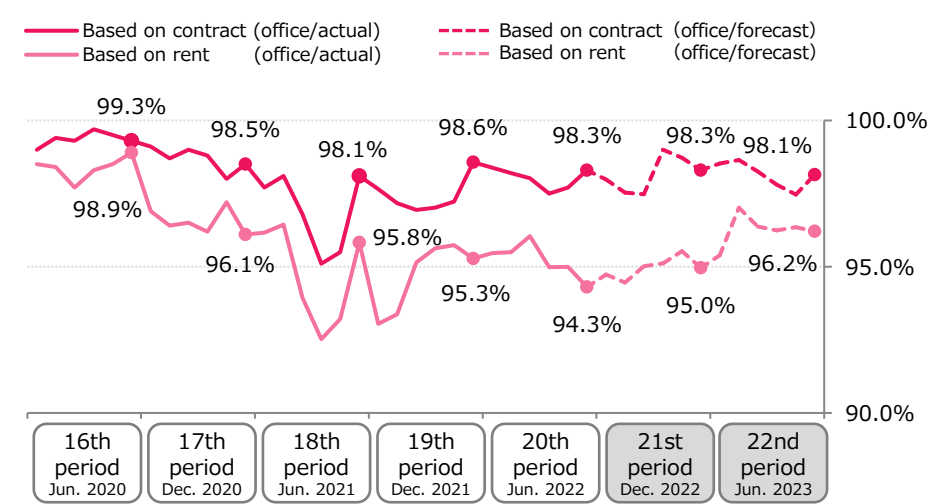
- ◆ **Both contract and rent occupancy rate show stable trend**
  - Portfolio occupancy rate continues to be stable
  - Rent occupancy remains low compared to the contract occupancy rate due to the leasing promotion of granting longer free rent period. The average free rent period has reached its peak and remained flat

《 Occupancy rate trend and forecast 》

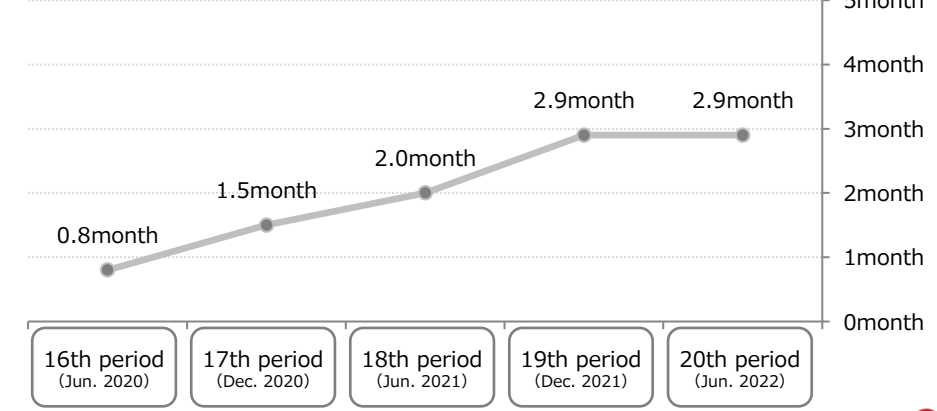


16th period	17th period	18th period	19th period	20th period	21st period	22nd period	
98.6%	97.6%	97.8%	98.1%	98.0%	97.7%	97.7%	Total
99.3%	98.5%	98.1%	98.6%	98.3%	98.3%	98.1%	Office
97.6%	95.8%	97.1%	97.3%	97.5%	96.8%	96.9%	Residential
92.2%	95.4%	97.8%	97.7%	100.0%	97.5%	100.0%	Retail

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



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



Note  
 1. "Average free rent period" is calculated by following formula for each space, for new lease contracts conducted during respective period.  
 (Reduction of rent and common benefit expense due to free rent etc.) ÷ (total amount of monthly rents and common benefit expenses in normal times)

# Rent Increase/Decrease Upon Tenant Replacement and Status of Rent Renewal

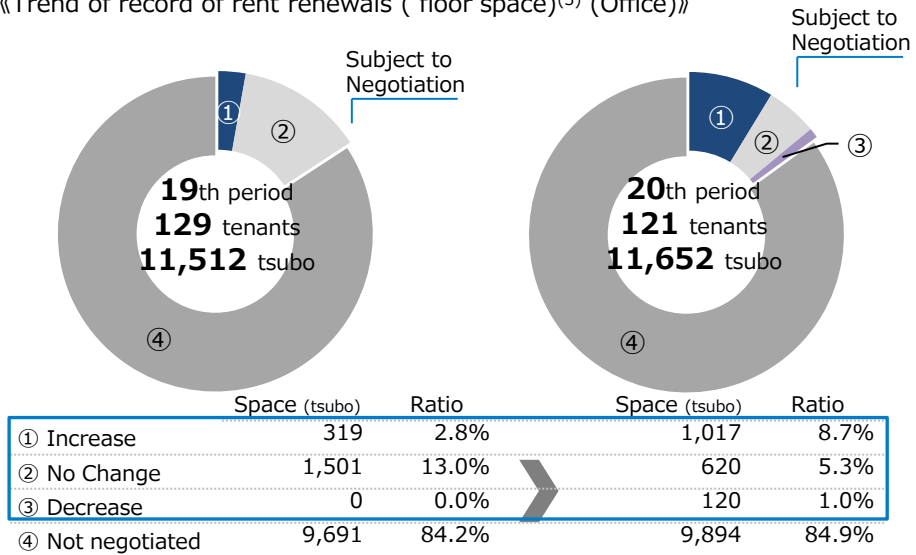
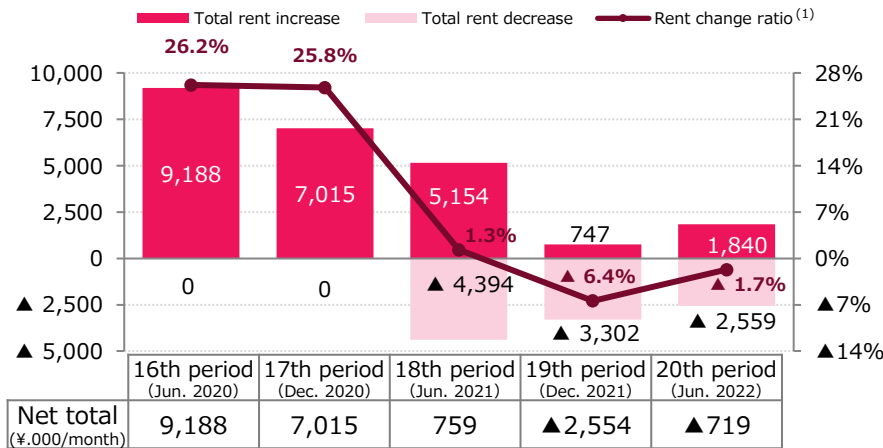
◆ While the rent change ratio upon tenant replacement continues to be affected by the spread of COVID-19, there were slight improvement in the 20th Period

- For the office properties, the rate of decrease in rent at the time of tenant replacement has narrowed, and there was also a recovery in rent increase ratio for contract renewals. The rate of change in rent for residential properties at the time of tenant replacement showed moderate recovery

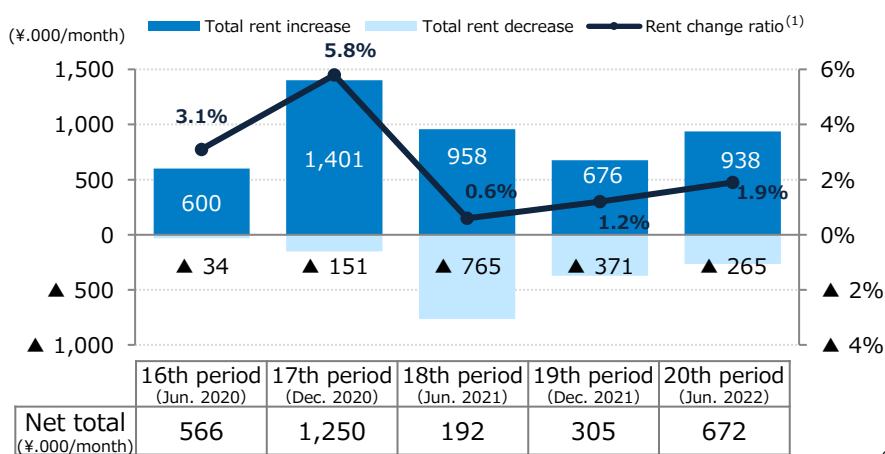
《 Monthly rent increase (decrease) upon tenant replacement 》

《Trend of record of rent renewals ( floor space)<sup>(3)</sup> (Office)》

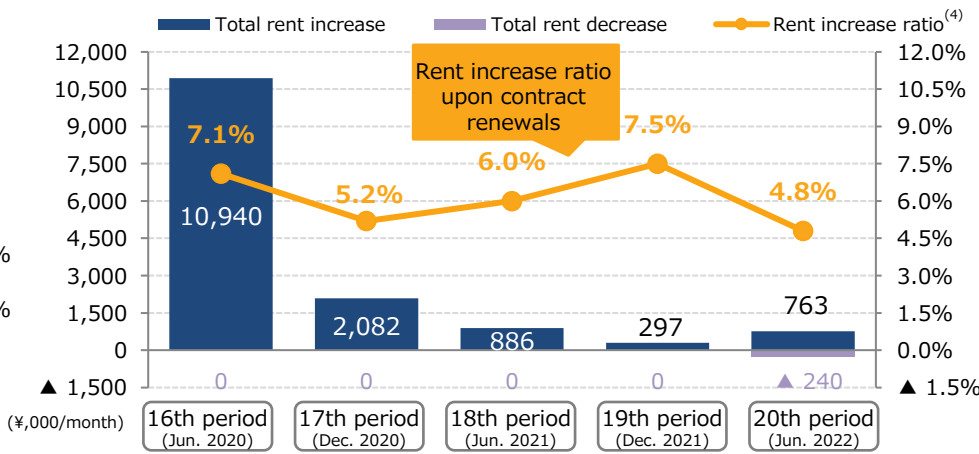
● Office



● Residence<sup>(2)</sup>



《Status of rent increase (decrease) upon contract renewals》(office /monthly rent) 》



note  
1. "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place.  
((total rent after tenant replace - total rent before tenant replacement) / total rent before tenant replacement)  
2. Residential properties of which rents are not fixed, are stated.  
3. In case that tenant categorized "Unchanged" in each period accepted rent increase after the following period, the area subject to rent renewal of the tenant is included the area categorized "Unchanged" and "Increase" in the relevant period.  
4. "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place. ((total rent increase after rent renewal - total rent before rent renewal) / total rent before rent renewal)

# Status of cancellation notices

Property name	Occupancy rate	Status of cancellation notice	Assumed occupancy rate <sup>(1)</sup>
Itohpia Iwamotocho 2-chome Building	100.0%	1 space (73 tsubo) Cancellation notice	100.0% (Aug. 2022)
FORECAST Shin-Tokiwabashi	100.0%	2 floors (90 tsubo) Cancellation notice	100.0% (Aug. 2022)
BECOME SAKAE	100.0%	1 space (51 tsubo) Cancellation notice	100.0% (Aug. 2022)
FORECAST Mita	78.5%	1 floor (116 tsubo) Vacant	100.0% (Sep. 2022)
Towa Higahi-Gotanda Building	100.0%	1 space (72 tsubo) Cancellation notice	100.0% (Sep. 2022)
Sannomiya First Building	100.0%	2 spaces (38 tsubo) Cancellation notice	100.0% (Sep. 2022)
TK Gotanda Building	100.0%	2 floors (203 tsubo) Cancellation notice	100.0% (Sep. 2022)
FORECAST Nishishinjuku	100.0%	1 floor (64 tsubo) Cancellation notice	100.0% (Oct. 2022)
NORE Fushimi	100.0%	1 space (34 tsubo) Cancellation notice	100.0% (Oct. 2022)
Nishi-Shinjuku Sanko Building	83.5%	1 space (123 tsubo) Vacant	100.0% (Nov. 2022)
FORECAST Ningyocho PLACE	87.1%	1 floor (72 tsubo) 1 floor (72 tsubo) Vacant Cancellation notice	100.0% (Dec. 2022)
FORECAST Kameido	100.0%	1 space (49 tsubo) Cancellation notice	94.7% (Jan. 2023)
NORE Meieki	94.7%	1 space (68 tsubo) 1 space (15 tsubo) Vacant Cancellation notice	93.5% (Dec. 2022)
Omiya Center Building	94.8%	3 spaces (223 tsubo) 1 space (60 tsubo) Vacant Cancellation notice	93.4% (Sep. 2022)
FORECAST Shinjuku SOUTH	96.8%	1 space (164 tsubo) 1 space (135 tsubo) Cancellation notice Vacant	92.9% (Apr. 2023)
MK Kojimachi Building	100.0%	1 floor (50 tsubo) Cancellation notice	90.7% (Jan. 2023)
Toranomon Sakura Building	100.0%	1 space (84 tsubo) Cancellation notice	90.8% (Nov. 2022)

Property name	Occupancy rate	Status of cancellation notice	Assumed occupancy rate <sup>(1)</sup>
Kanda Ocean Building	100.0%	1 floor (43 tsubo) 2 spaces (12 tsubo) Cancellation notice	90.2% (Dec. 2022)
REID-C Iidabashi Building	100.0%	1 floor (23 tsubo) Cancellation notice	90.0% (Sep. 2022)
FORECAST Yotsuya	100.0%	1 floor (52 tsubo) Cancellation notice	89.7% (Jan. 2023)
GreenOak Kudan	100.0%	4 floors (408 tsubo) Cancellation notice	89.4% (Jan. 2023)
Gotanda Sakura Building	100.0%	1 floor (48 tsubo) Cancellation notice	89.3% (Oct. 2022)
Otakibashi Pacifica Building	100.0%	1 floor (44 tsubo) Cancellation notice	89.3% (Dec. 2022)
NRT Kandasudacho Building	100.0%	1 floor (39 tsubo) Cancellation notice	88.8% (Dec. 2022)
The Square	100.0%	2 spaces (53 tsubo) Cancellation notice	88.4% (Jan. 2023)
Nishi-Gotanda 8-chome Building	100.0%	1 floor (109 tsubo) Cancellation notice	87.9% (Feb. 2023)
Hiroo ON Building	100.0%	1 floor (86 tsubo) Cancellation notice	87.3% (Nov. 2022)
ANTEX24 Building	86.7%	1 floor (90 tsubo) Vacant	86.7% (Jul. 2022)
La Verite AKASAKA	100.0%	1 floor (69 tsubo) Cancellation notice	86.6% (Feb. 2023)
FORECAST Takadanobaba	100.0%	1 floor (277 tsubo) Cancellation notice	83.8% (Aug. 2022)
GreenOak Takanawadai	92.7%	1 floor (58 tsubo) 1 floor (89 tsubo) Vacant Cancellation notice	81.4% (Jan. 2023)
FORECAST Sakurabashi	100.0%	1 space (118 tsubo) 1 floor (305 tsubo) Cancellation notice	78.7% (Mar. 2023)
FORECAST Shinagawa	84.2%	1 floor (108 tsubo) 1 space (70 tsubo) Vacant Cancellation notice	74.0% (Oct. 2022)
Shinto GINZA EAST	100.0%	3 floors (140 tsubo) Cancellation notice	61.8% (Dec. 2022)

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 July 2022.

# Implementation Status and Major plans of Engineering Management

## ◆ Engineering Management, another driver of internal growth, is carried out in a well-planned manner

《Implemented Measures (from Apr. to Jun. 2022)》

### 《FORECAST Shinjuku SOUTH》

**Increase in revenue by replacing operator of coin-operated parking space**

- Approx. ¥6.21mm p.a. revenue increase is expected by replacing parking company

### 《Tower Court Kitashinagawa and 4 properties》

**Increase in revenue by setting antennas for cell phone carriers**

- Approx. ¥3.97mm p.a. revenue increase is expected by setting antennas for mobile phone and by negotiation on rent increase

### 《Tower Court Kitashinagawa》

**Increase in revenue by Reduction of building maintenance fee through installation of Dalem Shock**

- Approx. ¥1.4mm p.a. revenue increase is expected by reducing building maintenance fee by installing a device that protects pipes

### 《Field Avenue and 3 properties》

**Reduce cost by installation of LED lighting in the common areas**

- Approx. ¥0.99mm p.a. cost reduction and reduction of CO2 emissions are expected by installation of LED lighting in common areas

● Measure to increase revenue

● Measure to improve tenant satisfaction

● Measure to reduce expense

● Measure with environmental consideration

《Planned Measures (Jul. 2022 ~)》

### 《Toranomon Sakura Building and 2 properties》

**Increase in revenue by setting antennas for cell phone carriers**

- Revenue increase is expected by setting antennas on the rooftop for cell phone carriers

### 《Primegate Iidabashi and 5 properties》

**Increase in revenue by subleasing of unused parking space**

- Revenue increase is expected by additionally subleasing unused parking space and replacement of sublessee

### 《FORECAST Ningyocho PLACE and The Square》

**Conducting large scale maintenance that includes upgrading of air conditioners and switch to LED lighting**

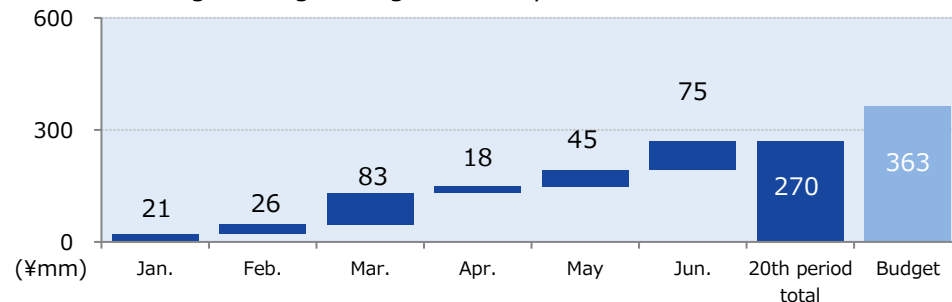
- Reduce CO2 emissions and electricity cost by upgrade of air conditioning system and switching to LED lighting

### 《 Primegate Iidabashi》

**Renovation work on the 148.58 m<sup>2</sup> residential unit**

- Expecting to increase rent by conducting a large-scale renovation on the 1st floor unit after tenant's move-out

《Status of Engineering Management Implementation for the 20th Period<sup>(1)</sup>》



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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