



HULIC REIT, INC.

Financial Results Briefing for the Fiscal Period
Ended February 28, 2017 (6th Fiscal Period)

April 17, 2017

Securities
code

3295

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I. Financial Highlights

External Growth

- ✓ Assets steadily grew due to public offerings

End of 5th Fiscal Period (Aug. 31, 2016)	34 properties	¥200.8 billion
Properties acquired in 6th fiscal period	6 properties ^{*1}	¥30.5 billion
End of 6th Fiscal Period (Feb. 28, 2017)	37 properties	¥231.3 billion
Properties acquired in 7th fiscal period	4 properties ^{*2}	¥13.5 billion
After inclusion of properties acquired in 7th fiscal period (scheduled for end of April 2017)	41 properties	¥244.8 billion

Internal Growth

- ✓ Portfolio occupancy rate of 99.7% as of the end of the 6th fiscal period (99.4% for Tokyo Commercial Properties)
- ✓ Steady upward revisions in office rents achieved

Upward revisions in rents	
Property basis ^{*3}	Approx. 25%
Leased area basis ^{*3}	Approx. 40%
Rate of increase	Approx. 6%
Renewal with Decrease	
None	

Financial Strategy

- ✓ Rating as long-term issuer from JCR of AA- (stable)
- ✓ Promoted shift to long-term and fixed interest-bearing debt
- ✓ Approximate LTV^{*4} after inclusion of assets acquired during the 7th fiscal period is 42.9%, acquisition capacity (before LTV^{*4} reaches 45%) is approximately ¥10 billion

	End of 5th Fiscal Period (Aug. 31, 2016)	End of 6th Fiscal Period (Feb. 28, 2017)
Total interest-bearing debt	¥81,470 million	¥97,460 million
Long-term debt ratio	94.3%	95.9%
Average interest rate	0.71%	0.70%
Average period remaining to maturity	4.3 years	4.9 years
LTV ^{*3}	38.2%	39.8%

Enhancing Unitholder Value

Achieved steady increase in distribution per unit (DPU)

	5th fiscal period (Aug. 2016)	6th fiscal period (Feb. 2017)	7th fiscal period (Aug. 2017)	8th fiscal period (Feb. 2018)
Projections	¥3,020	¥3,220	¥3,300	¥3,330
Results	¥3,143	¥3,304	-	-

Continual growth also achieved for NAV per unit

	End of 5th fiscal period (Aug. 31, 2016)	End of 6th fiscal period (Feb. 28, 2017)
Results	¥150,256	¥156,886

Through external and internal growth and our financial strategy, we aim to achieve growth in DPU and NAV per unit

^{*1} Includes 3 additional acquisitions.

^{*2} Includes properties scheduled for acquisition (1 property, ¥1.46 billion).

^{*3} Refers to the share of increases among office renewals overall in the 6th fiscal period.

^{*4} The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets.



II. Asset Management Results

Total Assets and LTV since Stock Market Listing

- Due to property acquisition through public offerings at the beginning of the 6th fiscal period (Oct. 2016), assets have grown steadily with appropriate LTV control

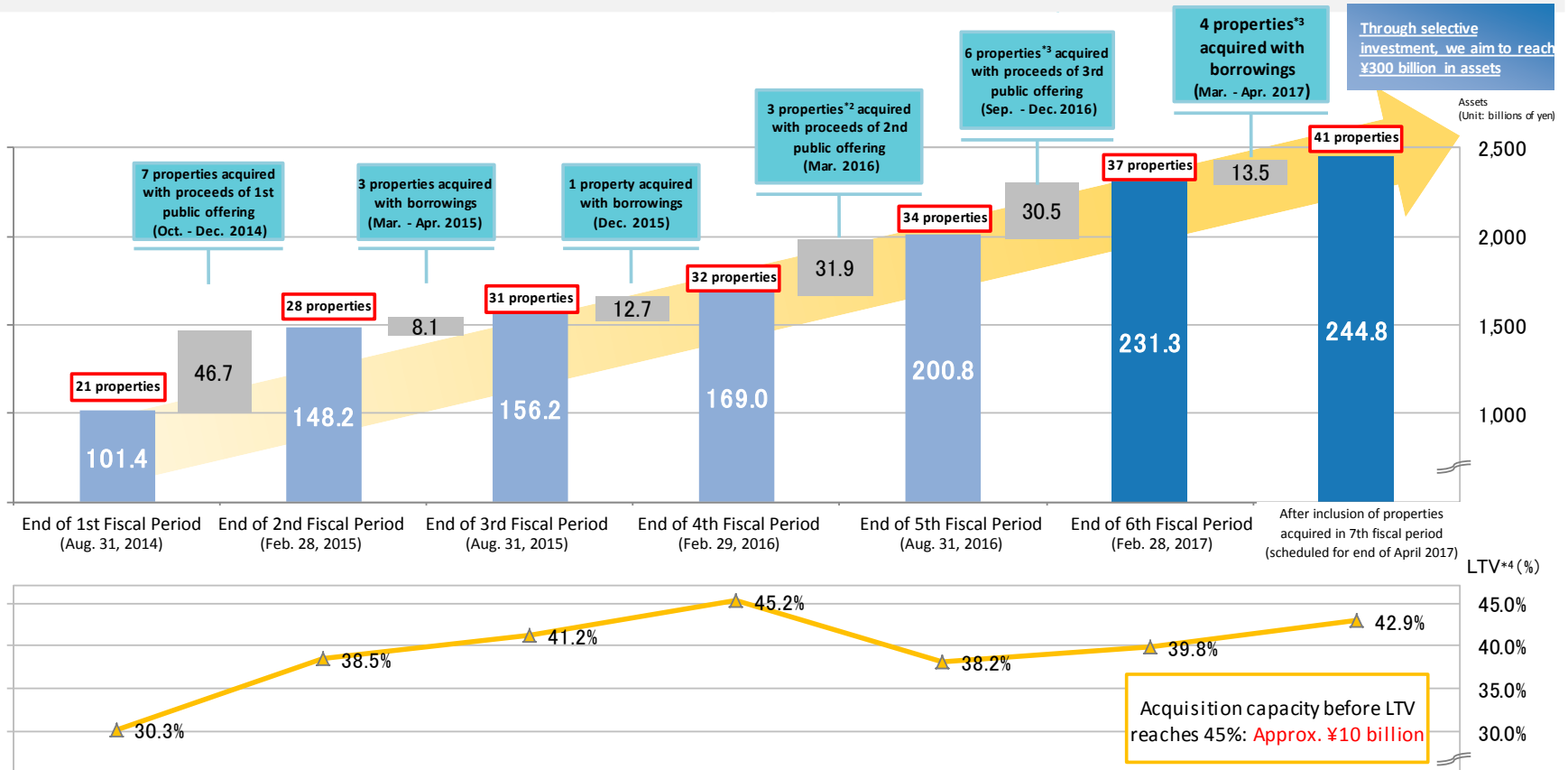
Total assets **41** properties **¥244.8** billion

Avg. NOI yield **4.6%** ^{*1}

Avg. NOI yield after depreciation **4.1%** ^{*1}

Tokyo Commercial Properties **27** properties **¥204** billion (83.3%)

Next Generation Assets **14** properties **¥40.8** billion (16.7%)



^{*1} NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (at time of acquisition for properties acquired in the 7th fiscal period), rounded to the 1st decimal place).

^{*2} Includes additional acquisitions.

^{*3} Includes properties scheduled for acquisition (1 property, ¥1.46 billion).

^{*4} The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets. For the LTV after inclusion of assets acquired during the 7th fiscal period, an assumed LTV based on the planned loan amount is stated.

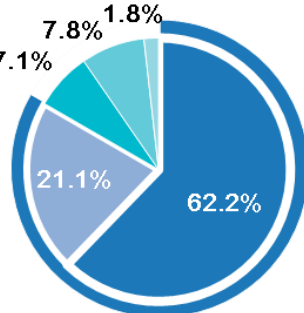
Key Benchmarks for the Portfolio

		End of 5th fiscal period (Aug. 31, 2016)	Properties acquired in 6th fiscal period *1	End of 6th fiscal period (Feb. 28, 2017)	Properties acquired in 7th fiscal period *2	After inclusion of properties acquired in 7th fiscal period (scheduled for end of April 2017)
No. Of Properties	Overall	34 properties	6 properties	37 properties	4 properties	41 properties
	Tokyo Commercial Properties	22 properties	4 properties	23 properties	4 properties	27 properties
	Next-Generation Assets	12 properties	2 properties	14 properties		14 properties
	Average NOI yield*3	4.7%	4.1%	4.6%	4.4%	4.6%
	Average NOI yield after depreciation*3	4.2%	3.4%	4.1%	3.8%	4.1%
Total Assets	Overall	¥200.8 billion	¥30.5 billion	¥231.3 billion	¥13.5 billion	¥244.8 billion
	Tokyo Commercial Properties	83.4%	75.7%	82.4%	100.0%	83.3%
	Next-Generation Assets	16.6%	24.3%	17.6%		16.7%
	NAV per unit	¥150,256		¥156,886		

Overall *4

By usage

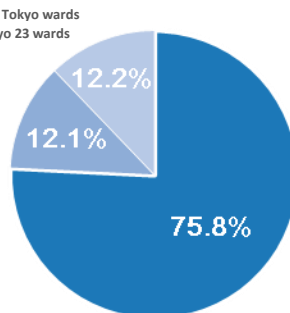
- Office properties
- Retail properties
- Private nursing homes
- Network centers
- Hotels



Tokyo Commercial Properties 83.3%

By area

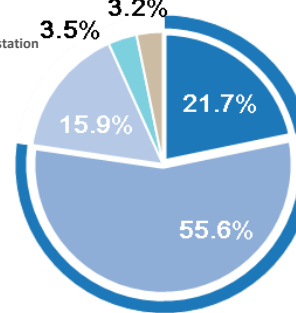
- Six central Tokyo wards
- Other Tokyo 23 wards
- Others



Tokyo Commercial Properties *4

By walking distance from nearest station

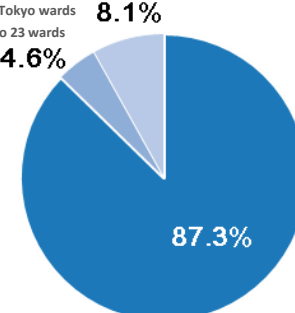
- Directly connected to station
- Within 1 min.
- 1 - 3 min.
- 3 - 5 min.
- Over 5 min.



Within 1 min. 77.3%

By area

- Six central Tokyo wards
- Other Tokyo 23 wards
- Others



*1 Includes 3 additional acquisition.

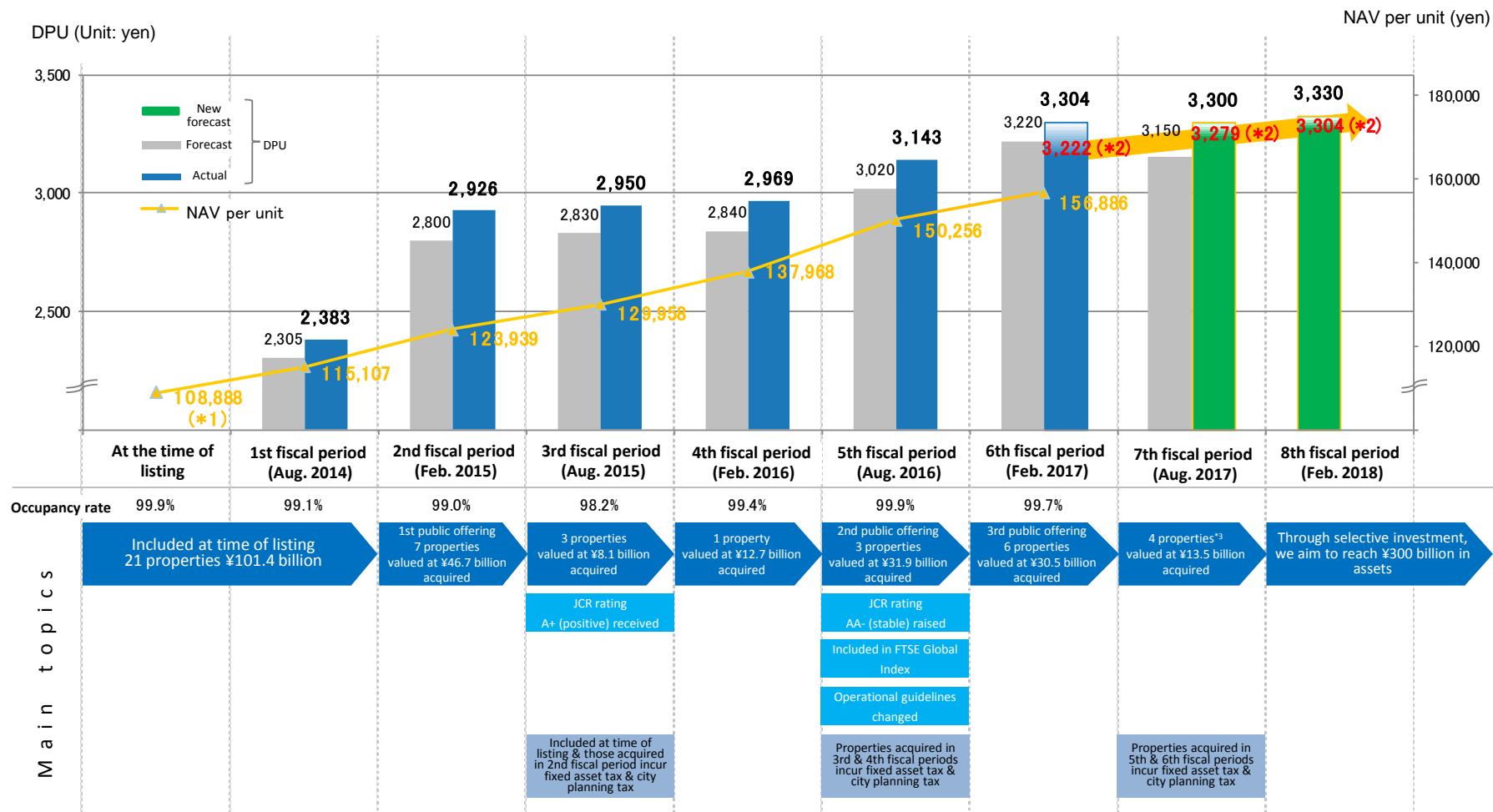
*2 Includes properties scheduled for acquisition (1 property, ¥1.46 billion).

*3 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of each fiscal period (at time of acquisition for properties acquired in the 7th fiscal period), rounded to the 1st decimal place).

*4 Shares shown in each graph are based on acquisition price of each property after inclusion of properties acquired in 7th fiscal period.

Steady Growth of Distribution and NAV Per Unit

- While maintaining a high portfolio occupancy rate, we aim for steady growth of distribution and NAV per unit through selective investments for external growth, continual internal growth, and stable, sound financial management







*1 NAV per unit at time of listing = (total issued value at time of listing (incl. at time of establishment, 3rd party allotment) + appraisal value at time of listing – acquisition price at time of listing) ÷ No. of investment units issued

*2 The expected distribution per unit reflecting unexpensed fixed asset tax & city planning tax.

*3 Includes properties scheduled for acquisition (1 property, ¥1.46 billion).

List of Properties Acquired in the 6th Fiscal Period / 6 Properties Totaling ¥30.5 billion (Tokyo Commercial Properties / 4 properties totaling ¥23.1 billion)



Acquisition date	Sep. 1, 2016	Sep. 16, 2016	Oct. 4, 2016	Dec. 27, 2016
Acquired from	Sponsor (Hulic)		Surugadai Funding, LLC	Sponsor (Hulic)
Use	Office properties			Retail property
Property name	Hulic Toranomon Bldg. (Additional acquisition)	Rapiros Roppongi (Additional acquisition)	Ochanomizu Sola City (Additional acquisition)	Hulic Todoroki Building
Photograph of property				
Location	Toranomon, Minato Ward, Tokyo	Roppongi, Minato Ward, Tokyo	Kandasurugadai, Chiyoda Ward, Tokyo	Todoroki, Setagaya Ward, Tokyo
Nearest station	1-minute walk from Toranomon Station, Tokyo Metro Ginza Line	Directly connected to Roppongi Station, Tokyo Metro Hibiya Line, etc.	Directly connected to Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line	1-minute walk from Todoroki Station, Tokyu Oimachi Line
Acquisition price	¥5,570 million	¥1,050 million	¥15,295 million	¥1,200 million
Appraisal NOI yield ^{*1}	3.9%	4.5%	3.9%	5.4%
Completion of construction	May 2015	Aug. 1997	Feb. 2013	Aug. 1990
Construction	S, B1/11F	SRC/RC, B2/10F	S, B2/23F	SRC, B2/3F
Total leasable area ^{*2}	2,572.39 m ² (Equivalent to 30% of the ownership interest)	867.04 m ² (Unit ownership interest)	5,582.20 m ² (Equivalent to 8.7% of the ownership interest)	1,593.58 m ²
Occupancy rate ^{*3}	100.0%	100.0%	100.0%	100.0%

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

*2 Indicated figures are based on lease agreements or plans of buildings related to assets owned at the time of acquisition. (For co-owned properties, figures correspond to the owned portion.)

*3 The values are at the time of acquisition.

List of Properties Acquired in the 6th Fiscal Period (Next-Generation Assets / 2 Properties Totaling ¥7.4 billion)


Acquisition date	Sep. 1, 2016	Sep. 16, 2016
Acquired from	Sponsor (Hulic)	
Use	Private nursing home	Hotel
Property name	Trust Garden Tokiwamatsu	Sotetsu Fresa Inn Ginza 7 Chome (Land)
Photograph of property		
Location	Higashi, Shibuya Ward, Tokyo	Ginza, Chuo Ward, Tokyo
Nearest station	13-minute walk from Omotesando Station, Tokyo Metro Ginza Line, etc	5-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc.
Acquisition price	¥3,030 million	¥4,370 million
Appraisal NOI yield ^{*1}	4.7%	3.9%
Completion of construction	Jan. 2016	—
Construction	RC, B1/6F	—
Total leasable area ^{*2}	2,893.82 m ²	352.36 m ²
Occupancy rate ^{*3}	100.0%	100.0%

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

*2 Indicated figures are based on lease agreements or plans of buildings related to assets owned at the time of acquisition. (For co-owned properties, figures correspond to the owned portion.)

*3 The values are at the time of acquisition.

List of Properties Acquired in the 7th Fiscal Period (Tokyo Commercial Properties / 4 Properties Totaling ¥13.5 billion)

Acquisition date	Mar. 31, 2017		Apr. 28, 2017 (scheduled)	Mar. 31, 2017
Acquired from	Sponsor (Hulic)		Arai & Co. Ltd.	Sponsor (Hulic)
Use	Office properties			Retail property
Property name	Hulic Shibuya 1-Chome Building	Hulic Higashi Nihonbashi Building	Dai-36 Arai Building	Hulic Omori Building
Photograph of property				
Location	Shibuya, Shibuya Ward, Tokyo	Higashi Nihonbashi, Chuo-ku, Tokyo	Kanda Jimbocho, Chiyoda Ward, Tokyo	Minami Oi, Shinagawa Ward, Tokyo
Nearest station	5-minute walk from Shibuya Station, Tokyu Toyoko Line, etc.	2-minute walk from Higashi Nihonbashi Station, Toei Asakusa Line	2-minute walk from Jimbocho Station, Tokyo Metro Hanzomon Line, etc.	2-minute walk from Omori Station, JR Keihin-Tohoku Line
Acquisition price	¥5,100 million	¥3,480 million	¥1,460 million	¥3,420 million
Appraisal NOI yield ^{*1}	4.1%	4.6%	4.3%	4.7%
Completion of construction	Aug. 1993	Nov. 1996	Sep. 1989	Jan. 2017
Construction	S/SRC/RC, B2/7F	S/SRC, B1/9F	SRC/S, B1/8F	S, 9F
Total leasable area ^{*2}	2,817.65 m ²	3,681.20 m ²	1,561.38 m ²	2,666.52 m ²
Occupancy rate ^{*3}	87.4%	100.0%	100.0%	100.0%

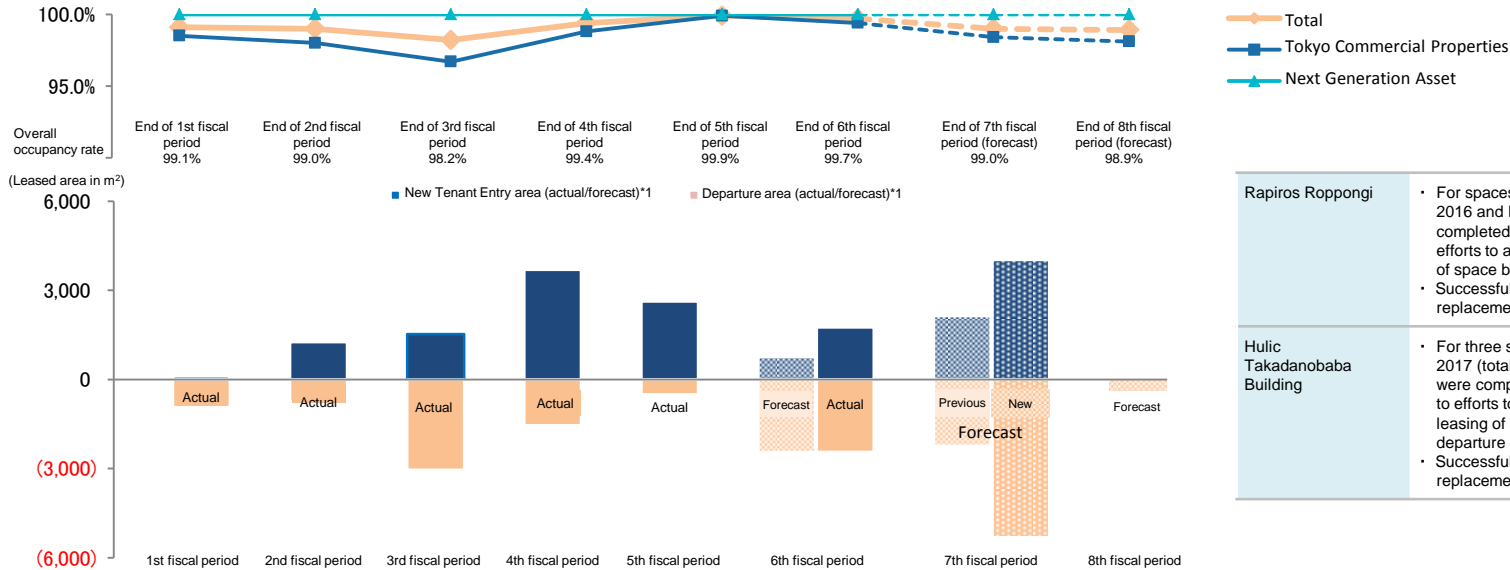
^{*1} NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

^{*2} Indicated figures are based on lease agreements or plans of buildings related to assets owned at the time of acquisition. (For co-owned properties, figures correspond to the owned portion.)

^{*3} The values are at the time of acquisition.

Occupancy Rates and New Tenant Entry and Departure Totals at Fiscal Period End (Tokyo Commercial Properties)

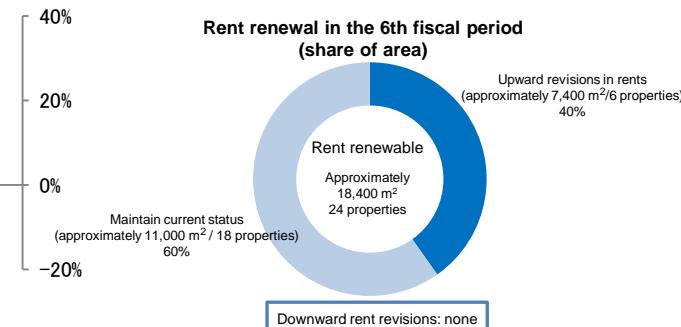
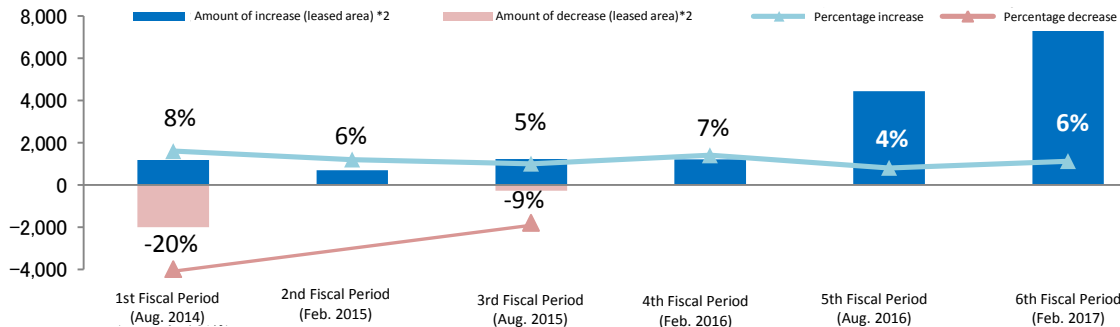
- Portfolio occupancy rate was 99.7% at the end of 6th fiscal period; maintained high rate since becoming listed



- | | |
|-----------------------------|--|
| Rapiros Roppongi | <ul style="list-style-type: none"> For spaces that were vacated in September 2016 and December 2016, leases were completed without any downtime thanks to efforts to attract tenants and additional leasing of space by existing tenants Successfully increased rent through tenant replacement for both of the two spaces above |
| Hulic Takadanobaba Building | <ul style="list-style-type: none"> For three spaces that were vacated in March 2017 (total of approximately 800 m²), leases were completed without any downtime thanks to efforts to attract tenants and additional leasing of space by existing tenants before the departure of tenants Successfully increased rent through tenant replacement |

Office rent renewals

- In comparison with the results for the 5th fiscal period, office rents were increased for approximately 2,900 m², and for approximately 40% of floor area with rents renewable (see diagram below). For retail properties as well (retail properties of offices), rents were increased for approximately 700 m² (average of approximately 10%), with rents renewable as rent increases were achieved for a total of approximately 8,000 m² (average of approximately 6%).



*1 The forecast for new tenant entry and departure areas includes assets acquired and scheduled to be acquired in the 7th fiscal period (August 2017).

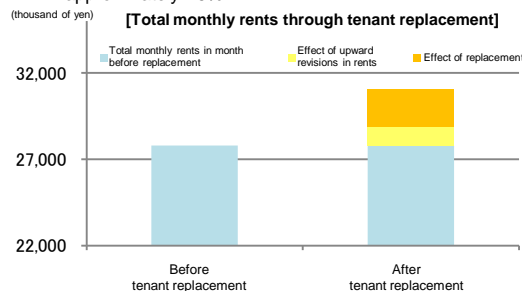
*2 Figures for the leased areas of co-owned properties reflect Hulic Reit's percentage ownership.

Vacancies left by tenants filled

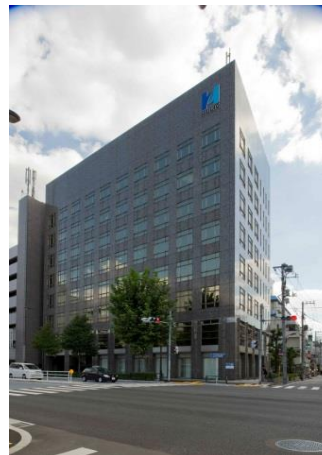
[Rapiros Roppongi *1]



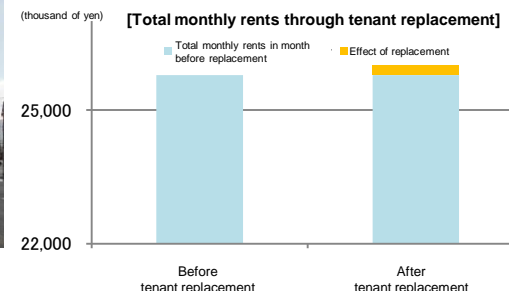
- For a space vacated in September 2016 (approximately 580 m²), a new tenant was attracted without any downtime
- For a space vacated in December 2016 (approximately 580 m²), an existing tenant conducted an area expansion and transfer within the building. For space vacated due to an exiting tenant transferring to a larger space in the same building (approximately 370 m²), we were able to attract a new tenant without any downtime
- Through the tenant replacement above, succeeded in significantly increasing rent by an average of approximately 26%



[Hulic Takadanobaba Building]



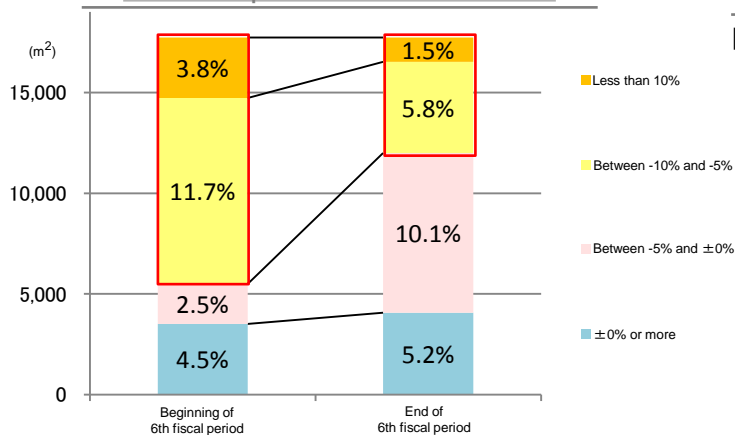
- For three spaces that were vacated in March 2017 (total of approximately 800 m²), completed tenant replacement before the departure of tenants by attracting new tenants (2 companies) for 2 spaces and area expansion in the building for the 1 space remaining.
- Through the tenant replacement above, succeeded in increasing rent by an average of approximately 7%



Record of Rent Increases

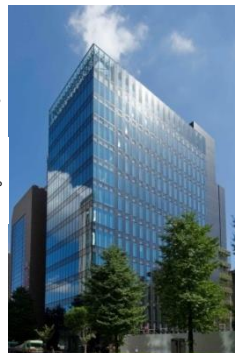
- Progress was made towards appropriate rents through rent increases for tenants with rents below the market rate

Level of divergence of offices with rents renewable in the 6th fiscal period from market rent levels *2



Examples of rent increases (office)

[Toranomon First Garden]



- Rents increased for tenants with rents below the market rate (total of approximately 5,500 m²)
- Rate of increase is approximately 4% (average)

Examples of rent increases (retail property)

[Orchid Square]



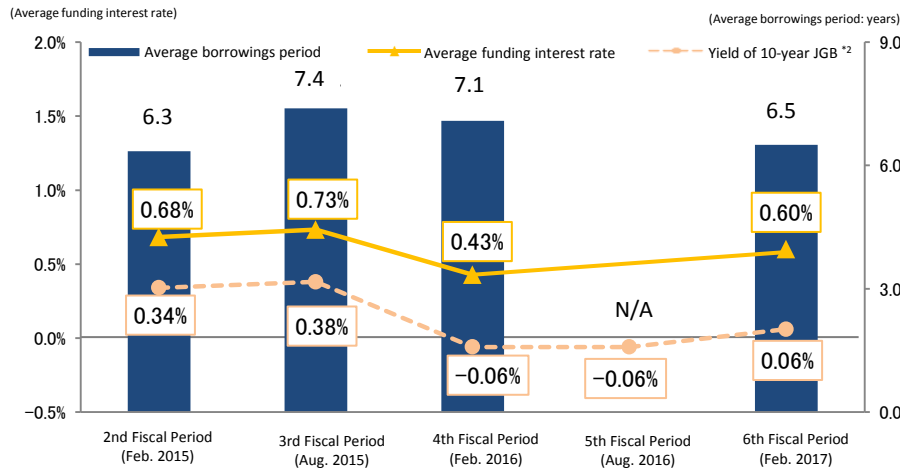
- Rents also steadily increased for retail properties (approximately 300 m²)
- Rate of increase is approximately 3%

*1 Excludes additional acquisitions acquired with the capital increase through 3rd public offering.

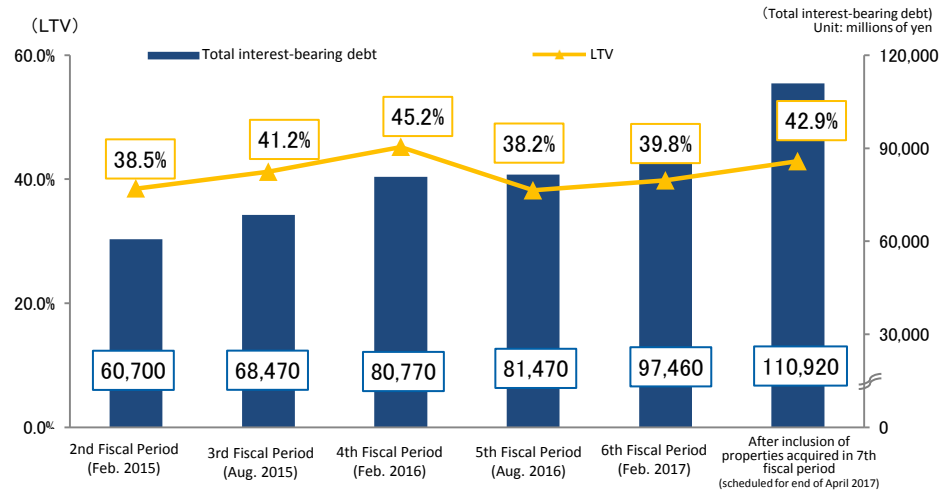
*2 For the rates in the level of divergence of offices with rents renewable in the 6th fiscal period from market rent levels, each rate is a percentage of the total rentable area in office properties (excluding proprietary right of land, retail spaces, and residential spaces) held at the earnings announcement day for the 5th fiscal period (however, this excludes spaces that were vacated or became empty during the 6th fiscal period). Market rent levels are calculated on a trial basis by the Asset Manager and may differ from announced market rent levels.

Maintain stable and sound financial management

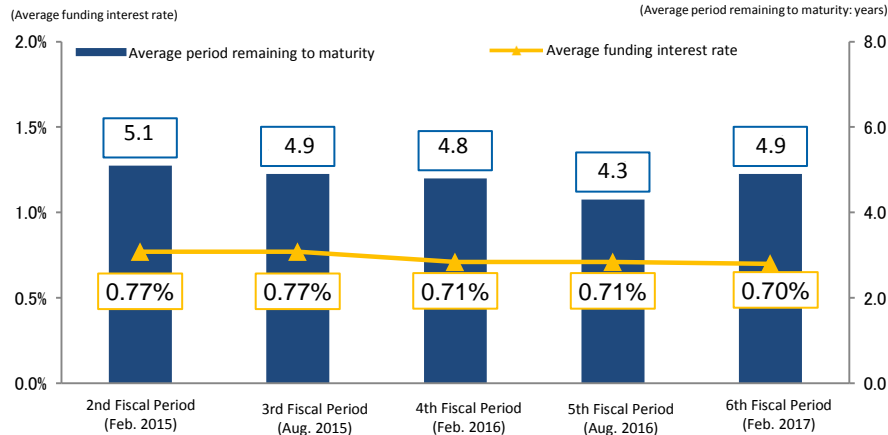
New fund procurement results ^{*1}



LTV ^{*3} / total interest-bearing debt



Fiscal period end borrowings



Diversification of repayment states



^{*1} Excludes short-term borrowings.

^{*2} Outlook prepared by the Asset Manager based on information from information vendors.

^{*3} The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets. For the LTV after inclusion of assets acquired during the 7th fiscal period, an assumed LTV based on the planned loan amount is stated.



III. Summary of Financial Results and Earnings Forecasts

6th fiscal period results (Compared to 5th period results and 6th period forecast)

- With contribution from properties acquired with the 3rd public offering, 6th fiscal period total real estate lease business revenues rose ¥860 million (+14.8%) from 5th fiscal period
- Thanks to prompt filling of spaces that were vacated and improvements in utilities revenues and expenses, 6th fiscal period profit came in ¥87 million (+2.6%) above forecast

[6th fiscal period results compared to 5th period results and 6th period forecast]

(Unit: millions of yen)

	5th Fiscal Period	6th Fiscal Period			
	Results	Forecast	Results	Compared with Forecast	Compared with 5th Fiscal Period
Real estate lease business revenues	5,825	6,646	6,685	+39	+860
Expenses related to real estate lease business	(1,802)	(2,091)	(2,024)	+66	-222
Income from real estate lease business	4,023	4,555	4,661	+105	+637
Operating income	3,382	3,801	3,896	+94	+514
Ordinary income	3,008	3,366	3,453	+87	+444
Profit	3,007	3,365	3,452	+87	+444
Cash distribution per unit (yen)	¥3,143	¥3,220	¥3,304	+¥84	+¥161

[Difference from 5th Fiscal Period to 6th Fiscal Period]

< Main fluctuation factors >

(Unit: millions of yen)

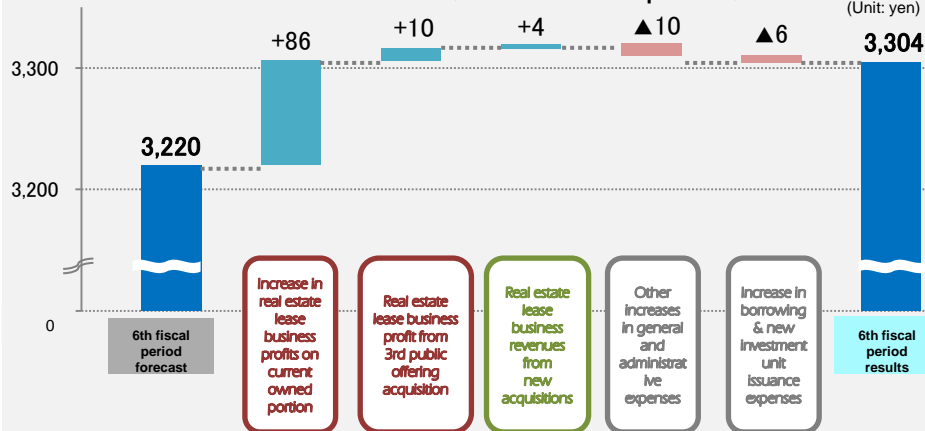
	Difference from 5th Fiscal Period to 6th Fiscal Period	Main Factors
Income from real estate lease business	+637	
	Current owned portion +159	Full fiscal period contribution from acquisition on 2nd public offering date +121 Free rent elimination, etc. +78 Repair expenses (35)
	3rd public offering acquisition +472	Real estate lease business revenues +594
	Newly acquired portion +4	Real estate lease business revenues +9
Operating income	+514	Asset management fee (105) Others (19)
Ordinary income	+444	Interest paid, etc. (64) Amortization of investment unit issuance expenses (6)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 5th fiscal period; figures indicated as + denote decreases from 5th fiscal period.

[Differences between 6th fiscal period forecast and results]

< Cash distribution per unit >

(Unit: yen)



< Main fluctuation factors >

(Unit: millions of yen)

	Differences from Forecasts for 6th Fiscal Period	Main Factors
Income from real estate lease business	+105	
	Current owned portion +90	Getting new tenants in early +8 Improvements in balance of utilities fee +26 Leasing related expenses not used +25 Repair expenses +6
	3rd public offering acquisition +10	Leasing related expenses not used +7 Repair expenses +2
	Newly acquired portion +4	Real estate lease business revenues +9
Operating income	+94	Asset management fee (26) Others +15
Ordinary income	+87	Interest paid, etc. (11)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 6th fiscal period forecast; figures indicated as + denote decreases from 6th fiscal period forecast.

*Aside from main factors written in fluctuation factors and cash distribution per unit, figures below ¥1 million are truncated.

*Current owned portions are 34 properties held at the end of the 5th fiscal period; properties acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, Sotetsu Fresa Inn Ginza 7 Chome (land); and newly acquired properties are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, Dai-36 Arai Building, and HULIC Omori Building.

7th Fiscal Period Earnings Forecast (Comparison to 6th Period Results and 7th Period Previous Forecast)

- Due to the contribution of properties acquired with the 3rd public offering and newly acquired properties, 7th fiscal period real estate lease business revenues are forecast to rise by ¥340 million (+5.1%) from 6th fiscal period
- Contributions from newly acquired properties and increased revenue from the currently owned position are expected to raise 7th fiscal period real estate lease business revenues by ¥360 million (+5.4%), and profit by ¥156 million (+4.8%) compared with 7th period previous forecast, while DPU forecast is expected to increase by ¥150

[7th fiscal period forecast - comparison to 6th period results and 7th period previous forecast]

(Unit: millions of yen)

	6th Fiscal Period	7th Fiscal Period Forecast			
	Results	Previous Forecast	New Forecast	Compared with Previous Forecast	Compared with 6th Fiscal Period
Real estate lease business revenues	6,685	6,665	7,025	+360	+340
Expenses related to real estate lease business	(2,024)	(2,158)	(2,276)	(117)	(251)
Income from real estate lease business	4,661	4,506	4,749	+243	+88
Operating income	3,896	3,735	3,925	+189	+29
Ordinary income	3,453	3,293	3,450	+156	(3)
Profit	3,452	3,292	3,449	+156	(3)
Cash distribution per unit (yen)	¥3,304	¥3,150	¥3,300	+¥150	¥(4)

[Differences from 6th fiscal period results to 7th fiscal period New forecast]

< Main fluctuation factors >

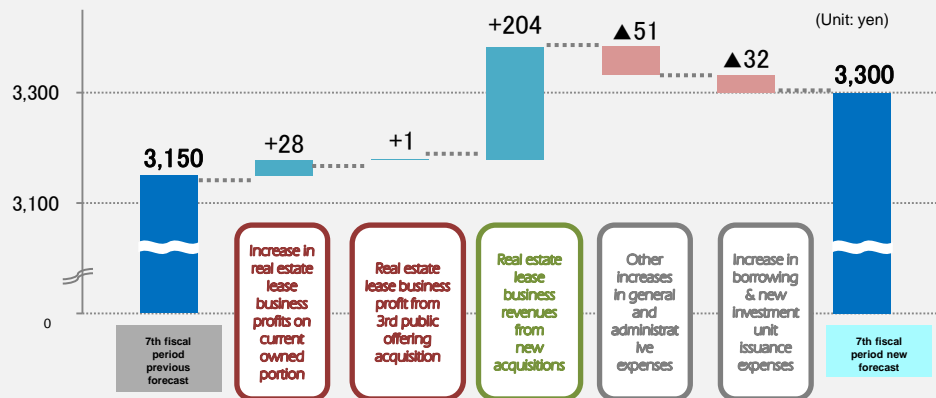
(Unit: millions of yen)

	Difference from 6th Fiscal Period results to 7th fiscal period New Forecast	Main Factors
Income from real estate lease business	+88	
	Current owned portion (127)	Getting new tenants in early +13 Departure of tenants (46)
	3rd public offering acquisition +6	Property-related taxes (40) Leasing related expenses (23)
	Newly acquired portion +209	Full fiscal period contribution +73
		Property-related taxes (47) Leasing related expenses (6)
Operating income	+29	Real estate lease business revenues +273
Ordinary income	(3)	Asset management fee (35), Others (24)
		Interest paid, etc. (32)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 6th fiscal period; figures indicated as + denote decreases from 6th fiscal period.

[Difference from 7th Fiscal Period Previous to New Forecast]

< Cash distribution per unit >



< Main fluctuation factors >

(Unit: millions of yen)

	Difference from 7th Fiscal Period Previous to New Forecast	Main Factors
Income from real estate lease business	+243	
	Current owned portion +29	Getting new tenants in early +29 Rent increase revisions, etc. +9
	3rd public offering acquisition ±0	Departure of tenants (6) Leasing related expenses (23)
	Newly acquired portion +214	Real estate lease business revenues +282
Operating income	+189	Asset management fee (43), Others (11)
Ordinary income	+156	Interest paid, etc. (36)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 7th fiscal period previous forecast; figures indicated as + denote decreases from 7th fiscal period previous forecast.

* Aside from main factors written in fluctuation factors and cash distribution per unit, figures below ¥1 million are truncated.

* Current owned positions are 34 properties held at the end of the 5th fiscal period; properties acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, Sotetsu Fresa Inn Ginza 7 Chome (land); and newly acquired properties are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, Dai-36 Arai Building, and HULIC Omori Building.

8th fiscal period earnings forecast (comparison to 7th fiscal period forecast)

- Due to the contribution of newly acquired properties, 8th fiscal period real estate lease business revenues are forecast to rise by ¥88 million (+1.3%) compared to the 7th fiscal period forecast
- DPU forecast is expected to increase by ¥30 (projection), and cash distribution per unit at the ¥3,300 level is also expected reflecting unexpensed fixed asset tax & city planning tax for newly acquired properties (+ approximately 26 yen/unit)

[Comparison of 7th and 8th fiscal period forecasts]

(Unit: millions of yen)

	7th Fiscal Period	8th Fiscal Period	
	Forecast	Forecast	Compared with 7th Fiscal Period Forecast
Real estate lease business revenues	7,025	7,113	+88
Expenses related to real estate lease business	(2,276)	(2,290)	(14)
Income from real estate lease business	4,749	4,823	+73
Operating income	3,925	3,982	+56
Ordinary income	3,450	3,481	+31
Profit	3,449	3,480	+31
Cash distribution per unit (yen)	¥3,300	¥3,330	+¥30

[Difference from 7th to 8th fiscal period forecast]

(Unit: millions of yen)

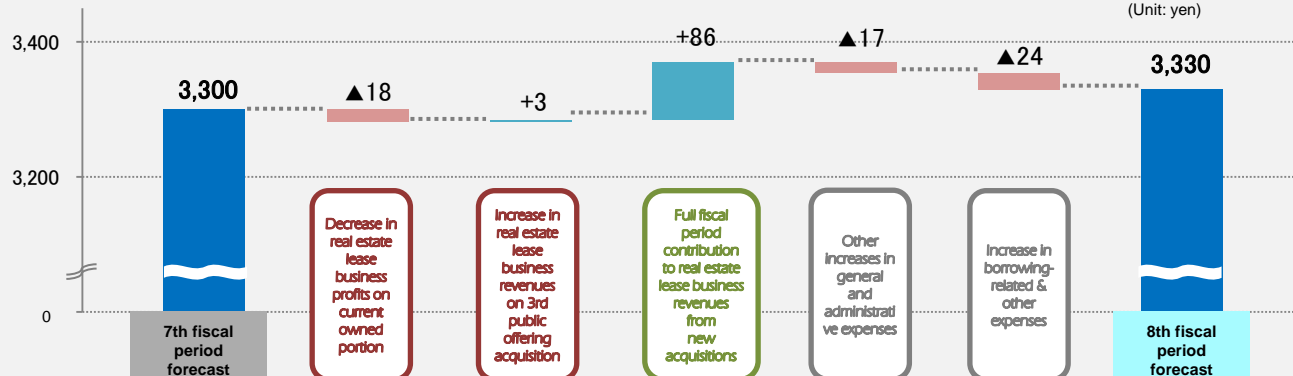
	Difference from 7th to 8th fiscal period forecast	Main Factors
Income from real estate lease business	+73	
	Current owned portion (18)	Free rent elimination, etc. +34 Getting new tenants in +9 Departure of tenants, etc. (44) Repair expenses (19)
	3rd public offering acquisition +3	Staged rents, etc. +2
	Newly acquired portion +89	Full fiscal period contribution to real estate lease business revenues +97
Operating income	+56	Asset management fee (20)
Ordinary income	+31	Interest paid, etc. (25)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 7th fiscal period forecast; figures indicated as + denote decreases from 7th fiscal period forecast.

[8th fiscal period forecast compared to 7th fiscal period forecast]

Cash distribution per unit

(Unit: yen)



* Aside from main factors written in fluctuation factors and cash distribution per unit, figures below ¥1 million are truncated.

* Current owned positions are 34 properties held at the end of the 5th fiscal period; properties acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, Sotetsu Fresa Inn Ginza 7 Chome (land); and newly acquired properties are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, Dai-36 Arai Building, and HULIC Omori Building.

Comparison of 5th and 6th Fiscal Periods

- As a result of the acquisition of 5 properties (including additional acquisition) with proceeds from the 3rd public offering at the beginning of the 6th fiscal period and the acquisition of 1 property through borrowings in December 2016, total assets reached ¥244.9 billion, up ¥31.9 billion from the end of 5th fiscal period
- In light of favorable fund procurement conditions, new investment units were additionally issued, increasing unitholders' capital by ¥14.5 billion
- At the end of the 6th fiscal period, interest-bearing debt totaled ¥97.5 billion, up by approximately ¥16 billion from the end of the 6th fiscal period

(Unit: millions of yen)

	End of 5th Fiscal Period	End of 6th Fiscal Period	Compared with End of 5th Fiscal Period
Assets			
Current assets	10,877	12,141	1,263
Cash and deposits	10,828	11,871	1,042
Other	49	269	220
Noncurrent assets	202,137	232,683	30,546
Property, plant and equipment	193,145	223,526	30,381
Other	8,991	9,157	165
Deferred assets	69	117	48
Total assets	213,084	244,942	31,857
Liabilities			
Current liabilities	15,391	6,026	-9,365
Short-term loans payable	4,660	3,960	-700
Current portion of long-term loans payable	8,490	0	-8,490
Other	2,241	2,066	-175
Noncurrent liabilities	77,148	103,412	26,264
Investment corporation bonds	2,000	5,000	3,000
Long-term loans payable	66,320	88,500	22,180
Tenant leasehold and security deposits in trust	8,828	9,912	1,084
Total liabilities	92,539	109,438	16,898
Net assets			
Unitholders' equity	120,545	135,504	14,959
Unitholders' capital	117,537	132,051	14,514
Surplus	3,008	3,452	444
Total net assets	120,545	135,504	14,959
Total liabilities and net assets	213,084	244,942	31,857

[Capital increase through 3rd public offering]

Ochanomizu Sola City (additional acquisition)
Hulic Toranomom Building (additional acquisition)
Rapiros Roppongi (additional acquisition)
Trust Garden Tokiwamatsu
Sotetsu Fresa Inn Ginza 7 Chome (Land)

[Borrowings in December 2016]

Hulic Todoroki Building
Total of 6 properties, total acquisition price of ¥30.5 billion

LTV*2 at the end of the 6th fiscal period of 39.8%

*1 Figures less than ¥1 million are truncated.

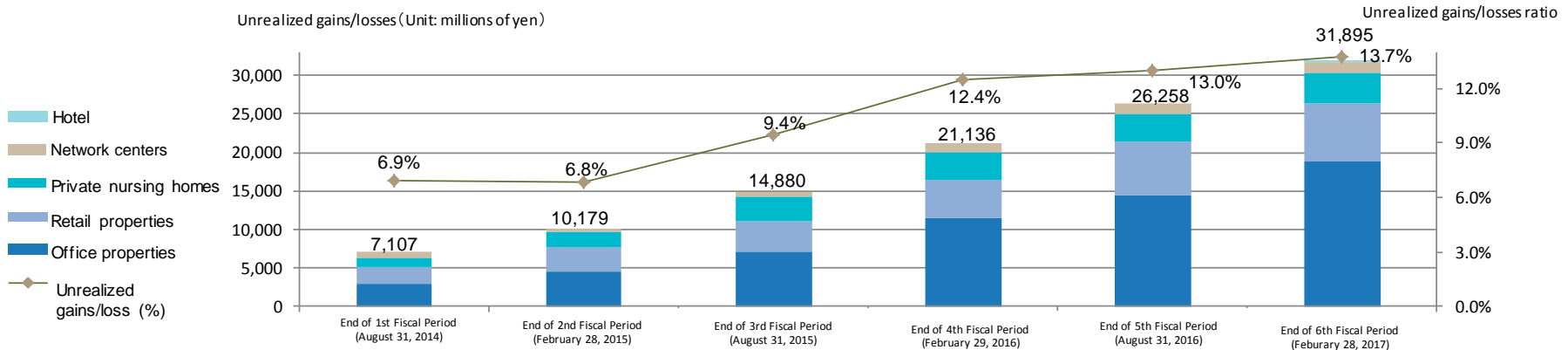
*2 The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets.

Comparison of appraisal and book values at end of fiscal periods

- At the end of 6th fiscal period, unrealized gains were ¥31,900 million (up ¥5,640 million from the previous period). Steady growth has continued since listing.
- At the end of the 6th fiscal period, the unrealized gains/losses ratio was +13.7%

(Units: millions of yen)

		End of 3rd Fiscal Period (August 31, 2015)		End of 4th Fiscal Period (February 29, 2016)		End of 5th Fiscal Period (August 31, 2016)		End of 6th Fiscal Period (February 28, 2017)	
			Appraisal value (Return yield)		Appraisal value (Return yield)		Appraisal value (Return yield)		Appraisal value (Return yield)
Office properties	No. of properties	13		14		14		14	
	Book value	91,665	98,750	104,208	115,670	120,741	135,130	142,535	161,375
	Unrealized gains/losses	+7,084	(4.0%)	+11,461	(3.8%)	+14,388	(3.7%)	+18,839	(3.6%)
Retail properties	No. of properties	6		6		8		9	
	Book value	32,057	36,000	32,022	36,950	47,260	54,260	48,418	55,880
	Unrealized gains/losses	+3,942	(4.4%)	+4,927	(4.3%)	+6,999	(4.1%)	+7,461	(4.1%)
Private nursing homes	No. of properties	4		4		4		5	
	Book value	14,386	17,580	14,338	17,950	14,299	17,950	17,419	21,450
	Unrealized gains/losses	+3,193	(4.8%)	+3,611	(4.7%)	+3,650	(4.7%)	+4,030	(4.5%)
Network centers	No. of properties	8		8		8		8	
	Book value	19,463	20,124	19,379	20,515	19,315	20,535	19,227	20,598
	Unrealized gains/losses	+660	(5.2%)	+1,135	(5.1%)	+1,219	(5.1%)	+1,370	(5.1%)
Hotel	No. of properties							1	
	Book value							4,397	4,590
	Unrealized gains/losses							+192	(3.6%)
Total	No. of properties	31		32		34		37	
	Book value	157,573	172,454	169,948	191,085	201,616	227,875	231,997	263,893
	Unrealized gains/losses	+14,880		+21,136		+26,258		+31,895	



*1 In book values, units below ¥1 million are truncated.

*2 The return yield is calculated as a weighted average based on appraisal value by type of use at the end of each fiscal period.



IV. Future Strategy

Distribution per unit (DPU)-focused strategy

External growth strategy

Based on market conditions, we will continue investing carefully and selectively

- Seek appropriate return by continuing to selectively invest in sponsor-developed and sponsor-owned properties that hold a promise of future growth
- Asset size of ¥300 billion is within sight
(Aim to grow assets under management to ¥300 billion in 3–5 years after listing)

Internal growth strategy

Seek fair rent, maintain high occupancy rate

- Continue rent negotiations with tenants who are paying below-market rents
- Maintain high occupancy rate by leveraging the attractive location of properties

Financial strategy

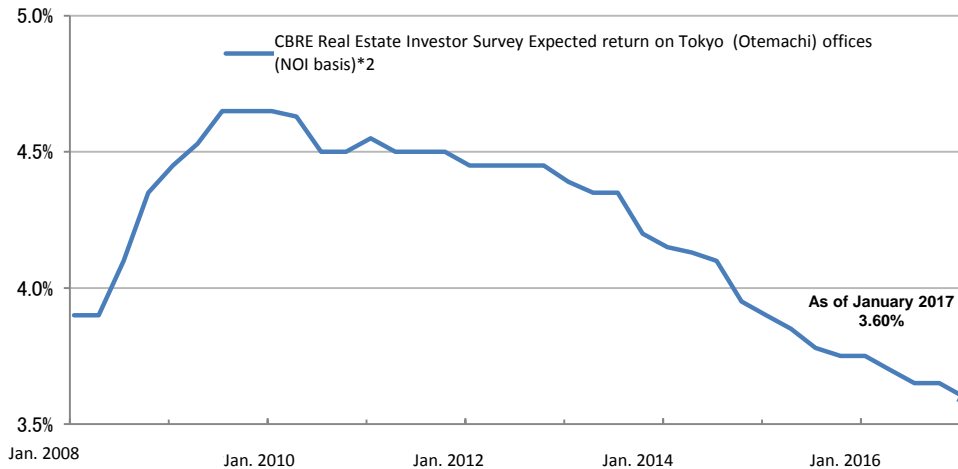
Maintain stable and sound financial management

- Based on expansion of asset size, control LTV appropriately (aiming for the 40% to 45% range)
- While monitoring interest rate trends, seek long-term fixed borrowings
- Diversify financing sources and methods

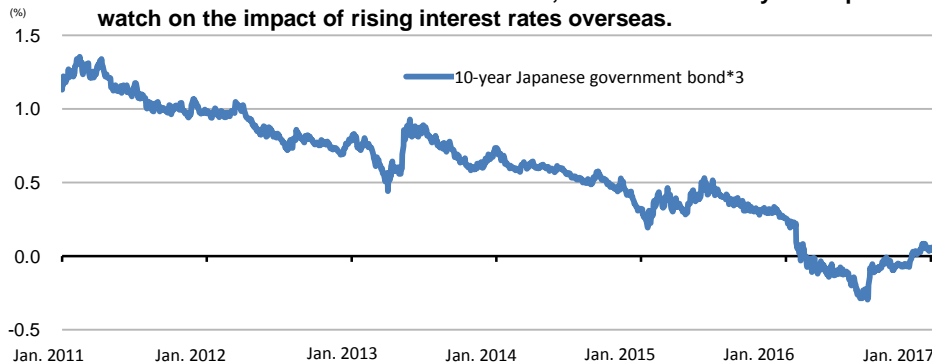
Aim to consistently increase DPU

Understanding the real estate market environment *1

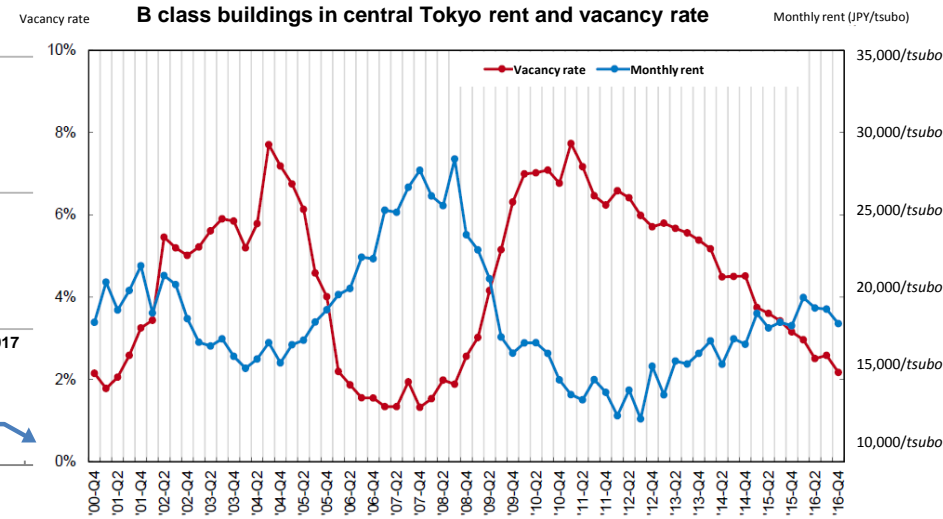
- The average expected NOI yield on Tokyo (Otemachi) offices has recently sunk to a record low of 3.60%, reflecting recent declines in long-term interest rates. The direction of investor interest will be closely watched due to concerns towards limits on further downside room for long-term interest rates and the large supply of offices.



- While the 10-year JGB yield is expected to remain stable at about 0% based on the BoJ's yield curve control and that the risk of sudden fluctuations in interest rates is believed to have lessened, it will be necessary to keep a watch on the impact of rising interest rates overseas.



- Among B class buildings in central Tokyo, the vacancy rate continues to decline while rents rise. A gradual rent uptrend has been sustained for medium-sized buildings in central Tokyo and other favorable locations held by Hulic Reit.



Source: Sanko Estate (Vacancy Rate), Sanko Estate • NLI Research Institute (Office Rent)

- Decline of office vacancy rate and rise of rents likely to continue
- While there are limits on further downside room for long-term interest rates, they will continue to be stable at low levels
- While real estate prices are expected to remain high for central Tokyo and blue-chip properties at favorable locations, the direction of investor interest will be closely watched

*1 This is the opinion of the asset management company based on these materials.

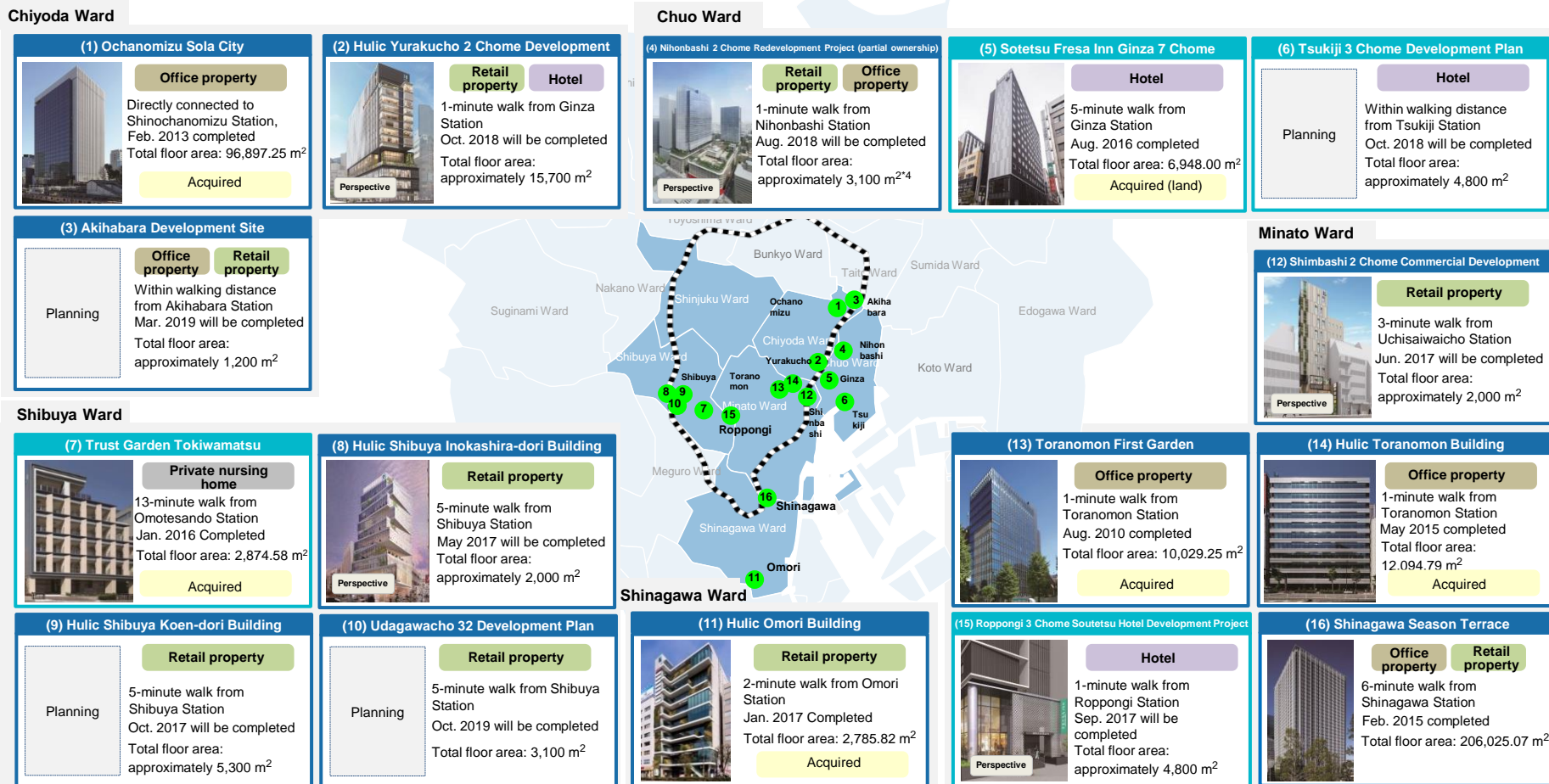
*2 Expected NOI yields show the averages for office spaces in Tokyo (Otemachi) in the Japanese Real Estate Investor Survey conducted by CBRE, Inc..

*3 Outlook prepared by the Asset Manager based on information from information vendors.

Our sponsor's principal development results and development plans

- By the end of FY2019, the sponsor-developed properties, mainly in six central Tokyo wards^{*1}, are planned for completion.

Completed in 2016	Slated for completion in fiscal 2017	Slated for completion in fiscal 2018	Slated for completion in fiscal 2019
Trust Garden Tokiwamatsu Sotetsu Fresa Inn Ginza 7 Chome	Hulic Omori Building Hulic Shibuya Inokashira-dori Building Shimbashi 2 Chome Commercial Development Roppongi 3 Chome Soutetsu Hotel Development Project Hulic Shibuya Koen-dori Building	Nihonbashi 2 Chome Redevelopment Project (partial ownership) Hulic Yurakucho 2 Chome Development Tsukiji 3 Chome Development Plan	Akihabara Development Site Udagawacho 32 Development Plan



*1 Refers to Chiyoda, Chuoh, Minato, Shinjuku, Shibuya and Shinagawa wards

*2 Completion drawings (perspective) may differ from the actual completed structures in some details.

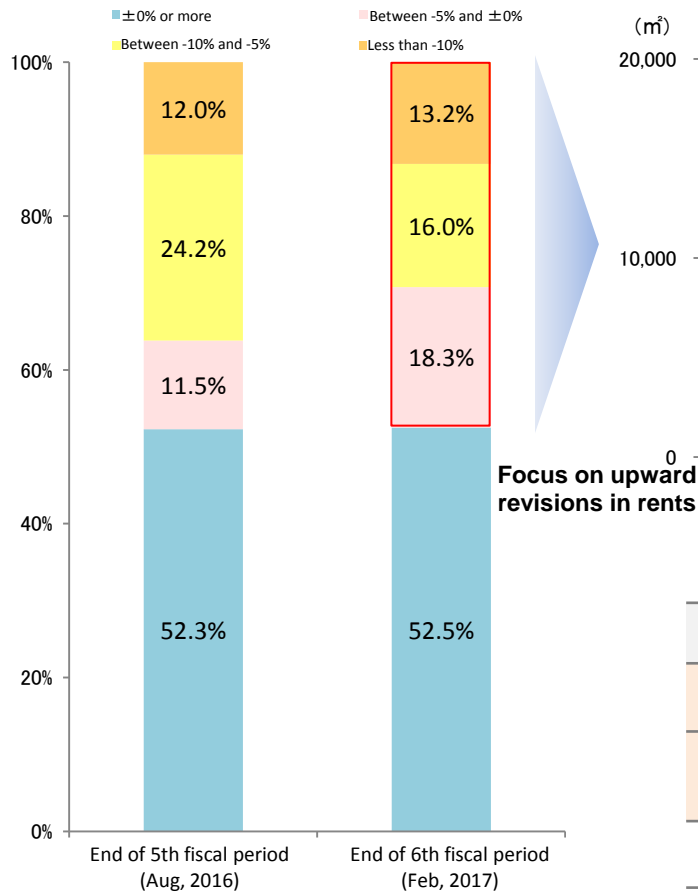
*3 Hulic Reit has no plans to acquire any the properties indicated above (except those that have already been acquired) as of the date this document was prepared.

*4 States the area of the partial ownership of Hulic Co., Ltd.

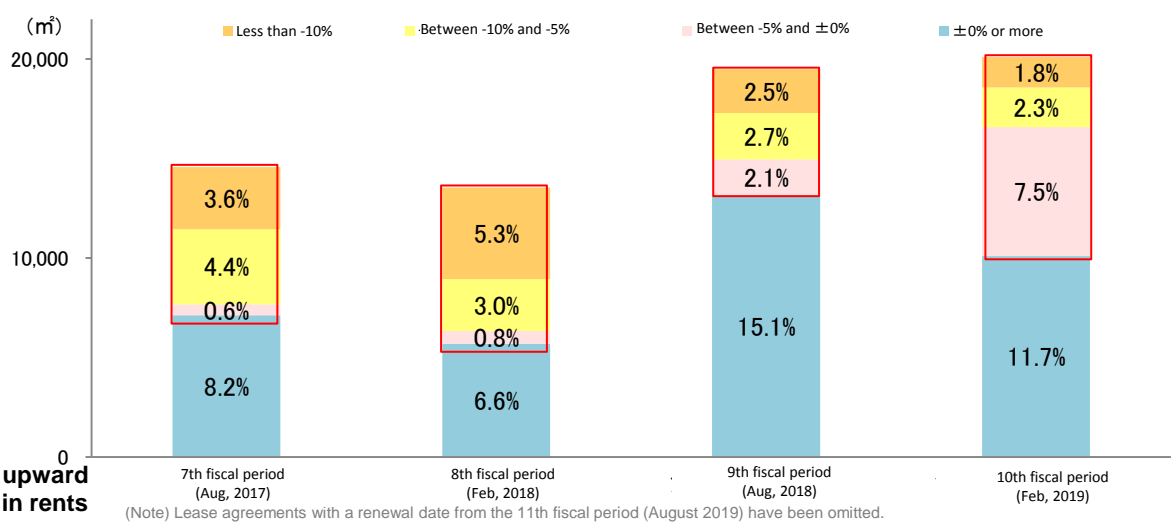
Negotiate appropriate rents (offices)

- Progress was made towards appropriate rents through rent increases for tenants with rents below the market rate during the 6th fiscal period (February 2017)
- No rents were revised downward in the 6th fiscal period (February 2017)
- Focus placed on early leasing at market rent rates of spaces expected to be vacated by tenants

Level of divergence of with office market rent levels



Lease agreement renewal schedule (note)



Account of divergence from market rent levels	Policy
Tenants at less than -5%	Aim to revise to appropriate rent rates
Tenants between -5% and ±0%	Aim to revise rent rates upward
Tenants at ±0% or more	Maintain current rent rate

*Market rent levels are calculated on a trial basis by the Asset Manager and may differ from announced market rent levels.

*Each rate in the level of divergence of with office market rent levels is a percentage of the total rentable area in office properties (excluding proprietary right of land, retail spaces, and residential spaces; the same applying below) held at each earnings announcement day (including properties planned for acquisition) by HULIC REIT, while each rate in the lease agreement renewal schedule is a percentage of the total rentable area in office properties held at the earnings announcement day (including properties planned for acquisition).



V. Appendix

5th and 6th Fiscal Period Results

	5th fiscal period (Aug. 2016)	6th fiscal period (Feb. 2017)	(Unit: thousands of yen) Difference (6th fiscal period - 5th fiscal period)
Operating revenues			
Lease business revenue	5,572,883	6,394,084	821,200
Other lease business revenues	252,561	291,571	39,010
Real estate lease business revenues	5,825,444	6,685,656	860,211
Operating expenses			
Expenses related to real estate lease business	1,802,036	2,024,619	222,583
Asset management fee	504,977	609,750	104,773
Asset custody fee	10,171	11,517	1,345
Administrative service fees	32,377	37,228	4,850
Directors' compensation	6,000	6,000	0
Other operating expenses	87,735	100,369	12,634
Total operating expenses	2,443,298	2,789,485	346,187
Operating income	3,382,146	3,896,170	514,023
Non-operating income			
Interest income	42	48	7
Interest on refund	59	0	(59)
Total non-operating income	101	48	(52)
Non-operating expenses			
Interest expenses	282,287	292,765	10,477
Interest expenses on investment corporation bonds	9,500	10,714	1,214
Borrowing related expenses	70,198	121,000	50,801
Amortization of investment unit issuance costs	10,363	16,124	5,761
Amortization of investment corporation bond issuance costs	1,005	2,184	1,179
Total non-operating expenses	373,355	442,789	69,433
Ordinary income	3,008,892	3,453,430	444,537
Profit before income taxes	3,008,892	3,453,430	444,537
Income taxes – current	943	837	(106)
Income taxes – deferred	(2)	4	7
Total income taxes	941	842	(98)
Profit	3,007,951	3,452,588	444,636
Retained earnings brought forward	182	283	100
Unappropriated retained earnings	3,008,134	3,452,871	444,737

*Amounts less than 1 thousand yen have been truncated.

6th fiscal period forecast & results, 6th fiscal period results & 7th fiscal period new forecast

(Unit: million yen)

	6th Fiscal Period Forecast	6th Fiscal Period Result	Difference	Main Factors	6th Fiscal Period Result	7th Fiscal Period Forecast	Difference	Main Factors
Real estate lease business revenues	6,646	6,685	+ 39	<ul style="list-style-type: none"> •Rent, land rental, common service fee income Current owned portion +14, newly acquired portion +9 •Heat, water, electricity (14) (Current owned portion (13), 3rd public offering acquisition (2)) •Revenues equivalent to original condition costs (Currently owned portion +16, newly acquired portion +7) 	6,685	7,025	+ 340	<ul style="list-style-type: none"> •Rent, land rental, common service fee income Current owned portion (30), 3rd public offering acquisition +73, newly acquired portion +273 •Heat, water, electricity +24 (Current owned portion +10, 3rd public offering acquisition +2, newly acquired portion +12)
Expenses related to real estate lease business (Of which)	(2,091)	(2,024)	+ 66		(2,024)	(2,276)	(251)	
Taxes and public dues	(442)	(443)	0		(443)	(534)	(91)	Current owned portion (40), 3rd public offering acquisition (47), newly acquired portion (4)
Depreciation	(665)	(665)	0		(665)	(719)	(54)	3rd public offering acquisition (9), newly acquired portion (41)
Repair expenses	(111)	(111)	0	Currently owned portion +6, newly acquired portion (7)	(111)	(94)	+ 16	Current owned portion +14, newly acquired portion +5
Leasing-related costs	(43)	(12)	+ 31	Current owned portion +25, 3rd public offering acquisition +7	(12)	(41)	(28)	Current owned portion (23), 3rd public offering acquisition (6)
Other expenses related to real estate lease business	(827)	(791)	+ 35	<ul style="list-style-type: none"> •Heat, water, electricity +41 (Current owned portion +39, 3rd public offering acquisition +3, newly acquired portion (1)) 	(791)	(885)	(93)	<ul style="list-style-type: none"> •Heat, water, electricity (46) (Current owned portion (27), 3rd public offering acquisition (4), newly acquired portion (15)) •Other expenses for 3rd public offering acquisition (3) •Other expenses for newly acquired portion (27)
Income from real estate lease business	4,555	4,661	+ 105		4,661	4,749	+ 88	
Operating expenses (excluding rent-related expenses) (Of which)	(753)	(764)	(11)		(764)	(823)	(58)	
Asset management fee	(583)	(609)	(25)		(609)	(644)	(35)	
Other operating expenses	(169)	(155)	+ 14	Lawyer, accountant, and other specialist remuneration +2	(155)	(178)	(23)	General administrative and asset custody fees (8)
Operating income	3,801	3,896	+ 94		3,896	3,925	+ 29	
Non-operating income	0	0	0		0	0	0	
Non-operating expenses (Of which)	(435)	(442)	(7)		(442)	(475)	(33)	
Interest expenses, Borrowing-related expenses	(414)	(424)	(9)	Change in refinancing timing +15, financing related fees, etc. (26)	(424)	(454)	(30)	Additional borrowings for newly acquired portion (35)
Amortization of investment unit issuance expenses	(19)	(16)	+ 3		(16)	(17)	(1)	
Amortization of investment corporation bond issuance expenses	(0)	(2)	(1)		(2)	(4)	(1)	Amortisation 2nd and 3rd bond issuing expenses (3)
Ordinary income	3,366	3,453	+ 87		3,453	3,450	(3)	
Profit	3,365	3,452	+ 87		3,452	3,449	(3)	
Cash distributions per unit (yen)	3,220	3,304	+ 84		3,304	3,300	(4)	

* Aside from main factors written in fluctuation factors and cash distribution per unit, figures below ¥1 million are truncated.

* Current owned positions are 34 properties held at the end of the 5th fiscal period; properties acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, Sotetsu Fresa Inn Ginza 7 Chome (land); and newly acquired properties are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, Dai-36 Arai Building, and HULIC Omori Building.

7th fiscal period previous & new forecasts, 7th & 8th fiscal period forecasts

(Unit: million yen)

	7th Fiscal Period Previous Forecast	7th Fiscal Period New Forecast	Difference	Main Factors	7th Fiscal Period New Forecast	8th Fiscal Period Forecast	Difference	Main Factors
Real estate lease business revenues	6,665	7,025	+ 360	•Rent, land rental, common service fee income Current owned portion +45, 3rd public offering acquisition +1 Newly acquired portion +282 •Heat, water, electricity +5 (Current owned portion (5), 3rd public offering acquisition (3), newly acquired portion +13)	7,025	7,113	+ 88	•Rent, land rental, common service fee income Current owned portion (6), 3rd public offering acquisition +2 Newly acquired portion +97 •Heat, water, electricity +4 (Current owned portion +1, newly acquired portion +3)
Expenses related to real estate lease business (Of which)	(2,158)	(2,276)	(117)		(2,276)	(2,290)	(14)	
Taxes and public dues	(530)	(534)	(4)	Newly acquired portion (4)	(534)	(534)	0	
Depreciation	(682)	(719)	(37)	Newly acquired portion (43)	(719)	(727)	(7)	
Repair expenses	(82)	(94)	(12)	Current owned portion (10), newly acquired portion (2)	(94)	(117)	(22)	Current owned portion +19, newly acquired portion (4)
Leasing-related costs	(12)	(41)	(28)	Current owned portion (23), 3rd public offering acquisition (5)	(41)	(9)	+ 31	Current owned portion +27, 3rd public offering acquisition +4
Other expenses related to real estate lease business	(851)	(885)	(34)	•Heat, water, electricity (1) (Current owned portion +13, 3rd public offering acquisition +3, newly acquired portion (16)) •Other expenses for newly acquired portion (30)	(885)	(901)	(15)	•Heat, water, electricity (10) (Current owned portion (4), 3rd public offering acquisition (3), newly acquired portion (3)) •Other expenses for newly acquired portion (6)
Income from real estate lease business	4,506	4,749	+ 243		4,749	4,823	+ 73	
Operating expenses (excluding rent-related expenses) (Of which)	(770)	(823)	(53)		(823)	(841)	(17)	
Asset management fee	(602)	(644)	(42)		(644)	(665)	(20)	
Other operating expenses	(167)	(178)	(10)	General administrative and asset custody fees (1)	(178)	(176)	+ 2	General administrative and asset custody fees (1)
Operating income	3,735	3,925	+ 189		3,925	3,982	+ 56	
Non-operating income	0	0	0		0	0	0	
Non-operating expenses (Of which)	(442)	(475)	(33)		(475)	(500)	(25)	
Interest expenses, Borrowing-related expenses	(422)	(454)	(32)	Additional borrowings for newly acquired portion (35)	(454)	(479)	(25)	Long-term additional borrowings for newly acquired portion (32)
Amortization of investment unit issuance expenses	(19)	(17)	+ 2		(17)	(17)	0	
Amortization of investment corporation bond issuance expenses	(1)	(4)	(3)	Amortisation 2nd and 3rd bond issuing expenses (3)	(4)	(3)	0	
Ordinary income	3,293	3,450	+ 156		3,450	3,481	+ 31	
Profit	3,292	3,449	+ 156		3,449	3,480	+ 31	
Cash distributions per unit (yen)	3,150	3,300	+ 150		3,300	3,330	+ 30	

*Aside from main factors written in fluctuation factors and cash distribution per unit, figures below ¥1 million are truncated.

*Current owned positions are 34 properties held at the end of the 5th fiscal period; properties acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, Sotetsu Fresa Inn Ginza 7 Chome (land); and newly acquired properties are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, Dai-36 Arai Building, and HULIC Omori Building.

(Unit: thousands of yen)

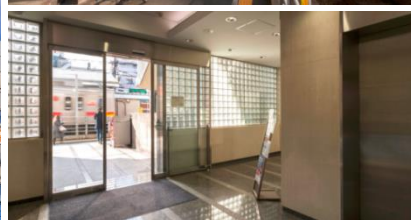
	End of 5th Fiscal Period (Aug. 31, 2016)	End of 6th Fiscal Period (Feb. 28, 2017)	Difference (6th Fiscal Period - 5th Fiscal Period)
Assets			
Current assets			
Cash and deposits	6,308,255	6,514,047	205,791
Cash and deposits in trust	4,520,237	5,356,977	836,739
Operating accounts receivable	11,305	11,604	298
Prepaid expenses	36,935	27,471	(9,463)
Deferred tax assets	16	11	(4)
Consumption taxes receivable	0	228,750	228,750
Other	864	2,153	1,289
Total current assets	10,877,614	12,141,016	1,263,401
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	38,679,945	44,472,954	5,793,008
Accumulated depreciation	(2,262,203)	(2,899,608)	(637,405)
Buildings in trust, net	36,417,742	41,573,345	5,155,603
Structures in trust	245,763	291,095	45,332
Accumulated depreciation	(45,918)	(56,893)	(10,975)
Structures in trust, net	199,844	234,202	34,357
Machinery and equipment in trust	190,272	252,208	61,935
Accumulated depreciation	(41,529)	(56,840)	(15,311)
Machinery and equipment in trust, net	148,743	195,367	46,624
Tools, furniture and fixtures in trust	19,150	22,632	3,482
Accumulated depreciation	(3,074)	(4,765)	(1,691)
Tools, furniture and fixtures in trust, net	16,076	17,866	1,790
Land in trust	156,362,300	181,504,937	25,142,636
Construction in progress in trust	894	894	0
Total property, plant and equipment	193,145,601	223,526,613	30,381,012
Intangible assets			
Leasehold rights in trust	8,471,289	8,471,289	0
Other	5,133	4,114	(1,018)
Total intangible assets	8,476,422	8,475,404	(1,018)
Investments and other assets			
Lease and guarantee deposits	20,000	20,000	0
Long-term prepaid expenses	495,494	661,973	166,479
Total investments and other assets	515,494	681,973	166,479
Total noncurrent assets	202,137,518	232,683,991	30,546,473
Deferred assets			
Investment unit issuance expenses	51,815	77,171	25,355
Investment corporation bond issuance costs	17,956	40,642	22,686
Total deferred assets	69,771	117,813	48,042
Total assets	213,084,904	244,942,821	31,857,917

(Unit: thousands of yen)

	End of 5th Fiscal Period (Aug. 31, 2016)	End of 6th Fiscal Period (Feb. 28, 2017)	Difference (6th Fiscal Period - 5th Fiscal Period)
Liabilities			
Current liabilities			
Operating accounts payable	420,319	160,158	(260,160)
Short-term loans payable	4,660,000	3,960,000	(700,000)
Current portion of long-term loans payable	8,490,000	0	(8,490,000)
Accounts payable - other	600,353	727,854	127,501
Accrued expenses	49,828	41,228	(8,599)
Income taxes payable	937	830	(107)
Accrued consumption taxes	138,632	25,447	(113,184)
Advances received	1,030,503	1,110,564	80,060
Deposits received	1,013	188	(824)
Total current liabilities	15,391,587	6,026,272	(9,365,314)
Noncurrent liabilities			
Investment corporation bond	2,000,000	5,000,000	3,000,000
Long-term loans payable	66,320,000	88,500,000	22,180,000
Tenant leasehold and security deposits in trust	8,828,110	9,912,149	1,084,038
Total non current liabilities	77,148,110	103,412,149	26,264,038
Total liabilities	92,539,698	109,438,422	16,898,724
Net assets			
Unitholders' equity			
Unitholders' capital	117,537,072	132,051,528	14,514,456
Surplus			
Unappropriated retained earnings	3,008,134	3,452,871	444,737
Total surplus	3,008,134	3,452,871	444,737
Total unitholders' equity	120,545,206	135,504,399	14,959,193
Total net assets	120,545,206	135,504,399	14,959,193
Total liabilities and net assets	213,084,904	244,942,821	31,857,917

*Amounts less than 1 thousand yen have been truncated.

Hulic Todoroki Building



Location	Setagaya Ward, Tokyo
Nearest station	Todoroki Station, Tokyu Oimachi Line
Walking distance	1 minute
Total floor area	2,398.48 m ²
Leasable area	1,593.58 m ²
Completion of construction	August 1990

Acquisition price
¥1,200 million

Appraisal value
¥1,220 million

NOI yield
5.4%

Acquisition date
December 27, 2016

Highlights

☐ Lifestyle convenience retail facilities extremely close to Todoroki Station

- Lifestyle convenience retail facilities located in front of Todoroki Station on the Tokyu Oimachi Line that support the daily needs of consumers in the station area

Location characteristics

☐ Prized location in the area

- As it is directly connected to Todoroki Station, it's a prized location facing a ward road along the Tokyu Oimachi Line
- As it is adjacent to the Setagaya Ward Office Tamagawa Branch Office and Todoroki Community Branch Office, use by city office users can also be anticipated

Property characteristics

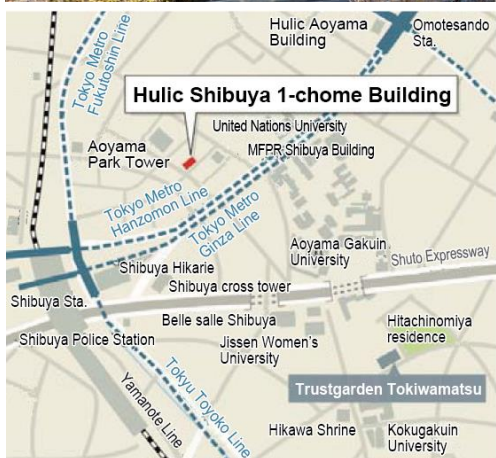
☐ Facade taking advantage of the frontage

- Displays considerable presence as it has broad frontage towards the road and a building facade that is characteristic in that both the left and right wings can be seen independently

*1 Appraisal value at the time of acquisition is shown.

*2 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

Hulic Shibuya 1-Chome Building



Location	Shibuya Ward, Tokyo
Nearest station	Tokyu Toyoko Line, etc. Shibuya Station
Walking distance	5 minutes
Total floor area	4,041.59 m ²
Leasable area	2,817.65 m ²
Completion of construction	August 1993

Acquisition price
¥5,100 million

Appraisal value
¥5,170 million

NOI yield
4.1%

Acquisition date
March 31, 2017

Highlights

□ Area with high needs for tenants that include IT enterprises

- The Shibuya area is a bustling commercial and shopping district with high needs for various tenants that include not only traditional service companies, but also IT-related venture companies that have emerged recently, as the area has been referred to as “Bit Valley”

Location characteristics

□ Closest office building to Shibuya Station, which is one of Japan’s busiest train terminals

- Office building located in an area, formerly known as Mitake that is located five minutes on foot from the Shibuya Station on the Tokyu Toyoko Line, etc
- Shibuya Station is one of Japan’s busiest train terminals, and as integrated redevelopment projects are underway that include station improvements, improved convenience and comfort can be expected

Property characteristics

□ Exterior with a real presence

- Exterior attracts the eye with aluminum curtain walls and has good visibility at its location, which gives the property considerable presence

*1 Appraisal value at the time of acquisition is shown.

*2 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

Hulic Higashi Nihonbashi Building



Location	Chuo Ward, Tokyo
Nearest station	Toei Asakusa Line, Higashi Nihonbashi Station
Walking distance	2 minutes
Total floor area	5,520.29 m ²
Leasable area	3,681.20 m ²
Completion of construction	November 1996

Acquisition price
¥3,480 million

Appraisal value
¥3,510 million

NOI yield
4.6%

Acquisition date
March 31, 2017

Highlights

☐ Area with robust specific demand from apparel companies

- The Higashi Nihonbashi area is an area with robust demand from specific industries as it has flourished centered around the textile industry since long ago and currently continues to have many apparel companies

Location characteristics

☐ Office building on a main road that allows use of many stations

- The property is located on Kiyosubashi Street, and is nearly the same distance to multiple stations as it is to the Higashi Nihonbashi Station

Property characteristics

☐ Characteristic facade with good visibility

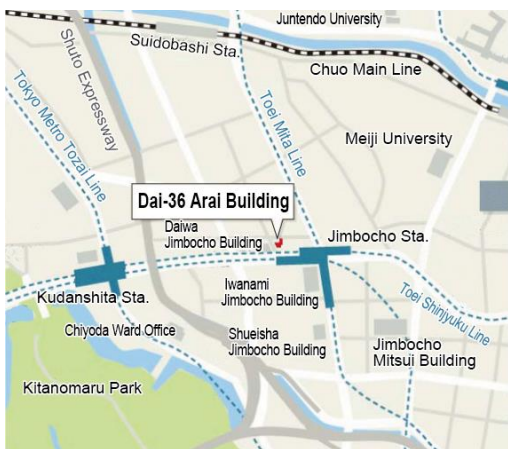
- Characterized by a facade with aluminum curtain walls on Kiyosubashi Street, which gives the property considerable presence

*1 Appraisal value at the time of acquisition is shown.

*2 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

Dai-36 Arai Building

Acquired through the Asset Manager's unique route



Location	Chiyoda Ward, Tokyo
Nearest station	Jimbocho Station on Tokyo Metro Hanzomon Line, etc.
Walking distance	2 minutes
Total floor area	1,893.84 m ²
Leasable area	1,561.38 m ²
Completion of construction	September 1989

Acquisition price
¥1,460 million

Appraisal value
¥1,480 million

NOI yield
4.3%

Scheduled acquisition date
April 28, 2017

Highlights

□ Area that has featured a concentration of industries since long ago

- The Kanda Jimbocho area absorbs a wide variety of tenant needs as it features a concentration of publishers, music and sports-related companies, universities, and medical institutions

Location characteristics

□ Highly convenient location where traffic nodes intersect

- Located in a district with buildings side by side that house offices and service tenants on the north side of Yasukuni Street; located close to Jimbocho Station and Kudanshita Station with transfers for multiple lines

Property characteristics

□ Implementation of renewal work

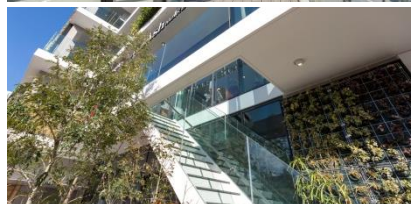
- Renewal work has been conducted on common areas such as the entrance to maintain a degree of competitiveness

*1 Appraisal value at the time of acquisition is shown.

*2 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

Hulic Omori Building

Sponsor-developed



Location	Shinagawa Ward, Tokyo
Nearest station	Omori Station on the JR Keihin-Tohoku Line
Walking distance	2 minutes
Total floor area	2,785.82 m ²
Leasable area	2,666.52 m ²
Completion of construction	January 2017

Acquisition price
¥3,420 million

Appraisal value
¥3,480 million

NOI yield
4.7%

Acquisition date
March 31, 2017

Highlights

□ Newly constructed retail facility that was developed by Hulic

- Newly constructed retail facility that was developed by Hulic to support various industries (restaurants, clinics, cosmetics, education, real estate, etc.)

Location characteristics

□ Location that directly faces the east exit of the station

- Has prized location in terms of visibility and ease of approach as it directly faces the east exit of Omori Station
- As the area feature a concentration of large commercial and business facilities, and there are many apartments nearby, use by both workers and residents can be expected

Property characteristics

□ Positive image created through the use of greening for the facade

- Positive image created for the building through surface greening in front of the elevator hall as well as plantings around the exterior

*1 Appraisal value at the time of acquisition is shown.

*2 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place).

5. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 6th Fiscal Period





Property number	OF-01	OF-02	OF-03	OF-04
Property name	Hulic Kamiyacho Building	Hulic Kudan Building (land)	Toranomon First Garden	Rapiros Roppongi
Photograph of property				
Location	Toranomon, Minato Ward, Tokyo	Kudankita, Chiyoda Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Roppongi, Minato Ward, Tokyo
Nearest station	1-minute walk from Kamiyacho Station, Tokyo Metro Hibiya Line	1-minute walk from Kudanshita Station, Tokyo Metro Tozai Line, etc.	1-minute walk from Toranomon Station, Tokyo Metro Ginza Line	Directly connected to Roppongi Sta., Tokyo Metro Hibiya Line, etc.
Acquisition price	¥36,750 million	¥11,100 million	¥8,623 million	¥6,210 million
Appraisal NOI yield (*1)	4.3%	4.1%	4.6%	5.5%
Completion of construction	April 1985	-	August 2010	August 1997
Structures and construction	SRC/S, B2/11F	-	S/RC, B2/12F	SRC/RC, B2/10F
Total leasable area (*2)	22,740.96 m ²	3,351.07 m ²	5,689.97 m ²	6,736.51 m ²
Occupancy rate (*3)	97.2%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located near Kamiyacho Station ➢ Has total floor area of approximately 40,990 m², with space of typical floor of more than 3,100 m² ➢ Has recently undergone large-scale refurbishment ➢ Located in a peaceful urban area near many foreign embassies 	<ul style="list-style-type: none"> ➢ Located along Meiji Dori near Kudanshita Station ➢ Kudanshita Station served by several subway lines—Tokyo Metro's Tozai and Hanzomon lines and the Toei Shinjuku Line ➢ An office building with a prized location within a large-scale central metropolitan planning zone 	<ul style="list-style-type: none"> ➢ Located along Sakurada Dori near Toranomon Station ➢ Relatively new building reconstructed by Hulic Co., Ltd. to high specifications ➢ Building received a Minister of the Environment Award in the Wall/Specialty Greening Technology category of the Wall and Special Greening Technology Contest (2012) 	<ul style="list-style-type: none"> ➢ Connected directly with Roppongi Station, along Roppongi Dori ➢ Unusually good access, being directly connected with a station served by the Tokyo Metro Hibiya Line and the Toei Oedo Line ➢ One of few relatively large buildings in an area with numerous smaller properties

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 6th Fiscal Period





Property number	OF-05	OF-06	OF-07	OF-08
Property name	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building
Photograph of property				
Location	Takada, Toshima Ward, Tokyo	Kandasudacho, Chiyoda Ward, Tokyo	Kandanishikicho, Chiyoda Ward, Tokyo	Nihonbashi Kakigaracho, Chuo Ward, Tokyo
Nearest station	6-minute walk from Takadanobaba Station, JR Yamanote Line and Tokyo Metro Tozai Line, etc.	1-minute walk from Kanda Station, Tokyo Metro Ginza Line	3-minute walk from Otemachi Station, Tokyo Metro Tozai Line, etc.	2-minute walk from Suitengumae Station, Tokyo Metro Hanzomon Line
Acquisition price	¥3,900 million	¥3,780 million	¥2,500 million	¥2,210 million
Appraisal NOI yield (*1)	5.4%	4.7%	4.6%	5.7%
Completion of construction	November 1993	September 2008	June 2001	March 1993
Structures and construction	SRC, B1/8F	RC, 9F	S/RC, B1/10F	SRC, B1/9F
Total leasable area (*2)	5,369.71 m ²	3,728.36 m ²	2,566.95 m ²	2,858.48 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Situated along Shin-Mejiro Dori ➢ Near Takadanobaba Station, served by multiple lines, including JR Yamanote, Tokyo Metro Tozai and Seibu Shinjuku lines ➢ Competitive because the surrounding area contains little new supply and limited stock of offices 	<ul style="list-style-type: none"> ➢ Located along Chuo Dori near Kanda Station on the Tokyo Metro Ginza Line ➢ Also within walking distance of several other stations, including Kanda Station on the JR Yamanote Line and Awajicho Station on the Tokyo Metro Marunouchi Line 	<ul style="list-style-type: none"> ➢ Located near Otemachi Station ➢ Also within walking distance of several other stations, including Ogawamachi Station on the Toei Shinjuku Line and Kanda Station on the JR Yamanote Line 	<ul style="list-style-type: none"> ➢ Located along Shin-Ohashi Dori near Suitengumae Station ➢ Also within walking distance of Kayabacho Station on the Tokyo Metro Tozai Line and Ningyocho Station on the Tokyo Metro Hibiya Line ➢ Property was reconstructed by Fujigin Building Co., Ltd. (currently Hulic)

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 6th Fiscal Period


Property number	OF-09	OF-10	OF-11	OF-12
Property name	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Sasazuka South Building	Tokyo Nishi Ikebukuro Building
Photograph of property				
Location	Kandasurugadai, Chiyoda Ward, Tokyo	Higashi-Ueno, Taito Ward, Tokyo	Sasazuka, Shibuya Ward, Tokyo	Nishiikebukuro, Toshima Ward, Tokyo
Nearest station	Directly connected to Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line	2-minute walk from Shin-Okachimachi Station, Toei Oedo Line and Tsukuba Express Line	5-minute walk from Daitabashi Station, Keio Line	3-minute walk from Ikebukuro Station, JR Yamanote Line, Tokyo Metro Marunouchi Line
Acquisition price	¥38,149 million	¥2,670 million	¥2,100 million	¥1,580 million
Appraisal NOI yield (*1)	3.9%	4.8%	5.2%	5.2%
Completion of construction	February 2013	July 1988	January 1992	October 1990
Structures and construction	S, B2/23F	SRC, 8F	SRC/S, B1/8F	S/SRC/RC, B3/14F
Total leasable area (*2)	13,923.42 m ²	3,262.09 m ²	3,611.08 m ²	1,429.74 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located along Hongo Dori and directly connected to Shin-Ochanomizu Station ➢ Within a 10-minute walk of 5 stations served by 9 lines ➢ A relatively new, high-spec, large-scale, multipurpose building with mega-floors featuring open designs free of structural support pillars with a standard floor area of approximately 3,000 m² 	<ul style="list-style-type: none"> ➢ Located along Kasuga Dori near Shin-Okachimachi Station ➢ Also within walking distance of several other stations, including Naka-Okachimachi Station on the Tokyo Metro Hibiya Line and Okachimachi Station on the JR Yamanote Line ➢ Recently remodeled, involving mainly common areas 	<ul style="list-style-type: none"> ➢ Located along Koshu Kaido ➢ In a corner location on an arterial road, ensuring high visibility ➢ One of few relatively large buildings in an area with numerous smaller properties 	<ul style="list-style-type: none"> ➢ Located near Ikebukuro Station, one of Japan's leading terminals ➢ Ikebukuro Station served by numerous lines, including various JR and Tokyo Metro lines, the Seibu Ikebukuro Line and the Tobu Tojo Line ➢ One of few relatively large buildings in an area with numerous smaller properties

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 6th Fiscal Period





Property number	OF-13	OF-14	RE-01	RE-02
Property name	Gate City Ohsaki	Hulic Toranomon Building	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)
Photograph of property				
Location	Osaki, Shinagawa Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Higashi-Oi, Shinagawa Ward, Tokyo	
Nearest station	1-minute walk from Osaki Station, JR Yamanote, Rinkai Lines, etc.	1-minute walk from Toranomon Station, Tokyo Metro Ginza Line	1-minute from Oimachi Station, JR Keihin-Tohoku and Tokaido Main Lines	
Acquisition price	¥4,370 million	¥18,310 million	¥9,456 million	¥6,166 million
Appraisal NOI yield (*1)	4.5%	3.9%	5.8%	5.8%
Completion of construction	(Office and commercial building) Jan. 1999 (Residential building) Dec. 1998	May 2015	September 1989	September 1989
Structures and construction	(Office and commercial building) S/RC/SRC, B4/24F (Residential building) SRC/RC, B2/20F	S, B1/11F	SRC, B2/8F	SRC, B3/10F
Total leasable area (*2)	3,835.78 m ²	8,574.65 m ²	14,485.66 m ²	10,612.67 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Directly connected to Osaki Station via a pedestrian deck ➢ Product of a mixed-use major redevelopment project combining numerous urban functions, with total floor area of approximately 305,450 m² ➢ Extensive high-end features in common spaces as well 	<ul style="list-style-type: none"> ➢ Located near Toranomon Station and facing Sotobori Dori ➢ A Hulic-developed property with the latest base isolation structure and energy-saving features ➢ Recipient of the highest 5-star rank in DBJ Green Building certification 	<ul style="list-style-type: none"> ➢ Directly connected to Oimachi Station via a pedestrian deck ➢ Oimachi Station served by multiple lines, including JR Keihin Tohoku Line, Tokaido Main Line, Tokyu Oimachi Line and the Rinkai Line ➢ With a leading home electronics retailer as a core tenant, a large-scale facility divided into 2 buildings—#1 and #2—and part of the property occupied by a food supermarket, conveniently meeting the lifestyle needs of station users and local residents 	

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 6th Fiscal Period



Property number	RE-03	RE-04	RE-05	RE-06
Property name	Dining Square Akihabara Building	Hulic Jingumae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
Photograph of property				
Location	Kandasakumacho, Chiyoda Ward, Tokyo	Jingumae, Shibuya Ward, Tokyo	Shinjuku, Shinjuku Ward, Tokyo	Yamashita-cho, Naka Ward, Yokohama City, Kanagawa Prefecture
Nearest station	1-minute walk from Akihabara Station, JR Yamanote Line, etc.	7-minute walk from Meiji Jingumae Station, Tokyo Metro Chiyoda and Fukutoshin Lines	1-minute walk from Shinjuku Sanjome Station, Tokyo Metro Marunouchi Line, etc.	1-minute walk from Motomachi-Chukagai Station, Yokohama Minatomirai Railway Minatomirai Line
Acquisition price	¥3,200 million	¥2,660 million	¥5,550 million	¥4,850 million
Appraisal NOI yield (*1)	4.8%	4.7%	4.2%	5.3%
Completion of construction	June 1993	September 2000	June 1983	July 1993
Structures and construction	RC, B2/9F	RC/S, B2/6F	S/SRC/RC, B1/7F	SRC, B2/7F
Total leasable area (*2)	2,169.41 m ²	1,656.24 m ²	1,351.15 m ²	8,958.70 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located near Akihabara Station ➢ Akihabara Station served by 3 JR lines, Tokyo Metro Hibiya Line, Tsukuba Express, etc. ➢ Leased in full to one of Japan's leading karaoke companies (food and beverage establishments on middle and lower floors) 	<ul style="list-style-type: none"> ➢ Located along Cat Street, which is lined with fashion shops ➢ Retail stores on B1 and the 1st floor, housing on the 3rd floor, with wedding-related facilities on the 4th to 6th floors ➢ Retail stores operated by leading domestic select shops, wedding-related facilities operated by company specializing in "house weddings" 	<ul style="list-style-type: none"> ➢ Located along Shinjuku Dori, near Shinjuku Sanjome Station ➢ Shinjuku Sanjome Station served by multiple lines, including Tokyo Metro Marunouchi Line and Fukutoshin Line, and Toei Shinjuku Line ➢ In a cluster of high-end retail facilities near Shinjuku Station, one of Japan's largest terminal hubs 	<ul style="list-style-type: none"> ➢ Located near Motomachi-Chukagai Station ➢ Located near Yamashita Park, a Yokohama Bayside symbol, in an area with numerous brand shops ➢ Leased entirely to a leading premium designer brand boutique firm

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 6th Fiscal Period

Property number	RE-07	RE-08	RE-09
Property name	Leaf Minatomirai (Land)	Orchid Square	Hulic Todoroki Building
Photograph of property			
Location	Minatomirai, Nishi Ward, Yokohama, Kanagawa Prefecture	Yurakucho, Chiyoda Ward, Tokyo	Todoroki, Setagaya Ward, Tokyo
Nearest station	3-minute walk from Minatomirai Station, Yokohama Minatomirai Railway Minatomirai Line	3-minute walk from Hibiya Station, Tokyo Metro Hibiya Line	1-minute walk from Todoroki Station, Tokyu Oimachi Line
Acquisition price	¥11,700 million	¥3,502 million	¥1,200 million
Appraisal NOI yield (*1)	4.3%	4.0%	5.4%
Completion of construction	-	January 2009	August 1990
Structures and construction	-	RC, B1/8F	SRC, B2/3F
Total leasable area (*2)	5,500.04 m ²	1,334.88 m ²	1,593.58 m ²
Occupancy rate (*3)	100.0%	91.1%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located near the center of the Minatomirai 21 area in a commercial development along Grand Mall Park ➢ Surrounded by streets on 3 sides and a park, visibility is high ➢ The property is a land of large-scale retail facilities with a major interior design company as its key tenant. 	<ul style="list-style-type: none"> ➢ Located in a commercial district with ready access to multiple stations: Hibiya, Ginza, and Yurakucho ➢ In the Ginza-Yurakucho area, Orchid Square faces a street thronging with visitors to the bars and restaurants under the JR Yamanote Line ➢ The curtain wall on the front of the building attracts the eye and establishes a certain presence 	<ul style="list-style-type: none"> ➢ As it is directly connected to Todoroki Station, it's a highly prized location facing a Ward road along the Tokyu Oimachi Line ➢ Located in front of Todoroki Station, has good visibility from the station ➢ Lifestyle convenience retail facilities nearby a residential area that support the daily needs of consumers in the station area





*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Next-Generation Assets) at the End of 6th Fiscal Period



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Property number	NH-01	NH-02	NH-03	NH-04
Property name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Suginami Miyamae
Photograph of property				
Location	Matsubara, Setagaya Ward, Tokyo	Yoga, Setagaya Ward, Tokyo	Tsurumaki, Setagaya Ward, Tokyo	Miyamae, Suginami Ward, Tokyo
Nearest station	10-minute walk from Meidaimae Station, Keio Line	14-minute walk from Yoga Station, Tokyu Den-en-toshi Line	13-minute walk from Komazawa University Station, Tokyu Den-en-toshi Line	12-minute walk from Fujimigaoka Station, Keio Inokashira Line
Acquisition price	¥3,244 million	¥5,390 million	¥2,850 million	¥2,760 million
Appraisal NOI yield (*1)	6.0%	6.0%	5.9%	5.9%
Completion of construction	September 2005	September 2005	August 2005	April 2005
Structures and construction	RC, 4F	RC, 3F	RC, 3F	RC, 3F
Total leasable area (*2)	5,454.48 m ²	5,977.75 m ²	3,700.26 m ²	3,975.99 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located in a quiet residential area with numerous detached homes and low-rise condominiums ➢ Facility operated by one of Japan's largest private nursing home operators; the "Aria" brand represents the high-end range ➢ Reconstructed by Nihonbashi Kogyo Co., Ltd. (currently Hulic) 	<ul style="list-style-type: none"> ➢ Located in a quiet residential area with leafy boulevards ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Provides relatively large-scale nursing-care facilities 	<ul style="list-style-type: none"> ➢ Located in a residential area with numerous mid-sized condominium buildings ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Property characterized by a comfortable, family-style atmosphere 	<ul style="list-style-type: none"> ➢ Located in a residential area amid medium-sized condominium buildings, within site of a shrine and school ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Features living quarters and a central courtyard

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

Property number	NH-05	HT-01
Property name	Trust Garden Tokiwamatsu	Sotetsu Fresa Inn Ginza 7 Chome (Land)
Photograph of property		
Location	Higashi, Shibuya Ward, Tokyo	Ginza, Chuo Ward, Tokyo
Nearest station	13-minute walk from Omotesando Station, Tokyo Metro Ginza Line, etc	5-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc.
Acquisition price	¥3,030 million	¥4,370 million
Appraisal NOI yield (*1)	4.7%	3.8%
Completion of construction	January 2016	-
Structures and construction	RC, B1/6F	-
Total leasable area (*2)	2,893.82 m ²	352.36 m ²
Occupancy rate (*3)	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located in quiet area of exclusive residential district formerly known as Tokiwamatsu ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Equipped with environment-friendly equipment, sense of refinement created through exterior design, porch, etc. 	<ul style="list-style-type: none"> ➢ Located in district between Chuo Street and Showa Street, with Ginza Station as the nearest station ➢ Located in Ginza, which is one of Japan's representative retail areas, where multiple development plans are in progress ➢ The building on the land is hotel operated under the brand of the Sotetsu Group

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Next-Generation Assets) at the End of 6th Fiscal Period

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Property number	NW-01	NW-02	NW-03	NW-04
Property name	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center
Photograph of property				
Location	Kami-Ikebukuro, Toshima Ward, Tokyo	Tabata, Kita Ward, Tokyo	Hikari-machi, Higashi Ward, Hiroshima City, Hiroshima Prefecture	Hatano-cho, Atsuta Ward, Nagoya City, Aichi Prefecture
Acquisition price	¥4,570 million	¥1,355 million	¥1,080 million	¥1,015 million
Appraisal NOI yield (*1)	5.1%	5.7%	6.5%	6.0%
Completion of construction	January 2001	April 1998	October 2001	May 1997
Structures and construction	S/SRC, B1/6F	RC, B1/4F	S/SRC, 7F	RC, B1/3F
Total leasable area (*2)	12,773.04 m ²	3,832.73 m ²	5,208.54 m ²	4,943.10 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

5. List of Portfolio Properties (Next-Generation Assets) at the End of 6th Fiscal Period

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Property number	NW-05	NW-06	NW-07	NW-08
Property name	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Photograph of property				
Location	Tsurugamidori-cho, Nagano City, Nagano Prefecture	Muzaigakuendai, Inzai City, Chiba Prefecture	Kitakujonishi, Kita Ward, Sapporo City, Hokkaido	Kizukumo Mura, Kizugawa City, Kyoto Prefecture
Acquisition price	¥305 million	¥7,060 million	¥2,510 million	¥1,250 million
Appraisal NOI yield (*1)	8.8%	5.4%	5.5%	5.9%
Completion of construction	September 1994	June 1995	January 2002	May 2001
Structures and construction	S/RC, B1/6F	SRC, B2/8F	S, 5F	SRC/S, 3F
Total leasable area (*2)	2,211.24 m ²	23,338.00 m ²	9,793.57 m ²	9,273.44 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 6th fiscal period (February 28, 2017) of acquisition rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 6th fiscal period (ended February 28, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

6. Status of Appraisal Values by Property

(Unit: millions of yen)*1

Name	① Acquisition price	② Book value (As of Feb. 28, 2017)	③ Appraisal value (As of Feb. 28, 2017)							④ Unrealized gains/losses ③－②
			Profit price (Direct capitalization method)	Cap rate*2	Profit price (DCF)	Discount rate*2	Final cap rate*2	Appraisal firm		
Subtotal for Tokyo Commercial Properties (23 properties)										
Subtotal for office properties (14 properties)										
OF-01	Hulic Kamiyacho Building	36,750	36,912	41,200	42,200	3.6%	160,028	3.4%	3.8%	DAIWA REAL ESTATE APPRAISA
OF-02	Hulic Kudan Building (Land)	11,100	11,191	12,500	12,500	3.7%	12,400	3.3%	3.8%	Japan Real Estate Institute
OF-03	Toranomon First Garden	8,623	8,450	10,800	10,800	3.6%	10,800	3.3%	3.7%	CBRE
OF-04	Rapiros Roppongi	6,210	6,633	8,050	8,150	3.7%	7,940	3.4%	3.9%	Japan Real Estate Institute
OF-05	Hulic Takadanobaba Building	3,900	3,854	4,630	4,560	4.2%	4,660	4.0%	4.4%	DAIWA REAL ESTATE APPRAISA
OF-06	Hulic Kanda Building	3,780	3,688	4,110	4,400	4.0%	3,990	4.1%	4.2%	The Tanizawa Sogo Appraisal
OF-07	Hulic Kandabashi Building	2,500	2,540	2,820	2,840	3.8%	2,810	3.6%	4.0%	DAIWA REAL ESTATE APPRAISA
OF-08	Hulic Kakigaracho Building	2,210	2,203	2,750	2,750	4.3%	2,750	4.4%	4.5%	The Tanizawa Sogo Appraisal
OF-09	Ochanomizu Sola City	38,149	37,778	42,315	42,532	3.5%	42,098	3.2%	3.6%	Japan Real Estate Institute
OF-10	Hulic Higashi Ueno 1 Chome Building	2,670	2,666	2,940	2,980	4.1%	2,890	3.9%	4.3%	Japan Real Estate Institute
OF-11	Sasazuka South Building	2,100	2,166	2,170	2,180	4.7%	2,160	4.4%	4.9%	Japan Real Estate Institute
OF-12	Tokyo Nishiikebukuro Building	1,580	1,629	1,800	1,830	4.4%	1,760	4.2%	4.6%	Japan Real Estate Institute
OF-13	Gate City Ohsaki	4,370	4,529	4,490	4,510	3.7%	4,470	3.3%	3.8%	Japan Real Estate Institute
OF-14	Hulic Toranomon Building	18,310	18,290	20,800	20,900	3.4%	20,600	3.1%	3.5%	Japan Real Estate Institute
Subtotal for retail properties (9 properties)										
RE-01	Oimachi Redevelopment Building (#2)	9,456	9,453	11,900	12,200	4.2%	11,800	4.3%	4.4%	The Tanizawa Sogo Appraisal
RE-02	Oimachi Redevelopment Building (#1)	6,166	6,256	7,320	7,410	4.4%	7,280	4.5%	4.6%	The Tanizawa Sogo Appraisal
RE-03	Dining Square Akihabara Building	3,200	3,208	3,700	3,760	4.1%	3,640	3.9%	4.3%	Japan Real Estate Institute
RE-04	Hulic Jingu-Mae Building	2,660	2,658	3,430	3,520	3.5%	3,390	3.6%	3.7%	The Tanizawa Sogo Appraisal
RE-05	Hulic Shinjuku 3 Chome Building	5,550	5,563	6,100	6,260	3.7%	5,940	3.3%	3.9%	Japan Real Estate Institute
RE-06	Yokohama Yamashitacho Building	4,850	4,784	5,440	5,510	4.6%	5,370	4.4%	4.8%	Japan Real Estate Institute
RE-07	Leaf Minatomirai (Land)*3	11,700	11,765	13,000			13,000	3.9%		DAIWA REAL ESTATE APPRAISA
RE-08	Orchid Square	3,502	3,513	3,770	3,870	3.6%	3,730	3.4%	3.8%	DAIWA REAL ESTATE APPRAISA
RE-09	Hulic Todoroki Building	1,200	1,213	1,220	1,230	4.7%	1,220	4.8%	4.9%	The Tanizawa Sogo Appraisal
Subtotal for Next Generation Assets (14 properties)										
Subtotal for private nursing homes (5 properties)										
NH-01	Aria Matsubara	3,244	3,226	4,280	4,300	4.4%	4,250	4.0%	4.6%	Japan Real Estate Institute
NH-02	Trust Garden Yoganomori	5,390	5,387	6,790	6,830	4.7%	6,750	4.3%	4.9%	Japan Real Estate Institute
NH-03	Trust Garden Sakurashinmachi	2,850	2,893	3,610	3,630	4.6%	3,590	4.2%	4.8%	Japan Real Estate Institute
NH-04	Trust Garden Suginami Miyamae	2,760	2,803	3,490	3,510	4.6%	3,470	4.2%	4.8%	Japan Real Estate Institute
NH-05	Trust Garden Tokiwamatsu	3,030	3,108	3,280	3,330	4.2%	3,230	4.0%	4.4%	Japan Real Estate Institute
Subtotal for network centers (8 properties)										
NW-01	Ikebukuro Network Center	4,570	4,553	5,240	5,300	4.4%	5,170	4.2%	4.6%	Japan Real Estate Institute
NW-02	Tabata Network Center	1,355	1,371	1,560	1,570	4.9%	1,540	4.7%	5.1%	Japan Real Estate Institute
NW-03	Hiroshima Network Center	1,080	1,064	1,220	1,220	5.7%	1,210	5.5%	5.9%	Japan Real Estate Institute
NW-04	Atsuta Network Center	1,015	1,005	1,100	1,110	5.4%	1,090	5.2%	5.6%	Japan Real Estate Institute
NW-05	Nagano Network Center	305	313	368	368	6.9%	367	6.7%	7.1%	Japan Real Estate Institute
NW-06	Chiba Network Center	7,060	7,123	7,190	7,230	5.2%	7,140	5.0%	5.4%	Japan Real Estate Institute
NW-07	Sapporo Network Center	2,510	2,568	2,600	2,610	5.2%	2,580	5.0%	5.4%	Japan Real Estate Institute
NW-08	Keihanna Network Center	1,250	1,227	1,320	1,320	5.5%	1,320	5.3%	5.7%	Japan Real Estate Institute
Subtotal for hotels (1 property)										
HT-01	Sotetsu Fresa Inn Ginza 7 chome (Land)	4,370	4,397	4,590	4,620	3.6%	4,550	3.1%	3.8%	Japan Real Estate Institute
Total (37 properties)										

*1 Acquisition prices are rounded; appraisal values less than ¥1 million are truncated.

*2 Yields are calculated based on the weighted average of appraisal values by asset class as of February 28, 2017.

*3 The direct capitalization method is not applied in the appraisal value of RE-07, nor is the final cap rate employed in the DCF method. But for the sake of comparison, profit price and each cap rate subtotal and total in the direct capitalization method are substituted with profit price and the discount rate in the DCF method for calculations.

7. List of Appraisal Values by Property (Period-on-Period Comparison)

Name	Appraisal value			Cap rate (by direct capitalization method)			Appraisal firm
	①	②	③	④	⑤	⑥	
	As of Aug. 31, 2016	As of Feb. 28, 2017	Change ②－①	As of Aug. 31, 2016 ^{*1}	As of Feb. 28, 2017 ^{*1}	Change ⑤－④	
Subtotal for Tokyo Commercial Properties (23 properties)	214,604	217,255	2,651				
Subtotal for office properties (14 properties)	159,124	161,375	2,251	3.7%	3.6%	-0.1%	
OF-01 Hulic Kamiyacho Building	40,700	41,200	500	3.7%	3.6%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-02 Hulic Kudan Building (Land)	12,400	12,500	100	3.8%	3.7%	-0.1%	Japan Real Estate Institute
OF-03 Toranomon First Garden	10,500	10,800	300	3.7%	3.6%	-0.1%	CBRE
OF-04 Rapiros Roppongi	8,010	8,050	40	3.8%	3.7%	-0.1%	Japan Real Estate Institute
OF-05 Hulic Takadanobaba Building	4,400	4,630	230	4.3%	4.2%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-06 Hulic Kanda Building	4,060	4,110	50	4.1%	4.0%	-0.1%	The Tanizawa Sogo Appraisal
OF-07 Hulic Kandabashi Building	2,800	2,820	20	3.9%	3.8%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-08 Hulic Kakigaracho Building	2,720	2,750	30	4.4%	4.3%	-0.1%	The Tanizawa Sogo Appraisal
OF-09 Ochanomizu Sola City	41,664	42,315	651	3.6%	3.5%	-0.1%	Japan Real Estate Institute
OF-10 Hulic Higashi Ueno 1 Chome Building	2,910	2,940	30	4.2%	4.1%	-0.1%	Japan Real Estate Institute
OF-11 Sasazuka South Building	2,170	2,170	0	4.8%	4.7%	-0.1%	Japan Real Estate Institute
OF-12 Tokyo Nishiikebukuro Building	1,790	1,800	10	4.5%	4.4%	-0.1%	Japan Real Estate Institute
OF-13 Gate City Ohsaki	4,400	4,490	90	3.8%	3.7%	-0.1%	Japan Real Estate Institute
OF-14 Hulic Toranomon Building	20,600	20,800	200	3.5%	3.4%	-0.1%	Japan Real Estate Institute
Subtotal for retail properties (9 properties)	55,480	55,880	400	4.1%	4.1%	-0.1%	
RE-01 Oimachi Redevelopment Building (#2)	11,800	11,900	100	4.3%	4.2%	-0.1%	The Tanizawa Sogo Appraisal
RE-02 Oimachi Redevelopment Building (#1)	7,320	7,320	0	4.5%	4.4%	-0.1%	The Tanizawa Sogo Appraisal
RE-03 Dining Square Akihabara Building	3,680	3,700	20	4.2%	4.1%	-0.1%	Japan Real Estate Institute
RE-04 Hulic Jingu-Mae Building	3,370	3,430	60	3.6%	3.5%	-0.1%	The Tanizawa Sogo Appraisal
RE-05 Hulic Shinjuku 3 Chome Building	6,060	6,100	40	3.7%	3.7%	0.0%	Japan Real Estate Institute
RE-06 Yokohama Yamashitacho Building	5,380	5,440	60	4.7%	4.6%	-0.1%	Japan Real Estate Institute
RE-07 Leaf Minatomirai (Land)*3	12,900	13,000	100				DAIWA REAL ESTATE APPRAISAL
RE-08 Orchid Square	3,750	3,770	20	3.7%	3.6%	-0.1%	DAIWA REAL ESTATE APPRAISAL
RE-09 Hulic Todoroki Building	1,220	1,220	0	4.7%	4.7%	0.0%	The Tanizawa Sogo Appraisal
Subtotal for Next Generation Assets (14 properties)	46,215	46,638	423				
Subtotal for private nursing homes (5 properties)	21,180	21,450	270	4.6%	4.5%	-0.1%	
NH-01 Aria Matsubara	4,250	4,280	30	4.5%	4.4%	-0.1%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,700	6,790	90	4.8%	4.7%	-0.1%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,560	3,610	50	4.7%	4.6%	-0.1%	Japan Real Estate Institute
NH-04 Trust Garden Suginami Miyamae	3,440	3,490	50	4.7%	4.6%	-0.1%	Japan Real Estate Institute
NH-05 Trust Garden Tokiwamatsu	3,230	3,280	50	4.3%	4.2%	-0.1%	Japan Real Estate Institute
Subtotal for network centers (8 properties)	20,535	20,598	63	5.1%	5.1%	-0.1%	
NW-01 Ikebukuro Network Center	5,160	5,240	80	4.5%	4.4%	-0.1%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,570	1,560	△10	4.9%	4.9%	0.0%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,210	1,220	10	5.8%	5.7%	-0.1%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,110	1,100	△10	5.4%	5.4%	0.0%	Japan Real Estate Institute
NW-05 Nagano Network Center	365	368	3	7.0%	6.9%	-0.1%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,220	7,190	△30	5.2%	5.2%	0.0%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,590	2,600	10	5.3%	5.2%	-0.1%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,310	1,320	10	5.6%	5.5%	-0.1%	Japan Real Estate Institute
Subtotal for hotels (1 property)	4,500	4,590	90	3.8%	3.6%	-0.2%	
HT-01 Sotetsu Fresa Inn Ginza 7 chome (Land)*2	4,500	4,590	90	3.8%	3.6%	-0.2%	Japan Real Estate Institute
Total (37 properties)	260,819	263,893	3,074				

*1 The capitalization rate is calculated as a weighted average based on appraisal value by type of use at the end of each fiscal period.

*2 Regarding assets acquired in the 6th fiscal period, figures noted under "as of Aug. 31, 2016" are for the time of acquisition, and these are used in various calculations (an additional acquisition is included in OF-04, OF-09, and OF-14).

*3 The direct capitalization method is not applied in the appraisal value of RE-07. But for the sake of comparison, the cap rate subtotal by type of use are substituted with the discount rate in the DCF method for calculations.

Key financial indicators

	End of 1st fiscal period (Aug. 31, 2014)	End of 2nd fiscal period (Feb. 28, 2015)	End of 3rd fiscal period (Aug. 31, 2015)	End of 4th fiscal period (Feb. 29, 2016)	End of 5th fiscal period (Aug. 31, 2016)	End of 6th fiscal period (Feb. 28, 2017)
Total interest-bearing debt	¥33,000 million	¥60,700 million	¥68,470 million	¥80,770 million	¥81,470 million	¥97,460 million
Long-term debt ratio* ¹ (includes interest rates fixed by swap transaction)	88.0%	93.5%	94.2%	95.1%	94.3%	95.9%
Average interest rate* ¹	0.85%	0.77%	0.77%	0.71%	0.71%	0.70%
Average interest rate* ¹ (including upfront fee)	0.98%	0.91%	0.91%	0.85%	0.84%	0.84%
Average period remaining to maturity* ¹	4.4 years	5.1 years	4.9 years	4.8 years	4.3 years	4.9 years

Investment corporation bonds issued

	1st unsecured investment corporation bonds	2nd unsecured investment corporation bonds	3rd unsecured investment corporation bonds
Issue amount	¥2 billion	¥2 billion	¥1 billion
Date of issue	August 31, 2015	December 13, 2016	December 13, 2016
Issued period	10 years	3 years	10 years
Interest rate	0.95%	0.04%	0.49%

Status of commitment line

Financial institution	Set amount	Term
Mizuho Bank	¥10 billion	February 7, 2018
Sumitomo Mitsui Banking Corporation		
Bank of Tokyo-Mitsubishi UFJ, Ltd.		

Lender information *2

Borrower	Balance (million yen)	Share* ³
Mizuho Bank, Ltd.	27,633	29.9%
Sumitomo Mitsui Banking Corporation	20,308	22.0%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,308	12.2%
Mizuho Trust & Banking Co., Ltd.	8,692	9.4%
Development Bank of Japan Inc.	6,542	7.1%
Sumitomo Mitsui Trust Bank, Limited	6,542	7.1%
The Norinchukin Bank	6,542	7.1%
Resona Bank, Limited	1,970	2.1%
Shinkin Central Bank	641	0.7%
Aozora Bank, Ltd.	641	0.7%
Shinsei Bank, Limited.	641	0.7%
Meiji Yasuda Life Insurance Company	500	0.5%
Nippon Life Insurance company	500	0.5%

*1 Figures for the long-term debt ratio and average period remaining to maturity are rounded to the 1st decimal place. Figures for average interest rates are rounded to the 2nd decimal place.

*2 Figures are as of the end of the 6th fiscal period (ended February 28, 2017).

*3 Ratios for the borrowings balance (total amount) are rounded to the 2nd decimal place.

	Name of end-tenant	Property name	Leased area in m ²	Area ratio (%) *1	Lease expiration	Form of agreement
1	Softbank BB Co., Ltd.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center Chiba Network Center Sapporo Network Center Keihanna Network Center	71,373.66	31.3	November 5, 2027 (Ikebukuro Network Center, Hiroshima Network Center) November 5, 2022 (Tabata Network Center, Atsuta Network Center, Keihanna Network Center) November 5, 2017 (Nagano Network Center) March 27, 2028 (Chiba Network Center) May 22, 2028 (Sapporo Network Center)	Fixed-term lease agreement
2	Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1) Leaf Minatomirai (Land)*3 Sotetsu Fresa Inn Ginza 7 Chome (Land) *4	34,301.80	15.0	February 6, 2063 February 6, 2019 September 27, 2017 March 29, 2046 September 15, 2046	Business-use fixed-term land lease agreement General building lease agreement General building lease agreement Business-use fixed-term land lease with building transfer agreement Co-owner agreement
3	Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae Trust Garden Tokiwamatsu	16,547.82	7.2	January 24, 2028 January 24, 2028 January 24, 2028 February 29, 2036	General building lease agreement
4	Barneys Japan Co., Ltd.	Yokohama Yamashitacho Building	8,958.70	3.9	-*2	-*2
5	Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	2.4	September 30, 2030	General building lease agreement
6	Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	4,555.25	2.0	-*2	Fixed-term lease agreement
7	Mizuho Securities Co., Ltd.	Ochanomizu Sola City	3,668.44	1.6	-*2	Fixed-term lease agreement
8	Mitsui Fudosan Co., Ltd.	Gate City Ohsaki	3,527.58	1.5	January 5, 2019	General building lease agreement
9	J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.3	November 30, 2018	General building lease agreement
10	The WELFARE AND MEDICAL SERVICE AGENCY	Hulic Kamiyacho Building	2,705.25	1.2	March 31, 2018	General building lease agreement

*1 Ratios of total leased area are rounded to the 1st decimal place.

*2 Not disclosed because approval not obtained from the end tenant.

*3 The lease is in the name of Mizuho Trust & Banking Co., Ltd., but the trust beneficiary of the trust, i.e., the leasehold that is the trust asset on which the lease is based, is Hulic Co., Ltd.

*4 Stand alone use for a fee is recognized for the co-owner Hulic Co., Ltd. based on the co-owner agreement. Accordingly, Hulic Co., Ltd. is stated as the tenant.

Number of investment units held by unitholder type *1 *2

	End of 5th Fiscal Period (Aug. 31, 2016)		End of 6th Fiscal Period (Feb. 28, 2017)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	60,581	6.3%	51,750	5.0%	(8,831)	-1.4%
Financial institutions	529,275	55.3%	603,239	57.7%	73,964	2.4%
Major banks	0	0.0%	0	0.0%	0	0.0%
Regional banks	39,929	4.2%	38,337	3.7%	(1,592)	-0.5%
Trust banks	459,959	48.1%	533,459	51.0%	73,500	3.0%
Life insurers	8,472	0.9%	9,249	0.9%	777	0.0%
Non-life insurers	0	0.0%	0	0.0%	0	0.0%
Shinkin banks	15,348	1.6%	16,260	1.6%	912	-0.1%
Others	5,567	0.6%	5,934	0.6%	367	0.0%
Other domestic corporations	134,598	14.1%	140,471	13.4%	5,873	-0.6%
Foreign investors	224,636	23.5%	236,340	22.6%	11,704	-0.9%
Securities companies	7,910	0.8%	13,200	1.3%	5,290	0.4%
Total	957,000	100.0%	1,045,000	100.0%	88,000	-

Number of unitholders by type *1 *2

	End of 5th Fiscal Period (Aug. 31, 2016)		End of 6th Fiscal Period (Feb. 28, 2017)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	7,399	93.7%	6,787	93.2%	(612)	-0.5%
Financial institutions	99	1.3%	103	1.4%	4	0.2%
Major banks	0	0.0%	0	0.0%	0	0.0%
Regional banks	25	0.3%	27	0.4%	2	0.1%
Trust banks	11	0.1%	14	0.2%	3	0.1%
Life insurers	5	0.1%	5	0.1%	0	0.0%
Non-life insurers	0	0.0%	0	0.0%	0	0.0%
Shinkin banks	36	0.5%	35	0.5%	(1)	0.0%
Others	22	0.3%	22	0.3%	0	0.0%
Other domestic corporations	226	2.9%	197	2.7%	(29)	-0.2%
Foreign investors	159	2.0%	175	2.4%	16	0.4%
Securities companies	14	0.2%	18	0.2%	4	0.1%
Total	7,897	100.0%	7,280	100.0%	(617)	-

Top unitholders *2

	Name	Number of Units Held	Ratio of Total Units *3
1	Japan Trustee Services Bank, Ltd. (Trust account)	234,615	22.45%
2	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	128,501	12.29%
3	Hulic Co., Ltd.	120,120	11.49%
4	The Master Trust Bank of Japan, Ltd. (Trust account)	113,607	10.87%
5	NOMURA BANK(LUXEMBOURG)S.A.	71,857	6.87%
6	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	38,560	3.68%
7	STATE STREET BANK AND TRUST COMPANY 505012	18,824	1.80%
8	STATE STREET BANK AND TRUST COMPANY	18,645	1.78%
9	STATE STREET BANK AND TRUST COMPANY 505223	11,943	1.14%
10	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	10,234	0.97%

*1 Ratios are rounded to the 2nd decimal place.

*2 Data is based on the unitholder registry as of the end of the 5th fiscal period (August 31, 2016) and the end of the 6th fiscal period (February 29, 2017).

*3 Ratio are truncated after 2 decimal places.

Hulic Reit's basic missions

1. Maximizing unitholder value in the medium to long term

- Make a contribution that benefits all stakeholders
- Maintain and increase income over the medium to long term
- Achieve growth in the size and value of our managed assets

2. Sharing the corporate philosophy of our sponsor

- In common with our sponsor, Hulic Co., Ltd., we subscribe to a corporate philosophy that calls for the following: "Total commitment to our customers and the community. Creating productive environments. Creating amenity. Promoting peace of mind."

In pursuit of our two basic missions,
invest in Tokyo Commercial Properties and Next-Generation Assets

Hulic Reit's portfolio composition policy

Tokyo Commercial Properties

Office

Retail property



- Hulic Reit focuses on Tokyo Commercial Properties for which its sponsor Hulic offers extensive expertise and experience
- Allocate **about 80% to 90%** of the entire portfolio to investments such as offices and retail properties
- Top priority given to location selection

Next-Generation Assets

Private nursing home

Network center

Hotel



- Invest in rental properties for which Hulic Reit expects strong future demand given increasing needs in society
- Allocate **about 10% to 20%** of the entire portfolio to investments such as private nursing homes, network centers, and hotels
- Only facilities with a single tenant on long-term lease agreement in principle
- Carefully evaluate the tenant's business, finances, and operational capabilities

Rigorous focus on location: superior nature of great location

TOKYO OFFICE PROPERTIES



- (1) Tokyo's 23 wards
- (2) Less than 5-minute walk from nearest station (in principle)

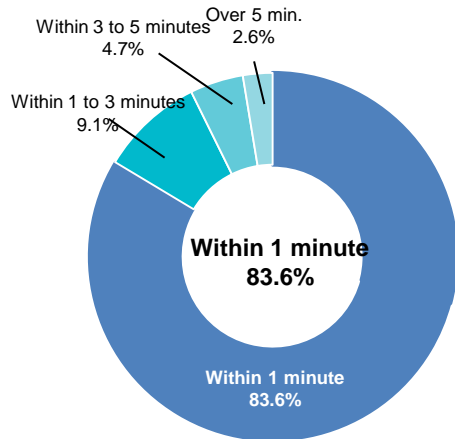
TOKYO RETAIL PROPERTIES



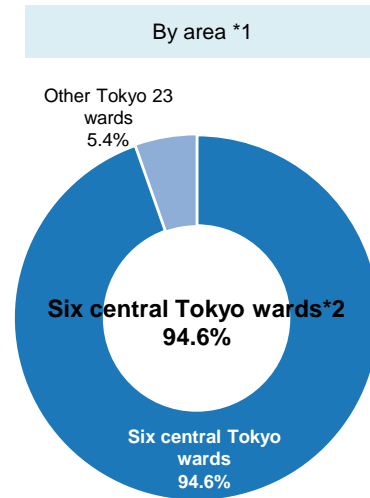
- (1) Tokyo and major cities in Tokyo's suburbs
- (2) Less than 5-minute walk from nearest station or located in area with high retail concentration (in principle)

Portfolio (Office properties)

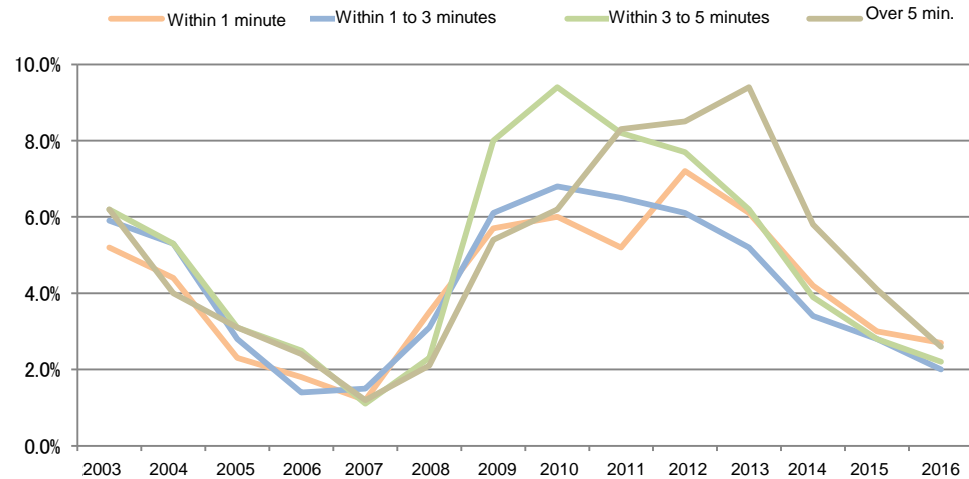
Walking distance from nearest train station *1



By area *1



Vacancy rate by distance from station (Tokyo's 23 wards) *3



*1 Ratio based on acquisition price in the scheduled portfolio as of end of April 2017.

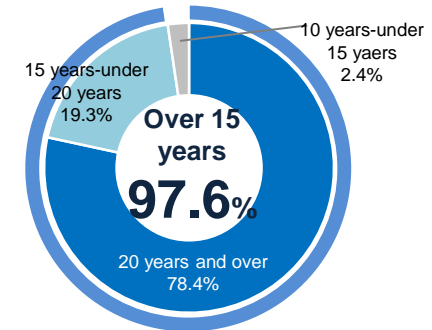
*2 Refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards

*3 Source: "Base Market Survey Confirming Advantage of the Tokyo Office Market" conducted by CBRE, Inc. (survey conducted in December 2016)

Investments in next-generation assets

- Invest in assets for which steady future demand is expected given increasing needs in society
- Only facilities with a single tenant on long-term lease agreement in principle
- Carefully evaluate operational capabilities of tenant, in addition to due diligence on the tenant's business and finances

By term of lease *1

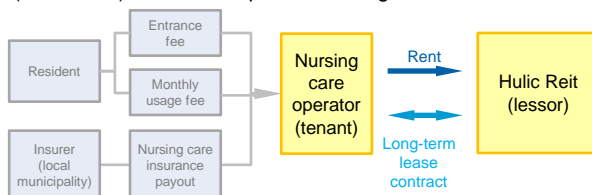


Private nursing homes



- Private nursing homes with lease usage rights that provide services to seniors in need of nursing care
- Initial lease term of at least 20 years per the guidelines of the MHLW *2
- Invest in assets with high assumed monthly usage fee *3 to avoid risk of change in nursing care insurance payout

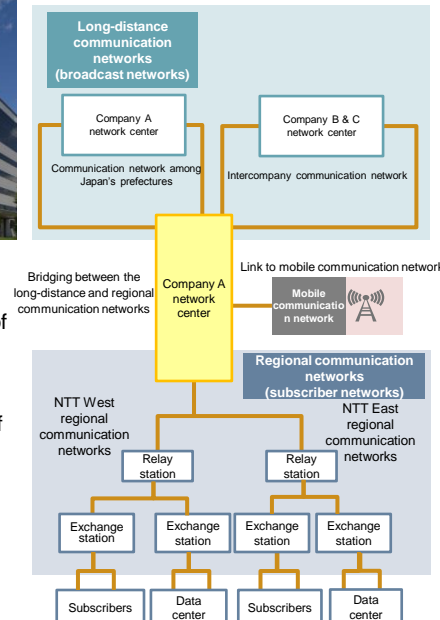
(Reference) Structure of private nursing home cash flow



Network centers



- Relay station connected to telecom network of tenant
- A facility that acts as a node for the network centers of each telecom operator
- Leased by the SoftBank Group



Hotels



- Facilities where tourism and business demand are expected due to good transportation access or proximity to major domestic tourist attractions
- Investments where demand growth is expected from rising inbound tourist numbers, in addition to stable tourism and business demand supported by the 2020 Tokyo Olympics and government tourism policies
- Hulic as a sponsor focuses on hotels as one of three growth industries (seniors, tourism, environment), so our know-how and experience in tenant management can be put to good use.

*1 Ratio based on leased area in the scheduled portfolio as of the end of April 2017.

*2 Ministry of Health, Labour and Welfare "Guidelines for the Implementation of Private Nursing Home Facility Operation Standards"

*3 Refers to the monthly usage fee + the initial lump-sum payment divided by 60 months (assumed lease term). This is a simplified version of the burden the resident feels.

In some cases, initial lump-sum payments do not exist.

Reconstruction/Development*1 *2

Achievements

Principal use	Classification	Completion	Property name	
Office property	Reconstruction	2009	Hulic Hachioji Building	
		2010	Hulic Ryogoku Building	
			Toranomon First Garden	Acquired
			Hulic Kojimachi Building	
		2011	Hulic Ginza Sukiyabashi Building	
			Hulic Ogikubo Building	
		2012	Hulic Komagome Building	
			Hulic Head Office Building	
		2014	Hulic Shinjuku Building	
		2015	Hulic Asakusabashi Edo-dori	
	Development	2013	Hulic Asakusabashi Building	
		2013	Ochanomizu Sola City	Acquired
			Nagatacho Hokkaido Square	
2015	Shinagawa Season Terrace			
	Hulic Toranomon Building	Acquired		
Retail property	Reconstruction	2009	SendaiFirst Tower (commercial wing, atrium)	
		2010	Kisarazu Home Center	
		2012	Hulic Shibuya No.2 Building	
			Gracia Chofu	
		Hulic Shimura Sakanoue		
	Development	2017	Hulic Omori Building	Acquired
	Hotel	Reconstruction	2012	Hulic Kaminarimon Building
Development		2016	Sotetsu Fresa Inn Ginza 7 Chome	Acquired (land)
Pay nursing home	Reconstruction	2005	Aria Matsubara	Acquired
		2010	Iris Garden Kitaurawa	
		2011	Granda Omori Sannou	
		2012	Aristage Kyodo	
			2013	Sunny Life Funabashi
				Granda Gakugeidaigaku
				Aria Yoyogiuehara
		Hospitalment Musashino		
		2014	Charm Suite Shakujii-park	
			Sunny Life Tokyo Shinjuku	
	2015	Charm Suite Shinjuku Toyama		
		Hospitalment Itabashi Tokiwadai		
	Development	2016	Trust Garden Tokiwamatsu	Acquired
Hospital	Development	2015	Shin-Sapporo Houwa Hospital	

Plans

Principal use	Classification	Completion	Property name
Office property	Reconstruction	2018	New Fuchu Project
		2019	New Oji Project
	Development	2018	Nihonbashi 2 Chome Redevelopment Project
		2019	Akihabara Development Site
		2017	New Kamata Project
Retail property	Reconstruction	2017	Hulic Shibuya Inokashira-dori Building
			Kyoto Shijo-dori Development Project (Hulic's portion)
	Development		Shimbashi 2 Chome Commercial Development
			Hulic Shibuya Koen-dori Building
		2019	Udagawacho 32 Development Plan
Retail property, hotel	Development	2020	Tokyo Metro Roppongi 7 Chome Project
		2018	Hulic Yurakucho 2 Chome Development
	Reconstruction	2018	New Itabashi Project
			New Mejiro Project
			New Kandasurugadai Project
Retail property/ rental condominium	Development	2017	Roppongi 3 Chome Soutetsu Hotel Development Project
		2018	Tsukiji 3 Chome Development Plan
	Reconstruction	2018	Kawaguchiko Fufu Development Project
		2017	New Chofu Project
		2017	Nippon Sport Science University Fukazawa Development Project
Hotel	Development	2017	Tamagawa Denenchoh Development Project
		2018	Inamuragasaki Development Project
	Reconstruction	2018	Yokohama Yamatecho Development Project
		2019	Ichigo-in Development Project
		2018	Ichigo-in Development Project
Pay nursing homes	Reconstruction	2017	New Chofu Project
		2017	Nippon Sport Science University Fukazawa Development Project
	Development	2017	Tamagawa Denenchoh Development Project
		2018	Inamuragasaki Development Project
		2019	Yokohama Yamatecho Development Project
Ossuary	Development	2018	Ichigo-in Development Project
		2018	Ichigo-in Development Project
	Reconstruction	2017	New Chofu Project
		2017	Nippon Sport Science University Fukazawa Development Project
		2017	Tamagawa Denenchoh Development Project

*1 Hulic Reit has no plans to acquire any properties indicated above (except those that have already been acquired) as of the date this document was prepared.

*2 Excluding cases where the main use is only residential.

New Investments*1 *2

Achievements (since 2012)

Principal use	Year acquired	Property name
Office property	2012	Hulic Ginza 7 Chome Building
	2013	Rapiros Roppongi Acquired
		Hulic Kamiyacho Building Acquired
	2015	Hulic Ginza 1 Chome Building
		3 office properties in Hatchobori area
		Hulic Ginza Wall Building
		Daiwa Yoyogi No.2 Building
		Primegate Iidabashi
		Ochanomizu S Building
		Vingt-sept Building
		Hulic Shibuya 1 Chome Building Acquired
		Toyosu Prime Square and other 7 properties
		Sankyo Meguro Building
		Fuji Building 28
	2016	Yamato Haneda Building
		Hulic Shinkawasaki Building
		Hulic Ginza 3 Chome Building
		Hulic Shibuya Miyashitakoen Building
		Ginza a Building
		Hulic Naka-Okachimachi Building

Principal use	Year acquired	Property name
Retail property	2013	Hulic Shinjuku 3 Chome Building Acquired
		Victoria Wardrobe Jimbocho
		Hulic Jingumae Building Acquired
		Hulic Shibuya Udagawacho Building
	2014	Tsurumi Fuga 1
		Yokohama Yamashitacho Building Acquired
		Orchid Square Acquired
	2015	G10
		Tokyu Hands Ikebukuro
		Ikebukuro GIGO
		Udagawacho Sigma No. 5 Building
		WINS Asakusa Building
		Asakusa Park Hall Building
	2016	Hulic Asakusa 1 Chome
		Hulic Jingumae 5 Chome Building
		Bleu Cinq Point (a portion)

Principal use	Year acquired	Property name
Pay nursing homes	2012	Trust Garden Yoganomori Acquired
		Trust Garden Sakurashinmachi Acquired
		Trust Garden Suginami Miyamae Acquired
	2013	Esperal Joto
	2014	Toyosu Senior Residence
	2015	Charm Suite Nishinomiyahama
		Lien Reve Yakumo
	2016	Asakusa Carepark Soyokaze
		Life Commune Hayama
Network centers	2012	Ikebukuro Network Center Acquired
		Tabata Network Center Acquired
		Hiroshima Network Center Acquired
		Atsuta Network Center Acquired
		Nagano Network Center Acquired
		Chiba Network Center Acquired
	2013	Sapporo Network Center Acquired
		Keihanna Network Center Acquired
	2014	Hulic Ginza 2 Chome Building
		Tokyo Bay Maihama Hotel Club Resort
Hotel	2015	Tokyo Bay Maihama Hotel
		Southern Beach Hotel & Resort Okinawa
		Grand Nikko Tokyo Daiba (Land)
	2016	Hayama SCAPES THE SUITE
Ryokans	2015	Hakone Suishoen
		Atami Fufu
Warehouse	2016	ATAMI KAIHOUROU
		Hulic Kazo Distribution Center

*1 Hulic Reit has no plans to acquire any the properties indicated above (except those that have already been acquired) as of the date this document was prepared.

*2 Excluding cases where the main use is only residential.

Main Support Received from Sponsor - Asset Circulation Model -

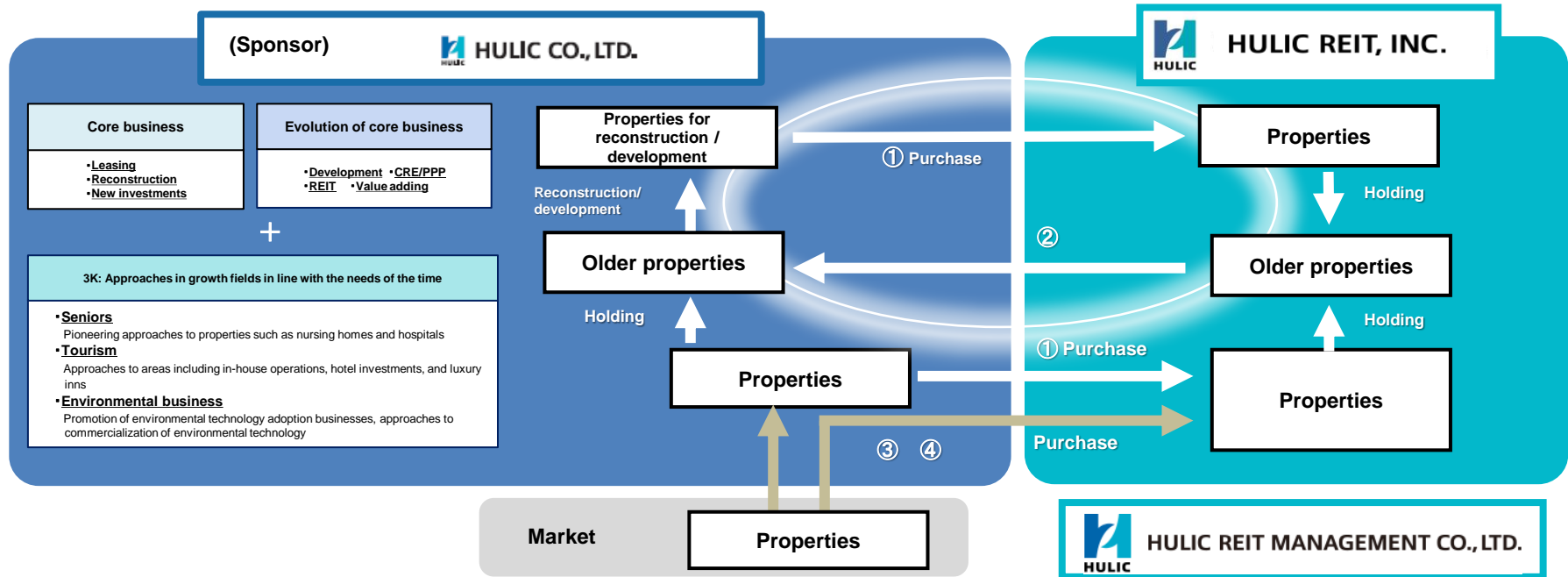


Diagram ①: Preferential negotiation rights

The Sponsor provides information to the Asset Manager whenever properties are sold by the Sponsor's group and the Asset Manager has preferential negotiation rights over other third parties.

Diagram ②: Re-development support

The Asset Manager requests review/proposals for re-development plan of Sponsor before requesting to third parties. If the Sponsor accepts the redevelopment project, the Asset Manager has preferential negotiation rights for the redeveloped property.

Diagram ③: Provision of warehousing function

The Asset Manager has the right to ask the Sponsor to take on temporary ownership (warehousing) of relevant real estate property or other assets with the understanding that the asset will subsequently be transferred to HULIC Reit.

Diagram ④: Provision of sales information on properties owned by third parties

The Sponsor can provide information immediately to the Asset Manager as long as prior approval is obtained from the owner and other stakeholders.

Environmental Initiatives

DBJ Green Building certification

Certification for real estate that is environmentally and socially friendly (DBJ Green Building certification) newly acquired for three properties



Toranomon
First Garden



2016 ∞

Oimachi Redevelopment
Building (#1)



2016 ∞

Oimachi Redevelopment
Building (#2)



2016 ∞

Improvement of Energy Efficiency

Promoting air-conditioning upgrades to improve energy efficiency

~Implemented properties~



Hulic Kandabashi Building



Trust Garden
Sakurashinmachi



Trust Garden Sugunami Miyamae

Sustainability Policy

- Based on the belief that consideration for the Environment, Society, and Governance leads to the maximization of medium- to long-term unitholder value, Hulic Reit enacted its “Sustainability Policy” in March 2016.*

Compliance and Risk Management	Laws and regulations will be respected Sustainability to be considered by assessment of risks to natural environment, risks posed by harmful substances
Prevention of Global Warming	Improvement of energy efficiency, Promotion of CO2 emissions reduction
Recycling-Oriented Society	Promotion of the three Rs: Reduce, reuse, and recycle
Environmental Management System	Continual improvement in energy savings and CO2 emissions reductions
Collaboration with Stakeholders	Improvement of coordination with stakeholders through dialogue, Contribution to sustainable development of local communities

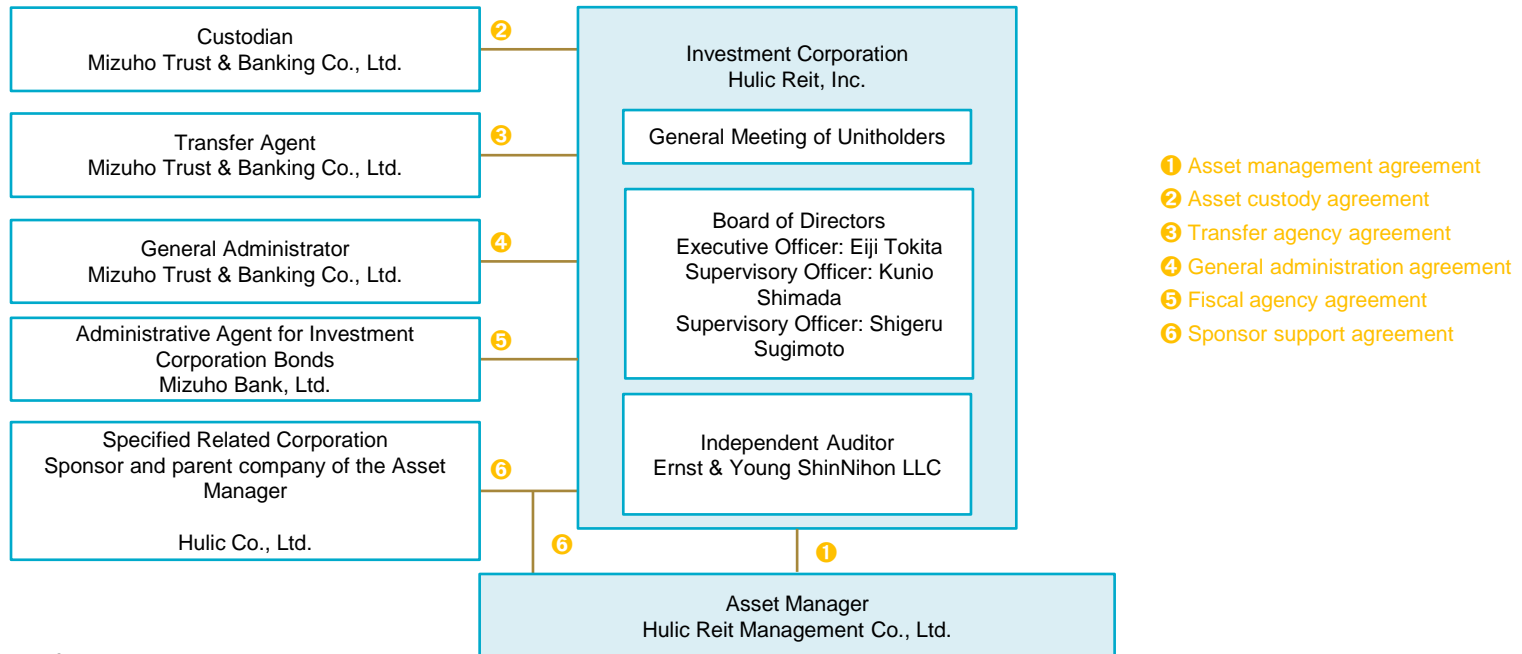
Participation in GRESB

- GRESB is a benchmark for assessing real estate companies and management bodies from the viewpoint of environmental, social, and governance (ESG) sustainability. Major American, European, and Asian institutional investors use GRESB results in selecting investments.



*Enacted by the Asset Manager

Structure



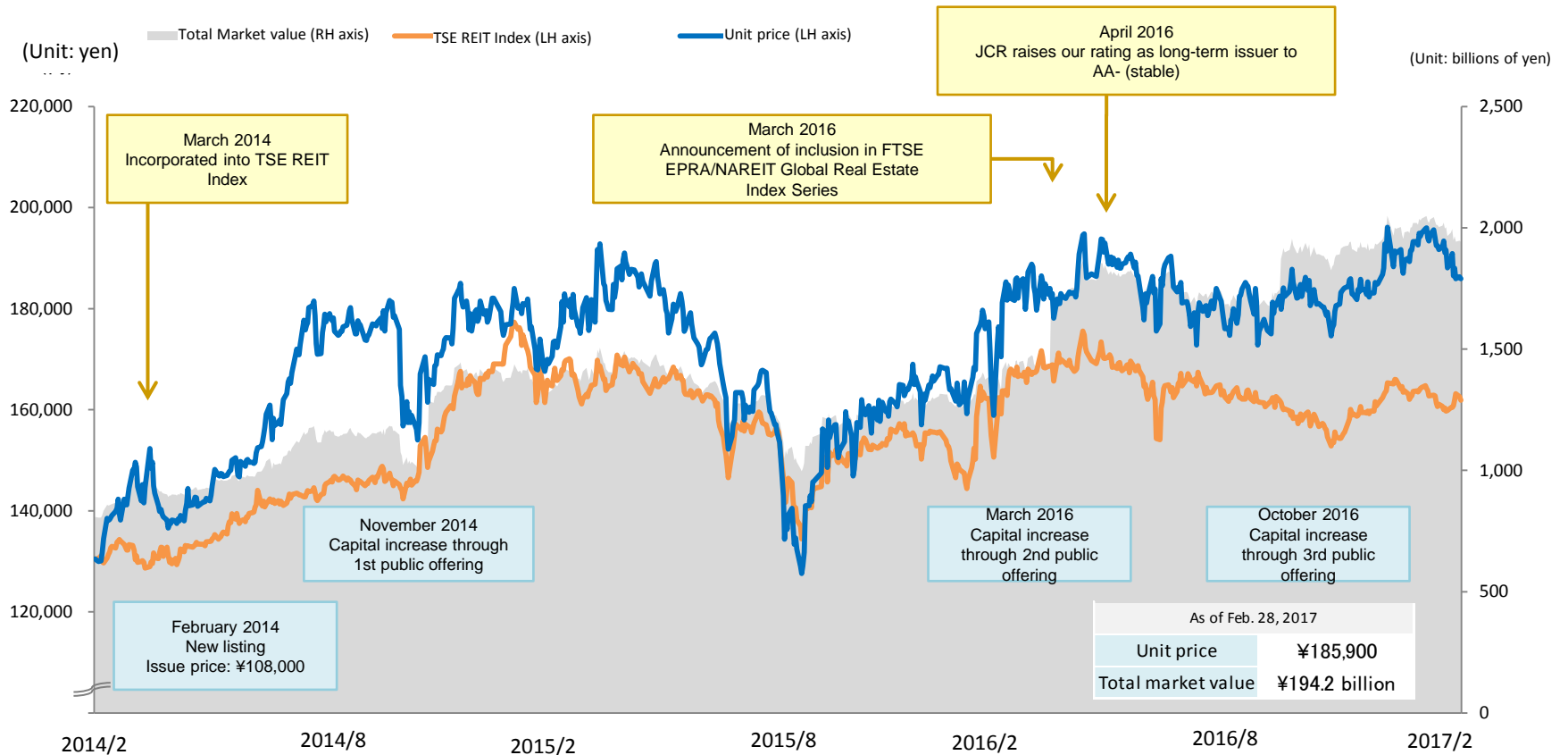
Overview of Asset Manager

Name	Hulic Reit Management Co., Ltd.
Capital	¥200 million
Shareholder	Hulic Co., Ltd. (100%)
President and CEO	Eiji Tokita
Registrations, licenses, etc.	Real Estate Brokerage Business License: Governor of Tokyo (1) Registration No. 95294 Trading Agency Etc. License: Minister of Land, Infrastructure and Transport License No. 76 Financial Instruments Business Registration: Director of the Kanto Local Finance Bureau, No. 2734

Price since listing

- Public offerings carried out three times in the past (Nov. 2014, Mar. 2016, and Oct. 2016) (increase in total market value)
- Expansion of investors through inclusion in global index (improvement in liquidity)
- Improved creditability as credit rating was increased to AA-

We aim to further increase total market value and improve liquidity



Cautionary Statement

This presentation contains forward-looking statements about the forecasts, outlook, targets, and plans of Hulic Investment Corporation (hereinafter referred to as “HLC”). These forward-looking statements are the views and opinions of HLC and its asset management company based on information available at the time this presentation was prepared and contain certain subjective assumptions, and they are subject to the impact of existing or unknown risks or uncertain factors that may influence future performance. Accordingly, these statements do not guarantee future performance and actual results may significantly vary.

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