

Securities code: 3295



**Financial Results Briefing for the Fiscal Period
Ended August 31, 2015 (3rd Fiscal Period)**

October 14, 2015

I. Financial Highlights

1. Financial Highlights	3
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II. Asset Management Results for the Fiscal Period Ended August 31, 2015 (3rd Fiscal Period)

1. Portfolio Summary	5
2. Results of Internal Growth	9
3. Results of External Growth	11
4. Financial Condition	12

III. Summary of Financial Results and Earnings Forecast for the Fiscal Period Ended August 31, 2015 (3rd Fiscal Period)

1. Statements of Income	14
2. Balance Sheets	17
3. Steady Growth of Cash Distributions per Unit	18
4. Overview of the Appraisal Reports	19

IV. Future Strategy

1. Strategy Framework	21
2. External Growth Strategy	22
3. Internal Growth Strategy	25

V. Appendix

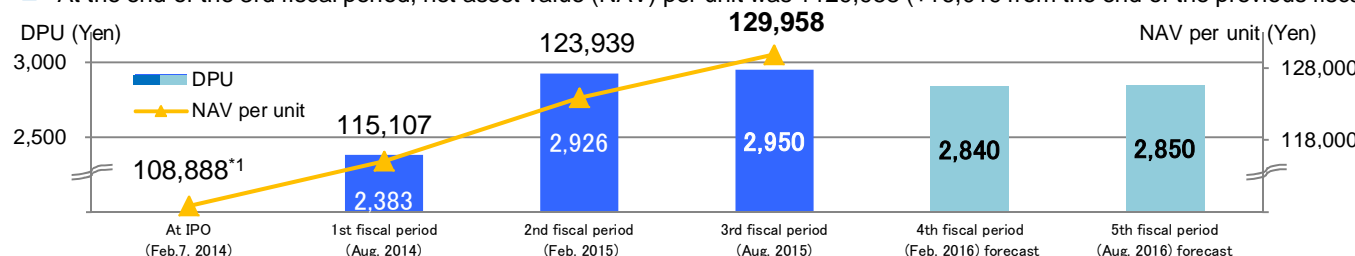
1. Statements of Income	28
2. Balance Sheets	29
3. Portfolio Properties (Tokyo Commercial Properties)	30
4. Portfolio Properties (Next Generation Assets)	35
5. Status of Appraisal Value by Property	38
6. List of Appraisal Value by Property (Year-on-Year Comparison)	39
7. Rent Revenue and Expenditures by Property	40
8. Financial Condition	42
9. Main Tenants	43
10. Breakdown of Unitholders	44
11. Hulic Reit's Basic Missions and Portfolio Building Policy	45
12. Focused Investment in Tokyo Commercial Properties	46
13. Investments in Next Generation Assets	47
14. Collaboration with the Hulic Group	48
15. Key Results and Plans of the Hulic Group	49
16. Operating Structure that Ensures Unitholder Returns	50
17. Structure of Hulic Reit	51



I. Financial Highlights

1 Enhancing Unitholder Value

- Achieve steady growth in unitholder value
- In the 3rd fiscal period, cash distribution per unit (DPU) was ¥2,950 (+¥120 from forecast); forecast for the 4th fiscal period is ¥2,840 (+¥10 from previous forecast)
- At the end of the 3rd fiscal period, net asset value (NAV) per unit was ¥129,958 (+¥6,019 from the end of the previous fiscal period)



Through internal and external growth and financial management, we aim to achieve steady increases in DPU and NAV per unit

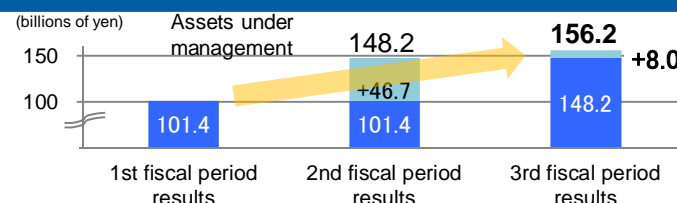
2 Internal Growth

- Succeeded in re-leasing space in Hulic Kanda Building and Hulic Kandabashi Building earlier than expected
- Completed re-leasing of Sasazuka South Building, acquired in the 3rd fiscal period, before the existing tenant vacated (no down time)
- Occupancy ratio higher than expected (at 98.9% as of the announcement of financial results for the 3rd fiscal period)
- Increased rent rates on office leases for three of 20 properties (17% of leased area targeted for renewal)

Aim to steadily accumulate results by focusing on internal growth

3 External Growth

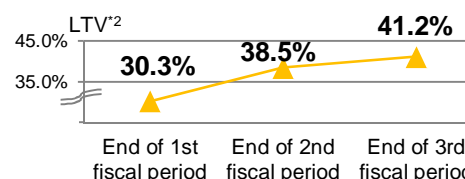
- Taking advantage of borrowing capacity, achieved external growth by acquiring three properties for approximately ¥8.0 billion
- In approximately 1.5 years after listing, expanded assets under management to 31 properties at approximately ¥156.2 billion



Considering the overheated real estate transaction market, concentrate on selectively investing in properties developed or owned by our sponsor

4 Financial Strategy

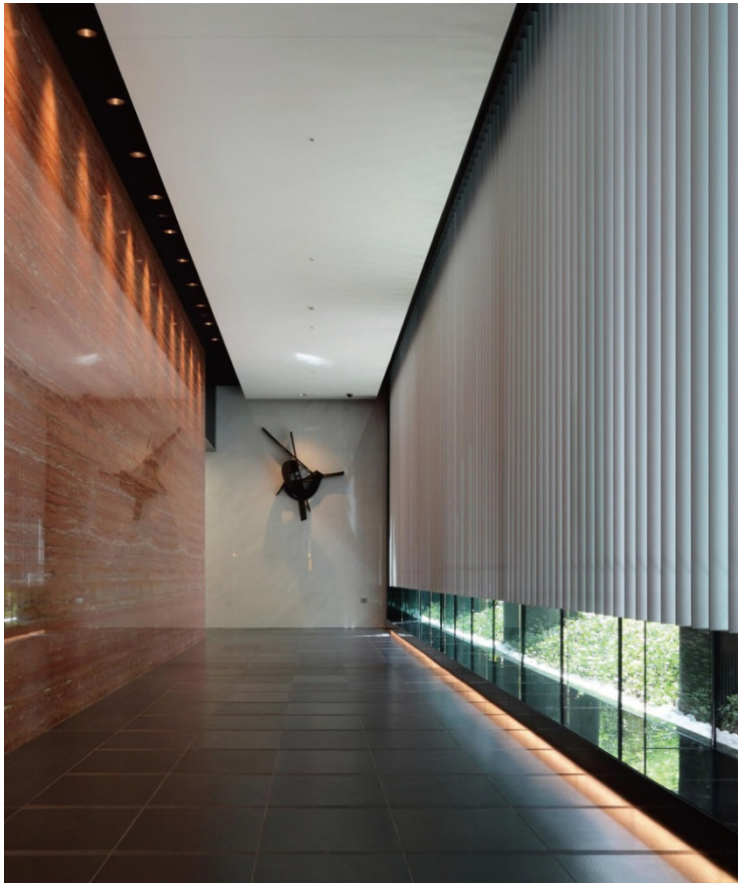
- Obtained a JCR long-term issuer rating of A+ (positive) (April 2015)
- Issued our first investment corporation bonds (10-year bonds, interest rate 0.95%) (First 10-year debut bonds with a JCR A rating.)
- Seek long-term fixed borrowings and control average interest rate
- Appropriately control LTV with a view to expanding assets under management (For the foreseeable future, manage LTV within the 40–45% range)



Continue stable and sound financial management, and aim for an early upgrade to an AA- credit rating

*1 NAV per unit at IPO = (total issue price at IPO (including at establishment and third-party offering) + total appraisal value at IPO – total acquisition price at IPO) ÷ number of issued units

*2 Interest-bearing debt at the end of each fiscal period divided by total assets at the end of each fiscal period is rounded after the first decimal place.



II. Asset Management Results for the Fiscal Period Ended August 31, 2015 (3rd Fiscal Period)

1 Portfolio Change

- The size of assets has steadily grown and maintained a high occupancy rate of 98.9% as of the end of the 3rd fiscal period.

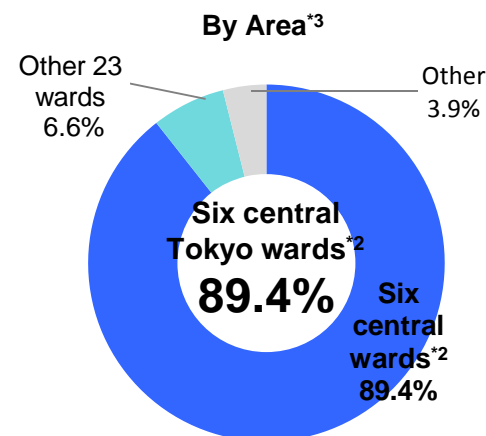
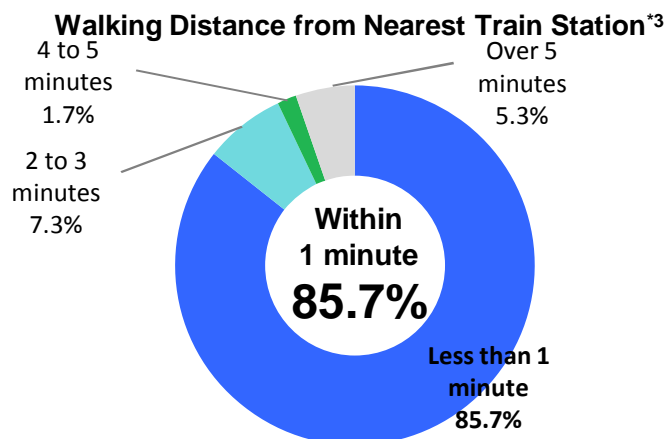
		End of 1st Fiscal Period (Aug. 31, 2014)	End of 2nd Fiscal Period (Feb. 28, 2015)	Assets acquired during the 3rd Fiscal Period	End of 3rd Fiscal Period (End of Aug. 2015)
No. of properties	Overall	21 properties	28 properties	3 properties	31 properties
	Tokyo commercial properties	12 properties	16 properties	3 properties	19 properties
	Next generation assets	9 properties	12 properties		12 properties
Average NOI yield*1		5.1 %	4.9%	4.8%	4.9%
Average NOI yield*1 after depreciation		4.5 %	4.2%	4.2%	4.2%
Total assets	Overall	¥101.4 _{bn}	¥148.2 _{bn}	¥8.0 _{bn}	¥156.2 _{bn}
	Tokyo commercial properties	77.7%	77.5%	100.0%	78.6%
	Next generation assets	22.3%	22.5%		21.4%
				At time of acquisition	
		99.1 %	99.0%	100.0%	98.2%
					at time of the 3rd period financial results announcement
Occupancy rate					98.9%

*1 NOI yield = NOI/acquisition price (NOI based on the appraisal value at the end of each fiscal period, rounded after the first decimal place)

2 Strengths of Tokyo Commercial Properties^{*1}

- Portfolio focused on location, with 85.7% of properties located within a one-minute walk of the nearest train station and 89.4% concentrated in Tokyo's six central wards^{*2}

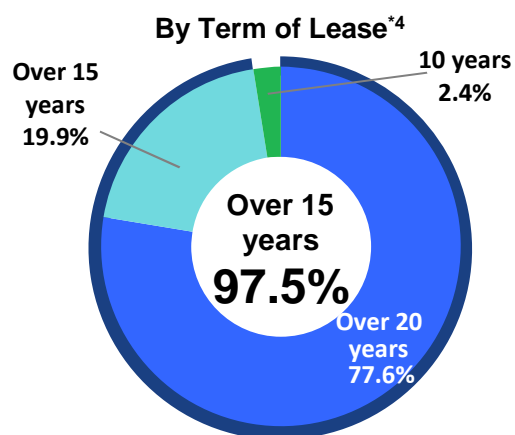
TOKYO
COMMERCIAL PROPERTIES



3 Strengths of Next Generation Assets^{*1}

- Highly credit-worthy tenants and long-term lease agreements, ensuring stable cash flow

NEXT
GENERATION ASSETS



Tenants (Operators) of Private Nursing Homes

- Both tenants are subsidiaries of listed companies
- Parent companies have high long-term credit ratings of BBB+ or higher

Tenant	Parent Company	Parent Company's Long-Term Credit Rating (JCR) ^{*1}
Benesse Style Care	Benesse Holdings (TSE, First Section)	AA-
Trust Garden	Resorttrust (TSE, First Section)	BBB+

^{*1} As of the end of the third fiscal period (August 31, 2015).

^{*2} Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

^{*3} Ratio based on acquisition price.

^{*4} Ratio based on leased area.

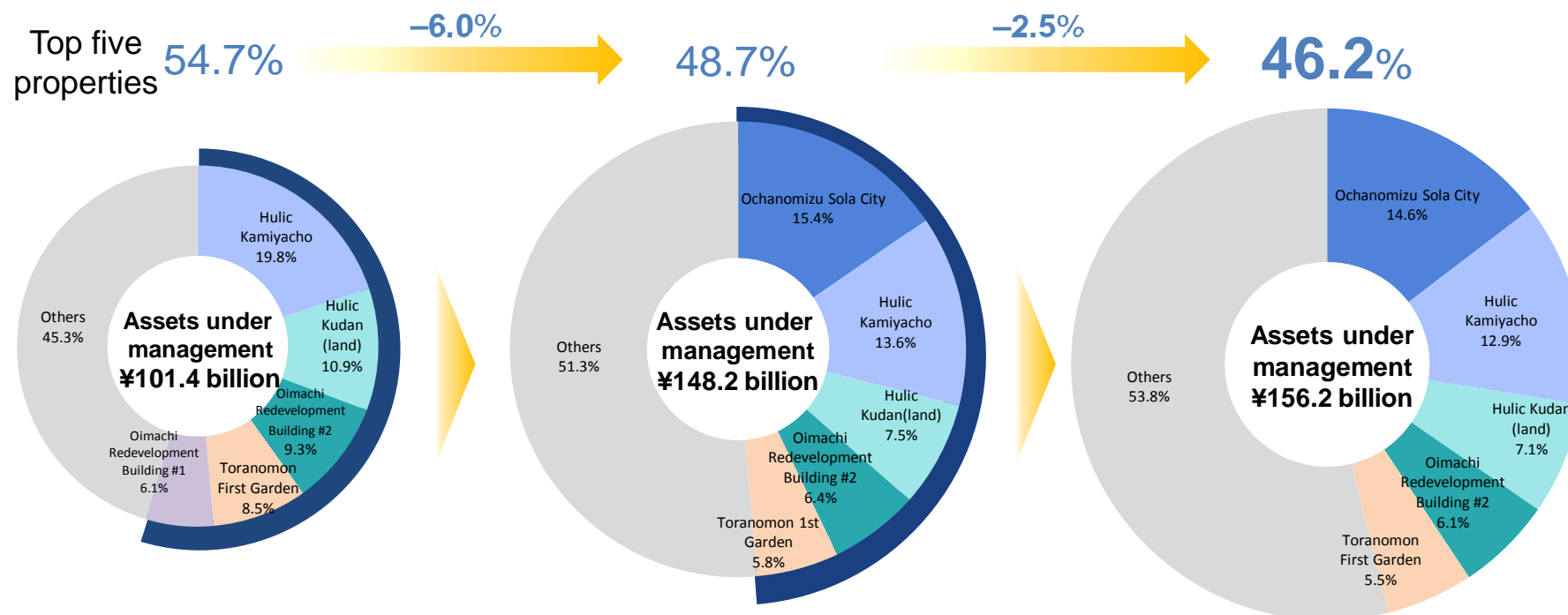
4 Overall Portfolio Distribution^{*1}

- Distribution of overall portfolio accounted for by top five properties

End of 1st
Fiscal Period
(Aug. 31, 2014)

End of 2nd
Fiscal Period
(Feb. 28, 2015)

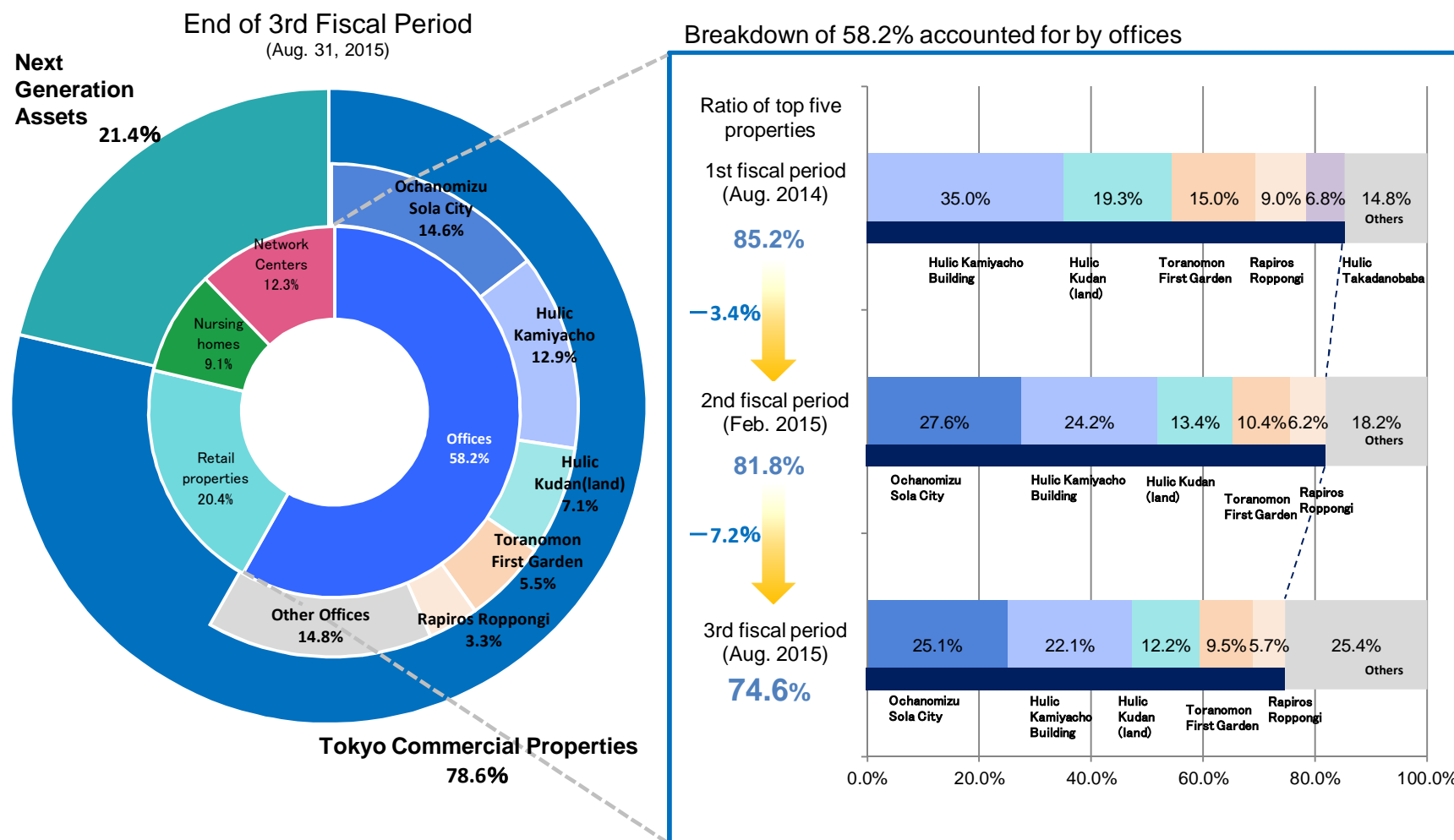
End of 3rd
Fiscal Period
(Aug. 31, 2015)



^{*1} Ratios based on acquisition price of portfolio at the end of each fiscal period.

5 Office Distribution^{*1}

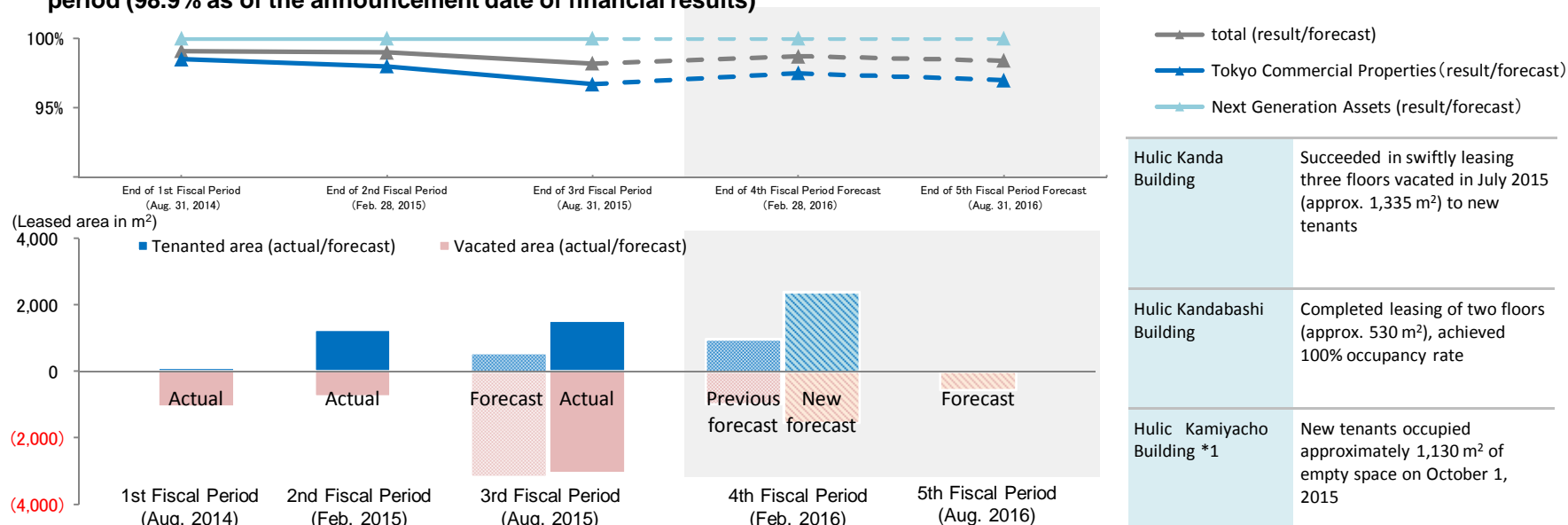
- Acquired three properties in the 3rd fiscal period, reducing the percentage of properties accounted for by the top five properties



^{*1} Ratio based on acquisition price.

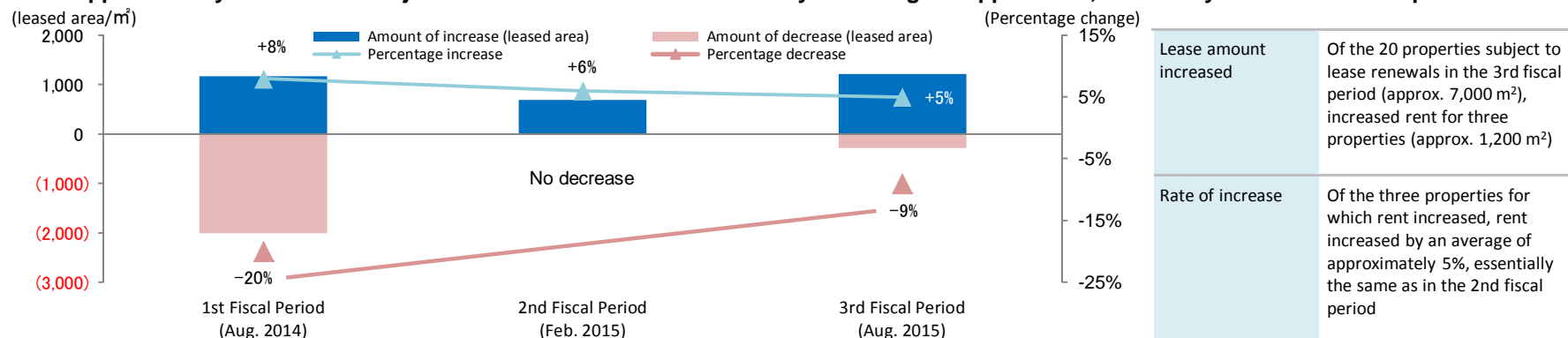
1 Occupancy Rates and Tenanted or Vacated Status at the Fiscal Period End

- As properties were re-leased sooner than anticipated, a high occupancy rate of 98.2% was maintained as of the end of the 3rd fiscal period (98.9% as of the announcement date of financial results)



2 Office Lease Renewals

- Approximately 17% of area subject to lease renewal increased rent by an average of approx. 5 %, essentially the same level as previous results.



*1 Hulic Kamiyacho Building is shared by Hulic Co., Ltd., and Hulic Reit. Vacant space is indicated for the building as a whole.

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

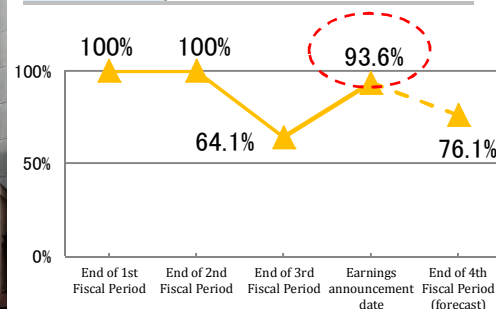
3 Leasing Progress

- Succeeded in swiftly re-leasing Hulic Kanda Building, which was a key issue for the 3rd fiscal period
- Achieved 100% occupancy for Hulic Kandabashi Building

(Hulic Kanda Building)



Location	Kandasudacho, Chiyoda ward, Tokyo
Nearest station	Approx. a one-minute walk from Kanda Sta., Tokyo Metro, Ginza Line
Floors	9F
Leasable area	3,728.36 m ²
Standard floor area	445.97 m ²

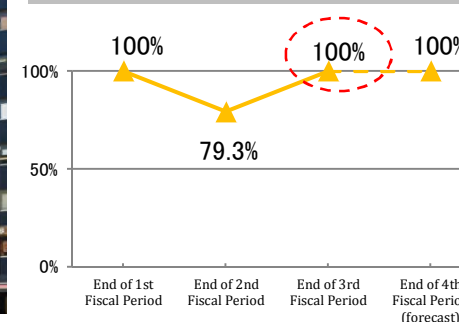


- In July 2015, three floors (approx. 1,335 m²) became vacant due to a lease termination.
- Numerous inquiries were received when the space became vacant. By making adjustments to the leased area, including division of a floor (divide the relevant floor into two areas), we were able to meet wide-ranging tenant needs and swiftly entered into lease agreements with four new tenants.
- The four new tenants, a printing company, the Tokyo base of a manufacturer, a foreign-affiliated research company and a real estate agent, had been looking to relocate to improve their locations.
- By leasing to multiple tenants, we substantially reduced the downside cashflow risk of downtime when tenants vacate.

(Hulic Kandabashi Building)






Location	Kandanishikicho, Chiyoda ward, Tokyo
Nearest station	Approx. a three-minute walk from Otemachi Sta., Tokyo Metro, Chiyoda Line
Floors	10F+B1F
Leasable area	2,566.95 m ²
Standard floor area	265.07 m ²



- Vacancies occurred at two floors (approximately 530 m²), one in October 2014 and one in January 2015 due to lease terminations.
- We succeeded in leasing to new tenants, a publisher and a company headquartered in Otemachi, that needed additional floor space.
- After leasing to the two tenants mentioned above, the occupancy rate reached 100%.

1 Properties Acquired in the 3rd Fiscal Period (Ended August 2015)

- Acquired three office properties that contribute to enhancing the portfolio quality and improving profitability for approximately ¥8.0 billion through borrowings

Acquired from	Sponsor	third party	
Acquisition date	April 16, 2015	March 9, 2015	March 31, 2015
Property name	Gate City Ohsaki	Sasazuka South Building	Tokyo Nishi Ikebukuro Building
Photograph of property			
Location	Osaki, Shinagawa ward, Tokyo	Sasazuka, Shibuya ward, Tokyo	Nishiikebukuro, Toshima ward, Tokyo
Nearest station	One minute from Osaki Station, JR Yamanote, Rinkai Lines, etc.	Five minutes from Daitabashi Station, Keio Line	Three minutes walk from Ikebukuro Station, JR Yamanote, Tokyo Metro Marunouchi Lines, etc.
Acquisition price	¥4,370 million	¥2,100 million	¥1,580 million
Appraisal value* ¹	¥4,500 million	¥2,110 million	¥1,700 million
Appraisal NOI yield* ²	4.4%	5.3%	5.2%
Completion of construction	(Office tower) Jan. 1999 (Residential tower) Dec. 1998	Dec. 1991	Oct. 1990
Construction	(Office tower) S・RC・SRC, 24F+B4F (Residential tower) SRC・RC, 20F+B2F	SRC・S, 8F+B1F	S・SRC・RC, 14F+B3F
Total leasable area* ³	3,835.78㎡	3,611.49㎡	1,429.74㎡
Occupancy rate* ¹	100.0%	100.0%	100.0%

*1 All values are at the time of acquisition.

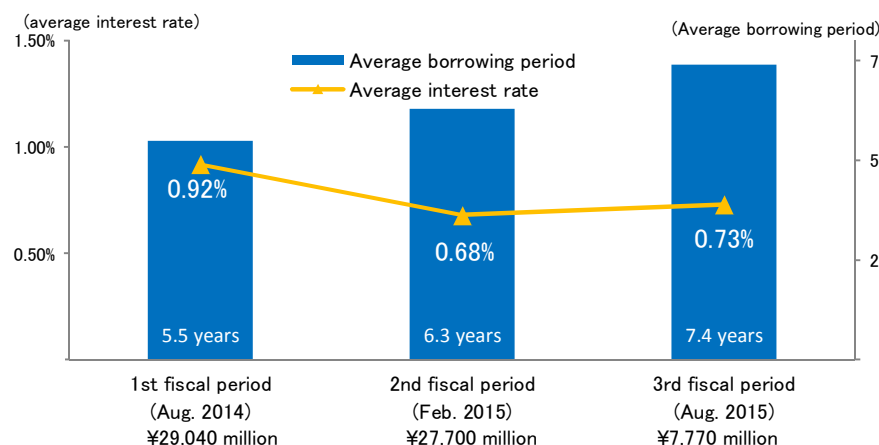
*2 NOI yield = NOI/acquisition price (NOI based on appraised value [at time of acquisition] and rounded after the first decimal place).

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

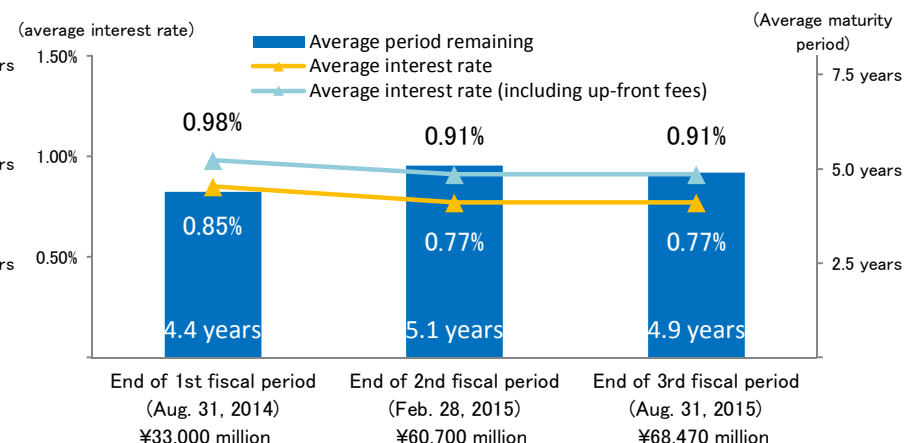
1 Maintaining Stable and Sound Financial Management

- Taking advantage of the low interest rate environment, we sought long term fixed borrowings while controlling average interest rate.
- We expect to appropriately control LTV^{*1} within a 40–45% range for the foreseeable future. (LTV was 41.2% at the end of the 3rd fiscal period.)

New Borrowings^{*2}



Borrowings at the End of the Fiscal Period



2 Rating Acquisition

- Obtained an A+ (positive) rating from JCR (April 2015)

Credit Rating Agency	Long-Term Issuer Rating (Outlook)
JCR (Japan Credit Rating Agency, Ltd.)	A+ (positive)

By further decentralizing our portfolio and ensuring stable earnings, we aim to increase our credit rating to AA–

3 Issuance of Investment Corporation Bonds

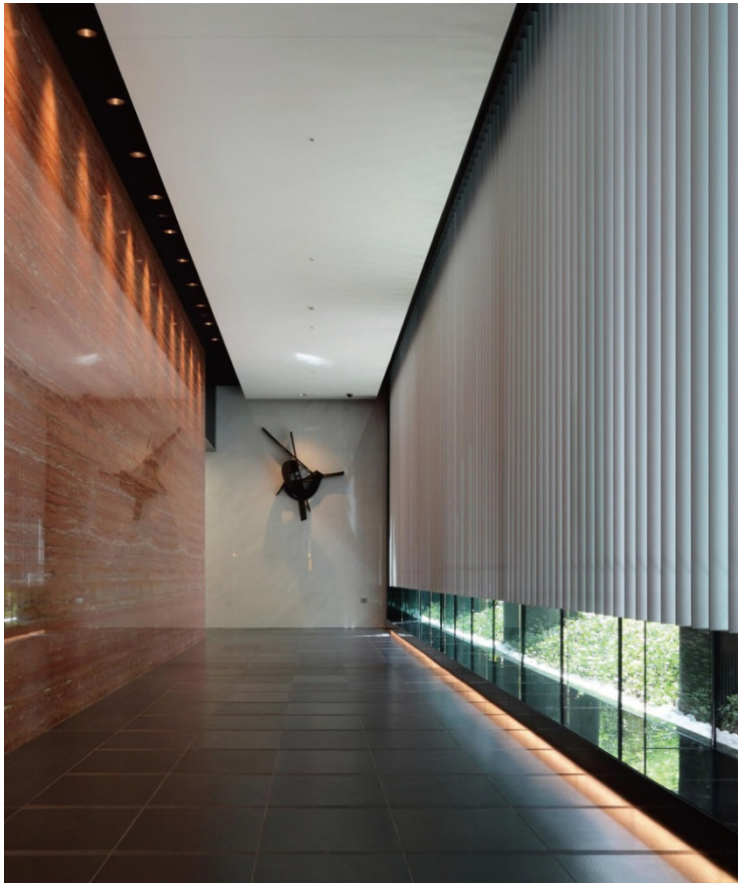
- Issued first-ever 10-year bonds for an investment corporation's debut bonds with a single-A rating
- Demand exceeded the total issue volume by 1.5 times, leading to the possibility of additional issuance

First Unsecured Investment Corporation Bonds	
Maturity	August 29, 2025
Issue amount	¥2.0 billion
Interest rate (vs. JGB spread)	0.95% (0.58%)
Duration	10 years

^{*1} LTV indicates interest-bearing debt as a percentage of total assets. The figures are rounded to one decimal place.

^{*2} Short-term loans payable are excluded.

^{*3} The average borrowing period and average remaining period are rounded to one decimal place; average interest rates are rounded to two decimal places.



III. Summary of Financial Results and Earnings Forecasts for the Fiscal Period Ended August 31, 2015 (3rd Fiscal Period)

1 Summary of Financial Results for the 3rd Fiscal Period — Statements of Income

- Revenue and income increased compared to the 2nd fiscal period, due to a full period of operations of seven properties acquired through a public offering in the 2nd fiscal period and the contribution of three properties acquired in the 3rd fiscal period.
- Revenue and income were higher than forecast for the 3rd fiscal period, due to better-than-expected rent revenue, facility use income on Ochanomizu Sola City, and decreases in repair expenses and other cost reductions.

Comparison between 2nd Fiscal Period Results and Forecasts and Results for the 3rd Fiscal Period (unit: millions of yen)

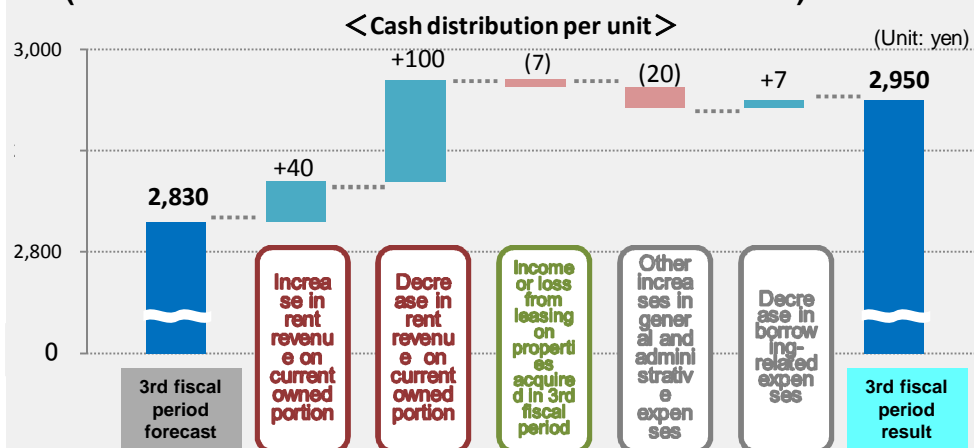
	2nd fiscal period	3rd fiscal period			
	result	forecast	result	Compared with Forecast	Compared with 2nd Fiscal Period
Rent revenue	4,054	4,699	4,713	+14	+659
Expenses related to rent business	(943)	(1,640)	(1,551)	+89	-607
Income from real estate lease business	3,110	3,058	3,162	+103	+51
Operating income	2,656	2,538	2,626	+87	-30
Ordinary income	2,286	2,211	2,304	+92	+18
Net income	2,285	2,210	2,303	+93	+18
Cash distribution per unit (yen)	¥2,926	¥2,830	¥2,950	+¥120	+24

vs. 2nd fiscal period results, main fluctuation factors (unit: millions of yen)

	Compared with 2nd Fiscal Period	Main Factors
Income from real estate lease business	+51	
	(89)	Vacation by existing tenants (50) Full-term contribution of properties acquired in PO during 2nd period +363 Fixed asset tax as cost (381)
	+140	Acquired in 3rd fiscal period Rent revenue +232
Operating income	(30)	Administrative service fees, etc. (10), asset management fee (50) Other costs (22)
Ordinary income	+18	Interest expenses (83), borrowing-related expenses (13) Investment unit issuance costs +147

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with the 2nd fiscal period; figures indicated as + denote decreases compared with the 2nd fiscal period.

(Differences from Forecasts for the 3rd Fiscal Period)



	Compared with Forecasts for the 3rd Fiscal Period	Main Factors
Income from real estate lease business	+103	
	+110	Lease income +16 Facility use income on Ochanomizu Sola City +11 Repair expenses +38, leasing-related costs +16
	(6)	Acquired in 3rd fiscal period
Operating Income	+87	asset management fee (21)
Ordinary Income	+92	Interest expenses +5

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with the 3rd fiscal period; figures indicated as + denote decreases compared with the 3rd fiscal period.

Notes: Except for principal factors, figures less than ¥1 million are rounded off.
As of the end of the 2nd fiscal period, the current owned portion comprised 28 properties.

2 Comparison between the 3rd Fiscal Period Results and Forecasts for the 4th Fiscal Period

- Income from the real estate lease business is forecast to decline compared with the 3rd fiscal period, due to tenant vacancies and increases in repair expenses and leasing-related and other costs.
- Due to earlier leasing on some properties, revenue and income are now forecast to be higher than in the previous forecast.

Comparison between 3rd Fiscal Period Results and Forecasts for the 4th Fiscal Period

(unit: millions of yen)

	3rd fiscal period	4th fiscal period forecast			
	result	Previous forecast	New forecast	Compared with 3rd fiscal Period	Compared with previous Period
Rent revenue	4,713	4,690	4,719	+5	+28
Expenses related to rent business	(1,551)	(1,650)	(1,656)	-104	-5
Income from real estate lease business	3,162	3,040	3,062	-99	+22
Operating income	2,626	2,532	2,539	-86	+7
Ordinary income	2,304	2,211	2,219	-85	+7
Net income	2,303	2,210	2,218	-85	+7
Cash distribution per unit (yen)	¥2,950	¥2,830	¥2,840	- ¥110	+ ¥10

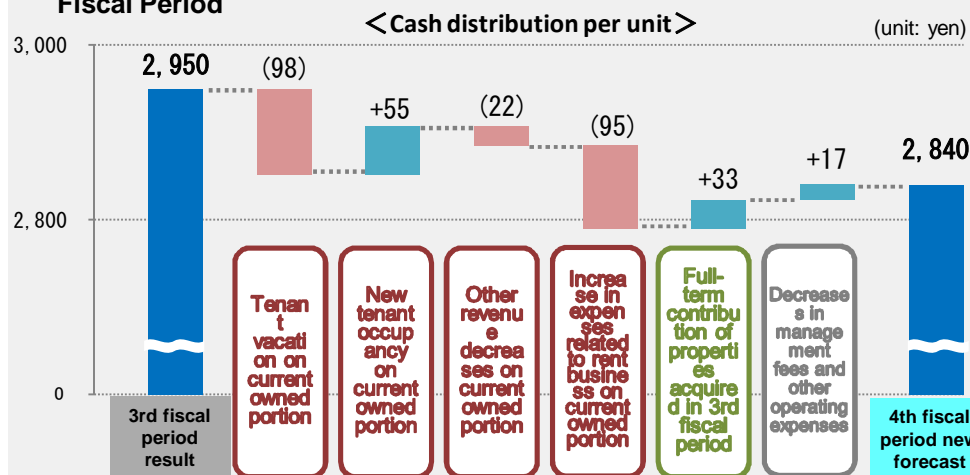
vs. 4th fiscal period previous forecast, main fluctuation factor

(unit: millions of yen)

	Compared with Previous Forecast for 4th Fiscal Period	Main factors
Income from real estate lease business	+22	
	Current owned portion +32	New tenant occupancy +35 Repair expenses (6) Leasing-related costs (10)
	Acquired in 3rd fiscal period (10)	
Operating income	+7	Administrative service fees, etc. (1) asset management fee (2)
Ordinary income	+7	

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with the 4th fiscal period; figures indicated as + denote decreases compared with the 4th fiscal period.

Differences between 3rd Fiscal Period Results and New Forecast for the 4th Fiscal Period



(unit: millions of yen)

	Compared with 3rd Fiscal Period	Main factors
Income from real estate lease business	(99)	
	Current owned portion (125)	Vacation by existing tenants (77) New tenant occupancy +43 Repair expenses(45) Leasing-related costs (15)
	Acquired in 3rd fiscal period +26	Contribution to full period of lease business revenue +47
Operating income	(86)	Administrative service fees +13
Ordinary income	(85)	Interest expenses (15) borrowing-related expenses +16

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with the 3rd fiscal period; figures indicated as + denote decreases compared with the 3rd fiscal period.

Notes: Except for principal factors, figures less than ¥1 million are rounded off.

As of the end of the 2nd fiscal period, the current owned portion comprised 28 properties.

3 Comparison of Forecast for the 4th and 5th Fiscal Periods

- Due to higher rent revenue from Ochanomizu Sola City and the Hulic Kanda Building, we anticipate a ¥35 million increase in rent revenue in the 5th fiscal period compared to forecasts for the 4th fiscal period.
- Increase in rent revenue is expected to cover the increase in fixed asset taxes on three properties acquired in the 3rd fiscal period, leading to higher revenue and income compared with forecasts for the 4th fiscal period.

Comparison between 4th and 5th Fiscal Period Forecasts

(unit: millions of yen)

	4th fiscal period	5th fiscal period	
	forecast	forecast	Compared with 4th Fiscal Period Forecast
Rent revenue	4,719	4,754	+35
Expenses related to rent business	(1,656)	(1,678)	-22
Income from real estate lease business	3,062	3,075	+12
Operating income	2,539	2,551	+11
Ordinary income	2,219	2,227	+8
Net income	2,218	2,226	+8
Cash distribution per unit (yen)	¥2,840	¥2,850	+ ¥10

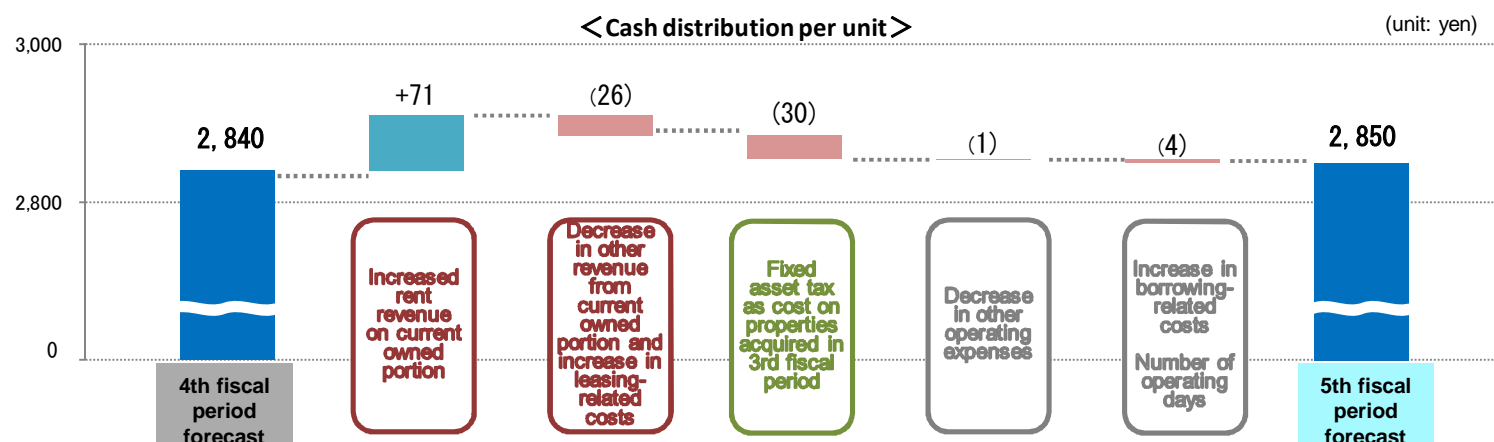
vs. 4th fiscal period forecast, main fluctuation factor

(unit: millions of yen)

	Compared with Forecast for 4th Fiscal Period	Main factors
Income from real estate lease business	+12	
	+35	Higher rent from Ochanomizu Sola City +41 New tenancy +15 Repair expenses (17), leasing-related costs +19
	(23)	Acquired in 3rd fiscal period Fixed asset tax as cost (25)
Operating income	+11	
Ordinary income	+8	Interest expenses (3)

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with the 4th fiscal period; figures indicated as + denote decreases compared with the 4th fiscal period.

(Differences between 4th and 5th Fiscal Period Forecasts)



Notes: Except for principal factors, figures less than ¥1 million are rounded off.

As of the end of the 2nd fiscal period, the current owned portion comprised 28 properties.

1 Comparison of Period-End Results between the 2nd and 3rd periods

- Due to the use of borrowings to acquire three properties, total assets increased ¥8.4 billion compared with the end of the 2nd fiscal period, to ¥166.2 billion.
- Total interest-bearing debt amounted to ¥68.4 billion as of the end of the 3rd fiscal period (up ¥7.7 billion from the end of the 2nd fiscal period). As a new financing method, ¥2.0 billion of investment corporation bonds was issued, providing low-interest-rate financing.

(unit: millions of yen)

	End of 2nd fiscal period	End of 3rd fiscal period	Compared with End of 2nd Fiscal Period
Assets			
Current assets	7,792	8,168	375
Cash and deposits	6,770	8,110	1,339
Other	1,022	57	-964
Noncurrent assets	149,991	158,067	8,075
Property, plant and equipment	141,041	149,102	8,061
Other	8,950	8,965	14
Deferred assets	0	19	19
Total assets	157,784	166,256	8,471
Liabilities			
Current liabilities	5,296	5,705	408
Short-term loans payable	3,960	3,960	0
Other	1,336	1,745	408
Noncurrent liabilities	63,585	71,629	8,043
Investment Corporation Bonds	0	2,000	2,000
Long-term loans payable	56,740	62,510	5,770
Tenant leasehold and security deposits in trust	6,845	7,119	273
Total liabilities	68,882	77,334	8,452
Net assets			
Unitholders' equity	88,902	88,921	18
Unitholders' capital	86,617	86,617	0
Surplus	2,285	2,304	18
Total net assets	88,902	88,921	18
Total liabilities and net assets	157,784	166,256	8,471

✓ Assets increased due to borrowings to acquire three properties.

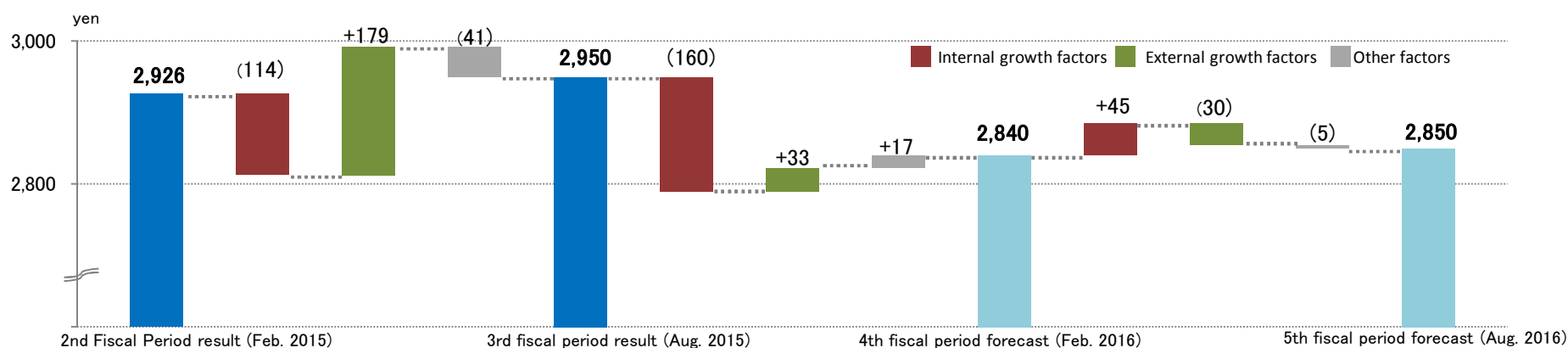
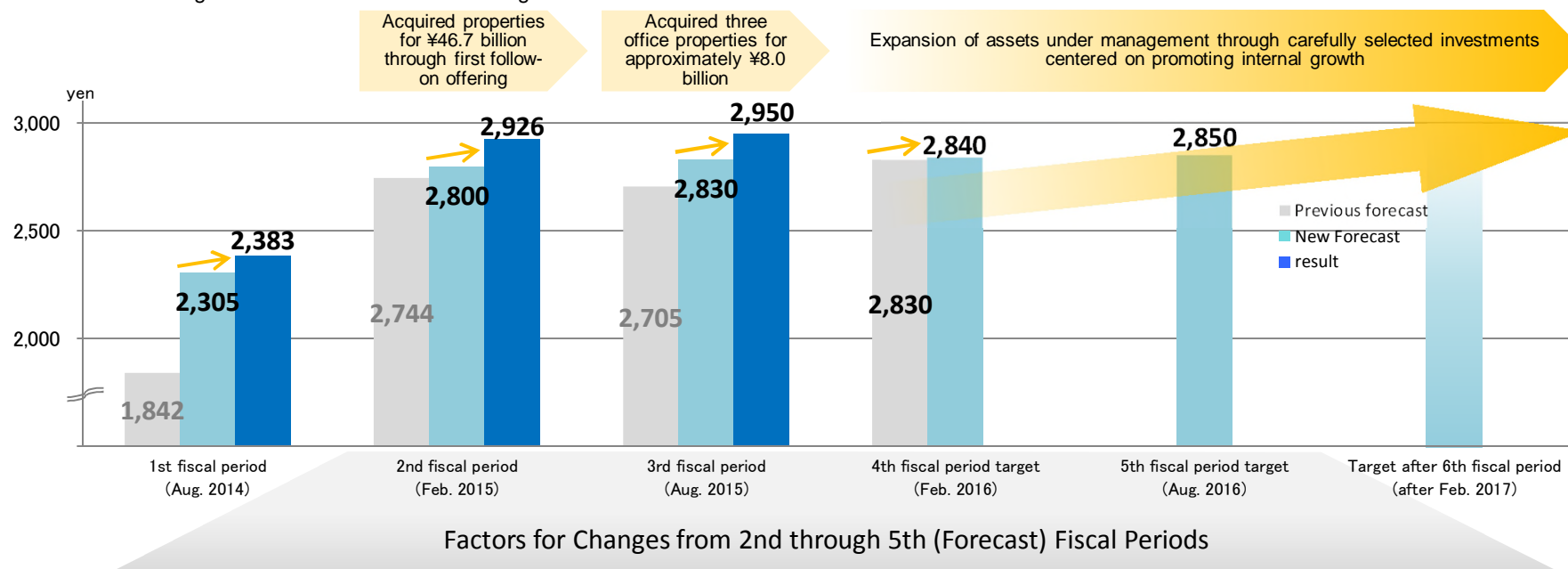
✓ Taking advantage of the low-interest-rate environment, we issued ¥2.0 billion in (10-year) investment corporation bonds.

✓ In line with property acquisitions, new borrowings led to a ¥5.7 billion increase in long-term loans payable.

* Figures less than ¥1 million are rounded off.

1 Cash Distributions per Unit

- We aim to steadily increase distributions by accumulating steady results in internal growth, achieving external growth through carefully selected investments and conducting stable and sound financial management.



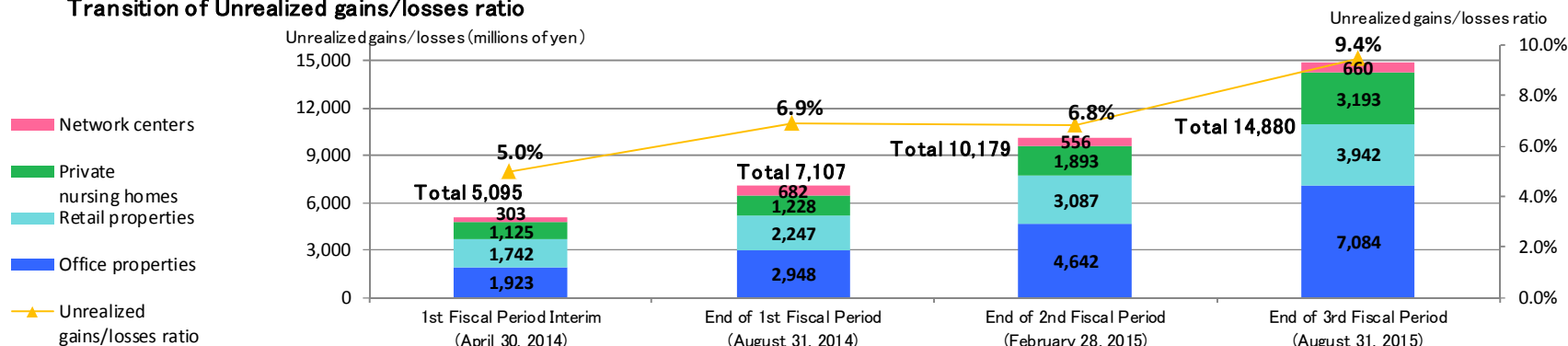
Note: Internal growth factors include 28 properties owned as of the end of the 2nd fiscal period; external growth factors are the acquisition of three properties during the 3rd fiscal period; and other factors indicate expenses other than leasing income and expenses.

1 Comparison of Appraisal and Book Values at End of Fiscal Periods

- Unrealized gains at the end of the 3rd fiscal period were ¥1,488 billions, up ¥4,700 millions from the end of the previous fiscal period, indicating a steady increase since listing.
- The rate of unrealized gains at the end of the 3rd fiscal period was +9.4%. (unit: millions of yen) (*1)

			1st Fiscal Period Interim (April 30, 2014)		End of 1st Fiscal Period (August 31, 2014)		End of 2nd Fiscal Period (February 28, 2015)		End of 3rd Fiscal Period (August 31, 2015)	
			Properties		Properties		Properties		Properties	
Office properties	①	Book value	8	58,146	8	58,071	10	83,487	13	91,665
	②	Appraisal value		60,070		61,020		88,130		98,750
		return yield (*2)		4.3%		4.2%		4.1%		4.0%
	③	Unrealized gains/losses (②-①)		1,923		2,948		4,642		7,084
Retail properties	④	Book value	4	21,717	4	21,692	6	32,092	6	32,057
	⑤	Appraisal value		23,460		23,940		35,180		36,000
		return yield (*2)		4.8%		4.7%		4.5%		4.4%
	⑥	Unrealized gains/losses (⑤-④)		1,742		2,247		3,087		3,942
Private nursing homes	⑦	Book value	4	14,494	4	14,451	4	14,386	4	14,386
	⑧	Appraisal value		15,620		15,680		16,280		17,580
		return yield (*2)		5.4%		5.4%		5.2%		4.8%
	⑨	Unrealized gains/losses (⑧-⑦)		1,125		1,228		1,893		3,193
Network centers	⑩	Book value	5	8,438	5	8,420	8	19,545	8	19,463
	⑪	Appraisal value		8,742		9,103		20,102		20,124
		return yield (*2)		5.3%		5.1%		5.2%		5.2%
	⑫	Unrealized gains/losses (⑪-⑩)		303		682		556		660
Total	⑬	Book value	21	102,796	21	102,635	28	149,512	31	157,573
	⑭	Appraisal value		107,892		109,743		159,692		172,454
	⑮	Unrealized gains/losses		5,095		7,107		10,179		14,880

Transition of Unrealized gains/losses ratio



*1 Book values are rounded off to the nearest million yen.

*2 Cap rates are calculated as weighted averages according to appraisal values by application at the end of each fiscal period.



IV. Future Strategy

1 Distribution per Unit (DPU)-Focused Strategy

External Growth Strategy

Selective Investments Based on Market Conditions

- Make selective investments, focusing on properties developed or owned by the sponsor for which growth can be expected.
- For the foreseeable future, adjust the pace of property acquisition in light of the overheated market for real estate transactions.
- Aim to grow assets under management to ¥300 billion in 3–5 years after listing.

Internal Growth Strategy

Actively Pursue Increases in Rent Revenue through Occupancy Rates and Rent Level

- Negotiate with tenants whose rent is below the market level to raise it to the market level.
- Maintain high occupancy rate by leveraging the attractive location of properties.
- Through property management integrated with the Hulic Group, promote early leasing to ensure appropriate rent rate.

Financial Strategy

Maintain Stable and Sound Financial Management

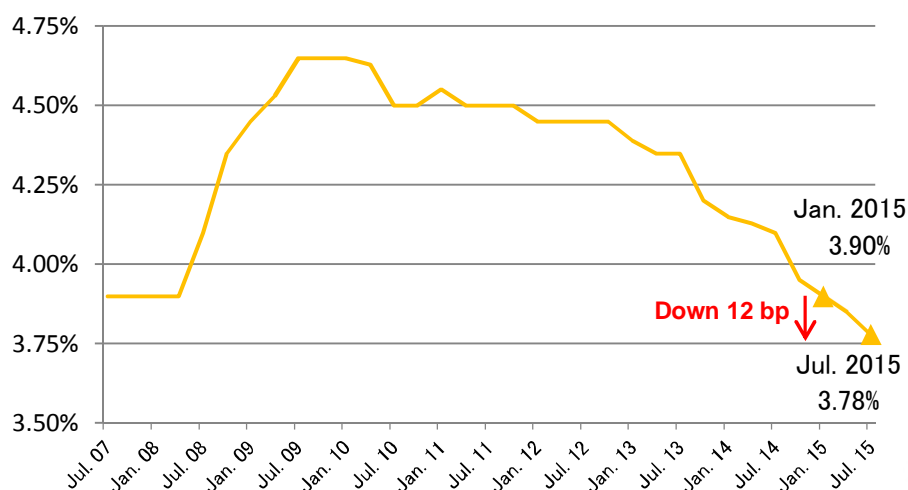
- Aim to raise long-term issuer rating to AA– as early as possible.
- Appropriately control LTV (between 40 and 45% for the foreseeable future) to expand assets under management.
- While monitoring interest rate trends, seek long-term fixed borrowings.
- Diversify financing sources and methods.

**Aim to consistently
increase DPU**

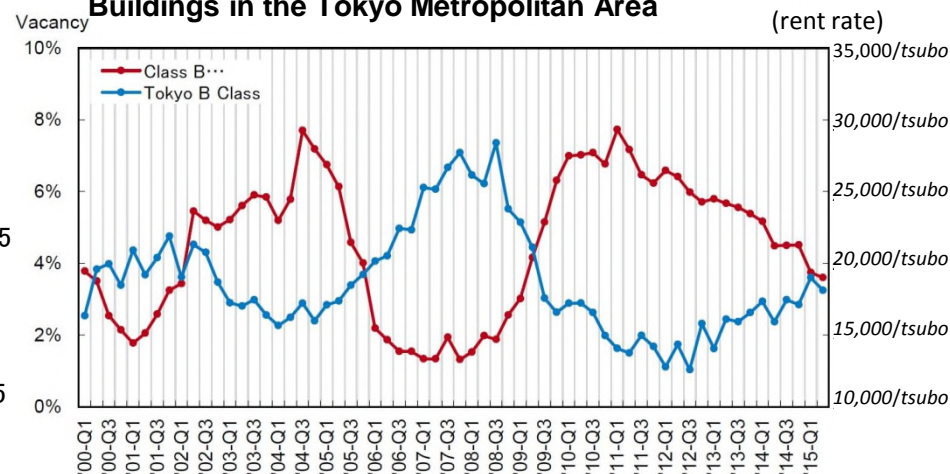
1 Understanding the Real Estate Market Environment

- Expected NOI yield fell 0.12 percentage point from January 2015 survey date, the lowest level since the survey began in July 2003.
- While rent rates show an upward trend, vacancy rates continue to fall for Class B buildings in the Tokyo metropolitan area, resulting in a lack of strength.

Expected NOI Yields^{*1}



Rent Level and Vacancy Rates for Class B Buildings in the Tokyo Metropolitan Area



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

Transaction prices are factoring in future rent rate increases (low yields), despite the current real estate market not showing a clear upward trend in rent rate^{*2}

^{*1} Expected NOI yields show the averages for office spaces in Tokyo's Otemachi office area in the Japanese Real Estate Investor Survey conducted by CBRE.  HULIC REIT, INC.

^{*2} Outlook of the asset management company based on this document

2 Selective Investments in Tokyo Commercial Properties

■ Acquisition method

Make selective investments in properties with appropriate yields, focusing on sponsor-developed and sponsor-owned properties for which future rent increases can be expected and that are in attractive locations in terms of distance from the nearest stations and offer other superior specifications, while considering the percentage of the portfolio accounted for by acquired properties.

TOKYO
COMMERCIAL PROPERTIES

Acquisition targets	Acquisition pipeline
<ul style="list-style-type: none"> • Office properties with growth potential • Retail properties with appropriate yields, where growth or stable revenues can be expected 	<ul style="list-style-type: none"> • Sponsor-developed properties, sponsor-owned properties (Hulic Reit has preferential negotiating rights) • Asset manager's own information network

3 Investments in Next Generation Assets

- The focus of next generation assets will be private nursing homes owned by our sponsor, and investments will be timed carefully based on market conditions.

NEXT
GENERATION ASSETS

Private nursing homes

- Competition for property acquisitions is growing more stringent due to the launch of healthcare REITs, driving up acquisition prices (lowering expected yields). Nevertheless, the acquisition environment is expected to stabilize in line with future listing.
- Consider acquisitions with appropriate yield levels from the robust pipeline of sponsor-owned properties.
- Conduct thorough tenant due diligence.

Initiatives in new asset classes

- Hulic's 3K businesses (*koreisha* = seniors; *kanko* = tourism; *kankyo* = environment)
- Consideration will also be given to new asset classes from the perspective of CRE.

Continue to examine while taking a closer look at Hulic's track record

4 Preferential Negotiation Rights for Sponsor-Developed and Sponsor-Owned Properties

- We receive information regarding a target property from our sponsor that can be reasonably provided to us and have a one-month preferential negotiation period over third parties.

Main properties acquired from sponsors

Toranomon First Garden



Ochanomizu Sola City



5 Our Sponsor's Principal Development Results and Development Plans

Sponsor-developed properties centered in six central wards*¹ of Tokyo slated for completion through Fiscal 2018

Completed in Fiscal 2015	Slated for Completion in Fiscal 2016	Slated for Completion in Fiscal 2017	Slated for Completion in Fiscal 2018
Shinagawa Season Terrace Hulic Toranomon Building	Shibuya 4-chome Development Project Ginza 7-chome Sotetsu Building Hulic Shibuya Inokashira-dori Building Omori Station Front Commercial Development	Shinbashi 2-chome Commercial Development Hulic Shibuya Koen-dori Building Project	Yurakucho 2-chome Development Project Tokyo Metro Roppongi 7-chome Project



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

*2 Figures in parentheses indicate total floor area.

*3 Certain specifications in the design drawings (perspective drawings, conceptual diagrams) may differ from the actual completed buildings.

*4 Hulic Reit has not decided on the acquisition of the properties indicated above (except those that have already been acquired) as of the date this document was prepared.

1 Promote Leasing of Space that Have Been or Are Scheduled to Be Vacated

- We aim to increase rent revenues by swiftly leasing at appropriate rent level for (expected) vacant space in Hulic Kamiyacho Building and the Hulic Kanda Building

(Hulic Kamiyacho Building)



	End of 2nd Fiscal Period (Feb. 28, 2015)	End of 3rd Fiscal Period (Aug. 31, 2015)	End of 4th Fiscal Period (forecast) (Feb. 29, 2016)
Occupancy rate	96.4%	86.8%	88.5%
Vacant space *1	Approx. 1,130 m ²	Approx. 4,240 m ²	Approx. 3,750 m ²

- On October 1, 2015, a new tenant occupied approximately 1,130 m² that had been vacant for a period of time
- Aiming for the early leasing of approximately 3,107 m² (one floor) that is vacant and two blocks totaling approximately 1,360 m² on which we have received termination notices
- As it is uncommon to find approximately 3,105 m² available in a single block, we have received multiple requests to view the property

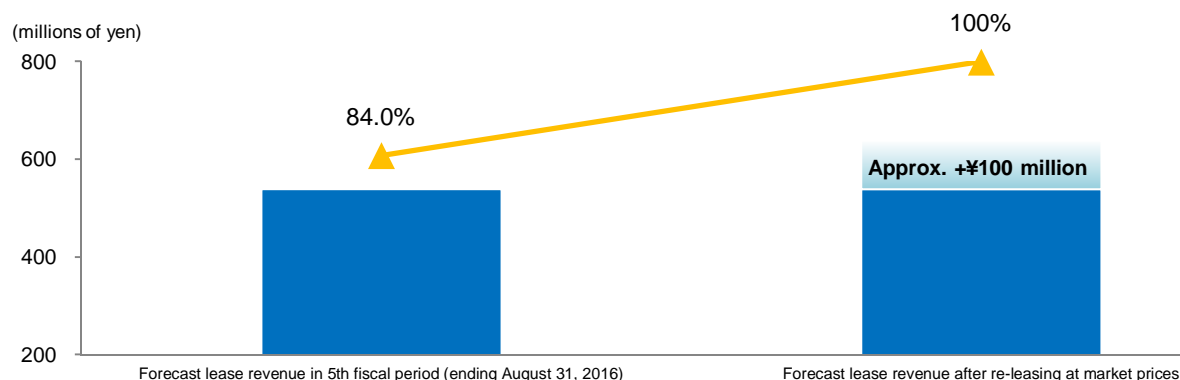
(Hulic Kanda Building)



	End of 2nd Fiscal Period (Feb. 28, 2015)	End of 3rd Fiscal Period (Aug. 31, 2015)	End of 4th Fiscal Period (forecast) (Feb. 29, 2016)
Occupancy rate	100%	64.1%	76.1% (As of results announcement date, 93.6%)
Vacant space	0m ²	Approx. 1,335m ²	Approx. 890m ²

- Completed the leasing of approximately 1,335 m² (three floors) that had been vacated with little down time
- Aiming for the early leasing of approximately 890 m² (two floors) on which we have received cancellation notices
- Spaces can be adjusted to meet diverse leasing needs, including the division of floors

The effect of forecast increase in rent revenue*2 for re-leasing the two properties



- Increase in lease revenue by re-leasing at market prices
- Forecast lease revenue on two target properties
- Forecast occupancy rate at two target properties

The effect of the forecast increase in rent revenue is based on trial calculations of leasing at market rents for the above two properties that are vacant or scheduled to become vacant.

As these figures are subject to conditions on leasing agreements with new tenants, actual figures may differ; these figures do not represent promised results.

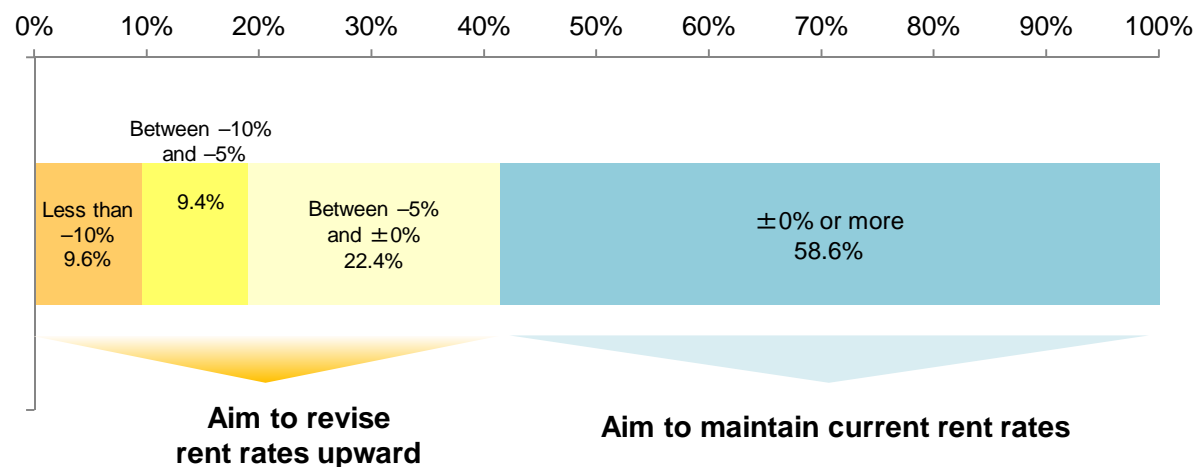
In addition, figures assume no changes in rents on areas tenanted as of the date these financial results were announced.

*1 Vacant space indicates figures for buildings as a whole.

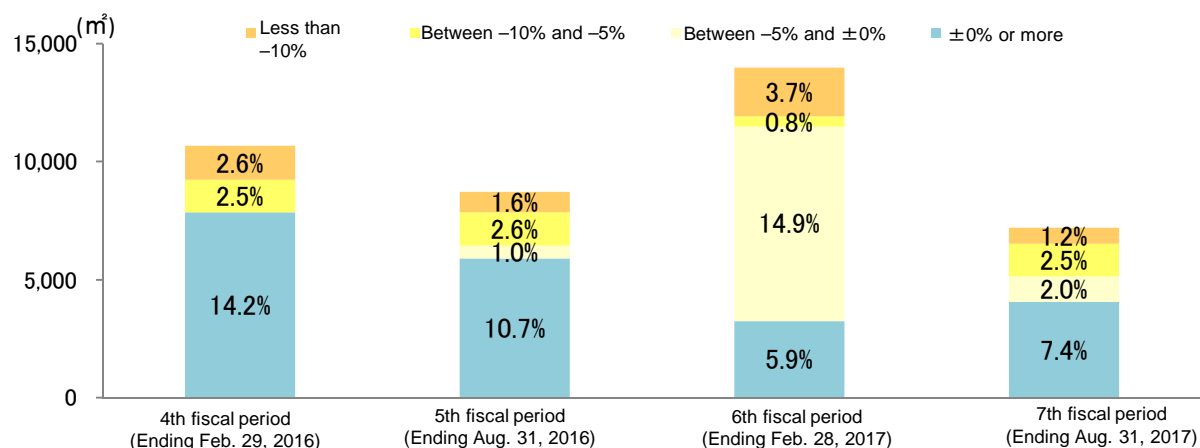
*2 The effect of forecast increase in rent revenue is not included in the forecast of performance for the 5th fiscal period announced on October 13, 2015.

2 Negotiate Appropriate Rent Rates

- Concentrate on raising rent rates for office tenants whose rent rates are below market level (approximately 40%)



Divergence from office market levels and lease renewal schedule



*1 Market price levels are calculated on a trial basis by the asset management company and may differ from announced market price levels.

*2 Ratios are in comparison to the total leasable space in office properties within Hulic Reit's portfolio. Figures exclude land, first-floor offices and basement-level shops and spaces jointly used as dwellings.



V. Appendix

1. Statements of Income

(unit: thousands of yen)

	2nd fiscal period (Feb.2015)	3rd fiscal period (Aug. 2015)	Difference (3rd fiscal period – 2nd fiscal period)
Operating revenues			
Rent revenue	3,885,802	4,522,097	636,294
Other lease business revenues	168,867	191,800	22,932
Total operating revenue	4,054,670	4,713,897	659,226
Operating expenses			
Expenses related to rent business	943,792	1,551,508	607,715
Asset management fee	343,190	393,028	49,838
Asset custody fee	6,711	9,225	2,513
Administrative service fees	22,212	29,993	7,780
Directors' compensation	6,000	6,000	0
Other operating expenses	75,784	98,098	22,313
Total operating expenses	1,397,692	2,087,854	690,162
Operating income	2,656,978	2,626,043	-30,935
Non-operating income			
Interest income	536	566	29
Interest on refund	1,137	47	-1,089
Total non-operating income	1,673	613	-1,060
Non-operating expenses			
Interest expenses	163,883	246,862	82,979
Borrowing-related expenses	61,670	74,798	13,127
Investment unit issuance costs	146,891	0	-146,891
Interest expenses on investment corporation	0	51	51
Amortization of investment corporation bond	0	5	5
Total non-operating expenses	372,444	321,718	-50,726
Ordinary income	2,286,207	2,304,939	18,731
Income before income taxes	2,286,207	2,304,939	18,731
Income taxes – current	935	942	6
Income taxes – deferred	11	0	-10
Income taxes	946	942	-3
Net income	2,285,261	2,303,996	18,735
Retained earnings brought forward	98	154	55
Unappropriated retained earnings	2,285,360	2,304,150	18,790

Note: Amounts less than ¥ have been rounded off.

	(unit: thousands of yen)		
	End of 2nd FY Feb. 28, 2015	3rd Fiscal Year Aug. 31, 2015	Difference (3rd fiscal period – 2nd fiscal period)
Assets			
Current assets			
Cash and deposits	3,297,438	4,394,069	1,096,630
Cash and deposits in trust	3,473,427	3,716,473	243,046
Operating accounts receivable	8,235	20,029	11,794
Prepaid expenses	25,064	37,320	12,256
Deferred tax assets	16	15	0
Consumption taxes receivable	959,201	0	-959,201
Other	29,545	612	-28,933
Total current assets	7,792,928	8,168,520	375,591
Non-current assets			
Property, plant and equipment			
Buildings in trust	32,624,054	34,830,610	2,206,555
Accumulated depreciation	-712,768	-1,200,450	-487,681
Buildings in trust, net	31,911,285	33,630,159	1,718,873
Structures in trust	234,805	242,484	7,679
Accumulated depreciation	-16,668	-26,304	-9,635
Structures in trust, net	218,136	216,180	-1,956
Machinery and equipment in trust	126,816	142,234	15,417
Accumulated depreciation	-10,239	-18,938	-8,698
Machinery and equipment in trust, net	116,577	123,296	6,718
Tools, furniture and fixtures in trust	8,514	9,113	598
Accumulated depreciation	-543	-1,268	-725
Tools, furniture and fixtures in trust, net	7,971	7,844	-126
Land in trust	108,787,109	115,124,682	6,337,573
Total property, plant and equipment	141,041,081	149,102,164	8,061,083
Intangible assets			
Leasehold rights in trust	8,471,289	8,471,289	0
Other	8,189	7,170	-1,018
Total intangible assets	8,479,478	8,478,460	-1,018
Investments and other assets			
Lease and guarantee deposits	20,000	20,000	0
Long-term prepaid expenses	451,422	467,007	15,585
Total investments and other assets	471,422	487,007	15,585
Total non-current assets	149,991,982	158,067,631	8,075,649
Deferred assets			
Investment corporation bond issuance costs	0	19,956	19,956
Total deferred assets	0	19,956	19,956
Total assets	157,784,910	166,256,109	8,471,198

	(unit: thousands of yen)		
	End of 2nd FY Feb. 28, 2015	3rd Fiscal Year Aug. 31, 2015	Difference (3rd fiscal period – 2nd fiscal period)
Liabilities			
Current liabilities			
Operating accounts payable	94,633	351,800	257,167
Short-term loans payable	3,960,000	3,960,000	0
Accounts payable – other	459,545	484,714	25,169
Accrued expenses	46,983	50,023	3,039
Income taxes payable	826	827	1
Accrued consumption taxes	0	50,934	50,934
Advances received	729,959	806,762	76,802
Deposits received	4,722	40	-4,681
Total current liabilities	5,296,670	5,705,103	408,432
Non-current liabilities			
Investment corporation bond	0	2,000,000	2,000,000
Long-term loans payable	56,740,000	62,510,000	5,770,000
Tenant leasehold and security deposits in trust	6,845,840	7,119,816	273,975
Total non-current liabilities	63,585,840	71,629,816	8,043,975
Total liabilities	68,882,510	77,334,919	8,452,408
Net assets			
Unitholders' equity			
Unitholders' capital	86,617,040	86,617,040	0
Surplus			
Unappropriated retained earnings (undisposed loss)	2,285,360	2,304,150	18,790
Total surplus	2,285,360	2,304,150	18,790
Total unitholders' equity	88,902,400	88,921,190	18,790
Total net assets	88,902,400	88,921,190	18,790
Total liabilities and net assets	157,784,910	166,256,109	8,471,198

Note: Amounts less than ¥ have been rounded off.

3. Portfolio Properties (Tokyo commercial properties)

30

Property No.	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	One minute from Kamiyacho Station, Tokyo Metro Hibiya Line	One minute from Kudanshita Station, Tokyo Metro Tozai Line, etc.	One minute from Toranomon Station, Tokyo Metro Ginza Line	Directly connected to Roppongi Station, Tokyo Metro Hibiya Line, etc.
Acquisition price	¥20,100 million	¥11,100 million	¥8,623 million	¥5,160 million
Appraisal NOI yield*1	4.5%	4.2%	4.3%	4.9%
Completion of construction	Apr. 1985	—	Aug. 2010	Aug. 1997
Structures and Construction	SRC/S, B2/11F	—	S/RC, B2/12F	SRC/RC, B2/10F
Total leasable area*2	12,991.85m ²	3,351.07m ²	5,689.97m ²	5,875.17m ²
Occupancy rate*3	86.8%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located near Kamiyacho Station ➢ Has total floor area approximately 40,990 m², with space of typical floor more than 2,975 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 Mejiro Dori near Kudanshita Station ➢ Kudanshita Station served by several subway lines—Tokyo Metro's Tozai and Hanzomon lines and the Toei Shinjuku Line ➢ A rare office building located 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 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 subway line ➢ One of few relatively large buildings in an area with numerous smaller properties




*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

3. Portfolio Properties (Tokyo commercial properties)

31

Property No.	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	Kakigaracho, Chuo Ward, Tokyo
Nearest station	Six minutes from Takadanobaba Station, JR Yamanote Line and Tokyo Metro Tozai Line, etc	One minute from Kanda Station, Tokyo Metro Ginza Line	Three minutes from Otemachi Station, Tokyo Metro Chiyoda Line, etc.	Two minutes 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	5.1%	4.8%	4.6%	5.7%
Completion of construction	Nov. 1993	Sep. 2008	Jan. 2001	Mar. 1993
Structures and Construction	SRC, B1/8F	RC, 9F	S/RC, B1/10F	SRC, B1/9F
Total leasable area*2	5,369.71m ²	3,728.36m ²	2,566.95m ²	2,858.48m ²
Occupancy rate*3	100.0%	64.1%	100.0%	100.0%
Feature of properties	<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 uses appraisal value as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

3. Portfolio Properties (Tokyo commercial properties)

32

Property No.	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	Nishi Ikebukuro, Toshima Ward, Tokyo
Nearest station	Directly connected to Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line	Two minutes from Shin-Okachimachi Station, Toei Oedo Line and Tsukuba Express Line	Five minutes from Daitabashi Station, Keio Line	Three minutes from Ikebukuro Station, JR Yamanote Line, Tokyo Metro Marunouchi Line
Acquisition price	¥22,854 million	¥2,670 million	¥2,100 million	¥1,580 million
Appraisal NOI yield*1	3.9%	4.9%	5.3%	5.2%
Completion of construction	Feb, 2013	Jul. 1988	Dec. 1991	Oct. 1990
Structures and Construction	S, B2/23F	SRC, 8F	SRC/S, B1/8F	S/SRC/RC, B3/14F
Total leasable area*2	8,341.22m ²	3,262.09m ²	3,611.49m ²	1,429.74m ²
Occupancy rate*3	96.1%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located along Hongo Dori and directly connected to Shin-Ochanomizu Station ➢ Within a 10-minute walk of five stations served by nine lines ➢ A relatively new, high-spec, large-scale, multipurpose building with mega-floors featuring open designs free of structural support pillars with 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 ➢ Provides relatively large scale in an area populated by numerous small-scale 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 ➢ Provides relatively large scale in an area populated by numerous small-scale properties




*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

3. Portfolio Properties (Tokyo commercial properties)

33

Property No.	OF-13	RE-01	RE-02	RE-03
Property name	Gate City Ohsaki	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)	Dining Square Akihabara Building
Photograph of property				
Location	Osaki, Shinagawa Ward, Tokyo	Higashi-Oi, Shinagawa Ward, Tokyo		Kandasakumacho, Chiyoda Ward, Tokyo
Nearest station	One minute from Osaki Station, JR Yamanote, Rinkai Lines, etc.	One minute from Oimachi Station, JR Keihin-Tohoku and Tokaido Main Lines		One minute from Akihabara Station, JR Yamanote, Keihin-Tohoku, and, Sobu Lines
Acquisition price	¥4,370 million	¥9,456 million	¥6,166 million	¥3,200 million
Appraisal NOI yield*1	4.4%	5.8%	5.9%	4.9%
Completion of construction	(Office and commercial building) Jan. 1999 (Residential building) Dec. 1998	Sep. 1989	Sep. 1989	Jun. 1993
Structures and Construction	(Office and commercial building) S/RC/SRC, B4/24F (Residential building) SRC/RC, B2/20F	SRC, B2/8F	SRC, B3/10F	RC, B2/9F
Total leasable area*2	3,835.78m ²	14,485.66m ²	10,612.67m ²	2,169.41m ²
Occupancy rate*3	100.0%	100.0%	100.0%	100.0%
Feature of properties	<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 305,455 m² ➢ Extensive high-end features in common spaces, as well 	<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 two buildings—No. 1 and No. 2—and part of the property occupied by a food supermarket, conveniently meeting the lifestyle needs of station users and local residents 	<ul style="list-style-type: none"> ➢ Located near Akihabara Station ➢ Akihabara Station served by three JR lines, Tokyo Metro Hibiya Line, Tsukuba Express, etc. ➢ Leased in full to one of Japan's leading karaoke companies (food and beverage establishment on middle and lower floors) 	

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

Property No.	RE-04	RE-05	RE-06
Property name	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
Photograph of property			
Location	Jingumae, Shibuya Ward, Tokyo	Shinjuku, Shinjuku Ward, Tokyo	Yamashita-cho, Naka Ward, Yokohama City, Kanagawa Prefecture
Nearest station	Seven minutes from Meiji Jingumae Station, Tokyo Metro Chiyoda and Fukutoshin Lines	One minute from Shinjuku 3-Chome Station, Tokyo Metro Marunouchi Line, etc.	One minute from Motomachi-Chukagai Station, Yokohama Minatomirai Railway Minatomirai Line
Acquisition price	¥2,660 million	¥5,550 million	¥4,850 million
Appraisal NOI yield*1	4.7%	4.1%	5.3%
Completion of construction	Sep. 2000	Jun. 1983	Jul. 1993
Structures and Construction	RC/S, B2/6F	S/SRC/RC, B1/7F	SRC, B2/7F
Total leasable area*2	1,656.24㎡	1,351.15㎡	8,958.70㎡
Occupancy rate*3	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located along Cat Street, which is lined with fashion shops ➢ Retail stores on first and second floors, housing on the third and fourth floors, with wedding-related facilities on the fifth to seventh 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 Sancho Station ➢ Shinjuku Sancho 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 uses appraisal value as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).





Property No.	NH-01	NH-02	NH-03	NH-04
Property name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Sugunami Miyamae
Photograph of property				
Location	Matsubara, Setagaya Ward, Tokyo	Yoga, Setagaya Ward, Tokyo	Tsurumaki, Setagaya Ward, Tokyo	Miyamae, Sugunami Ward, Tokyo
Nearest station	10 minutes from Meidaimae Station, Keio Line	14 minutes from Yoga Station, Tokyu Den-en-toshi Line	13 minutes from Komazawa University Station, Tokyu Den-en-toshi Line	12 minutes 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	Sep. 2005	Sep. 2005	Aug. 2005	Apr. 2005
Structures and Construction	RC, 4F	RC, 3F	RC, 3F	RC, 3F
Total leasable area*2	5,454.48㎡	5,977.75㎡	3,700.26㎡	3,975.99㎡
Occupancy rate*3	100.0%	100.0%	100.0%	100.0%
Feature of properties	<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. (now 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 uses appraisal value as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

4. Portfolio Properties (Next Generation Assets)





Property No.	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-shi, Hiroshima Prefecture	Hatano-cho, Nagoya-shi, Atsuta Ward, Aichi Prefecture
Acquisition price	¥4,570 million	¥1,355 million	¥1,080 million	¥1,015 million
Appraisal NOI yield*1	5.1%	5.7%	6.6%	5.9%
Completion of Construction	Jan. 2001	Apr. 1998	Oct. 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	3,382.73 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 uses appraisal reports as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

4. Portfolio Properties (Next Generation Assets)

Property No.	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-shi, Nagano	Muzaigakuendai, Inzai-shi, Chiba	Kitakujonishi, Sapporo-shi, Hokkaido	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	Sep. 1994	Jun, 1995	Jan. 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 uses appraisal reports as of August 31, 2015, with amounts rounded after one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 3rd fiscal period (ended August 31, 2015). (Figures for shared properties correspond to the owned portion.)

*3 Figures are as of the end of the 3rd fiscal period (ended August 31, 2015).

5. Status of Appraisal Value by Property

(unit: millions of yen) (*1)

Name	① Acquisition price	② Book value (As of Aug. 31 2015)	③ Appraisal value (As of Aug. 31 2015)						④ Unrealized gains/losses (③-②)
			Profit price (capitalization method)	Cap rate (*)	Profit price (DCF)	Discount rate (*)	Final cap rate (*)	Appraisal firm	
Subtotal for Tokyo commercial properties (19 properties)	122,829	123,722	134,750	136,460	133,490				11,027
Subtotal for Office Properties (13 properties)	90,947	91,665	98,750	99,880	97,910	3.7%	4.1%		7,084
OF-01 Hulic Kamiyacho Building	20,100	20,150	22,000	22,600	21,800	3.7%	4.1%	DAIWA REAL ESTATE APPRAISAL	1,849
OF-02 Hulic Kudan Building (Land)	11,100	11,191	12,100	12,100	12,000	3.5%	4.0%	Japan Real Estate Institute	908
OF-03 Toranomon First Garden	8,623	8,579	9,770	9,690	9,770	3.4%	3.9%	CBRE	1,190
OF-04 Rapiros Roppongi	5,160	5,551	6,100	6,170	6,020	3.6%	4.1%	Japan Real Estate Institute	548
OF-05 Hulic Takadanobaba Building	3,900	3,898	4,170	4,070	4,210	4.3%	4.7%	DAIWA REAL ESTATE APPRAISAL	271
OF-06 Hulic Kanda Building	3,780	3,744	3,920	4,210	3,790	4.4%	4.5%	The Tanizawa Sogo Appraisal	175
OF-07 Hulic Kandabashi Building	2,500	2,492	2,630	2,660	2,620	3.9%	4.3%	DAIWA REAL ESTATE APPRAISAL	137
OF-08 Hulic Kakigaracho Building	2,210	2,224	2,620	2,600	2,630	4.7%	4.8%	The Tanizawa Sogo Appraisal	395
OF-09 Ochanomizu Sola City	22,854	22,752	24,310	24,570	24,050	3.4%	3.8%	Japan Real Estate Institute	1,557
OF-10 Hulic Higashi Ueno 1 Chome Building	2,670	2,680	2,800	2,830	2,760	4.2%	4.6%	Japan Real Estate Institute	119
OF-11 Sasazuka South Building	2,100	2,187	2,120	2,130	2,100	4.6%	5.1%	Japan Real Estate Institute	-67
OF-12 Tokyo Nishiikebukuro Building	1,580	1,643	1,710	1,730	1,690	4.5%	4.9%	Japan Real Estate Institute	66
OF-13 Gatecity Ohsaki	4,370	4,569	4,500	4,520	4,470	3.5%	4.0%	Japan Real Estate Institute	-69
Subtotal for Retail properties (6 properties)	31,882	32,057	36,000	36,580	35,580	4.4%	4.6%		3,942
RE-01 Oimachi Redevelopment Building (#2)	9,456	9,498	11,300	11,500	11,200	4.6%	4.7%	The Tanizawa Sogo Appraisal	1,801
RE-02 Oimachi Redevelopment Building (#1)	6,166	6,263	7,010	7,070	6,980	4.8%	4.9%	The Tanizawa Sogo Appraisal	746
RE-03 Dining Square Akihabara Building	3,200	3,226	3,590	3,650	3,530	4.1%	4.5%	Japan Real Estate Institute	363
RE-04 Hulic Jingu-Mae Building	2,660	2,671	3,190	3,260	3,160	3.9%	4.0%	The Tanizawa Sogo Appraisal	518
RE-05 Hulic Shinjuku 3 Chome Building	5,550	5,569	5,850	5,980	5,710	3.4%	4.0%	Japan Real Estate Institute	280
RE-06 Yokohama Yamashitacho Building	4,850	4,828	5,060	5,120	5,000	4.8%	5.2%	Japan Real Estate Institute	231
Subtotal for Next generation assets (12 properties)	33,389	33,850	37,704	37,955	37,393				3,853
Subtotal for Private nursing homes (4 properties)	14,244	14,386	17,580	17,670	17,470	4.4%	5.0%		3,193
NH-01 Aria Matsubara	3,244	3,252	4,160	4,180	4,130	4.2%	4.8%	Japan Real Estate Institute	907
NH-02 Trust Garden Yoganomori	5,390	5,425	6,570	6,600	6,530	4.5%	5.1%	Japan Real Estate Institute	1,144
NH-03 Trust Garden Sakurashinmachi	2,850	2,897	3,480	3,500	3,460	4.4%	5.0%	Japan Real Estate Institute	582
NH-04 Trust Garden Suginami Miyamae	2,760	2,811	3,370	3,390	3,350	4.4%	5.0%	Japan Real Estate Institute	558
Subtotal for Network centers (8 properties)	19,145	19,463	20,124	20,285	19,923	5.0%	5.4%		660
NW-01 Ikebukuro Network Center	4,570	4,588	5,050	5,110	4,980	4.4%	4.8%	Japan Real Estate Institute	461
NW-02 Tabata Network Center	1,355	1,366	1,530	1,550	1,510	4.8%	5.2%	Japan Real Estate Institute	163
NW-03 Hiroshima Network Center	1,080	1,082	1,190	1,200	1,180	5.7%	6.1%	Japan Real Estate Institute	107
NW-04 Atsuta Network Center	1,015	1,019	1,090	1,090	1,080	5.3%	5.7%	Japan Real Estate Institute	70
NW-05 Nagano Network Center	305	309	364	365	363	6.8%	7.2%	Japan Real Estate Institute	54
NW-06 Chiba Network Center	7,060	7,252	7,080	7,130	7,020	5.1%	5.5%	Japan Real Estate Institute	-172
NW-07 Sapporo Network Center	2,510	2,596	2,540	2,560	2,520	5.2%	5.6%	Japan Real Estate Institute	-56
NW-08 Keihanna Network Center	1,250	1,248	1,280	1,280	1,270	5.5%	5.9%	Japan Real Estate Institute	31
31 properties total	156,218	157,573	172,454	174,415	170,883				14,880

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

*2 Yields are calculated based on the weighted average of appraisal values by asset class as of August 31, 2015.

6. List of Appraisal Value by Property (Period-on-Period Comparison)

39

(unit: millions of yen) (*1)

Name	Appraisal value			Cap rate (by direct capitalization method)			Appraisal firm
	① As of Feb. 28, 2015	② As of Aug. 31, 2015	③ Change ②-①	④ As of Feb. 28, 2015 (*2)	⑤ As of Aug. 31, 2015 (*2)	⑥ Change ⑤-④	
Subtotal for Tokyo commercial properties (19 properties)	131,620	134,750	3,130				
Subtotal for Office Properties (13 properties)	96,440	98,750	2,310	4.1%	4.0%	-0.1%	
OF-01 Hulic Kamiyacho Building	21,400	22,000	600	4.0%	3.9%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-02 Hulic Kudan Building (Land)	11,900	12,100	200	4.0%	3.9%	-0.1%	Japan Real Estate Institute
OF-03 Toranomom First Garden	9,310	9,770	460	4.0%	3.8%	-0.2%	CBRE
OF-04 Rapiros Roppongi	5,910	6,100	190	4.0%	3.9%	-0.1%	Japan Real Estate Institute
OF-05 Hulic Takadanobaba Building	4,090	4,170	80	4.6%	4.5%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-06 Hulic Kanda Building	4,000	3,920	-80	4.4%	4.3%	-0.1%	The Tanizawa Sogo Appraisal
OF-07 Hulic Kandabashi Building	2,560	2,630	70	4.2%	4.1%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-08 Hulic Kakigaracho Building	2,560	2,620	60	4.7%	4.6%	-0.1%	The Tanizawa Sogo Appraisal
OF-09 Ochanomizu Sola City	23,660	24,310	650	3.8%	3.7%	-0.1%	Japan Real Estate Institute
OF-10 Hulic Higashi Ueno 1 Chome Building	2,740	2,800	60	4.5%	4.4%	-0.1%	Japan Real Estate Institute
OF-11 Sasazuka South Building	2,110	2,120	10	5.0%	4.9%	-0.1%	Japan Real Estate Institute
OF-12 Tokyo Nishiikebukuro Building	1,700	1,710	10	4.8%	4.7%	-0.1%	Japan Real Estate Institute
OF-13 Gatecity Ohsaki	4,500	4,500	0	3.9%	3.9%	0.0%	Japan Real Estate Institute
Subtotal for Retail properties (6 properties)	35,180	36,000	820	4.5%	4.4%	-0.1%	
RE-01 Oimachi Redevelopment Building (#2)	11,100	11,300	200	4.6%	4.5%	-0.1%	The Tanizawa Sogo Appraisal
RE-02 Oimachi Redevelopment Building (#1)	6,890	7,010	120	4.8%	4.7%	-0.1%	The Tanizawa Sogo Appraisal
RE-03 Dining Square Akihabara Building	3,440	3,590	150	4.5%	4.3%	-0.2%	Japan Real Estate Institute
RE-04 Hulic Jingu-Mae Building	3,130	3,190	60	3.9%	3.8%	-0.1%	The Tanizawa Sogo Appraisal
RE-05 Hulic Shinjuku 3 Chome Building	5,750	5,850	100	3.9%	3.8%	-0.1%	Japan Real Estate Institute
RE-06 Yokohama Yamashitacho Building	4,870	5,060	190	5.2%	5.0%	-0.2%	Japan Real Estate Institute
Subtotal for Next generation assets (12 properties)	36,382	37,704	1,322				
Subtotal for Private nursing homes (4 properties)	16,280	17,580	1,300	5.2%	4.8%	-0.4%	
NH-01 Aria Matsubara	3,840	4,160	320	5.0%	4.6%	-0.4%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,090	6,570	480	5.3%	4.9%	-0.4%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,230	3,480	250	5.2%	4.8%	-0.4%	Japan Real Estate Institute
NH-04 Trust Garden Suginami Miyamae	3,120	3,370	250	5.2%	4.8%	-0.4%	Japan Real Estate Institute
Subtotal for Network centers (8 properties)	20,102	20,124	22	5.2%	5.2%	0.0%	
NW-01 Ikebukuro Network Center	5,050	5,050	0	4.6%	4.6%	0.0%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,530	1,530	0	5.0%	5.0%	0.0%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,190	1,190	0	5.9%	5.9%	0.0%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,080	1,090	10	5.5%	5.5%	0.0%	Japan Real Estate Institute
NW-05 Nagano Network Center	362	364	2	7.0%	7.0%	0.0%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,080	7,080	0	5.3%	5.3%	0.0%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,530	2,540	10	5.4%	5.4%	0.0%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,280	1,280	0	5.7%	5.7%	0.0%	Japan Real Estate Institute
31 properties total	168,002	172,454	4,452				

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

*2 Yields are calculated based on the weighted average of appraisal values by asset class as of August 31, 2015.

7. Rent Revenue and Expenditures by Property

40

(unit: thousands of yen) (*1)

Propertie No.	OF-01	OF-02	OF-03	OF-04	OF-05	OF-06	OF-07	OF-08	OF-09	OF-10
Property name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building
Operation date	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days
Lease business revenue	526,490	265,002	279,710	216,791	174,249	121,393	72,523	105,614	*2	91,239
Rent revenue	486,948	265,002	264,286	197,361	154,394	115,037	65,352	94,615	*2	80,778
Other revenue	39,542	0	15,424	19,430	19,855	6,355	7,171	10,999	*2	10,460
Lease business expenses	145,562	32,134	120,309	118,149	64,694	71,536	40,820	41,394	*2	38,202
Management consignment expenses	40,764	1,325	4,775	4,008	15,412	7,107	5,554	12,845	*2	13,657
Utilities expenses	28,856	0	13,228	19,891	13,462	6,184	6,414	8,097	*2	7,951
Taxes and public dues	28,458	30,237	32,847	34,678	12,800	4,251	8,922	9,166	*2	7,264
Insurance expenses	548	66	334	728	309	142	111	142	*2	149
Repair expenses	12,255	0	45	0	2,322	4,136	2,094	2,404	*2	439
Depreciation	27,952	0	43,060	10,361	18,858	19,415	14,104	7,497	*2	7,498
Other expenses related to rent business	6,727	506	26,017	48,482	1,528	30,298	3,617	1,239	*2	1,241
Income (loss) from lease business	380,928	232,867	159,400	98,642	109,555	49,856	31,702	64,220	*2	53,036
NOI	408,880	232,867	202,461	109,003	128,414	69,272	45,807	71,717	395,918	60,535

Propertie No.	OF-11	OF-12	OF-13	RE-01	RE-02	RE-03	RE-04	RE-05	RE-06
Property name	Sasazuka South Building	Tokyo Nishihibukuro Building	Gatecity Ohsaki	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
Operation date	176 days	154 days	138 days	184 days	184 days	184 days	184 days	184 days	184 days
Lease business revenue	83,125	46,316	102,651	312,000	218,931	*2	85,323	153,729	*2
Rent revenue	74,332	45,410	98,324	312,000	218,931	*2	78,794	145,443	*2
Other revenue	8,792	905	4,326	0	0	*2	6,529	8,285	*2
Lease business expenses	29,450	14,503	48,003	60,466	63,693	*2	21,893	38,140	*2
Management consignment expenses	1,201	8,177	350	6,240	4,378	*2	3,156	4,902	*2
Utilities expenses	7,680	0	4,177	0	0	*2	6,178	6,249	*2
Taxes and public dues	0	0	0	29,923	32,938	*2	5,205	685	*2
Insurance expenses	64	100	226	399	1,663	*2	77	75	*2
Repair expenses	526	0	100	0	2,857	*2	943	1,550	*2
Depreciation	7,063	4,719	11,660	23,398	13,880	*2	5,789	2,502	*2
Other expenses related to rent business	12,914	1,505	31,488	505	7,974	*2	541	22,174	*2
Income (loss) from lease business	53,674	31,813	54,647	251,533	155,237	*2	63,429	115,588	*2
NOI	60,738	36,532	66,308	274,932	169,118	78,714	69,219	118,091	126,658

*1 All amounts are rounded off below ¥1,000.

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

7. Rent Revenue and Expenditures by Property

(unit: thousands of yen) (*1)

Propertie No.	NH-01	NH-02	NH-03	NH-04	NW-01	NW-02	NW-03	NW-04	NW-05	NW-06
Propertie name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Sugunami Miyamae	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center	Chiba Network Center
Operation date	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days
Lease business revenue	*2	*2	*2	*2	135,600	45,088	43,845	36,743	17,587	223,633
Rent revenue	*2	*2	*2	*2	135,600	45,088	43,845	36,743	17,587	223,633
Other revenue	*2	*2	*2	*2	0	0	0	0	0	0
Lease business expenses	*2	*2	*2	*2	29,051	9,676	14,703	11,371	9,013	76,987
Management consignment expenses	*2	*2	*2	*2	960	728	1,341	960	884	1,800
Utilities expenses	*2	*2	*2	*2	0	0	0	0	0	0
Taxes and public dues	*2	*2	*2	*2	15,658	4,744	5,589	4,867	2,425	30,565
Insurance expenses	*2	*2	*2	*2	209	66	104	78	52	367
Repair expenses	*2	*2	*2	*2	0	780	1,300	219	2,860	0
Depreciation	*2	*2	*2	*2	11,717	2,852	5,862	4,740	2,284	43,748
Other expenses related to rent business	*2	*2	*2	*2	505	505	505	505	505	505
Income (loss) from lease business	*2	*2	*2	*2	106,549	35,412	29,141	25,371	8,574	146,645
NOI	96,337	157,728	84,091	81,397	118,266	38,264	35,004	30,112	10,858	190,394

Propertie No.	NW-07	NW-08
Propertie name	Sapporo Network Center	Keihanna Network Center
Operation date	184 days	184 days
Lease business revenue	83,706	47,047
Rent revenue	83,706	47,047
Other revenue	0	0
Lease business expenses	27,388	18,028
Management consignment expenses	849	1,200
Utilities expenses	0	0
Taxes and public dues	12,679	8,520
Insurance expenses	143	151
Repair expenses	4,179	536
Depreciation	9,030	7,113
Other expenses related to rent business	505	505
Income (loss) from lease business	56,318	29,019
NOI	65,348	36,133

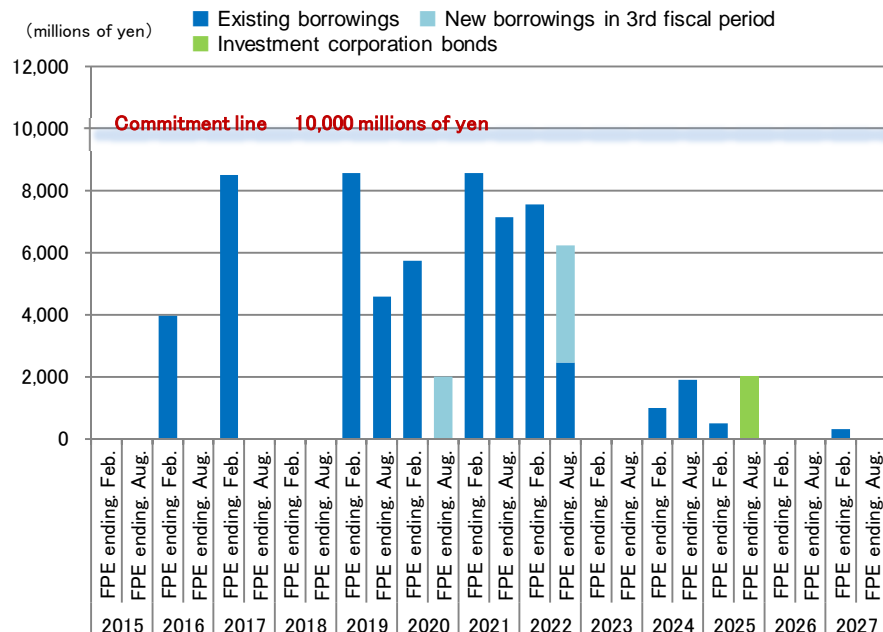
*1 All amounts are rounded off below ¥1,000.

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

1 Key Financial Indicators

	End of First Fiscal Period (Aug. 31, 2014)	End of 2nd Fiscal Period (Feb. 28, 2015)	End of 3rd Fiscal Period (Aug. 31, 2015)
Total interest-bearing debt	¥33,000 million	¥60,700 million	¥68,470 million
Long-term debt ratio*1	88.0%	93.5%	94.2%
average interest rate*1	0.85%	0.77%	0.77%
average interest rate*1 (including upfront fee)	0.98%	0.91%	0.91%
Average remaining life of borrowings*1	4.4 years	5.1 years	4.9 years

2 Diversification of Repayment Dates*2



3 Lender Formation*2

Lender	Percentage
Mizuho Bank, Ltd	29.1%
Sumitomo Mitsui Banking Corporation	23.1%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12.3%
Mizuho Trust & Banking Co., Ltd.	9.5%
Development Bank of Japan Inc.	7.2%
Sumitomo Mitsui Trust Bank, Limited	7.2%
The Norinchukin Bank	7.2%
Resona Bank, Ltd.	2.2%
Shinkin Central Bank	0.8%
Aozora Bank, Ltd.	0.8%
Shinsei Bank, Limited	0.8%

4 Commitment Line

Financial Institution	Set Amount	Term
Mizuho Bank, Ltd	¥10 billion	Feb. 7, 2016
Sumitomo Mitsui Banking Corporation		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		

*1 Figures for the long-term debt ratio and average remaining life of borrowings are rounded after the first decimal place. Figures for average interest rates are rounded after the second decimal place.

*2 As of the end of the 3rd fiscal period (August 31, 2015)

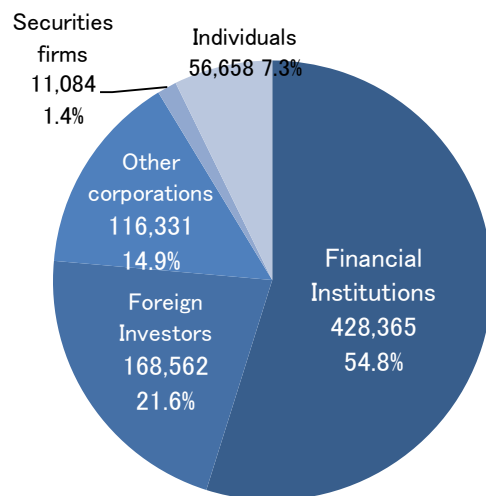
	End-tenant	Property name	Total leased area (m ²)* ¹	Ratio of total leased area (%) ^{*1*2}	Lease expiration ^{*1}	Lease structure ^{*1}
1	SoftBank Corp.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center Chiba Network Center Sapporo Network Center Keihanna Network Center	71,373.66	37.7	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)	28,449.40	15.0	February 6, 2063 February 6, 2019 September 27, 2017	Fixed term tenant lease agreement for business General building lease agreement General building lease agreement
3	Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae	13,654.00	7.2	January 24, 2028	General building lease agreement
4	Barneys Japan Co., Ltd.	Yokohama Yamashitacho Building	8,958.70	4.7	—* ³	—* ³
5	Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	2.9	September 30, 2030	General building lease agreement
6	Mitsui Fudosan Co., Ltd.	Gate City Ohsaki	3,527.58	1.9	January 5, 2019	General building lease agreement
7	J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.6	November 30, 2016	General building lease agreement
8	Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	2,728.95	1.4	—* ³	Fixed term lease agreement
9	Oki Electric Industry Co., Ltd.	Toranomon First Garden	2,441.64	1.3	February 28, 2017	General building lease agreement
10	Mizuho Securities Co., Ltd.	Ochanomizu Sola City	2,197.68	1.2	—* ³	Fixed term lease agreement

*1 Information is as of the end of the 3rd fiscal period (August 31, 2015).

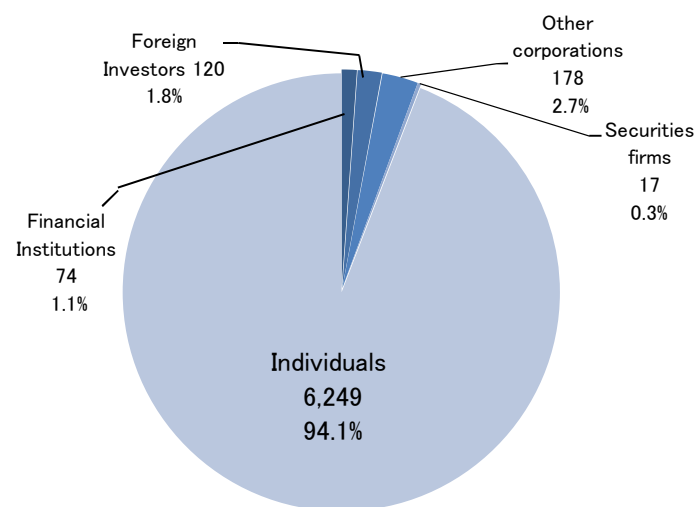
*2 Ratios of total leased area are rounded after the first decimal place.

*3 Not disclosed because approval not obtained from the end tenant

1 Number of Investment Units held by Unitholder Type ^{*1}



2 Number of Uniholders by Type ^{*1}



3 Largest Top 10 Unitholders ^{*2}

	Name	Number of units held	Ratio of total units ^{*3}
1	Japan Trustee Services Bank, Ltd. (Trust account)	173,077	22.16%
2	The Master Trust Bank of Japan, Ltd. (Trust account)	94,833	12.14%
3	Hulic Co., Ltd.	93,720	12.00%
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	73,442	9.40%
5	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	29,933	3.83%
6	NOMURA BANK(LUXEMBOURG)S.A.	29,138	3.73%
7	STATE STREET BANK AND TRUST COMPANY	16,281	2.08%
8	STATE STREET BANK AND TRUST COMPANY 505223	14,559	1.86%
9	BARCLAYS BANK PLC A/C CLIENT SEGREGATED A/C PB CAYMAN CLIENTS	10,329	1.32%
10	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	8,138	1.04%

^{*1} Ratios are rounded after the first decimal place.

^{*2} Data is based on the unitholder registry as of the end of the 3rd fiscal period (August 31, 2015).

^{*3} Amounts are rounded after two decimal places.

1 Basic Missions

(1) Maximizing Unitholder Value in the Medium to Long Term

Our aim at Hulic Reit, Inc. is to make a contribution that benefits unitholders, tenants, and all other stakeholders. To this end, we are working to maximize unitholder value by maintaining and increasing income in the medium to long term and achieving 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."

2 Portfolio Building Policy

TOKYO COMMERCIAL PROPERTIES

Office properties

Retail properties

Hulic Reit has identified the Tokyo commercial property market as a target for focused investment. This area, consisting of assets in commercial real estate, is one where Hulic has a strong operational track record and highly developed expertise. This area accounts for about 80% of our portfolio.

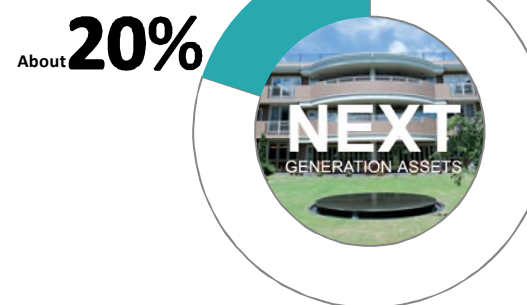


NEXT GENERATION ASSETS

Private nursing homes

Network centers

Initiatives designed to achieve high levels of amenity and security in the society of the future are expected to expand infrastructural demand. Drawing on the expertise built up by Hulic in tenant management and other relevant areas, we allocate about 20% of our investment portfolio to next generation assets, where we believe risk can be managed appropriately and attractive revenues secured.

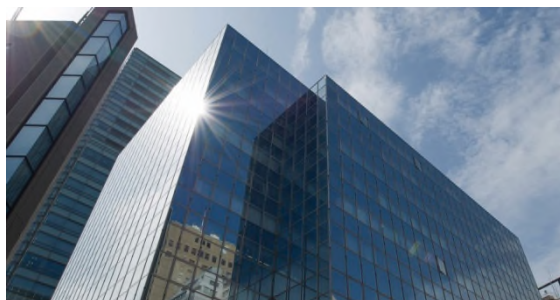


1 Investment Policy

- Hulic Reit focuses on Tokyo Commercial Properties for which its sponsor Hulic offers extensive expertise and experience. 80% of its portfolio consists of this asset class.



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

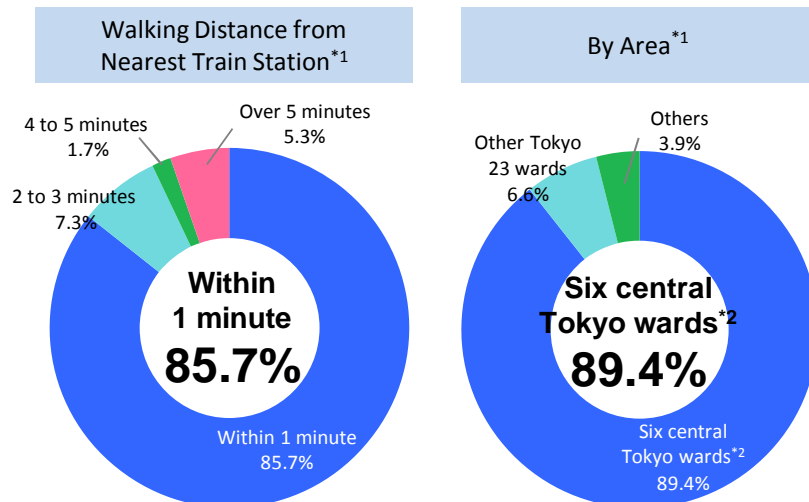


- Tokyo and suburbs
- Less than 5-minute walk from nearest station or located in area with high retail concentration (in principle)



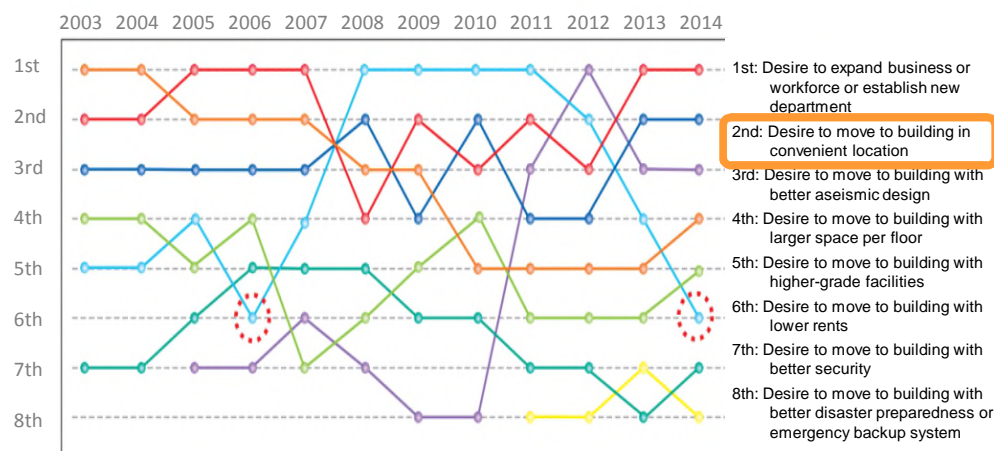
2 Rigorous Focus on Location: Superior Nature of Great Location

(1) Portfolio



(2) Tenant Leasing Needs

Office tenants tend to prefer buildings that are conveniently located.



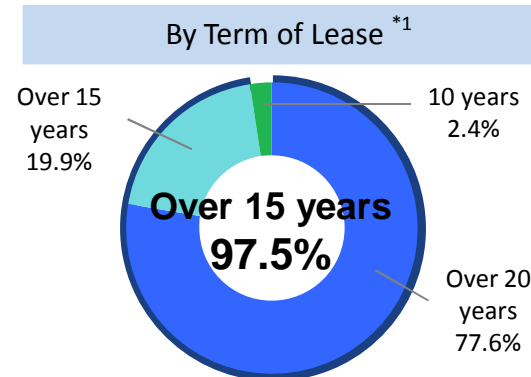
Source: Mori Building "2014 Survey on Office Needs in Tokyo's 23 Wards"

*1 Ratios are based on acquisition prices for the portfolio as of the end of the 3rd fiscal period (August 31, 2015).

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

1 Investment Policy

1. Invest in assets for which strong future demand is expected given increasing needs in society
2. Only facilities with a single tenant on long-term lease agreement
3. Carefully evaluate operational capabilities of tenant, in addition to due diligence on the tenant's business and finances
4. Current asset classes are private nursing homes and network centers

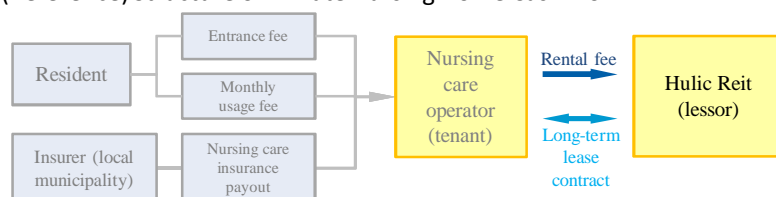


2 Private Nursing Homes



1. Private nursing homes with lease usage rights that provide services to seniors in need of nursing care
2. Initial lease term of at least 20 years per the guidelines of the MHLW ^{*2}
3. Acquired assets with high entrance fee and monthly usage fees at the time of the IPO in order to avoid risk of changes in nursing care insurance payout

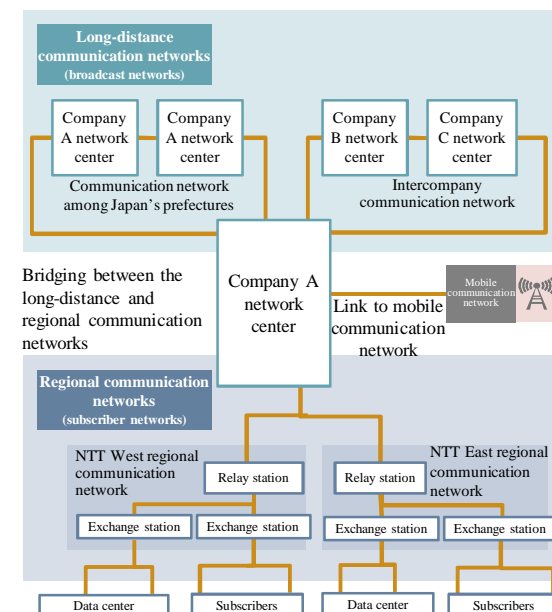
(Reference) Structure of Private Nursing Home Cash Flow



3 Network Centers



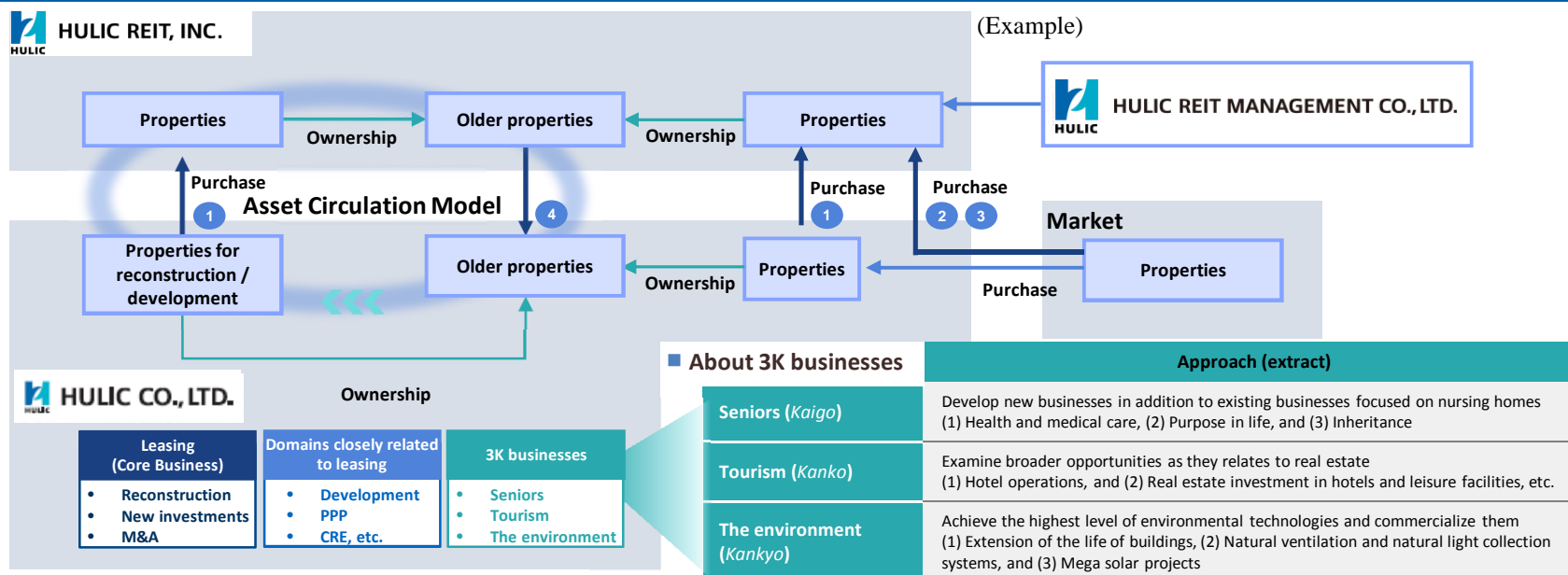
1. Relay station connected to telecom network of tenant
2. Connects network center of telecom provider
3. Leased by the SoftBank Group



^{*1} Ratios are based on leased areas for the portfolio as of the end of the 3rd fiscal period (August 31, 2015).

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

1 Main Support Received from Sponsor (Asset Circulation Model)



(1) Re-development Support (Example ④)

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.

(2) Provision of warehousing function (Example ③)

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.

(3) Preferential negotiation rights (Example ①)

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.

(4) Provision of sales information on properties owned by third parties (Example ②)

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

Results

Reconstruction and development			
Principal Use	Completed	Classification	Property name
Office properties	2009	Reconstruction	Hulic Hachioji Building
	2010	Reconstruction	Hulic Ryogoku Building Toranomon First Garden Acquired
	2011	Reconstruction	Hulic Kojimachi Building
	2012	Reconstruction	Hulic Ginza Suiyabashi Building Hulic Ogikubo Building
	2012	Reconstruction	Hulic Komagome Building Hulic Head Office Building
	2013	Development	Hulic Asakusabashi Building Ochanomizu Sola City Acquired Nagatacho Hokkaido Square
	2014	Reconstruction	Hulic Shinjuku Building
Retail properties	2015	Development	Shinagawa season terrace Hulic Toranomon Building
	2009	Reconstruction	Sendai First Tower (commercial wing, atrium)
	2010	Reconstruction	Kisarazu Home Center
	2012	Reconstruction	Hulic Shibuya No.2 Building
Hotels	2015	Reconstruction	Gracia Chofu
	2012	Reconstruction	Hulic Kaminarimon Building
Private nursing homes	2005	Reconstruction	Aria Matsubara Acquired
	2011	Reconstruction	Granda Omori Sannou
	2012	Reconstruction	Aristage Kyodo
	2013	Reconstruction	Sunny Life Funabashi Granda Gakugeidaigaku Aria Yoyogiuehara Hospitalment Musashino
	2014	Reconstruction	Charm Suite Shakujii-park Sunny Life Tokyo Shinjuku
	2015	Reconstruction	Charm Suite Shinjuku Toyama
Senior housing	2012	Reconstruction	Iris Garden Kita Urawa
Hospital	2015	Development	Shin-Sapporo Houwa Hospital

New investments (since 2012)			
Principal Use	Completed	Property name	
Office properties	2012	Hulic Ginza 7 Chome Building	
	2013	Rapiros Roppongi Acquired	Hulic Kamiyacho Building Acquired
	2015	Hulic Ginza 1-Chome Building	Hulic Nihonbashi-Honcho Building
		Hulic Kinshicho Building	Hatchobori Offices 3 properties
		CTS Kojimachi Building	Nihonbashi C&I Building
		Ginza Wall Building	
Retail properties	2013	Hulic Shinjuku 3 Chome Building Acquired	Victoria Wardrobe Jimbocho
		Hulic Jingu-Mae Building Acquired	Hulic Shibuya Udagawacho Building
	2014	Tsurumi Fuga 1	Yokohama Yamashitacho Building Acquired

Principal Use	Planned to be completed	Property name	
Retail properties	2015	G10	Tokyu Hands Ikebukuro
		Ikebukuro GIGO	Udagawacho Sigma No. 5 Building
		WINS Asakusa Building	Asakusa Park Hall Building
Private 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
Network centers	2012	Ikebukuro Network Center Acquired	Tabata Network Center Acquired
		Hiroshima Network Center Acquired	Atsuta Network Center Acquired
		Nagano Network Center Acquired	
	2013	Chiba Network Center Acquired	Sapporo Network Center Acquired
	2014	Keihanna Network Center Acquired	
Hotel	2014	Hulic Ginza 2-Chome Building	Tokyo Bay Maihama Hotel Club Resort
Ryokan	2015	Hakone Suishoen	Atami Fufu

Plan

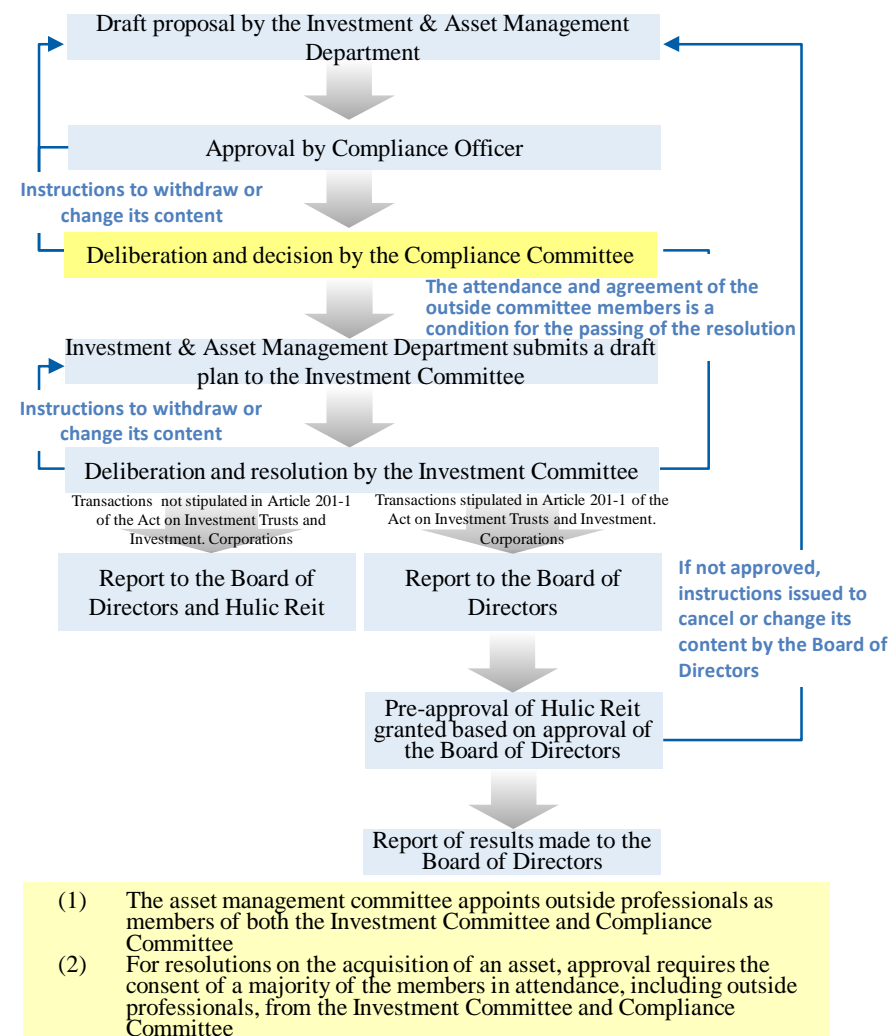
Reconstruction and development			
Principal Use	Planned to be completed	Classification	Property name
Office properties	2015	Reconstruction	Hulic Asakusabashi Edo-dori
	2018	Reconstruction	Nihonbashi 2-chome Redevelopment Project
Retail properties	2015	Reconstruction	Shimura Project (Retail building)
	2016	Development	Hulic Shibuya Inokashira-dori Building Commercial Development Project near Omori Station
	2017	Development	Kyoto Shijo-dori Project Shimbashi 2-chome Commercial development Project
			Hulic Shibuya koen-dori Building Project
	2017	Reconstruction	Kamata Project Itabashi Project
	2018	Development	(Tokyo Metro) Roppongi 7-chome Development Project
Hotel/Retail property	2018	Development	Yurakucho (New Tokyo) Development Project
Hotels	2016	Development	Sotetsu Hotel at Ginza 7 Chome Project
	2017	Development	Roppongi 3-chome Project
Ryokan	2017	Development	Kawaguchiko Fufu
Private nursing homes	2016	Development	Shibuya-Higashi 4-chome development Project
		Reconstruction	Shimura Project (nursing homes building)
	2017	Development	Former dormitory of Nippon Sport Science University/effective development Project
		Reconstruction	Chofu Project
Ossuary	2018	Development	Ossuary Project

* Hulic Reit has not decided on the acquisition of the properties indicated above (except those that have already been acquired) as of the date this document was prepared.

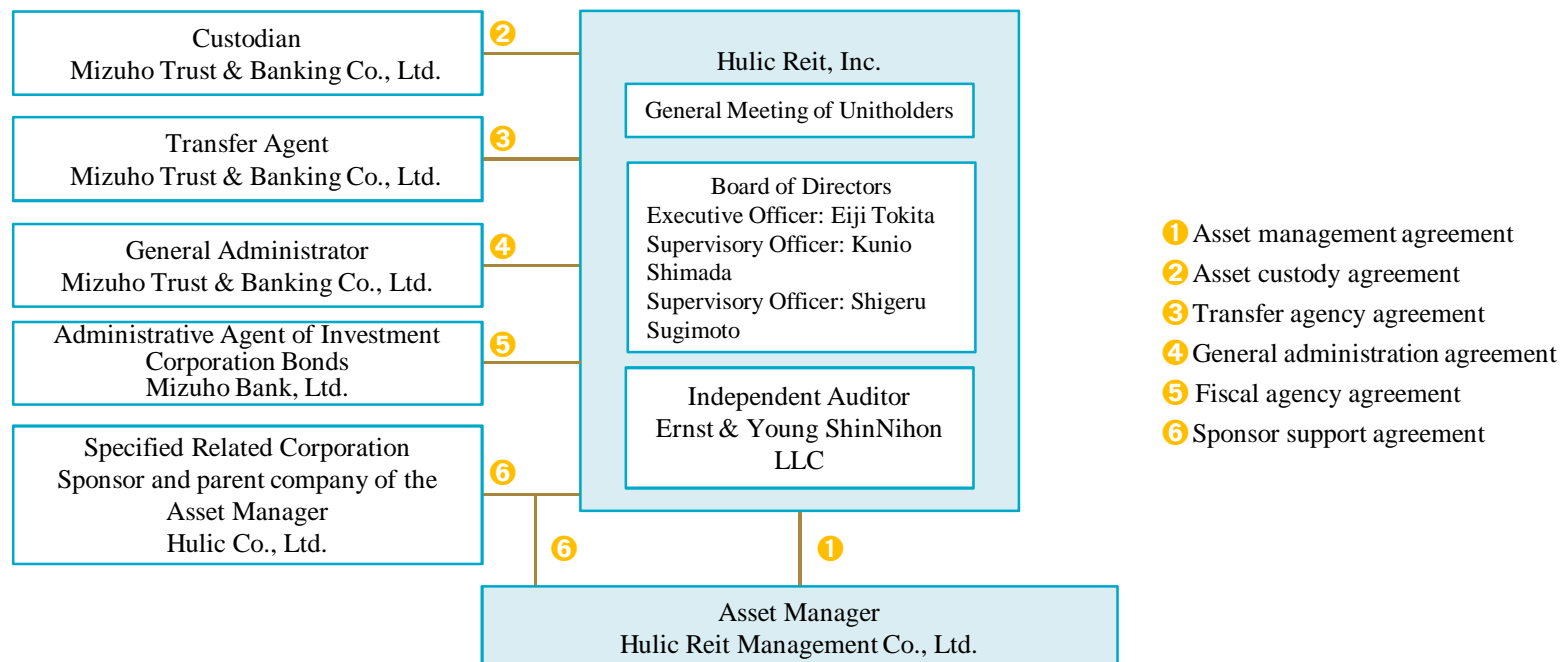
1 Align unitholders' Interests with Those of Hulic Group

Same boat investment	<ol style="list-style-type: none"> Hulic holds approximately 12.0% of Hulic Reit's issued units Under its sponsor support agreement, Hulic made the following representations to Hulic Management Co., Ltd. in respect of investment units issued by Hulic Reit. <ul style="list-style-type: none"> Hulic will consider in good faith acquiring part of any new investment units issued by Hulic Reit Continual holding of Hulic Reit's investment units
Co-ownership of certain properties with sponsor	<ol style="list-style-type: none"> It is Hulic Reit's policy to consider co-ownership with Hulic where necessary in view of the size and individual characteristics of the property. <ul style="list-style-type: none"> <Examples> Ochanomizu Sola City (quasi-co-ownership interest of approx. 13.0%) Hulic Kamiyacho Building (quasi-co-ownership interest of approx. 39.9%)
Management fee system of Asset Manager	<ol style="list-style-type: none"> Management fee I: The total value of assets at end of the immediately previous fiscal period \times 0.50% (maximum %) Management fee II: Cash distribution per investment unit (DPU) prior to deduction of management fee II \times operating income before deduction of management fee II \times 0.004% (maximum %) Acquisition fee: Acquisition price \times 1.0% (maximum %)* Transfer fee: Transfer price \times 1.0% (maximum %)* <p>* In case of a related-party transaction: Transfer price \times 0.5% (maximum %)</p>
Remuneration system for employees and officers of the Asset Manager	<ol style="list-style-type: none"> In its remuneration system for employees and officers, Hulic Management Co., Ltd. has introduced a system of incentive bonuses partially linked to DPU.

2 Decision Making Procedures of Asset Manager for Related-Party Transactions



1 Structure



2 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: 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

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This presentation contains forward-looking statements about the forecasts, outlook, targets and plans of Hulic Investment Corporation (hereinafter referred to as “HLC”). These statements are based on information available at the time this presentation was prepared and contain certain subjective assumptions about uncertain factors that may influence future performance. These statements do not guarantee future performance and actual results may vary largely.

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