



Financial Results Briefing for the Fiscal Period Ended August 31, 2016 (5th Fiscal Period)

October 17, 2016

Securities code: **3295**

TOKYO
COMMERCIAL PROPERTIES
NEXT
GENERATION ASSETS



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I. Update Summary

1 External Growth

- Due to public offerings in 2 consecutive fiscal periods, assets grew to ¥230.1 billion

	End of 4th Fiscal Period (Feb. 29, 2016)	End of 5th Fiscal Period (Aug. 31, 2016)	After 3rd Public Offering	Compared with End of 4th Fiscal Period
No. of properties	32	34	36	+4
Assets	¥169.0 billion	¥200.8 billion	¥230.1 billion	+¥61.2 billion

- Change in operational guidelines
Higher investment ratio, greater focus on Tokyo Commercial Properties

	Tokyo Commercial Properties	Next Generation Assets
Investment ratio	80% - 90%	10% - 20%
Target properties	Office properties Retail properties	Private nursing homes Network centers Hotels

2 Internal Growth

- Occupancy rate 100% (end of Sep. 2016)

	End of 4th Fiscal Period (Feb. 29, 2016)	End of 5th Fiscal Period (Aug. 31, 2016)	Most Recent (Sep. 31, 2016)
Occupancy rate	99.4%	99.9%	100.0%

- Office rents revised upward (5th fiscal period, Aug. 31, 2016)

	Renewal with Increase	Renewal with Decrease
Property basis ^{*1}	Approx. 40%	
Leased area basis ^{*1}	Approx. 36%	None
Rate of increase	Approx. 4%	

3 Financial Strategy

- Financial indicators (end of 5th fiscal period, Aug. 31, 2016)

		After 3rd Public Offering
Total interest-bearing debt	¥81,470 million	
Long-term debt ratio	94.3%	LTV ^{*2} 39.7%
Average interest rate	0.71%	Acquisition capacity before LTV reaches 45% approx. ¥23 billion
Average period remaining to maturity	4.3 years	
LTV ^{*2}	38.2%	

Japan Credit Rating Agency (JCR) raised Hulic Reit's rating as long-term issuer to AA- (April 2016)

4 Enhancing Unitholder Value

- Increase in distribution per unit (DPU)

4th Fiscal Period (Feb. 2016)	5th Fiscal Period (Aug. 2016)	6th Fiscal Period (Feb. 2017)	7th Fiscal Period (Aug. 2017)
F'cast ¥2,840	F'cast ¥3,020	F'cast ¥3,220	F'cast ¥3,150
Actual ¥2,969	Actual ¥3,143		

- Steady growth in NAV per unit

4th Fiscal Period (Feb. 2016)	5th Fiscal Period (Aug. 2016)	After 3rd Public Offering ^{*3}
¥137,968	¥150,256	¥153,797

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

- External Growth

- We will continue selectively investing in sponsor-developed and sponsor-owned properties
- Achievement of ¥300 billion in assets is within sight

- Internal Growth

- Negotiations are underway to correct below-market rents
- We aim to maintain a high occupancy rate

- Financial Strategy

- We will continue our stable and sound financial management
- Appropriate LTV ratio control with one eye on asset expansion (ratio of approx. 40%-45% for the time being)

^{*1} "Property basis" and "Leased area basis" refer to the share of office's rental leases renewed in the 5th fiscal period.

^{*2} The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets. LTV after 3rd public offering is based on the assumption that all units allocated to third parties have been paid in. Therefore, LTV could change according to the number of units allocated to third parties.

^{*3} Based on the assumption that all units allocated to third parties have been paid in. LTV could change according to the number of units allocated to third parties.



II. Asset Management Results

1 Total Assets and LTV since Stock Market Listing

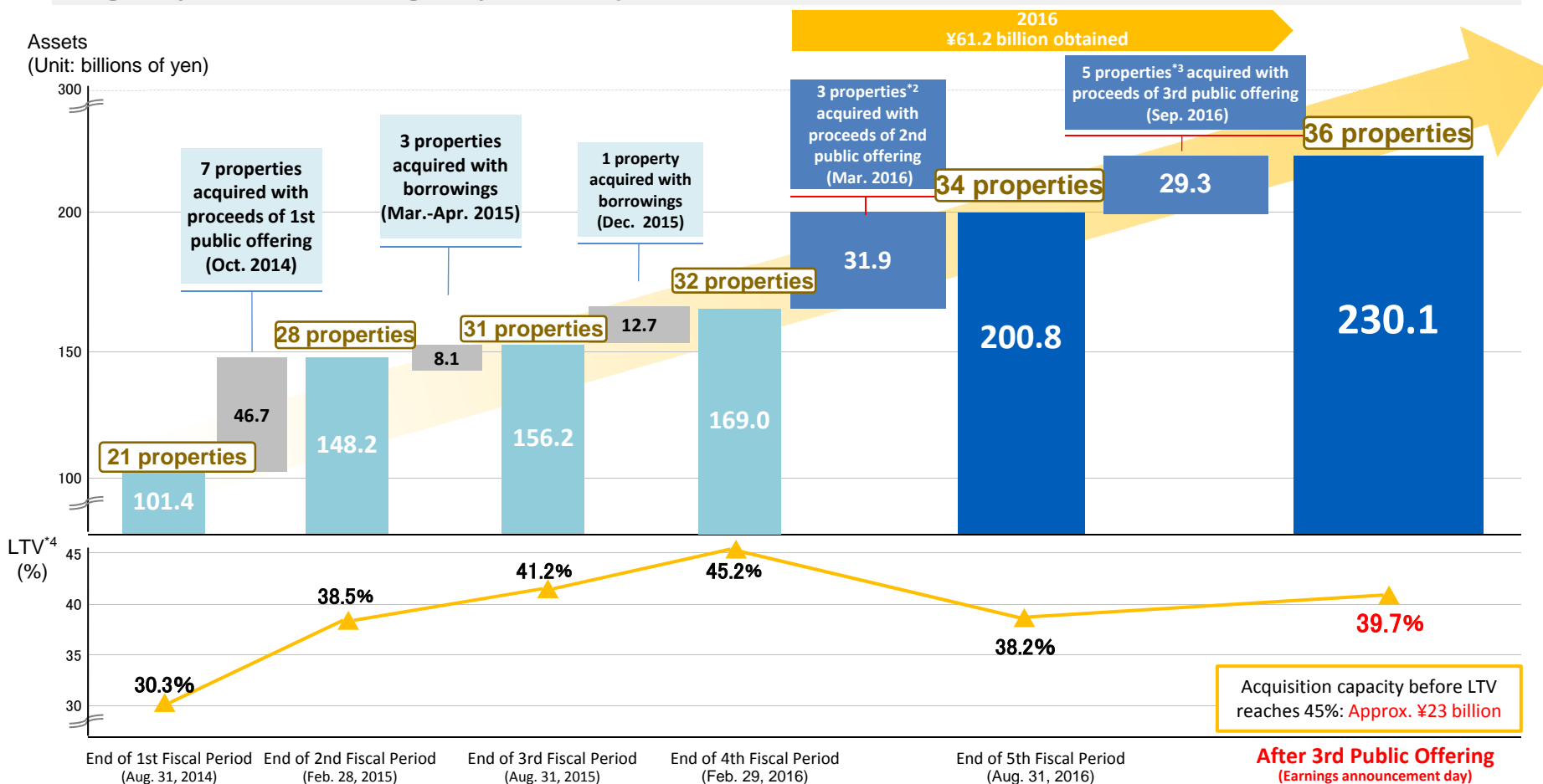
■ Due to fund procurement through the 2nd and 3rd public offerings, assets have grown steadily with appropriate LTV control

Total assets 36 properties ¥230.1 billion

Avg. NOI yield 4.6%*¹ Avg. NOI yield after depreciation 4.1%*¹

Tokyo Commercial Properties 22 properties ¥189.3 billion (82.3%)

Next Generation Assets 14 properties ¥40.8 billion (17.7%)



*¹ 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 3rd public offering), rounded to the 1st decimal place)

*² Includes 1 additionally acquired property. *³ Includes 3 additionally acquired properties.

*⁴ The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets. LTV after 3rd public offering is based on the assumption that all units allocated to third parties have been paid in. Therefore, LTV could change according to the number of units allocated to third parties.

1 Outline of 3rd Public Offering

Offering format	Public offering (domestic)
Units outstanding before this offering	957,000
Units offered	Total : 88,000 Public offering : 83,800 3rd party allotment : 4,200
Issuance resolution date	September 14, 2016
Pricing date	September 26, 2016
Subscription period	September 27-28, 2016
Payment date	October 3, 2016
Issue price (offer price)	¥170,625 per unit
Payment amount (issue value)	¥164,937 per unit
Total subscription (issuance)	¥14,514,456,000

2 Portfolio Changes Since End of 5th Fiscal Period

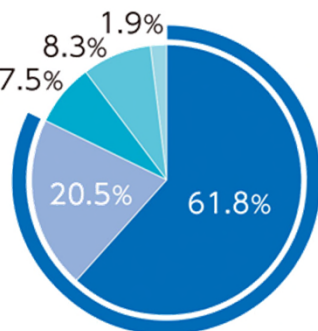
		End of 5th Fiscal Period (Aug. 31, 2016)	Newly acquired assets*1	After 3rd public offering
No. of properties	Overall	34 properties	5 properties	36 properties
	Tokyo Commercial Properties	22 properties	3 properties	22 properties
	Next Generation Assets	12 properties	2 properties	14 properties
	Average NOI yield*2	4.7%	4.0%	4.6%
Total assets	Average NOI yield after depreciation*2	4.2%	3.4%	4.1%
	Overall	¥200.8 billion	¥29.3 billion	¥230.1 billion
	Tokyo Commercial Properties	83.4%	74.8%	82.3%
	Next Generation Assets	16.6%	25.2%	17.7%
NAV per unit*3		¥150,256		¥153,797

3 Portfolio Changes After 3rd Public Offering

Overall *4

By usage

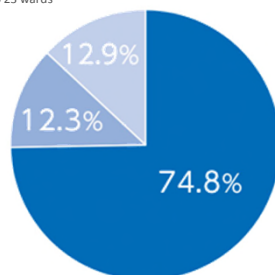
- Office properties
- Retail properties
- Private nursing homes
- Network centers
- Hotels



Tokyo Commercial Properties 82.3%

By area

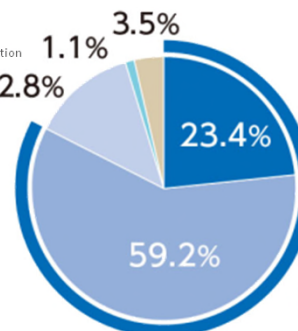
- Six central Tokyo wards
- Other Tokyo 23 wards
- Others



Tokyo Commercial Properties*4

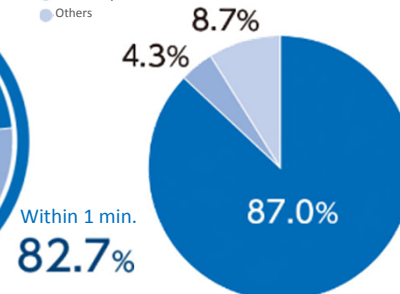
By walking distance from nearest station

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



By area

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



*1 Includes 3 additionally acquired properties.




*2 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of each fiscal period (at time of acquisition for newly acquired assets), rounded to the 1st decimal place).

*3 NAV per unit after 3rd public offering is based on the assumption that all units allocated to third parties have been paid in. Therefore, the figure may change according to the number of units allocated to third parties.

*4 Shares shown in each graph are based on acquisition price of each property.

1 List of Newly Acquired Properties (Tokyo Commercial Properties)

■ In the 6th fiscal period, 3 properties totaling ¥21.9 billion have been newly (additionally) acquired (5 properties totaling ¥29.3 billion, including Next Generation Assets)

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



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

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

*3 The values are at the time of acquisition.

2 List of Newly Acquired Properties (Next Generation Assets)

■ In 6th fiscal period, 2 properties totaling ¥7.4 billion have been newly acquired (5 properties totaling ¥29.3 billion, including Next Generation Assets)

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

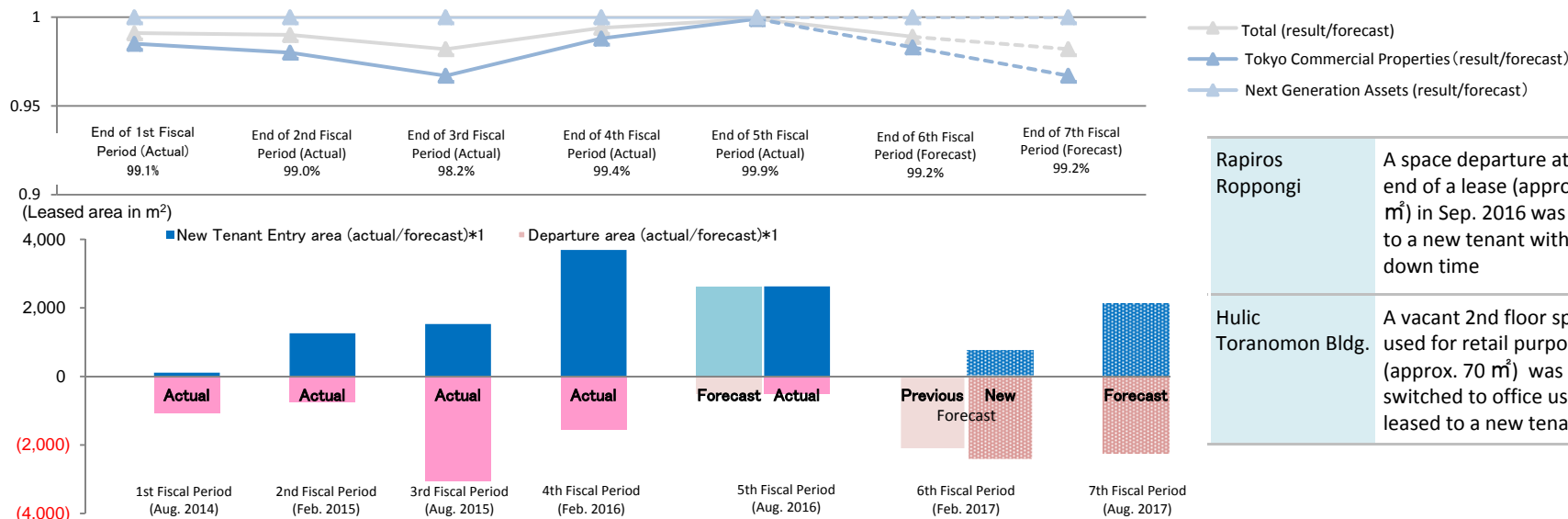
*1 NOI yield = NOI/acquisition price (NOI based on appraisal value (time of acquisition) rounded to the 1st decimal place).

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

*3 The values are at the time of acquisition.

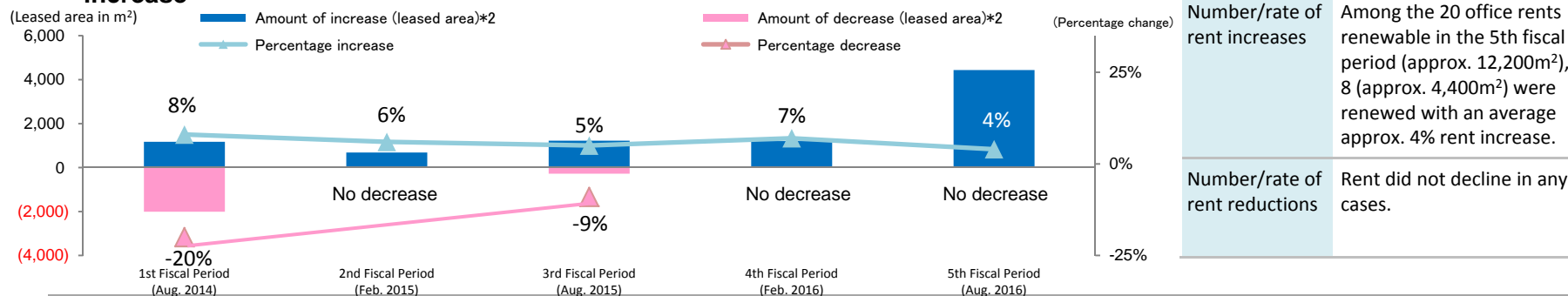
1 Occupancy Rates and New Tenant Entry and Departure Totals at Fiscal Period End

- A high portfolio occupancy rate of 99.9% was maintained at the end of 5th fiscal period
- By leasing vacant and soon-to-be-vacant spaces, we achieved a 100% occupancy rate at the end of Sep. 2016



2 Office Rents Renewals

- Within floor area with rents renewable in 5th fiscal period, (approx. 12,200 m²), 36% was renewed with an average 4% rent increase



*1 New tenant entry and departure areas take into account assets (Tokyo Commercial Properties) newly acquired at the beginning of 6th fiscal period.

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

3 Examples of Rent Increases

(Hulic Kamiyacho Building)



Location	Toranomon, Minato Ward, Tokyo
Nearest station	1-minute walk from Kamiyacho Sta., Tokyo Metro Hibiya Line
Floors	B2/11F
Leasable area	22,740.96 m ²

- Highly valued by tenants for being only a 1-min. walk from Kamiyacho Sta. and one of the largest buildings in its area. In the 5th fiscal period (Aug. 2016), 2 leases were renewed for an average rent hike of approximately 4%.
- From the 1st fiscal period (Aug. 2014) to the 5th (Aug. 2016), 8 rents were renewed for an average approximately 5% rent hike. (For the same period, only 2 leases in the 1st fiscal period were renewed for lower rents.)

(Rapiros Roppongi)



Location	Roppongi, Minato Ward, Tokyo
Nearest station	Directly connected to Roppongi Sta., Tokyo Metro Hibiya Line, etc.
Floors	B2/10F
Leasable area	6,739.36 m ²

- Direct connection to Roppongi Sta. is highly valued, and in the 5th fiscal period (Aug. 2016) 2 rents were renewed for an average rent hike of approximately 10%.
- From the 1st fiscal period (Aug. 2014) to the 5th (Aug. 2016), 5 rents were renewed for an average 8% rent increase.

4 Example of Hulic Toranomon Building



Location	Toranomon, Minato Ward, Tokyo
Nearest station	1-minute walk from Toranomon Sta., Tokyo Metro Ginza Line
Floors	B1/11F
Leasable area	8,574.65 m ²

(Cost-cutting initiatives)

- Building management expenses were reviewed, leading to an annual saving of approx. ¥5 million

(Renovation)

- A vacant retail space on the 2nd floor was converted to office use and 100% occupancy was achieved

(Before renovation)



(After renovation)



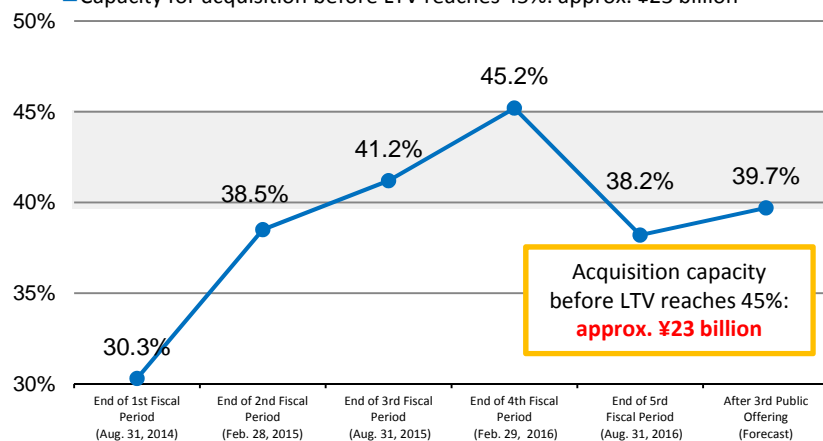
1 Key Financial Indicators

- In long-term borrowings, no refinancing or new fund procurement was carried out, so the average interest rate was unchanged
- Short-term borrowings totaling ¥15,490 million were procured when a property was acquired with the proceeds of the 3rd public offering

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

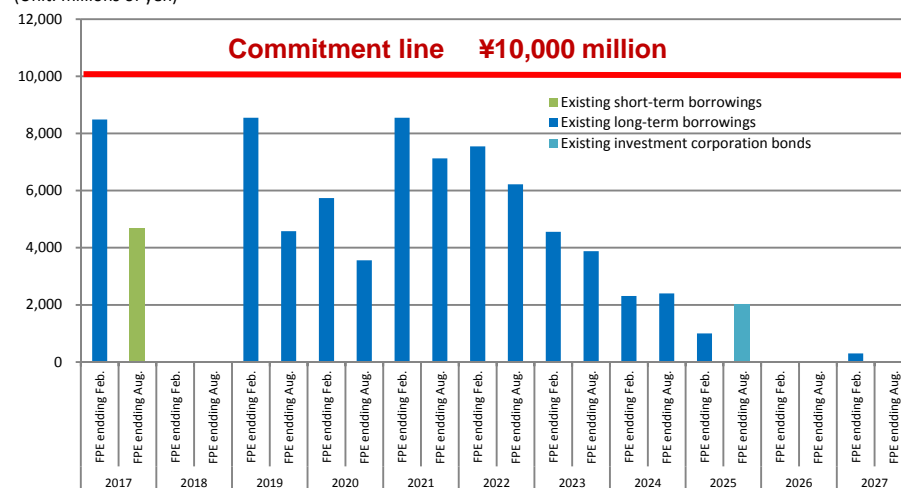
2 LTV *1*2

- Since 3rd public offering, LTV has been maintained in approx. 40%-45% range
- Capacity for acquisition before LTV reaches 45%: approx. ¥23 billion



3 Diversification of Repayment Dates

(Unit: millions of yen)



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

*2 Loan-to-value ratio (i.e., ratio of total interest-bearing debt to total assets). Regarding LTV after the 3rd public offering (expected), the total asset amount is the amount expected at the end of the 5th fiscal period, taking into account the acquisition price of a new property. The interest-bearing debt amount is reduced by the amount of an expected early loan repayment (¥700million)*3 to be made with the proceeds of a 3rd party allotment.

*3 Based on the assumption that all units in the third party allotment are paid in. Early loan repayment and LTV may change according to the number of units issued in the third party allotment.

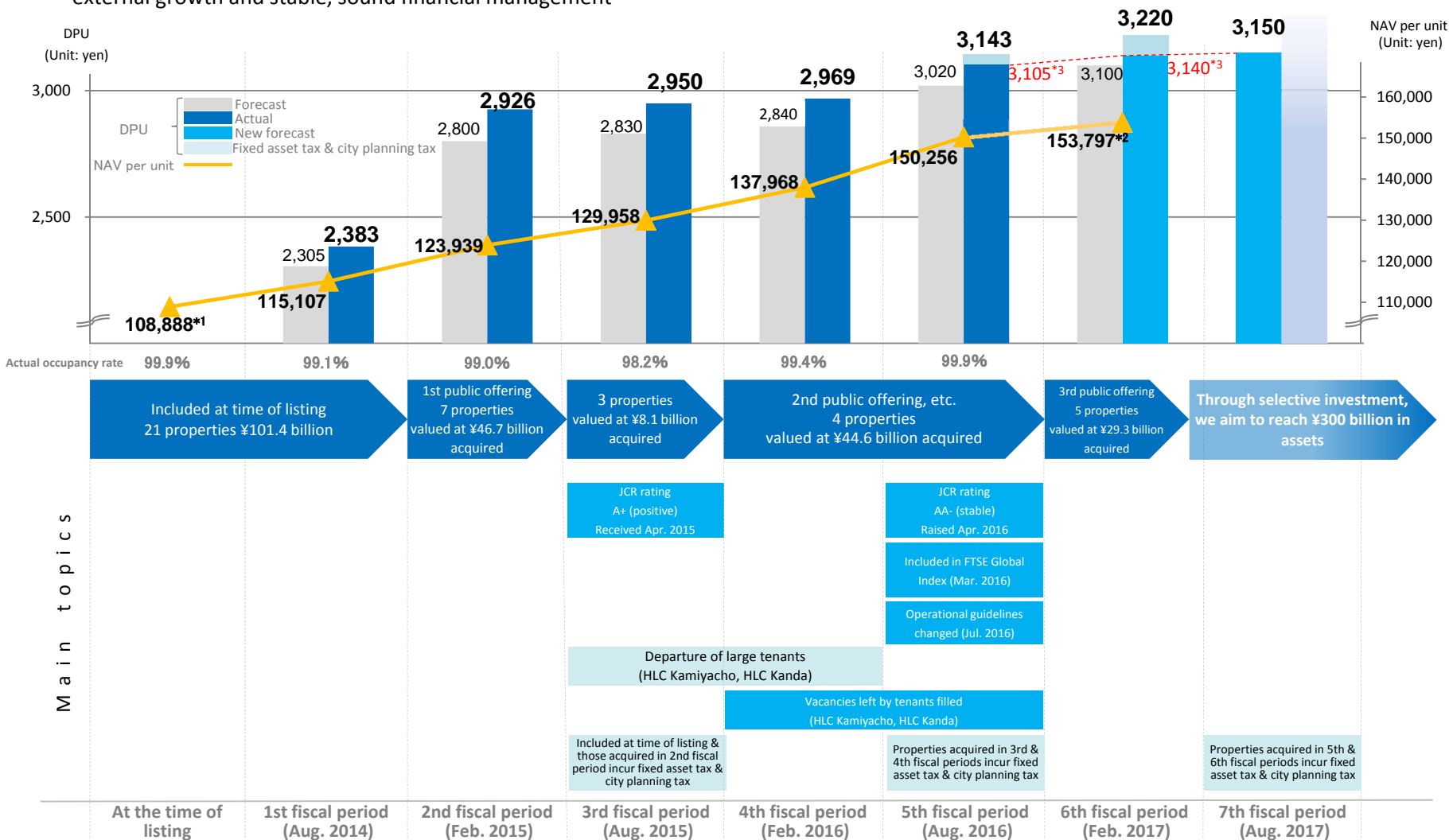


III. Summary of Financial Results and Earnings Forecasts

1. Steady Growth of Distribution and NAV per Unit 13

1 Distribution and NAV Per Unit

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



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

*2 Based on the assumption that all units in the 3rd party allotment are paid in. The figure may change according to the number of units issued in the 3rd party allotment.

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

1 Summary of Financial Results for the 5th Fiscal Period (Actual)

- With contribution from properties acquired with 2nd public offering, 5th fiscal period total real estate lease business revenues rose ¥1,005 million (+20.9%) from 4th fiscal period
- Due to higher occupancy rate and reduced repair expenses, 5th fiscal period profit came in ¥117 million (+4.0%) above forecast

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

(Unit: millions of yen)

	4th Fiscal Period	5th Fiscal Period			
	Results	Forecast*	Results	Compared with Forecast	Compared with 4th Fiscal Period
Real estate lease business revenues	4,819	5,803	5,825	+21	+1,005
Expenses related to real estate lease business	(1,615)	(1,885)	(1,802)	+83	-186
Income from real estate lease business	3,203	3,918	4,023	+105	+819
Operating income	2,667	3,283	3,382	+98	+715
Ordinary income	2,319	2,891	3,008	+117	+689
Profit	2,318	2,890	3,007	+117	+689
Cash distribution per unit (yen)	¥2,969	¥3,020	¥3,143	+¥123	+¥174

*Earnings forecast announced in April 14, 2016

(Comparison of 4th and 5th fiscal period results)

Main fluctuation factors

(Unit: millions of yen)

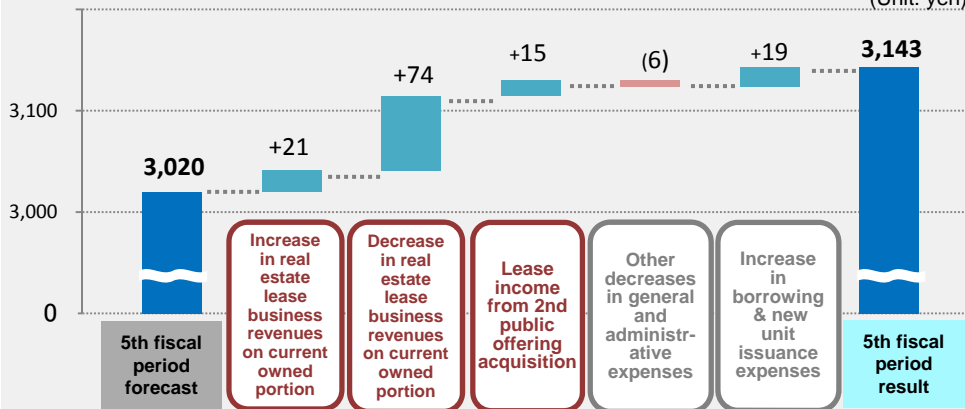
	Difference from 4th Fiscal Period to 5th Fiscal Period	Main Factors
Income from real estate lease business	+819	
	Current owned portion +98	New tenant entries +16 free rent disposal, etc. +124 Tenant departures (29) Fixed asset & city planning taxes (22)
	2nd public offering acquisition +721	Real estate lease business revenues +895
Operating income	+715	Asset management fee (99) Others (5)
Ordinary income	+689	Interest paid, etc. (15) Amortization of investment unit issuance expenses (10)

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

(Differences between 5th fiscal period forecast and results)

Cash distribution per unit

(Unit: yen)



Main fluctuation factors

(Unit: millions of yen)

	Differences from Forecasts for 5th Fiscal Period	Main Factors
Income from real estate lease business	+105	
	Current owned portion +91	Unexpected revenue from Total operating revenues +18 Repair expenses +38 Heat, water, electricity +17
	2nd public offering acquisition +14	Repair expenses +10
Operating income	+98	Asset management fee (26) Others +20
Ordinary income	+117	Interest paid, etc. +17

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

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

* Current owned portion numbered 31 at the end of the 3rd fiscal period. Those acquired with the 2nd public offering are HULIC Toranomon Bldg., HULIC Kamiyacho Bldg. (additional acquisition), Leaf minatomirai (land), and Orchard Square. Those acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, and Sotetsu Fresa Inn Ginza 7 Chome (Land).

2 6th Fiscal Period Earnings Forecast (Comparison to 5th Period Results and 6th Period Previous Forecast)

- Due to contribution of properties acquired with 2nd public offering (full fiscal period) & 3rd public offering, 6th fiscal period real estate lease business revenues are forecast to rise by ¥821 million (+14.1%), and profit by ¥357 million (+11.9%) from 5th fiscal period result
- Contributions from properties acquired with 3rd public offering and increased revenue from current owned are expected position to raise 6th fiscal period real estate lease business revenues by ¥686 million (+11.5%), and profit by ¥397 million (+13.4%) compared to previous 6th fiscal period forecast

(6th fiscal period forecast compared to 5th fiscal period results and 6th fiscal period previous forecast)

(Unit: millions of yen)

	5th Fiscal Period	6th Fiscal Period Forecast			
	Results	Previous Forecast	New Forecast	Compared with 5th Fiscal Period Results	Compared with Previous Forecast
Real estate lease business revenues	5,825	5,959	6,646	+821	+686
Expenses related to real estate lease business	(1,802)	(1,901)	(2,091)	(289)	-189
Income from real estate lease business	4,023	4,058	4,555	+531	+497
Operating income	3,382	3,371	3,801	+419	+429
Ordinary income	3,008	2,968	3,366	+357	+397
Profit	3,007	2,967	3,365	+357	+397
Cash distribution per unit (yen)	¥3,143	¥3,100	¥3,220	+¥77	+¥120

(Comparison of 6th fiscal period new and previous forecasts)

Main fluctuation factors

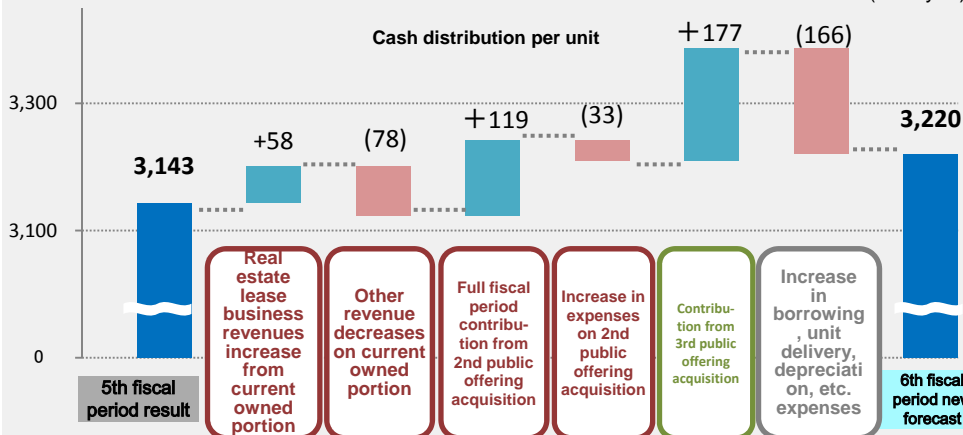
(Unit: millions of yen)

	Difference from 6th Fiscal Period Previous to New Forecast	Main Factors
	+497	
Income from real estate lease business	Current owned portion	+40 New tenant entries +28 Other unexpected real estate lease business revenues +16 Repair expenses (6)
	2nd public offering acquisition	-6 New tenant entry, etc. +5 Leasing-related costs (13)
	3rd public offering acquisition	+463 Real estate lease business revenues +636
Operating income	+429	Asset management fee (57), Others (10)
Ordinary income	+397	Interest paid, etc. (24), Amortization of investment unit issuance expenses (8)

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

(Differences between 5th fiscal period results and 6th fiscal period forecast)

(Unit: yen)



Main fluctuation factors

(Unit: millions of yen)

	Difference from 5th Fiscal Period Results to 6th Fiscal Period New Forecast	Main Factors
	+531	
Income from real estate lease business	Current owned portion	-20 Free rent use +64 Tenant departures (25) Repair expenses (35) Leasing-related costs (13)
	2nd public offering acquisition	+89 Full fiscal period contribution to real estate lease business revenues +120 Leasing-related costs (17), Repair expenses (4)
	3rd public offering acquisition	+463 Real estate lease business revenues +636
Operating income	+419	Asset management fee (79), Others (33)
Ordinary income	+357	Interest paid, etc. (53) Amortization of unit delivery expenses (9)

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

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

* Current owned portion numbered 31 at the end of the 3rd fiscal period. Those acquired with the 2nd public offering are HULIC Toranomon Bldg., HULIC Kamiyacho Bldg. (additional acquisition), Leaf minatomirai (land), and Orchid Square. Those acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, and Sotetsu Fresa Inn Ginza 7 Chome (Land).

3 7th Fiscal Period Earnings Forecast (Comparison to 6th Fiscal Period Forecast)

- Due to full fiscal period contribution of properties acquired with 3rd public offering, 7th fiscal period real estate lease business revenues are forecast to rise
- Since properties acquired with 2nd and 3rd public offerings will incur fixed asset & city planning taxes, 7th fiscal period profit is forecast to decline

(7th fiscal period forecast compared to 6th fiscal period forecast)

(Unit: millions of yen)

	6th Fiscal Period	7th Fiscal Period	
	Forecast	Forecast	Compared with 6th Fiscal Period Forecast
Real estate lease business revenues	6,646	6,665	+18
Expenses related to real estate lease business	(2,091)	(2,158)	-67
Income from real estate lease business	4,555	4,506	-49
Operating income	3,801	3,735	-65
Ordinary income	3,366	3,293	-72
Profit	3,365	3,292	-72
Cash distribution per unit (yen)	¥3,220	¥3,150	¥-70

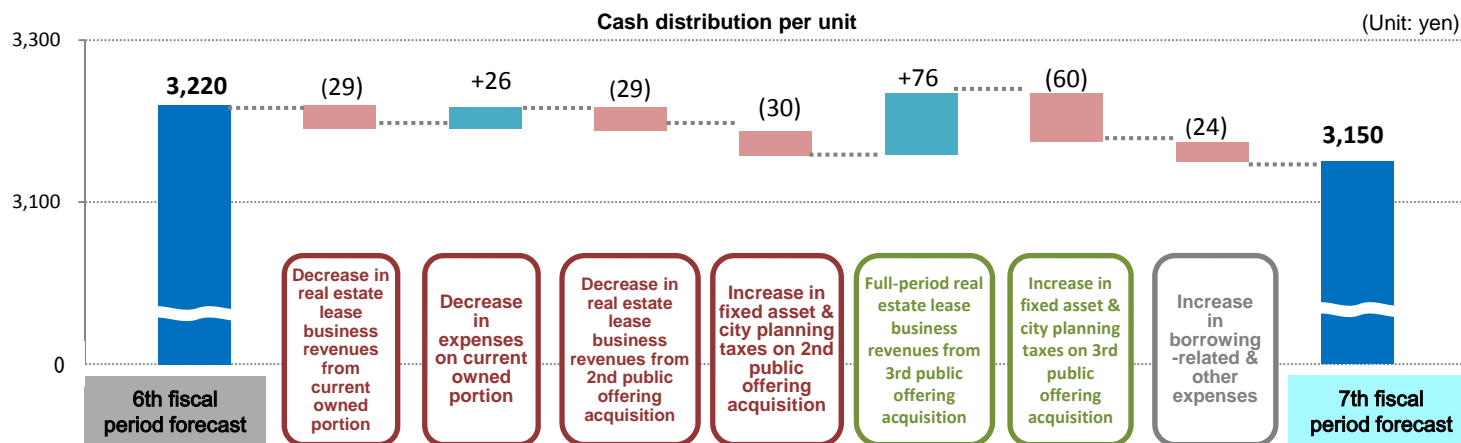
(Comparison of 6th and 7th fiscal period forecasts)

(Unit: millions of yen)

	Difference from 6th to 7th fiscal period forecast	Main Factors
Income from real estate lease business	-49	
	Current owned portion -4	Departure of existing tenant (36) Repair expenses +37, Leasing-related costs +10
	2nd public offering acquisition -62	Departure of existing tenant (25) Fixed asset & city planning tax (40), Leasing-related costs +15
	3rd public offering acquisition +17	Full fiscal period contribution to real estate lease business revenues +80 Fixed asset & city planning tax (47), Leasing-related costs +6
Operating income	-65	Asset management fee (19) Others +2
Ordinary income	-72	Interest paid, etc. (7)

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

(Differences between 6th and 7th fiscal period forecasts)



Effect of expensing fixed asset & city planning taxes on properties acquired with 2nd and 3rd public offerings*

Approx. -¥83/unit

*Amount of fixed asset & city planning taxes that are forecast to be recorded as an expense in the 7th fiscal period (August 2017) divided by number of investment units (1,045,000)

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

* Current owned portion numbered 31 at the end of the 3rd fiscal period. Those acquired with the 2nd public offering are HULIC Toranomon Bldg., HULIC Kamiyacho Bldg. (additional acquisition), Leaf minatomirai (land), and Orchard Square. Those acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, and Sotetsu Fresa Inn Ginza 7 Chome (Land).

1 Comparison of 4th and 5th Fiscal Periods

- 3 properties (including additional acquisition) were acquired with proceeds from a public offering at the beginning of the 5th fiscal period. Total assets reached ¥213.0 billion, up ¥34.3 billion from the end of 4th fiscal period
- In light of favorable fund procurement conditions, new investment units were issued, bringing unitholders' capital to ¥117.5 billion, up ¥30.9 billion from the end of the 4th fiscal period
- At the end of the 5th fiscal period, interest-bearing debt totaled ¥81.4 billion, up ¥0.7 billion from the end of the 4th fiscal period

(Unit: millions of yen)

	End of 4th Fiscal Period	End of 5th Fiscal Period	Compared with End of 4th Fiscal Period
Assets			
Current assets	8,267	10,877	2,610
Cash and deposits	8,175	10,828	2,652
Other	91	49	(42)
Noncurrent assets	170,527	202,137	31,610
Property, plant and equipment	161,477	193,145	31,668
Other	9,049	8,991	(57)
Deferred assets	18	69	50
Total assets	178,813	213,084	34,271
Liabilities			
Current liabilities	13,931	15,391	1,460
Short-term loans payable	3,960	4,660	700
Current portion of long-term loans payable	8,490	8,490	0
Other	1,481	2,241	760
Noncurrent liabilities	75,946	77,148	1,202
Investment corporation bonds	2,000	2,000	0
Long-term loans payable	66,320	66,320	0
Tenant leasehold and security deposits in trust	7,626	8,828	1,202
Total liabilities	89,877	92,539	2,662
Net assets			
Unitholders' equity	88,936	120,545	31,609
Unitholders' capital	86,617	117,537	30,920
Surplus	2,318	3,008	689
Total net assets	88,936	120,545	31,609
Total liabilities and net assets	178,813	213,084	34,271

✓ Assets increased through acquisition of Hulic Kamiyacho Building (additional acquisition), Leaf minatomirai (land), and Orchid Square

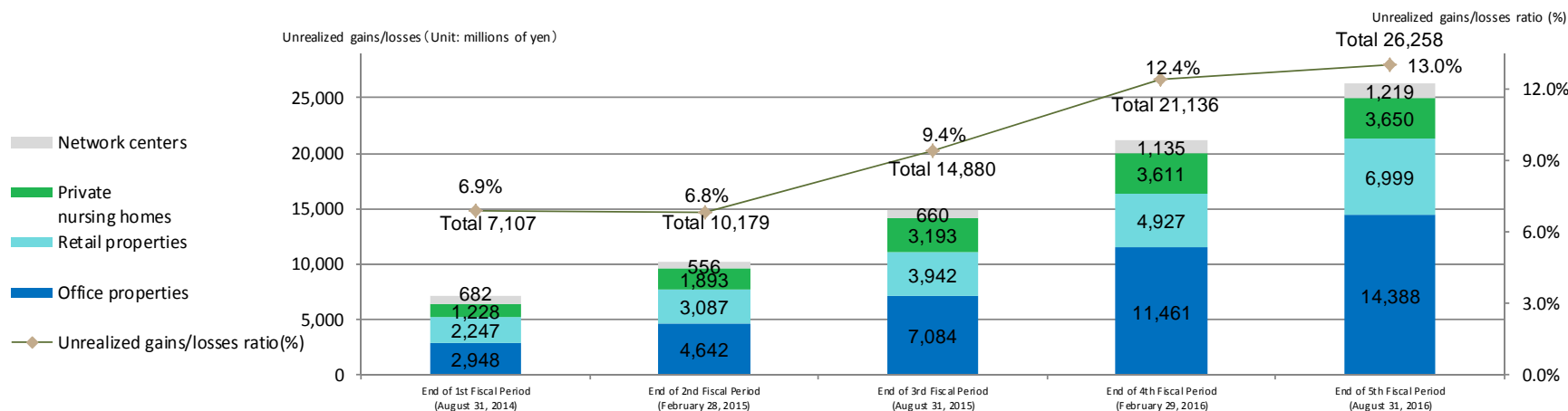
✓ In light of favorable fund procurement conditions, new investment units were issued

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

- At the end of 5th fiscal period, unrealized gains were ¥26,260 million (up ¥5,120 million from the previous period). Steady growth has continued since listing
- At the end of 5th fiscal period, the unrealized gains/losses ratio was +13.0%

(Units: millions of yen)

		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)		End of 5th Fiscal Period (August 31, 2016)	
			Unrealized gains/losses		Unrealized gains/losses		Unrealized gains/losses		Unrealized gains/losses		Unrealized gains/losses
Office properties	No. of properties	8		10		13		14		14	
	Book value	58,071		83,487		91,665		104,208		120,741	
	Appraisal value	61,020	+2,948	88,130	+4,642	98,750	+7,084	115,670	+11,461	135,130	+14,388
	Return yield	4.2%		4.0%		4.0%		3.8%		3.8%	
Retail properties	No. of properties	4		6		6		6		8	
	Book value	21,692		32,092		32,057		32,022		47,260	
	Appraisal value	23,940	+2,247	35,180	+3,087	36,000	+3,942	36,950	+4,927	54,260	+6,999
	Return yield	4.7%		4.5%		4.4%		4.3%		4.1%	
Private nursing homes	No. of properties	4		4		4		4		4	
	Book value	14,451		14,386		14,386		14,338		14,299	
	Appraisal value	15,680	+1,228	16,280	+1,893	17,580	+3,193	17,950	+3,611	17,950	+3,650
	Return yield	5.4%		5.2%		4.8%		4.7%		4.7%	
Network centers	No. of properties	5		8		8		8		8	
	Book value	8,420		19,545		19,463		19,379		19,315	
	Appraisal value	9,103	+682	20,102	+556	20,124	+660	20,515	+1,135	20,535	+1,219
	Return yield	5.1%		5.2%		5.2%		5.1%		5.1%	
Total	No. of properties	21		28		31		32		34	
	Book value	102,635		149,512		157,573		169,948		201,616	
	Appraisal value	109,743	+7,107	159,692	+10,179	172,454	+14,880	191,085	+21,136	227,875	+26,258



*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

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

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

Internal Growth Strategy

Seek fair rent, maintain high occupancy rate

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

Financial Strategy

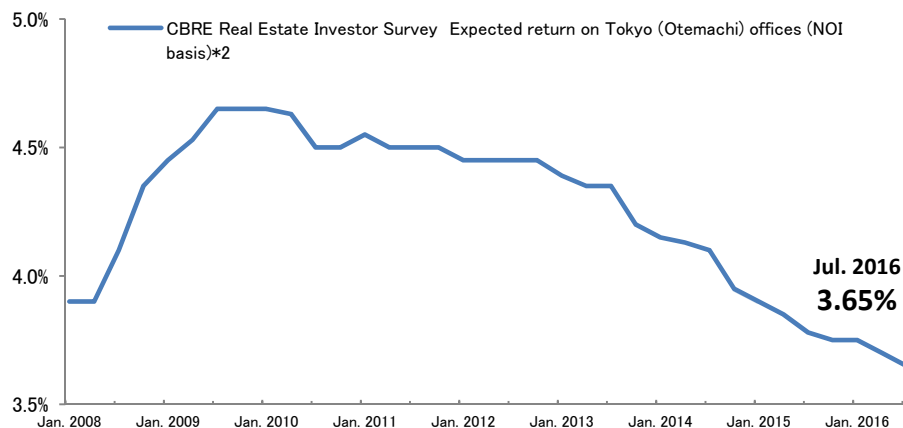
Maintain stable and sound financial management

- Based on expansion of asset size, control LTV appropriately
(aiming for approx. 40%-45% range)
- 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

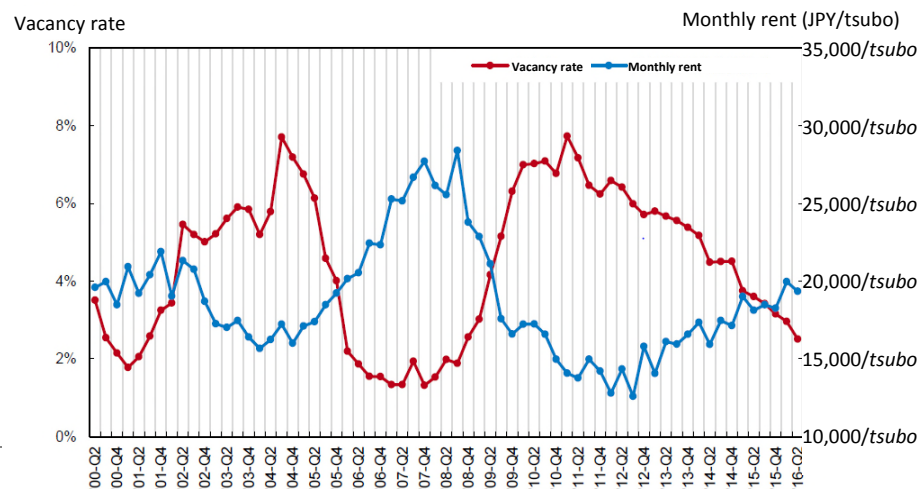
- The average expected NOI yield on Tokyo (Otemachi) offices has recently sunk to a record low of 3.65%, reflecting the low interest rates caused by the BoJ's negative interest rate policy. However, some market participants believe further downside room is limited, so the direction of investor interest will be closely watched.



- Based on the BoJ's new monetary easing framework (QQE with yield curve control), the 10-year JGB yield is expected to remain stable at about 0%. The risk of a sudden yield rise has lessened.



- Among B class buildings in central Tokyo, the vacancy rate continues to decline while rents rise. The rent uptrend is spreading to medium-sized buildings in central Tokyo and other favorable locations.



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 stay in high range,
but further gains to be limited

*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 on Tokyo (Otemachi) offices area in the Japanese Real Estate Investor Survey conducted by CBRE, Inc..

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

2 Operational Guideline Change

- The sponsor pipeline is centered on Tokyo Commercial Properties (TCP), and in light of the need to continually expand property acquisition opportunities that will contribute to raising investor value, we changed the TCP investment ratio from “approximately 80%” to “approximately 80%-90%,” and the Next Generation Asset (NGA) investment ratio to “approximately 10%-20%”
- Against the background of Tokyo’s successful bid for the 2020 Olympics and the government’s various policies to make Japan a tourism superpower, we have added hotels to our NGA investment targets because stable tourism and business use can be expected, as well as use by a rising number of inbound foreign tourists

(Main changes in operational guidelines)

	Before change	After change*1
Investment ratio	TCP: Approx. 80% NGA: Approx. 20%	TCP: <u>Approx. 80% - 90%</u> NGA: <u>Approx. 10% - 20%</u>
Investment targets	TCP: Offices properties Retail properties NGA: Private nursing homes Network centers	TCP: Offices properties Retail properties NGA: Private nursing homes Network centers <u>Hotels</u>

(NGA requirements and hotel selection reasons)

Steady growth expected due to rising social need	Against background of 2020 Tokyo Olympics and government measures to increase tourism, stable tourism & business use is expected, as well as growing demand from inbound foreign tourists
Conclusion of long-term leases	Long-term leasing is possible
Tenant management know-how, etc.	Sponsors focus on hotels as one of three growth industries (seniors, tourism, environment), so their know-how can be leveraged, and a sponsor pipeline can be established

3 Current Investment Policy

TOKYO

COMMERCIAL PROPERTIES

- Office properties
Selective investment in properties with superior locations (close to stations, etc.) in Tokyo’s 23 wards, whose rental revenue will contribute to internal growth after acquisition
- Retail properties
Selective investment in retail properties located in Tokyo or its suburbs, where rental revenue growth or stable cash flow is expected

NEXT

GENERATION ASSETS

- Private nursing homes
Properties from our sponsor pipeline will be considered based on their assumed monthly usage fee*2, which must be in a high range and other conditions of acquisition
- Hotels
Selective investment, mainly in sponsor-developed hotels that are convenient to transportation or near major tourist attractions, so that tourism or business demand can be expected

* 1 Underlined portions have changed.

* 2 “Assumed monthly usage fee” is the monthly usage fee + the initial lump-sum payment divided by 60 months (assumed lease term). This is a simplified version of the burden the resident feels. In some cases, initial lump-sum payments do not exist.

4 Our Sponsor's Principal Development Results and Development Plans

- By the end of FY2018, the sponsor-developed properties, mainly in Six central Tokyo wards^{*1}, are planned for completion.

Completed in Fiscal 2015	Completed in Fiscal 2016	Slated for Completion in Fiscal 2017	Slated for Completion in Fiscal 2018
Shinagawa Season Terrace Hulic Toranomon Building	Trust Garden Tokiwamatsu (Tentative) Ginza 7 Chome Sotetsu Hotel (Sotetsu Fresa Inn Ginza 7 Chome)	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 Refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards

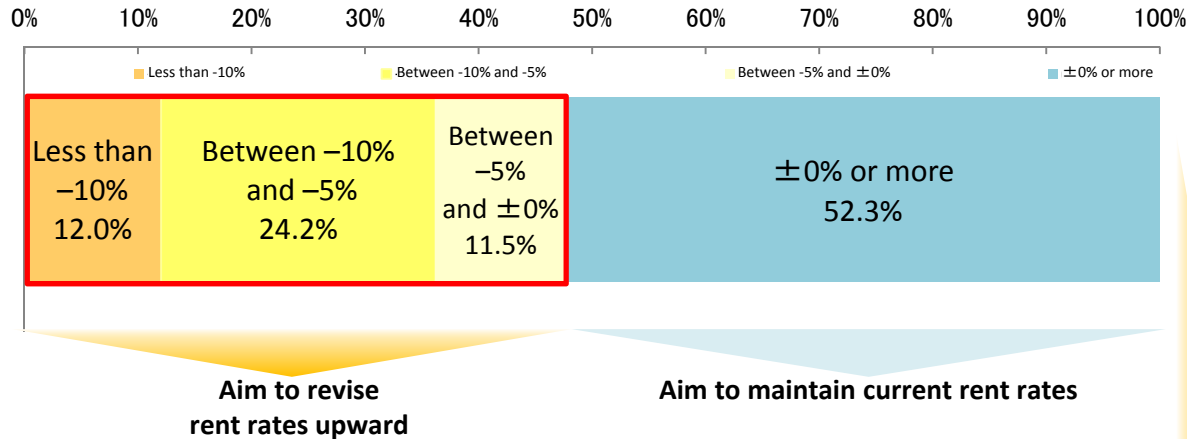
*2 Figures in parentheses indicate total floor area.

*3 Completion drawings may differ from the actual completed structures in some details.

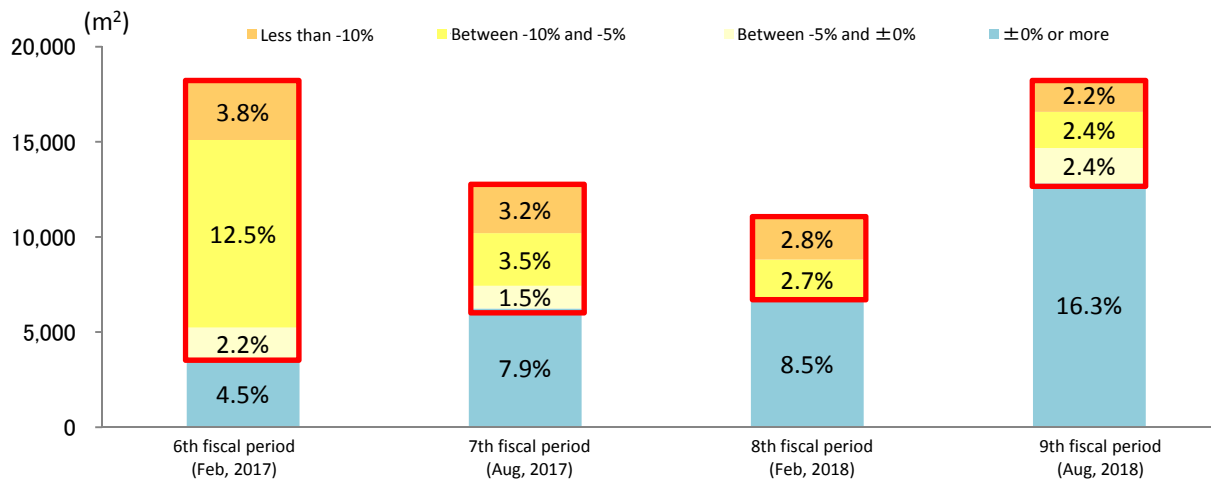
*4 On the day these materials were drafted, the investment corporation had not necessarily decided to acquire the above properties (except properties already acquired).

1 Negotiate Appropriate Rents (Offices properties)

- Of 8 tenants whose rents were revised upward in the 5th fiscal period (Aug. 2016), 5 had rents below the market rent rate. Progress was made towards appropriate rents
- Focus placed on early leasing at market rent rates of spaces expected to be vacated by tenants
- No rents were revised downward in the 5th fiscal period (Aug. 2016)



Divergence from office market rent levels and rent renewal schedule



Account of divergence from market rent 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

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

*2 Each rate is a percentage of the total rentable area in office properties held by Hulic Reit at the earnings announcement day. Proprietary right of land, retail spaces, and residential spaces are not included.



V. Appendix

1 4th and 5th Fiscal Period Results

(Unit: thousands of yen)

	4th fiscal period (Feb. 2016)	5th fiscal period (Aug. 2016)	Difference (5th fiscal period - 4th fiscal period)
Operating revenues			
Lease business revenue	4,617,146	5,572,883	955,736
Other lease business revenues	202,375	252,561	50,185
Real estate lease business revenues	4,819,522	5,825,444	1,005,922
Operating expenses			
Expenses related to real estate lease business	1,615,701	1,802,036	186,334
Asset management fee	405,463	504,977	99,513
Asset custody fee	9,606	10,171	565
Administrative service fees	30,922	32,377	1,455
Directors' compensation	6,000	6,000	0
Other operating expenses	84,764	87,735	2,970
Total operating expenses	2,152,459	2,443,298	290,838
Operating income	2,667,063	3,382,146	715,083
Non-operating income			
Interest income	680	42	(638)
Interest on refund	0	59	59
Total non-operating income	680	101	(579)
Non-operating expenses			
Interest expenses	258,611	282,287	23,676
Interest expenses on investment corporation bonds	9,448	9,500	51
Borrowing related expenses	79,033	70,198	(8,835)
Amortization of investment unit issuance costs	0	10,363	10,363
Amortization of investment corporation bond issuance costs	994	1,005	10
Total non-operating expenses	348,088	373,355	25,267
Ordinary income	2,319,655	3,008,892	689,237
Profit before income taxes	2,319,655	3,008,892	689,237
Income taxes – current	882	943	61
Income taxes – deferred	2	(2)	(4)
Total income taxes	884	941	56
Profit	2,318,771	3,007,951	689,180
Retained earnings brought forward	200	182	(17)
Unappropriated retained earnings	2,318,971	3,008,134	689,162

* Amounts less than 1 thousand yen have been truncated.

2 5th Fiscal Period Forecast & Results, 5th Fiscal Period Results & 6th Fiscal Period New Forecast

(Unit: millions of yen)

	5th Fiscal Period Forecast	5th Fiscal Period Result	Difference	Main Factors	5th Fiscal Period Result	6th Fiscal Period New Forecast	Difference	Main Factors
Real estate lease business revenues	5,803	5,825	+ 21	• Rent, land rental, common service fee income Current owned portion +18 • Heat, water, electricity Current owned portion (11), 2nd public offering acquisition (4)	5,825	6,646	+ 821	• Rent, land rental, common service fee income Current owned portion +57, 2nd public offering acquisition +120 3rd public offering acquisition +591 • Heat, water, electricity Current owned portion +13, 2nd public offering acquisition +9 3rd public offering acquisition +15
Expenses related to real estate lease business (Of which)	(1,885)	(1,802)	+ 83		(1,802)	(2,091)	-289	
Taxes and public dues	(443)	(443)	0		(443)	(443)	0	
Depreciation	(573)	(574)	0		(574)	(665)	-91	3rd public offering acquisition -86
Repair expenses	(117)	(69)	+ 47	Current owned portion +38, 2nd public offering acquisition +10	(69)	(111)	-41	Current owned portion -35
Leasing-related costs	(8)	(7)	+ 1		(7)	(43)	-36	Current owned portion -13, 2nd public offering acquisition -17
Other expenses related to real estate lease business	(742)	(707)	+ 35	• Heat, water, electricity +30 (Current owned portion +28, 2nd public offering acquisition +2)	(707)	(827)	-119	• Heat, water, electricity -53 (Current owned portion -24, 2nd public offering acquisition -8, 3rd public offering acquisition -21) • Other expenses for 2nd public offering acquisition -4 • Other expenses for 3rd public offering acquisition -58
Income from real estate lease business	3,918	4,023	+ 105		4,023	4,555	+ 531	
Operating expenses (excluding rent-related expenses) (Of which)	(634)	(641)	-6		(641)	(753)	-112	
Asset management fee	(478)	(504)	-26		(504)	(583)	-78	
Other operating expenses	(156)	(136)	+ 19	Lawyer, accountant, and other specialist remuneration +4	(136)	(169)	-33	Administrative service fees, Asset management fee -10
Operating income	3,283	3,382	+ 98		3,382	3,801	+ 419	
Non-operating income	0	0	0		0	0	0	
Non-operating expenses (Of which)	(392)	(373)	+ 18		(373)	(435)	-62	
Interest expenses, Borrowing-related expenses	(379)	(361)	+ 17	2nd public offering acquisition +16	(361)	(414)	-52	3rd public offering acquisition -51
Amortization of investment unit issuance expenses	(12)	(10)	+ 1		(10)	(19)	-9	
Amortization of investment corporation bond issuance expenses	(1)	(1)	0		(1)	(1)	0	
Ordinary income	2,891	3,008	+ 117		3,008	3,366	+ 357	
Profit	2,890	3,007	+ 117		3,007	3,365	+ 357	
Cash distributions per unit (yen)	3,020	3,143	+ 123		3,143	3,220	+ 77	

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

* Current owned portion numbered 31 at the end of the 3rd fiscal period. Those acquired with the 2nd public offering are Hulic Toranomon Bldg., Hulic Kamiyacho Bldg. (additional acquisition), Leaf minatomirai (land), and Orchid Square. Those acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), Hulic Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, and Sotetsu Fresa Inn Ginza 7 Chome (Land).

3 6th Fiscal Period Previous & New Forecasts, 6th & 7th Fiscal Period Forecasts

(Unit: millions of yen)

	6th Fiscal Period Previous Forecast	6th Fiscal Period New Forecast	Difference	Main Factors	6th Fiscal Period New Forecast	7th Fiscal Period Forecast	Difference	Main Factors
Real estate lease business revenues	5,959	6,646	+ 686	<ul style="list-style-type: none"> • Rent, land rental, common service fee income Current owned portion +41, 2nd public offering acquisition +5 3rd public offering acquisition +591 • Heat, water, electricity Current owned portion +2, 2nd public offering acquisition +2 3rd public offering acquisition +15 	6,646	6,665	+ 18	<ul style="list-style-type: none"> • Rent, land rental, common service fee income Current owned portion -32, 2nd public offering acquisition -30 3rd public offering acquisition +71 • Heat, water, electricity Current owned portion +1, 3rd public offering acquisition +3
Expenses related to real estate lease business (Of which)	(1,901)	(2,091)	-189		(2,091)	(2,158)	-67	
Taxes and public dues	(443)	(443)	0		(443)	(530)	-87	2nd public offering acquisition -40
Depreciation								3rd public offering acquisition -47
Repair expenses	(579)	(665)	-85	3rd public offering acquisition -85	(665)	(682)	-16	3rd public offering acquisition -10
Leasing-related costs	(105)	(111)	-6	Current owned portion -6	(111)	(82)	+ 29	Current owned portion +37, 2nd public offering acquisition -6
Other expenses related to real estate lease business	(24)	(43)	-19	2nd public offering acquisition -13	(43)	(12)	+ 30	Current owned portion +10, 2nd public offering acquisition +15
	(749)	(827)	-77	<ul style="list-style-type: none"> • Heat, water, electricity -20 (Current owned portion +3, 2nd public offering acquisition -3), 3rd public offering acquisition -20) • Other expenses for 3rd public offering acquisition -58 	(827)	(851)	-23	<ul style="list-style-type: none"> • Heat, water, electricity -3 (3rd public offering acquisition -3) • Other expenses for 3rd public offering acquisition -7 • Other expenses for current owned portion -13
Income from real estate lease business	4,058	4,555	+ 497		4,555	4,506	-49	
Operating expenses (excluding rent-related expenses) (Of which)	(686)	(753)	-67		(753)	(770)	-16	
Asset management fee	(526)	(583)	-56		(583)	(602)	-18	
Other operating expenses	(159)	(169)	-10		(169)	(167)	+ 1	
Operating income	3,371	3,801	+ 429		3,801	3,735	-65	
Non-operating income	0	0	0		0	0	0	
Non-operating expenses (Of which)	(403)	(435)	-31		(435)	(442)	-7	
Interest expenses, Borrowing-related expenses	(390)	(414)	-24	2nd public offering acquisition +25, 3rd public offering acquisition -49	(414)	(422)	-7	3rd public offering acquisition -11
Amortization of investment unit issuance expenses	(11)	(19)	-7		(19)	(19)	0	
Amortization of investment corporation bond issuance costs	(1)	(1)	0		(1)	(1)	0	
Ordinary income	2,968	3,366	+ 397		3,366	3,293	-72	
Profit	2,967	3,365	+ 397		3,365	3,292	-72	
Cash distributions per unit (yen)	3,100	3,220	+ 120		3,220	3,150	-70	

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

* Current owned portion numbered 31 at the end of the 3rd fiscal period. Those acquired with the 2nd public offering are HULIC Toranomon Bldg., HULIC Kamiyacho Bldg. (additional acquisition), Leaf minatomirai (land), and Orchid Square. Those acquired with the 3rd public offering are Ochanomizu Sola City (additional acquisition), HULIC Toranomon Bldg. (additional acquisition), Rapiros Roppongi (additional acquisition), Trust Garden Tokiwamatsu, and Sotetsu Fresa Inn Ginza 7 Chome (Land).

(Unit: thousands of yen)

	End of 4th Fiscal Period (Feb. 28, 2016)	End of 5th Fiscal Period (Aug. 31, 2016)	Difference (5th Fiscal Period - 4th Fiscal Period)
Assets			
Current assets			
Cash and deposits	4,510,142	6,308,255	1,798,113
Cash and deposits in trust	3,665,614	4,520,237	854,623
Operating accounts receivable	45,715	11,305	-34,409
Prepaid expenses	27,158	36,935	9,777
Deferred tax assets	13	16	2
Consumption taxes receivable	16,725	0	-16,725
Other	1,728	864	-864
Total current assets	8,267,096	10,877,614	2,610,517
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	37,187,728	38,679,945	1,492,216
Accumulated depreciation	(1,710,944)	(2,262,203)	-551,258
Buildings in trust, net	35,476,784	36,417,742	940,957
Structures in trust	244,849	245,763	913
Accumulated depreciation	(36,078)	(45,918)	-9,839
Structures in trust, net	208,770	199,844	-8,926
Machinery and equipment in trust	189,591	190,272	680
Accumulated depreciation	(29,574)	(41,529)	-11,954
Machinery and equipment in trust, net	160,017	148,743	-11,273
Tools, furniture and fixtures in trust	10,002	19,150	9,148
Accumulated depreciation	(2,067)	(3,074)	-1,007
Tools, furniture and fixtures in trust, net	7,934	16,076	8,141
Land in trust	125,623,874	156,362,300	30,738,426
Construction in progress in trust	0	894	894
Total property, plant and equipment	161,477,381	193,145,601	31,668,219
Intangible assets			
Leasehold rights in trust	8,471,289	8,471,289	0
Other	6,151	5,133	-1,018
Total intangible assets	8,477,441	8,476,422	-1,018
Investments and other assets			
Lease and guarantee deposits	20,000	20,000	0
Long-term prepaid expenses	552,380	495,494	-56,886
Total investments and other assets	572,380	515,494	(56,886)
Total noncurrent assets	170,527,203	202,137,518	31,610,314
Deferred assets			
Investment unit issuance expenses	0	51,815	51,815
Investment corporation bond issuance costs	18,962	17,956	-1,005
Total deferred assets	18,962	69,771	50,809
Total assets	178,813,262	213,084,904	34,271,641

(Unit: thousands of yen)

	End of 4th Fiscal Period (Feb. 28, 2016)	End of 5th Fiscal Period (Aug. 31, 2016)	Difference (5th Fiscal Period - 4th Fiscal Period)
Liabilities			
Current liabilities			
Operating accounts payable	155,934	420,319	264,384
Short-term loans payable	3,960,000	4,660,000	700,000
Current portion of long-term loans payable	8,490,000	8,490,000	0
Accounts payable - other	491,573	600,353	108,780
Accrued expenses	47,537	49,828	2,291
Income taxes payable	778	937	159
Accrued consumption taxes	8,592	138,632	130,039
Advances received	776,731	1,030,503	253,771
Deposits received	0	1,013	0
Total current liabilities	13,931,147	15,391,587	1,460,439
Noncurrent liabilities			
Investment corporation bond	2,000,000	2,000,000	0
Long-term loans payable	66,320,000	66,320,000	0
Tenant leasehold and security deposits in trust	7,626,103	8,828,110	1,202,006
Total non current liabilities	75,946,103	77,148,110	1,202,006
Total liabilities	89,877,251	92,539,698	2,662,446
Net assets			
Unitholders' equity			
Unitholders' capital	86,617,040	117,537,072	30,920,032
Surplus			
Unappropriated retained earnings	2,318,971	3,008,134	689,162
Total surplus	2,318,971	3,008,134	689,162
Total unitholders' equity	88,936,011	120,545,206	31,609,194
Total net assets	88,936,011	120,545,206	31,609,194
Total liabilities and net assets	178,813,262	213,084,904	34,271,641

Note: Amounts less than 1 thousand yen have been truncated.

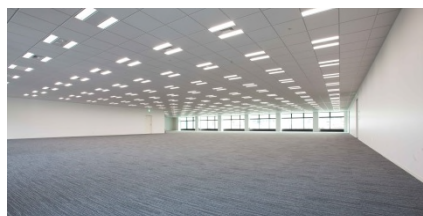
1 Hulic Toranomon Building (Additional acquisition)

Sponsor-developed



Location	Minato Ward, Tokyo
Nearest station	1 minute from Toranomon Station, Tokyo Metro Ginza Line
Floors	12,094.79 m ² (entire building)
Leasable area	2,572.39 m ² (equivalent to 30%)
Completion of construction	May 2015

Acquisition price	¥5,570 million
Appraisal value*1	¥6,180 million
Appraisal NOI yield*2	3.9%
Acquisition date	Sep. 1, 2016



Highlights

- ❑ **New office building in Toranomon, where infrastructure is improving**
The Toranomon area is rising in prominence with the opening of Toranomon Hills, the Shintora-dori roadway, and other large-scale redevelopment projects such as a new metro station.
- ❑ **Hulic-developed property, now wholly-owned (100%)**
Previously Hulic REIT had a 70% quasi-co-ownership interest in this building, and now it has purchased the remaining 30% so that it wholly owns the building. This increases management freedom.

Location characteristics

- ❑ **An office district adjoining Kasumigaseki**
This property is next to Toranomon Station along Sotobori-dori, and near Kasumigaseki, the administrative hub of the Japanese government. Since long ago, 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 office has advanced features, such as a seismic base isolation structure, standby generator, energy-saving features, such as natural ventilation and natural light intake, which cater to the needs of the most demanding tenant.
- ❑ **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 appraisal value at the end of each fiscal period (at time of acquisition for newly acquired assets), rounded to the 1st decimal place).

2 Rapiros Roppongi (Additional acquisition)



Location	Minato Ward, Tokyo
Nearest station	Directly connected to Roppongi Station, Tokyo Metro Hibiya Line, etc.
Floors	12,958.90 m ² (entire building)
Leasable area	867.04 m ² (Unit ownership interest) *1
Completion of construction	Aug. 1997

Acquisition price	¥1,050 million
Appraisal value*2	¥1,110 million
Appraisal NOI yield *3	4.5%
Acquisition date	Sep. 16, 2016



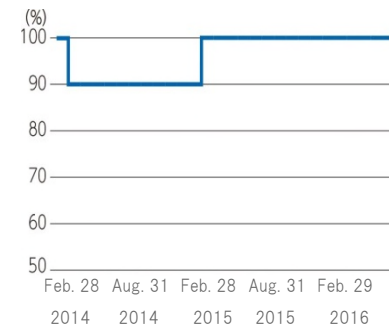
Highlights

❑ Rare building directly connected to Roppongi Station

This superior property is directly connected to Roppongi Station, and we have acquired an additional 6.8% of its land and 10.4% of the building, expanding our ownership to 86.4% of the land and 84.0% of the building.

❑ Stable occupancy and record of rent increases

Based on efforts to attract tenants, occupancy, once just above 90%, has been 100% since Feb. 2015. From the 3rd fiscal period (Aug. 2015), to the 5th fiscal period (Aug. 2016), 4 leases were renewed for an average rent increase of 8%.



Location characteristics

❑ Located in commercial and business area above Roppongi Sta.

Located above Roppongi St., a lively area long known for bars, restaurants, and shops. More recently, Roppongi has also become a popular base for foreign companies, IT ventures, and other companies.

Property characteristics

❑ Approaches from station and main road designed with care

Shops are laid out effectively on the concourse between building and station, and the street side of the building is supported on large pillars (piloti) for convenience and high visibility.

*1 This additional acquisition of a unit owned building (shared land ownership which includes partial co-ownership interest) amounts to approx. 6.8% of the land and 10.4% of the floor area (B1F and part of 5F) in terms of the official register.

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

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

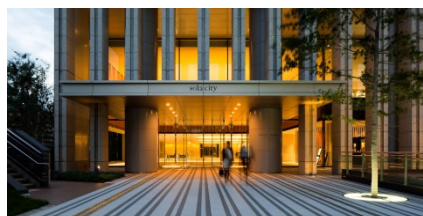
3 Ochanomizu Sola City (Additional acquisition)

Sponsor-developed



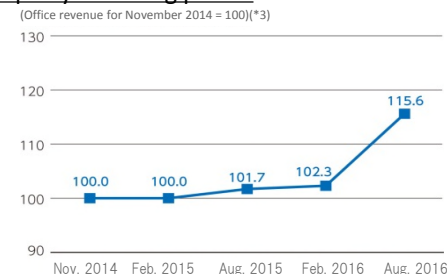
Location	Chiyoda Ward, Tokyo
Nearest station	Directly connected to Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line
Floors	96,897.25 m ² (entire building)
Leasable area	5,582.20 m ² (equivalent to 8.7 %)
Completion of construction	Feb. 2013

Acquisition price	¥15,295 million
Appraisal value* ¹	¥16,704 million
Appraisal NOI yield * ²	3.9%
Acquisition date	Oct. 4, 2016



Highlights

- Additional acquisition of large-scale multipurpose building
By acquiring another 8.7% of this building, Hulic REIT's quasi-co-ownership interest expanded to 21.7%. Hulic continues to hold another 9.3%, and our management is based on common goals.
- Improvement of this property's earning power
Since the initial acquisition in Nov. 2014, this property's earning power has been rising steadily in line with the average rent and its occupancy rate.



Location characteristics

- Office with directly connected to Shin-Ochanomizu Station

Directly linked to the Tokyo Metro's Shin-Ochanomizu Station and facing the functionally developing Hijiribashi-guchi Ekimae Square, this area has traditionally been home to publishing companies due to its convenient location, and more recently to IT companies.

Property characteristics

- Large-scale multipurpose building with advanced features
The building is equipped with a seismic base isolation structure and backup power generators, as well as environmentally friendly features like solar power generation and use of spring water from the subway. This multipurpose (mainly office) building has state-of-the-art specs.
- 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 appraisal value (at time of acquisition), rounded to the 1st decimal place).

*3 Calculated based on monthly rents for office sections (not including education-related facilities).

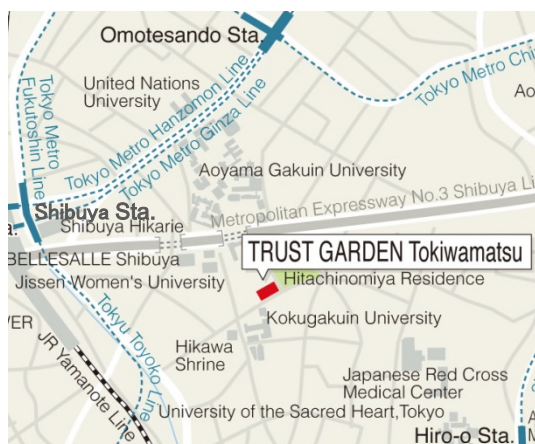
4 Trust Garden Tokiwamatsu

Sponsor-developed



Location	Shibuya Ward, Tokyo
Nearest station	13 minutes from Omotesando Station, Tokyo Metro Ginza Line, etc
Floors	2,874.58 m ²
Leasable area	2,893.82 m ²
Completion of construction	Jan. 2016

Acquisition price	¥3,030 million
Appraisal value*1	¥3,230 million
Appraisal NOI yield *2	4.7 %
Acquisition date	Sep. 1, 2016

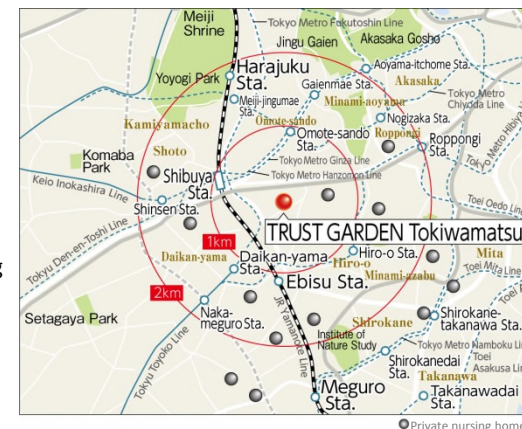


Highlights

- Private nursing home developed by Hulic
This Hulic-developed property is newly constructed, and we have concluded a 20-year lease with Trust Garden, the operator.

- This nursing home has high scarcity value and asset value

This home is located in the luxurious residential neighborhood of Tokiwamatsu, where the supply of private nursing homes is limited, so the demand environment is good.



Location characteristics

- The time-honored low-rise neighborhood of Tokiwamatsu
Known by its old name of Tokiwamatsu, this area is a quiet residential neighborhood on the rise. Nowadays, it also has a high concentration of schools, so it is also known for education.

Property characteristics

- Features befitting a high-grade facility
Barrier-free design and wide hallways are employed, as well as environmentally friendly LED lighting throughout. A lounge facing a greenery-filled garden, a carriage porch, and other touches add to the high-grade appeal.

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

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

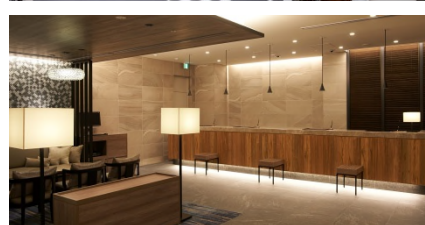
5 Sotetsu Fresa Inn Ginza 7 Chome (Land)

Sponsor-developed



Location	Chuo Ward, Tokyo
Nearest station	5 minutes from Ginza Station, Tokyo Metro Ginza Line, etc.
Floors	—
Leasable area	352.36 m ² (equivalent to 50 %)
Completion of construction	—

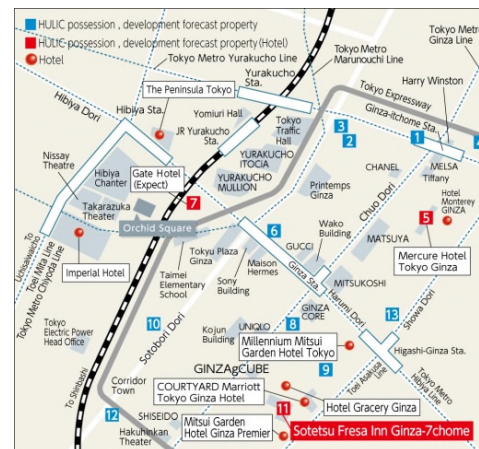
Acquisition price	¥4,370 million
Appraisal value* ¹	¥4,500 million
Appraisal NOI yield * ²	3.9 %
Acquisition date	Sep. 16, 2016



Highlights

□ Hulic-developed properties in company's priority area

Hulic holds 13 properties in the Ginza-Yurakucho area (end of Aug. 2016), one of Japan's most fashionable commercial districts. Other development projects are being pursued in addition to this hotel.



- 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. (Mercure Hotel Tokyo Ginza)
- 6 Hulic Ginza Sukiyabashi Bldg.
- 7 (Tentative) Yurakucho 2 Chome Development Project (Gate Hotel (Expect))
- 8 Hulic Ginza World Town Bldg.
- 9 Ginza Wall Bldg
- 10 Hulic Ginza 7 Chome Bldg
- 11 (Tentative) Ginza 7 Chome Sotetsu Hotel (Sotetsu Fresa Inn Ginza 7 Chome)
- 12 G10
- 13 Ginza Towa Bldg

□ 30-year usage agreement concluded with co-owner Hulic

We have agreed to lease this property (50% of the land) to Hulic, which owns the building and 50% of the land, for 30 years.

Location characteristics/Property characteristics

□ Located in office and hotel area within Ginza

Located where Ginza district are lined with high-rise offices, hotels, and commercial facilities. The nearby site of the former Matsuzakaya Dept. Store is being redeveloped.

□ Land for lodging-oriented hotel

Our land is the site of Sotetsu Fresa Inn Ginza 7 Chome(286 guest rooms), and the above long-term lease secures stable revenue.

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

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

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



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	1 minute from Kamiyacho Station, Tokyo Metro Hibiya Line	1 minute from Kudanshita Station, Tokyo Metro Tozai Line, etc.	1 minute from Toranomon Station, Tokyo Metro Ginza Line	Directly connected to Roppongi Station, Tokyo Metro Hibiya Line, etc.
Acquisition price	¥36,750 million	¥11,100 million	¥8,623 million	¥5,160 million
Appraisal NOI yield *1	4.3%	4.2%	4.5%	5.7%
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	22,740.96 m ²	3,351.07 m ²	5,689.97 m ²	5,875.17 m ²
Occupancy rate *3	100.0%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located near Kamiyacho Station ➢ Has total floor area of 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 Line ➢ One of few relatively large buildings in an area with numerous smaller properties

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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



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	Nihonbashi Kakigaracho, Chuo Ward, Tokyo
Nearest station	6 minutes from Takadanobaba Station, JR Yamanote Line and Tokyo Metro Tozai Line, etc.	1 minute from Kanda Station, Tokyo Metro Ginza Line	3 minutes from Otemachi Station, Tokyo Metro Tozai Line, etc.	2 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	5.2%	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	5,369.71 m ²	3,728.36 m ²	2,566.95 m ²	2,858.48 m ²
Occupancy rate *3	100.0%	100.0%	100.0%	100.0%
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 based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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

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	2 minutes from Shin-Okachimachi Station, Toei Oedo Line and Tsukuba Express Line	5 minutes from Daitabashi Station, Keio Line	3 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%	4.8%	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	8,341.22 m ²	3,262.09 m ²	3,611.08 m ²	1,429.74 m ²
Occupancy rate *3	100.0%	100.0%	100.0%	100.0%
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 5 stations served by 9 lines ➢ A relatively new, high-spec, large-scale, multipurpose building with mega-floors featuring open designs free of structural support pillars with 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 based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016).
(Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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



Property No.	OF-13	OF-14	RE-01	RE-02
Property name	Gate City Ohsaki	Hulic Toranomon Building	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)
Photograph of property				
Location	Osaki, Shinagawa Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Higashi-Oi, Shinagawa Ward, Tokyo	
Nearest station	1 minute from Osaki Station, JR Yamanote, Rinkai Lines, etc.	1 minute from Toranomon Station, Tokyo Metro Ginza Line	1 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	4.5%	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	S, B1/11F	SRC, B2/8F	SRC, B3/10F
Total leasable area *2	3,835.78 m ²	6,002.26 m ²	14,485.66 m ²	10,612.67 m 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 305,450 m² ➢ Extensive high-end features in common spaces, as well 	<ul style="list-style-type: none"> ➢ Located near Toranomon Station and facing Sotobori Dori ➢ A Hulic-developed property with the latest base isolation structure and energy-saving features ➢ Recipient of the highest 5-star rank in DBJ Green Building certification 	<ul style="list-style-type: none"> ➢ Directly connected to Oimachi Station via a pedestrian deck ➢ Oimachi Station served by multiple lines, including JR Keihin Tohoku Line, Tokaido Main Line, Tokyu Oimachi Line and the Rinkai Line ➢ With a leading home electronics retailer as a core tenant, a large-scale facility divided into 2 buildings—#1 and #2—and part of the property occupied by a food supermarket, conveniently meeting the lifestyle needs of station users and local residents 	

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016).
(Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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



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	1 minute from Akihabara Station, JR Yamanote Line, etc.	7 minutes from Meiji Jingumae Station, Tokyo Metro Chiyoda and Fukutoshin Lines	1 minute from Shinjuku Sanjome Station, Tokyo Metro Marunouchi Line, etc.	1 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	2,169.41 m ²	1,656.24 m ²	1,351.15 m ²	8,958.70 m ²
Occupancy rate *3	100.0%	100.0%	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located near Akihabara Station ➢ Akihabara Station served by 3 JR lines, Tokyo Metro Hibiya Line, Tsukuba Express, etc. ➢ Leased in full to one of Japan's leading karaoke companies (food and beverage 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 1st and 2nd floors, housing on the 3rd and 4th floors, with wedding-related facilities on the 5th to 7th floors ➢ Retail stores operated by leading domestic select shops, wedding-related facilities operated by company specializing in "house weddings" 	<ul style="list-style-type: none"> ➢ Located along Shinjuku Dori, near Shinjuku Sanjome Station ➢ Shinjuku Sanjome Station served by multiple lines, including Tokyo Metro Marunouchi Line and Fukutoshin Line, and Toei Shinjuku Line ➢ In a cluster of high-end retail facilities near Shinjuku Station, one of Japan's largest terminal hubs 	<ul style="list-style-type: none"> ➢ Located near Motomachi-Chukagai Station ➢ Located near Yamashita Park, a Yokohama Bayside symbol, in an area with numerous brand shops ➢ Leased entirely to a leading premium designer brand boutique firm

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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


Property No.	RE-07	RE-08
Property name	Leaf Minatomirai (Land)	Orchid Square
Photograph of property		
Location	Minatomirai, Nishi Ward, Yokohama, Kanagawa Prefecture	Yurakucho, Chiyoda Ward, Tokyo
Nearest station	3 minutes from Minatomirai Station, Yokohama Minatomirai Railway Minatomirai Line	3 minutes from Hibiya Station, Tokyo Metro Hibiya Line
Acquisition price	¥11,700 million	¥3,502 million
Appraisal NOI yield * ¹	4.3%	4.1%
Completion of construction	—	Jan. 2009
Structures and construction	—	RC, B1/8F
Total leasable area * ²	5,500.04 m ²	1,334.88 m ²
Occupancy rate * ³	100.0%	100.0%
Feature of properties	<ul style="list-style-type: none"> ➢ Located near the center of the Minatomirai 21 area in a commercial development along Grand Mall Park ➢ Surrounded by streets on 3 sides and a park, visibility is high ➢ The property is a land of the large-scale retail facilities having a major interior design company as its key tenant. 	<ul style="list-style-type: none"> ➢ Located in a commercial district with ready access to multiple stations: Hibiya, Ginza, and Yurakucho ➢ In the Ginza-Yurakucho area, Orchid Square faces a street thronging with visitors to the bars and restaurants under the JR Yamanote Line ➢ The curtain wall on the front of the building attracts the eye and establishes a certain presence

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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

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	5,454.48 m ²	5,977.75 m ²	3,700.26 m ²	3,975.99 m ²
Occupancy rate *3	100.0%	100.0%	100.0%	100.0%
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 based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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





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 City, Hiroshima Prefecture	Hatano-cho, Atsuta Ward, Nagoya City, Aichi Prefecture
Acquisition price	¥4,570 million	¥1,355 million	¥1,080 million	¥1,015 million
Appraisal NOI yield *1	5.1%	5.7%	6.6%	6.0%
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 based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016).
(Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

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

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 City, Nagano Prefecture	Muzaigakuendai, Inzai City, Chiba Prefecture	Kitakujonishi, Kita Ward, Sapporo City, Hokkaido	Kizukumo Mura, Kizugawa City, Kyoto Prefecture
Acquisition price	¥305 million	¥7,060 million	¥2,510 million	¥1,250 million
Appraisal NOI yield *1	8.8%	5.4%	5.5%	5.9%
Completion of construction	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 based on appraisal value (at end of August 2016), rounded to the 1st decimal place).

*2 Figures for individual properties indicate leasable areas according to building leasing agreements or building plans as of the end of the 5th fiscal period (ended August 31, 2016).
(Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 5th fiscal period (ended August 31, 2016).

5. Status of Appraisal Values by Property

(Unit: millions of yen) ^{*1}

	Name	① Acquisition price	② Book value (As of Aug. 31, 2016)	③ Appraisal value (As of Aug. 31, 2016)							④ Unrealized gains/losses ③－②	
				Profit price (Direct capitalization method)	Cap rate *2	Profit price (DCF)	Discount rate *2	Final cap rate *2	Appraisal firm			
Subtotal for Tokyo Commercial Properties (22 properties)		167,421	168,002	189,390	191,860		187,610				21,387	
	Subtotal for office properties (14 properties)		120,337	120,741	135,130	136,800	3.8%	133,830	3.5%	3.9%		14,388
	OF-01	Hulic Kamiyacho Building	36,750	36,911	40,700	41,800	3.7%	40,200	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL	3,788
	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	8,493	10,500	10,400	3.7%	10,500	3.3%	3.8%	CBRE	2,006
	OF-04	Rapiros Roppongi	5,160	5,532	6,900	7,020	3.8%	6,780	3.5%	4.0%	Japan Real Estate Institute	1,367
	OF-05	Hulic Takadanobaba Building	3,900	3,870	4,400	4,300	4.3%	4,440	4.1%	4.5%	DAIWA REAL ESTATE APPRAISAL	529
	OF-06	Hulic Kanda Building	3,780	3,706	4,060	4,330	4.1%	3,940	4.2%	4.3%	The Tanizawa Sogo Appraisal	353
	OF-07	Hulic Kandabashi Building	2,500	2,515	2,800	2,830	3.9%	2,790	3.7%	4.1%	DAIWA REAL ESTATE APPRAISAL	284
	OF-08	Hulic Kakigaracho Building	2,210	2,209	2,720	2,710	4.4%	2,730	4.5%	4.6%	The Tanizawa Sogo Appraisal	510
	OF-09	Ochanomizu Sola City	22,854	22,543	24,960	25,090	3.6%	24,700	3.3%	3.7%	Japan Real Estate Institute	2,416
	OF-10	Hulic Higashi Ueno 1 Chome Building	2,670	2,674	2,910	2,950	4.2%	2,860	4.0%	4.4%	Japan Real Estate Institute	235
	OF-11	Sasazuka South Building	2,100	2,173	2,170	2,180	4.8%	2,150	4.5%	5.0%	Japan Real Estate Institute	(3)
	OF-12	Tokyo Nishiiebukuro Building	1,580	1,634	1,790	1,810	4.5%	1,760	4.3%	4.7%	Japan Real Estate Institute	155
	OF-13	Gate City Ohsaki	4,370	4,543	4,400	4,420	3.8%	4,370	3.4%	3.9%	Japan Real Estate Institute	(143)
	OF-14	Hulic Toranomon Building	12,740	12,741	14,420	14,560	3.5%	14,210	3.2%	3.6%	Japan Real Estate Institute	1,678
	Subtotal for retail properties (8 properties)		47,084	47,260	54,260	55,060	4.1%	53,780	4.1%	4.3%		6,999
	RE-01	Oimachi Redevelopment Building (#2)	9,456	9,475	11,800	12,100	4.3%	11,700	4.4%	4.5%	The Tanizawa Sogo Appraisal	2,324
	RE-02	Oimachi Redevelopment Building (#1)	6,166	6,247	7,320	7,380	4.5%	7,290	4.6%	4.7%	The Tanizawa Sogo Appraisal	1,072
	RE-03	Dining Square Akihabara Building	3,200	3,215	3,680	3,740	4.2%	3,620	4.0%	4.4%	Japan Real Estate Institute	464
	RE-04	Hulic Jingu-Mae Building	2,660	2,661	3,370	3,440	3.6%	3,340	3.7%	3.8%	The Tanizawa Sogo Appraisal	708
	RE-05	Hulic Shinjuku 3 Chome Building	5,550	5,564	6,060	6,210	3.7%	5,910	3.3%	3.9%	Japan Real Estate Institute	495
	RE-06	Yokohama Yamashitacho Building	4,850	4,810	5,380	5,450	4.7%	5,310	4.5%	4.9%	Japan Real Estate Institute	569
	RE-07	Leaf Minatomirai (Land) ^{*3}	11,700	11,765	12,900			12,900	3.9%		DAIWA REAL ESTATE APPRAISAL	1,134
	RE-08	Orchid Square	3,502	3,518	3,750	3,840	3.7%	3,710	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL	231
Subtotal for Next Generation Assets (12 properties)		33,389	33,614	38,485	38,756		38,164				4,870	
	Subtotal for private nursing homes (4 properties)		14,244	14,299	17,950	18,060	4.7%	17,830	4.3%	4.9%		3,650
	NH-01	Aria Matsubara	3,244	3,221	4,250	4,280	4.5%	4,220	4.1%	4.7%	Japan Real Estate Institute	1,028
	NH-02	Trust Garden Yoganomori	5,390	5,410	6,700	6,740	4.8%	6,660	4.4%	5.0%	Japan Real Estate Institute	1,289
	NH-03	Trust Garden Sakurashinmachi	2,850	2,876	3,560	3,580	4.7%	3,530	4.3%	4.9%	Japan Real Estate Institute	683
	NH-04	Trust Garden Suginami Miyamae	2,760	2,791	3,440	3,460	4.7%	3,420	4.3%	4.9%	Japan Real Estate Institute	648
	Subtotal for network centers (8 properties)		19,145	19,315	20,535	20,696	5.1%	20,334	4.9%	5.3%		1,219
	NW-01	Ikebukuro Network Center	4,570	4,565	5,160	5,220	4.5%	5,090	4.3%	4.7%	Japan Real Estate Institute	594
	NW-02	Tabata Network Center	1,355	1,374	1,570	1,580	4.9%	1,550	4.7%	5.1%	Japan Real Estate Institute	195
	NW-03	Hiroshima Network Center	1,080	1,070	1,210	1,220	5.8%	1,200	5.6%	6.0%	Japan Real Estate Institute	139
	NW-04	Atsuta Network Center	1,015	1,009	1,110	1,120	5.4%	1,100	5.2%	5.6%	Japan Real Estate Institute	100
	NW-05	Nagano Network Center	305	315	365	366	7.0%	364	6.8%	7.2%	Japan Real Estate Institute	49
	NW-06	Chiba Network Center	7,060	7,167	7,220	7,280	5.2%	7,160	5.0%	5.4%	Japan Real Estate Institute	52
	NW-07	Sapporo Network Center	2,510	2,577	2,590	2,600	5.3%	2,570	5.1%	5.5%	Japan Real Estate Institute	12
	NW-08	Keihanna Network Center	1,250	1,234	1,310	1,310	5.6%	1,300	5.4%	5.8%	Japan Real Estate Institute	75
	Total (34 properties)		200,810	201,616	227,875	230,616		225,774				26,258

^{*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 August 31, 2016.

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

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

(Unit: millions of yen)

Name	Appraisal value			Cap rate (by direct capitalization method)			Appraisal firm
	① As of Feb. 29, 2016	② As of Aug. 31, 2016	③ Change ②—①	④ As of Feb. 29, 2016 ^{*1}	⑤ As of Aug. 31, 2016 ^{*1}	⑥ Change ⑤—④	
Subtotal for Tokyo Commercial Properties (22 properties)	185,750	189,390	3,640				
Subtotal for office properties (14 properties)	132,670	135,130	2,460	3.8%	3.8%	0.0%	
OF-01 Hulic Kamiyacho Building ^{*2}	39,600	40,700	1,100	3.8%	3.7%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-02 Hulic Kudan Building (Land)	12,400	12,400	0	3.8%	3.8%	0.0%	Japan Real Estate Institute
OF-03 Toranomon First Garden	10,000	10,500	500	3.7%	3.7%	0.0%	CBRE
OF-04 Rapiros Roppongi	6,300	6,900	600	3.8%	3.8%	0.0%	Japan Real Estate Institute
OF-05 Hulic Takadanobaba Building	4,270	4,400	130	4.4%	4.3%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-06 Hulic Kanda Building	3,940	4,060	120	4.2%	4.1%	-0.1%	The Tanizawa Sogo Appraisal
OF-07 Hulic Kandabashi Building	2,710	2,800	90	4.0%	3.9%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-08 Hulic Kakigaracho Building	2,670	2,720	50	4.5%	4.4%	-0.1%	The Tanizawa Sogo Appraisal
OF-09 Ochanomizu Sola City	24,960	24,960	0	3.6%	3.6%	0.0%	Japan Real Estate Institute
OF-10 Hulic Higashi Ueno 1 Chome Building	2,910	2,910	0	4.2%	4.2%	0.0%	Japan Real Estate Institute
OF-11 Sasazuka South Building	2,170	2,170	0	4.8%	4.8%	0.0%	Japan Real Estate Institute
OF-12 Tokyo Nishiikebukuro Building	1,790	1,790	0	4.5%	4.5%	0.0%	Japan Real Estate Institute
OF-13 Gate City Ohsaki	4,530	4,400	-130	3.8%	3.8%	0.0%	Japan Real Estate Institute
OF-14 Hulic Tranomon Building	14,420	14,420	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
Subtotal for retail properties (8 properties)	53,080	54,260	1,180	4.2%	4.1%	-0.1%	
RE-01 Oimachi Redevelopment Building (#2)	11,500	11,800	300	4.4%	4.3%	-0.1%	The Tanizawa Sogo Appraisal
RE-02 Oimachi Redevelopment Building (#1)	7,170	7,320	150	4.6%	4.5%	-0.1%	The Tanizawa Sogo Appraisal
RE-03 Dining Square Akihabara Building	3,680	3,680	0	4.2%	4.2%	0.0%	Japan Real Estate Institute
RE-04 Hulic Jingu-Mae Building	3,290	3,370	80	3.7%	3.6%	-0.1%	The Tanizawa Sogo Appraisal
RE-05 Hulic Shinjuku 3 Chome Building	6,040	6,060	20	3.7%	3.7%	0.0%	Japan Real Estate Institute
RE-06 Yokohama Yamashitacho Building	5,270	5,380	110	4.8%	4.7%	-0.1%	Japan Real Estate Institute
RE-07 Leaf Minatomirai (Land) ^{*2,3}	12,500	12,900	400				DAIWA REAL ESTATE APPRAISAL
RE-08 Orchid Square ^{*2}	3,630	3,750	120	3.8%	3.7%	-0.1%	DAIWA REAL ESTATE APPRAISAL
Subtotal for Next Generation Assets (12 properties)	38,465	38,485	20				
Subtotal for private nursing homes (4 properties)	17,950	17,950	0	4.7%	4.7%	0.0%	
NH-01 Aria Matsubara	4,250	4,250	0	4.5%	4.5%	0.0%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,700	6,700	0	4.8%	4.8%	0.0%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,560	3,560	0	4.7%	4.7%	0.0%	Japan Real Estate Institute
NH-04 Trust Garden Suginami Miyamae	3,440	3,440	0	4.7%	4.7%	0.0%	Japan Real Estate Institute
Subtotal for network centers (8 properties)	20,515	20,535	20	5.1%	5.1%	0.0%	
NW-01 Ikebukuro Network Center	5,160	5,160	0	4.5%	4.5%	0.0%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,560	1,570	10	4.9%	4.9%	0.0%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,210	1,210	0	5.8%	5.8%	0.0%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,110	1,110	0	5.4%	5.4%	0.0%	Japan Real Estate Institute
NW-05 Nagano Network Center	365	365	0	7.0%	7.0%	0.0%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,220	7,220	0	5.2%	5.2%	0.0%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,590	2,590	0	5.3%	5.3%	0.0%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,300	1,310	10	5.6%	5.6%	0.0%	Japan Real Estate Institute
Total (34 properties)	224,215	227,875	3,660				

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

*2 Regarding assets acquired in the 5th fiscal period, figures noted under "as of Feb. 29, 2016" are for the time of acquisition, and these are used in various calculations (an additional acquisition is included in OF-01).

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

7. Operating Revenues and Expenses by Property 46

(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
Days under management	184 days (*3)	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days
Lease business revenues	866,837	265,002	283,638	236,605	174,938	116,723	88,191	104,775	*2	99,000
Lease business revenue	803,746	265,002	264,286	219,533	154,704	106,931	80,067	94,855	*2	88,593
Other lease business revenues	63,090	0	19,352	17,072	20,234	9,791	8,123	9,920	*2	10,407
Expenses related to rent revenue	209,841	32,728	119,929	120,900	69,130	62,404	45,545	41,084	*2	38,431
Taxes and public dues	28,392	30,237	32,562	34,586	12,813	4,205	8,936	9,158	*2	7,246
Utilities expenses	41,266	0	12,509	16,998	11,829	7,427	5,880	6,764	*2	7,113
Insurance expenses	631	58	217	726	194	95	80	93	*2	95
Repair expenses	22,195	0	840	288	7,725	231	8,615	3,162	*2	1,103
Property management fees	68,765	1,325	4,775	4,389	15,517	7,201	5,882	12,823	*2	13,684
Other expenses related to rent business	5,077	1,107	25,964	53,539	1,751	23,777	1,407	1,438	*2	1,374
Depreciation	43,513	0	43,060	10,371	19,299	19,465	14,741	7,643	*2	7,813
Income (loss) from lease business	656,995	232,273	163,708	115,704	105,808	54,318	42,645	63,691	*2	60,569
NOI	700,509	232,273	206,768	126,076	125,107	73,783	57,386	71,334	438,978	68,382

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	Gate City Ohsaki	Hulic Toranomon 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
Days under management	184 days	184 days	184 days	184 days	184	184 days	184 days	184 days	184 days	184 days
Lease business revenues	89,851	55,223	152,668	315,073	312,000	218,931	*2	84,399	153,790	*2
Lease business revenue	77,566	54,143	142,912	301,474	312,000	218,931	*2	79,094	145,443	*2
Other lease business revenues	12,285	1,080	9,755	13,599	0	0	*2	5,304	8,346	*2
Expenses related to rent revenue	38,472	20,022	82,041	118,823	61,866	61,363	*2	20,252	36,260	*2
Taxes and public dues	8,276	2,459	14,293	35,284	29,984	32,960	*2	5,292	676	*2
Utilities expenses	9,817	0	9,668	13,979	0	0	*2	5,324	5,088	*2
Insurance expenses	45	124	450	162	287	1,640	*2	46	45	*2
Repair expenses	58	0	409	812	400	0	*2	119	880	*2
Property management fees	1,288	9,756	600	29,583	6,240	4,378	*2	3,163	4,909	*2
Other expenses related to rent business	11,922	2,961	42,541	1,546	505	7,973	*2	396	22,152	*2
Depreciation	7,063	4,719	14,076	37,455	24,449	14,410	*2	5,908	2,507	*2
Income (loss) from lease business	51,378	35,201	70,627	196,250	250,133	157,567	*2	64,146	117,530	*2
NOI	58,442	39,920	84,703	233,705	274,583	171,977	79,046	70,055	120,037	124,063

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

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

*3 Includes additional acquisition (quasi-co-ownership of 30.1%) (relevant additional acquisition was under management for 170 days).

(Unit: thousands of yen)*1

Property No.	RE-07	RE-08	NH-01	NH-02	NH-03	NH-04	NW-01	NW-02	NW-03	NW-04
Property name	Leaf Minatomirai (Land)	Orchid Square	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Sugunami Miyamae	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center
Days under management	155 days	155 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days
Lease business revenues	225,370	77,152	*2	*2	*2	*2	135,600	45,088	43,845	36,743
Lease business revenue	225,370	67,382	*2	*2	*2	*2	135,600	45,088	43,845	36,743
Other lease business revenues	0	9,769	*2	*2	*2	*2	0	0	0	0
Expenses related to rent revenue	1,499	16,264	*2	*2	*2	*2	28,974	8,880	14,004	11,351
Taxes and public dues	0	0	*2	*2	*2	*2	15,653	4,734	5,588	4,865
Utilities expenses	0	7,156	*2	*2	*2	*2	0	0	0	0
Insurance expenses	152	41	*2	*2	*2	*2	138	43	72	52
Repair expenses	0	350	*2	*2	*2	*2	0	0	650	227
Property management fees	1,127	2,693	*2	*2	*2	*2	960	720	1,324	960
Other expenses related to rent business	218	355	*2	*2	*2	*2	505	505	505	505
Depreciation	0	5,667	*2	*2	*2	*2	11,717	2,877	5,862	4,740
Income (loss) from lease business	223,871	60,887	*2	*2	*2	*2	106,625	36,208	29,840	25,391
NOI	223,871	66,555	97,256	162,413	83,567	77,578	118,343	39,085	35,703	30,132

Property No.	NW-05	NW-06	NW-07	NW-08
Property name	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Days under management	184 days	184 days	184 days	184 days
Lease business revenues	17,587	223,633	83,706	47,047
Lease business revenue	17,587	223,633	83,706	47,047
Other lease business revenues	0	0	0	0
Expenses related to rent revenue	6,872	76,931	26,219	18,582
Taxes and public dues	2,422	30,545	12,678	8,516
Utilities expenses	0	0	0	0
Insurance expenses	34	241	92	97
Repair expenses	740	0	2,959	1,124
Property management fees	847	1,800	819	1,209
Other expenses related to rent business	506	505	505	505
Depreciation	2,321	43,838	9,163	7,130
Income (loss) from lease business	10,715	146,701	57,486	28,465
NOI	13,036	190,539	66,650	35,595

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

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

	End-tenant	Property name	Leased area (m ²)* ¹	Area ratio (%)* ¹⁺²	Expiration date* ¹	Form of agreement* 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	33.2	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 building lease agreement
2	Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1) Leaf Minatomirai (Land)* ⁴	33,949.44	15.8	February 6, 2063	Fixed-term business-use land lease agreement
					February 6, 2019	Ordinary building lease agreement
					September 27, 2017	Ordinary building lease agreement
					March 29, 2046	Fixed-term business-use land lease agreement with special provisions for building transfer
3	Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae	13,654.00	6.3	January 24, 2028	Ordinary building lease agreement
4	Barneys Japan	Yokohama Yamashitacho Building	8,958.70	4.2	—* ³	—* ³
5	Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	2.5	September 30, 2030	Ordinary building lease agreement
6	Mitsui Fudosan Co., Ltd.	Gate City Ohsaki	3,527.58	1.6	January 5, 2019	Ordinary building lease agreement* ⁶
7	J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.4	November 30, 2016	Ordinary building lease agreement
8	Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	2,728.95	1.3	—* ³	Fixed-term building lease agreement
9	WELFARE AND MEDICAL SERVICE AGENCY	Hulic Kamiyacho Building	2,705.25	1.3	March 31, 2018	Ordinary building lease agreement
10	Oki Electric Industry Co., Ltd.	Toranomon First Garden	2,441.64	1.1	February 28, 2017	Ordinary building lease agreement

*1 Information is as of the end of the 5th fiscal period (August 31, 2016).

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

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

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

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

	End of 4th Fiscal Period (Feb. 29, 2016)		End of 5th Fiscal Period (Aug. 31, 2016)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	46,702	6.0%	60,581	6.3%	13,879	0.4%
Financial institutions	448,810	57.5%	529,275	55.3%	80,465	-2.2%
Major banks	0	0.0%	0	0.0%	0	0.0%
Regional banks	21,260	2.7%	39,929	4.2%	18,669	1.5%
Trust banks	408,900	52.4%	459,959	48.1%	51,059	-4.3%
Life insurers	8,146	1.0%	8,472	0.9%	326	-0.2%
Non-life insurers	0	0.0%	0	0.0%	0	0.0%
Shinkin banks	7,830	1.0%	15,348	1.6%	7,518	0.6%
Others	2,674	0.3%	5,567	0.6%	2,893	0.2%
Other domestic corporations	115,047	14.7%	134,598	14.1%	19,551	-0.7%
Foreign investors	158,001	20.2%	224,636	23.5%	66,635	3.2%
Securities companies	12,440	1.6%	7,910	0.8%	-4,530	-0.8%
Total	781,000	100.0%	957,000	100.0%	176,000	-

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

	End of 4th Fiscal Period (Feb. 29, 2016)		End of 5th Fiscal Period (Aug. 31, 2016)		Change	
	No. of Unitholders	Ratio (%)	No. of Unitholders	Ratio (%)	No. of Unitholders	Ratio (%)
Individuals	5,500	93.6%	7,399	93.7%	1,899	0.1%
Financial institutions	70	1.2%	99	1.3%	29	0.1%
Major banks	0	0.0%	0	0.0%	0	0.0%
Regional banks	18	0.3%	25	0.3%	7	0.0%
Trust banks	9	0.2%	11	0.1%	2	0.0%
Life insurers	5	0.1%	5	0.1%	0	0.0%
Non-life insurers	0	0.0%	0	0.0%	0	0.0%
Shinkin banks	25	0.4%	36	0.5%	11	0.0%
Others	13	0.2%	22	0.3%	9	0.1%
Other domestic corporations	166	2.8%	226	2.9%	60	0.0%
Foreign investors	126	2.1%	159	2.0%	33	-0.1%
Securities companies	13	0.2%	14	0.2%	1	0.0%
Total	5,875	100.0%	7,897	100.0%	2,022	-

3 Largest Top 10 Unitholders ^{*2}

	Name	Number of Units Held	Ratio of Total Units ^{*3}
1	Japan Trustee Services Bank, Ltd. (Trust account)	200,827	20.98%
2	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	123,983	12.95%
3	Hulic Co., Ltd.	111,320	11.63%
4	The Master Trust Bank of Japan, Ltd. (Trust account)	86,166	9.00%
5	NOMURA BANK (LUXEMBOURG) S.A.	73,339	7.66%
6	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	37,292	3.89%
7	STATE STREET BANK AND TRUST COMPANY	17,747	1.85%
8	STATE STREET BANK AND TRUST COMPANY 505223	17,498	1.82%
9	STATE STREET BANK AND TRUST COMPANY 505001	9,470	0.98%
10	RBC IST 15 PCT LENDING ACCOUNT-CLIENT ACCOUNT	7,895	0.82%

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

*2 Data is based on the unitholder registry as of the end of the 4th fiscal period (February 29, 2016) and the end of the 5th fiscal period (August 31, 2016).

*3 Ratio are truncated after 2 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%-90% of our portfolio.



NEXT GENERATION ASSETS

Private nursing homes

Network centers

Hotels

Initiatives designed to achieve high levels at 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 10%-20% of our investment portfolio to next generation assets, where we believe risk can be managed appropriately and attractive revenues secured.

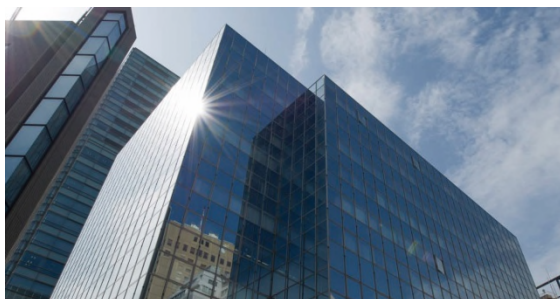


1 Investment Policy

- Hulic Reit focuses on Tokyo Commercial Properties for which its sponsor Hulic offers extensive expertise and experience. 80%-90% of its portfolio consists of this asset class.



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



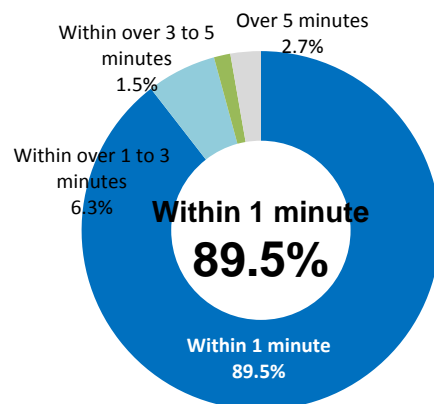
- Tokyo and suburbs
- Less than 5-minute walk from nearest station or located in area with high retail concentration (in principle)



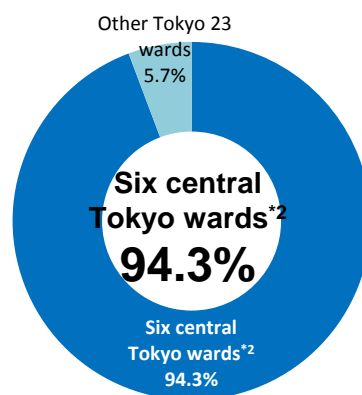
2 Rigorous Focus on Location: Superior Nature of Great Location

(1) Portfolio (Office Properties)

Walking Distance from Nearest Train Station*¹



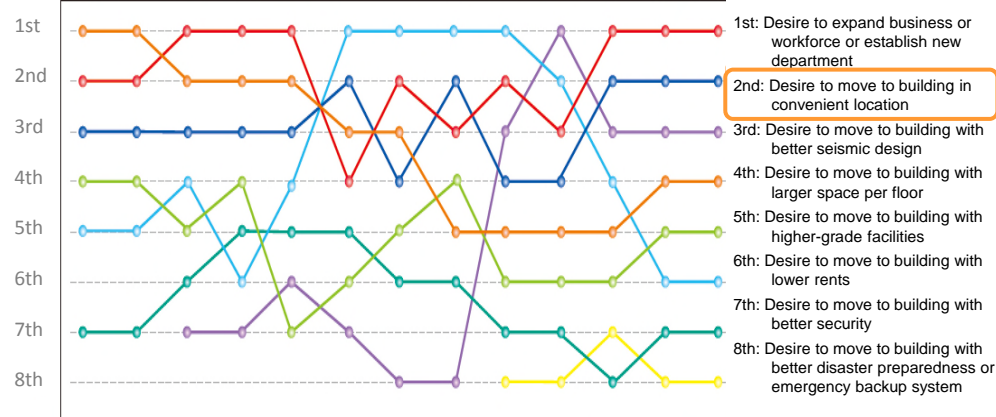
By Area*¹



(2) Tenant Leasing Needs

Office tenants tend to prefer buildings that are conveniently located.

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015



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

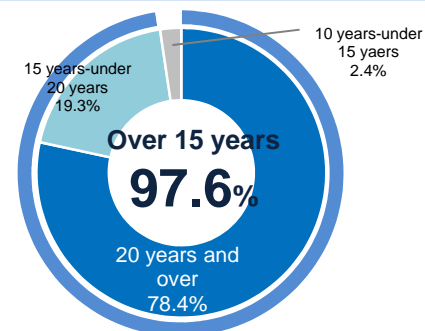
*1 Ratio based on acquisition price in the portfolio after the 3rd public offering.

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

1 Investment Policy

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

By Term of Lease ^{*1}

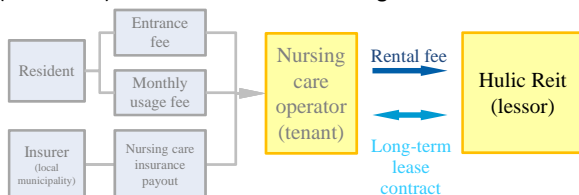


2 Private Nursing Homes

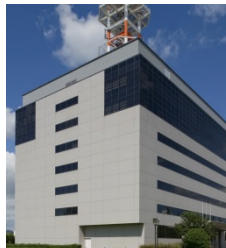


- Private nursing homes with lease usage rights that provide services to seniors in need of nursing care
- Initial lease term of at least 20 years per the guidelines of the MHLW ^{*2}
- Invest in assets with high-end lump-sum payments and monthly fees to avoid risk of change in nursing care insurance payout

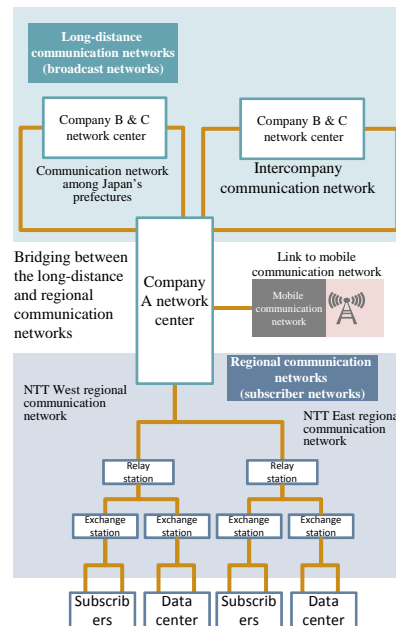
(Reference) Structure of Private Nursing Home Cash Flow



3 Network Centers



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



4 Hotels

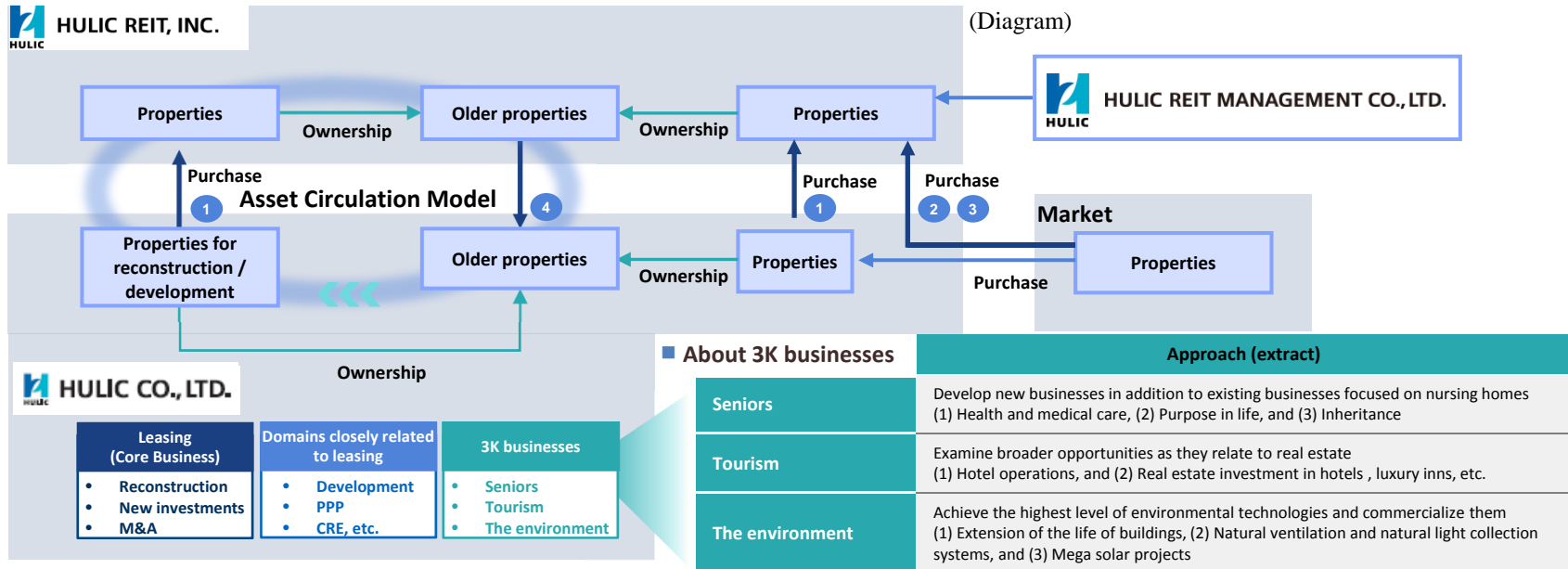


- Facilities where tourism and business demand are expected due to good transportation access or proximity to major domestic tourist attractions
- Assets where demand growth are expected from rising inbound tourist numbers, in addition to stable tourism and business demand supported by the 2020 Tokyo Olympics and government tourism policies
- We will devote resources to hotels as one of three growth industries (seniors, tourism, environment) targeted by sponsor Hulic. Our knowhow and experience in tenant management can be put to good use.

^{*1} Ratio based on leased area in the portfolio after the 3rd 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.

1 Reconstruction/Development^{*1 *2}

Achievements

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

Plans

Principal Use	Classification	Completion	Property name
Office properties	Reconstruction	2018	Fuchu Project
			Mejiro Project
	Development	2018	Nihonbashi 2 Chome Redevelopment Project
		2019	Akihabara Development
Retail properties	Reconstruction	2017	Kamata Project
			Itabashi Project
	Development	2017	Hulic Shibuya Inokashira-dori Building
			Commercial Development Project near Omori Station
			Kyoto Shijo-dori Development Project
			Shimbashi 2 Chome Commercial Development
			Hulic Shibuya Koen-dori Building
		2018	Tokyo Metro Roppongi 7 Chome Project
Retail property, Hotel	Development	2018	Hulic Yurakucho 2 Chome Development
Hotels	Development	2016	<Tentative> Ginza 7 Chome Sotetsu Hotel (Sotetsu Fresa Inn Ginza 7 Chome (Land)) Acquired
		2017	Roppongi 3 Chome Soutetsu Hotel Development Project
		2018	Tsukiji 3 Chome Development
Ryokan	Development	2018	Kawaguchiko Fufu Development Project
Pay nursing homes	Reconstruction	2017	Chofu Project
	Development	2017	Nippon Sport Science University Fukazawa Development Project
			Tamagawa Denenchohu Development Project
		2018	Inamuragasaki Development Project
Ossuary	Development	2018	Ichigyo-in Development Project

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

*2 Excluding cases where main use is residential.

2 New Investments^{*1 *2}

■ Achievements (since 2012)

Principal Use	Year acquired	Property name	Principal Use	Year acquired	Property name	Principal Use	Year acquired	Property name
Office properties	2012	Hulic Ginza 7 Chome Building	Retail properties	2013	Hulic Shinjuku 3 Chome Building Acquired	Pay nursing homes	2012	Trust Garden Yoganomori Acquired
	2013	Rapiros Roppongi Acquired			Victoria Wardrobe Jimbocho			Trust Garden Sakurashinmachi Acquired
		Hulic Kamiyacho Building Acquired			Hulic Jingumae Building Acquired			Trust Garden Suginami Miyamae Acquired
					Hulic Shibuya Udagawacho Building		2013	Esperal Joto
	2015	Hulic Ginza 1 Chome Building		2014	Tsurumi Fuga 1		2014	Toyosu Senior Residence
		Hulic Nihonbashihoncho 1 Chome Building			Yokohama Yamashitacho Building Acquired		2015	Charm Suite Nishinomiyahama
		3 office properties in Hatchobori area			Orchid Square Acquired			Lien Reve Yakumo
		Hulic Ginza Wall Building					2016	Asakusa Carepark Soyokaze
		Daiwa Yoyogi No.2 Building		2015	G10	Network centers	2012	Ikebukuro Network Center Acquired
		Primegate Iidabashi			Tokyu Hands Ikebukuro			Tabata Network Center Acquired
		Primegate Meguro Mita			Ikebukuro GIGO			Hiroshima Network Center Acquired
		SENJU MILDIX II			Udagawacho Sigma No. 5 Building			Atsuta Network Center Acquired
		Ochanomizu S Building			WINS Asakusa Building			Nagano Network Center Acquired
		Vingt-sept Building			Asakusa Park Hall Building		2013	Chiba Network Center Acquired
		Hulic Shibuya 1 Chome Building			Hulic Asakusa 1 Chome			Sapporo Network Center Acquired
		Toyosu Prime Square and other 7 properties		2016	Hulic Jingumae 5 Chome Building		2014	Keihanna Network Center Acquired
		Sankyo Meguro Building			Path Omotesando	Hotels	2014	Hulic Ginza 2 Chome Building
		Fuji Building 28			Bleu Cinq Point		2015	Tokyo Bay Maihama Hotel Club Resort
	2016	Yamato Haneda Building						Sothern Beach Hotel & Resort Okinawa
		Hulic Shinkawasaki Building					2016	Grand Nikko Tokyo Daiba (Land)
		Ginza Towa Building						Hayama SCAPES THE SUITE
		Hulic Shibuya Miyashitakoen Building				Ryokans	2015	Hakone Suishoen
		Realack No.1 Building						Atami Fufu
		Ichigaya MS Building					2016	ATAMI KAIHOUROU
		Ginza a Building						
		Kyobashi South Building						

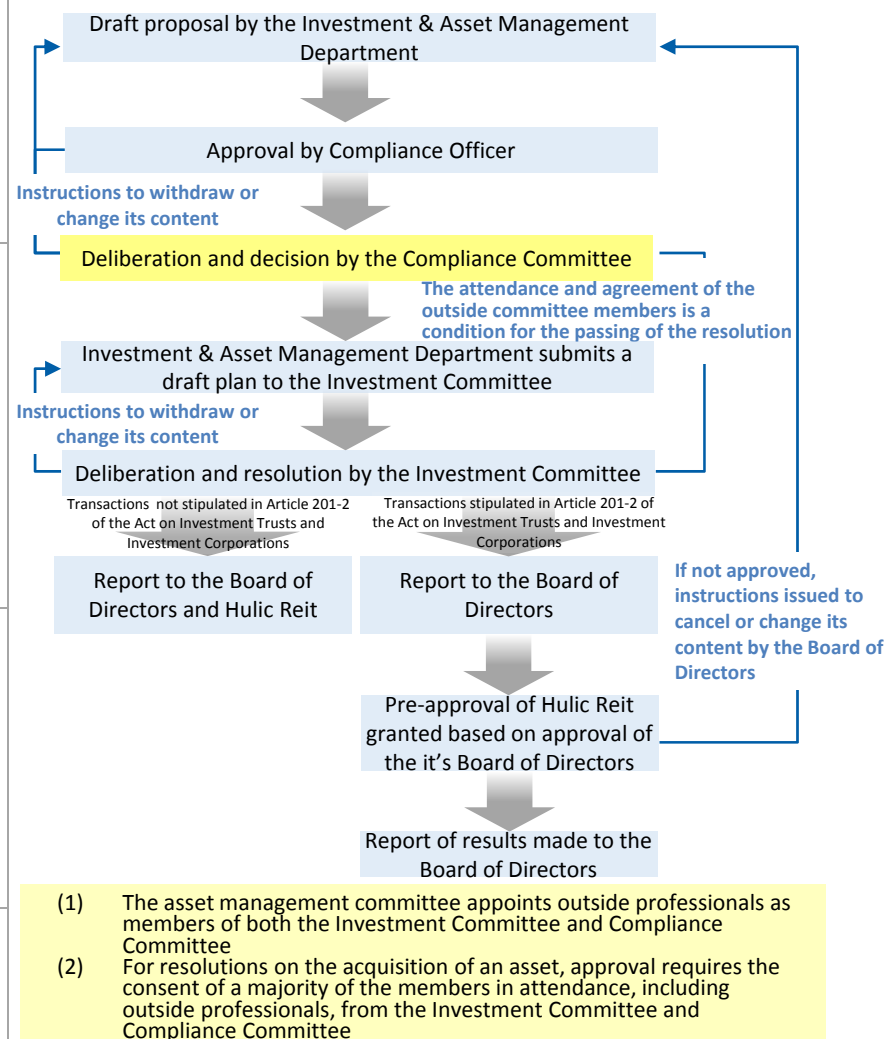
*1 Hulic Reit has no plans to acquire any the properties indicated above (except those that have already been acquired) as of the date this document was prepared.

*2 Excluding cases where main use is residential.

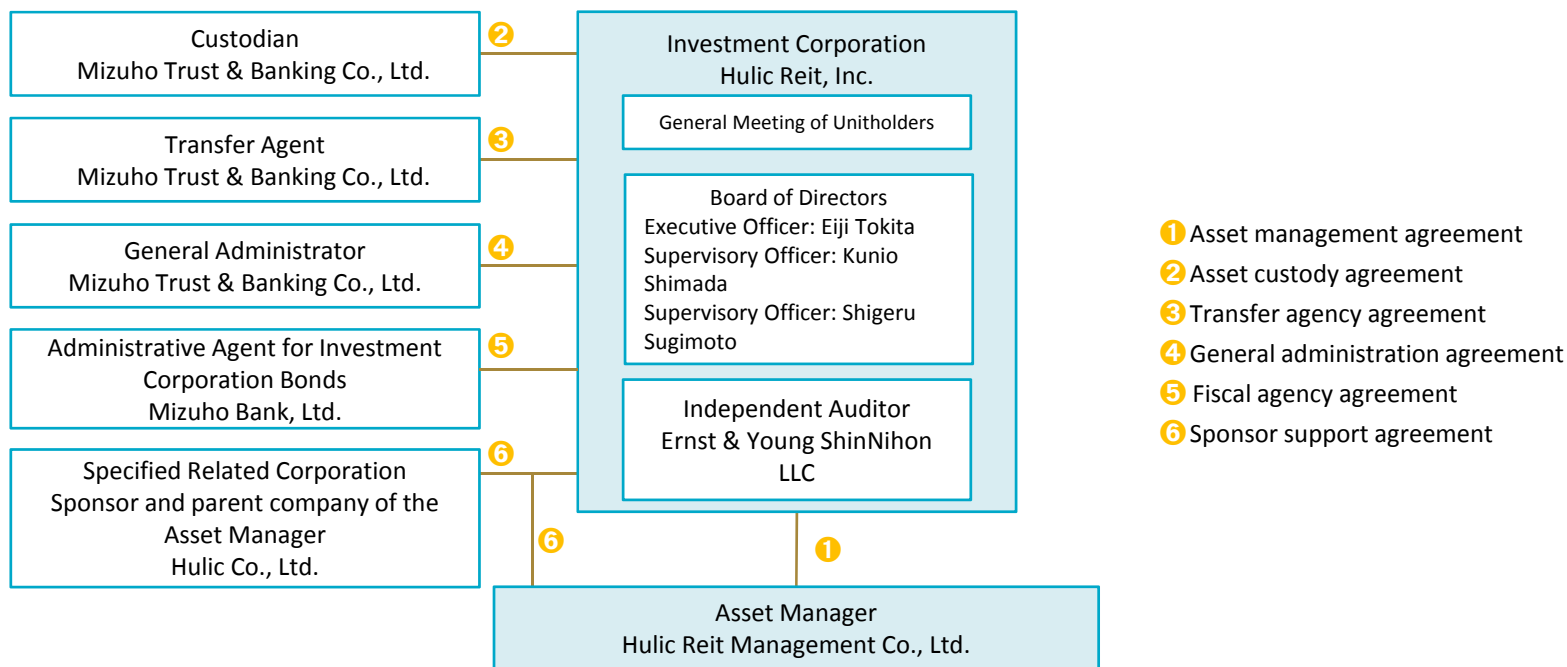
1 Align Unitholders' Interests with Those of Hulic Group

Same boat investment	<ol style="list-style-type: none"> Hulic holds approximately 11.5% 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. 21.7%) Hulic Kamiyacho Building (quasi-co-ownership interest of approx. 70.0%) Hulic Toranomon Building (quasi-co-ownership interest of approx. 70.0%) Sotetsu Fresa Inn Ginza 7 Chome (Land) (co-ownership interest of 50%)
Management fee system of the Asset Manager	<ol style="list-style-type: none"> Management fee I: The total value of assets at end of the immediately previous fiscal period \times 0.50% (maximum %) Management fee II: Cash distribution per investment unit (DPU) prior to deduction of management fee II \times operating income before deduction of management fee II \times 0.004% (maximum %) Acquisition fee: Acquisition price \times 1.0% (maximum %)* Transfer fee: Transfer price \times 1.0% (maximum %)* <p>* In case of a related-party transaction: Transfer price \times 0.5% (maximum %)</p>
Remuneration system for employees and officers of the Asset Manager	<ol style="list-style-type: none"> 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, Hulic Reit enacted its “Sustainability Policy” on March 2016.*¹

Sustainability Policy (Excerpt)	
Compliance and Risk Management	Laws and regulations will be respected Sustainability to be considered by assessment of risks to natural environment, risks posed by harmful substances
Prevention of Global Warming	Improvement of energy efficiency Promotion of CO ₂ emission reduction
Recycling-Oriented Society	Promotion of the three Rs: Reduce, reuse, and recycle
Environmental Management System	Continual improvement in energy savings and CO ₂ emission reductions
Collaboration with Stakeholders	Improvement of coordination with stakeholders through dialog Contribution to sustainable development of local communities

2 Improvement of Energy Efficiency

- An air-conditioning upgrade now underway will lead to greater efficiency

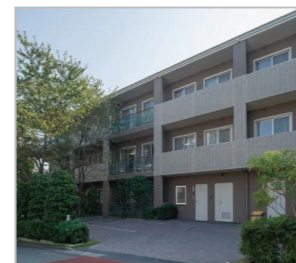
Expected electricity use reduction*²

Hulic Kandabashi Building



Approx. 41 %

Trust Garden Sakurashinmachi



Approx. 31 %

3 Participation in GRESB Assessment

- In FY2016, first participation in GRESB assessment



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

4 Assets Awarded Environmental Certifications

- Top 5-star rank obtained in FY2015 DBJ Green Building certification



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
- Emergency supply warehouse in place

Hulic Toranomom Building



- Main environmental capabilities—
- Natural ventilation system
- Natural lighting equipment
- Reuse of rainwater
- Rooftop greening
- Emergency generator supplies
- Minato-ku emergency supply warehouse

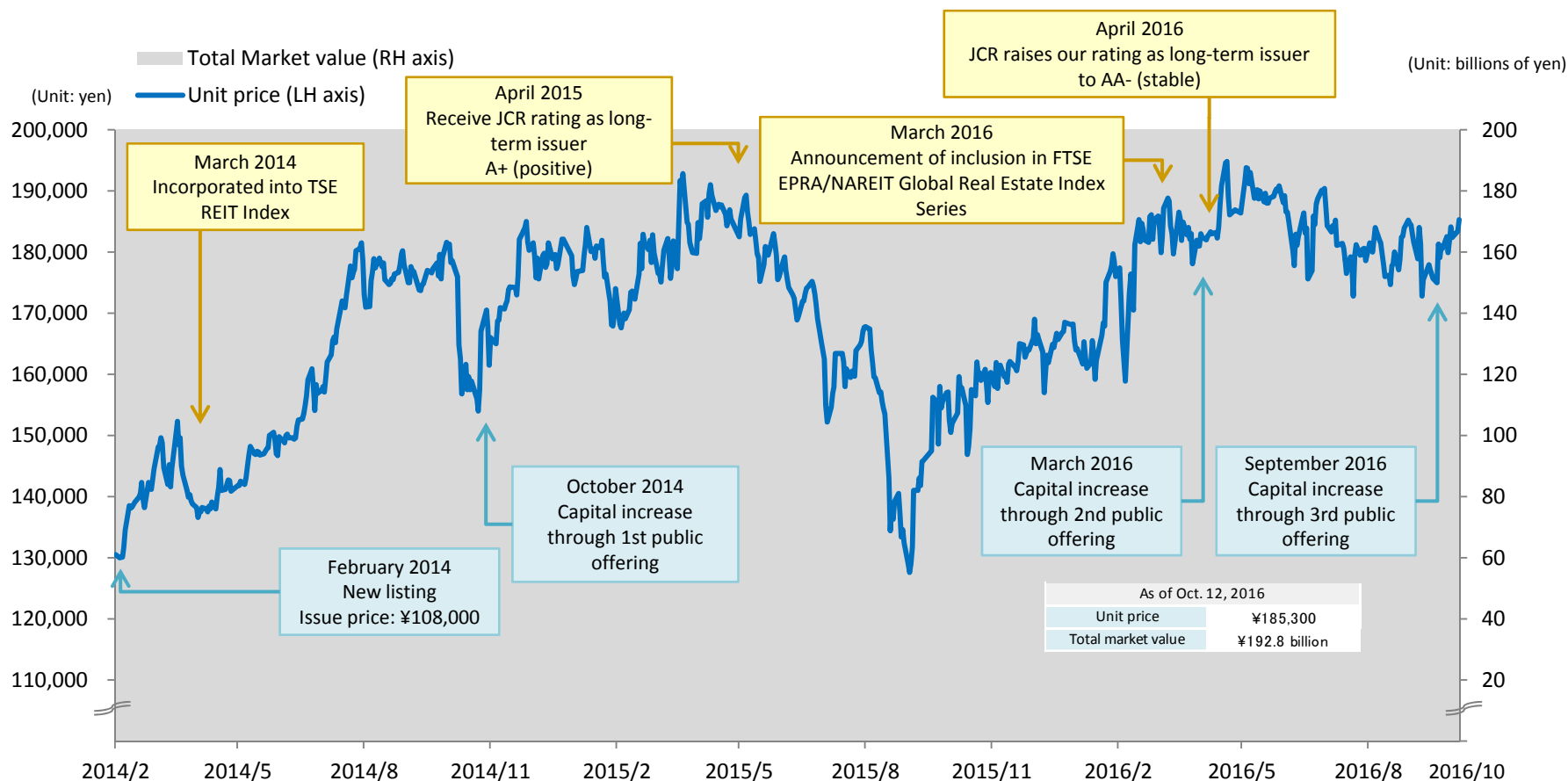
*¹ Enacted by the Asset Manager

*² Ratios calculated by asset management company based on manufacturer's catalogue.

1 Price since Listing

- Public offerings carried out in two consecutive fiscal periods (Mar. 2016 and Sep. 2016)
- Hulic Reit units are included in the FTSE EPRA/NAREIT Global Real Estate Index Series (Mar. 2016)
- JCR raised Hulic Reit's rating as long-term issuer to AA- (Apr. 2016)

We aim to further increase total market value and improve liquidity



* Source: The asset management company, based on publicly disclosed information.

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