

NIPPON VISION

Serious, Steady, Solid.

From January 1 to June 30, 2022

Semiannual Report for the 20th Fiscal Period

What is “NIPPON VISION”

Creating the future with our “unique perspective”
based on our “solid style of Japan quality”

Dear Unitholders,

I would like to express my sincere gratitude for your continued support of NIPPON REIT Investment Corporation (“NRT”). We would also like to extend our deepest sympathies to those who have been affected by the COVID-19 infection, their families and concerned others.

We are pleased to announce that we have completed the financial results for the fiscal period ending June 2022 (the 20th fiscal period). We would like to express our heartfelt gratitude to our unitholders for their support.

Due to the emergence of new strain, the spread of the COVID-19 is showing an increase in the number of cases, and although the impact on the global and Japanese economies continues to be significant, NRT’s net monthly rent revision results for the 20th period was an increase of ¥820,000, including contract renewals and tenant replacements for office and residential properties. The overall occupancy rate was 98.0%, of which the office occupancy rate remains high at 98.3%. We continued to create new profit opportunities and reduce costs through engineering management, and as a result of the transfer of one property (transfer price of approximately 1.4 billion yen) during the fiscal period under review, the distribution per unit for the 20th fiscal period was ¥8,825.

Although the outlook for the future is uncertain due to the COVID-19 pandemic, together with our asset management company, Sojitz REIT Advisors K.K. (the “Asset Management Company”) and each of the sponsors, we will continue to put our efforts to maintain and improve of asset value, to maximize the unitholder value. We would like to ask for your continued support and guidance.

Executive Officer
NIPPON REIT Investment Corporation



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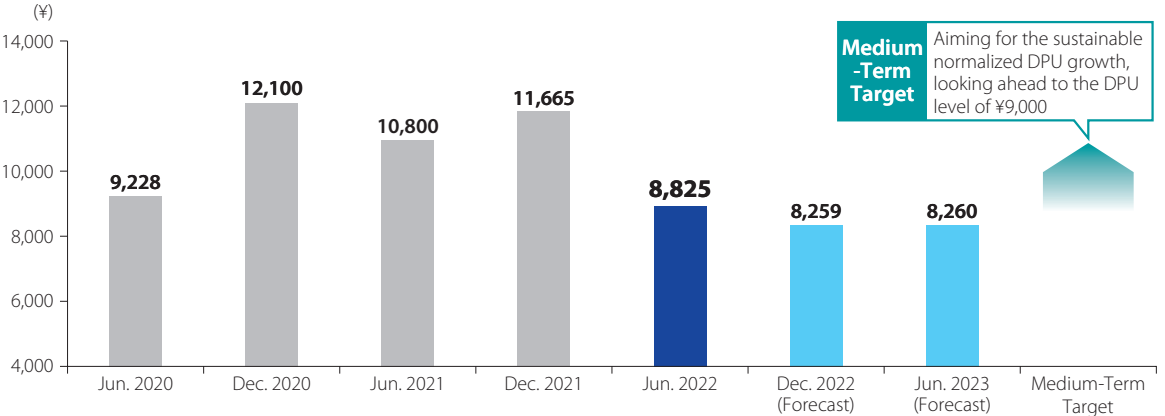
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Financial Highlights

DPU Track Record

The DPU for the 20th period resulted at ¥8,825, which was an increase of ¥239 from the forecast. We will continue to pursue asset replacement opportunities to refine portfolio quality, focusing on the realization of unrealized gains and returns.



Jun. 2022 (20th Period)

Distributions per Unit

¥8,825

Dec. 2022 (21st Period)

Distributions per Unit (Forecast)

¥8,259

Jun. 2023 (22nd Period)

Distributions per Unit (Forecast)

¥8,260

Summary of Financial Results for the 20th Period (Jun. 2022)

Operating Revenues

¥8,534 mm

Ordinary Income

¥3,971 mm

Net Income

¥3,970 mm

Total Assets

¥274,895 mm

Total Net Assets

¥130,592 mm

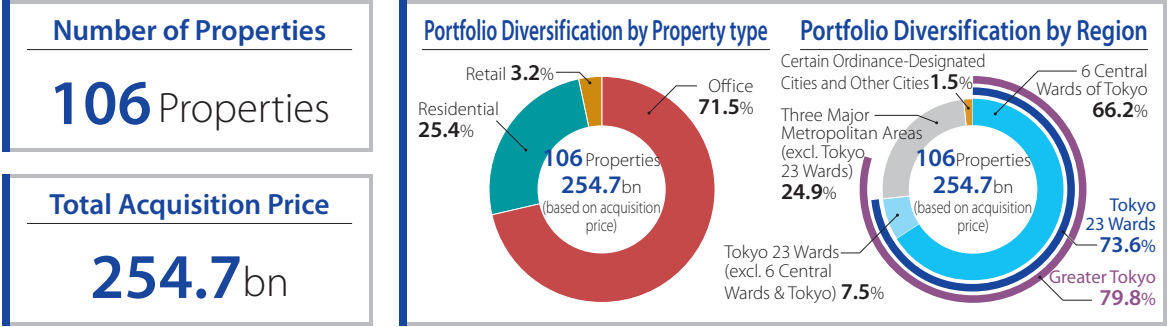
Net Assets per Unit

¥290,249

For NAV per unit and other details, please refer to page 6 of the “Investor Presentation for the 20th Period.”



Portfolio Overview



Occupancy Rate Trend

The portfolio occupancy rate for the end of the 20th period was maintained high at 98.0%. As the adverse effects of the pandemic continue, we are working to maintain and improve occupancy rate through granting of free rent period to promote leasing.

Occupancy Trend and Forecast	19th Period	20th Period	21st Period (Forecast)	22nd Period (Forecast)
Total	98.1 %	98.0 %	97.7 %	97.7 %
Office	98.6 %	98.3 %	98.3 %	98.1 %
Residential	97.3 %	97.5 %	96.8 %	96.9 %
Retail	97.7 %	100.0 %	97.5 %	100.0 %

Financial Highlights

Total Interest-Bearing Debt	132.6 bn	LTV	48.2 %
Average Remaining Borrowing Period	3.82 years	Fixed-Interest Rate Ratio	96.9 %
Long-Term Debt Ratio	100.0 %	Japan Credit Agency, Ltd. (JCR) Long-Term Issuer Rating ^(Note)	Upgraded in Jul. 2022 A+ (Stable)
Commitment Line	3.0 bn	(Note) This rating does not apply to the investment units of NRT, and with regard to the investment units, no credit ratings have been provided or submitted for inspection by credit rating agencies, nor are any credit ratings scheduled to be provided or submitted for inspection as a result of requests from NRT.	

Asset Replacement and Pipeline

Based on the result of the Tiering Project, which is an annual review of properties, we aim to stabilize and strengthen the portfolio by replacing properties that are susceptible to market fluctuations and its growth potential is likely to be diluted, with properties that have a competitive advantage.

Transfer

February 2022
Sunworld Building
1 property ¥1.4 bn

For the portfolio summary, please refer to the **Portfolio Data** page of our website.

For the property list, please refer to the **List of Properties** page of our website.

Pipeline

Bridge Fund "NRT Growth 17" (Composed in the 18th Period)

Six Properties ¥4.6bn

Bridge Fund "NRT Growth 18" (Composed in the 20th Period)

Three Properties ¥3.6bn

Sponsor Warehousing

One Property ¥0.7bn

Pipeline Total

Bridge Fund

+

Sponsor Warehousing

10 Properties ¥9.1bn

Legend:

Offices (6 Central Wards of Tokyo)

Offices (3 Major Metropolitan Areas)

Residence (6 Central Wards of Tokyo)

Residence (3 Major Metropolitan Areas)

Overview of the Tiering Project

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

Profitability

•Examine profitability potential in the medium-and long term.

Liquidity

•Verification of medium-to long-term liquidity in the real estate market.

Property Characteristics

•Examine operational risk based on track record analysis.
•Examine area potential.

Tier1

Continue to hold in medium to long term

Tier2

Continuously consider the asset management with a view of reconstruction and redevelopment

Tier3

Formulation of a replacement strategy on the premise of improving the three evaluation axes

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

Sustainability Initiatives

Sustainability Policy

Sojitz Corporation, the main sponsor of NRT, aims to balance the position as an enterprise pursuing greater business competitiveness with the social position anticipating both the development of local economy and the environmental considerations, and to maximize the shared value in business.

Based on an understanding that active implementation of ESG (Environmental, Social, Governance) perspectives will contribute to the realization of NRT's basic policy of "maximizing unitholder value, focusing on the income growth and stability," the Asset Management Company established the "Sustainability Policy," a guiding principle for ESG initiatives, and is working to put them into practice.

Environmental Certifications

Participation to the GRESB Real Estate Assessment

- ▶ Achieved "3 Stars" in GRESB rating
- ▶ Received "Green Star" designation for the 5th consecutive years
- ▶ Earned the highest "A" level for the GRESB Public Disclosure

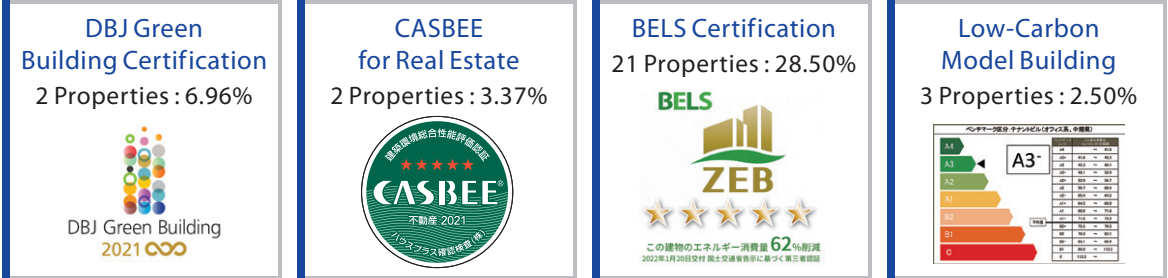


Acquisition of Environmental Certifications

- ▶ Nishi-Shinjuku Sanko Building received the highest 5-Star rating in BELS and ZEB Ready certification. La Verite AKASAKA, which has been rated in BELS as 5-Star in July 2020, newly received ZEB Ready certification.
- ▶ FORECAST Sakurabashi acquired CASBEE for Real Estate certification in June 2022



Current Status of Environmental Certifications



Total of **24 Properties**, **35.72%** of the Portfolio based on the total floor area

* In case when a property holds multiple certifications, it is calculated as one property.

Sustainability Topics

Switching to Electricity Derived From Renewable Energy

Starting from April 2022, all the electricity used at Omiya Center Building, is switched to "Green Basic Plan", supplied by TEPCO Energy Partner, Incorporated. As a result, CO₂ emissions from electricity consumption at Omiya Center Building will be reduced to virtually zero.

* About Green Basic Plan by TEPCO Energy Partner, Incorporated
Green Basic Plan is a renewable energy electricity (virtually) menu that is compatible to RE100, which combines the average of all power sources with Non-Fossil Certificate and Non-FIT-and-Non-Fossil Certificate (renewable energy category).



Omiya Center Building

Initiatives for Tenants and Local Communities

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

Installation of share cycle/ electric kickboard ports

NRT aims contribute to the tenants and the local community through installation of share cycle/electric kickboard ports, which help reduce CO₂ emission, work to revitalize the regions and tourism, work as transportation in times of disaster, help avoid the three Cs, and solve of lack of exercise.

FORECAST Waseda FIRST

Installation of food trucks

Improve tenant satisfaction and contribute to local communities by providing food trucks (mobile stores) on the premises of underlying properties, for tenants, nearby residents, and office workers.

Omiya Center Building

Broadcasting contents to promote energy conservation and prevention of infectious diseases

Broadcast contents to promote energy conservation and prevention of infectious diseases on the monitors installed in the elevator halls of underlying properties.

Energy conservation and infectious disease prevention tips.

Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

Period	16th fiscal period	17th fiscal period	18th fiscal period	19th fiscal period	20th fiscal period
	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022
Operating revenues (Yen in millions)	8,658	10,127	9,410	10,041	8,534
Of which, rental revenues and other revenues related to property leasing (Yen in millions)	(8,651)	(8,804)	(8,495)	(8,434)	(8,406)
Operating expenses (Yen in millions)	3,884	4,038	3,910	3,997	3,935
Of which, property-related expenses (Yen in millions)	(3,050)	(3,159)	(3,048)	(3,095)	(3,083)
Operating income (Yen in millions)	4,774	6,088	5,499	6,043	4,599
Ordinary income (Yen in millions)	4,151	5,444	4,859	5,390	3,971
Net income (Yen in millions)	4,151	5,443	4,858	5,335	3,970
Total assets (a) (Yen in millions)	270,060	277,192	276,120	276,577	274,895
Period-on-period changes (%)	(△0.1)	(2.6)	(△0.4)	(0.2)	(△0.6)
Net assets (b) (Yen in millions)	130,687	131,978	131,393	131,869	130,592
Period-on-period changes (%)	(0.1)	(1.0)	(△0.4)	(0.4)	(△1.0)
Unitholders' equity (Yen in millions)	126,515	126,515	126,515	126,515	126,515
Number of investment units issued and outstanding (c) (Unit)	449,930	449,930	449,930	449,930	449,930
Net assets per unit (b) / (c) (Yen)	290,461	293,331	292,029	293,089	290,249
Total distributions (d) (Yen in millions)	4,151	5,444	4,859	5,248	3,970
Distributions per unit (d) / (c) (Yen)	9,228	12,100	10,800	11,665	8,825
Of which, earnings distributions per unit (Yen)	(9,228)	(12,100)	(10,800)	(11,665)	(8,825)
Of which, distributions per unit in excess of earnings per unit (Yen)	(-)	(-)	(-)	(-)	(-)
Ordinary income to total assets ratio (Note 3) (%)	1.5	2.0	1.8	2.0	1.4
Annualized (Note 3) (%)	(3.1)	(3.9)	(3.5)	(3.9)	(2.9)
Return on equity (Note 3) (%)	3.2	4.1	3.7	4.1	3.0
Annualized (Note 3) (%)	(6.4)	(8.2)	(7.4)	(8.0)	(6.1)
Equity ratio (b) / (a) (%)	48.4	47.6	47.6	47.7	47.5
Period-on-period changes (%)	(0.1)	(△0.8)	(0.0)	(0.1)	(△0.2)
Payout ratio (Note 3) (%)	100.0	100.0	100.0	98.4	100.0

Period	16th fiscal period	17th fiscal period	18th fiscal period	19th fiscal period	20th fiscal period
	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022

(Reference Information)

Number of investment properties	90	100	103	107	106
Total leasable area (m ²)	310,770.64	316,713.84	315,718.42	315,107.38	312,064.01
Number of tenants (Note 4)	2,008	2,396	2,685	2,912	2,923
Occupancy rate at the end of the period (%)	98.6	97.6	97.8	98.1	98.0
Depreciation during the period (Yen in millions)	992	1,016	1,004	1,009	1,006
Capital expenditures during the period (Yen in millions)	415	398	337	610	270
Rental NOI (Net Operating Income) (Note 3) (Yen in millions)	6,593	6,664	6,457	6,355	6,330
FFO (Funds From Operations) per unit (Note 3) (Yen)	11,438	11,439	11,025	10,564	10,792
Interest-bearing debt (e) (Yen in millions)	126,870	132,620	132,620	132,620	132,620
Interest-bearing debt to total assets ratio (e) / (a) (%)	47.0	47.8	48.0	48.0	48.2
Number of operating days (Days)	182	184	181	184	181

(Note 1) NIPPON REIT's fiscal periods cover every six months, from January 1 to June 30 and from July 1 to December 31, of each year.

(Note 2) Operating revenues, etc., do not include consumption taxes.

(Note 3) The following denotes the calculation methods for the indicators used by NIPPON REIT. It should be noted that calculations on an annual basis are calculated using the number of business days for each period.

Ordinary income to total assets ratio	Ordinary income/average total assets x 100
	Average total assets = (Total assets at beginning of period + total assets at end of period) / 2
Return on equity	Net income / average net assets x 100
	Average net assets = (Net assets at beginning of period + net assets at end of period) / 2
Payout ratio	Distribution per investment unit (excluding cash distributions in excess of earnings per unit) / net income per investment unit x 100 Payout ratio of the 18th fiscal period was calculated using the following formula, as new investment units have been issued: Total amount of distribution (excluding cash distributions in excess of earnings) / net income x 100
Rental NOI (Net Operating Income)	Income from property leasing for the current period (rental revenues - rental expenses) + depreciation + loss on retirement of non-current assets
FFO (Funds From Operations) per unit	(Net income + depreciation + loss on retirement of non-current assets + deferred asset amortization - gain / loss on sales of real estate) / total investment units issued and outstanding

(Note 4) This denotes the total number of tenants (excluding those for warehouses, billboards, and parking lots) in leasing contracts for each building acquired at the end of the period. It should be noted that in the event a pass-through master lease contract is entered into for said assets, the total number of end-tenants is used in the calculation (excluding those for warehouses, billboards, and parking lots).

(Note 5) Monetary figures are truncated, while percentages are rounded.

(2) Overview of the Fiscal Period Ended June 30, 2022

A. Brief History of NIPPON REIT

NIPPON REIT was established on September 8, 2010, by Polaris Investment Advisers K.K. (now Sojitz REIT Advisors K.K., hereafter referred to as the "Asset Management Company") as the founder under the Act on Investment Trusts and Investment Corporations (the "Investment Trusts Act"). Registration with the Kanto Local Finance Bureau was completed on October 26, 2010 (registration number 72, filed with the Director of the Kanto Local Finance Bureau).

NIPPON REIT issued new investment units through a public offering (144,200 units) with April 23, 2014, as the payment date and was listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3296) on April 24, 2014.

Furthermore, NIPPON REIT issued investment units through public offerings in February 2015, July 2015 and July 2018 and third-party allotments in March 2015, July 2015 and July 2018, and the total number of investment units issued and outstanding as of the end of the current period (June 30, 2022) is 449,930 units.

B. Investment Environment and Management Performance

(i) Investment Environment

The Japanese economy during the current period (the fiscal period ended June 30, 2022) saw a decrease of 0.1% (an annual decrease of 0.5%) in the real GDP growth rate (second preliminary figures) for the period from January to March 2022 compared to the previous period. The consumer spending, capital spending and employment situation are recovering as economic and social activities are normalized while they showed repeated standstill for recovery due to the expansion of a variant of COVID-19 and enforcement of priority preventative measures. Revenues of corporates are recovering as a whole while corporate business outlook shows a standstill for recovery movements. It is necessary to keep a close watch continuously on factors such as downward risk by the effect of the rising prices of raw material and constraint in supply while the effect of prolonged situation in Ukraine and restrained economic activities in China are concerned, as well as fluctuations in financial and capital markets.

In the office properties leasing market, the vacancy rate as of the end of June 2022 in Tokyo's five central wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) announced by Miki Shoji Co., Ltd., was 6.39%, up 0.2% from the same month last year. Moreover, the average rent in the same area as of the end of June 2022 was 20,273 yen per tsubo, down 4.19% from the same month last year, as downward trend continues from August 2020. It is necessary to keep a close watch continuously whether such trends will continue in future.

In terms of the residential properties leasing market, while the situation remains generally stable for both occupancy rate and rent level, it is necessary to keep a close watch on supply and demand conditions in the residential leasing properties including the demographic migration in the three major metropolitan areas due to the effect caused by changes in implementation of remote working and remote lessons by schools triggered by the spread of a variant of COVID-19 infection.

In the leasing market of retail properties, as restriction of economic activities as prevention measure of spread of COVID-19 infection has been relaxed, we saw a 3.7% year-on-year increase in retail sales announced by the Ministry of Economy, Trade and Industry in May 2022. Retail sales in department stores, fuel stores, woven fabrics, apparel and apparel accessories stores showed increasing trends while motor vehicle stores, electrical appliance stores and food and beverage stores showed decrease. While sales at sales at department stores showed 56.0% year-on-year increase, sales at supermarkets decreased by 1.9% year-on-year.

With regard to the real estate transaction market, expected yields of investment grade properties remain at a low level and transaction prices stay high, reflecting that the appetite for acquisition of properties by domestic

investors such as listed REITs, private placement REIT, and real estate companies, as well as overseas investors is still high supported by the monetary easing policy by the Bank of Japan as well as advancing depreciation of Japanese yen.

(ii) Management Performance

a. External Growth

NIPPON REIT owned 107 properties (with a total acquisition amount of 255,935 million yen) and one equity interest in a silent partnership (investment amount 50 million yen, six real estate-backed properties) as of the end of the fiscal period ended December 2021.

During the current period (the fiscal period ended June 2022), NIPPON REIT transferred one property (transfer price of 1,430 million yen) in February 2022 as follows, as asset replacement executed from August 2021.

Property Number	Property name	Transfer price (Yen in millions) (Note)	Transaction date
A-42	Sunworld Building	1,430	February 28, 2022

(Note) The transfer price represents amount of consideration stated in the transfer agreement of the trust beneficiary interests in real estate. The transfer price does not include expenses related to the transfer, consumption taxes and local tax. Furthermore, the transfer price of less than one million yen is omitted.

Also, NIPPON REIT acquired the following silent partnership equity interests as pipelines for external growth, and has been granted the right of first negotiation pertaining to the three real estate-backed properties.

Name	Number of real estate - backed properties	Investment amount (Yen in millions) (Note)	Acquisition date
Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership	3	30	March 29, 2022

(Note) The investment amount does not include various expenses required for the transaction. Furthermore, investment amount of less than one million yen is omitted.

As a result, the portfolio as of the end of the current period consisted of 62 office properties (Note 1) with a total acquisition amount of 182,022 million yen, 42 residential properties (Note 2) with a total acquisition amount of 64,592 million yen and two retail properties (Note 3) with a total acquisition amount of 8,120 million yen, totaling 106 properties with a total acquisition amount of 254,735 million yen, and two equity interests in a silent partnership (with a total investment amount of 80 million yen and total of nine real estate-backed properties) with a total leased area of 305,960.51m² and 98.0% of average occupancy rate.

(Note 1) Office properties are office buildings whose primary usage is the office. The same shall apply hereinafter.

(Note 2) Residential properties are rental houses whose primary usage is residence (including a dormitory, a company-rented-house and a service apartment which an operator rents all of or a significant portion of the property). The same shall apply hereinafter.

(Note 3) "Retail properties" refer to real estate consisting of commercial tenants (merchandise sales, food and drink/service industry, amusement facilities, etc) as the main tenant. The same shall apply hereinafter.

b. Internal Growth

NIPPON REIT emphasizes management that maintains and increases the portfolio's asset value and actively reaches out to new and existing tenants with business activities while strengthening relations with existing tenants, implementing measures that boost the competitiveness of properties in light of tenant needs and the features of each property. Through such efforts were kept to be done, the portfolio occupancy rate was maintained at a high level of 98.0% as of the end of the current period.

C. Procurement of Funds

(i) Borrowings and Repayments

In order to prepare funds for repayment of long-term loans due on April 20, 2022 (3,320 million yen), the long-term borrowings of 3,320 million yen on the same day were implemented as the loans due.

As a result, the balance of interest-bearing debt as of June 30, 2022 was 132,620 million yen and the ratio of interest-bearing debt to total assets (LTV) was 48.2%.

(ii) Credit Rating

NIPPON REIT's credit rating as of June 30, 2022 is as follows:

Credit rating agency	Rating type	Rating outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A+	Stable

D. Overview of Business Performance and Distributions

As the result of the operations described above, business performance in the current period generated operating revenues of 8,534 million yen, operating income of 4,599 million yen, ordinary income of 3,971 million yen and net income of 3,970 million yen.

For distributions for the current period, NIPPON REIT decided to distribute 3,970,632,250 yen, cash distributions per unit of 8,825 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied, and within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.

(3) Changes in Number of Total Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding, and total unitholders' equity for the past five years to the end of the current period are as follows.

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Total unitholders' equity (Yen in millions) (Note 1)		Note
		Increase (Decrease)	Total	Increase (Decrease)	Total	
July 2, 2018	Public offering	55,400	447,160	16,409	125,695	(Note 2)
July 24, 2018	Issuance of new investment units through third-party allotment	2,770	449,930	820	126,515	(Note 3)

(Note 1) "Total unitholders' equity" is truncated to the nearest million yen.

(Note 2) In order to obtain funds to acquire new properties, NIPPON REIT issued new investment units through a public offering at the offer price of 307,235 yen (issue price of 296,206 yen) per unit.

(Note 3) In connection with the public offering, NIPPON REIT issued new investment units through a third-party allotment at the issue price of 296,206 yen per unit.

· Changes in market price of investment securities

The highest and lowest (closing) prices in the J-REIT section of the Tokyo Stock Exchange, where NIPPON REIT's investment securities are listed, are as follows for the period indicated.

Period	16th fiscal period	17th fiscal period	18th fiscal period	19th fiscal period	20th fiscal period
	From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022
Highest (Yen)	516,000	375,500	463,500	455,000	411,500
Lowest (Yen)	222,900	312,500	343,000	410,000	348,000

(4) Distributions

For distributions for the current period, NIPPON REIT decided to distribute 3,970,632,250 yen, cash distributions per unit of 8,825 yen, which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, for which the special provisions for taxation on investment corporations (Article 67-15 of the Special Taxation Measure Act of Japan) can be applied, and within the range not exceeding the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes.

Period		16th fiscal period	17th fiscal period	18th fiscal period	19th fiscal period	20th fiscal period
		From January 1, 2020 to June 30, 2020	From July 1, 2020 to December 31, 2020	From January 1, 2021 to June 30, 2021	From July 1, 2021 to December 31, 2021	From January 1, 2022 to June 30, 2022
Unappropriated retained earnings	(Yen in thousands)	4,171,653	5,463,133	4,877,448	5,354,117	4,076,557
Retained earnings (Retained earnings brought forward)	(Yen in thousands)	19,699	18,980	18,204	105,683	105,925
Cash distributions declared	(Yen in thousands)	4,151,954	5,444,153	4,859,244	5,248,433	3,970,632
Distributions per unit	(Yen)	(9,228)	(12,100)	(10,800)	(11,665)	(8,825)
Of the above, total earnings distributions	(Yen in thousands)	4,151,954	5,444,153	4,859,244	5,248,433	3,970,632
Earnings distributions per unit	(Yen)	(9,228)	(12,100)	(10,800)	(11,665)	(8,825)
Of the above, total capital refunds	(Yen in thousands)	—	—	—	—	—
Distributions per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from allowance for temporary difference	(Yen in thousands)	—	—	—	—	—
Distributions from allowance for temporary difference per unit	(Yen)	(—)	(—)	(—)	(—)	(—)
Of total capital refunds, total distributions from reduced capital distributions	(Yen in thousands)	—	—	—	—	—
Distributions from reduced capital distributions per unit	(Yen)	(—)	(—)	(—)	(—)	(—)

(Note) Amounts are truncated to the relevant digit.

(5) Future Operating Policies and Issues to Be Addressed

A. Management Policy

With the corporate policy of "untiringly pursuing the best interest of NIPPON REIT's unitholders", NIPPON REIT plans to engage in the following measures to maximize unitholders' value through flexible and timely investment, and also seeks the best interest of unitholders by utilizing the features of diversified REIT and focus on the growth of potential and stability of revenues.

B. External Growth Strategy

In order to diversify risk by combining assets with different revenue features while considering the future trends of the Japanese economy and real estate market as well as securing more appropriate investment opportunities, NIPPON REIT will invest to "three types of assets deeply rooted in the Japanese society (office, residence and retail)". Furthermore, NIPPON REIT will focus on middle-sized office properties located in Tokyo central area as its main target of investment in consideration of the balance of supply and demand, and effectively will construct a diversified portfolio by also investing in residential properties and retail properties.

In order to facilitate external growth, NIPPON REIT stands on the Asset Management Company's own property business network and also utilizes real estate investment networks of sponsors which are Sojitz Corporation, the main sponsor and sub-sponsor companies of Cushman & Wakefield Asset Management K.K. (hereafter referred to as "Cushman") and Agility Asset Advisers Inc. Assisted by those sponsors' powers, NIPPON REIT will increase its asset size through property acquisitions mainly transacted on a negotiation basis with third parties.

Furthermore, regarding property acquisitions from third parties, NIPPON REIT will be under consideration to utilize sponsors' managed bridge funds as interim ownership vehicles and warehousing function provided by Sojitz Corporation who may participate in those vehicles. Such consideration comes from our investment strategy to avoid loss of opportunities for acquisitions and aim to realize growth opportunities as much as possible.

C. Internal Growth Strategy

NIPPON REIT will manage assets to maintain and increase the competitiveness of the portfolio and of individual properties reflecting their own features. For the purpose of the management, NIPPON REIT utilizes the Asset Management Company and its officers and employees who have unique networks and expertise nurtured at sponsor companies. Moreover, NIPPON REIT entrusts Property Management operations and Building Management operations mainly to Sojitz LifeOne Corporation, a subsidiary of the main sponsor, Sojitz Corporation. Utilizing Sojitz LifeOne Corporation's accumulated knowledge and reducing costs through economies of scale, NIPPON REIT aims to maintain the occupancy rate and improve profitability.

In addition to daily management and operations, on the premise of going through appropriate process, Sojitz LifeOne Corporation also works as a main contractor for renovations and planned repairs of properties. NIPPON REIT strives to maintain and increase value of its properties, utilizing Sojitz LifeOne Corporation's consistent support ranging from building diagnostics to repair designs, selection of construction companies and construction management, which delivers effective and deliberate repairs with consideration on prioritization of construction works, cost optimization, and sufficient judgment on cost effectiveness.

Furthermore, regarding leasing plans for offices, new asking rent for potential tenants and renewed rent for existing tenants are set with reference to various data provided by Cushman, and agile leasing activities will be carried out by setting operational policy for new potential tenants.

D. Financial Strategy

NIPPON REIT's basic policy for its financial strategy is to conduct fund procurement in a diversified and well-balanced manner in order to establish a stable financial foundation over the medium to long term.

Regarding interest-bearing debt, the targeted ceiling of LTV is set at 60%. NIPPON REIT's LTV as of the end of the current period was 48.2% and the current policy is to keep the LTV level between 45% and 55%.

With regard to lenders, NIPPON REIT will maintain a strong bank formation centering on the loan syndicate group as of the end of the current period.

(6) Significant Subsequent Events

Not applicable.

2. Overview of the Investment Corporation

(1) Status of Investment Units

Period	16th fiscal period June 30, 2020	17th fiscal period December 31, 2020	18th fiscal period June 30, 2021	19th fiscal period December 31, 2021	20th fiscal period June 30, 2022
Total number of investment units authorized (Unit)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total number of investment units issued and outstanding (Unit)	449,930	449,930	449,930	449,930	449,930
Total unitholders' capital (Yen in millions) (Note)	126,515	126,515	126,515	126,515	126,515
Number of unitholders	13,109	13,253	13,415	13,415	13,840

(Note) Total unitholders' capital is truncated to the nearest million yen.

(2) Matters Concerning Investment Units

The top 10 unitholders in terms of the percentage of investment units held as of June 30, 2022, are as follows.

Name	Number of investment units held (Unit)	Percentage of units held to the total number of units issued and outstanding (%) (Note)
Custody Bank of Japan, Ltd. (Trust Account)	104,306	23.18
The Master Trust Bank of Japan, Ltd. (Trust Account)	74,036	16.46
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	19,978	4.44
Sojitz Corporation	15,500	3.44
BNYM AS AGT/CLTS NON TREATY JASDEC	7,660	1.70
STATE STREET BANK WEST CLIENT - TREATY 505234	7,140	1.59
SSBTC CLIENT OMNIBUS ACCOUNT	5,975	1.33
JP MORGAN CHASE BANK 385781	5,849	1.30
JAPAN SECURITIES FINANCE CO., LTD.	5,485	1.22
DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	5,295	1.18
Total	251,224	55.84

(Note) Percentage of units held to the total number of units issued and outstanding is rounded to the second decimal place and may not add up to the total.

(3) Matters Concerning Officers

The following table provides information about our executive officer, supervising officers and independent auditor during the current period.

Position	Name	Major concurrent position	Total compensation per title during the 20th fiscal period (Yen in thousands) (Note 1)
Executive Officer	Toshio Sugita	President & CEO, Sojitz REIT Advisors K.K.	—
Supervising Officer	Yasuhiro Shimada	Partner, Tsubame Law Offices	1,200
	Hisashi Yahagi	Representative council, Toranomon Partners	1,200
Independent Auditor	KPMG AZSA LLC	—	14,800 (Note 2)

(Note 1) Total compensation for each position in the applicable business period has been truncated to the nearest thousand yen.

(Note 2) The fee of the independent auditor includes the audit fee of English financial statements.

(Note 3) Termination of the independent auditor is carried out in accordance with the Investment Trust Act. The Board of Officers of NIPPON REIT determines the refusal of reappointment of an independent auditor, factoring in various circumstances, including the quality of the audits performed and compensation for said audits.

(Note 4) NIPPON REIT has concluded with an insurance company Directors and Officers Liability Insurance as stipulated in Article 116-3, Paragraph 1 of the Act on Investment Trusts and Investment Corporations to cover loss, such as compensation payment and dispute costs, to be borne by the insured when they receive a claim for compensation due to errors, breach of duties, omissions and others. Directors and Officers Liability Insurance covers all of Executive Officer and Supervising Officers stated above. NIPPON REIT has taken necessary actions not to impair appropriateness of duty of officers by excluding damage born by officers caused by criminal act such as corruptions and intentional illegal act from compensation. NIPPON REIT bears entire costs for Directors and Officers Liability Insurance.

(4) Asset Manager, Asset Custodian and General Administrative Agent

NIPPON REIT's asset manager, asset custodian and general administrative agent as of June 30, 2022 are as follows:

Business	Name
Asset Manager	Sojitz REIT Advisors K.K.
Asset Custodian	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (transfer agent)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (administrative work for organizational operation)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (accounting administration)	Mitsubishi UFJ Trust and Banking Corporation
General Administrative Agent (administrative work for investment corporation bonds)	MUFG Bank, Ltd.

3. Portfolio of the Investment Corporation

(1) Composition of Assets

Type of assets	Property type	Area	19th fiscal period (December 31, 2021)		20th fiscal period (June 30, 2022)	
			Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)	Total amount held (Yen in millions) (Note 1)	Ratio to total assets (%) (Note 2)
Real estate	Office properties	Six central wards of Tokyo (Note 3)	1,502	0.5	1,498	0.5
	Real estate Total		1,502	0.5	1,498	0.5
Real estate in trust	Office properties	Six central wards of Tokyo (Note 3)	140,990	51.0	140,628	51.2
		Three major metropolitan areas (Note 4) (excluding six central wards of Tokyo)	44,028	15.9	42,592	15.5
		Subtotal	185,019	66.9	183,220	66.7
	Residential properties	Three major metropolitan areas (Note 4) (including six central wards of Tokyo)	59,845	21.6	59,642	21.7
		Certain ordinance-designated and other cities (Note 5)	3,905	1.4	3,878	1.4
		Subtotal	63,750	23.0	63,521	23.1
	Retail properties		8,090	2.9	8,065	2.9
	Real estate in trust Total		256,861	92.9	254,807	92.7
Investment securities (Note 6)		50	0.0	82	0.0	
Deposits and other assets		18,163	6.6	18,506	6.7	
Total assets (Note 7)		276,577 (258,363)	100.0 (93.4)	274,895 (256,305)	100.0 (93.2)	

(Note 1) "Total amount held" represents the amount recorded on the balance sheets as of the end of the respective period (for real estate in trust, book value less depreciation) and truncated to the nearest million yen.

(Note 2) "Ratio to total assets" represents the percentage of the amount of respective assets recorded on the balance sheets to total assets. Figures are rounded to one decimal place and may not add up to subtotals or the total.

(Note 3) "Six central wards of Tokyo" refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya, and Shinagawa wards.

(Note 4) "Three major metropolitan areas" refers to the Tokyo, Osaka, and Nagoya economic areas. "Tokyo economic area" refers to the Tokyo metropolitan area, Kanagawa Prefecture, Chiba Prefecture, and Saitama Prefecture. "Osaka economic area" refers to Osaka Prefecture, Kyoto Prefecture, and Hyogo Prefecture. "Nagoya economic area" refers to Aichi Prefecture, Gifu Prefecture, and Mie Prefecture.

(Note 5) "Certain ordinance-designated and other cities" refers to Japanese cities that have been designated as ordinance-designated cities by order of the Cabinet under the Local Autonomy Law of Japan and that are located outside of the three major metropolitan areas (i.e., Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, Fukuoka, Kitakyushu, and Kumamoto) and also to prefectural capital cities that are located outside of the three major metropolitan areas.

(Note 6) "Investment securities" represents the equity interest in a silent partnership of Godo Kaisha NRT Growth 17 for the 19th fiscal period. It represents the equity interests in silent partnerships of Godo Kaisha NRT Growth 17 and Godo Kaisha NRT Growth 18 for the 20th fiscal period.

(Note 7) Figures in total assets shown in parentheses represent the portion corresponding to a substantive holding of real estate, etc., in total assets.

(2) Principal Assets Held

The overview of principal assets held by NIPPON REIT as of June 30, 2022 (top 10 properties in terms of book value at the end of the period) is as follows:

Property name	Book value (Yen in millions) (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 3)	Occupancy rate (%) (Note 4)	Rate to total revenues from property leasing (%) (Note 5)	Primary use
Omiya Center Building	15,269	14,311.77	13,572.59	94.8	6.4	Office
FORECAST Shinjuku SOUTH	14,585	13,875.01	13,425.92	96.8	7.2	Office
Tower Court Kitashinagawa	10,509	16,913.29	16,504.54	97.6	4.9	Residential
FORECAST Gotanda WEST	7,445	8,944.03	8,944.03	100.0	2.8	Office
Shibakoen Sanchome Building	7,323	7,882.60	7,882.60	100.0	2.8	Office
Homat Horizon Building	6,673	6,077.01	6,077.01	100.0	2.3	Office
FORECAST Shinjuku AVENUE	6,079	4,337.15	4,337.15	100.0	2.4	Office
FORECAST Sakurabashi	5,959	6,566.76	6,566.76	100.0	2.2	Office
FORECAST Takadanobaba	5,824	5,661.49	5,661.49	100.0	2.2	Office
Primegate Iidabashi (Note 6)	5,212	6,042.29	5,893.70	97.5	1.8	Residential
Total	84,884	90,611.39	88,865.79	98.1	35.1	

(Note 1) "Book value" is truncated to the nearest million yen.

(Note 2) "Total leasable area" is the total area of the relevant building that NIPPON REIT considers leasable based on relevant lease agreements or floor plans. The same shall apply hereafter.

(Note 3) "Total leased area" is the aggregate leased area described in the relevant lease agreements as of June 30, 2022. For properties subject to pass-through master leases, total leased area is the aggregate of the leased areas indicated in the relevant sublease agreements with end-tenants as of June 30, 2022.

(Note 4) "Occupancy rate" is calculated by dividing total leased area by total leasable area as of June 30, 2022, and rounding that figure to the first decimal place.

(Note 5) "Rate to total revenues from property leasing" is rounded to the first decimal place and may not add up to the total.

(Note 6) For the property concerned, the name "S&S Building" is used for a part of the first through fourth floors as a property for office and shop use. However, the entire property, including the office portion, is named "Primegate Iidabashi."

(3) Description of Portfolio

The overview of portfolio assets held by NIPPON REIT as of June 30, 2022, is as follows:

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
FORECAST Nishishinjuku	7-16-11 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,945.68	3,330	2,080
Nihombashi Playa Building	1-9-12 Nihonbashi Hamacho, Chuo-ku, Tokyo	Trust beneficiary interest	2,490.08	2,600	1,951
FORECAST Yotsuya	2-11-6 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,678.15	2,090	1,343
FORECAST Shinjuku AVENUE	2-5-12 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,337.15	8,630	6,079
FORECAST Ichigaya (Note 3)	3-29 Ichigaya Honmuracho, Shinjuku-ku, Tokyo	Trust beneficiary interest	3,844.66	6,850	4,336
FORECAST Mita	1-3-31 Mita, Minato-ku, Tokyo	Trust beneficiary interest	1,786.18	2,520	1,698
FORECAST Shinjuku SOUTH	4-3-17 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	13,875.01	18,800	14,585
FORECAST Sakurabashi	4-5-4 Hatchobori, Chuo-ku, Tokyo	Trust beneficiary interest	6,566.76	7,060	5,959
GreenOak Kayabacho	1-3-3 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	2,995.35	3,700	2,969
GreenOak Kudan	1-11-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,594.46	3,680	2,909
GreenOak Takanawadai	2-26-10 Shirokanedai, Minato-ku, Tokyo	Trust beneficiary interest	2,621.74	3,040	2,118
Central Daikanyama	14-23 Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficiary interest	1,899.30	3,900	3,682
Hiroo Reeplex B's	5-15-27 Minamiazaabu, Minato-ku, Tokyo	Trust beneficiary interest	1,500.85	3,610	2,846
Shibakoen Sanchoe Building	3-1-38 Shibakoen, Minato-ku, Tokyo	Trust beneficiary interest	7,882.60	10,200	7,323
Kudankita 325 Building	3-2-5 Kudankita, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,003.60	2,390	1,980
Itohpia Iwamotocho 2-chome Building	2-11-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,447.16	3,510	2,870
Itohpia Iwamotocho 1-chome Building	1-8-15 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,056.56	3,160	2,736
Itohpia Iwamotocho ANNEX Building	2-14-2 Iwamotocho, Chiyoda-ku, Tokyo	Trust beneficiary interest	3,064.20	2,800	2,207
Pigeon Building	4-4 Hisamatsucho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	3,022.25	3,160	2,896
FORECAST Ningyocho	2-13-9 Ningyocho, Nihonbashi, Chuo-ku, Tokyo	Trust beneficiary interest	2,277.62	2,290	2,142
FORECAST Ningyocho PLACE	3-4-14 Ningyocho, Nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,867.95	2,180	1,636
FORECAST Shin-Tokiwabashi	3-1-2 Nihombashi Hongokuchou, Chuo-ku, Tokyo	Trust beneficiary interest	1,813.21	2,430	2,114
Nishi-Shinjuku Sanko Building	7-22-35 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	2,479.80	2,810	2,322
Iidabashi Reeplex B's	1-14 Shin- Ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,401.68	1,600	1,278
FORECAST Shinagawa	1-20-9 Kita-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,276.36	2,470	2,379

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Nishi-Gotanda 8-chome Building	8-3-16 Nishi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,999.72	2,770	2,254
Towa Higashi-Gotanda Building	1-7-6 Higashi-Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	2,939.16	2,570	2,069
FORECAST Takadanobaba	3-28-2 Takada, Toshima-ku, Tokyo	Trust beneficiary interest	5,661.49	6,730	5,824
ANTEX24 Building	1-1-14 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,267.59	2,040	1,746
Itohpia Kiyosubashidori Building	1-38-9 Taito, Taito-ku, Tokyo	Trust beneficiary interest	2,651.27	2,140	1,688
I-S Minamimorimachi Building	2-6-5 Higashi-Temma, Kita-ku, Osaka, Osaka	Trust beneficiary interest	4,164.82	2,900	2,338
MK Kojimachi Building	4-2-1 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,761.60	2,160	2,008
Toranomon Sakura Building	3-22-1 Toranomon, Minato-ku, Tokyo	Trust beneficiary interest	3,049.79	4,900	4,307
La Verite Akasaka	1-5-7 Moioakasaka, Minato-ku, Tokyo	Trust beneficiary interest	1,719.75	2,630	2,125
Kanda Ocean Building	1-15-2 Uchikanda, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,484.87	1,930	1,470
Shinto GINZA EAST	3-1-10 Tsukiji, Chuo-ku, Tokyo	Trust beneficiary interest	1,214.32	1,500	1,342
FORECAST Kayabacho	1-10-14 Shinkawa, Chuo-ku, Tokyo	Trust beneficiary interest	3,882.59	3,430	3,081
FORECAST Waseda FIRST	1-1 Babashitacho, Shinjuku-ku, Tokyo	Trust beneficiary interest	4,340.66	5,250	4,781
FORECAST Gotanda WEST	8-9-5 Nishi- Gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	8,944.03	8,270	7,445
Omiya Center Building	1-9-6 Sakuragicho, Omiya-ku, Saitama, Saitama	Trust beneficiary interest	14,311.77	22,900	15,269
Sumitomo Mitsui Bank Koraibashi Building	2-1-1 Fushimicho, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	5,106.77	3,670	2,937
NORE Fushimi	1-16-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,890.74	4,330	2,632
NORE Meleki	1-3-18 Meiekinami, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	4,280.75	4,070	2,339
Homat Horizon Building	5-6-2, Gobancho, Chiyoda-ku, Tokyo	Trust beneficiary interest	6,077.01	8,290	6,673
Sannomiya First Building	3-2-11, Isobedori, Chuo-ku, Kobe, Hyogo	Trust beneficiary interest	3,633.16	1,660	1,459
Towa Kandanishikicho Building	3-4-2, Kanda-nishikicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,324.07	1,070	981
Yusen Higashi-Nihombashi Ekimae Building	3-7-19, Higashi-nihombashi, Chuo-ku, Tokyo	Trust beneficiary interest	1,631.09	1,340	1,202
Hiroo ON Building	5-19-9, Hiroo, Shibuya-ku, Tokyo	Trust beneficiary interest	2,248.59	2,840	2,411
TK Gotanda Building	8-3-6, Nishi-gotanda, Shinagawa-ku, Tokyo	Trust beneficiary interest	3,716.38	4,470	4,415

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Gotanda Sakura Building	1-22-6, Higashi-gotanda, Shinagawa-ku, Tokyo	Real estate	1,502.61	1,710	1,498
Alte Building Higobashi	1-15-27, Edobori, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,482.92	1,810	1,459
DIA Building Meieki	3-8-7, Meieki, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,781.72	1,260	1,182
TENSHO OCHANOMIZU BUILDING	1-9-5 Kanda-awajicho, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,252.89	1,910	1,847
FORECAST Kameido	2-27-7, Kameido, Koto-ku, Tokyo	Trust beneficiary interest	3,091.51	3,020	2,621
NRT Kandasudacho Building	3-16 Kandasudacho 2-chome, Chiyoda-ku, Tokyo	Trust beneficiary interest	1,154.16	1,410	1,362
REID-C Megurofudomae	15-6 Nishigotanda 3-chome, Shinagawa-ku, Tokyo	Trust beneficiary interest	921.32	1,310	1,235
The Square	14-20 Marunouchi 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,520.69	1,140	1,092
Tsukiji Front	2-7 Tsukiji 2-chome, Chuo-ku, Tokyo	Trust beneficiary interest	687.97	1,030	837
Hatchobori River Gate	12-10 Minato 1-chome, Chuo-ku, Tokyo	Trust beneficiary interest	760.31	1,040	843
TENSHO OFFICE SHINBASHI 5	12-11 Shimbashi 5-chome, Minato-ku, Tokyo	Trust beneficiary interest	828.19	1,260	1,210
REID-C Iidabashi Building	2-8-3, Iidabashi, Chiyoda-ku, Tokyo	Trust beneficiary interest	826.82	1,260	1,210
REID-C Gotenryama Building	5-12-4 Kita-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,086.11	1,070	1,059
Tower Court Kitashinagawa	3-11-13 Kita-19 Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	16,913.29	17,100	10,509
Sky Hills N11	2-2-1 Kita-Juichijo-Nishi, Kita-ku, Sapporo, Hokkaido	Trust beneficiary interest	8,567.50	1,950	1,580
my atria Sakae	1-29-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	3,121.60	1,350	954
Mac Village Heian	2-24-88 Heian, Kita-ku, Nagoya, Aichi	Trust beneficiary interest	2,250.00	1,010	688
Seam Dwell Tsutsui	3-28-25 Tsutsui, Higashi-ku, Nagoya, Aichi	Trust beneficiary interest	1,800.00	837	644
Ciel Yakuin	2-7-35 Watanabe-Dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,544.87	793	598
Kanda Reeplex R's	2-5-1 Kandatacho, Chiyoda-ku, Tokyo	Trust beneficiary interest	2,180.93	2,260	1,713
Splendid Namba	2-1-23, Inari, Naniwa-ku, Osaka, Osaka	Trust beneficiary interest	6,212.36	4,060	3,155
Residence Hiroo	5-1-10, Minami-azabu, Minato-ku, Tokyo	Trust beneficiary interest	1,983.15	2,910	2,601
Residence Nihombashi Hakozaki	13-2, Nihombashi, Hakozaki, Chuo-ku, Tokyo	Trust beneficiary interest	1,449.00	1,730	1,416
Primegate Iidabashi	6-36, Shin-ogawamachi, Shinjuku-ku, Tokyo	Trust beneficiary interest	6,042.28	6,130	5,212
Residence Edogawabashi	4-22, Suidocho, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,246.42	1,290	1,239

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m ²)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Merveille Senzoku	1-10-1, Kitasenzoku, Ota-ku, Tokyo	Trust beneficiary interest	834.72	772	748
Field Avenue (Note 4)	6-2-2, Ikegami, Ota-ku, Tokyo (Annex building: 6-2-1, Ikegami, Ota-ku, Tokyo)	Trust beneficiary interest	3,092.63	3,380	3,119
Domeal Kitaakabane	1-14-20, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	1,697.11	859	797
Dormy Kitaakabane	1-14-15, Akabane-kita, Kita-ku, Tokyo	Trust beneficiary interest	2,471.42	1,080	990
Splendid Shin-Osaka III	2-1-11, Higashinakajima, Higashiyodogawa-ku, Osaka, Osaka	Trust beneficiary interest	4,299.12	2,700	2,325
ZEPHYROS Minami-horie	1-16-16, Minami-horie, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	2,826.73	1,790	1,606
Charmant Fuji Osakajominami	3-3-8, Uchiyuhojimachi, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	1,512.00	938	901
Piacere Fuminosato	1-12-18, Hannancho, Abeno-ku, Osaka, Osaka	Trust beneficiary interest	1,374.08	607	562
Wald Park Minamioi	6-20-16 Minamioi, Shinagawa-ku, Tokyo	Trust beneficiary interest	750.12	735	751
LAPUTA KUJO	3-1-18, Kujominami, Nishi-ku, Osaka, Osaka	Trust beneficiary interest	3,359.38	1,538	1,618
Imazaki Mansion N1	1-4-12, Nagatanaka, Higashiosaka, Osaka	Trust beneficiary interest	2,643.12	1,220	1,252
L'arte Nakatsu	16-14 Toyosaki 6-chome, Kita-ku, Osaka, Osaka	Trust beneficiary interest	916.86	580	603
City hills Andoji	4-1 Andoji 2-chome, Chuo-ku, Osaka, Osaka	Trust beneficiary interest	2,754.00	1,830	1,845
Hermitage Shin-sakae	11-25 Shin-sakae 2-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	2,638.61	1,240	1,214
Sun・Meiekininami Building	9-11 Meiekininami 1-chome, Nakamura-ku, Nagoya, Aichi	Trust beneficiary interest	1,747.10	1,040	973
Tenjinhighashi residence	7-4 Komondomachi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest	1,909.60	941	970
DeLCCS KASAI	36-12 Naka-kasai 5-chome, Edogawa-ku, Tokyo	Trust beneficiary interest	2,308.59	1,370	1,401
Serenite Shin-Osaka	14-8 Miyahara 2-chome, Yodogawa-ku, Osaka, Osaka	Trust beneficiary interest	1,854.02	1,160	1,174
Mullion Josai	4-15 Josai 1-chome, Nishi-ku, Nagoya, Aichi	Trust beneficiary interest	1,427.90	717	750
Residence Kinshicho	15-6 Kotobashi 5-chome, Sumida-ku, Tokyo	Trust beneficiary interest	813.51	733	721
Meister house Kawasaki	5-2 Minamisaikawa 2-chome, Saiwai-ku, Kawasaki, Kanagawa	Trust beneficiary interest	891.60	740	730
LIESSE Tsurumai (Note 5)	2-5-1, Tsurumai, Showa-ku, Nagoya, Aichi 2-5-2, Tsurumai, Showa-ku, Nagoya, Aichi	Trust beneficiary interest	2,192.91	1,210	1,118
Komatsubara Yamamoto Mansion	15-22 Komatsubara 2-chome, Kagoshima, Kagoshima	Trust beneficiary interest	2,671.99	695	729
Belleza Kanayama	9-10 Masaki 4-chome, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	1,256.97	762	749
Sylphide Higashi-shinagawa	4-7-1, Higashi-shinagawa, Shinagawa-ku, Tokyo	Trust beneficiary interest	1,174.19	1,020	986

Property name	Location (Indication of residential address)	Form of ownership	Total leasable area (m2)	Appraisal value (Yen in millions) (Note 1)	Book value (Yen in millions) (Note 2)
Royal Bloom	4-29-1, Kishikicho, Omiga-ku, Saitama-shi, Saitama	Trust beneficiary interest	1,236.61	1,200	1,125
Ever Square Doshin	1-1-13, Doshin, Kita-ku, Osaka-shi, Osaka	Trust beneficiary interest	910.07	602	631
Zeku Benten	4-1-14 Benten, Minato-ku, Osaka-shi, Osaka	Trust beneficiary interest	1,093.21	524	525
Canis Court Kamishinjo	3-19-57 Kamishinjo, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficiary interest	2,804.02	1,350	1,406
Imperial Otori	1-77-1 Otorinishimachi, Nishi-ku, Sakai-shi, Osaka	Trust beneficiary interest	2,363.88	862	872
Otakibashi Pacifica Building	7-10-18 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiary interest	1,383.31	3,360	3,356
BECOME SAKAE	3-32-6, Sakae, Naka-ku, Nagoya, Aichi	Trust beneficiary interest	4,615.66	4,860	4,709
Total			312,064.01	315,735	256,305

- (Note 1) "Appraisal value" represents the appraisal value as set forth on the relevant appraisal reports presented as of June 30, 2022, and truncated to the nearest million yen.
- (Note 2) "Book value" is the value recorded on the balance sheet as of June 30, 2022 (for real estate and real estate in trust, acquisition price (including acquisition-related expenses) less depreciation expenses) and truncated to the nearest million yen.
- (Note 3) The name "FORECAST Ichigaya" is used for the first through seventh floors that are used as offices, and the name "Eponoqu Ichigaya" is used for the eighth and ninth floors that are used as residences. The property as a whole, including the residential floors, is named "FORECAST Ichigaya". The same applies hereinafter.
- (Note 4) This property includes a separate building, which is structurally independent from the main building, and these two buildings are counted as one property. The same applies hereinafter.
- (Note 5) This property includes two separate building which are counted as one property. The same applies hereinafter.

The status of rental business related to properties held by NIPPON REIT is as follows:

Property name	19th fiscal period (From July 1, 2021 to December 31, 2021)				20th fiscal period (From January 1, 2022 to June 30, 2022)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
FORECAST Nishishinjuku	17	100.0	86	1.0	17	100.0	87	1.0
Nihombashi Playa Building	2	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)	2	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)
FORECAST Yotsuya	13	100.0	55	0.7	13	100.0	51	0.6
FORECAST Shinjuku AVENUE	7	100.0	183	2.2	7	100.0	201	2.4
FORECAST Ichigaya	22	98.8	156	1.9	23	100.0	157	1.9
FORECAST Miya	5	100.0	65	0.8	4	78.5	61	0.7
FORECAST Shinjuku SOUTH	19	100.0	626	7.4	18	96.8	607	7.2
FORECAST Sakurabashi	5	100.0	188	2.2	5	100.0	187	2.2
GreenOak Kayabacho	7	86.4	97	1.2	8	100.0	100	1.2
GreenOak Kudan	3	100.0	104	1.2	3	100.0	103	1.2
GreenOak Takanawadai	10	85.8	78	0.9	9	92.7	74	0.9
Central Daikanyama	7	100.0	86	1.0	7	100.0	87	1.0
Hiroo Reeplex B's	8	100.0	85	1.0	7	100.0	80	1.0
Shibakoen Sanchoe Building	4	100.0	236	2.8	4	100.0	235	2.8
Kudankita 325 Building	8	100.0	63	0.8	8	100.0	68	0.8
Itohpia Iwamotocho 2-chome Building	10	100.0	105	1.2	9	100.0	104	1.2
Itohpia Iwamotocho 1-chome Building	9	100.0	88	1.0	9	100.0	89	1.1
Itohpia Iwamotocho ANNEX Building	7	100.0	82	1.0	6	100.0	94	1.1
Pigeon Building	1	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)	1	100.0	Not disclosed (Note 5)	Not disclosed (Note 5)
FORECAST Ningyocho	6	100.0	56	0.7	6	100.0	60	0.7
FORECAST Ningyocho PLACE	7	100.0	60	0.7	6	87.1	56	0.7
FORECAST Shin- Tokiwabashi	9	100.0	58	0.7	9	100.0	62	0.7
Nishi-Shinjuku Sanko Building	7	83.5	74	0.9	7	83.5	69	0.8
Iidabashi Reeplex B's	7	100.0	43	0.5	7	100.0	44	0.5
FORECAST Shinagawa	5	84.2	71	0.8	5	84.2	63	0.8
Nishi-Gotanda 8-chome Building	8	100.0	83	1.0	8	100.0	85	1.0
Towa Higashi-Gotanda Building	7	100.0	70	0.8	7	100.0	74	0.9
FORECAST Takadanobaba	7	100.0	184	2.2	7	100.0	183	2.2
Toshin Higashi- Ikebukuro Building (Note 6)	—	—	13	0.2	—	—	—	—
Itabashi Honcho Building (Note 6)	—	—	43	0.5	—	—	—	—
ANTEX24 Building	6	100.0	59	0.7	6	86.7	53	0.6

Property name	19th fiscal period (From July 1, 2021 to December 31, 2021)				20th fiscal period (From January 1, 2022 to June 30, 2022)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Itohpa Kiyosubashidori Building	7	100.0	76	0.9	7	100.0	73	0.9
East Side Building (Note 6)	—	—	14	0.2	—	—	—	—
I-S Minamimorimachi Building	16	100.0	97	1.2	16	100.0	96	1.2
Sunworld Building (Note 7)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	—	—	Not disclosed (Note 8)	Not disclosed (Note 8)
MK Kojimachi Building	10	91.7	43	0.5	11	100.0	48	0.6
Toranomon Sakura Building	11	89.2	86	1.0	12	100.0	99	1.2
La Verite Akasaka	7	100.0	53	0.6	7	100.0	60	0.7
Kanda Ocean Building	22	100.0	52	0.6	21	100.0	52	0.6
Shinto GINZA EAST	6	100.0	44	0.5	6	100.0	37	0.4
FORECAST Kayabacho	16	100.0	101	1.2	16	100.0	104	1.2
FORECAST Waseda FIRST	7	100.0	140	1.7	7	100.0	140	1.7
FORECAST Gotanda WEST	12	100.0	227	2.7	12	100.0	232	2.8
Omiya Center Building	27	100.0	550	6.5	27	94.8	539	6.4
Sumitomo Mitsui Bank Koraibashi Building	26	100.0	132	1.6	26	100.0	131	1.6
NORE Fushimi	10	100.0	128	1.5	10	100.0	128	1.5
NORE Meieki	19	100.0	113	1.3	18	94.7	116	1.4
Homat Horizon Building	10	100.0	208	2.5	9	100.0	196	2.3
Sannomiya First Building	23	97.5	68	0.8	24	100.0	68	0.8
Towa Kandanishikicho Building	6	100.0	34	0.4	6	100.0	38	0.5
Yusen Higashi-Nihombashi Ekimae Building	8	100.0	38	0.5	8	100.0	39	0.5
Hiroo ON Building	4	100.0	68	0.8	4	100.0	77	0.9
TK Gotanda Building	7	100.0	108	1.3	7	100.0	110	1.3
Gotanda Sakura Building	10	100.0	54	0.6	10	100.0	45	0.5
Esprit Kameido (Note 6)	—	—	14	0.2	—	—	—	—
Alte Building Higobashi	11	100.0	69	0.8	11	100.0	70	0.8
DIA Building Meieki	10	100.0	50	0.6	10	100.0	50	0.6
TENSHO OCHANOMIZU BUILDING	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
FORECAST Kameido	6	92.9	60	0.7	7	100.0	81	1.0
UNIZO Kandasudacho 2-chome Building	9	100.0	33	0.4	9	100.0	33	0.4
REID-C Megurofudomae	4	85.7	22	0.3	5	100.0	30	0.4
The Square	17	94.9	37	0.4	18	100.0	35	0.4
Tsukiji Front	8	100.0	24	0.3	8	100.0	25	0.3
Hatchobori River Gate	7	85.2	23	0.3	8	100.0	15	0.2

Property name	19th fiscal period (From July 1, 2021 to December 31, 2021)				20th fiscal period (From January 1, 2022 to June 30, 2022)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
TENSHO OFFICE SHINBASHI 5	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
REID-C Iidabashi Building	9	100.0	21	0.3	9	100.0	28	0.3
REID-C Gotenyama Building	4	88.6	17	0.2	4	100.0	25	0.3
Tower Court Kitashinagawa	270	96.9	407	4.8	270	97.6	415	4.9
Sky Hills N11	1	100.0	61	0.7	1	100.0	61	0.7
my atria Sakae	1	100.0	37	0.5	1	100.0	38	0.5
Mac Village Heian	1	100.0	28	0.3	1	100.0	27	0.3
Seam Dwell Tsutsui	1	100.0	23	0.3	1	100.0	23	0.3
Ciel Yakuin	40	94.9	24	0.3	41	97.7	23	0.3
Kanda Reeplex R's	41	100.0	55	0.7	41	100.0	55	0.7
Splendid Namba	238	95.2	110	1.3	238	95.0	108	1.3
Residence Hiroo	53	98.4	61	0.7	53	98.5	61	0.7
Residence Nihombashi Hakozaiki	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
Primegate Iidabashi	67	98.7	149	1.8	67	97.5	151	1.8
Residence Edogawabashi	35	95.1	29	0.4	36	97.6	31	0.4
Merveille Senzoku	28	100.0	18	0.2	28	100.0	20	0.2
Field Avenue	56	99.1	78	0.9	56	99.1	77	0.9
Domeal Kitaakabane	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
Dormy Kitaakabane	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)	1	100.0	Not disclosed (Note 8)	Not disclosed (Note 8)
Splendid Shin-Osaka III	152	98.7	73	0.9	150	97.2	72	0.9
ZEPHYROS Minami-horie	67	93.9	47	0.6	72	100.0	47	0.6
Charmant Fuji Osakajominami	61	96.8	25	0.3	59	93.7	24	0.3
Piacere Fuminosato	43	98.0	18	0.2	40	92.1	18	0.2
Wald Park Minamioi	27	93.4	16	0.2	29	100.0	16	0.2
LAPUTA KUJO	62	100.0	46	0.5	62	100.0	46	0.6
Imazaki Mansion N1	126	93.2	41	0.5	132	97.3	42	0.5
L'arte Nakatsu	28	100.0	16	0.2	27	96.3	16	0.2
City hills Andoji	67	96.5	47	0.6	67	95.7	46	0.6
Hermitage Shin-sakae	52	95.5	37	0.4	51	94.8	37	0.4
Sun・Meiekinami Building	67	95.7	25	0.3	67	95.7	26	0.3
Tenjin Higashi residence	72	93.5	27	0.3	76	98.7	27	0.3
DeLCCS KASAI	29	100.0	38	0.5	28	96.8	39	0.5
Serenite Shin-Osaka	65	95.3	30	0.4	65	96.0	32	0.4
Mullion Josai	47	96.5	20	0.2	47	93.3	20	0.2

Property name	19th fiscal period (From July 1, 2021 to December 31, 2021)				20th fiscal period (From January 1, 2022 to June 30, 2022)			
	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)	Number of tenants (as of the end of period) (Note 1)	Occupancy rate (as of the end of period) (%) (Note 2)	Revenues related to property leasing (during the period) (Yen in millions) (Note 3)	Rate to total revenues related to property leasing (%) (Note 4)
Residence Kinshicho	25	96.9	16	0.2	25	95.6	17	0.2
Meister house Kawasaki	32	90.7	18	0.2	32	91.8	18	0.2
LIESSE Tsurumai	82	94.4	34	0.4	85	97.1	33	0.4
Komatsubara Yamamoto Mansion	90	90.3	26	0.3	89	89.3	26	0.3
Belleza Kanayama	47	96.2	21	0.3	47	96.2	21	0.3
Sylphide Higashi-shinagawa	38	88.3	15	0.2	43	100.0	24	0.3
Royal Bloom	35	100.0	20	0.2	34	97.9	31	0.4
Ever Square Doshin	39	94.9	13	0.2	40	97.7	16	0.2
Zeku Benten	32	95.2	10	0.1	30	90.4	14	0.2
Canis Court Kamishiryo	57	100.0	27	0.3	56	98.3	40	0.5
Imperial Otori	30	100.0	18	0.2	29	96.8	26	0.3
Otakibashi Pacifica Building	9	90.1	75	0.9	10	100.0	73	0.9
BECOME SAKAE	11	100.0	134	1.6	11	100.0	127	1.5
Total	2,912	98.1	8,434	100.0	2,923	98.0	8,406	100.0

(Note 1) "Number of tenants" is the aggregate number of tenants as described in the relevant lease agreements for respective properties as of the end of respective periods, excluding warehouses, signboards, and parking lots. For properties subject to a pass-through master lease, the number of tenants is the total number of end-tenants, except for certain pass-through master leases under which properties are leased en bloc to a sublessee who pays a fixed amount of rent to the master lessee, for which we consider the number of tenants to be one.

(Note 2) "Occupancy rate" is rounded to the first decimal place.

(Note 3) "Revenues related to property leasing" is truncated to the nearest million yen.

(Note 4) "Rate to total revenues related to property leasing" is rounded to the first decimal place, and may not add up to 100%.

(Note 5) This information is not disclosed as tenants' consent to disclosure has not been obtained.

(Note 6) These properties were transferred on August 26, 2021.

(Note 7) This property was transferred on February 28, 2022.

(Note 8) This information is not disclosed as sublessees' consent to disclosure has not been obtained.

(4) Description of Securities

Name	Type	Quantity (Unit)	Book value (Note 1)		Fair value (Note 1) (Note 2)		Valuation gain or loss (Yen in millions)	Noted
			Unit price (Yen in thousands)	Amount (Yen in millions)	Unit price (Yen in thousands)	Amount (Yen in millions)		
Godo Kaisha NRT Growth 17 Subordinated equity interest in silent partnership	Equity interest in a silent partnership	—	—	50	—	50	—	(Note 3)
Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership	Equity interest in a silent partnership	—	—	32	—	32	—	(Note 4)
Total		—	—	82	—	82	—	

(Note 1) "Book value" and "Fair value" are truncated to the nearest million yen.

(Note 2) Balance sheet amount is used as "Fair value" by applying the treatment stipulated in paragraph 27 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, revised on July 4, 2019).

(Note 3) Assets under management are trust beneficiary interests in real estate of Muse Ryogoku II, Minami-Horie apartment Grande, Minami-Horie apartment Cielo, Minami-Horie apartment Rio, Plowland Horita and Nasic Nozomigaoka.

(Note 4) Assets under management are trust beneficiary interests in real estate of 30 Sankyo Building, St. Lake Celeb Daikancho and Belle Face Kawaharadori.

(5) Contract Amount and Fair Value for Specific Transactions

Category	Type	Contracted amount (Yen in thousands) (Note 1)		Fair value (Yen in thousands) (Note 2)
			Due after 1 year	
Off-market transactions	Interest rate swaps Receive floating / Pay fix	120,970,000	107,870,000	785,814 (Note 3)
Total		120,970,000	107,870,000	785,814

(Note 1) "Contract amount" is based on the notional principal. Figures are truncated to the nearest thousand yen.

(Note 2) "Market value" is based on the price indicated by the financial institution managing the transaction. Figures are truncated to the nearest thousand yen.

(Note 3) With regard to the "Interest rate swaps Receive floating / Pay fix" transaction for which special treatment is applied in accordance with the "Accounting Standards for Financial Instruments", such fair value is not recognized on the balance sheet.

(6) Other Assets

Beneficiary interests in trust assets comprised mainly of real estate are presented earlier in this report under "(3) Description of Portfolio." Aside from the assets presented in "(3) Description of Portfolio," NIPPON REIT has no major investment assets other than those included in its portfolio as of June 30, 2022.

(7) Holding of Assets by Country and Region

NIPPON REIT does not own assets outside of Japan.

4. Capital Expenditure for Properties Held

(1) Schedule of Capital Expenditures

The following are the main capital expenditures NIPPON REIT plans to implement during the 21st fiscal period accompanying planned renovations and repairs for those properties held. The following scheduled construction amount includes the portion charged to expenses in accounting:

Property name	Location	Purpose	Schedule	Scheduled construction amount (Yen in millions) (Note)		
				Total	Amount to be paid in the current fiscal period	Amount already paid
Pigeon Building	Chuo ward, Tokyo	Elevator control renewal	From July 2022 to December 2022	29	—	—
FORECAST Ningyocho	Chuo ward, Tokyo	Ventilation and lighting facilities repair	From July 2022 to December 2022	60	—	—
I-S Minamimorimachi Building	Osaka, Osaka	Substation facilities repairment	From July 2022 to December 2022	12	—	—
Shinto GINZA EAST	Chuo ward, Tokyo	7th floor private area renewal	From July 2022 to December 2022	15	—	—
FORECAST Kayabacho	Chuo ward, Tokyo	Exterior wall repair	From April 2022 to December 2022	85	—	—
Omiya Center Building	Saitama, Saitama	Common area renewal	From July 2022 to December 2022	25	—	—
NRT Kandasudacho Building	Chiyoda ward, Tokyo	Exterior wall repair	From July 2022 to December 2022	33		
The Square	Nagoya, Aichi	Ventilation and lighting facilities repair	From July 2022 to December 2022	54		
Primegate Iidabashi	Shinjuku ward, Tokyo	No. 101 private area renewal	From July 2022 to December 2022	16		
LAPUTA KUJO	Osaka, Osaka	Common area renewal	From July 2022 to December 2022	12	—	—

(Note) The scheduled construction amount is truncated to the nearest million yen.

(2) Capital Expenditures during the Period

Below are the main capital expenditures that NIPPON REIT used to carry out construction in the current period. In the fiscal period ended June 30, 2022, capital expenditures totaled 270 million yen. With the addition of 170 million yen posted as expenses for renovations and repairs, total capital expenditures for construction came to 441 million yen.

Property name	Location	Purpose	Period	Capital expenditures (Yen in millions) (Note)
Kudankita 325 Building	Chiyoda ward, Tokyo	Elevator control renewal	From May 2022 to May 2022	12
FORECAST Ningyocho	Chuo ward, Tokyo	Exterior wall repair	From January 2022 to March 2022	36
MK Kojimachi Building	Chiyoda ward, Tokyo	Building structure repairment (No.3)	From January 2022 to March 2022	22
Other capital expenditures				198
Total				270

(Note) Capital expenditures are truncated to the nearest million yen.

(3) Cash Reserves for Long-Term Repairs and Maintenance Plans

Based on a long-term repair and maintenance plan compiled for each property, NIPPON REIT sets aside the following cash reserves from cash flows during the fiscal period in order to provide the payment of funds for major repairs and maintenance, etc., over the medium to long term:

Operating period	(Yen in millions)				
	16th fiscal period From January 1, 2020 to June 30, 2020	17th fiscal period From July 1, 2020 to December 31, 2020	18th fiscal period From January 1, 2021 to June 30, 2021	19th fiscal period From July 1, 2021 to December 31, 2021	20th fiscal period From January 1, 2022 to June 30, 2022
Balance of reserves at the beginning of the period	507	980	1,353	1,726	1,841
Amount of reserves during the period	888	771	710	725	843
Amount of reversal of reserves during the period	415	398	337	610	270
Reserves carried forward	980	1,353	1,726	1,841	2,414

(Note) Figures in the above table are truncated to the nearest million yen.

5. Expenses and Liabilities

(1) Expenses in Connection with Management of Assets

(Yen in thousands)

Item	19th fiscal period From July 1, 2021 to December 31, 2021	20th fiscal period From January 1, 2022 to June 30, 2022
(a) Asset management fees (Note 1)	640,859	639,415
(b) Asset custody fees	10,569	10,411
(c) Administrative service fees	43,761	42,212
(d) Directors' compensation	2,400	2,400
(e) Independent auditors' fees	14,500	14,650
(f) Other operating expenses	190,330	143,325
Total	902,431	852,415

(Note 1) In addition to the amount shown above for asset management fees, there were management fees related to the acquisition of properties included in the book value of the respective properties (19th fiscal period: 76,150 thousand yen, 20th fiscal period: 150 thousand yen), and related to the transfer of trust beneficiary interests (19th fiscal period: 86,300 thousand yen, 20th fiscal period: 14,300 thousand yen).

(Note 2) Figures in the table above are truncated to the nearest thousand yen.

(2) Debt Financing

The status of borrowing per financial institution as of June 30, 2022, is as follows:

Classification	Lender	Borrowing date	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
			(Yen in millions) (Note 1)	(Yen in millions) (Note 1)					
Current portion of long-term debt	MUFG Bank, Ltd.	April 24, 2019	370	-	0.26 (Note 3)	April 20, 2022	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	-					
	Sumitomo Mitsui Banking Corporation		1,000	-					
	Resona Bank, Limited		200	-					
	Sumitomo Mitsui Trust Bank, Limited		450	-					
	Shinsei Bank, Limited		300	-					
	Mizuho Trust & Banking Co., Ltd.		200	-					
	The Nomura Trust and Banking Co., Ltd.		500	-					
	MUFG Bank, Ltd.	July 3, 2018	2,850	2,850	0.41 (Note 3)	August 22, 2022	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,400	1,400					
	Sumitomo Mitsui Banking Corporation		700	700					
	Resona Bank, Limited		550	550					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	Shinsei Bank, Limited		350	350					
	Mizuho Trust & Banking Co., Ltd.		350	350					
	Aozora Bank, Ltd.		250	250					
	The Nomura Trust and Banking Co., Ltd.		250	250					
	MUFG Bank, Ltd.	February 12, 2015	-	500	1.24	February 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2017	-	1,700	0.48 (Note 3)	April 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	800					
	MUFG Bank, Ltd.		-	500					
	Sumitomo Mitsui Banking Corporation		-	2,300					
	Resona Bank, Limited		-	300					
	MUFG Bank, Ltd.	February 20, 2020	-	500	0.25 (Note 3)	April 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	July 21, 2020	-	1,000	0.32	April 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		-	500					
	Shinsei Bank, Limited		-	500					
	Mizuho Trust & Banking Co., Ltd.		-	500					
	Subtotal		10,320	16,100					

	Classification		Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender									
Long-term debt	MUFG Bank, Ltd.	February 12, 2015	500	-	1.24	February 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	April 24, 2017	1,700	-	0.48 (Note 3)	April 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		800	-						
	MUFG Bank, Ltd.		500	-						
	Sumitomo Mitsui Banking Corporation		2,300	-						
	Resona Bank, Limited		300	-						
	MUFG Bank, Ltd.	February 20, 2020	500	-	0.25 (Note 3)	April 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	July 21, 2020	1,000	-	0.32	April 20, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		500	-						
	Shinsei Bank, Limited		500	-						
	Mizuho Trust & Banking Co., Ltd.		500	-						
	MUFG Bank, Ltd.	August 21, 2017	1,600	1,600	0.50 (Note 3)	August 21, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		500	500						
	MUFG Bank, Ltd.		600	600						
	Resona Bank, Limited		400	400						
	Sumitomo Mitsui Trust Bank, Limited		400	400						
	Development Bank of Japan Inc.	400	400							
	MUFG Bank, Ltd.	July 3, 2018	2,900	2,900	0.48 (Note 3)	August 21, 2023	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		800	800						
	Sumitomo Mitsui Banking Corporation		650	650						
	Resona Bank, Limited		450	450						
	Sumitomo Mitsui Trust Bank, Limited		450	450						
	Shinsei Bank, Limited		350	350						
	Mizuho Trust & Banking Co., Ltd.		400	400						
	MUFG Bank, Ltd.	April 24, 2017	1,900	1,900	0.56 (Note 3)	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		700	700						
	MUFG Bank, Ltd.		500	500						
	Resona Bank, Limited		300	300						
	MUFG Bank, Ltd.	April 24, 2018	500	500	0.52 (Note 3)	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Sumitomo Mitsui Banking Corporation		1,550	1,550						
	Resona Bank, Limited		850	850						
	Sumitomo Mitsui Trust Bank, Limited		300	300						

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	April 20, 2021	100	100	0.32	April 22, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		100	100					
	Sumitomo Mitsui Banking Corporation		500	500					
	Sumitomo Mitsui Trust Bank, Limited		250	250					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	August 21, 2017	1,400	1,400	0.58 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.		500	500					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	Development Bank of Japan Inc.	400	400						
	MUFG Bank, Ltd.	July 3, 2018	1,050	1,050	0.54 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		250	250					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		150	150					
	Shinsei Bank, Limited		150	150					
	Mizuho Trust & Banking Co., Ltd.	200	200						
	MUFG Bank, Ltd.	August 20, 2018	1,950	1,950	0.57 (Note 3)	August 20, 2024	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		600	600					
	Shinsei Bank, Limited.		600	600					
	Mizuho Trust & Banking Co., Ltd.	600	600						
	Mizuho Bank, Ltd.	July 3, 2018	1,000	1,000	0.58 (Note 3)	January 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	April 24, 2017	1,400	1,400	0.70 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		600	600					
	MUFG Bank, Ltd.		400	400					
	Resona Bank, Limited		200	200					
	MUFG Bank, Ltd.	April 24, 2018	700	700	0.61 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.		200	200					
	Sumitomo Mitsui Banking Corporation		500	500					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		200	200					

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	August 20, 2021	300	300	0.30 (Note 3)	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Resona Bank, Limited		400	400					
	Shinsei Bank, Limited.		250	250					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	Aozora Bank, Ltd.		250	250					
	The Nomura Trust and Banking Co., Ltd.	April 20, 2022	-	500	0.31	April 21, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	August 21, 2017	1,200	1,200	0.71 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		500	500					
	MUFG Bank, Ltd.		400	400					
	Resona Bank, Limited		300	300					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Development Bank of Japan Inc.		200	200					
	MUFG Bank, Ltd.	July 3, 2018	1,500	1,500	0.63 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation		300	300					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	Development Bank of Japan Inc.		400	400					
	MUFG Bank, Ltd.	August 20, 2018	3,000	3,000	0.68 (Note 3)	August 20, 2025	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		400	400					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Shinsei Bank, Limited.		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	April 24, 2018	200	200	0.75 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Meiji Yasuda Life Insurance Company	April 24, 2018	500	500	0.70	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed

	Classification	Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender								
Long-term debt	MUFG Bank, Ltd.	April 24, 2019	500	500	0.59 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		1,000	1,000					
	Resona Bank, Limited		200	200					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	Shinsei Bank, Limited.		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	Aozora Bank, Ltd.		300	300					
	MUFG Bank, Ltd.	July 22, 2019	2,600	2,600	0.43 (Note 3)	April 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd		1,200	1,200					
	Resona Bank, Limited		550	550					
	Sumitomo Mitsui Trust Bank, Limited		250	250					
	Shinsei Bank, Limited.		350	350					
	Mizuho Trust & Banking Co., Ltd.		450	450					
	MUFG Bank, Ltd.	August 20, 2018	3,650	3,650	0.83 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		200	200					
	Resona Bank, Limited		400	400					
	Sumitomo Mitsui Trust Bank, Limited		200	200					
	Shinsei Bank, Limited		200	200					
	Mizuho Trust & Banking Co., Ltd.		200	200					
	MUFG Bank, Ltd.	February 20, 2020	1,500	1,500	0.39 (Note 3)	August 20, 2026	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		500	500					
	MUFG Bank, Ltd.	April 24, 2019	500	500	0.74 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		300	300					
	Sumitomo Mitsui Banking Corporation		750	750					
	Resona Bank, Limited		100	100					
	Sumitomo Mitsui Trust Bank, Limited		400	400					
	Shinsei Bank, Limited.		200	200					
	Mizuho Trust & Banking Co., Ltd.		100	100					
	Aozora Bank, Ltd.		200	200					
	MUFG Bank, Ltd.	July 22, 2019	3,500	3,500	0.54 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		1,200	1,200					
	Resona Bank, Limited		500	500					
	Sumitomo Mitsui Trust Bank, Limited		300	300					
	Shinsei Bank, Limited.		400	400					
	Mizuho Trust & Banking Co., Ltd.		400	400					

	Classification		Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
		Lender								
Long-term debt		Sumitomo Mitsui Banking Corporation	February 20, 2020	500	500	0.45 (Note 3)	April 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.	February 20, 2020	4,500	4,500	0.48 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		500	500					
		Shinsei Bank, Limited.		500	500					
		Mizuho Trust & Banking Co., Ltd.		500	500					
		MUFG Bank, Ltd.	October 30, 2020	950	950	0.49 (Note 3)	August 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Resona Bank, Limited		400	400					
		Sumitomo Mitsui Trust Bank, Limited		400	400					
		Shinsei Bank, Limited.		400	400					
		Sumitomo Mitsui Banking Corporation	October 30, 2020	500	500	0.56 (Note 3)	December 20, 2027	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.	April 24, 2018	1,000	1,000	0.96 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		200	200					
		MUFG Bank, Ltd.	October 30, 2020	500	500	0.59 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Aozora Bank, Ltd.		500	500					
		MUFG Bank, Ltd.	April 20, 2021	100	100	0.50 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		Mizuho Bank, Ltd.		400	400					
		Sumitomo Mitsui Banking Corporation		2,000	2,000					
		Sumitomo Mitsui Trust Bank, Limited		250	250					
		Development Bank of Japan Inc.	August 20, 2021	200	200	0.42 (Note 3)	April 20, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.		700	700					
		Mizuho Bank, Ltd.		700	700					
		Resona Bank, Limited		600	600					
		Shinsei Bank, Limited.		250	250					
		Mizuho Trust & Banking Co., Ltd.		450	450					
		Aozora Bank, Ltd.	July 21, 2020	250	250	0.64 (Note 3)	August 21, 2028	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed
		MUFG Bank, Ltd.		2,000	2,000					
		Mizuho Bank, Ltd.		1,000	1,000					
	Resona Bank, Limited	500		500						
	Sumitomo Mitsui Trust Bank, Limited	500		500						
	Shinsei Bank, Limited.	1,250		1,250						
	Mizuho Trust & Banking Co., Ltd.	April 24, 2019	1,250	1,250	0.95 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.		800	800						
		Mizuho Bank, Ltd.		200	200					

	Classification		Borrowing date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Average interest rate (%) (Note 2)	Repayment due date	Method of repayment	Use	Note
	Lender									
Long-term debt	MUFG Bank, Ltd.	October 30, 2020	1,200	1,200	0.68 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		900	900						
	MUFG Bank, Ltd.	April 20, 2021	800	800	0.63 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		1,000	1,000						
	Development Bank of Japan Inc.		600	600						
	MUFG Bank, Ltd.	April 20, 2022	-	70	0.76 (Note 3)	April 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Sumitomo Mitsui Banking Corporation		-	1,700						
	MUFG Bank, Ltd.	August 20, 2021	2,100	2,100	0.55 (Note 3)	August 20, 2029	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		1,000	1,000						
	Resona Bank, Limited	April 20, 2022	-	200	0.91 (Note 3)	April 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Sumitomo Mitsui Trust Bank, Limited		-	450						
	Shinsei Bank, Limited.		-	300						
	Mizuho Trust & Banking Co., Ltd.		-	100						
	MUFG Bank, Ltd.	July 21, 2020	1,500	1,500	0.78 (Note 3)	July 22, 2030	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed	
	Mizuho Bank, Ltd.		500	500						
MUFG Bank, Ltd.	April 20, 2021	1,500	1,500	0.81 (Note 3)	April 21, 2031	Lump-sum repayment at maturity	(Note 4)	Unsecured Unguaranteed		
Mizuho Bank, Ltd.		500	500							
Subtotal			115,800	110,020						
	Total		126,120	126,120						

(Note 1) "Balance at the beginning of the period" and "Balance at the end of the period" are truncated to the nearest million yen.

(Note 2) "Average interest rate" is the weighted-average interest rate during the period, rounded to the second decimal place.

(Note 3) Interest rate swap agreement is concluded and the interest rate is substantively fixed. Therefore, the effect of interest rate swap is factored into the interest rate provided.

(Note 4) Used for acquisition of assets, repayment of loans, and related expenses deemed reasonable.

(3) Investment Corporation Bonds

The status of investment corporation bonds as of June 30, 2022, is as follows:

Name	Issuance date	Balance at the beginning of the period (Yen in millions) (Note 1)	Balance at the end of the period (Yen in millions) (Note 1)	Interest rate (%)	Redemption date	Redemption method	Use	Note
NIPPON REIT 1st unsecured bonds	April 24, 2018	1,000	1,000	0.54	April 24, 2025	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 2nd unsecured bonds	April 24, 2018	1,000	1,000	0.70	April 24, 2028	Lump-sum repayment at maturity	Note 1)	(Note 2)
NIPPON REIT 3rd unsecured bonds	November 30, 2018	1,500	1,500	0.88	November 30, 2028	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 4th unsecured bonds	April 24, 2019	1,000	1,000	0.90	April 24, 2029	Lump-sum repayment at maturity	(Note 1)	(Note 2)
NIPPON REIT 5th unsecured bonds (Green bonds)	August 6, 2021	—	2,000	0.67	August 6, 2031	Lump-sum repayment at maturity	(Note 1)	(Note 2)
Total		4,500	6,500					

(Note 1) Use as the funds for part of repayment of loans

(Note 2) The bond is subject to the pari passu clause among specified investment corporation bonds.

(4) Status of Short-Term Investment Corporation Bonds

Not applicable

(5) Status of Unit Acquisition Rights

Not applicable

6. Status of Purchases and Sales during the Period

(1) Status of Purchases and Sales of Real Estate, Asset-Backed Securities, Infrastructure Assets, and Infrastructure-Related Assets

Property name	Acquisition		Transfer			
	Date of acquisition	Acquisition price (Yen in millions) (Note 1)	Date of transfer	Transfer price (Yen in millions) (Note 1)	Book value (Yen in millions)	Gain or loss on transfer (Yen in millions) (Note 2)
Sunworld Building	—	—	February 28, 2022	1,430	1,262	125
Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership	March 29, 2022	30	—	—	—	—
Total	—	30	—	1,430	1,262	125

(Note 1) "Acquisition price" or "Transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc. Figures have been truncated to the nearest million yen.

(Note 2) "Gain or loss on transfer" represents the amounts after deducting book values and transfer-related expenses from transfer prices.

(2) Transaction of Other Assets

Other assets, aside from previously mentioned real estate, asset-backed securities, infrastructure assets, and infrastructure-related assets, consist mainly of bank deposits and bank deposits included in the trust asset deposits.

(3) Review on Value of Specified Assets

A. Real estate

Acquisition or transfer	Name	Transaction date	Type of asset	Acquisition price or transfer price (Yen in millions) (Note1) (Note2)	Appraisal value (Yen in millions) (Note 2)	Appraiser	Appraisal date
Transfer	Sunworld Building	February 28, 2022	Trust Beneficiary Interest	1,430	1,310	Japan Real Estate Institute	December 31, 2021

(Note 1) "Acquisition price or transfer price" does not include acquisition or transfer-related expenses, property tax, city planning tax and consumption tax, etc.
(Note 2) Figures have been truncated to the nearest million yen.
(Note 3) The above appraisal was conducted in accordance with the "Japanese Real Estate Appraisal Standards, Detailed exposition Chapter 3 Appraisal regarding price of securitized real estate."

B. Asset-Backed Securities

Acquisition or transfer	Name	Transaction date	Type of asset	Acquisition price (Yen in millions) (Note 1) (Note 2)	Appraisal value of specified assets (Yen in millions) (Note 2)
Acquisition	Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership	March 29, 2022	Equity interest in a silent partnership	30	34

(Note 1) "Acquisition price" does not include acquisition-related expenses.
(Note 2) Figures have been truncated to the nearest million yen.
(Note 3) The appraisal of the price of the specified assets above was conducted by KPMG AZSA LLC at the time the asset was acquired in accordance with the Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-upon Procedures Pertaining Investigation into the Value, etc., of Specified Assets of Investment Trusts and Investment Corporations" published by the by Japanese Institute of Certified Public Accountants. NIPPON REIT has received this appraisal report.

C. Others

Name of the investigator
KPMG AZSA LLC

Summary of the result and investigation method:

Transactions that were investigated during the applicable period from January 1, 2022, to June 30, 2022, consisted of two interest rate swap transactions. Regarding the interest rate swap transactions, KPMG AZSA LLC is entrusted with the investigation of comparable prices, name of the counterparty, the agreed figures, the transaction period, and other details regarding the relevant interest rate swap transactions, as stipulated on Article 201-2 of the Investment Trust Act and an Agreed-Upon Procedures Reports on such transactions based on Practical Guidelines for Specialized Operations 4460 "Practical Guidelines for Agreed-Upon Procedures Pertaining to Investigation into the Value, etc., of Specified Assets of Investment Trusts and Investment Corporations," published by the Japanese Institute of Certified Public Accountants.

Furthermore, the investigation is not part of the financial statement audit, and does not ensure the validity of the price and internal control systems.

(4) Related Party Transactions

A. Status of Transactions

Classification	Purchase price or Sales price, etc. (Note 1)			
	Purchase price, etc. (Yen in millions)		Sales price, etc. (Yen in millions)	
Total	30		1,430	
Transaction status with related parties (Note 1)				
Godo Kaisha NRT Growth 18	30	(100.0%)	—	(— %)
Total	30	(100.0%)	—	(— %)

B. Amount of Fees Paid

Classification	Total amount paid (A) (Yen in thousands) (Note 3)	Breakdown of transactions with related parties (Note 1)		Rate to total amount paid (B/A) (Note 4)
		Payment recipient	Amount paid (B) (Yen in thousands) (Note 3)	
Property transfer assistance fees	27,300	Sojitz New Urban Development Corporation	27,300	100.0%
Property management fees	511,058	Sojitz LifeOne Corporation	302,078	59.1%
Other property-related expenses	314,603	Sojitz LifeOne Corporation	34,094	10.8%

(Note 1) In accordance with Article 123 of the Order for Enforcement of the Investment Trusts Act on Investment Trusts and Investment Corporation and Articles 26 and 27 of the Investment Trust Association of Japan's Rules Related to Management Reports for Investment Trusts and Investment Corporations, "related parties" are defined as the related parties of the asset management company that have entered into an asset management contract with NIPPON REIT.
(Note 2) The above table includes related party transactions as stipulated by Rules on Related Party Transactions of the asset management company in addition to the related party transactions during the current period.
(Note 3) "Total amount paid" and "Amount paid" have been truncated to the nearest thousand yen.
(Note 4) "Rate to total amount paid" has been rounded to the first decimal place.
(Note 5) The following are fees paid to the related parties in the current period other than those listed above and commission fees. Note that the amount is truncated to the nearest thousand yen.

Sojitz LifeOne Corporation 60,896 thousand yen

(5) Status of Transactions with Asset Management Company Pertaining to Business Operated by the Asset Management Company as a Subsidiary Business
Not applicable because the asset management company does not engage in any business as a subsidiary business that is a type-I financial instruments business, type-II financial instruments business, real estate brokerage, or real estate specified joint enterprise.

7. Accounting

(1) Status of Assets, Liabilities, Principal, and Profit / Loss
Please refer to "Balance Sheets," "Statements of Income and Retained Earnings," "Statements of Change in Net Assets," "Notes to Financial Statements," and "Distribution Information."

(2) Changes in Method to Calculate Depreciation Expenses
Not applicable

(3) Changes in Method to Evaluate Properties and Infrastructure Assets
Not applicable

(4) Status of Beneficiary Certificates of Investment Trust Established by NIPPON REIT
Not applicable

(5) Disclosures as a Corporation Holding Real Estate Overseas and Relating to Real Estate Held by a Corporation Holding Real Estate Overseas
Not applicable

8. Other

(1) Notice

The overview of conclusions and changes, etc., of major agreements approved by meeting of the Board of Officers of NIPPON REIT during the current period is as follows:

Approval date	Subject	Description
June 27, 2022	Signed the memorandum on the transfer agent agreement	Resolved the conclusion of the memorandum on the transfer agent agreement with Mitsubishi UFJ Trust and Banking Corporation on June 30, 2022.

(2) Other

Unless otherwise stated, monetary amounts are truncated and percentages are rounded off to the nearest specified unit in this report.

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of December 31, 2021 and June 30, 2022

	As of	
	December 31, 2021	June 30, 2022
	(Yen in thousands)	
Assets		
Current Assets:		
Cash and deposits (Note 3)	¥ 9,800,419	¥ 10,469,331
Cash and deposits in trust (Note 3)	6,259,224	6,072,091
Tenant receivables	90,080	86,770
Prepaid expenses	473,994	479,550
Income taxes refundable	—	20
Other current assets	6,766	9,280
Less: allowance for doubtful accounts	(0)	—
Total Current Assets	16,630,485	17,117,045
Investment Properties (Notes 5 and 6):		
Buildings (Note 8)	271,075	271,200
Tools, furniture and fixtures	—	184
Land in trust (Note 7)	189,412,955	188,518,790
Buildings in trust (Note 8)	62,000,270	61,736,926
Structures in trust	228,251	229,760
Machinery and equipment in trust	512,770	511,155
Tools, furniture and fixtures in trust (Note 8)	279,508	300,300
Less: accumulated depreciation	(11,701,758)	(12,622,365)
Leasehold rights	1,256,792	1,256,792
Leasehold rights in trust	16,099,139	16,099,139
Other intangible assets	4,174	3,981
Total Investment Properties, net	258,363,178	256,305,864
Other Assets:		
Investment securities (Note 4)	50,617	82,973
Lease and guarantee deposits	10,197	10,197
Long-term prepaid expenses	1,428,682	1,288,643
Deferred investment corporation bond issuance costs	51,714	48,004
Deferred tax assets (Note 18)	0	—
Others	42,563	42,810
Total Other Assets	1,583,775	1,472,629
Total Assets	¥ 276,577,439	¥ 274,895,539

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
BALANCE SHEETS

As of December 31, 2021 and June 30, 2022

	As of	
	December 31, 2021	June 30, 2022
	(Yen in thousands)	
Liabilities		
Current Liabilities:		
Long-term debt due within one year (Notes 4 and 15)	¥ 10,320,000	¥ 16,100,000
Accounts payable	1,085,637	667,511
Accrued expenses	284,505	293,271
Accrued corporation taxes	53,731	—
Accrued consumption taxes	122,731	101,169
Advances received	1,446,012	1,448,087
Other current liabilities	534,642	223,147
Total Current Liabilities	13,847,261	18,833,187
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 16)	6,500,000	6,500,000
Long-term debt (Notes 4 and 15)	115,800,000	110,020,000
Tenant security deposits	55,353	71,222
Tenant security deposits in trust	8,502,901	8,877,274
Other long-term liabilities	2,204	1,695
Total Long-Term Liabilities	130,860,458	125,470,192
Total Liabilities	144,707,720	144,303,379
Net Assets (Notes 14 and 19)		
Unitholders' Equity:		
Unitholders' capital	126,515,601	126,515,601
Units authorized: 4,000,000 units		
Units issued and outstanding: 449,930 units		
Retained earnings	5,354,117	4,076,557
Total Unitholders' Equity	131,869,718	130,592,159
Total Net Assets	131,869,718	130,592,159
Total Liabilities and Net Assets	¥ 276,577,439	¥ 274,895,539

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the six-month periods ended December 31, 2021 and June 30, 2022

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Operating Revenues (Note 9):				
Rental revenues (Note 10)	¥	7,819,931	¥	7,801,635
Other revenues related to property leasing (Note 10)		615,010		604,720
Gain on sales of real estate properties (Note 11)		1,602,450		125,435
Dividend income		4,079		3,003
Total Operating Revenues		10,041,471		8,534,794
Operating Expenses:				
Property-related expenses (Note 10)		3,095,566		3,083,060
Asset management fees		640,869		639,415
Asset custody fees		10,569		10,411
Administrative service fees		43,761		42,212
Directors' compensation		2,400		2,400
Independent auditors' fees		14,500		14,650
Other operating expenses		190,330		143,325
Total Operating Expenses		3,997,997		3,935,475
Operating Income		6,043,474		4,599,318
Non-Operating Revenues:				
Interest income		80		77
Reversal of distributions payable		1,084		1,646
Interest on tax refund		—		6
Subsidy income		—		8,841
Total Non-Operating Revenues		1,164		10,571
Non-Operating Expenses:				
Interest expense		353,275		350,227
Interest on investment corporation bonds		22,832		23,915
Amortization of investment corporation bond issuance costs		3,510		3,709
Borrowing related expenses		274,181		260,863
Others		46		48
Total Non-Operating Expenses		653,845		638,764
Ordinary Income		5,390,793		3,971,125
Extraordinary Income:				
Subsidy income (Note 12)		—		65,383
Total Extraordinary Income		—		65,383
Extraordinary Losses:				
Loss on reduction of investment properties (Note 13)		—		65,029
Total Extraordinary Losses		—		65,029
Income Before Income Taxes		5,390,793		3,971,478
Income taxes – current		54,877		605
Income taxes – deferred		2		0
Total Income Taxes (Note 18)		54,880		605
Net Income		5,335,912		3,970,873
Retained Earnings Brought Forward		18,204		105,683
Retained Earnings at End of Period	¥	5,354,117	¥	4,076,557

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
STATEMENTS OF CHANGES IN NET ASSETS

For the six-month periods ended December 31, 2021 and June 30, 2022

	Unitholders' Equity				Total Net Assets
	Number of Units	Unitholders' Capital	Retained Earnings	Total Unitholders' Equity	
	(Units)	(Yen in thousands)			
Balance as of June 30, 2021	449,930	¥ 126,515,601	¥ 4,877,448	¥ 131,393,050	¥ 131,393,050
Cash distributions declared	—	—	(4,859,244)	(4,859,244)	(4,859,244)
Net income	—	—	5,335,912	5,335,912	5,335,912
Balance as of December 31, 2021	449,930	¥ 126,515,601	¥ 5,354,117	¥ 131,869,718	¥ 131,869,718
Cash distributions declared	—	—	(5,248,433)	(5,248,433)	(5,248,433)
Net income	—	—	3,970,873	3,970,873	3,970,873
Balance as of June 30, 2022	449,930	¥ 126,515,601	¥ 4,076,557	¥ 130,592,159	¥ 130,592,159

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
STATEMENTS OF CASH FLOWS

For the six-month periods ended December 31, 2021 and June 30, 2022

	For the six-month periods ended	
	December 31, 2021	June 30, 2022
	(Yen in thousands)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 5,390,793	¥ 3,971,478
Depreciation and amortization	1,009,653	1,006,357
Amortization of investment corporation bond issuance costs	3,510	3,709
Loss on retirement of investment properties	6,619	391
Loss on reduction of investment properties	—	65,029
Interest income	(80)	(77)
Interest expense	376,107	374,142
(Increase) decrease in tenant receivables	(2,125)	3,309
Increase in prepaid expenses	(238)	(5,555)
Decrease in long-term prepaid expenses	63,774	140,039
Decrease in accrued consumption taxes	(246,561)	(21,561)
Increase (decrease) in accounts payable	95,996	(69,926)
Increase in accrued expenses	16	6,236
Increase in advances received	3,988	2,075
Decrease in investment properties in trust due to sale	6,110,581	1,262,213
Decrease in intangible assets in trust due to sale	562,470	—
Interest income received	80	77
Interest expense paid	(361,505)	(371,613)
Income taxes paid	(874)	(54,356)
Others, net	(31,050)	(11,143)
Net Cash Provided by Operating Activities	12,981,155	6,300,827
Cash Flows from Investing Activities:		
Payments for purchases of investment properties other than intangible assets	—	(4,965)
Payments for purchases of investment properties in trust other than intangible assets in trust	(8,138,119)	(619,913)
Payments for purchases of intangible assets	(5,130)	—
Proceeds from tenant security deposits	—	15,869
Payments of tenant security deposits	—	(20,508)
Proceeds from tenant security deposits in trust	434,737	431,226
Payments of tenant security deposits in trust	(663,141)	(348,558)
Proceeds from withdrawal of investment securities	70,000	—
Payments for purchases of investment securities	(617)	(32,356)
Other payments	(1,244)	(1,244)
Net Cash Used in Investing Activities	(8,303,517)	(580,449)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	8,000,000	3,320,000
Repayments of long-term debt	(10,000,000)	(3,320,000)
Proceeds from issuance of investment corporation bonds	2,000,000	—
Payments of investment corporation bond issuance costs	(19,538)	—
Distributions paid	(4,851,740)	(5,238,598)
Net Cash Used in Financing Activities	(4,871,279)	(5,238,598)
Net Change in Cash and Cash Equivalents	(193,640)	481,779
Cash and Cash Equivalents at Beginning of Period	16,253,284	16,059,643
Cash and Cash Equivalents at End of Period (Note 3)	¥ 16,059,643	¥ 16,541,423

The accompanying notes are an integral part of these financial statements.

NIPPON REIT Investment Corporation
NOTES TO FINANCIAL STATEMENTS

As of and for the six-month periods ended December 31, 2021 and June 30, 2022

Note 1 – Organization and Basis of Presentation

Organization

NIPPON REIT Investment Corporation (hereinafter referred to as “NIPPON REIT”) was established on September 8, 2010 with ¥100 million in capital (200 units) as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions, hereinafter referred to as the “Investment Trust Act”) by the founder (the former Polaris Investment Advisors K.K.; now, Sojitz REIT Advisors K.K.).

Commencing on July 1, 2014, the fiscal period has been amended from an annual period to a semi-annual period ending on June 30 and December 31. Prior to this amendment, the annual fiscal period was a 12-month period from July 1 to June 30. NIPPON REIT made this amendment in order to increase the frequency of distributions to its unitholders.

NIPPON REIT is an externally managed real estate fund, established as an investment corporation. Sojitz REIT Advisors K.K., as NIPPON REIT’s asset management company, is engaged in acquiring, managing, leasing, and renovating office properties, residential properties and commercial properties. Sojitz Corporation, Cushman & Wakefield Asset Management K.K. and Agility Asset Advisers Inc. currently own 67%, 18% and 15%, respectively, of Sojitz REIT Advisors K.K.

NIPPON REIT implemented a two-for-one split of investment units on January 17, 2014, issued new investment units through a public offering (144,200 units) on April 23, 2014 and then was listed on the J-REIT section of the Tokyo Stock Exchange on April 24, 2014. Furthermore, NIPPON REIT issued new investment units through a third-party allotment (7,210 units) on May 23, 2014, a public offering (145,000 units) on February 10, 2015, a third-party allotment (7,250 units) on March 10, 2015, a public offering (84,000 units) on July 1, 2015 and a third-party allotment (3,700 units) on July 28, 2015, a public offering (55,400 units) on July 2, 2018 and the third-party allotment (2,770 units) on July 24, 2018. As of June 30, 2022, the total number of investment units issued and outstanding was 449,930 units.

As of June 30, 2022, NIPPON REIT had ownership or trust beneficiary interests in 106 properties with approximately 312,064.01 square meters of rentable space and had leased space to 2,923 tenants. The occupancy rate for the properties was approximately 98.0%.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and their related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements have been reformatted and translated into English from the financial statements of NIPPON REIT prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing the accompanying financial statements, relevant notes have been expanded and certain reclassifications have been made from the Japanese GAAP financial statements. Certain supplementary information included in the statutory Japanese GAAP financial statements, but not required for fair presentation, is not presented in the accompanying financial statements. Certain reclassifications have been made to the prior period’s financial statements to confirm to the presentation for the current period.

As permitted by Japanese GAAP, amounts of less than one thousand yen or one million yen have been omitted. Consequently, the totals shown in the accompanying financial statements do not necessarily agree with sums of the individual amounts.

Note 2 – Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.

(b) Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided at the amount considered sufficient to cover probable losses on collection. The amount is determined by estimating an uncollectible amount based on the analysis of certain individual accounts that may not be collectable.

(c) Investment Properties

Investment properties are recorded at cost, which includes the allocated purchase price and, related costs and expenses for acquisition of the trust beneficiary interests in real estate. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings in trust and Buildings	2-64 years
Structures in trust	2-45 years
Machinery and equipment in trust	10 years
Tools, furniture and fixtures in trust	2-15 years
Tools, furniture and fixtures	

Costs related to the renovation, addition and improvement of properties are capitalized. Expenditures for repairs and maintenance which do not add to the value or prolong the useful life of a property are expensed as incurred.

(d) Intangible Assets

Intangible assets are amortized using the straight-line method.

(e) Long-Term Prepaid Expenses

Long-term prepaid expenses are amortized using the straight-line method.

(f) Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized using the straight-line method through to the redemption date.

(g) Investment Securities

Available-for-sale securities without market prices are stated at cost determined by the moving average method. Equity interest in a silent partnership is stated at net amount equivalent to the interest in the relevant partnership.

(h) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rate.

(i) Real Estate Taxes

Investment properties are subject to various taxes, such as property taxes and city planning taxes. Owners of the properties are registered by records maintained in each jurisdiction by the local government. The taxes are imposed on the registered record owner as of January 1 of each year, based on an assessment made by the local government.

When a property is purchased within the calendar year, the taxes for the corresponding calendar year are imposed on the seller. NIPPON REIT pays the seller the corresponding amount of taxes for the period from the property acquisition date to December 31 of the calendar year and capitalizes these amounts as acquisition costs of the property, rather than expensing them. In subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

The following is a summary of capitalized real estate taxes.

	For the six-month periods ended	
	December 31, 2021	June 30, 2022
	(Yen in thousands)	
Capitalized real estate taxes	¥ 9,223	¥ —

(j) Consumption Taxes

Generally, consumption taxes paid are offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld is included in the current assets while the excess of amounts withheld over payments is included in the current liabilities. Non-deductible consumption taxes related to the acquisition of properties are treated as the cost of the applicable properties.

(k) Hedge Accounting

NIPPON REIT enters into derivative transactions for the purpose of hedging risks defined in the Articles of Incorporation of NIPPON REIT in accordance with its financial policy. NIPPON REIT uses interest rate swaps as hedging instruments in order to hedge the risk of interest rate fluctuations related to borrowings. The deferral method is applied for hedge transactions. For interest rate swaps which qualify for hedge accounting and meet specific criteria, the special treatment is applied. Under the special treatment, the related differentials paid or received under such swap contracts can be recognized and included in interest expense or income of the hedged assets or liabilities, and the interest rate swaps are not required to be measured at fair value separately. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

(l) Revenue Recognition

Major contents of performance obligations relating to revenue arising from contracts with customers of NIPPON REIT and general timing of satisfying such performance obligations (general timing of revenue recognition for the revenue recognition) are as follows:

(1) Sales of Real Estate Properties

Revenue is recognized at the time of a purchaser of real estate property as a customer obtains control over the real estate property by satisfying delivery obligation as described in a contract regarding the sale of the real estate property.

Net amount is presented as “Gain on sales of real estate properties” or “Loss on sales of real estate properties” on the Statements of Income and Retained Earnings calculated as “Selling price of the real estate property” which represents consideration for the transfer of investment property by deducting “Book value of the real estate property” which represents the book value of the investment property transferred and “Other selling expenses” which represents other direct expenses for the transfer.

(2) Utility Charge Revenues

Utility charge revenues are recognized depending on volume of supply of electricity, water and others to a tenant as a customer based on the lease agreement of the related property and contents of ancillary agreements.

(m) Accounting for Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate owned by NIPPON REIT, all accounts of assets and liabilities within the assets in trust as well as all accounts of revenue generated and expenses incurred from the assets in trust are recognized in the relevant accounts of the balance sheets and, statements of income and retained earnings.

The following assets in trust are recognized and presented separately on the balance sheets.

- (i) Cash and deposits in trust
- (ii) Land in trust, buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, construction in progress in trust and leasehold rights in trust
- (iii) Tenant security deposits in trust

(n) Significant Accounting Estimates

Impairment loss on investment properties

(1) Carrying amount in the accompanying financial statements

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Investment properties	¥	258,363,178	¥	256,305,864

(2) Information on the nature of significant accounting estimates for identified items

NIPPON REIT reduces the book value of investment properties to its recoverable amount when the invested amount may not be recoverable due to decrease in profitability in conformity with the accounting standard for impairment of long-lived assets.

NIPPON REIT’s investment properties are grouped on an individual asset basis. NIPPON REIT reviews the investment properties for impairment when factors such as consecutive operating losses, significant decline in the market price, deteriorated business environment and others related to investment properties indicate the carrying amount of an asset may not be recoverable.

Whether an impairment loss is recognized is determined based on the future cash flows expected from the asset. In the case that the impairment loss is recognized, the book value of the asset is reduced to the respective recoverable amount and the difference between the book value and recoverable amount is recorded as an impairment loss.

Future cash flows used in determining recoverable amounts are measured by comprehensive judgement on estimates based on market trends on rental revenues, occupancy rates, rental expenses and other factors as well as transaction information of similar properties.

Operating results and market price of each investment property may be affected by trends in property leasing market and property trading market. It is possible to have impact on NIPPON REIT’s financial position and result of operations in the next fiscal period if assumptions used in estimates change.

Note 3 – Cash and Cash Equivalents

Reconciliation between cash and deposits and cash and deposits in trust in the balance sheets and cash and cash equivalents in the statements of cash flows is as follows:

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Cash and deposits	¥	9,800,419	¥	10,469,331
Cash and deposits in trust		6,259,224		6,072,091
Cash and cash equivalents	¥	16,059,643	¥	16,541,423

Note 4 – Financial Instruments

(a) Qualitative Information for Financial Instruments

Policy for Financial Instrument Transactions

NIPPON REIT raises funds mainly through borrowings, issuance of investment corporation bonds and investment units for acquisition of investment properties, capital expenditures, renovations or repayment of bank borrowings. In financing through interest-bearing debt, NIPPON REIT raises funds with longer term, fixed-rate and well-diversified maturities to secure stable and liquid financing capacity.

NIPPON REIT enters into derivative transactions solely for the purpose of hedging interest rate fluctuation risks arising from borrowings and does not use derivative transactions for speculative purposes.

Nature and Extent of Risks Arising from Financial Instruments

Proceeds from borrowings and investment corporation bonds are used mainly for acquisition of investment properties, capital expenditures, renovations, operations or repayment of outstanding borrowings. These borrowings and investment corporation bonds are exposed to liquidity risks upon refinance. The floating-rate borrowings are exposed to potential risks of rising interest rates.

Bank deposits are used for investing NIPPON REIT’s surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions.

Risk Management of Financial Instruments

Liquidity risk is managed by diversifying lending financial institutions and planning and executing diversified financing methods including financing through capital markets, such as issuance of investment corporation bonds and issuance of investment units.

Interest rate volatility risk is managed primarily by increasing the proportion of borrowings under long-term fixed rates. Derivative transactions may be entered into in order to hedge interest rate fluctuation risk. As of June 30, 2022, NIPPON REIT uses derivative transactions (interest rate swaps) as hedging instruments in order to avoid the risk of interest rate fluctuations and to fix the amount of interest payments for borrowings with floating rates. NIPPON REIT evaluates hedge effectiveness by comparing the cumulative changes in cash flows of hedging instruments and the hedged items and assessing the ratio between the changes. However, the assessment of hedge effectiveness for interest rate swaps which meet the special criteria is omitted.

Credit risk is managed by diversifying the depository financial institutions.

Supplemental Explanation regarding Fair Value of Financial Instruments

Certain assumptions and factors are reflected in estimating the fair value of financial instruments. Different assumptions and factors could result in a different value.

(b) Fair Value of Financial Instruments

The book values, fair values and differences between them were as follows. Investments in partnerships (Note 2) are excluded from the table below. Disclosure of cash and deposits and cash and deposits in trust is omitted because the book value of these assets is deemed a reasonable approximation of the fair value as they are cash or with short maturities. Disclosure of tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

	As of December 31, 2021			As of June 30, 2022		
	(Yen in thousands)					
	Book value	Fair value	Difference	Book value	Fair value	Difference
Long-term debt due within one year	¥ 10,320,000	¥ 10,319,489	¥ (510)	¥ 16,100,000	¥ 16,098,070	¥ (1,929)
Investment corporation bonds	6,500,000	6,463,350	(36,650)	6,500,000	6,392,000	(108,000)
Long-term debt	115,800,000	115,783,874	(16,125)	110,020,000	108,918,565	(1,101,434)
Total liabilities	¥ 132,620,000	¥ 132,566,713	¥ (53,286)	¥ 132,620,000	¥ 131,408,635	¥ (1,211,364)
Derivatives	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

Methods used to estimate the fair value of financial instruments:

(1) Long-term debt due within one year and long-term debt

For long-term debt with floating interest rates that reflects market interest rates within a short period of time, the book value is deemed a reasonable approximation of the fair value and there are no significant changes in NIPPON REIT's credit standing after borrowing; therefore, the book value is used as the fair value equivalent. However, for long-term debt with floating interest rates hedged by interest rate swaps applying the special treatment, the fair value is calculated based on the total amount of principal and interest which are processed as a single unit with the interest rate swaps discounted at the current interest rate applicable to similar borrowings. For long-term debt with fixed interest rates, the fair value is calculated based on the total amount of principal and interest discounted at the current interest rate applicable to similar borrowings.

(2) Investment corporation bonds

Calculated based on Reference Statistical Prices for OTC Bond Transactions provided by Japan Securities Dealers Association.

Derivative Transactions:

There were no derivative transactions to which hedge accounting was not applied as of December 31, 2021 and June 30, 2022.

Derivative transactions to which hedge accounting was applied were as follows:

Hedge accounting method	Type of derivative transaction	Hedged item	As of December 31, 2021		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 121,470,000	¥ 111,150,000	(Note)
Total			¥ 121,470,000	¥ 111,150,000	¥ —

Note:

Derivatives applying the special treatment of interest rate swaps are treated as a single unit with long-term debt that is designated as the hedged item. The fair value is included in the fair value of aforementioned (1) Long-term debt due within one year and Long-term debt in “(b) Fair Value of Financial Instruments”.

Hedge accounting method	Type of derivative transaction	Hedged item	As of June 30, 2022		
			Contracted amount		Fair value
			Total	Due after one year	
			(Yen in thousands)		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term debt	¥ 120,970,000	¥ 107,870,000	(Note)
Total			¥ 120,970,000	¥ 107,870,000	¥ —

Note:

Derivatives applying the special treatment of interest rate swaps are treated as a single unit with long-term debt that is designated as the hedged item. The fair value is included in the fair value of aforementioned (1) Long-term debt due within one year and Long-term debt in “(b) Fair Value of Financial Instruments”.

Equity interests in silent partnership:

Equity interests in silent partnership were as follows:

	As of December 31, 2021				As of June 30, 2022			
	(Yen in thousands)							
	Book value		Fair value		Book value		Fair value	
Godo Kaisha NRT Growth 17 Subordinated equity interest in silent partnership (Note 1)	¥	50,617	¥	50,617	¥	50,617	¥	50,617
Godo Kaisha NRT Growth 18 Subordinated equity interest in silent partnership (Note 2)		—		—		32,356		32,356
Total	¥	50,617	¥	50,617	¥	82,973	¥	82,973

Notes:

1. The assets under management include trust beneficiary interests in real estate of Muse Ryogoku II, Minami-Horie apartment Grande, Minami-Horie apartment Cielo, Minami-Horie apartment Rio, Plowland Horita and Nasic Nozomigaoka.
2. The assets under management include trust beneficiary interests in real estate of 30 Sankyo Building, St. Lake Celeb Daikancho and Belle Face Kawaharadori.
3. Book value is used as the fair value equivalent by applying the treatment stipulated in Paragraph 27 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, revised on July 4, 2019).

The redemption schedule for investment corporation bonds and long-term debt was as follows:

As of December 31, 2021	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
(Yen in thousands)						
Investment corporation bonds	¥ —	¥ —	¥ —	¥ 1,000,000	¥ —	¥ 5,500,000
Long-term debt	10,320,000	19,000,000	17,600,000	17,050,000	16,950,000	45,200,000
Total	¥ 10,320,000	¥ 19,000,000	¥ 17,600,000	¥ 18,050,000	¥ 16,950,000	¥ 50,700,000

As of June 30, 2022	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
(Yen in thousands)						
Investment corporation bonds	¥ —	¥ —	¥ 1,000,000	¥ —	¥ —	¥ 5,500,000
Long-term debt	16,100,000	17,650,000	17,900,000	19,100,000	16,700,000	38,670,000
Total	¥ 16,100,000	¥ 17,650,000	¥ 18,900,000	¥ 19,100,000	¥ 16,700,000	¥ 44,170,000

Note 5 – Investment Properties

Investment properties consisted of the following:

	As of December 31, 2021			As of June 30, 2022		
	(Yen in thousands)					
	Acquisition cost	Accumulated depreciation and amortization	Book value	Acquisition cost	Accumulated depreciation and amortization	Book value
Buildings	¥ 271,075	¥ (25,760)	¥ 245,314	¥ 271,200	¥ (30,032)	¥ 241,167
Tools, furniture and fixtures	—	—	—	184	(3)	180
Land in trust	189,412,955	—	189,412,955	188,518,790	—	188,518,790
Buildings in trust	62,000,270	(11,359,199)	50,641,070	61,736,926	(12,223,056)	49,513,869
Structures in trust	228,251	(71,496)	156,754	229,760	(77,997)	151,763
Machinery and equipment in trust	512,770	(143,030)	369,739	511,155	(167,549)	343,605
Tools, furniture and fixtures in trust	279,508	(102,271)	177,236	300,300	(123,727)	176,572
Leasehold rights	1,256,792	—	1,256,792	1,256,792	—	1,256,792
Leasehold rights in trust	16,099,139	—	16,099,139	16,099,139	—	16,099,139
Other intangible assets	5,686	(1,511)	4,174	5,686	(1,704)	3,981
Total	¥270,066,448	¥(11,703,270)	¥ 258,363,178	¥268,929,935	¥ (12,624,070)	¥ 256,305,864

Note 6 – Fair Value of Investment Properties

The book value, net changes in the book value and the fair value of the investment properties including office properties, residential properties and commercial properties were as follows:

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Book value:				
Balance at beginning of period	¥	257,590,372	¥	258,363,178
Change during period		772,805		(2,057,313)
Balance at end of period		258,363,178		256,305,864
Fair value	¥	309,808,000	¥	315,735,000

Notes:

1. The book value represents acquisition costs after deducting accumulated depreciation.
2. The fair value is determined based on appraisal values provided by external real estate appraisers.
3. For the six-month period ended December 31, 2021, the increase was primarily due to the acquisition of 8 properties including “REID-C Iidabashi Building” (total acquisition price of ¥7,615,000 thousand) and offsetting decrease was primarily due to the transfer of 4 properties including “Itabashi Honcho Building” (total book value of ¥6,673,051 thousand).
4. For the six-month period ended June 30, 2022, the increase was primarily due to capital expenditure and the offsetting decrease was primarily due to the transfer of “Sunworld Building” (book value of ¥1,262,213 thousand).

Note 7 – Reduction Entry for Investment Properties Acquired through Exchange

The following table shows the amount deducted from the acquisition costs of investment properties acquired through exchange.

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Land in trust	¥	416,596	¥	416,596

Note 8 – Reduction Entry for Investment Properties Acquired due to Government Subsidies Received

The following table shows the amount deducted from the acquisition costs of investment properties acquired due to government subsidies received.

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Buildings	¥	3,469	¥	3,469
Buildings in trust		239,800		304,567
Tools, furniture and fixtures in trust		—		262
Total	¥	243,269	¥	308,299

Note 9 – Revenue Recognition

Information on breakdown of revenues arising from contracts with customers

Information on breakdown of revenues arising from contracts with customers is presented in Note10 –Rental Revenues and Expenses and Note 11 – Gain on Sales of Real Estate Properties. Rental revenues and expenses include revenues relating to property leasing for which “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13) is applied. Major revenues arising from contracts with customers are proceeds from sales of real estate properties and utility charge revenues.

Note 10 – Rental Revenues and Expenses

Rental revenues and expenses were as follows:

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Revenues from property leasing:				
Rental revenues:				
Base rents	¥	6,652,085	¥	6,649,779
Common area charges		940,373		924,877
Parking space rental revenues		227,473		226,977
Total rental revenues		7,819,931		7,801,635
Other revenues related to property leasing:				
Utilities charge revenues		456,381		441,515
Others		158,629		163,205
Total other revenues related to property leasing		615,010		604,720
Total revenues from property leasing		8,434,942		8,406,355
Property-related expenses:				
Property management fees		521,680		511,058
Utility expenses		391,453		435,800
Insurance expenses		8,549		8,298
Repair expenses		199,787		170,630
Taxes and dues		574,790		600,257
Depreciation and amortization		1,009,653		1,006,357
Loss on retirement of investment properties		6,619		391
Trust fees		35,849		35,661
Other		347,183		314,603
Total property-related expenses		3,095,566		3,083,060
Income from property leasing	¥	5,339,375	¥	5,323,294

Note 11 – Gain on Sales of Real Estate Properties

The details of gain on sales of real estate properties of ¥1,602,450 thousand for the six-month period ended December 31, 2021 were as follows:

	(Yen in thousands)	
Toshin Higashi Ikebukuro Building:		
Selling price of the real estate property	¥	1,480,000
Book value of the real estate property		985,162
Other selling expenses		62,358
Gain on sales of real estate property	¥	432,479

Itabashi Honcho Building:		
Selling price of the real estate property	¥	3,950,000
Book value of the real estate property		3,041,017
Other selling expenses		160,183
Gain on sales of real estate property	¥	748,798

East Side Building:		
Selling price of the real estate property	¥	1,800,000
Book value of the real estate property		1,371,004
Other selling expenses		74,493
Gain on sales of real estate property	¥	354,501

Esprit Kameido:		
Selling price of the real estate property	¥	1,400,000
Book value of the real estate property		1,275,866
Other selling expenses		57,461
Gain on sales of real estate property	¥	66,671

The details of gain on sales of real estate properties of ¥125,435 thousand for the six-month period ended June 30, 2022 were as follows:

	(Yen in thousands)	
Sunworld Building:		
Selling price of the real estate property	¥	1,430,000
Book value of the real estate property		1,262,213
Other selling expenses		42,351
Gain on sales of real estate property	¥	125,435

Note 12 – Subsidy Income

Subsidy income of ¥65,383 thousand for the six-month period ended June 30, 2022 represents income received from Subsidies for Capital investments promoting energy conservation using integrated electric power supply and demand control of housing and building in Fiscal 2021.

Note 13 – Loss on Reduction of Investment Properties

Loss on reduction of investment properties represents the amount directly deducted from acquisition costs for the investment properties acquired due to government subsidies received. The details were as follows:

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Building in trust	¥	—	¥	64,766
Tools, furniture and fixtures in trust		—		262
Total	¥	—	¥	65,029

Note 14 – Net Assets

NIPPON REIT issues non-par value investment units in accordance with the Investment Trust Act and all of the amounts issued are designated as stated capital. NIPPON REIT maintains at least ¥50,000 thousand as the minimum net assets as required by the Investment Trust Act.

Note 15 –Long-Term Debt

Long-term debt consisted of the following:

	As of	
	December 31, 2021	June 30, 2022
	(Yen in thousands)	
Long-term debt:		
0.26% unsecured loans due 2022 (Notes 2 and 3)	¥ 3,320,000	¥ –
0.41% unsecured loans due 2022 (Notes 2 and 3)	7,000,000	7,000,000
1.24% unsecured loan due 2023 (Note 2)	500,000	500,000
0.48% unsecured loans due 2023 (Notes 2 and 3)	5,600,000	5,600,000
0.25% unsecured loan due 2023 (Notes 2 and 3)	500,000	500,000
0.32% unsecured loans due 2023 (Note 2)	2,500,000	2,500,000
0.50% unsecured loans due 2023 (Notes 2 and 3)	3,900,000	3,900,000
0.48% unsecured loans due 2023 (Notes 2 and 3)	6,000,000	6,000,000
0.56% unsecured loans due 2024 (Notes 2 and 3)	3,400,000	3,400,000
0.52% unsecured loans due 2024 (Notes 2 and 3)	3,200,000	3,200,000
0.32% unsecured loans due 2024 (Note 2)	1,150,000	1,150,000
0.58% unsecured loans due 2024 (Notes 2 and 3)	3,500,000	3,500,000
0.54% unsecured loans due 2024 (Notes 2 and 3)	2,000,000	2,000,000
0.57% unsecured loans due 2024 (Notes 2 and 3)	4,350,000	4,350,000
0.58% unsecured loan due 2025 (Notes 2 and 3)	1,000,000	1,000,000
0.70% unsecured loans due 2025 (Notes 2 and 3)	2,600,000	2,600,000
0.61% unsecured loans due 2025 (Notes 2 and 3)	2,000,000	2,000,000
0.30% unsecured loans due 2025 (Notes 2 and 3)	1,950,000	1,950,000
0.31% unsecured loan due 2025 (Note 2)	–	500,000
0.71% unsecured loans due 2025 (Notes 2 and 3)	2,800,000	2,800,000
0.63% unsecured loans due 2025 (Notes 2 and 3)	2,500,000	2,500,000
0.68% unsecured loans due 2025 (Notes 2 and 3)	4,200,000	4,200,000
0.75% unsecured loans due 2026 (Notes 2 and 3)	600,000	600,000
0.70% unsecured loan due 2026 (Note 2)	500,000	500,000
0.59% unsecured loans due 2026 (Notes 2 and 3)	3,100,000	3,100,000
0.43% unsecured loans due 2026 (Notes 2 and 3)	5,400,000	5,400,000
0.83% unsecured loans due 2026 (Notes 2 and 3)	4,850,000	4,850,000
0.39% unsecured loans due 2026 (Notes 2 and 3)	2,500,000	2,500,000
0.74% unsecured loans due 2027 (Notes 2 and 3)	2,550,000	2,550,000
0.54% unsecured loans due 2027 (Notes 2 and 3)	6,300,000	6,300,000
0.45% unsecured loan due 2027 (Notes 2 and 3)	500,000	500,000
0.48% unsecured loans due 2027 (Notes 2 and 3)	6,000,000	6,000,000
0.49% unsecured loans due 2027 (Notes 2 and 3)	2,150,000	2,150,000
0.56% unsecured loan due 2027 (Notes 2 and 3)	500,000	500,000
0.96% unsecured loans due 2028 (Notes 2 and 3)	1,200,000	1,200,000
0.59% unsecured loans due 2028 (Notes 2 and 3)	1,000,000	1,000,000
0.50% unsecured loans due 2028 (Notes 2 and 3)	2,950,000	2,950,000
0.42% unsecured loans due 2028 (Notes 2 and 3)	2,950,000	2,950,000
0.64% unsecured loans due 2028 (Notes 2 and 3)	6,500,000	6,500,000
0.95% unsecured loans due 2029 (Notes 2 and 3)	1,000,000	1,000,000
0.68% unsecured loans due 2029 (Notes 2 and 3)	2,100,000	2,100,000
0.63% unsecured loans due 2029 (Notes 2 and 3)	2,400,000	2,400,000
0.76% unsecured loans due 2029 (Notes 2 and 3)	–	1,770,000
0.55% unsecured loans due 2029 (Notes 2 and 3)	3,100,000	3,100,000
0.91% unsecured loans due 2030 (Notes 2 and 3)	–	1,050,000
0.78% unsecured loans due 2030 (Notes 2 and 3)	2,000,000	2,000,000
0.81% unsecured loans due 2031 (Notes 2 and 3)	2,000,000	2,000,000
Total long-term debt	¥ 126,120,000	¥ 126,120,000

Notes:

1. The interest rates presented are weighted average interest rates.
2. Funds were used for acquisition of investment properties, repayment of outstanding borrowings and payment of any other associated expenses as deemed reasonable.
3. As interest rates on these loans are substantively fixed by the interest rate swaps, the interest rates after reflecting the effect of the interest rate swaps are stated.

NIPPON REIT maintains commitment line contracts with financial institutions. The amounts of unused commitments on loans were as follows:

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Total amounts of loan commitment line contracts	¥	3,000,000	¥	3,000,000
Executed loan balance		—		—
Net unused balance	¥	3,000,000	¥	3,000,000

Note 16 – Investment Corporation Bonds

Investment corporation bonds consisted of the following:

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
1st 0.54% unsecured bonds due 2025	¥	1,000,000	¥	1,000,000
2nd 0.70% unsecured bonds due 2028		1,000,000		1,000,000
3rd 0.88% unsecured bonds due 2028		1,500,000		1,500,000
4th 0.90% unsecured bonds due 2029		1,000,000		1,000,000
5th 0.67% unsecured bonds due 2031 (Green bond)		2,000,000		2,000,000
Total	¥	6,500,000	¥	6,500,000

Note 17 – Leases

The future minimum rental revenues under existing non-cancelable operating leases were as follows:

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Due within one year	¥	494,300	¥	590,342
Due after one year		1,548,220		1,766,468
Total	¥	2,042,520	¥	2,356,811

Note 18 – Income Taxes

NIPPON REIT is subject to Japanese corporate income taxes on all of its taxable income. However, NIPPON REIT may deduct the amount distributed to its unitholders from its taxable income when certain requirements, including a requirement to distribute in excess of 90% of distributable profit for the fiscal period, are met under the Special Taxation Measure Act of Japan. If NIPPON REIT does not satisfy all of the requirements as specified in the Act, the entire taxable income of NIPPON REIT will be subject to regular corporate income taxes in Japan.

NIPPON REIT has made distribution in excess of 90% of its distributable profit for the six-month periods ended December 31, 2021 and June 30, 2022 in order to be able to deduct such amount from taxable income.

The following table summarizes the significant difference between the statutory tax rate and NIPPON REIT's effective tax rate.

	For the six-month periods ended	
	December 31, 2021	June 30, 2022
Statutory tax rate	34.59%	31.46%
Deductible cash distributions	(33.68)	(31.45)
Per capita inhabitant taxes	0.01	0.02
Others	0.09	(0.01)
Effective tax rate	1.02%	0.02%

The significant components of deferred tax assets and liabilities were as follows:

	As of			
	December 31, 2021		June 30, 2022	
	(Yen in thousands)			
Deferred tax assets:				
Accrued enterprise tax	¥	4,481	¥	—
Allowance for doubtful accounts		0		—
Total deferred tax assets		4,481		—
Valuation allowance		(4,481)		—
Net deferred tax assets	¥	0	¥	—

Note 19 – Per Unit Information

Information about earnings per unit and net assets per unit was as follows:

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen)			
Earnings per unit:				
Net income per unit	¥	11,859	¥	8,825
Weighted average number of units outstanding (units)		449,930		449,930
	As of			
	December 31, 2021		June 30, 2022	
	(Yen)			
Net assets per unit	¥	293,089	¥	290,249

The computation of earnings per unit is based on the weighted average number of units outstanding during the period. The computation of net assets per unit is based on the number of units outstanding at each period end as stated on the balance sheets. Diluted earnings per unit and related information are not disclosed as no dilutive units are outstanding.

Note 20 – Distribution Information

Pursuant to the terms of the distribution policy set forth in Article 35 paragraph (1) item (2) of NIPPON REIT's Articles of Incorporation, the amount of distributions is defined to be in excess of an amount equivalent to 90% of NIPPON REIT's distributable profit as defined in Article 67-15 of the Special Taxation Measure Act of Japan, but not in excess of an amount of profit set forth in the Articles of Incorporation.

Cash distributions are declared by the board of directors after the end of each period. Such distributions are payable to unitholders of record at the end of each period. For the six-month period ended June 30, 2022, NIPPON REIT decided to distribute ¥3,970,632,250 which is the amount equivalent to the maximum integral multiple of the total number of investment units issued and outstanding, 449,930 units, within the limits that does not exceed the unappropriated retained earnings and shall minimize the unitholders' expense pertaining to income taxes. Information of cash distributions per unit and the board of directors meeting dates when the distributions were proposed and approved were as follows:

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen)			
Cash distributions per unit	¥	11,665	¥	8,825
Board of directors meeting dates	February 17, 2022		August 16, 2022	

Retained earnings brought forward after the cash distributions were as follows:

	For the six-month periods ended			
	December 31, 2021		June 30, 2022	
	(Yen)			
Unappropriated retained earnings	¥	5,354,117,181	¥	4,076,557,713
Cash distributions declared		5,248,433,450		3,970,632,250
Retained earnings brought forward	¥	105,683,731	¥	105,925,463

Note 21 – Related-Party Transactions

Related-party transactions for the six-month period ended December 31, 2021 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Accounts payable	Account	Balance at the end of period (Note 2) (Yen in thousands)
Directors and their relatives	Toshio Sugita	—	—	Executive Officer of NIPPON REIT and President, Director & CEO of Sojitz REIT Advisors K.K.	—	Payment of asset management fees to Sojitz REIT Advisors K.K. (Note 1)	¥ 803,319	Accrued expenses	¥ 169,055

Notes:

1. This was executed by Toshio Sugita as a representative director of a third party (Sojitz REIT Advisors K.K.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT's Article of Incorporation for asset management fees.
2. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Related-party transactions for the six-month period ended June 30, 2022 were as follows:

Classification	Name	Location	Capital stock (Yen in thousands)	Occupation	Ratio of voting rights	Nature of transaction	Amount of transaction (Note 2) (Yen in thousands)	Account	Balance at the end of period (Note 2) (Yen in thousands)
Directors and their relatives	Toshio Sugita	—	—	Executive Officer of NIPPON REIT and President, Director & CEO of Sojitz REIT Advisors K.K.	—	Payment of asset management fees to Sojitz REIT Advisors K.K. (Note 1)	¥ 653,865	Accrued expenses	¥ 175,321

Notes:

1. This was executed by Toshio Sugita as a representative director of a third party (Sojitz REIT Advisors K.K.) and terms and conditions of related-party transactions are based on those stipulated in NIPPON REIT's Article of Incorporation for asset management fees.
2. Consumption taxes are not included in transaction amounts and are included in the balance at the end of the period.

Note 22 – Segment Information

Segment Information

Segment information is omitted as NIPPON REIT has one segment, which is property leasing business.

Related Information

Information about Products and Services

Disclosure of this information is omitted as operating revenues to external customers for a single product/service category account for more than 90% of the operating revenues on the statements of income and retained earnings.

Information by Geographic Areas

(1) Operating revenues

Disclosure of this information is omitted as domestic operating revenues account for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information is omitted as domestic investment properties account for more than 90% of the book value of the total investment properties.

Information on Major Tenants

Disclosure of this information is omitted as there is no tenant that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.



Independent auditor's report

To the Board of Directors of NIPPON REIT Investment Corporation:

Opinion

We have audited the accompanying financial statements of NIPPON REIT Investment Corporation ("the Company"), which comprise the balance sheets as at June 30, 2022 and December 31, 2021, the statements of income and retained earnings, statements of changes in net assets and statements of cash flows for each of the six-month periods ended June 30, 2022 and December 31, 2021, and notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and December 31, 2021, and its financial performance and cash flows for each of the six-month periods ended June 30, 2022 and December 31, 2021 in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Semiannual Report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Supervising Officers are responsible for overseeing the executive officer's performance of their duties including the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervising Officers for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervising Officers are responsible for overseeing the executive officer's performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with executive officer regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide executive officer with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

田澤治郎

Jiro Tazawa

Designated Engagement Partner

Certified Public Accountant

弓|敷林 嗣伸

Tsugunobu Hikishikibayashi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 22, 2022

Portfolio Summary

	Area	No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Appraisal Value (¥mm)	Investment Ratio (%)
Office	Central	A-1	FORECAST Nishishinjuku	Shinjuku Ward, Tokyo	Feb. 2009	2,260	3,330	0.9
	Central	A-2	Nihombashi Playa Building	Chuo Ward, Tokyo	Feb. 2009	2,130	2,600	0.8
	Central	A-3	FORECAST Yotsuya	Shinjuku Ward, Tokyo	Jan. 2009	1,430	2,090	0.6
	Central	A-4	FORECAST Shinjuku AVENUE	Shinjuku Ward, Tokyo	Sep. 2008	6,500	8,630	2.6
	Central	A-5	FORECAST Ichigaya	Shinjuku Ward, Tokyo	Aug. 2009	4,800	6,850	1.9
	Central	A-6	FORECAST Mita	Minato Ward, Tokyo	Sep. 2009	1,800	2,520	0.7
	Central	A-7	FORECAST Shinjuku SOUTH	Shinjuku Ward, Tokyo	Nov. 1980	13,990	18,800	5.5
	Central	A-8	FORECAST Sakurabashi	Chuo Ward, Tokyo	Apr. 1985	5,760	7,060	2.3
	Central	A-9	GreenOak Kayabacho	Chuo Ward, Tokyo	Mar. 1990	2,860	3,700	1.1
	Central	A-10	GreenOak Kudan	Chiyoda Ward, Tokyo	Dec. 1987	2,780	3,680	1.1
	Central	A-11	GreenOak Takanawadai	Minato Ward, Tokyo	Jan. 2010	2,260	3,040	0.9
	Central	A-14	Central Daikanyama	Shibuya Ward, Tokyo	Aug. 1991	3,510	3,900	1.4
	Central	A-16	Hiroo Reeplex B's	Minato Ward, Tokyo	May 1987	2,827	3,610	1.1
	Central	A-17	Shibakoen Sanchome Building	Minato Ward, Tokyo	Jun. 1981	7,396	10,200	2.9
	Central	A-19	Kudankita 325 Building	Chiyoda Ward, Tokyo	Aug. 1987	1,850	2,390	0.7
	Central	A-21	Itohpia Iwamotocho 2-chome Building	Chiyoda Ward, Tokyo	Feb. 1991	2,810	3,510	1.1
	Central	A-22	Itohpia Iwamotocho 1-chome Building	Chiyoda Ward, Tokyo	Jan. 1991	2,640	3,160	1.0
	Central	A-23	Itohpia Iwamotocho ANNEX Building	Chiyoda Ward, Tokyo	Nov. 1991	2,100	2,800	0.8
	Central	A-24	Pigeon Building	Chuo Ward, Tokyo	Aug. 1989	2,837	3,160	1.1
	Central	A-25	FORECAST Ningyocho	Chuo Ward, Tokyo	Nov. 1990	2,070	2,290	0.8
	Central	A-26	FORECAST Ningyocho PLACE	Chuo Ward, Tokyo	Feb. 1984	1,650	2,180	0.6
	Central	A-27	FORECAST Shin-Tokiwabashi	Chuo Ward, Tokyo	Aug. 1991	2,030	2,430	0.8
	Central	A-28	Nishi-Shinjuku Sanko Building	Shinjuku Ward, Tokyo	Sep. 1987	2,207	2,810	0.9
	Central	A-29	Iidabashi Reeplex B's	Shinjuku Ward, Tokyo	Jun. 1992	1,249	1,600	0.5
	Central	A-30	FORECAST Shinagawa	Shinagawa Ward, Tokyo	Feb. 1989	2,300	2,470	0.9
	Central	A-31	Nishi-Gotanda 8-chome Building	Shinagawa Ward, Tokyo	Dec. 1993	2,210	2,770	0.9
	Central	A-32	Towa Higashi-Gotanda Building	Shinagawa Ward, Tokyo	Sep. 1985	2,033	2,570	0.8
	Metropolitan	A-33	FORECAST Takadanobaba	Toshima Ward, Tokyo	Jan. 1986	5,550	6,730	2.2
	Metropolitan	A-38	ANTEX24 Building	Taito Ward, Tokyo	Feb. 1988	1,691	2,040	0.7
	Metropolitan	A-39	Itohpia Kiyosubashidori Building	Taito Ward, Tokyo	Mar. 1988	1,550	2,140	0.6
	Metropolitan	A-41	I-S Minamimorimachi Building	Osaka, Osaka	Aug. 1993	2,258	2,900	0.9
	Central	A-44	MK Kojimachi Building	Chiyoda Ward, Tokyo	Mar. 1997	1,781	2,160	0.7
	Central	A-45	Toranomon Sakura Building	Minato Ward, Tokyo	Jul. 1983	4,120	4,900	1.6
	Central	A-46	La Verite AKASAKA	Minato Ward, Tokyo	Dec. 1986	2,000	2,630	0.8
	Central	A-47	Kanda Ocean Building	Chiyoda Ward, Tokyo	Jan. 1990	1,440	1,930	0.6
	Central	A-48	Shinto GINZA EAST	Chuo Ward, Tokyo	Sep. 1990	1,352	1,500	0.5
	Central	A-49	FORECAST Kayabacho	Chuo Ward, Tokyo	Jan. 1990	3,000	3,430	1.2
	Central	A-50	FORECAST Waseda FIRST	Shinjuku Ward, Tokyo	Jul. 1986	4,775	5,250	1.9
	Central	A-51	FORECAST Gotanda WEST	Shinagawa Ward, Tokyo	Sep. 1989	6,520	8,270	2.6
	Metropolitan	A-52	Omiya Center Building	Saitama, Saitama	Mar. 1993	15,585	22,900	6.1
	Metropolitan	A-53	Sumitomo Mitsui Bank Koraihashi Building	Osaka, Osaka	Mar. 1994	2,850	3,670	1.1
	Metropolitan	A-54	NORE Fushimi	Nagoya, Aichi	Nov. 2006	2,840	4,330	1.1
	Metropolitan	A-55	NORE Meieki	Nagoya, Aichi	Jan. 2007	2,520	4,070	1.0
	Central	A-56	Homat Horizon Building	Chiyoda Ward, Tokyo	Aug. 1987	6,705	8,290	2.6
	Metropolitan	A-57	Sannomiya First Building	Kobe, Hyogo	Nov. 1993	1,390	1,660	0.5
	Central	A-58	Towa Kandanshikicho Building	Chiyoda ward, Tokyo	Aug. 1992	960	1,070	0.4
	Central	A-59	Yusen Higashi-Nihombashi Ekimae Building	Chuo ward, Tokyo	Feb. 2001	1,152	1,340	0.5
	Central	A-60	Hiroo ON Building	Shibuya ward, Tokyo	Mar. 1995	2,392	2,840	0.9
	Central	A-61	TK Gotanda Building	Shinagawa ward, Tokyo	Jun. 1989	4,130	4,470	1.6
	Central	A-62	Gotanda Sakura Building	Shinagawa ward, Tokyo	Nov. 1993	1,460	1,710	0.6
	Metropolitan	A-64	Alte Building Higobashi	Osaka, Osaka	Jun. 1993	1,453	1,810	0.6
	Metropolitan	A-65	DIA Building Meieki	Nagoya, Aichi	Dec. 1991	1,167	1,260	0.5
	Central	A-66	TENSHO OCHANOMIZU BUILDING	Chiyoda ward, Tokyo	Nov. 2018	1,800	1,910	0.7
	Metropolitan	A-67	FORECAST Kameido	Koto ward, Tokyo	Sep. 2010	2,580	3,020	1.0

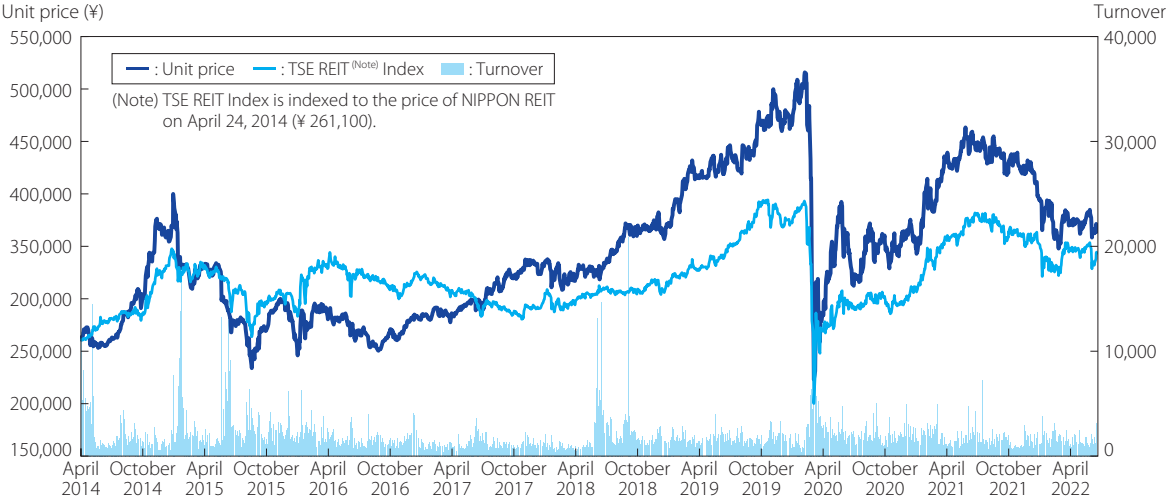
	Area	No.	Property Name	Location	Completion	Acquisition Price (¥mm)	Appraisal Value (¥mm)	Investment Ratio (%)	
Office	Central	A-68	NRT Kandasudacho Building	Chiyoda Ward, Tokyo	Mar. 1993	1,311	1,410	0.5	
	Central	A-69	REID-C Megurofudomae	Shinagawa Ward, Tokyo	Oct. 1996	1,220	1,310	0.5	
	Metropolitan	A-70	The Square	Nagoya, Aichi	Jun. 2003	1,080	1,140	0.4	
	Central	A-71	Tsukiji Front	Chuo Ward, Tokyo	Aug. 1991	825	1,030	0.3	
	Central	A-72	Hatchobori River Gate	Chuo Ward, Tokyo	Aug. 1989	835	1,040	0.3	
	Central	A-73	TENSHO OFFICE SHINBASHI 5	Minato ward, Tokyo	Sep. 2018	1,200	1,260	0.5	
	Central	A-74	REID-C Iidabashi Building	Chiyoda Ward, Tokyo	Apr. 1988	1,195	1,260	0.5	
Central	A-75	REID-C Gotenyama Building	Shinagawa Ward, Tokyo	Jan. 1989	1,040	1,070	0.4		
Central	B-1	Tower Court Kitashinagawa	Shinagawa Ward, Tokyo	Feb. 2009	11,880	17,100	4.7		
ODC, etc.	B-2	Sky Hills N11	Sapporo, Hokkaido	Mar. 2001	1,570	1,950	0.6		
Metropolitan	B-4	my atria Sakae	Nagoya, Aichi	Mar. 2007	1,110	1,350	0.4		
Metropolitan	B-5	Mac Village Heian	Nagoya, Aichi	Sep. 2006	785	1,010	0.3		
Metropolitan	B-6	Seam Dwell Tsutsui	Nagoya, Aichi	Feb. 2007	695	837	0.3		
ODC, etc.	B-7	Ciel Yakuin	Fukuoka, Fukuoka	Mar. 2005	640	793	0.3		
Central	B-8	Kanda Reeplex R's	Chiyoda Ward, Tokyo	Jan. 2006	1,813	2,260	0.7		
Metropolitan	B-9	Splendid Namba	Osaka, Osaka	Jan. 2015	3,502	4,060	1.4		
Central	B-10	Residence Hiroo	Minato ward, Tokyo	Feb. 2004	2,590	2,910	1.0		
Central	B-11	Residence Nihombashi Hakozaki	Chuo ward, Tokyo	Mar. 2002	1,300	1,730	0.5		
Central	B-12	Primegate Iidabashi	Shinjuku ward, Tokyo	Mar. 1994	5,200	6,130	2.0		
Central	B-13	Residence Edogawabashi	Shinjuku ward, Tokyo	Mar. 2000	1,230	1,290	0.5		
Metropolitan	B-14	Merveille Senzoku	Ota ward, Tokyo	Sep. 2002	740	772	0.3		
Metropolitan	B-15	Field Avenue	Ota ward, Tokyo	Aug. 2000	3,110	3,380	1.2		
Metropolitan	B-16	Domeal Kitaakabane	Kita ward, Tokyo	Mar. 2001	785	859	0.3		
Metropolitan	B-17	Dormy Kitaakabane	Kita ward, Tokyo	Mar. 1997	986	1,080	0.4		
Metropolitan	B-18	Splendid Shin-Osaka III	Osaka, Osaka	Feb. 2015	2,428	2,700	1.0		
Metropolitan	B-19	ZEPHYROS Minami-horie	Osaka, Osaka	Mar. 2002	1,608	1,790	0.6		
Metropolitan	B-20	Charmant Fuji Osakajominami	Osaka, Osaka	Apr. 2004	905	938	0.4		
Metropolitan	B-21	Piacere Fuminosato	Osaka, Osaka	Feb. 1999	571	607	0.2		
Central	B-22	Wald Park Minamioi	Shinagawa Ward, Tokyo	Feb. 2005	715	735	0.3		
Metropolitan	B-23	LAPUTA KUJO	Osaka, Osaka	Mar. 1998	1,480	1,538	0.6		
Metropolitan	B-24	Imazaki Mansion N1	Higashiosaka, Osaka	Mar. 1999	1,180	1,220	0.5		
Metropolitan	B-25	L'arte Nakatsu	Osaka, Osaka	May 2006	565	580	0.2		
Metropolitan	B-26	City hills Andoji	Osaka, Osaka	Mar. 2008	1,750	1,830	0.7		
Metropolitan	B-27	Hermitage Shin-sakae	Nagoya, Aichi	Apr. 2008	1,150	1,240	0.5		
Metropolitan	B-28	Sun-Meiekiminami Building	Nagoya, Aichi	Jan. 2014	950	1,040	0.4		
ODC, etc.	B-29	Tenjinhighashi residence	Fukuoka, Fukuoka	Aug. 2005	913	941	0.4		
Metropolitan	B-30	DeLCCS KASAI	Edogawa ward, Tokyo	Jul. 1998	1,320	1,370	0.5		
Metropolitan	B-31	Serenite Shin-Osaka	Osaka, Osaka	Mar. 2007	1,148	1,160	0.5		
Metropolitan	B-32	Mullion Josai	Nagoya, Aichi	Jan. 2007	729	717	0.3		
Metropolitan	B-33	Residence Kinshicho	Sumida-ward, Tokyo	Oct. 2006	700	733	0.3		
Metropolitan	B-34	Meister house Kawasaki	Kawasaki, Kanagawa	Feb. 2004	709	740	0.3		
Metropolitan	B-35	LIESSE Tsurumai	Nagoya, Aichi	Mar. 2006	1,082	1,210	0.4		
ODC, etc.	B-36	Komatsubara Yamamoto Mansion	Kagoshima, Kagoshima	Jan. 2004	670	695	0.3		
Metropolitan	B-37	Belleza Kanayama	Nagoya, Aichi	Sep. 2006	702	762	0.3		
Central	B-38	Sylphide Higashi-shinagawa	Shinagawa Ward, Tokyo	Jun. 2003	961	1,020	0.4		
Metropolitan	B-39	Royal Bloom	Saitama, Saitama	Mar. 2018	1,100	1,200	0.4		
Metropolitan	B-40	Ever Square Doshin	Osaka, Osaka	Oct. 2001	609	602	0.2		
Metropolitan	B-41	Zeku Benten	Osaka, Osaka	Apr. 2006	506	524	0.2		
Metropolitan	B-42	Canis Court Kamishinjo	Osaka, Osaka	Feb. 2002	1,359	1,350	0.5		
Metropolitan	B-43	Imperial Otori	Sakai, Osaka	Oct. 2007	845	862	0.3		
Retail	Central	C-1	Otakibashi Pacifica Building	Shinjuku Ward, Tokyo	Oct. 2008	3,350	3,360	1.3	
	Metropolitan	C-3	BECOME SAKAE	Nagoya, Aichi	Aug. 2005	4,770	4,860	1.9	
106 Properties Total						—	254,735	315,735	100.0

Note: The investment ratio is the acquisition price of each asset, divided by the total acquisition price. Figures are rounded to the nearest tenth.

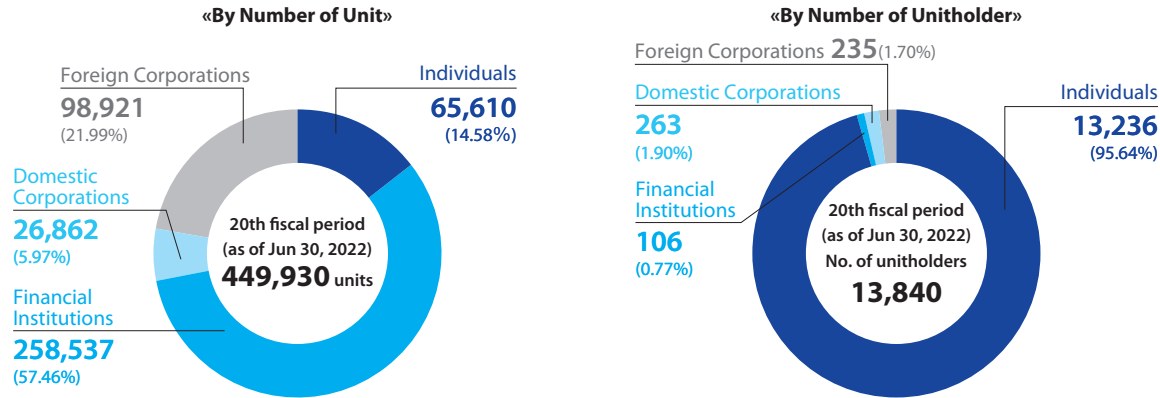
Status of Investment Units and Unitholders

Historical Unit Price

The following shows trends for trading prices (closing prices) and volume for NIPPON REIT, which is traded on the Tokyo Stock Exchange, for the period from April 24, 2014 to Jun 30, 2022 (the final trading day of the 20th fiscal period).



Breakdown of Unitholder Composition



Unitholder Information

Investor Memo

Book-closing dates for fiscal periods	June 30 and December 31 of each year
The General Meeting of Unitholders	Held more than once every two years
Unitholder record date for exercising voting rights	Date stipulated in Article 16 of the Articles of Incorporation
Registration deadline for cash distribution payments	June 30 and December 31 of each year (Cash distributions are paid within a three-month period from the registration deadline.)
Listed on the following stock exchange	Real Estate Investment Trust Section, Tokyo Stock Exchange (TSE) (Stock code: 3296)
Notification published in the following newspaper	Nihon Keizai Shimbun
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo, Japan
Contact: (Postal mail and phone inquiries)	Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation. 1-1, Nikkocho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free) Mail to: Shin-Tokyo Post Office P.O.B. No.29, 1378081 Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation

- **Procedures for Notification of Address or Other Changes**
Investors should inform their securities company of any changes to pertinent personal information, including address, name, and official seal for carrying out banking transactions.
- **Cash Distributions**
Unitholders can receive cash distributions by bringing their cash distribution receipt to the nearest Japan Post Bank or post office (banking agent). To receive the cash distributions after the receipt period, designate the method for receipt on the back of the cash distribution receipt and mail it to the Stock Transfer Agency Services, Mitsubishi UFJ Trust and Banking Corporation or go to the head office or a branch office. (Please refer to the investor memo above for contact information.)
In addition, for future cash distributions, unitholders should contact their securities company to specify a bank account for cash distribution deposits, or for desired procedures, including filing to opt for separate taxation at the source.
Note that NIPPON REIT is not obliged to pay any cash distributions unclaimed for a period of three years after the first day of payment.
Unitholders should make arrangements to receive their cash distributions as soon as possible.
- **Statement of Cash Distribution**
The statement of cash distribution we send for cash distribution payments also serves as Notice of Dividend Payment, in accordance with provisions under the Special Taxation Measure Act of Japan. This document can be an attachment to tax forms when filing income taxes. Note that the statement of cash distribution is enclosed and sent along with the cash distribution receipt, which unitholders exchange for dividends. Unitholders who file income taxes should carefully store this document away to prevent loss. However, unitholders who opt for allocation in proportion to the number of investment units should contact their securities company for details.



Website Information

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

Visit our website for overview and current status of NIPPON REIT.

