

NIPPON REIT Investment Corporation (TSE code : 3296)

Investor Presentation

for the 22nd Period (Ended June 30, 2023)

August 17, 2023



NIPPON VISION

Serious, Steady, Solid.



NIPPON REIT
Investment Corporation

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

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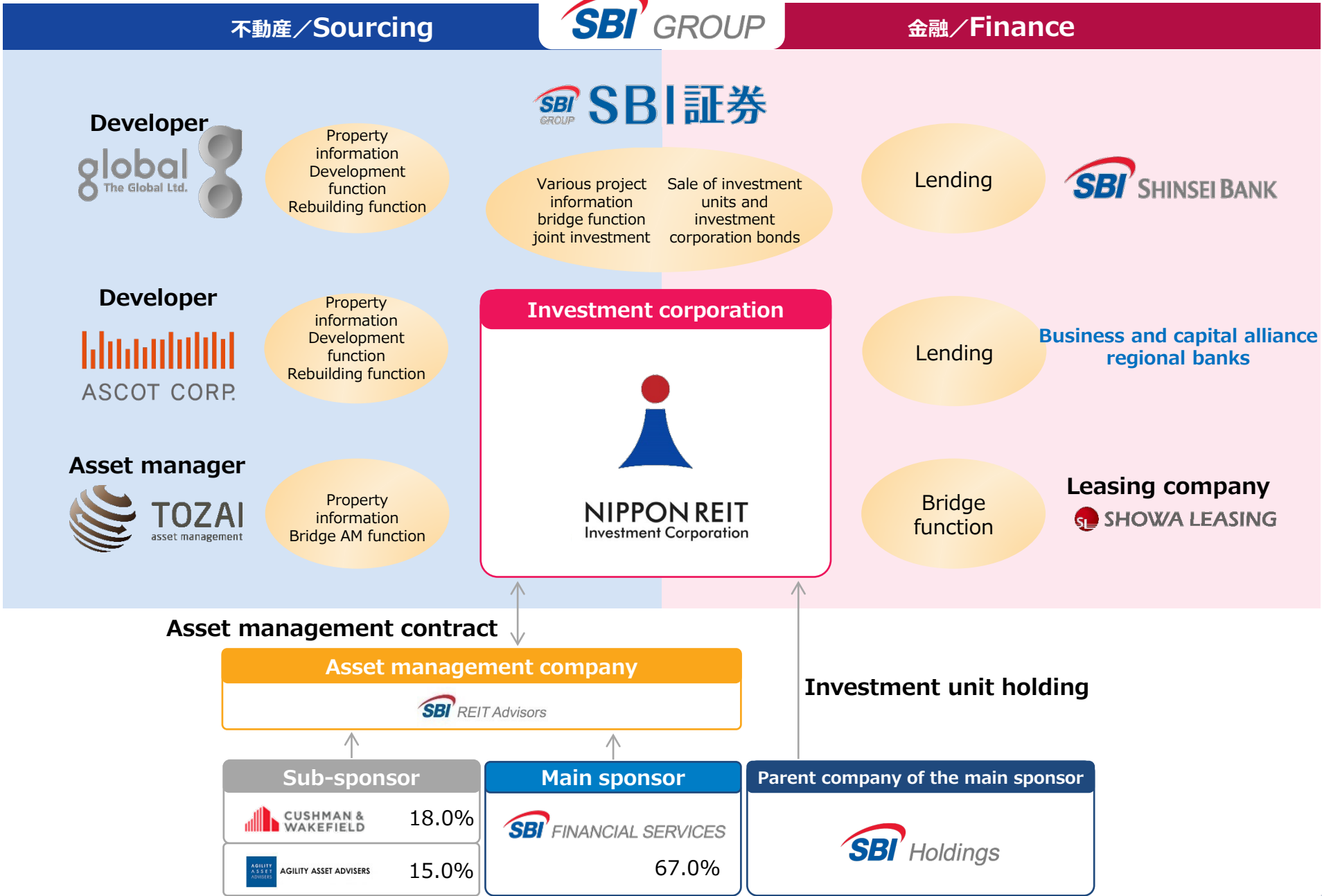
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1. Sponsor support from SBI Group and Planned partial changes in Investment policy

SBI Group Value Chain



Main properties owned and developed by the main sponsor (1)

Sponsor owned/developed projects

Sourcing capabilities of the SBI Group









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

Utilization of the SBI Group's developer functions

				
			Before construction	Before construction
Usage	Residence	Residence	Residence	Residence
Location	Taito Ward, Tokyo	Itabashi Ward, Tokyo	Chuo Ward, Tokyo	Ota Ward, Tokyo
Total floor area (Approx.)	1,400m ²	3,000m ²	3,000m ²	2,700m ²
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 (2) source
Provide property sourcing and property information	   
Provision of development and rebuilding functions	 
Lending to bridge funds	 Business and capital alliance regional banks
Equity investment in bridge funds	 SBI証券

(1) The properties in this section indicate properties owned by the SBI Group through bridge funds or development SPCs, and it is not certain that the Investment Corporation will be able to acquire them in the future.

(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.

Partial Changes in Investment Policies (Planned)

- ◆ Plan to make partial changes to the investment policy subject to the approval of the proposal for “partial changes to the Articles of Incorporation” at the next unitholders' meeting (scheduled to be held on September 22nd, 2023)
- ◆ Firmly maintain the investment stance centered on the traditional "three asset types (office, residential, and retail facilities) deeply rooted in Japanese Society"
- ◆ By expanding the scope of investments to include real estate for "other" uses, we will respond to changes in the social environment and pursue a solid portfolio with a focus on supply-demand balance and diversification.

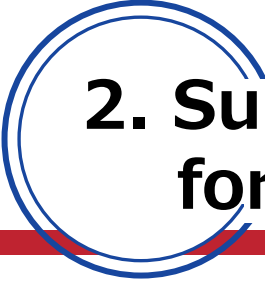
	At present	After change
Investment target Usage	<ul style="list-style-type: none"> ◆ Office, Residential, Retail facilities 	<ul style="list-style-type: none"> ◆ Offices, Residential, Retail facilities ◆ Real Estate for other uses
Investment target Area	<ul style="list-style-type: none"> ◆ Three major metropolitan areas (offices are mainly in the six wards of central Tokyo (2)) ◆ Ordinance-designated cities, etc.(3) 	<ul style="list-style-type: none"> ◆ Three major metropolitan areas (offices are mainly in the six wards of central Tokyo (2)) ◆ Ordinance-designated cities, etc.(3) ◆ Retail facilities and others⇒ Including areas surrounding the above areas
Real estate-related loans and other assets (1)	—	<ul style="list-style-type: none"> ◆ Specify Real Estate-related Loans and Other Assets ⇒Acquisition opportunities(4) obtained at the time of sale of real estate underlying real estate related loans and other assets
Usage diversification	<ul style="list-style-type: none"> ◆ Office 50% or more ◆ Residential 50% or more ◆ Retail facilities 20% or less 	<ul style="list-style-type: none"> ◆ Office 50% or more ◆ Residential 50% or less ◆ Retail facilities & others 20% or less

(1) "Real estate-related loans and other assets" refers to so-called real estate non-recourse loans (including mezzanine loans) and asset-backed securities (bonds, trust beneficiary rights) backed by real estate non-recourse loans.

(2) The "six wards of central Tokyo" refer to Chiyoda, Chuo, Minato, Shinjuku, Shibuya, and Shinagawa wards.

(3) The term "ordinance-designated cities, etc." refers to ordinance-designated cities (Sapporo City, Sendai City, Niigata City, Shizuoka City, Hamamatsu City, Okayama City, Hiroshima City, Fukuoka City, Kitakyushu City, Kumamoto City, and cities that are prefectural capitals) located outside the three major metropolitan areas.

(4) "Acquisition Opportunities" include the sale rights for a period of time during the sale period of a real estate securitization scheme.



2. Summary of Financial Results for the 22nd Period (Jun. 2023)

22nd Period DPU ¥8,381 (+¥112 from the forecast)

Operating Revenue ¥ 8,865mm		Operating Income ¥ 4,440mm		Ordinary Income ¥ 3,772mm		Net Income ¥ 3,771mm	
Internal Growth				External Growth			
<div>◎ Occupancy Rate</div> <div>Overall 98.2% (±0%) Maintaining a high occupancy rate</div> <div>Office 98.7% (±0%)</div>				<div>◎ AUM</div> <div>105 properties ¥252.6bn</div> <div>◎ 6th asset replacement (2) Transfer: 2 properties ¥3.1bn / Acquisition: 7 properties ¥5.3bn Gain on sale: ¥13.0mm</div> <div>◎ Total Pipeline</div> <div>3 properties ¥3.6bn One bridge fund</div>			
<div>◎ Increase in Monthly Rent (Office and Residential)</div> <div>Rent Renewals and Tenant Replacement ¥1.8mm/month (+¥0.4mm) DPU contribution of ¥24/fiscal period(1)</div> <div>◎ Increase in NOI by Engineering Management</div> <div>15.76mm/year DPU contribution of ¥17/fiscal period</div>				Finance・ESG Initiatives			
				<div>◎ Rating and Investment Information, Inc.(R&I)</div> <div>Issuer rating A+ (stable) (Aug.2023)</div> <div>◎ New Environmental Certifications</div> <div>CASBEE for Real Estate (FORECAST Takadanobaba)</div> <div>◎ Total floor area ratio of environmentally certified properties</div> <div>44.7% (+0.6%)</div>			

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

23rd Period
Forecast DPU ¥8,166

Operating Revenue ¥ 8,579mm	Operating Income ¥ 4,403mm
Ordinary Income ¥ 3,674mm	Net Income ¥ 3,674mm

24th Period
Forecast DPU ¥8,440

Operating Revenue ¥ 8,621mm	Operating Income ¥ 4,533mm
Ordinary Income ¥ 3,798mm	Net Income ¥ 3,797mm

Summary of Financial Results for the 22nd Period (Jun. 2023)

(¥/mm)	21 st Period (Dec. 2022) Result	22 nd Period (Jun. 2023) Forecast	22 nd Period (Jun. 2023) Result	22 nd Period (Result) vs 21 st Period (Result) (difference)	22 nd Period (Result) vs 22 nd Period (Forecast) (difference)
	a	b	c	c-a	c-b
Operating Revenues	8,547	8,674	8,865	+317	+190
Operating Expenses	(4,105)	(4,264)	(4,424)	(319)	(160)
Operating Income	4,442	4,410	4,440	(2)	+30
Ordinary Income	3,774	3,721	3,772	(2)	+51
Net Income	3,773	3,720	3,771	(2)	+50
DPU	¥8,387	¥8,269	¥8,381	(¥6)	+¥112
NOI	6,288	6,284	6,311	+23	+27
Days	184	181	181	-	-

◆ Comparison against the 21st Period (Dec. 2022) Result (c-a)

《Major fluctuation factor》		(¥/mm)
Increase in Operating Revenues		+317
Increase in rental revenue	Increase in revenues due to improvement in occupancy rates	+75
Decrease in utilities charge revenue	Changes in adjusted unit prices for electricity, fuel costs, etc	(10)
Increase in gain on sales of real estate properties	Gain on the sale of the ANTEX24 Building	+251
Increase in Operating Expenses		(319)
Decrease in utility expenses	Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc	+30
Increase in repair expense	Implementation of exterior wall construction	(74)
Rise in taxes and dues	Increase in property tax and city planning tax	(21)
Increase in loss on sales of real estate properties	Loss on the sale of the Imazaki Mansion N1	(238)

◆ Comparison against the 22nd Period (Jun. 2023) Forecast (c-b)

《Major fluctuation factor》		(¥/mm)
Increase in Operating Revenues		+190
Decrease in utilities charge revenue	Changes in adjusted unit prices for electricity, fuel costs, etc	(56)
Increase in gain on sales of real estate properties	Gain on the sale of the ANTEX24 Building	+251
Increase in Operating Expenses		(160)
Decrease in utility expenses	Changes in adjusted unit prices for electricity, fuel costs, etc	+98
Increase in repair expense	Implementation of exterior wall construction	(59)
Decrease in leasing related expense		+33
Increase in loss on sales of real estate properties	Loss on the sale of the Imazaki Mansion N1	(238)
Increase in Non-operating Revenues	Increase in DPU refunds	+6
Decrease in Non-operating Expenses	Decrease in borrowing-related expenses, etc.	+14

(¥/mm)

**Internal
Reserves**

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Summary of Forecast for the 23rd Period (Dec. 2023) and the 24th Period (Jun. 2024)

(¥/mm)	22 nd Period (Jun. 2023) Result	23 rd Period (Dec. 2023) Forecast	24 th Period (Jun. 2024) Forecast	23 rd Period (Forecast) vs 22 nd Period (Result) (difference)	24 th Period (Forecast) vs 23 rd Period (Forecast) (difference)
	a	b	c	b-a	c-b
Operating Revenues	8,865	8,579	8,621	(285)	+42
Operating Expenses	(4,424)	(4,175)	(4,088)	+249	+87
Operating Income	4,440	4,403	4,333	(36)	+129
Ordinary Income	3,772	3,674	3,798	(97)	+123
Net Income	3,771	3,674	3,797	(96)	+123
DPU	¥8,381	¥8,166	¥8,440	(¥215)	+¥274
NOI	6,311	6,293	6,411	(18)	+117
Days	181	184	182	-	-

◆ Comparison between the 22nd Period (Jun. 2023) Result and the 23rd Period (Dec. 2023) Forecast (b-a)

《Major fluctuation factor》		(¥/mm)
Decrease in Operating Revenues		(285)
Decrease in utilities charge revenue	Changes in adjusted unit prices for electricity, fuel costs, etc	(38)
Decrease in gain on sales of real estate properties	Absence of gain on the sale of the ANTEX24 Building	(251)
Decrease in Operating Expenses		+249
Decrease in utility expenses		+51
Decrease in repair expense		+35
Increase in leasing related expense		(38)
Decrease in loss on sales of real estate properties	Absence of Loss on the sale of the Imazaki Mansion N1	+238
Increase in advertising expenses	Expenses for overseas IR and expenses for holding unitholders meetings	(14)
Decrease in Non-operating Revenues		(6)
Increase in Non-operating Expenses	Increase in interest expenses on refinancing, etc.	(53)

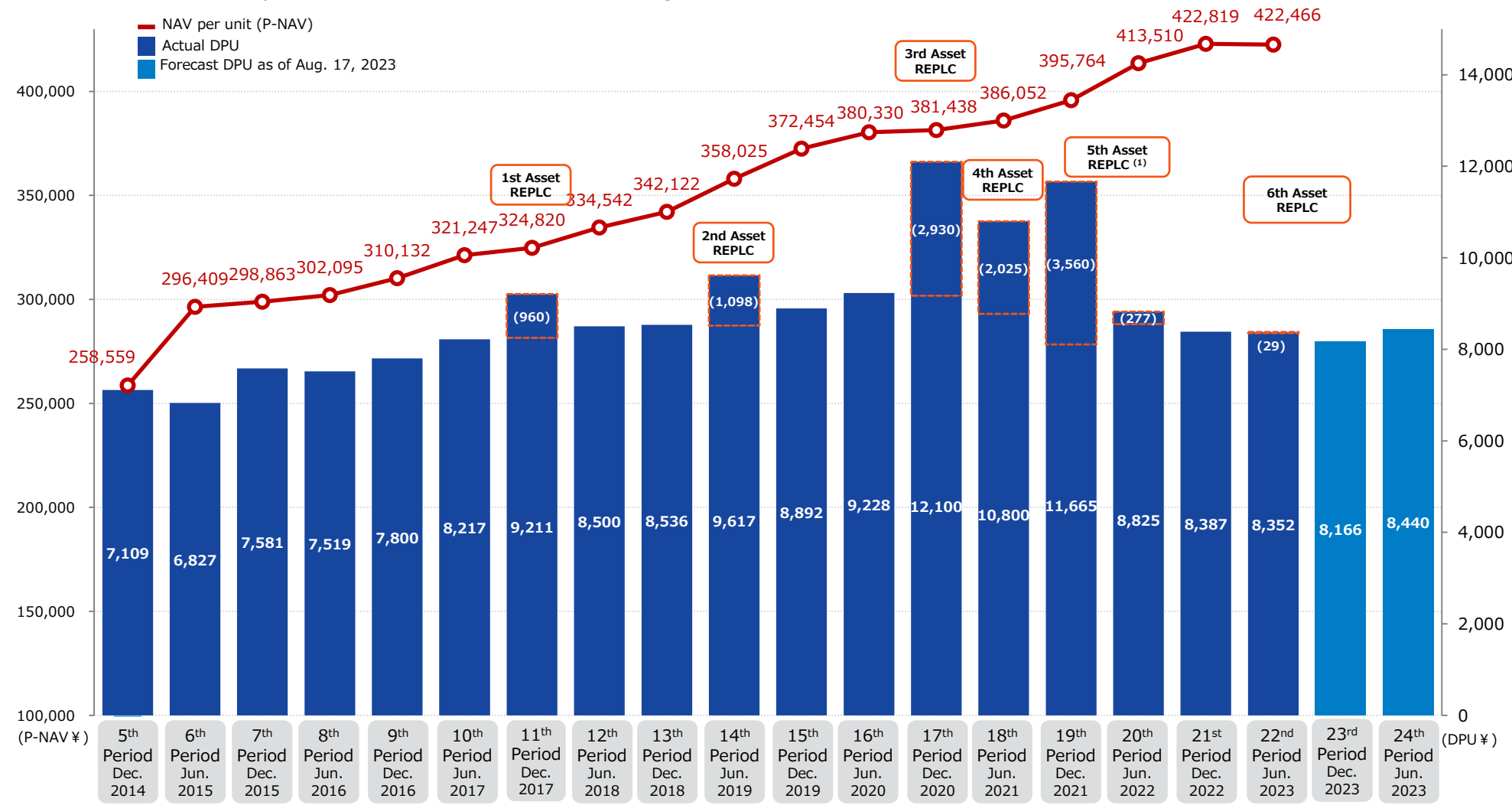
◆ Comparison between the 23rd Period (Dec. 2023) Forecast and the 24th Period (Jun. 2024) Forecast (c-b)

《Major fluctuation factor》		(¥/mm)
Increase in Operating Revenues		+42
Increase in rental revenues		+96
Decrease in utilities charge revenue	Decrease in electricity charges, etc.	(30)
Decrease in miscellaneous income		(22)
Decrease in Operating Expenses		+87
Decrease in utility expenses	Increase in electricity charges, seasonal factors, etc.	+25
Decrease in repair expense		+36
Decrease in leasing related expense		+31
Decrease in other expenditure		+17
Increase in other expense	Increase in ER expense, etc.	(13)
Decrease in advertising expenses		+7
Increase in Non-operating Expenses	Increase in interest expenses on refinancing, etc.	(6)

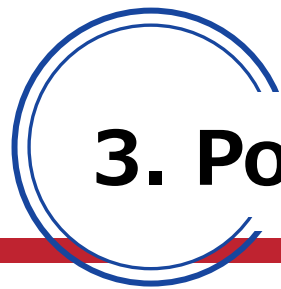
Track Record of Unitholders' Value

- ◆ The DPU for the 22nd Period is ¥8,381
- ◆ NAV per unit decreased by ¥353 (0.08%) to ¥422,466
- ◆ 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》



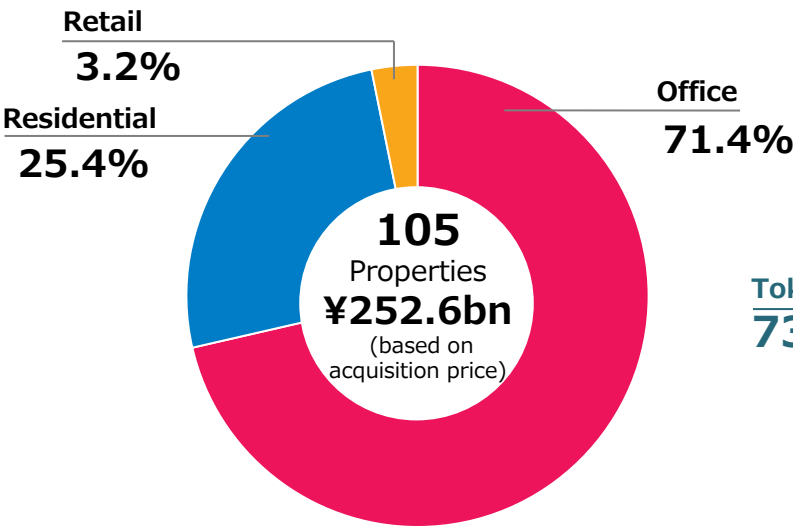
※The figures in parentheses represents the amount of increase included in the total distribution per unit that is due to gain on sales of real estate properties or gain on exchange of real estate properties.



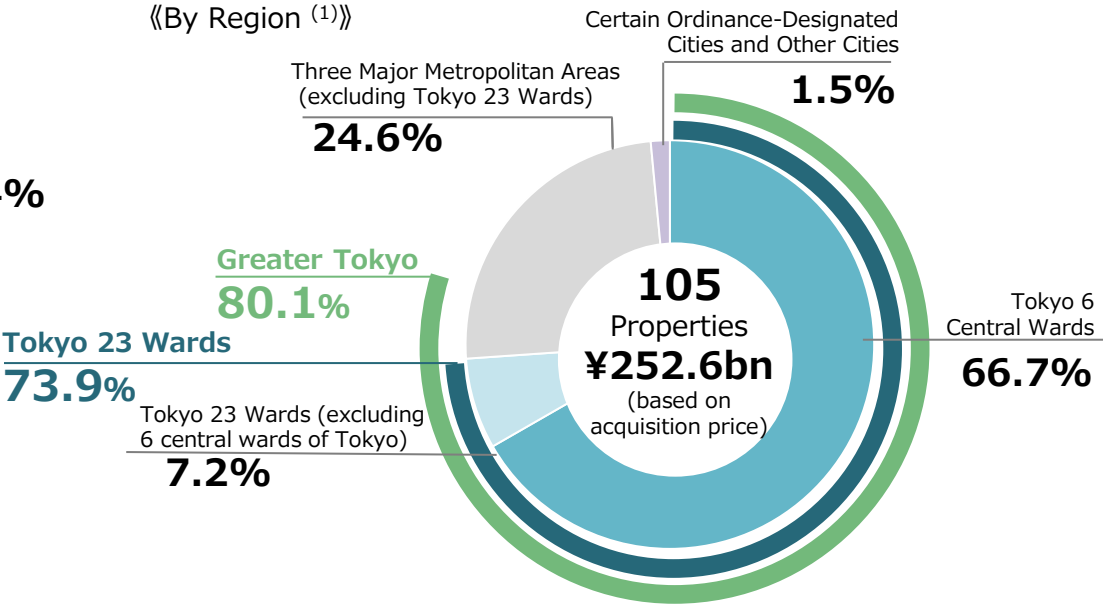
3. Portfolio Summary

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

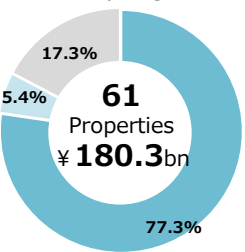
《By Property Type》



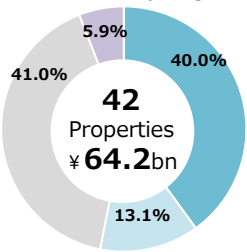
《By Region ⁽¹⁾》



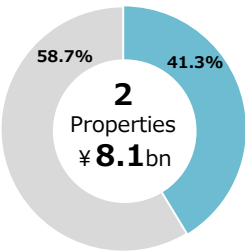
《Office by Region》



《Residential by Region》



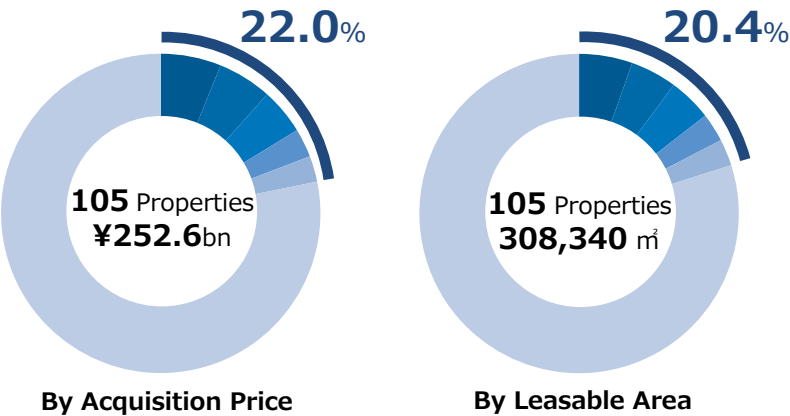
《Retail by Region》



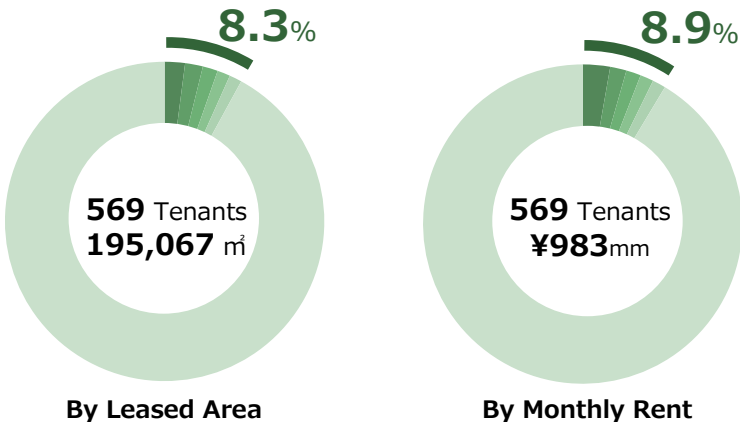
- 6 central wards of Tokyo (6 central)
- 23 wards of Tokyo (excluding 6 central wards of Tokyo) (23 wards)
- Three Major Metropolitan areas (excluding 23 wards of Tokyo)(3MM)
- Certain Ordinance-Designated and other cities (COD)

◆ 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 ⁽¹⁾)



《Five Largest Properties (by acquisition price)》

	Property Name	Acquisition Price (¥mm)	Share
1	Omiya Center Building	15,585	6.2%
2	FORECAST Shinjuku SOUTH	13,990	5.5%
3	Tower Court Kitashinagawa	11,880	4.7%
4	Shibakoen Sanchome Building	7,396	2.9%
5	Homat Horizon Building	6,705	2.7%

《Five Largest Tenants (by leased area)》

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

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4. Management Status for the 22nd Period

Environment Recognition and Growth Strategies

Environment Recognition

Real Estate Trading Market

- While some overseas investors seem to be reluctant to invest as monetary tightening in EU and US, domestic and overseas investors' willingness to acquire real estate is strong against the backdrop of stable yields and favorable funding settings in Japan.
- As real estate prices remain overheatedly high, we have considered the possibility of the arrival of a price correction phase in the future.

Leasing Market

● Office

Demand is on a recovery trend as economic activity is normalized following the transition to Category 5 of COVID-19. Backfilling of medium-sized offices is progressing steadily. Although the increase in vacancy rate seems to be slowing, pay close attention to the future mass supply mainly on central Tokyo. With the spread of remote work etc., reviewing ideal office has run its course. In addition, trends in electricity prices continue to require close attention.

● Residential

Demographics of the Tokyo metropolitan area from 2022 onwards show a continued trend of excess of in-migrants, and corporate demand and studio demand are on a recovery trend. A full-fledged recovery phase arrived.

● Retail facilities

Consumer trends and tenant needs for new store openings are on a recovery trend. Backfilling by commercial tenants is progressing steadily. Inbound demand is also recovering due to relaxation of restrictions.

Finance・ESG

■ Finance

Moderate inflation continued in Japan, and the BOJ revised its YCC in July. and the Tokyo Stock Exchange REIT index has also seen signs of a recovery. The funding environment may change depending on the impact of the BOJ's policy revisions and influence from future policy changes in EU and the US.

■ ESG

Due to the growing interest in ESG among stakeholders, the importance of sustainability, especially climate change risk and human capital, is increasing.

Growth Strategies

◆ External Growth Strategy

■ Expand pipeline in line with discipline (emphasis on stability)

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

■ Mitigating the risk of energy price hike pressuring on profit / responding to power shortage by saving measures

After verifying the income and cost, already revised the billing unit price for the tenants and we have also passed on the further cost increase to the tenants. Continue to reduce the risk of pressure on profits by passing through the cost increase. efforts will be made to reduce power consumption by promoting energy-saving measures and the use of LED lights in common areas.

■ 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

■ 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

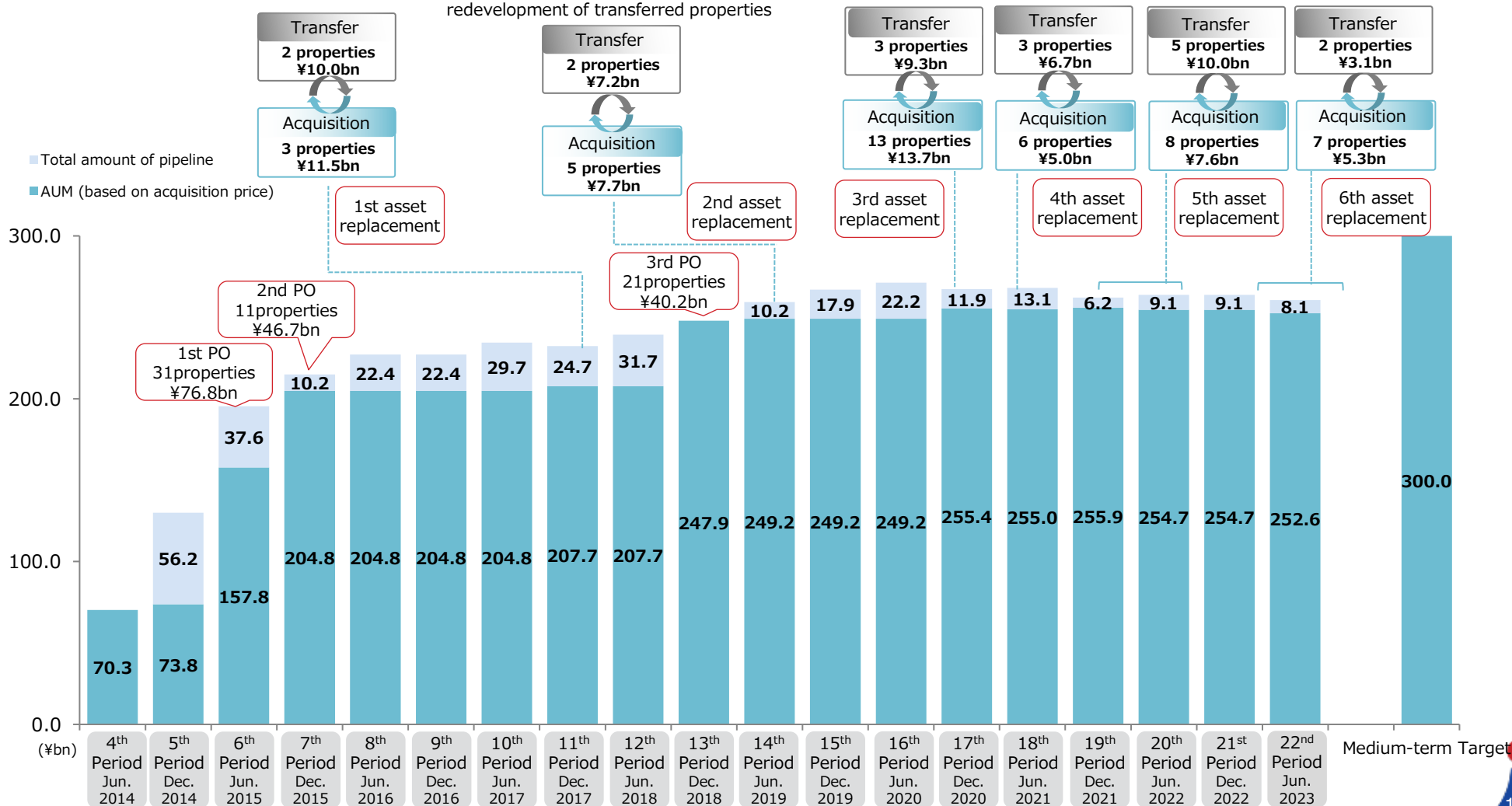
◆ Execution of Portfolio Refining Strategy Prioritizing Asset Replacement

- 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》

- Using the exchange scheme
- Acquiring of preferential negotiation right after redevelopment of transferred properties
- Portfolio quality enhancement based on Tiering



Asset replacement and pipeline

- Office (6 central wards of Tokyo)

● Office (Three major metropolitan area)
- Residential (6 central wards of Tokyo)

● Residential (Three major metropolitan area)

6th asset replacement

Implemented from the 22nd period (Jun. 2023) to the 23rd period (Dec. 2023)

Transfer

- 22nd Period
Mar.2023

¥2.0_{bn}



Jun.2023

¥1.0_{bn}



2 properties ¥3.1_{bn}

Gain on sales: ¥13.0_{mm}



Acquisition

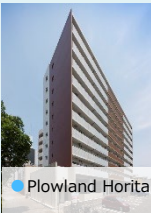
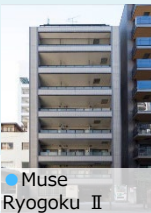
- 22nd Period
Mar.2023

¥0.7_{bn}



- 23rd Period
Jul.2023

Acquired from bridge fund "NRT Growth 17" 6 properties ¥4.5_{bn}



7 properties ¥5.3_{bn}

Pipeline

- Bridge fund "NRT Growth 18"



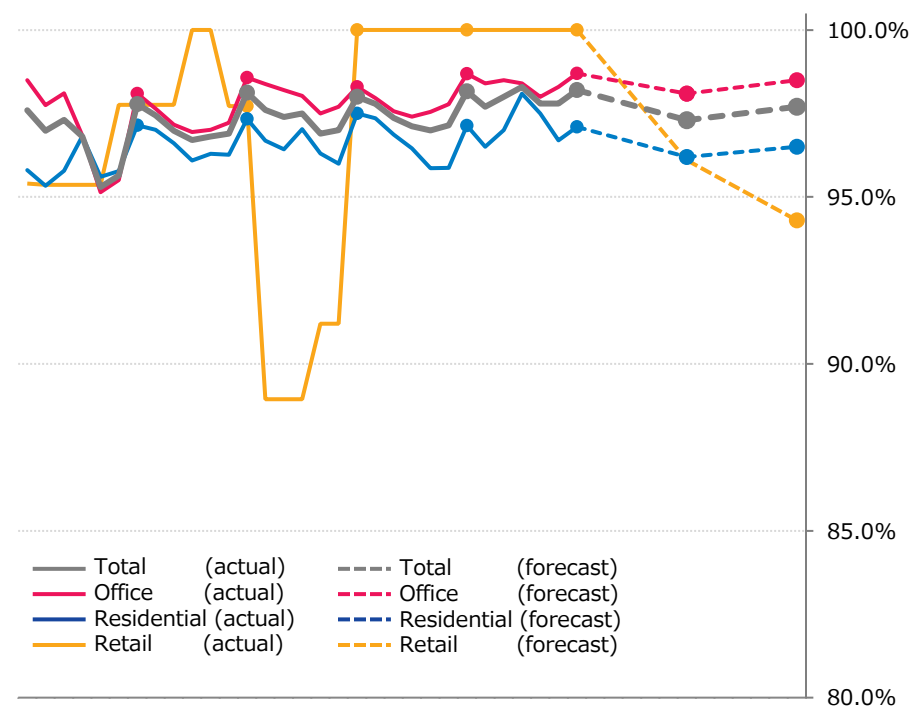
3 properties ¥3.6_{bn}

Occupancy Rate and Rent-free Period Trend

◆ Both contract and rent occupancy rate show stable trend

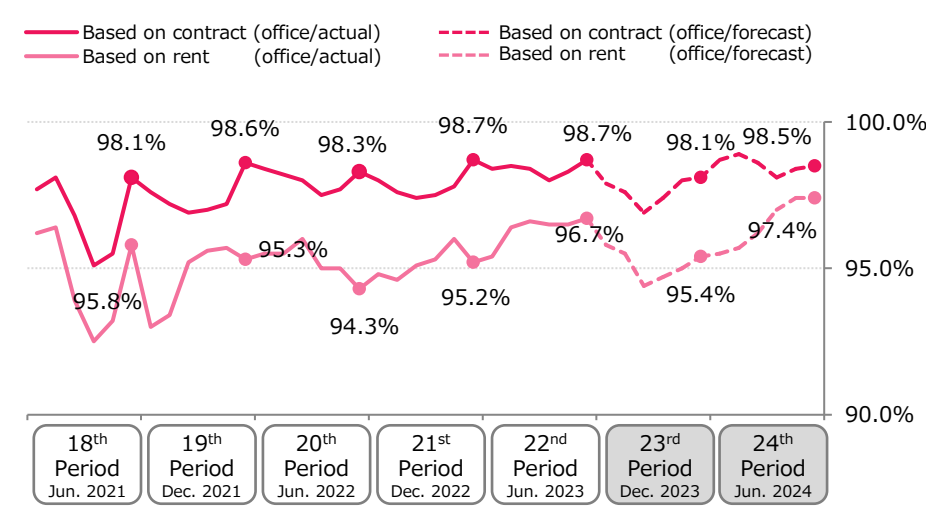
- Portfolio occupancy rate continues to be stable, and maintaining high occupancy rates for offices
- The average rent-free period decreased after reaching its peak in the 19th and 20th Period, and the gap between the contract and rent based occupancy rate is minimizing

《 Occupancy rate trend and forecast 》

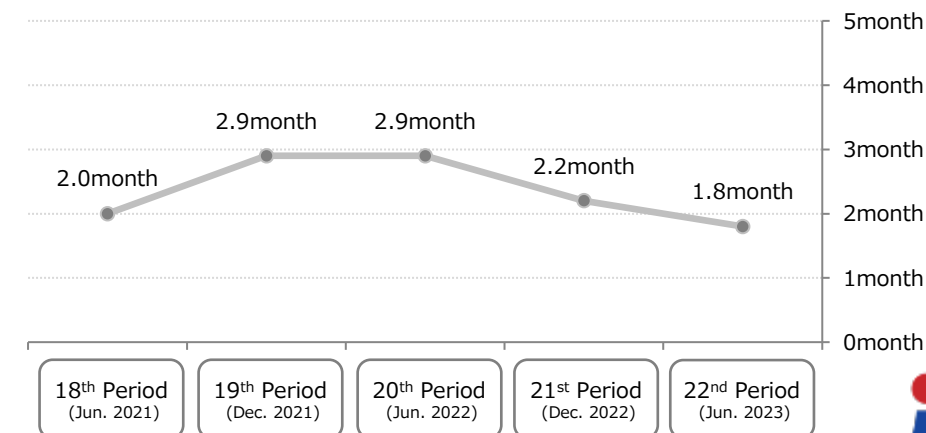


18 th Period	19 th Period	20 th Period	21 st Period	22 nd Period	23 rd Period	24 th Period	
97.8%	98.1%	98.0%	98.2%	98.2%	97.3%	97.7%	Total
98.1%	98.6%	98.3%	98.7%	98.7%	98.1%	98.5%	Office
97.1%	97.3%	97.5%	97.1%	97.1%	96.2%	96.5%	Residential
97.8%	97.7%	100.0%	100.0%	100.0%	96.1%	94.3%	Retail

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



《Trend of average rent-free period ⁽¹⁾》

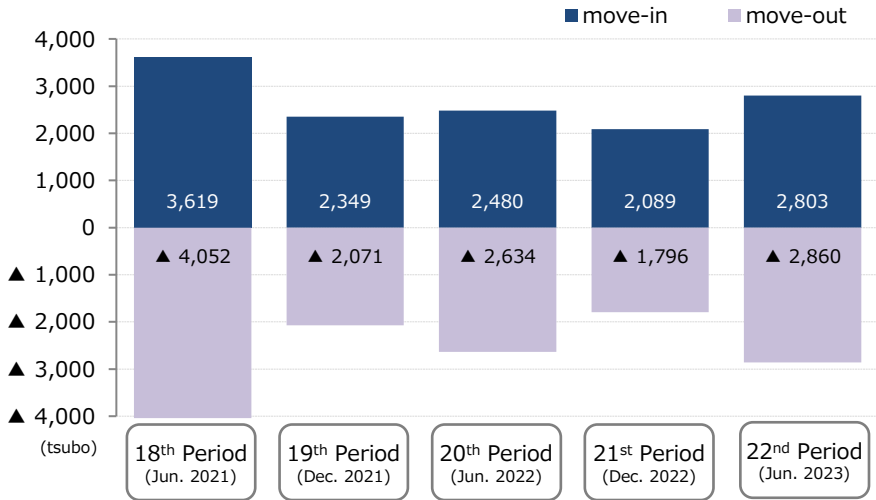


- ◆ Rent Change rate at the time of tenant turnover temporarily deteriorated due to the turnover of large sections

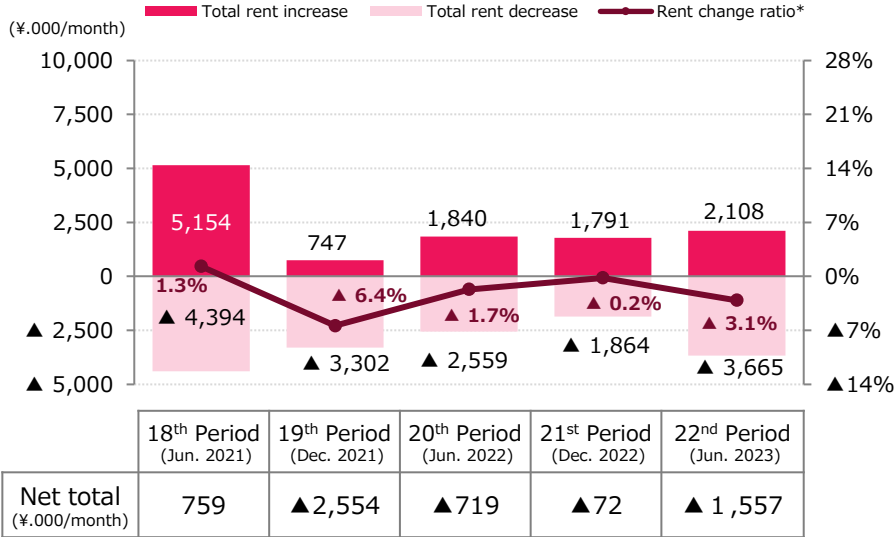
 - The rate of decrease in monthly rent at the time of tenants’ replacement is being reduced after reaching bottom in the 19th Period
 - The move-out rate in the 22nd period temporarily rose to 4.9% due to the concentration of cancellation notices for relatively large lots

《Tenant move-in and move-out》

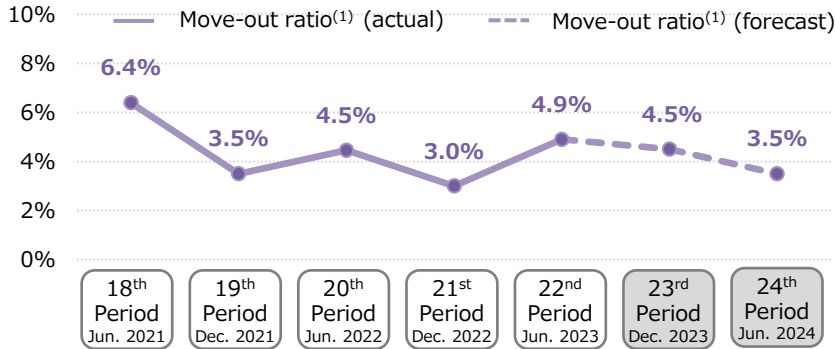
※Total leasable area as of the end of 22nd Period (office): 58,353 tsubo



《 Monthly rent increase/decrease upon tenant replacement》



《Average move-out ratio》



《Reason for Tenants’ move-in and out》

		Expansion/ improving location	Downsizing /cost reduction	New open	Closing	Others	Total
21 st Period (Dec. 2022)	Move-in	11	3	8	0	13	35
	Move-Out	14	13	0	2	4	33
22 nd Period (Jun. 2023)	Move-in	14	1	7	0	11	33
	Move-Out	12	8	0	2	13	35

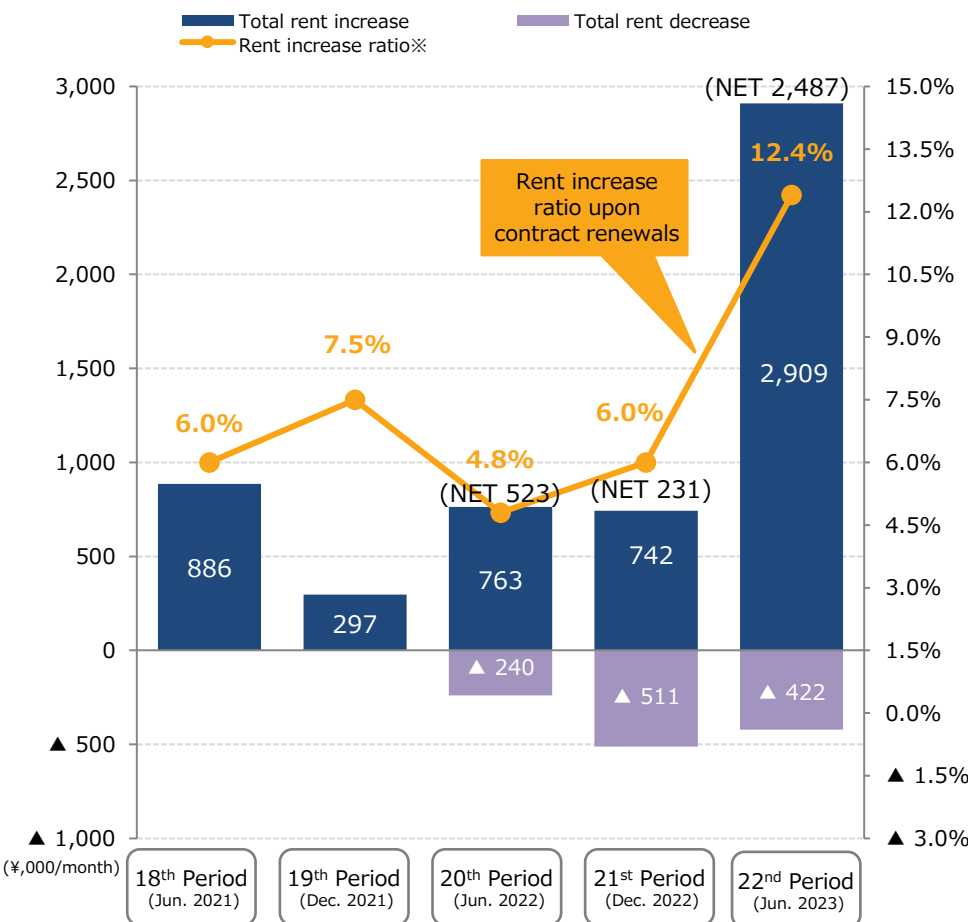
* "Rent change ratio" is calculated in each period as follow, rounded to the first decimal place.
 ((total rent after tenant replace - total rent before tenant replacement) / total rent before tenant replacement).

Track Record of Rent Renewals and Rent Increase Upon Contract Renewals (Office)

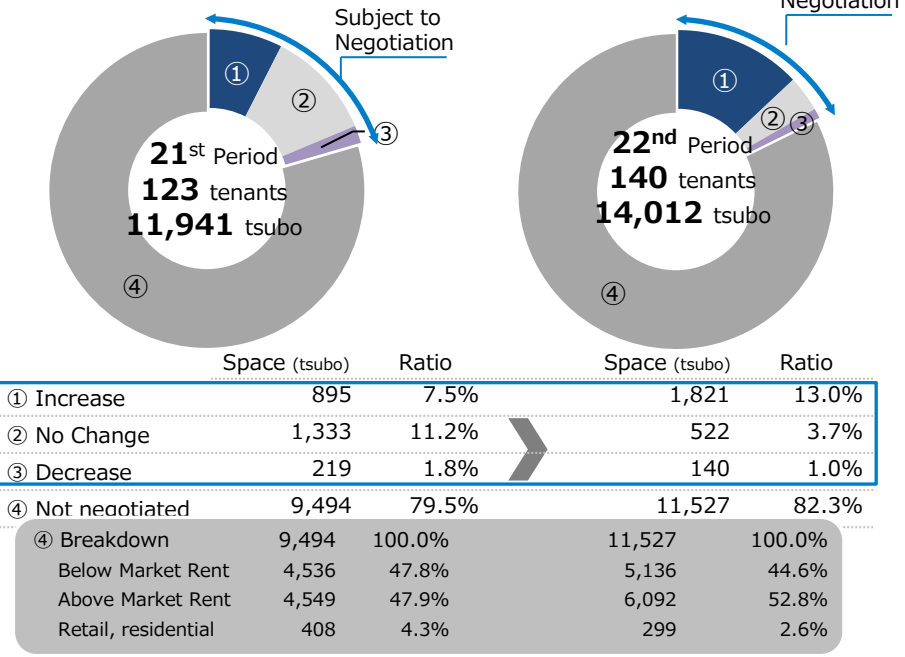
◆ Continue negotiations to increase rent at the timing of rent renewal

- For the 22nd Period, rent increase was achieved for 13.0% of the space subject to contract renewals, i.e., 1,821 tsubo (21 tenants) out of 14,012 tsubo (140 tenants)
- Considering the impact of the COVID-19 pandemic, negotiations were postponed for 11,527 tsubo (111 tenants) of office space (of which 52.8% is above the market rent), which is 82.3% of the office space.

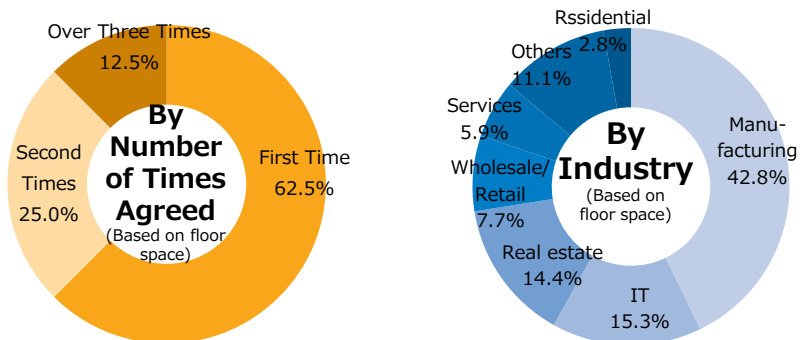
《Status of rent increase/decrease upon contract renewals》
(office /monthly rent)



《Trend of record of rent renewals (floor space)⁽¹⁾》



《Summary of tenant that agreed on rent increase in the 22nd Period》

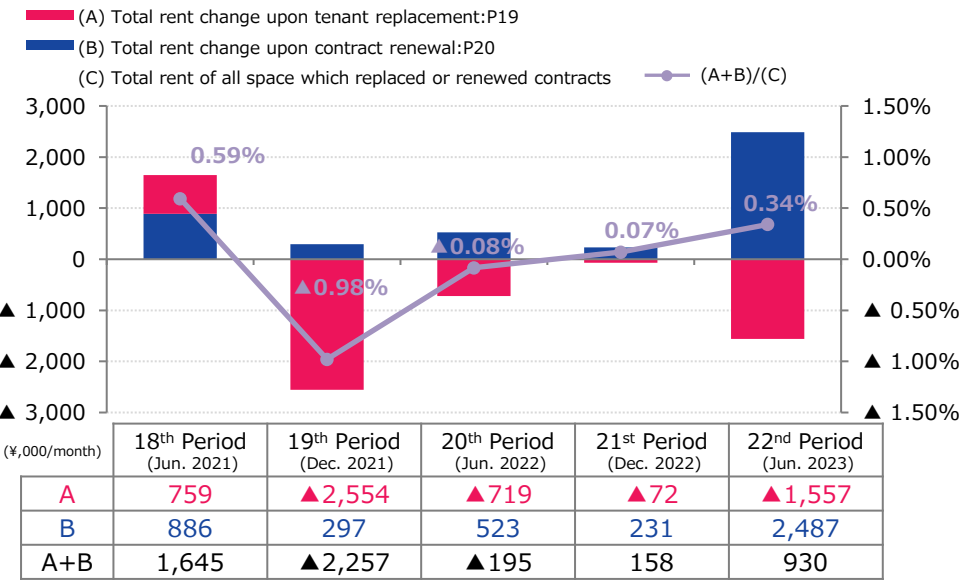


※ "Rent increase ratio" is calculated in each period as below, rounded to the first decimal place.
 ((total rent increase after rent renewal - total rent before rent renewal) / total rent before rent renewal)

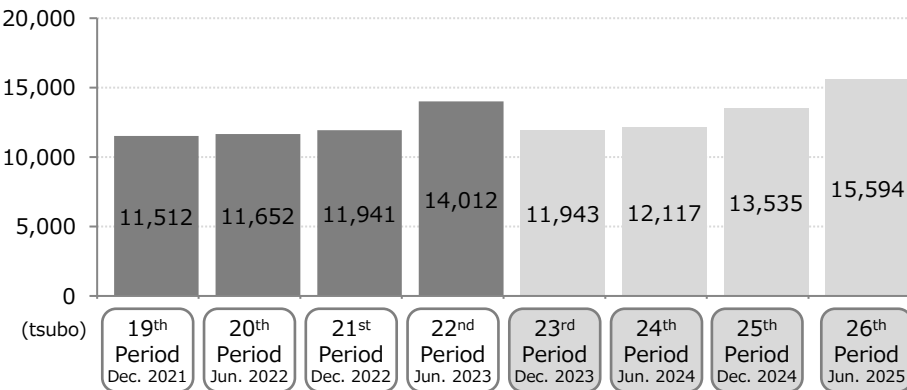
Track Record of Rent Change and Rent Gap Trend (Office)

- ◆ Rent change rate (tenant replacement + contract renewal) has turned positive for the second consecutive period
- ◆ Rent gap has remained positive as a result of market rent adjustment and increase in average rent

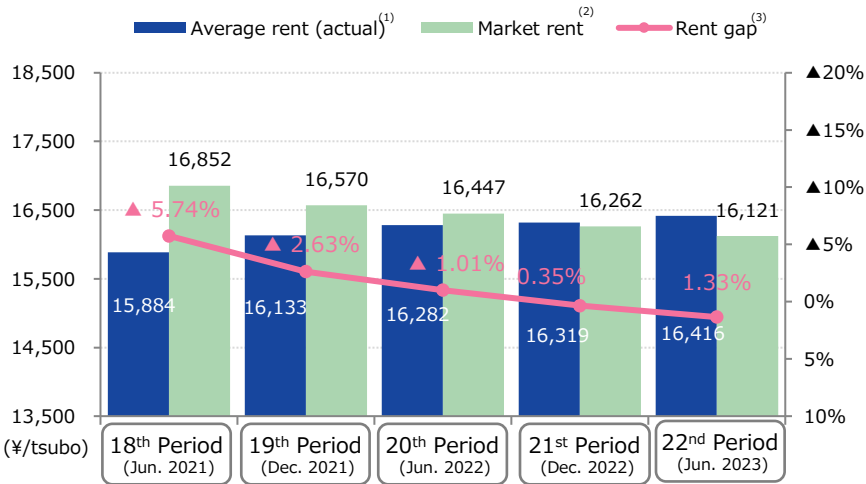
《Track record of rent change ratio (office)》



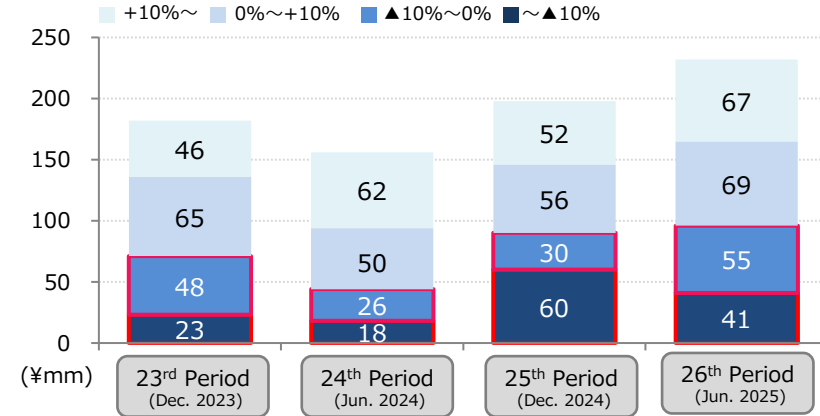
《Track record of area subject to renewal (office)》



《Rent gap trend》 *Office and standard floor only



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



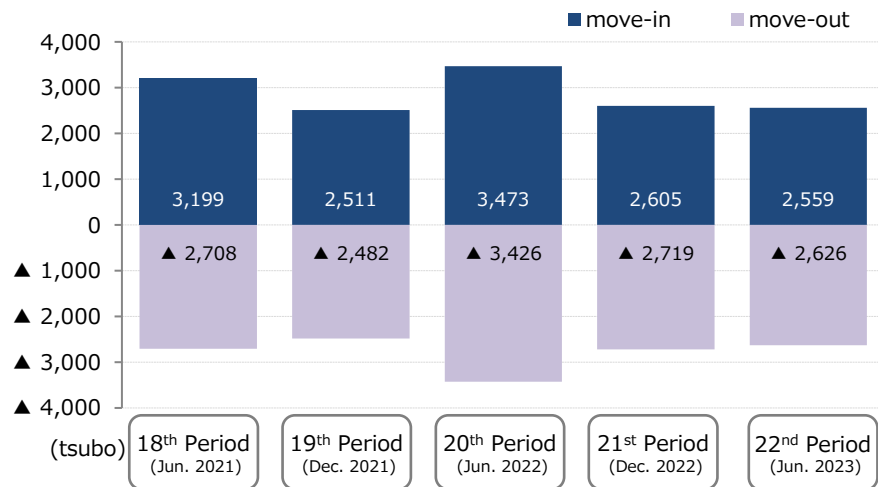
Status of Tenant Move-in/out, Rent Change and Occupancy Rate by Region (Residential)

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

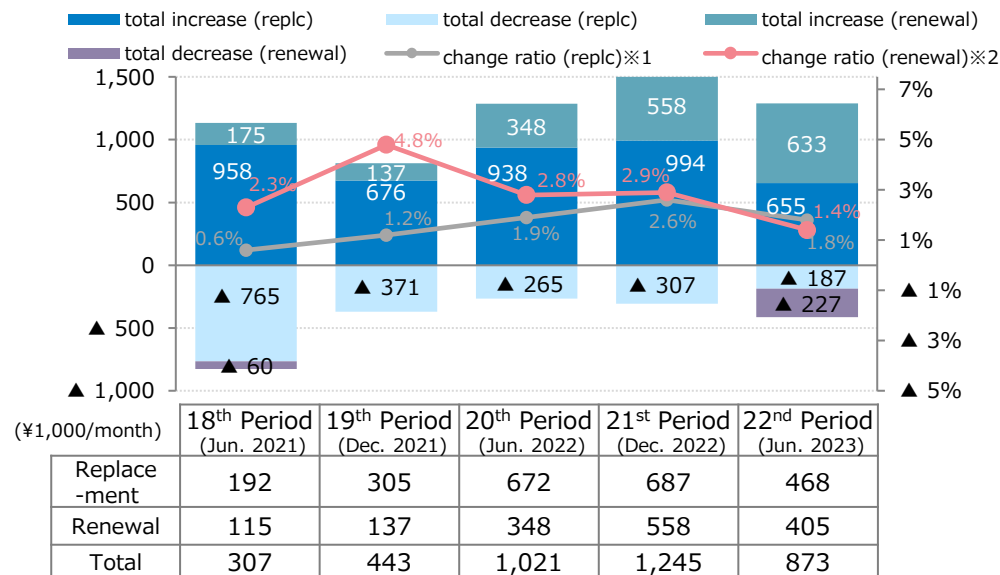
- During the 22nd Period, monthly rent increase of ¥633 thousand was achieved by contract renewal (+¥75 thousand compared to 21st)
- Occupancy rate were stable in all region

《Tenant move-in and move-out》

※Total leasable area as of the end of 22nd Period (residential): 33,095 tsubo



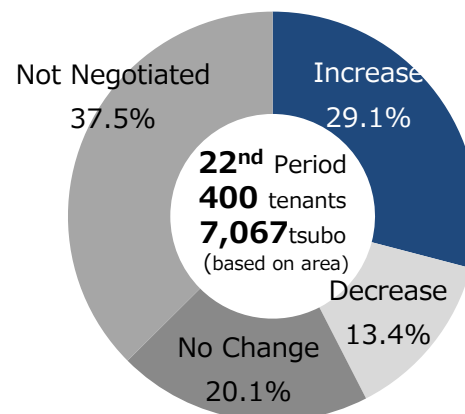
《Monthly rent change upon tenant replacement and contract renewal》



《Occupancy Rate by Region》

Area	22 nd Period properties/ rate of leasable area	18 th Period (Jun. 2021)	19 th Period (Dec. 2021)	20 th Period (Jun. 2022)	21 st Period (Dec. 2022)	22 nd Period (Jun. 2023)
6 Central	8 props 29.0%	95.5%	97.2%	98.1%	98.3%	98.3%
Greater Tokyo	9 props 13.0%	97.5%	99.0%	98.2%	96.5%	98.1%
Nagoya	8 props 15.0%	96.9%	97.5%	97.4%	97.4%	93.8%
Osaka	13 props 29.5%	95.1%	97.0%	96.6%	95.6%	96.6%
Other	4 props 13.4%	97.4%	96.9%	97.7%	98.5%	98.2%

《Rent Increase at Contract Renewal》



Total Rent Increase
¥633k/month

Total Rent Decrease
¥▲227k/month

※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 :**

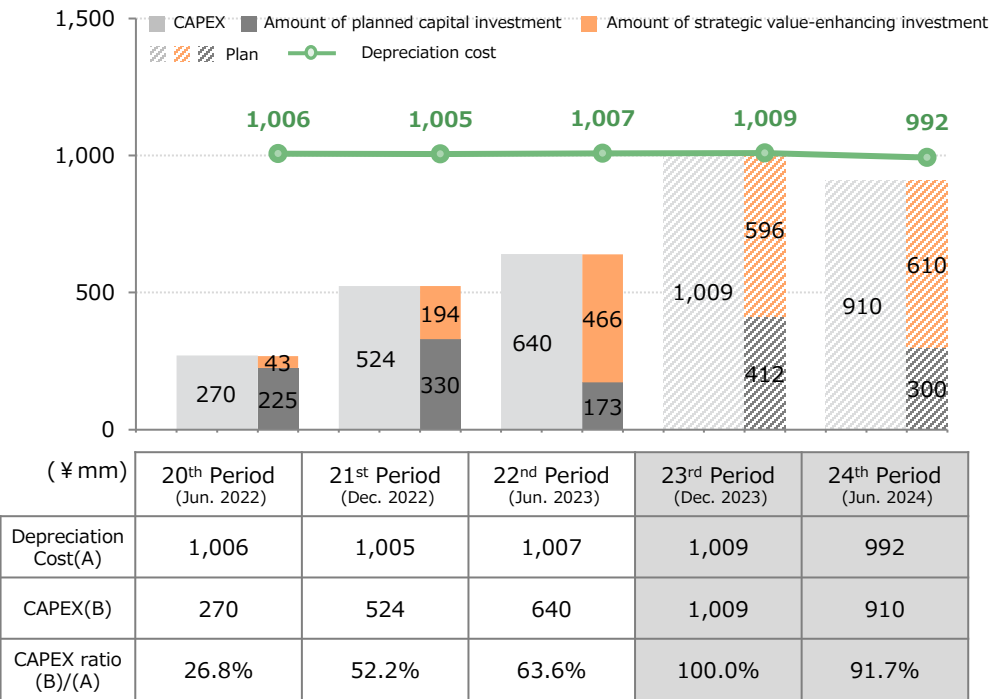
Profitability enhancement
Measures to increase rents / raise income, etc.

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

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

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 22nd Period (Jun. 2023)

Creation of new revenue sources/profitability enhancement		Cost reduction	
Major measure	Approx. Effect(cost)	Major measure	Approx. Effect(cost)
(4 properties) Parking lot sublease switching	¥5.05mm (¥0mm)	(2 properties) Building management business specification change	¥4.85mm (¥0mm)
(2 properties) coin-operated parking	¥2.52mm (¥0mm)	(3 properties) Common area LED renovation	¥1.11mm (¥8.01mm)
(4 properties) Expansion/increase of mobile base stations	¥1.02mm (¥0mm)		
(5 properties) Exclusive area renewal	¥1.05mm (¥14.89mm)		
Subtotal	¥9.79mm (¥33.09mm)	Subtotal	¥5.96mm (¥8.01mm)

Total amount of NOI increase Approx.¥15.76mm / annum

Totally contribute to DPU +Approx.¥17 /fiscal period(1)

- Main measures planned from the 23rdPeriod onwards
 - (5 properties)
Increase income by reviewing sublease contracts for parking lots and increasing the number of parking lots
 - (2 properties)
Income increase due to renewal of private space (Prime Gate Iidabashi)
 - Income increase due to parking lot expansion (Tsukiji Front)
 - Income increase due to dedicated space construction work (Shibakoen sanchoe Building)
 - Income increase due to conversion to LED lighting in dedicated space
 - (10 properties)
Cost reduction by switching to LED in common areas

◆ Track record of strategic value enhancement measure

・Improving rent revenue and promoting leasing through value-enhancement investments

Omiya Center Building



- The asset is located at office area on the west side of JR Omiya station and is a base that covers a wide area in the northern Kanto and Joshinetsu regions.
- Highly competitive in terms of location and grade in the area, but many competing buildings exist and some of them are struggling for leasing.
- As of June 2023, it was 100% occupied, but three lots (488 tsubo) are scheduled to be cancelled. Renovated the Entrance in addition to the common areas to gain an advantage over competing buildings.

Aiming to attract branches and sales offices of major companies, by upgrading the building to a grade that is comparable to relatively new or newly built buildings.

Before



After



Jun. 2023

100%



Oct. 2023

90.3%

(expected)



Feb. 2024

100%

(assumed)

Tsukiji Front



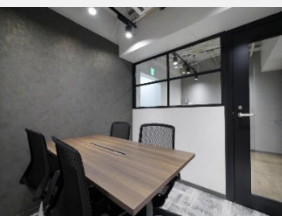
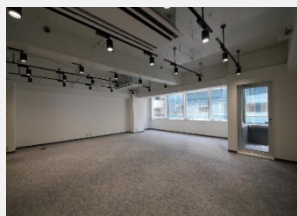
- The Shintomi-cho, Akashi-cho, and Tsukiji zone, where the asset is located, is served by multiple routes and has relatively excellent access to major office areas in Tokyo. Small and medium-sized office buildings are concentrated along arterial roads such as Harumi-dori and Shin-Ohashi-dori.
- A three-story plot (25.47 tsubo) has been leasing. As many competitors of small and medium-sized office buildings, and to differentiate itself, aims to increase rents by adopting a leasing strategy based on setup office specifications.

Aiming for relocation needs of venture companies and startup companies from the rental offices, etc. to this building, considering the track record of raising rents by using setup office specifications.

Before



After



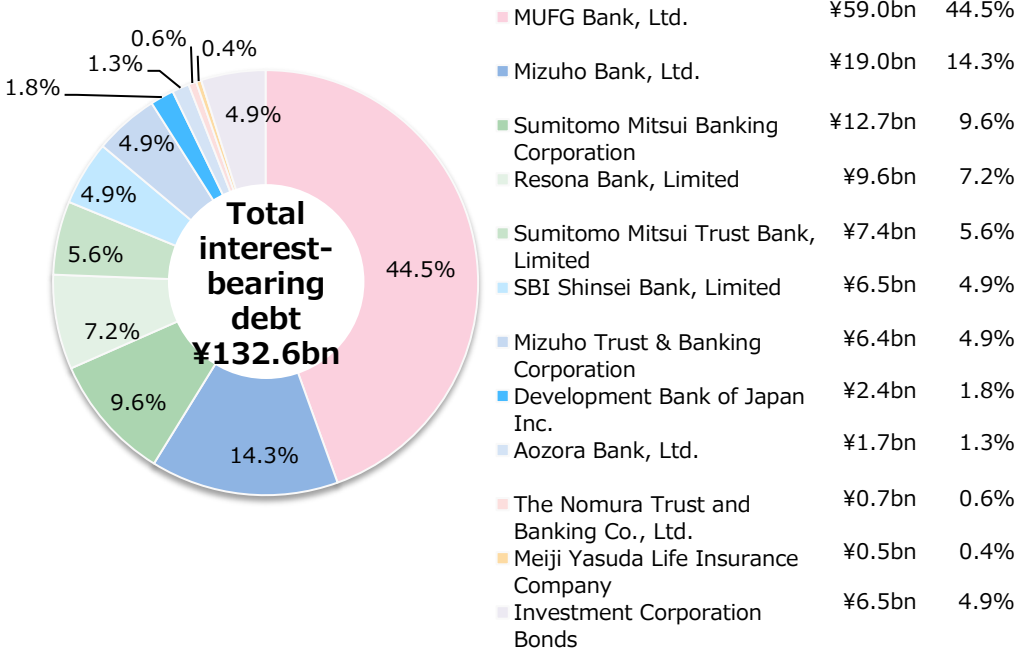
- TTL investment amount : 8.5mm
- Rent upside : 2.82mm/p.a.(expected)
- Value-up benefits from re-tenants ROI : 33.2%(expected)

- ◆ **Enhancing financial stability**
 - Prolonging borrowing periods and fixing interest rates while considering costs
 - Aim to diversify funding methods, such as green bonds, while maintaining LTV level
- ◆ **Aim for continuous improvement in credit rating**
 - Newly acquired A+ rating from R&I

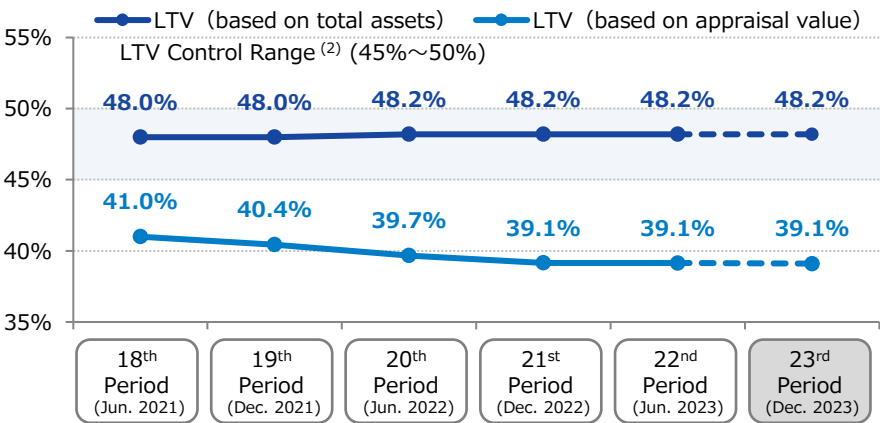
《Structure of Interest-bearing Liabilities》 (¥/mm)

	20 th Period	21 st Period	22 nd 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%	96.9%	97.8%
Rating	JCR : A+ (stable) R&I : A+ (stable) (Aug.2023) NEW		
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 22nd Period》

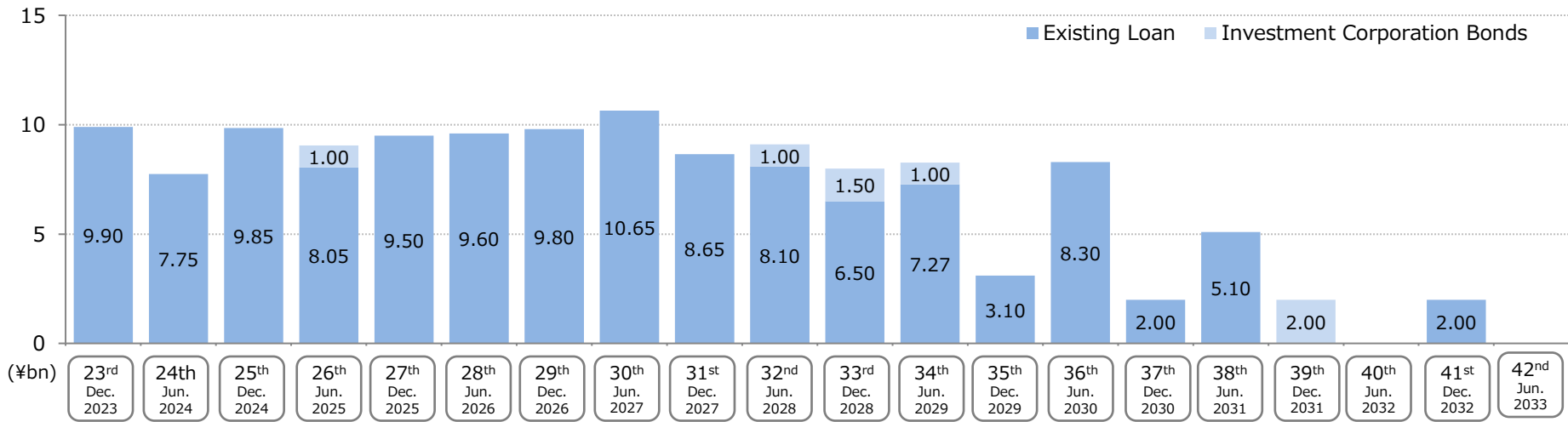
Amount (¥/mm)	Term	Interest rate	Amount (¥/mm)	Term	Interest rate
500	8 Years	1.23580%	500	8 Years	1.2440% (fixed by interest swap agreement)
5,600	6 Years	0.47580% (fixed by interest swap agreement)	1,300	4 Years	Base interest rate+0.2900%
500	3 Years 2 Months	0.24600% (fixed by interest swap agreement)	4,700	7 Years	1.0740% (fixed by interest swap agreement)
2,500	2 Years 9 Months	Base interest rate+0.24%	2,600	8 Years	1.2480% (fixed by interest swap agreement)

《Status of rating》

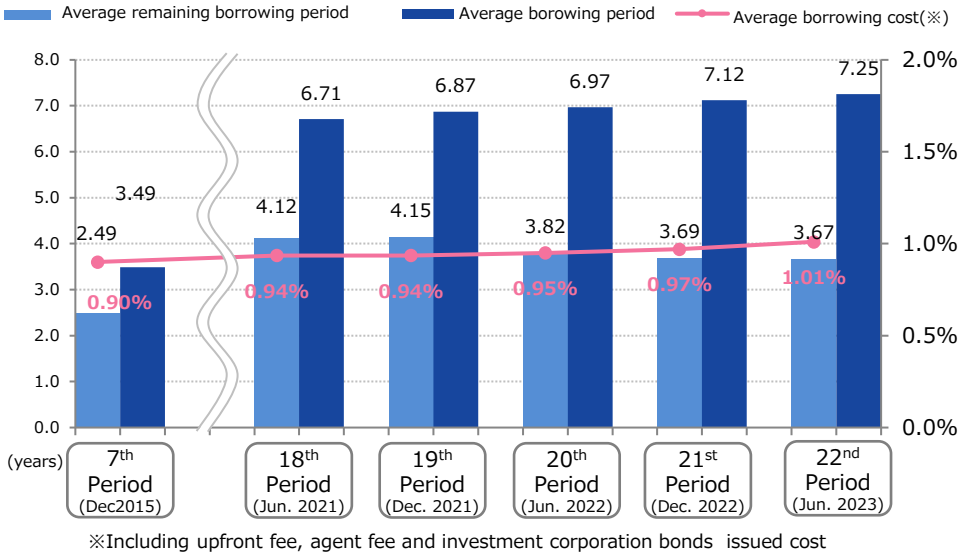
Japan Credit Rating Agency,
Ltd. (JCR)
Long-term issuer rating
A+ (Stable)(Jul. 2022)

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

《Debt Maturity Schedule》



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



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



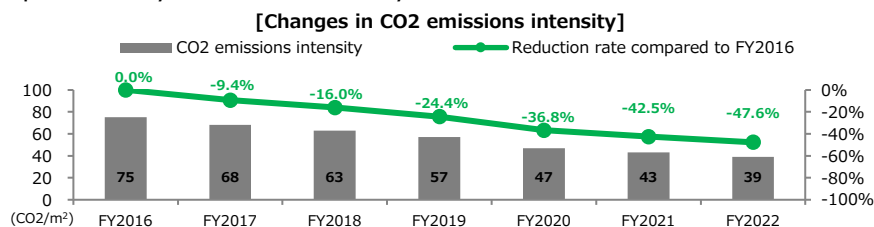
Governance

- 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



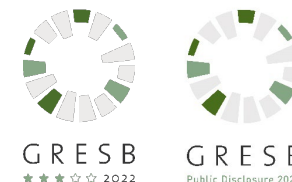
■ Reduction of environmental load

- We have set a target of reducing CO2 emission intensity of entire portfolio by 50% from fiscal year 2016 to 2030



■ Participation to the GRESB Real Estate Assessment

- Achieved "3 Stars" in 2022 GRESB rating
- Received "Green Star" designation for the sixth consecutive years
- Earned the highest "A" level for the GRESB Public Disclosure

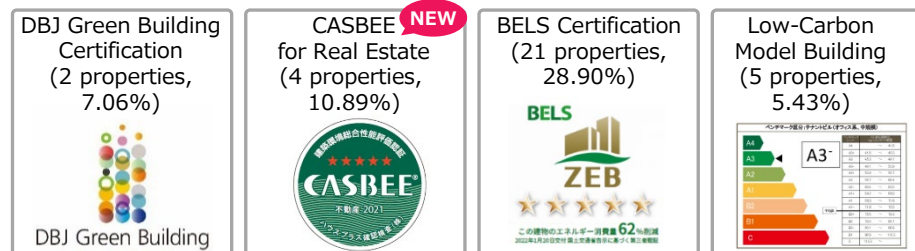


■ Acquisition of environmental certifications

- Acquired CASBEE for Real Estate certification for *FORECAST Takadanobaba* in May. 2023

NEW

■ Current status of environmental certifications



Total of 27 properties
44.69% of the Portfolio based on total floor area
*In case when a property holds multiple certifications, it is calculated as one property.

+0.6%

■ Enhancement of ESG disclosure

- Publish the latest version of the [ESG report](#) in Jun. 2023



NEW



5. Data related with Financial Results for the 22nd Period (Jun. 2023)

Financial Results for the 22nd Period (Jun. 2023)

Unit ¥mm	21 st Period (Dec. 2022) Result	22 nd Period (Jun. 2023) Forecast As of Aug. 17, 2023	22 nd Period (Jun. 2023) Result	22 nd Period (Result) vs 21 st Period (Result) (difference)	22 nd Period (Result) vs 22 nd Period (Forecast) (difference)
	a	b	c	c-a	c-b
Operating Revenues	8,547	8,674	8,865	+317	+190
Rental Revenues	7,809	7,889	7,884	+75	(4)
Other Revenues Related to property leasing	734	781	725	(9)	(55)
Gain on sales of real estate properties	-	-	251	+251	+251
Dividend Income	3	4	3	+0	(0)
Operating Expenses	(4,105)	(4,264)	(4,424)	(319)	(160)
Operating Income	4,442	4,410	4,440	(2)	+30
Non-Operating Revenues	7	-	6	(0)	+6
Non-Operating Expenses	(675)	(688)	(674)	+0	+14
Ordinary Income	3,774	3,721	3,772	(2)	+51
Net Income	3,773	3,720	3,771	(2)	+50
DPU	¥8,387	¥8,269	¥8,381	(¥6)	+¥112
NOI	6,288	6,284	6,311	+23	+27
FFO per Unit⁽¹⁾	¥10,633	¥10,530	¥10,616	(¥17)	+¥86
Days	184	181	181	-	-

◆ Comparison against the 21st Period (Dec. 2022) result (c-a)

Major fluctuation factor(¥/mm)

		Remarks
◆ Increase in operating revenues	+317	
• Increase in rental revenue	+75	(Increase in revenues due to improvement in occupancy rates)
• Decrease in utilities charge revenue	(10)	(Changes in adjusted unit prices for electricity, fuel costs, etc)
• Increase in gain on sales of real estate properties	+251	(Gain on the sale of the ANTEX24 Building)
• Others	+2	
◆ Increase in operating expenses	(319)	
• Decrease in utility expenses	+30	(Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc)
• Increase in repair expense	(74)	(Implementation of exterior wall construction)
• Increase in tax	(21)	(Increase in property tax and city planning tax)
• Decrease in leasing related expense	+14	
• Increase in loss on sales of real estate properties	(238)	Loss on the sale of the Imazaki Mansion N1
• Increase in other expense	(14)	Increase in ER expense, etc.
• Increase in non-deductible consumption tax	(17)	
• Others	(0)	

◆ Comparison against the 22nd Period (Jun. 2023) (As of Feb. 16, 2023) forecast(c-b)

Major fluctuation factor(¥/mm)

		Remarks
◆ Increase in operating revenues	+190	
• Decrease in parking revenue	(4)	
• Decrease in utilities charge revenue	(56)	(Changes in adjusted unit prices for electricity, fuel costs, etc)
• Increase in gain on sales of real estate properties	+251	(Gain on the sale of the ANTEX24 Building)
• Others	+0	
◆ Increase in operating expenses	(160)	
• Decrease in utility expenses	+98	(Changes in adjusted unit prices for electricity, fuel costs, etc)
• Increase in repair expense	(59)	(Implementation of exterior wall construction)
• Decrease in leasing fees	+34	
• Increase in loss on sales of real estate properties	(238)	Loss on the sale of the Imazaki Mansion N1
• Decrease in other expense	+13	(No leasing cost for GreenOak Takanawadai)
• Increase in non-deductible consumption tax	(10)	
• Others	+1	
◆ Increase in non-operating revenues	+6	
• Increase in DPU refunds	+6	
◆ Increase in non-operating Expenses	+14	
• Decrease in borrowing-related expenses, etc.	+14	
• Others	+0	

Financial Forecast for the 23rd Period (Dec. 2023) and the 24th Period (Jun. 2024)

Unit ¥mm	22 nd Period (Jun. 2023) Result	23 rd Period (Dec. 2023) Forecast	24 th Period (Jun. 2024) Forecast	23 rd Period (Forecast) vs 22 nd Period (Result) (difference)	24 th Period (Forecast) vs 23 rd Period (Forecast) (difference)
	a	b	c	b-a	c-b
Operating Revenues	8,865	8,579	8,621	(285)	+42
Rental Revenues	7,884	7,891	7,987	+6	+96
Other Revenues Related to property leasing	725	685	633	(39)	(52)
Gain on sales of real estate properties	251	-	-	(251)	0
Dividend Income	3	2	1	(1)	(1)
Operating Expenses	(4,424)	(4,175)	(4,088)	+249	+87
Operating Income	4,440	4,403	4,533	(36)	+129
Non-Operating Revenues	6	-	-	(6)	-
Non-Operating Expenses	(674)	(728)	(735)	(53)	(6)
Ordinary Income	3,772	3,674	3,798	(97)	+123
Net Income	3,771	3,674	3,797	(96)	+123
DPU	¥8,381	¥8,166	¥8,440	(¥215)	+¥273
NOI	6,311	6,293	6,411	(18)	+117
FFO per Unit	¥10,616	¥10,440	¥10,673	(¥176)	(¥233)
Days	181	184	182	-	-

◆ Comparison between the 22nd Period (Jun. 2023) Forecast and the 23rd Period (Dec. 2023) Result (b-a)

Major fluctuation factor(¥/mm)	Remarks
◆ Decrease in operating revenues (285)	
• Increase in rental revenue	+6
• Decrease in utilities charge revenue	(38) (Changes in adjusted unit prices for electricity, fuel costs, etc.)
• Decrease in gain on sales of real estate properties	(251) (Absence of gain on the sale of the ANTEX24 Building)
• Others	(2)
◆ Decrease in operating expenses +249	
• Decrease in utility expenses	+51 Seasonal factor, Changes in adjusted unit prices for electricity, fuel costs, etc.
• Decrease in repair expense	+35 Decrease in large-scale repairs, etc.
• Increase in leasing related expense	(38)
• Increase other expenditure	(27) (Leasing campaign expenses, etc.)
• Decrease in loss on sales of real estate properties	+238 Absence of loss on the sale of the Imazaki Mansion N1)
• Decrease in other commissions	+14 (ER expenses, etc.)
• Increase advertising expense	(14) Expenses for overseas IR and expenses for holding unitholders meetings
• Decrease in deductible consumption tax	+15
• Others	(25)

◆ Decrease in non-operating revenues

- Decrease in DPU refunds (6)
- Others (0)

◆ Increase in non-operating expenses

- Increase in borrowing expense (53) (Rising interest rate in refinancing, etc.)
- Increase in expenses related to investment corporation bonds (0)
- Others +0

◆ Comparison between the 23rd Period (Dec. 2023) Forecast and the 24th Period (Jun. 2024) Forecast (c-b)

Major fluctuation factor(¥/mm)	Remarks
◆ Increase in operating revenues +42	
• Increase in rental revenue	+96 (lease up)
• Decrease in utilities charge revenue	(30) (Decrease in electricity charges, etc.)
• Decrease in miscellaneous income	(22) (Absence of Renewal fees, key money, income from restoration, etc.)
• Others	(1)
◆ Decrease in operating expenses +87	
• Decrease in utility expenses	+25 (Decrease in electricity charges, etc.)
• Decrease in repair expense	+36
• Decrease in depreciation	+16
• Decrease in leasing related expense	+31
• Decrease in other expenditure	+17 (End of leasing campaign)
• Increase in other commissions	(13) (Decrease in ER expense, etc.)
• Increase in promotional expense	+7
• Others	(34)
◆ Increase in non-operating expenses (6)	
• Increase in borrowing related expense	(6) (Rising interest rate in refinancing, etc.)
• Increase in expenses related to investment corporation bonds	+0

Financial Forecast for the 23rd Period (Dec. 2023)

Unit ¥mm	23 rd Period (Dec. 2023) Original Forecast As of Feb. 16, 2023	23 rd Period (Dec. 2023) Revised Forecast As of Aug. 17, 2023	23 rd Period (Revised Forecast) vs 23 rd Period (Original Forecast) (difference)
	a	b	b-a
Operating Revenues	8,740	8,579	(160)
Rental Revenues	7,852	7,891	+38
Other Revenues Related to property leasing	885	685	(199)
Dividend Income	2	2	+0
Operating Expenses	(4,387)	(4,175)	+211
Operating Income	4,353	4,403	+50
Non-Operating Revenues	-	-	-
Non-Operating Expenses	(750)	(728)	+21
Ordinary Income	3,602	3,674	+72
Net Income	3,601	3,674	+72
DPU	¥8,005	¥8,166	+¥161
NOI	6,239	6,293	+53
FFO per Unit	¥10,293	¥10,440	(¥90)
Days	184	184	-

◆ Comparison between original forecast (As of Feb. 16, 2023) and revised forecast for the 23rd Period (Dec. 2023)

Major fluctuation factor(¥ /mm)

◆ Decrease in operating revenues

- Increase in rental revenue
- Decrease in utility charge revenue
- Increase in miscellaneous income
- Others

(160)

- +38 (newly acquired properties, lease up)
- (217) (Decrease in electricity charges)
- +17 (income from restoration, etc.)
- +0

◆ Decrease in operating expenses

- Decrease in utility expenses
- Decrease in depreciation
- Decrease in leasing related expense
- Increase in other expenses
- Increase in attorney fees
- Others

+211

- +269 (Decrease in electricity charges)
- +11
- (26)
- (25) (Leasing campaign expenses, etc.)
- (6) (Increase in remuneration due to unitholders meeting)
- (12)

◆ Decrease in non-operating expenses

- Decrease in borrowing related expense

+21

- +21 (Reduction in interest rates due to refinancing, etc)

Balance Sheet

(Yen in thousands)	21 st FP (Dec. 2022)	22 nd FP (Jun. 2023)
Assets		
Current Assets		
Cash and deposits	11,179,214	14,095,856
Cash and deposits in trust	6,141,943	6,054,170
Tenant receivables	122,283	107,830
Prepaid expenses	463,531	476,632
Income taxes refundable	-	-
Other current assets	10,549	11,667
Total Current Assets	17,917,521	20,746,157
Non-Current Assets		
Property, plant and equipment		
Buildings	273,355	286,915
Accumulated depreciation	(34,333)	▲38,821
Buildings, net	239,021	248,093
Tools, furniture and fixtures	184	184
Accumulated depreciation	(12)	▲21
Buildings, net	171	162
Buildings in trust	62,227,779	62,188,797
Accumulated depreciation	(13,168,131)	▲13,962,298
Buildings in trust, net	49,059,647	48,226,498
Structures in trust	230,133	234,024
Accumulated depreciation	(84,317)	▲90,414
Structures in trust, net	145,815	143,609
Machinery and equipment in trust	518,575	504,124
Accumulated depreciation	(193,333)	▲208,249
Machinery and equipment in trust, net	325,242	295,874
Tools, furniture and fixtures in trust	329,740	336,331
Accumulated depreciation	(146,498)	▲164,543
Tools, furniture and fixtures in trust, net	183,242	171,787
Land in trust	188,518,790	186,153,895
Construction in progress in trust	-	1,315
Total property, plant and equipment	238,471,932	235,241,237
Intangible assets		
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	16,099,139	16,792,459
Other	3,788	3,594
Total intangible assets	17,359,720	18,052,847
Investments and other assets		
Investment securities	82,973	82,973
Lease and guarantee deposits	10,197	10,137
Long-term prepaid expenses	1,243,411	1,231,408
Deferred tax Assets	21	27
Other	8,167	8,668
Total investments and other assets	1,344,771	1,333,216
Total Non-Current Assets	257,176,424	254,627,301
Deferred asset		
Investment corporation bond issuance costs	44,294	40,584
Total deferred asset	44,294	40,584
Total Assets	275,138,240	275,414,043

(Yen in thousands)	21 st FP (Dec. 2022)	22 nd FP (Jun. 2023)
Liabilities		
Current Liabilities		
Accounts payable	907,771	1,160,600
Long-term debt due within one year	19,000,000	17,650,000
Accrued expenses	299,322	316,821
Income Taxes Payable	378	357
Accrued consumption taxes	79,125	239,800
Advances received	1,459,320	1,466,309
Other current liabilities	212,826	143,618
Total Current Liabilities	21,958,745	20,977,507
Long-Term Liabilities		
Investment corporation bonds	6,500,000	6,500,000
Long-term debt	107,120,000	108,470,000
Tenant security deposits	62,921	62,921
Tenant security deposits in trust	9,100,062	9,010,034
Others	1,186	678
Total Long-Term Liabilities	122,784,171	124,043,634
Total Liabilities	144,742,916	145,021,142
Net Assets		
Unitholders' Equity		
Unitholders' capital	126,515,601	126,515,601
Surplus		
Unappropriated retained earnings (undisposed loss)	3,879,722	3,877,299
Total Surplus	3,879,722	3,877,299
Total Unitholders' Equity	130,395,324	130,392,900
Total Net Assets	130,395,324	130,392,900
Total Liabilities and Net Assets	275,138,240	275,414,043

22nd Period (Ended Jun. 2023) Action

■ LTV: 48.2% at the end of the 21st Period (Dec. 2022), 48.2% at the end of the 22nd Period (Jun. 2023)

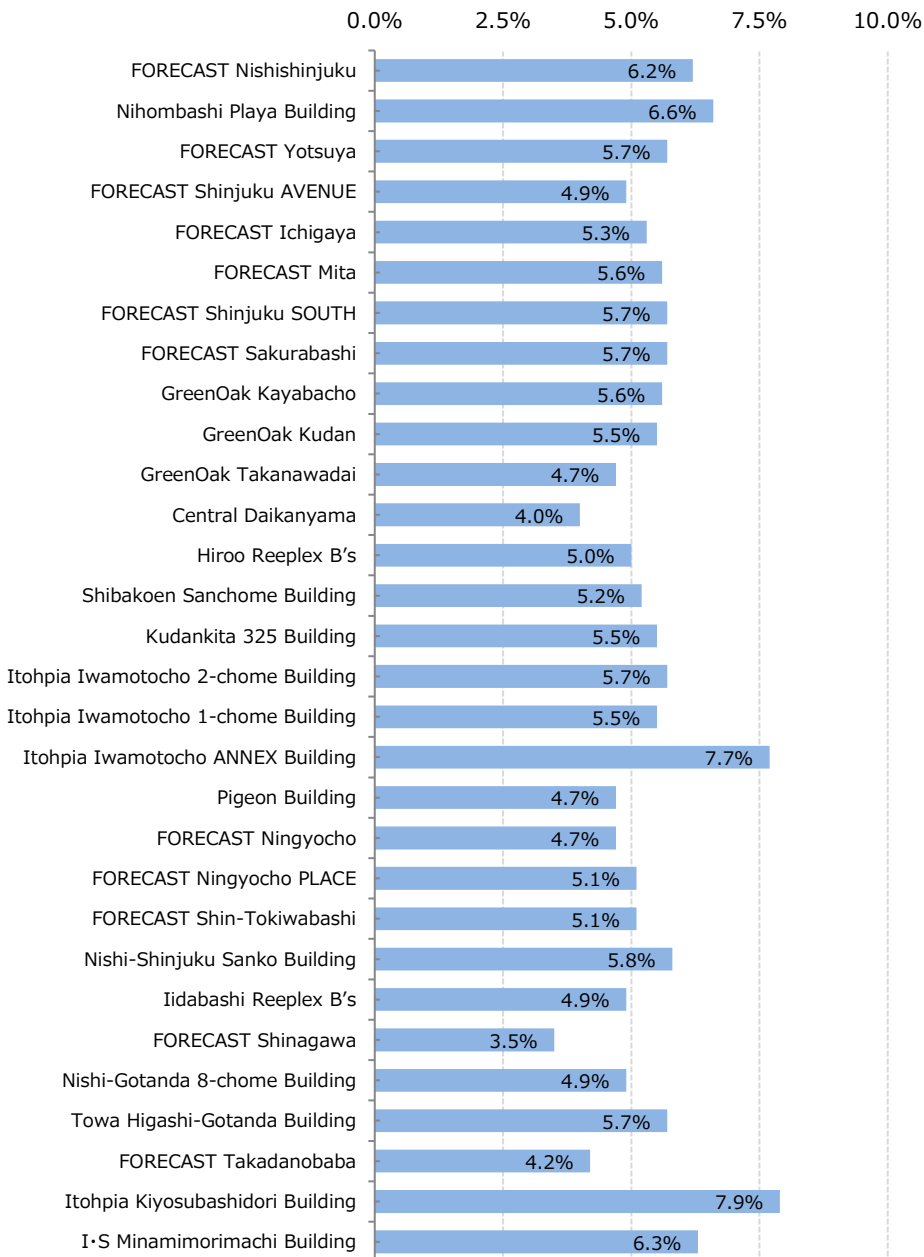
Historical Operating Results

		18 th FP (Jun. 2021)	19 th FP (Dec. 2021)	20 th FP (Jun. 2022)	21 st FP (Dec. 2022)	22 nd FP (Jun. 2023)
Operating revenues	(¥mm)	9,410	10,041	8,534	8,547	8,865
Of which, rental revenues and other revenues related to property leasing	(¥mm)	(8,495)	(8,434)	(8,406)	(8,544)	(8,610)
Operating expenses	(¥mm)	3,910	3,997	3,935	4,105	4,424
Of which, property-related expenses	(¥mm)	(3,048)	(3,095)	(3,083)	(3,263)	(3,313)
Operating income	(¥mm)	5,499	6,043	4,599	4,442	4,440
Ordinary income	(¥mm)	4,859	5,390	3,971	3,774	3,772
Net income	(¥mm)	4,858	5,335	3,970	3,773	3,771
Total assets (a)	(¥mm)	276,120	276,577	274,895	275,138	275,414
Net assets (b)	(¥mm)	131,393	131,869	130,592	130,395	130,392
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	48.0	48.2	48.2	48.2
Interest-bearing debt to total assets ratio ⁽³⁾ (based on appraisal value)	(%)	41.0	40.4	39.7	39.1	39.1
Ordinary income to total assets ratio ⁽³⁾	(%)	1.8	2.0	1.4	1.4	1.4
Return on equity ⁽³⁾	(%)	3.7	4.1	3.0	2.9	2.9
Equity ratio (b)/(a)	(%)	47.6	47.7	47.5	47.4	47.3
NOI yield (acquisition value) ⁽⁴⁾	(%)	5.1	4.9	5.0	4.9	5.0
NOI yield (book value) ⁽⁴⁾	(%)	5.0	4.9	5.0	4.9	5.0
NOI yield (appraisal value) ⁽⁴⁾	(%)	4.3	4.1	4.0	3.9	4.0
After-depreciation yield (acquisition value) ⁽⁴⁾	(%)	4.3	4.1	4.2	4.1	4.2
After-depreciation yield (book value) ⁽⁴⁾	(%)	4.3	4.1	4.2	4.1	4.2
After-depreciation yield (appraisal value) ⁽⁴⁾	(%)	3.6	3.4	3.4	3.3	3.4
Implied cap rate (NOI yield) ^{(3) (4)}	(%)	3.9	4.1	4.3	4.6	4.7
Implied cap rate (after-depreciation yield) ⁽⁴⁾	(%)	3.3	3.5	3.6	3.8	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)	(¥)	292,029	293,089	290,249	289,812	289,807
Total distributions (e)	(¥mm)	4,859	5,248	3,970	3,773	3,770
Distributions per unit (e)/(d)	(¥)	10,800	11,665	8,825	8,387	8,381
FFO ⁽³⁾ (Funds From Operations) (f)	(¥mm)	4,960	4,753	4,855	4,784	4,776
AFFO ⁽³⁾ (Adjusted Fund From Operations)(g)	(¥mm)	4,622	4,142	4,585	4,259	4,251
Pay out ratio (FFO) (e)/(f)	(%)	98.0	110.4	81.8	78.9	78.9
Pay out ratio (AFFO) (e)/(g)	(%)	105.1	126.7	86.6	88.6	88.7
FFO per unit ⁽³⁾	(¥)	11,025	10,564	10,792	10,633	10,616
NAV per Unit ⁽³⁾	(¥)	386,052	395,764	413,510	422,819	422,466

Property NOI Yield (1/4)

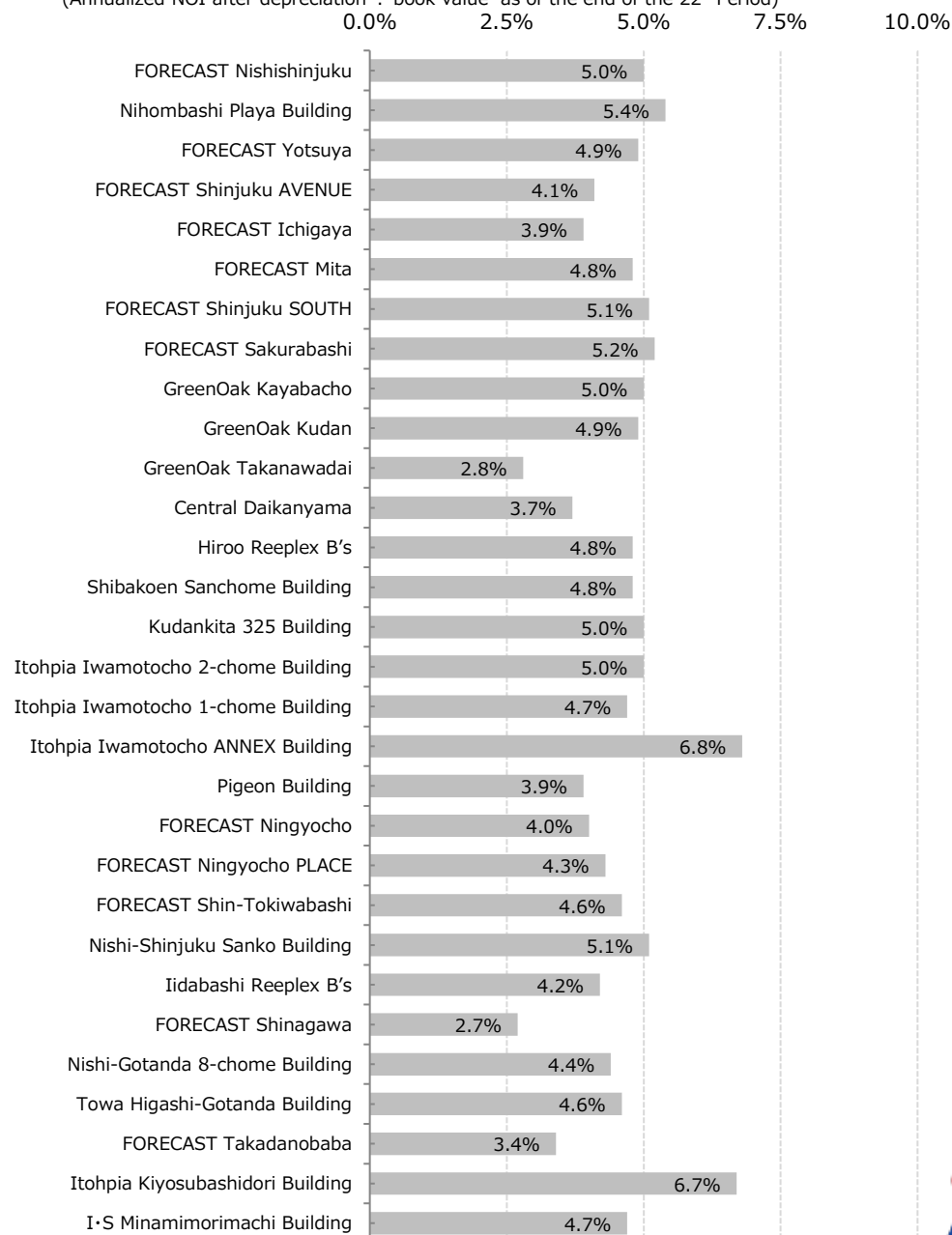
■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 22ndPeriod)



■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 22ndPeriod)

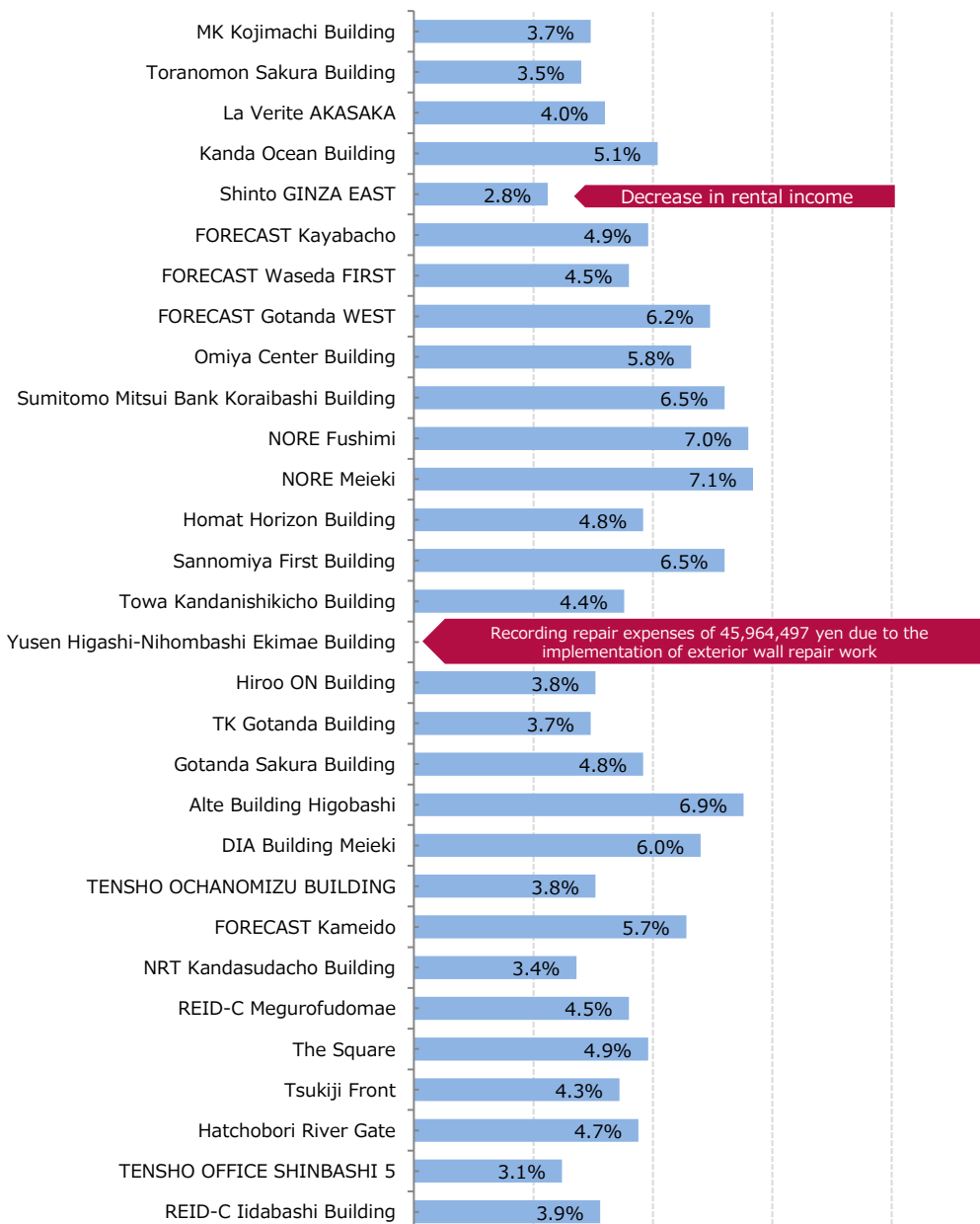


Property NOI Yield (2/4)

■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 22ndPeriod)

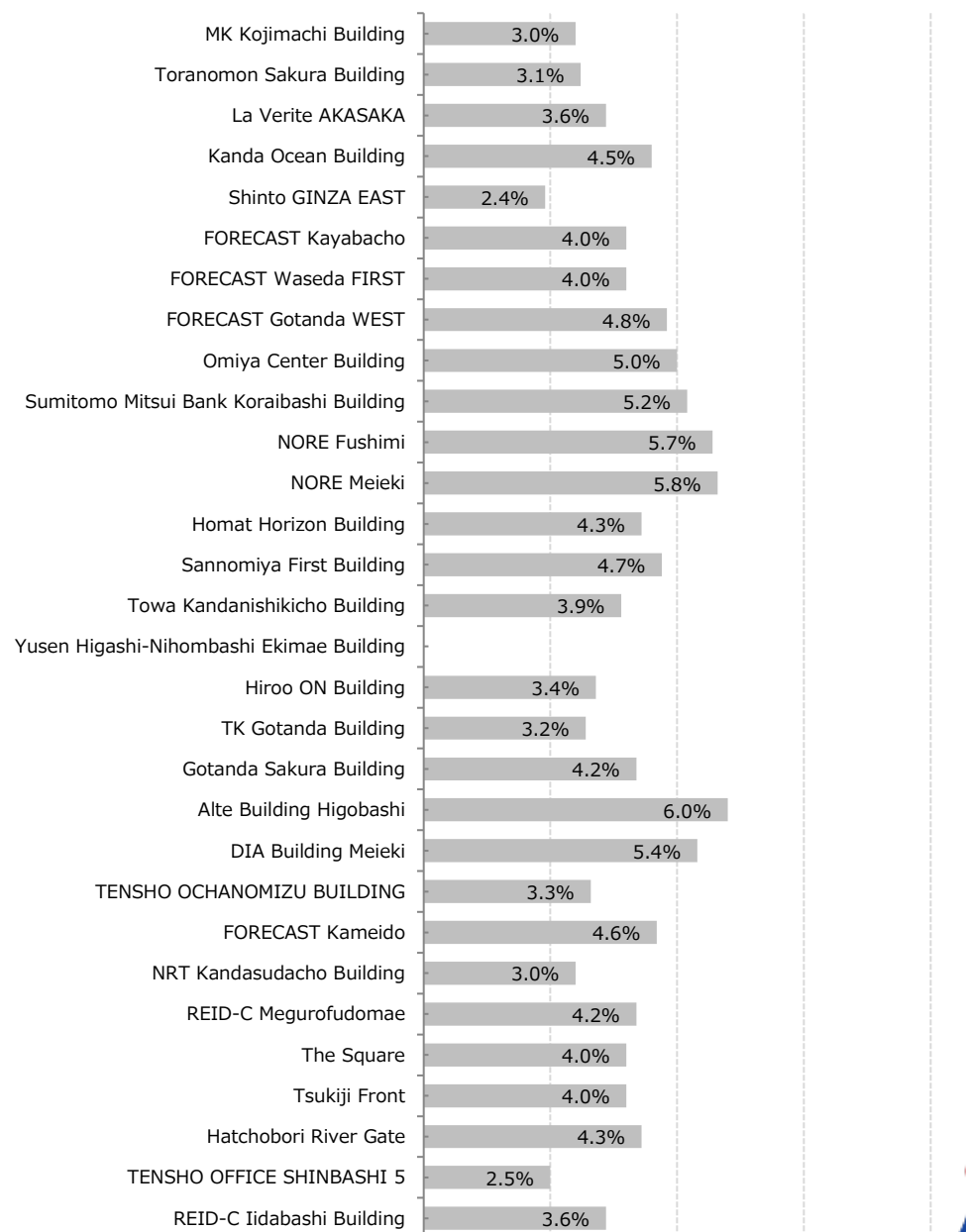
0.0% 2.5% 5.0% 7.5% 10.0%



■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 22ndPeriod)

0.0% 2.5% 5.0% 7.5% 10.0%

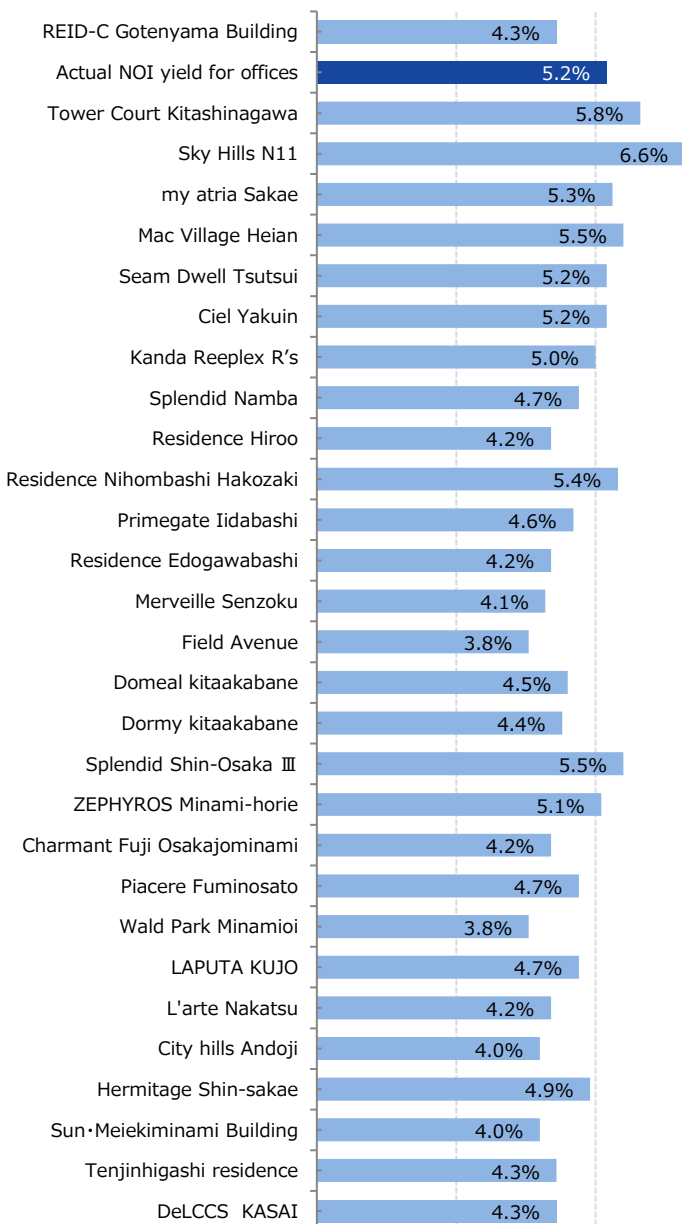


Property NOI Yield (3/4)

Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 22nd period)

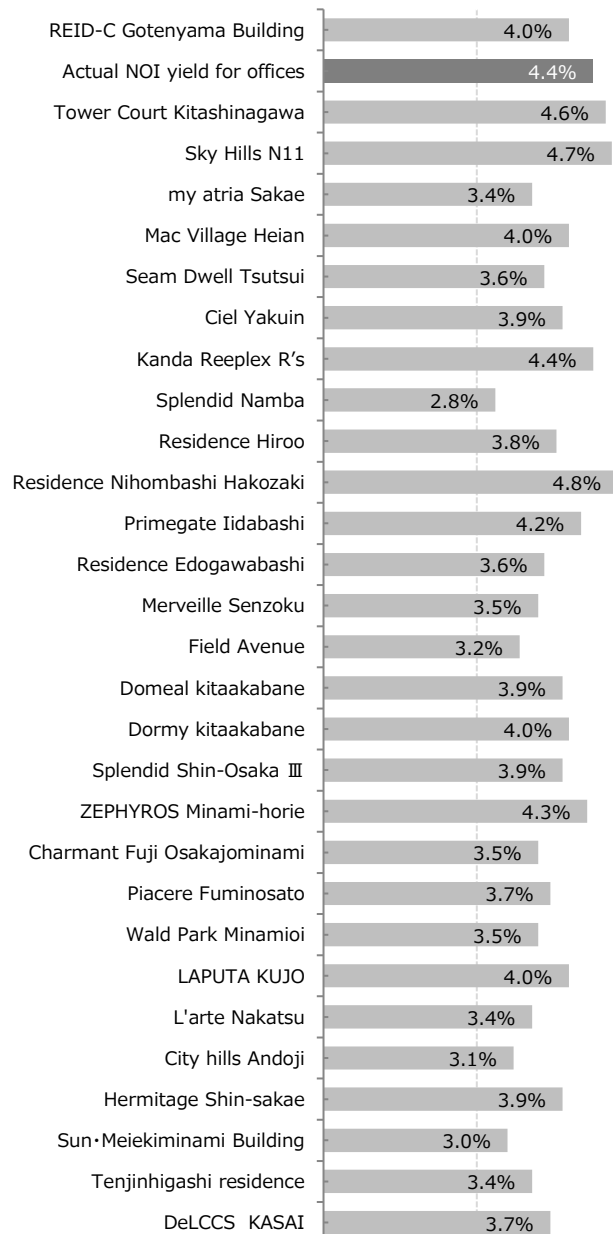
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Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 22nd Period)

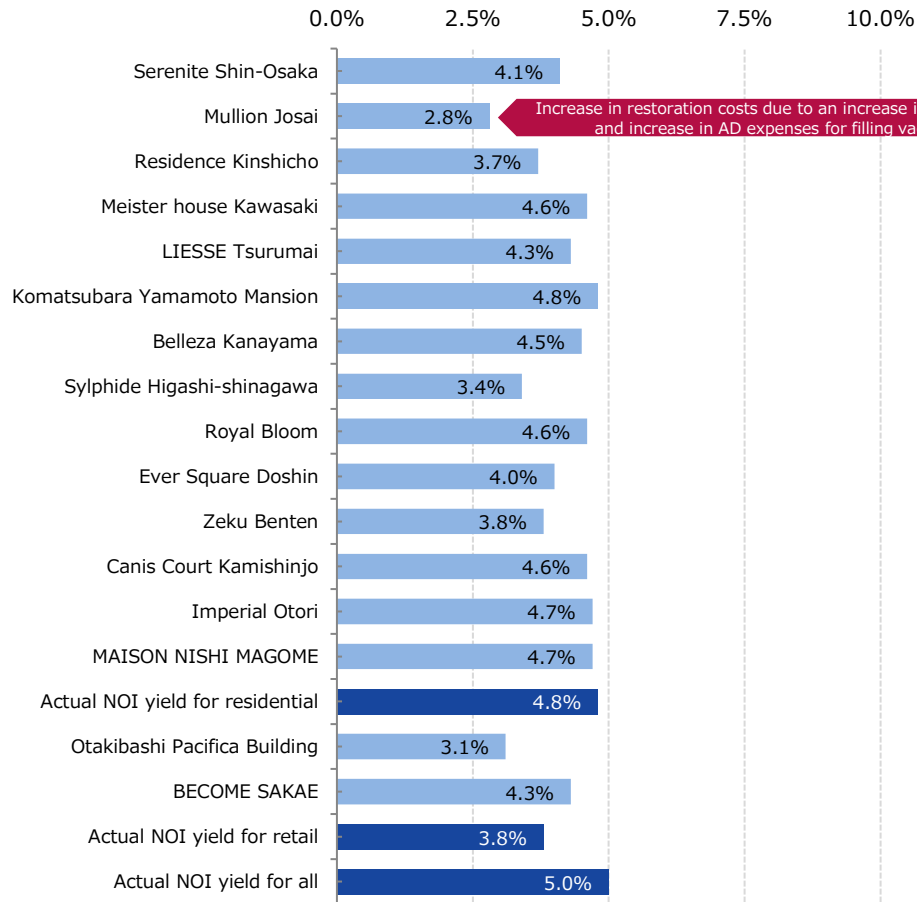
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Property NOI Yield (4/4)

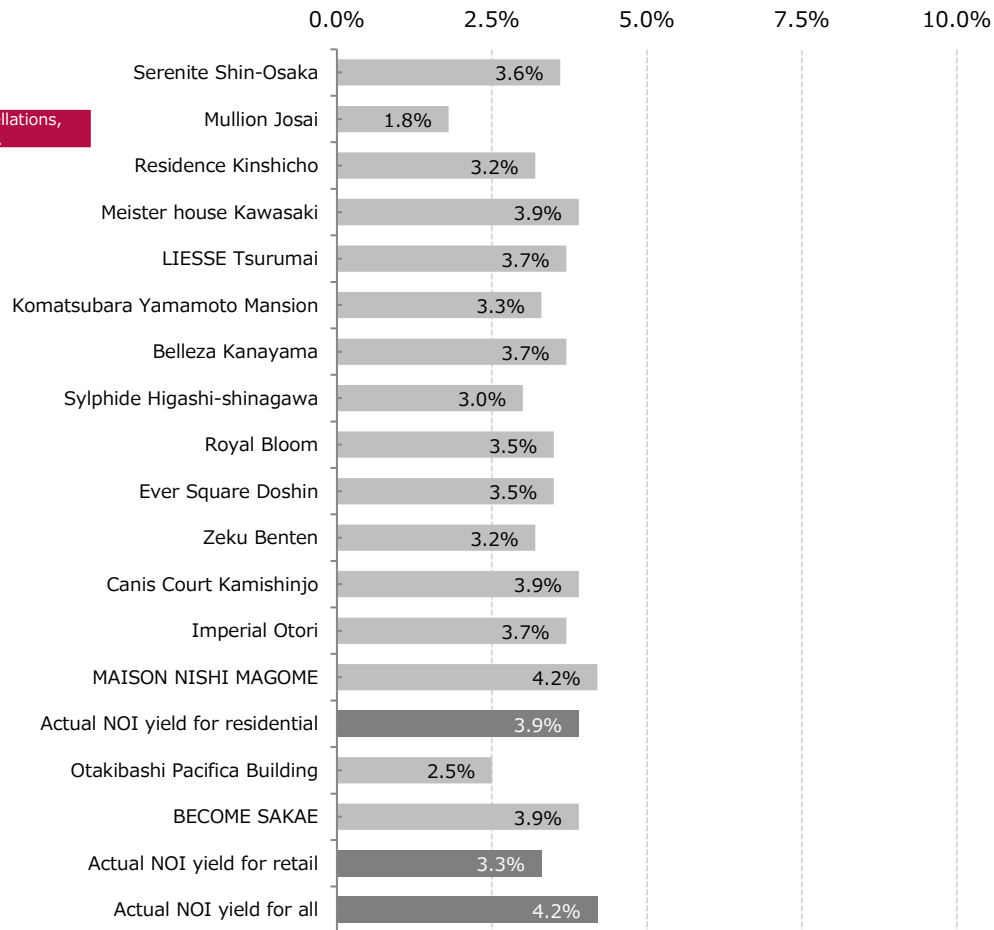
■ Actual NOI Yield

(Annualized NOI ÷ book value as of the end of the 22nd Period)



■ Actual NOI Yield (after depreciation)

(Annualized NOI after depreciation ÷ book value as of the end of the 22nd Period)



Appraisal Value Summary

◆Appraisal valuation by sector

	21 st Period (Dec. 2022)			22 nd Period (Jun. 2023)		
	Number of Properties	Appraisal Value (¥ mm)	Unrealized gains (¥ mm)	Number of Properties	Appraisal Value (¥ mm)	Unrealized gains (¥ mm)
Office	62	232,860	48,431	61	230,700	48,150
Residential	42	78,319	14,963	42	77,701	14,984
Retail	2	8,270	223	2	8,350	323
Total	106	319,449	63,617	105	316,751	63,458

◆Period-to-period analysis⁽¹⁾

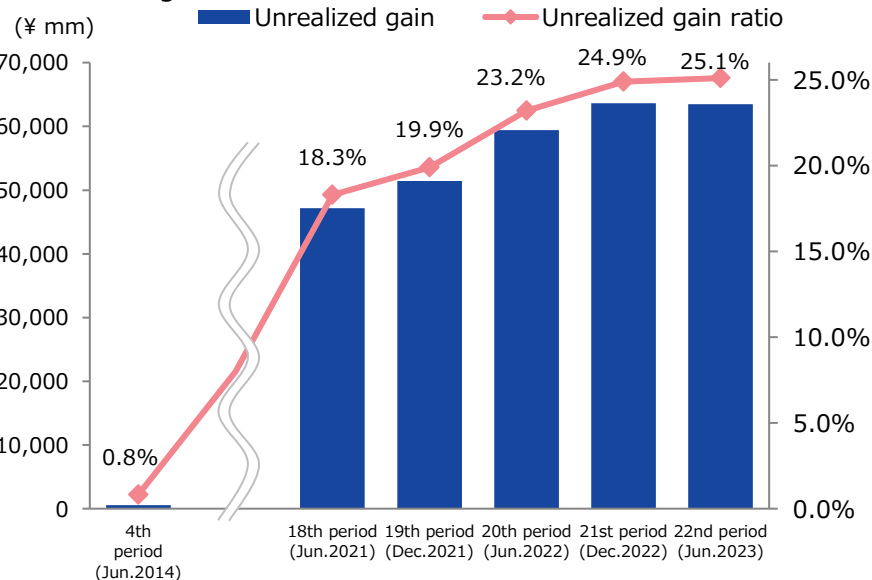
(Number of Properties)

Appraisal CAP	21 st Period (Dec. 2022)	22 nd Period (Jun. 2022)
Decrease	53	23
Flat	53	80
Increase	0	2

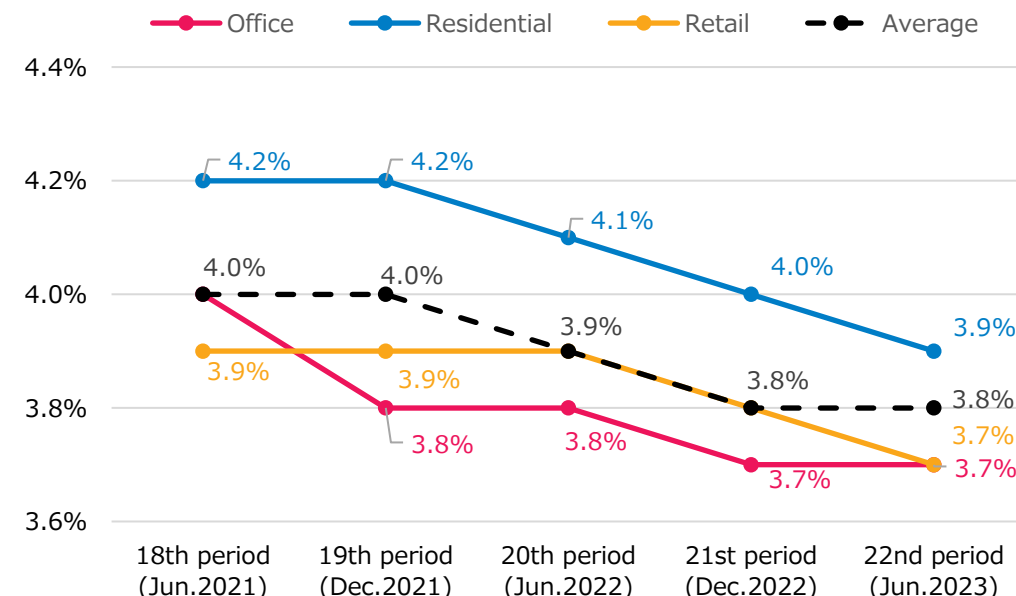
Appraisal Value	21 st Period (Dec. 2022)	22 nd Period (Jun. 2022)
Increase	68	34
Flat	28	27
Decrease	10	44

*"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 22 nd Period (a) (¥ mm)	Unrealized Gains End of 22 nd Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield (¹)	Major Appraisal Value Changing Factor (²) (Compared to 20 th Period)		
					End of 21 st Period (¥ mm)	End of 22 nd Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 22 nd Period						
Office														
A-1	FORECAST Nishishinjuku	2,260	2,058	1,251	3,350	3,310	▲ 40	3.6%	3.2%	3.8%	5.5%			○
A-2	Nihombashi Playa Building	2,130	1,927	592	2,600	2,520	▲ 80	4.2%	4.0%	4.3%	5.3%			○
A-3	FORECAST Yotsuya	1,430	1,384	675	2,100	2,060	▲ 40	3.6%	3.4%	3.7%	5.4%			○
A-4	FORECAST Shinjuku AVENUE	6,500	6,026	2,503	8,640	8,530	▲ 110	3.2%	3.0%	3.3%	4.4%			○
A-5	FORECAST Ichigaya	4,800	4,276	2,523	6,860	6,800	▲ 60	3.3%	3.1%	3.4%	4.9%			○
A-6	FORECAST Mita	1,800	1,685	844	2,540	2,530	▲ 10	3.5%	3.3%	3.6%	5.1%			○
A-7	FORECAST Shinjuku SOUTH	13,990	14,501	3,898	18,800	18,400	▲ 400	3.3%	3.0%	3.5%	4.5%			○
A-8	FORECAST Sakurabashi	5,760	5,945	1,104	7,060	7,050	▲ 10	3.9%	3.7%	4.0%	5.1%			○
A-9	GreenOak Kayabacho	2,860	2,955	724	3,700	3,680	▲ 20	3.6%	3.4%	3.7%	4.9%			○
A-10	GreenOak Kudan	2,780	2,915	814	3,760	3,730	▲ 30	3.5%	3.3%	3.6%	5.0%			○
A-11	GreenOak Takanawadai	2,260	2,089	900	2,980	2,990	10	3.8%	3.6%	3.9%	5.2%		○	
A-14	Central Daikanyama	3,510	3,674	105	3,900	3,780	▲ 120	3.4%	3.2%	3.5%	3.8%			○
A-16	Hiroo Reeplex B's	2,827	2,844	715	3,610	3,560	▲ 50	3.6%	3.4%	3.7%	4.6%			○
A-17	Shibakoen Sanchome Building	7,396	7,304	2,795	10,100	10,100	0	3.5%	3.3%	3.7%	4.9%			
A-19	Kudankita 325 Building	1,850	1,971	438	2,400	2,410	10	3.4%	3.2%	3.5%	4.6%		○	
A-21	Itohpia Iwamotocho 2-chome Building	2,810	2,856	733	3,590	3,590	0	3.8%	3.6%	3.9%	5.0%			
A-22	Itohpia Iwamotocho 1-chome Building	2,640	2,718	521	3,240	3,240	0	3.8%	3.6%	3.9%	4.9%			
A-23	Itohpia Iwamotocho ANNEX Building	2,100	2,191	608	2,800	2,800	0	3.8%	3.6%	3.9%	5.2%			
A-24	Pigeon Building	2,837	2,909	230	3,160	3,140	▲ 20	4.0%	3.8%	4.1%	4.8%			○
A-25	FORECAST Ningyocho	2,070	2,170	109	2,290	2,280	▲ 10	3.7%	3.5%	3.8%	4.3%			○
A-26	FORECAST Ningyocho PLACE	1,650	1,685	474	2,180	2,160	▲ 20	3.8%	3.6%	3.9%	5.2%			○
A-27	FORECAST Shin-Tokiwabashi	2,030	2,107	332	2,440	2,440	0	3.8%	3.6%	3.9%	4.7%			
A-28	Nishi-Shinjuku Sanko Building	2,207	2,307	512	2,820	2,820	0	3.8%	3.6%	3.9%	5.1%			
A-29	Iidabashi Reeplex B's	1,249	1,270	369	1,640	1,640	0	3.4%	3.2%	3.5%	4.6%			
A-30	FORECAST Shinagawa	2,300	2,398	-58	2,380	2,340	▲ 40	3.7%	3.5%	3.8%	4.0%			○
A-31	Nishi-Gotanda 8-chome Building	2,210	2,250	459	2,750	2,710	▲ 40	3.8%	3.6%	3.9%	4.9%			○
A-32	Towa Higashi-Gotanda Building	2,033	2,052	477	2,570	2,530	▲ 40	3.7%	3.5%	3.8%	5.0%			○

Portfolio Appraisal Value (2/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 22 nd Period (a) (¥ mm)	Unrealized Gains End of 22 nd Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield (¹)	Major Appraisal Value Changing Factor (²) (Compared to 20 th Period)		
					End of 21 st Period (¥ mm)	End of 22 nd Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 22 nd Period						
A-33	FORECAST Takadanobaba	5,550	5,790	969	6,730	6,760	30	4.0%	3.8%	4.1%	5.0%		○	
A-39	Itohpia Kiyosubashidori Building	1,550	1,669	490	2,140	2,160	20	4.1%	3.9%	4.3%	6.1%		○	
A-41	I-S Minamimorimachi Building	2,258	2,316	693	2,950	3,010	60	4.0%	3.8%	4.1%	5.6%	○		
A-44	MK Kojimachi Building	1,781	1,995	124	2,110	2,120	10	3.2%	3.0%	3.3%	4.0%		○	
A-45	Toranomon Sakura Building	4,120	4,290	269	4,800	4,560	▲ 240	3.1%	2.9%	3.2%	3.6%			○
A-46	La Verite AKASAKA	2,000	2,117	512	2,630	2,630	0	3.3%	3.1%	3.4%	4.5%			
A-47	Kanda Ocean Building	1,440	1,464	465	1,930	1,930	0	3.6%	3.4%	3.7%	5.2%			
A-48	Shinto GINZA EAST	1,352	1,343	106	1,470	1,450	▲ 20	3.5%	3.3%	3.6%	4.0%			○
A-49	FORECAST Kayabacho	3,000	3,177	252	3,420	3,430	10	3.8%	3.6%	3.9%	4.6%		○	
A-50	FORECAST Waseda FIRST	4,775	4,760	489	5,250	5,250	0	3.6%	3.4%	3.7%	4.2%			
A-51	FORECAST Gotanda WEST	6,520	7,427	912	8,330	8,340	10	3.8%	3.6%	4.0%	5.1%		○	
A-52	Omiya Center Building	15,585	15,288	9,411	23,600	24,700	1,100	3.7%	3.5%	3.8%	6.0%	○		
A-53	Sumitomo Mitsui Bank Koraibashi Building	2,850	2,908	821	3,680	3,730	50	3.9%	3.7%	4.1%	5.4%	○		
A-54	NORE Fushimi	2,840	2,595	1,854	4,450	4,450	0	3.8%	3.6%	3.9%	6.1%			
A-55	NORE Meieki	2,520	2,305	1,864	4,170	4,170	0	3.9%	3.7%	4.0%	6.7%			
A-56	Homat Horizon Building	6,705	6,641	1,768	8,290	8,410	120	3.3%	3.1%	3.4%	4.3%		○	
A-57	Sannomiya First Building	1,390	1,434	175	1,590	1,610	20	4.6%	4.4%	4.7%	6.2%	○		
A-58	Towa Kandanishikicho Building	960	982	37	1,070	1,020	▲ 50	4.1%	3.3%	4.2%	4.6%			○
A-59	Yusen Higashi-Nihombashi Ekimae Building	1,152	1,211	188	1,360	1,400	40	3.9%	3.7%	4.0%	5.0%		○	
A-60	Hiroo ON Building	2,392	2,408	421	2,880	2,830	▲ 50	3.7%	3.5%	3.8%	4.7%			○
A-61	TK Gotanda Building	4,130	4,405	-85	4,480	4,320	▲ 160	3.5%	3.3%	3.6%	3.8%			○
A-62	Gotanda Sakura Building	1,460	1,505	134	1,720	1,640	▲ 80	4.0%	3.4%	4.1%	4.7%			○
A-64	Alte Building Higobashi	1,453	1,482	567	1,820	2,050	230	4.3%	4.1%	4.5%	7.3%		○	
A-65	DIA Building Meieki	1,167	1,176	93	1,290	1,270	▲ 20	4.4%	4.2%	4.6%	5.6%			○
A-66	TENSHO OCHANOMIZU BUILDING	1,800	1,837	72	1,920	1,910	▲ 10	3.5%	3.3%	3.6%	3.8%			○
A-67	FORECAST Kameido	2,580	2,593	326	2,920	2,920	0	4.0%	3.8%	4.1%	4.6%			
A-68	NRT Kandasudacho Building	1,311	1,393	16	1,410	1,410	0	3.4%	3.2%	3.5%	3.8%			
A-69	REID-C Megurofudomae	1,220	1,234	35	1,310	1,270	▲ 40	4.1%	3.9%	4.2%	4.4%		○	
A-70	The Square	1,080	1,141	8	1,160	1,150	▲ 10	4.4%	4.2%	4.6%	5.1%			○

Portfolio Appraisal Value (3/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 22 nd Period (a) (¥ mm)	Unrealized Gains End of 22 nd Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield (¹)	Major Appraisal Value Changing Factor (²) (Compared to 20 th Period)		
					End of 21 st Period (¥ mm)	End of 22 nd Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 22 nd Period						
A-71	Tsukiji Front	825	844	195	1,030	1,040	10	3.8%	3.5%	3.8%	4.9%		○	
A-72	Hatchobori River Gate	835	841	198	1,040	1,040	0	3.6%	3.4%	3.7%	4.6%			
A-73	TENSHO OFFICE SHINBASHI 5	1,200	1,203	66	1,280	1,270	▲ 10	3.5%	3.3%	3.6%	3.8%			○
A-74	REID-C Iidabashi Building	1,195	1,224	15	1,260	1,240	▲ 20	3.5%	3.3%	3.6%	3.8%			○
A-75	REID-C Gotenyama Building	1,040	1,058	11	1,070	1,070	0	3.8%	3.5%	3.8%	4.3%			
	Subtotal office properties	180,330	182,549	48,150	230,820	230,700	▲ 120				4.9%			
Residential														
B-01	Tower Court Kitashinagawa	11,880	10,401	7,798	18,100	18,200	100	3.4%	3.2%	3.5%	5.4%		○	
B-02	Sky Hills N11	1,570	1,552	417	2,040	1,970	▲ 70	4.6%	4.4%	4.7%	6.5%			○
B-04	my atria Sakae	1,110	931	348	1,420	1,280	▲ 140	4.1%	3.9%	4.2%	5.0%			○
B-05	Mac Village Heian	785	677	318	1,060	996	▲ 64	4.2%	4.0%	4.3%	5.8%			○
B-06	Seam Dwell Tsutsui	695	633	226	858	860	2	3.9%	3.7%	4.0%	5.1%		○	
B-07	Ciel Yakuin	640	594	205	829	800	▲ 29	3.8%	3.6%	3.9%	5.2%			○
B-08	Kanda Reeplex R's	1,813	1,727	672	2,400	2,400	0	3.4%	3.1%	3.5%	4.7%			
B-09	Splendid Namba	3,502	3,092	987	4,060	4,080	20	4.2%	4.0%	4.4%	5.1%		○	
B-10	Residential Hiroo	2,590	2,594	395	2,950	2,990	40	3.3%	3.1%	3.5%	4.0%		○	
B-11	Residential Nihombashi Hakozaeki	1,300	1,409	390	1,830	1,800	▲ 30	3.7%	3.2%	3.5%	5.3%			○
B-12	Primegate Iidabashi	5,200	5,228	1,141	6,480	6,370	▲ 110	3.3%	3.0%	3.4%	4.3%			○
B-13	Residential Edogawabashi	1,230	1,236	83	1,320	1,320	0	3.9%	3.7%	4.1%	4.4%			
B-14	Merveille Senzoku	740	748	18	777	767	▲ 10	3.9%	3.7%	4.1%	4.3%			○
B-15	Field Avenue	3,110	3,105	404	3,570	3,510	▲ 60	3.4%	3.2%	3.5%	4.0%			○
B-16	Domeal kitaakabane	785	792	78	905	871	▲ 34	3.8%	3.6%	3.9%	4.5%			○
B-17	Dormy kitaakabane	986	986	113	1,140	1,100	▲ 40	3.9%	3.7%	4.0%	4.6%			○
B-18	Splendid Shin-Osaka Ⅲ	2,428	2,288	551	2,780	2,840	60	4.0%	3.8%	4.2%	4.9%	○		
B-19	ZEPHYROS Minami-horie	1,608	1,598	231	1,820	1,830	10	3.9%	3.7%	4.1%	4.8%	○		
B-20	Charmant Fuji Osakajominami	905	896	63	960	960	0	3.9%	3.7%	4.1%	4.4%	○		
B-21	Piacere Fuminosato	571	558	49	617	608	▲ 9	4.2%	4.0%	4.4%	5.0%			○
B-22	Wald Park Minamioi	715	749	0	736	749	13	3.6%	3.4%	3.8%	4.0%	○		
B-23	LAPUTA KUJO	1,480	1,642	-41	1,560	1,601	41	4.0%	3.8%	4.2%	4.7%	○		

Portfolio Appraisal Value (4/4)

No	Property Name	Acquisition Price (¥ mm)	Book Value End of 22 nd Period (a) (¥ mm)	Unrealized Gains End of 22 nd Period (b-a) (¥ mm)	Appraisal Value			Direct Capitaliza- tion	Discount Cash Flow		Appraisal NOI Yield (¹)	Major Appraisal Value Changing Factor (²) (Compared to 20 th Period)		
					End of 21 st Period (¥ mm)	End of 22 nd Period (b) (¥ mm)	Variance (¥ mm)	CAP Rate	Discount Rate	Terminal Rate		CR	Income	Expense
								End of 22 nd Period						
B-25	L'arte Nakatsu	565	600	0	600	600	0	4.0%	3.8%	4.2%	4.5%			
B-26	City hills Andoji	1,750	1,832	-2	1,830	1,830	0	3.9%	3.7%	4.1%	4.3%			
B-27	Hermitage Shin-sakae	1,150	1,205	54	1,260	1,260	0	4.1%	3.9%	4.3%	4.9%			
B-28	Sun・Meiekininami Building	950	964	85	1,060	1,050	▲ 10	4.0%	3.8%	4.2%	4.7%			○
B-29	Tenjinhigashi Residential	913	966	-8	957	958	1	4.1%	3.9%	4.3%	4.7%			○
B-30	DeLCCS KASAI	1,320	1,412	27	1,410	1,440	30	3.8%	3.6%	4.0%	4.5%	○		
B-31	Serenite Shin-Osaka	1,148	1,172	17	1,170	1,190	20	3.8%	3.6%	4.0%	4.2%	○		
B-32	Mullion Josai	729	745	-27	718	718	0	4.1%	3.9%	4.3%	4.2%			
B-33	Residential Kinshicho	700	719	27	745	747	2	3.8%	3.6%	4.0%	4.3%		○	
B-34	Meister house Kawasaki	709	733	38	748	772	24	3.7%	3.5%	3.9%	4.2%	○		
B-35	LIESSE Tsurumai	1,082	1,113	116	1,230	1,230	0	4.2%	4.0%	4.4%	5.0%			
B-36	Komatsubara Yamamoto Mansion	670	724	-28	698	696	▲ 2	5.2%	5.0%	5.4%	5.9%			○
B-37	Belleza Kanayama	702	743	28	772	772	0	4.1%	3.9%	4.3%	4.8%			
B-38	Sylphide Higashi-shinagawa	961	985	64	1,040	1,050	10	3.5%	3.3%	3.6%	4.0%		○	
B-39	Royal Bloom	1,100	1,114	155	1,260	1,270	10	3.9%	3.7%	4.0%	4.6%		○	
B-40	Ever Square Doshin	609	629	-14	616	615	▲ 1	4.1%	3.9%	4.3%	4.4%			○
B-41	Zeku Benten	506	523	14	526	538	12	4.0%	3.8%	4.2%	4.6%	○		
B-42	Canis Court Kamishinjo	1,359	1,399	-29	1,370	1,370	0	4.3%	4.1%	4.5%	4.9%			
B-43	Imperial Otori	845	867	1	867	869	2	4.0%	3.8%	4.2%	4.5%	○		
B-44	MAISON NISHI MAGOME	791	815	8	0	824	824	3.9%	3.7%	4.1%	4.4%			
	Subtotal residential properties	64,203	62,716	14,984	77,089	77,701	612				4.7%			
Retail														
C-01	Otakibashi Pacifica Building	3,350	3,336	123	3,410	3,460	50	3.5%	3.3%	3.6%	3.7%	○		
C-03	BECOME SAKAE	4,770	4,690	199	4,860	4,890	30	3.9%	3.7%	4.1%	4.1%	○		
	Subtotal retail properties	8,120	8,026	323	8,270	8,350	80				3.9%			
	Total	252,654	253,292	63,458	316,179	316,751	572				4.8%			

Portfolio Summary (as of the end of the 22nd 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	15	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	13	100.0%	3.6%
A-4	FORECAST Shinjuku AVENUE	Shinjuku Ward, Tokyo	Sep. 2008	6,500	2.6%	4,337.15	7	100.0%	2.1%
A-5	FORECAST Ichigaya	Shinjuku Ward, Tokyo	Aug. 2009	4,800	1.9%	3,844.66	23	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	2.3%	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	7	100.0%	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	8	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	6	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	0.7%	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%	2,999.72	7	87.9%	3.9%
A-32	Towa Higashi-Gotanda Building	Shinagawa Ward, Tokyo	Sep. 1985	2,033	0.8%	2,939.16	6	82.1%	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 22nd 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	10	90.8%	8.2%
A-46	La Verite AKASAKA	Minato Ward, Tokyo	Dec. 1986	2,000	0.8%	1,719.75	7	100.0%	4.5%
A-47	Kanda Ocean Building	Chiyoda Ward, Tokyo	Jan. 1990	1,440	0.6%	1,484.53	23	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	15	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	2.6%	8,967.07	11	100.0%	2.3%
A-52	Omiya Center Building	Saitama, Saitama	Mar. 1993	15,585	6.2%	14,524.63	30	100.0%	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	2.7%	6,077.01	9	100.0%	7.2%
A-57	Sannomiya First Building	Kobe, Hyogo	Nov. 1993	1,390	0.6%	3,633.16	24	100.0%	5.4%
A-58	Towa Kandnishikicho Building	Chiyoda ward, Tokyo	Aug. 1992	960	0.4%	1,324.07	6	100.0%	5.6%
A-59	Yusen Higashi-Nihombashi Ekimae Building	Chuo ward, Tokyo	Feb. 2001	1,152	0.5%	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	4	87.6%	3.1%
A-61	TK Gotanda Building	Shinagawa ward, Tokyo	Jun 1989	4,130	1.6%	3,716.38	8	100.0%	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	11	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	5	100.0%	3.5%
A-70	The Square	Nagoya, Aichi	Jun. 2003	1,080	0.4%	1,520.69	17	94.9%	3.5%
A-71	Tsukiji Front	Chuo Ward, Tokyo	Aug. 1991	825	0.3%	687.97	7	88.0%	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	8	100.0%	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	71.4%	192,906.79	576	98.7%	

Portfolio Summary (as of the end of the 22nd Period) (3/4)

No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Investment Ratio	Total Leasable Area (㎡)	Number of Tenants	Occupancy Rate	PML
Residential									
B-1	Tower Court Kitashinagawa	Shinagawa Ward, Tokyo	Feb. 2009	11,880	4.7%	16,913.29	274	98.5%	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-6	Seam Dwell Tsutsui	Nagoya, Aichi	Feb. 2007	695	0.3%	1,800.00	51	85.0%	5.0%
B-7	Ciel Yakuin	Fukuoka, Fukuoka	Mar. 2005	640	0.3%	1,544.87	41	97.7%	5.4%
B-8	Kanda Reeplex R's	Chiyoda Ward, Tokyo	Jan. 2006	1,813	0.7%	2,180.93	40	97.9%	4.4%
B-9	Splendid Namba	Osaka, Osaka	Jan. 2015	3,502	1.4%	6,212.36	239	95.1%	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	2.1%	6,044.17	67	97.5%	2.8%
B-13	Residential Edogawabashi	Shinjuku ward, Tokyo	Mar. 2000	1,230	0.5%	1,246.42	34	92.7%	3.5%
B-14	Merveille Senzoku	Ota ward, Tokyo	Sep. 2002	740	0.3%	834.72	27	96.3%	5.3%
B-15	Field Avenue	Ota ward, Tokyo	①Aug. 2000 ②Jul. 2016	3,110	1.2%	3,092.63	56	98.1%	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	1.0%	4,299.12	148	95.8%	6.0%
B-19	ZEPHYROS Minami-horie	Osaka, Osaka	Mar. 2002	1,608	0.6%	2,826.73	71	98.9%	13.3%
B-20	Charmant Fuji Osakajominami	Osaka, Osaka	Apr. 2004	905	0.4%	1,512.00	59	93.7%	9.4%
B-21	Piacere Fuminosato	Osaka, Osaka	Feb. 1999	571	0.2%	1,374.08	43	98.0%	11.9%
B-22	Wald Park Minamioi	Shinagawa Ward, Tokyo	Feb. 2005	715	0.3%	750.12	29	100.0%	3.5%
B-23	LAPUTA KUJO	Osaka,Osaka	Mar. 1998	1,480	0.6%	3,359.38	62	100.0%	11.3%
B-25	L'arte Nakatsu	Osaka,Osaka	May. 2006	1,750	0.7%	2,754.00	26	93.7%	7.6%
B-26	City hills Andoji	Osaka,Osaka	Mar. 2008	1,150	0.5%	2,638.61	65	84.7%	3.4%
B-27	Hermitage Shin-sakae	Nagoya, Aichi	Apr. 2008	950	0.4%	1,747.10	46	92.9%	5.0%
B-28	Sun・Meiekinminami Building	Nagoya, Aichi	Jan. 2014	913	0.4%	1,909.60	65	94.8%	3.7%
B-29	Tenjinhighashi Residential	Fukuoka, Fukuoka	Aug. 2005	1,320	0.5%	2,308.59	73	96.8%	5.1%
B-30	DeLCCS KASAI	Edogawa Ward, Tokyo	Jul. 1998	1,148	0.5%	1,854.02	29	97.2%	6.1%
B-31	Serenite Shin-Osaka	Osaka,Osaka	Mar. 2007	11,880	4.7%	16,913.29	66	98.5%	2.6%

Portfolio Summary (as of the end of the 22nd 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	46	94.8%	5.0%
B-33	Residential Kinshicho	Sumida ward, Tokyo	Oct. 2006	700	0.3%	813.51	24	92.4%	6.9%
B-34	Meister house Kawasaki	Kawasaki, Kanagawa	Feb. 2004	709	0.3%	891.60	34	97.3%	6.3%
B-35	LIESSE Tsurumai	Nagoya, Aichi	Mar. 2006	1,082	0.4%	2,192.91	83	95.5%	①4.5% ②4.4%(1)
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%	1,261.05	47	96.2%	7.1%
B-38	Sylphide Higashi-shinagawa	Shinagawa Ward, Tokyo	Jun. 2003	961	0.4%	1,174.19	43	100.0%	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	32	94.0%	14.2%
B-42	Canis Court Kamishinjo	Osaka, Osaka	Feb. 2002	1,359	0.5%	2,804.02	57	100.0%	5.6%
B-43	Imperial Otori	Sakai, Osaka	Oct. 2007	845	0.3%	2,363.88	29	96.9%	14.7%
B-44	MAISON NISHI MAGOME	Ota ward, Tokyo	Oct. 2007	791	0.3%	928.71	38	97.6%	8.7%
	Subtotal residential properties			64,203	25.4%	109,434.53	2,273	97.1%	
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	11	100.0%	2.7%
	Subtotal retail properties			8,120	3.2%	5,998.97	21	100.0%	
	Total			252,654	100.0%	308,340.29	2,870	98.2%	3.2%

Notes

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

P7	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 22 nd Period. The same applies hereafter.
	2	"The 6th asset replacement" refers to a series of transactions involving the 2 properties transferred in the 22 nd Period (ANTEX24 Building, Imazaki Mansion N1) and the 1 properties acquired (MAISON NISHI MAGOME), and 6 property transferred in the 23 rd Period (Muse Ryogoku II, Minami-horie apartment Cielo, Minami-horie apartment Grande, Minami-horie apartment Rio, Plowland Horita, Nasic Nozomigaoka). The same applies hereafter.
P10		"The fifth asset replacement" refers to a series of transactions involving the four properties transferred in the 19 th Period (Toshin Higashi-Ikebukuro Building, Itabashi Honcho Building, East Side Building, and Esprit Kameido) and the eight properties acquired (REID-C Iidabashi Building, REID-C Gotenryama Building, Sylphide Higashi-shinagawa, Royal Bloom, Ever Square Doshin, Zeku Benten, Canis Court Kamishinjo, and Imperial Otori) and one property transferred in the 20 th Period (Sunworld Building). The same applies hereafter.
P12	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.
P13	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 22 nd Period / total leasable area By monthly rent: rent (including CAM) of respective tenant as of the end of the 22 nd Period / total rent
P18	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)
P19	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.
P20	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.
P21	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 Sanko Estate and 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.
P23	1	The Effect of strategic value-enhancing investment or result and forecast of NOI increase indicated on P23 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 22 nd Period. Therefore, such information does not constitute a guarantee of NIPPON REIT's future financial results.
P25	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 June 30, 2023 (REIT) announced on August 17, 2023.
P33	1	NIPPON REIT's fiscal periods have covered every six months from January 1 to Jun 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. <ul style="list-style-type: none"> 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.
P38	1	Properties acquired or sold during the period are excluded.
P39	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.
P45	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.
P46	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⁽¹⁾》

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	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">◆ Registered as a financial instruments business operator: Registration No.1632 (Kinsho) issued by the Director-General of the Kanto Finance Bureau◆ Licensed for building lots and buildings transaction business: License No.(4) 86984 issued by the Governor of Tokyo◆ 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		

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

Targeting on investing three types of assets that are deeply rooted in Japanese society

Office

50% or more

Residential

50% or less

Retail

20% or less

Timely investment under the Unswerving discipline

Investment decisions based on the acquisition environment under the basic policy of increasing unitholder value through both external and internal growth

Medium-sized office

Competitive location properties in Tokyo⁽¹⁾

Risk mitigation

(Pursuit of Diversification of properties and tenants)

Growth potential

Ratio of properties located in six central wards of Tokyo⁽²⁾

Competitive location

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

Targeting on medium-sized office properties in Tokyo

Ratio of office properties : 71.4%

Ratio of 6 central ward in Tokyo (office) : 77.4%

«Portfolio distribution by asset type»

71.4%

«Office portfolio distribution by area»

77.4%

Office

Residential

Retail

6 central Wards of Tokyo

23 wards of Tokyo

3 major metropolitan etc.

Risk Diversification

Top 5 tenants⁽³⁾ : 8.3%

Top 5 properties : 20.4%

«Tenant/Portfolio diversification (by leased area)»

20.4%

8.3%

Top 5 tenants

Top 5 properties

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 22nd Period / total leasable area.

Asset Management Structure
to maximize Our Portfolio's Strengths

Tripart Management

- Two business departments and the engineering team work in close cooperation during all phases of asset management

Triple-checked investment criteria

: Establish stable and robust portfolio with growth potential

Mid to long-term portfolio management Strategy (Tiering Project)

: Aim for asset replacement at optimal timing

Conducted asset replacement sixth times from 2017 to 2022. Please refer to P16 and 55 for detail

Investment Management Department

Experienced professionals in real estate purchase & sale

Asset Management Department

Experienced professionals in real estate management

Engineering Management Office (EM Office)

Experienced professionals in construction and facility management

Effective engineering management

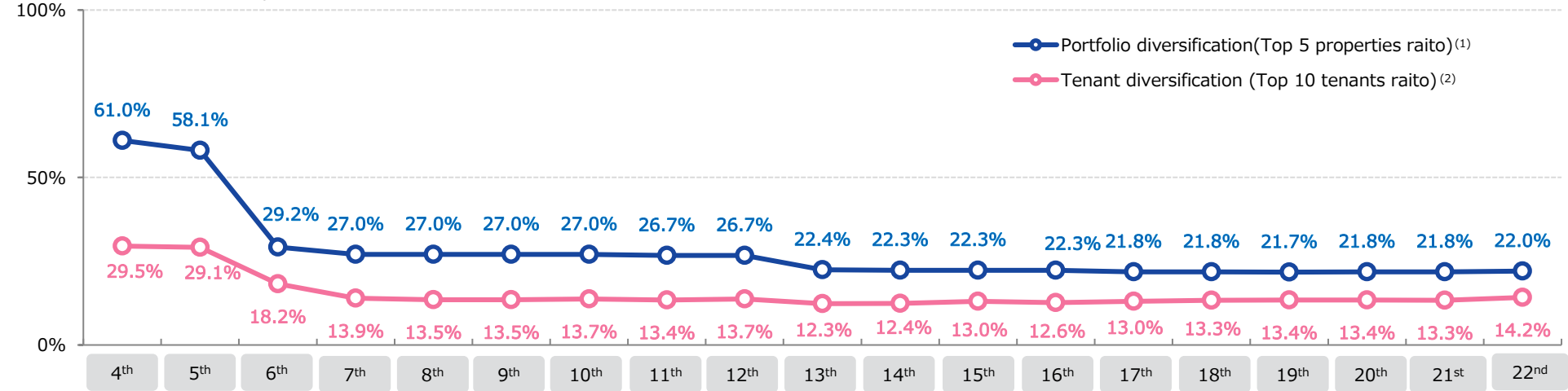
: Aim for steady internal growth

Implemented value-enhancement measures for 22nd periods. Please refer to P23 and 24 for detail

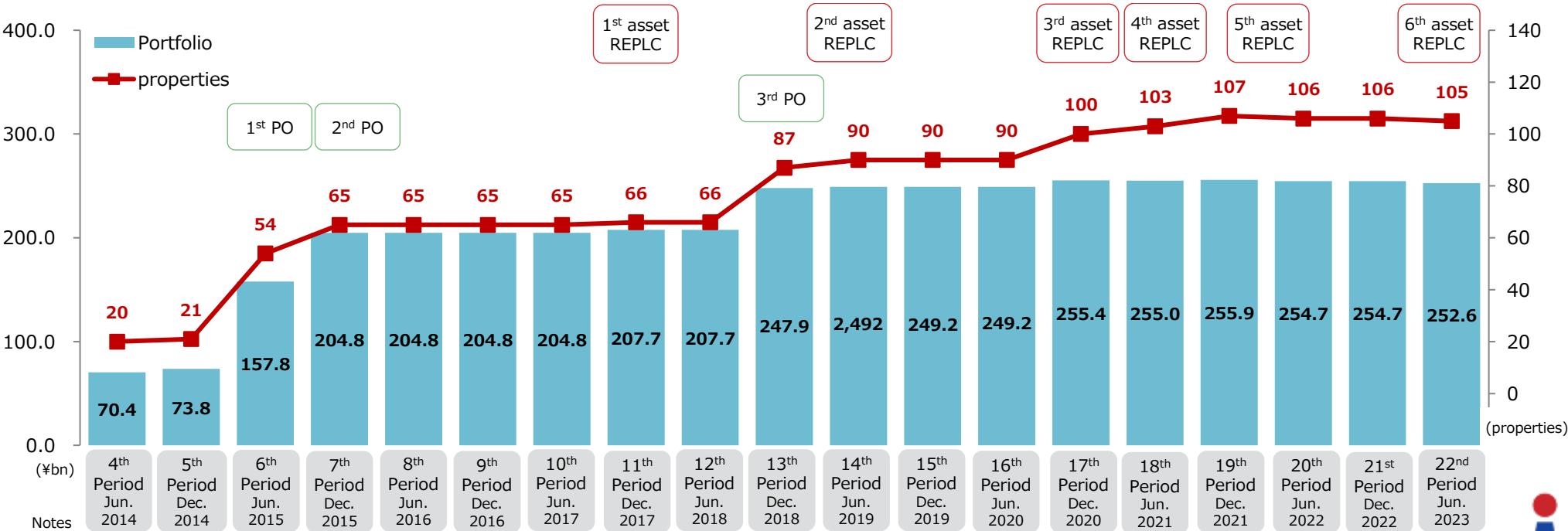
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Portfolio/Portfolio Diversification/Tenant Diversification

◆ Portfolio diversification/ Tenant diversification Transition



◆ Portfolio Transition

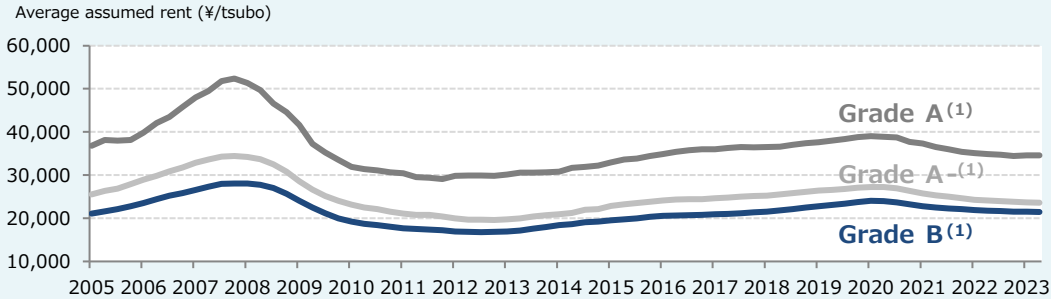


Notes
1. Based on acquisition price.
2. End tenants of office and retail properties only. Based on the leased area and number of end tenants as of respective period.

Characteristics of Medium-sized Office

1) Low Volatility

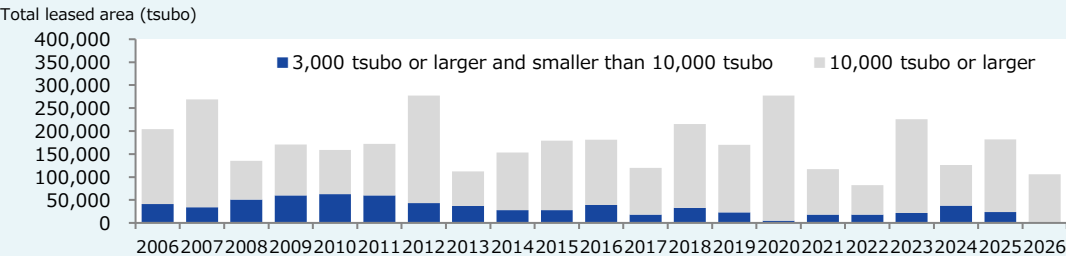
《Office Rent Trend by Building Grade in 23 Wards of Tokyo》



Source : CBRE K.K

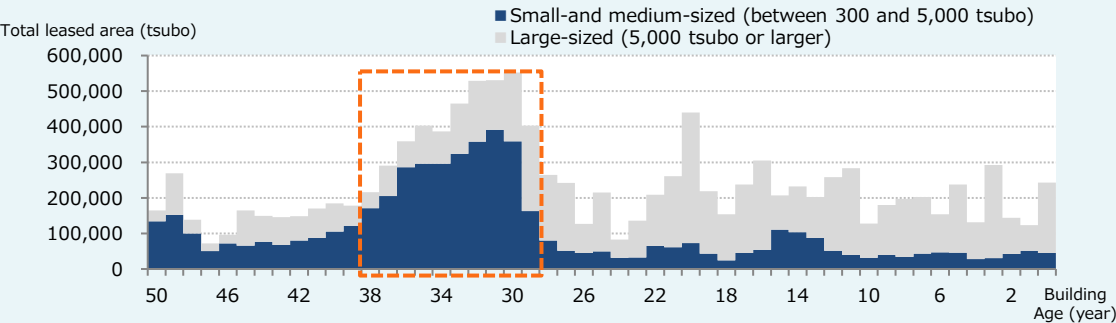
2) Limited Supply

《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

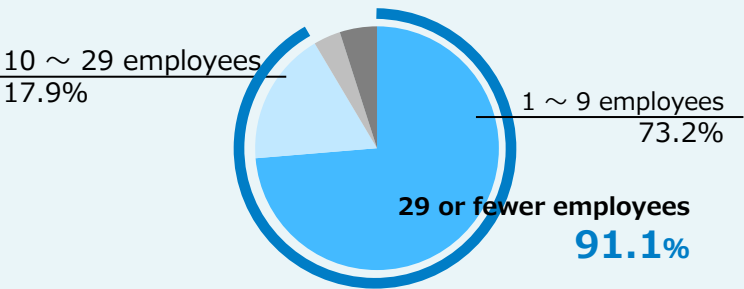
Grade B or below offices
=medium- sized office



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》

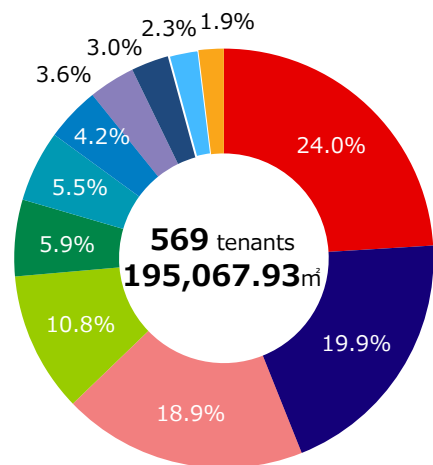


Source : prepared by Asset management company based on data provided from Statistics Bureau, MIC

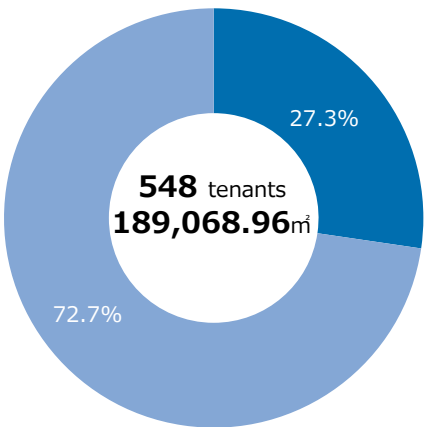
1. "Grade A" refers to the office buildings located within the areas defined by CBRE K.K. which are in 5 central wards of Tokyo, having more than 6,500 tsubo of total leasable area and 10,000 tsubo of gross floor area, less than 11years old, and if located in 5 central wards of Tokyo, more than 500 tsubo 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 22nd Period)

《By Industry⁽¹⁾》



《By Scale⁽²⁾》



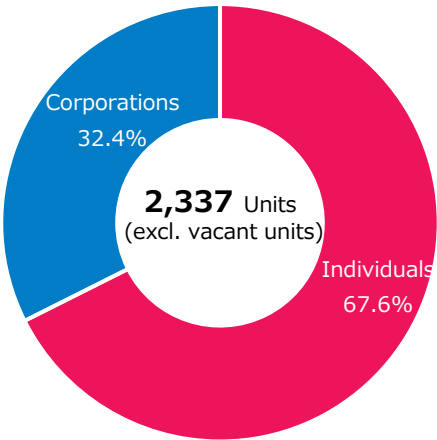
Industry	Leased area (㎡)	Number of tenants	Share
1 Info-telecommunications	46,878.30	114	24.0%
2 Services	38,845.46	136	19.9%
3 Manufacturing	36,782.86	94	18.9%
4 Wholesale·Retail	21,090.10	66	10.8%
5 Finance·Insurance	11,518.71	21	5.9%
6 Real estate	10,732.14	34	5.5%
7 Building constructor	8,183.16	27	4.2%
8 Education·Learning support	6,999.55	20	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 Other	3,792.48	10	1.9%

	Leased area (㎡)	Number of tenants	Share
1 TSE Prime Market Companies and Its Subsidiaries	51,656.15	96	27.3%
2 Other	137,412.81	452	72.7%

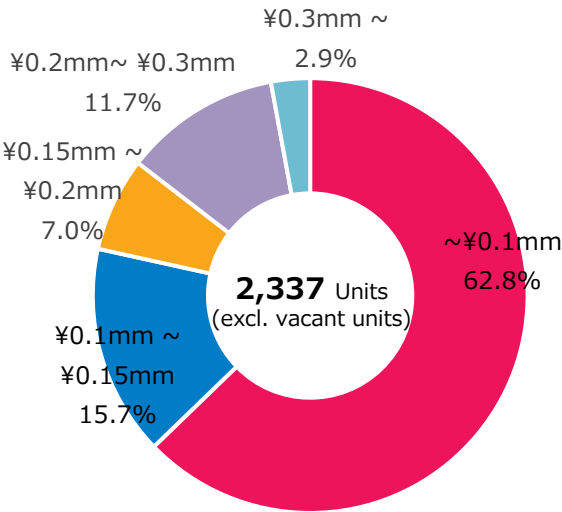
Notes
 1. Calculated for end-tenants of office (excluding Residential area) and retail properties.
 2. Calculated for end-tenants of office (excluding Residential and retail area).

Residential Tenant Data (as of the end the 22nd Period)

《Contract Category (based on number of units)》



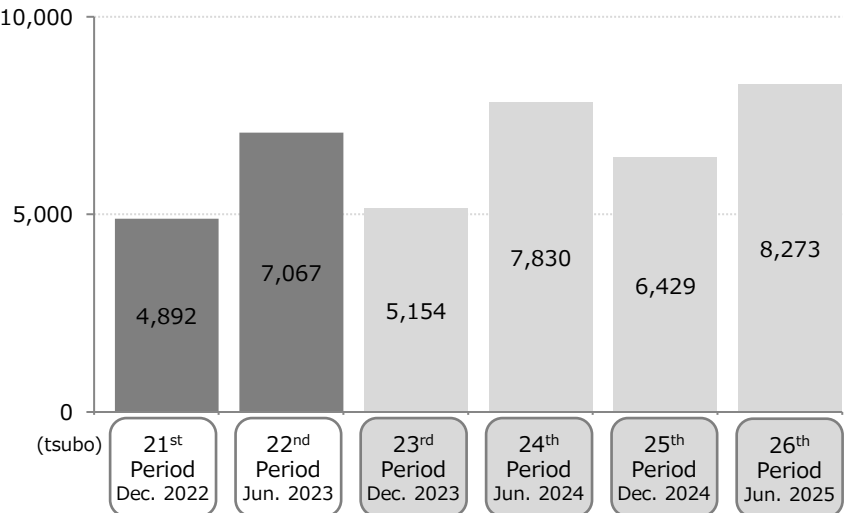
《Diversification by Monthly Rent (based on number of units)》



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

	Room Type Ratio (based on area) 22nd Period (Jun. 2023)	Occupancy Rate			
		19th Period (Dec. 2021)	20th Period (Jun. 2022)	21st Period (Dec. 2022)	22nd Period (Jun. 2023)
Single type (Single-person households, less than 40㎡)	43.5%	95.2%	96.1%	95.3%	95.4%
Compact type (Households of about two persons, 40㎡ or more)	7.8%	98.4%	95.2%	95.6%	96.9%
Family type (Family households with three or more people, 50㎡ or more)	48.7%	98.8%	98.7%	98.4%	98.3%

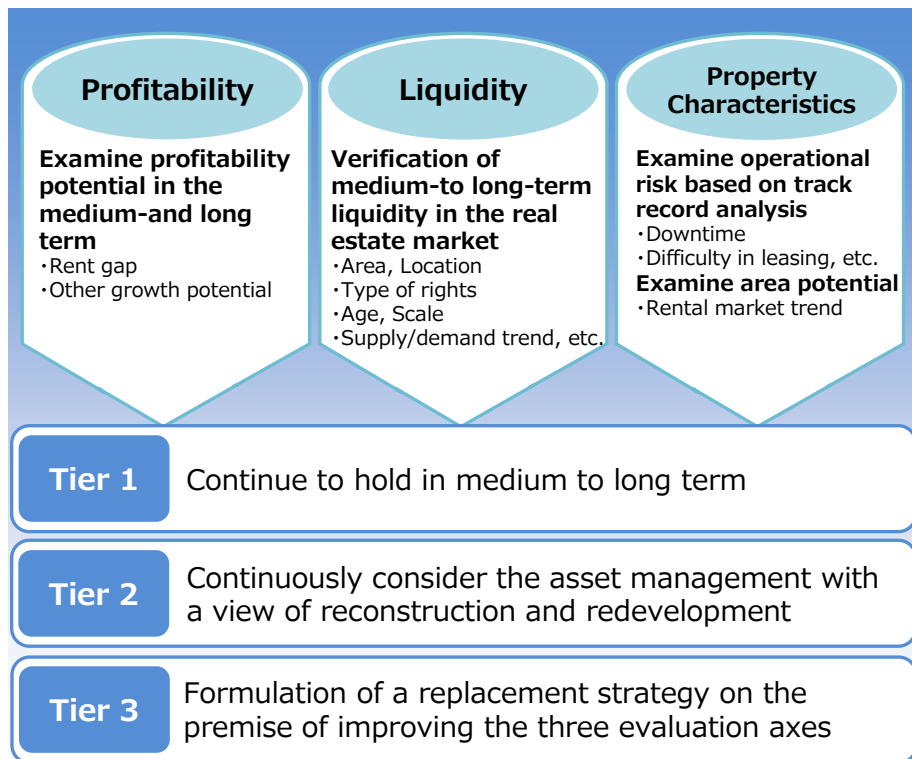
《Leasable Area Subject to Rent Renewal》



Track Records for Asset Replacement Based on Tiering Project

《Overview of the Tiering Project》

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



2 Develop 3-5 years management strategy according to the classification

- ◆ Drafting and execution of efficient CAPEX plan
- ◆ Determining the right timing for the asset replacement based on the transaction and leasing market trend

3 Execute efficient operational strategy

- ◆ Review and revise the asset classification through periodic verification

《Asset replacement Records》

1st asset replacement

11th Period (Dec. 2017)
 (Transfer) 2 properties ¥10.0bn
 (Acquisition) 3 properties ¥11.5bn
 Gain on sale ¥0.78bn
 Reduction in book value ¥0.4bn

2nd asset replacement

14th Period (Jun. 2019)
 (Transfer) 2 properties ¥7.2bn
 (Acquisition) 5 properties ¥7.7bn
 Gain on sale ¥0.49bn

3rd asset replacement

17th Period (Dec. 2020)
 (Transfer) 3 properties ¥9.3bn
 (Acquisition) 13 properties ¥13.7bn
 Gain on sale ¥1.31bn

4th asset replacement

18th Period (Jun. 2021)
 (Transfer) 3 properties ¥6.7bn
 (Acquisition) 6 properties ¥5.0bn
 Gain on sale ¥1.17bn

5th asset replacement

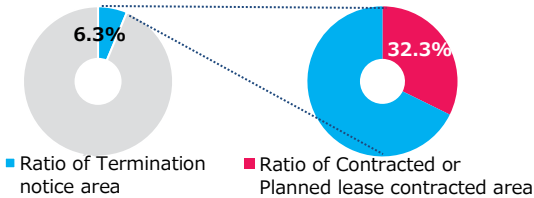
19th Period (Dec. 2021) and thereafter
 (Transfer) 5 properties ¥10.0bn (scheduled)
 (Acquisition) 8 properties ¥7.6bn
 Gain on sale ¥1.73bn

6th asset replacement

22nd Period (Jun. 2023) and thereafter
 (Transfer) 2 properties ¥3.1bn (scheduled)
 (Acquisition) 7 properties ¥5.3bn
 Gain on sale ¥13.0mm

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		198,905.76 ㎡ (60,167 tsubo)	
② : Total area of cancellation notices	12,557 ㎡ (3,798 tsubo)	③ : Area in ② where contract is closed or expected to be closed	4,050 ㎡ (1,225 tsubo)
Ratio	6.3%	Ratio	32.3%

Property Name	Occupancy Rate (Jun. 2023)	Status of Cancellation Notices		Status of Leasing Activities	Assumed Occupancy Rate ⁽¹⁾
FORECAST Ichigaya	100.0%	1 space (61 tsubo)	Cancellation notice	New lease concluded	100.0% (Aug. 2023)
I・S Minamimorimachi Building	100.0%	1 space (33 tsubo)	Cancellation notice	New lease conclusion expected	100.0% (Aug. 2023)
La Verite AKASAKA0	100.0%	1 floor (69 tsubo)	Cancellation notice	New lease concluded	100.0% (Aug. 2023)
DIA Building Meieki	100.0%	1 space (19 tsubo)	Cancellation notice	New lease concluded	100.0% (Aug. 2023)
FORECAST Gotanda WEST	100.0%	1 space (141 tsubo)	Cancellation notice	New lease concluded	100.0% (Sep. 2023)
Kudankita 325 Building	100.0%	1 floor (72 tsubo)	Cancellation notice	New lease conclusion expected	100.0% (Oct. 2023)
Towa Higashi-Gotanda Building	82.1%	1 floor (158 tsubo)	Cancellation notice	New lease concluded	100.0% (Nov. 2023)
Kanda Ocean Building	100.0%	1 space (4 tsubo) 2 spaces (17 tsubo)	Cancellation notice	Leasing activities ongoing New lease conclusion expected	98.9% (Jan. 2024)
FORECAST Kayabacho	100.0%	1 floor (73 tsubo) 1 space (16 tsubo)	Cancellation notice	New lease concluded Leasing activities ongoing	98.6% (Oct. 2023)
Sannomiya First Building	100.0%	1 space (21 tsubo)	Vacant	Leasing activities ongoing	98.1% (Jul. 2023)
Sumitomo Mitsui Bank Koraibashi Building	100.0%	1 space (42 tsubo)	Cancellation notice	Leasing activities ongoing	97.2% (Sep. 2023)
BECOME SAKAE	100.0%	1 space (70 tsubo)	Cancellation notice	Leasing activities ongoing	95.0% (Oct. 2023)
The Square	94.9%	1 space (23 tsubo)	Vacant	Leasing activities ongoing	94.9% (Jul. 2023)
FORECAST Sakurabashi	94.1%	1 space (118 tsubo)	Vacant	Leasing activities ongoing	94.1% (Jul. 2023)
Toranomon Sakura Building	90.8%	1 space (21 tsubo) 1 space (84 tsubo)	Cancellation notice Vacant	New lease conclusion expected Leasing activities ongoing	90.8% (Oct. 2023)
MK Kojimachi Building	90.6%	1 floor (50 tsubo)	Vacant	Leasing activities ongoing	90.6% (Jul. 2023)

Note
1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and Cancellation notices at the end of Jul. 2023.

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

Property name	Occupancy Rate (Jun. 2023)	Status of Cancellation notices		Status of Leasing Activities	Assumed Occupancy Rate ⁽¹⁾
Omiya Center Building	100.0%	1 floor (325 tsubo) 1 space (102 tsubo) 1 space (60 tsubo)	Cancellation notice	Leasing activities ongoing Leasing activities ongoing New lease conclusion expected	90.3% (Oct. 2023)
Nishi-Shinjuku Sanko Building	100.0%	1 floor (74 tsubo)	Cancellation notice	Leasing activities ongoing	90.0% (Feb. 2024)
FORECAST Yotsuya	100.0%	1 floor (52 tsubo) 1 floor (31 tsubo)	Cancellation notice	Leasing activities ongoing New lease conclusion expected	89.7% (Dec. 2023)
REID-C Iidabashi Building	100.0%	1 floor (27 tsubo)	Cancellation notice	Leasing activities ongoing	89.2% (Aug. 2023)
Itohpia Iwamotocho ANNEX Building	100.0%	1 floor (124 tsubo) 1 floor (124 tsubo)	Cancellation notice	New lease conclusion expected Leasing activities ongoing	86.5% (Feb. 2024)
Itohpia Iwamotocho 1-chome Building	100.0%	1 floor (130 tsubo)	Cancellation notice	Leasing activities ongoing	85.9% (Jan. 2024)
REID-C Megurofudomae	100.0%	1 floor (39 tsubo)	Vacant	Leasing activities ongoing	85.7% (Jul. 2023)
Towa Kandanishikicho Building	100.0%	1 space (60 tsubo)	Cancellation notice	Leasing activities ongoing	84.8% (Nov. 2023)
Hatchobori River Gate	100.0%	1 floor (38 tsubo)	Cancellation notice	Leasing activities ongoing	83.4% (Jan. 2024)
FORECAST Ningyocho	100.0%	1 floor (119 tsubo)	Cancellation notice	Leasing activities ongoing	82.6% (Nov. 2023)
TK Gotanda Building	100.0%	1 floor (139 tsubo) 2 floors (215 tsubo)	Cancellation notice	New lease conclusion expected Leasing activities ongoing	80.8% (Sep. 2023)
Tsukiji Front	88.0%	2 floors (34 tsubo) 1 floor (25 tsubo)	Cancellation notice Vacant	Leasing activities ongoing New lease conclusion expected	77.6% (Jan. 2024)
Shinto GINZA EAST	74.8%	2 floors (95 tsubo)	Vacant	Leasing activities ongoing	74.1% (Jul. 2023)
Nishi-Gotanda 8-chome Building	87.9%	1 floor (109 tsubo) 3 floors (268 tsubo)	Vacant Cancellation notice	New lease conclusion expected Leasing activities ongoing	70.4% (Jan. 2024)
Central Daikanyama	100.0%	2 floors (142 tsubo) 1 space (33 tsubo)	Vacant Cancellation notice	Leasing activities ongoing	69.5% (Aug. 2023)
Hiroo ON Building	87.6%	1 floor (63 tsubo) 3 floors (256 tsubo)	Cancellation notice Vacant	New lease conclusion expected Leasing activities ongoing	62.3% (Nov. 2023)





Note

1. Assumed occupancy rate refers to the occupancy rate after the realization of all tenancy applications and Cancellation notices at the end of Jul. 2023.

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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"> • Selectable • Visible Virtual Realty(VR) • Low Cost 	<ul style="list-style-type: none"> • 1 month deposit • No warranty fee • No restoration cost • No jointly and severally liable surety 	<ul style="list-style-type: none"> • Refund a half of deposit • No warranty fee • No jointly and severally liable surety 	<ul style="list-style-type: none"> • Moratorium of placing a deposit • No warranty fee
Tenants' needs	<ul style="list-style-type: none"> • To improve work environment with efficient and comfortable layout • To reduce relocation cost to invest our business as much as possible 	<ul style="list-style-type: none"> • To minimize initial cost of a security deposit at the move-in • To avoid arranging a surety jointly and severally liable for rent payment 	<ul style="list-style-type: none"> • To make effective use of deposit • To avoid arranging a surety jointly and severally liable for rent payment 	<ul style="list-style-type: none"> • To avoid double deposits • To increase flexibility of relocation and moving periods • To make effective use of cash on hand
NIPPON REIT 's benefit	<ul style="list-style-type: none"> • Profitability enhancement • Promotion of leasing activity • Improvement of tenant satisfaction 	<ul style="list-style-type: none"> • Profitability enhancement • Wider range of leasing targets • Strengthening Credit management by JCPG 	<ul style="list-style-type: none"> • Profitability enhancement • Wider range of leasing targets • Strengthening Credit management by JCPG 	<ul style="list-style-type: none"> • Decrease of down-time and free rent period • Wider range of leasing targets • Strengthening Credit management by JCPG

Sustainability Initiatives (Environment)

《GRESB Real Estate Assessment》



In the 2022 GRESB Real Estate Assessment, NIPPON REIT has received “3 Stars” in GRESB Rating and designated as a “Green Star” for the sixth 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 from 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)》

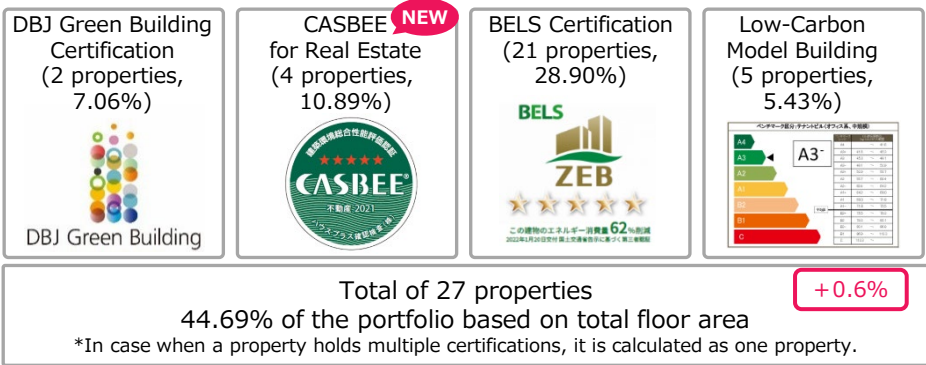


SBI REIT Advisors Co., Ltd. has declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) and its recommendations in December 2022, and has joined the TCFD Consortium in January 2023, an organization formed by domestic companies that support the TCFD recommendations.



The TCFD is an organization established by the Financial Stability Board (FSB) at the request of the G20 for the purpose of discussing how climate-related information should be disclosed and how financial institutions should respond. The TCFD released recommendations for companies to disclose their “Governance”, “Strategy”, “Risk Management” and “Metrics and Targets” for climate change-related risks and opportunities.

● Acquisition of Environmental Certifications



Sustainability Initiatives (Environment)

《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

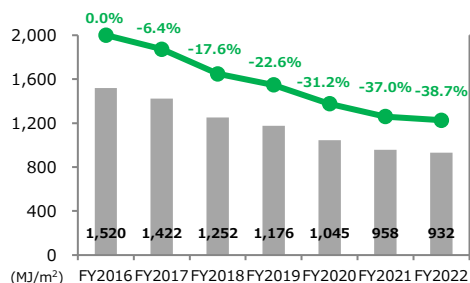
- As a general principle, every three months we carry out target management, review the progress made toward achieving its targets and analyze the causes behind changes in usage by comparing to the previous period at a general meeting called Sustainability Promotion Conference.

《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.

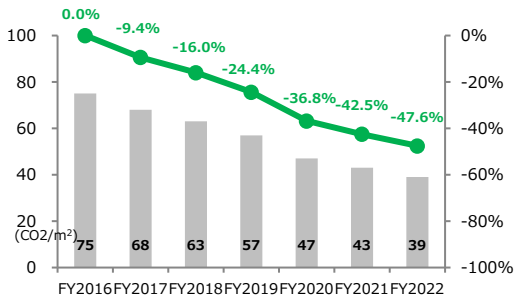
[Changes in energy use intensity]

Energy use intensity
Reduction rate compared to FY2016



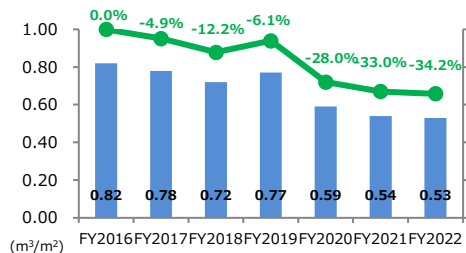
[Changes in CO2 emissions intensity]

CO2 emissions intensity
Reduction rate compared to FY2016



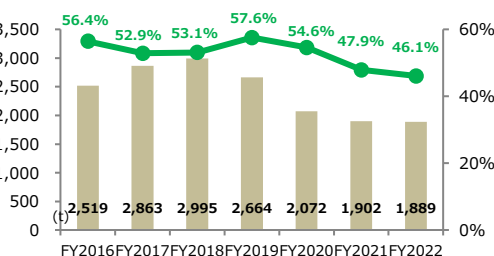
[Change in water use intensity]

Water use intensity
Reduction rate compared to FY2016



[Waste and recycling rate]

Annual waste amount
Recycling rate



《ZEB Promotion》

- "ZEB" is an abbreviation for Net Zero Energy Building, which aims to achieve a comfortable indoor environment while eliminating the annual balance of primary energy consumed in buildings.

ZEB Ready and BELS 5-Star Properties



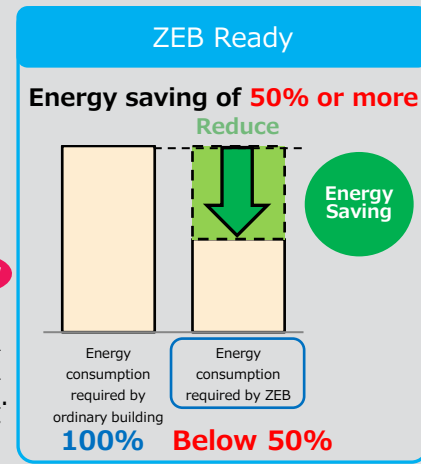
Nishi-Shinjuku
Sanko Building



La Verite
AKASAKA

NEW

- The Nishi-Shinjuku Sanko Building won the "Energy Conservation Center, Japan - Chairman's Award" in the 2022 Energy Conservation Grand Prize. It was highly evaluated for establishing a ZEB retrofit model case



《Utilize subsidies》

- Utilize governmental subsidy as well to make CAPEX plans beneficial
- Front-load applying for subsidies considering change of adoption target and fierce competition

《Acquisition of compliance for Low-Carbon Model Buildings in Tokyo》

- The Tokyo Metropolitan Government discloses small and medium-sized tenant buildings that are actively working to conserve energy classified as A1 or higher in the "Low Carbon Building Evaluation Index (Low Carbon Building Benchmark)" as small and medium-sized low carbon model buildings.
- The Homat Horizon Building was newly certified by installing total heat exchanger, water-saving equipment, adopting high-efficiency lighting fixtures, providing energy consumption data to tenants, cleaning and inspection of air-conditioning filters, and regular maintenance and inspection of other equipment.
- FORECAST Ningyocho has newly achieved conformity through measures including installation of total heat exchanger and LED lightings, taking energy consumption data and encouraging tenants to cooperate in global warming countermeasures.

Low-Carbon Model Buildings in the Portfolio



Ithopia Iwamotocho
ANNEX Building



Shinto GINZA
EAST



FORECAST
Kayabacho



Homat Horizon
Building



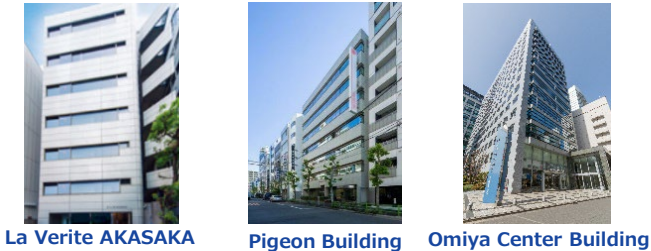
FORECAST
Ningyocho

Sustainability Initiatives (Environment/Social)

《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



《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 49 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.

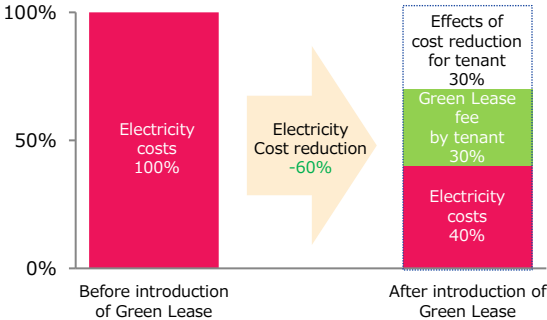


Shibakoen Sanhome Building

《Green Lease Initiatives》

- To install LED light and some ecological equipment with government subsidy, we make efforts to reduce energy.
- And, making a contract with each tenant for Green Lease, we earn part of incomes that are performed by reduction of utility costs.

Green Lease structure case



[Our properties with Green Lease]

- La Verite AKASAKA
- Itohpia Iwamotocho 1-chome Building
- FORECAST Gotanda WEST
- Pigeon Building
- FORECAST Takadanobaba
- Towa Higashi-Gotanda Building
- Itohpia Kiyosubashidori Building
- Nishi-Shinjuku Sanko 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.



《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



■ The number of qualification holders

Asset Management Company	
Real estate notary	21
ARES Certified Master	6
Official Real Estate Consulting Master	2
Certified Building Administrator	1
Securities analyst	2

As of the end of Dec. 2022 (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 ⁽¹⁾ × 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	Name: SBI REIT Advisors CO., Ltd. Investment Unit Ownership Association Membership eligibility: Employees of SRA (Excluding the director of SRA) Date of introduction: June 2019

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

《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).

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 Proper

- ◆ 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⁽¹⁾ 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 and trends in the real estate transaction or rental market, etc. (by Cushman)

Note

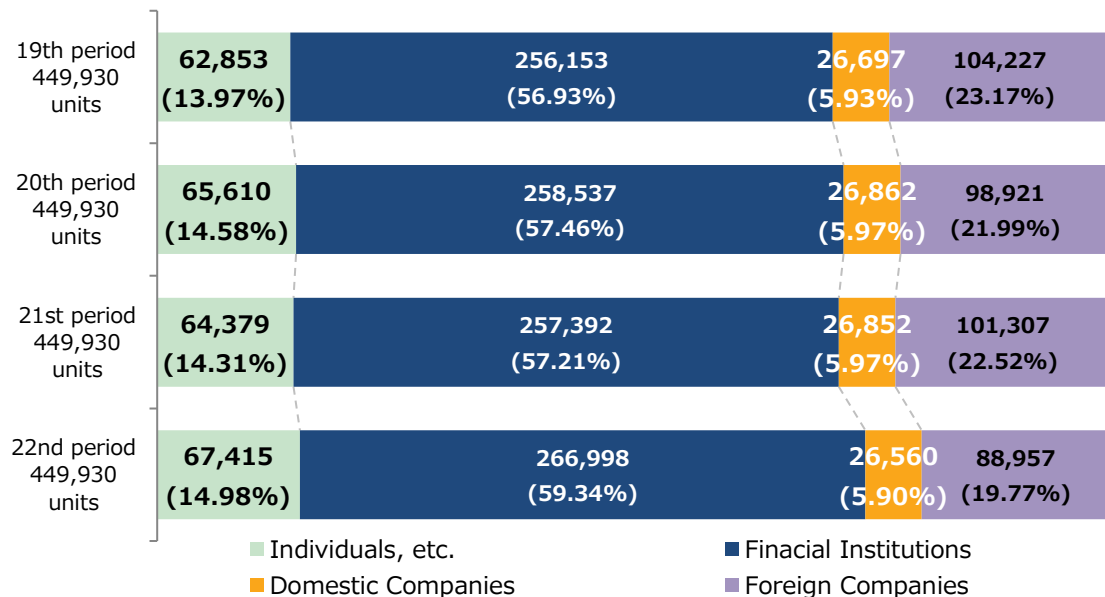
1. "Qualified real estate" refers to real estate, trust beneficiary interest in real estate, real estate-backed securities or equity interest in silent partnership backed by real estate (including real estate under development), which are consistent with the investment policy established by NIPPON REIT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

Unitholder Status

《Number of Unitholders and Investment Units by Unitholder Type》

22nd Period (Jun. 2023)				
	Number of Unitholders	Share	Number of unit	Share
Individuals, etc.	13,642	95.66%	67,415	14.98%
Financial Institutions	101	0.71%	266,998	59.34%
Domestic Companies	268	1.88%	26,560	5.90%
Foreign Companies	250	1.75%	88,957	19.77%
Total	14,261	100.00%	449,930	100.00%

《Investment Unit Ratios》



《Top 10 Major Unitholders 》

22nd Period (Jun. 2023)			
	Name	Number of unit	Share
1	Custody Bank of Japan, Ltd. (Trust Account)	113,130	25.14%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	69,287	15.40%
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	22,164	4.93%
4	SBI Holdings, Inc.	15,500	3.44%
5	STATE STREET BANK WEST CLIENT - TREATY 505234	8,246	1.83%
6	JP MORGAN CHASE BANK 385771	5,989	1.33%
7	SSBTC CLIENT OMNIBUS ACCOUNT	5,860	1.30%
8	STATE STREET BANK AND TRUST COMPANY 505103	5,090	1.13%
9	Japan Securities Finance Co., Ltd.	4,933	1.10%
10	JP MORGAN CHASE BANK 385781	4,395	0.98%
Total		254,594	56.59%

Historical Unit Price (From IPO to the end of the 22nd Period (Jun 30, 2023))



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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