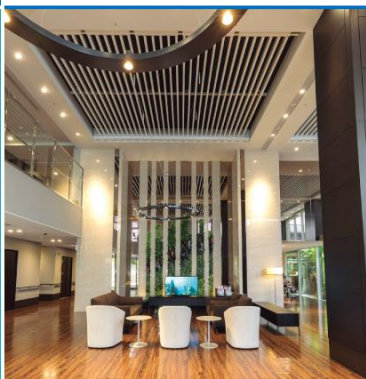




HULIC REIT, INC.

TOKYO NEXT

COMMERCIAL PROPERTIES GENERATION ASSETS

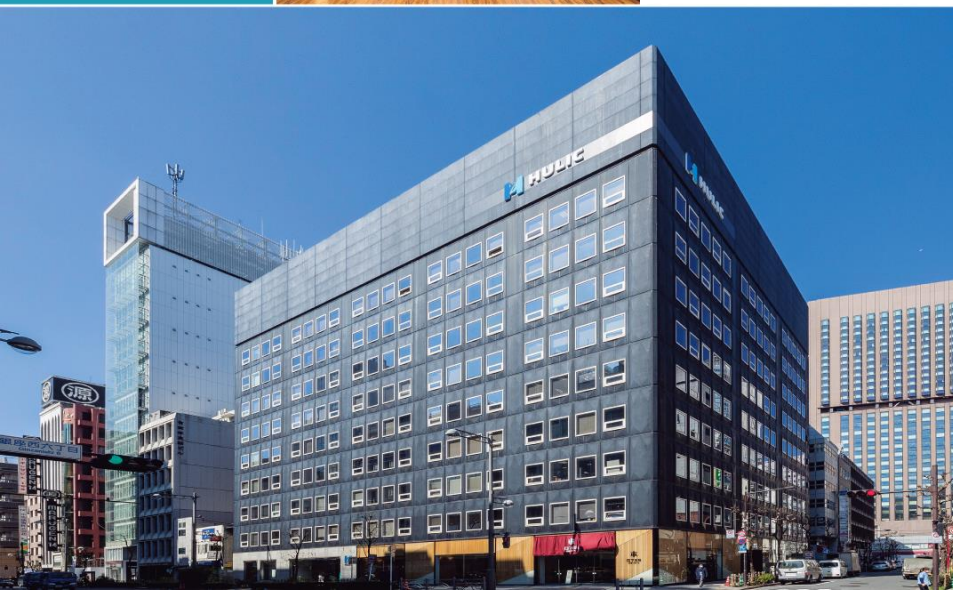


Financial Results Briefing for 9th Fiscal Period

(Fiscal Period Ended August 31, 2018)

November 21, 2018

Securities code **3295**



I . Financial Highlights

1. Update Summary	4
2. Summary of the 5th Public Offering	5
3. Portfolio Summary	6

II . Asset Management Results

1. Distribution and NAV	9
2. Results of External Growth	10
3. Results of Internal Growth	11
4. Financial Condition	14

III . Summary of Financial Results and Earnings Forecasts

1. Statements of Income	16
2. Balance Sheets	19
3. Status of Appraisal Values	20

IV . ESG Initiatives

1. Continuous ESG Initiatives	22
-------------------------------	----

V . Future Strategy

1. Strategy Framework	25
2. Internal Growth Strategy	26
3. External Growth Strategy	27
4. Sponsor-developed Projects	28

VI. Appendix

1. Statements of Income	32
2. Balance Sheets	34
3. Various Indicators	35
4. Overview of Compensation and Fees	36
5. Newly Acquired Properties	37
6. Portfolio Map	44
7. Photographs of Properties	45
8. List of Portfolio Properties at the End of the 9th Fiscal Period	48
9. Status of Appraisal Values by Property	51
10. List of Appraisal Values by Property (Compared with 8th Fiscal Period)	52
11. Financial Condition	53
12. Breakdown of Unitholders	54
13. Hulic Reit's Basic Missions and Portfolio Composition Policy	55
14. Focused Investment in Tokyo Commercial Properties	56
15. Investments in Next-Generation Assets	57
16. Key Achievements and Projects of the Hulic Group	58
17. Collaboration with the Hulic Group	61
18. Structure of Hulic Reit	62
19. Unit Price and Total Market Value	63
20. Definitions of terms	64



I. Financial Highlights

Acquired properties

- Asset size has reached ¥304.5 billion on continuous external growth, exceeding the asset size of ¥300 billion, which has been our target since the stock market listing



Hulic Ginza 7
Chome Building
(¥11,000 million)



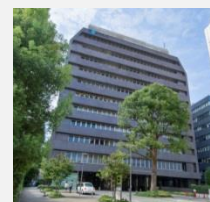
Hulic Shimura-
sakaue
(¥7,556 million)



Shinagawa
Season Terrace
(¥6,100 million)



KSS Gotanda
Building
(¥3,450 million)



Hulic Kamiyacho
Building (additional acquisition)
(¥18,500 million)



Hulic Nihonbashi-honcho 1
Chome Building
(¥3,980 million)



Bancho House
(¥2,750 million)

Mar.

Apr.

May

Jun.

Jul.

Aug.

Sept.

Oct.

Nov.

Fund raising

Issuance of fourth unsecured investment corporation bond
7.0 billion yen was raised, which is the 6th highest amount within 10yr J-REIT bonds as of the issue date

Capital increase through fifth public offering
21.1 billion yen was raised (including third-party allotment) and was used to acquire properties and repay borrowings.

Internal growth ESG

Internal growth

Fluctuations in rents due to rent revisions and tenant replacements

8th fiscal period (Feb. 2018) **+12.3%**
9th fiscal period (Aug. 2018) **+16.6%**

Percentage of negative-rent-divergence spaces (for office properties) that had upward rent revisions*1

9th fiscal period; based on area (Aug. 2018) **43.2%**

ESG

MSCI 2018 Constituent MSCI ESG Leaders Indexes

Successive selection in MSCI Japan ESG Select Leaders Index
~ 6 J-REITs are selected among 60 J-REITs (as of Aug. 31, 2018) ~



Earned **4 stars** in the GRESB Real Estate Rating, for a second consecutive year

Investment Unit Ownership Program for Directors and Employees

Directors and employees of the asset management company and sponsor (specified related company) are eligible

Financial results for 9th fiscal period

DPU

9th fiscal period (Aug. 2018)

(Forecasts) **3,570** yen per unit
(Results) **3,643** yen per unit
+2.0%

10th fiscal period (Feb. 2018)

(Previous Forecasts*2) **3,400** yen per unit
(New Forecasts) **3,450** yen per unit
+1.5%

11th fiscal period (Aug. 2019)

(Forecasts) **3,350** yen per unit

NAV per unit

End of 8th fiscal period (Feb. 2018)

161,530 yen per unit

+2.4%

End of 9th fiscal period (Aug. 2018)

165,441 yen per unit

*1 For our office properties, we show the percentage (based on floor area) of total space that came up for lease-agreement revisions and diverged negatively from the market rent level (excluding spaces vacated by tenants) for which the agreements were revised with an increase in the rent amount. For details of the calculation method, please refer to "Definitions of Terms" on page 66.

*2 Forecasts for the 8th fiscal period are stated on the basis of forecasts released on April 12, 2018. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2018, which was released on April 12, 2018.

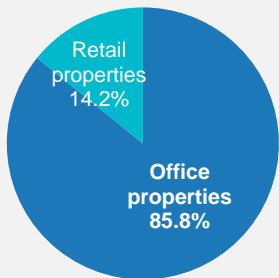
Asset

- Select investments mainly in office properties in the 6 central Tokyo wards with focus on location
- Pursuing improved profitability through aggressive asset management utilizing each property's competitive strengths and the strong real estate leasing market

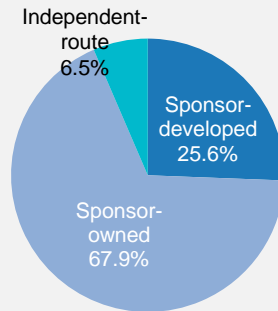
Properties acquired after the last public offering **7 properties** **¥53,336 million**

Total appraisal value	¥54,130 million	Total unrealized gains/losses*1	¥582 million
Occupancy rate	99.5 %	Avg. NOI yield	3.9 %

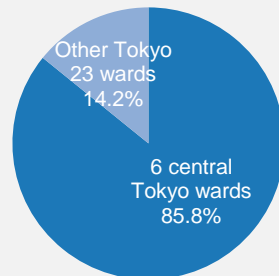
By property type



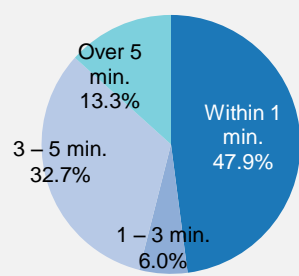
By acquisition channel



By location



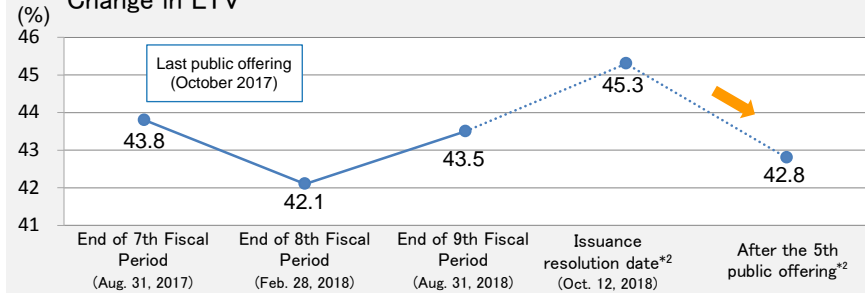
By walking distance from nearest station (Office)



Debt

Controlling LTV through public offerings

Change in LTV



Acquisition capacity (after 5th public offering)*2

LTV45%	Approx. ¥12.9 billion	LTV50%	Approx. ¥46.0 billion
--------	-----------------------	--------	-----------------------

Equity

- We raised more than ¥21.0 billion of funds through a domestic offering*3.

Fund-raising through issuance of new investment units (Including third-party allotment)

¥21,086 million

Offering format	Domestic offering*3				
Number of investment units offered (Including third-party allotment)	141,000	units	Number of investment units outstanding after the offering	1,251,000	units
Issue price (Offer price)	154,537	yen per unit	Issue price (Amount paid)	149,544	yen per unit
Demand multiple	12.5 times (Domestic: 10.7 times Overseas: 19.9 times)				
Market capitalization after the offering	¥204.2 billion (Based on the closing price on the payment date for the general public offering (October 31, 2018))				

*1 Assets held at the end of the 9th fiscal period (August 31, 2018) are stated as the total of the differences between the appraisal values and the book values of the assets at the end of the 9th fiscal period (August 31, 2018), and assets acquired in the 10th fiscal period (Feb. 2019) are stated as the total of the differences between the appraisal values and the acquisition prices of the assets at the time of their acquisition.

*2 Figures are stated in the securities registration statements submitted on October 12, 2018, is noted here. For details, please refer to the securities registration statements submitted on October 12, 2018.

*3 In the securities registration statements, we state matters stated in our extraordinary reports, and we carried out an issuance in an offering format to sell to overseas investors in overseas markets, mainly Europe and Asia (the United States and Canada were excluded).

Trend of total Assets and LTV since the Listing

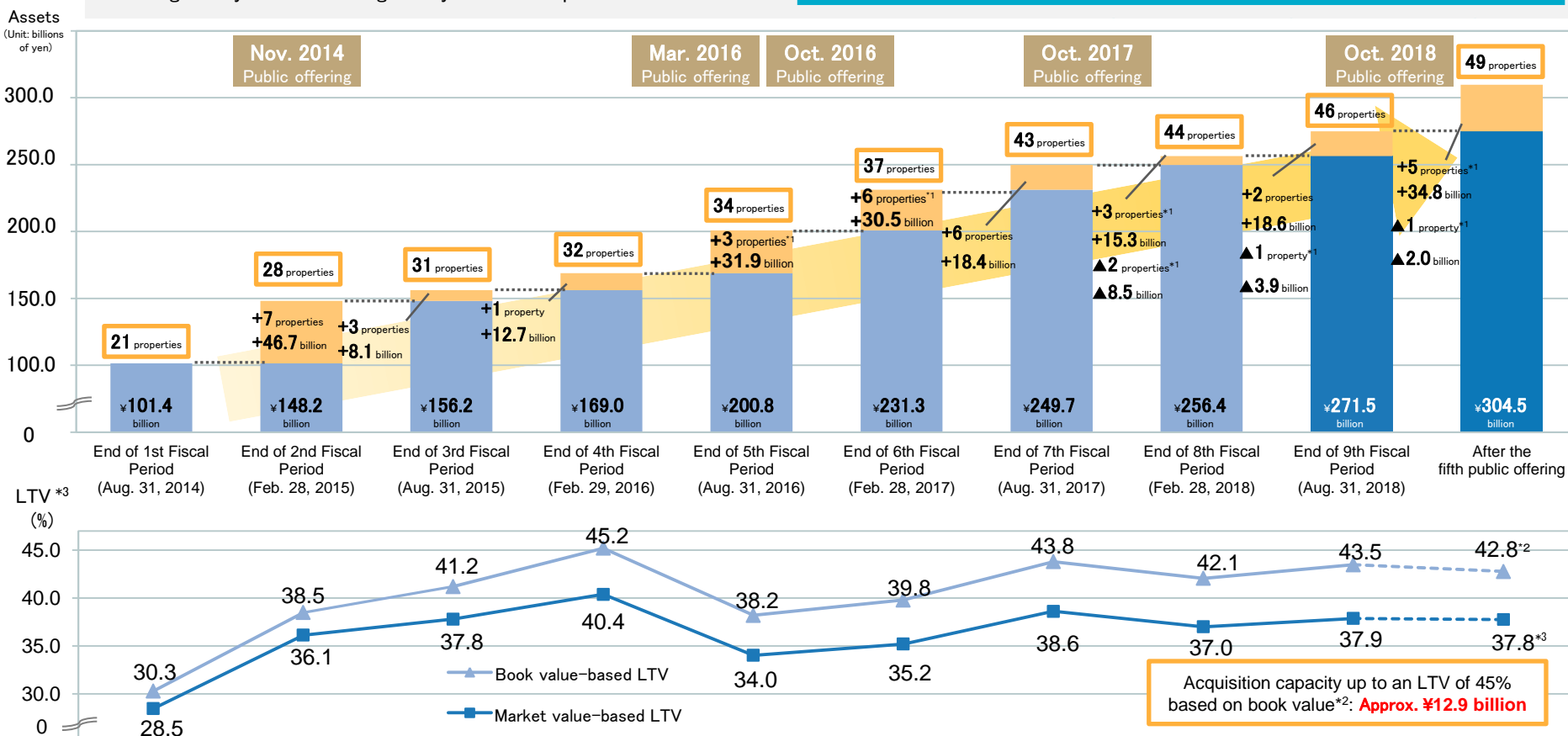
- In the 10th fiscal period (Feb. 2019), properties will be acquired using the capital increase through the 5th public offering and borrowings, reaching an asset of ¥300 billion, the target since listing

Total assets **49** properties **¥304.5** billion

Avg. NOI yield **4.5%** Avg. NOI yield after depreciation **3.9%**

Tokyo Commercial Properties **33** properties **¥249.8** billion (82.0%)

Next-Generation Assets **16** properties **¥54.7** billion (18.0%)



*1 Includes some additionally acquired properties and transferred properties.

*2 The estimated LTV and acquisition capacity stated in the securities registration statements submitted on October 12, 2018, are noted here. For details, please refer to in the securities registration statements submitted on October 12, 2018.

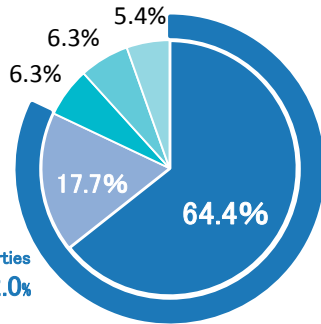
*3 This is an estimated figure that is based on the estimated book value based-LTV (loan-to-value) after the 5th public offering and which takes into account the total unrealized gains/losses on the assets held after the 5th public offering. (For assets acquired in the 10th fiscal period, we have calculated the unrealized gains/losses as the differences between the appraisal values and the acquisition prices of the assets.)

Portfolio After the 5th public offering

Portfolio overall*1

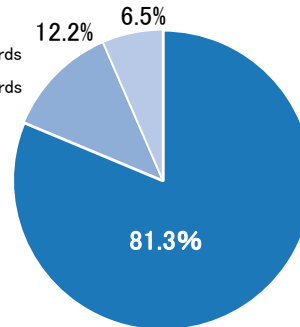
By usage

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



By location

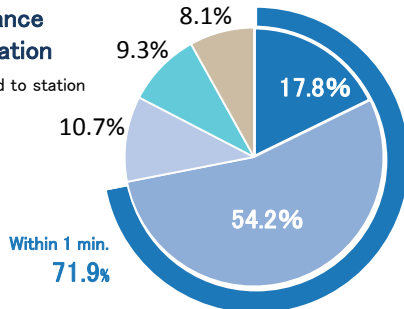
- 6 central Tokyo wards
- Other Tokyo 23 wards
- Others



Tokyo Commercial Properties*1

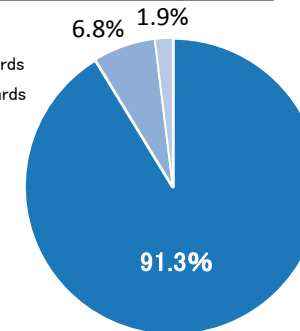
By walking distance from nearest station

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



By location

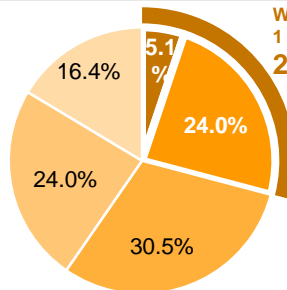
- 6 central Tokyo wards
- Other Tokyo 23 wards
- Others



(Reference) J-REIT Overall (office-use only)*2

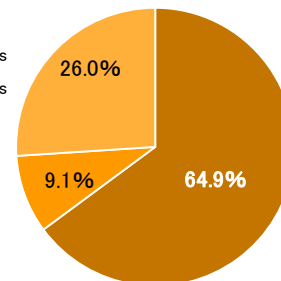
By walking distance from nearest station

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



By location

- 6 central Tokyo wards
- Other Tokyo 23 wards
- Others



Portfolio focused on properties primarily located in central Tokyo close to train stations

Primarily located in the 6 central Tokyo wards
Ratio of six central Tokyo wards: **91.3%*3**



Primarily located close to train stations
Ratio within 1-minute walking distance from a station: **71.9%*3**

Aiming to achieve stable growth by leveraging substantial competitive strengths of properties

*1 Proportions shown in the respective graphs have been calculated based on acquisition prices of assets held by HULIC REIT as of the date of the after the 5th public offering.

*2 Proportions shown in the respective graphs have been calculated based on acquisition prices of office-use assets held by the respective J-REIT companies as of August 31, 2018

(prepared by the asset management company based on information from information vendors).

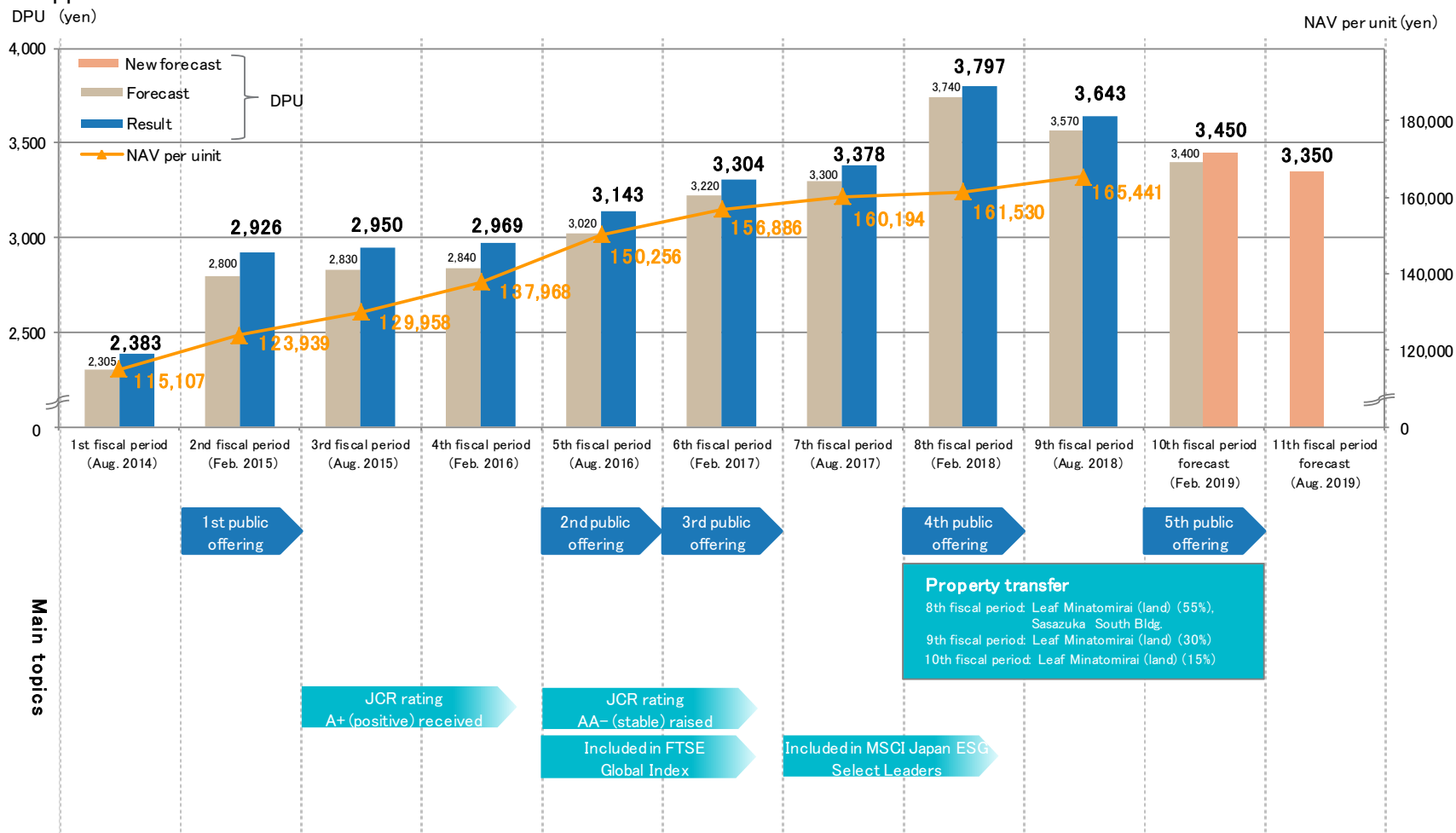
*3 Percentages shown indicate the proportion of properties with respect to all Tokyo commercial properties.



II. Asset Management Results

Steady growth of distribution and NAV per unit

- We aim to achieve steady growth in cash distribution per unit (DPU) and NAV per unit by generating internal growth underpinned by substantial competitive strengths with respect to owned properties, and external growth centered on sponsor support



Increased the size and quality of our portfolio by acquiring seven properties, mostly in the 6 central Tokyo wards, with a total acquisition price of approx. 53.3 billion yen

Hulic Ginza 7 Chome Building*2 (acquisition date Mar. 29, 2018)

Sponsor-owned properties

	acquisition price ¥11 billion	4 minutes from Station
	NOI yield 3.6%	Occupancy rate 100.0%

Hulic Shimura-sakaue (acquisition date Jun. 29, 2018)

Sponsor-developed properties

	acquisition price ¥7.556 billion	12 minutes from Station
	NOI yield 4.7%	Occupancy rate 100.0%


Shinagawa Season Terrace*3 (acquisition date Sep. 10, 2018)

Sponsor-developed properties

	acquisition price ¥6.1 billion	6 minutes from Station
	NOI yield 3.6%	Occupancy rate 100.0%

KSS Gotanda Building (acquisition date Oct. 1, 2018)

Independent-route properties

	acquisition price ¥3.45 billion	1 minutes from Station
	NOI yield 4.5%	Occupancy rate 100.0%



Hulic Kamiyacho Building*4 (acquisition date Oct. 16, 2018)

Sponsor-owned properties

	acquisition price ¥18.5 billion	1 minutes from Station
	NOI yield 3.7%	Occupancy rate 97.8%


Hulic Nihonbashi-honcho 1 Chome Building*2 (acquisition date Nov. 1, 2018)

Sponsor-owned properties

	acquisition price ¥3.98 billion	5 minutes from Station
	NOI yield 4.5%	Occupancy rate 100.0%

Bancho House (acquisition date Nov. 1, 2018)

Sponsor-owned properties

	acquisition price ¥2.75 billion	3 minutes from Station
	NOI yield 4.2%	Occupancy rate 100.0%

Leaf Minatomirai (Land)

Transfer dates	Transfer price
December 15, 2017	¥7.205 billion
April 27, 2018	¥3.93 billion
September 27, 2018	¥1.965 billion

*1 This refers to properties that have been acquired or transferred during the 9th fiscal period (August 2018) and 10th fiscal period (February 2019).

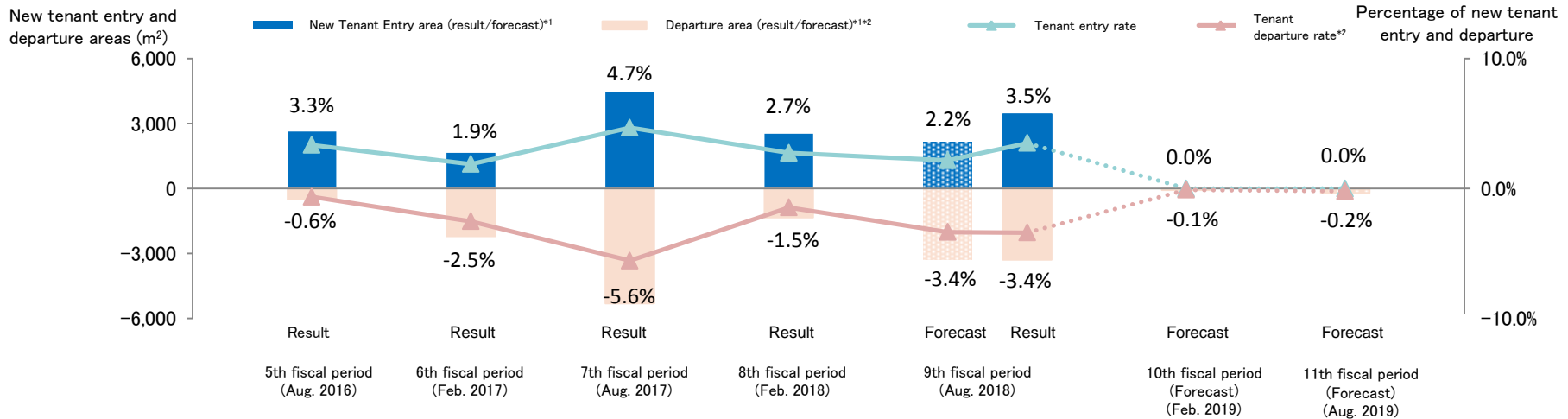
*2 Acquisition of 50.0% quasi-co-ownership of trust beneficiary rights.

*3 Acquisition of 25.0% quasi-co-ownership of trust beneficiary rights.

*4 Acquisition of 30.0% quasi-co-ownership of trust beneficiary rights.

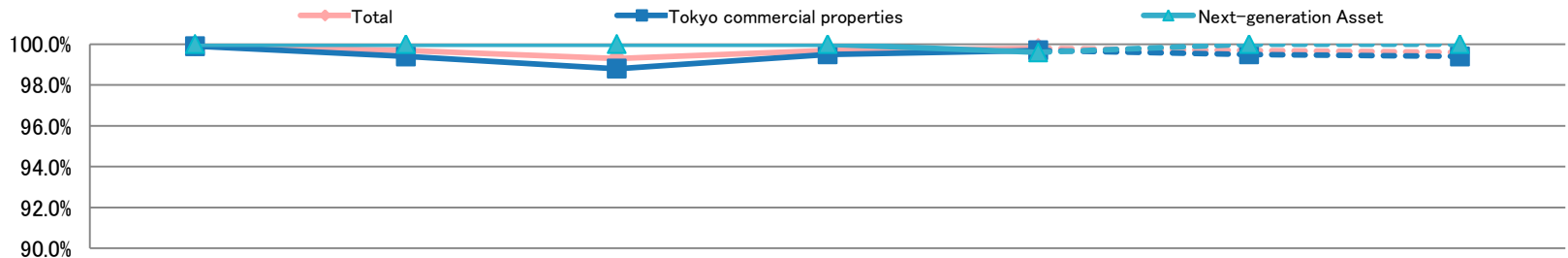
Forecasts and results regarding new tenant entry and departure (offices)

- We maintained consistent occupancy rates, having managed to swiftly fill vacant space upon tenant departure



Occupancy rates at fiscal period end

- Portfolio occupancy rate was 99.8% at the end of the 9th fiscal period; maintained high rate since the listing



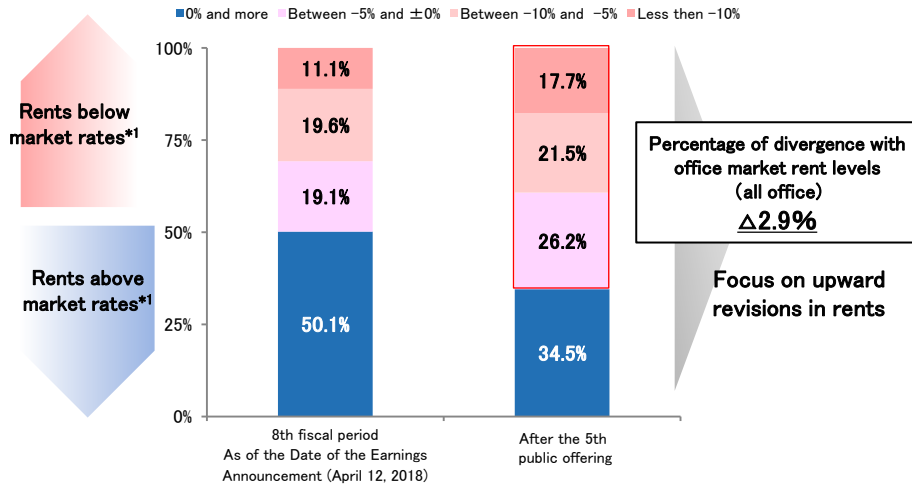
	End of 5th fiscal period (Aug.31,2016)	End of 6th fiscal period (Feb.28,2017)	End of 7th fiscal period (Aug.31,2017)	End of 8th fiscal period (Feb.28,2018)	End of 9th fiscal period (Aug.31,2018)	End of 10th fiscal period (Forecast)(Feb.28,2019)	End of 11th fiscal period (Forecast)(Aug.31,2019)
Total	99.9%	99.7%	99.3%	99.7%	99.8%	99.7%	99.6%
Tokyo Commercial Properties	99.9%	99.4%	98.8%	99.5%	99.7%	99.5%	99.4%
Next-Generation Asset	100%	100%	100%	100%	100%	100%	100%

*1 The forecast for area subject to tenant entry and departure includes assets held subsequent to the capital increase through the 5th public offering.

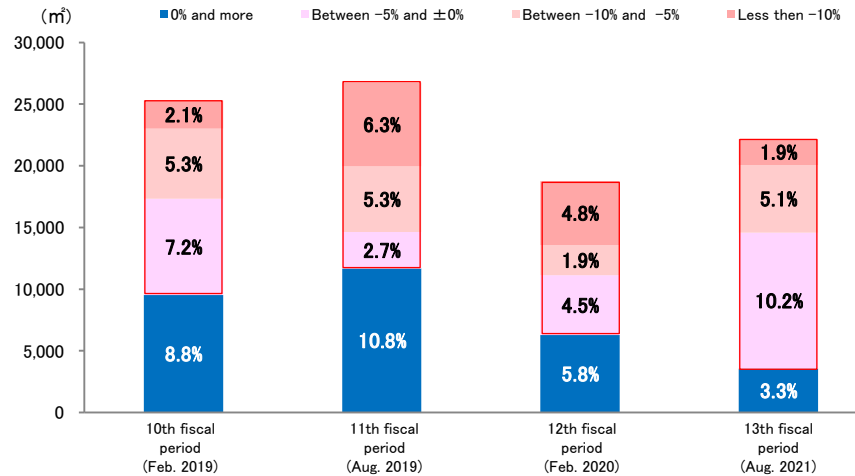
*2 Figures for departure area and tenant departure rate are negative values.

Negotiate appropriate rents (offices)

Level of divergence with office market rent levels (Note)*1



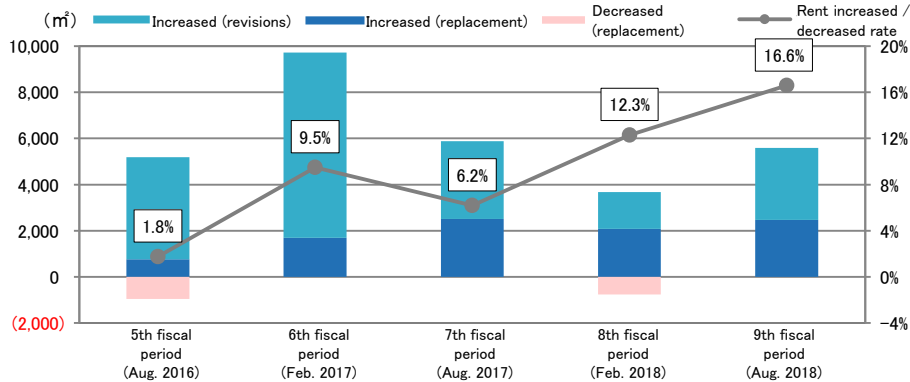
Lease agreement revisions schedule (Note)*1



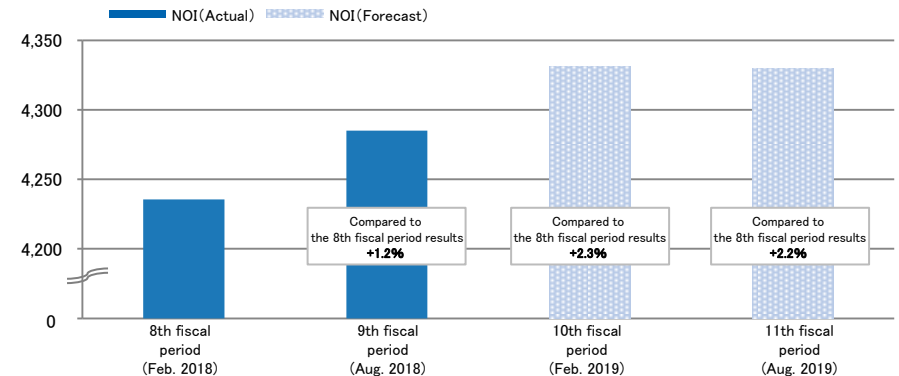
(Note) Lease agreements with a revisions date from the 14th fiscal period (February 2021) have been omitted.

Rent revisions and tenant replacements • NOI (Tokyo Commercial Properties)

Rent revisions and tenant replacements



NOI*2



*1 The respective percentages shown for HULIC REIT's office rents relative to standard market rates are expressed as percentages relative to total leasable area of office properties owned by HULIC REIT in the respective fiscal periods (excluding land, retail spaces, and residential spaces, etc.; the same applies hereafter). The respective percentages shown with respect to the lease agreement revision schedule are expressed as percentages relative to the total leasable area of office properties owned by HULIC REIT after the 5th public offering.

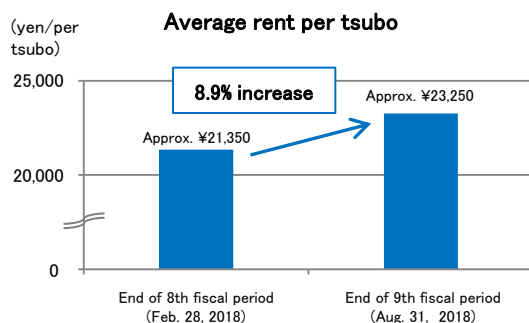
*2 For change in NOI, we show the total NOI in each fiscal period for TCP (excluding Sasazuka South Building and Leaf Minatomirai (land)) owned by HULIC REIT, at the beginning of the 8th fiscal period. Please note that, for properties whose fixed asset tax and city planning tax were not expensed in the 8th fiscal period, we have made an adjustment to account for those two taxes. In the forecasts for the 10th fiscal period and the 11th fiscal period, we show the total NOI for the properties used in the assumptions underlying the earnings forecasts released on October 12, 2018, and these forecasts could change with changes in the operating conditions.

Filling tenant vacancies

Hulic Shibuya 1 Chome Building



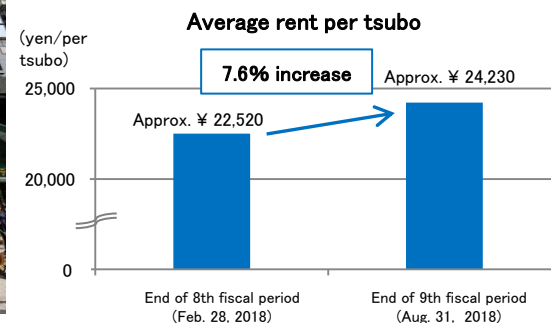
- The entire building's average rent per tsubo has increased by 8.9% by attracting new tenants *1 *2



Rapiros Roppongi



- The entire building's average rent per tsubo has increased by 7.6% by upward rent revisions and attracting new tenants *1 *2



Air conditioning renewal work

Hulic Shibuya 1 Chome Building

- Air conditioning renewal work has been carried out when a tenant vacates a property
- Achieved full occupancy^(Note) as a result of attracting new tenants subsequent to the renewal work



Hulic Shibuya 1 Chome Building
(After construction for air-conditioning replacement)

(Note) The occupancy rate as stated is current as of the end of the 9th fiscal period.

*1 Average rent per tsubo as stated is calculated as total monthly rents (including common service fees) under the respective lease agreements of respective properties valid at the end of each fiscal period (however, for lease agreements that have concluded during the 8th fiscal period, this is calculated using average rent per tsubo at the end of the 8th fiscal period (February 28, 2018) based on the assumption that the agreement remains valid at the end of the 8th fiscal period), divided by total leased area converted to "tsubo" (3.31 square meters) as set out in such lease agreements, rounded to the nearest ten yen.

Environment-related

Improvement of energy efficiency

- Taking steps to improve management that involve undergoing diagnostic testing, with respect to conserving electricity, and receiving specific advice geared to saving energy and conserving electricity, carried out by The Energy Conservation Center, Japan (ECCJ)



Hulic Kakigaracho Building
(Properties diagnosed for energy efficiency)

LED lighting

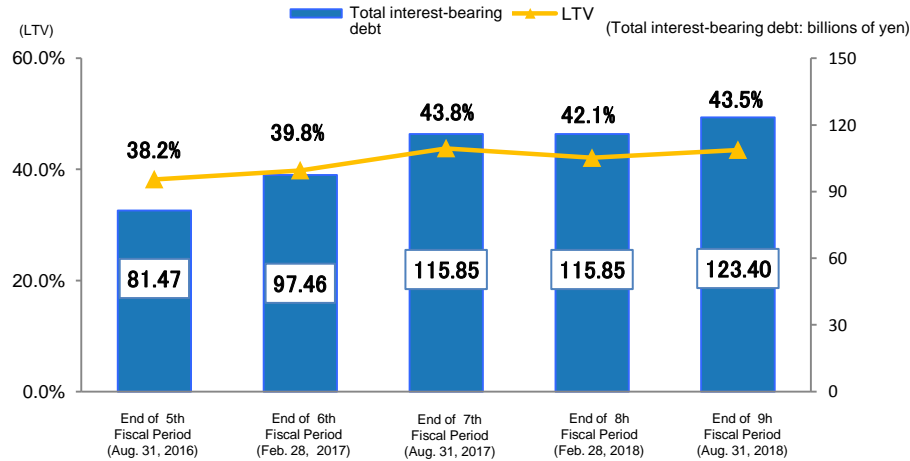
- Switched to LED lighting in common areas and elsewhere with respect to approx. 84%^(Note) of property holdings

(Note) This figure is the number of properties owned by Hulic Reit that have been switched to LED lighting, relative to the total number of properties owned by Hulic Reit (excluding land) as of the end of the 9th fiscal period.

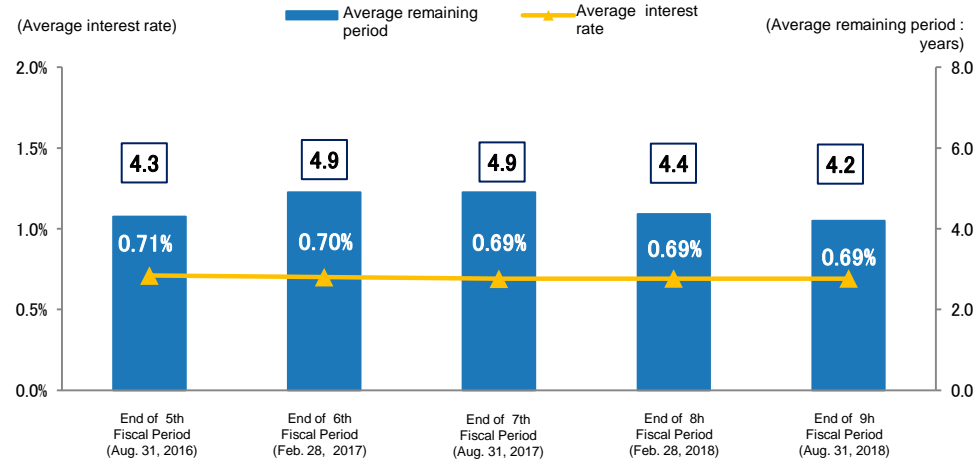
*2 The rate of increase in average rent per tsubo as stated is calculated as the product of the average rent per tsubo at the end of the 9th fiscal period minus the average rent per tsubo at the end of the 8th fiscal period, divided by the average rent per tsubo for the 8th fiscal period, multiplied by 100 and rounded to the 1st decimal place.

Maintain stable and sound financial management

LTV / Total interest-bearing debt



Average interest rate and average remaining period for interest-bearing debt

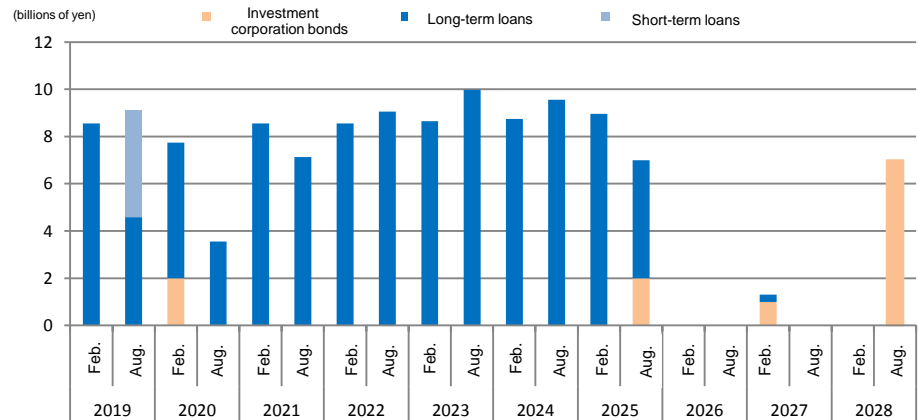


Issuance of investment corporation bond (Aug. 2018)

- It had been Approx. one year and eight months since investment corporation bond had been issued. This constituted the 6th highest amount issuance in the form of 10-year investment corporation bond at a total issue amount of ¥7.0 billion as of the issue date

4th unsecured investment corporation bond	
Issue date	August 30, 2018
Issue size	¥ 7.0 billion
Tenor	10 years
coupon	0.770%

Diversification of interest-bearing debt maturities (End of FP9 (Aug. 31, 2018))





III. Summary of Financial Results and Earnings Forecasts

Results in 9th fiscal period compared to results in 8th fiscal period and compared to forecasts

(Unit: million yen)					
	8th fiscal period Result (Feb. 2018) (A)	9th fiscal period (Aug. 2018)		Change (C-A)	Difference (C-B)
		Forecast (B)*2	Result (C)		
Operating revenues					
Real estate lease business revenues	7,460	7,587	7,712	+251	+124
Gain on sales of real estate properties	722	388	389	(333)	+0
Total operating revenues	8,183	7,976	8,101	(81)	+125
Operating expenses					
Expenses related to rent business	(2,390)	(2,483)	(2,519)	(129)	(35)
Asset management fee	(850)	(789)	(812)	+38	(22)
Other operating expenses	(208)	(212)	(193)	+15	+19
Total operating expenses	(3,449)	(3,485)	(3,525)	(75)	(39)
Operating profit	4,733	4,490	4,576	(156)	+86
Non-operating income	0	0	0	(0)	+0
Non-operating expenses					
Interest expenses* Borrowing-related expenses	(492)	(498)	(505)	(13)	(6)
Amortization of investment unit issuance costs	(22)	(23)	(23)	(1)	+0
Amortization of investment corporation bond issuance costs	(3)	(4)	(3)	(0)	+0
Total non-operating expenses	(518)	(525)	(532)	(14)	(6)
Ordinary profit	4,215	3,964	4,044	(171)	+80
Profit	4,214	3,963	4,043	(171)	+80
Units outstanding at the end of FP (units)	1,110,000	1,110,000	1,110,000	0	0
Cash distributions per unit (yen)	3,797	3,570	3,643	(154)	+73

Change in 9th fiscal period (results) since 8th fiscal period (results) (C-A)

Real estate lease business revenues (+251)

- Acquisition of Hulic Ginza 7 Chome Building and Hulic Shimura-sakaue: +315
- Sale of Leaf Minato Mirai (land) and Sasazuka South Building: -195
- Full- fiscal period contribution of properties acquired in 8th fiscal period: +130

Gains on sales (-333)

- Leaf Minato Mirai (land) : -322
- Sasazuka South Building: -10

Expenses related to rent business (-129)

- Acquisition of Hulic Ginza 7 Chome Building and Hulic Shimura-sakaue: -94
- Fixed asset tax and city planning tax expensed for properties acquired in 2017: -67

Difference between 9th fiscal period (results) and 9th fiscal period (forecasts) (C-B)

Real estate lease business revenues (+124)

- Acquisition of Hulic Shimura-sakaue: +85

Expenses related to rent business (-35)

- Acquisition of Hulic Shimura-sakaue: -49

*1 Figures less than ¥1 million are truncated.

*2 Figures are based on forecasts released on April 12, 2018. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2018, which was released on April 12, 2018.

Comparison of the forecasts for the 10th fiscal period with the results in the 9th fiscal period, and comparison of the forecasts for the 11th fiscal period with the forecasts for the 10th fiscal period

(Unit: million yen)

	9th fiscal period Result (Aug. 2018) (A)	10th fiscal period forecast (Feb. 2019) (B)*2	Change (B-A)	11th fiscal period forecast (Aug. 2019) (C)*2	Change (C-B)
Operating revenues					
Real estate lease business revenues	7,712	8,647	+935	8,872	+225
Gain on sales of real estate properties	389	193	(196)	0	(193)
Total operating revenues	8,101	8,840	+738	8,872	+31
Operating expenses					
Expenses related to rent business	(2,519)	(2,902)	(382)	(3,069)	(167)
Asset management fee	(812)	(816)	(3)	(820)	(4)
Other operating expenses	(193)	(195)	(2)	(182)	+13
Total operating expenses	(3,525)	(3,914)	(388)	(4,072)	(158)
Operating profit	4,576	4,926	+349	4,800	(126)
Non-operating income	0	0	(0)	0	0
Non-operating expenses					
Interest expenses • Borrowing-related expenses	(505)	(570)	(64)	(577)	(7)
Amortization of investment unit issuance costs	(23)	(33)	(9)	(24)	+8
Amortization of investment corporation bond issuance costs	(3)	(5)	(2)	(5)	(0)
Total non-operating expenses	(532)	(609)	(76)	(608)	+0
Ordinary profit	4,044	4,317	+272	4,192	(125)
Profit	4,043	4,316	+272	4,191	(125)
Units outstanding at the end of FP (units)	1,110,000	1,251,000	+141,000	1,251,000	0
Cash distributions per unit (yen)	3,643	3,450	(193)	3,350	(100)

■ Change in 10th fiscal period (forecasts) since 9th fiscal period (results) (B-A)

➤ Real estate lease business revenues (+935)

- Contribution from revenue from the properties acquired after the results for the 8th fiscal period were released: +940
- Full-fiscal period contributions of Hulic Ginza 7 Chome Building: +41
- Sale of Leaf Minato Mirai (land): -59
- Increase in real estate lease business revenue for Rapiros Roppongi: +31
- Increase in real estate lease business revenue from Hulic Shibuya 1 Chome Building: +16

➤ Gains on sales (-196)

- Leaf Minato Mirai (land): -196

➤ Expenses related to rent business (-382)

- Contribution of properties acquired after the results for the 8th fiscal period were released: -358

■ Change in 11th fiscal period (forecasts) since 10th fiscal period (forecasts) (C-B)

➤ Real estate lease business revenues (+225)

- Contribution from revenue on properties acquired after the results for the 8th fiscal period were released: +192

➤ Gains on sales (-193)

- Leaf Minato Mirai (land): -193

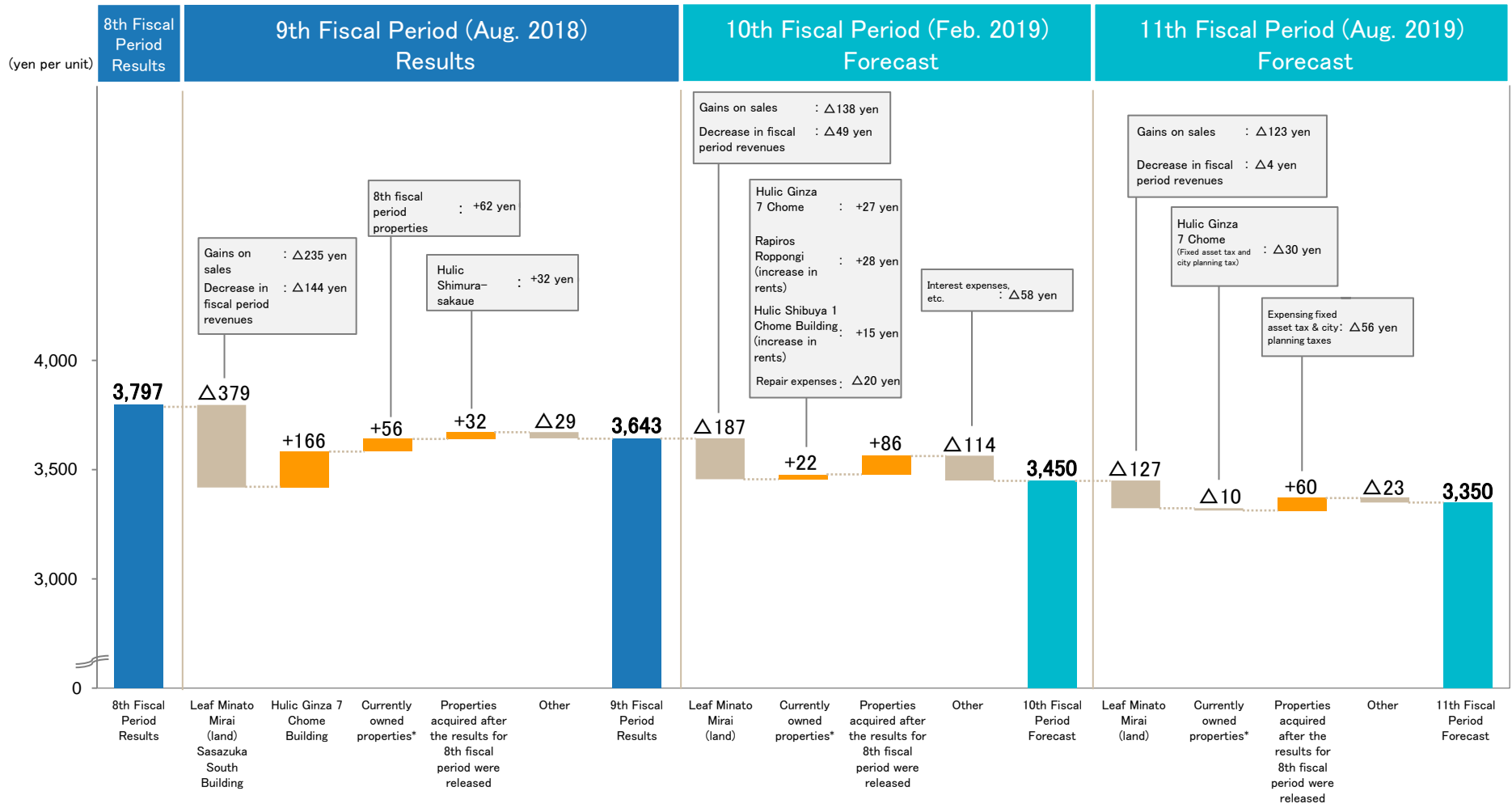
➤ Expenses related to rent business (-167)

- Fixed asset tax and city planning tax expensed for properties acquired in 2018: -108
- Properties acquired after the results for the 8th fiscal period were released (Fixed asset tax and city planning tax are excluded): -47

*1 Figures less than ¥1 million are truncated.

*2 Figures are based on forecasts released on October 12, 2018. For details, please refer to Financial Report for the Fiscal Period Ended August 31, 2018, which was released on October 12, 2018.

Trend of distribution per unit (DPU)



* This refers to property holdings excluding properties acquired or sold whose discrepancies are noted separately for each fiscal period.

End of 9th fiscal period (end of August 2018) results (end of 8th fiscal period (end of February 2018) comparison)

- Total assets increased to about ¥283.8 billion (increase approximately ¥8.4 billion since the end of the 8th fiscal period) due to the acquisition of properties of approximately ¥18.6 billion and ¥3.5 billion in properties transferred.
- We expect LTV to fall from 43.5% at the end of the 9th fiscal period (end of August 2018) to 42.8%*2 due to a capital increase by the public offering in the 10th fiscal period (Feb. 2019).

(Unit: millions of yen)

	8th Fiscal Period (Feb. 2018) (A)	9th Fiscal Period (Aug. 2018) (B)	Change (B-A)	9th Fiscal Period Developments
Assets				
Current assets	18,193	11,890	(6,302)	
Cash and deposits, Cash and deposits in trust	18,156	11,827	(6,328)	<ul style="list-style-type: none"> ■ Assets acquired in the 9th fiscal period (Total acquisition price: 18,556) <ul style="list-style-type: none"> • Hulic Ginza 7 Chome Building (Acquisition price: 11,000) • Hulic Shimura-sakaue (Acquisition price: 7,556) ■ Assets transferred in the 9th fiscal period (Price at acquisition: 3,510) <ul style="list-style-type: none"> • Leaf Minatomirai (Land) (Partial transfer) (Price of the transferred portion at acquisition: 3,510)
Other	37	63	+26	
Noncurrent assets	257,126	271,801	+14,674	
Property, plant and equipment	247,914	262,670	+14,756	
Other	9,212	9,130	(82)	
Deferred assets	108	125	+17	
Total assets	275,428	283,817	+8,389	
Liabilities				
Current liabilities	15,142	20,662	+5,519	
Short-term loans payable	3,960	4,510	+550	
Current portion of long-term loans payable	8,550	13,130	+4,580	LTV at end of 8th fiscal period: 42.1% ↓ LTV at end of 9th fiscal period: 43.5%
Other	2,632	3,022	+389	
Noncurrent liabilities	114,353	117,393	+3,040	
Investment corporation bond	5,000	12,000	+7,000	■ 7.0 billion issue investment corporation bonds
Long-term loans payable	98,340	93,760	(4,580)	
Tenant leasehold and security deposits in trust	11,013	11,633	+620	
Total liabilities	129,495	138,055	+8,560	
Net assets				
Unitholders' equity	145,932	145,761	(170)	
Unitholders' capital	141,717	141,717	0	
Surplus	4,214	4,044	(170)	
Total net assets	145,932	145,761	(170)	
Total liabilities and net assets	275,428	283,817	+8,389	

*1 Figures less than ¥1 million are truncated.

*2 Figures are stated in the securities registration statements submitted on October 12, 2018, is noted here. For details, please refer to the securities registration statements submitted on October 12, 2018.

Appraisal values and unrealized gains/losses at the end of fiscal periods

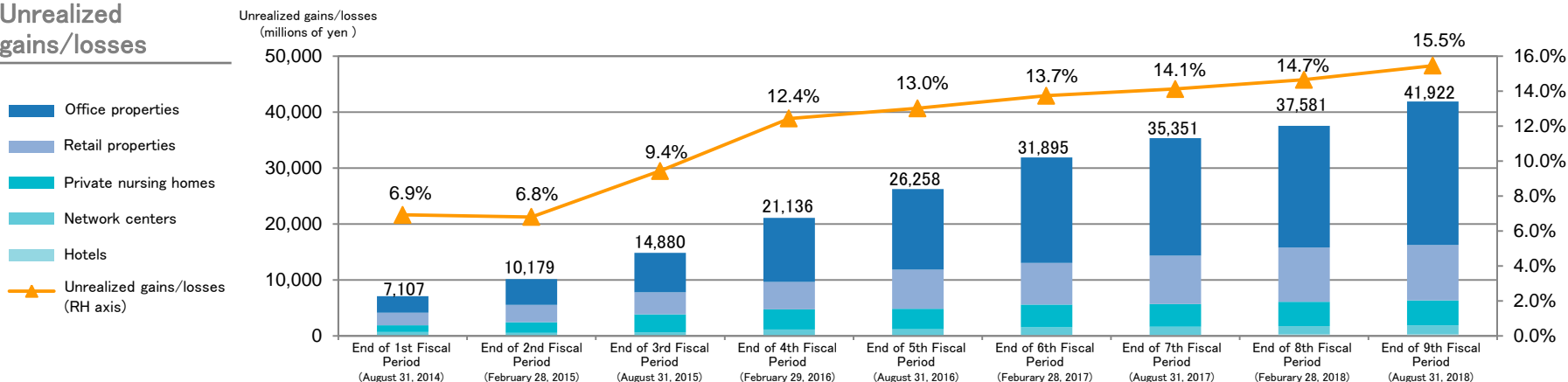
- Unrealized gains have increased steadily since the listing, amounting to ¥41.90 billion at the end of the 9th fiscal period (August 31, 2018; +¥4.3 billion in comparison with the end of the 8th fiscal period).
- At the end of the 9th fiscal period (August 31, 2018), the unrealized gain ratio was +15.5%.

(Unit: millions of yen)

		End of 8th fiscal period		End of 9th fiscal period		Difference	
			Appraisal value (Cap rate)		Appraisal value (Cap rate)		Appraisal value (Cap rate)
Office properties	No. of properties	16		17		+1	
	Book value *1	150,074	171,855	160,836	186,513	+10,761	+14,658
	Unrealized gains/losses *1	+21,780	(3.6%)	+25,676	(3.5%)	+3,896	(-0.1%)
Retail properties	No. of properties	12		13		+1	
	Book value *1	51,509	61,210	55,732	65,630	+4,222	+4,420
	Unrealized gains/losses *1	+9,700	(4.0%)	+9,897	(4.0%)	+197	(+0.0%)
Private nursing homes	No. of properties	6		6		0	
	Book value *1	19,139	23,470	19,046	23,490	-92	+20
	Unrealized gains/losses *1	+4,330	(4.6%)	+4,443	(4.6%)	+112	(-0.0%)
Network centers	No. of properties	8		8		0	
	Book value *1	19,084	20,532	18,996	20,582	-87	+50
	Unrealized gains/losses *1	+1,447	(5.1%)	+1,585	(5.1%)	+137	(-0.0%)
Hotels	No. of properties	2		2		0	
	Book value *1	16,578	16,900	16,530	16,850	-48	-50
	Unrealized gains/losses *1	+321	(3.8%)	+319	(3.8%)	-1	(-0.0%)
Total	No. of properties	44		46		+2	
	Book value *1	256,385	293,967	271,142	313,065	+14,756	+19,098
	Unrealized gains/losses *1	+37,581	(3.8%)	+41,922	(3.8%)	+4,341	(-0.0%)

Direct cap rates (End of 8th fiscal period comparison*2)		No. of properties
Increase		0
Unchanged		8
Decreased		9
Increase		1
Unchanged		6
Decreased		5
Increase		0
Unchanged		6
Decreased		0
Increase		0
Unchanged		8
Decreased		0
Increase		0
Unchanged		2
Decreased		0
Increase		1
Unchanged		30
Decreased		14

Unrealized gains/losses



*1 Book value and unrealized gain/loss amounts of less than ¥1 million are truncated.

*2 Results are presented relative to appraisal value at the time of acquisition with respect to properties acquired during the 9th fiscal period (Aug. 2018). Moreover, because the direct capitalization method is not applied to Leaf Minatomirai (land), that property has been excluded from the comparative results.




IV. ESG Initiatives

Environment

Environment-friendly buildings

■ Five of our properties were awarded the DBJ Green Building Certification, which certifies real estate properties with high environmental and social awareness



2016  Toranomon First Garden

2016  Oimachi Redevelopment Building (#1)

2016  Oimachi Redevelopment Building (#2)

■ In June 2018, Hulic Toranomon Building was awarded the BELS rating, which is a public evaluation system that evaluates the energy conservation performance of non-residential buildings



Hulic Toranomon Building

Energy efficiency improvement

We are switching air-conditioning systems to improve energy efficiency. Also, we have replaced the lightings in the common areas, etc. to LED, for Approx. 84% of our portfolio



Hulic Kandabashi Building
Replacement of air-conditioning system



Hulic Takadanobaba Building
Introduction of LED in the common area

Electricity saving diagnostics

We take electricity diagnostics by Energy Conservation Center Japan, and receive specific advice on energy efficiency and electricity saving in order to improve the building operation



Hulic Kakigaracho Building



Hulic Takadanobaba Building

Social

Safety, security and customer satisfaction

■ Tenant satisfaction survey

We conduct tenant satisfaction surveys to ensure comfortable use of buildings, utilizing the results to identify potential needs and improve building management

■ Disaster preparation

In preparation for large-scale disasters, some of our properties equip emergency power generators and storage with emergency supply

Hulic Group's CSR initiatives

■ Support for Japan Para-Badminton Federation

Hulic Group sponsors tournaments and encourages employees to join cheering the team. Also, the Group lends its gym to the federation at no charge for practice. The Group intends to further expand support for handicapped persons and support the success of para-badminton players

■ Holding a summer festival

Hulic Group holds a summer festival at the Hulic Head Office Building to deepen the relationship with people in the community



Work-life balance

In 2014, Hulic Group opened a childcare nursery inside the Hulic Head Office Building to promote an employee-friendly work environment, where all employees of Hulic Group can make full use of their abilities to work at their best



Diversity and human resources development

■ Promoting Female Empowerment

We are strengthening initiatives to promote career development for women in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace

Ratio of female employees (Asset Manager)			
2014	2015	2016	2017
25%	29%	32%	35%

■ Training programs

Hulic Group established training programs to enhance employees' professional skills. For example, costs for obtaining qualifications (exam expenses, school fees, etc.) are fully covered by the Group

Governance

Governance structure to avoid conflicts of interest and ensure independence

Asset Manager appoints outside experts as members of the Compliance Committee and Investment Committee respectively. Upon resolution on asset acquisition, the Investment Committee requires a majority of the committee members including external members to agree, and the Compliance Committee requires a majority of the committee members in attendance, including external members and the Compliance Officer, to agree

Internal rules to avoid conflicts of interest

We adopt an internal set of rules to Property acquisition, Property disposal, Property leasing, Property management and building maintenance, Real estate brokerage services such as trading and leasing properties, Placing construction orders that apply to all related-party transactions that aim to minimize conflicts of interests

Asset Manager incentivized fee structure

In addition to Asset Management Fee linked to total assets, Asset Manager introduced asset management fees that partly depend on our distribution per unit

Asset Manager incentivized compensation structure

The compensation structure for certain directors and employees of the Asset Manager incorporates an incentive bonus that partly linked to our distribution per unit

Investment Unit Ownership Program for Directors and Employees

The Asset Manager and Hulic decided to introduce investment unit ownership programs of Hulic Reit, applicable for Directors and Employees of the Asset Manager and Hulic

Successive selection in MSCI Japan ESG Select Leaders Index ~ 6 J-REITs are selected among 60 J-REITs (as of Aug. 31, 2018) ~



Hulic Reit was selected for “MSCI Japan ESG Select Leaders Index” provided by MSCI in July 2017, and has been continuously included in the index even after the first rebalancing in June 2018. This index is one of the ESG indices that the Japanese Government Pension Investment Fund (GPIF) selected for their passive investment strategy.

Acquisition of “Green Star” in the GRESB Real Estate Survey

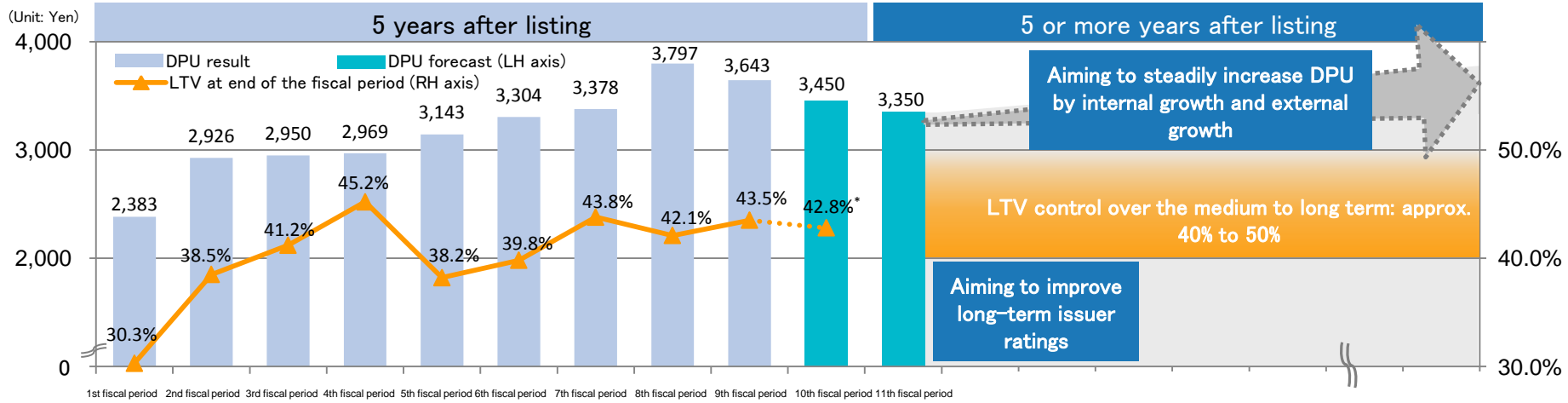


Hulic Reit received a “Green Star” rating in the GRESB Real Estate Survey in 2018 for a second consecutive year. We earned outstanding evaluations in terms of “management & policy” and “implementation & measurement” – two operational dimensions subject to assessment in light of efforts aimed at addressing environmental concerns and sustainability issues. We received a “4-Star” rating, the second highest evaluation of “GRESB Rating”, for a second consecutive year.

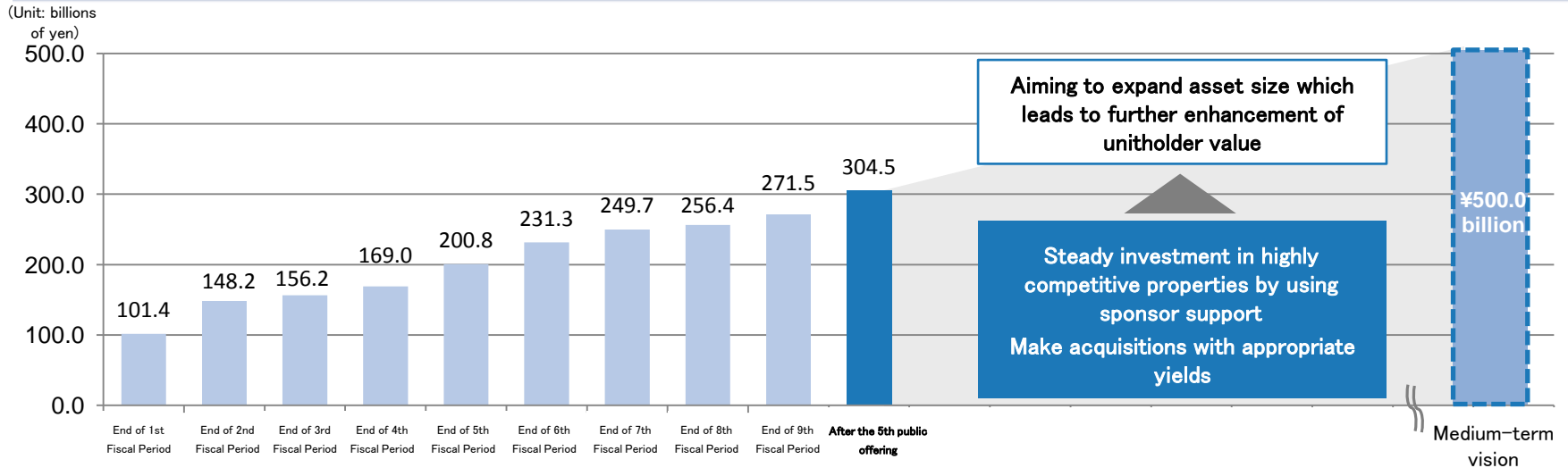


V. Future Strategy

DPU and LTV



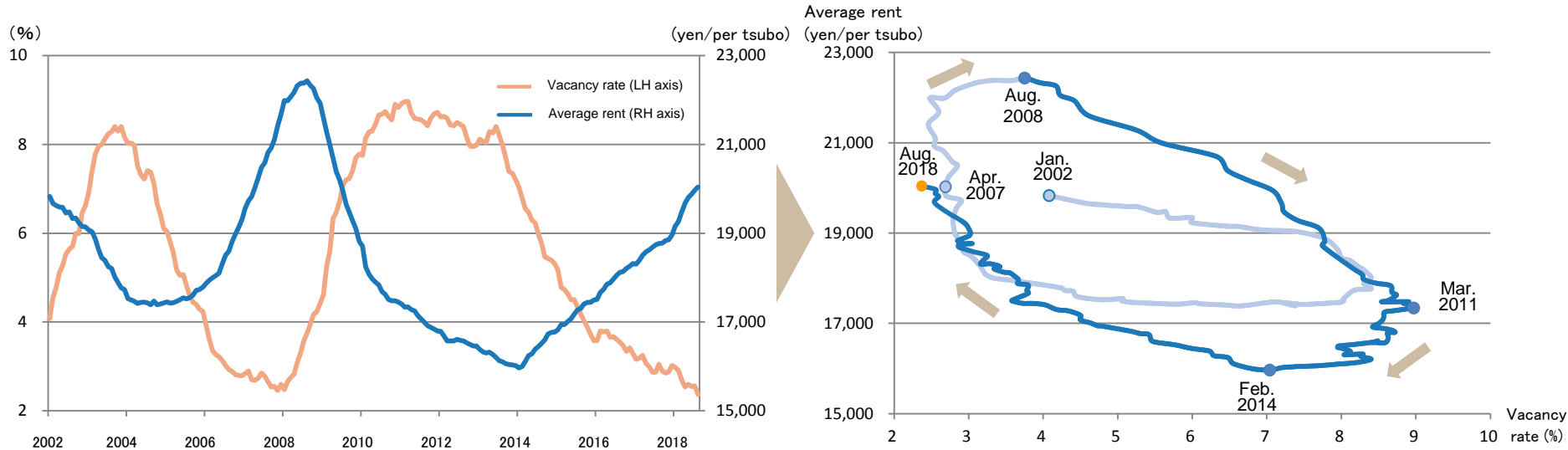
Asset size



* Figures are stated in the securities registration statements submitted on October 12, 2018, is noted here. For details, please refer to the securities registration statements submitted on October 12, 2018.

Understanding the market environment (Office)*1

Vacancy rates and average rents of existing offices in Tokyo's five central wards*2



Present situation

The vacancy rate has fallen further to 2.37% (0.54 point decrease in comparison with February 2018) in August 2018, amid healthy tenant demand. Average rent has been steadily increasing in line with the further decrease in the vacancy rate. The upward trend in office rents is likely to persist for the time being.

Future Strategy

- We aim to take corrective action with respect to bringing about appropriate rent levels by upwardly revising rents with respect to those tenants who are paying rents below standard market rates (RHS table).
- We will focus on promptly leasing spaces that have been or will be vacated to subsequent tenants by offering rents at standard market rates.

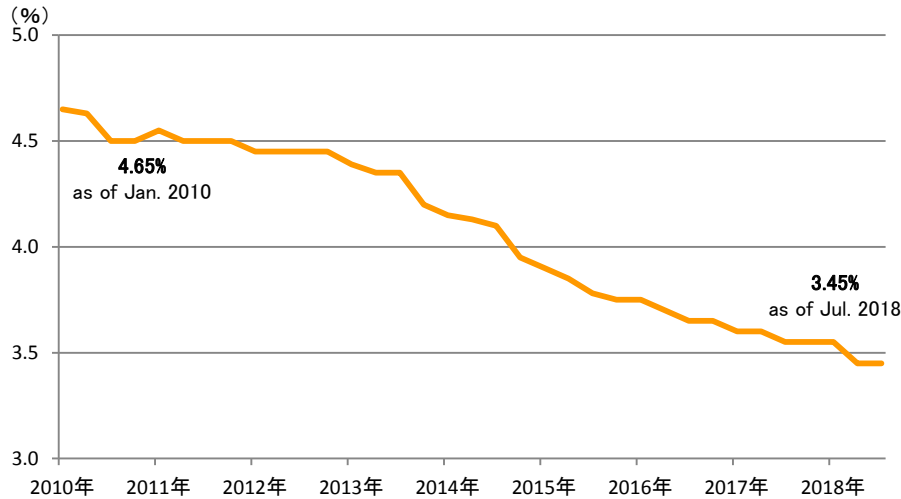
Account of divergence from market rent levels	Policy
Tenants at less than -5% ⇒ Main target	Aim to increase to appropriate rent rates
Tenants between -5% and ±0%	Aim to revise rent rates upward
Tenants at ±0% or more	Maintain current rent rate

*1 This reflects opinions of the asset management company.

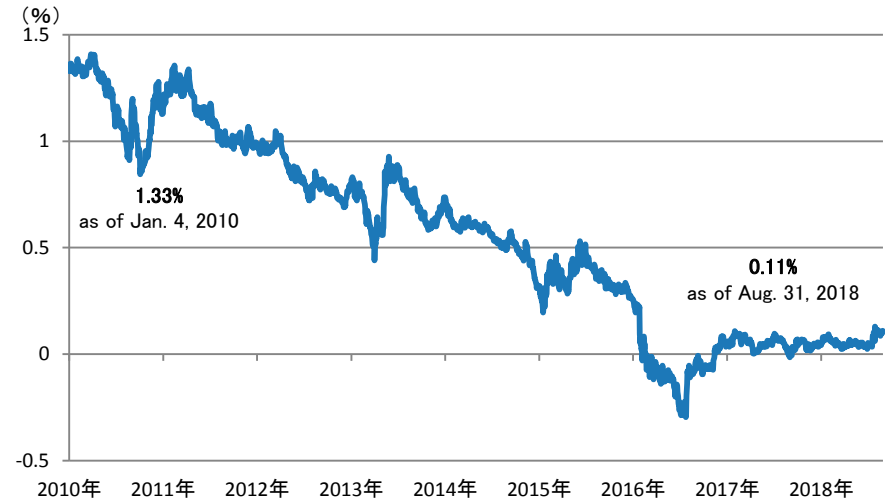
*2 Prepared by the asset management company on the basis of office data compiled by Miki Shoji Co., Ltd. (data comprising vacancy rates and average rents of existing offices in existence for a year or more and having a standard floor area of 100 tsubo or more, located in Tokyo's five central wards consisting of the Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards).

Understanding the market environment *1

Average expected NOI yield of Tokyo (Otemachi) offices*2



10-year Japanese government bond yield*3



Present situation

The average expected NOI yield of Tokyo (Otemachi) offices has decreased by 0.1 percentage point in comparison with the 3.55% level of the previous fiscal period (as of January 2018)

Amid an influx of funds, particularly from overseas investors, deals involving some prime properties in favorable urban center locations are being made locally at levels substantially below expected yields

Future Strategy

- Sponsor developed and owned properties constitute a pivotal component of external growth.
- We will prudently make decisions on market acquisitions of property, by assessing their competitive strengths and determining whether prices are fair and reasonable.

*1 This reflects opinions of the asset management company.

*2 The average expected NOI yield on Tokyo (Otemachi) offices is based on the Real Estate Investor Survey conducted by CBRE, Inc.

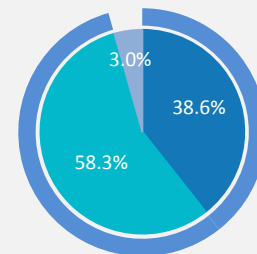
*3 Prepared by the asset management company based on information from information vendors.

Asset size growth through steady acquisitions of sponsor-developed properties

Property acquisitions using sponsor support

Total assets
(After the 5th public offering)
49 properties ¥304.5 billion

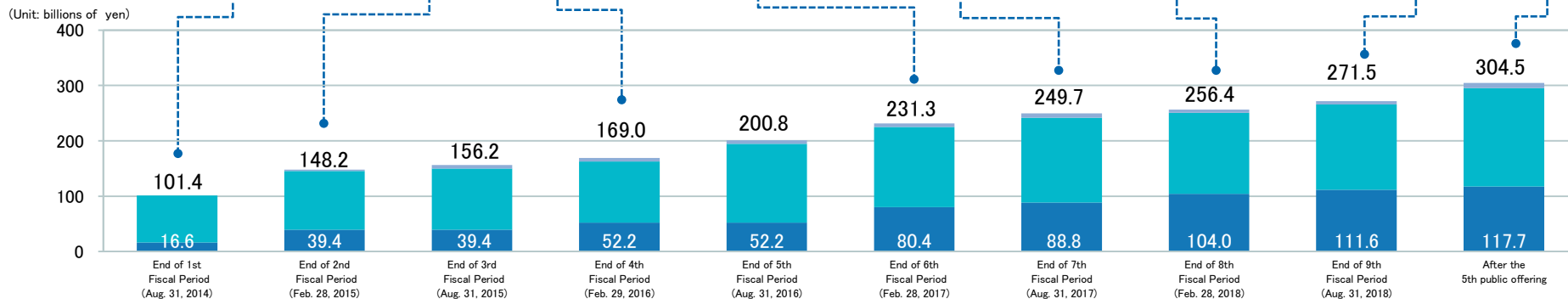
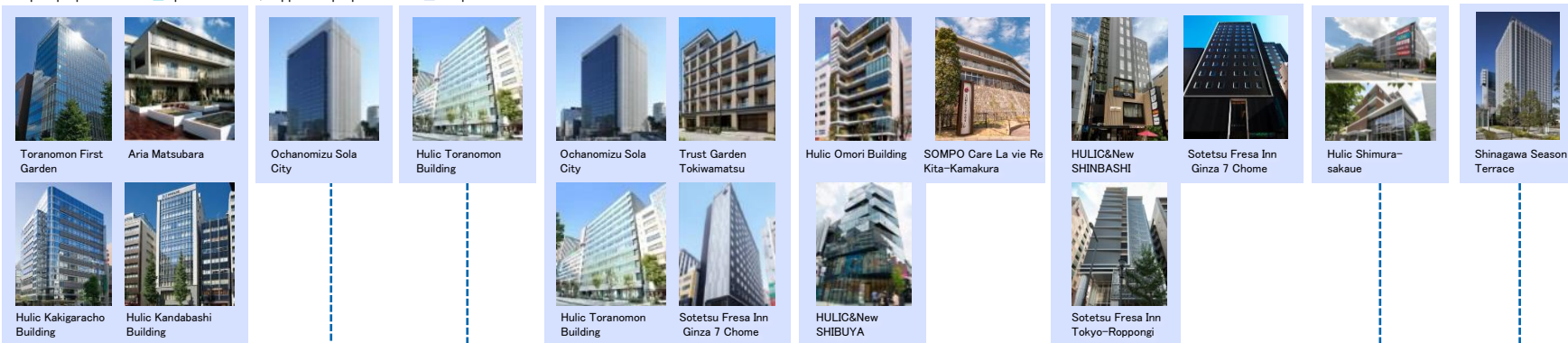
Sponsor-developed properties	15 properties ¥117.7 billion
Sponsor-owned/supported properties	30 properties ¥177.6 billion
Independent-route	4 properties ¥9.2 billion



Sponsor group, etc.
97.0%

Sponsor-developed
38.6%

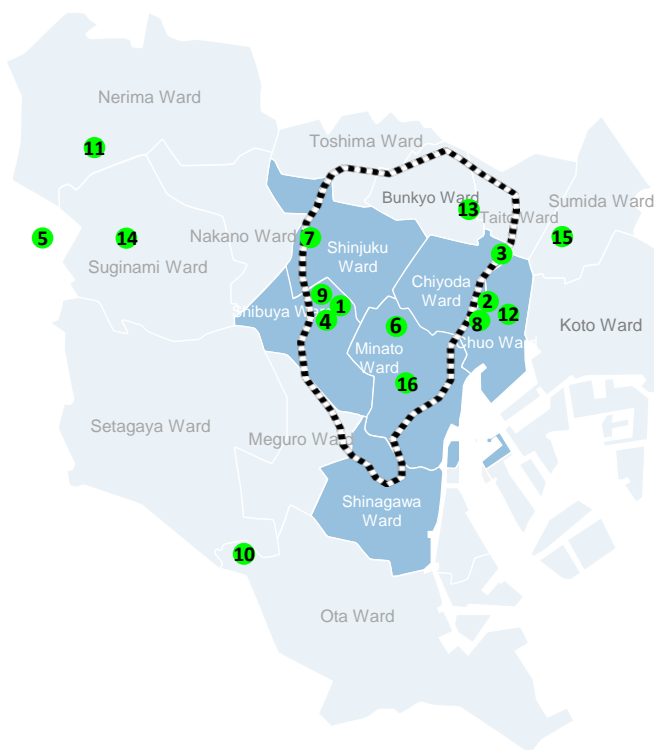
■ Sponsor-developed properties ■ Sponsor-owned/supported properties ■ Independent-route



















Our sponsor's principal development results and development Projects

- The sponsor-developed properties, mainly in 6 central Tokyo wards, are planned for completion.

~2018	2019	2020	2021
①Hulic Shibuya Koen-dori Building ②Hulic Yurakucho 2 Chome Development Project ⑩Charm Premier Den-en-Chofu ⑪Kamishakujii Development Project ⑫Tsukiji 3 Chome Development Project	③Soto-Kanda 4 Chome Development Project ④Udagawa-cho District 14/15 Category 1 Urban Redevelopment Project (partial ownership) ⑤Kichijoji Minamicho 1 Chome Development Project ⑬Bunkyo Yayoi Development Project ⑭Ogikubo Development Project	⑥Akasaka 2 Chome Development Project ⑦Shinjuku 3-17 Development Project ⑮Ryogoku River Center Project ⑯Minami-Azabu Development Project	⑧Ginza 6 Chome Development Project ⑨Udagawacho 32 Development Project



①Hulic Shibuya Koen-dori Building  5-minute walk from Shibuya Station Dec. 2017 completed Total floor area: approx. 5,200 m ² Retail property Hotel	②Hulic Yurakucho 2 Chome Development Project  1-minute walk from Ginza Station Oct. 2018 completed Total floor area: approx. 15,700 m ² Retail property Hotel	③Soto-Kanda 4 Chome Development Project  5-minute walk from Akihabara Station Apr. 2019 planned to be completed Total floor area: approx. 1,200m ² Retail property	④Udagawa-cho District 14/15 Category 1 Urban Redevelopment Project (partial ownership)  6-minute walk from Shibuya Station Oct. 2019 planned to be completed Total floor area: approx. 63,930m ² Office
⑤Kichijoji Minamicho 1 Chome Development Project  Within walking distance from Kichijoji station 2019 planned to be completed Total floor area: approx. 1,800 m ² Retail property	⑥Akasaka 2 Chome Development Project  Within walking distance from Akasaka station 2020 planned to be completed Total floor area: approx. 7,800 m ² Office	⑦Shinjuku 3-17 Development Project  1-minute walk from Shinjuku station 2020 planned to be completed Total floor area: approx. 3,000 m ² Retail property	⑧Ginza 6 Chome Development Project  Within walking distance from Ginza station 2021 planned to be completed Total floor area: approx. 5,300 m ² Retail property
⑨Udagawacho 32 Development Project  4-minute walk from Shibuya Station 2021 planned to be completed Total floor area: approx. 3,100 m ² Retail property	⑩Charm Premier Den-en-Chofu  5-minute walk from Den-en-chofu Station Mar. 2018 completed Total floor area: 1,984 m ² Private nursing home	⑪Kamishakujii Development Project  10-minute walk from Kamisyakujii Station Oct. 2018 completed Total floor area: approx. 2,300 m ² Private nursing home	⑫Tsukiji 3 Chome Development Project  2-minute walk from Tsukiji Station Nov. 2018 planned to be completed Total floor area: approx. 4,800 m ² Hotel
⑬Bunkyo Yayoi Development Project  7-minute walk from Nezu Station Mar. 2019 planned to be completed Total floor area: approx. 2,100 m ² Private nursing home	⑭Ogikubo Development Project  12-minute walk from Ogikubo Station Jul. 2019 planned to be completed Total floor area: approx. 2,500 m ² Private nursing home	⑮Ryogoku River Center Project  3-minute walk from Ryogoku Station 2020 planned to be completed Total floor area: approx. 8,000 m ² Retail property Hotel	⑯Minami-Azabu Development Project  10-minute walk from Hiroo Station 2020 planned to be completed Total floor area: approx. 1,700 m ² Private nursing home

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

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





VI. Appendix

8th fiscal period results, 9th fiscal period forecasts and results, and 10th fiscal period forecast comparison

(Unit: million yen)							
	8th fiscal period Result (A)	9th fiscal period (Aug. 2018)		Change (C-A)	Difference (C-B)	10th fiscal period New forecast (D)	Change (D-C)
		Forecast ^{*2} (B)	Result (C)				
Operating revenues							
Real estate lease business revenues	7,460	7,587	7,712	+251	+124	8,647	+935
Gain on sales of real estate properties	722	388	389	(333)	+0	193	(196)
Total operating revenues	8,183	7,976	8,101	(81)	+125	8,840	+738
Operating expenses							
Expenses related to rent business	(2,390)	(2,483)	(2,519)	(129)	(35)	(2,902)	(382)
(Of which)							
Taxes and public dues	(531)	(613)	(603)	(71)	+10	(596)	+6
Depreciation and amortization	(794)	(827)	(854)	(59)	(27)	(952)	(97)
Repair expenses	(125)	(91)	(91)	+33	+0	(125)	(34)
Leasing-related costs	(39)	(24)	(16)	+23	+8	(11)	+4
Other expenses related to rent business	(899)	(926)	(954)	(55)	(27)	(1,215)	(261)
Asset management fee	(850)	(789)	(812)	+38	(22)	(816)	(3)
Other operating expenses	(208)	(212)	(193)	+15	+19	(195)	(2)
Total operating expenses	(3,449)	(3,485)	(3,525)	(75)	(39)	(3,914)	(388)
Operating profit	4,733	4,490	4,576	(156)	+86	4,926	+349
Non-operating income	0	0	0	(0)	+0	0	(0)
Non-operating expenses							
Interest expenses • Borrowing-related expenses	(492)	(498)	(505)	(13)	(6)	(570)	(64)
Amortization of investment unit issuance costs	(22)	(23)	(23)	(1)	+0	(33)	(9)
Amortization of investment corporation bond issuance costs	(3)	(4)	(3)	(0)	+0	(5)	(2)
Total non-operating expenses	(518)	(525)	(532)	(14)	(6)	(609)	(76)
Ordinary profit	4,215	3,964	4,044	(171)	+80	4,317	+272
Profit	4,214	3,963	4,043	(171)	+80	4,316	+272
Cash distributions per unit (yen)	3,797	3,570	3,643	(154)	+73	3,450	(193)

*1 Figures less than ¥1 million are truncated.

*2 Forecasts for the 9th fiscal period are stated on the basis of forecasts released on April 12, 2018. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2018, which was released on April 12, 2018.

10th fiscal period previous & new forecasts, 10th & 11th fiscal period forecasts comparison

				(Unit: million yen)	
	10th fiscal period (Feb. 2019)		Difference (B-A)	Main factors	11th fiscal period
	Previous forecast*2 (A)	New forecast (B)			Forecast (C)
					Change (C-B)
Operating revenues					
Real estate lease business revenues	7,536	8,647	+1,111	■ Real estate lease business revenues (1,111)	8,872 +225
Gain on sales of real estate properties	193	193	0	• Properties acquired after the results for the 8th fiscal period were released: +1,025	0 (193)
Total operating revenues	7,729	8,840	+1,111	• Increase in real estate lease business revenue for Rapiros Roppongi: +42 (Increase in rents, etc.)	8,872 +31
Operating expenses				• Increase in real estate lease business revenue for Hulic Shibuya 1 Chome Building: +10 (Increase in rents, etc.)	
Expenses related to rent business	(2,514)	(2,902)	(387)	■ Expenses related to real estate lease business (-387)	(3,069) (167)
(Of which)				• Properties acquired after the results for the 8th fiscal period were released: -407	
Taxes and public dues	(610)	(596)	+14		(721) (125)
Depreciation and amortization	(839)	(952)	(113)		(964) (12)
Repair expenses	(119)	(125)	(5)		(107) +18
Leasing-related costs	(16)	(11)	+4		(20) (8)
Other expenses related to rent business	(928)	(1,215)	(287)		(1,255) (39)
Asset management fee	(731)	(816)	(84)		(820) (4)
Other operating expenses	(189)	(195)	(6)		(182) +13
Total operating expenses	(3,436)	(3,914)	(477)		(4,072) (158)
Operating profit	4,293	4,926	+633		4,800 (126)
Non-operating income	0	0	0		0 0
Non-operating expenses					
Interest expenses • Borrowing-related expenses	(490)	(570)	(80)		(577) (7)
Amortization of investment unit issuance costs	(23)	(33)	(9)		(24) +8
Amortization of investment corporation bond issuance costs	(3)	(5)	(1)		(5) (0)
Total non-operating expenses	(517)	(609)	(91)		(608) +0
Ordinary profit	3,775	4,317	+541		4,192 (125)
Profit	3,774	4,316	+541		4,191 (125)
Cash distributions per unit (yen)	3,400	3,450	+50		3,350 (100)

*1 Figures less than ¥1 million are truncated.

*2 Forecasts for the 10th fiscal period are stated on the basis of forecasts released on April 12, 2018. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2018, which was released on April 12, 2018.

(Unit: millions of yen)

	End of 8th Fiscal Period (Feb. 28, 2018) (A)	End of 9th Fiscal Period (Aug 31, 2018) (B)	Change (B - A)
Assets			
Current assets			
Cash and deposits	12,433	5,514	(6,919)
Cash and deposits in trust	5,722	6,313	+590
Operating accounts receivable	10	30	+20
Prepaid expenses	26	28	+2
Deferred tax assets	0	0	(0)
Consumption taxes receivable	0	0	0
Other	0	3	+3
Total current assets	18,193	11,890	(6,302)
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	52,591	56,489	+3,898
Accumulated depreciation	(4,326)	(5,148)	(822)
Buildings in trust, net	48,264	51,340	+3,075
Structures in trust	319	345	+25
Accumulated depreciation	(80)	(92)	(12)
Structures in trust, net	239	252	+13
Machinery and equipment in trust	281	281	+0
Accumulated depreciation	(89)	(106)	(17)
Machinery and equipment in trust, net	192	174	(17)
Tools, furniture and fixtures in trust	27	38	+10
Accumulated depreciation	(8)	(11)	(2)
Tools, furniture and fixtures in trust, net	19	27	+8
Land in trust	199,195	210,875	+11,680
Construction in progress in trust	3	0	(3)
Total property, plant and equipment	247,914	262,670	+14,756
Intangible assets			
Leasehold rights in trust	8,471	8,471	0
Other	2	1	(1)
Total intangible assets	8,473	8,472	(1)
Investments and other assets			
Lease and guarantee deposits	20	20	(0)
Long-term prepaid expenses	719	637	(81)
Total investments and other assets	739	657	(81)
Total noncurrent assets	257,126	271,801	+14,674
Deferred assets			
Investment unit issuance costs	75	51	(23)
Investment corporation bond issuance costs	33	73	+40
Total deferred assets	108	125	+17
Total assets	275,428	283,817	+8,389

(Unit: millions of yen)

	End of 8th Fiscal Period (Feb. 28, 2018) (A)	End of 9th Fiscal Period (Aug 31, 2018) (B)	Change (B - A)
Liabilities			
Current liabilities			
Operating accounts payable	233	513	+279
Short-term loans payable	3,960	4,510	+550
Current portion of long-term loans payable	8,550	13,130	+4,580
Accounts payable - other	998	958	(40)
Accrued expenses	42	45	+3
Income taxes payable	1	0	(0)
Accrued consumption taxes	109	115	+5
Advances received	1,247	1,362	+115
Deposits received	0	26	+26
Total current liabilities	15,142	20,662	+5,519
Noncurrent liabilities			
Investment corporation bond	5,000	12,000	+7,000
Long-term loans payable	98,340	93,760	(4,580)
Tenant leasehold and security deposits in trust	11,013	11,633	+620
Total non current liabilities	114,353	117,393	+3,040
Total liabilities	129,495	138,055	+8,560
Net assets			
Unitholders' equity			
Unitholders' capital	141,717	141,717	0
Surplus			
Unappropriated retained earnings	4,214	4,044	(170)
Total surplus	4,214	4,044	(170)
Total unitholders' equity	145,932	145,761	(170)
Total net assets	145,932	145,761	(170)
Total liabilities and net assets	275,428	283,817	+8,389

* Figures less than ¥1 million are truncated.

		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)	End of 7th Fiscal Period (Aug. 31, 2017)	End of 8th Fiscal Period (Feb. 28, 2018)	End of 9th Fiscal Period (Aug. 31, 2018)
No. of properties	Portfolio overall	21	28	31	32	34	37	43	44	46
	Tokyo Commercial Properties	12	16	19	20	22	23	28	28	30
	Next-Generation Assets	9	12	12	12	12	14	15	16	16
Total assets	Portfolio overall	¥101.4 billion	¥148.2 billion	¥156.2 billion	¥169.0 billion	¥200.8 billion	¥231.3 billion	¥249.7 billion	¥256.4 billion	¥271.5 billion
	Tokyo Commercial Properties	¥78.9 billion	¥114.8 billion	¥122.8 billion	¥135.6 billion	¥167.4 billion	¥190.5 billion	¥207.1 billion	¥201.7 billion	¥216.8 billion
	Next-Generation Assets	¥22.6 billion	¥33.4 billion	¥33.4 billion	¥33.4 billion	¥33.4 billion	¥40.8 billion	¥42.6 billion	¥54.7 billion	¥54.7 billion
Unrealized gains/ losses	Portfolio overall	¥7.1 billion	¥10.2 billion	¥14.9 billion	¥21.1 billion	¥26.3 billion	¥31.9 billion	¥35.4 billion	¥37.6 billion	¥41.9 billion
	Tokyo Commercial Properties	¥5.2 billion	¥7.7 billion	¥11.0 billion	¥16.4 billion	¥21.4 billion	¥26.3 billion	¥29.7 billion	¥31.5 billion	¥35.6 billion
	Next-Generation Assets	¥1.9 billion	¥2.4 billion	¥3.9 billion	¥4.7 billion	¥4.9 billion	¥5.6 billion	¥5.7 billion	¥6.1 billion	¥6.3 billion
Average NOI yield		5.1%	4.9%	4.9%	4.8%	4.7%	4.6%	4.6%	4.6%	4.5%
Average NOI yield after depreciation		4.5%	4.2%	4.2%	4.2%	4.2%	4.1%	4.0%	3.9%	3.9%
Appraisal direct cap rate		4.5%	4.4%	4.3%	4.1%	4.0%	3.9%	3.9%	3.8%	3.8%
NAV per unit		115,107 yen	123,939 yen	129,958 yen	137,968 yen	150,256 yen	156,886 yen	160,194 yen	161,530 yen	165,441 yen
Average age of buildings		18.2 years	16.7 years	17.3 years	16.5 years	18.1 years	16.9 years	17.1 years	16.2 years	17.9 years
Occupancy rate		99.1%	99.0%	98.2%	99.4%	99.9%	99.7%	99.3%	99.7%	99.8%

Asset management fee (maximums)

Type 1 management fee

Total assets × 0.5 of 100th (annual rate)

Type 2 management fee

Cash distributions per investment unit (DPU) before deduction of management fee II × operating income before deduction of management fee II × 0.004 of 100th

Acquisition fees

Acquisition price × 1.0 of 100th (0.5 of 100th in the case of acquisition from an interested party or similar)

Disposition fees

Disposition price × 1.0 of 100th (0.5 of 100th in the case of transfer to an interested party or similar)

Merger fee

The total valuation amount of the real-estate-related assets of counterparty to the merger × 1.0 of 100th

Fiscal agency administrative services fee (1st to 4th investment corporation bonds)

For payment of principal

0.075 of 10,000th of the principal paid

For payment of interest

0.075 of 10,000th of unpaid principal

Fees for asset custody services and administrative services (maximums)

- Total assets multiplied by the following rates (fixed monetary amount for assets of up to ¥20.0 billion)

Total assets	Asset custody services rate (6 months)	Administrative services rate (6 months)
Portion up to ¥20.0 billion	1,500,000 yen	4,500,000 yen
Portion over ¥20.0 billion up to ¥100.0 billion	0.007500%	0.022500%
Portion over ¥100.0 billion up to ¥150.0 billion	0.006300%	0.018900%
Portion over ¥150.0 billion up to ¥200.0 billion	0.005400%	0.016200%
Portion over ¥200.0 billion up to ¥250.0 billion	0.003600%	0.010800%
Portion over ¥250.0 billion up to ¥300.0 billion	0.003000%	0.009000%
Portion over ¥300.0 billion up to ¥400.0 billion	0.002850%	0.008550%
Portion over ¥400.0 billion up to ¥500.0 billion	0.002700%	0.008100%
Portion over ¥500.0 billion	0.002550%	0.007650%

Investment unit administrative service fees (maximums)

- Number of unitholders multiplied by the following monetary amounts

Number of unitholders	Basic fee (Per unitholder) (6 months)	Distribution payment handling fee (Per unitholder)
Up to 5,000 unitholders	480 yen	120 yen
5,001 to 10,000 unitholders	420 yen	110 yen
10,001 to 30,000 unitholders	360 yen	100 yen
30,001 to 50,000 unitholders	300 yen	80 yen
50,001 to 100,000 unitholders	260 yen	60 yen
Over 100,000 unitholders	225 yen	50 yen

*1 This provides limited information on overall pricing structures with respect to the various forms of compensation and fees. As such, certain details in that regard are not included. For further details, refer to the section on such fees provided in the Annual Securities Report for the 8th Fiscal Period Ended February 28, 2018 (in Japanese).

*2 With the exception of the fiscal agency administrative services fees, payment of the compensation and fees is made as separately agreed upon between Hulic Reit and providers of services, with maximum amounts set on the basis of the stated formulas.

Hulic Ginza 7 Chome Building



Location	Chuo Ward, Tokyo
Nearest station	Tokyo Metro Ginza Line, etc. Ginza Station
Walking distance	4 min.
Total floor area	19,790.85 m ²
Total leasable area*2	6,002.99 m ²
Completion of construction	September 1962

Acquisition price

¥11 billion

Appraisal value*1

¥11.25 billion

Appraisal NOI yield

3.6%

Acquisition date

March 29, 2018

Highlights

- Acquisition of office building in favorable central Tokyo locations from the sponsor
 - Office building with retail space offering very convenient transportation access within a 4-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc., and nearly the same distance from Shinbashi Station on the JR Yamanote Line
 - Acquisition of a 50% quasi-co-ownership interest from the sponsor (joint ownership with sponsor)

Location characteristics

- Located in a retail and office district along Sotobori Dori in the Ginza area
 - Situated in a corner location of a district that is home to high-rise office buildings with retail space in the Ginza area, which is a lively district quintessential of Japan
 - The location offers good visibility given its frontage on three streets, including expansive frontage facing Sotobori Dori in addition to frontage adjacent to both a back street and Kojunsha Dori

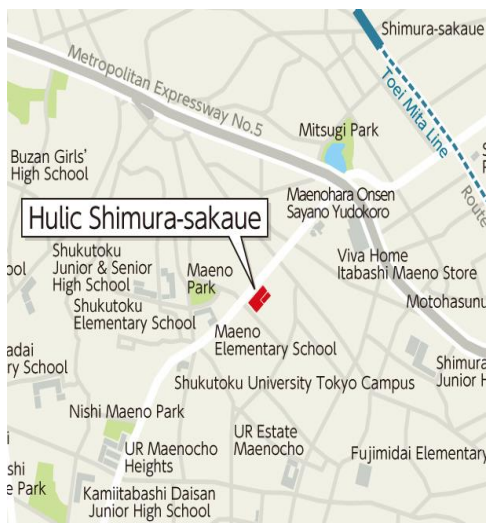
Property characteristics

- Property affords certain competitive strengths, offering approx. 1,120 square meters (340 tsubo) of standard floor area
 - The building affords certain competitive strengths in terms of size given that there is a limited number of office buildings in the vicinity that can provide more than 1,000 square meters (300 tsubo) of office space on a typical floor
 - In the past the building has been upgraded with respect to air conditioning facilities and other major equipment. More recently it has undergone large-scale repairs and seismic reinforcement work in 2009. Its structural capacity to withstand seismic events is on par with the latest earthquake resistance standards

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

*2 The figures equivalent to quasi-co-ownership interest acquired by Hulic Reit (50%) are stated.

Hulic Shimura-sakaue



Location	Itabashi Ward, Tokyo
Nearest station	Toei Mita Line Shimura-sakaue Station
Walking distance	12 min.
Total floor area	(Retail property block) 13,809.33㎡ (Private nursing home block) 4,244.08㎡
Total leasable area*2	11,528.34㎡
Completion of construction	(Retail property block) November 2015 (Private nursing home block) February 2016

Acquisition price
¥7.556 billion

Appraisal value*1
¥7.62 billion

Appraisal NOI yield
4.7%

Acquisition date
June 29, 2018

Highlights

- Acquisition of complex facility consisting of neighborhood commercial facilities and private nursing home, developed by the sponsor
- Acquisition of a property consisting of neighborhood commercial facilities and private nursing home, situated in a location with outstanding market potential boasting nationwide top-class residential density in a commercial area with approx. 60,000 people within a one-kilometer range, and positioned in an area between the Toei Subway Mita Line and Tobu Tojo Line

Location characteristics

- Nearby commercial facilities situated adjacent to a main road serving the community
- Located at a three-street intersection on a city road that acts as a major roadway serving the community, the site has excellent visibility and is deemed as having considerable appeal for car users

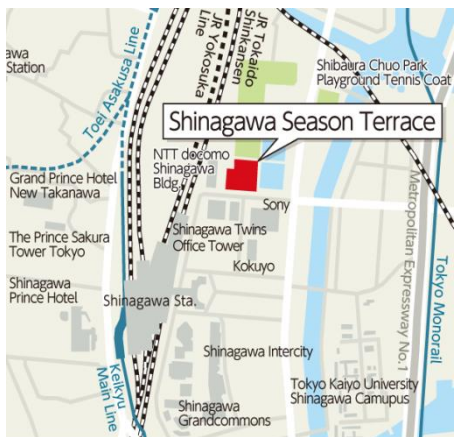
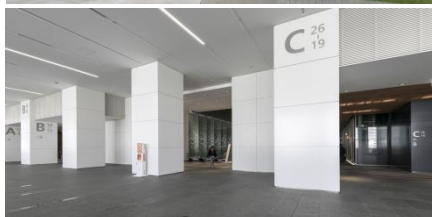
Property characteristics

- Retail property block:** Secures consistent revenue over the long run given that long-term leases are concluded with respective tenants
 - This retail property block secures consistent revenue over the long run given that long-term leases are concluded with respective tenants, providing a tenant mix centered around a supermarket
- Private nursing home block:** Environmentally-sound property
 - Consists of a large private nursing home providing nursing care with 92 rooms (100-person capacity). Installed with LED lighting and rooftop solar panels, it is designed with energy conservation and reduced carbon dioxide emissions in mind.

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

*2 Figures stated represent totals consisting of both the retail property block and the private nursing home block.

Shinagawa Season Terrace



Location	Minato Ward, Tokyo
Nearest station	JR line, etc. Shinagawa station
Walking distance	6 min.
Total floor area	202,666.94㎡
Total leasable area*3	3,196.54㎡
Completion of construction	January 2015

Acquisition price

¥6.1 billion

Appraisal value*2

¥6.15 billion

Appraisal NOI yield

3.6%

Acquisition date

September 10, 2018

Highlights

- Acquisition from sponsor of large office building located in the Shinagawa area, promising future development
- Provides excellent access to locations in Japan and overseas given its location 6 minutes walk from Shinagawa Station, which serves both the JR Line and the Keikyu Main Line, is situated approx. 13 to 16 minutes from Haneda Airport using the Keikyu Airport Line, and acts as a stop for the Tokaido Shinkansen

Location characteristics

- The site is in an area promising development, particularly with respect to developing a new station and laying track for maglev trains
- Situated in an location that holds promise of better railway access and area development, particularly given the prospects involving development of a new railway station between the Shinagawa and Tamachi stations on the JR Yamanote Line and other lines (tentatively slated to begin operation in 2020), and laying of track for the Linear Chuo Shinkansen

Property characteristics

- Environmentally-sound office building offering approx. 4,900 square meters (1,500 tsubo) of area per floor
- Office building with approx. 4,900 square meters (1,500 tsubo) of area per office floor, proactively equipped with energy-saving systems drawing on light, wind, water and other efficient forms of natural energy
- Granted the highest S Rank (CASBEE – new buildings) ranking under the CASBEE certification system (Comprehensive Assessment System for Built Environment Efficiency)

*1 HULIC REIT have a 25% interest in the trust beneficiary rights acquired under quasi-co-ownership, with the primary assets under trust being a co-ownership (18.0%) in unit ownership interests in stores, an assembly hall, and a medical clinic on the 1st through 3rd floors and offices from the 6th through 10th floors and the 18th through 26th floors, as well as co-ownership in unit ownership interests in offices on the 5th floor (approx. 3.4%).

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

*3 The figures stated for the end tenants are equivalent to the quasi-co-ownership interest (25%) acquired by HULIC REIT.

KSS Gotanda Building



Location	Shinagawa Ward, Tokyo
Nearest station	Tokyu Ikegami Line Osakihirokoji station
Walking distance	1 min.
Total floor area	4,495.35㎡
Total leasable area	3,296.01㎡
Completion of construction	March 1996

Acquisition price

¥3.45 billion

Appraisal value*

¥3.49 billion

Appraisal NOI yield

4.5%

Acquisition date

October 1, 2018

Highlights

- Acquisition of mid-sized office building in the Gotanda area, which is gaining recognition as an office district for the IT industry
- Acquisition of a mid-sized office building in the Gotanda area, which is subject to strong demand as an office district for the IT industry, given that it is known for its very convenient access to locations such as Shibuya and Shinjuku, where there are concentrations of companies in that industry

Location characteristics

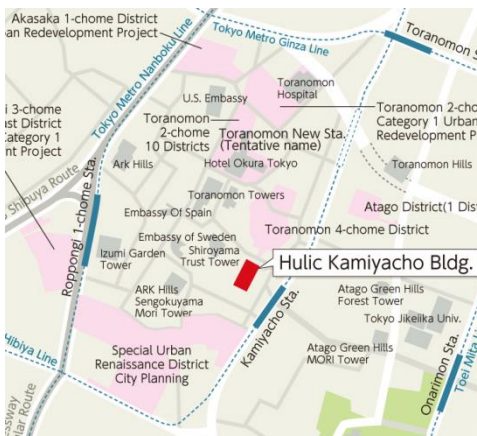
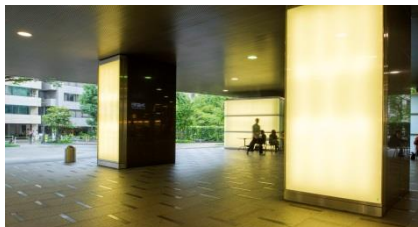
- Location with access to three railway stations and six railway lines, and a one-minute walk to the nearest railway station
- The location is within walking distance of Osaki Station which serves various JR lines, and it is a one minute walk from Osaki Hirokoji Station on the Tokyu Ikegami Line, and a 6 minute walk from Gotanda Station on the JR Yamanote Line
- The location offers outstanding access to Shinagawa Station, which provides the convenience of a transportation network that covers a wide area

Property characteristics

- Mid-sized offices located along Yamate Street, which is home to a concentration of offices
- Located along Yamate Street which features an extensive concentration of offices in the Gotanda area
- Mid-sized office building with a total floor area of about 4,500 square meters (1,360 tsubo) and a standard floor area of about 480 square meters (144 tsubo)
- Delivers advantages with respect to size in the Gotanda area, which is a high-volume zone for small office buildings

* Appraisal value at the time of acquisition is shown.

Hulic Kamiyacho Building (Additional Acquisition)



Location	Minato Ward, Tokyo
Nearest station	Tokyo Metro Hibiya Line Kamiyacho Station
Walking distance	1 min.
Total floor area	39,854.52m ²
Total leasable area	32,487.06m ²
Completion of construction	April 1985

Acquisition price

¥18.5 billion

Appraisal value*

¥18.7 billion

Appraisal NOI yield

3.7%

Acquisition date

October 16, 2018

Highlights

- Full ownership (100%) upon the sponsor's acquisition of an additional 30% ownership interest
- Given the property's strong track record, Hulic Reit made a second additional acquisition in line with efforts to increase its assets. Hulic Reit is poised to have a greater degree of managerial freedom as a result of maintaining full ownership of the property.

Location characteristics

- The Kamiyacho area is undergoing large-scale redevelopment
- Located in an area that is likely to attract an extensive tenant demographic given the area's heightened potential as a result of progress being made with large-scale redevelopment

Property characteristics

- Large office building featuring a highly efficient layout
- One of the largest office buildings in the area with a standard floor area of approx. 3,100 square meters (940 tsubo), featuring a floor plan with a highly efficient layout in terms of the building's central core and shape. It is capable of meeting wide ranging tenant needs extending from large space, particularly for use as a corporate head office, to office space on a small scale.

* Appraisal value at the time of acquisition is shown.

Hulic Nihonbashi-honcho 1 Chome Building



Location	Chuo Ward, Tokyo
Nearest station	Tokyo Metro Ginza Line, etc. Mitsukoshimae Station
Walking distance	5 min.
Total floor area	9,869.38m ²
Total leasable area*2	3,702.25m ²
Completion of construction	January 1964

Acquisition price

¥3.98 billion

Appraisal value*1

¥4.12 billion

Appraisal NOI yield

4.5%

Acquisition date

November 1, 2018

Highlights

- Acquisition of office building located in the Nihonbashi-Muromachi, Nihonbashi-honcho area attracting favorable demand relative to supply
- Acquisition of office building in an area that has consistently been tapping into favorable demand relative to supply due to heightened office potential brought about by reconstruction and redevelopment to continue going forward, with a vacancy rate below 1% since 2017

Location characteristics

- Site offers very convenient access to three railway stations and five railway lines
- The building is a five-minute walk from Mitsukoshimae Station serving the Tokyo Metro Ginza and other lines, and is within walking distance of Shin-Nihombashi Station on the JR Sobu Line's rapid service trains and Nihombashi Station on the Tokyo Metro Tozai line

Property characteristics

- Co-ownership between asset management company (50%) and the sponsor (50%)
- Co-ownership of the property between the asset management company (Hulic Reit) and the sponsor (Hulic Co.), with the sponsor holding a quasi-co-ownership interest of 50%. The property is to be managed in a manner whereby interests are aligned with those of the sponsor.

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

*2 The figures equivalent to quasi-co-ownership interest acquired by Hulic Reit (50%) are stated.

Bancho House



Location	Chiyoda Ward, Tokyo
Nearest station	Tokyo Metro Hanzomon Line Hanzomon Station
Walking distance	3 min.
Total floor area	2,758.04㎡
Total leasable area	1,916.19㎡
Completion of construction	August 1989

Acquisition price

¥2.75 billion

Appraisal value*

¥2.8 billion

Appraisal NOI yield

4.2%

Acquisition date

November 1, 2018

Highlights

- Acquisition from the sponsor of an office building featuring a quality workplace setting against the backdrop of the British embassy
- Acquisition of office building located on a site opposite a road adjacent to the British embassy, in an area featuring a quality workplace setting amid neighboring locations such as the Chidorigafuchi Moat and the Imperial Palace

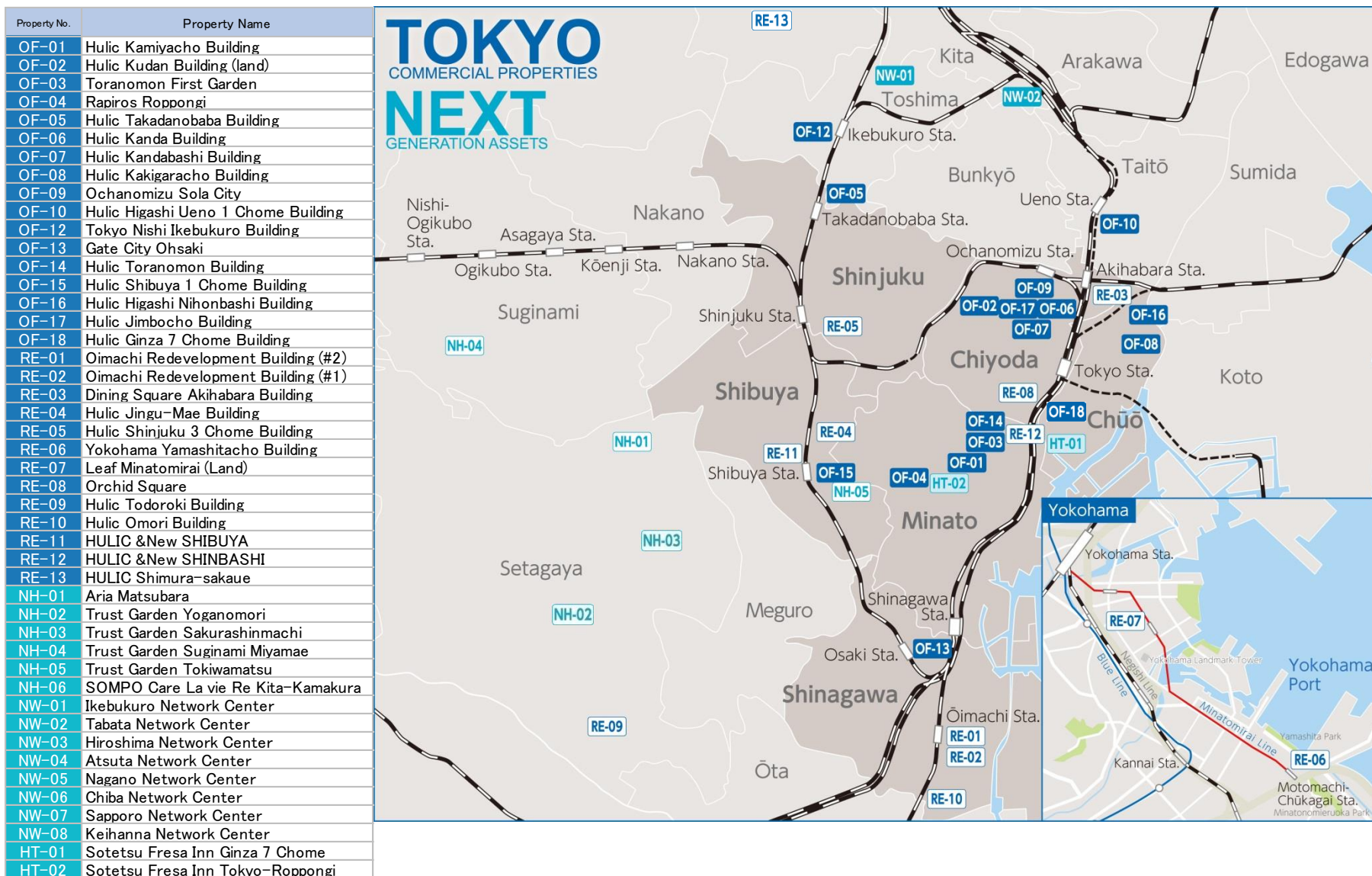
Location characteristics

- Site offers very convenient access to transportation
- The site is a three-minute walk from Hanzomon Station on the Tokyo Metro Hanzomon Line, and is within walking distance of Kojimachi Station on the Tokyo Metro Yurakucho Line
- Situated in an area with excellent access to locations in which offices and administrative organizations are concentrated such as Tokyo, Kasumigaseki and Shibuya, as well as key terminal railway stations

Property characteristics

- Office building featuring a distinctive façade
- Office building with an exterior made of high-grade granite and an imposing entranceway, making it very appealing for the kind of tenant interested in this location

* Appraisal value at the time of acquisition is shown.



*1 The map shown above plots properties located in Tokyo Metropolis and those located in Yokohama City, Kanagawa Prefecture, from among the assets held as of the end of the 9th fiscal period (August 31, 2018).

*2 As of September 27, 2018, 15% quasi-co-ownership of trust beneficiary rights regarding Leaf Minatomirai (land) has been transferred, thereby concluding the transfer of all interests in the property.



OF-01 Office 1-min. walk from station

Hulic Kamiyacho Building



OF-02 Office 1-min. walk from station

Hulic Kudan Building (land)



OF-03 Office 1-min. walk from station

Toranomon First Garden



OF-04 Office Directly connected to station

Rapiros Roppongi



OF-05 Office 6-min. walk from station

Hulic Takadanobaba Building



OF-06 Office 1-min. walk from station

Hulic Kanda Building



OF-07 Office 3-min. walk from station

Hulic Kandabashi Building



OF-08 Office 2-min. walk from station

Hulic Kakigaracho Building



OF-09 Office Directly connected to station

Ochonomizu Sola City



OF-10 Office 2-min. walk from station

**Hulic Higashi Ueno
1 Chome Building**



OF-12 Office 3-min. walk from station

Tokyo Nishi Ikebukuro Building



OF-13 Office 1-min. walk from station

Gate City Ohsaki



OF-14 Office 1-min. walk from station

Hulic Toranomon Building



OF-15 Office 5-min. walk from station

**Hulic Shibuya
1 Chome Building**



OF-16 Office 2-min. walk from station

Hulic Higashi Nihonbashi Building



OF-17 Office 2-min. walk from station

Hulic Jimbocho Building



OF-18 Office 4-min. walk from station

Hulic Ginza 7 Chome Building



RE-01 Retail properties 1-min. walk from station
RE-02

Oimachi Redevelopment Building (#2)
Oimachi Redevelopment Building (#1)



RE-03 Retail properties 1-min. walk from station

Dining Square Akihabara Building



RE-04 Retail properties 7-min. walk from station

Hulic Jingu-Mae Building



RE-05 Retail properties 1-min. walk from station

Hulic Shinjuku 3 Chome Building



RE-06 Retail properties 1-min. walk from station

Yokohama Yamashitacho Building



RE-07 Retail properties 3-min. walk from station

Leaf Minatomirai (Land)



RE-08 Retail properties 3-min. walk from station

Orchid Square



RE-09 Retail properties 1-min. walk from station

Hulic Todoroki Building



RE-10 Retail properties 2-min. walk from station

Hulic Omori Building



RE-11 Retail properties 5-min. walk from station

HULIC & New SHIBUYA



RE-12 Retail properties 3-min. walk from station

HULIC & New SHINBASHI



RE-13 Retail properties 12-min. walk from station

HULIC Shimura-sakaue

*1 This refers to properties owned at the end of the 9th fiscal period (August 31, 2018).

*2 Since 15% quasi-co-ownership of trust beneficiary rights to Leaf Minatomirai (land) was transferred on September 27, 2018, the transfer of full ownership of the property has been completed.



NH-01 Private nursing home

Aria Matsubara



NH-02 Private nursing home

Trust Garden Yoganomori



NH-03 Private nursing home

Trust Garden
Sakurashinmachi



NH-04 Private nursing home

Trust Garden
Sugunami Miyamae



NH-05 Private nursing home

Trust Garden Tokiwamatsu



NH-06 Private nursing home

SOMPO Care La vie Re
Kita-Kamakura



NW-01 Network Center

Ikebukuro Network Center



NW-02 Network Center

Tabata Network Center



NW-03 Network Center

Hiroshima Network Center



NW-04 Network Center

Atsuta Network Center



NW-05 Network Center

Nagano Network Center



NW-06 Network Center

Chiba Network Center



NW-07 Network Center

Sapporo Network Center



NW-08 Network Center

Keihanna Network Center



HT-01 Hotel

Sotetsu Fresa Inn
Ginza 7 Chome



HT-02 Hotel

Sotetsu Fresa Inn
Tokyo-Roppongi

8. List of Portfolio Properties (Tokyo Commercial Properties) at the End of the 9th Fiscal Period

Property No.	Property name	Area	Location	Acquisition price (millions of yen)	Completion of construction	Total leasable area (m ²)	NOI yield (%)	Occupancy rate* (%)
Subtotal for Tokyo Commercial Properties (30 properties)				216,765	–	157,888.49	4.4	99.7
Subtotal for office properties (17 properties)				161,200	–	97,999.92	4.2	99.5
OF-01	Hulic Kamiyacho Building	6 central Tokyo wards	Minato Ward, Tokyo	36,750	April, 1985	22,740.96	4.3	97.8
OF-02	Hulic Kudan Building (Land)	6 central Tokyo wards	Chiyoda Ward, Tokyo	11,100	–	3,351.07	4.1	100.0
OF-03	Toranomon First Garden	6 central Tokyo wards	Minato Ward, Tokyo	8,623	August, 2010	5,689.97	4.5	100.0
OF-04	Rapiros Roppongi	6 central Tokyo wards	Minato Ward, Tokyo	6,210	August, 1997	6,730.52	6.1	100.0
OF-05	Hulic Takadanobaba Building	Other Tokyo 23 wards	Toshima Ward, Tokyo	3,900	November, 1993	5,369.71	5.4	100.0
OF-06	Hulic Kanda Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,780	September, 2008	3,728.36	4.5	100.0
OF-07	Hulic Kandabashi Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	2,500	June, 2001	2,566.95	4.6	100.0
OF-08	Hulic Kakigaracho Building	6 central Tokyo wards	Chuo Ward, Tokyo	2,210	March, 1993	2,858.48	5.7	100.0
OF-09	Ochanomizu Sola City	6 central Tokyo wards	Chiyoda Ward, Tokyo	38,149	February, 2013	13,923.42	3.8	100.0
OF-10	Hulic Higashi Ueno 1 Chome Building	Other Tokyo 23 wards	Taito Ward, Tokyo	2,678	July, 1988	3,137.09	4.8	100.0
OF-12	Tokyo Nishiikebukuro Building	Other Tokyo 23 wards	Toshima Ward, Tokyo	1,580	October, 1990	1,429.74	5.4	100.0
OF-13	Gate City Ohsaki	6 central Tokyo wards	Shinagawa Ward, Tokyo	4,370	(Office and commercial building) January, 1999 (Residential building) December, 1998	3,835.78	4.5	100.0
OF-14	Hulic Toranomon Building	6 central Tokyo wards	Minato Ward, Tokyo	18,310	May, 2015	8,574.65	3.7	100.0
OF-15	Hulic Shibuya 1 Chome Building	6 central Tokyo wards	Shibuya Ward, Tokyo	5,100	August, 1993	2,817.65	4.1	100.0
OF-16	Hulic Higashi Nihonbashi Building	6 central Tokyo wards	Chuo Ward, Tokyo	3,480	November, 1996	3,681.20	4.6	100.0
OF-17	Hulic Jimbocho Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	1,460	September, 1989	1,561.38	4.3	100.0
OF-18	Hulic Ginza 7 Chome Building	6 central Tokyo wards	Chuo Ward, Tokyo	11,000	September, 1962	6,002.99	3.6	100.0

* Figures are as of the end of the 9th fiscal period (August, 31, 2018).

8. List of Portfolio Properties (Tokyo Commercial Properties) at the End of the 9th Fiscal Period

Property No.	Property name	Area	Location	Acquisition price (millions of yen)	Completion of construction	Total leasable area (m ²)	NOI yield (%)	Occupancy rate* (%)
Subtotal for retail properties (13 properties)				55,565	–	59,888.57	5.0	100.0
RE-01	Oimachi Redevelopment Building (#2)	6 central Tokyo wards	Shinagawa Ward, Tokyo	9,456	September, 1989	14,485.66	5.8	100.0
RE-02	Oimachi Redevelopment Building (#1)	6 central Tokyo wards	Shinagawa Ward, Tokyo	6,166	September, 1989	10,612.67	5.8	100.0
RE-03	Dining Square Akihabara Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,200	June, 1993	2,169.41	4.8	100.0
RE-04	Hulic Jingu-Mae Building	6 central Tokyo wards	Shibuya Ward, Tokyo	2,660	September, 2000	1,656.24	4.6	100.0
RE-05	Hulic Shinjuku 3 Chome Building	6 central Tokyo wards	Shinjuku Ward, Tokyo	5,550	June, 1983	1,351.15	5.0	100.0
RE-06	Yokohama Yamashitacho Building	Others	Yokohama City, Kanagawa	4,850	July, 1993	8,958.70	5.3	100.0
RE-07	Leaf Minatomirai (Land)	Others	Yokohama City, Kanagawa	1,755	–	825.01	4.3	100.0
RE-08	Orchid Square	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,502	January, 2009	1,334.88	4.2	100.0
RE-09	Hulic Todoroki Building	Other Tokyo 23 wards	Setagaya Ward, Tokyo	1,200	August, 1990	1,676.02	5.7	100.0
RE-10	Hulic Omori Building	6 central Tokyo wards	Shinagawa Ward, Tokyo	3,420	January, 2017	2,666.52	4.7	100.0
RE-11	HULIC &New SHIBUYA	6 central Tokyo wards	Shibuya Ward, Tokyo	3,150	April, 2017	898.62	3.4	100.0
RE-12	HULIC &New SHINBASHI	6 central Tokyo wards	Minato Ward, Tokyo	3,100	April, 2017	1,725.35	4.1	100.0
RE-13	HULIC Shimura-sakaue	Other Tokyo 23 wards	Itabashi Ward, Tokyo	7,556	(Retail property block) November, 2015 (Private nursing home block) February ,2016	11,528.34	4.7	100.0

* Figures are as of the end of the 9th fiscal period (August, 31, 2018).

8. List of Portfolio Properties (Next-Generation Assets) at the End of the 9th Fiscal Period

Property No.		Property name		Area	Location	Acquisition price (millions of yen)	Completion of construction	Total leasable area(m²)	NOI yield (%)	Occupancy rate* (%)
Sub total for Next-Generation Assets (16 properties)						54,719	—	107,681.30	5.1	100.0
	Sub total for private nursing homes (6 properties)					19,054	—	26,914.87	5.8	100.0
		NH-01	Aria Matsubara	Other Tokyo 23 wards	Setagaya Ward, Tokyo	3,244	September, 2005	5,454.48	6.0	100.0
		NH-02	Trust Garden Yoganomori	Other Tokyo 23 wards	Setagaya Ward, Tokyo	5,390	September, 2005	5,977.75	6.1	100.0
		NH-03	Trust Garden Sakurashinmachi	Other Tokyo 23 wards	Setagaya Ward, Tokyo	2,850	August, 2005	3,700.26	6.0	100.0
		NH-04	Trust Garden Suginami Miyamae	Other Tokyo 23 wards	Suginami Ward, Tokyo	2,760	April, 2005	3,975.99	6.0	100.0
		NH-05	Trust Garden Tokiwamatsu	6 central Tokyo wards	Shibuya Ward, Tokyo	3,030	January, 2016	2,893.82	4.7	100.0
		NH-06	SOMPO Care La vie Re Kita-Kamakura	Others	Kamakura City, Kanagawa	1,780	March, 2009	4,912.57	5.7	100.0
	Sub total for network centers (8 properties)					19,145	—	71,373.66	5.6	100.0
		NW-01	Ikebukuro Network Center	Other Tokyo 23 wards	Toshima Ward, Tokyo	4,570	January, 2001	12,773.04	5.2	100.0
		NW-02	Tabata Network Center	Other Tokyo 23 wards	Kita Ward, Tokyo	1,355	April, 1998	3,832.73	5.8	100.0
		NW-03	Hiroshima Network Center	Others	Hiroshima City, Hiroshima	1,080	October, 2001	5,208.54	6.7	100.0
		NW-04	Atsuta Network Center	Others	Nagoya City, Aichi	1,015	May, 1997	4,943.10	6.0	100.0
		NW-05	Nagano Network Center	Others	Nagano City, Nagano	305	September, 1994	2,211.24	8.6	100.0
		NW-06	Chiba Network Center	Others	Inzai City, Chiba	7,060	June, 1995	23,338.00	5.4	100.0
		NW-07	Sapporo Network Center	Others	Sapporo City, Hokkaido	2,510	January, 2002	9,793.57	5.5	100.0
		NW-08	Keihanna Network Center	Others	Kizugawa City, Kyoto	1,250	May, 2001	9,273.44	5.9	100.0
Sub total for hotels (2 properties)					16,520	—	9,392.77	3.9	100.0	
	HT-01	Sotetsu Fresa Inn Ginza 7 Chome	6 central Tokyo wards	Chuo Ward, Tokyo	11,520	August, 2016	6,984.32	3.8	100.0	
	HT-02	Sotetsu Fresa Inn Tokyo-Roppongi	6 central Tokyo wards	Minato Ward, Tokyo	5,000	August, 2017	2,408.45	4.0	100.0	
Total (46 properties)						271,484	—	265,556.79	4.5	99.8

* Figures are as of the end of the 9th fiscal period (August, 31, 2018).

9. Status of Appraisal Values by Property

(Unit: millions of yen)

Name	①	②	③							④
	Acquisition price (※1)	Book value (As of Aug. 31, 2018) (※1)	Appraisal value (Aug. 31, 2018)					Appraisal firm	Unrealized gains/losses ③－②	
			Profit price (Direct capitalization method)	Cap rate (※2)	Profit price (DCF)	Discount rate (※2)	Final cap rate (※2)			
Subtotal for Tokyo Commercial Properties (30 properties)	216,765	216,568	252,143	255,927	3.6%	249,469	3.4%	3.8%	35,574	
Subtotal for office properties (17 properties)	161,200	160,836	186,513	189,337	3.5%	184,679	3.3%	3.6%	25,676	
OF-01 HULIC Kamiyacho Building	36,750	36,988	42,600	43,800	3.5%	42,100	3.3%	3.7%	DAIWA REAL ESTATE APPRAISAL 5,611	
OF-02 HULIC Kudan Building (Land)	11,100	11,191	12,900	12,900	3.6%	12,800	3.2%	3.7%	Japan Real Estate Institute 1,708	
OF-03 Toranomon First Garden	8,623	8,321	11,500	11,600	3.3%	11,500	3.0%	3.4%	CBRE 3,178	
OF-04 Rapiros Roppongi	6,210	6,789	9,300	9,440	3.6%	9,150	3.3%	3.8%	Japan Real Estate Institute 2,510	
OF-05 HULIC Takadanobaba Building	3,900	3,825	4,790	4,710	4.1%	4,820	3.9%	4.3%	DAIWA REAL ESTATE APPRAISAL 964	
OF-06 HULIC Kanda Building	3,780	3,629	4,050	4,300	3.9%	3,940	4.0%	4.1%	The Tanizawa Sogo Appraisal 420	
OF-07 HULIC Kandabashi Building	2,500	2,499	2,970	3,000	3.7%	2,950	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL 470	
OF-08 HULIC Kakigaracho Building	2,210	2,181	2,840	2,820	4.2%	2,850	4.3%	4.4%	The Tanizawa Sogo Appraisal 658	
OF-09 Ochanomizu Sola City	38,149	37,296	43,183	43,617	3.3%	42,749	3.0%	3.4%	Japan Real Estate Institute 5,886	
OF-10 HULIC Higashi Ueno 1 Chome Building	2,678	2,663	3,020	3,070	4.0%	2,970	3.8%	4.2%	Japan Real Estate Institute 356	
OF-12 Tokyo Nishiikebukuro Building	1,580	1,615	1,950	1,980	4.2%	1,910	4.0%	4.4%	Japan Real Estate Institute 334	
OF-13 Gate City Ohsaki	4,370	4,487	4,620	4,640	3.6%	4,590	3.2%	3.7%	Japan Real Estate Institute 132	
OF-14 HULIC Toranomon Building	18,310	18,137	21,000	21,200	3.2%	20,800	2.9%	3.3%	Japan Real Estate Institute 2,862	
OF-15 HULIC Shibuya 1 Chome Building	5,100	5,120	5,450	5,720	3.5%	5,340	3.6%	3.7%	The Tanizawa Sogo Appraisal 329	
OF-16 HULIC Higashi Nihonbashi Building	3,480	3,489	3,590	3,720	4.2%	3,540	4.3%	4.4%	The Tanizawa Sogo Appraisal 100	
OF-17 HULIC Jimbocho Building	1,460	1,504	1,500	1,520	4.0%	1,470	3.8%	4.2%	Japan Real Estate Institute △4	
OF-18 HULIC Ginza 7 Chome Building	11,000	11,095	11,250	11,300	3.4%	11,200	3.2%	3.4%	Japan Real Estate Institute 154	
Subtotal for retail properties (13 properties)	55,565	55,732	65,630	66,590	4.0%	64,790	3.8%	4.1%	9,897	
RE-01 Oimachi Redevelopment Building (#2)	9,456	9,561	12,300	12,400	4.1%	12,200	4.2%	4.3%	The Tanizawa Sogo Appraisal 2,738	
RE-02 Oimachi Redevelopment Building (#1)	6,166	6,261	7,420	7,500	4.3%	7,390	4.4%	4.5%	The Tanizawa Sogo Appraisal 1,158	
RE-03 Dining Square Akihabara Building	3,200	3,189	3,930	4,000	3.8%	3,860	3.6%	4.0%	Japan Real Estate Institute 740	
RE-04 HULIC Jingu-Mae Building	2,660	2,645	3,500	3,570	3.4%	3,470	3.5%	3.6%	The Tanizawa Sogo Appraisal 854	
RE-05 HULIC Shinjuku 3 Chome Building	5,550	5,558	7,510	7,710	3.6%	7,300	3.1%	3.7%	Japan Real Estate Institute 1,951	
RE-06 Yokohama Yamashitacho Building	4,850	4,719	5,780	5,860	4.3%	5,690	4.1%	4.5%	Japan Real Estate Institute 1,060	
RE-07 Leaf Minatomirai (Land)*3	1,755	1,764	1,960			1,960	4.0%		DAIWA REAL ESTATE APPRAISAL 195	
RE-08 Orchid Square	3,502	3,496	3,820	3,900	3.7%	3,790	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL 323	
RE-09 HULIC Todoroki Building	1,200	1,204	1,320	1,330	4.6%	1,310	4.7%	4.8%	The Tanizawa Sogo Appraisal 115	
RE-10 HULIC Omori Building	3,420	3,407	3,720	3,720	4.3%	3,720	4.1%	4.4%	CBRE 312	
RE-11 HULIC &New SHIBUYA	3,150	3,146	3,410	3,490	3.1%	3,330	2.9%	3.3%	Japan Real Estate Institute 263	
RE-12 HULIC &New SHINBASHI	3,100	3,095	3,330	3,380	3.7%	3,280	3.5%	3.9%	Japan Real Estate Institute 234	
RE-13 HULIC Shimura-sakae	7,556	7,681	7,630	7,770	4.6%	7,490	4.4%	4.9%	Japan Real Estate Institute △51	
Subtotal for Next Generation Assets (16 properties)	54,719	54,573	60,922	61,543	4.5%	60,256	4.2%	4.7%	6,348	
Subtotal for private nursing homes (6 properties)	19,054	19,046	23,490	23,660	4.6%	23,290	4.2%	4.8%	4,443	
NH-01 Aria Matsubara	3,244	3,179	4,290	4,320	4.4%	4,260	4.0%	4.6%	Japan Real Estate Institute 1,110	
NH-02 Trust Garden Yoganomori	5,390	5,358	6,880	6,920	4.7%	6,830	4.3%	4.9%	Japan Real Estate Institute 1,521	
NH-03 Trust Garden Sakurashinmachi	2,850	2,862	3,670	3,690	4.6%	3,640	4.2%	4.8%	Japan Real Estate Institute 807	
NH-04 Trust Garden Suginami Miyamae	2,760	2,764	3,550	3,570	4.6%	3,530	4.2%	4.8%	Japan Real Estate Institute 785	
NH-05 Trust Garden Tokiwamatsu	3,030	3,053	3,300	3,350	4.2%	3,250	4.0%	4.4%	Japan Real Estate Institute 246	
NH-06 SOMPO Care La vie Re Kita-Kamakura	1,780	1,829	1,800	1,810	5.4%	1,780	5.2%	5.6%	Japan Real Estate Institute △29	
Subtotal for network centers (8 properties)	19,145	18,996	20,582	20,733	5.1%	20,381	4.8%	5.2%	1,585	
NW-01 Ikebukuro Network Center	4,570	4,519	5,280	5,330	4.4%	5,220	4.1%	4.5%	Japan Real Estate Institute 760	
NW-02 Tabata Network Center	1,355	1,362	1,550	1,560	4.9%	1,530	4.6%	5.0%	Japan Real Estate Institute 187	
NW-03 Hiroshima Network Center	1,080	1,047	1,220	1,230	5.7%	1,200	5.4%	5.8%	Japan Real Estate Institute 172	
NW-04 Atsuta Network Center	1,015	990	1,070	1,080	5.4%	1,060	5.1%	5.5%	Japan Real Estate Institute 79	
NW-05 Nagano Network Center	305	305	362	363	6.9%	361	6.7%	7.1%	Japan Real Estate Institute 56	
NW-06 Chiba Network Center	7,060	7,024	7,180	7,230	5.2%	7,120	4.9%	5.3%	Japan Real Estate Institute 155	
NW-07 Sapporo Network Center	2,510	2,541	2,600	2,620	5.2%	2,580	4.9%	5.3%	Japan Real Estate Institute 58	
NW-08 Keihanna Network Center	1,250	1,205	1,320	1,320	5.5%	1,310	5.2%	5.6%	Japan Real Estate Institute 114	
Subtotal for hotels (2 properties)	16,520	16,530	16,850	17,150	3.8%	16,585	3.6%	4.0%	319	
HT-01 Sotetsu Fresa Inn Ginza 7 Chome	11,520	11,539	11,800	12,000	3.7%	11,600	3.5%	3.9%	Japan Real Estate Institute 260	
HT-02 Sotetsu Fresa Inn Tokyo-Roppongi	5,000	4,990	5,050	5,150	3.9%	4,985	3.7%	4.1%	Japan Real Estate Institute 59	
Total (46 properties)	271,484	271,142	313,065	317,470	3.8%	309,725	3.6%	3.9%	41,922	

*1 Acquisition prices are rounded to the nearest million yen. Book values of less than ¥1 million are truncated.

*2 Subtotals and totals of respective yields are stated as the weighted averages of yields of each property based on appraisal values. (The same applies on the remaining slides.)

*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. (The same applies on the remaining slides.)

10. List of Appraisal Values by Property (Compared with 8th Fiscal Period)

									(Unit: millions of yen)
Name		Appraisal value			Cap rate (direct capitalization method)			Appraisal firm	
		① End of 8th Fiscal Period Feb. 28, 2018	② End of 9th Fiscal Period Aug. 31, 2018	③ Difference ②－①	④ End of 8th Fiscal Period Feb. 28, 2018	⑤ End of 9th Fiscal Period Aug. 31, 2018	⑥ Difference ⑤－④		
Subtotal for Tokyo Commercial Properties (30 properties)		248,048	252,143	+4,095	3.7%	3.6%	△0.0%		
Subtotal for office properties (17 properties)		183,105	186,513	+3,408	3.5%	3.5%	△0.1%		
OF-01	Hulic Kamiyacho Building	42,400	42,600	+200	3.5%	3.5%	0.0%	DAIWA REAL ESTATE APPRAISAL	
OF-02	Hulic Kudan Building (Land)	12,500	12,900	+400	3.7%	3.6%	△0.1%	Japan Real Estate Institute	
OF-03	Toranomon First Garden	11,300	11,500	+200	3.4%	3.3%	△0.1%	CBRE	
OF-04	Rapiros Roppongi	8,130	9,300	+1,170	3.7%	3.6%	△0.1%	Japan Real Estate Institute	
OF-05	Hulic Takadanobaba Building	4,790	4,790	0	4.1%	4.1%	0.0%	DAIWA REAL ESTATE APPRAISAL	
OF-06	Hulic Kanda Building	3,990	4,050	+60	3.9%	3.9%	0.0%	The Tanizawa Sogo Appraisal	
OF-07	Hulic Kandabashi Building	2,960	2,970	+10	3.7%	3.7%	0.0%	DAIWA REAL ESTATE APPRAISAL	
OF-08	Hulic Kakigaracho Building	2,840	2,840	0	4.2%	4.2%	0.0%	The Tanizawa Sogo Appraisal	
OF-09	Ochanomizu Sola City	42,315	43,183	+868	3.4%	3.3%	△0.1%	Japan Real Estate Institute	
OF-10	Hulic Higashi Ueno 1 Chome Building	2,950	3,020	+70	4.1%	4.0%	△0.1%	Japan Real Estate Institute	
OF-12	Tokyo Nishiikebukuro Building	1,900	1,950	+50	4.3%	4.2%	△0.1%	Japan Real Estate Institute	
OF-13	Gate City Ohsaki	4,490	4,620	+130	3.7%	3.6%	△0.1%	Japan Real Estate Institute	
OF-14	Hulic Toranomon Building	20,800	21,000	+200	3.3%	3.2%	△0.1%	Japan Real Estate Institute	
OF-15	Hulic Shibuya 1 Chome Building	5,420	5,450	+30	3.5%	3.5%	0.0%	The Tanizawa Sogo Appraisal	
OF-16	Hulic Higashi Nihonbashi Building	3,590	3,590	0	4.2%	4.2%	0.0%	The Tanizawa Sogo Appraisal	
OF-17	Hulic Jimbocho Building	1,480	1,500	+20	4.1%	4.0%	△0.1%	Japan Real Estate Institute	
OF-18	Hulic Ginza 7 Chome Building	11,250	11,250	0	3.4%	3.4%	0.0%	Japan Real Estate Institute	
Subtotal for retail properties (13 properties)		64,943	65,630	+687	4.0%	4.0%	△0.0%		
RE-01	Oimachi Redevelopment Building (#2)	12,300	12,300	0	4.1%	4.1%	0.0%	The Tanizawa Sogo Appraisal	
RE-02	Oimachi Redevelopment Building (#1)	7,460	7,420	△40	4.3%	4.3%	0.0%	The Tanizawa Sogo Appraisal	
RE-03	Dining Square Akihabara Building	3,840	3,930	+90	3.9%	3.8%	△0.1%	Japan Real Estate Institute	
RE-04	Hulic Jingu-Mae Building	3,500	3,500	0	3.4%	3.4%	0.0%	The Tanizawa Sogo Appraisal	
RE-05	Hulic Shinjuku 3 Chome Building	7,370	7,510	+140	3.6%	3.6%	0.0%	Japan Real Estate Institute	
RE-06	Yokohama Yamashitacho Building	5,660	5,780	+120	4.4%	4.3%	△0.1%	Japan Real Estate Institute	
RE-07	Leaf Minatomirai (Land) (#2)	1,943	1,960	+17				DAIWA REAL ESTATE APPRAISAL	
RE-08	Orchid Square	3,920	3,820	△100	3.6%	3.7%	+0.1%	DAIWA REAL ESTATE APPRAISAL	
RE-09	Hulic Todoroki Building	1,260	1,320	+60	4.6%	4.6%	0.0%	The Tanizawa Sogo Appraisal	
RE-10	Hulic Omori Building	3,590	3,720	+130	4.4%	4.3%	△0.1%	CBRE	
RE-11	HULIC &New SHIBUYA	3,290	3,410	+120	3.2%	3.1%	△0.1%	Japan Real Estate Institute	
RE-12	HULIC &New SHINBASHI (#1)	3,190	3,330	+140	3.8%	3.7%	△0.1%	Japan Real Estate Institute	
RE-13	Hulic Shimura-sakaue	7,620	7,630	+10	4.6%	4.6%	0.0%	Japan Real Estate Institute	
Subtotal for Next Generation Assets (16 properties)		60,902	60,922	+20	4.5%	4.5%	+0.0%		
Subtotal for private nursing homes (8 properties)		23,470	23,490	+20	4.6%	4.6%	△0.0%		
NH-01	Aria Matsubara	4,270	4,290	+20	4.4%	4.4%	0.0%	Japan Real Estate Institute	
NH-02	Trust Garden Yoganomori	6,880	6,880	0	4.7%	4.7%	0.0%	Japan Real Estate Institute	
NH-03	Trust Garden Sakurashinmachi	3,670	3,670	0	4.6%	4.6%	0.0%	Japan Real Estate Institute	
NH-04	Trust Garden Suginami Miyamae	3,550	3,550	0	4.6%	4.6%	0.0%	Japan Real Estate Institute	
NH-05	Trust Garden Tokiwamatsu	3,300	3,300	0	4.2%	4.2%	0.0%	Japan Real Estate Institute	
NH-06	SOMPO Care La vie Re	1,800	1,800	0	5.4%	5.4%	0.0%	Japan Real Estate Institute	
Subtotal for network centers (8 properties)		20,532	20,582	+50	5.1%	5.1%	△0.0%		
NW-01	Ikebukuro Network Center	5,230	5,280	+50	4.4%	4.4%	0.0%	Japan Real Estate Institute	
NW-02	Tabata Network Center	1,550	1,550	0	4.9%	4.9%	0.0%	Japan Real Estate Institute	
NW-03	Hiroshima Network Center	1,210	1,220	+10	5.7%	5.7%	0.0%	Japan Real Estate Institute	
NW-04	Atsuta Network Center	1,100	1,070	△30	5.4%	5.4%	0.0%	Japan Real Estate Institute	
NW-05	Nagano Network Center	342	362	+20	6.9%	6.9%	0.0%	Japan Real Estate Institute	
NW-06	Chiba Network Center	7,180	7,180	0	5.2%	5.2%	0.0%	Japan Real Estate Institute	
NW-07	Sapporo Network Center	2,600	2,600	0	5.2%	5.2%	0.0%	Japan Real Estate Institute	
NW-08	Keihanna Network Center	1,320	1,320	0	5.5%	5.5%	0.0%	Japan Real Estate Institute	
Subtotal for hotels (2 properties)		16,900	16,850	△50	3.8%	3.8%	△0.0%		
HT-01	Sotetsu Fresa Inn Ginza 7 Chome (#1)	11,800	11,800	0	3.7%	3.7%	0.0%	Japan Real Estate Institute	
HT-02	Sotetsu Fresa Inn Tokyo-Roppongi (#1)	5,100	5,050	△50	3.9%	3.9%	0.0%	Japan Real Estate Institute	
Total (46 properties)		308,950	313,065	+4,115	3.8%	3.8%	△0.0%		

*1 Regarding assets acquired in the 9th fiscal period (Aug. 2018), figures noted in the column under "February 28, 2018" are as of the time of acquisition, and are used in various calculations.

*2 For the sake of comparison, the appraisal value at the end of the 8th fiscal period (February 28, 2018) with respect to RE-07, which was subject to partial transfer in the 9th fiscal period (Aug. 2018), has been stated exclusive of the portion transferred.

Key financial indicators

	End of 7th fiscal period (Aug. 31, 2017)	End of 8th fiscal period (Feb. 28, 2018)	End of 9th fiscal period (Aug. 31, 2018)
Total interest-bearing debt *1	¥115.8 billion	¥115.8 billion	¥123.4 billion
Fixed-interest debt ratio *2 (includes interest rates fixed by swap transaction)	96.6%	96.6%	96.3%
Average interest rate *2	0.69%	0.69%	0.69%
Average interest rate *2 (including upfront fee)	0.83%	0.84%	0.83%

Ratings

Long-term issuer rating (ratings outlook) of
AA- (stable)
 assigned by Japan Credit Rating Agency (JCR)

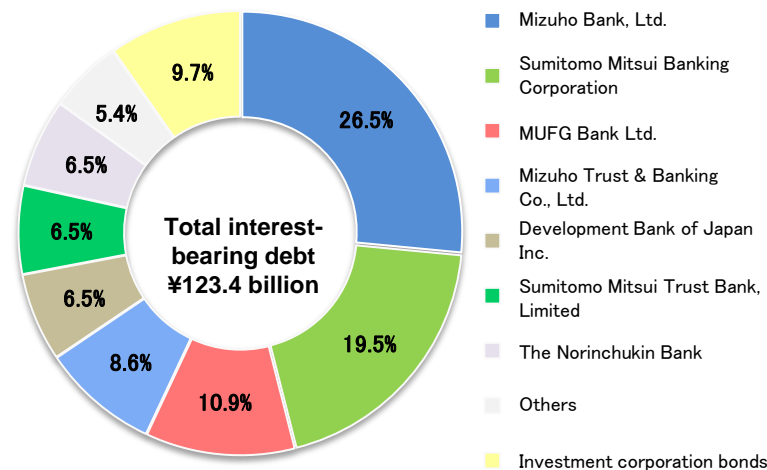
Investment corporation bonds issued

	1st unsecured investment corporation bonds	2nd unsecured investment corporation bonds	3rd unsecured investment corporation bonds	4th unsecured investment corporation bonds
Issue amount	¥2 billion	¥2 billion	¥1 billion	¥7 billion
Date of issue	Aug. 31, 2015	Dec. 13, 2016	Dec. 13, 2016	Aug. 30, 2018
Issued period	10 years	3 years	10 years	10 years
Interest rate	0.95%	0.04%	0.49%	0.77%

Status of commitment line

Financial institution	Set amount	Term
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd.	¥10 billion	February 7, 2019

Lender information *3



*1 All figures have been rounded down to the nearest hundred million yen.

*2 Figures for the fixed-interest debt ratio is rounded to the 1st decimal place. Figures for average interest rates are rounded to the 2nd decimal place.

*3 Figures are as of the end of the 9th fiscal period (August 31, 2018).

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

	End of 8th Fiscal Period(Feb. 28, 2018)		End of 9th Fiscal Period(Aug. 31, 2018)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	61,929	5.6	57,171	5.2	-4,758	-0.4
Financial institutions	652,868	58.8	669,881	60.3	+17,013	+1.5
Major banks	0	0.0	0	0.0	0	0.0
Regional banks	68,508	6.2	80,112	7.2	+11,604	+1.0
Trust banks	533,020	48.0	533,338	48.0	+318	+0.0
Life insurers	13,986	1.3	13,710	1.2	-276	-0.1
Non-life insurers	0	0.0	0	0.0	0	0.0
Shinkin banks	24,647	2.2	27,363	2.5	+2,716	+0.3
Others	12,707	1.1	15,358	1.4	+2,651	+0.3
Other domestic corporations	151,947	13.7	150,611	13.6	-1,336	-0.1
Foreign investors	228,617	20.6	215,993	19.5	-12,624	-1.1
Securities companies	14,639	1.3	16,344	1.5	+1,705	+0.2
Total	1,110,000	100.0	1,110,000	100.0	0	-

Number of unitholders by type*1 *2

	End of 8th Fiscal Period(Feb. 28, 2018)		End of 9th Fiscal Period(Aug. 31, 2018)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	7,919	93.6	7,357	93.2	-562	-0.4
Financial institutions	126	1.5	131	1.7	+5	+0.2
Major banks	0	0.0	0	0.0	0	0.0
Regional banks	33	0.4	35	0.4	+2	+0.0
Trust banks	14	0.2	14	0.2	0	0.0
Life insurers	6	0.1	6	0.1	0	0.0
Non-life insurers	0	0.0	0	0.0	0	0.0
Shinkin banks	43	0.5	44	0.6	+1	+0.1
Others	30	0.4	32	0.4	+2	+0.0
Other domestic corporations	221	2.6	205	2.6	-16	-0.0
Foreign investors	175	2.1	183	2.3	+8	+0.2
Securities companies	19	0.2	17	0.2	-2	-0.0
Total	8,460	100.0	7,893	100.0	-567	-

Top unitholders as of the end of the 9th fiscal period (August 31, 2018)*2

	Name	units held (No. of Units)	total units*3 (%)
1	Japan Trustee Services Bank, Ltd. (Trust account)	265,885	23.95
2	The Master Trust Bank of Japan, Ltd. (Trust account)	165,576	14.91
3	Hulic Co., Ltd.	126,620	11.40
4	NOMURA BANK (LUXEMBOURG) S.A.	49,250	4.43
5	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	43,352	3.90
6	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	27,885	2.51
7	STATE STREET BANK WEST CLIENT – TREATY 505234	12,852	1.15
8	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	12,823	1.15
9	THE CHUKYO BANK, Ltd.	11,895	1.07
10	LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	11,797	1.06
Total		727,935	65.57

*1 Ratios are rounded to the 1st decimal place.

*2 The data is shown based on the unitholder registry as of the end of each fiscal period.

*3 Ratio are truncated after 3 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 23 wards
- (2) Less than 5-minute walk from nearest station (in principle)



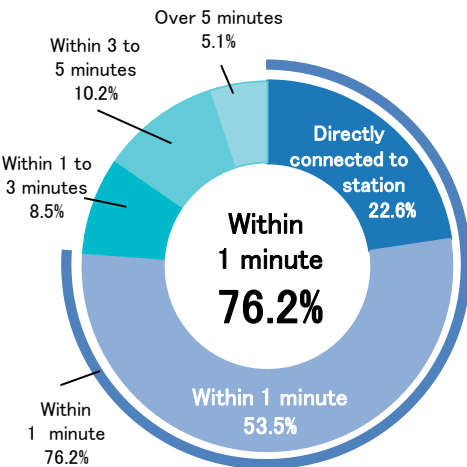
TOKYO RETAIL PROPERTIES

- (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)

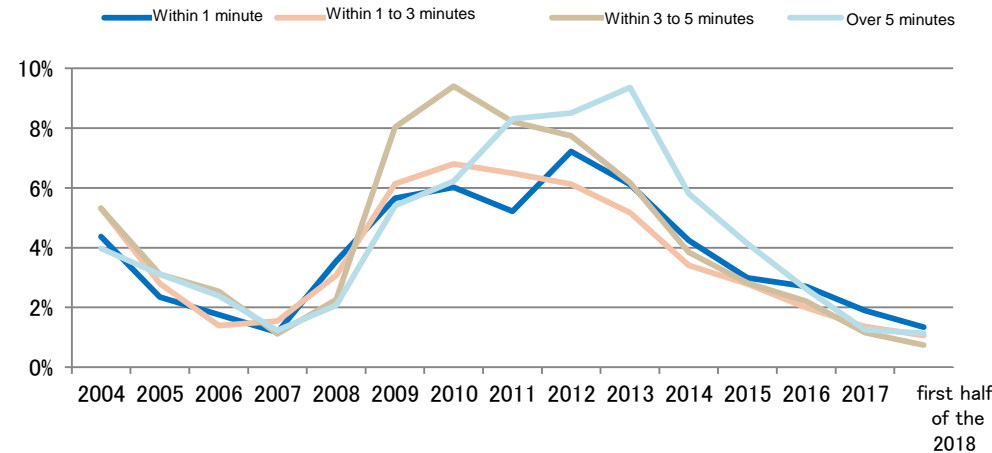
By walking distance from nearest train station*1



By location*1



Vacancy rate by distance from station (Tokyo 23 wards)*2



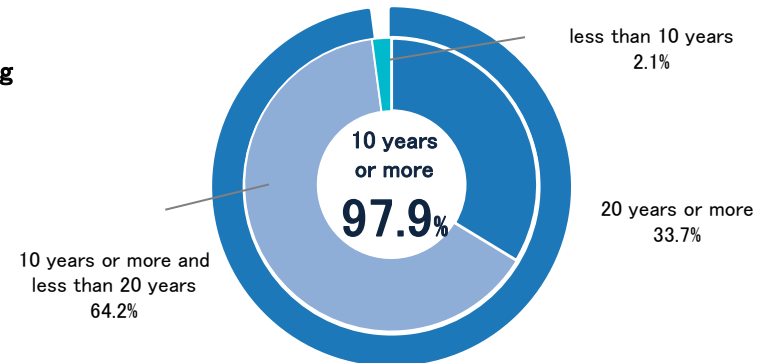
*1 Proportions shown in the respective graphs have been calculated based on acquisition prices of assets held by HULIC REIT as of the date of the after the 5th public offering.

*2 Source: “Base Market Survey Confirming Advantage of the Tokyo Office Market” conducted by CBRE, Inc. (survey conducted in September, 2018)

Investments in Next-Generation Assets

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

By Term of Lease*1

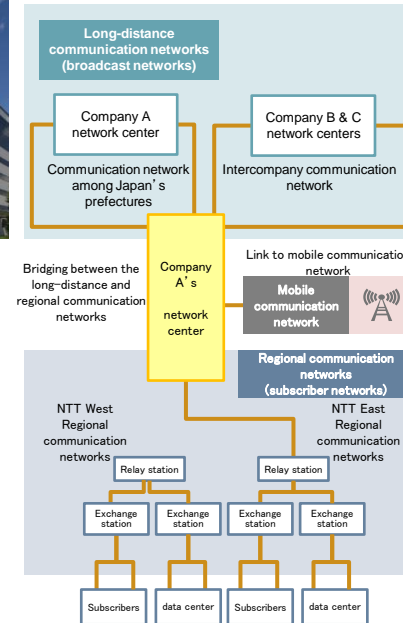


Private nursing homes



- Private nursing homes with lease usage rights that provide services mainly 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

Network centers



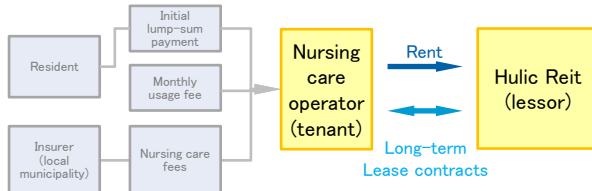
Hotels



- Facilities where tourism and business demand are expected due to good transportation access or proximity to major domestic tourist attractions

- Investments where further 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
- We will devote resources to hotels as part of tourism that is one of three industries (seniors, tourism, and environment) targeted by sponsor Hulic, where our knowhow and experience accumulated in tenant management can be put to good use.

(Reference) Structure of Private Nursing Home Cash Flow



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

*1 Ratio based on acquisition price in the scheduled portfolio as of the date of this document.

*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

Results

Principal use	Classification	Year of completion	Property name	Principal use	Classification	Year of completion	Property name		
Office	Reconstruction	2009	Hulic Hachioji Building	Hotels	Reconstruction	2012	Hulic Kaminarimon Building		
		2010	Hulic Ryogoku Building		Development	2016	Sotetsu Fresa Inn Ginza 7 Chome	Acquired	
			Toranomon First Garden			Acquired	2017	Sotetsu Fresa Inn Tokyo-Roppongi	Acquired
			Hulic Kojimachi Building	Ryokan		Reconstruction	2018	Fufu Kawaguchiko	
		2011	Hulic Ginza Sukiwabashi Building		Pay nursing homes	Reconstruction	2005	Aria Matsubara	Acquired
		Hulic Ogikubo Building	2010				Iris Garden Kita Urawa		
			2012	Hulic Komagome Building			2011	Granda Omori Sannou	
		Hulic Head Office Building	2012	Aristage Kyodo					
			2014	Hulic Shinjuku Building			2013	Sunny Life Funabashi	
		2015	Hulic Asakusabashi Edo-dori	Granda Gakugeidaigaku					
		2017	Hulic Kamata Building	Aria Yoyogiuehara					
			2018	Hulic Itabashi				Hospitalment Musashino	
		Hulic Fuchu Building		2014			Charm Suite Shakujii-park		
	Nihombashi Takashimaya Mitsui Building (partial ownership)	Sunny Life Tokyo Shinjuku							
	Development	2013	Hulic Asakusabashi Building				2015	Charm Suite Shinjuku Toyama	
		Ochanomizu Sola City	Acquired	2016			Hospitalment Itabashi Tokiwadai		
			Nagatacho Hokkaido Square				2017	Hulic Chofu	
			2015					Shinagawa Season Terrace	2009
		Hulic Toranomon Building	Acquired	2016				Trust Garden Tokiwamatsu	Acquired
Retail properties	Reconstruction	2009	Sendai First Tower (commercial wing, atrium)	Other	Development	2018	Ichigyouin Sennichidani Kaido		
		2010	Kisarazu Home Center						
		2012	Hulic Shibuya No.2 Building						
		2015	Gracia Chofu						
			Hulic Shimura-sakaue			Acquired			
	Development	2017	Hulic Omori Building			Acquired			
			HULIC &New SHIBUYA			Acquired			
			HULIC &New SHINBASHI			Acquired			
			Kyoto Shijo Takakura Central Building (co-owned)						
			Hulic Shibuya Koen-dori Building						

*1 Hulic Reit has no plans to acquire any of the properties indicated above 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.

Reconstruction/development*1 *2

Plan

Principal use	Classification	Completion of construction scheduled	Property name
Office	Reconstruction	2020	Oji Project
	Development	2019	Udagawa-cho 14 & 15 Area Type-1 Urban Development Project (partial ownership)
		2020	Akasaka 2 Chome Development Project
Office / Retail properties	Development	2019	Soto-Kanda 4 Chome Development Project
Retail property	Development	2019	Kichijoji Minamicho 1 Chome Development Project
		2020	Tokyo Metro Roppongi 7 Chome Project Project
			Shinjuku 3-17 Development Project
		2021	Ginza 6 Chome Development Project Udagawacho 32 Development Project
Retail property / Hotel	Development	2018	Hulic Yurakucho 2 Chome Development Project
		2020	Redevelopment of the site of the former Rissei Elementary School (PPP)
			Ryogoku River Center Development Project (PPP)
Retail property / rental condominium	Reconstruction	2018	Mejiro Project
			Kandasurugadai Project
		2020	Narimasu Project
Hotels	Development	2018	Tsukiji 3 Chome Development Project
Ryokan	Development	2019	Nara Fufu Development Project (PPP)
		2020	Kyoto Nanzenji Project
			Nikko Fufu Development Project
			Hakone Gora Fufu Development Project

Principal use	Classification	Completion of construction scheduled	Property name
Pay nursing homes	Development	2018	Inamuragasaki Development Project
			Kamishakujii Development Project
		2019	Bunkyo Yayoi Development Project
			Yokohama Yamatecho Development Project
			Ogikubo Development Project
		2020	Minami-Azabu Development Project

*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.

New investments^{*1 *2}

Achievements (since 2012)

Principal use	Year acquired	Property name	Principal use	Year acquired	Property name	Principal use	Year acquired	Property name
Office	2012	Hulic Ginza 7 Chome Building Acquired	Retail properties	2013	Hulic Shinjuku 3 Chome Building Acquired	Pay nursing homes	2012	Trust Garden Yoganomori Acquired
	2013	Rapiros Roppongi Acquired			Victoria Wardrobe Jimbocho			Trust Garden Sakurashinmachi Acquired
		Hulic Kamiyacho Building Acquired			Hulic Jingu-Mae Building Acquired			Trust Garden Suginami Miyamae Acquired
	2015	Hulic Ginza 1 Chome Building			Hulic Shibuya Udagawacho Building		2013	Esperal Joto
		3 office properties in Hatchobori area		2014	Tsurumi Fuga 1		2014	Toyosu Senior Residence
		Hulic Ginza Wall Building			Yokohama Yamashitacho Building Acquired		2015	Charm Suite Nishinomiyahama
		Daiwa Yoyogi No.2 Building			Orchid Square Acquired			Lien Reve Yakumo
		Vingt-sept Building		2015	G10		2016	Asakusa Carepark Soyokaze
		Hulic Shibuya 1 Chome Building Acquired			Tokyu Hands Ikebukuro			Life Commune Hayama
		Hulic Toyosu Prime Square and other 8 properties			Ikebukuro GIGO	Network center	2017	Medical Home Granda Okamoto
		Fuji Building 28			Udagawacho Sigma No. 5 Building		2018	Asheim Oizumi Gakuen
	2016	Yamato Haneda Building	Logistics Warehouse		WINS Asakusa Building			Sompo no ie Komae
		Hulic Shinkawasaki Building			Asakusa Park Hall Building		2012	Ikebukuro Network Center Acquired
		Hulic Ginza 3 Chome Building			Hulic Asakusa 1 Chome			Tabata Network Center Acquired
		Hulic Shibuya Miyashitakoen Building		2016	Bleu Cinq Point (a portion)			Hiroshima Network Center Acquired
		Hulic Naka-Okachimachi Building		2017	Hulic Ginza 1 Chome Gas Light Street			Atsuta Network Center Acquired
	2017	Hulic Koishikawa Building			Round One 9 properties			Nagano Network Center Acquired
		Hulic Shiba 4 Chome Building		2018	Shinjuku Musashino Building (quasi-co-ownership interest)		2013	Chiba Network Center Acquired
		Hulic Minami Aoyama Building			CR-VITE			Sapporo Network Center Acquired
		Hulic Gobancho Building			Hulic Kazo Distribution Center	Hotels	2014	Keihanna Network Center Acquired
		Kanda Misakicho Building		2016				Hulic Ginza 2 Chome Building
		Hulic Roppongi 2 Chome Building		2018	BEC Building			Tokyo Bay Maihama Hotel Club Resort
		Hulic Shinsaibashi Building					2015	Tokyo Bay Maihama Hotel
		TOC Minatomirai (Land)						Southern Beach Hotel & Resort Okinawa
		Shinsaibashi Plaza Building (3 Buildings)					2016	Grand Nikko Tokyo Daiba (Land)
		Shinsaibashi Fuji Building						Hayama SCAPES THE SUITE
		Hulic Kyobashi East Building					2018	Mimaru Kyoto Horikawa Rokkaku
		DSB Group Shiomi Building				Ryokan	2015	Hakone Suishoen
	2018	Shin Nihon Jitsugyo Ginza 6 Chome Building						Atami Fufu
		WeWork Shimbashi					2016	ATAMI KAIHOUROU

*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 –

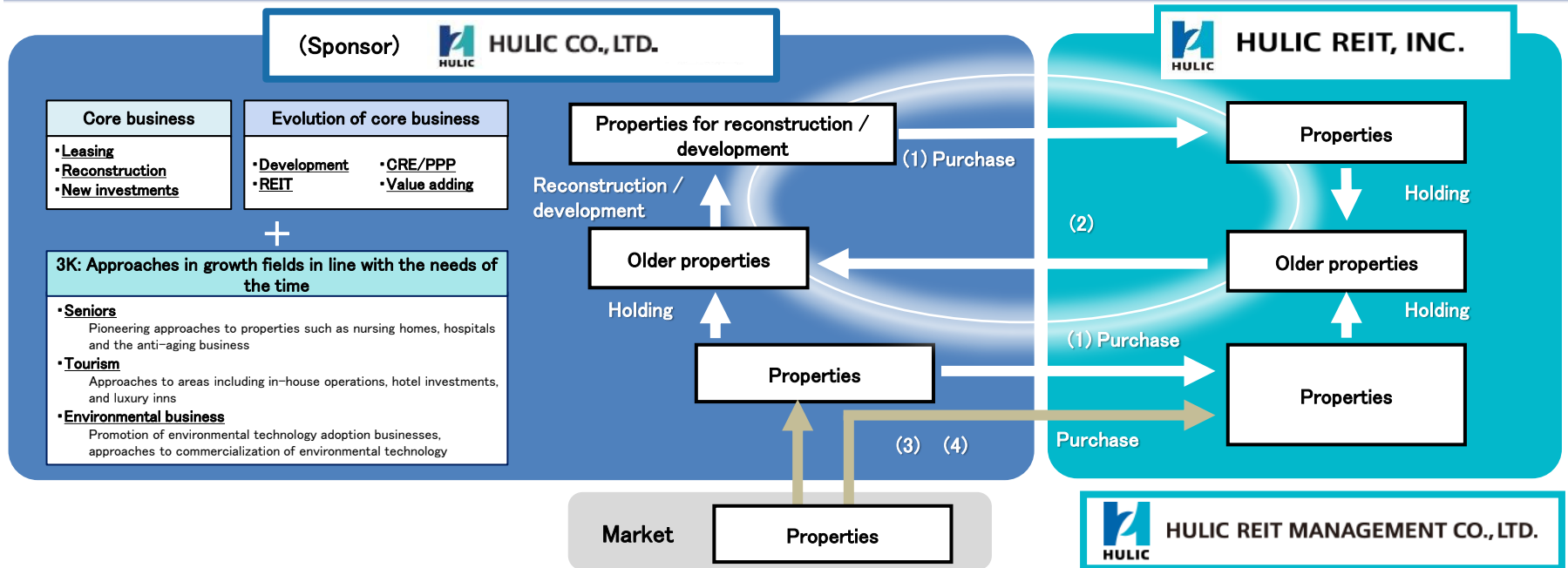


Diagram ①: Preferential negotiation rights

... 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 the sponsor's re-development plans before making requests to third parties. If the sponsor accepts the redevelopment project, the asset manager has preferential negotiation rights for the redeveloped property.

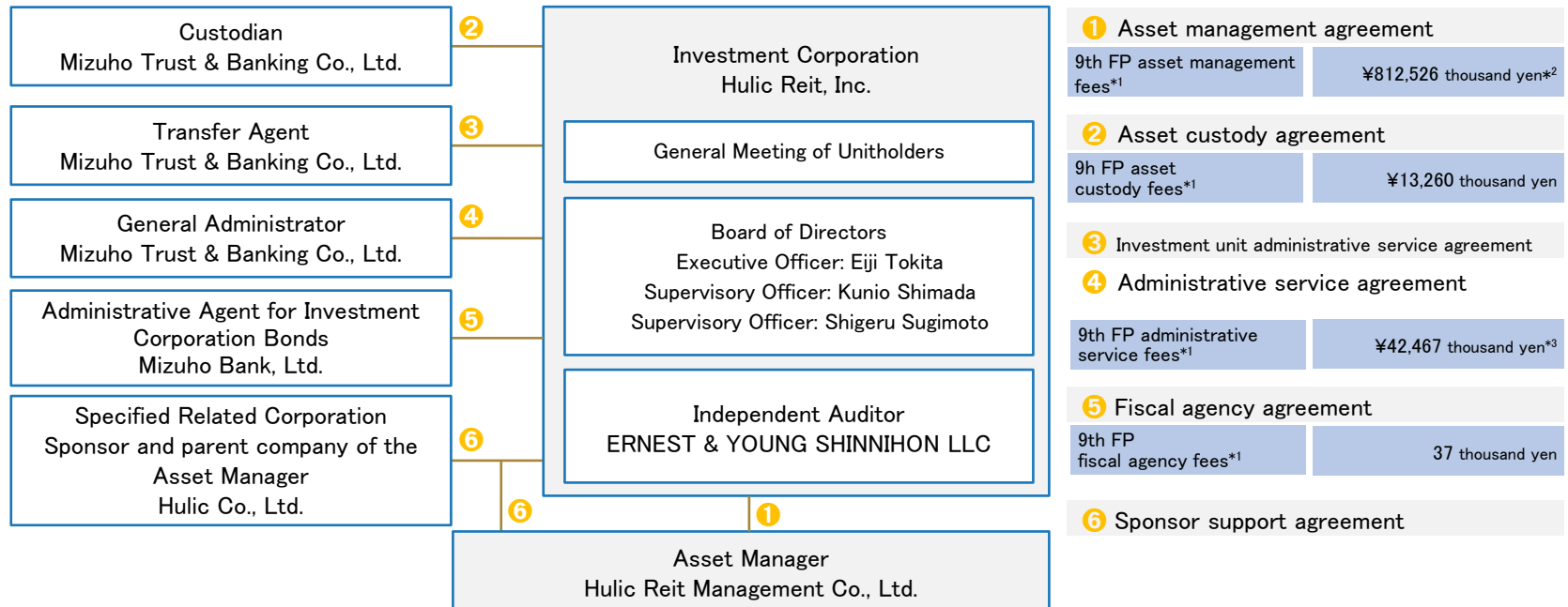
Diagram ③ : Provision of warehousing function

... 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 regarding the property immediately to the asset manager as long as prior approval is obtained from the owner and other stakeholders as a general rule.

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 (2) 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

*1 Figures less than ¥1 thousand are truncated.

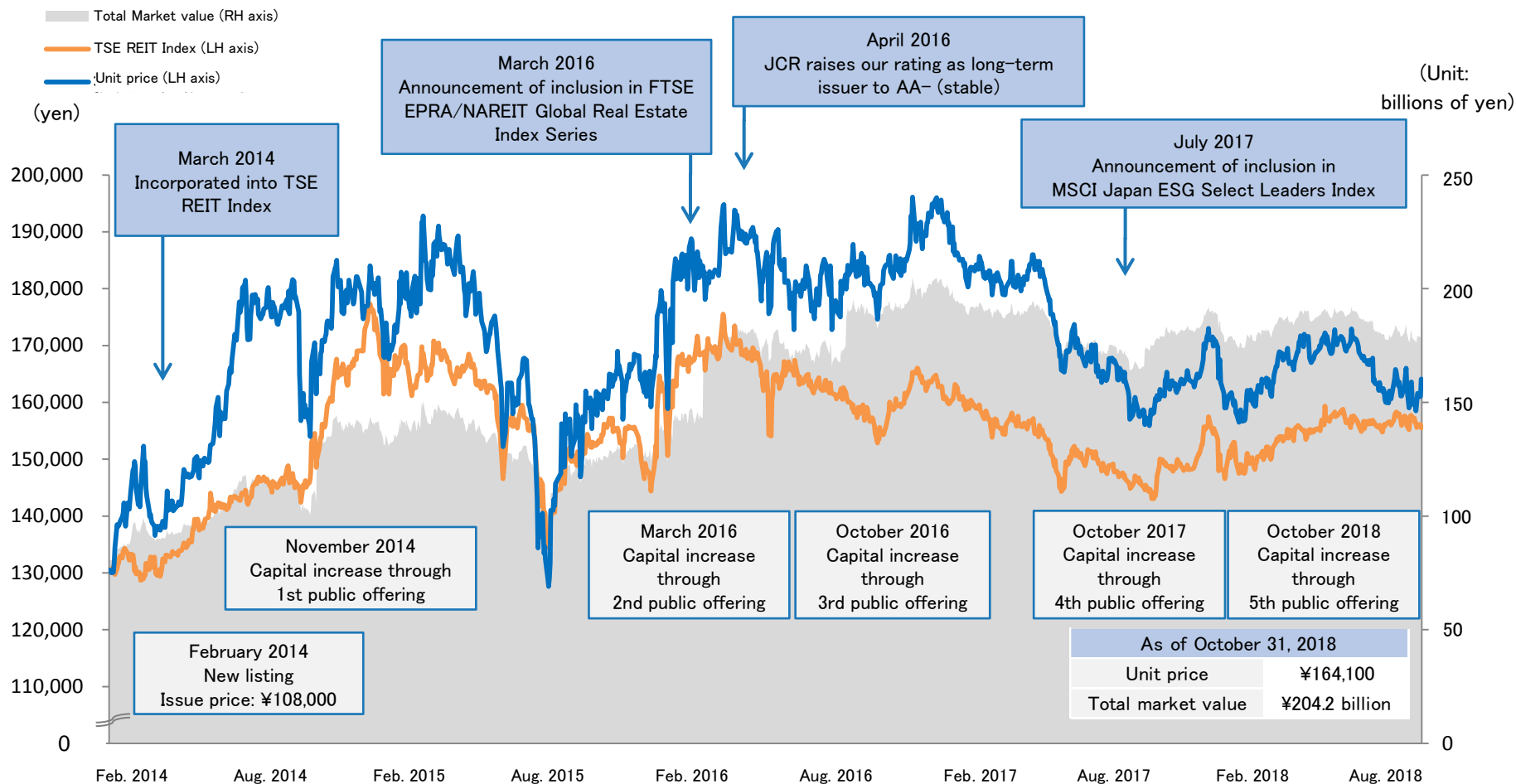
*2 In addition to the amount stated, the asset management fees also include fees associated with property acquisition factored into the book values of the individual properties (¥46,427 thousand), and fees associated with property transfer in relation to the occurrence of gains on sales of real estate properties with respect to the individual properties (¥9,825 thousand).

*3 The figure stated is the sum total of fees incurred on the basis of transfer agency agreements and fees incurred on the basis of general administration agreements relating to institutional operations.

Price since listing

- Implementation of past 5 public offerings (expansion of total market value)
- Expansion of investors through inclusion in global indices (improvement in liquidity)
- Improved creditability as credit rating was increased to AA-

We aim to further increase total market value and improve liquidity



*1 Source: Prepared by the asset management company, based on publicly disclosed information.

*2 Index is based on the assumption that Hulic Reit's closing value is the same as its closing value on February 7, 2014, the day that Hulic Reit was listed in the TSE REIT Index.

Terms	Definitions
Tokyo Commercial Properties (TCP)	The Tokyo Commercial Properties are office properties and retail properties under a concept specific to the Hulic Reit that comprehensively includes properties consistent with the Hulic Reit' s basic missions. For details, please refer to page 56.
Next-Generation Assets (NGA)	Lease properties where we estimate that continuing strong demand is expected going forward on the basis of society' s growing needs. At present, we define Next generation assets as private nursing homes, network centers, and hotels. For details, please refer to page 57.
6 central Tokyo wards	The 6 central Tokyo wards are Chiyoda, Chuo, Minato, Shinjuku, Shibuya, and Shinagawa wards.
Properties acquired after the last public offering	The Properties acquired after the last public offering are the seven properties, which were acquired after the last public offering, which comprised the capital increase through public offering with the payment date of October 31, 2017, and the capital increase through third-party allotment with the payment date of November 20, 2017. The properties are Hulic Ginza 7 Chome Building, Shinagawa Season Terrace, KSS Gotanda Building, Hulic Kamiyacho Building (additional acquisition), Hulic Nihonbashi-honcho 1 Chome Building, Bancho House and Hulic Shimura-sakaue.
Properties acquired in the 8th fiscal period	The Properties acquired in the 8th fiscal period, which were acquired during the 8th fiscal period (Feb. 2018), are the HULIC &New SHINBASHI, Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition), and Sotetsu Fresa Inn Tokyo-Roppongi.
Properties acquired after the results for 8th fiscal period were released	The Properties acquired after the results for 8th fiscal period were released , which were acquired after the results for 8th fiscal period were released on April 12, 2018, are Shinagawa Season Terrace, KSS Gotanda Building, Hulic Kamiyacho Building (additional acquisition), Hulic Nihonbashi-honcho 1 Chome Building, Bancho House and Hulic Shimura-sakaue.
Sponsor-developed properties	The Sponsor-developed properties are properties that were developed and owned by the sponsor. Furthermore, as a response to the elapse of years since construction, the sponsor carries out reconstruction projects to promote reconstruction suitable for location characteristics, and in this Financial Results Briefing, sponsor-developed projects include reconstruction projects.
Sponsor-supported properties	The Sponsor-supported properties are acquired from mainly the sponsor group, etc. and that do not include sponsor-developed properties and sponsor-owned properties. Sponsor group, etc. means the sponsor group and special purpose companies that are funded by the sponsor group.
Unrealized gains/losses	The Unrealized gains/losses was obtained by the following formula: $A - B \text{ (A: Appraisal value of the assets held at the end of each fiscal period; B: Book value of the assets held at the end of each fiscal period)}$
NAV per unit	The NAV per unit was obtained by the following formula: $(A+B) \div C \text{ (A: Net assets excluding surplus at the end of each fiscal period; B: Unrealized gains/losses at the end of each fiscal period; C: Number of outstanding units at the end of each fiscal period (figures below ¥1 are truncated.)})$
(Book value-based) LTV	The (Book value-based) LTV ratio was obtained by the following formula: $A \div B \times 100\% \text{ (A: Total interest-bearing debt at the end of each fiscal period; B: Total assets at the end of each fiscal period)}$
Market value-based LTV	The Market value-based LTV ratio was obtained by the following formula: $A \div (B+C) \times 100\% \text{ (A: Total interest-bearing debt at the end of each fiscal period; B: Total assets at the end of each fiscal period; C: Unrealized gains/losses at the end of each fiscal period)}$
Acquisition capacity	The Acquisition capacity is capital-raising capacity (amount increasable) for interest-bearing debt associated with property acquisition.

Terms	Definitions
LTV on issuance resolution date	The LTV on issuance resolution date, we indicate the expected LTV on the issuance resolution date shown in the securities registration statements submitted on October 12, 2018. For details, please refer to the securities registration statements submitted on October 12, 2018.
LTV and acquisition capacity after 5th public offering	The LTV and acquisition capacity after 5th public offering, we indicate the expected LTV and acquisition capacity after the 5th public offering (the capital increase through public offering with the payment date of October 31, 2018, and the capital increase through third-party allotment with the payment date of November 19, 2018) indicated in the securities registration statements submitted on October 12, 2018. For details, please refer to the securities registration statements submitted on October 12, 2018.
NOI yield	The NOI yield was obtained by the following formula: $A \div B \times 100\%$ (A: NOI (direct capitalization method) indicated in the appraisal report at the end of each fiscal period; B: Acquisition price) Furthermore, if the assets acquired in the 9th fiscal period and the 10th fiscal period are included, NOI (direct capitalization method) for each property is calculated based on NOI (direct capitalization method) in the appraisal at the time of the acquisition.
NOI yield after depreciation	The NOI yield after depreciation was obtained by the following formula: $(A-B) \div C \times 100\%$ (A: NOI (direct capitalization method) indicated in the appraisal report at the end of each fiscal period; B: Annualized depreciation and amortization in the subject fiscal period; C: Acquisition price) Furthermore, if the assets acquired in the 9th fiscal period and the 10th fiscal period are included, NOI (direct capitalization method) for a property is calculated based on the estimate of NOI (direct capitalization method) in the appraisal at the time of the acquisition, and depreciation and amortization are calculated based on the estimate of depreciation and amortization at the time of the acquisition.
Cap rate (Based on direct capitalization method)	The Cap rate (Based on direct capitalization method) means the direct capitalization rate indicated in the appraisal report at the end of the fiscal period. If multiple properties are included, the capitalization rate is calculated as a weighted average based on appraisal value.
Average age of buildings	The Average age of buildings stated for age of buildings are weighted averages of the ages of properties excluding land, based on the acquisition prices.
Total leasable area	The Total leasable area for individual properties indicate leasable areas according to building leasing agreements or building plans at the end of the fiscal period. (Figures for co-owned properties correspond to the owned portion.)
Average rent per tsubo	The Average rent per tsubo was obtained by the following formula: $A \div B$ (A: Total amount of the monthly rents (including common service fees) indicated in the effective lease agreements at the end of the fiscal period; B: Total leased area converted to tsubo at the end of the fiscal period)
Percentage of new tenant entry and departure	The Percentage of new tenant entry and departure was obtained by the following formula: $A \div B \times 100\%$ (A: Area of new tenant entry and departure for office properties in the applicable fiscal period; B: Total leasable area of office properties at the end of each fiscal period) Please note that departure area and departure rate are indicated by negative numbers.
Percentage change in rent due to revisions or tenant replacement	The Percentage change in rent due to revisions or tenant replacement was obtained by the following formula: $(A-B) \div B \times 100\%$ (In each fiscal period, for each space with either a rent revision or a tenant replacement, A: Total amount monthly rents after revisions or tenant replacements (including common service fees); B: Total amount of monthly rents before revisions or replacements (including common service fees))
Increased/decreased area (revision)	The Increased/decreased area (revision) is the total area leased in each lease agreement for which a revision was made with either an increase or decrease in rent in each fiscal period. For properties for which Hulic Reit holds co-ownership or quasi-co-ownership of trust beneficiary rights, this area is calculated based on the area corresponding to the percentage of ownership held by Hulic Reit at the end of the fiscal period.

Terms	Definitions
Increased/decreased area (replacement)	The Increased/decreased area (replacement) is the total area leased in each lease agreement for which, at the time of a tenant replacement in each fiscal period, the tenant replacement occurred with either an increase or a decrease in rent. (The applicable tenants are those starting to lease in the same periods that there were replacements.) If the leased area differs before and after the tenant replacement, then the area is calculated based on the leased area of the tenant before replacement.
Market rent levels (office)	The Market rent levels (office) are rent levels that the asset management company calculated based on assumed new rents assessed by CBRE K.K. for the Hulic Reit's office properties (excluding land, retail spaces, and residential spaces, etc.). As a rule, Hulic Reit calculates market rent levels as of the last day of February and August of every year.
Percentage of divergence with office market rent levels	The Percentage of divergence with office market rent levels was obtained by the following formula: $(A-B) \div B \times 100\%$ (A: Current rents for office properties (excluding land, retail spaces, and residential spaces, etc.), B: Market rent levels (office properties)) Furthermore, after the 5th public offering, our calculation of the rents for properties acquired since the earnings announcement for the 8th fiscal period is based on the rents at the times of the acquisitions, and our calculation of the rents for all the other properties is based on the rents at the end of the 9th fiscal period (August 31, 2018).
Percentage of negative-rent-divergence spaces that had upward rent revisions (Based on office properties and areas)	The Percentage of negative-rent-divergence spaces that had upward rent revisions (Based on office properties and areas) was obtained by the following formula: $B \div A \times 100\%$ (A: For all the office properties (excluding land, retail spaces, and residential spaces, etc.), among all the spaces whose lease-agreement renewal date arrived during the applicable fiscal period, the total floor area of the spaces (excluding spaces vacated by tenants) that, in the Financial Results Briefing material for the previous fiscal period, had a divergence from the market rent level that was zero or less (market rent level greater than current rent paid); B: All of the area defined by A that, in the applicable fiscal period, had a space whose rent increased because of a rent renewal)
Average interest rate	The Average interest rate for funding purposes was obtained by calculating the interest rate for each interest-bearing debt at the end of each fiscal period and then taking a weighted average according to the total balance of interest-bearing debt at the same point of time. For borrowings for which we carried out interest rate swaps to avoid interest-rate risk, we use interest rates that take into account the effects of the interest rate swaps.
Average remaining period	The Average remaining period was obtained by calculating the number of years to maturity for each interest-bearing debt at the end of each fiscal period and then taking a weighted average according to the total balance of interest-bearing debt at the same point of time.
FTSE EPRA/NAREIT Global Real Estate Index Series	The FTSE EPRA/NAREIT Global Real Estate Index Series is a set of international real estate investment indexes developed by FTSE Group through cooperation with European Public Real Estate Association (EPRA) and National Association of Real Estate Investment Trusts (NAREIT). It is used by many institutional investors and others around the world as a benchmark for international real estate investment.
MSCI Japan ESG Select Leaders Index	The MSCI Japan ESG Select Leaders Index, offered by MSCI Inc., was selected by Government Pension Investment Fund (GPIF) as an ESG index for carrying out passive investment.
GRESB (Global Real Estate Sustainability Benchmark)	The GRESB (Global Real Estate Sustainability Benchmark), established in 2009 by mainly a group of leading public pension funds that helped lead the effort to create the United Nations' Principles for Responsible Investment, is a yearly benchmark evaluation that measures consideration given to environment, society and governance (ESG) by companies in the real estate sector.
DBJ Green Building Certification	The DBJ Green Building Certification is a certification system created by Development Bank of Japan Inc. in April 2011 to support real estate properties with environmental and social awareness (Green Building). The certification system is said to evaluate and certify real estate properties in terms of their desirability for society and the economy based on a comprehensive evaluation, which includes not only environmental performance, but also responsiveness to various stakeholder needs such as consideration for emergency preparedness and the community, and to support these efforts.
BELS rating	The BELS rating is a building energy-efficiency labeling system that was started with the aim of having third-party institutions implement accurate evaluation and labeling of energy-conservation performance in non-residential buildings in accordance with the guidelines set forth in October 2013 by the Ministry of Land, Infrastructure, Transport and Tourism in Evaluation Guidelines for Energy-efficiency Labeling for Non-residential Buildings (2013).

Cautionary Statement

This presentation contains forward-looking statements including the forecasts, outlook, targets and plans of Hulic Reit, Inc. (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 vary greatly.

Careful attention was paid in the preparation of this presentation, but HLC has not performed a detailed verification of the information appearing within this presentation, including quotes from public disclosures, and as such, HLC cannot guarantee the accuracy, completeness, appropriateness or validity of the information in this presentation, regardless of whether it is information prepared by HLC and its asset management company or information from a third party. In addition, the information appearing in this presentation has not necessarily been updated to the latest available information, and HLC carries no obligation to do such. The information in this presentation is subject to change without notice.

This presentation is intended for the provision of information only and is not intended to offer or solicit investments or to recommend purchases or sales involving securities, financial products, or other transactions. Please inquire with a securities company for the purchase of investment units or investment corporation bonds. Decisions on investments are to be made using your own discretion and accountability. Note that it is prohibited to reproduce, appropriate, etc., the contents stated in this presentation without approval in advance.