

NIPPON REIT Investment Corporation (TSE code : 3296)

# Investor Presentation

for the 23<sup>rd</sup> Period (Ended December 31, 2023)

February 19, 2024

# NIPPON VISION

*Serious, Steady, Solid.*



**NIPPON REIT**  
Investment Corporation

<https://www.nippon-reit.com/en/>

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# **1. Summary of Financial Results for the 23<sup>rd</sup> Period (Dec. 2023)**

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23<sup>rd</sup> Period DPU ¥8,854 (+¥688 from the forecast ※)

Operating Revenue ¥ 8,828mm	Operating Income ¥ 4,705mm	Ordinary Income ¥ 3,984mm	Net Income ¥ 3,983mm
Internal Growth		External Growth	
<p>◎ <b>Occupancy Rate</b> Overall <b>97.9%</b> (-0.3%) Maintaining a high occupancy rate</p> <p>Office <b>98.2%</b> (-0.5%)</p>		<p>◎ <b>AUM</b> <b>110</b> properties <b>¥256.4bn</b> (+3.8bn)</p> <p>◎ <b>23<sup>rd</sup> Period asset replacement</b> Transfer: 1 property ¥0.8bn / Acquisition: 6 properties ¥4.5bn Gain on sale: ¥194mm</p> <p>◎ <b>24<sup>th</sup> Period asset replacement · Pipeline</b> (as of Feb.19,2024) Transfer: 1 property ¥1.7bn / Acquisition: 5 properties ¥7.4bn</p>	
<p>◎ <b>Increase in Monthly Rent (Office and Residential)</b> Rent Renewals and Tenant Replacement <b>¥5.2mm/month</b> (+¥3.4mm) DPU contribution of ¥70/fiscal period(1)</p> <p>◎ <b>Increase in NOI by Engineering Management</b> <b>21.60mm/year</b> DPU contribution of ¥24/fiscal period</p>		Finance·ESG Initiatives	
		<p>◎ <b>Acquisition of new rating·Changes in the rating outlook</b> Acquired A+(stable) rating from R&amp;I Change from JCR A+ (stable) to A+(positive)</p> <p>◎ <b>New Environmental Certifications</b> CASBEE for Real Estate S rank (FORECAST Shinjuku SOUTH)</p> <p>◎ <b>Total floor area ratio of environmentally certified properties</b> <b>48.3%</b> (+3.6%)</p>	

※ Numbers in parenthesis show the increase or decrease from the end of the previous fiscal period or the result of the previous fiscal period

24<sup>th</sup> Period

Forecast DPU ¥8,810 (+¥370 from the forecast ※)

Operating Revenue ¥ 8,894mm	Operating Income ¥ 4,700mm
Ordinary Income ¥ 3,964mm	Net Income ¥ 3,964mm

25<sup>th</sup> Period

Forecast DPU ¥8,678

Operating Revenue ¥ 8,781mm	Operating Income ¥ 4,669mm
Ordinary Income ¥ 3,905mm	Net Income ¥ 3,904mm

※ Compared with the forecast figures in the financial results for the fiscal year ending June 2023

# Summary of Financial Results for the 23<sup>rd</sup> Period (Dec. 2023)

(¥/mm)	22 <sup>nd</sup> Period (Jun. 2023) Result	23 <sup>rd</sup> Period (Dec. 2023) Forecast ※	23 <sup>rd</sup> Period (Dec. 2023) Result	23 <sup>rd</sup> Period (Result) vs 22 <sup>nd</sup> Period (Result) (difference)	23 <sup>rd</sup> Period (Result) vs 23 <sup>rd</sup> Period (Forecast) (difference)
	a	b	c	c-a	c-b
Operating Revenues	8,865	8,579	8,828	(36)	+249
Operating Expenses	(4,424)	(4,175)	(4,122)	+302	+53
Operating Income	4,440	4,403	4,705	+265	+302
Ordinary Income	3,772	3,674	3,984	+212	+309
Net Income	3,771	3,674	3,983	+212	+309
DPU	¥8,381	¥8,166	¥8,854	+¥473	+¥688
NOI	6,311	6,293	6,405	+94	+112
Days	181	184	184	-	-

## ◆ Comparison against the 22<sup>nd</sup> Period (Jun. 2023) Result (c-a)

《Major fluctuation factor》

(¥/mm)

<b>Decrease in Operating Revenues</b>		<b>(36)</b>
Increase in rental revenue	Newly acquired properties	+23
Decrease in gain on sales of real estate properties	Difference between gains on sale of ANTEX24(22 <sup>nd</sup> ) and Seam Dwell Tsutsui(23 <sup>rd</sup> )	(57)
Decrease in utilities charge revenue	Changes in adjusted unit prices for electricity, fuel costs, etc.	(33)
Increase in miscellaneous income	Increase in cancellation penalty income	+30
<b>Decrease in Operating Expenses</b>		<b>+302</b>
Decrease in utility expenses	Changes in adjusted unit prices for electricity, fuel costs, etc.	+48
Decrease in repair expense	Decrease in building exterior renovation	+51
Increase in payment commissions	Increase in leasing costs	(10)
Decrease in loss on sales of real estate properties	Loss on the sale of the Imazaki Mansion N1	+238
<b>Increase in non-Operating Expenses</b>		<b>(53)</b>
Rising interest rates and increased borrowing costs		

## ◆ Comparison against the 23<sup>rd</sup> Period (Dec. 2023) Forecast (c-b)

《Major fluctuation factor》

(¥/mm)

<b>Increase in Operating Revenues</b>		<b>+249</b>
Increase in rental revenue	Increase in income due to improved occupancy rates of residence	+17
Increase in miscellaneous income	Increase in cancellation penalty income	+31
Increase in gain on sales of real estate properties	Gain on the sale of the Seam Dwell Tsutsui	+194
<b>Decrease in Operating Expenses</b>		<b>+53</b>
Decrease in repair expense	Accounting change for building exterior renovation	+15
Decrease in payment commissions	Decrease in leasing costs	+28
Decrease in other commissions	Decrease in leasing campaign expenses	+17

(¥/mm)

**Internal  
Reserves**

**106**

※ Compared with the forecast figures in the financial results for the fiscal year ending June 2023

# Summary of Forecast for the 24<sup>th</sup> Period (Jun. 2024) and the 25<sup>th</sup> Period (Dec. 2024)

(¥/mm)	23 <sup>rd</sup> Period (Dec. 2023) Result	24 <sup>th</sup> Period (Jun. 2024) Forecast	25 <sup>th</sup> Period (Dec. 2024) Forecast	24 <sup>th</sup> Period (Forecast) vs 23 <sup>rd</sup> Period (Result) (difference)	25 <sup>th</sup> Period (Forecast) vs 24 <sup>th</sup> Period (Forecast) (difference)
	a	b	c	b-a	c-b
Operating Revenues	8,828	8,894	8,781	+66	(113)
Operating Expenses	(4,122)	(4,194)	(4,111)	(71)	+82
Operating Income	4,705	4,700	4,669	(5)	(31)
Ordinary Income	3,984	3,964	3,905	(20)	(59)
Net Income	3,983	3,964	3,904	(19)	(59)
DPU	¥8,854	¥8,810	¥8,678	(¥44)	(¥132)
NOI	6,405	6,364	6,560	(41)	+195
Days	184	182	184	-	-

## ◆ Comparison between the 23<sup>rd</sup> Period (Dec. 2023) Result and the 24<sup>th</sup> Period (Jun. 2023) Forecast (b-a)

《Major fluctuation factor》		(¥/mm)
<b>Increase in Operating Revenues</b>		<b>+66</b>
Increase in rental revenue	Newly acquired properties, lease up	+92
Decrease in utilities charge revenue	Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc.	(35)
Increase in gain on sales of real estate properties	Difference between gains on sale of Seam Dwell Tsutsui(23 <sup>rd</sup> ) and Sannomiya First Building(24 <sup>th</sup> )	+38
Decrease in miscellaneous income	Decrease in cancellation penalty income	(50)
<b>Increase in Operating Expenses</b>		<b>(71)</b>
Decrease in utility expenses	Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc.	+35
Increase in repair expense	Increase in building exterior renovation	(48)
Increase in payment commission	Increase in leasing costs	(19)
Increase in other commissions	Increase in leasing campaign expenses	(10)

## ◆ Comparison between the 24<sup>th</sup> Period (Jun. 2024) Forecast and the 25<sup>th</sup> Period (Dec. 2024) Forecast (c-b)

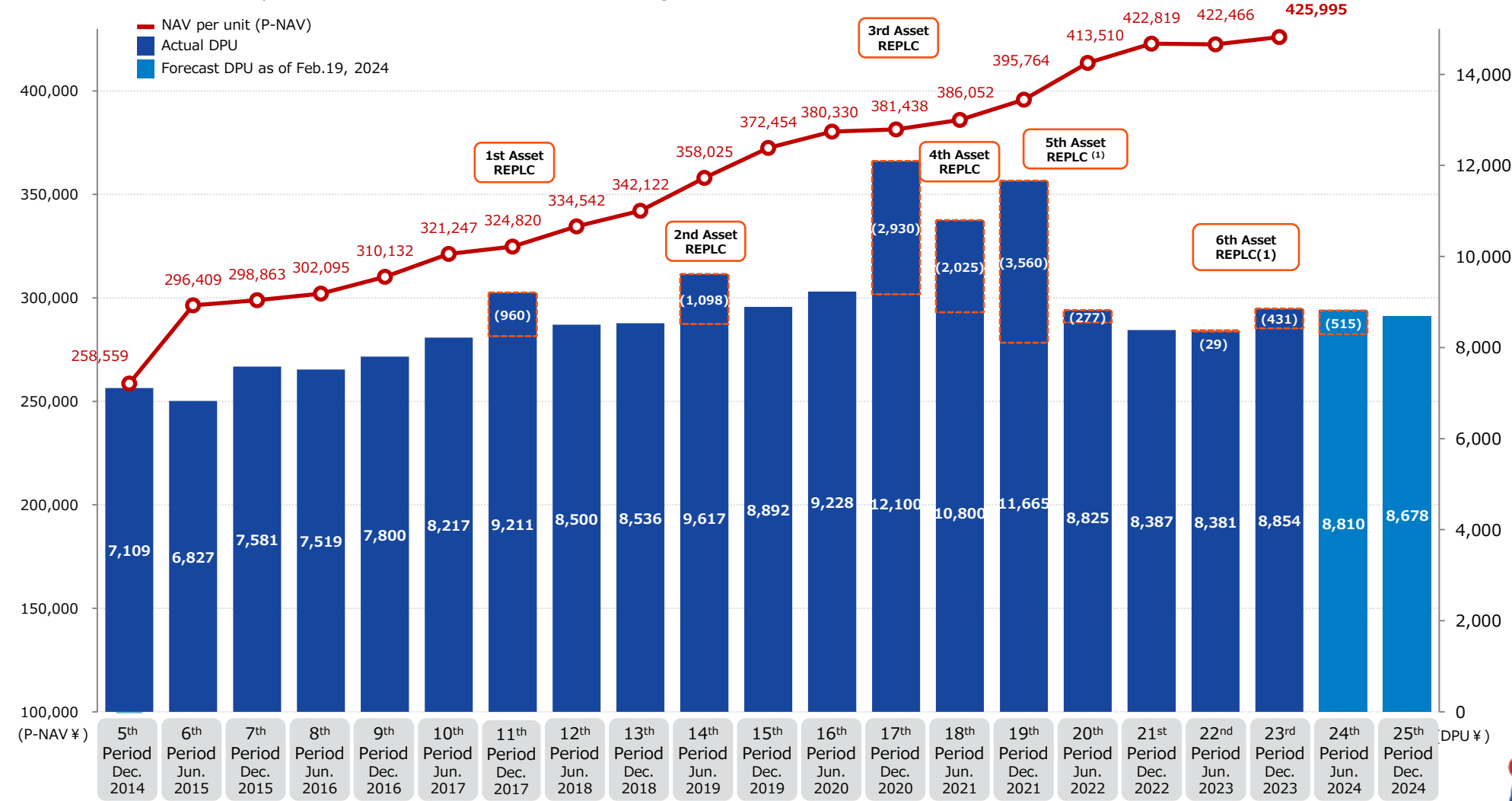
《Major fluctuation factor》		(¥/mm)
<b>Decrease in Operating Revenues</b>		<b>(113)</b>
Increase in rental revenues	Newly acquired properties, lease up	+47
Increase in utilities charge revenue	Seasonal factor	+52
Decrease in gain on sales of real estate properties	Absence of gain on the sale of Sannomiya First Building	(232)
<b>Decrease in Operating Expenses</b>		<b>+82</b>
Increase in utility expenses	Seasonal factor	(44)
Decrease in repair expense	Decrease in building exterior renovation	+86
Increase in asset management fees	Increase in AUM and NOI	(25)
Decrease in payment commissions	Decrease in leasing costs	+11
Decrease in other commissions	Decrease in leasing campaign expenses	+18
<b>Increase in Non-operating Expenses</b>		<b>(27)</b>
	Increase in borrowing related expense	



# Track Record of Unitholders' Value

- ◆ The DPU for the 23<sup>rd</sup> Period is ¥8,854
- ◆ NAV per unit increased by ¥3,529 (0.84%) to ¥425,995
- ◆ Continue to pursue asset replacement opportunities to refine portfolio quality, focusing on the realization of unrealized gains

《Track record of NAV per unit and DPU, and medium-term target》



※The figures in parentheses represents the amount of increase included in the total distribution per unit that is due to gain on sales of real estate properties or gain on exchange of real estate properties.



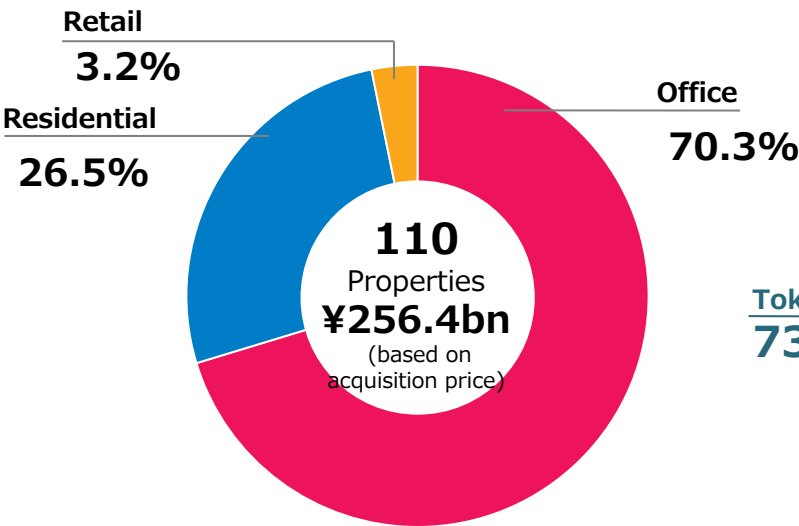
## **2. Portfolio Summary**

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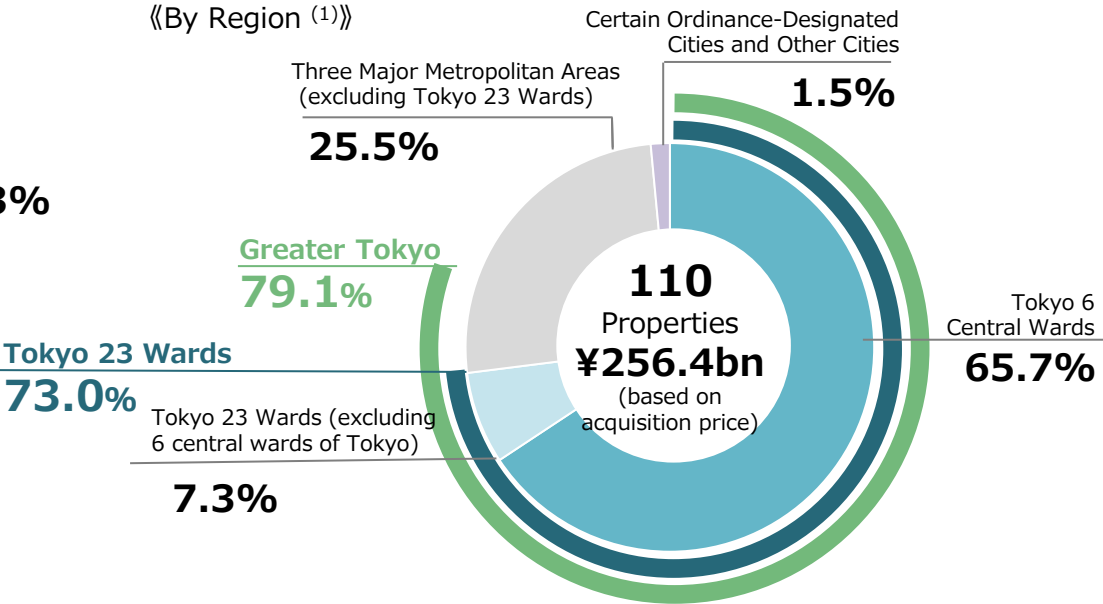


◆ Robust portfolio focusing on Mid-sized Office located in central Tokyo and residential located in 3-Major Metropolitan Areas

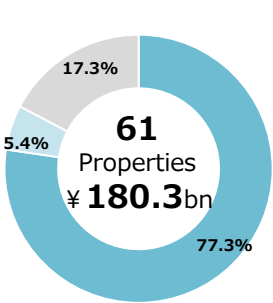
《By Property Type》



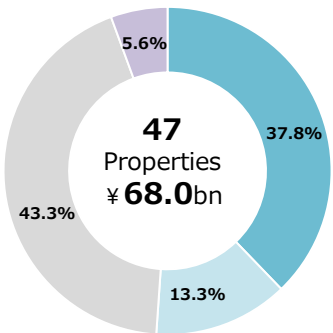
《By Region <sup>(1)</sup>》



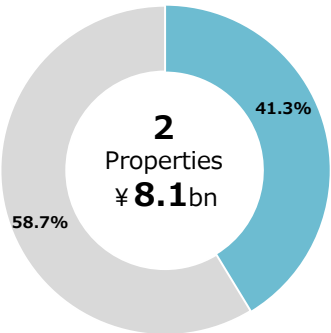
《Office by Region》



《Residential by Region》



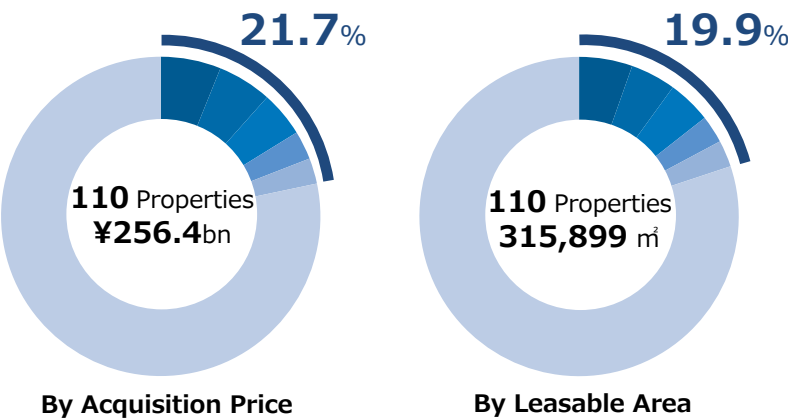
《Retail by Region》



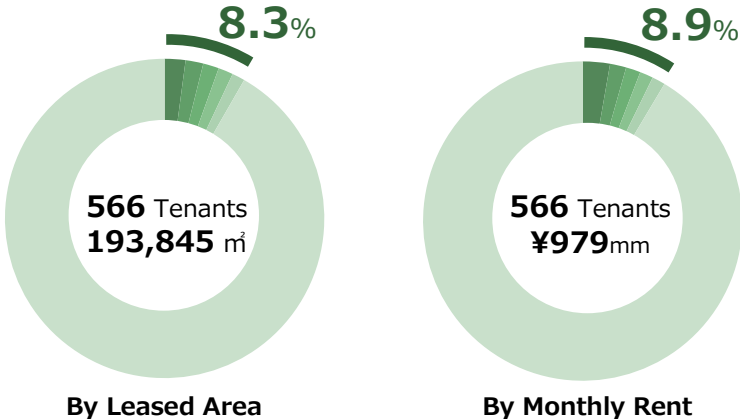
- 6 central wards of Tokyo (6 central)
- 23 wards of Tokyo (excluding 6 central wards of Tokyo) (23 wards)
- Three Major Metropolitan areas (excluding 23 wards of Tokyo)(3MM)
- Certain Ordinance-Designated and other cities (COD)

◆ Top-class risk tolerance among all listed J-REIT

《Portfolio Diversification》  
(Proportion of the five largest properties)



《Tenant Diversification》  
(Proportion of the Five largest tenants <sup>(1)</sup>)



《Five Largest Properties (by acquisition price)》

	Property Name	Acquisition Price (¥mm)	Share
1	Omiya Center Building	15,585	6.1%
2	FORECAST Shinjuku SOUTH	13,990	5.5%
3	Tower Court Kitashinagawa	11,880	4.6%
4	Shibakoen Sanchome Building	7,396	2.9%
5	Homat Horizon Building	6,705	2.6%

《Five Largest Tenants (by leased area)》

	Property Name	Business Category	Leased Area (m <sup>2</sup> )	Share
1	FORECAST Shinjuku AVENUE FORECAST Shinjuku SOUTH	Real estate	4,047.88	2.1%
2	Shibakoen Sanchome Building	Info-communications	3,559.85	1.8%
3	Pigeon Building	Manufacturing	3,022.25	1.6%
4	FORECAST Takadanobaba	Finance/ Insurance	2,935.59	1.5%
5	FORECAST Sakurabashi	Info-communications	2,609.10	1.3%



### **3. Management Status for the 23<sup>rd</sup> Period**

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## ◆ External Growth Strategy

### ■ Expand pipeline in line with discipline

Aiming for external growth that contributes to improving unitholder value, with a view to public offering, by building up a pipeline through both sponsor warehousing and bridge fund formation.

### ■ Improve portfolio competitiveness by replacing assets

Continue portfolio refining. Aiming to materialize unrealized gains in a timely manner and improve the quality of the portfolio centered on the tiring project.

## ◆ Internal Growth Strategy

### ■ Leasing strategy

Aim to improve the rent occupancy rate by maintaining a high occupancy rate through while paying close attention to trends in the office market, and by minimizing downtime and free rent in wake of a recovery in demand.

### ■ Property value enhancement measures

Improve NOI mainly through strategic value enhancement with high efficiency and raising rents at the time of contract renewal of offices and residentials

### ■ Reduction of operating costs

Reduce electricity costs by promoting LED. Also aiming to reduce costs by reviewing management specifications and improving efficiency

### ■ Improving tenant satisfaction

Pursue improvement in "tenant satisfaction" by providing services and a comfortable office environment, while maintaining and improving profitability and reducing the tenant move-out rate.

## ◆ Financial Strategy・ESG

### ■ Prolonging borrowing periods and fixing interest rates while keeping costs down

- LTV is controlled in the range of 45-50%
- Maintain an average funding cost of around 1% as a whole, while maintaining a long-term fixed rate as the basic line, while shortening funding maturities slightly in response to changes in the interest rate environment.
- Diversification of procurement methods, incl. issuance of green bonds

### ■ Utilization of own funds

- Consider prepayment of borrowings or buyback in addition to new property acquisitions by utilizing the proceeds from the sale of properties, etc.

### ■ Contributing to the realization of a sustainable society

- Promote efficient energy-use and environmental considerations and steadily our CO2 emission reduction target by the end of FY 2030.
- Continue initiative after endorsement of TCFD

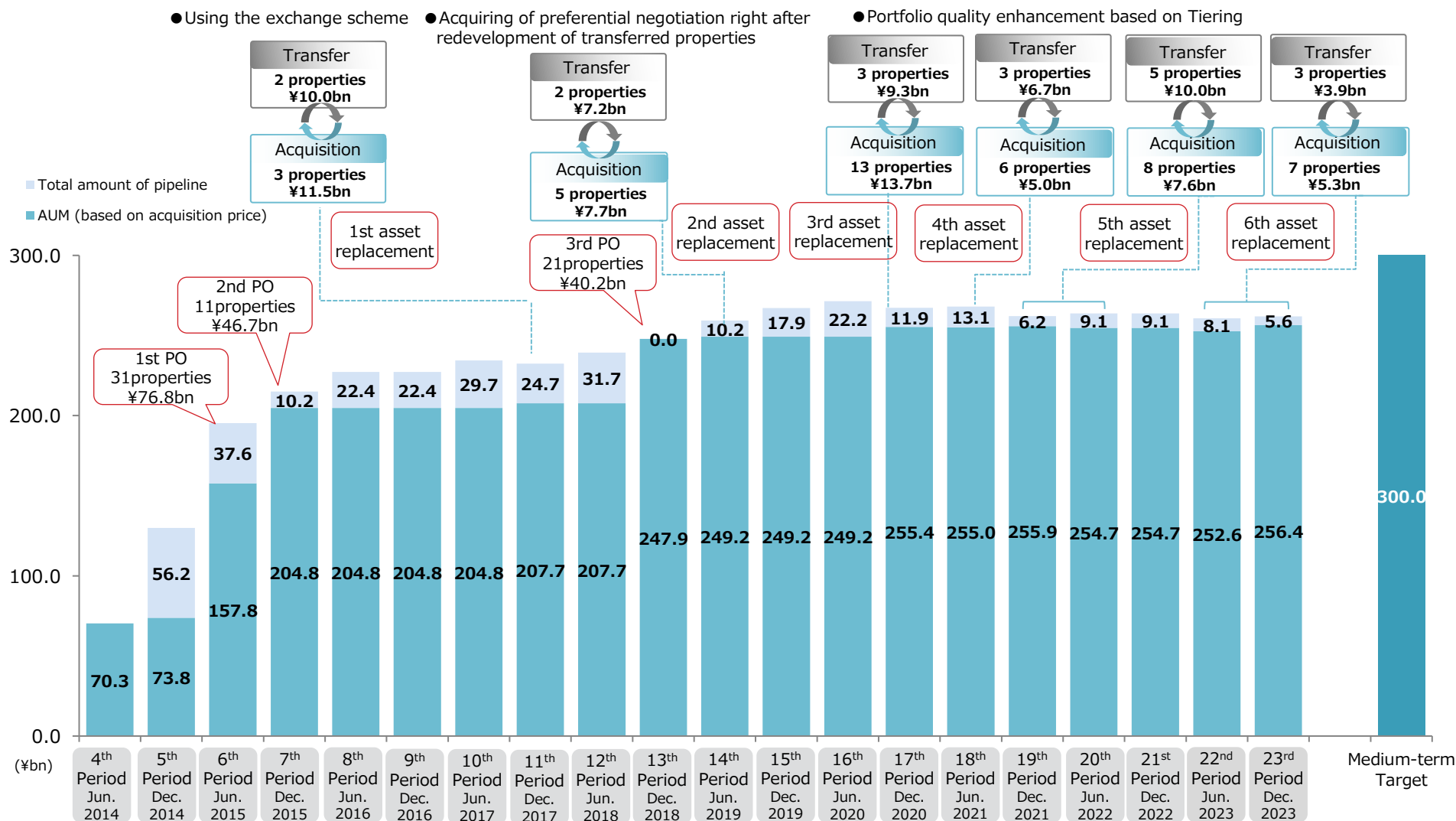
# Track Record of AUM

## ◆ Execution of Portfolio Refining Strategy Prioritizing Asset Replacement

- Realizing robust portfolio while responding to the rapid market changes through asset replacement based on result of “Tiering Project” utilizing the pipeline assets

## ◆ Striving to achieve the AUM target ¥300bn through building-up our pipeline in a disciplined manner and timely PO

《Track record of AUM and pipeline, and medium-term AUM target》



# Asset replacement for 23<sup>rd</sup> Period (Dec.2023) and 24<sup>th</sup> Period (Jun.2024)

23<sup>rd</sup>  
Period

## Transfer



## Acquisition



Name	Seam Dwell Tsutsui	Name	Muse Ryogoku II	Minami-Horie apartment Cielo	Minami-Horie apartment Grande	Minami-Horie apartment Rio	Plowland Horita	Nasic Nozomigaoka
Place	Nagoya, Aichi	Place	Sumida-ku, Tokyo	Osaka, Osaka	Osaka, Osaka	Osaka, Osaka	Nagoya, Aichi	Nagoya, Aichi
Type	Office	Type	Residential	Residential	Residential	Residential	Residential	Residential
Transfer date	Dec.2023	Acquisition date	Jul.2023	Jul.2023	Jul.2023	Jul.2023	Jul.2023	Jul.2023
Completion (Building age)	Feb.2007	Completion (Building age)	Nov.2002	Feb.2008	Feb.2008	Feb.2008	Aug.2008	Feb.2006
Transfer Price	835mm	Acquisition Price	630mm	805mm	770mm	250mm	1,375mm	695mm
Gain on transfer	194mm	Appraisal value (Dec.2023)	707mm	902mm	809mm	276mm	1,450mm	761mm

24<sup>th</sup>  
Period

## Transfer



## Acquisition



Name	Sannomiya First Building	Name	30 Sankyo Building	St Lake Celeb Daikancho	Belle Face Kawaharadori	Street Life (leasehold land)
Place	Kobe, Hyogo	Place	Shinjuku-ku, Tokyo	Nagoya, Aichi	Nagoya, Aichi	Sendai, Miyagi
Type	Office	Type	Office	Residential	Residential	Retail
Transfer date	Jan.2024	Acquisition (to be) Date	Jan.2024	Jan.2024	Jan.2024	Mar.2024
Completion (Building age)	Nov.1993	Completion (Building age)	Jan.1991	Feb.2008	May 2006	-
Transfer Price	1,730mm	Acquisition (to be) Price	1,840mm	962mm	860mm	1,990mm
Gain on transfer (estimate)	232mm	Appraisal value (Dec.2023)	1,850mm	1,020mm	895mm	2,030mm

## 22<sup>nd</sup> Period (Jun.2023)

Transfer **3,120mm**

- ANTEX24 Building
- Imazaki Mansion N1

Acquisition **791mm**

- MAISON NISHI MAGOME

## 23<sup>rd</sup> Period (Dec.2023)

Transfer (1 Property) **835mm**

Acquisition (6 Properties) **4,525mm**

## 24<sup>th</sup> Period (Jun.2024)

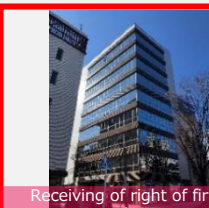
Transfer (1 property) **1,730mm**

Acquisition (4 Property) **5,652mm**

# Main properties owned and developed by the main sponsor <sup>(1)</sup>

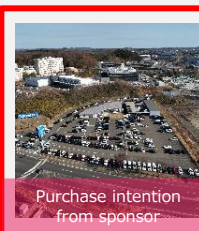
## Sponsor owned/developed projects

### Sourcing capabilities of the SBI Group



Usage	Office	Office	Residence	Residence
Location	Ota-ku, Tokyo	Fukuoka, Fukuoka	Minato-ku, Tokyo	Setagaya-ku, Tokyo
Total floor area (Approx.)	8,000㎡	2,200㎡	2,400㎡	1,900㎡
Completion	2010	2021	2019	2010



### Utilization of the SBI Group's developer functions



Usage	Residence	Residence	Residence	Residence	Other
Location	Taitoku, Tokyo	Itabashi-ku, Tokyo	Chuo-ku, Tokyo	Ota-ku, Tokyo	Sendai, Miyagi
Total floor area (Approx.)	1,400㎡	3,000㎡	3,000㎡	2,700㎡	-
Completion	2024 (Scheduled)	2025 (Scheduled)	2025 (Scheduled)	2025 (Scheduled)	-

## Support from the main sponsor of the Investment Corporation

### Support system for expanding the pipeline of the Investment Corporation

Support content	Main support <sup>(2)</sup> source
Provide property sourcing and property information	   
Provision of development and rebuilding functions	 
Lending to bridge funds	 <b>Business and capital alliance regional banks</b>
Equity investment in bridge funds	 <b>SBI証券</b>

(1) The properties (excl. Sendai Miyagi Property) in this section indicate properties owned by the SBI Group through bridge funds or development SPCs.

(2) This includes companies not specified in the sponsor support agreement with SBI Financial Services, the main sponsor, but we are currently discussing cooperation with each company.

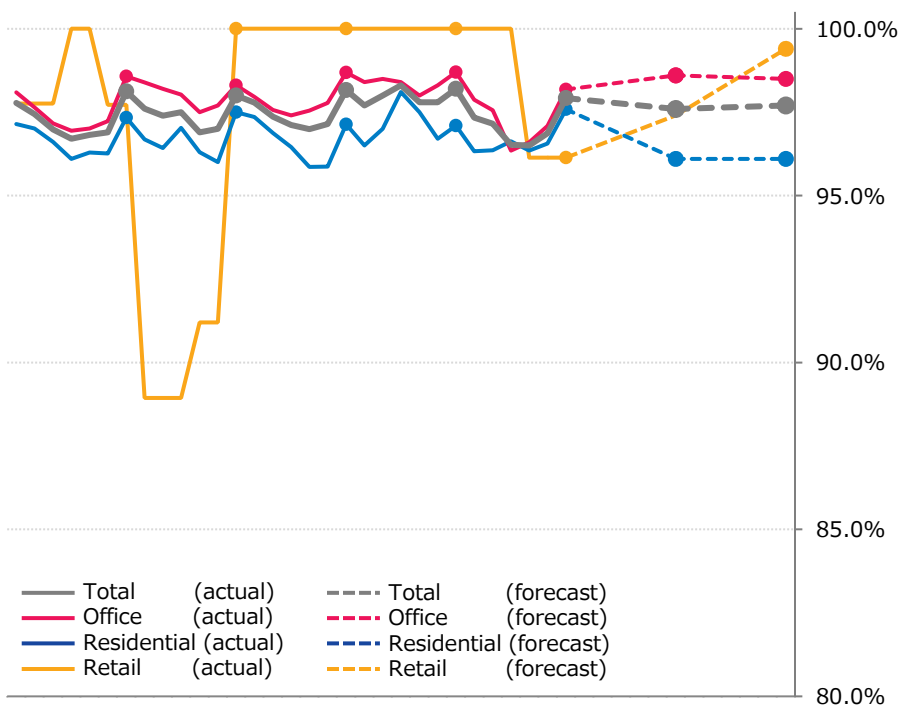


# Occupancy Rate and Rent-free Period

## ◆ Both contract and rent occupancy rate show stable trend

- Portfolio occupancy rate continues to be stable, and maintaining high occupancy rates for offices
- Average vacancy period and average rent-free period have been extended compared to the previous period, however early leasing has been realized.

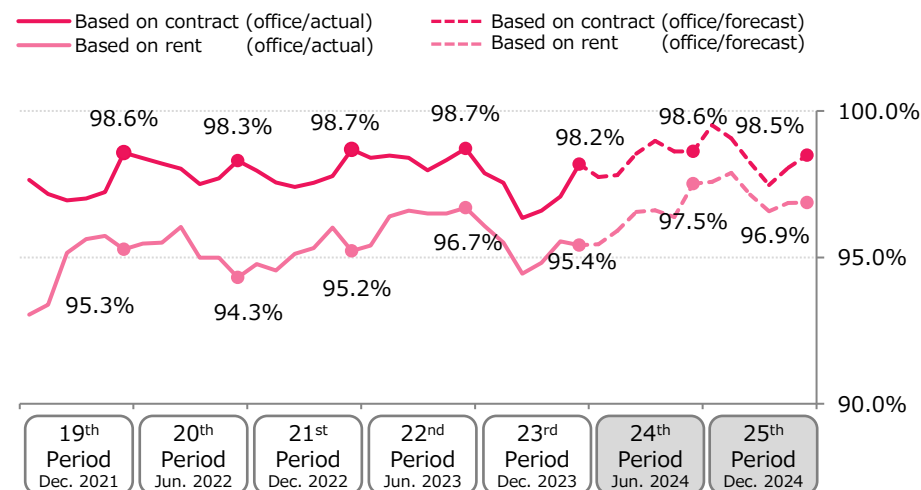
《Occupancy rate trend and forecast》



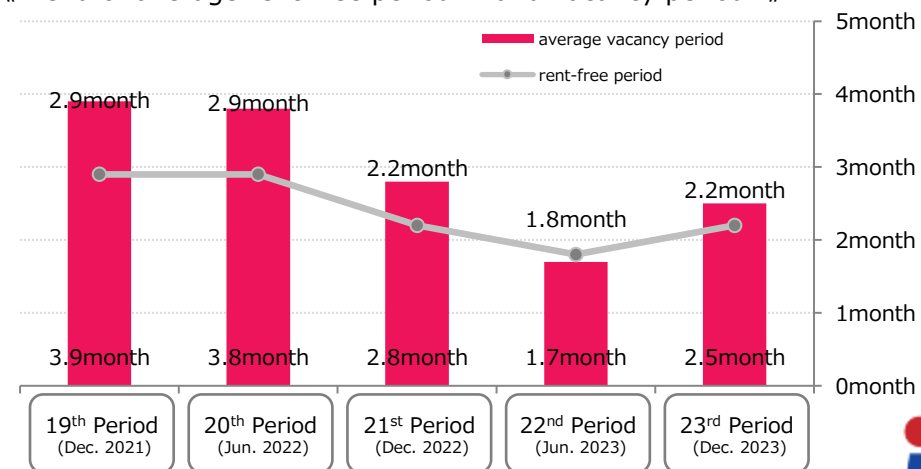
19 <sup>th</sup> Period	20 <sup>th</sup> Period	21 <sup>st</sup> Period	22 <sup>nd</sup> Period	23 <sup>rd</sup> Period	24 <sup>th</sup> Period	25 <sup>th</sup> Period	
98.1%	98.0%	98.2%	98.2%	<b>97.9%</b>	97.6%	97.7%	<b>Total</b>
98.6%	98.3%	98.7%	98.7%	<b>98.2%</b>	98.6%	98.5%	<b>Office</b>
97.3%	97.5%	97.1%	97.1%	<b>97.6%</b>	96.1%	96.1%	<b>Residential</b>
97.7%	100.0%	100.0%	100.0%	<b>96.1%</b>	97.4%	99.4%	<b>Retail※</b>

※ The occupancy rate forecast for the 24<sup>th</sup> and 25<sup>th</sup> periods for Retail includes the Street life (Leasehold land) (16,258.65 m<sup>2</sup>)

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



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



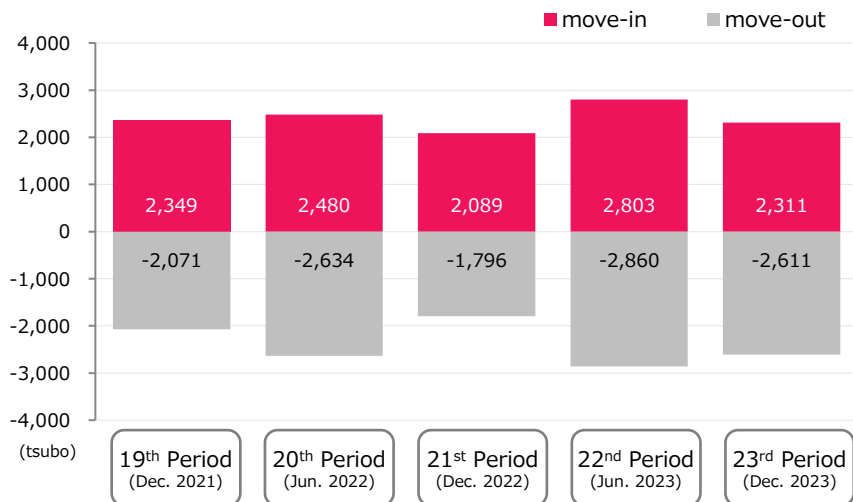
# Status of Move-in/out (Office)

## ◆ Rate of Change in rent at the time of tenant replacement improved to +6.1%

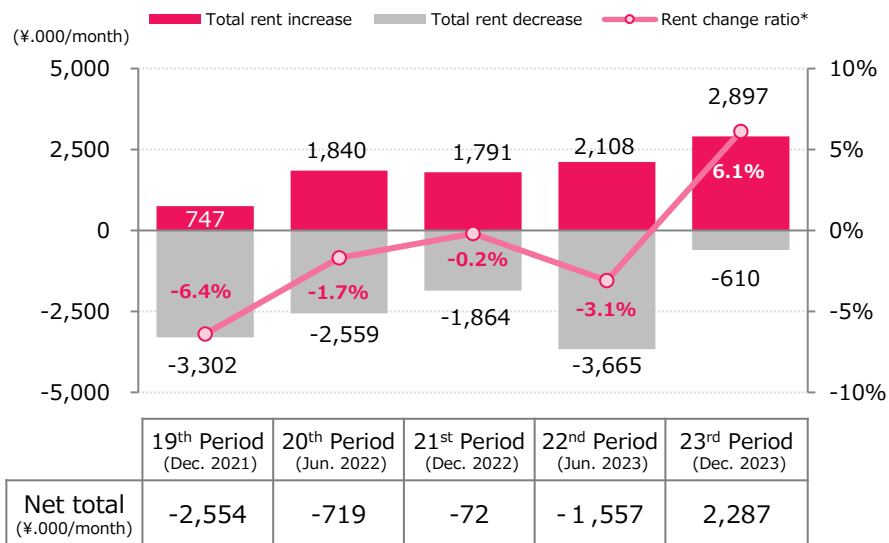
- Although rent decrease became large temporarily in the 22<sup>nd</sup> period, in the 23<sup>rd</sup> period, achieved an increase of ¥2.8 million/month
- The move-out ratio for the 22<sup>nd</sup> and 23<sup>rd</sup> periods rose due to the concentration of cancellation notice for relatively large lots, but are expected to decline from the 24<sup>th</sup> period onward

### 《Tenant move-in and move-out》

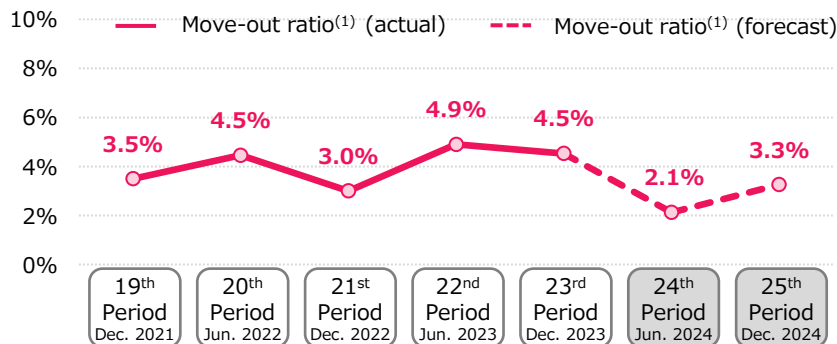
※Total leasable area as of the end of 23<sup>rd</sup> Period (office): 58,368 tsubo



### 《Monthly rent increase/decrease upon tenant replacement》



### 《Average move-out ratio》



### 《Reason for Tenants' move-in and out》

		improving location	cost reduction	New open	Closing	Relocation within the building	Expansion	Down sizing	other	Total
22 <sup>nd</sup> Period (Jun. 2023)	Move-in	5	-	7	-	6	9	1	5	33
	Move-Out	2	6	-	2	3	10	2	10	35
23 <sup>rd</sup> Period (Dec. 2023)	Move-in	7	-	3	-	9	15	-	6	40
	Move-Out	4	2	-	2	3	16	9	6	42

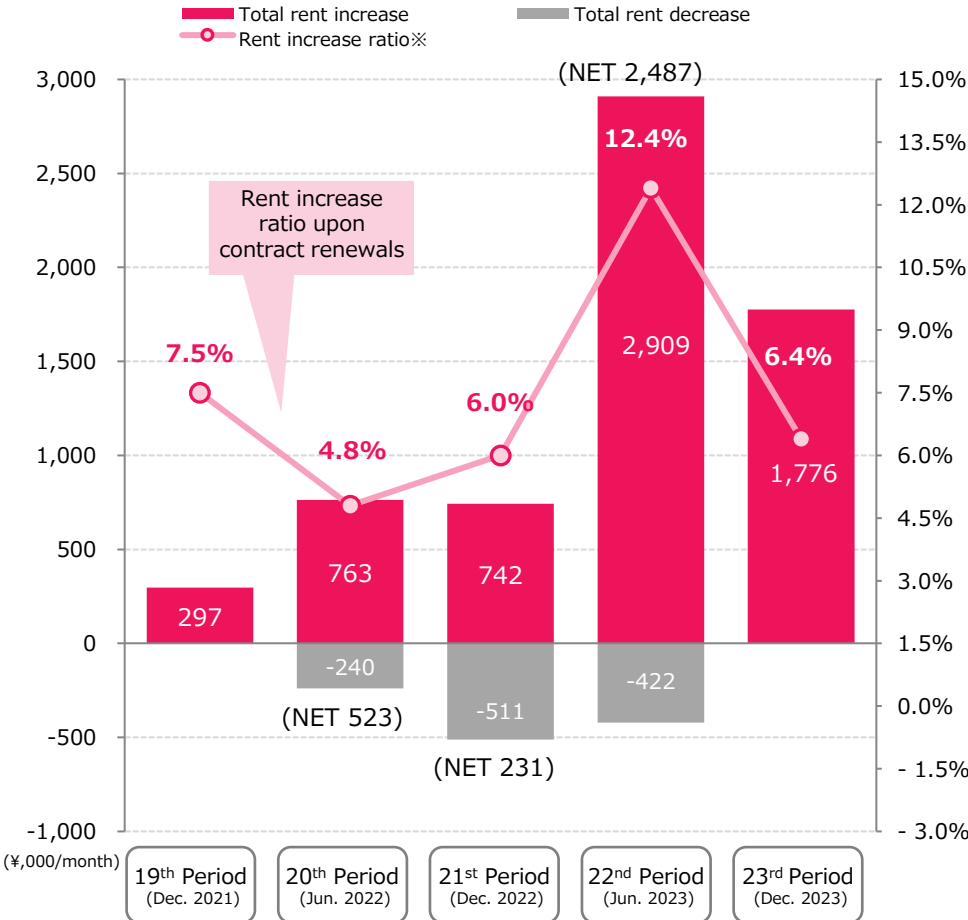
\* "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place.  
 ((total rent after tenant replace - total rent before tenant replacement) / total rent before tenant replacement).

# Track Record of Rent Revision (Office)

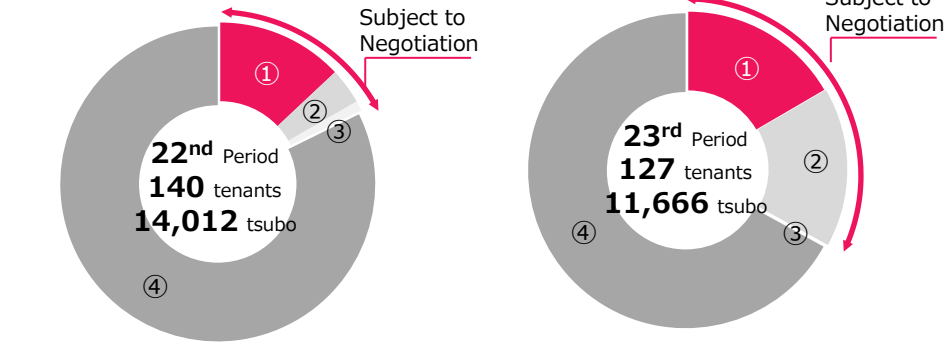
## ◆ Continue negotiations to increase rent at the timing of rent renewal

- For the 23<sup>rd</sup> Period, rent increase was achieved for 16.6% of the space subject to contract renewals, i.e., 1,936 tsubo (22 tenants) out of 11,666 tsubo (127 tenants)
- Increase rate was 6.4% and the monthly rent was ¥1.7mm, and the increase was revised mainly for the tenants with less than market rent

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

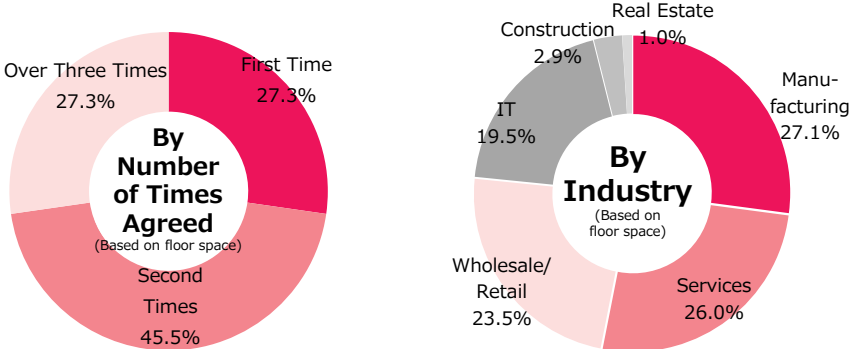


《Trend of record of rent renewals (floor space)<sup>(1)</sup>》



	Space (tsubo)	Ratio		Space (tsubo)	Ratio
① Increase	1,821	13.0%	»	1,936	16.6%
② No Change	522	3.7%		1,917	16.4%
③ Decrease	140	1.0%		0	-
④ Not negotiated	11,527	82.3%		7,812	67.0%
④ Breakdown	11,527	100.0%	»	7,812	100.0%
Below Market Rent	5,136	44.6%		3,017	38.6%
Above Market Rent	6,092	52.8%		4,476	57.3%
Retail, residential	299	2.6%		318	4.1%

《Summary of tenant that agreed on rent increase in the 23<sup>rd</sup> Period》

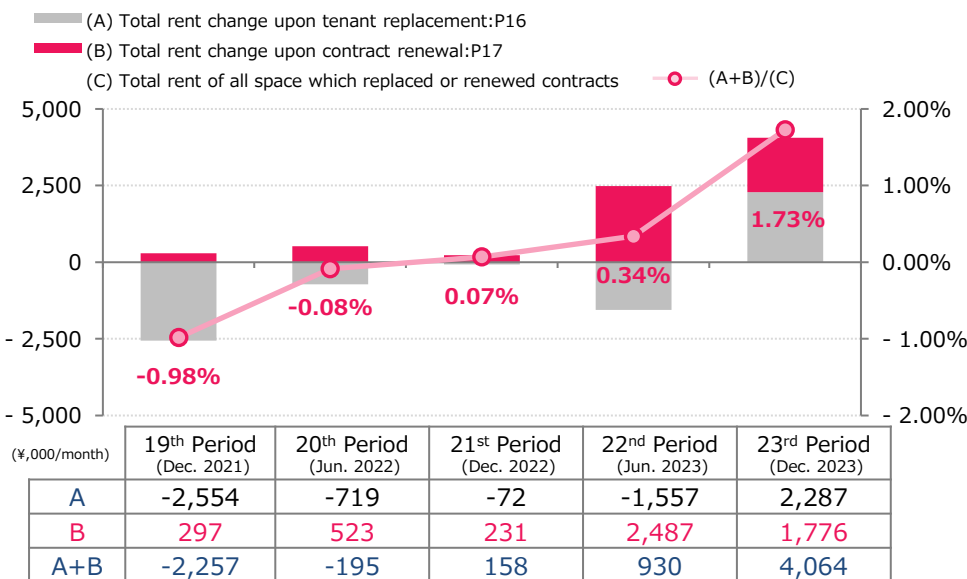


※ "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place.  
 ((total rent increase after rent renewal - total rent before rent renewal) / total rent before rent renewal)

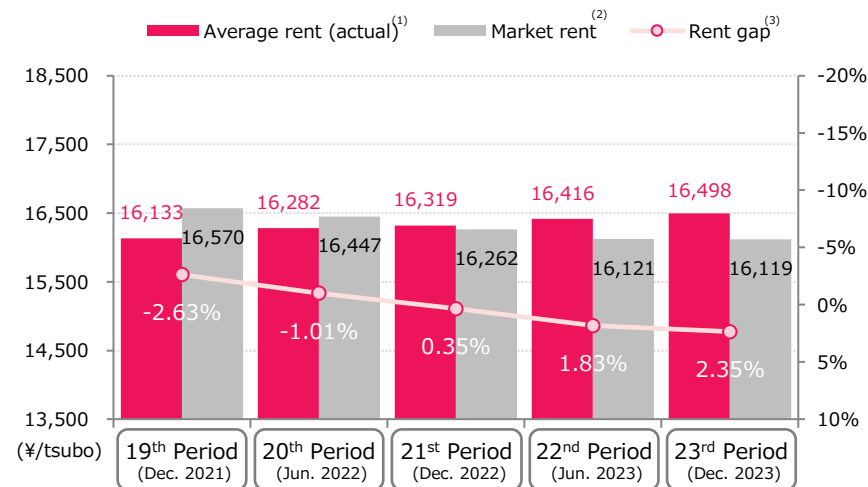
# Track Record of Rent Change and Rent Gap Trend (Office)

- ◆ Rent change rate (tenant replacement + contract renewal) has turned positive for the third consecutive period. 23<sup>rd</sup> Period, the amount of rent increased even when tenants were replaced
- ◆ Rent gap remained positive due to a decline in market rent and an increase in average rent

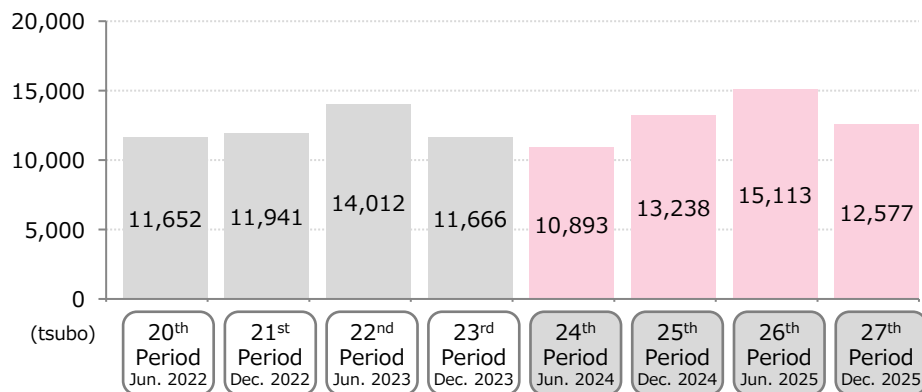
《Track record of rent change ratio (office)》



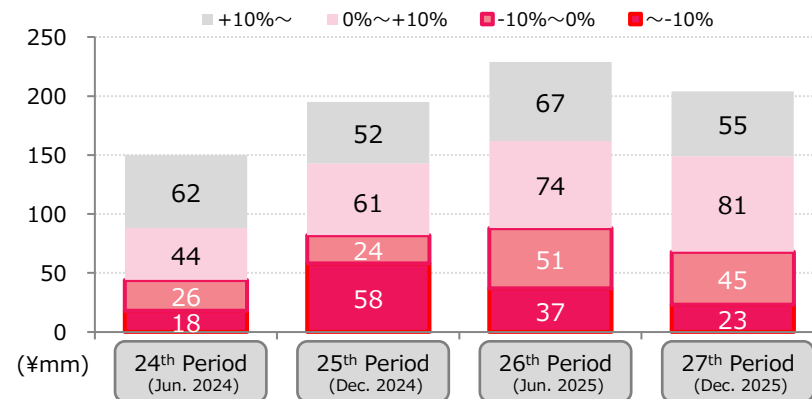
《Rent gap trend》 \*Office and standard floor only



《Track record of area subject to renewal (office)》



《Status of rent gap》 \*Office and standard floor only, based on monthly rent



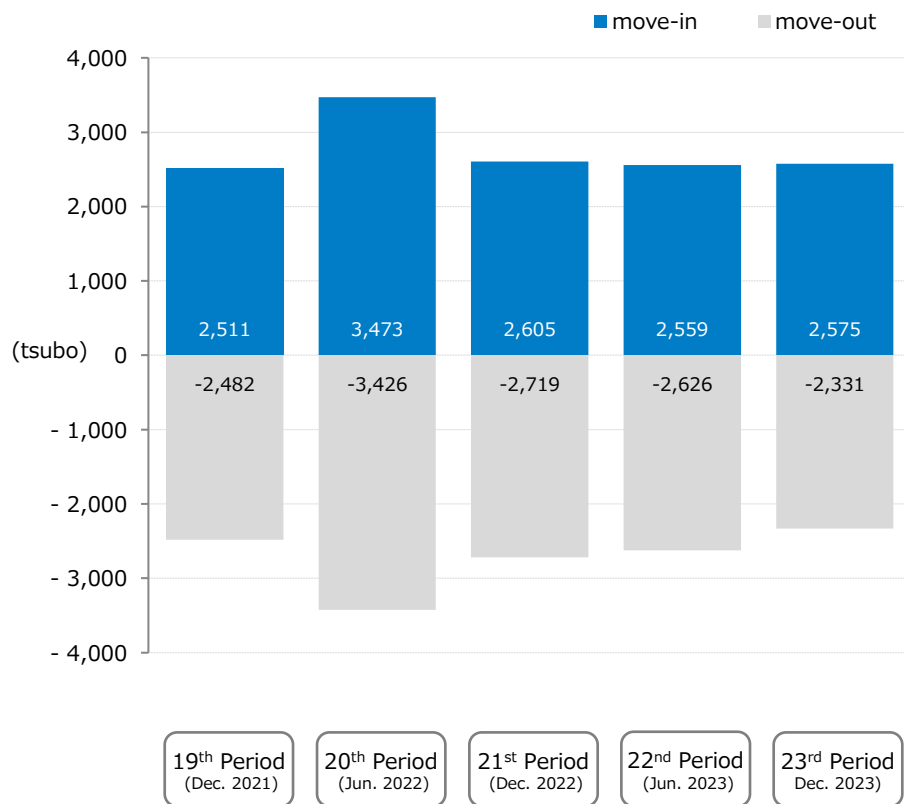
# Status of Tenant Move-in/out and Occupancy Rate (Residential)

## ◆ The occupancy rate at the end of period was 97.6% maintaining high occupancy rates

- In terms of occupancy rates by area, 6 central achieved high occupancy rates of 99.1%
- In terms of occupancy rates by room type, family type has a high occupancy rate of 99.5%

### 《Tenant move-in and move-out》

※Total leasable area as of the end of 23<sup>rd</sup> Period (residential): 35,364 tsubo



### 《Occupancy Rates by Region》

Area	23 <sup>rd</sup> Period properties/ rate of leasable area	19 <sup>th</sup> Period (Dec. 2021)	20 <sup>th</sup> Period (Jun. 2022)	21 <sup>st</sup> Period (Dec. 2022)	22 <sup>nd</sup> Period (Jun. 2023)	23 <sup>rd</sup> Period (Dec. 2023)
6 Central	9 props 27.9%	97.2%	98.1%	98.3%	98.3%	<b>99.1%</b>
Greater Tokyo	9 props 12.2%	99.0%	98.2%	96.5%	98.1%	<b>98.4%</b>
Nagoya	9 props 17.1%	97.5%	97.4%	97.4%	93.8%	<b>94.1%</b>
Osaka	16 props 30.3%	97.0%	96.6%	95.6%	96.6%	<b>97.5%</b>
Other	4 props 12.6%	96.9%	97.7%	98.5%	98.2%	<b>98.2%</b>

### 《Occupancy Rates by Room Type (excl. office space and retail units)》

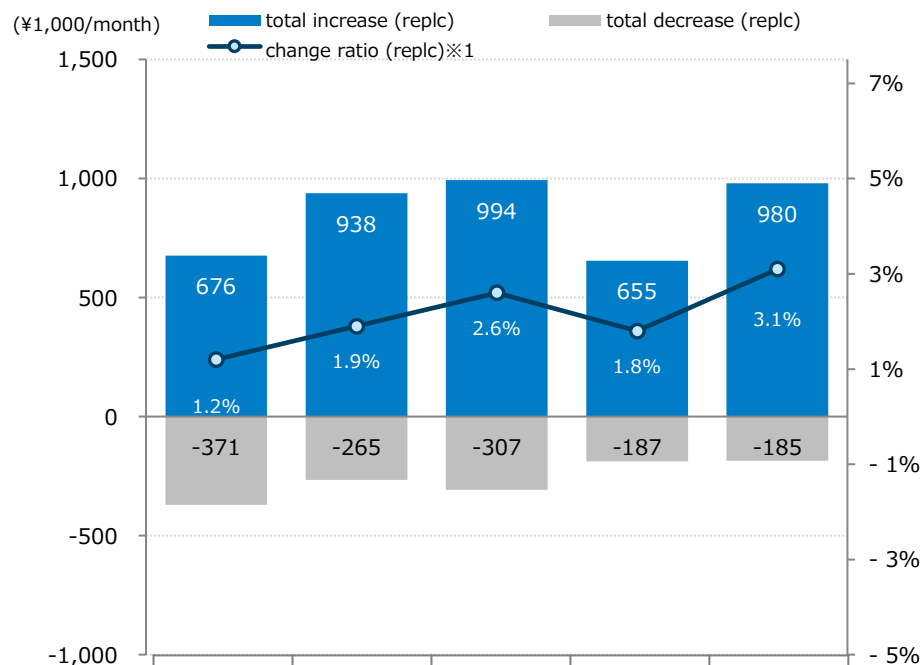
	Room Type Ratio (based on area) 23 <sup>rd</sup> Period (Dec. 2023)	19 <sup>th</sup> Period (Dec. 2021)	20 <sup>th</sup> Period (Jun. 2022)	21 <sup>st</sup> Period (Dec. 2022)	22 <sup>nd</sup> Period (Jun. 2023)	23 <sup>rd</sup> Period (Dec. 2023)
Single type (less than 40m <sup>2</sup> )	46.4%	95.2%	96.1%	95.3%	95.4%	<b>95.6%</b>
Compact type (40m <sup>2</sup> or more)	7.6%	98.4%	95.2%	95.6%	96.9%	<b>97.0%</b>
Family type (50m <sup>2</sup> or more)	46.0%	98.8%	98.7%	98.4%	98.3%	<b>99.5%</b>

# Track Record of Rent Revision (Residential)

## ◆ Continue efforts to increase rent at the time of tenant replacement and contract renewal to realize the increase revision

- Rate of change in rent at the time of tenant replacement increased to 3.1% up ¥794 thousand/month from the previous period
- The rate of change in rent at the time of contract renewal was also 2.0%, an increase from the previous period and increase ¥427 thousand /month

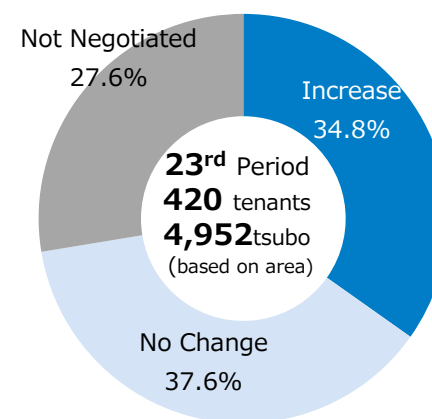
### 《 Monthly rent change upon tenant replacement 》



	19 <sup>th</sup> Period (Dec. 2021)	20 <sup>th</sup> Period (Jun. 2022)	21 <sup>st</sup> Period (Dec. 2022)	22 <sup>nd</sup> Period (Jun. 2023)	23 <sup>rd</sup> Period (Dec. 2023)
Replacement	676	938	994	655	980
Renewal	-371	-265	-307	-187	-185
Net total	305	672	687	468	794

	19 <sup>th</sup> Period (Dec. 2021)	20 <sup>th</sup> Period (Jun. 2022)	21 <sup>st</sup> Period (Dec. 2022)	22 <sup>nd</sup> Period (Jun. 2023)	23 <sup>rd</sup> Period (Dec. 2023)
Replacement/ contract renewal Net total	443	1,021	1,245	873	1,222

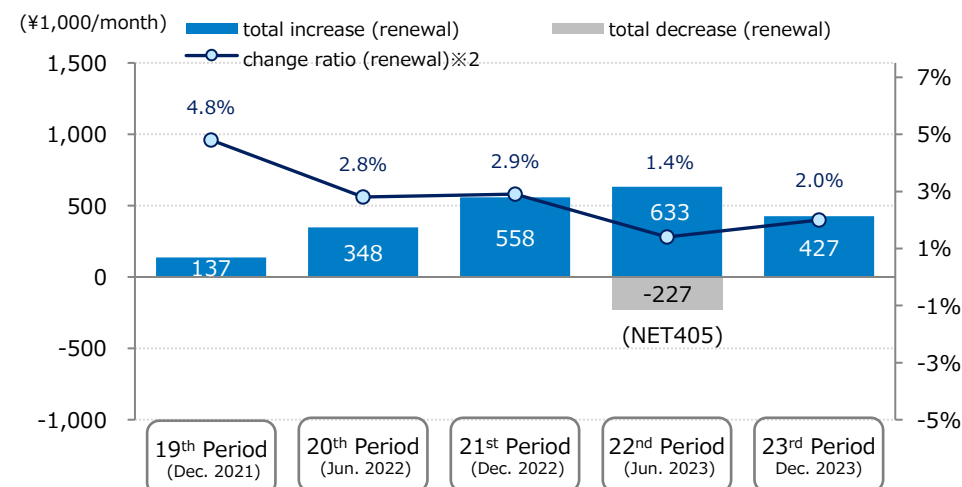
### 《Rent Increase at Contract Renewal》



Total Rent Increase  
**¥427k/month**

Total Rent Decrease  
**¥0/month**

### 《 Monthly rent change upon tenant contract renewal 》



※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 "Rent increase/decrease rate at contract renewal" is calculated each term as ((Total rent after rent revision - Total rent before rent revision) ÷ Total rent before rent revision).

- ◆ **Engineering Management, another driver of internal growth, is carried out in a well-planned manner**
  - Utilize reserved cash from depreciation to make CAPEX plans more feasible (setting aside a certain amount in the event of intensive investment required.)

**Outline of Engineering Management**

- ◆ **Planned capital investment:** Equipments' replacement and retrofit to maintain and improve assets values
- ◆ **Strategic value-enhancing investment :**

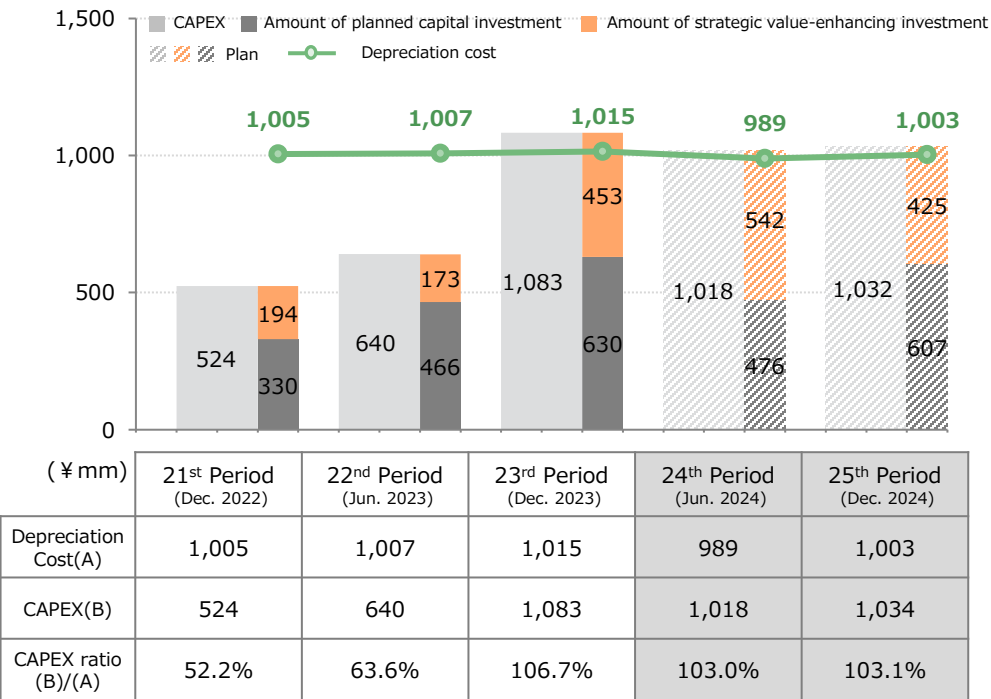
**Profitability enhancement**  
Measures to increase rents / raise income, etc.

**Cost reduction**  
Reduction of management cost through energy conservation, etc.

**Improvement of tenant satisfaction**  
Minimization of tenant vacancy risk, Shorten leasing periods

**Environmental consideration**  
Installation of high energy efficiency equipment etc. while using a energy saving subsidy

《Plan and Budget of Engineering Management》



《Major measure and effect of Strategic value-enhancing investment 》

- Achievements for the 23<sup>rd</sup> Period (Dec. 2023)

Creation of new revenue sources/profitability enhancement		Cost reduction	
Major measure	Approx. Effect(cost)	Major measure	Approx. Effect(cost)
(6 properties) Parking lot sublease switching	¥3.33mm (¥0mm)	(12 properties) Common area and exclusive area LED renovation	¥13.34mm (¥99.95mm)
(Primeagate Iidabashi) Exclusive area renewal	¥2.93mm (¥16.52mm)		
(DeLCCS KASAI) Exclusive area renewal	¥0.69mm (¥5.79mm)		
(L'arte Nakatsu) Expansion/increase of mobile base stations	¥0.72mm (¥0mm)		
Subtotal	¥8.26mm (¥22.31mm)	Subtotal	¥13.34mm (¥99.95mm)

Total amount of NOI increase Approx.¥21.60mm / annum

Totally contribute to DPU +Approx.¥24/fiscal period(1)

- Main measures planned from the 24<sup>th</sup> Period onwards

- (3 properties)  
Increase income by reviewing sublease contracts for parking lots and increasing the number of parking lots [Profitability enhancement]
- (7 properties)  
Common area and exclusive area LED renovation [Cost Reduction]
- (FORECAST Takadanobaba)  
Renovation of water-related parts in common area of 3<sup>rd</sup> ,4<sup>th</sup> and 5<sup>th</sup> floors [Improvement of tenant satisfaction]
- (LAPUTA KUJO・Merveille Senzoku)  
Exclusive area renewal [Profitability enhancement]
- (Primegame Iidabashi)  
Expansion of parking lot [Profitability enhancement]
- (Tower Court Kitashinagawa・ Splendid Namba)  
Introduction of face authentication system [Improvement of tenant satisfaction]



◆ Track record of strategic value enhancement measure  
• Improving rent revenue and promoting leasing through value-enhancement investments

Primegate Iidabashi



- The property faces Mejiro-dori with good visibility. It is an approximately 8 minutes walk from the Iidabashi station which is accessible to various areas on multiple train routes. Good living convenience with various convenient facilities within walking distance.
- Interior of the entrance and corridor looks high-quality compared to other similar apartments in the surrounding area. It has sufficient competitiveness with satisfactory security and room facilities.
- Since the former owner-occupied units (148 m<sup>2</sup>) became vacant, renovation work was carried out to differentiate themselves from competitors in the surrounding areas.

【Concept and Aim of Renovation】

Since there is little competition for 148m<sup>2</sup> dwellings, increase the value and rent unit price  
Renovation work(4LDK→3LDK) utilizing Japanese rooms for areas with many foreign residents

Before



After



Investment amount : 16.52mm  
Rate of increase in monthly rent :  
Comparison 62% UP with previous contract rent

Nishi-shinjuku Sanko Building



- The Property is approximately 5 minutes walk from Seibu-Shinjuku Station on the Seibu Shinjuku Line and approximately 11 minutes walk from Shinjuku Station on the JR Lines.
- This property has been 36 years since it was completed, and the common area is obviously aging, so the image will be renewed.
- Aiming to increase rents by strengthening competitiveness through renewal of waterworks, corridors, and entrances.

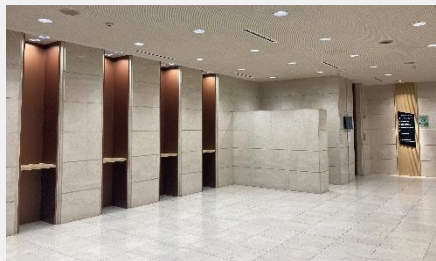
【Concept and Aim of Renovation】

Since renovation work has not been carried out since the time of new construction and there is no advantage in leasing, the competitiveness in new recruitment will be strengthened by renewal of common areas

Before



After



As of the end of Dec. 2023:  
Receive applications for cancellation or cancellation (3 spaces: 217.81 tsubo)  
As of the end of Jan. 2024:  
New tenant contracts concluded (2 spaces) or expected to be concluded (1 space)

◆ Enhancing financial stability

- Aim to achieve an optimal balance by shortening the borrowing periods and incorporating floating-rate borrowings while taking into account costs
- Aim to diversify funding methods, such as green bonds, while maintaining LTV level

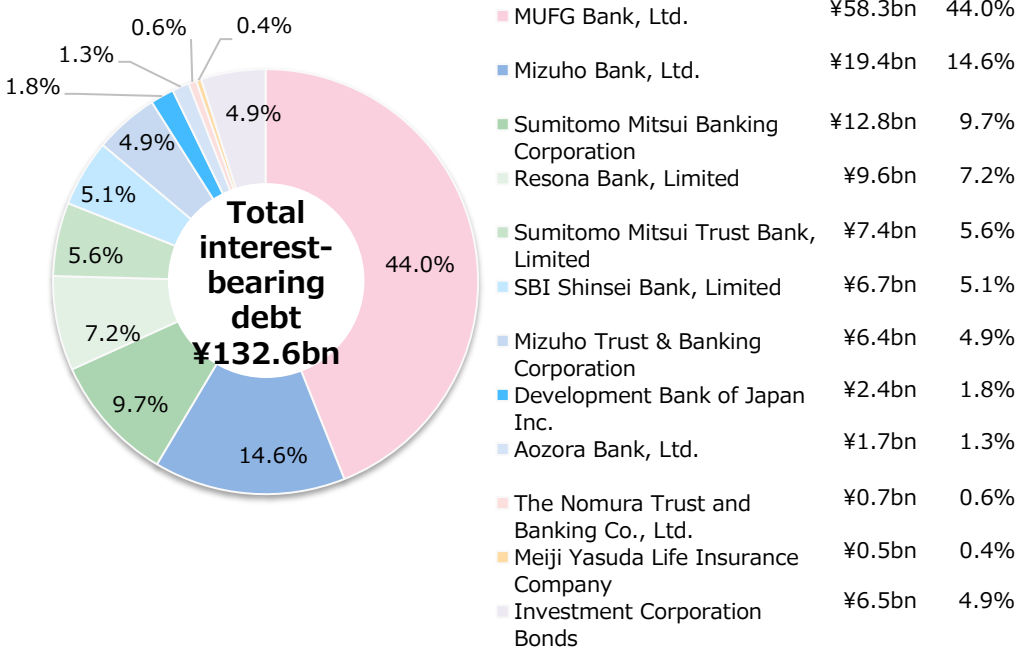
◆ Aim for continuous improvement in credit rating

- JCR rating outlook changed from stable to positive in November 2023. Aiming to acquire AA rating

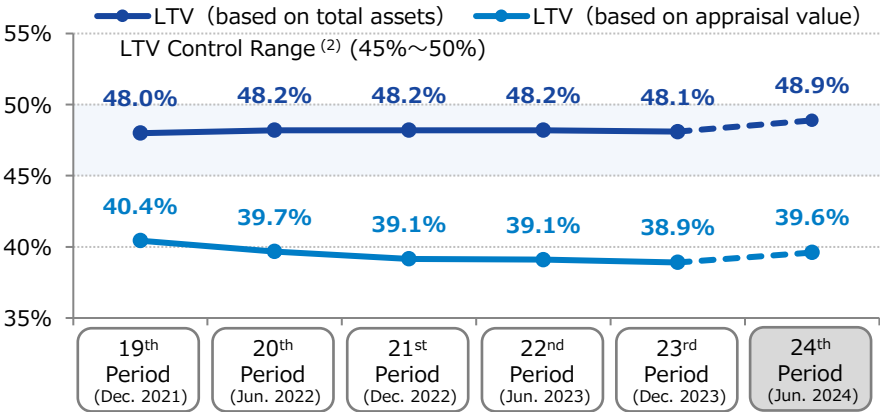
《Structure of Interest-bearing Liabilities》 (¥/mm)

	21 <sup>st</sup> Period	22 <sup>nd</sup> Period	23 <sup>rd</sup> Period
Total interest-bearing debt	132,620	132,620	132,620
Borrowings	126,120	126,120	126,120
Corporation bonds	6,500	6,500	6,500
Long-term debt ratio	100%	100%	100%
Fixed interest rate ratio	96.9%	97.8%	96.8%
Rating	JCR : A+ (Positive) <b>NEW</b> R&I : A+ (stable)		
Commitment line	3,000		

《Bank Formation》



《LTV (1)》



Corporate Bonds	Issued	Term	Issue amount	Interest rate
1st unsecured bonds	Apr. 2018	7 years	¥1.0bn	0.54%
2nd unsecured bonds	Apr. 2018	10 years	¥1.0bn	0.70%
3rd unsecured bonds	Nov. 2018	10 years	¥1.5bn	0.88%
4th unsecured bonds	Apr. 2019	10 years	¥1.0bn	0.90%
5th unsecured bonds (Green Bond)	Aug. 2021	10 years	¥2.0bn	0.67%
Total			¥6.5bn	

《Summary of refinancing for the 23<sup>rd</sup> Period》

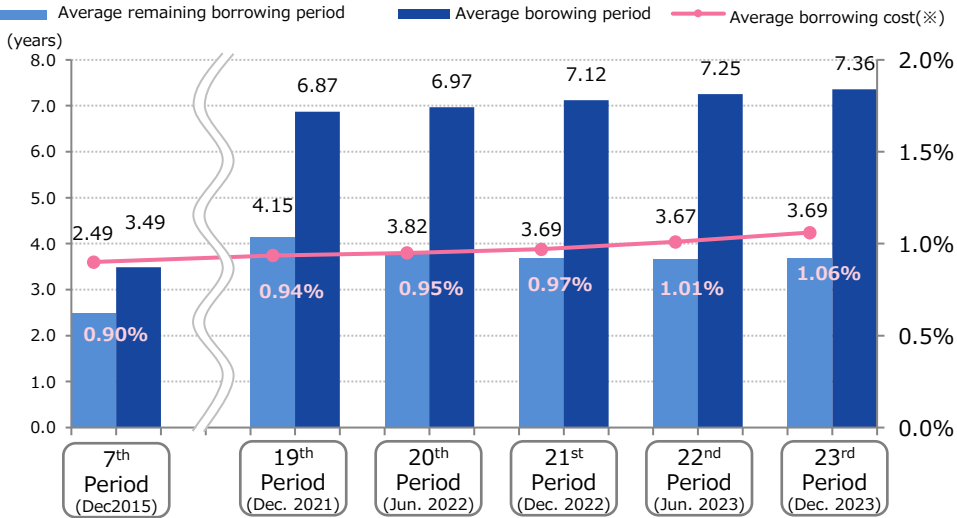
Amount (¥/mm)	Term	Interest rate	Amount (¥/mm)	Term	Drawdown date	Interest rate
3,900	6 Years	0.5000% (fixed by interest swap agreement)	1,250	4 Years	Aug.21 2023	Base interest rate+0.2900%
6,000	5 Years 1.4 Months	0.4770% (fixed by interest swap agreement)	5,150	7 Years		1.1500% (fixed by interest swap agreement)
			3,500	8 Years		1.3426% (fixed by interest swap agreement)

《Status of rating》

Japan Credit Rating Agency,  
Ltd. (JCR)  
Long-term issuer rating  
**A+** (Positive)(Nov. 2023)

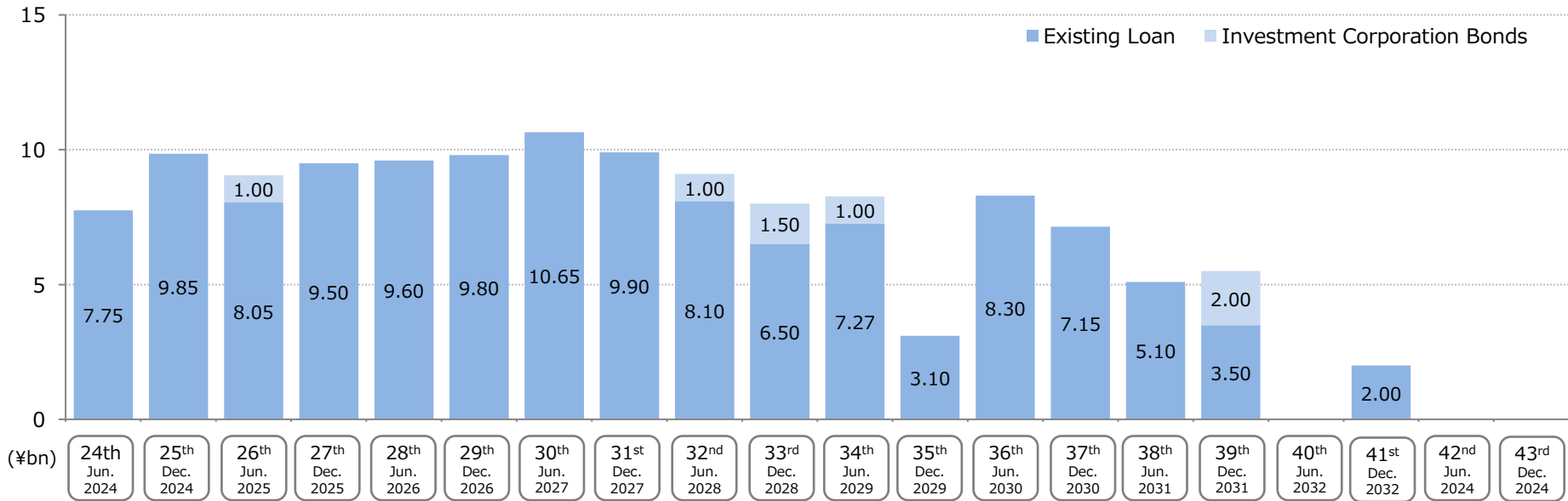
Rating and Investment  
Information, Inc.(R&I)  
Issuer rating  
**A+** (Stable)(Aug. 2023)

《Historical average remaining borrowing period, average  
borrowing period and average borrowing cost》



※Including upfront fee, agent fee and investment corporation bonds issued cost

《Debt Maturity Schedule》



# Sustainability Initiatives (Summary)

◆ ESG initiatives positioned as one of important management issues, mitigating the environmental impacts in cooperation and collaboration with stakeholders

## ■ Formulation and execution of Materiality Environment

- Countering Climate Change
- Enhancing Energy Efficiency
- Countering Water Resources
- Waste Management
- Sustainability Certification



## Social

- Ensuring the Security and Safety of Tenants, Enhancing User Comfort
- Contributing to Communities
- Stakeholder Engagement and Timely and Appropriate Information Disclosure
- Developing Human Resources and Creating a Satisfactory Workplace



## Governance

- Building a Governance System that Emphasizes the Third Party and Diversity of Officers
- Ensuring Legal Compliance by Raising Awareness of Compliance
- Appropriate Risk Management such as Elimination of Conflicts of Interest Related to Transactions with Interested Parties, etc.
- Ensuring the Effectiveness of Internal Control Processes through Internal Audits



## ■ Participation to the GRESB Real Estate Assessment

- Achieved “3 Stars” in 2023 GRESB rating
- Received “Green Star” designation for the seventh consecutive years
- Earned the highest “A” level for the GRESB Public Disclosure



## ■ Acquisition of environmental certifications

- Acquired CASBEE for Real Estate certification for FORECAST Shinjuku SOUTH in Nov. 2023

NEW

## ■ Current status of environmental certifications

DBJ Green Building Certification  
(2 properties, 6.91%)

CASBEE for Real Estate  
(5 properties, 15.18%)

BELS Certification  
(21 properties, 28.27%)

Low-Carbon Model Building  
(5 properties, 5.32%)

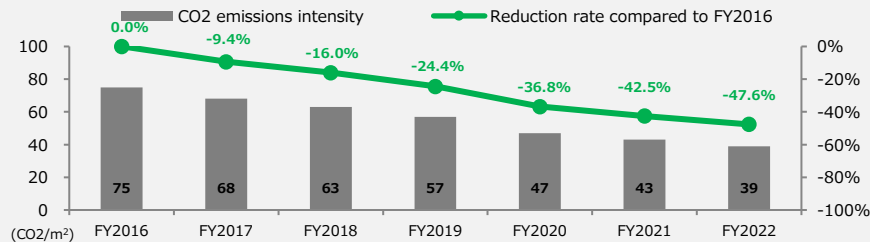
Total of 28 properties  
48.25% of the Portfolio based on total floor area  
\*In case when a property holds multiple certifications, it is calculated as one property.

+3.6%

Environmental certifications : Aiming for 50% or more of total floor area

## ■ Reduction of environmental load

[Changes in CO2 emissions intensity]



## 《Reduction Targets of GHG emissions》

NEW

Targets

1.Achieve net-zero by 2050

2.Reduce GHG emissions 50% by 2030 (compared to 2016, based on intensity)



## **4. Data related with Financial Results for the 23<sup>rd</sup> Period (Dec. 2023)**

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# Financial Results for the 23<sup>rd</sup> Period (Dec. 2023)

Unit ¥mm	22 <sup>nd</sup> Period (Jun. 2023) Result	23 <sup>rd</sup> Period (Dec. 2023) Forecast※ As of Aug. 17, 2023	23 <sup>rd</sup> Period (Dec. 2023) Result	23 <sup>rd</sup> Period (Result) vs 22 <sup>nd</sup> Period (Result) (difference)	23 <sup>rd</sup> Period (Result) vs 23 <sup>rd</sup> Period (Forecast) (difference)
	a	b	c	c-a	c-b
<b>Operating Revenues</b>	<b>8,865</b>	<b>8,579</b>	<b>8,828</b>	<b>(36)</b>	<b>+249</b>
Rental Revenues	7,884	7,891	7,908	+23	+17
Other Revenues Related to property leasing	725	685	723	(1)	+37
Gain on sales of real estate properties	251	-	194	(57)	+194
Dividend Income	3	2	1	(2)	(0)
<b>Operating Expenses</b>	<b>(4,424)</b>	<b>(4,175)</b>	<b>(4,122)</b>	<b>+302</b>	<b>+53</b>
<b>Operating Income</b>	<b>4,440</b>	<b>4,403</b>	<b>4,705</b>	<b>+265</b>	<b>+302</b>
Non-Operating Revenues	6	-	7	+1	+7
Non-Operating Expenses	(674)	(728)	(728)	(53)	+0
<b>Ordinary Income</b>	<b>3,772</b>	<b>3,674</b>	<b>3,984</b>	<b>+212</b>	<b>+309</b>
<b>Net Income</b>	<b>3,771</b>	<b>3,674</b>	<b>3,983</b>	<b>+212</b>	<b>+309</b>
<b>DPU</b>	<b>¥8,381</b>	<b>¥8,166</b>	<b>¥8,854</b>	<b>+¥473</b>	<b>+¥688</b>
<b>NOI</b>	<b>6,311</b>	<b>6,293</b>	<b>6,405</b>	<b>+94</b>	<b>+112</b>
<b>FFO per Unit<sup>(1)</sup></b>	<b>¥10,616</b>	<b>¥10,530</b>	<b>¥10,703</b>	<b>+¥87</b>	<b>+¥173</b>
<b>Days</b>	<b>181</b>	<b>184</b>	<b>184</b>	<b>-</b>	<b>-</b>

※ Compared with the forecast figures in the financial results for the fiscal year ending June 2023

## ◆ Comparison against the 22<sup>nd</sup> Period (Jun. 2023) result (c-a)

Major fluctuation factor( ¥ /mm)

	Remarks
◆ <b>Decrease in operating revenues</b> <b>(36)</b>	
• Increase in rental revenue	+23 (Newly acquired properties)
• Decrease in utilities charge revenue	(33) (Changes in adjusted unit prices for electricity, fuel costs, etc.)
• Increase in miscellaneous income	+30 (Increase in cancellation penalty income)
• Decrease in gain on sales of real estate properties	(57) (Difference between gains on sale of ANTEX24 and Seam Dwell Tsutsui)
• Others	(0)
◆ <b>Decrease in operating expenses</b> <b>+302</b>	
• Decrease in utility expenses	+48 (Changes in adjusted unit prices for electricity, fuel costs, etc.)
• Decrease in repair expense	+51 (Decrease in building exterior renovation)
• Increase in payment commissions	(10) (Increase in leasing costs)
• Decrease in loss on sales of real estate properties	+238 (Loss on the sale of the Imazaki Mansion N1)
• Decrease in other commissions	+11 (Decrease in ER expense, etc.)
• Increase in asset management fees	(11)
• Others	(25)
◆ <b>Increase in non-operating revenues</b> <b>+1</b>	
◆ <b>Increase in non-operating expenses</b> <b>(53)</b>	(Rising interest rate in refinancing)

## ◆ Comparison against the 23<sup>rd</sup> Period (Dec. 2023) (As of Aug. 17, 2023) forecast(c-b)

Major fluctuation factor( ¥ /mm)

	Remarks
◆ <b>Increase in operating revenues</b> <b>+249</b>	
• Increase in rental revenue	+17 (Increase in income due to improved occupancy rates of residence)
• Increase in miscellaneous income	+31 (Increase in cancellation penalty income)
• Increase in gain on sales of real estate properties	+194 (Gain on the sale of the Seam Dwell Tsutsui)
• Others	+6
◆ <b>Decrease in operating expenses</b> <b>+53</b>	
• Decrease in repair expense	+15 (Accounting change for building exterior renovation)
• Decrease in payment commissions	+28 (Decrease in leasing costs)
• Decrease in other commissions	+17 (Decrease in leasing campaign expenses)
• Others	(8)
◆ <b>Increase in non-operating revenues</b> <b>+7</b>	
• Increase in DPU refunds	+7
◆ <b>Decrease in non-operating Expenses</b> <b>+0</b>	

# Financial Forecast for the 24<sup>th</sup> Period (Jun. 2024) and the 25<sup>th</sup> Period (Dec. 2024)

Unit ¥mm	23 <sup>rd</sup> Period (Dec. 2023) Result	24 <sup>th</sup> Period (Jun. 2024) Forecast	25 <sup>th</sup> Period (Dec. 2024) Forecast	24 <sup>th</sup> Period (Forecast) vs 23 <sup>rd</sup> Period (Result) (difference)	25 <sup>th</sup> Period (Forecast) vs 24 <sup>th</sup> Period (Forecast) (difference)
	a	b	c	b-a	c-b
<b>Operating Revenues</b>	<b>8,828</b>	<b>8,894</b>	<b>8,781</b>	<b>+66</b>	<b>(113)</b>
Rental Revenues	7,908	8,001	8,049	+92	+47
Other Revenues Related to property leasing	723	661	731	(62)	+70
Gain on sales of real estate properties	194	232	-	+38	(232)
Dividend Income	1	-	-	(1)	-
<b>Operating Expenses</b>	<b>(4,122)</b>	<b>(4,194)</b>	<b>(4,111)</b>	<b>(71)</b>	<b>+82</b>
<b>Operating Income</b>	<b>4,705</b>	<b>4,700</b>	<b>4,669</b>	<b>(5)</b>	<b>(31)</b>
Non-Operating Revenues	7	-	-	(7)	-
Non-Operating Expenses	(728)	(735)	(763)	(7)	(27)
<b>Ordinary Income</b>	<b>3,984</b>	<b>3,964</b>	<b>3,905</b>	<b>(20)</b>	<b>(59)</b>
<b>Net Income</b>	<b>3,983</b>	<b>3,964</b>	<b>3,904</b>	<b>(19)</b>	<b>(59)</b>
<b>DPU</b>	<b>¥8,854</b>	<b>¥8,810</b>	<b>¥8,678</b>	<b>(¥44)</b>	<b>(¥132)</b>
<b>NOI</b>	<b>6,405</b>	<b>6,364</b>	<b>6,560</b>	<b>(41)</b>	<b>+195</b>
<b>FFO per Unit</b>	<b>¥10,703</b>	<b>¥10,526</b>	<b>¥10,917</b>	<b>(¥177)</b>	<b>+¥391</b>
<b>Days</b>	<b>184</b>	<b>182</b>	<b>184</b>	<b>-</b>	<b>-</b>

## ◆ Comparison between the 23<sup>rd</sup> Period (Dec. 2023) Result and the 24<sup>th</sup> Period (Jun. 2024) Forecast (b-a)

Major fluctuation factor(¥/mm)	Remarks
◆ <b>Increase in operating revenues</b> <b>+66</b>	
• Increase in rental revenue	+92 (Newly acquired properties, lease up)
• Decrease in utilities charge revenue	(35) (Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc.)
• Increase in land rent	+23 (Street life leasehold land)
• Decrease in miscellaneous income	(50) (Decrease in cancellation penalty income)
• Increase in gain on sales of real estate properties	+38 (Difference between gains on sale of Seam Dwell Tsutsui and Sannomiya First Building)
• Others	(2)
◆ <b>Increase in operating expenses</b> <b>(71)</b>	
• Decrease in utility expenses	+35 (Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc.)
• Increase in repair expense	(48) (Increase in building exterior renovation)
• Decrease in depreciation expense	+26 (End of the amortization period)
• Increase in property tax	(12)
• Increase in payment commissions	(19) (Increase in leasing costs)
• Increase in other commissions	(10) (Increase in leasing campaign expenses)
• Increase in other fees	(17) (ER expenses, etc.)
• Increase in deductible consumption tax	(11)
• Others	(11)
◆ <b>Decrease in non-operating revenues</b> <b>(7)</b>	
• Decrease in DPU refunds	(7)
◆ <b>Increase in non-operating expenses</b> <b>(7)</b>	
• Increase in borrowing expense	(7) (Increase in outstanding debt)

## ◆ Comparison between the 24<sup>th</sup> Period (Jun. 2024) Forecast and the 25<sup>th</sup> Period (Dec. 2024) Forecast (c-b)

Major fluctuation factor(¥/mm)	Remarks
◆ <b>Decrease in operating revenues</b> <b>(113)</b>	
• Increase in rental revenue	+47 (Newly acquired properties, lease up)
• Increase in utilities charge revenue	+52 (Seasonal factor)
• Increase in land rent	+21 (Street life leasehold land)
• Decrease in gain on sales of real estate properties	(232) (Absence of gain on the sale of Sannomiya First Building)
• Others	(3)
◆ <b>Decrease in operating expenses</b> <b>+82</b>	
• Increase in utility expenses	(44) (Seasonal factor)
• Decrease in repair expense	+86 (Decrease in building exterior renovation)
• Increase in depreciation	(13)
• Decrease in loss on retirement of fixed assets	+10
• Decrease in trust fees	+11
• Decrease in payment commissions	+11 (Decrease in leasing costs)
• Decrease in other commissions	+18 (Decrease in leasing campaign expenses)
• Increase in asset management fees	(25)
• Decrease in other fees	+17
• Decrease in deductible consumption tax	+17
• Others	(7)
◆ <b>Increase in non-operating expenses</b> <b>(27)</b>	
• Increase in borrowing related expense	(27)



# Financial Forecast for the 24<sup>th</sup> Period (Jun. 2024)

Unit ¥mm	24 <sup>th</sup> Period (Jun. 2024) <b>Original Forecast</b> As of Aug. 17, 2023	24 <sup>th</sup> Period (Jun. 2024) <b>Revised Forecast</b> As of Feb. 19, 2024	24 <sup>th</sup> Period (Revised Forecast) vs 24 <sup>th</sup> Period (Original Forecast) (difference)
	a	b	b-a
<b>Operating Revenues</b>	<b>8,621</b>	<b>8,894</b>	<b>+273</b>
Rental Revenues	7,987	8,001	+13
Other Revenues Related to property leasing	633	661	+27
Dividend Income	-	232	+232
<b>Operating Expenses</b>	<b>(4,088)</b>	<b>(4,194)</b>	<b>(105)</b>
<b>Operating Income</b>	<b>4,533</b>	<b>4,700</b>	<b>+167</b>
Non-Operating Revenues	-	-	-
Non-Operating Expenses	(735)	(735)	(0)
<b>Ordinary Income</b>	<b>3,798</b>	<b>3,964</b>	<b>+166</b>
<b>Net Income</b>	<b>3,797</b>	<b>3,964</b>	<b>+166</b>
<b>DPU</b>	<b>¥8,440</b>	<b>¥8,810</b>	<b>+¥370</b>
<b>NOI</b>	<b>6,411</b>	<b>6,364</b>	<b>(46)</b>
<b>FFO per Unit</b>	<b>¥10,526</b>	<b>¥10,917</b>	<b>+¥391</b>
<b>Days</b>	<b>182</b>	<b>182</b>	<b>-</b>

## ◆ Comparison between original forecast (As of Aug. 17, 2023) and revised forecast for the 24<sup>th</sup> Period (Jun. 2024)

Major fluctuation factor( ¥ /mm)

◆ Increase in operating revenues	+273	Remarks
•Increase in rental revenue	+13	(Newly acquired properties, lease up)
•Increase in land rent	+23	(Street life leasehold land)
•Increase in gain on sale of real estate property	+232	(Sannomiya First Building)
•Others	+3	
<b>◆ Increase in operating expenses</b>	<b>(105)</b>	
•Increase in repair expense	(69)	(Decrease in building exterior renovation)
•Increase in payment commissions	(23)	(Increase in leasing campaign expenses)
•Increase in other commissions	(11)	
•Decrease in asset management fees	+8	
•Others	(10)	
<b>◆ Increase in non-operating expenses</b>	<b>(0)</b>	

# Historical Operating Results

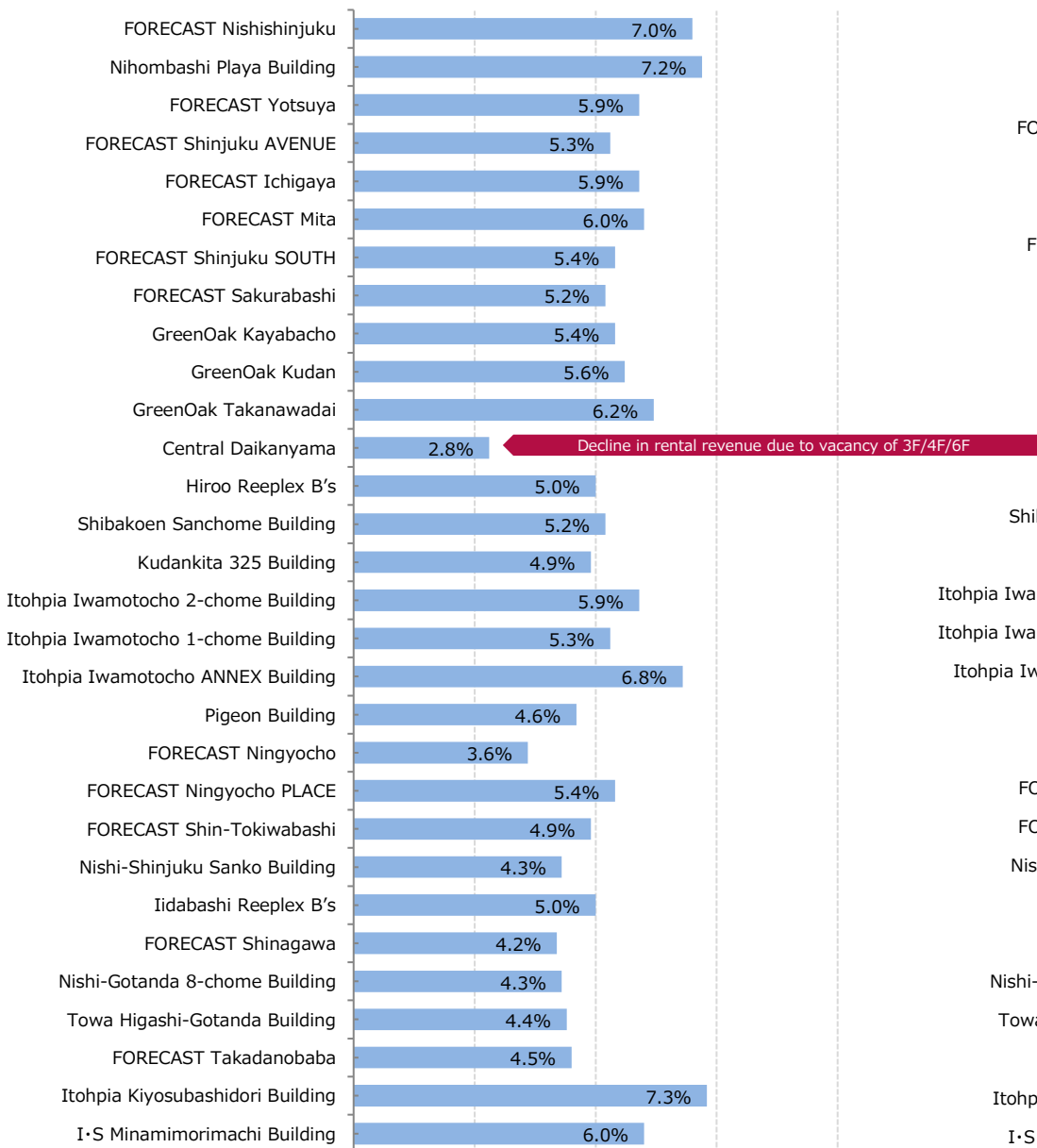
		19 <sup>th</sup> FP (Dec. 2021)	20 <sup>th</sup> FP (Jun. 2022)	21 <sup>st</sup> FP (Dec. 2022)	22 <sup>nd</sup> FP (Jun. 2023)	23 <sup>rd</sup> FP (Dec. 2023)
Operating revenues	(¥mm)	10,041	8,534	8,547	8,865	8,828
Of which, rental revenues and other revenues related to property leasing	(¥mm)	(8,434)	(8,406)	(8,544)	(8,610)	(8,632)
Operating expenses	(¥mm)	3,997	3,935	4,105	4,424	4,122
Of which, property-related expenses	(¥mm)	(3,095)	(3,083)	(3,263)	(3,313)	(3,249)
Operating income	(¥mm)	6,043	4,599	4,442	4,440	4,705
Ordinary income	(¥mm)	5,390	3,971	3,774	3,772	3,984
Net income	(¥mm)	5,335	3,970	3,773	3,771	3,983
Total assets (a)	(¥mm)	276,577	274,895	275,138	275,414	275,462
Net assets (b)	(¥mm)	131,869	130,592	130,395	130,392	130,605
Interest-bearing debt (c)	(¥mm)	132,620	132,620	132,620	132,620	132,620
Interest-bearing debt to total assets ratio (c)/(a) (based on book value)	(%)	48.0	48.2	48.2	48.2	48.1
Interest-bearing debt to total assets ratio <sup>(3)</sup> (based on appraisal value)	(%)	40.4	39.7	39.1	39.1	38.9
Ordinary income to total assets ratio <sup>(3)</sup>	(%)	2.0	1.4	1.4	1.4	1.4
Return on equity <sup>(3)</sup>	(%)	4.1	3.0	2.9	2.9	3.1
Equity ratio (b)/(a)	(%)	47.7	47.5	47.4	47.3	47.4
NOI yield (acquisition value) <sup>(4)</sup>	(%)	4.9	5.0	4.9	5.0	4.9
NOI yield (book value) <sup>(4)</sup>	(%)	4.9	5.0	4.9	5.0	4.9
NOI yield (appraisal value) <sup>(4)</sup>	(%)	4.1	4.0	3.9	4.0	3.9
After-depreciation yield (acquisition value) <sup>(4)</sup>	(%)	4.1	4.2	4.1	4.2	4.1
After-depreciation yield (book value) <sup>(4)</sup>	(%)	4.1	4.2	4.1	4.2	4.1
After-depreciation yield (appraisal value) <sup>(4)</sup>	(%)	3.4	3.4	3.3	3.4	3.3
Implied cap rate (NOI yield) <sup>(3) (4)</sup>	(%)	4.1	4.3	4.6	4.7	4.7
Implied cap rate (after-depreciation yield) <sup>(4)</sup>	(%)	3.5	3.6	3.8	3.9	3.9
Unitholder's equity	(¥mm)	126,515	126,515	126,515	126,515	126,515
Number of investment units Issued and outstanding (d)		449,930	449,930	449,930	449,930	449,930
Net assets per unit (b)/(d)	(¥)	293,089	290,249	289,812	289,807	290,280
Total distributions (e)	(¥mm)	5,248	3,970	3,773	3,770	3,983
Distributions per unit (e)/(d)	(¥)	11,665	8,825	8,387	8,381	8,854
FFO <sup>(3)</sup> (Funds From Operations) (f)	(¥mm)	4,753	4,855	4,784	4,776	4,815
AFFO <sup>(3)</sup> (Adjusted Fund From Operations)(g)	(¥mm)	4,142	4,585	4,259	4,136	3,729
Pay out ratio (FFO) (e)/(f)	(%)	110.4	81.8	78.9	78.9	82.7
Pay out ratio (AFFO) (e)/(g)	(%)	126.7	86.6	88.6	91.2	106.8
FFO per unit <sup>(3)</sup>	(¥)	10,564	10,792	10,633	10,616	10,703
NAV per Unit <sup>(3)</sup>	(¥)	395,764	413,510	422,819	422,466	425,995

# Property NOI Yield (1/4)

## Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 23<sup>rd</sup> Period)

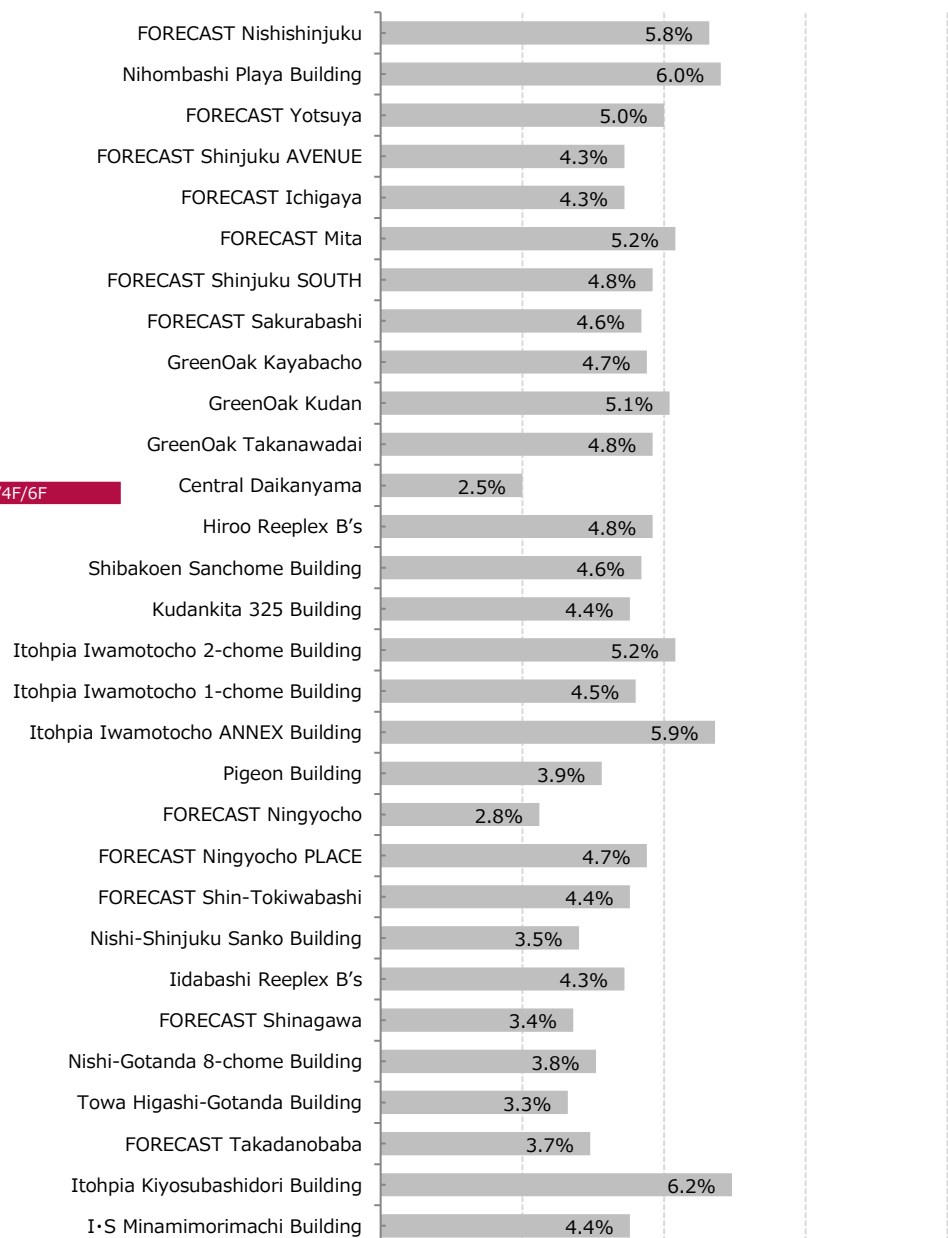
0.0% 2.5% 5.0% 7.5% 10.0%



## Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 23<sup>rd</sup> Period)

0.0% 2.5% 5.0% 7.5% 10.0%

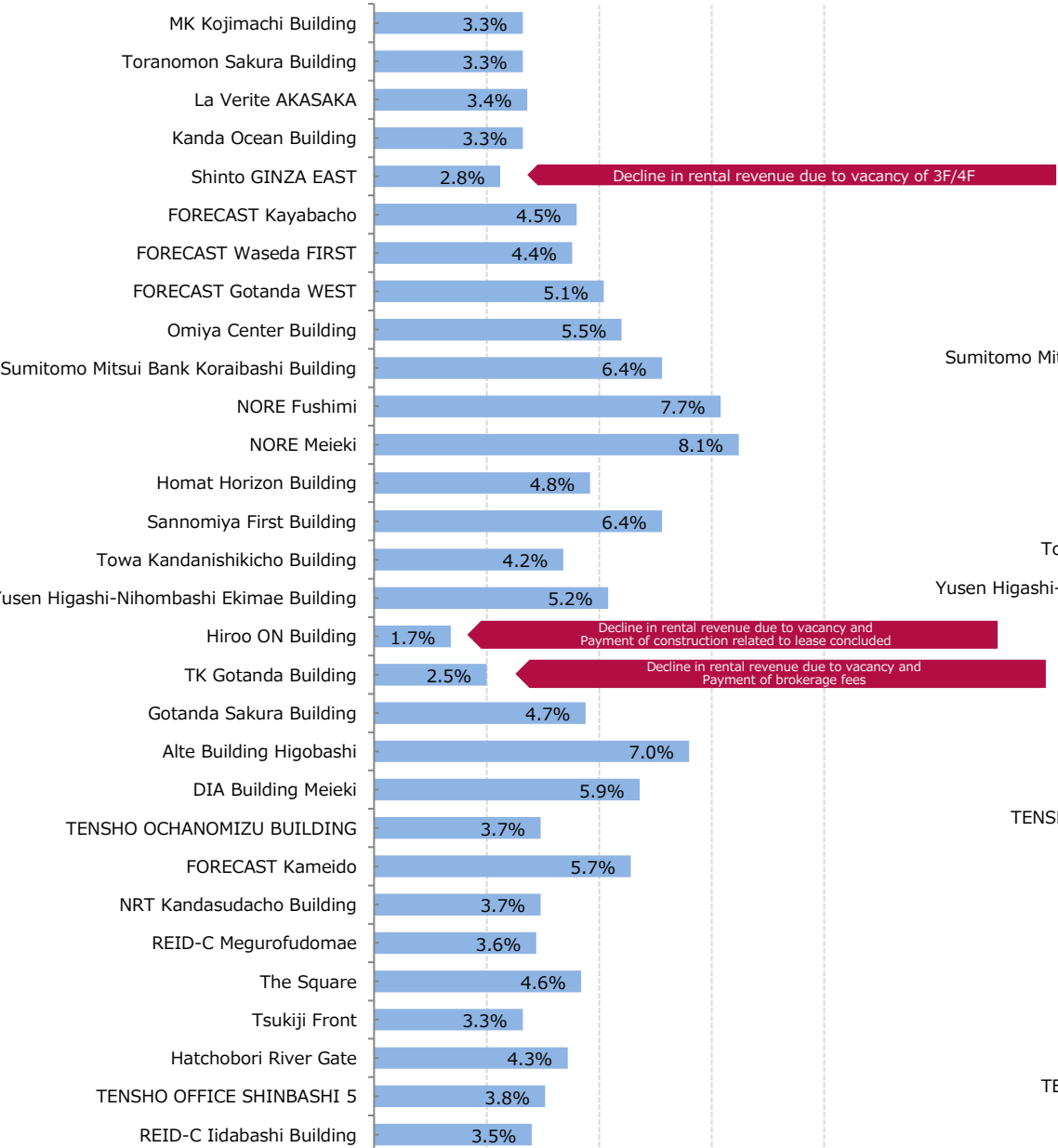


# Property NOI Yield (2/4)

## Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 23<sup>rd</sup> Period)

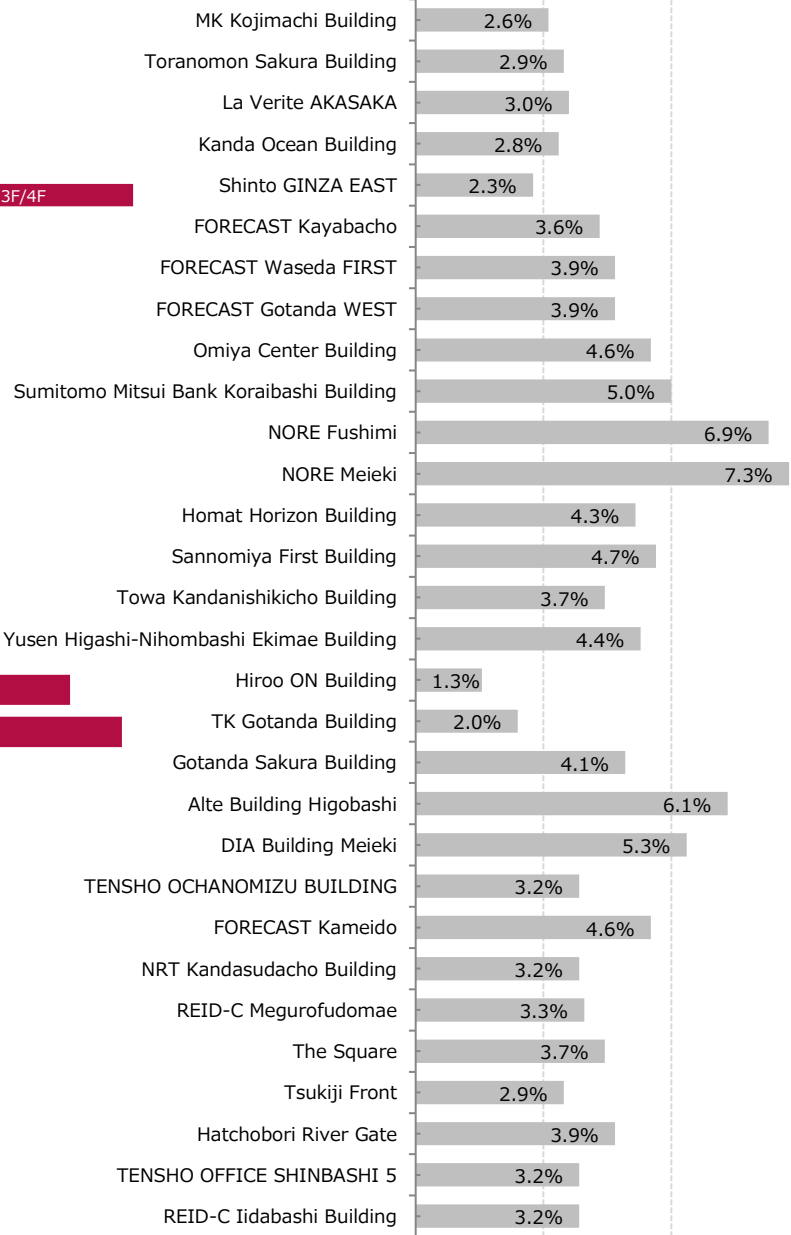
0.0% 2.5% 5.0% 7.5% 10.0%



## Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 23<sup>rd</sup> Period)

0.0% 2.5% 5.0% 7.5% 10.0%

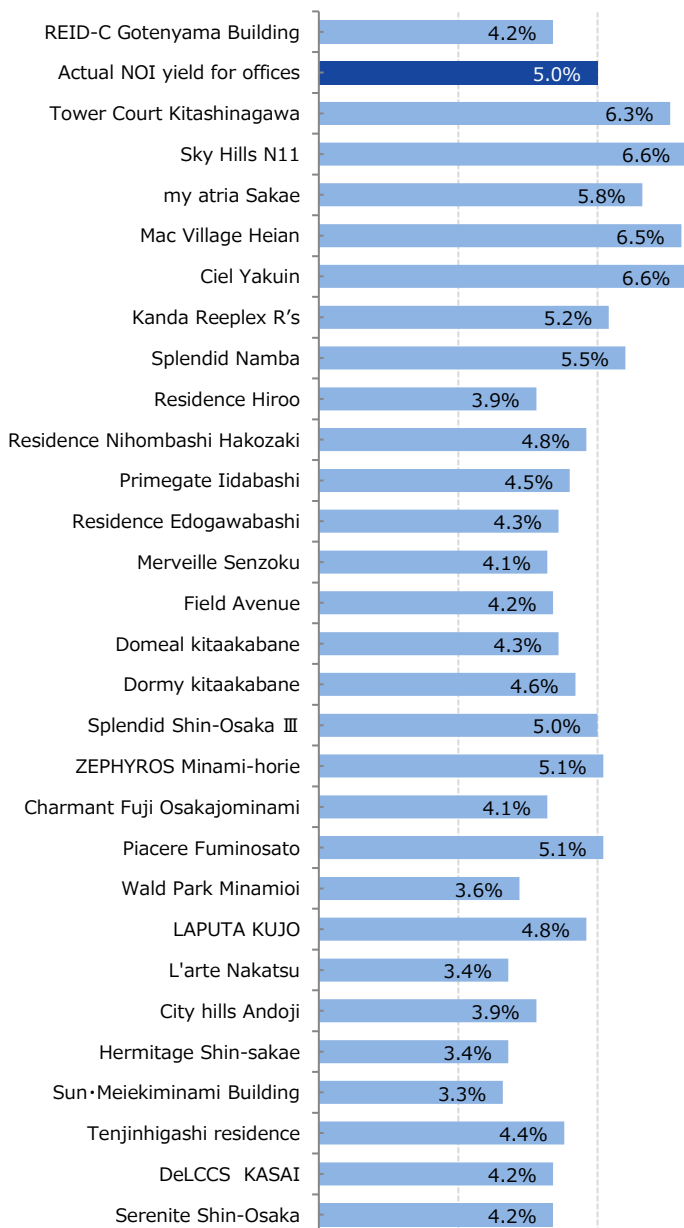


# Property NOI Yield (3/4)

## Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 23<sup>rd</sup> period)

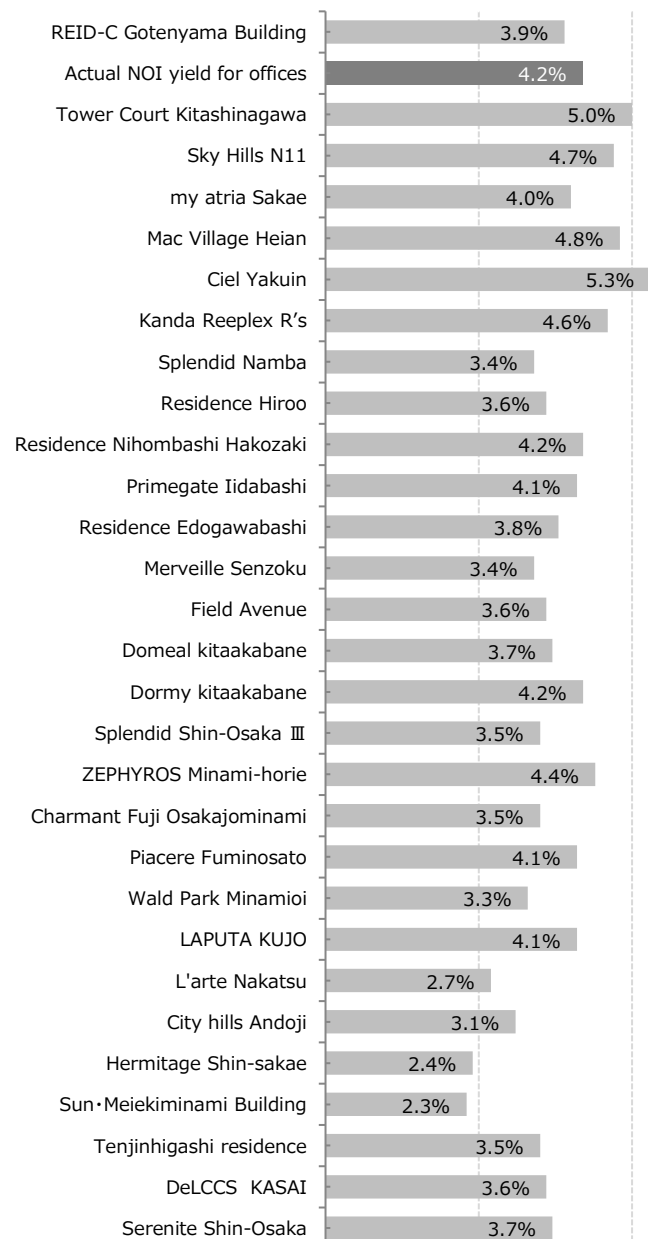
0.0% 2.5% 5.0% 7.5% 10.0%



## Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 23<sup>rd</sup> Period)

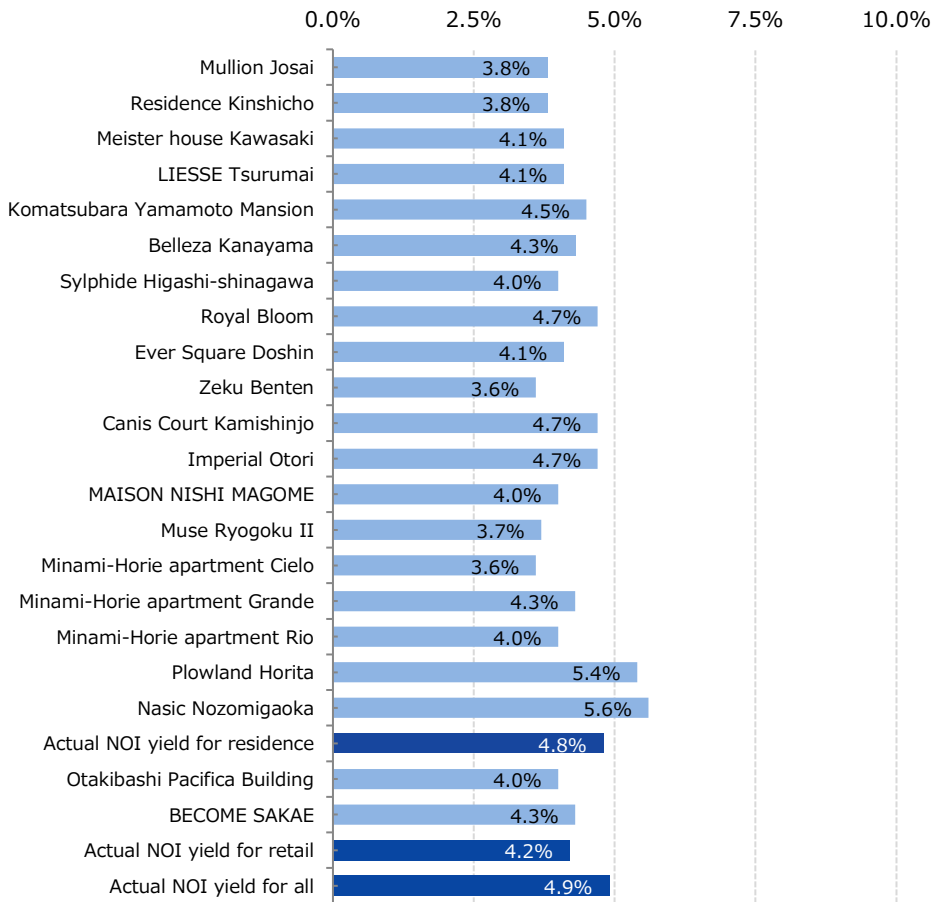
0.0% 2.5% 5.0% 7.5% 10.0%



# Property NOI Yield (4/4)

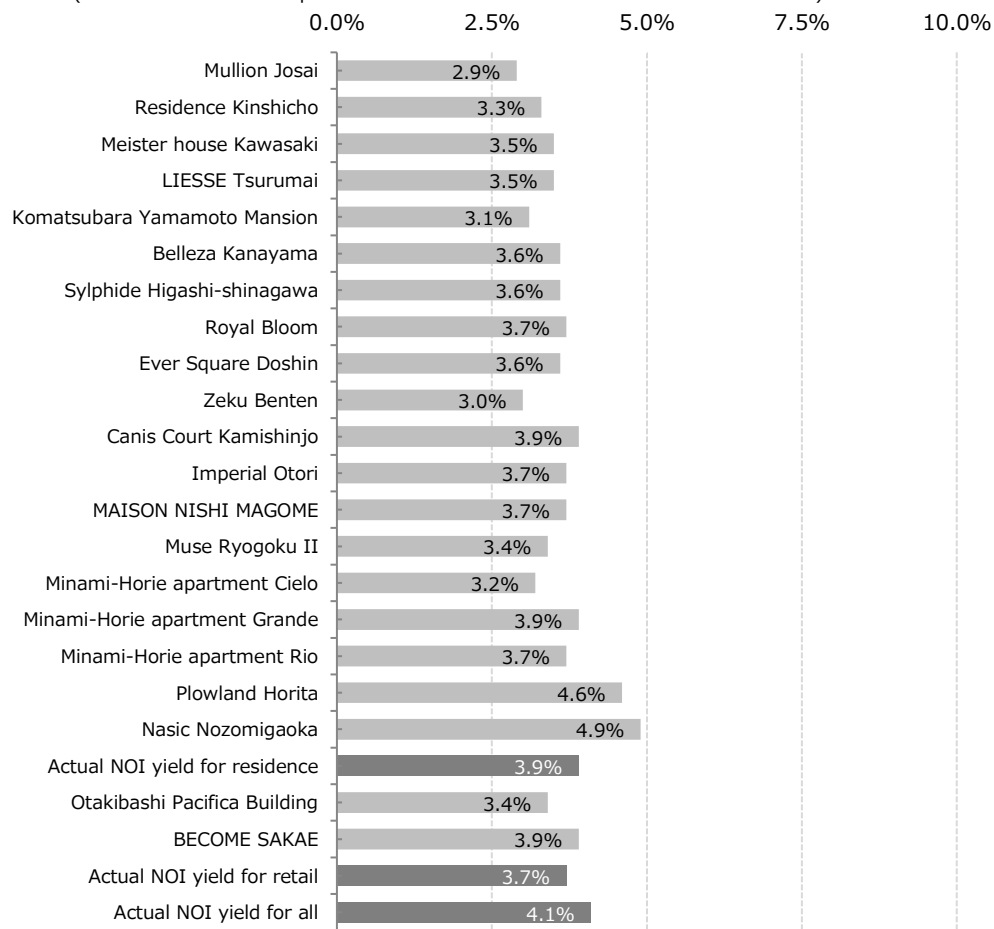
## ■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 23<sup>rd</sup> Period)



## ■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 23<sup>rd</sup> Period)



# Appraisal Value Summary

## ◆Appraisal valuation by sector

	22 <sup>nd</sup> Period (Jun. 2023)			23 <sup>rd</sup> Period (Dec. 2023)		
	Number of Properties	Appraisal Value (¥ mm)	Unrealized gains (¥ mm)	Number of Properties	Appraisal Value (¥ mm)	Unrealized gains (¥ mm)
Office	61	230,700	48,150	61	231,710	48,981
Residential	42	77,701	14,984	47	82,424	15,725
Retail	2	8,350	323	2	8,350	339
<b>Total</b>	<b>105</b>	<b>316,751</b>	<b>63,458</b>	<b>110</b>	<b>322,484</b>	<b>65,045</b>

## ◆Period-to-period analysis<sup>(1)</sup>

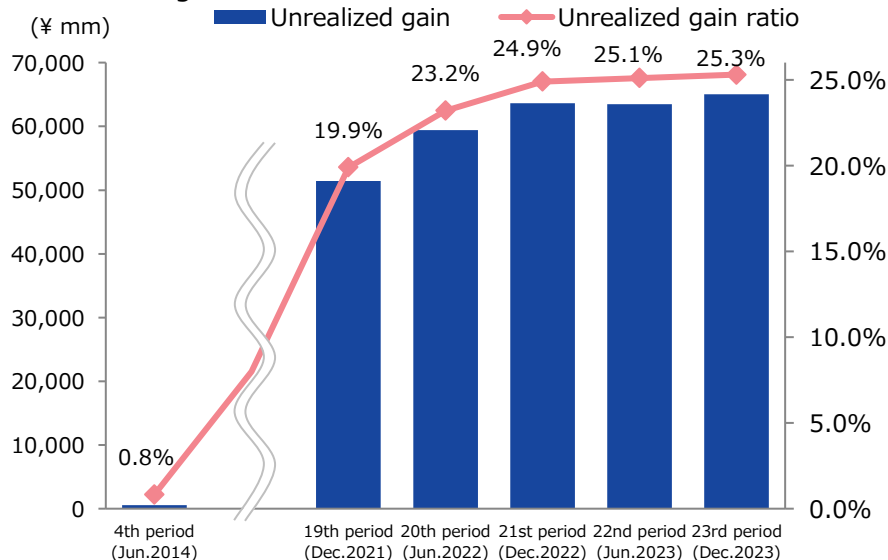
(Number of Properties)

Appraisal CAP	22 <sup>nd</sup> Period (Jun. 2023)	23 <sup>rd</sup> Period (Dec. 2023)
Decrease	23	28
Flat	80	76
Increase	2	0

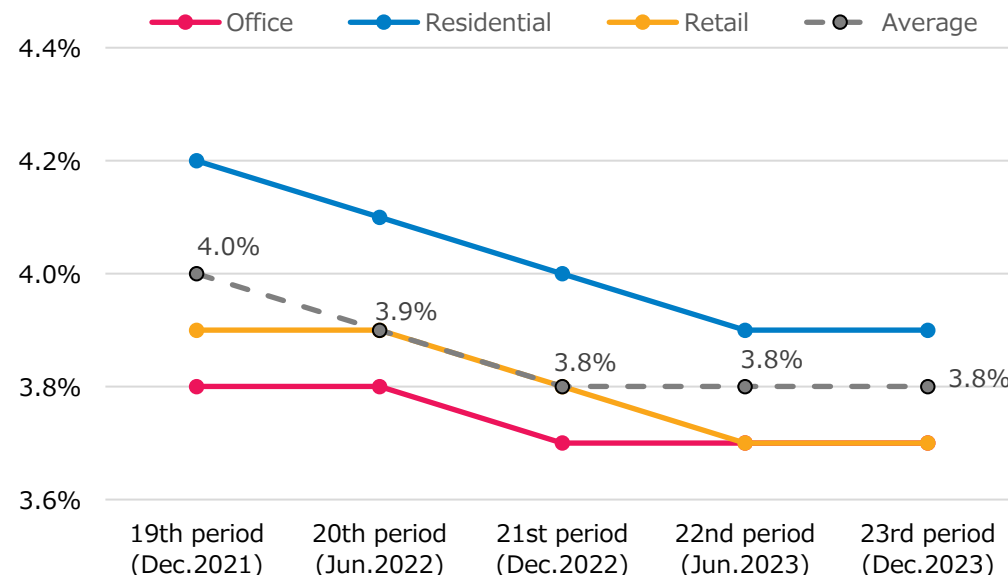
Appraisal Value	22 <sup>nd</sup> Period (Jun. 2023)	23 <sup>rd</sup> Period (Dec. 2022)
Increase	34	37
Flat	27	59
Decrease	44	8

\*"Appraisal CAP" refers to the capitalization rate by the direct capitalization.

## ◆Amount of change in unrealized gain and rate of change in unrealized gain



## ◆Trends in average appraisal CAP by application





Portfolio Appraisal Value (1/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 23 <sup>rd</sup> Period (a) (¥ mm)	Unrealized Gains End of 23 <sup>rd</sup> Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield ( <sup>1</sup> )	Major Appraisal Value Changing Factor ( <sup>2</sup> )		
					End of 22 <sup>nd</sup> Period (¥ mm)	End of 23 <sup>rd</sup> Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 23 <sup>rd</sup> Period						
Office														
A-1	FORECAST Nishishinjuku	2,260	2,046	1,263	3,310	3,310	0	3.6%	3.2%	3.8%	5.5%			
A-2	Nihombashi Playa Building	2,130	1,916	603	2,520	2,520	0	4.2%	4.0%	4.3%	5.2%			
A-3	FORECAST Yotsuya	1,430	1,380	679	2,060	2,060	0	3.6%	3.4%	3.7%	5.4%			
A-4	FORECAST Shinjuku AVENUE	6,500	6,065	2,464	8,530	8,530	0	3.2%	3.0%	3.3%	4.4%			
A-5	FORECAST Ichigaya	4,800	4,242	2,557	6,800	6,800	0	3.3%	3.1%	3.4%	4.9%			
A-6	FORECAST Mita	1,800	1,678	851	2,530	2,530	0	3.5%	3.3%	3.6%	5.1%			
A-7	FORECAST Shinjuku SOUTH	13,990	14,466	3,933	18,400	18,400	0	3.3%	3.0%	3.5%	4.5%			
A-8	FORECAST Sakurabashi	5,760	6,020	1,019	7,050	7,040	(10)	3.9%	3.7%	4.0%	5.1%			○
A-9	GreenOak Kayabacho	2,860	2,946	733	3,680	3,680	0	3.6%	3.4%	3.7%	5.0%			
A-10	GreenOak Kudan	2,780	2,907	822	3,730	3,730	0	3.5%	3.3%	3.6%	5.0%			
A-11	GreenOak Takanawadai	2,260	2,074	915	2,990	2,990	0	3.8%	3.6%	3.9%	5.2%			
A-14	Central Daikanyama	3,510	3,680	99	3,780	3,780	0	3.4%	3.2%	3.5%	3.8%			
A-16	Hiroo Reeplex B's	2,827	2,840	719	3,560	3,560	0	3.6%	3.4%	3.7%	4.6%			
A-17	Shibakoen Sanchome Building	7,396	7,317	2,982	10,100	10,300	200	3.4%	3.2%	3.6%	4.9%	○		
A-19	Kudankita 325 Building	1,850	1,966	443	2,410	2,410	0	3.4%	3.2%	3.5%	4.6%			
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,876	743	3,590	3,620	30	3.8%	3.6%	3.9%	5.1%		○	
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,712	527	3,240	3,240	0	3.8%	3.6%	3.9%	4.9%			
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,189	620	2,800	2,810	10	3.8%	3.6%	3.9%	5.3%		○	
A-24	Pigeon Building	2,837	2,903	236	3,140	3,140	0	4.0%	3.8%	4.1%	4.8%			
A-25	FORECAST Ningyocho	2,070	2,176	103	2,280	2,280	0	3.7%	3.5%	3.8%	4.3%			
A-26	FORECAST Ningyocho PLACE	1,650	1,688	471	2,160	2,160	0	3.8%	3.6%	3.9%	5.2%			
A-27	FORECAST Shin-Tokiwabashi	2,030	2,102	337	2,440	2,440	0	3.8%	3.6%	3.9%	4.7%			
A-28	Nishi-Shinjuku Sanko Building	2,207	2,333	486	2,820	2,820	0	3.8%	3.6%	3.9%	5.1%			
A-29	Iidabashi Reeplex B's	1,249	1,266	373	1,640	1,640	0	3.4%	3.2%	3.5%	4.6%			
A-30	FORECAST Shinagawa	2,300	2,392	(52)	2,340	2,340	0	3.7%	3.5%	3.8%	4.0%			
A-31	Nishi-Gotanda 8-chome Building	2,210	2,248	461	2,710	2,710	0	3.8%	3.6%	3.9%	4.9%			
A-32	Towa Higashi-Gotanda Building	2,033	2,041	488	2,530	2,530	0	3.7%	3.5%	3.8%	5.0%			
A-33	FORECAST Takadanobaba	5,550	5,769	990	6,760	6,760	0	4.0%	3.8%	4.1%	5.0%			
A-39	Itohpia Kiyosubashidori Building	1,550	1,663	496	2,160	2,160	0	4.1%	3.9%	4.3%	6.1%			

Portfolio Appraisal Value (2/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 23 <sup>rd</sup> Period (a) (¥ mm)	Unrealized Gains End of 23 <sup>rd</sup> Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield ( <sup>1</sup> )	Major Appraisal Value Changing Factor ( <sup>2</sup> )		
					End of 22 <sup>nd</sup> Period (¥ mm)	End of 23 <sup>rd</sup> Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 23 <sup>rd</sup> Period						
A-41	I・S Minamimorimachi Building	2,258	2,312	697	3,010	3,010	0	4.0%	3.8%	4.1%	5.6%			
A-44	MK Kojimachi Building	1,781	1,988	121	2,120	2,110	(10)	3.2%	3.0%	3.3%	4.0%		○	
A-45	Toranomon Sakura Building	4,120	4,290	269	4,560	4,560	0	3.1%	2.9%	3.2%	3.6%			
A-46	La Verite AKASAKA	2,000	2,114	515	2,630	2,630	0	3.3%	3.1%	3.4%	4.5%			
A-47	Kanda Ocean Building	1,440	1,472	457	1,930	1,930	0	3.6%	3.4%	3.7%	5.2%			
A-48	Shinto GINZA EAST	1,352	1,351	98	1,450	1,450	0	3.5%	3.3%	3.6%	4.0%			
A-49	FORECAST Kayabacho	3,000	3,166	263	3,430	3,430	0	3.8%	3.6%	3.9%	4.6%			
A-50	FORECAST Waseda FIRST	4,775	4,750	559	5,250	5,310	60	3.6%	3.4%	3.7%	4.2%		○	
A-51	FORECAST Gotanda WEST	6,520	7,528	831	8,340	8,360	20	3.8%	3.6%	4.0%	5.1%		○	
A-52	Omiya Center Building	15,585	15,379	9,920	24,700	25,300	600	3.7%	3.5%	3.8%	6.1%		○	
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,889	840	3,730	3,730	0	3.9%	3.7%	4.1%	5.4%			
A-54	NORE Fushimi	2,840	2,584	1,935	4,450	4,520	70	3.8%	3.6%	3.9%	6.2%		○	
A-55	NORE Meieki	2,520	2,296	1,933	4,170	4,230	60	3.9%	3.7%	4.0%	6.8%		○	
A-56	Homat Horizon Building	6,705	6,652	1,757	8,410	8,410	0	3.3%	3.1%	3.4%	4.3%			
A-57	Sannomiya First Building	1,390	1,422	187	1,610	1,610	0	4.6%	4.4%	4.7%	6.2%			
A-58	Towa Kandanishikicho Building	960	988	31	1,020	1,020	0	4.1%	3.3%	4.2%	4.6%			
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,207	192	1,400	1,400	0	3.9%	3.7%	4.0%	5.0%			
A-60	Hiroo ON Building	2,392	2,429	420	2,830	2,850	20	3.7%	3.5%	3.8%	4.7%		○	
A-61	TK Gotanda Building	4,130	4,443	(123)	4,320	4,320	0	3.5%	3.3%	3.6%	3.8%			
A-62	Gotanda Sakura Building	1,460	1,501	138	1,640	1,640	0	4.0%	3.4%	4.1%	4.7%			
A-64	Alte Building Higobashi	1,453	1,478	571	2,050	2,050	0	4.3%	4.1%	4.5%	7.3%			
A-65	DIA Building Meieki	1,167	1,178	91	1,270	1,270	0	4.4%	4.2%	4.6%	5.5%			
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,831	68	1,910	1,900	(10)	3.5%	3.3%	3.6%	3.8%			○
A-67	FORECAST Kameido	2,580	2,580	289	2,920	2,870	(50)	4.0%	3.8%	4.1%	4.6%			○
A-68	NRT Kandasudacho Building	1,311	1,410	(0)	1,410	1,410	0	3.4%	3.2%	3.5%	3.8%			
A-69	REID-C Megurofudomae	1,220	1,232	37	1,270	1,270	0	4.1%	3.9%	4.2%	4.4%			
A-70	The Square	1,080	1,136	3	1,150	1,140	(10)	4.4%	4.2%	4.6%	5.1%		○	
A-71	Tsukiji Front	825	845	224	1,040	1,070	30	3.8%	3.5%	3.8%	5.0%		○	
A-72	Hatchobori River Gate	835	839	200	1,040	1,040	0	3.6%	3.4%	3.7%	4.6%			
A-73	TENSHO OFFICE SHINBASHI 5	1,200	1,199	70	1,270	1,270	0	3.5%	3.3%	3.6%	3.8%			

Portfolio Appraisal Value (3/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 23 <sup>rd</sup> Period (a) (¥ mm)	Unrealized Gains End of 23 <sup>rd</sup> Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield ( <sup>1</sup> )	Major Appraisal Value Changing Factor ( <sup>2</sup> )		
					End of 22 <sup>nd</sup> Period (¥ mm)	End of 23 <sup>rd</sup> Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 23 <sup>rd</sup> Period						
A-74	REID-C Iidabashi Building	1,195	1,228	11	1,240	1,240	0	3.5%	3.3%	3.6%	3.8%			
A-75	REID-C Gotenyama Building	1,040	1,074	(4)	1,070	1,070	0	3.8%	3.5%	3.8%	4.3%			
	Subtotal office properties	180,330	182,728	48,981	230,700	231,710	1,010				4.9%			
Residential														
B-01	Tower Court Kitashinagawa	11,880	10,350	7,949	18,200	18,300	100	3.4%	3.2%	3.5%	5.4%		○	
B-02	Sky Hills N11	1,570	1,539	420	1,970	1,960	(10)	4.6%	4.4%	4.7%	6.5%			○
B-04	my atria Sakae	1,110	925	354	1,280	1,280	0	4.1%	3.9%	4.2%	5.1%			
B-05	Mac Village Heian	785	673	321	996	995	(1)	4.2%	4.0%	4.3%	5.8%			○
B-07	Ciel Yakuin	640	596	203	800	800	0	3.8%	3.6%	3.9%	5.2%			
B-08	Kanda Reeplex R's	1,813	1,727	682	2,400	2,410	10	3.4%	3.1%	3.5%	4.7%		○	
B-09	Splendid Namba	3,502	3,060	1,059	4,080	4,120	40	4.1%	3.9%	4.3%	5.0%	○		
B-10	Residential Hiroo	2,590	2,591	488	2,990	3,080	90	3.2%	3.0%	3.4%	4.0%	○		
B-11	Residential Nihombashi Hakozaki	1,300	1,414	385	1,800	1,800	0	3.7%	3.2%	3.5%	5.3%			
B-12	Primegate Iidabashi	5,200	5,228	1,151	6,370	6,380	10	3.3%	3.0%	3.4%	4.3%		○	
B-13	Residential Edogawabashi	1,230	1,234	115	1,320	1,350	30	3.8%	3.6%	4.0%	4.4%	○		
B-14	Merveille Senzoku	740	755	25	767	781	14	3.8%	3.6%	4.0%	4.3%	○		
B-15	Field Avenue	3,110	3,098	411	3,510	3,510	0	3.4%	3.2%	3.5%	4.0%			
B-16	Domeal kitaakabane	785	790	79	871	870	(1)	3.8%	3.6%	3.9%	4.5%			○
B-17	Dormy kitaakabane	986	984	115	1,100	1,100	0	3.9%	3.7%	4.0%	4.6%			
B-18	Splendid Shin-Osaka Ⅲ	2,428	2,274	615	2,840	2,890	50	3.9%	3.7%	4.1%	4.8%	○		
B-19	ZEPHYROS Minami-horie	1,608	1,615	264	1,830	1,880	50	3.8%	3.6%	4.0%	4.8%	○		
B-20	Charmant Fuji Osakajominami	905	893	73	960	967	7	3.8%	3.6%	4.0%	4.4%	○		
B-21	Piacere Fuminosato	571	555	63	608	619	11	4.1%	3.9%	4.3%	5.0%	○		
B-22	Wald Park Minamioi	715	749	0	749	750	1	3.5%	3.3%	3.7%	4.0%		○	
B-23	LAPUTA KUJO	1,480	1,638	(37)	1,601	1,601	0	3.9%	3.7%	4.1%	4.7%			
B-25	L'arte Nakatsu	565	600	30	600	631	31	3.9%	3.7%	4.1%	4.6%	○		
B-26	City hills Andoji	1,750	1,824	45	1,830	1,870	40	3.8%	3.6%	4.0%	4.3%	○		

Portfolio Appraisal Value (4/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 23 <sup>rd</sup> Period (a) (¥ mm)	Unrealized Gains End of 23 <sup>rd</sup> Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield ( <sup>1</sup> )	Major Appraisal Value Changing Factor ( <sup>2</sup> )		
					End of 22 <sup>nd</sup> Period (¥ mm)	End of 23 <sup>rd</sup> Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 23 <sup>rd</sup> Period						
B-27	Hermitage Shin-sakae	1,150	1,207	72	1,260	1,280	20	4.0%	3.8%	4.2%	4.9%	○		
B-28	Sun・Meiekiminami Building	950	960	89	1,050	1,050	0	3.9%	3.7%	4.1%	4.6%			
B-29	Tenjinhigashi Residential	913	974	(1)	958	973	15	4.0%	3.8%	4.2%	4.6%	○		
B-30	DeLCCS KASAI	1,320	1,421	48	1,440	1,470	30	3.7%	3.5%	3.9%	4.5%	○		
B-31	Serenite Shin-Osaka	1,148	1,169	30	1,190	1,200	10	3.7%	3.5%	3.9%	4.1%			○
B-32	Mullion Josai	729	781	(63)	718	718	0	4.1%	3.9%	4.3%	4.2%			
B-33	Residential Kinshicho	700	721	44	747	766	19	3.7%	3.5%	3.9%	4.3%	○		
B-34	Meister house Kawasaki	709	733	59	772	793	21	3.6%	3.4%	3.8%	4.3%	○		
B-35	LIESSE Tsurumai	1,082	1,111	138	1,230	1,250	20	4.1%	3.9%	4.3%	4.9%	○		
B-36	Komatsubara Yamamoto Mansion	670	721	(15)	696	706	10	5.1%	4.9%	5.3%	5.9%	○		
B-37	Belleza Kanayama	702	741	38	772	780	8	4.0%	3.8%	4.2%	4.8%	○		
B-38	Sylphide Higashi-shinagawa	961	991	58	1,050	1,050	0	3.5%	3.3%	3.6%	4.0%			
B-39	Royal Bloom	1,100	1,109	160	1,270	1,270	0	3.9%	3.7%	4.0%	4.6%			
B-40	Ever Square Doshin	609	629	(14)	615	615	0	4.0%	3.8%	4.2%	4.3%			
B-41	Zeku Benten	506	523	15	538	539	1	3.9%	3.7%	4.1%	4.5%		○	
B-42	Canis Court Kamishinjo	1,359	1,405	(5)	1,370	1,400	30	4.2%	4.0%	4.4%	4.8%	○		
B-43	Imperial Otori	845	869	5	869	875	6	3.9%	3.7%	4.1%	4.4%	○		
B-44	MAISON NISHI MAGOME	791	814	25	824	840	16	3.8%	3.6%	4.0%	4.4%	○		
B-45	Muse Ryogoku II	630	649	57	-	707	707	3.8%	3.6%	4.0%	4.5%			
B-46	Minami-Horie apartment Cielo	805	830	71	-	902	902	3.9%	3.7%	4.1%	4.6%			
B-47	Minami-Horie apartment Grande	770	794	14	-	809	809	3.9%	3.7%	4.1%	4.3%			
B-48	Minami-Horie apartment Rio	250	259	16	-	276	276	3.9%	3.7%	4.1%	4.6%			
B-49	Plowland Horita	1,375	1,432	17	-	1,450	1,450	4.3%	4.1%	4.5%	5.0%			
B-50	Nasic Nozomigaoka	695	722	38	-	761	761	4.3%	4.1%	4.5%	5.2%			
	Subtotal residential properties	68,033	66,698	15,725	76,841	82,424	5,583				4.8%			
Retail														
C-01	Otakibashi Pacifica Building	3,350	3,325	134	3,460	3,460	0	3.5%	3.3%	3.6%	3.7%			
C-03	BECOME SAKAE	4,770	4,684	205	4,890	4,890	0	3.9%	3.7%	4.1%	4.1%			
	Subtotal retail properties	8,120	8,010	339	8,350	8,350	0				3.9%			
	Total	256,484	257,438	65,045	315,891	322,484	6,593				4.8%			

Portfolio Summary (as of the end of the 23rd Period) (1/4)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (m)	Number of Tenants	Occupancy Rate	PML
Office									
A-1	FORECAST Nishishinjuku	Shinjuku Ward, Tokyo	Feb. 2009	2,260	0.9%	1,945.68	16	100.0%	2.7%
A-2	Nihombashi Playa Building	Chuo Ward, Tokyo	Feb. 2009	2,130	0.8%	2,490.08	2	100.0%	3.7%
A-3	FORECAST Yotsuya	Shinjuku Ward, Tokyo	Jan. 2009	1,430	0.6%	1,678.15	12	100.0%	3.6%
A-4	FORECAST Shinjuku AVENUE	Shinjuku Ward, Tokyo	Sep. 2008	6,500	2.5%	4,337.15	7	100.0%	2.1%
A-5	FORECAST Ichigaya	Shinjuku Ward, Tokyo	Aug. 2009	4,800	1.9%	3,844.66	22	100.0%	2.9%
A-6	FORECAST Mita	Minato Ward, Tokyo	Sep. 2009	1,800	0.7%	1,786.81	5	100.0%	2.9%
A-7	FORECAST Shinjuku SOUTH	Shinjuku Ward, Tokyo	Nov. 1980	13,990	5.5%	13,875.01	18	100.0%	7.0%
A-8	FORECAST Sakurabashi	Chuo Ward, Tokyo	Apr. 1985	5,760	2.2%	6,566.76	4	94.1%	4.2%
A-9	GreenOak Kayabacho	Chuo Ward, Tokyo	Mar. 1990	2,860	1.1%	2,995.35	8	100.0%	2.6%
A-10	GreenOak Kudan	Chiyoda Ward, Tokyo	Dec. 1987	2,780	1.1%	2,595.04	6	100.0%	5.1%
A-11	GreenOak Takanawadai	Minato Ward, Tokyo	Jan. 2010	2,260	0.9%	2,621.74	10	100.0%	3.6%
A-14	Central Daikanyama	Shibuya Ward, Tokyo	Aug. 1991	3,510	1.4%	1,899.30	6	69.5%	7.1%
A-16	Hiroo Reeplex B's	Minato Ward, Tokyo	May 1987	2,827	1.1%	1,500.85	7	100.0%	4.4%
A-17	Shibakoen Sanchome Building	Minato Ward, Tokyo	Jun 1981	7,396	2.9%	7,882.60	4	100.0%	11.3%
A-19	Kudankita 325 Building	Chiyoda Ward, Tokyo	Aug. 1987	1,850	0.7%	2,003.60	7	100.0%	4.5%
A-21	Itohpia Iwamotocho 2-chome Building	Chiyoda Ward, Tokyo	Feb. 1991	2,810	1.1%	3,447.16	8	100.0%	4.1%
A-22	Itohpia Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Jan. 1991	2,640	1.0%	3,056.56	9	100.0%	9.0%
A-23	Itohpia Iwamotocho ANNEX Building	Chiyoda Ward, Tokyo	Nov. 1991	2,100	0.8%	3,064.20	7	100.0%	4.1%
A-24	Pigeon Building	Chuo Ward, Tokyo	Aug. 1989	2,837	1.1%	3,022.25	1	100.0%	5.6%
A-25	FORECAST Ningyocho	Chuo Ward, Tokyo	Nov. 1990	2,070	0.8%	2,277.62	6	100.0%	11.1%
A-26	FORECAST Ningyocho PLACE	Chuo Ward, Tokyo	Feb. 1984	1,650	0.6%	1,867.95	8	100.0%	7.1%
A-27	FORECAST Shin-Tokiwabashi	Chuo Ward, Tokyo	Aug. 1991	2,030	0.8%	1,822.33	9	100.0%	4.1%
A-28	Nishi-Shinjuku Sanko Building	Shinjuku Ward, Tokyo	Sep. 1987	2,207	0.9%	2,479.80	8	100.0%	12.7%
A-29	Iidabashi Reeplex B's	Shinjuku Ward, Tokyo	Jun 1992	1,249	0.5%	1,401.68	7	100.0%	4.4%
A-30	FORECAST Shinagawa	Shinagawa Ward, Tokyo	Feb. 1989	2,300	0.9%	2,276.36	6	100.0%	11.6%
A-31	Nishi-Gotanda 8-chome Building	Shinagawa Ward, Tokyo	Dec. 1993	2,210	0.9%	3,052.31	9	100.0%	3.9%
A-32	Towa Higashi-Gotanda Building	Shinagawa Ward, Tokyo	Sep. 1985	2,033	0.8%	2,939.16	7	100.0%	5.1%
A-33	FORECAST Takadanobaba	Toshima Ward, Tokyo	Jan. 1986	5,550	2.2%	5,661.49	6	100.0%	12.4%
A-39	Itohpia Kiyosubashidori Building	Taito Ward, Tokyo	Mar. 1988	1,550	0.6%	2,651.27	7	100.0%	3.6%
A-41	I-S Minamimorimachi Building	Osaka, Osaka	Aug. 1993	2,258	0.9%	4,164.82	16	100.0%	9.6%
A-44	MK Kojimachi Building	Chiyoda Ward, Tokyo	Mar. 1997	1,781	0.7%	1,761.60	10	90.6%	4.3%

# Portfolio Summary (as of the end of the 23rd Period) (2/4)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
A-45	Toranomon Sakura Building	Minato Ward, Tokyo	Jul. 1983	4,120	1.6%	3,049.79	12	97.6%	8.2%
A-46	La Verite AKASAKA	Minato Ward, Tokyo	Dec. 1986	2,000	0.8%	1,719.75	6	100.0%	4.5%
A-47	Kanda Ocean Building	Chiyoda Ward, Tokyo	Jan. 1990	1,440	0.6%	1,484.53	22	100.0%	9.3%
A-48	Shinto GINZA EAST	Chuo Ward, Tokyo	Sep. 1990	1,352	0.5%	1,214.32	6	74.8%	5.3%
A-49	FORECAST Kayabacho	Chuo Ward, Tokyo	Jan. 1990	3,000	1.2%	3,882.59	14	100.0%	5.2%
A-50	FORECAST Waseda FIRST	Shinjyuku Ward, Tokyo	Jul. 1986	4,775	1.9%	4,340.66	7	100.0%	3.5%
A-51	FORECAST Gotanda WEST	Shinagawa Ward, Tokyo	Sep. 1989	6,520	2.5%	8,967.07	11	100.0%	2.3%
A-52	Omiya Center Building	Saitama, Saitama	Mar. 1993	15,585	6.1%	14,524.63	30	96.3%	2.0%
A-53	Sumitomo Mitsui Bank Koraibashi Building	Osaka, Osaka	Mar. 1994	2,850	1.1%	5,106.77	26	100.0%	7.6%
A-54	NORE Fushimi	Nagoya, Aichi	Nov. 2006	2,840	1.1%	3,890.74	9	100.0%	4.5%
A-55	NORE Meieki	Nagoya, Aichi	Jan. 2007	2,520	1.0%	4,280.75	18	100.0%	4.2%
A-56	Homat Horizon Building	Chiyoda Ward, Tokyo	Aug. 1987	6,705	2.6%	6,077.01	9	100.0%	7.2%
A-57	Sannomiya First Building	Kobe, Hyogo	Nov. 1993	1,390	0.5%	3,633.16	24	100.0%	5.4%
A-58	Towa Kandnishikicho Building	Chiyoda ward, Tokyo	Aug. 1992	960	0.4%	1,324.07	5	84.8%	5.6%
A-59	Yusen Higashi-Nihombashi Ekimae Building	Chuo ward, Tokyo	Feb. 2001	1,152	0.4%	1,631.09	8	100.0%	9.0%
A-60	Hiroo ON Building	Shibuya ward, Tokyo	Mar. 1995	2,392	0.9%	2,248.59	5	75.0%	3.1%
A-61	TK Gotanda Building	Shinagawa ward, Tokyo	Jun 1989	4,130	1.6%	3,716.38	9	87.6%	3.7%
A-62	Gotanda Sakura Building	Shinagawa ward, Tokyo	Nov. 1993	1,460	0.6%	1,502.61	10	100.0%	4.8%
A-64	Alte Building Higobashi	Osaka, Osaka	Jun 1993	1,453	0.6%	3,482.92	10	100.0%	7.2%
A-65	DIA Building Meieki	Nagoya, Aichi	Dec. 1991	1,167	0.5%	1,781.72	10	100.0%	3.4%
A-66	TENSHO OCHANOMIZU BUILDING	Chiyoda Ward, Tokyo	Nov. 2018	1,800	0.7%	1,252.89	1	100.0%	4.6%
A-67	FORECAST Kameido	Koto Ward, Tokyo	Sep. 2010	2,580	1.0%	3,091.51	7	100.0%	3.3%
A-68	NRT Kandasudacho Building	Chiyoda Ward, Tokyo	Mar. 1993	1,311	0.5%	1,154.16	9	100.0%	4.4%
A-69	REID-C Megurofudomae	Shinagawa ward, Tokyo	Oct. 1996	1,220	0.5%	921.32	4	85.7%	3.5%
A-70	The Square	Nagoya, Aichi	Jun. 2003	1,080	0.4%	1,520.69	18	100.0%	3.5%
A-71	Tsukiji Front	Chuo Ward, Tokyo	Aug. 1991	825	0.3%	689.53	7	100.0%	5.7%
A-72	Hatchobori River Gate	Chuo Ward, Tokyo	Aug. 1989	835	0.3%	760.31	8	100.0%	3.0%
A-73	TENSHO OFFICE SHINBASHI 5	Minato Ward, Tokyo	Sep. 2018	1,200	0.5%	828.19	1	100.0%	3.5%
A-74	REID-C Iidabashi Building	Chiyoda Ward, Tokyo	Apr. 1988	1,195	0.5%	827.74	7	87.2%	3.6%
A-75	REID-C Gotenyama Building	Shinagawa Ward, Tokyo	Jan. 1989	1,040	0.4%	1,086.11	4	100.0%	11.4%
	Subtotal office properties			180,330	70.3%	192,960.94	575	98.2%	



# Portfolio Summary (as of the end of the 23rd Period) (3/4)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
<b>Residential</b>									
B-1	Tower Court Kitashinagawa	Shinagawa Ward, Tokyo	Feb. 2009	11,880	4.6%	16,913.29	276	99.3%	2.6%
B-2	Sky Hills N11	Sapporo, Hokkaido	Mar. 2001	1,570	0.6%	8,567.50	1	100.0%	1.3%
B-4	my atria Sakae	Nagoya, Aichi	Mar. 2007	1,110	0.4%	3,121.60	1	100.0%	4.1%
B-5	Mac Village Heian	Nagoya, Aichi	Sep. 2006	785	0.3%	2,250.00	1	100.0%	3.2%
B-7	Ciel Yakuin	Fukuoka, Fukuoka	Mar. 2005	640	0.2%	1,544.87	41	98.1%	5.4%
B-8	Kanda Reeplex R's	Chiyoda Ward, Tokyo	Jan. 2006	1,813	0.7%	2,180.93	41	100.0%	4.4%
B-9	Splendid Namba	Osaka, Osaka	Jan. 2015	3,502	1.4%	6,212.36	248	98.5%	6.2%
B-10	Residential Hiroo	Minato ward, Tokyo	Feb. 2004	2,590	1.0%	1,983.15	54	100.0%	3.0%
B-11	Residential Nihombashi Hakozaiki	Chuo ward, Tokyo	Mar. 2002	1,300	0.5%	1,449.00	1	100.0%	7.8%
B-12	Primegate Iidabashi	Shinjuku ward, Tokyo	Mar. 1994	5,200	2.0%	6,044.17	68	98.7%	2.8%
B-13	Residential Edogawabashi	Shinjuku ward, Tokyo	Mar. 2000	1,230	0.5%	1,246.42	36	97.3%	3.5%
B-14	Merveille Senzoku	Ota ward, Tokyo	Sep. 2002	740	0.3%	834.72	24	85.5%	5.3%
B-15	Field Avenue	Ota ward, Tokyo	①Aug. 2000 ②Jul. 2016	3,110	1.2%	3,092.63	57	100.0%	①3.1% ②6.8% (1)
B-16	Domeal Kitaakabane	Kita ward, Tokyo	Mar. 2001	785	0.3%	1,697.11	1	100.0%	6.7%
B-17	Dormy Kitaakabane	Kita ward, Tokyo	Mar. 1997	986	0.4%	2,471.42	1	100.0%	6.5%
B-18	Splendid Shin-Osaka III	Osaka, Osaka	Feb. 2015	2,428	0.9%	4,299.12	150	97.5%	6.0%
B-19	ZEPHYROS Minami-horie	Osaka, Osaka	Mar. 2002	1,608	0.6%	2,826.73	72	100.0%	13.3%
B-20	Charmant Fuji Osakajominami	Osaka, Osaka	Apr. 2004	905	0.4%	1,512.00	57	90.5%	9.4%
B-21	Piacere Fuminosato	Osaka, Osaka	Feb. 1999	571	0.2%	1,374.08	42	96.0%	11.9%
B-22	Wald Park Minamioi	Shinagawa Ward, Tokyo	Feb. 2005	715	0.3%	750.12	28	96.3%	3.5%
B-23	LAPUTA KUJO	Osaka,Osaka	Mar. 1998	1,480	0.6%	3,359.38	61	98.5%	11.3%
B-25	L'arte Nakatsu	Osaka,Osaka	May. 2006	565	0.2%	916.86	28	100.0%	9.4%
B-26	City hills Andoji	Osaka,Osaka	Mar. 2008	1,750	0.7%	2,754.00	70	100.0%	7.6%
B-27	Hermitage Shin-sakae	Nagoya, Aichi	Apr. 2008	1,150	0.4%	2,638.61	50	93.6%	3.4%
B-28	Sun・Meiekinminami Building	Nagoya, Aichi	Jan. 2014	950	0.4%	1,747.10	62	88.6%	5.0%
B-29	Tenjinhighashi Residential	Fukuoka, Fukuoka	Aug. 2005	913	0.4%	1,909.60	73	94.8%	3.7%
B-30	DeLCCS KASAI	Edogawa Ward, Tokyo	Jul. 1998	1,320	0.5%	2,308.59	32	100.0%	5.1%
B-31	Serenite Shin-Osaka	Osaka,Osaka	Mar. 2007	1,148	0.4%	1,854.02	66	97.2%	6.1%



Portfolio Summary (as of the end of the 23rd Period) (4/4)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
B-32	Mullion Josai	Nagoya, Aichi	Jan. 2007	729	0.3%	1,433.40	44	91.4%	5.0%
B-33	Residential Kinshicho	Sumida ward, Tokyo	Oct. 2006	700	0.3%	813.51	25	96.9%	6.9%
B-34	Meister house Kawasaki	Kawasaki, Kanagawa	Feb. 2004	709	0.3%	891.60	35	100.0%	6.3%
B-35	LIESSE Tsurumai	Nagoya, Aichi	Mar. 2006	1,082	0.4%	2,192.91	83	95.5%	①4.5% ②4.4% <sup>(1)</sup>
B-36	Komatsubara Yamamoto Mansion	Kagoshima, Fukuoka	Jan. 2004	670	0.3%	2,671.99	95	95.2%	8.5%
B-37	Belleza Kanayama	Nagoya, Aichi	Sep. 2006	702	0.3%	1,262.61	46	94.3%	7.1%
B-38	Sylphide Higashi-shinagawa	Shinagawa Ward, Tokyo	Jun. 2003	961	0.4%	1,174.19	42	97.7%	8.9%
B-39	Royal Bloom	Saitama, Saitama	Mar. 2018	1,100	0.4%	1,236.61	35	100.0%	5.0%
B-40	Ever Square Doshin	Osaka, Osaka	Oct. 2001	609	0.2%	910.07	39	95.1%	7.7%
B-41	Zeku Benten	Osaka, Osaka	Apr. 2006	506	0.2%	1,093.21	30	90.1%	14.2%
B-42	Canis Court Kamishinjo	Osaka, Osaka	Feb. 2002	1,359	0.5%	2,804.02	56	98.5%	5.6%
B-43	Imperial Otori	Sakai, Osaka	Oct. 2007	845	0.3%	2,363.88	29	96.8%	14.7%
B-44	MAISON NISHI MAGOME	Ota ward, Tokyo	Oct. 2006	791	0.3%	928.71	36	90.9%	8.7%
B-45	Muse Ryogoku II	Sumida ward, Tokyo	Nov. 2002	630	0.2%	850.51	34	100.0%	7.3%
B-46	Minami-Horie apartment Cielo	Osaka, Osaka	Feb. 2008	805	0.3%	1,420.12	36	92.6%	8.0%
B-47	Minami-Horie apartment Grande	Osaka, Osaka	Feb. 2008	770	0.3%	1,248.70	30	100.0%	10.7%
B-48	Minami-Horie apartment Rio	Osaka, Osaka	Feb. 2008	250	0.1%	474.60	10	100.0%	13.5%
B-49	Plowland Horita	Nagoya, Aichi	Aug. 2008	1,375	0.5%	3,564.00	94	87.0%	5.5%
B-50	Nasic Nozomigaoka	Nagoya, Aichi	Feb. 2006	695	0.3%	1,745.56	71	97.3%	2.9%
	Subtotal residential properties			68,033	26.5%	116,939.58	2,512	97.6%	
Retail									
C-1	Otakibashi Pacifica Building	Shinjuku Ward, Tokyo	Oct. 2008	3,350	1.3%	1,383.31	10	100.0%	4.6%
C-3	BECOME SAKAE	Nagoya, Aichi	Aug. 2005	4,770	1.9%	4,615.66	10	95.0%	2.7%
	Subtotal retail properties			8,120	3.2%	5,998.97	20	96.1%	
	Total			252,654	100.0%	315,899.49	3,107	97.9%	3.2%

Unless otherwise specified, figures are truncated and % figures are rounded to the relevant unit.

- P3** 1 "Contribute to DPU" for each actual achievement is calculated based on each actual achievement and the number of investment units issued as of the end of the 23<sup>rd</sup> Period. The same applies hereafter.
- P6** 1 "The 6th asset replacement" refers to a series of transactions involving the 2 properties transferred in the 22<sup>nd</sup> Period (ANTEX24 Building, Imazaki Mansion N1) and the 1 property acquired (MAISON NISHI MAGOME), and 1 property transferred (Seam Dwell Tsutsui) in the 23<sup>rd</sup> Period and 6 property acquired (Muse Ryogoku II, Minami-horie apartment Cielo, Minami-horie apartment Grande, Minami-horie apartment Rio, Plowland Horita, Nasic Nozomigaoka). The same applies hereafter.
- P8** 1 "6 central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. "Three major metropolitan area" refers to the three Major Metropolitan Areas (i.e. Greater Tokyo area (Tokyo, Kanagawa, Chiba and Saitama), Osaka economic bloc (Osaka, Kyoto and Hyogo) and Nagoya economic bloc (Aichi, Gifu and Mie)). "Certain ordinance-designated and other cities" refers to the ordinance-designated cities located in areas other than "Three major metropolitan areas" (i.e. Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and prefectural capitals. The same applies hereafter.
- P9** 1 "Proportion of the 5 largest tenants" are calculated as follow for end-tenants of office (excluding Residential area) and retail properties. The same applies hereafter.  
By leased area: leased area of respective tenant as of the end of the 23<sup>rd</sup> Period / total leasable area  
By monthly rent: rent (including CAM) of respective tenant as of the end of the 23<sup>rd</sup> Period / total rent
- P15** 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)
- P16** 1 "Move-out ratio" is calculated as "total move-out area during respective period / total leasable area as of the end of the respective period". Furthermore, the area of tenant that move-out on the end of respective month is counted as the move-out area of next month from this material onward. The same applies hereafter.
- P17** 1 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. The same applies hereafter.
- P18** 1 "Average rent" is represented by the contract-based rent, which is a weighted-average of each office property based on the occupied floor area. Each weighted average excludes tenants which have submitted a notice of cancellation, and which occupy the retail space between the second floor to the basement floor of buildings.
- 2 "Market rent" is represented by an average of the maximum and minimum of the rent of respective properties, as described in the market reports prepared by CBRE K.K. Such average is a weighted-average of each office properties based on the occupied floor area.
- 3 "Rent gap" of properties held by bridge funds is calculated as "Average rent of all offices / Average market rent - 1" based on market reports as requested as part of due diligence upon acquisition. The same applies hereafter.
- P21** 1 The Effect of strategic value-enhancing investment or result and forecast of NOI increase indicated on P21 are proprietary calculated by the asset management company based on contracts, quotations and/or proposals for respective items. Furthermore, the Contribute to DPU is calculated based on the effect and the number of investment units issued as of the end of 23<sup>rd</sup> Period. Therefore, such information does not constitute a guarantee of NIPPON REIT's future financial results.
- P23** 1 LTV is calculated as follow  
LTV based on total assets = total interest bearing debt ÷ total assets  
LTV based on appraisal value = total interest bearing debt ÷ (total assets - book value + appraisal value)
- 2 "LTV control range" refers to the LTV level that NIPPON REIT intend to maintain within the NIPPON REIT's current policy (between 45% and 55%) stated in the "Summary of Financial Results for the Fiscal Period Ended December 31, 2023 (REIT)" announced on February 19, 2024.

- P30** 1 NIPPON REIT's fiscal periods have covered every six months from January 1 to June 30 and from July 1 to December 31 of each year.
- 2 Operating revenues, etc. do not include consumption taxes.
- 3 The following denotes the calculation methods for the indicators employed by NIPPON REIT. It should be noted that calculations on an annual basis are calculated using the number of business days for each period.
- Interest-bearing debt to total assets ratio (based on appraisal value)  
Interest-bearing debt ÷ Total assets (based on appraisal value)
  - Ordinary income to total assets ratio  
Ordinary income ÷ average total assets × 100
  - Return on equity  
Net income ÷ average net assets × 100
  - Implied cap rate (NOI yield)  
NOI yield (annualized, forecast for the next fiscal period × 2) ÷ (market capitalization + interest-bearing debts - cash and deposits + tenant leasehold and security deposits)
  - FFO  
Net income + depreciation + loss on retirement of investment properties + deferred asset amortization - gain / loss on real estate sales
  - AFFO  
FFO - Capital expenditures
  - FFO per unit  
(Net income + depreciation + loss on retirement of investment properties + deferred asset amortization - gain / loss on real estate sales) ÷ total investment units issued and outstanding
  - NAV per unit  
((Net assets + appraisal value - book value) ÷ total investment units issued and outstanding)
- 4 NOI and NOI after depreciation of all properties including properties sold.
- P35** 1 Properties acquired or sold during the period are excluded.
- P36** 1 "Appraisal NOI" is the NOI by the direct capitalization method described in the appraisal report. "Appraisal NOI Yield" is calculated by Appraisal NOI ÷ Acquisition Price.
- 2 Major fluctuation factors are indicated following rule. "CR": In the event cap rate has changed. "Income": In the event cap rate has not changed, and the major fluctuation factor is income. "Expense": In the event cap rate has not changed, and the major fluctuation factor is expense. The same applies hereafter.
- P42** 1 As there are two buildings in B-15 Field Avenue, the building timing and PMLs are shown. Note that ① is a steel-framed reinforced concrete building with a 12-story basement floor and ② is a steel-framed galvanized steel sheet sprayed 2-story building.
- P43** 1 As there are two buildings for B-35 LIESSE Tsurumai, the figures for the respective construction periods and PMLs are shown. Note that ① is a reinforced concrete building with an 8-story land roof and ② is a reinforced concrete building with a 10-story land roof.



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《Nippon REIT's Policy》

- Timely and Flexible Investment
- Portfolio focused on growth and diversification of risks
- Growth strategies with Sponsor's network

《Sponsor support》

Investment Corporation which has SBI Group as its main sponsor



《Portfolio Development Policy<sup>(1)</sup>》

Portfolio with risk diversification in both usage and region

	Investment ratio by asset type for the entire portfolio	Investment ratio by area for each asset type		
		3 Major Metropolitan Areas		Ordinance-Designated Cities, etc.
		6 Central Wards of Tokyo		
Office	50% or more	60% or more	40% or less	20% or less
Residential	50% or less	60% or more		40% or less
Retail Other properties	20% or less	No investment ratio by area has been set up		

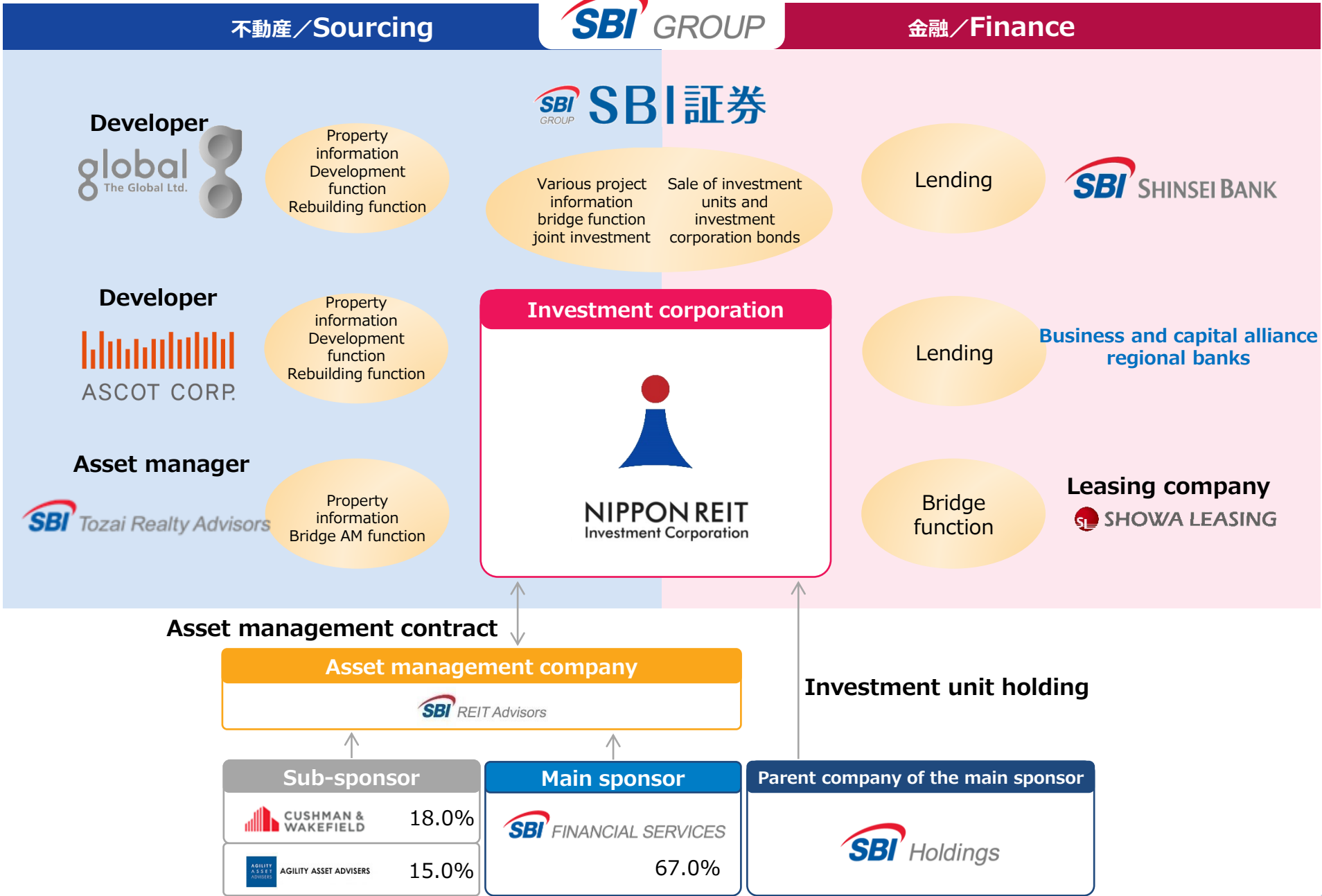
《Company Profile of Asset Management Company》

Each sponsor provide professional human resources in each field

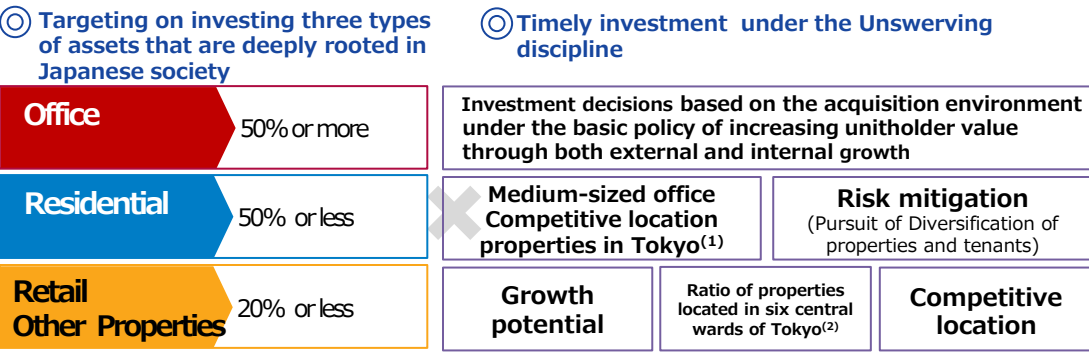
Name	SBI REIT Advisors Co., Ltd.		
Established	November 2, 2006	Paid-in capital	¥ 0.15 bn
Registration and Licenses, etc.	<ul style="list-style-type: none"><li>◆ Registered as a financial instruments business operator: Registration No.1632 (Kinsho) issued by the Director-General of the Kanto Finance Bureau</li><li>◆ Licensed for building lots and buildings transaction business: License No.(4) 86984 issued by the Governor of Tokyo</li><li>◆ Certified as entrustment-based agency under the building lots and buildings transaction business: License No.56 issued by the Ministry of Land, Infrastructure, Transportation and Tourism</li></ul>		

Note

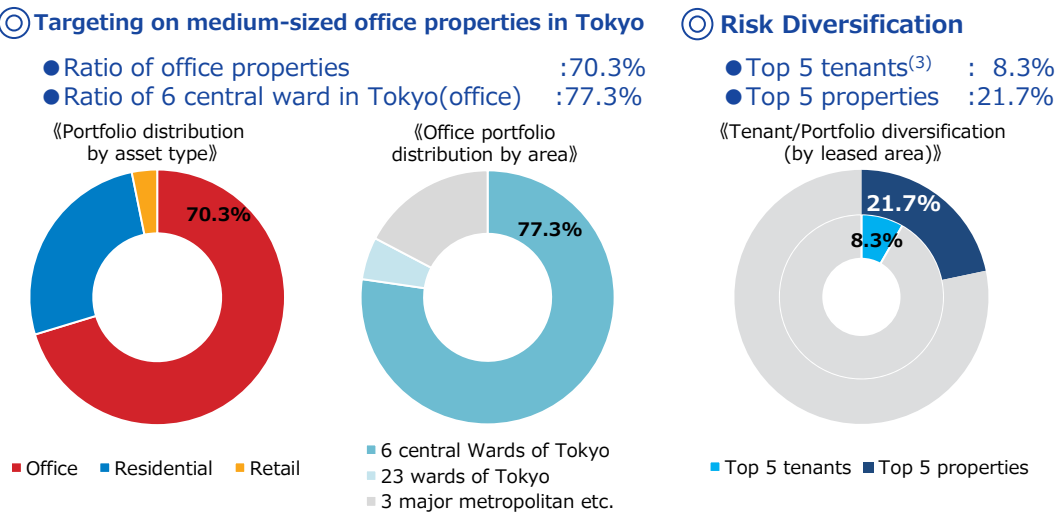
1. "6 Central Wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. "3 Major Metropolitan Areas" refers to the Tokyo economic bloc, Osaka economic bloc and Nagoya economic bloc. "Ordinance-Designated Cities, etc." refers to the ordinance-designated cities located in areas other than the 3 Major Metropolitan Areas (Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu and Kumamoto) and cities that are prefectural capitals.



Strict Investment Discipline



Pursuit of Stable and Robust Portfolio  
With eyes on supply/demand balance and diversification



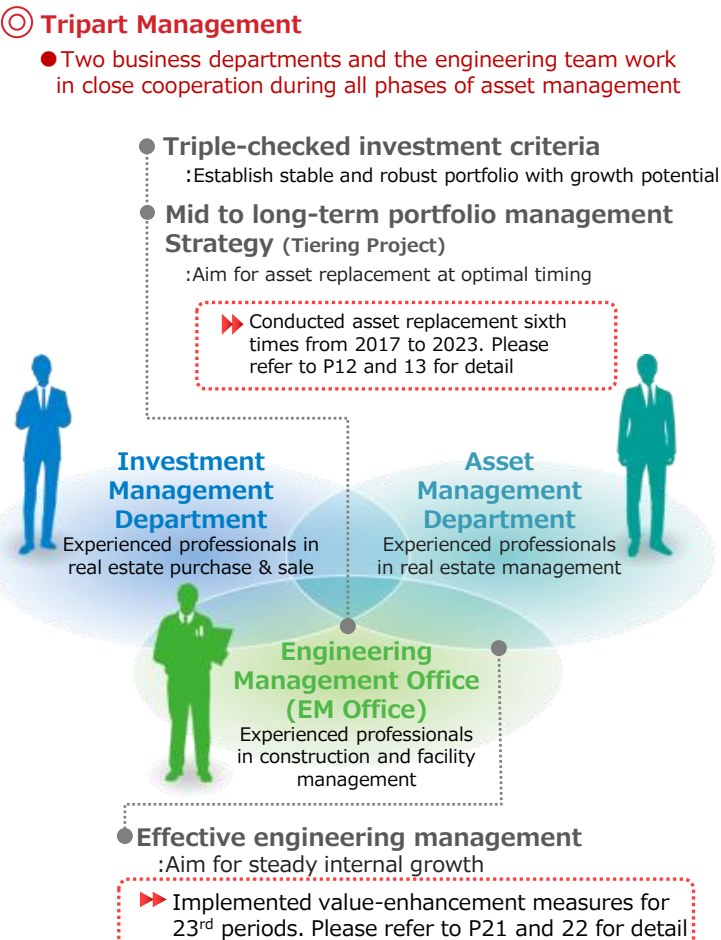
Notes

1. Mid-sized office indicates office building of which total floor space is less than 10,000 tsubo . The same applies hereafter.

2. "6 central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa Wards. The same applies hereafter.

3. "Proportion of the 5 largest tenants" are calculated as follow for end-tenants of office (excluding Residential area) and retail properties. By leased area: leased area of respective tenant as of the end of the 23<sup>rd</sup> Period / total leasable area.

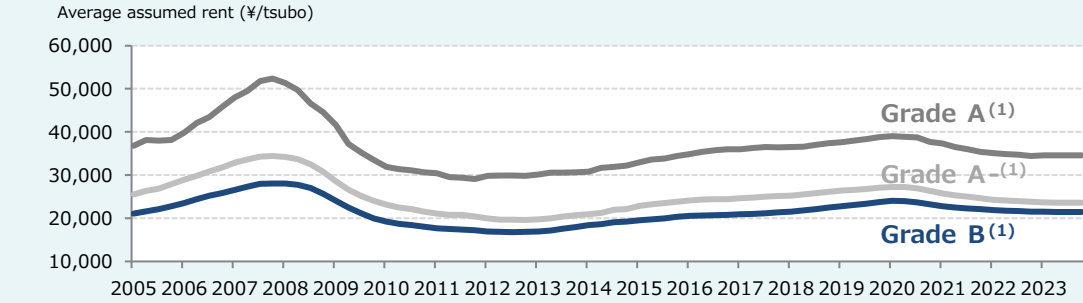
Asset Management Structure  
to maximize Our Portfolio's Strengths



# Characteristics of Medium-sized Office

## 1) Low Volatility

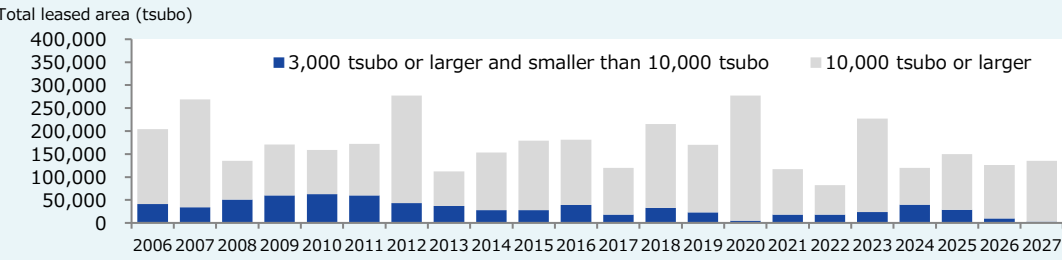
《Office Rent Trend by Building Grade in 23 Wards of Tokyo》



Source : CBRE K.K

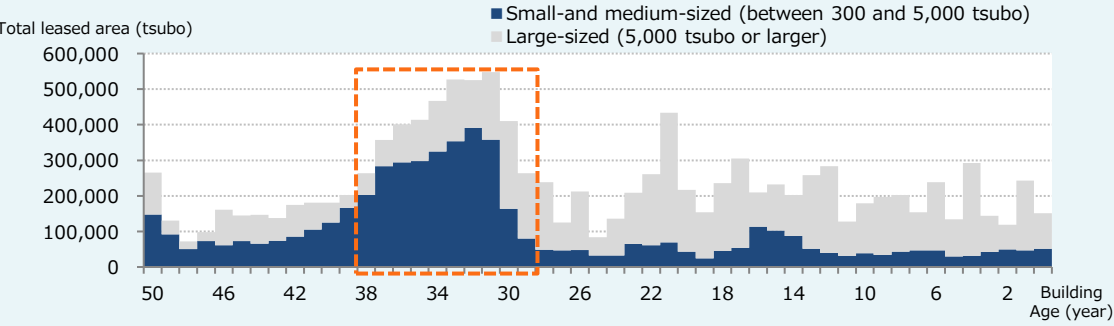
## 2) Limited Supply

《Office Building Supply in 23 Wards of Tokyo》



Source : prepared by Asset management company based on data provided from Xymax Real Estate Institute Corporation

《Office Building Stocks in 23 Wards of Tokyo》



Source : prepared by Asset management company based on data provided from Xymax Real Estate Institute Corporation

Grade A offices  
=large-sized office

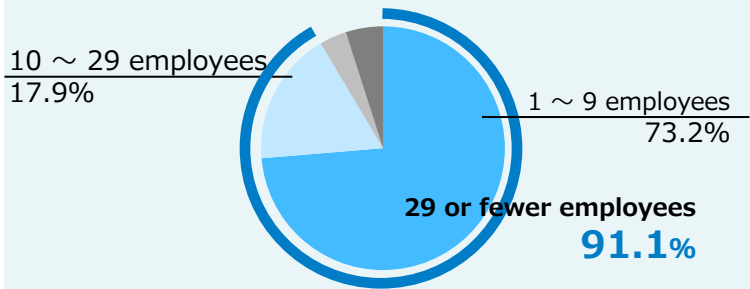
Grade B or below offices  
=medium- sized office



All of office properties in our portfolio  
=Grade B or below office

## 3) Strong Demand

《Composition of Offices by Number of Employees in 23 Wards of Tokyo》

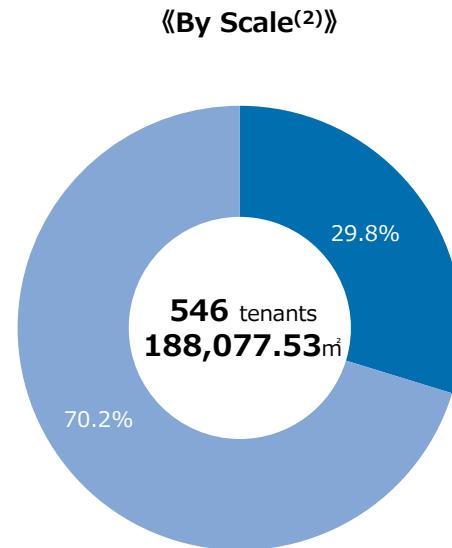
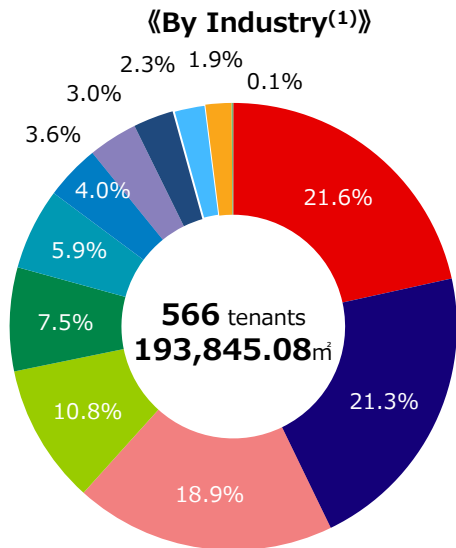


Source : prepared by Asset management company based on data provided from Statistics Bureau, MIC

1. "Grade A" refers to the office buildings located within the areas defined by CBRE K.K. which are in 5 central wards of Tokyo, having more than 6,500 tsubo of total leasable area and 10,000 tsubo of gross floor area, less than 11years old, and if located in 5 central wards of Tokyo, more than 500 tsubo of basic floor area. "Grade A-" refers to the office buildings located within the areas defined by CBRE K.K. in 23 wards of Tokyo, having more than 250 tsubo of basic floor area, 4,500 tsubo of total leasable area, and 7,000 tsubo of gross floor area and comply with the current earthquake resistance standard. "Grade B" refers to the office buildings located within the areas defined by CBRE K.K. in 23 wards of Tokyo, having more than 200 tsubo of basic floor area, between 2,000 and 7,000 tsubo of gross floor area, and comply with the current earthquake resistance standard.



# Ratio of Tenant (by leased area)(as of the end the 23rd Period)



Industry	Leased area (㎡)	Number of tenants	Share
1 Services	41,774.88	142	21.6%
2 Info-telecommunications	41,229.32	107	21.3%
3 Manufacturing	36,546.76	94	18.9%
4 Wholesale・Retail	19,599.16	61	10.1%
5 Real estate	14,515.50	35	7.5%
6 Finance・Insurance	11,445.69	22	5.9%
7 Building constructor	7,709.01	28	4.0%
8 Education・Learning support	6,908.84	19	3.6%
9 Medical services・Social welfare	5,775.72	21	3.0%
10 Accommodations・Eating and drinking services	4,469.45	26	2.3%
11 Transportation	3,630.32	10	1.9%
12 Electricity・Gas・Heat supply・Water industry	240.43	1	0.1%

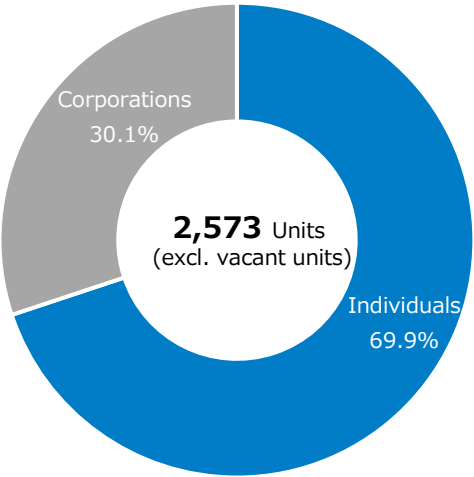
	Leased area (㎡)	Number of tenants	Share
1 TSE Prime Market Companies and Its Subsidiaries	55,958.71	102	29.8%
2 Other	132,118.82	444	70.2%

## Notes

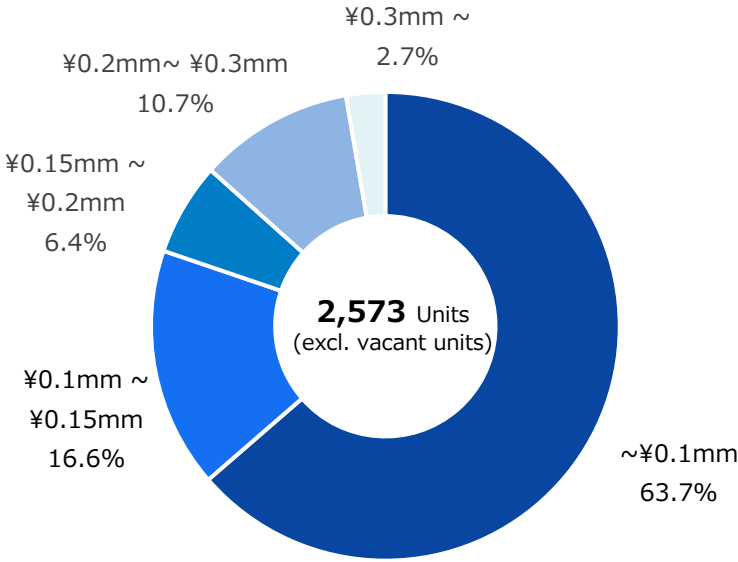
1. Calculated for end-tenants of office (excluding Residential area) and retail properties.
2. Calculated for end-tenants of office (excluding Residential and retail area).

# Residential Tenant Data (as of the end the 23<sup>rd</sup> Period)

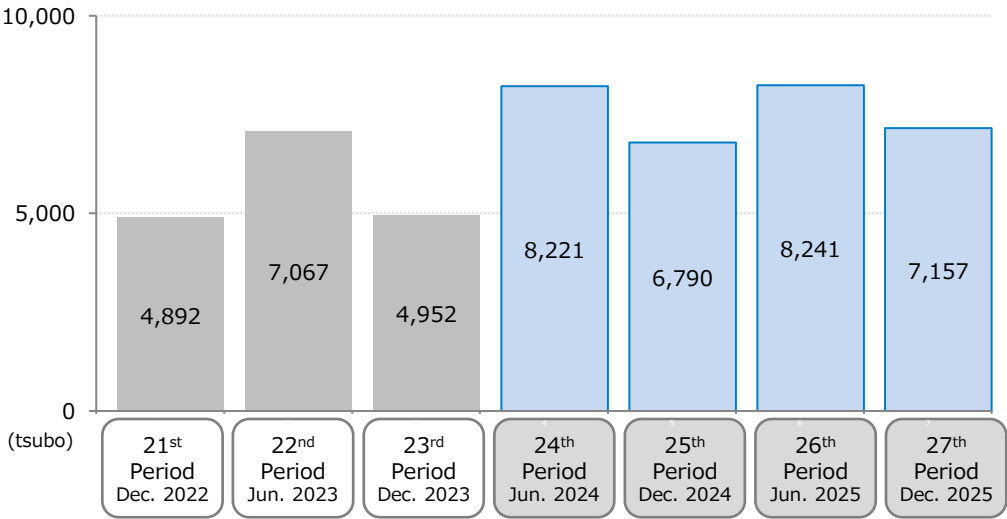
《Contract Category (based on number of units)》



《Diversification by Monthly Rent (based on number of units)》



《Leasable Area Subject to Rent Renewal》



《Overview of the Tiering Project》

1 Annually review and score properties based on three evaluation axes and classify into three tiers

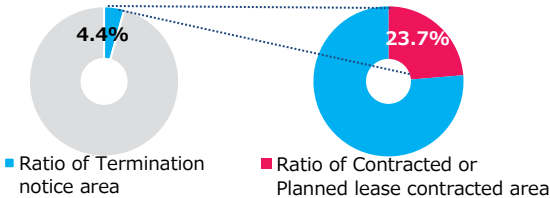
Profitability	Liquidity	Property Characteristics
<p><b><u>Examine profitability potential in the medium-and long term</u></b></p> <ul style="list-style-type: none"><li>•Earning capacity (CF, yield verification)</li><li>•Occupancy rate results</li><li>•Rent gap</li><li>•Internal growth potential</li><li>•Downtime Free rent</li><li>•CAPEX outlook</li></ul>	<p><b><u>Verification of medium-to long-term liquidity in the real estate market</u></b></p> <ul style="list-style-type: none"><li>•Area, Location characteristics, Road access, Station distance</li><li>•Type of rights</li><li>•Age, Scale</li><li>•Supply/demand trend, etc.</li><li>•Future potential of neighboring areas through redevelopment plans, etc.</li></ul>	<p><b><u>Examine operational risk based on track record analysis</u></b></p> <ul style="list-style-type: none"><li>•Tenant distribution, Leasing status</li><li>•Area vacancy rate, vacancy rate of target property</li><li>•Comparison of specifications with competing properties</li><li>•Other operational concerns, etc.</li></ul> <p><b><u>Examine area potential</u></b></p> <ul style="list-style-type: none"><li>•Changes in the internal and external environment of the target area</li></ul>

Tier 1	Continue to hold in medium to long term (general rule)
Tier 2	Continuously consider the asset management with a view of reconstruction and redevelopment
Tier 3	Sales candidates for asset replacement

- 2 Develop 3-5 years management strategy according to the classification
- ◆Drafting and execution of efficient CAPEX plan
  - ◆Realize asset replacement at optimal timing in anticipation of trends in the leasing market without missing "sell-time"
- 3 Execute efficient operational strategy
- ◆Revision of classification through annual review

# Status of Cancellation Notices (Office & Retail) (1/2)

《Ratio of areas where cancellation notices are received, new contracts are expected and concluded》



① : Total leasable floor space (Office•Retail)		198,959.91 ㎡ (60,183 tsubo)	
② : Total area of cancellation notices	8,668 ㎡ (2,622 tsubo)	③ : Area in ② where contract is closed or expected to be closed	2,051 ㎡ (620 tsubo)
Ratio	4.4%	Ratio	23.7%

Property Name	Occupancy Rate (Dec. 2023)	Status of Cancellation Notices		Status of Leasing Activities	Assumed Occupancy Rate <sup>(1)</sup>
Itohpie Iwamotocho ANNEX Building	100.0%	1 floor (124 tsubo)	Cancellation notice	New lease concluded	100.0% (Feb. 2024)
Toranomon Sakura Building	97.6%	1 space (21 tsubo)	Vacant	New lease conclusion expected	100.0% (Feb. 2024)
The Square	100.0%	1 space (15 tsubo)	Cancellation notice	New lease conclusion expected	100.0% (Feb. 2024)
Hachobori River Gate	100.0%	1 floor (38 tsubo)	Vacant	New lease conclusion expected	100.0% (Mar. 2024)
Itohpie Iwamotocho 1-chome Building	100.0%	1 floor (130 tsubo)	Vacant	New lease conclusion expected	100.0% (Apr. 2024)
Nishi-Shinjuku Sanko Building	100.0%	1 floor (125 tsubo) 1 space (17 tsubo)	Cancellation notice	New lease concluded New lease conclusion expected	100.0% (May. 2024)
Omiya Center Building	96.3%	1 space (60 tsubo) 1 space (102 tsubo) 1 space (77 tsubo)	Vacant Vacant Cancellation notice	New lease conclusion expected Leasing activities ongoing Leasing activities ongoing	95.9% (May. 2024)
NORE Meieki	100.0%	2 spaces (72 tsubo)	Cancellation notice	Leasing activities ongoing	94.4% (May. 2024)
FORECAST Sakurabashi	94.1%	1 space (118 tsubo)	Vacant	Leasing activities ongoing	94.1% (Jan. 2024)
FORECAST Yotsuya	100.0%	1 floor (52 tsubo)	Cancellation notice	Leasing activities ongoing	89.7% (May. 2024)
REID-C Iidabashi Building	87.2%	1 floor (32 tsubo)	Vacant	Leasing activities ongoing	87.2% (Jan. 2024)
Nishi-Gotanda 8-chome Building	100.0%	1 floor (109 tsubo)	Vacant	Leasing activities ongoing	88.0% (Jan. 2024)

Note  
1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and Cancellation notices at the end of Jan. 2024.





# Status of Cancellation Notices (Office & Retail) (2/2)

Property name	Occupancy Rate (Dec. 2023)	Status of Cancellation notices		Status of Leasing Activities	Assumed Occupancy Rate <sup>(1)</sup>	
TK Gotanda Building	87.6%	1 floor (139 tsubo)	Vacant	Leasing activities ongoing	87.6%	(Jan. 2024)
BECOME SAKAE	95.0%	1 space (70 tsubo) 1 space (104 tsubo)	Vacant Cancellation notice	Leasing activities ongoing	87.6%	(Apr. 2024)
FORECAST Takadanobaba	100.0%	1 floor (215 tsubo)	Cancellation notice	Leasing activities ongoing	87.4%	(Aug. 2024)
Shinto GINZA EAST	74.8%	1 floor (46 tsubo) 1 floor (46 tsubo)	Vacant	New lease concluded Leasing activities ongoing	87.4%	(Feb. 2024)
NORE Fushimi	100.0%	1 floor (120 tsubo) 1 space (36 tsubo)	Cancellation notice	Leasing activities ongoing	86.7%	(Jul. 2024)
REID-C Megurofudomae	85.7%	1 floor (39 tsubo) 1 floor (39 tsubo)	Cancellation notice Vacant	New lease conclusion expected Leasing activities ongoing	85.7%	(Mar. 2024)
Towa Kandnishikicho Building	84.8%	1 space (60 tsubo)	Vacant	Leasing activities ongoing	84.8%	(Jan. 2024)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1 floor (232 tsubo) 1 space (26 tsubo)	Cancellation notice	Leasing activities ongoing	83.2%	(May. 2024)
Hiroo ON Building	75.0%	2 floors (170 tsubo)	Vacant	Leasing activities ongoing	75.0%	(Jan. 2024)
Central Daikanyama	69.5%	2 floors (142 tsubo) 1 space (33 tsubo)	Vacant	Leasing activities ongoing	69.5%	(Jan. 2024)

Note  
1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and Cancellation notices at the end of Jan. 2024.

# Original Leasing Services

We use a variety of leasing service to proactively support small and medium enterprises and venture companies etc., who are main target tenants for NIPPON REIT, to move into the properties held by NIPPON REIT

	Select Office	ittoku	shikittoku	Shikikin tsunagetoku?
Summary	Original leasing service by which tenants can select office layout from several patterns and NIPPON REIT shares costs of the office interior work 	Original leasing services with NISSHO-HO Co.,Ltd("NISSHO-HO") by which tenant can reduce drastically relocation costs 	Original leasing services with JCPG by which NIPPON REIT refunds a half of deposit after the end of original Leasing activities ongoing period depending on the tenant's financial condition 	Original leasing services with JCPG to promote office transfer by allowing up to 9 months of deposit of deposits at the time of the conclusion of a Leasing activities ongoing 
Service features	<ul style="list-style-type: none"> <li>• Selectable</li> <li>• Visible Virtual Realty(VR)</li> <li>• Low Cost</li> </ul>	<ul style="list-style-type: none"> <li>• 1 month deposit</li> <li>• No warranty fee</li> <li>• No restoration cost</li> <li>• No jointly and severally liable surety</li> </ul>	<ul style="list-style-type: none"> <li>• Refund a half of deposit</li> <li>• No warranty fee</li> <li>• No jointly and severally liable surety</li> </ul>	<ul style="list-style-type: none"> <li>• Moratorium of placing a deposit</li> <li>• No warranty fee</li> </ul>
Tenants' needs	<ul style="list-style-type: none"> <li>• To improve work environment with efficient and comfortable layout</li> <li>• To reduce relocation cost to invest our business as much as possible</li> </ul>	<ul style="list-style-type: none"> <li>• To minimize initial cost of a security deposit at the move-in</li> <li>• To avoid arranging a surety jointly and severally liable for rent payment</li> </ul>	<ul style="list-style-type: none"> <li>• To make effective use of deposit</li> <li>• To avoid arranging a surety jointly and severally liable for rent payment</li> </ul>	<ul style="list-style-type: none"> <li>• To avoid double deposits</li> <li>• To increase flexibility of relocation and moving periods</li> <li>• To make effective use of cash on hand</li> </ul>
NIPPON REIT 's benefit	<ul style="list-style-type: none"> <li>• Profitability enhancement</li> <li>• Promotion of leasing activity</li> <li>• Improvement of tenant satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability enhancement</li> <li>• Wider range of leasing targets</li> <li>• Strengthening Credit management by JCPG</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability enhancement</li> <li>• Wider range of leasing targets</li> <li>• Strengthening Credit management by JCPG</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease of down-time and free rent period</li> <li>• Wider range of leasing targets</li> <li>• Strengthening Credit management by JCPG</li> </ul>

《GRESB Real Estate Assessment》



In the 2023 GRESB Real Estate Assessment, NIPPON REIT has received “3 Stars” in GRESB Rating and designated as a “Green Star” for the seventh consecutive year since its first participation in 2017. In addition, NIPPON REIT has achieved the highest “A” level for the GRESB Public Disclosure.

GRESB was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

《Principles for Financial Action for the 21st Century》



SBI REIT Advisors Co., Ltd. has become a signatory to the Principles for Financial Action for the 21st Century (PFA21) in December 2020. PFA21 was established in October 2011 as a guideline for financial institutions seeking to fulfil their roles and responsibilities in shaping a sustainable society, with the Ministry of Environment taking on the role of secretariat.

《Environmental Considerations Rating Obtained form SMBC》



“SMBC Environmental Assessment Loan” assesses status of corporate initiatives for environmental considerations, on loan execution and establishment of lending conditions, based on environmental assessment criteria developed independently by SMBC and The Japan Research Institute, Limited.

NIPPON REIT received an “A” grade from SMBC in accordance with “SMBC Environmental Assessment Loan”, in recognition of its commitment to environmental initiatives in asset management.

Details of each authentication are provided on each authentication name at the link to which it is attached.

《Task Force on Climate-related Financial Disclosures (TCFD)》



SBI REIT Advisors Co., Ltd. has declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) and its recommendations in December 2022, and has joined the TCFD Consortium in January 2023, an organization formed by domestic companies that support the TCFD recommendations.

● Information Disclosure Based on TCFD Recommendations

Strategy <Scenario Analysis>

	1.5℃シナリオ	4℃シナリオ
Transition Risks	IEA (International Energy Agency) World Energy Outlook2022 NZE2050	IEA World Energy Outlook 2022 STEPS
Physical Risks	IPCC (Intergovernmental Panel on Climate Change) the Sixth Assessment Report SSP1-2.6	IPCC the Sixth Assessment Report SSP5-8.5

Risk Management (excerpt: details are disclosed on the [NIPPON REIT Website](#).)

Type of risk	Risk/Opportunity	Financial Impacts	Financial Impacts			
			4℃		1.5℃	
			Mid term 2030	Long term 2050	Mid term 2030	Long term 2050
Transition Risks	Policy and Legal	・ Toughening taxation on GHG emissions by introducing a carbon tax	Small	Small	Medium	Large
		・ Increasing tax burden on GHG emissions of properties due to the introduction of carbon tax				
		・ Stricter energy efficiency evaluation, certification and labeling systems for buildings	Small	Small	Large	Large
		・ Increasing cost burden due to rising environmental certification expenses for existing properties				
		・ Increasing (operation) expenses, such as payment to external vendors to comply with the labeling systems				

Indicators and Targets

Targets	1.Achieve net-zero by 2050 (scope1,2,3)
	2.Reduce GHG emissions 50% by 2030 (compared to 2016, based on intensity)



《Sustainability Target》

(1) Establishment of targets to reduce energy use

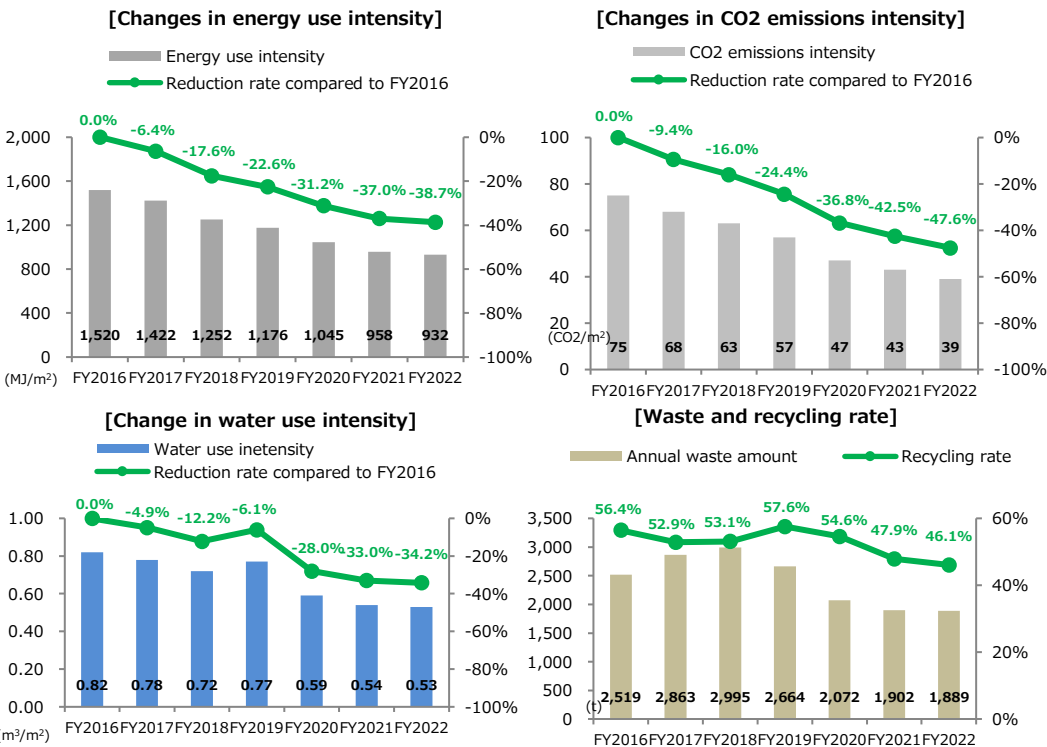
- Pursuant to the Energy Conservation Act (Act on the Rational Use of Energy), in every year period, the basic target is set for reducing the basic unit of energy consumption by 1% annually on average for the entire portfolio and individual properties.
- The targets of the properties subject to municipal ordinances related to global warming countermeasures will be set individually.

(2) Management of targets

- As a general principle, every three months we carry out target management, review the progress made toward achieving its targets and analyze the causes behind changes in usage by comparing to the previous period at a general meeting called Sustainability Promotion Conference.

《Environment-related data》

- We periodically measure greenhouse gas emissions data and strive to reduce its environmental burden.
- We have set a target of reducing CO2 emission intensity of entire portfolio by 50% from fiscal year 2016 to 2030.



● Acquisition of Environmental Certifications

DBJ Green Building Certification  
(2 properties, 6.91%)

CASBEE for Real Estate  
(5 properties, 15.18%)

BELS Certification  
(21 properties, 28.27%)

Low-Carbon Model Building  
(5 properties, 5.32%)

Total of 28 properties  
48.25% of the portfolio based on total floor area  
**+3.6%**  
\*In case when a property holds multiple certifications, it is calculated as one property.

2 properties	5 properties	21 properties	5 properties
★5 FORECAST Kameido	Rank S FORECAST Ichigaya	★5 La Verite AKASAKA	A3- Itohia Iwamotocho ANNEX Building
★3 Tower Court Kitashinagawa	Rank S Omiya Center Building	★5 Nishi-Shinjuku Sanko Building	A3- Shinto GINZA EAST
	Rank S FORECAST Takadanobaba	★4 FORECAST Kayabacho	A3- Homat Horizon Building
	Rank S FORECAST Shinjuku SOUTH	★4 Towa Higashi-Gotanda Building	A2+ FORECAST Kayabacho
	Rank A FORECAST Sakurabashi	★4 FORECAST Takadanobaba	A2 FORECAST Ningyocho
		★3 Pigeon Building	
		15 other properties	

CASBEE for Real Estate Certification

(A-7) FORECAST Shinjuku SOUTH

Date Certified: Nov.30 2023

Rank S ★★★★★

NEW

# Sustainability Initiatives (Environment/Social)

## 《Implementation status of LED Lightning》

	Total floor space	Exclusive area	Common areas	Implementation area
Total (implementation rate)	406,890㎡	315,843㎡	91,465㎡	132,462㎡ (32.6%)
Office/Retail (implementation rate)	266,849㎡	198,905㎡	67,944㎡	116,643㎡ (43.7%)
Residential (implementation rate)	140,040㎡	116,938㎡	23,521㎡	15,819㎡ (11.3%)

Made LED lightning in 52 out of 110 properties

## 《Switching to Renewable Energy-Derived Electricity》

With the use of electricity derived from renewable energy, CO2 emissions from the electricity used in three properties are reduced to virtually zero.

### Properties Switched to “Renewable Energy” Derived Electricity



La Verite AKASAKA



Pigeon Building



Omiya Center Building

## 《"Environmentally Friendly Materials" in Printed Materials》

Environmental-friendly materials such as vegetable oil inks are used in the Asset Management Report sent to the Investors by the investment corporation. In addition, at the GP Plant, which is environmentally conscious in all manufacturing processes for printed materials, a waterless printing machine without waste liquid is used, and glassine paper, which can be recycled as it is, is used in the windows of envelopes.



## 《Initiatives for Tenants and Local Communities》

We are making various efforts to contribute to the satisfaction of the tenants and the development of the areas where properties are located.

### <Installation of digital signages>

Installed digital signages and electric cinema were installed at the elevator hall of 50 office and 8 Residential properties. we currently broadcast news and promotional content to tenants and visitors waiting for elevators.



Tower Court Kitashinagawa

### <Installation of food trucks>

Part of the site is provided to food trucks (mobile stores) to meet residents' needs. We provide daily meal services to office workers with various circumstances, such as a shortage of restaurants in the neighborhood and difficulty of having lunch outside during a limited lunch break.



Omiya Center Building

## 《Easy place to work》

We are aiming to create environment where employees can work comfortably and peacefully. We implement various initiatives from aspects of health and safety including work life balance, health and labor management, as well as job satisfaction.

### ■ Various Initiatives

- Super Flextime System
- Support for Childcare
- Education and Training
- Acquisition of Qualification
- Questionnaire on Employees' Satisfaction
- Sound design for Office (BGM)
- Implementation of Remote Work
- Introduction of industrial physicians and health committees
- Introduction of the health committee and appointment of industrial physicians etc.



### ■ The number of qualification holders

Asset Management Company	
Real Estate Notary	24
ARES Certified Master	7
Certified Member Analyst of SAAJ	5
Certified Building Administrator	3
Official Real Estate Consulting Master	1
First-class Architect	2
Real Estate Appraiser	1

As of the end of Dec. 2023 (Includes overlapping and those who has passed the exam)

# Sustainability Initiatives (Governance)

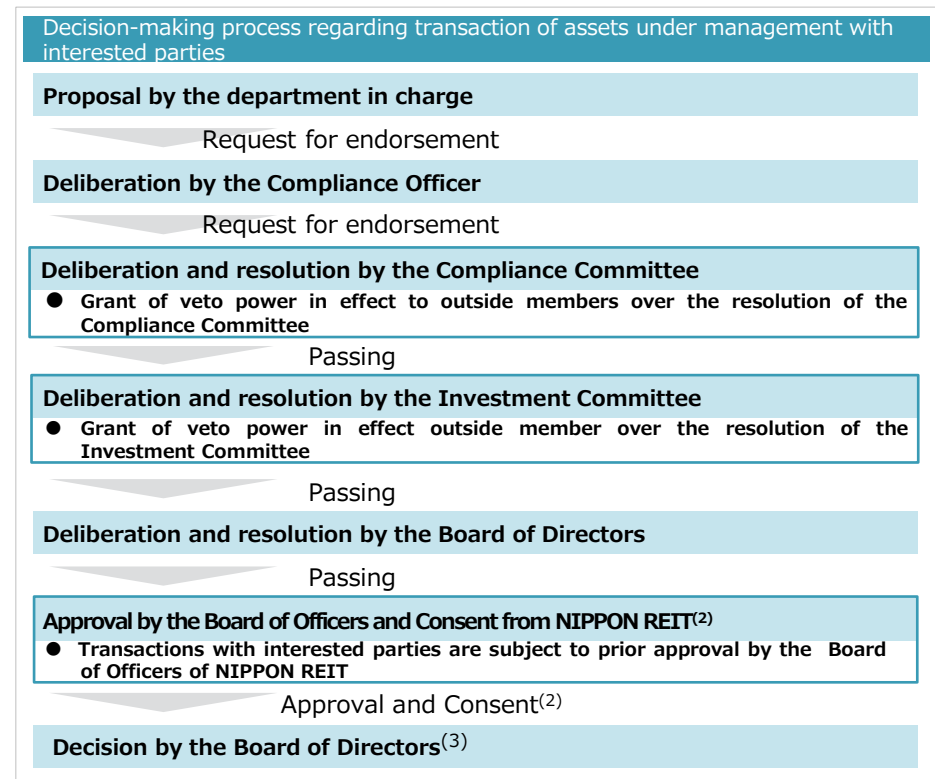
## 《Method for pursuing the interest of Unitholders》

Management fee system linked to DPU	
● Asset management fee	Calculation method
AM fee1 (AUM-based fee)	Total assets of the immediately preceding period × annual rate of 0.35% (maximum rate)
AM fee2 (DPU-based fee)	NOI × DPU volatility <sup>(1)</sup> × 2.5%(maximum rate)
● Acquisition and Disposition fee	Calculation method
Acquisition fee	Acquisition price × 1.0%(maximum rate) ※Acquisition from interested parties : acquisition price × 0.5%(maximum rate)
Disposition fee	Transfer price × 1.0%(maximum rate) ※Transfer to interested parties : transfer price × 0.5%(maximum rate)

Same-boat investment by the sponsor	
SBI Holdings, the main sponsor	Owns 15,500 investment units of NIPPON REIT

Same-boat measure by director and employee of the AM	
DPU-based remuneration(director)	Introduced DPU-based remuneration
AM fee 2-based incentive bonus (employee)	Introduced AM fee2-based incentive bonus for employees
Employee Investment Unit Ownership Program	<p>Name: SBI REIT Advisors CO., Ltd. Investment Unit Ownership Association</p> <p>Membership eligibility: Employees of SRA (Excluding the director of SRA)</p> <p>Date of introduction: June 2019</p>

## 《Decision-making process》



## 《Principles for Customer-Oriented Business Conduct》

SBI REIT Advisors Co., Ltd. adopted “the Principles for Customer-Oriented Business Conduct” announced on March 30, 2017 by the Financial Services Agency. Positioning the Investment Corporation and its unitholders as customers, the Company prepared and announced the policy for implementing customer-oriented operations in its asset management. It has been disclosing the implementation of the policy as necessary once a year. Please click [here](#) for details (Japanese website).

### Notes

1. DPU volatility = (Adjusted DPU for a certain fiscal period - adjusted DPU for the preceding fiscal period) / adjusted DPU for the previous fiscal period + 1
2. Consent from NIPPON REIT shall not be required but approval from the Board of Officers shall be required for the transactions stipulated in article 2-1 of the Investment Trusts act and articles 245-2 of the Order for Enforcement of the Investment Trust Acts.
3. The Board of Directors makes a decision after confirming that each procedure has been appropriately completed

# Overview of Sponsor Support

- ◆ Leveraging sponsor support, NIPPON REIT will improve unitholder value through both external and internal growth



## External Growth Strategy

Utilizing the extensive network of sponsor companies in the real estate market, we will select and acquire excellent properties by demonstrating the reliable discerning ability cultivated within the Asset Management Company

## Internal Growth Strategy

Recognizing and retaining with experienced PM an BM provider, whilst utilizing prop-tech services within the SBI Group

### Utilize the Proprietary Networks of the Asset Management Company :



- ◆ Build a unique property acquisition network with diversity born from the fusion of human resources from sponsor companies with deep knowledge of property acquisition and human resources from the Asset Management Company

- ◆ Maintaining a high level of competitiveness as an AM that leverages its own network and knowledge, centered on the personnel of the asset management company Proper, and in addition to the synergistic effects of personnel exchanges with sponsor companies

### Utilize the Networks of the Respective Sponsor Companies:



- ◆ **Utilize the networks of respective sponsor companies**
  - Preferentially obtain property information and be granted an exclusive negotiation right to purchase properties (from respective sponsor companies)
  - Provision of information on sales of qualified real estate<sup>(1)</sup> owned by business partners (from SBI)
- ◆ **Utilize bridge funds that are formed with the involvement of respective sponsor companies**
  - Avoid missing acquisition opportunities and maximize growth opportunities by taking advantage of the bridge funds that are formed with the involvement of the respective sponsor companies for the purpose of future acquisition

- ◆ **Utilization of rental brokerage functions that have an established reputation for leasing management and tenant rep**
  - Office leasing support • Rental brokerage (from Cushman)
- ◆ **Utilizing prop-tech services within the SBI Group**
  - In addition to the conventional rock-solid management and operation system, we have already introduced a "property information registration system," a "sales promotion solution that utilizes VR," and an "empty space matching platform" for the purpose of streamlining operations. In the future, we will also consider utilizing cutting-edge technologies such as "IoT/smart homes" and "brokerage and management support services" etc.

### Other Supports

- ◆ **Provision of human resources**
  - Cooperation in securing human resources (by respective sponsor companies)
  - Provision of training to the officers and employees (by SBI and AAA)

- ◆ **Survey of real estate and market trends**
  - Survey and provision of information regarding qualified real estate<sup>(1)</sup> and trends in the real estate transaction or rental market, etc. (by Cushman)

Note

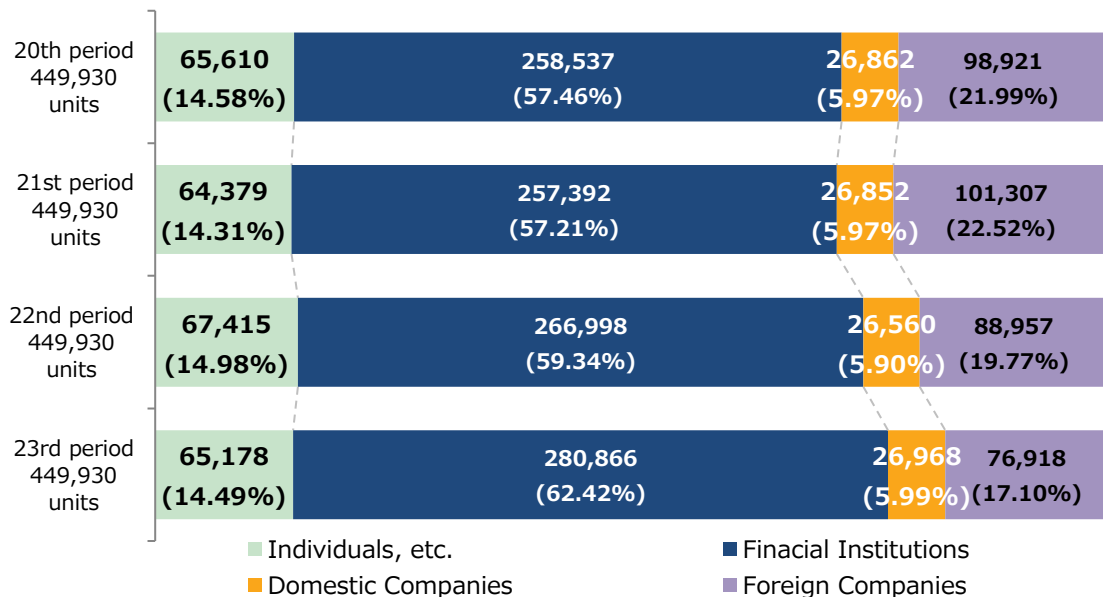
1. "Qualified real estate" refers to real estate, trust beneficiary interest in real estate, real estate-backed securities or equity interest in silent partnership backed by real estate (including real estate under development), which are consistent with the investment policy established by NIPPON REIT and SRA

# Unitholder Status

## 《Number of Unitholders and Investment Units by Unitholder Type》

23rd Period (Dec. 2023)				
	Number of Unitholders	Share	Number of unit	Share
Individuals, etc.	13,250	95.71%	65,178	14.49%
Financial Institutions	103	0.74%	280,866	62.42%
Domestic Companies	266	1.92%	26,968	5.99%
Foreign Companies	225	1.63%	76,918	17.10%
<b>Total</b>	<b>13,844</b>	<b>100.00%</b>	<b>449,930</b>	<b>100.00%</b>

## 《Investment Unit Ratios》



## 《Top 10 Major Unitholders 》

23rd Period (Dec. 2023)			
	Name	Number of unit	Share
1	Custody Bank of Japan, Ltd. (Trust Account)	121,909	27.10%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	78,421	17.43%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	22,716	5.05%
4	SBI Holdings, Inc.	15,500	3.44%
5	STATE STREET BANK WEST CLIENT - TREATY 505234	8,254	1.83%
6	JP MORGAN CHASE BANK 385771	5,956	1.32%
7	SSBTC CLIENT OMNIBUS ACCOUNT	5,702	1.27%
8	STATE STREET BANK AND TRUST COMPANY 505103	5,048	1.12%
9	Japan Securities Finance Co., Ltd.	4,429	0.98%
10	JP MORGAN CHASE BANK 385781	4,202	0.93%
<b>Total</b>		<b>272,137</b>	<b>60.48%</b>

# Historical Unit Price (From IPO to the end of the 23rd Period (Dec. 31, 2023))



Note  
1. TSE REIT Index is indexed to the price of NIPPON REIT on April 24, 2014 (¥261,100).



This presentation material may include forward-looking statements on the financial standing and operating results of NIPPON REIT. These forward-looking statements include portions that assume certain risks and uncertainty. As such, please note that actual results may differ due to changes in the business environment in the future and other factors.

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