



TOKYO
COMMERCIAL PROPERTIES
NEXT
GENERATION ASSETS



**Financial Results Briefing for the Fiscal Period
Ended February 29, 2016 (4th Fiscal Period)**

April 15, 2016 Securities code: 3295

I. Update Summary		V. Appendix	
1. Update Summary	3	1. Statements of Income	27
II. Asset Management Results		2. Balance Sheets	28
1. Portfolio Summary	5	3. Portfolio Summary (after 2nd Public Offering)	29
2. Summary of 2nd public offering	7	4. List of Newly Acquired Properties	30
3. Results of External Growth	9	5. Portfolio Properties (Tokyo Commercial Properties) at the	34
4. Results of Internal Growth	10	End of the 4th Fiscal Period	
5. Financial Condition	12	6. Status of Appraisal Values by Property	42
III. Summary of Financial Results and Earnings Forecast		7. List of Appraisal Values by Property (Period-on-Period	43
1. Steady Growth of Distribution and NAV per Unit	14	Comparison)	
2. Statements of Income	15	8. Rent Revenue and Expenditures by Property	44
3. Balance Sheets	18	9. Financial Condition	46
4. Overview of the Appraisal Reports	19	10. Main Tenants	47
IV. Future Strategy		11. Breakdown of Unitholders	48
1. Growth Strategy Policies	21	12. Hulic Reit's Basic Missions and Portfolio Composition	49
2. External Growth Strategy	22	Policy	
3. Internal Growth Strategy	25	13. Focused Investment in Tokyo Commercial Properties	50
		14. Investments in Next Generation Assets	51
		15. Collaboration with the Hulic Group	52
		16. Key Results and Plans of the Hulic Group	53
		17. Operating Structure That Ensures Unitholder Returns	54
		18. Structure of Hulic Reit	55
		19. Sustainability Initiatives	56
		20. Unit Price and Total Market Value	57

I . Update Summary



1 Enhancing Unitholder Value

- In every fiscal period since our listing, distribution per unit (DPU) and net asset value (NAV) per unit have steadily grown

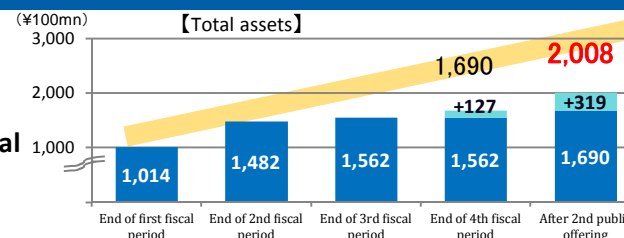
	DPU		NAV per unit
Result of 4th Fiscal Period	2,969 yen (compared with 3rd fiscal period +19yen)	The end of 4th fiscal period	137,968 yen (compared with the end of 3rd fiscal period +8,010 yen)
Forecast for 5th Fiscal Period	3,020 yen (compared with 4th fiscal period +51yen)	After 2nd public offering	146,239 yen (compared with the end of 4th fiscal period +8,271 yen)
Forecast for 6th Fiscal Period	3,100 yen (compared with 5th fiscal period +80yen)		

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

- Long-term issuer rating from JCR raised to AA- (Apr 2016) **Premium capital increase effect +¥6,936**
- Incorporated into FTSE EPRA/NAREIT Global Real Estate Index Series (Mar 2016)

2 External Growth

- In the 4th fiscal period, we acquired the sponsor-developed Hulic Toranomon Building, followed by three other properties after the 2nd public offering
- In the approximately two years since our listing, total assets have expanded to ¥200.8bn



• Considering the overheated real estate market, we will concentrate on selectively investing in sponsor-developed and sponsor-owned properties
• We aim for ¥300bn in assets within 3-5 years of the listing

3 Internal Growth

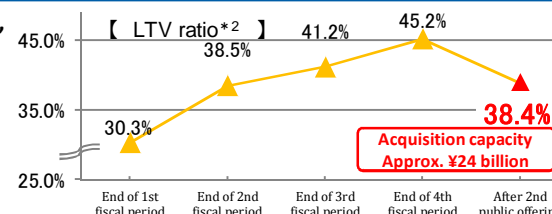
- Vacancies in Hulic Kamiyacho Building and Hulic Kanda Building were filled by making use of those buildings' special features in leasing
- A high occupancy rate was maintained (99.2% at end of Apr 2016 expected, 99.9% at end of May 2016 forecast)
- Office rents revised upward in the 4th fiscal period

	Renewal with increase	Renewal with decrease
Property basis ^{*1}	Aprox. 14%	
Leased-area basis ^{*1}	Aprox. 10%	None
Rate of increase	Aprox. 7%	

• Correction of the negative rent gap going forward is a priority; negotiations are underway for fair rent
• We aim to maintain a high occupancy rate

4 Financial Strategy

- LTV^{*2} was lowered from 45.2% to 38.4% through the 2nd public offering, and the funds gave us added acquisition capacity (approx. ¥24bn)
- While seeking to borrow for longer durations at fixed rates, we control the average interest rate
- Funds procured from a wider range of sources (loans from two new companies)



• Financial management is stable and sound
• Appropriate LTV ratio control with one eye on asset expansion (ratio of 40%-45% for the time being)

*1 "Property basis" and "Rented area basis" refer to the share of rental leases renewed in the 4th fiscal period.

*2 The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets, rounded to one decimal point. LTV after the 2nd public offering is an estimate.

II . Asset Management Results



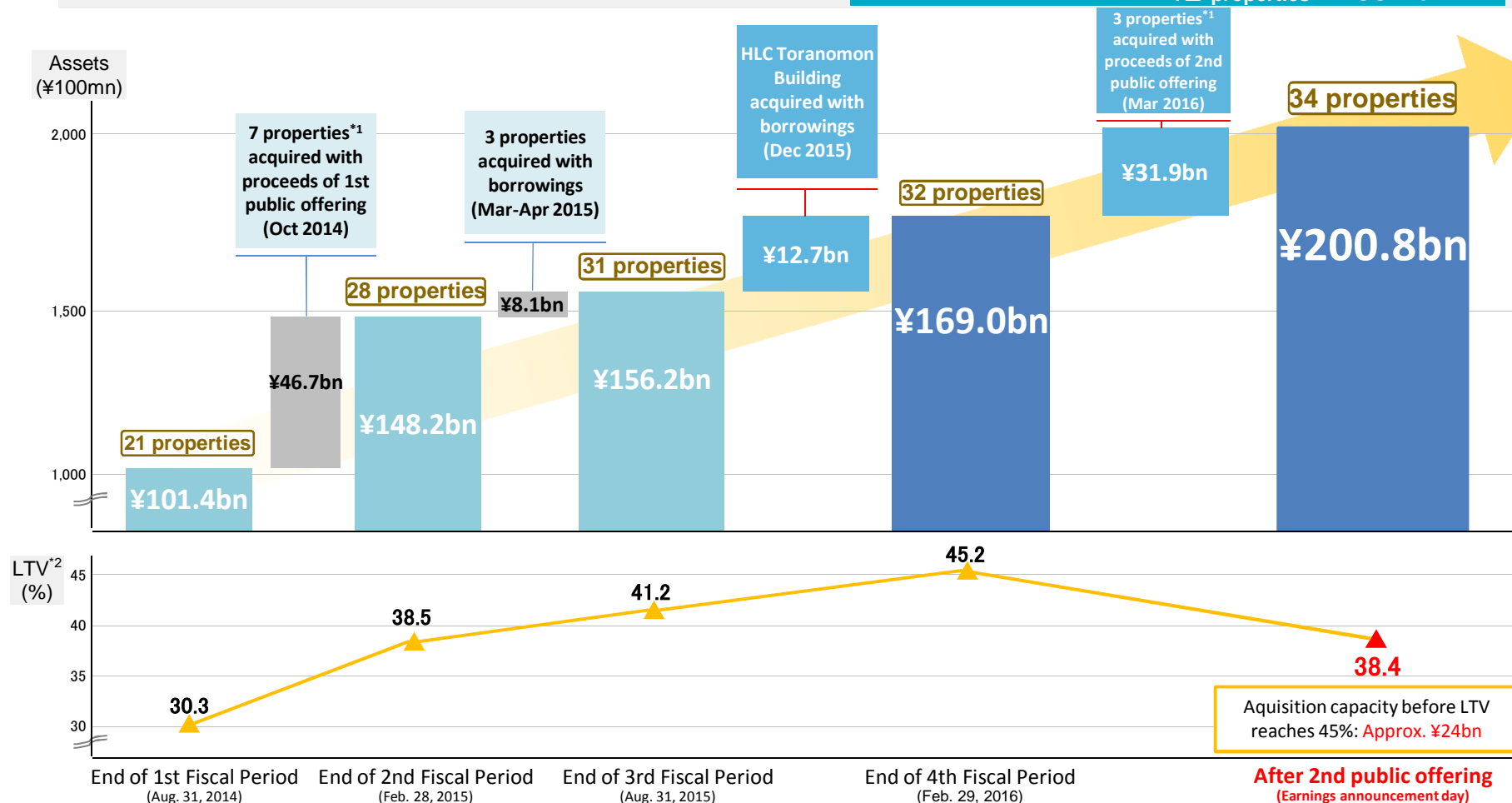
1 Total Assets and LTV since Stock Market Listing

■ Debt and equity are closely watched in fund procurement, and assets have steadily expanded under appropriate LTV control. Approximately two years after our listing, assets reached ¥200bn.

Total assets 34 properties ¥200.8bn

Tokyo Commercial Properties 22 properties ¥167.4bn

Next Generation Assets 12 properties ¥33.4bn



*1 Includes Hulic Kamiyacho Building (additional acquisition).

*2 The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets, rounded to one decimal point. LTV after the 2nd public offering (earnings announcement day) is an estimate.

2 Main Portfolio Indicators

■ Vacant offices are steadily being leased, maintaining our high occupancy rate (99.9% forecast for the end of May 2016)

		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)	After 2nd public offering (Earnings announcement day)
No. of properties	Overall	21 _{properties}	28 _{properties}	31 _{properties}	32 _{properties}	34 _{properties}
	Tokyo Commercial Properties	12 _{properties}	16 _{properties}	19 _{properties}	20 _{properties}	22 _{properties}
	Next Generation Assets	9 _{properties}	12 _{properties}	12 _{properties}	12 _{properties}	12 _{properties}
Average NOI yield*		5.1 %	4.9%	4.9%	4.8%	4.7 %
Average NOI yield after depreciation		4.5 %	4.2%	4.2%	4.2%	4.1 %
Total assets	Overall	¥101.4 _{bn}	¥148.2 _{bn}	¥156.2 _{bn}	¥169.0 _{bn}	¥200.8 _{bn}
	Tokyo Commercial Properties	77.7 %	77.5%	78.6%	80.2%	83.4%
	Next Generation Assets	22.3 %	22.5%	21.4%	19.8%	16.6%
						End of Apr 2016 expected
Occupancy rate		99.1 %	99.0%	98.2%	99.4%	99.2%
						End of May 2016 forecast
						99.9%

* NOI yield = NOI/acquisition price (NOI based on the appraisal value at the end of each fiscal period (at time of acquisition for properties acquired by 2nd public offering), rounded to the first decimal place)

1 Outline of 2nd public offering

Offering format	Public offering (domestic)
Units outstanding before this offering	781,000
Units offered	Total : 176,000 Public offering : 167,600 3rd party allotment : 8,400
Issuance resolution date	March 11, 2106
Pricing date	March 22, 2016
Subscription period	March 23-24, 2016
Payment date	March 29, 2016
Issue price (offer price)	¥181,837 per unit
Payment amount (issue price)	¥175,682 per unit
Total subscription (issuance)	¥30,920,032,000

2 Important points about 2nd public offering

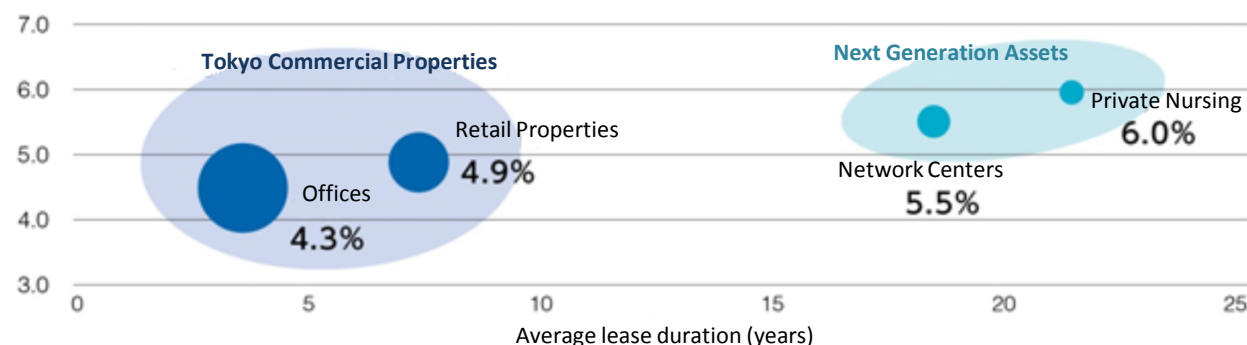
- ① The issue price of ¥175,682 per unit greatly exceeded the NAV per unit of ¥137,968 (end of the 4th fiscal period). This capital increase at a premium contributed to (existing) unitholder value.
- ② This offering lowered LTV to 38.4%, giving Hulic Reit about ¥24bn of acquisition capacity before LTV ratio reaches 45%.
- ③ The closing price of our units on the pricing date (standard price) was about the same as on the issuance resolution date, and since the offering, the unit price has generally maintained a higher level.

3 Previously issued units and unitholders' capital

Offering	Date	Note	Issued Units		Unitholders' Capital (¥mn)	
			Change	Outstanding	Change	Outstanding
—	Nov. 7, 2013	Privately placed	2,000	2,000	200	200
IPO	Feb. 6, 2014	Public offering	617,500	619,500	64,355	64,555
	Mar. 7, 2014	3rd party allotment	32,500	652,000	3,387	67,943
1st public offering	Nov. 6, 2014	Public offering	122,860	774,860	17,785	85,728
	Nov. 21, 2014	3rd party allotment	6,140	781,000	888	86,617
2nd public offering	Mar. 29, 2016	Public offering	167,600	948,600	29,444	116,061
	Apr. 13, 2016	3rd party allotment	8,400	957,000	1,475	117,537

4 Average lease duration and average NOI yield after 2nd public offering (by asset type)

Average NOI yield (%)

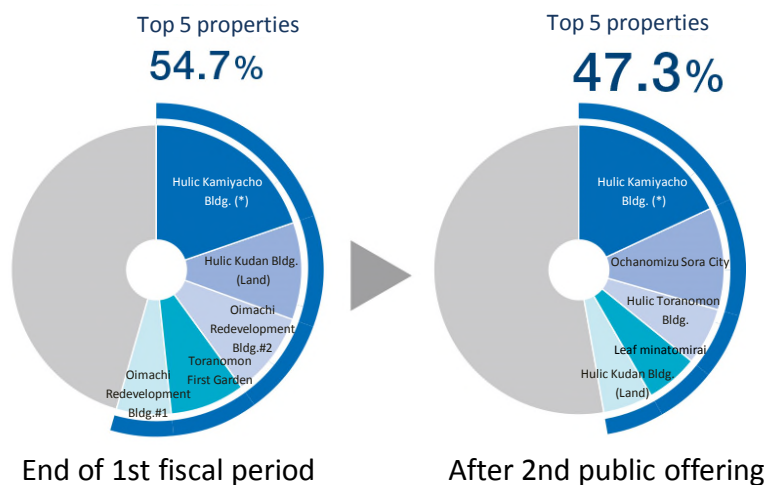


*1 In the graph at left, bubble sizes represent acquisition price totals by asset type after the 2nd public offering.

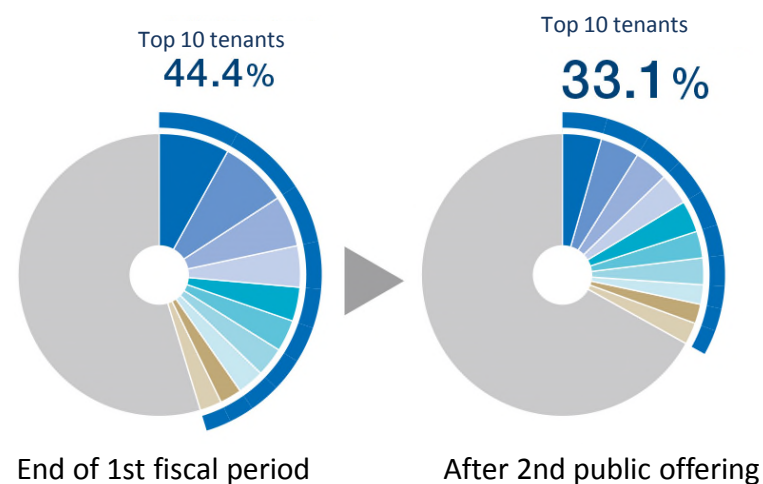
*2 "Average lease duration" means the average contracted lease length with each end tenant averaged on a leased area basis by asset type after the 2nd public offering.

5 Portfolio diversification, etc.

Progress in property diversification (entire portfolio)







Progress in office tenant diversification



* The Hulic Kamiyacho Building ownership ratio after the 2nd public offering includes the additional acquisition, but the resulting figure is lower than at the end of the 1st fiscal period.

1 List of Newly Acquired Properties

■ In 4th and 5th fiscal periods, four commercial properties were newly acquired (including the additional acquisition) in Tokyo for a total of ¥44.6bn

Acquisition period	4th	5th		
Acquisition date	Dec. 25, 2015	Mar. 15, 2016	Mar. 30, 2016	Mar. 30, 2016
Acquired from	Sponsor (Hulic)			
Use	Office		Retail Properties	
Property name	Hulic Toranomon Bldg.	Hulic Kamiyacho Bldg. (Additional acquisition)	Leaf minatomirai (Land)	Orchid Square
Photograph of property				
Location	Toranomon, Minato Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Minatomirai, Nishi Ward, Yokohama, Kanagawa	Yurakucho, Chiyoda Ward, Tokyo
Nearest station	One minute from Toranomon Station, Tokyo Metro Ginza Line	One minute from Kamiyacho Station, Tokyo Metro Hibiya Line	Three minutes from Minatomirai Station, Yokohama Minatomirai railway	Three minutes from Hibiya Station, Tokyo Metro Hibiya Line
Acquisition price	¥12,740 million	¥16,650 million	¥11,700 million	¥3,502 million
Appraisal NOI yield* ¹	4.0%	4.1%	4.3%	4.0%
Completion of construction	May 2015	Apr. 1985	—	Jan. 2009
Construction	SRC, B1/11F	SRC/S, B2/11F	—	RC, B1/8F
Total leasable area* ²	6,002.26m ² (Equivalent to 70% of the ownership interest)	9,768.86m ² (Equivalent to 30.1% of the ownership interest)	5,500.04m ²	1,334.88m ²
Occupancy rate* ³	99.2%	90.7%	100.0%	100.0%

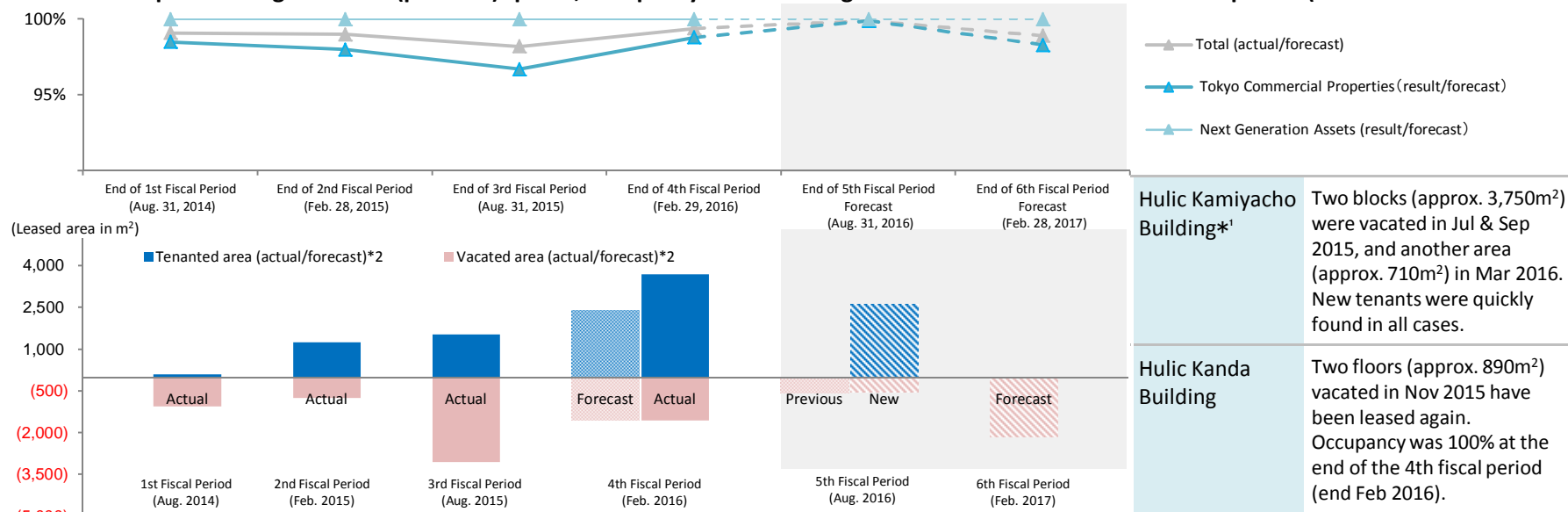
*1 NOI yield = NOI/acquisition price (NOI based on appraised value [at time of acquisition] and rounded to the first decimal place).

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

*3 The values are at the time of acquisition.

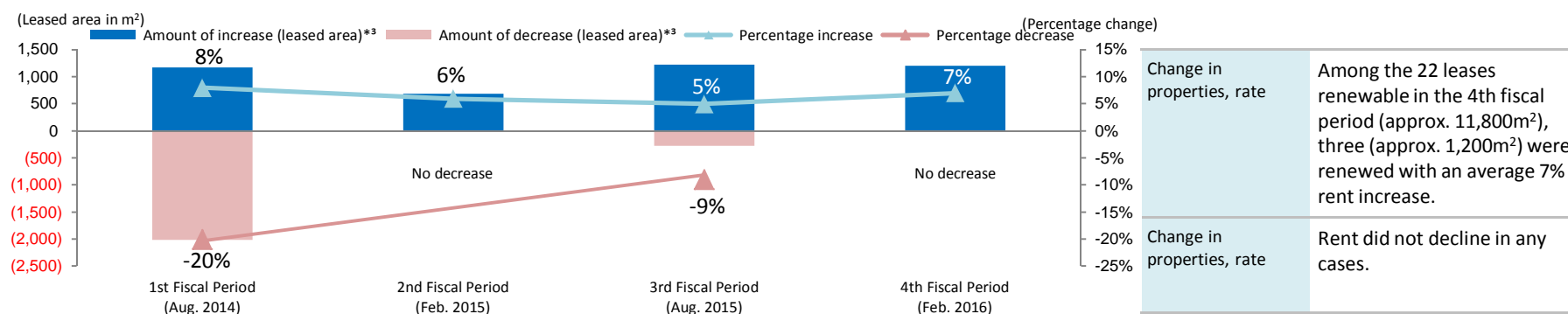
1 Occupancy Rates and Status of New Tenants and Vacancies at the Fiscal Period End

■ Due to quick leasing of vacant (planned) spaces, occupancy rate was a high 99.4% at the end of the 4th fiscal period (99.9% on contracted basis)



2 Office Lease Renewals

■ Within floor area with leases renewable in the 4th fiscal period (approx. 11,800m²), 10% was renewed with an average 7% rent increase



*1 Hulic Kamiyacho Building's vacant space is indicated for the building as a whole.

*2 Takes into account the additional acquisition of a 30.1% quasi co-ownership interest in Hulic Kamiyacho Building in the 5th fiscal period.

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

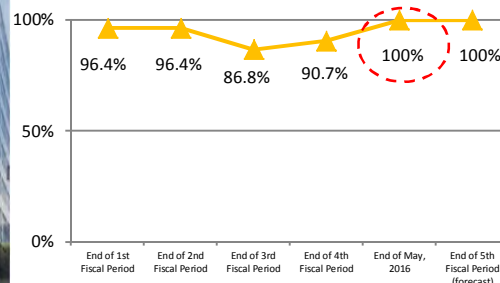
3 Leasing Progress

- Space in the Hulic Kamiyacho Building and Hulic Kanda Building was successfully re-leased, an important factor for internal growth
- Our occupancy rate is expected to be 99.9% at the end of May 2016 (with approx. 50m² of vacant space in May 2016)

(Hulic Kamiyacho Building)



Location	Toranomon, Minato Ward, Tokyo
Nearest station	One minute walk from Kamiyacho Sta., Tokyo Metro Hibiya Line
Floors	B2/11F
Leasable area	32,487.06 m ²
Standard floor area	3,106.36 m ²

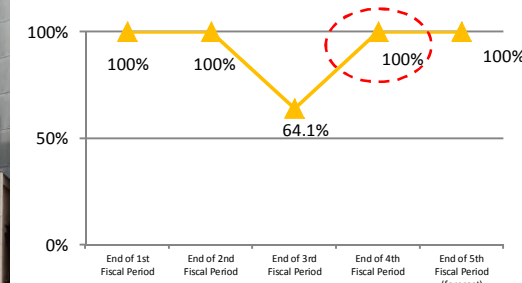


- In addition to superior scale, with approx. 3,100m² of adjoining space on one floor, the Hulic Kamiyacho Building can be divided flexibly to match the needs of various clients. Many inquiries have been received
- To lease one vacated floor (approx. 3,100m²), we divided the floor among three tenants, which further diversified the tenant base
- A space vacated in March 2016 (approx. 710m²) was combined with the neighboring space vacated in September 2015 (approx. 640m²) and has been leased to a new tenant
- In May 2016, a return to full occupancy is expected

(Hulic Kanda Building)



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



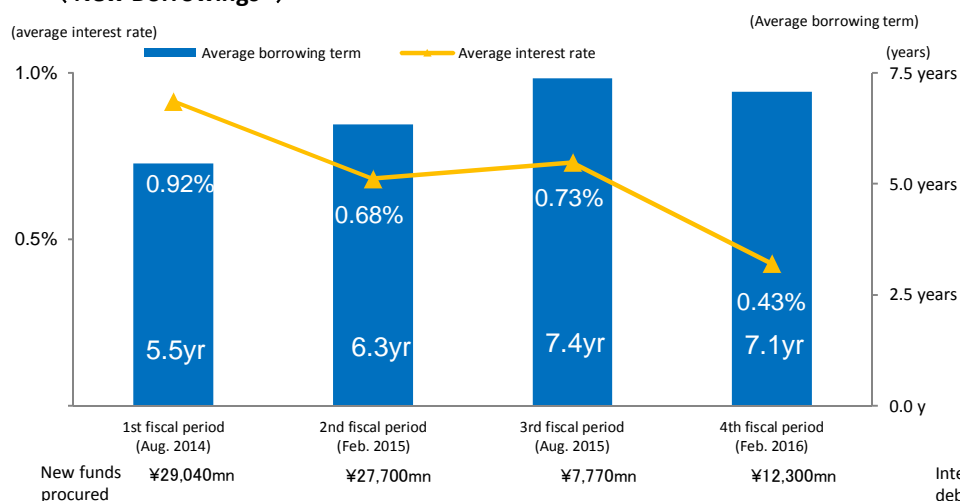
- Two floors (approx. 890m² in total) were left vacant by the termination of a lease in November 2015
- After a short downtime, the space was leased to new tenants in the 4th fiscal period
- By dividing floors, the space was leased to three tenants. In the previous period (July 2015), a different tenant vacated three floors (approx. 1,340m²). These two vacancies led to diversification from two to seven tenants

*1 Each "area" figure for the Hulic Kamiyacho Building refers to the area of the whole building.

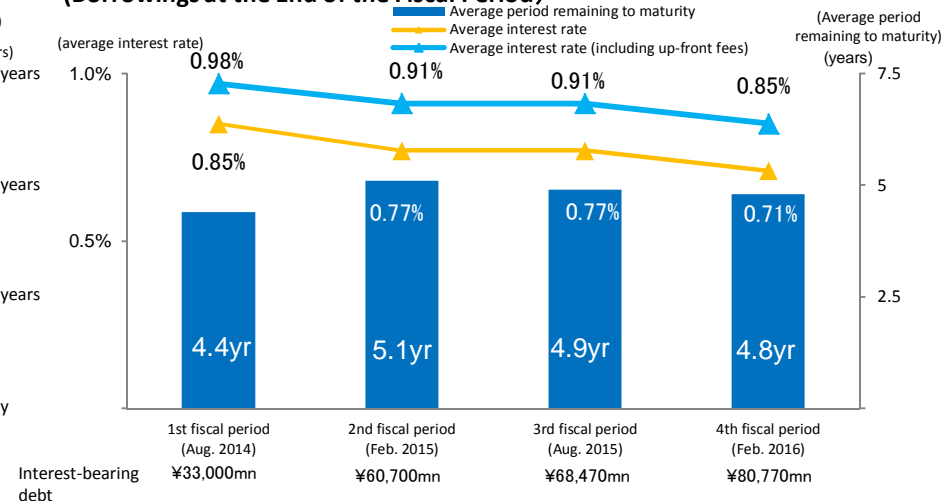
1 Maintaining Stable and Sound Financial Management

- In the negative interest rate environment, new borrowings have lower interest rates than existing loans. 95.1% of borrowings have fixed rates

(New Borrowings^{*1})



(Borrowings at the End of the Fiscal Period)



2 JCR Rating Raised to AA-

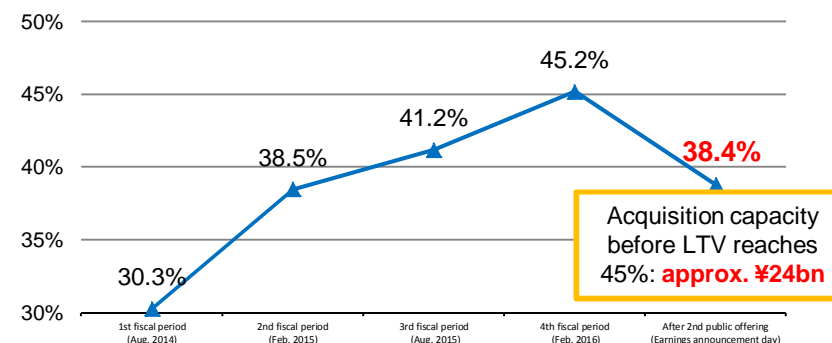
- Due to positive assessment of management since listing, JCR raised our long-term issuer rating to AA- (stable outlook)

	Before change	After
Long-term issuer rating (Outlook)	A+ (positive)	AA- (stable)
Bond rating	A+	AA-

Progress in portfolio diversification has improved earnings stability, and should help to maintain and improve credit ratings

3 LTV

- Our 2nd public offering lowered LTV from 45.2% to 38.4% at the end of the 4th fiscal period^{*2}
- Capacity for acquisition before LTV reaches 45%: approx. ¥24bn



^{*1} Excludes short-term borrowings.

^{*2} The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets, rounded to one decimal point. LTV after the 2nd public offering (earnings announcement day) is an estimate.

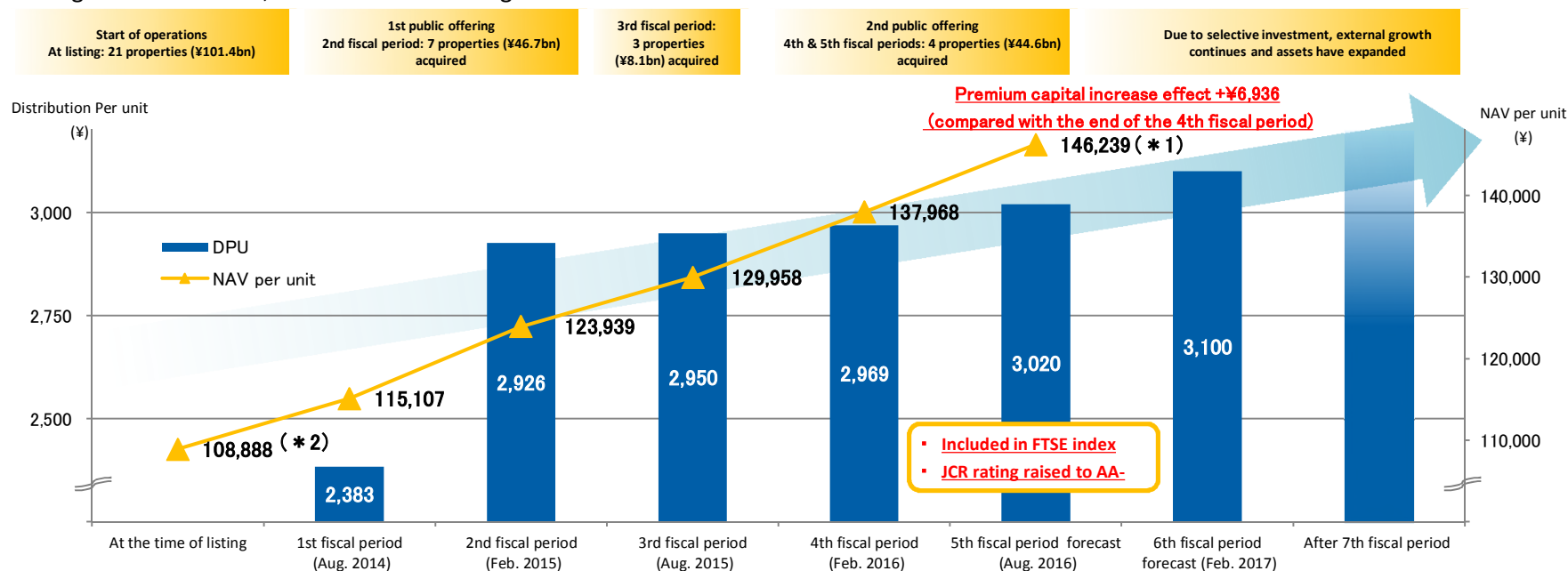
^{*3} Avg. borrowing term and avg. period remaining to maturity are rounded to one decimal point, average interest rate to two decimal points.

III. Summary of Financial Results and Earnings Forecasts



1 Distribution and NAV Per Unit, and Main Fluctuation Factors

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



Main fluctuation factors

3rd fiscal period	△ With listing, original properties (21) and those acquired in the 2nd fiscal period (7) incur fixed asset and city planning taxes
4th fiscal period	△ Departure of existing large tenants (Kamiyacho, Kanda)
5th fiscal period	+ Vacancies in Kamiyacho, Kanda properties were re-leased △ Properties acquired in the 3rd fiscal period (3) incur fixed asset and city planning taxes



Rating raised to AA-

Japan Credit Rating Agency, Ltd. (JCR) raised our rating as a long-term issuer as follows (April 14, 2016)

A+ (positive) → AA- (stable)

FTSE Included in global index

Included in the FTSE EPRA/NAREIT Global Index (March 21, 2016)

* Numerous institutional investors around the world use this index as an international real estate investment benchmark.

*1 Based on our calculation (estimate) of NAV after the 2nd public offering.

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

1 Summary of Financial Results for the 4th Fiscal Period — Statements of Income

- 3 properties acquired in the 3rd fiscal period made first full-term contribution, and the Hulic Toranomon Building, acquired in Dec 2015, started contributing to earnings. Revenue and income grew from the 3rd fiscal period
- Front-loading of leases boosted lease income, the Hulic Toranomon Building made a contribution and maintenance costs were reduced. As a result, the 4th fiscal period revenue and income increased more than expected

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

	3rd fiscal period	4th fiscal period			
	result	forecast	result	Compared with Forecast	Compared with 3rd Fiscal Period
Rent revenue	4,713	4,719	4,819	100	105
Expenses related to rent business	(1,551)	(1,656)	(1,615)	40	(64)
Income from real estate lease business	3,162	3,062	3,203	140	41
Operating income	2,626	2,539	2,667	127	41
Ordinary income	2,304	2,219	2,319	100	14
Net income	2,303	2,218	2,318	100	14
Cash distribution per unit (yen)	¥2,950	¥2,840	¥2,969	¥129	+¥19

(Comparison to the 3rd fiscal period results)

< Main fluctuation factors > (unit: millions of yen)

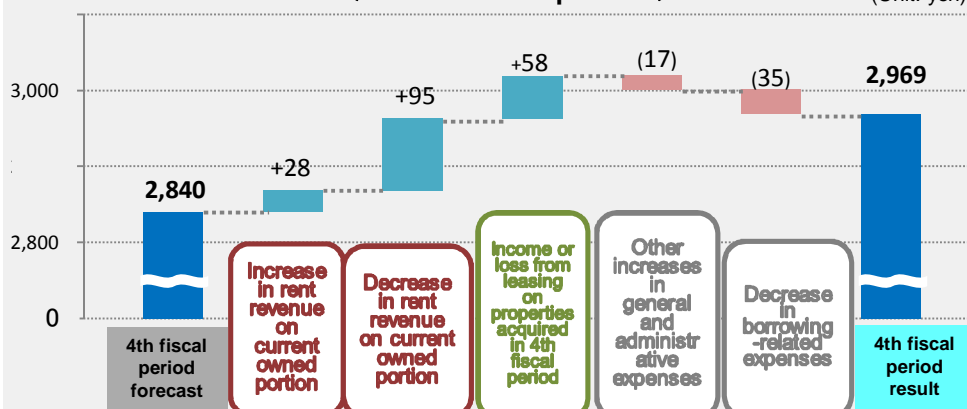
	Compared with 3rd Fiscal Period	Main Factors
Income from real estate lease business	+41	
	(4)	Vacation by existing tenants (71) Full-term contribution of properties acquired during 3rd period +55 New tenant-free rent disposal, etc. +44
	+45	Hulic Toranomon Bldg. Leasing business income +79
Operating income	+41	Asset management fee (12) Other costs +13
Ordinary income	+14	Interest expenses (25), Borrowing-related expenses (1)

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

(Differences from Forecasts for the 4th Fiscal Period)

< Cash distribution per unit >

(Unit: yen)



* Aside from main factors written in fluctuation factors, figures below ¥1mn are truncated.

* Rental increase from existing properties are the 31 properties owned at the end of the 3rd fiscal period, while new acquisitions refer to those from the 4th fiscal period and later (Hulic Toranomon Building, Hulic Kamiyacho Building (additional acquisition), and Leaf minatomirai (Land) and Orchid Square).

< Main fluctuation factors >

(unit: millions of yen)

	Compared with Forecasts for the 4th Fiscal Period	Main Factors
Income from real estate lease business	+140	
	+96	Lease income +17 Repair expenses +44 Leasing-related costs +8 Heat, water, electricity +20
	+45	Hulic Toranomon Bldg. Lease business income +79
Operating income	+127	Asset management fee (25)
Ordinary income	+100	Interest expenses (6) Funding & related expenses (21)

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

2 Comparison between the 4th Fiscal Period Results and Forecasts for the 5th Fiscal Period

- Leasing of newly acquired and existing property holdings should raise rent revenue and absorb any increases in expenses, leading to revenue and income growth from the 4th fiscal period.
- Even in our earlier forecast of the 5th fiscal period results, increased revenues from newly acquired and existing properties were expected to greatly raise revenue and income

(4th fiscal period results and 5th fiscal period forecast)

(unit: millions of yen)

	4th fiscal period	5th fiscal period forecast			
	result	previous forecast	new forecast	Compared with 4th fiscal period result	Compared with previous forecast
Rent revenue	4,819	4,754	5,803	984	1,049
Expenses related to rent business	(1,615)	(1,678)	(1,885)	(269)	(206)
Income from real estate lease business	3,203	3,075	3,918	714	842
Operating income	2,667	255	3,283	616	732
Ordinary income	2,319	227	2,891	571	664
Net income	2,318	2,226	2,890	571	664
Cash distribution per unit (yen)	¥2,969	¥2,850	¥3,020	+¥51	+¥170

(Comparison of new and previous forecasts for 5th fiscal period)

< Main fluctuation factors > (unit: millions of yen)

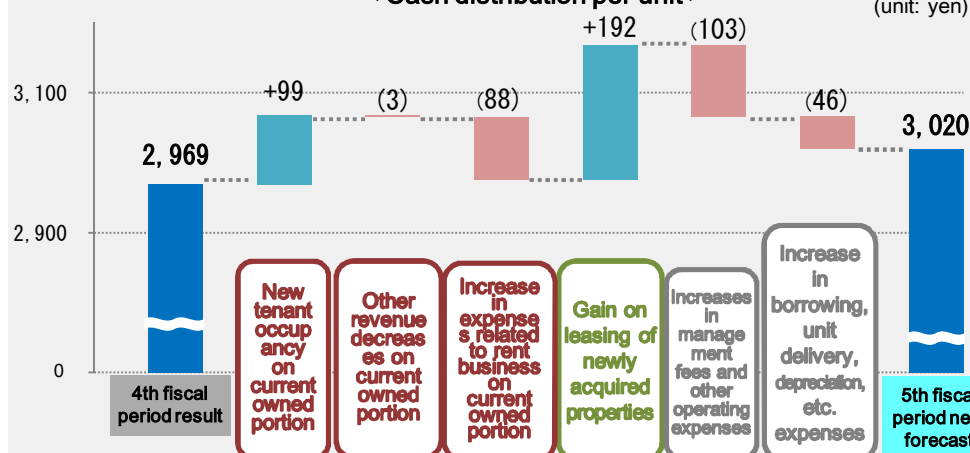
	Compared with Previous Forecast for 5th Fiscal Period	Main factors
Income from real estate lease business	+842	
	Current owned portion +90	New tenant occupancy +61 Repair expenses +19 Leasing-related costs +2
	Newly acquired +752	Rent revenue +972
Operating income	+732	Administrative service fees, etc.(6) Asset management fee (94)
Ordinary income	+664	Interest expenses (42) Amortization of unit delivery expenses (12)

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with previous 5th fiscal period; figures indicated as + denote decreases compared with the forecast for 5th fiscal period.

(Differences between 4th Fiscal Period Results and New Forecast for the 5th Fiscal Period)

< Cash distribution per unit >

(unit: yen)



< Main fluctuation factors >

(unit: millions of yen)

	Compared with 4th Fiscal Period	Main factors
Income from real estate lease business	+714	
	Current owned portion +7	New tenant entry, etc., lease business income increase +95 Repair expenses (41) Leasing-related costs +15 3rd fiscal period acquisition property tax (23)
	Newly acquired +707	Rent revenue +893
Operating income	+616	Asset management fee (73) Administrative service fees, etc.(6)
Ordinary income	+571	Interest expenses (39) Borrowing-related expenses +7 Amortization of unit delivery expenses (12)

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

* Aside from main factors written in fluctuation factors, figures below ¥1mn are truncated.

* Rental increase from existing properties are the 31 properties owned at the end of the 3rd fiscal period, while new acquisitions refer to those from the 4th fiscal period and later (Hulic Toranomon Building, Hulic Kamiyacho Building (additional acquisition), and Leaf minatomirai (Land) and Orchid Square).

3 Comparison of 5th and 6th Fiscal Period Forecasts

- Due to the full-term contribution of newly acquired properties, increased rent revenue is forecasted to lead to higher revenue and income in the 6th fiscal period
- With existing property holdings, increased rents from new tenants are expected to lead to higher revenue and income in the real estate lease business

(Comparison between 5th and 6th Fiscal Period Forecasts)

(unit: millions of yen)

	5th fiscal period	6th fiscal period	
	forecast	forecast	Compared with 5th Fiscal Period Forecast
Rent revenue	5,803	5,959	155
Expenses related to rent business	(1,885)	(1,901)	(15)
Income from real estate lease business	3,918	4,058	139
Operating income	3,283	3,371	88
Ordinary income	2,891	2,968	76
Net income	2,890	2,967	76
Cash distribution per unit (yen)	¥3,020	¥3,100	+¥80

(Comparison to 5th fiscal period earnings forecast)

< Main fluctuation factors >

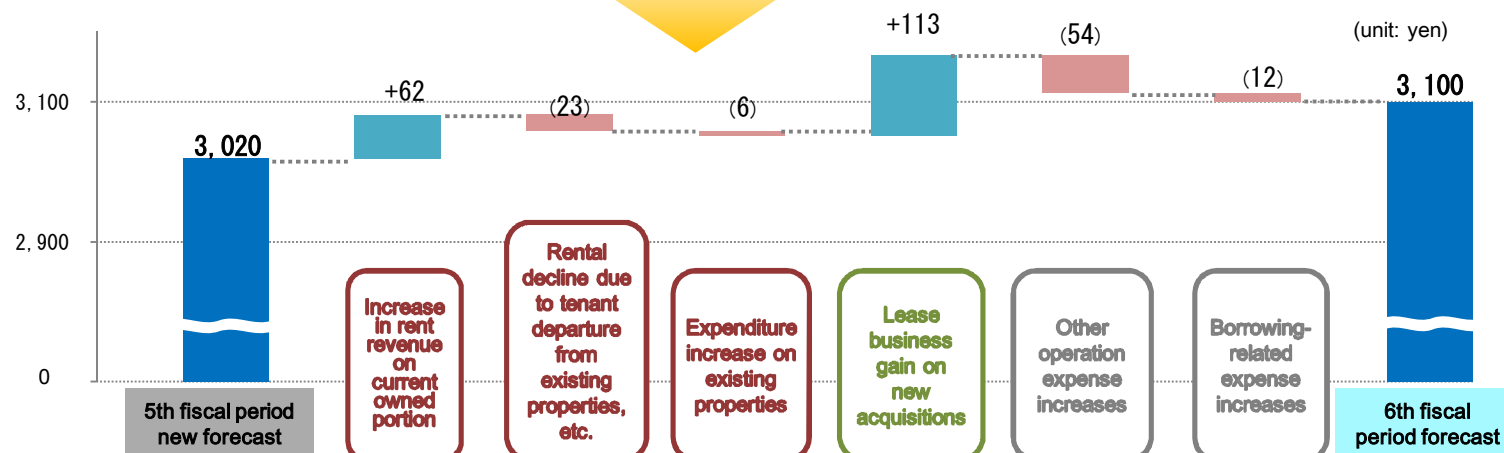
(unit: millions of yen)

	Compared with 5th fiscal period forecast	Main factors
Income from real estate lease business	+139	
	Current owned portion +31	New tenant occupancy +50 Entry of existing tenants, etc. (22) Repair expenses +9, Leasing-related costs (12)
	Newly acquired +109	Full-term contribution of newly acquired property +109
Operating income	+88	Asset management fee (48) Administrative service fees, etc. (5)
Ordinary income	+76	Borrowing-related expenses (15)

Note: Expense items indicated in parentheses as negative denote increases in expenses compared with the forecast for the 5th fiscal period; figures indicated as + denote decreases compared with the forecast for the 5th fiscal period.

(Differences between 5th and 6th fiscal period forecasts)

< Cash distribution per unit >



* Aside from main factors written in fluctuation factors, figures below ¥1mn are truncated.

* Existing properties are the 31 properties owned at the end of the 3rd fiscal period, while new acquisitions refer to those from the 4th fiscal period and later (Hulic Toranomon Building, Hulic Kamiyacho Building (additional acquisition), Leaf minatomirai (Land) and Orchid Square).

1 Comparison of Period-End Results between the 3rd and 4th Fiscal Periods

- With acquisition of Hulic Toranomon Building, total assets increased by ¥12.5bn from the end of the 3rd fiscal period to ¥178.8bn
- At the end of the 4th fiscal period, interest-bearing debt totaled ¥80.7bn, up ¥12.3bn from the end of the 3rd fiscal period. In this negative interest rate environment, we have procured funding at low interest rates

(unit: millions of yen)

	End of 3rd fiscal period	End of 4th fiscal period	Compared with End of 3rd Fiscal Period
Assets			
Current assets	8,168	8,267	98
Cash and deposits	8,110	8,175	65
Other	57	91	33
Noncurrent assets	158,067	170,527	12,459
Property, plant and equipment	149,102	161,477	12,375
Other	8,965	9,049	84
Deferred assets	19	18	0
Total assets	166,256	178,813	12,557
Liabilities			
Current liabilities	5,705	13,931	8,226
Short-term loans payable	3,960	3,960	0
Current portion of long-term loans payable	0	8,490	8,490
Other	1,745	1,481	△ 263
Noncurrent liabilities	71,629	75,946	4,316
Investment corporation bonds	2,000	2,000	0
Long-term loans payable	62,510	66,320	3,810
Tenant leasehold and security deposits in trust	7,119	7,626	506
Total liabilities	77,334	89,877	12,542
Net assets			
Unitholders' equity	88,921	88,936	14
Unitholders' capital	86,617	86,617	0
Surplus	2,304	2,318	14
Total net assets	88,921	88,936	14
Total liabilities and net assets	166,256	178,813	12,557

✓ Assets increased with acquisition of Hulic Toranomon Building

✓ Funding was procured at low interest rates in this negative interest rate environment

✓ New loans accompanying property acquisition raised long-term borrowings by ¥12.3bn

* Figures less than ¥1 million are truncated.

4. Overview of the Appraisal Reports

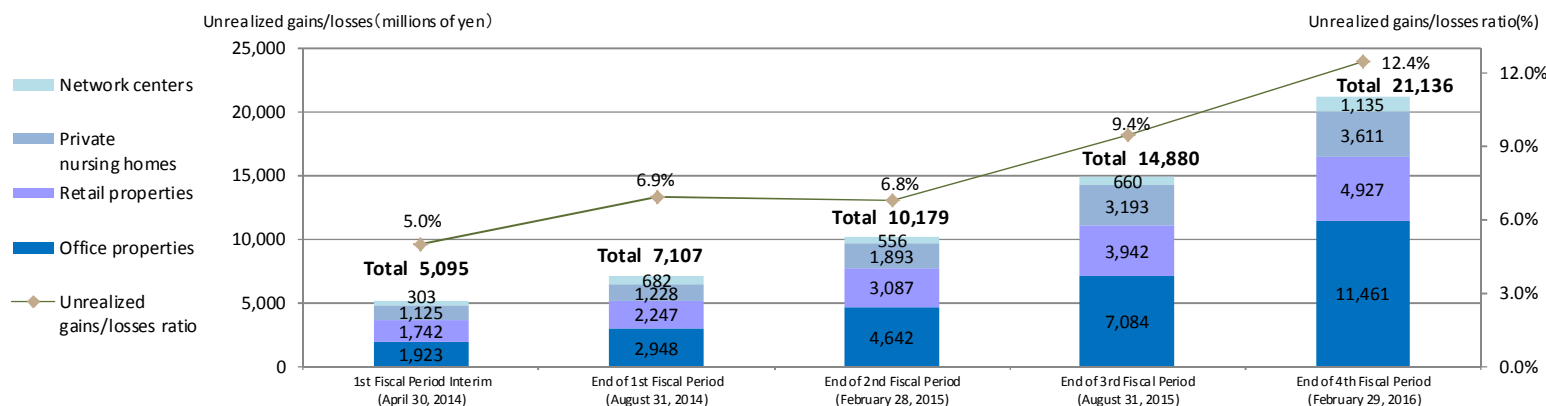
19

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

- At the end of the 4th fiscal period, unrealized gains were ¥21,136mn (up ¥6,256mn from previous period). Steady growth has continued since listing
- At the end of the 4th fiscal period, the unrealized gain/loss ratio was +12.4%

(unit: millions of yen)

		1st Fiscal Period Interim (April 30, 2014)		End of 1st Fiscal Period (August 31, 2014)		End of 2nd Fiscal Period (February 28, 2015)		End of 3rd Fiscal Period (August 31, 2015)		End of 4th Fiscal Period (February 29, 2016)	
			Unrealized gains /losses		Unrealized gains /losses		Unrealized gains /losses		Unrealized gains /losses		Unrealized gains /losses
Office properties	No. of properties	8		8		10		13		14	
	Book value	58,146		58,071		83,487		91,665		104,208	
	Appraisal value	60,070	1,923	61,020	2,948	88,130	4,642	98,750	7,084	115,670	11,461
	return yield	4.3%		4.2%		4.0%		4.0%		3.8%	
Retail properties	No. of properties	4		4		6		6		6	
	Book value	21,717		21,692		32,092		32,057		32,022	
	Appraisal value	23,460	1,742	23,940	2,247	35,180	3,087	36,000	3,942	36,950	4,927
	return yield	4.8%		4.7%		4.5%		4.4%		4.3%	
Private nursing homes	No. of properties	4		4		4		4		4	
	Book value	14,494		14,451		14,386		14,386		14,338	
	Appraisal value	15,620	1,125	15,680	1,228	16,280	1,893	17,580	3,193	17,950	3,611
	return yield	5.4%		5.4%		5.2%		4.8%		4.7%	
Network centers	No. of properties	5		5		8		8		8	
	Book value	8,438		8,420		19,545		19,463		19,379	
	Appraisal value	8,742	303	9,103	682	20,102	556	20,124	660	20,515	1,135
	return yield	5.3%		5.1%		5.2%		5.2%		5.1%	
Total	No. of properties	21		21		28		31		32	
	Book value	102,796		102,635		149,512		157,573		169,948	
	Appraisal value	107,892	5,095	109,743	7,107	159,692	10,179	172,454	14,880	191,085	21,136



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

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

IV. Future Strategy



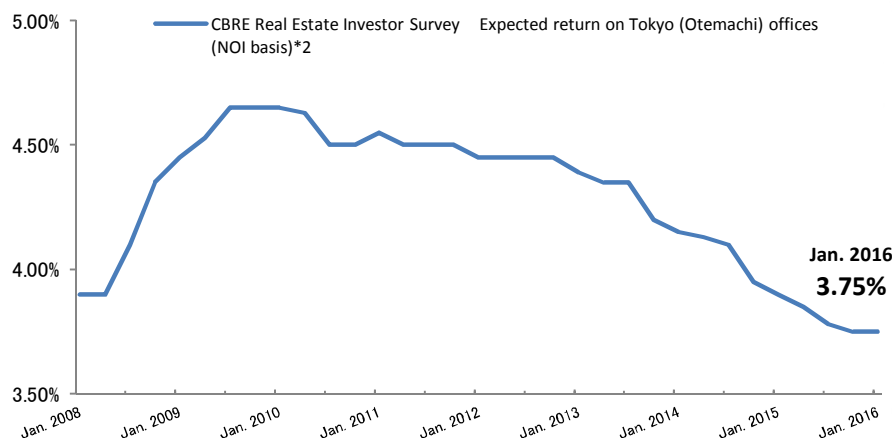
1 Distribution per Unit (DPU)-Focused Strategy

External Growth Strategy	Internal Growth Strategy	Financial Strategy
Selective Investments Based on Market Conditions	Seek fair rent Maintain high occupancy rate	Maintain Stable and Sound Financial Management
<ul style="list-style-type: none"> ■ Seek a fair return by continuing to selectively invest in sponsor-developed and sponsor-owned properties that hold a promise of future growth. ■ Aim to grow assets under management to ¥300 billion in 3–5 years after listing. 	<ul style="list-style-type: none"> ■ Negotiate with tenants whose rent is below the market level to raise it to the market level. ■ Maintain high occupancy rate by leveraging the attractive location of properties. 	<ul style="list-style-type: none"> ■ Appropriately control LTV (aiming for the 40%-45% range) to expand assets under management. ■ While monitoring interest rate trends, seek long-term fixed borrowings. ■ Diversify financing sources and methods.

Aim to consistently increase DPU

1 Understanding the Real Estate Market Environment*1

- The average expected NOI yield on Tokyo (Otemachi) offices was flat at 3.75%, so downside room for expected yield appears limited. However, this survey was conducted in Jan 2016, before the BoJ introduced a negative interest rate. Any change in the viewpoint of investors will be closely watched in the next survey.

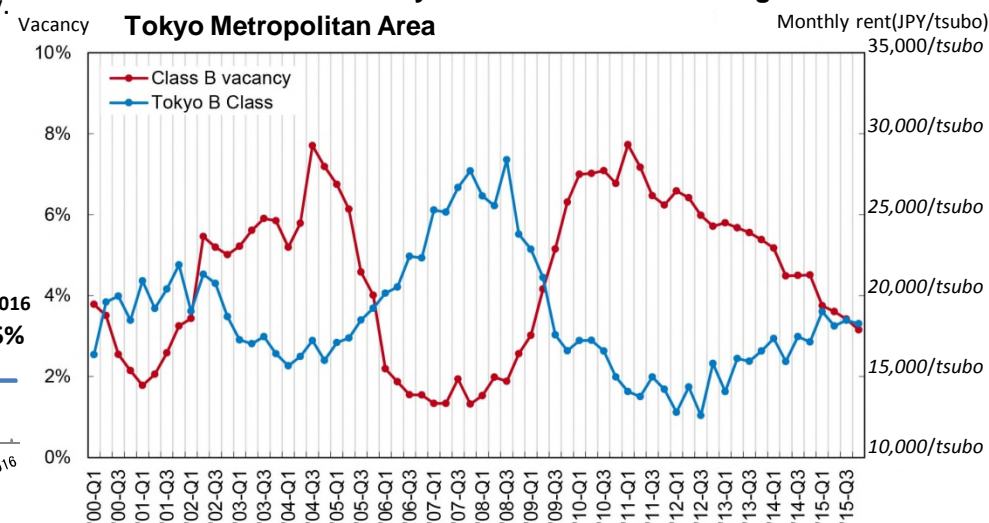


- Due to the negative interest rate policy, funding costs are low and stable for now. This favorable environment is expected to continue, but there is a risk of higher interest rates in the future.



- Among B class buildings in central Tokyo, the vacancy rate continues to decline while rents rise. Recently, rent disparities have widened between different properties. The overall rise lacks vigor, but rents are firmly underpinned.

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



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

- Decline of office vacancy rate and rise of rents likely to continue
- With low, stable interest rates, funding environment is favorable

Real estate prices expected to remain in high territory for now

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

*2 Expected NOI yields show the averages for office spaces in Tokyo's Otemachi office area in the Japanese Real Estate Investor Survey conducted by CBRE.

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

2 Acquisition method

- We utilize the information network of the Assets Manager mainly for sponsor-developed and sponsor-owned properties and selectively invest in properties that will contribute to unitholder value

【Route-specific acquisition policy】

Route	Acquisition Policy
Sponsor-developed properties	Principal driver of external growth
Sponsor-owned properties	Selective investment in blue-chip properties that meet investor needs
Asset Manager route	Continue search for negotiated transactions and a fair return

3 Investments in Tokyo Commercial Properties and Next Generation Assets

TOKYO COMMERCIAL PROPERTIES

- **Offices**
Selective investment in offices that are competitive in terms of location and will contribute to internal growth through rental income
- **Retail properties**
Selective investment in retail properties where rental income growth or stable cash flow is expected

NEXT GENERATION ASSETS

- **Private nursing homes**
Now that a round of health-care REIT listings has passed, the acquisition environment should settle down. Conditions of acquisition, timing, and other factors will be taken into consideration

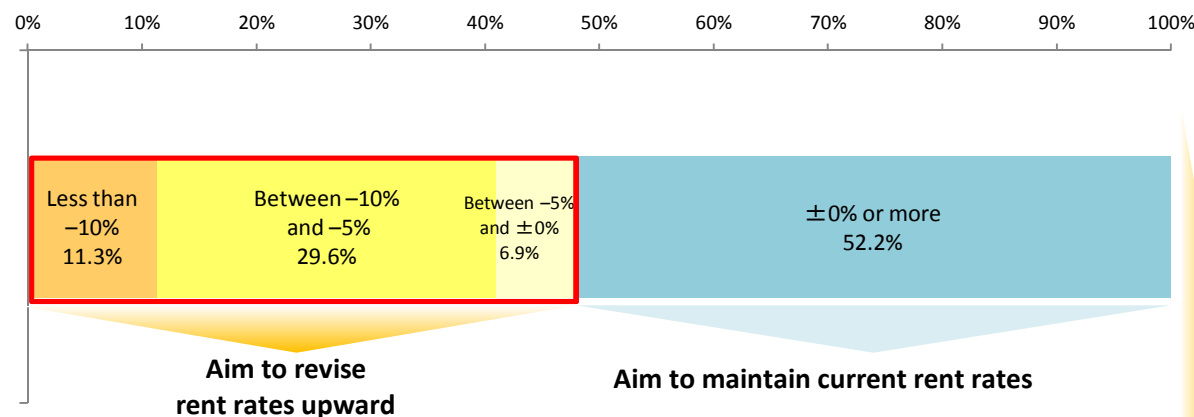
In Hulic's 3K businesses (*koreisha* = seniors; *kanko* = tourism; *kankyo* = environment) where our sponsor has built up a track record and CRE, etc., we will look at candidates for acquisition and start considering the possibility of investing in conversion to other uses

Completed in Fiscal 2015	Slated for Completion in Fiscal 2016	Slated for Completion in Fiscal 2017	Slated for Completion in Fiscal 2018
Shinagawa Season Terrace Hulic Toranomon Building	Shibuya 4-chome Development Project Ginza 7-chome Sotetsu Hotel	Commercial Development Project near Omori Station Shinbashi 2-chome Commercial Development Hulic Shibuya Inokashira-dori Building Roppongi 3-chome Sotetsu Hotel Development Project Hulic Shibuya Koen-dori Building Project	Yurakucho 2-chome Development Project Tokyo Metro Roppongi 7-chome Project

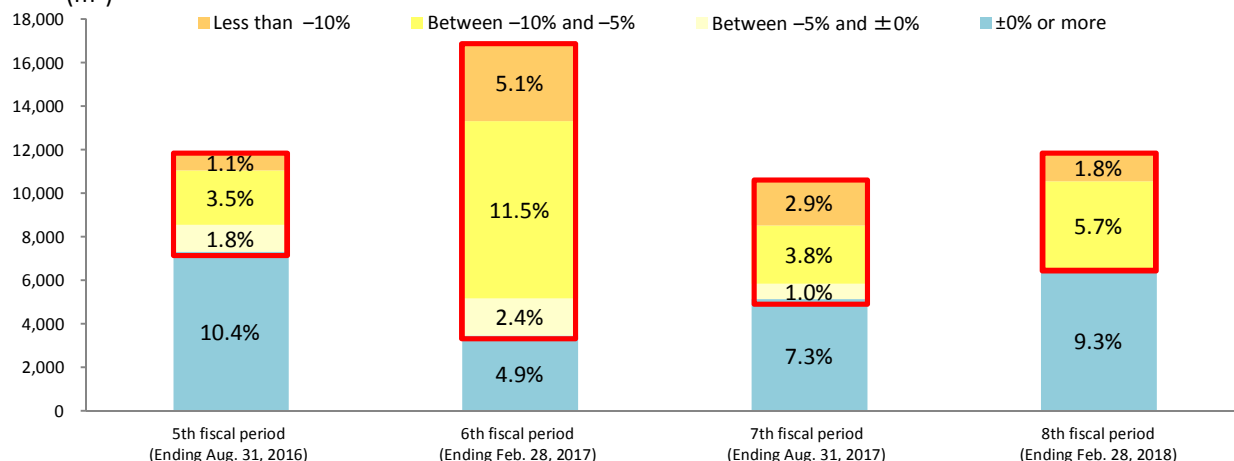


1 Negotiate Appropriate Rent Rates

- All tenants whose rents were revised upward in the 4th fiscal period (ended Feb 2016) had rents less than 10% below market levels
- While maintaining high occupancy rate, we will focus on revising rent rates upward for the almost 50% of tenants with below market levels
- No rental rates were revised downward in the 4th fiscal period. We aim to maintain current rent rates for renewals in the 5th fiscal period (ending Aug 2016) where rent is at or higher than market levels



■ Divergence from office market levels and lease renewal schedule

(m²)


Account of Divergence from Market Levels	Planned approach
Tenants at ±0% or more	Maintain current rent rate
Tenants between -5% and ±0%	Aim to revise rent rates upward
Tenants at less than -5%	Aim to revise to appropriate rent rates

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

*2 Each rate is a percentage of the total rentable area in office properties held by this investment company at the end of March 2016. Proprietary right of land, stores, and on-site housing are not included.

V. Appendix



	(unit: thousands of yen)		
	3rd fiscal period (Aug. 2015)	4th fiscal period (Feb. 2016)	Difference (4th fiscal period - 3rd fiscal period)
Operating revenues			
Rent revenue	4,522,097	4,617,146	95,049
Other lease business revenues	191,800	202,375	10,575
Total operating revenue	4,713,897	4,819,522	105,625
Operating expenses			
Expenses related to rent business	1,551,508	1,615,701	64,192
Asset management fee	393,028	405,463	12,435
Asset custody fee	9,225	9,606	381
Administrative service fees	29,993	30,922	929
Directors' compensation	6,000	6,000	0
Other operating expenses	98,098	84,764	(13,333)
Total operating expenses	2,087,854	2,152,459	64,605
Operating income	2,626,043	2,667,063	41,019
Non-operating income			
Interest income	566	680	114
Interest on refund	47	0	(47)
Total non-operating income	613	680	66
Non-operating expenses			
Interest expenses	246,862	258,611	11,748
Interest expenses on investment corporation bonds	51	9,448	9,396
Borrowing-related expenses	74,798	79,033	4,235
Amortization of investment corporation bond issuance costs	5	994	989
Total non-operating expenses	321,718	348,088	26,369
Ordinary income	2,304,939	2,319,655	14,716
Income before income taxes	2,304,939	2,319,655	14,716
Income taxes – current	942	882	(59)
Income taxes – deferred	0	2	1
Income taxes	942	884	(58)
Net income	2,303,996	2,318,771	14,775
Retained earnings brought forward	154	200	46
Unappropriated retained earnings	2,304,150	2,318,971	14,821

* Amounts less than one thousand yen have been truncated.

	(unit: thousands of yen)		
	End of 3rd FY (End of Aug. 2015)	End of 4th FY (End of Feb. 2016)	Difference (4th fiscal period - 3rd fiscal period)
Assets			
Current assets			
Cash and deposits	4,394,069	4,510,142	116,073
Cash and deposits in trust	3,716,473	3,665,614	(50,859)
Operating accounts receivable	20,029	45,715	25,686
Prepaid expenses	37,320	27,158	(10,162)
Deferred tax assets	15	13	(2)
Consumption taxes receivable	0	16,725	16,725
Other	612	1,728	1,116
Total current assets	8,168,520	8,267,096	98,576
Non-current assets			
Property, plant and equipment			
Buildings in trust	34,830,610	37,187,728	2,357,118
Accumulated depreciation	(1,200,450)	(1,710,944)	(510,493)
Buildings in trust, net	33,630,159	35,476,784	1,846,624
Structures in trust	242,484	244,849	2,364
Accumulated depreciation	(26,304)	(36,078)	(9,774)
Structures in trust, net	216,180	208,770	(7,409)
Machinery and equipment in trust	142,234	189,591	47,357
Accumulated depreciation	(18,938)	(29,574)	(10,636)
Machinery and equipment in trust, net	123,296	160,017	36,720
Tools, furniture and fixtures in trust	9,113	10,002	888
Accumulated depreciation	(1,268)	(2,067)	(798)
Tools, furniture and fixtures in trust, net	7,844	7,934	90
Land in trust	115,124,682	125,623,874	10,499,191
Total property, plant and equipment	149,102,164	161,477,381	12,375,217
Intangible assets			
Leasehold rights in trust	8,471,289	8,471,289	0
Other	7,170	6,151	(1,018)
Total intangible assets	8,478,460	8,477,441	(1,018)
Investments and other assets			
Lease and guarantee deposits	20,000	20,000	0
Long-term prepaid expenses	467,007	552,380	85,373
Total investments and other assets	487,007	572,380	85,373
Total non-current assets	158,067,631	170,527,203	12,459,571
Deferred assets			
Investment corporation bond issuance costs	19,956	18,962	(994)
Total deferred assets	19,956	18,962	(994)
Total assets	166,256,109	178,813,262	12,557,153

	(unit: thousands of yen)		
	End of 3rd FY (End of Aug. 2015)	End of 4th FY (End of Feb. 2016)	Difference (4th fiscal period - 3rd fiscal period)
Liabilities			
Current liabilities			
Operating accounts payable	351,800	155,934	(195,865)
Short-term loans payable	3,960,000	3,960,000	0
Current portion of long-term loans payable	0	8,490,000	8,490,000
Accounts payable - other	484,714	491,573	6,712
Accrued expenses	50,023	47,537	(2,486)
Income taxes payable	827	778	(49)
Accrued consumption taxes	50,934	8,592	(42,341)
Advances received	806,762	776,731	(30,030)
Deposits received	40	0	(40)
Total current liabilities	5,705,103	13,931,147	8,226,044
Non-current liabilities			
Investment corporation bond	2,000,000	2,000,000	0
Long-term loans payable	62,510,000	66,320,000	3,810,000
Tenant leasehold and security deposits in trust	7,119,816	7,626,103	506,287
Total non-current liabilities	71,629,816	75,946,103	4,316,287
Total liabilities	77,334,919	89,877,251	12,542,332
Net assets			
Unitholders' equity			
Unitholders' capital	86,617,040	86,617,040	0
Surplus			
Unappropriated retained earnings (undisposed loss)	2,304,150	2,318,971	14,821
Total surplus	2,304,150	2,318,971	14,821
Total unitholders' equity	88,921,190	88,936,011	14,821
Total net assets	88,921,190	88,936,011	14,821
Total liabilities and net assets	166,256,109	178,813,262	12,557,153

* Amounts less than one thousand yen have been truncated.

1 Portfolio changes after previous public offering (end of 2nd fiscal period)

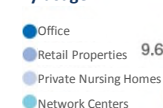
		End of 2nd Fiscal Period (Feb. 28, 2015)	Acquisitions completed in 3rd fiscal period (Note)	Newly acquired assets (Note)	After 2nd public offering
No. of properties	Overall	28properties	3properties	4properties	34properties
	Tokyo Commercial Properties	16properties	3properties	4properties	22properties
	Next Generation Assets	12properties	—	—	12properties
Average NOI yield		4.9%	4.8%	4.1%	4.7%
Average NOI yield after depreciation		4.2%	4.2%	3.9%	4.1%
Total assets	Overall	¥148.2bn	¥8.1bn	¥44.6bn	¥200.8bn
	Tokyo Commercial Properties	77.5%	100.0%	100.0%	83.4%
	Next Generation Assets	22.5%	—	—	16.6%
NAV per unit		¥123,939			¥146,239

Note: Newly acquired assets and assets acquired in the 3rd fiscal period

Time of Acquisition	Category	Asset Name	Area Category	Walking Time to Station	Acquisition Price	NOI Yield*1
Newly acquired assets	4th Fiscal Period	Hulic Toranomon Bldg.	Six central Tokyo wards	One minute from Toranomon Station	¥12,740mn	4.0%
		Hulic Kamiyacho Bldg. (additional)	Six central Tokyo wards	One minute from Kamiyacho Station	¥16,650mn	4.1%
	5th Fiscal Period	Leaf minatomirai (Land)	Others	Three minutes from Minatomirai Station	¥11,700mn	4.3%
		Orchid Square	Six central Tokyo wards	Three minutes from Hibiya Station	¥3,502mn	4.0%
Acquisitions completed in 3rd fiscal period	3rd Fiscal Period	Sasazuka South Bldg.	Six central Tokyo wards	Five minutes from Daitabashi Station	¥2,100mn	5.3%
		Tokyo Nishiikebukuro Bldg.	Other Tokyo 23 wards	Three minutes from Ikebukuro Station	¥1,580mn	5.2%
		Gate City Ohsaki	Six central Tokyo wards	One minute from Osaki Station	¥4,370mn	4.4%

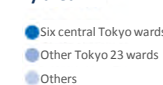
Overall (*1)

By usage



Tokyo Commercial Properties 77.5% Tokyo Commercial Properties 83.4%

By area



Tokyo Commercial Properties (*1)

By walking distance from nearest station



Office (*1)

By area



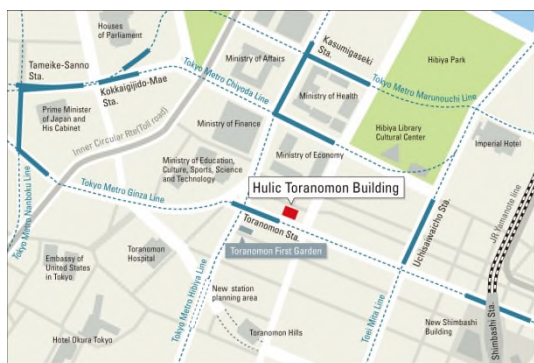
*1 Ratios in each graph are based on acquisition prices of each property.

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

1 Hulic Toranomom Building



Location	Minato Ward, Tokyo
Nearest station	One minute from Toranomom Station, Tokyo Metro Ginza Line
Floors	12,094.79m ² (entire building)
Leasable area	6,002.26m ² (equivalent to 70%)
Completion of construction	May 2015
Acquisition price	¥12,740mn
Appraisal value*1	¥14,000mn
Appraisal NOI yield*2	4.0%
Acquisition date	Dec. 25, 2015



Highlights

- ❑ **New office building in Toranomom, where infrastructure is improving**
Toranomom Hills has opened for business and traffic is flowing on the Shintora St. Other large-scale redevelopment projects are underway, including construction of a new metro station.
- ❑ **Co-ownership with Hulic**
We acquired a 70% quasi co-ownership interest, which was developed by Hulic. The remaining 30% quasi co-ownership interest continues to be held by Hulic, producing a synergy effect in property management.

Location characteristics

- ❑ **An office district adjoining Kasumigaseki**
Kasumigaseki, the administrative hub of the Japanese government, is next to Toranomom Station along Sotobori-dori. For many years, companies with government-related work, extra-governmental organizations, and professionals have clustered in this area.

Property characteristics

- ❑ **Advanced features: Seismic base isolation structure, energy savings equipment**
This is an advanced office building offering features that tenants want, such as a seismic base isolation structure, standby generator, natural ventilation and natural light intake.
- ❑ **DBJ Green Building 5-star certified (highest rank)**
5-star certification from DBJ Green Building, awarded for "achieving the top domestic class in environmental and social considerations."



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

*2 NOI yield = NOI / acquisition price (NOI based on the appraised price at the time of acquisition, rounded to one decimal place).

2

Hulic Kamiyacho Building (additional acquisition)



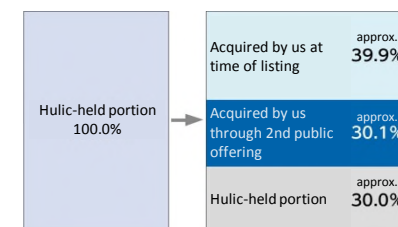
Location	Minato Ward, Tokyo
Nearest station	One minute from Kamiyacho Station, Tokyo Metro Hibiya Line
Floors	39,854.52m ² (entire building)
Leasable area	9,768.86m ² (equivalent to 30.1%)
Completion of construction	Apr. 2015

Acquisition price	¥16,650mn
Appraisal value* ¹	¥17,000mn
Appraisal NOI yield* ²	4.1%
Acquisition date	Mar. 15, 2016



Highlights

- Large-scale redevelopment proceeds in Kamiyacho**
A new metro station is planned nearby, and multiple redevelopment projects are underway, including Toranomon Trust City World Gate on the north side of this property.
- Additional acquisition of Hulic-held properties**
We acquired 30.1% of the quasi co-ownership interests, raising the Hulic Reit share to 70%.

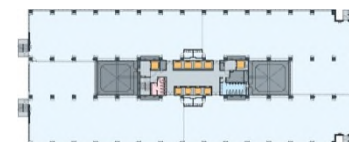


Location characteristics

- An office district close to Kamiyacho Station**
This property is located close to Kamiyacho Station in a quiet neighborhood of large offices, foreign embassies, and hotels.

Property characteristics

- Extensive renovation completed**
This property was extensively renovated in 2007, and since then, value-raising renovations have been done as needed.
- Floor plan is responsive to diverse tenant needs**
The standard floor size is a large approx. 3,102m² with square-shaped floor plan and layout efficiency.



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

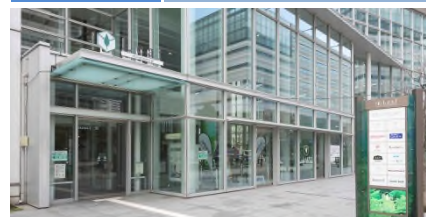
*2 NOI yield = NOI / acquisition price (NOI based on the appraised price at the time of acquisition, rounded to one decimal place).

3 Leaf minatomirai (Land)



Location	Nishi Ward, Yokohama, Kanagawa Prefecture
Nearest station	Three minutes from Minatomirai Station, Minatomirai-Line, Yokohama Minatomirai Railway
Floors	—
Leasable area	5,500.04㎡
Completion of construction	—

Acquisition price	¥11,700mn
Appraisal value* ¹	¥12,500mn
Appraisal NOI yield* ²	4.3%
Acquisition date	Mar. 30, 2016



Highlights

❑ Located in the heart of Minato Mirai 21



Work, residential, and tourism functions are integrated in the Minato Mirai 21 area. The annual number of visitors and rail passengers is trending upward.

❑ Long-term lease agreement signed with Hulic (*)

We have land rights, and a 30-year fixed term tenant lease agreement for business with special provisions for building transfer has been concluded with Hulic*, the owner of the building.

* Hulic holds the trust beneficiary of land lease rights and the building, and the name of the trustee on the lease agreement is Mizuho Trust & Banking Co., Ltd.

Location characteristics

❑ Commercial facility location along Grand Mall Park

The commercial facility on this property occupies a corner lot along Grand Mall Park, the heart of Minato Mirai 21, with good visibility in three directions.

Property characteristics

❑ Land rights for large commercial facility

The commercial facility is anchored by a major household furnishings company. The lease mentioned above gives us a stable, long-term source of income.

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

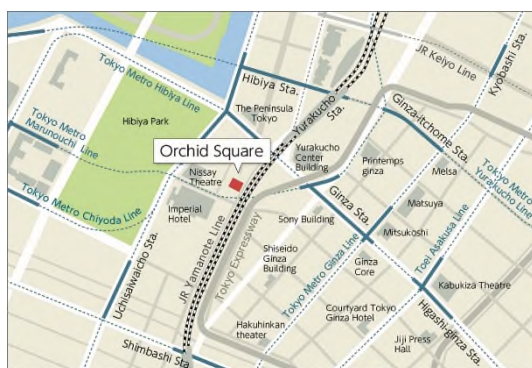
*2 NOI yield = NOI / acquisition price (NOI based on the appraised price at the time of acquisition, rounded to one decimal place).

4 Orchid Square



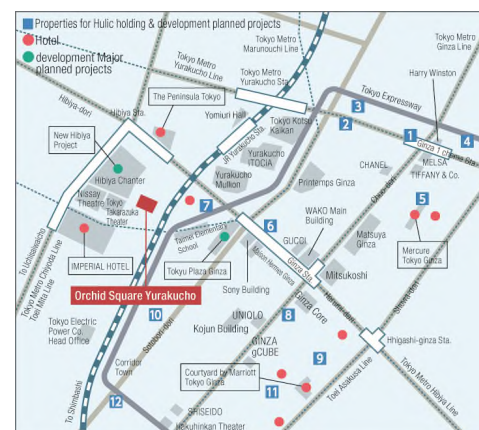
Location	Chiyoda Ward, Tokyo
Nearest station	Three minutes from Hibiya Station, Tokyo Metro Hibiya Line
Floors	1,483.67m ²
Leasable area	1,334.88m ²
Completion of construction	Jan. 2009

Acquisition price	¥3,502mn
Appraisal value* ¹	¥3,630mn
Appraisal NOI yield* ²	4.0%
Acquisition date	Mar. 30, 2016



Highlights

- ❑ **A high-profile commercial district in the Ginza/Yurakucho Area**
The Ginza/Yurakucho Area is one of Japan's representative commercial districts, with a high concentration of boutiques, department stores, and eating & drinking establishments.
- ❑ **Located in area with high importance for Hulic**
Hulic's fixed assets in this area consist of 12 properties (as of the end of 2015), and multiple others are under development.



- 1 Hulic Ginza Bldg.
- 2 Hulic Nishiginza No.2 Bldg.
- 3 Hulic Nishiginza Bldg.
- 4 Hulic Ginza 1 Chome Bldg.
- 5 Hulic Ginza 2 Chome Bldg.
- 6 Hulic Ginza Sukiyabashi Bldg.
- 7 (Tentative) Yurakucho 2 Chome Development Project
- 8 Hulic Ginza World Town Bldg.
- 9 Ginza Wall Bldg
- 10 Hulic Ginza 7 Chome Bldg
- 11 (Tentative) Ginza 7 Chome Soutetsu Hotel
- 12 G10

Location & property characteristics

- ❑ **High scarcity value as bar/restaurant with street frontage**
Located on a street where bars/restaurants jostle for space below the elevated JR Yamanote Line, Orchid Square is near shopping and hotels, and so gets plenty of foot traffic.
- ❑ **Exterior has presence**
This area has a high proportion of older buildings. Orchid Square's front curtain wall attracts the eye and stands out from its neighbors.

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


*2 NOI yield = NOI / acquisition price (NOI based on the appraised price at the time of acquisition, rounded to one decimal place).

Property No.	OF-01	OF-02	OF-03	OF-04
Property name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi
Photograph of property				
Location	Toranomon, Minato Ward, Tokyo	Kudankita, Chiyoda Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Roppongi, Minato Ward, Tokyo
Nearest station	One minute from Kamiyacho Station, Tokyo Metro Hibiya Line	One minute from Kudanshita Station, Tokyo Metro Tozai Line, etc.	One minute from Toranomon Station, Tokyo Metro Ginza Line	Directly connected to Roppongi Station, Tokyo Metro Hibiya Line, etc.
Acquisition price	¥20,100 million	¥11,100 million	¥8,623 million	¥5,160 million
Appraisal NOI yield *1	4.5%	4.2%	4.3%	5.0%
Completion of construction	Apr. 1985	—	Aug. 2010	Aug. 1997
Structures and Construction	SRC/S, B2/11F	—	S/RC, B2/12F	SRC/RC, B2/10F
Total leasable area *2	12,972.10m ²	3,351.07m ²	5,689.97m ²	5,875.17m ²
Occupancy rate *3	90.7%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located near Kamiyacho Station ➢ Has total floor area approximately 40,990 m², with space of typical floor more than 3,100 m² ➢ Has recently undergone large-scale refurbishment ➢ Located in a peaceful urban area near many foreign embassies 	<ul style="list-style-type: none"> ➢ Located along Mejiro Dori near Kudanshita Station ➢ Kudanshita Station served by several subway lines—Tokyo Metro's Tozai and Hanzomon lines and the Toei Shinjuku Line ➢ A rare office building located within a large-scale central metropolitan planning zone 	<ul style="list-style-type: none"> ➢ Located along Sakurada Dori near Toranomon Station ➢ Relatively new building reconstructed by Hulic to high specifications ➢ Building received a Minister of the Environment Award in the Wall/Specialty Greening Technology category of the Wall and Special Greening Technology Contest (2012) 	<ul style="list-style-type: none"> ➢ Connected directly with Roppongi Station, along Roppongi Dori ➢ Unusually good access, being directly connected with a station served by the Tokyo Metro Hibiya Line and the Toei Oedo subway line ➢ One of few relatively large buildings in an area with numerous smaller properties

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016).
(Figures for co-owned properties correspond to the owned portion.)




*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	OF-05	OF-06	OF-07	OF-08
Property name	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building
Photograph of property				
Location	Takada, Toshima Ward, Tokyo	Kandasudacho, Chiyoda Ward, Tokyo	Kandanishikicho, Chiyoda Ward, Tokyo	Kakigaracho, Chuo Ward, Tokyo
Nearest station	Six minutes from Takadanobaba Station, JR Yamanote Line and Tokyo Metro Tozai Line, etc	One minute from Kanda Station, Tokyo Metro Ginza Line	Three minutes from Otemachi Station, Tokyo Metro Tozai Line, etc.	Two minutes from Suitengumae Station, Tokyo Metro Hanzomon Line
Acquisition price	¥3,900 million	¥3,780 million	¥2,500 million	¥2,210 million
Appraisal NOI yield* ¹	5.1%	4.7%	4.6%	5.7%
Completion of construction	Nov. 1993	Sep. 2008	Jun. 2001	Mar. 1993
Structures and Construction	SRC, B1/8F	RC, 9F	S/RC, B1/10F	SRC, B1/9F
Total leasable area* ²	5,369.71m ²	3,728.36m ²	2,566.95m ²	2,858.48m ²
Occupancy rate* ³	100.0%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Situated along Shin-Mejiro Dori ➢ Near Takadanobaba Station, served by multiple lines, including JR Yamanote, Tokyo Metro Tozai and Seibu Shinjuku lines ➢ Competitive because the surrounding area contains little new supply and limited stock of offices 	<ul style="list-style-type: none"> ➢ Located along Chuo Dori near Kanda Station on the Tokyo Metro Ginza Line ➢ Also within walking distance of several other stations, including Kanda Station on the JR Yamanote Line and Awajicho Station on the Tokyo Metro Marunouchi Line 	<ul style="list-style-type: none"> ➢ Located near Otemachi Station ➢ Also within walking distance of several other stations, including Ogawamachi Station on the Toei Shinjuku Line and Kanda Station on the JR Yamanote Line 	<ul style="list-style-type: none"> ➢ Located along Shin-Ohashi Dori near Suitengumae Station ➢ Also within walking distance of Kayabacho Station on the Tokyo Metro Tozai Line and Ningyocho Station on the Tokyo Metro Hibiya Line ➢ Property was reconstructed by Fujigin Building Co., Ltd. (currently Hulic)

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)




*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	OF-09	OF-10	OF-11	OF-12
Property name	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Sasazuka South Building	Tokyo Nishi Ikebukuro Building
Photograph of property				
Location	Kandasurugadai, Chiyoda Ward, Tokyo	Higashi-Ueno, Taito Ward, Tokyo	Sasazuka, Shibuya Ward, Tokyo	Nishiikebukuro, Toshima Ward, Tokyo
Nearest station	Directly connected to Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line	Two minutes from Shin-Okachimachi Station, Toei Oedo Line and Tsukuba Express Line	Five minutes from Daitabashi Station, Keio Line	Three minutes from Ikebukuro Station, JR Yamanote Line, Tokyo Metro Marunouchi Line
Acquisition price	¥22,854 million	¥2,670 million	¥2,100 million	¥1,580 million
Appraisal NOI yield*1	3.9%	4.9%	5.2%	5.2%
Completion of construction	Feb. 2013	Jul. 1988	Dec. 1991	Oct. 1990
Structures and Construction	S, B2/23F	SRC, 8F	SRC/S, B1/8F	S/SRC/RC, B3/14F
Total leasable area*2	8,341.22m ²	3,262.09m ²	3,611.08m ²	1,429.74m ²
Occupancy rate*3	96.1%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located along Hongo Dori and directly connected to Shin-Ochanomizu Station ➢ Within a 10-minute walk of five stations served by nine lines ➢ A relatively new, high-spec, large-scale, multipurpose building with mega-floors featuring open designs free of structural support pillars with standard floor area of approximately 3,000 m² 	<ul style="list-style-type: none"> ➢ Located along Kasuga Dori near Shin-Okachimachi Station ➢ Also within walking distance of several other stations, including Naka-Okachimachi Station on the Tokyo Metro Hibiya Line and Okachimachi Station on the JR Yamanote Line ➢ Recently remodeled, involving mainly common areas 	<ul style="list-style-type: none"> ➢ Located along Koshu Kaido ➢ In a corner location on an arterial road, ensuring high visibility ➢ Provides relatively large scale in an area populated by numerous small-scale properties 	<ul style="list-style-type: none"> ➢ Located near Ikebukuro Station, one of Japan's leading terminals ➢ Ikebukuro Station served by numerous lines, including various JR and Tokyo Metro lines, the Seibu Ikebukuro Line and the Tobu Tojo Line ➢ Provides relatively large scale in an area populated by numerous small-scale properties

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)





*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	OF-13	OF-14	RE-01	RE-02
Property name	Gate City Ohsaki	Hulic Toranomom Building	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)
Photograph of property				
Location	Osaki, Shinagawa Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Higashi-Oi, Shinagawa Ward, Tokyo	
Nearest station	One minute from Osaki Station, JR Yamanote, Rinkai Lines, etc.	One minute from Toranomom Station, Tokyo Metro Ginza Line	One minute from Oimachi Station, JR Keihin-Tohoku and Tokaido Main Lines	
Acquisition price	¥4,370 million	¥12,740 million	¥9,456 million	¥6,166 million
Appraisal NOI yield*1	4.3%	4.0%	5.8%	5.8%
Completion of construction	(Office and commercial building) Jan. 1999 (Residential building) Dec. 1998	May 2015	Sep. 1989	Sep. 1989
Structures and Construction	(Office and commercial building) S/RC/SRC, B4/24F (Residential building) SRC/RC, B2/20F	SRC, B1/11F	SRC, B2/8F	SRC, B3/10F
Total leasable area*2	3,835.78m ²	6,002.26m ²	14,485.66m ²	10,612.67m ²
Occupancy rate*3	100.0%	99.2%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Directly connected to Osaki Station via a pedestrian deck ➢ Product of a mixed-use major redevelopment project combining numerous urban functions, with total floor area of approximately 305,450m² ➢ Extensive high-end features in common spaces, as well 	<ul style="list-style-type: none"> ➢ Located near Toranomom Station and facing Sotobori-dori ➢ A Hulic-developed property with the latest base isolation structure and energy-saving features ➢ Recipient of the highest 5-star rank in DBJ Green Building certification 	<ul style="list-style-type: none"> ➢ Directly connected to Oimachi Station via a pedestrian deck ➢ Oimachi Station served by multiple lines, including JR Keihin Tohoku Line, Tokaido Main Line, Tokyu Oimachi Line and the Rinkai Line ➢ With a leading home electronics retailer as a core tenant, a large-scale facility divided into two buildings—#1 and #2—and part of the property occupied by a food supermarket, conveniently meeting the lifestyle needs of station users and local residents 	

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)


*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	RE-03	RE-04	RE-05	RE-06
Property name	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
Photograph of property				
Location	Kandasakumacho, Chiyoda Ward, Tokyo	Jingumae, Shibuya Ward, Tokyo	Shinjuku, Shinjuku Ward, Tokyo	Yamashita-cho, Naka Ward, Yokohama City, Kanagawa Prefecture
Nearest station	One minute from Akihabara Station, JR Yamanote, etc	Seven minutes from Meiji Jingumae Station, Tokyo Metro Chiyoda and Fukutoshin Lines	One minute from Shinjuku Sanjome Station, Tokyo Metro Marunouchi Line, etc.	One minute from Motomachi-Chukagai Station, Yokohama Minatomirai Railway Minatomirai Line
Acquisition price	¥3,200 million	¥2,660 million	¥5,550 million	¥4,850 million
Appraisal NOI yield* ¹	4.9%	4.7%	4.1%	5.3%
Completion of construction	Jun. 1993	Sep. 2000	Jun. 1983	Jul. 1993
Structures and Construction	RC, B2/9F	RC/S, B2/6F	S/SRC/RC, B1/7F	SRC, B2/7F
Total leasable area* ²	2,169.41m ²	1,656.24m ²	1,351.15m ²	8,958.70m ²
Occupancy rate* ³	100.0%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located near Akihabara Station ➢ Akihabara Station served by three JR lines, Tokyo Metro Hibiya Line, Tsukuba Express, etc. ➢ Leased in full to one of Japan's leading karaoke companies (food and beverage establishment on middle and lower floors) 	<ul style="list-style-type: none"> ➢ Located along Cat Street, which is lined with fashion shops ➢ Retail stores on first and second floors, housing on the third and fourth floors, with wedding-related facilities on the fifth to seventh floors ➢ Retail stores operated by leading domestic select shops, wedding-related facilities operated by company specializing in "house weddings" 	<ul style="list-style-type: none"> ➢ Located along Shinjuku Dori, near Shinjuku Sanjome Station ➢ Shinjuku Sanjome Station served by multiple lines, including Tokyo Metro Marunouchi Line and Fukutoshin Line, and Toei Shinjuku Line ➢ In a cluster of high-end retail facilities near Shinjuku Station, one of Japan's largest terminal hubs 	<ul style="list-style-type: none"> ➢ Located near Motomachi-Chukagai Station ➢ Located near Yamashita Park, a Yokohama Bayside symbol, in an area with numerous brand shops ➢ Leased entirely to a leading premium designer brand boutique firm

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)





*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	NH-01	NH-02	NH-03	NH-04
Property name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Suginami Miyamae
Photograph of property				
Location	Matsubara, Setagaya Ward, Tokyo	Yoga, Setagaya Ward, Tokyo	Tsurumaki, Setagaya Ward, Tokyo	Miyamae, Suginami Ward, Tokyo
Nearest station	10 minutes from Meidaimae Station, Keio Line	14 minutes from Yoga Station, Tokyu Den-en-toshi Line	13 minutes from Komazawa University Station, Tokyu Den-en-toshi Line	12 minutes from Fujimigaoka Station, Keio Inokashira Line
Acquisition price	¥3,244 million	¥5,390 million	¥2,850 million	¥2,760 million
Appraisal NOI yield* ¹	6.0%	6.0%	5.9%	5.9%
Completion of construction	Sep. 2005	Sep. 2005	Aug. 2005	Apr. 2005
Structures and Construction	RC, 4F	RC, 3F	RC, 3F	RC, 3F
Total leasable area* ²	5,454.48m ²	5,977.75m ²	3,700.26m ²	3,975.99m ²
Occupancy rate* ³	100.0%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located in a quiet residential area with numerous detached homes and low-rise condominiums ➢ Facility operated by one of Japan's largest private nursing home operators; the "Aria" brand represents the high-end range ➢ Reconstructed by Nihonbashi Kogyo Co., Ltd. (currently Hulic) 	<ul style="list-style-type: none"> ➢ Located in a quiet residential area with leafy boulevards ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Provides relatively large-scale nursing-care facilities 	<ul style="list-style-type: none"> ➢ Located in a residential area with numerous mid-sized condominium buildings ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Property characterized by a comfortable, family-style atmosphere 	<ul style="list-style-type: none"> ➢ Located in a residential area amid medium-sized condominium buildings, within site of a shrine and school ➢ Facility managed by a major operator of membership-type resort hotel and medical businesses ➢ Features living quarters and a central courtyard

*1 NOI yield = NOI/acquisition price (NOI uses appraisal value as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)





*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	NW-01	NW-02	NW-03	NW-04
Property name	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center
Photograph of property				
Location	Kami-Ikebukuro, Toshima Ward, Tokyo	Tabata, Kita Ward, Tokyo	Hikari-machi, Higashi Ward, Hiroshima-shi, Hiroshima Prefecture	Hatano-cho, Nagoya-shi, Atsuta Ward, Aichi Prefecture
Acquisition price	¥4,570 million	¥1,355 million	¥1,080 million	¥1,015 million
Appraisal NOI yield* ¹	5.1%	5.7%	6.6%	5.9%
Completion of Construction	Jan. 2001	Apr. 1998	Oct. 2001	May 1997
Structures and Construction	S/SRC, B1/6F	RC, B1/4F	S/SRC, 7F	RC, B1/3F
Total leasable area* ²	12,773.04 m ²	3,382.73 m ²	5,208.54 m ²	4,943.10 m ²
Occupancy rate* ³	100.0%	100.0%	100.0%	100.0%

*1 NOI yield = NOI/acquisition price (NOI uses appraisal reports as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

Property No.	NW-05	NW-06	NW-07	NW-08
Property name	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Photograph of property				
Location	Tsurugamidori-cho, Nagano-shi, Nagano	Muzaigakuendai, Inzai-shi, Chiba	Kitakujonishi, Sapporo-shi, Hokkaido	Kizukumo Mura, Kizugawa City, Kyoto Prefecture
Acquisition price	¥305 million	¥7,060 million	¥2,510 million	¥1,250 million
Appraisal NOI yield* ¹	8.8%	5.4%	5.5%	5.9%
Completion of Construction	Sep. 1994	Jun, 1995	Jan. 2002	May 2001
Structures and Construction	S/RC, B1/6F	SRC, B2/8F	S, 5F	SRC/S, 3F
Total leasable area* ²	2,211.24 m ²	23,338.00 m ²	9,793.57 m ²	9,273.44 m ²
Occupancy rate* ³	100.0%	100.0%	100.0%	100.0%

*1 NOI yield = NOI/acquisition price (NOI uses appraisal reports as of February 29, 2016, with amounts rounded to one decimal place.)

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 4th fiscal period (ended February 29, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 4th fiscal period (ended February 29, 2016).

6. Status of Appraisal Values by Property

(unit: millions of yen) (*1)

Name		①	②	③						④		
				Appraisal value (As of Feb. 29, 2016)								
				Acquisition price	Book value (As of Feb. 29, 2016)	Profit price (capitalization method)	Cap rate (*2)	Profit price (DCF)	Discount rate (*2)		Final cap rate (*2)	Appraisal firm
Subtotal for Tokyo Commercial Properties (20 properties)		135,569	136,230	152,620	154,620		151,190				16,389	
	Subtotal for Office Properties (14 properties)		103,687	104,208	115,670	116,990	3.8%	114,680	3.5%	3.9%		11,461
	OF-01	Hulic Kamiyacho Building	20,100	20,154	22,600	23,200	3.8%	22,300	3.6%	4.0%	DAIWA REAL ESTATE APPRAISAL	2,445
	OF-02	Hulic Kudan Building (Land)	11,100	11,191	12,400	12,400	3.8%	12,400	3.4%	3.9%	Japan Real Estate Institute	1,208
	OF-03	Toranomon First Garden	8,623	8,536	10,000	9,960	3.7%	10,000	3.3%	3.8%	CBRE	1,463
	OF-04	Rapiros Roppongi	5,160	5,542	6,300	6,370	3.8%	6,220	3.5%	4.0%	Japan Real Estate Institute	757
	OF-05	Hulic Takadanobaba Building	3,900	3,885	4,270	4,170	4.4%	4,310	4.2%	4.6%	DAIWA REAL ESTATE APPRAISAL	384
	OF-06	Hulic Kanda Building	3,780	3,726	3,940	4,220	4.2%	3,820	4.3%	4.4%	The Tanizawa Sogo Appraisal	213
	OF-07	Hulic Kandabashi Building	2,500	2,480	2,710	2,740	4.0%	2,700	3.8%	4.2%	DAIWA REAL ESTATE APPRAISAL	229
	OF-08	Hulic Kakigaracho Building	2,210	2,217	2,670	2,660	4.5%	2,670	4.6%	4.7%	The Tanizawa Sogo Appraisal	452
	OF-09	Ochanomizu Sola City	22,854	22,647	24,960	25,220	3.6%	24,700	3.3%	3.7%	Japan Real Estate Institute	2,312
	OF-10	Hulic Higashi Ueno 1 Chome Building	2,670	2,681	2,910	2,950	4.2%	2,870	4.0%	4.4%	Japan Real Estate Institute	228
	OF-11	Sasazuka South Building	2,100	2,180	2,170	2,180	4.8%	2,150	4.5%	5.0%	Japan Real Estate Institute	(10)
	OF-12	Tokyo Nishiikebukuro Building	1,580	1,639	1,790	1,810	4.5%	1,760	4.3%	4.7%	Japan Real Estate Institute	150
	OF-13	Gate City Ohsaki	4,370	4,555	4,530	4,550	3.8%	4,500	3.4%	3.9%	Japan Real Estate Institute	(25)
	OF-14	Hulic Toranomon Building	12,740	12,769	14,420	14,560	3.5%	14,280	3.2%	3.6%	Japan Real Estate Institute	1,650
	Subtotal for Retail Properties (6 properties)		31,882	32,022	36,950	37,630	4.3%	36,510	4.2%	4.5%		4,927
	RE-01	Oimachi Redevelopment Building (#2)	9,456	9,500	11,500	11,800	4.4%	11,400	4.5%	4.6%	The Tanizawa Sogo Appraisal	1,999
	RE-02	Oimachi Redevelopment Building (#1)	6,166	6,255	7,170	7,230	4.6%	7,140	4.7%	4.8%	The Tanizawa Sogo Appraisal	914
	RE-03	Dining Square Akihabara Building	3,200	3,220	3,680	3,730	4.2%	3,620	4.0%	4.4%	Japan Real Estate Institute	459
	RE-04	Hulic Jingu-Mae Building	2,660	2,667	3,290	3,350	3.7%	3,260	3.8%	3.9%	The Tanizawa Sogo Appraisal	622
RE-05	Hulic Shinjuku 3 Chome Building	5,550	5,567	6,040	6,180	3.7%	5,890	3.3%	3.9%	Japan Real Estate Institute	472	
RE-06	Yokohama Yamashitacho Building	4,850	4,811	5,270	5,340	4.8%	5,200	4.6%	5.0%	Japan Real Estate Institute	458	
Subtotal for Next Generation Assets (12 properties)		33,389	33,717	38,465	38,746		38,154				4,747	
	Subtotal for Private Nursing Homes (4 properties)		14,244	14,338	17,950	18,060	4.7%	17,840	4.3%	4.9%		3,611
	NH-01	Aria Matsubara	3,244	3,240	4,250	4,280	4.5%	4,220	4.1%	4.7%	Japan Real Estate Institute	1,009
	NH-02	Trust Garden Yoganomori	5,390	5,404	6,700	6,740	4.8%	6,660	4.4%	5.0%	Japan Real Estate Institute	1,295
	NH-03	Trust Garden Sakurashinmachi	2,850	2,888	3,560	3,580	4.7%	3,540	4.3%	4.9%	Japan Real Estate Institute	671
	NH-04	Trust Garden Suginami Miyamae	2,760	2,805	3,440	3,460	4.7%	3,420	4.3%	4.9%	Japan Real Estate Institute	634
	Subtotal for Network Centers (8 properties)		19,145	19,379	20,515	20,686	5.1%	20,314	4.9%	5.3%		1,135
	NW-01	Ikebukuro Network Center	4,570	4,576	5,160	5,220	4.5%	5,090	4.3%	4.7%	Japan Real Estate Institute	583
	NW-02	Tabata Network Center	1,355	1,363	1,560	1,580	4.9%	1,540	4.7%	5.1%	Japan Real Estate Institute	196
	NW-03	Hiroshima Network Center	1,080	1,076	1,210	1,220	5.8%	1,200	5.6%	6.0%	Japan Real Estate Institute	133
	NW-04	Atsuta Network Center	1,015	1,014	1,110	1,120	5.4%	1,100	5.2%	5.6%	Japan Real Estate Institute	95
	NW-05	Nagano Network Center	305	307	365	366	7.0%	364	6.8%	7.2%	Japan Real Estate Institute	57
	NW-06	Chiba Network Center	7,060	7,211	7,220	7,270	5.2%	7,160	5.0%	5.4%	Japan Real Estate Institute	8
	NW-07	Sapporo Network Center	2,510	2,586	2,590	2,600	5.3%	2,570	5.1%	5.5%	Japan Real Estate Institute	3
	NW-08	Keihanna Network Center	1,250	1,241	1,300	1,310	5.6%	1,290	5.4%	5.8%	Japan Real Estate Institute	58
32 properties total		168,958	169,948	191,085	193,366		189,344				21,136	

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

*2 Yields are calculated based on the weighted average of appraisal values by asset class as of February 29, 2016.

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

43

(unit: millions of yen) (*1)

Name	Appraisal value			Cap rate (by direct capitalization method)			Appraisal firm
	① As of Aug. 31, 2015	② As of Feb. 29, 2016	③ Change ②—①	④ As of Aug. 31, 2015 (*1)	⑤ As of Feb. 29, 2016 (*1)	⑥ Change ⑤—④	
Subtotal for Tokyo Commercial Properties (20 properties)	148,750	152,620	3,870				
Subtotal for Office Properties (14 properties)	112,750	115,670	2,920	3.9%	3.8%	-0.1%	
OF-01 Hulic Kamiyacho Building	22,000	22,600	600	3.9%	3.8%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-02 Hulic Kudan Building (Land)	12,100	12,400	300	3.9%	3.8%	-0.1%	Japan Real Estate Institute
OF-03 Toranomon First Garden	9,770	10,000	230	3.8%	3.7%	-0.1%	CBRE
OF-04 Rapiros Roppongi	6,100	6,300	200	3.9%	3.8%	-0.1%	Japan Real Estate Institute
OF-05 Hulic Takadanobaba Building	4,170	4,270	100	4.5%	4.4%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-06 Hulic Kanda Building	3,920	3,940	20	4.3%	4.2%	-0.1%	The Tanizawa Sogo Appraisal
OF-07 Hulic Kandabashi Building	2,630	2,710	80	4.1%	4.0%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-08 Hulic Kakigaracho Building	2,620	2,670	50	4.6%	4.5%	-0.1%	The Tanizawa Sogo Appraisal
OF-09 Ochanomizu Sola City	24,310	24,960	650	3.7%	3.6%	-0.1%	Japan Real Estate Institute
OF-10 Hulic Higashi Ueno 1 Chome Building	2,800	2,910	110	4.4%	4.2%	-0.2%	Japan Real Estate Institute
OF-11 Sasazuka South Building	2,120	2,170	50	4.9%	4.8%	-0.1%	Japan Real Estate Institute
OF-12 Tokyo Nishiikebukuro Building	1,710	1,790	80	4.7%	4.5%	-0.2%	Japan Real Estate Institute
OF-13 Gate City Ohsaki	4,500	4,530	30	3.9%	3.8%	-0.1%	Japan Real Estate Institute
OF-14 Hulic Tranomon Building (*)	14,000	14,420	420	3.6%	3.5%	-0.1%	Japan Real Estate Institute
Subtotal for Retail Properties (6 properties)	36,000	36,950	950	4.4%	4.3%	-0.1%	
RE-01 Oimachi Redevelopment Building (#2)	11,300	11,500	200	4.5%	4.4%	-0.1%	The Tanizawa Sogo Appraisal
RE-02 Oimachi Redevelopment Building (#1)	7,010	7,170	160	4.7%	4.6%	-0.1%	The Tanizawa Sogo Appraisal
RE-03 Dining Square Akihabara Building	3,590	3,680	90	4.3%	4.2%	-0.1%	Japan Real Estate Institute
RE-04 Hulic Jingu-Mae Building	3,190	3,290	100	3.8%	3.7%	-0.1%	The Tanizawa Sogo Appraisal
RE-05 Hulic Shinjuku 3 Chome Building	5,850	6,040	190	3.8%	3.7%	-0.1%	Japan Real Estate Institute
RE-06 Yokohama Yamashitacho Building	5,060	5,270	210	5.0%	4.8%	-0.2%	Japan Real Estate Institute
Subtotal for Next Generation Assets (12 properties)	37,704	38,465	761				
Subtotal for Private Nursing Homes(4 properties)	17,580	17,950	370	4.8%	4.7%	-0.1%	
NH-01 Aria Matsubara	4,160	4,250	90	4.6%	4.5%	-0.1%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,570	6,700	130	4.9%	4.8%	-0.1%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,480	3,560	80	4.8%	4.7%	-0.1%	Japan Real Estate Institute
NH-04 Trust Garden Suginami Miyamae	3,370	3,440	70	4.8%	4.7%	-0.1%	Japan Real Estate Institute
Subtotal for Network Centers (8 properties)	20,124	20,515	391	5.2%	5.1%	-0.1%	
NW-01 Ikebukuro Network Center	5,050	5,160	110	4.6%	4.5%	-0.1%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,530	1,560	30	5.0%	4.9%	-0.1%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,190	1,210	20	5.9%	5.8%	-0.1%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,090	1,110	20	5.5%	5.4%	-0.1%	Japan Real Estate Institute
NW-05 Nagano Network Center	364	365	1	7.0%	7.0%	0.0%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,080	7,220	140	5.3%	5.2%	-0.1%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,540	2,590	50	5.4%	5.3%	-0.1%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,280	1,300	20	5.7%	5.6%	-0.1%	Japan Real Estate Institute
32 properties total	186,454	191,085	4,631				

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

*2 Regarding new asset acquisition, figures shown for the end of August 2015 are appraisal values (time of acquisition).

8. Rent Revenue and Expenditures by Property

(unit: thousands of yen) (*1)

Property No.	OF-01	OF-02	OF-03	OF-04	OF-05	OF-06	OF-07	OF-08	OF-09	OF-10
Property name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building
Operation date	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days
Real estate lease business revenue	490,161	265,002	281,063	233,668	174,037	82,865	87,626	105,317	*2	99,568
Rent revenue	455,774	265,002	264,286	214,072	154,704	76,137	79,597	94,681	*2	88,593
Other revenue	34,387	0	16,777	19,595	19,333	6,728	8,028	10,635	*2	10,975
Real estate lease business expenses	149,693	32,164	119,932	116,229	61,230	68,415	37,055	40,259	*2	42,581
Management consignment expenses	39,728	1,325	4,775	4,365	14,551	6,376	5,773	12,798	*2	13,844
Utilities expenses	23,781	0	12,459	16,509	11,987	6,322	5,994	7,370	*2	7,222
Taxes and public dues	28,458	30,237	32,845	34,678	12,800	4,251	8,922	9,166	*2	7,264
Insurance expenses	557	95	331	777	295	146	121	140	*2	140
Repair expenses	13,633	0	441	682	1,155	1,709	845	1,775	*2	5,384
Depreciation	28,871	0	43,060	10,366	19,020	19,450	14,137	7,628	*2	7,548
Other expenses related to rent business	14,662	507	26,018	48,849	1,420	30,158	1,260	1,379	*2	1,177
Income (loss) from real estate lease business	340,468	232,837	161,131	117,438	112,806	14,450	50,571	65,057	*2	56,987
NOI	369,339	232,837	204,191	127,804	131,826	33,901	64,708	72,686	390,659	64,535

Property No.	OF-11	OF-12	OF-13	OF-14	RE-01	RE-02	RE-03	RE-04	RE-05	RE-06
Property name	Sasazuka South Building	Tokyo Nishiikebukuro Building	Gatecity Ohsaki	Hulic Toramonon Building	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
Operation date	182 days	182 days	182 days	67 days	182 days	182 days	182 days	182 days	182 days	182 days
Real estate lease business revenue	84,504	55,223	147,220	78,941	312,000	218,931	*2	84,496	153,960	*2
Rent revenue	72,566	54,143	136,042	77,100	312,000	218,931	*2	77,860	145,443	*2
Other revenue	11,937	1,080	11,178	1,841	0	0	*2	6,635	8,516	*2
Real estate lease business expenses	29,464	16,404	69,755	33,793	60,794	68,172	*2	22,019	36,618	*2
Management consignment expenses	1,240	9,756	700	10,307	6,240	4,378	*2	3,167	4,897	*2
Utilities expenses	9,123	0	11,133	4,168	0	0	*2	5,535	5,537	*2
Taxes and public dues	0	0	0	0	29,922	32,931	*2	5,205	685	*2
Insurance expenses	63	119	303	158	419	1,656	*2	70	70	*2
Repair expenses	46	0	694	151	0	6,961	*2	1,324	838	*2
Depreciation	7,063	4,719	14,010	18,705	23,706	14,318	*2	5,853	2,504	*2
Other expenses related to rent business	11,927	1,807	42,914	301	506	7,925	*2	862	22,084	*2
Income (loss) from real estate lease business	55,039	38,818	77,464	45,148	251,205	150,758	*2	62,476	117,341	*2
NOI	62,103	43,538	91,475	63,853	274,911	165,077	76,872	68,330	119,845	127,421

*1 All amounts below ¥1,000 are truncated.

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

8. Rent Revenue and Expenditures by Property

(unit: thousands of yen) (*1)

Property No.	NH-01	NH-02	NH-03	NH-04	NW-01	NW-02	NW-03	NW-04	NW-05	NW-06
Property name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Sugunami Miyamae	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center	Chiba Network Center
Operation date	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days
Real estate lease business revenue	*2	*2	*2	*2	135,600	45,383	43,845	36,743	17,587	223,633
Rent revenue	*2	*2	*2	*2	135,600	45,088	43,845	36,743	17,587	223,633
Other revenue	*2	*2	*2	*2	0	295	0	0	0	0
Real estate lease business expenses	*2	*2	*2	*2	29,048	9,147	13,458	11,290	7,030	78,689
Management consignment expenses	*2	*2	*2	*2	960	720	1,320	960	852	1,800
Utilities expenses	*2	*2	*2	*2	0	0	0	0	0	0
Taxes and public dues	*2	*2	*2	*2	15,658	4,743	5,587	4,862	2,425	30,562
Insurance expenses	*2	*2	*2	*2	206	65	102	76	50	347
Repair expenses	*2	*2	*2	*2	0	260	80	145	900	1,650
Depreciation	*2	*2	*2	*2	11,717	2,852	5,862	4,740	2,297	43,823
Other expenses related to rent business	*2	*2	*2	*2	506	506	505	505	505	505
Income (loss) from real estate lease business	*2	*2	*2	*2	106,551	36,236	30,386	25,452	10,557	144,944
NOI	97,401	158,597	82,757	79,950	118,269	39,088	36,249	30,193	12,854	188,767

Property No.	NW-07	NW-08
Property name	Sapporo Network Center	Keihanna Network Center
Operation date	182 days	182 days
Real estate lease business revenue	83,706	47,047
Rent revenue	83,706	47,047
Other revenue	0	0
Real estate lease business expenses	23,779	17,780
Management consignment expenses	780	1,200
Utilities expenses	0	0
Taxes and public dues	12,679	8,520
Insurance expenses	135	143
Repair expenses	515	295
Depreciation	9,163	7,116
Other expenses related to rent business	505	505
Income (loss) from real estate lease business	59,926	29,267
NOI	69,090	36,383

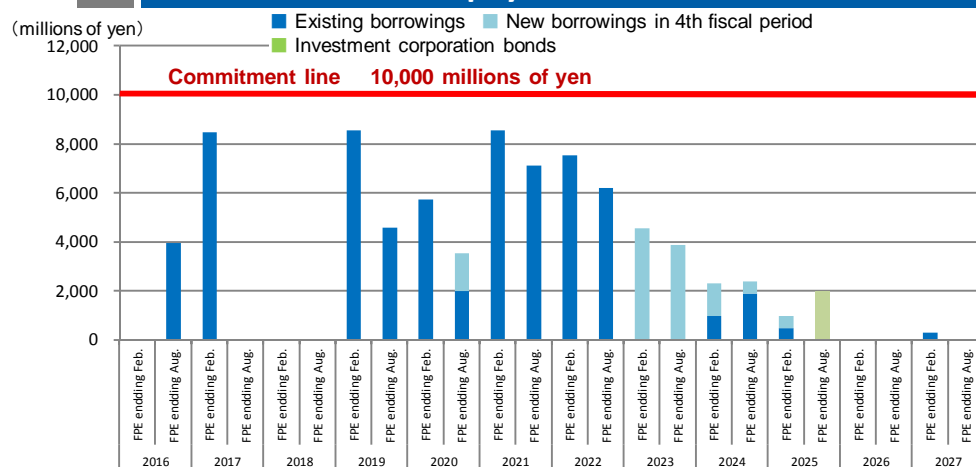
*1 All amounts below ¥1,000 are truncated.

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

1 Key Financial Indicators

	End of First Fiscal Period (Aug. 31, 2014)	End of 2nd Fiscal Period (Feb. 28, 2015)	End of 3rd Fiscal Period (Aug. 31, 2015)	End of 4th Fiscal Period (Feb. 29, 2016)
Total interest-bearing debt	¥33,000 million	¥60,700 million	¥68,470 million	¥80,770 million
Long-term debt ratio*1	88.0%	93.5%	94.2%	95.1%
Average interest rate*1	0.85%	0.77%	0.77%	0.71%
Average interest rate*1 (including upfront fee)	0.98%	0.91%	0.91%	0.85%
Average period remaining to maturity*1	4.4 years	5.1 years	4.9 years	4.8 years

2 Diversification of Repayment Dates*2



3 Lender Formation*2

Lender	Percentage*3
Mizuho Bank, Ltd	28.9%
Sumitomo Mitsui Banking Corporation	21.2%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11.8%
Mizuho Trust & Banking Co., Ltd.	9.2%
Development Bank of Japan Inc.	6.9%
Sumitomo Mitsui Trust Bank, Limited	6.9%
The Norinchukin Bank	6.9%
Resona Bank, Ltd.	2.1%
Shinkin Central Bank	0.8%
Aozora Bank, Ltd.	0.8%
Shinsei Bank, Limited	0.8%
Meiji Yasuda Life Insurance Company	0.6%
Nippon Life Insurance Company	0.6%

4 Issuance of Investment Corporation Bonds

First Unsecured Investment Corporation Bonds	
Redemption date	August 29, 2025
Issue amount	¥2.0 billion
Interest rate	0.95%

5 Commitment Line

Financial Institution	Set Amount	Term
Mizuho Bank, Ltd Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥10 billion	Feb. 7, 2017

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

*2 As of the end of the 4th fiscal period (February 29, 2016)

*3 As a proportion of total interest-bearing debt.

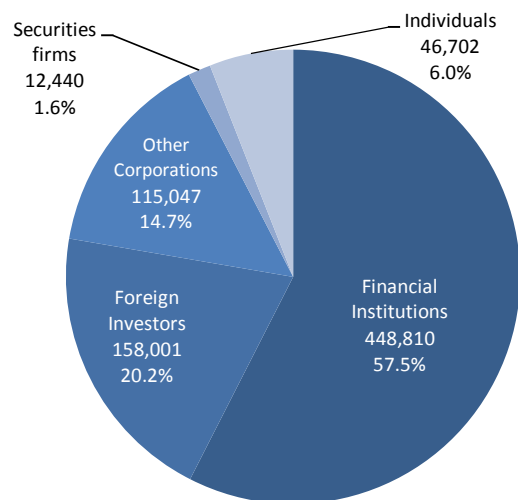
	End-tenant	Property name	Total leased area (m ²)* ¹	Ratio of total leased area (%) ^{*1*2}	Lease expiration ^{*1}	Lease structure ^{*1}
1	SoftBank Corp.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center Chiba Network Center Sapporo Network Center Keihanna Network Center	71,373.66	36.2	November 5, 2027 (Ikebukuro Network Center, Hiroshima Network Center) November 5, 2022 (Tabata Network Center, Atsuta Network Center, Keihanna Network Center) November 5, 2017 (Nagano Network Center) March 27, 2028 (Chiba Network Center) May 22, 2028 (Sapporo Network Center)	Fixed term lease agreement
2	Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1)	28,449.40	14.4	February 6, 2063 February 6, 2019 September 27, 2017	Fixed term tenant lease agreement for business General building lease agreement General building lease agreement
3	Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae	13,654.00	6.9	January 24, 2028	General building lease agreement
4	Barneys Japan Co., Ltd.	Yokohama Yamashitacho Building	8,958.70	4.5	—*3	—*3
5	Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	2.8	September 30, 2030	General building lease agreement
6	Mitsui Fudosan Co., Ltd.	Gate City Ohsaki	3,527.58	1.8	January 5, 2019	General building lease agreement
7	J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.5	November 30, 2016	General building lease agreement
8	Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	2,728.95	1.4	—*3	Fixed term lease agreement
9	Oki Electric Industry Co., Ltd.	Toranomon First Garden	2,441.64	1.2	February 28, 2017	General building lease agreement
10	Mizuho Securities Co., Ltd.	Ochanomizu Sola City	2,197.68	1.1	—*3	Fixed term lease agreement

*1 Information is as of the end of the the 4th fiscal period (February 29, 2016).

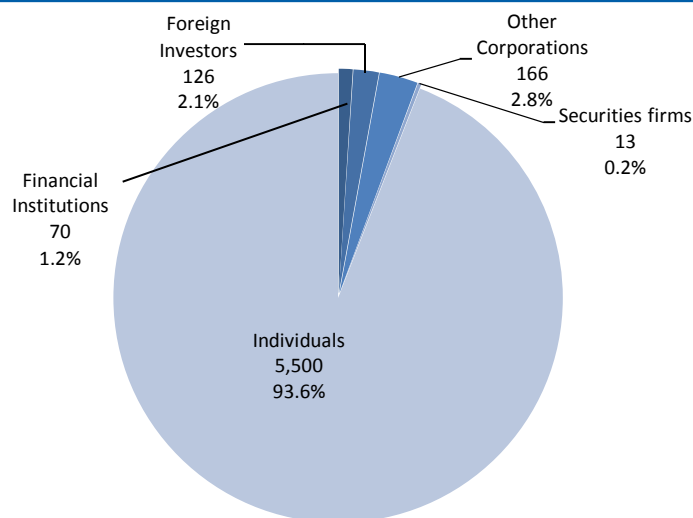
*2 Ratios of total leased area are rounded to the first decimal place.

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

1 Number of Investment Units held by Unitholder Type ^{*1 *2}



2 Number of Uniholders by Type ^{*1 *2}



3 Largest Top 10 Unitholders ^{*2}

	Name	Number of units held	Ratio of total units ^{*3}
1	Japan Trustee Services Bank, Ltd. (Trust account)	175,792	22.50%
2	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	98,576	12.62%
3	The Master Trust Bank of Japan, Ltd. (Trust account)	95,048	12.17%
4	Hulic Co., Ltd.	93,720	12.00%
5	NOMURA BANK(LUXEMBOURG)S.A.	50,630	6.48%
6	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	29,813	3.81%
7	STATE STREET BANK AND TRUST COMPANY 505223	14,125	1.80%
8	STATE STREET BANK AND TRUST COMPANY	13,015	1.66%
9	STATE STREET BANK AND TRUST COMPANY 505001	9,927	1.27%
10	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	5,687	0.72%

*1 Ratios are rounded to the first decimal place.

*2 Data is based on the unitholder registry as of the end of the 4th fiscal period (February 29, 2016).

*3 Amounts are truncated after two decimal places.

1 Basic Missions

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

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

(2) Sharing the Corporate Philosophy of Our Sponsor

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

2 Portfolio Composition Policy

TOKYO COMMERCIAL PROPERTIES

Office properties

Retail properties

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

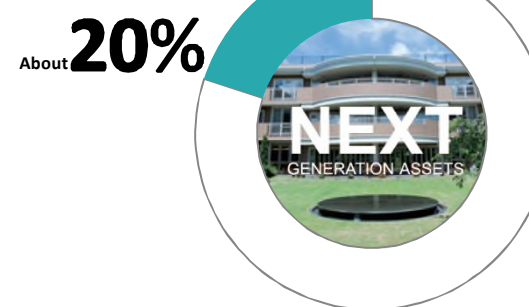


NEXT GENERATION ASSETS

Private nursing homes

Network centers

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

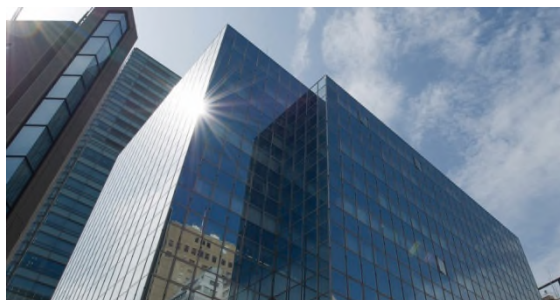


1 Investment Policy

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



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

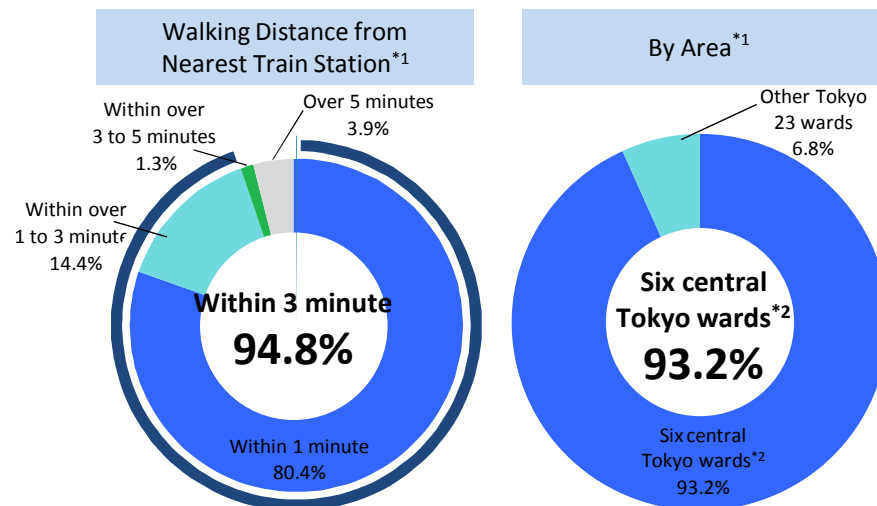


- Tokyo and suburbs
- Less than 5-minute walk from nearest station or located in area with high retail concentration (in principle)



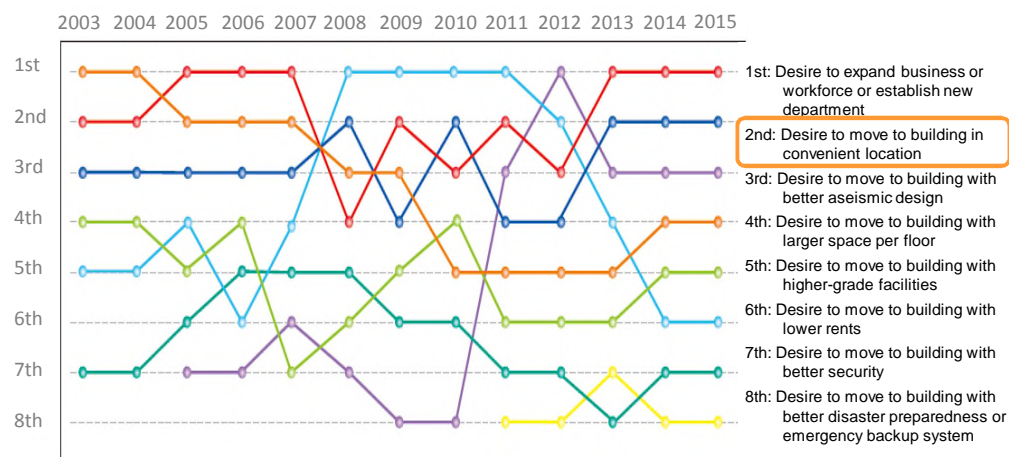
2 Rigorous Focus on Location: Superior Nature of Great Location

(1) Portfolio



(2) Tenant Leasing Needs

Office tenants tend to prefer buildings that are conveniently located.



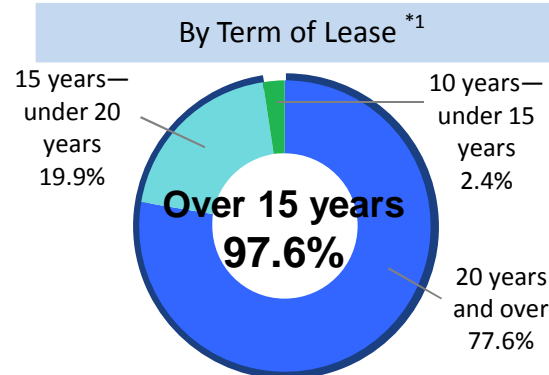
Source: Mori Building "2015 Survey on Office Needs in Tokyo's 23 Wards"

*1 Ratio based on acquisition price in the portfolio after the 2nd public offering

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

1 Investment Policy

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

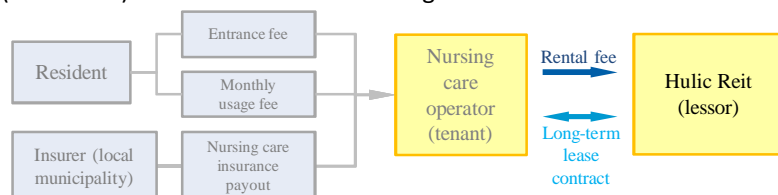


2 Private Nursing Homes



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

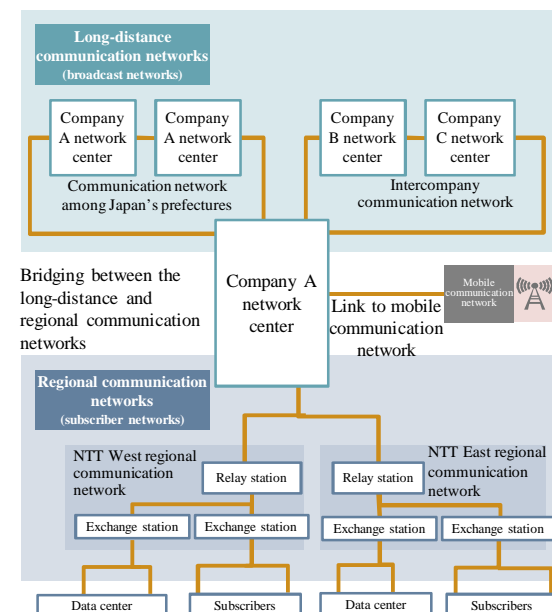
(Reference) Structure of Private Nursing Home Cash Flow



3 Network Centers



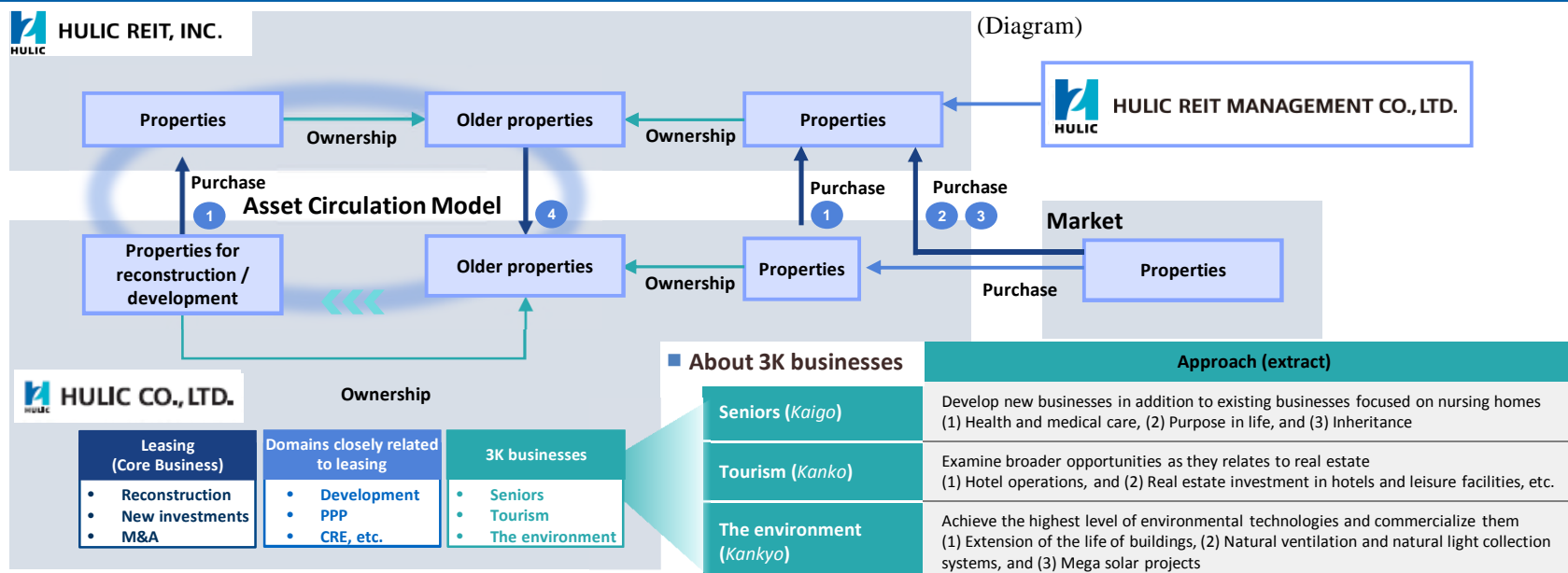
1. Relay station connected to telecom network of tenant
2. Connects network center of telecom provider
3. Leased by the SoftBank Group



^{*1} Ratio based on leased area in the portfolio after the 2nd public offering

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

1 Main Support Received from Sponsor (Asset Circulation Model)



(1) Re-development support (Diagram ④)

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

(2) Provision of warehousing function (Diagram ③)

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

(3) Preferential negotiation rights (Diagram ①)

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

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

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

■ Results (*1)

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

New investments (since 2012)			
Principal Use	Property name (*3)		
Office properties	Hulic Ginza 7 Chome Building (2012)	Rapiros Roppongi (2013) Acquired	
	Hulic Kamiyacho Building (2013) Acquired	Hulic Ginza 1-Chome Building (2015)	
	Hulic Nihonbashi-Honcho 1-Chome Building (2015)	Hatchobori Offices 3 properties (2015)	
	Nihonbashi C&I Building (2015)	Ginza Wall Building (2015)	
	Daiwa Yoyogi No.2 Building (2015)	Primegate Iidabashi (2015)	
	Primegate Meguro Mita (2015)	SENJU MILDIX II (2015)	
	Ochanomizu S Building (2015)	Vingt-sept building (2015)	
	Tokaido Shibuya Building (2015)	Toyosu Prime Square, etc. 8 properties (2015)	
	Takanawa SIA Building, etc. 3 properties (2015)		
	Hulic Shinjuku 3 Chome Building (2013) Acquired	Victoria Wardrobe Jimbocho (2013)	
Retail properties	Hulic Jingu-Mae Building (2013) Acquired	Hulic Shibuya Udagawacho Building (2013)	
	Tsurumi Fuga 1 (2014)	Yokohama Yamashitacho Building (2014) Acquired	

Principal Use	Property name (*3)	
Retail properties	G10 (2015)	Tokyu Hands Ikebukuro (2015)
	Ikebukuro GIGO (2015)	Udagawacho Sigma No. 5 Building (2015)
	WINS Asakusa Building (2015)	Asakusa Park Hall Building (2015)
	Hulic Asakusa 1-Chome (2015)	
Private nursing homes	Trust Garden Yoganomori (2012) Acquired	Trust Garden Sakurashinmachi (2012) Acquired
	Trust Garden Suginami Miyamae (2012) Acquired	Esperal Joto (2013)
	Toyosu Senior Residence (2014)	Charm Suite Nishinomiyahama (2015)
	Lien Reve Yakumo (2015)	
Network centers	Ikebukuro Network Center (2012) Acquired	Tabata Network Center (2012) Acquired
	Hiroshima Network Center (2012) Acquired	Atsuta Network Center (2012) Acquired
	Nagano Network Center (2012) Acquired	Chiba Network Center (2013) Acquired
	Sapporo Network Center (2013) Acquired	Keihanna Network Center (2014) Acquired
Hotel	Hulic Ginza 2-Chome Building (2014)	Tokyo Bay Maihama Hotel Club Resort (2014)
	Sothorn Beach Hotel & Resort Okinawa (2015)	
Ryokan	Hakone Suishoen (2015)	Atami Fufu (2015)

■ Plans (*1)

Reconstruction and development			
Principal Use	Classification	Property name (*2)	
Office properties	Reconstruction	Nihonbashi 2-chome Redevelopment Project (2018)	
	Development	Akihabara Project (2019)	
Retail properties	Reconstruction	Kamata Project (2017)	Itabashi Project (2017)
	Development	Hulic Shibuya Inokashira-dori Building (2017)	Commercial Development Project near Omori Station (2017)
		Kyoto Shijo-dori Project (2017)	Shimbashi 2-chome Commercial development Project (2017)
		Hulic Shibuya koen-dori Building Project (2017)	Tokyo Metro Roppongi 7-chome Project (2018)
Hotel/Retail property	Development	Yurakucho (New Tokyo) Development Project (2018)	
Hotels	Development	Ginza 7-chome Sotetsu Hotel Project (2016)	Roppongi 3-Chome Soutetsu Hotel Development Project (2017)
		Tsukiji 3 Chome Project (2018)	
Ryokan	Development	Kawaguchiko Fufu (2018)	
Private nursing homes	Reconstruction	Shimura Project (nursing homes building) (2016)	Chofu Project (2017)
	Development	Shibuya Higashi 4-chome Development Project (2016)	Former dormitory of Nippon Sport Science University/effective Development Project (2017)
		Denenchofu Project (2017)	
Ossuary	Development	Ichigyo-in Development Project (Ossuary) (2018)	

*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.

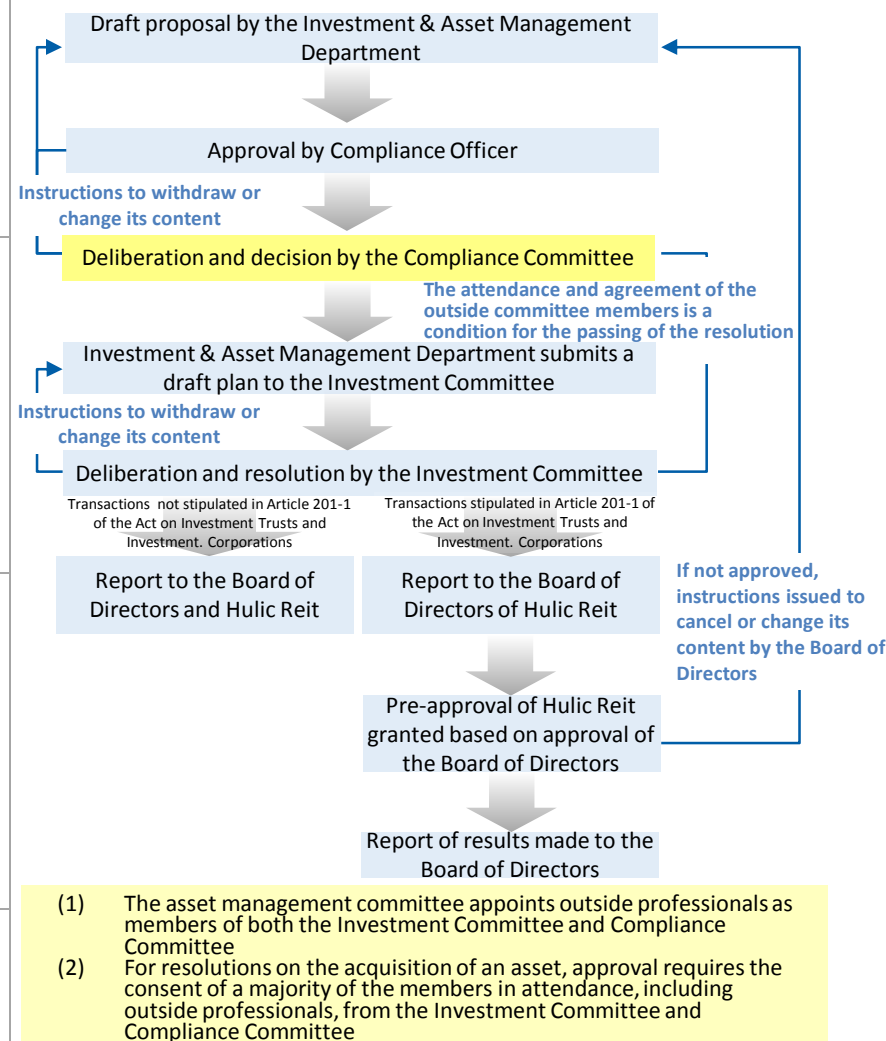
*2 Figures in parentheses after the property name show the year of completion.

*3 Figures in parentheses after the property name show the year of acquisition.

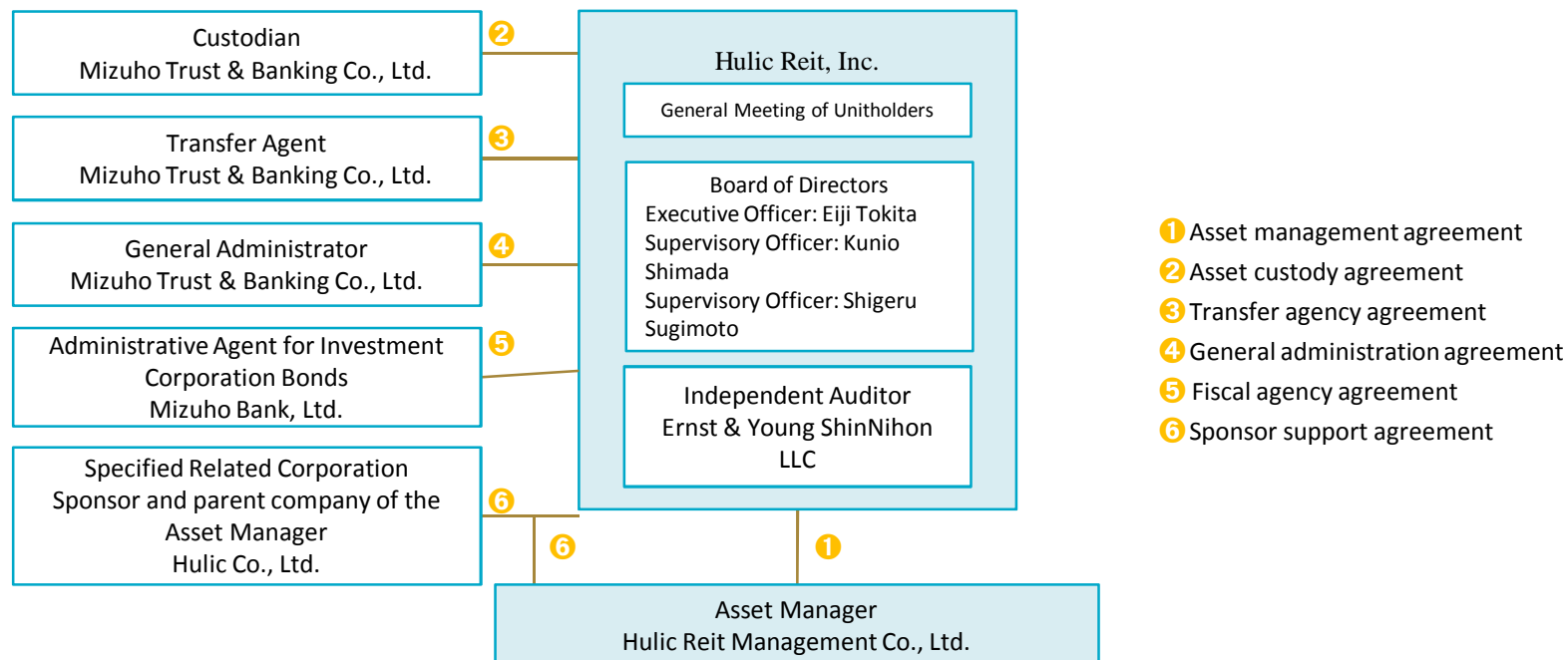
1 Align unitholders' Interests with Those of Hulic Group

Same boat investment	<ol style="list-style-type: none"> Hulic holds approximately 11.6% of Hulic Reit's issued units. Under its sponsor support agreement, Hulic made the following representations to Hulic Management Co., Ltd. in respect of investment units issued by Hulic Reit. <ul style="list-style-type: none"> Hulic will consider in good faith acquiring part of any new investment units issued by Hulic Reit Continual holding of Hulic Reit's investment units
Co-ownership of certain properties with sponsor	<ol style="list-style-type: none"> It is Hulic Reit's policy to consider co-ownership with Hulic where necessary in view of the size and individual characteristics of the property. Examples Ochanomizu Sola City (quasi-co-ownership interest of approx. 13.0%) Hulic Kamiyacho Building (quasi-co-ownership interest of approx. 70.0%) Hulic Toranomon Building (quasi-co-ownership interest of approx. 70.0%)
Management fee system of Asset Manager	<ol style="list-style-type: none"> Management fee I: The total value of assets at end of the immediately previous fiscal period \times 0.50% (maximum %) Management fee II: Cash distribution per investment unit (DPU) prior to deduction of management fee II \times operating income before deduction of management fee II \times 0.004% (maximum %) Acquisition fee: Acquisition price \times 1.0% (maximum %)* Transfer fee: Transfer price \times 1.0% (maximum %)* * In case of a related-party transaction: Transfer price \times 0.5% (maximum %)
Remuneration system for employees and officers of the Asset Manager	<ol style="list-style-type: none"> The Asset Manager has introduced an incentive pay system whereby part of the remuneration of executive officers is linked to the distribution per unit.

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



1 Structure



2 Overview of Asset Manager

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

1 Sustainability Policy

- Believing that consideration for the Environment, Society and Governance leads to the maximization of medium- to long-term unitholder value, it has formulated the “Sustainability Policy” on March 2016.*1

Sustainability Policy (Excerpt)	
Compliance and Risk Management	Consideration to sustainability in our asset management operations. This involves complying with the laws and regulations, while taking appropriate measures to evaluate risks such as those related to the natural environment and hazardous substances.
Prevention of Global Warming	Contribute to the prevention of global warming by striving to improve our energy efficiency through energy-saving initiatives involving renovations or building management and promoting CO2 emission reduction.
Recycling-Oriented Society	Contribute to the formation of a recycling-oriented society by promoting water-saving measures and the 3R's of "Reduce, Reuse, Recycle"
Environmental Management System	energy-saving and CO2 emission reduction and aim for their continuous improvement.
Collaboration with Stakeholders	Encourage interactive communication with all our stakeholders. Through such communication, we promote collaboration with business partners, improve customer satisfaction, and contribute to the sustainable development of local communities.

2 Assets Awarded Environmental Certifications

- DBJ Green Building Certification
Ochanomizu Sola City and the Hulic Toranomom Building have been certified at the highest 5-star rank.



Ochanomizu Sola City



Main environmental capabilities

- Solar power generation equipment
- LED lighting in all leased offices
- Use of subway seep water
- Greening of ground-level open spaces and rooftop areas
- Emergency generator supplies power for up to 72 hours
- Emergency supply warehouse in place

Hulic Toranomom Building



Main environmental capabilities

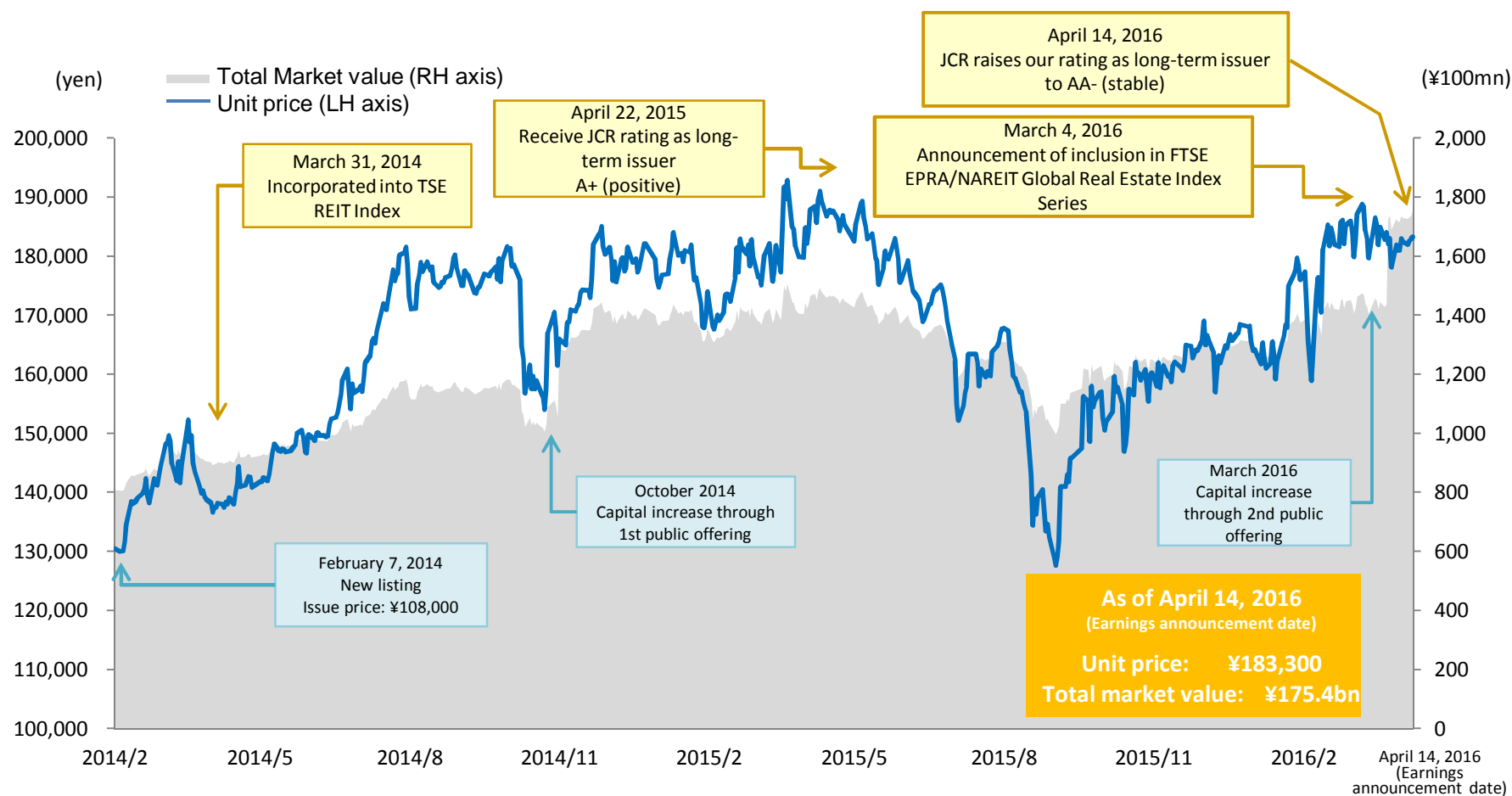
- Natural ventilation system
- Natural lighting equipment
- Reuse of rainwater
- Rooftop greening
- Multiple-layer low-e glass
- Emergency generator supplies power for up to 72 hour
- Minato-ku emergency supply warehouse

*1 Enacted by the Asset Manager

1 Price since Listing

- Since units were first listed, capital has been increased twice through public offerings
- Hulic Reit units are included in the FTSE EPRA/NAREIT Global Real Estate Index Series (March 2016)
- JCR raised Hulic Reit's rating as long-term issuer to AA- (April 2016)

We aim to further increase total market value and improve liquidity



Cautionary Statement

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

The views, outlooks, and forecasts contained in this presentation represent the views and opinions of HLC and its asset management company based on information available at the time this presentation was prepared, and include certain elements of risk and uncertainty.

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. 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 solicit an investment in HLC. Decisions on investments are to be made using your own discretion and accountability.