

**Financial Results Briefing
for 7th Fiscal Period**
(Fiscal Period Ended August 31, 2017)

November 20, 2017



HULIC REIT, INC.

Securities code 3295



I. Financial Highlights

1. Financial Highlights	4
2. Summary of 4th Public Offering	5

II. Asset Management Results

1. Portfolio Summary	7
2. Distribution and NAV	9
3. Results of External Growth	10
4. Results of Internal Growth	13
5. Financial Condition	14

III. Summary of Financial Results and Earnings Forecasts

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

IV. Future Strategy

1. Strategy Framework	22
2. External Growth Strategy	23
3. Sponsor-developed Projects	24
4. Internal Growth Strategy	25

V. Appendix

1. Statements of Income	27
2. Balance Sheets	30
3. Newly Acquired Properties in 7th Fiscal Period	31
4. Newly Acquired Properties in 8th Fiscal Period	33
5. Overview of Transfer of Leaf Minatomirai (Land)	36
6. List of Portfolio Properties at the End of the 7th Fiscal Period	37
7. Status of Appraisal Values by Property	49
8. List of Appraisal Values by Property (Period-on-Period Comparison)	50
9. Financial Condition	51
10. Main Tenants (End of 7th Fiscal Period (August 31, 2017))	52
11. Breakdown of Unitholders	53
12. Hulic Reit's Basic Missions and Portfolio Composition Policy	54
13. Focused Investment in Tokyo Commercial Properties	55
14. Investments in Next-Generation Assets	56
15. Key Achievements and Plans of the Hulic Group	57
16. Collaboration with the Hulic Group	60
17. Sustainability Initiatives	61
18. Structure of Hulic Reit	62
19. Unit Price and Total Market Value	63



I. Financial Highlights

External Growth

- ✓ Assets steadily grew due to public offerings

End of 6th fiscal period (Feb. 28, 2017)	37 properties	¥231.3 billion
Properties acquired in 7th fiscal period	6 properties	¥18.4 billion
End of 7th fiscal period (Aug. 31, 2017)	43 properties	¥249.7 billion
Properties acquired in 8th fiscal period	3 properties* ¹	¥15.3 billion
Assets planned for transfer	▲ 1 property* ²	▲ ¥6.4 billion* ²
After capital increase through 4th public offering (scheduled for December 31, 2017)	45 properties	¥258.5 billion

Internal Growth

- ✓ Portfolio occupancy rate of 99.3% as of the end of the 7th fiscal period (98.8% for Tokyo Commercial Properties)
- ✓ Steady upward revisions in office rents achieved

Upward revisions in rents	
Based on the number of deals* ³	Approximately 21%
Leased area basis* ³	Approximately 20%
Rate of increase	Approximately 5%
Renewal with decrease	
None	

Financial Strategy

- ✓ Rating as long-term issuer from JCR of AA- (stable)
- ✓ Promoted shift to long-term and fixed interest-bearing debt
- ✓ Approximate LTV*⁴ after a capital increase through the 4th public offering is 42.0%, acquisition capacity*⁴ (before LTV*⁴ reaches 45%) is approximately ¥15.2 billion

	End of 6th fiscal period (Feb. 28, 2017)	End of 7th fiscal period (Aug. 31, 2017)
Total interest-bearing debt	¥97,460 million	¥115,850 million
Fixed-interest debt ratio	95.9%	96.6%
Average interest rate	0.70%	0.69%
Average period remaining to maturity	4.9 years	4.9 years
LTV* ⁴	39.8%	43.8%

Enhancing unitholder value

Achieved steady increase in cash distribution per unit (DPU)

	6th fiscal period (Feb. 2017)	7th fiscal period (Aug. 2017)	8th fiscal period (Feb. 2018)	9th fiscal period (Aug. 2018)
Projections	¥3,220	¥3,300	¥3,740	¥3,500
Results	¥3,304	¥3,378	-	-

Continual growth also achieved for NAV per unit

	End of 6th fiscal period (Feb. 28, 2017)	End of 7th fiscal period (Aug. 31, 2017)
Results	¥156,886	¥160,194

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

*1 Includes additionally acquired properties.

*2 A transfer in three stages is scheduled for assets planned for transfer, the first transfer portion (55% of quasi-co-ownership interest) is stated here.

*3 Refers to the share of increases among office renewals overall in the 7th fiscal period.

*4 The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets. Note that for the LTV, property acquisition capacity, etc. from the 8th fiscal period, the contents contained in the securities report submitted October 13, 2017 are stated (the same shall apply hereinafter).

Overview and main points of the 4th public offering

Offering format	Public offering (domestic)
Units outstanding before this offering	1,045,000
Units offered	Total: 65,000 (Public offering: 61,800, 3rd party allotment: 3,200)
Issuance resolution date/decision date for conditions, etc.	October 13, 2017/October 24, 2017
Payment date	October 31, 2017 (3rd party allotment: November 20)
Issue price (offer price)	153,757 yen
Payment amount (issue value)	148,710 yen
Total payment amount (issue value)	9,666,150,000 yen
Demand rate	19.17 times (General investors: 20.31 times, institutional investors: 18.23 times)

[Main points of public offerings]

- Five of the ten properties acquired following the previous public offering are newly constructed (or properties for which one year has elapsed since construction), and they have contributed to improvements in the quality of the portfolio and average age of buildings.
- The transfer of assets planned for transfer (Leaf Minatomirai (land)) will result in unrealized gains and contribute to cash distribution per unit for the 8th fiscal period to the 10th fiscal period.
- As a result of the above, LTV will decrease to the 42.0% level (40.5% after all assets planned for transfer are sold off), and the capacity for acquisition before LTV reaches 45% will expand to ¥15.2 billion (¥21.9 billion after all assets planned for transfer are sold off)

Overview of properties acquired following the previous public offering

Acquisition period	Property name		Classification*1	Acquisition route	Use	Location	Completion of construction	Acquisition price (Millions of yen)	Appraisal value*2 (Millions of yen)	NOI yield*3	
6th fiscal period	Hulic Todoroki Building		TCP	Sponsor-owned	Retail	Setagaya Ward, Tokyo	Aug. 1990	1,200	1,220	5.4%	
7th fiscal period	Hulic Shibuya 1 Chome Building				Independent route	Office	Shibuya Ward, Tokyo	Aug. 1993	5,100	5,170	4.1%
	Hulic Higashi Nihonbashi Building					Office	Chuo Ward, Tokyo	Nov. 1996	3,480	3,510	4.6%
	Hulic Jimbocho Building			Sponsor-developed	Office	Chiyoda Ward, Tokyo	Sep. 1989	1,460	1,480	4.3%	
	Hulic Omori Building				Retail	Shinagawa Ward, Tokyo	Jan. 2017	3,420	3,480	4.7%	
	8th fiscal period	Newly Acquired Properties *4			HULIC &New SHIBUYA		Retail	Shibuya Ward, Tokyo	Apr. 2017	3,150	3,190
SOMPO Care La vie Re Kita-Kamakura				Private nursing home	Kamakura City, Kanagawa	Mar. 2009	1,780	1,800	5.7%		
HULIC &New SHINBASHI			Retail	Minato Ward, Tokyo	Apr. 2017	3,100	3,150	3.9%			
Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition)			Hotel	Chuo Ward, Tokyo	Aug. 2016	7,150	7,160	3.8%			
		Sotetsu Fresa Inn Tokyo-Roppongi		Hotel	Minato Ward, Tokyo	Aug. 2017	5,000	5,050	4.0%		
Total								34,840	35,210	4.2%	

*1 Tokyo Commercial Properties stated as "TCP" and Next-Generation Assets stated as "NGA".

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

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

*4 Properties that it was decided to acquire after the release of the previous financial results briefing materials are hereinafter individually and collectively referred to as "Newly Acquired Properties".



II. Asset Management Results

Total Assets and LTV since Stock Market Listing

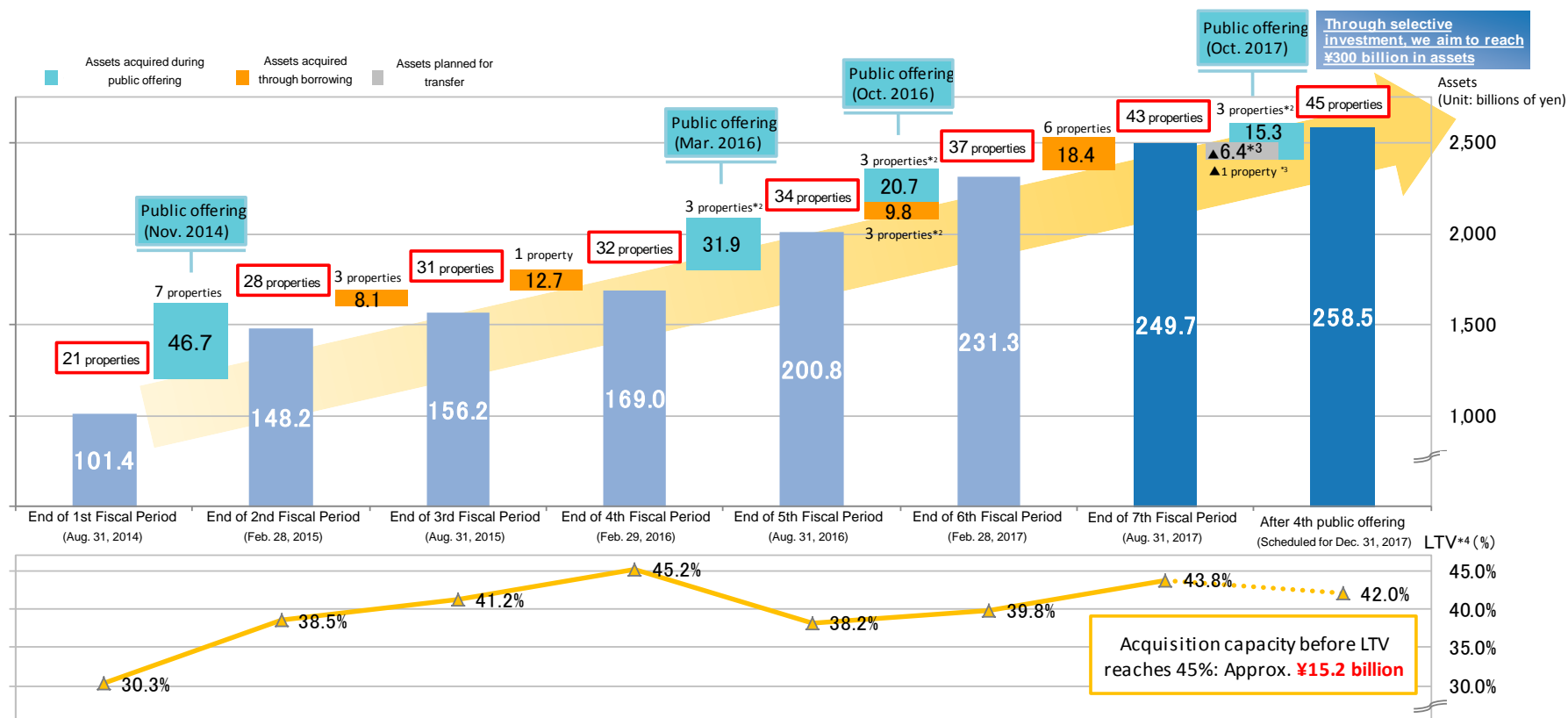
- Due to property acquisition from a capital increase through the 4th public offering at the beginning of the 8th fiscal period (Oct. 2017), etc., assets have grown steadily with appropriate LTV control

Total assets **45** properties **¥258.5** billion

Avg. NOI yield **4.6%^{*1}** Avg. NOI yield after depreciation **3.9%^{*1}**

Tokyo Commercial Properties **29** properties **¥203.8** billion (78.8%)

Next-Generation Assets **16** properties **¥54.7** billion (21.2%)



^{*1} NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (at time of acquisition for assets acquired in the 8th fiscal period), rounded to the 1st decimal place).

^{*2} Includes additionally acquired properties.

^{*3} A transfer in three parts is scheduled for assets planned for transfer, the first transfer portion (55% of quasi-co-ownership interest) is stated here.

^{*4} The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets. The LTV after a capital increase through the 4th public offering is an estimate assuming the repayment of interest-bearing debt with the funds from the assets planned for transfer.

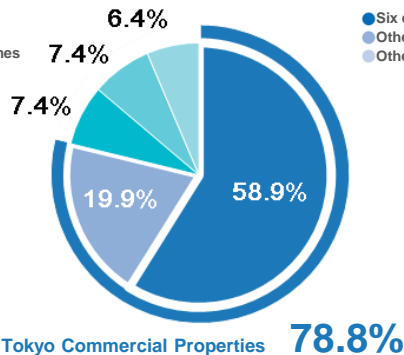
Key benchmarks for the portfolio

		End of 6th fiscal period (Feb. 28, 2017)	Properties acquired in 7th fiscal period	End of 7th fiscal period (Aug. 31, 2017)	Properties acquired in 8th fiscal period ^(*)	Assets planned for transfer ^(*)	After 4th public offering (scheduled for Dec. 31, 2017)
No. of properties	Portfolio overall	37 properties	6 properties	43 properties	3 properties	1 property	45 properties
	Tokyo Commercial Properties	23 properties	5 properties	28 properties	1 property	1 property	29 properties
	Next-Generation Assets	14 properties	1 property	15 properties	2 properties		16 properties
Average NOI yield ^(*)		4.6%	4.4%	4.6%	3.9%	4.3%	4.6%
Average NOI yield after depreciation ^(*)		4.1%	3.6%	4.0%	3.1%	4.3%	3.9%
Total assets	Portfolio overall	¥231.3 billion	¥18.4 billion	¥249.7 billion	¥15.3 billion	¥6.4 billion	¥258.5 billion
	Tokyo Commercial Properties	82.4%	90.3%	83.0%	20.3%	100.0%	78.8%
	Next-Generation Assets	17.6%	9.7%	17.0%	79.7%		21.2%
NAV per unit		¥156,886		¥160,194			

Portfolio overall ^(*)

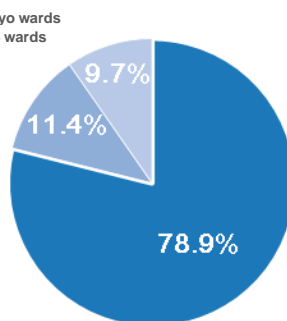
By usage

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



By area

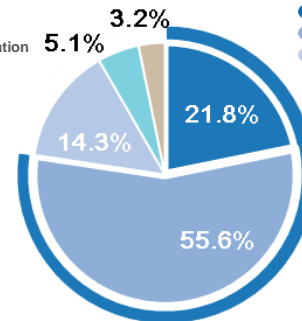
- Six central Tokyo wards
- Other Tokyo 23 wards
- Others



Tokyo Commercial Properties ^(*)

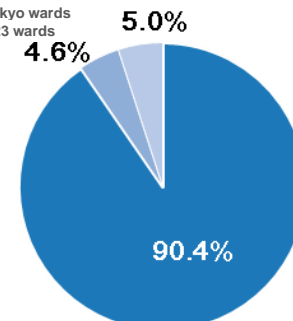
By walking distance from nearest station

- 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



Within 1 min. **77.4%**

^{*}1 Includes additionally acquired properties.

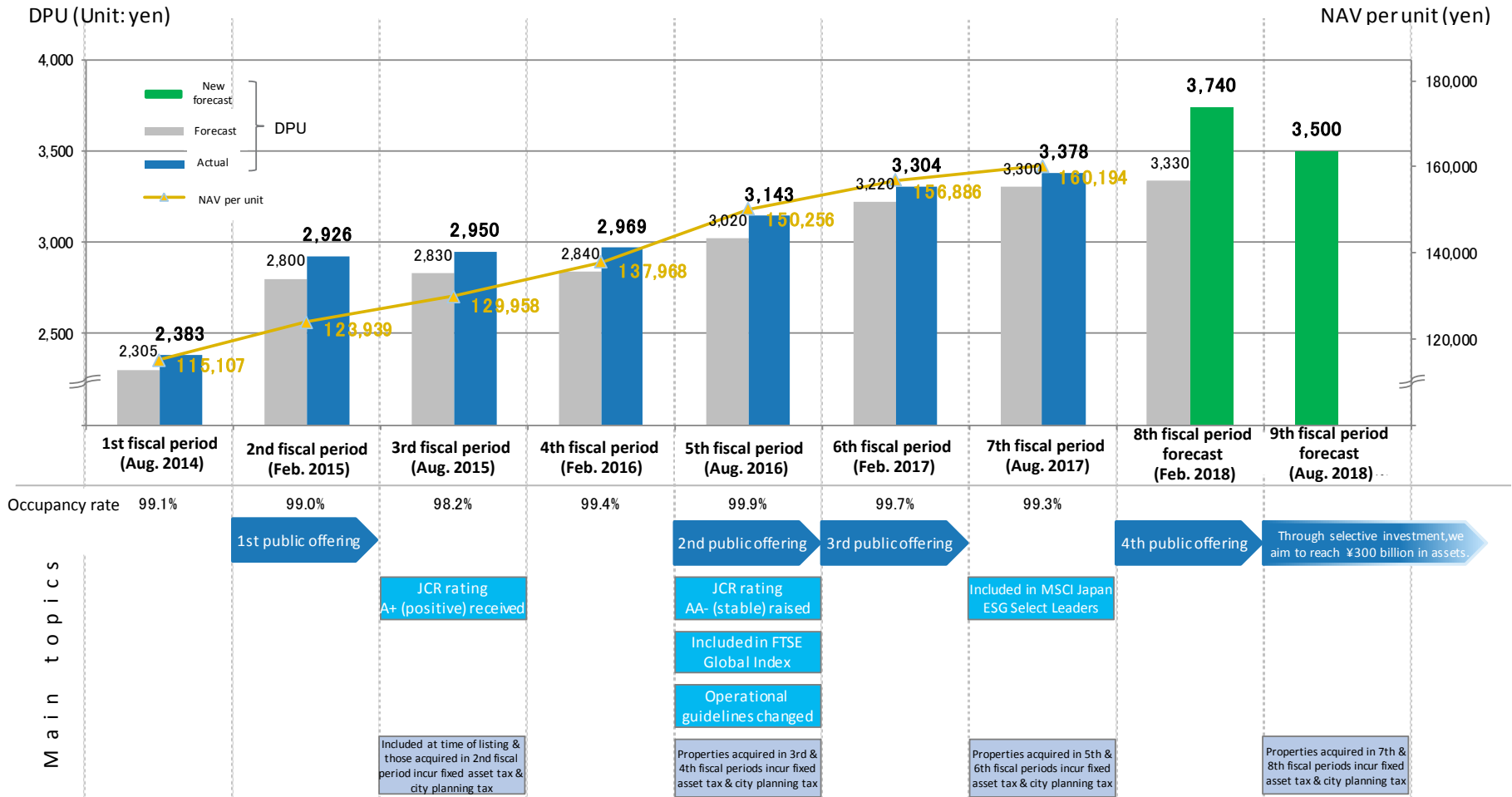
^{*}2 A transfer in three stages is scheduled for assets planned for transfer, the first transfer portion (55% of quasi-co-ownership interest) is stated here.

^{*}3 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of each period (at time of acquisition for assets acquired in the 8th fiscal period), rounded to the 1st decimal place).

^{*}4 Shares shown in each graph are based on acquisition price of each property after a capital increase through the 4th public offering (scheduled for December 31, 2017).

Steady growth of distribution and NAV per unit

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



Properties acquired in 7th fiscal period



Acquisition date	March 31, 2017		April 28, 2017
Acquired from	Sponsor (Hulic)		Arai & Co. Ltd.
Use	Office		
Property name	Hulic Shibuya 1 Chome Building	Hulic Higashi Nihonbashi Building	Hulic Jimbocho Building
Photograph of property			
Location	Shibuya, Shibuya Ward, Tokyo	Higashi Nihonbashi, Chuo Ward, Tokyo	Kanda Jimbocho, Chiyoda Ward, Tokyo
Nearest station	5-minute walk from Shibuya Station, Tokyu Toyoko Line, etc.	2-minute walk from Higashi Nihonbashi Station, Toei Asakusa Line	2-minute walk from Jimbocho Station, Tokyo Metro Hanzomon Line, etc.
Acquisition price	¥5,100 million	¥3,480 million	¥1,460 million
Appraisal NOI yield (*1)	4.1%	4.6%	4.3%
Completion of construction	August 1993	November 1996	September 1989
Construction	S/SRC/RC, B2/7F	S/SRC, B1/9F	SRC/S, B1/8F
Total leasable area (*2)	2,817.65 m ²	3,681.20 m ²	1,561.38 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%

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

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

*3 The figures are at the end of the 7th fiscal period (Aug. 31, 2017).

Properties acquired in 7th fiscal period




Acquisition date	March 31, 2017	June 30, 2017	
Acquired from	Sponsor (Hulic)		
Use	Retail property		Private nursing home
Property name	Hulic Omori Building	HULIC &New SHIBUYA	SOMPO Care La vie Re Kita-Kamakura
Photograph of property			
Location	Minami Oi, Shinagawa Ward, Tokyo	Udagawacho, Shibuya Ward, Tokyo	Ofuna, Kamakura City, Kanagawa Prefecture
Nearest station	2-minute walk from Omori Station, JR Keihin-Tohoku Line	5-minute walk from Shibuya Station, JR Yamanote Line, etc.	Approximately 1.3 km from Kita-Kamakura Station, JR Yokosuka Line
Acquisition price	¥3,420 million	¥3,150 million	¥1,780 million
Appraisal NOI yield (*1)	4.7%	3.4%	5.7%
Completion of construction	January 2017	April 2017	March 2009
Construction	S, 9F	S, B2/10F	RC, 3F
Total leasable area (*2)	2,666.52 m ²	898.60 m ² (equivalent to 50% equity)	4,912.60 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%

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

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

*3 The figures are at the end of the 7th fiscal period (Aug. 31, 2017).

Properties acquired in 8th fiscal period

Acquisition date	November 1, 2017		
Acquired from	Sponsor (Hulic)		
Use	Retail property	Hotel	
Property name	HULIC &New SHINBASHI	Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition)	Sotetsu Fresa Inn Tokyo-Roppongi
Photograph of property			
Location	Shinbashi, Minato Ward, Tokyo	Ginza, Chuo Ward, Tokyo	Roppongi, Minato Ward, Tokyo
Nearest station	3-minute walk from Uchisaiwaicho Station, Toei Mita Line	5-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc.	1-minute walk from Roppongi Station, Tokyo Metro Hibiya Line, etc.
Acquisition price	¥3,100 million	¥7,150 million	¥5,000 million
Appraisal NOI yield (*1)	3.9%	3.8%	4.0%
Completion of construction	April 2017	August 2016	August 2017
Structures and construction	S/RC, B1/10F	S, 13F	S/SRC, B1/11F
Total leasable area (*2)	1,725.35 m ²	6,984.32 m ²	2,408.45 m ² (equivalent to 50% equity)
Occupancy rate (*3)	100.0%	100.0%	100.0%

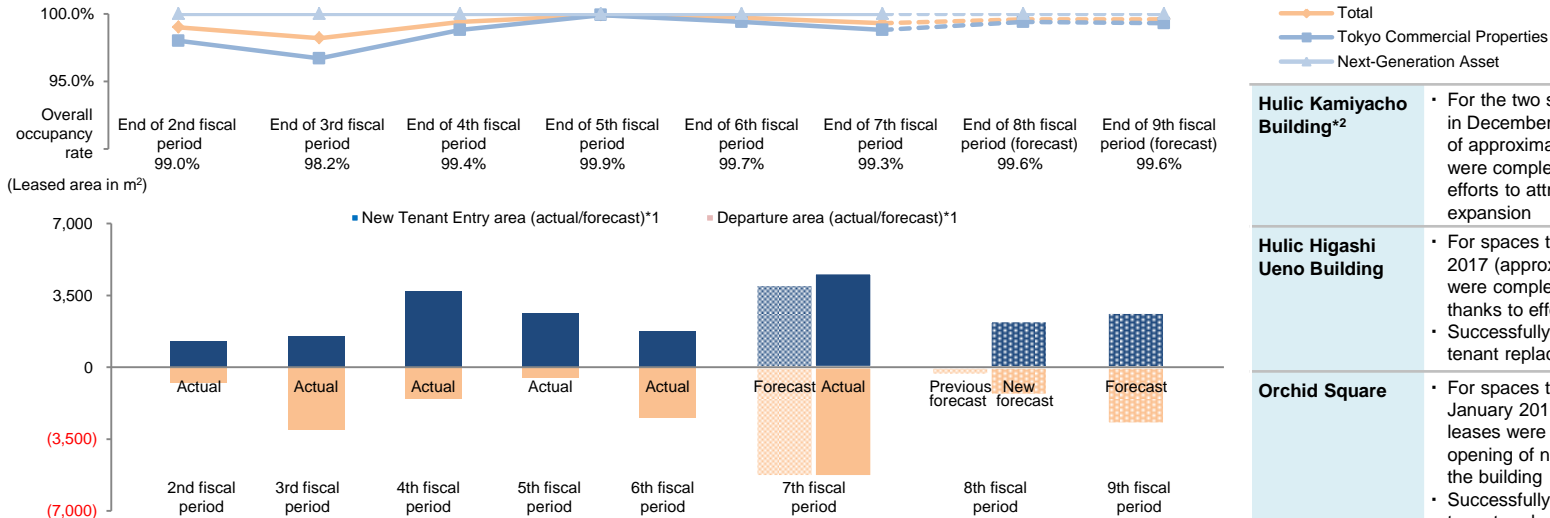
*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the time of acquisition rounded to the 1st decimal place.)

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

*3 The figures are at the time of acquisition.

Occupancy rates and new tenant entry and departure totals at fiscal period end (Tokyo Commercial Properties)

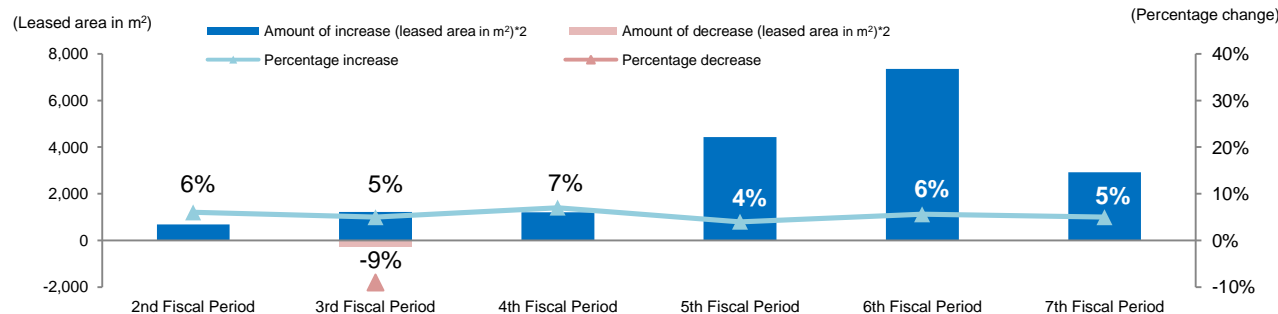
- Portfolio occupancy rate was 99.3% at the end of the 7th fiscal period; maintained high rate since becoming listed



Hulic Kamiyacho Building*2	<ul style="list-style-type: none"> For the two spaces that were vacated in December 2016 and April 2017 (total of approximately 1,130 m²), leases were completed thanks to renewal work, efforts to attract tenants, and area expansion
Hulic Higashi Ueno Building	<ul style="list-style-type: none"> For spaces that were vacated in July 2017 (approximately 440 m²), leases were completed without any downtime thanks to efforts to attract tenants Successfully increased rent through tenant replacement
Orchid Square	<ul style="list-style-type: none"> For spaces that were vacated in January 2017 (approximately 120 m²) leases were completed thanks to the opening of new stores by tenants of the building Successfully increased rent through tenant replacement

Office rents renewals

- In the 7th fiscal period (Aug. 2017), office rents were increased for approximately 2,920 m², and the percentage increase was an average of approximately 5%. For retail properties as well (including retail areas of offices), rents were increased for approximately 450 m² (average percentage increase of approximately 4%), as rent increases were achieved for a total of approximately 3,370 m² (average percentage increase of approximately 5%) combined with offices.

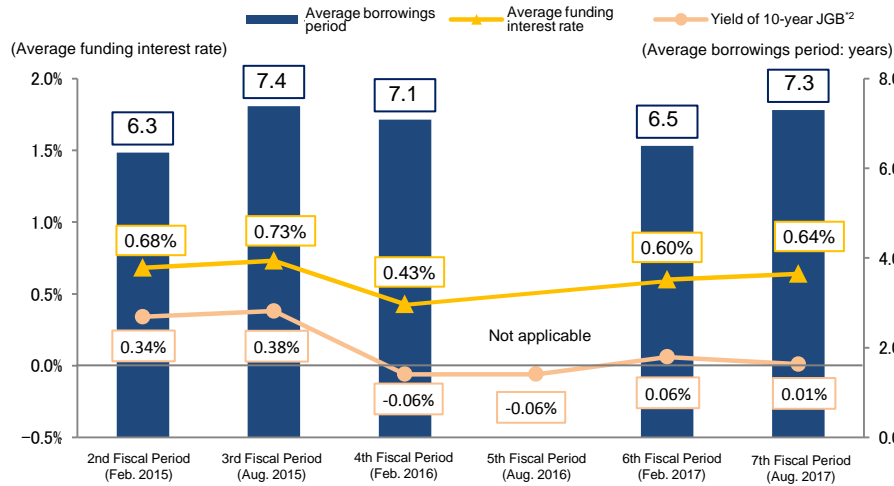


*1 The forecast for new tenant entry and departure areas includes assets held in the end of the 7th fiscal period (August 31, 2017).

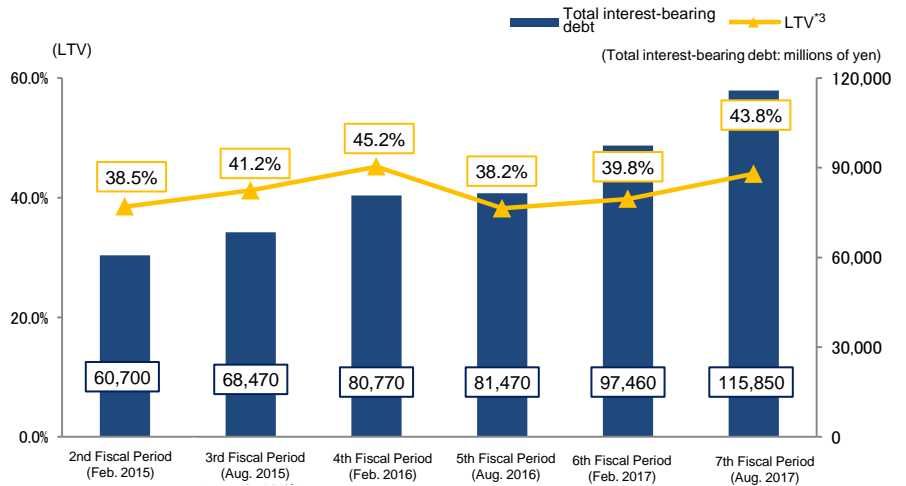
*2 Figures for the leased areas of co-owned properties reflect Hulic Reit's percentage ownership.

Maintain stable and sound financial management

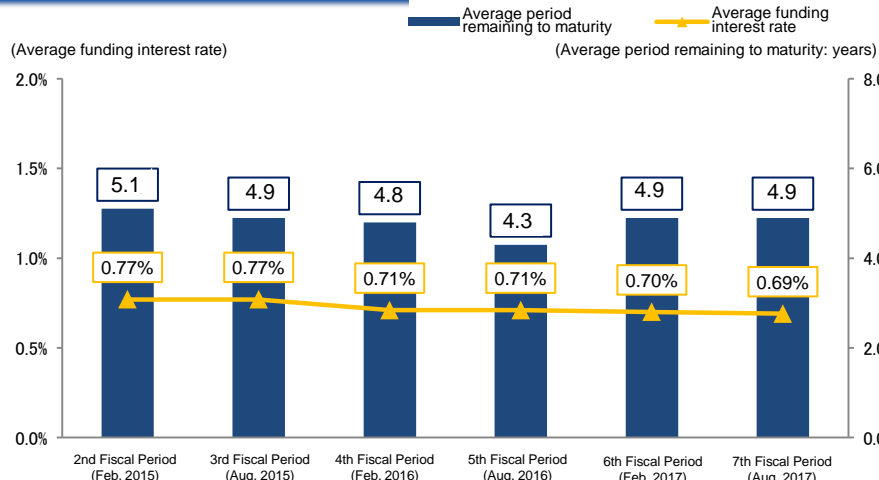
New fund procurement results*1



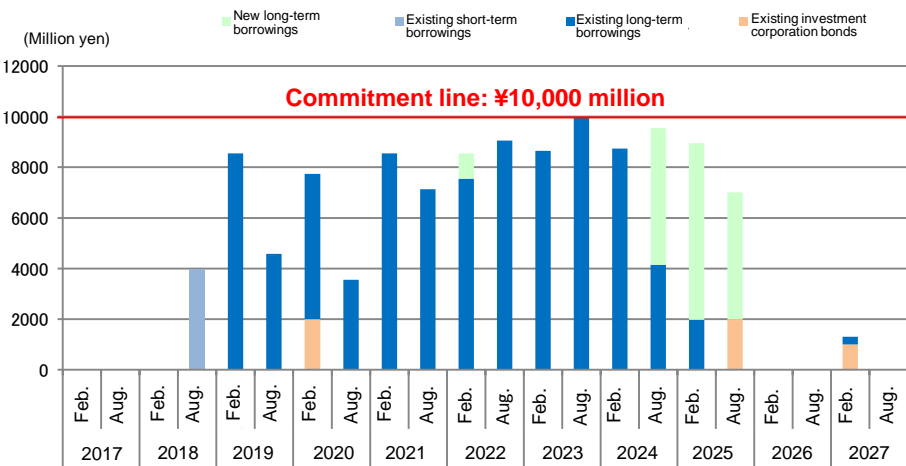
LTV/ Total interest-bearing debt



Fiscal period end borrowings



Diversification of repayment states at 7th Fiscal Period (Aug. 2017)



*1 Excludes short-term borrowings.

*2 Outlook prepared by the asset manager based on information from information vendors.

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



III. Summary of Financial Results and Earnings Forecasts

7th fiscal period results compared to 6th period results and 7th period forecast

- With the contribution from properties acquired at the beginning of the 7th fiscal period, 7th fiscal period total real estate lease business revenues rose ¥413 million (+6.2%) from 6th fiscal period
 - Thanks to the contribution from two properties acquired in June 2017, 7th fiscal period profit came in ¥80 million (+2.3%) above forecast
- [7th fiscal period results compared to 6th period results and 7th period forecast]

(Unit: millions of yen)

	6th Fiscal Period	7th Fiscal Period			
	Results	Forecast	Results	Compared with Forecast	Compared with 6th Fiscal Period
Real estate lease business revenues	6,685	7,025	7,098	+73	+413
Expenses related to real estate lease business	(2,024)	(2,276)	(2,243)	+33	(218)
Income from real estate lease business	4,661	4,749	4,855	+106	+194
Operating income	3,896	3,925	4,021	+95	+125
Ordinary income	3,453	3,450	3,530	+80	+77
Profit	3,452	3,449	3,529	+80	+77
Cash distribution per unit (yen)	¥3,304	¥3,300	¥3,378	+¥78	+¥74

[Fluctuation factors]

(Unit: millions of yen)

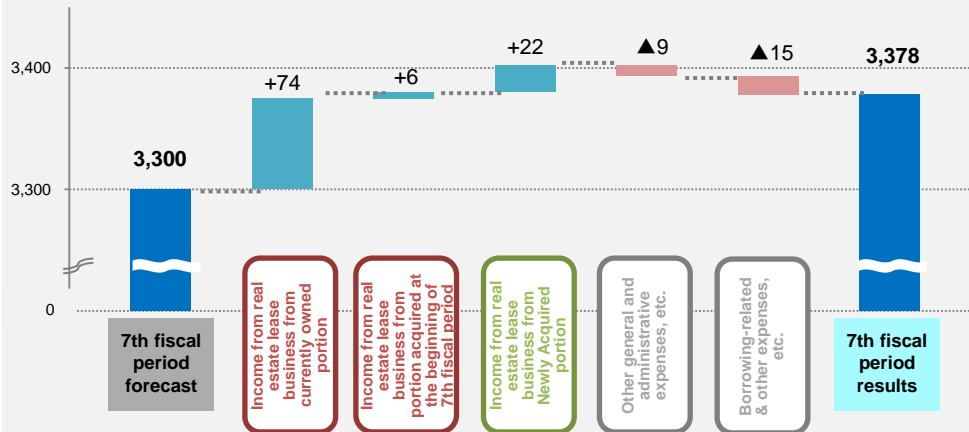
	Differences between 6th and 7th fiscal period results	Main Factors
Income from real estate lease business	+194	
Currently owned portion	(43)	Full fiscal period contribution from 3rd public offering acquisition +71 Tenant departure (41) Expensing fixed asset tax & city planning taxes (84)
Portion acquired at the beginning of 7th fiscal period	+215	Real estate lease business revenues +310
Newly Acquired portion	+22	Real estate lease business revenues +42
Operating income	+125	Asset management fee (60) Other (9)
Ordinary income	+77	Interest expenses, etc. (46) Amortization of investment corporation bond issuance costs (2)

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

[Differences between 7th fiscal period forecast and results]

[Cash distribution per unit]

(Unit: yen)



[Fluctuation factors]

(Unit: millions of yen)

	Differences between 7th fiscal period forecast and results	Main Factors
Income from real estate lease business	+106	
Currently owned portion	+77	Sola City facility use fees, etc. +10 Repair expenses +11 Improvements 4titles revenues / expenses +12 Leasing-related costs +17
Portion acquired at the beginning of 7th fiscal period	+5	
Newly Acquired portion	+22	Real estate lease business revenues +42
Operating income	+95	Asset management fee (25) Other +15
Ordinary income	+80	Interest expenses, etc. (16)

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

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

* Currently owned portions are 36 properties held at the end of the 6th fiscal period (excluding HULIC Todoroki Building); portions acquired at the beginning of 7th fiscal period are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, HULIC Jimbocho Building, and HULIC Omori Building; and Newly Acquired portion are HULIC &New SHIBUYA, SOMPO Care La vie Re Kita-Kamakura, HULIC &New SHINBASHI, Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition), and Sotetsu Fresa Tokyo-Roppongi.

8th fiscal period earnings new forecast compared to 7th period results and 8th period previous forecast

- Due to the contribution of three properties acquired through the 4th public offering and gains on sales of Leaf Minatomirai (land), 8th fiscal period real estate lease business revenues are expected to rise by ¥1,006 million (+14.2%) compared to the 7th fiscal period results
- Contributions from Newly Acquired portion and the above gains on sales are expected to raise profit by ¥672 million (+19.3%) compared to the previous 8th period forecast

[8th fiscal period new forecast compared to 7th fiscal period results and 8th fiscal period previous forecast]

(Unit: millions of yen)

	7th Fiscal Period	8th Fiscal Period Forecast			
	Results	Previous Forecast	New Forecast	Compared with Previous Forecast	Compared with 7th Fiscal Period
Real estate lease business revenues	7,098	7,113	8,105	+991	+1,006
Expenses related to real estate lease business	(2,243)	(2,290)	(2,387)	(96)	(143)
Income from real estate lease business	4,855	4,823	5,718	+894	+862
Operating income	4,021	3,982	4,675	+693	+653
Ordinary income	3,530	3,481	4,153	+672	+622
Profit	3,529	3,480	4,152	+672	+622
Cash distribution per unit (yen)	¥3,378	¥3,330	¥3,740	+¥410	¥362

[Differences between 7th fiscal period results and 8th fiscal period new forecast]

[Fluctuation factors]

(Unit: millions of yen)

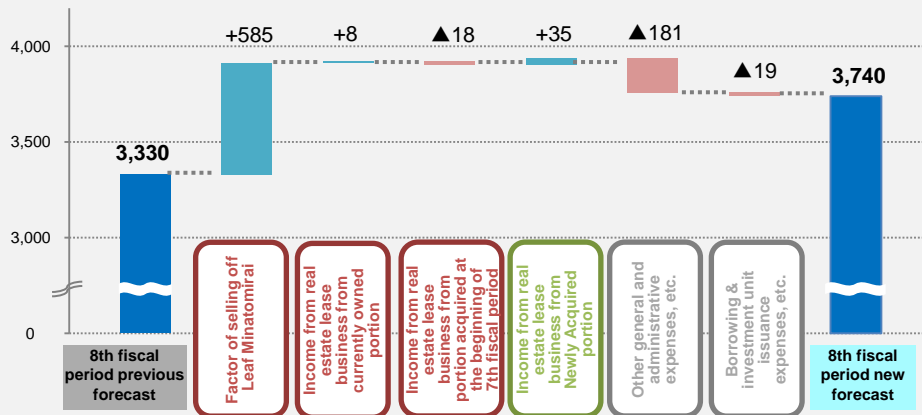
	Differences between 7th fiscal period results and 8th fiscal period new forecast	Main Factors
Income from real estate lease business	+862	
Currently owned portion	+565	Factor of selling off Leaf Minatomirai +650 Tenant departure (36) Repair expenses (37) Leasing-related costs (18)
Portion acquired at the beginning of 7th fiscal period	+63	Full fiscal period contribution to revenues +73 Leasing-related costs (6)
Newly Acquired portion	+233	Real estate lease business revenues +363
Operating income	+653	Asset management fee (161) Other (48)
Ordinary income	+622	Interest expenses, etc. (22) Amortization of investment unit issuance costs (8)

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

[Differences between 8th fiscal period new and previous forecasts]

(Unit: yen)

[Cash distribution per unit]



[Fluctuation factors]

(Unit: millions of yen)

	Differences between 8th fiscal period new and previous forecasts	Main Factors
Income from real estate lease business	+894	
Currently owned portion	+658	Factor of selling off Leaf Minatomirai +650 Tenant entry+30 Improvements in revenues of utilities expenses +5 Leasing-related costs (32)
Portion acquired at the beginning of 7th fiscal period	(19)	Tenant departure (12) Leasing-related costs (6)
Newly Acquired portion	+256	Real estate lease business revenues +405
Operating income	+693	Asset management fee (166) Other (36)
Ordinary income	+672	Interest expenses, etc. (13) Amortization of investment unit issuance costs (8)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 8th fiscal period previous forecast; figures indicated as + denote decreases in expenses from 8th fiscal period previous forecast.

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

* Currently owned portions are 36 properties held at the end of the 6th fiscal period (excluding HULIC Todoroki Building); portions acquired at the beginning of 7th fiscal period are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, HULIC Jimbocho Building, and HULIC Omori Building; and Newly Acquired portion are HULIC &New SHIBUYA, SOMPO Care La vie Re Kita-Kamakura, HULIC &New SHINBASHI, Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition), and Sotetsu Fresa Tokyo-Roppongi.

9th fiscal period earnings forecast compared to 8th period forecast

- While rent revenues are expected to increase due to factors including the full fiscal period contribution of Newly Acquired portions and hotel rent fluctuations, as a result of a decrease on gains on sales, 9th fiscal period real estate lease business revenues are forecast to fall by ¥320 million (-3.9%) compared to the 8th fiscal period forecast
- Profit is also forecast to decrease by ¥267 million (-6.4%) compared to the 8th fiscal period forecast as a result of a decrease on gains on sales and the expensing of fixed asset tax & city planning tax on properties acquired during the 7th fiscal period and the 8th fiscal period.

[Comparison of 8th and 9th fiscal period forecasts]

(Unit: millions of yen)

	8th Fiscal Period	9th Fiscal Period	
	Forecast	Forecast	Compared with 8th Fiscal Period
Real estate lease business revenues	8,105	7,784	(320)
Expenses related to real estate lease business	(2,387)	(2,408)	(21)
Income from real estate lease business	5,718	5,375	(342)
Operating income	4,675	4,414	(261)
Ordinary income	4,153	3,886	(267)
Profit	4,152	3,885	(267)
Cash distribution per unit (yen)	¥3,740	¥3,500	¥(240)

[Differences between 8th and 9th fiscal period forecasts]

[Fluctuation factors]

(Unit: millions of yen)

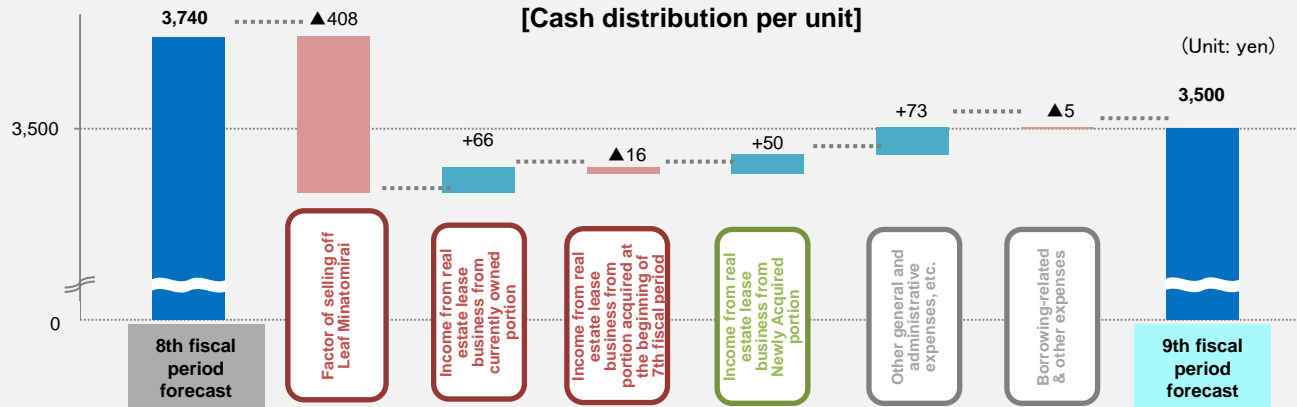
	Differences between 8th and 9th fiscal period forecasts	Main Factors
Income from real estate lease business	(342)	
	Currently owned portion (379)	Factor of selling off Leaf Minatomirai (453) Tenant entry +62 Repair expenses +52 Fixed asset tax & city planning taxes (24) Leasing-related costs +34
	Portion acquired at the beginning of 7th fiscal period (17)	Fixed asset tax & city planning taxes (28)
	Newly Acquired portion +54	Full fiscal period contribution to revenues, etc. +153 Fixed asset tax & city planning taxes (42)
Operating income	(261)	Asset management fee +62 Others +19
Ordinary income	(267)	Interest expenses, etc. (6)

Note: Expense items indicated in parentheses as negative denote increases in expenses from 8th fiscal period forecast; figures indicated as + denote decreases in expenses from 8th fiscal period forecast.

[Differences between 8th and 9th fiscal period forecasts]

[Cash distribution per unit]

(Unit: yen)



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

* Currently owned portions are 36 properties held at the end of the 6th fiscal period (excluding HULIC Todoroki Building); portions acquired at the beginning of 7th fiscal period are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, HULIC Jimbocho Building, and HULIC Omori Building; and Newly Acquired portion are HULIC & New SHIBUYA, SOMPO Care La vie Re Kita-Kamakura, HULIC & New SHINBASHI, Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition), and Sotetsu Fresa Tokyo-Roppongi.

End of the 7th fiscal period results (Compared to the end of the 6th period)

- With the contribution from six properties acquired with borrowings in March, April, and June 2017, total assets increased by approximately ¥19.7 billion from the end of the 6th fiscal period to approximately ¥264.7 billion
- At the end of the 7th fiscal period, interest-bearing debt totaled approximately ¥115.9 billion, up by approximately ¥18.4 billion from the end of the 6th fiscal period

(Unit: millions of yen*1)

	End of 6th Fiscal Period	End of 7th Fiscal Period	Compared with End of 6th Fiscal Period
Assets			
Current assets	12,141	13,526	1,385
Cash and deposits	11,871	13,476	1,605
Other	269	50	(219)
Noncurrent assets	232,683	251,034	18,350
Property, plant and equipment	223,526	241,739	18,213
Other	9,157	9,294	136
Deferred assets	117	96	(21)
Total assets	244,942	264,657	19,714
Liabilities			
Current liabilities	6,026	6,614	588
Short-term loans payable	3,960	3,960	0
Current portion of long-term loans payable	0	0	0
Other	2,066	2,654	588
Noncurrent liabilities	103,412	122,461	19,049
Investment corporation bonds	5,000	5,000	0
Long-term loans payable	88,500	106,890	18,390
Tenant leasehold and security deposits in trust	9,912	10,571	659
Total liabilities	109,438	129,076	19,637
Net assets			0
Unitholders' equity	135,504	135,581	77
Unitholders' capital	132,051	132,051	0
Surplus	3,452	3,530	77
Total net assets	135,504	135,581	77
Total liabilities and net assets	244,942	264,657	19,714

[Properties acquired in March and April 2017]

Hulic Shibuya 1 Chome Building
Hulic Higashi Nihonbashi Building
Hulic Jimbocho Building
Hulic Omori Building

[Properties acquired in June 2017]

HULIC & New SHIBUYA
SOMPO Care La vie Re Kita-Kamakura

Total of 6 properties, total acquisition price of
¥18.4 billion

LTV*2 at the end of the 7th fiscal period
was 43.8%

*1 Figures less than ¥1 million are truncated.

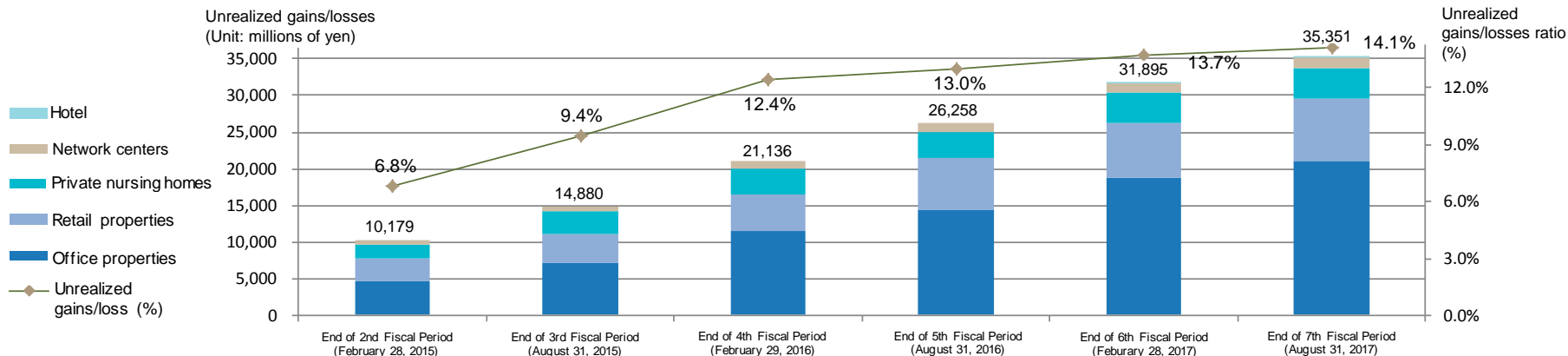
*2 The LTV (loan-to-value) ratio expresses the ratio of interest-bearing debt to total assets.

Comparison of appraisal and book values at the end of fiscal periods

- At the end of the 7th fiscal period (Aug. 31, 2017), unrealized gains were ¥35.35 billion (up ¥3.46 billion from the end of the previous period). Steady growth has continued since listing.
- At the end of the 7th fiscal period (Aug. 31, 2017), the unrealized gains/losses ratio was +14.1%

(Units: millions of yen)

		End of 4th Fiscal Period (February 29, 2016)		End of 5th Fiscal Period (August 31, 2016)		End of 6th Fiscal Period (February 28, 2017)		End of 7th Fiscal Period (August 31, 2017)	
			Appraisal value (Return yield)		Appraisal value (Return yield)		Appraisal value (Return yield)		Appraisal value (Return yield)
Office properties	No. of properties	14		14		14		17	
	Book value	104,208	115,670	120,741	135,130	142,535	161,375	152,472	173,455
	Unrealized gains/losses	+11,461	(3.8%)	+14,388	(3.7%)	+18,839	(3.6%)	+20,982	(3.6%)
Retail properties	No. of properties	6		8		9		11	
	Book value	32,022	36,950	47,260	54,260	48,418	55,880	54,976	63,650
	Unrealized gains/losses	+4,927	(4.3%)	+6,999	(4.1%)	+7,461	(4.1%)	+8,673	(4.0%)
Private nursing homes	No. of properties	4		4		5		6	
	Book value	14,338	17,950	14,299	17,950	17,419	21,450	19,207	23,270
	Unrealized gains/losses	+3,611	(4.7%)	+3,650	(4.7%)	+4,030	(4.5%)	+4,062	(4.6%)
Network centers	No. of properties	8		8		8		8	
	Book value	19,379	20,515	19,315	20,535	19,227	20,598	19,156	20,598
	Unrealized gains/losses	+1,135	(5.1%)	+1,219	(5.1%)	+1,370	(5.1%)	+1,441	(5.1%)
Hotel	No. of properties					1		1	
	Book value					4,397	4,590	4,397	4,590
	Unrealized gains/losses					+192	(3.6%)	+192	(3.6%)
Total	No. of properties	32		34		37		43	
	Book value	169,948	191,085	201,616	227,875	231,997	263,893	250,211	285,563
	Unrealized gains/losses	+21,136		+26,258		+31,895		+35,351	



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

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



IV. Future Strategy

Distribution per unit (DPU)-focused strategy

External growth strategy

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

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

Internal growth strategy

Seek fair rent, maintain high occupancy rate

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

Financial strategy

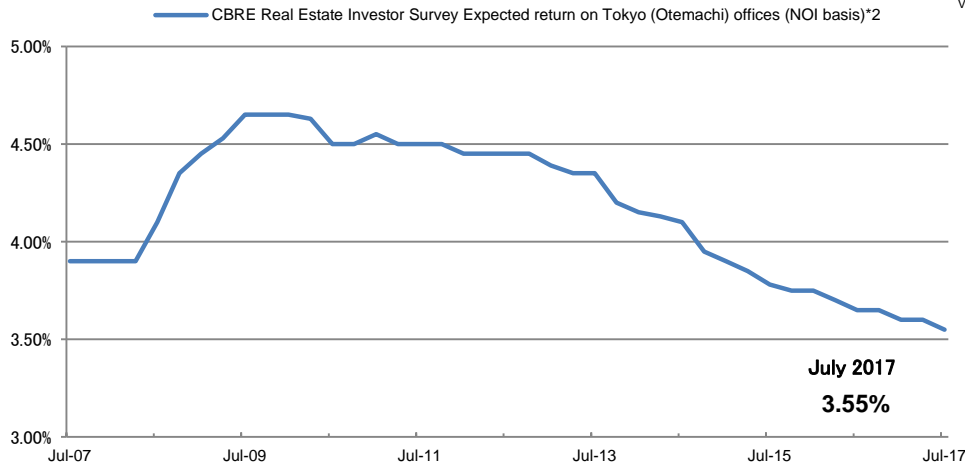
Maintain stable and sound financial management

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

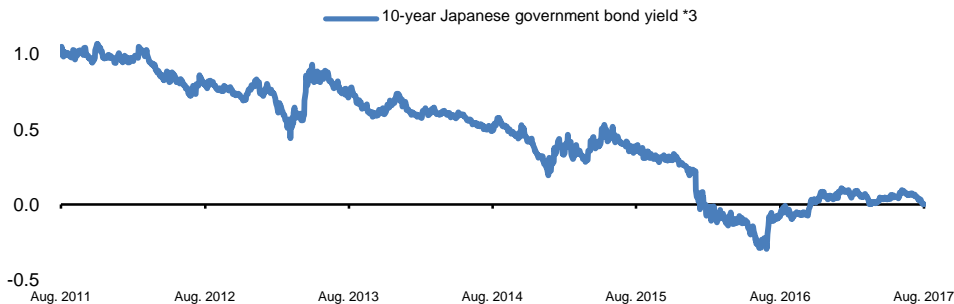
Aim to consistently increase DPU

Understanding the real estate market environment *1

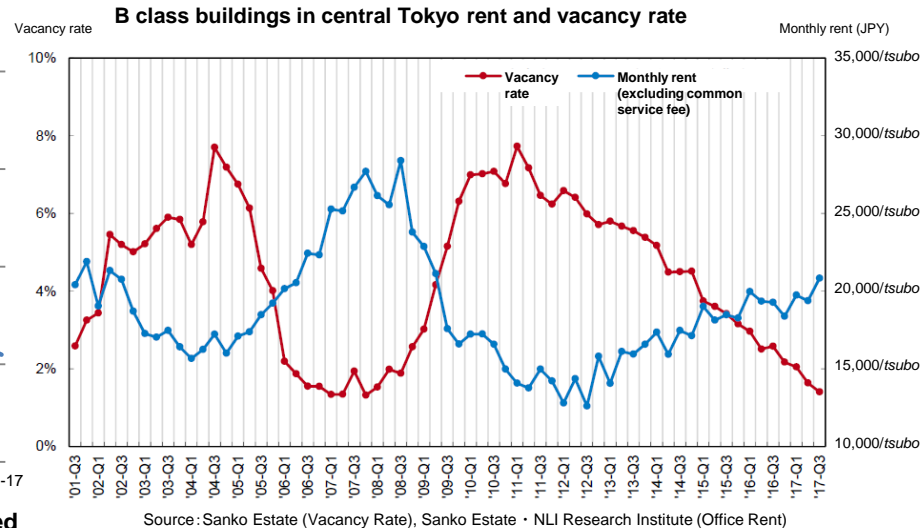
- The average expected NOI yield on Tokyo (Otemachi) offices has recently sunk to a record low of 3.55%, reflecting the stabilization of low interest rates. The direction of investor interest will be closely watched due to concerns towards limits on further downside room for long-term interest rates and the large supply of offices.



- While the 10-year JGB yield is expected to remain stable at about 0% based on the BoJ's yield curve control, it will be necessary to keep a watch on the impact of sudden market fluctuations from declining liquidity in the government bond market and rising interest rates overseas.



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



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

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

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

*3 Outlook prepared by the asset manager based on information from information vendors.

Our sponsor's principal development results and development plans

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

Completed in 2016	Slated for completion in 2017	Slated for completion in 2018	Slated for completion after 2019
(7) Trust Garden Tokiwamatsu (5) Sotetsu Fresa Inn Ginza 7 Chome	(11) HULIC Omori Building (8) HULIC &New SHIBUYA (12) HULIC &New SHINBASHI (15) Sotetsu Fresa Inn Tokyo-Roppongi (9) HULIC Shibuya Koen-dori Building Plan	(4) Nihonbashi 2 Chome Redevelopment Project (partial ownership) (2) HULIC Yurakucho 2 Chome Development Plan (6) Tsukiji 3 Chome Development Plan Kichijoji Minami-cho 1 Chome Development Plan	(3) Akihabara Development Site (10) Udagawacho 32 Development Plan Shinjuku 3-17 Development Plan

Chiyoda Ward

(1) Ochanomizu Sola City

Office

Directly connected to Shinochanomizu Station, Feb. 2013 completed
Total floor area: 96,897.25 m²

Acquired

(2) HULIC Yurakucho 2 Chome Development Plan

Retail property **Hotel**

1-minute walk from Ginza Station
Oct. 2018 planned to be completed
Total floor area: approximately 15,700 m²

Perspective

Chuo Ward

(4) Nihonbashi 2 Chome Redevelopment Project (partial ownership)

Office **Retail property**

1-minute walk from Nihonbashi Station
Jun. 2018 planned to be completed
Total floor area: approximately 3,100 m² *2

Perspective

(5) Sotetsu Fresa Inn Ginza 7 Chome

Hotel

5-minute walk from Ginza Station
Aug. 2016 completed
Total floor area: 6,442.86 m²

Acquired

(6) Tsukiji 3 Chome Development Plan

Hotel

2-minute walk from Tsukiji Station
Nov. 2018 planned to be completed
Total floor area: approximately 4,800 m²

Perspective

(3) Akihabara Development Site

Office **Retail property**

Within walking distance from Akihabara Station
Mar. 2019 planned to be completed
Total floor area: approximately 1,200 m²

Planned

Shibuya Ward

(7) Trust Garden Tokiwamatsu

Private nursing home

13-minute walk from Omotesando Station
Jan. 2016 completed
Total floor area: 2,874.58 m²

Acquired

(8) HULIC &New SHIBUYA

Retail property

5-minute walk from Shibuya Station
Apr. 2017 completed
Total floor area: 2,069.43 m²

Acquired

(9) HULIC Shibuya Koen-dori Building Plan

Retail property

5-minute walk from Shibuya Station
Planned to be completed within 2017
Total floor area: approximately 5,200 m²

Perspective

(10) Udagawacho 32 Development Plan

Retail property

Within walking distance from Shibuya Station
Oct. 2019 planned to be completed
Total floor area: approximately 3,100 m²

Planned



(11) HULIC Omori Building

Retail property

2-minute walk from Omori Station
Jan. 2017 completed
Total floor area: 2,785.82 m²

Acquired

Minato Ward

(12) HULIC &New SHINBASHI

Retail property

3-minute walk from Uchisaiwaicho Station
Apr. 2017 completed
Total floor area: 1,927.55 m²

Acquired

(13) Toranomon First Garden

Office

1-minute walk from Toranomon Station
Aug. 2010 completed
Total floor area: 10,029.25 m²

Acquired

(14) HULIC Toranomon Building

Office

1-minute walk from Toranomon Station
May 2015 completed
Total floor area: 12,094.79 m²

Acquired

(15) Sotetsu Fresa Inn Tokyo-Roppongi

Hotel

1-minute walk from Roppongi Station
Aug. 2017 completed
Total floor area: 4,758.00 m²

Acquired

(16) Shinagawa Season Terrace

Office **Retail property**

6-minute walk from Shinagawa Station
Feb. 2015 completed
Total floor area: 206,025.07 m²

Perspective

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

*2 States the area of the partial ownership of HULIC Co., Ltd.

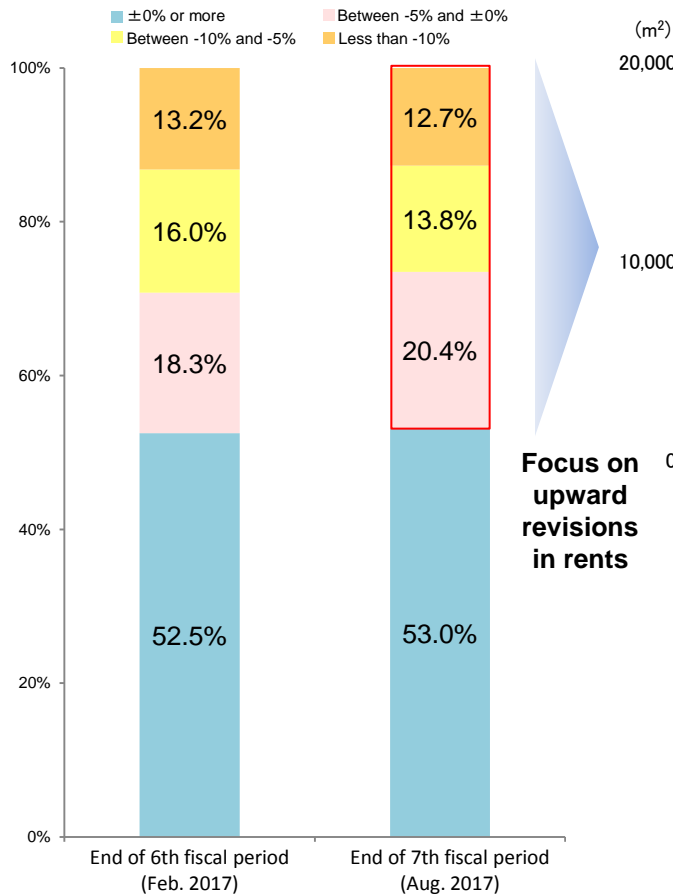
*3 Completion drawings (perspective) may differ from the actual completed structures in some details.

*4 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.

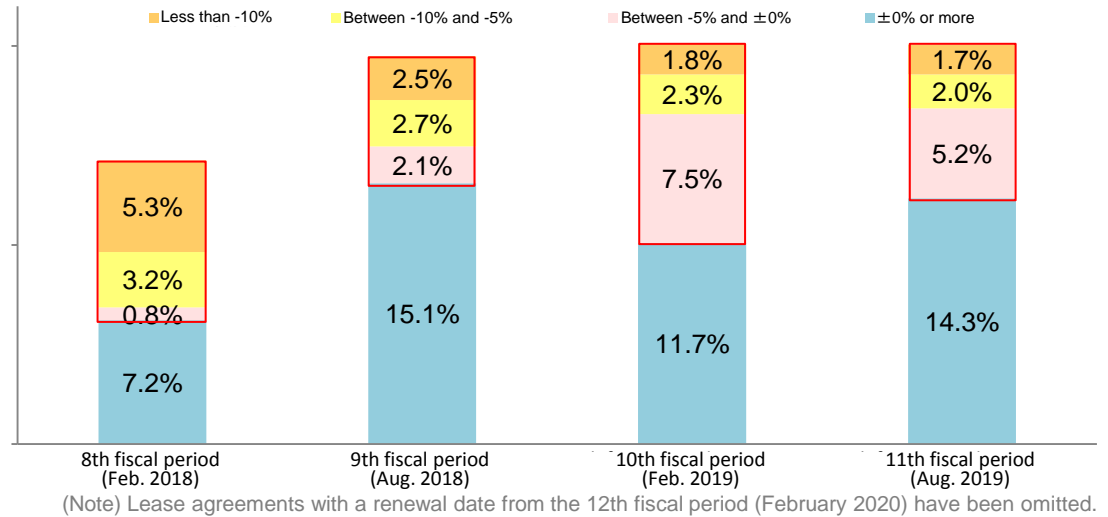
Negotiate appropriate rents (offices)

- Progress was made toward appropriate rents through rent increases for tenants with rents below the market rent rate during the 7th fiscal period (August 2017)
- No office rents were revised downward
- Focus placed on early leasing at market rent levels of spaces expected to be vacated by tenants

Level of divergence of with office market rent levels



Lease agreement renewal schedule (note)



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

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

* Each rate in the level of divergence of with office market rent levels is a percentage of the total rentable area in office properties (excluding proprietary right of land, retail spaces, and residential spaces; the same applying below) held at each end of the fiscal period by HULIC Reit, while each rate in the lease agreement renewal schedule is a percentage of the total rentable area in office properties held at the end of the 7th fiscal period (Aug. 31, 2017).



V. Appendix

6th and 7th Fiscal Period Results

	6th fiscal period (Feb. 2017)	7th fiscal period (Aug. 2017)	(Unit: thousands of yen) Difference (7th fiscal period - 6th fiscal period)
Operating revenues			
Lease business revenue	6,394,084	6,774,278	380,193
Other lease business revenues	291,571	324,697	33,125
Real estate lease business revenues	6,685,656	7,098,975	413,319
Operating expenses			
Expenses related to real estate lease business	2,024,619	2,243,059	218,439
Asset management fee	609,750	670,062	60,311
Asset custody fee	11,517	12,473	955
Administrative service fees	37,228	39,659	2,430
Directors' compensation	6,000	6,000	0
Other operating expenses	100,369	105,899	5,530
Total operating expenses	2,789,485	3,077,153	287,668
Operating income	3,896,170	4,021,821	125,651
Non-operating income			
Interest income	48	49	0
Interest on refund	0	675	675
Total non-operating income	48	725	676
Non-operating expenses			
Interest expenses	292,765	346,834	54,069
Interest expenses on investment corporation bonds	10,714	12,365	1,650
Borrowing-related expenses	121,000	111,542	(9,457)
Amortization of investment unit issuance costs	16,124	17,276	1,152
Amortization of investment corporation bond issuance costs	2,184	3,825	1,641
Total non-operating expenses	442,789	491,845	49,056
Ordinary income	3,453,430	3,530,701	77,271
Profit before income taxes	3,453,430	3,530,701	77,271
Income taxes – current	837	823	(14)
Income taxes – deferred	4	0	(4)
Total income taxes	842	824	(18)
Profit	3,452,588	3,529,877	77,289
Retained earnings brought forward	283	191	(91)
Unappropriated retained earnings	3,452,871	3,530,068	77,197

*Amounts less than 1 thousand yen have been truncated.

7th fiscal period forecast & results comparison, 7th fiscal period results & 8th fiscal period new forecast comparison

(Unit: millions of yen)

	7th Fiscal Period Forecast	7th Fiscal Period Result	Difference	Main Factors	7th Fiscal Period Result	8th Fiscal Period New Forecast	Difference	Main Factors
Real estate lease business revenues	7,025	7,098	+ 73	<ul style="list-style-type: none"> • Rent, land rental, common service fee income (Current owned portion +2, Newly Acquired portion +40) • Utilities expenses (6) (Current owned portion (13), portion acquired at the beginning of 7th fiscal period +5) • Sola City facility use fees, etc. +10 	7,098	8,105	+1,006	<ul style="list-style-type: none"> • Rent, land rental, common service fee income (Current owned portion +33, portion acquired at the beginning of 7th fiscal period +73, Newly Acquired portion +364) • Factor of selling off Leaf Minatomirai +649 (Gains on sales +711, land rental (62)) • Utilities expenses (20) (Current owned portion (19))
Expenses related to real estate lease business (Of which)	(2,276)	(2,243)	+ 33		(2,243)	(2,387)	(143)	
Taxes and public dues	(534)	(531)	+ 3		(531)	(532)	(1)	
Depreciation	(719)	(732)	(12)	Newly Acquired portion (15)	(732)	(793)	(61)	Current owned portion (5), Newly Acquired portion (56)
Repair expenses	(94)	(91)	+ 3		(91)	(132)	(41)	Current owned portion (37)
Leasing-related costs	(41)	(24)	+ 16	Current owned portion +17	(24)	(47)	(23)	Current owned portion (18), portion acquired at the beginning of 7th fiscal period (6)
Other expenses related to real estate lease business	(885)	(863)	+ 21	<ul style="list-style-type: none"> • Utilities expenses +14 (Current owned portion +25, portion acquired at the beginning of 7th fiscal period (8), Newly Acquired portion (2)) 	(863)	(880)	(16)	<ul style="list-style-type: none"> • Utilities expenses +10 (Current owned portion +7, portion acquired at the beginning of 7th fiscal period +2)
Income from real estate lease business	4,749	4,855	+ 106		4,855	5,718	+ 862	
Operating expenses (excluding rent-related expenses) (Of which)	(823)	(834)	(10)		(834)	(1,042)	(208)	
Asset management fee	(644)	(670)	(25)		(670)	(830)	(160)	
Other operating expenses	(178)	(164)	+ 14		(164)	(212)	(48)	Consumption taxes not subject to deduction (36)
Operating income	3,925	4,021	+ 95		4,021	4,675	+ 653	
Non-operating income	0	0	0		0	0	0	
Non-operating expenses (Of which)	(475)	(491)	(15)		(491)	(522)	(30)	
Interest expenses, Borrowing-related expenses	(454)	(470)	(16)	Borrowing-related fees, etc. (21)	(470)	(492)	(21)	Prolongation of borrowings (60), borrowing-related fees, etc. +31
Amortization of investment unit issuance costs	(17)	(17)	0		(17)	(25)	(8)	Investment unit issuance costs for the 4th public offering (8)
Amortization of investment corporation bond issuance costs	(4)	(3)	0		(3)	(3)	0	
Ordinary income	3,450	3,530	+ 80		3,530	4,153	+ 622	
Profit	3,449	3,529	+ 80		3,529	4,152	+ 622	
Cash distributions per unit (yen)	3,300	3,378	+ 78		3,378	3,740	+ 362	

Note: Changes in the rent, land rental, and common service fee income for the currently owned portion reflect the decrease in land rental accompanying the transfer of Leaf Minatomirai (land).

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

* Currently owned portions are 36 properties held at the end of the 6th fiscal period (excluding HULIC Todoroki Building); portions acquired at the beginning of 7th fiscal period are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, HULIC Jimbocho Building, and HULIC Omori Building; and Newly Acquired portion are HULIC & New SHIBUYA, SOMPO Care La vie Re Kita-Kamakura, HULIC & New SHINBASHI, Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition), and Sotetsu Fresa Tokyo-Roppongi.

8th fiscal period previous & new forecasts comparison, 8th & 9th fiscal period forecasts comparison

(Unit: millions of yen)

	8th Fiscal Period Previous Forecast	8th Fiscal Period New Forecast	Difference	Main Factors	8th Fiscal Period New Forecast	9th Fiscal Period Forecast	Difference	Main Factors
Real estate lease business revenues	7,113	8,105	+ 991	<ul style="list-style-type: none"> • Rent, land rental, common service fee income (Current owned portion +40, portion acquired at the beginning of 7th fiscal period (12), Newly Acquired portion +404) • Factor of selling off Leaf Minatomirai +649 (Gains on sales +711, land rental (62)) • Utilities expenses (30) (Current owned portion (33)) 	8,105	7,784	(320)	<ul style="list-style-type: none"> • Rent, land rental, common service fee income (Current owned portion +8, portion acquired at the beginning of 7th fiscal period +6, Newly Acquired portion +152) • Factor of selling off Leaf Minatomirai (462) (Gains on sales (323), land rental (140)) • Utilities expenses (2) (Current owned portion (2))
Expenses related to real estate lease business (Of which)	(2,290)	(2,387)	(96)		(2,387)	(2,408)	(21)	
Taxes and public dues	(534)	(532)	+ 1		(532)	(617)	(84)	Current owned portion (15), acquisition at beginning of 7th fiscal period (28), Newly Acquired portion (42)
Depreciation	(727)	(793)	(66)	Newly Acquired portion (71)	(793)	(820)	(26)	Current owned portion (6), Newly Acquired portion (20)
Repair expenses	(117)	(132)	(15)	Current owned portion (8), portion acquired at the beginning of 7th fiscal period (6)	(132)	(82)	+ 49	Current owned portion +52, acquisition at beginning of 7th fiscal period (2)
Leasing-related costs	(9)	(47)	(38)	Current owned portion (32), portion acquired at the beginning of 7th fiscal period (6)	(47)	(7)	+ 40	Current owned portion +34, portion acquired at the beginning of 7th fiscal period +6
Other expenses related to real estate lease business	(901)	(880)	+ 20	<ul style="list-style-type: none"> • Utilities expenses +33 (Current owned portion +38, portion acquired at the beginning of 7th fiscal period (3), Newly Acquired portion (1)) 	(880)	(880)	0	• Utilities expenses +7 (Current owned portion +7)
Income from real estate lease business	4,823	5,718	894		5,718	5,375	(342)	
Operating expenses (excluding rent-related expenses) (Of which)	(841)	(1,042)	(201)		(1,042)	(961)	(81)	
Asset management fee	(665)	(830)	(165)		(830)	(768)	+ 61	
Other operating expenses	(176)	(212)	(36)	Consumption taxes not subject to deduction (35)	(212)	(192)	+ 19	Consumption taxes not subject to deduction +15
Operating income	3,982	4,675	+ 693		4,675	4,414	(261)	
Non-operating income	0	0	0		0	0	0	
Non-operating expenses (Of which)	(500)	(522)	(21)		(522)	(528)	(5)	
Interest expenses, Borrowing-related expenses	(479)	(492)	(12)	Additional borrowings for newly acquired portion (13)	(492)	(498)	(5)	
Amortization of investment unit issuance costs	(17)	(25)	(8)		(25)	(25)	0	
Amortization of investment corporation bond issuance costs	(3)	(3)	0		(3)	(4)	0	
Ordinary income	3,481	4,153	+ 672		4,153	3,886	(267)	
Profit	3,480	4,152	+ 672		4,152	3,885	(267)	
Cash distributions per unit (yen)	3,330	3,740	+ 410		3,740	3,500	(240)	

Note: Changes in the rent, land rental, and common service fee income for the currently owned portion reflect the decrease in land rental accompanying the transfer of Leaf Minatomirai (land).

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

* Currently owned portions are 36 properties held at the end of the 6th fiscal period (excluding HULIC Todoroki Building); portions acquired at the beginning of 7th fiscal period are HULIC Todoroki Building, HULIC Shibuya 1 Chome Building, HULIC Higashi Nihonbashi Building, HULIC Jimbocho Building, and HULIC Omori Building; and Newly Acquired portion are HULIC &New SHIBUYA, SOMPO Care La vie Re Kita-Kamakura, HULIC &New SHINBASHI, Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition), and Sotetsu Fresa Tokyo-Roppongi.

(Unit: thousands of yen)

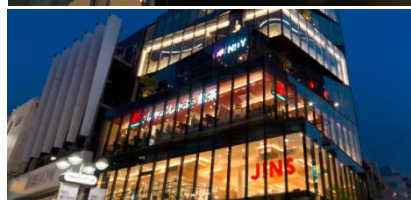
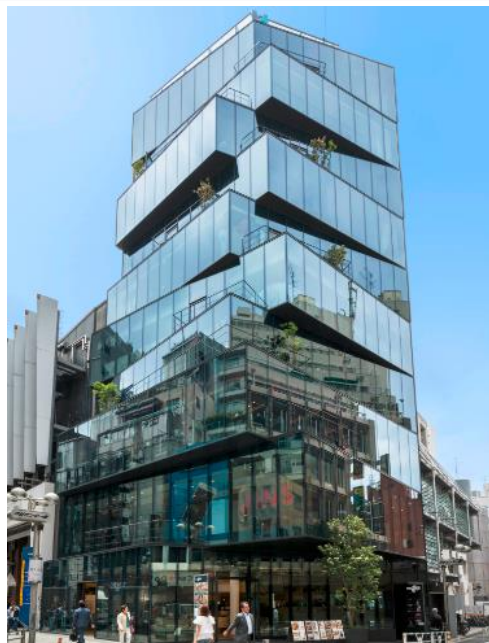
	End of 6th Fiscal Period (Feb. 28, 2017)	End of 7th Fiscal Period (Aug. 31, 2017)	Difference (7th Fiscal Period - 6th Fiscal Period)
Assets			
Current assets			
Cash and deposits	6,514,047	7,606,126	1,092,079
Cash and deposits in trust	5,356,977	5,870,439	513,461
Operating accounts receivable	11,604	13,736	2,131
Prepaid expenses	27,472	33,992	6,520
Deferred tax assets	11	10	0
Consumption taxes receivable	228,750	0	(228,750)
Other	2,153	2,611	458
Total current assets	12,141,016	13,526,916	1,385,899
Noncurrent assets			
Property, plant and equipment			
Buildings in trust	44,472,954	49,191,455	4,718,501
Accumulated depreciation	(2,899,608)	(3,602,748)	(703,139)
Buildings in trust, net	41,573,345	45,588,706	4,015,361
Structures in trust	291,095	311,516	20,420
Accumulated depreciation	(56,893)	(68,385)	(11,491)
Structures in trust, net	234,202	243,130	8,928
Machinery and equipment in trust	252,208	252,208	0
Accumulated depreciation	(56,840)	(72,612)	(15,772)
Machinery and equipment in trust, net	195,367	179,595	(15,772)
Tools, furniture and fixtures in trust	22,632	24,074	1,441
Accumulated depreciation	(4,765)	(6,649)	(1,883)
Tools, furniture and fixtures in trust, net	17,866	17,424	(441)
Land in trust	181,504,937	195,707,562	14,202,624
Construction in progress in trust	894	3,473	2,578
Total property, plant and equipment	223,526,613	241,739,893	18,213,279
Intangible assets			
Leasehold rights in trust	8,471,289	8,471,289	0
Other	4,114	3,096	(1,018)
Total intangible assets	8,475,404	8,474,385	(1,018)
Investments and other assets			
Lease and guarantee deposits	20,000	20,576	576
Long-term prepaid expenses	661,973	799,289	137,316
Total investments and other assets	681,973	819,865	137,892
Total noncurrent assets	232,683,991	251,034,144	18,350,153
Deferred assets			
Investment unit issuance costs	77,171	59,894	(17,276)
Investment corporation bond issuance costs	40,642	36,816	(3,825)
Total deferred assets	117,813	96,711	(21,102)
Total assets	244,942,821	264,657,772	19,714,950

(Unit: thousands of yen)

	End of 6th Fiscal Period (Feb. 28, 2017)	End of 7th Fiscal Period (Aug. 31, 2017)	Difference (7th Fiscal Period - 6th Fiscal Period)
Liabilities			
Current liabilities			
Operating accounts payable	160,158	519,583	359,425
Short-term loans payable	3,960,000	3,960,000	0
Current portion of long-term loans payable	0	0	0
Accounts payable - other	727,854	797,806	69,951
Accrued expenses	41,228	44,554	3,326
Income taxes payable	830	815	(14)
Accrued consumption taxes	25,447	19,560	(5,887)
Advances received	1,110,564	1,272,420	161,856
Deposits received	188	199	0
Total current liabilities	6,026,272	6,614,941	588,668
Noncurrent liabilities			
Investment corporation bond	5,000,000	5,000,000	0
Long-term loans payable	88,500,000	106,890,000	18,390,000
Tenant leasehold and security deposits in trust	9,912,149	10,571,234	659,084
Total non current liabilities	103,412,149	122,461,234	19,049,084
Total liabilities	109,438,422	129,076,175	19,637,753
Net assets			
Unitholders' equity			
Unitholders' capital	132,051,528	132,051,528	0
Surplus			
Unappropriated retained earnings	3,452,871	3,530,068	77,197
Total surplus	3,452,871	3,530,068	77,197
Total unitholders' equity	135,504,399	135,581,596	77,197
Total net assets	135,504,399	135,581,596	77,197
Total liabilities and net assets	244,942,821	264,657,772	19,714,950

* Amounts less than 1 thousand yen have been truncated.

HULIC &New SHIBUYA



Location	Shibuya Ward, Tokyo
Nearest station	JR Yamanote Line, etc. Shibuya Station
Walking distance	5 minutes
Total floor area	2,069.43 m ²
Leasable area (*3)	898.62 m ²
Completion of construction	April 2017

Acquisition price
¥3,150 million

Appraisal value*1
¥3,190 million

Appraisal NOI yield*2
3.4%

Acquisition date
June 30, 2017

Highlights

- ❑ First building in the HULIC &New series, commercial facilities independently developed by Hulic Co., Ltd.
 - Under the concept of “adding the new,” entitled “HULIC &New,” it has attracted new tenants establishing businesses in Shibuya for the first time as well as popular shops developing new commercial formats

Location characteristics

- ❑ Located on the very bustling Inokashira Street
 - Has a corner location on Inokashira Street in the Shibuya Center Gai arcade that is one of the busiest areas of Shibuya and a side road that connects with the Center Komichi and Bunkamura streets, and the ability to attract customers can be ensured due to excellent circulation between each street
 - Even more people are expected to gather in this area in the future with the completion of multiple rebuilding projects in the surrounding area, including the former site of Parco

Property characteristics

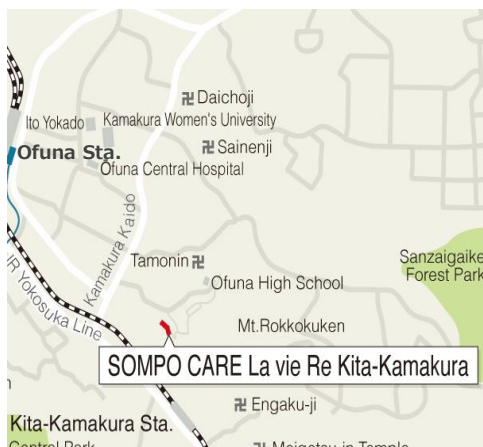
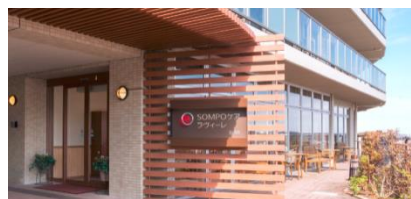
- ❑ External appearance with creative design that make it serve as a landmark
 - External appearance with creative design through the alternate stacking of glass blocks
 - Building serving as a landmark positioned on a corner with good visibility

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

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

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

SOMPO Care La vie Re Kita-Kamakura



Location	Kamakura City, Kanagawa Prefecture
Nearest station	JR Yokosuka Line Kita Kamakura Station
Walking distance	Approximately 1.3 km
Total floor area	4,831.80 m ²
Leasable area	4,912.60 m ²
Completion of construction	March 2009

Acquisition price
¥1,780 million

Appraisal value*1
¥1,800 million

Appraisal NOI yield*2
5.7%

Acquisition date
June 30, 2017

Highlights

- ❑ Long-term contract entered with a major private nursing home operator
 - Entire property leased by a major private nursing home operator Sampo Care Next Inc., which is a subsidiary of Sampo Holdings, Inc.
 - Long-term stable earnings have been secured through the signing of a lease contract for a period of 20 years

Location characteristics

- ❑ Nursing home located in the hilly area of Kita-Kamakura with good views
 - Located in a quiet and slightly elevated residential area to the north of Kita-Kamakura Station, where there are many temples and shrines, also accessible by bus from Ofuna Station
 - There is a spot that was selected as one of the one hundred best views of Kamakura nearby, and the property is characterized by great views

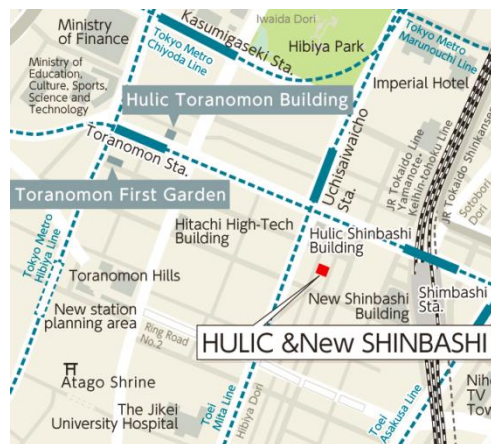
Property characteristics

- ❑ Design that takes into consideration a feeling of openness and comfort
 - The center of the building features an atrium, the dining area on the 1st floor has high ceilings, and lighting has been ensured through a top light, and in this manner consideration has been given to a feeling of openness and comfort
 - Facility located in an area with high prices for the region

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

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

HULIC &New SHINBASHI



Location	Minato Ward, Tokyo
Nearest station	Toei Mita Line Uchisaiwaicho Station
Walking distance	3 minutes
Total floor area	1,927.55 m ²
Leasable area	1,725.35 m ²
Completion of construction	April 2017

Acquisition price

¥3,100 million

Appraisal value*1

¥3,150 million

Appraisal NOI yield*2

3.9%

Acquisition date

November 1, 2017

Highlights

- ❑ Second building in HULIC &New series, commercial facilities independently developed by Hulic Co., Ltd.
- Second building in the HULIC &New series, following from HULIC &New SHIBUYA
- Commercial facilities composed of bars and restaurants that are mainly opening their first stores in Shinbashi and the service office for a new brand managed by Space Design, Inc.

Location characteristics

- ❑ Located in an area with many street-facing bars and restaurants near Shinbashi Station
- Located in prized location for street-facing bars and restaurants that is visited by many people mainly consisting of office workers from areas such as Shinbashi, Uchisaiwaicho, Shiodome, and Ginza
- The influx of even more people in the area can be expected as there are redevelopment plans for the area in front of Shinbashi Station, and the development of restaurant buildings and hotels is underway nearby

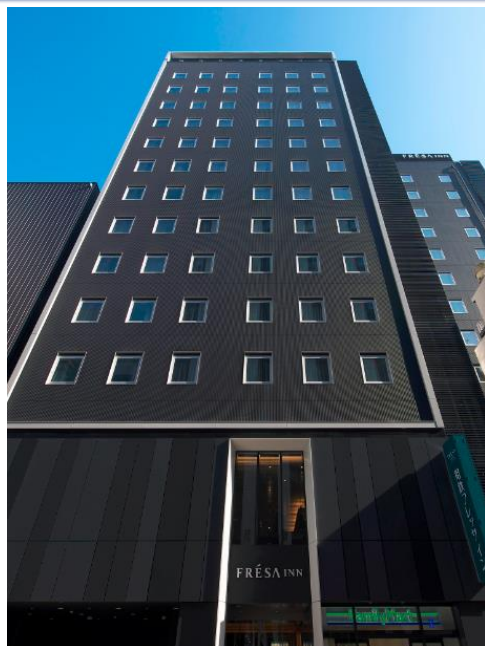
Property characteristics

- ❑ New building that adopts pioneering design
- A pioneering design taking into consideration greening has been used for the exterior, and open decks have been installed on bar and restaurant floors
- Strong advantages as a new building can be recognized in an area that has many older buildings

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

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

Sotetsu Fresa Inn Ginza 7 Chome (additional acquisition)



Location	Chuo Ward, Tokyo
Nearest station	Tokyo Metro Ginza Line Ginza Station
Walking distance	5 minutes
Total floor area	6,442.86 m ²
Leasable area (*3)	6,984.32 m ²
Completion of construction	August 2016

Acquisition price
¥7,150 million

Appraisal value*1
¥7,160 million

Appraisal NOI yield*2
3.8%

Acquisition date
November 1, 2017

Highlights

- Additional acquisition of sponsor-developed hotel in Ginza
 - Adding to 50% of co-ownership interest for the land acquired in September 2016, now wholly owned through the acquisition of the remaining land and the entire building
 - Entire property leased by Sotetsu Hotel Development Co., Ltd. (its operator is Sotetsu Hotel Management Co., Ltd.) of the Sotetsu Group
 - Long-term stable earnings have been secured through the signing of a lease contract for a period of 30 years

Location characteristics

- Located in the Ginza-Yurakucho area, which is one of Japan's most luxury commercial districts
 - Highly convenient location that is a 5-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc., and nearly the same distance from the Shinbashi Station on the JR Yamanote Line
 - As the neighborhood includes GINZA SIX, which was completed on the former site of Matsuzakaya and other development projects that are underway, the area can be expected to become even busier

Property characteristics

- An accommodation-focused hotel under the brand of Sotetsu Fresa Inn
 - An accommodation-focused hotel with 286 guest rooms, mainly consisting of single rooms
 - Supports various use situations including business and inbound customers with a broad guest room configuration

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

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

*3 Leases based on lease agreements for additional acquisitions by Hulic Reit and the building drawings are considered feasible.

Sotetsu Fresa Inn Tokyo-Roppongi



Location	Minato Ward, Tokyo
Nearest station	Tokyo Metro Hibiya Line, etc. Roppongi Station
Walking distance	1 minute
Total floor area	4,758.00 m ²
Leasable area (*3)	2,408.45 m ²
Completion of construction	August 2017

Acquisition price
¥5,000 million

Appraisal value*1
¥5,050 million

Appraisal NOI yield*2
4.0%

Acquisition date
November 1, 2017

Highlights

☐ New sponsor-developed hotel in Roppongi

- Acquisition of 50% of quasi-co-ownership interest of new hotel developed by sponsor (shared with sponsor)
- Entire property leased by Sotetsu Hotel Development Co., Ltd. (its operator is Sotetsu Hotel Management Co., Ltd.) of the Sotetsu Group
- Long-term stable earnings have been secured through the signing of a lease contract for a period of 30 years

Location characteristics

☐ Prized location extremely close to the Roppongi Crossing

- Located on Roppongi Street one minute from Roppongi Station on the Tokyo Metro Hibiya Line and Toei Oedo Line
- Roppongi, which has a rich international atmosphere, is located in the heart of an urban tourist hub, and this property can be expected to capture not only business demand but also leisure demand from Japan and overseas

Property characteristics

☐ An accommodation-focused hotel under the brand of Sotetsu Fresa Inn

- An accommodation-focused hotel with 201 guest rooms, mainly consisting of double rooms
- Energy saving and CO2 saving achieved through the introduction of facilities including LED lighting in the entire building and a solar power system

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

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

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

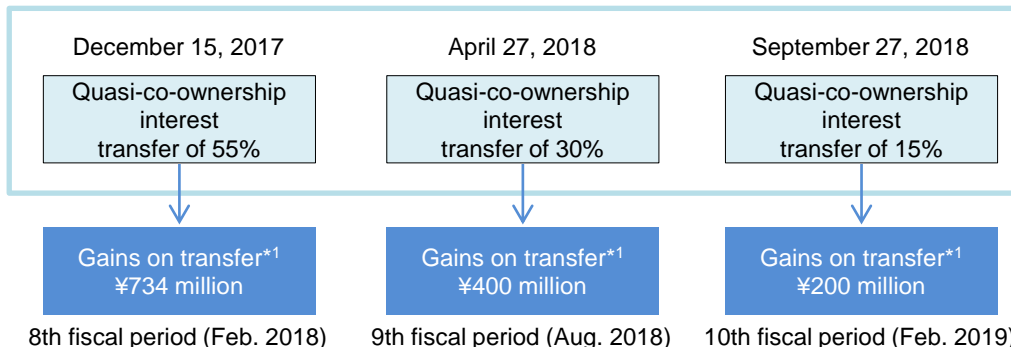
■ Overview of property transferred

Location		Nishi Ward, Yokohama City, Kanagawa Prefecture
Book value		¥11,765 million
Real estate appraisal value		¥13,100 million
Anticipated transfer price		¥13,100 million
Counterparty to the transfer		Hulic Co., Ltd.
Anticipated transfer dates		December 15, 2017 (55% of quasi-co-ownership interest) April 27, 2018 (30% of quasi-co-ownership interest) September 27, 2018 (15% of quasi-co-ownership interest)
Outline lease agreement	Contract format	Fixed-term business-use land lease agreement with special provisions for building transfer
	Lease expiration	March 29, 2046



■ Reason for transfer

- The decision was reached that it would be appropriate to transfer the building on this property at this point in time as a result of comprehensive consideration of factors including the market environment and possibilities regarding the future tenant composition, as well as the continued holding of only the property consisting of land based on a fixed term business-use land lease agreement with special provisions for building transfer.
- An agreement was reached with the sponsor that is the effective owner of the building for a transfer for ¥13,100 million, exceeding the book value of ¥11,765 million.



[How the funds from the transfer will be utilized]

For the balance after the distribution of gains on transfer

(1) Allocation to funds for property acquisition

And/or

(2) Allocation to funds for repayment of borrowings

Aim for steady improvements in unitholder value

*1 The "gains on transfer" in the diagram above is a reference value calculated by multiplying the difference between the book value (¥11,765 million) and the anticipated transfer price (¥13,100 million) for Leaf Minatomirai (land) as of August 31, 2017 by the ratio of quasi-co-ownership interest on each anticipated transfer date, and it may differ from the actual gains on transfer. Note that "gains on transfer" has been rounded to the nearest million yen.

6. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 7th Fiscal Period

Property number	OF-01	OF-02	OF-03	OF-04
Property name	Hulic Kamiyacho Building	Hulic Kudan Building (land)	Toranomon First Garden	Rapiros Roppongi
Photograph of property				
Location	Toranomon, Minato Ward, Tokyo	Kudankita, Chiyoda Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Roppongi, Minato Ward, Tokyo
Nearest station	1-minute walk from Kamiyacho Station, Tokyo Metro Hibiya Line	1-minute walk from Kudanshita Station, Tokyo Metro Tozai Line, etc.	1-minute walk from Toranomon Station, Tokyo Metro Ginza Line	Directly connected to Roppongi Sta., Tokyo Metro Hibiya Line, etc.
Acquisition price	¥36,750 million	¥11,100 million	¥8,623 million	¥6,210 million
Appraisal NOI yield (*1)	4.3%	4.1%	4.5%	5.5%
Completion of construction	April 1985	—	August 2010	August 1997
Structures and construction	SRC/S, B2/11F	—	S/RC, B2/12F	SRC/RC, B2/10F
Total leasable area (*2)	22,740.96 m ²	3,351.07 m ²	5,689.97 m ²	6,730.52 m ²
Occupancy rate (*3)	95.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located near Kamiyacho Station ➢ Has total floor area of approximately 40,990 m², with space of typical floor of more than 3,100 m² ➢ Has recently undergone large-scale refurbishment ➢ Located in a peaceful urban area near many foreign embassies 	<ul style="list-style-type: none"> ➢ Located along Mejiro Dori near Kudanshita Station ➢ Kudanshita Station served by several subway lines—Tokyo Metro's Tozai and Hanzomon lines and the Toei Shinjuku Line ➢ An office building with a prized location within a large-scale central metropolitan planning zone 	<ul style="list-style-type: none"> ➢ Located along Sakurada Dori near Toranomon Station ➢ Relatively new building reconstructed by Hulic Co., Ltd. to high specifications ➢ Building received a Minister of the Environment Award in the Wall/Specialty Greening Technology category of the Wall and Special Greening Technology Contest (2012) 	<ul style="list-style-type: none"> ➢ Connected directly with Roppongi Station, along Roppongi Dori ➢ Unusually good access, being directly connected with a station served by the Tokyo Metro Hibiya Line and the Toei Oedo Line ➢ One of few relatively large buildings in an area with numerous smaller properties

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 7th Fiscal Period





Property number	OF-05	OF-06	OF-07	OF-08
Property name	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building
Photograph of property				
Location	Takada, Toshima Ward, Tokyo	Kandasudacho, Chiyoda Ward, Tokyo	Kandanishikicho, Chiyoda Ward, Tokyo	Nihonbashi Kakigaracho, Chuo Ward, Tokyo
Nearest station	6-minute walk from Takadanobaba Station, JR Yamanote Line and Tokyo Metro Tozai Line, etc.	1-minute walk from Kanda Station, Tokyo Metro Ginza Line	3-minute walk from Otemachi Station, Tokyo Metro Tozai Line, etc.	2-minute walk from Suitengumae Station, Tokyo Metro Hanzomon Line
Acquisition price	¥3,900 million	¥3,780 million	¥2,500 million	¥2,210 million
Appraisal NOI yield (*1)	5.4%	4.5%	4.6%	5.7%
Completion of construction	November 1993	September 2008	June 2001	March 1993
Structures and construction	SRC, B1/8F	RC, 9F	S/RC, B1/10F	SRC, B1/9F
Total leasable area (*2)	5,369.71 m ²	3,728.36 m ²	2,566.95 m ²	2,858.48 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Situated along Shin-Mejiro Dori ➢ Near Takadanobaba Station, served by multiple lines, including JR Yamanote, Tokyo Metro Tozai and Seibu Shinjuku lines ➢ Competitive because the surrounding area contains little new supply and limited stock of offices 	<ul style="list-style-type: none"> ➢ Located along Chuo Dori near Kanda Station on the Tokyo Metro Ginza Line ➢ Also within walking distance of several other stations, including Kanda Station on the JR Yamanote Line and Awajicho Station on the Tokyo Metro Marunouchi Line 	<ul style="list-style-type: none"> ➢ Located near Otemachi Station ➢ Also within walking distance of several other stations, including Ogawamachi Station on the Toei Shinjuku Line and Kanda Station on the JR Yamanote Line 	<ul style="list-style-type: none"> ➢ Located along Shin-Ohashi Dori near Suitengumae Station ➢ Also within walking distance of Kayabacho Station on the Tokyo Metro Tozai Line and Ningyocho Station on the Tokyo Metro Hibiya Line ➢ Property was reconstructed by Fujigin Building Co., Ltd. (currently Hulic Co., Ltd.)

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 7th Fiscal Period




Property number	OF-09	OF-10	OF-11	OF-12
Property name	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Sasazuka South Building	Tokyo Nishi Ikebukuro Building
Photograph of property				
Location	Kandasurugadai, Chiyoda Ward, Tokyo	Higashi-Ueno, Taito Ward, Tokyo	Sasazuka, Shibuya Ward, Tokyo	Nishiikebukuro, Toshima Ward, Tokyo
Nearest station	Directly connected to Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line	2-minute walk from Shin-Okachimachi Station, Toei Oedo Line and Tsukuba Express Line	5-minute walk from Daitabashi Station, Keio Line	3-minute walk from Ikebukuro Station, JR Yamanote Line, Tokyo Metro Marunouchi Line
Acquisition price	¥38,149 million	¥2,670 million	¥2,100 million	¥1,580 million
Appraisal NOI yield (*1)	3.8%	4.8%	5.2%	5.4%
Completion of construction	February 2013	July 1988	January 1992	October 1990
Structures and construction	S, B2/23F	SRC, 8F	SRC/S, B1/8F	S/SRC/RC, B3/14F
Total leasable area (*2)	13,923.42 m ²	3,137.09 m ²	3,611.08 m ²	1,429.74 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	51.5%
Property characteristics	<ul style="list-style-type: none"> ➢ Located along Hongo Dori and directly connected to Shin-Ochanomizu Station ➢ Within a 10-minute walk of 5 stations served by 9 lines ➢ A relatively new, high-spec, large-scale, multipurpose building with mega-floors featuring open designs free of structural support pillars with a standard floor area of approximately 3,000 m² 	<ul style="list-style-type: none"> ➢ Located along Kasuga Dori near Shin-Okachimachi Station ➢ Also within walking distance of several other stations, including Naka-Okachimachi Station on the Tokyo Metro Hibiya Line and Okachimachi Station on the JR Yamanote Line ➢ Recently remodeled, involving mainly common areas 	<ul style="list-style-type: none"> ➢ Located along Koshu Kaido ➢ In a corner location on an arterial road, ensuring high visibility ➢ One of few relatively large buildings in an area with numerous smaller properties 	<ul style="list-style-type: none"> ➢ Located near Ikebukuro Station, one of Japan's leading terminals ➢ Ikebukuro Station served by numerous lines, including various JR and Tokyo Metro lines, the Seibu Ikebukuro Line and the Tobu Tojo Line ➢ One of few relatively large buildings in an area with numerous smaller properties

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).


6. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 7th Fiscal Period

Property number	OF-13	OF-14	OF-15	OF-16
Property name	Gate City Ohsaki	Hulic Toranomon Building	Hulic Shibuya 1 Chome Building	Hulic Higashi Nihonbashi Building
Photograph of property				
Location	Osaki, Shinagawa Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Shibuya, Shibuya Ward, Tokyo	Higashi Nihonbashi, Chuo Ward, Tokyo
Nearest station	1-minute walk from Osaki Station, JR Yamanote, Rinkai Lines, etc.	1-minute walk from Toranomon Station, Tokyo Metro Ginza Line	5-minute walk from Shibuya Station, Tokyu Toyoko Line, etc.	2-minute walk from Higashi Nihonbashi Station, Toei Asakusa Line
Acquisition price	¥4,370 million	¥18,310 million	¥5,100 million	¥3,480 million
Appraisal NOI yield (*1)	4.5%	3.8%	4.1%	4.6%
Completion of construction	(Office and commercial building) Jan. 1999 (Residential building) Dec. 1998	May 2015	August 1993	November 1996
Structures and construction	(Office and commercial building) S/RC/SRC, B4/24F (Residential building) SRC/RC, B2/20F	S, B1/11F	S/SRC/RC, B2/7F	S/SRC, B1/9F
Total leasable area (*2)	3,835.78 m ²	8,574.65 m ²	2,817.65 m ²	3,681.20 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Directly connected to Osaki Station via a pedestrian deck ➢ Product of a mixed-use major redevelopment project combining numerous urban functions, with total floor area of approximately 305,450 m² ➢ Extensive high-end features in common spaces as well 	<ul style="list-style-type: none"> ➢ Located near Toranomon Station and facing Sotobori Dori ➢ A Hulic-developed property with the latest base isolation structure and energy-saving features ➢ Recipient of the highest 5-star rank in DBJ Green Building certification 	<ul style="list-style-type: none"> ➢ Located near Shibuya Station, one of Japan's leading terminals ➢ Shibuya Station is served by multiple lines, including various JR lines, various Tokyo Metro lines, and Tokyu Toyoko Line ➢ Multiple major integrated redevelopment projects centered around the station are underway 	<ul style="list-style-type: none"> ➢ Located along Kiyosubashi Street near Higashi Nihonbashi Station ➢ Within a 5-minute walk of 3 stations served by 3 lines, including the nearest station ➢ Area with robust demand from specific industries such as apparel companies as it has been developed as a textile wholesale district since long ago

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)




*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

Property number	OF-17
Property name	Hulic Jimbocho Building
Photograph of property	
Location	Kanda Jimbocho, Chiyoda Ward, Tokyo
Nearest station	2-minute walk from Jimbocho Station, Tokyo Metro Hanzomon Line, etc.
Acquisition price	¥1,460 million
Appraisal NOI yield (*1)	4.3%
Completion of construction	September 1989
Structures and construction	SRC/S, B1/8F
Total leasable area (*2)	1,561.38 m ²
Occupancy rate (*3)	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located in area on the north side of Yasukuni Street near Jimbocho Station ➢ Within the walking distance of 3 stations served by 7 lines, including the nearest station ➢ Area that can absorb a wide range of tenant demand including sports, music, medicine, and education

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).





Property number	RE-01	RE-02	RE-03	RE-04
Property name	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building
Photograph of property				
Location	Higashi-Oi, Shinagawa Ward, Tokyo		Kandasakumacho, Chiyoda Ward, Tokyo	Jingumae, Shibuya Ward, Tokyo
Nearest station	1-minute walk from Oimachi Station, JR Keihin-Tohoku Line		1-minute walk from Akihabara Station, JR Yamanote Line, etc.	7-minute walk from Meiji Jingumae Station, Tokyo Metro Chiyoda and Fukutoshin Lines
Acquisition price	¥9,456 million	¥6,166 million	¥3,200 million	¥2,660 million
Appraisal NOI yield (*1)	5.8%	5.8%	4.8%	4.6%
Completion of construction	September 1989	September 1989	June 1993	September 2000
Structures and construction	SRC, B2/8F	SRC, B3/10F	RC, B2/9F	RC/S, B2/6F
Total leasable area (*2)	14,485.66 m ²	10,612.67 m ²	2,169.41 m ²	1,656.24 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<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, Tokyu Oimachi Line and the Rinkai Line ➢ With a Japan's leading home electronics retailer as a core tenant, this large-scale facility is divided into 2 buildings—#1 and #2—and part of the property is occupied by a food supermarket, conveniently meeting the lifestyle needs of station users and local residents 		<ul style="list-style-type: none"> ➢ Located near Akihabara Station ➢ Akihabara Station served by 3 JR lines, Tokyo Metro Hibiya Line, Tsukuba Express, etc. ➢ Leased in full to one of Japan's leading karaoke companies (food and beverage establishments on middle and lower floors) 	<ul style="list-style-type: none"> ➢ Located along Cat Street, which is lined with fashion shops ➢ Retail stores on the 1st to 2nd floors, housing on the 3rd floor, 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"

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 7th Fiscal Period



Property number	RE-05	RE-06	RE-07	RE-08
Property name	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building	Leaf Minatomirai (Land)	Orchid Square
Photograph of property				
Location	Shinjuku, Shinjuku Ward, Tokyo	Yamashita-cho, Naka Ward, Yokohama City, Kanagawa Prefecture	Minatomirai, Nishi Ward, Yokohama City, Kanagawa Prefecture	Yurakucho, Chiyoda Ward, Tokyo
Nearest station	1-minute walk from Shinjuku Sanjome Station, Tokyo Metro Marunouchi Line, etc.	1-minute walk from Motomachi-Chukagai Station, Yokohama Minatomirai Railway Minatomirai Line	3-minute walk from Minatomirai Station, Yokohama Minatomirai Railway Minatomirai Line	3-minute walk from Hibiya Station, Tokyo Metro Hibiya Line
Acquisition price	¥5,550 million	¥4,850 million	¥11,700 million	¥3,502 million
Appraisal NOI yield (*1)	4.1%	5.3%	4.3%	4.2%
Completion of construction	June 1983	July 1993	—	January 2009
Structures and construction	S/SRC/RC, B1/7F	SRC, B2/7F	—	RC, B1/8F
Total leasable area (*2)	1,351.15 m ²	8,958.70 m ²	5,500.04 m ²	1,334.88 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<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 	<ul style="list-style-type: none"> ➢ Located near the center of the Minatomirai 21 area in a commercial development along Grand Mall Park ➢ Surrounded by streets on 3 sides and a park, visibility is high ➢ The property is a land of large-scale retail facilities with a major interior design company as its key tenant. 	<ul style="list-style-type: none"> ➢ Located in a commercial district with ready access to multiple stations: Hibiya, Ginza, and Yurakucho ➢ In the Ginza-Yurakucho area, Orchid Square faces a street thronging with visitors to the bars and restaurants under the JR Yamanote Line ➢ The curtain wall on the front of the building attracts the eye and establishes a certain presence

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Tokyo Commercial Properties) at the End of 7th Fiscal Period





Property number	RE-09	RE-10	RE-11
Property name	Hulic Todoroki Building	Hulic Omori Building	HULIC &New SHIBUYA
Photograph of property			
Location	Todoroki, Setagaya Ward, Tokyo	Minami Oi, Shinagawa Ward, Tokyo	Udagawacho, Shibuya Ward, Tokyo
Nearest station	1-minute walk from Todoroki Station, Tokyu Oimachi Line	2-minute walk from Omori Station, JR Keihin-Tohoku Line	5-minute walk from Shibuya Station, JR Yamanote Line, etc.
Acquisition price	¥1,200 million	¥3,420 million	¥3,150 million
Appraisal NOI yield (*1)	5.4%	4.7%	3.4%
Completion of construction	August 1990	January 2017	April 2017
Structures and construction	SRC, B2/3F	S, 9F	S, B2/10F
Total leasable area (*2)	1,593.58 m ²	2,666.52 m ²	898.62 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ As it is directly connected to Todoroki Station, it's a highly prized location facing a Ward road along the Tokyu Oimachi Line ➢ Located in front of Todoroki Station, has good visibility from the station ➢ Lifestyle convenience retail facilities nearby a residential area that support the daily needs of consumers in the station area 	<ul style="list-style-type: none"> ➢ Located near Omori Station, facing the square (bus rotary) in front of the east exit of Omori Station ➢ The Omori Station East Exit Arcade and Milpa Arcade spread across the area, which is busy with workers and residents from the area ➢ Exterior features surface greening and planting around the exterior 	<ul style="list-style-type: none"> ➢ Located near Shibuya Station, one of Japan's leading terminals ➢ Good location which appeals for people walking around the streets near the Shibuya Center Gai arcade ➢ First building in the HULIC &New series of urban commercial facilities ➢ External appearance with its creative design through the alternate stacking of glass blocks

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Next-Generation Assets) at the End of 7th Fiscal Period


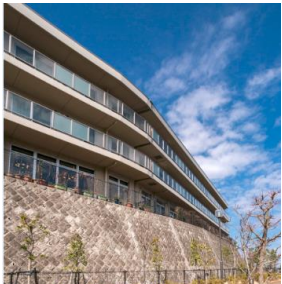

Property number	NH-01	NH-02	NH-03	NH-04
Property name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Sugunami Miyamae
Photograph of property				
Location	Matsubara, Setagaya Ward, Tokyo	Yoga, Setagaya Ward, Tokyo	Tsurumaki, Setagaya Ward, Tokyo	Miyamae, Sugunami Ward, Tokyo
Nearest station	10-minute walk from Meidaimae Station, Keio Line	14-minute walk from Yoga Station, Tokyu Den-en-toshi Line	13-minute walk from Komazawa University Station, Tokyu Den-en-toshi Line	12-minute walk from Fujimigaoka Station, Keio Inokashira Line
Acquisition price	¥3,244 million	¥5,390 million	¥2,850 million	¥2,760 million
Appraisal NOI yield (*1)	6.0%	6.0%	5.9%	5.9%
Completion of construction	September 2005	September 2005	August 2005	April 2005
Structures and construction	RC, 4F	RC, 3F	RC, 3F	RC, 3F
Total leasable area (*2)	5,454.48 m ²	5,977.75 m ²	3,700.26 m ²	3,975.99 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located in a quiet residential area with numerous detached homes and low-rise condominiums ➢ Facility operated by an affiliate of Benesse Holdings, Inc., which is one of Japan's largest healthcare providers, with the "Aria" brand representing the high-end range ➢ Reconstructed by Nihonbashi Kogyo Co., Ltd. (currently Hulic Co., Ltd.) 	<ul style="list-style-type: none"> ➢ Located in a quiet residential area with leafy boulevards ➢ Facility operated by an affiliate of Resorttrust, Inc., which is engaged in 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 operated by an affiliate of Resorttrust, Inc., which is engaged in 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 sight of a shrine and school ➢ Facility operated by an affiliate of Resorttrust, Inc., which is engaged in membership-type resort hotel and medical businesses ➢ Features living quarters and a central courtyard

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Next-Generation Assets) at the End of 7th Fiscal Period

Property number	NH-05	NH-06	HT-01
Property name	Trust Garden Tokiwamatsu	SOMPO Care La vie Re Kita-Kamakura	Sotetsu Fresa Inn Ginza 7 Chome (Land)
Photograph of property			
Location	Higashi, Shibuya Ward, Tokyo	Ofuna, Kamakura City, Kanagawa Prefecture	Ginza, Chuo Ward, Tokyo
Nearest station	13-minute walk from Omotesando Station, Tokyo Metro Ginza Line, etc	Approximately 1.3 km from Kita-Kamakura Station, JR Yokosuka Line	5-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc.
Acquisition price	¥3,030 million	¥1,780 million	¥4,370 million
Appraisal NOI yield (*1)	4.7%	5.7%	3.8%
Completion of construction	January 2016	March 2009	-
Structures and construction	RC, B1/6F	SRC, 3F	-
Total leasable area (*2)	2,893.82 m ²	4,912.60 m ²	352.36 m ²
Occupancy rate (*3)	100.0%	100.0%	100.0%
Property characteristics	<ul style="list-style-type: none"> ➢ Located in a quiet area of an exclusive residential district formerly known as Tokiwamatsu ➢ Facility operated by an affiliate of Resorttrust, Inc., which is engaged in membership-type resort hotel and medical businesses ➢ Equipped with environment-friendly equipment, sense of refinement created through exterior design, porch, etc. 	<ul style="list-style-type: none"> ➢ Located in a hilly and quiet residential area to the north of Kita-Kamakura Station ➢ Property characterized by views of Kamakura and Ofuna City, and there is a spot that was selected as one of the one hundred best views of Kamakura nearby ➢ Facility operated by an affiliate of a major non-life insurance company, Sampo Holdings, Inc. 	<ul style="list-style-type: none"> ➢ Located in district between Chuo Street and Showa Street, with Ginza Station as the nearest station ➢ Located in Ginza, which is one of Japan's representative retail areas, where multiple development plans are in progress ➢ The building on the land is a hotel operated under the brand of the Sotetsu Group

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Next-Generation Assets) at the End of 7th Fiscal Period



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

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

6. List of Portfolio Properties (Next-Generation Assets) at the End of 7th Fiscal Period

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

*1 NOI yield = NOI/acquisition price (NOI based on appraisal value at the end of the 7th fiscal period (August 31, 2017), 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 7th fiscal period (August 31, 2017). (Figures for co-owned properties correspond to the owned portion.)

*3 Figures are as of the end of the 7th fiscal period (August 31, 2017).

7. Status of Appraisal Values by Property

(Unit: millions of yen)¹⁾

Name	① Acquisition price	② Book value (As of Aug. 31, 2017)	③ Appraisal value (As of Aug. 31, 2017)						④ Unrealized gains/losses ③-②
			Profit price (Direct capitalization method)	Cap rate ²⁾	Profit price (DCF)	Discount rate ²⁾	Final cap rate ²⁾	Appraisal firm	
Subtotal for Tokyo Commercial Properties (28 properties)	207,146	207,449	237,105	240,197	234,716				29,655
Subtotal for office properties (17 properties)	152,292	152,472	173,455	175,802	171,641	3.3%	3.7%		20,982
OF-01 HULIC Kamiyacho Building	36,750	36,985	42,400	43,500	41,900	3.3%	3.7%	DAIWA REAL ESTATE APPRAISAL	5,414
OF-02 HULIC Kudan Building (Land)	11,100	11,191	12,500	12,500	12,400	3.3%	3.8%	Japan Real Estate Institute	1,308
OF-03 Toranomon First Garden	8,623	8,407	11,000	10,900	11,000	3.2%	3.6%	CBRE	2,592
OF-04 Rapiros Roppongi	6,210	6,701	8,070	8,170	7,970	3.4%	3.9%	Japan Real Estate Institute	1,368
OF-05 HULIC Takadanobaba Building	3,900	3,834	4,750	4,670	4,790	3.9%	4.3%	DAIWA REAL ESTATE APPRAISAL	915
OF-06 HULIC Kanda Building	3,780	3,668	4,010	4,300	3,890	4.0%	4.1%	The Tanizawa Sogo Appraisal	341
OF-07 HULIC Kandabashi Building	2,500	2,523	2,890	2,920	2,870	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL	366
OF-08 HULIC Kakigaracho Building	2,210	2,195	2,850	2,820	2,860	4.3%	4.4%	The Tanizawa Sogo Appraisal	654
OF-09 Ochanomizu Sola City	38,149	37,617	42,315	42,532	41,881	3.1%	3.5%	Japan Real Estate Institute	4,697
OF-10 HULIC Higashi Ueno 1 Chome Building	2,670	2,667	2,940	2,980	2,900	3.9%	4.3%	Japan Real Estate Institute	272
OF-11 Sasazuka South Building	2,100	2,159	2,170	2,180	2,160	4.4%	4.9%	Japan Real Estate Institute	10
OF-12 Tokyo Nishiikebukuro Building	1,580	1,625	1,890	1,930	1,850	4.1%	4.5%	Japan Real Estate Institute	264
OF-13 Gate City Ohsaki	4,370	4,515	4,490	4,510	4,470	3.3%	3.8%	Japan Real Estate Institute	(25)
OF-14 HULIC Toranomon Building	18,310	18,244	20,800	20,900	20,600	3.0%	3.4%	Japan Real Estate Institute	2,555
OF-15 HULIC Shibuya 1 Chome Building	5,100	5,126	5,310	5,790	5,110	3.6%	3.7%	The Tanizawa Sogo Appraisal	183
OF-16 HULIC Higashi Nihonbashi Building	3,480	3,501	3,590	3,700	3,540	4.3%	4.4%	The Tanizawa Sogo Appraisal	88
OF-17 HULIC Jimbocho Building	1,460	1,506	1,480	1,500	1,450	3.9%	4.3%	Japan Real Estate Institute	(26)
Subtotal for retail properties (11 properties)	54,854	54,976	63,650	64,395	63,075	3.9%	4.1%		8,673
RE-01 Oimachi Redevelopment Building (#2)	9,456	9,432	12,200	12,400	12,100	4.2%	4.3%	The Tanizawa Sogo Appraisal	2,767
RE-02 Oimachi Redevelopment Building (#1)	6,166	6,290	7,460	7,510	7,440	4.4%	4.5%	The Tanizawa Sogo Appraisal	1,169
RE-03 Dining Square Akihabara Building	3,200	3,202	3,750	3,810	3,680	3.8%	4.2%	Japan Real Estate Institute	547
RE-04 HULIC Jingu-Mae Building	2,660	2,654	3,500	3,560	3,470	3.5%	3.6%	The Tanizawa Sogo Appraisal	845
RE-05 HULIC Shinjuku 3 Chome Building	5,550	5,561	6,180	6,340	6,020	3.2%	3.8%	Japan Real Estate Institute	618
RE-06 Yokohama Yamashitacho Building	4,850	4,759	5,560	5,630	5,480	4.3%	4.7%	Japan Real Estate Institute	800
RE-07 Leaf Minatomirai (Land)*3	11,700	11,765	13,100		13,100	3.9%		DAIWA REAL ESTATE APPRAISAL	1,334
RE-08 Orchid Square	3,502	3,507	3,920	4,010	3,880	3.4%	3.8%	DAIWA REAL ESTATE APPRAISAL	412
RE-09 HULIC Todoroki Building	1,200	1,210	1,260	1,270	1,250	4.7%	4.8%	The Tanizawa Sogo Appraisal	49
RE-10 HULIC Omori Building	3,420	3,429	3,530	3,510	3,530	4.3%	4.6%	CBRE	100
RE-11 HULIC & New SHIBUYA	3,150	3,162	3,190	3,255	3,125	3.1%	3.5%	Japan Real Estate Institute	27
Subtotal for Next Generation Assets (15 properties)	42,569	42,761	48,458	48,779	48,067				5,696
Subtotal for private nursing homes (6 properties)	19,054	19,207	23,270	23,420	23,090	4.2%	4.8%		4,062
NH-01 Aria Matsubara	3,244	3,207	4,280	4,300	4,250	4.0%	4.6%	Japan Real Estate Institute	1,072
NH-02 Trust Garden Yoganomori	5,390	5,365	6,790	6,830	6,750	4.3%	4.9%	Japan Real Estate Institute	1,424
NH-03 Trust Garden Sakurashinmachi	2,850	2,883	3,610	3,630	3,590	4.2%	4.8%	Japan Real Estate Institute	726
NH-04 Trust Garden Suginami Miyamae	2,760	2,788	3,490	3,510	3,470	4.2%	4.8%	Japan Real Estate Institute	701
NH-05 Trust Garden Tokiwamatsu	3,030	3,090	3,300	3,340	3,250	4.0%	4.4%	Japan Real Estate Institute	209
NH-06 SOMPO Care La vie Re Kita-Kamakura	1,780	1,872	1,800	1,810	1,780	5.2%	5.6%	Japan Real Estate Institute	(72)
Subtotal for netwrok centers (8 properties)	19,145	19,156	20,598	20,739	20,427	4.9%	5.3%		1,441
NW-01 Ikebukuro Netw ork Center	4,570	4,541	5,240	5,300	5,180	4.2%	4.6%	Japan Real Estate Institute	698
NW-02 Tabata Netw ork Center	1,355	1,368	1,560	1,570	1,540	4.7%	5.1%	Japan Real Estate Institute	191
NW-03 Hiroshima Netw ork Center	1,080	1,059	1,220	1,220	1,210	5.5%	5.9%	Japan Real Estate Institute	160
NW-04 Atsuta Netw ork Center	1,015	1,000	1,100	1,110	1,090	5.2%	5.6%	Japan Real Estate Institute	99
NW-05 Nagano Netw ork Center	305	310	368	369	367	6.7%	7.1%	Japan Real Estate Institute	57
NW-06 Chiba Netw ork Center	7,060	7,097	7,190	7,230	7,140	5.0%	5.4%	Japan Real Estate Institute	92
NW-07 Sapporo Netw ork Center	2,510	2,559	2,600	2,620	2,580	5.0%	5.4%	Japan Real Estate Institute	40
NW-08 Keihanna Netw ork Center	1,250	1,220	1,320	1,320	1,320	5.3%	5.7%	Japan Real Estate Institute	99
Subtotal for hotels (1 property)	4,370	4,397	4,590	4,620	4,550	3.1%	3.8%		192
HT-01 Sotetsu Fresa Inn Ginza 7 chome (Land)	4,370	4,397	4,590	4,620	4,550	3.1%	3.8%	Japan Real Estate Institute	192
Total (43 properties)	249,715	250,211	285,563	288,976	282,783				35,351

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, 2017.

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

8. 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. 28, 2017	② As of Aug. 31, 2017	③ Change ②—①	④ As of Feb. 28, 2017 ^{*1}	⑤ As of Aug. 31, 2017 ^{*1}	⑥ Change ⑤—④	
Subtotal for Tokyo Commercial Properties (28 properties)	234,085	237,105	3,020				
Subtotal for office properties (17 properties)	171,535	173,455	1,920	3.7%	3.6%	Δ0.1%	
OF-01 HULIC Kamiyacho Building	41,200	42,400	1,200	3.6%	3.5%	Δ0.1%	DAIWA REAL ESTATE APPRAISAL
OF-02 HULIC Kudan Building (Land)	12,500	12,500	0	3.7%	3.7%	0.0%	Japan Real Estate Institute
OF-03 Toranomon First Garden	10,800	11,000	200	3.6%	3.5%	Δ0.1%	CBRE
OF-04 Rapiros Roppongi	8,050	8,070	20	3.7%	3.7%	0.0%	Japan Real Estate Institute
OF-05 HULIC Takadanobaba Building	4,630	4,750	120	4.2%	4.1%	Δ0.1%	DAIWA REAL ESTATE APPRAISAL
OF-06 HULIC Kanda Building	4,110	4,010	(100)	4.0%	3.9%	Δ0.1%	The Tanizawa Sogo Appraisal
OF-07 HULIC Kandabashi Building	2,820	2,890	70	3.8%	3.7%	Δ0.1%	DAIWA REAL ESTATE APPRAISAL
OF-08 HULIC Kakigara Building	2,750	2,850	100	4.3%	4.2%	Δ0.1%	The Tanizawa Sogo Appraisal
OF-09 Ochanomizu Sola City	42,315	42,315	0	3.5%	3.4%	Δ0.1%	Japan Real Estate Institute
OF-10 HULIC Higashi Ueno 1 Chome Building	2,940	2,940	0	4.1%	4.1%	0.0%	Japan Real Estate Institute
OF-11 Sasazuka South Building	2,170	2,170	0	4.7%	4.7%	0.0%	Japan Real Estate Institute
OF-12 Tokyo Nishiikebukuro Building	1,800	1,890	90	4.4%	4.3%	Δ0.1%	Japan Real Estate Institute
OF-13 Gate City Ohsaki	4,490	4,490	0	3.7%	3.7%	0.0%	Japan Real Estate Institute
OF-14 HULIC Toranomon Building	20,800	20,800	0	3.4%	3.3%	Δ0.1%	Japan Real Estate Institute
OF-15 HULIC Shibuya 1 Chome Building*2	5,170	5,310	140	3.6%	3.5%	Δ0.1%	The Tanizawa Sogo Appraisal
OF-16 HULIC Higashi Nihonbashi Building*2	3,510	3,590	80	4.3%	4.2%	Δ0.1%	The Tanizawa Sogo Appraisal
OF-17 HULIC Jimbocho Building*2	1,480	1,480	0	4.1%	4.1%	0.0%	Japan Real Estate Institute
Subtotal for retail properties (11 properties)	62,550	63,650	1,100	4.1%	4.0%	Δ0.1%	
RE-01 Oimachi Redevelopment Building (#2)	11,900	12,200	300	4.2%	4.1%	Δ0.1%	The Tanizawa Sogo Appraisal
RE-02 Oimachi Redevelopment Building (#1)	7,320	7,460	140	4.4%	4.3%	Δ0.1%	The Tanizawa Sogo Appraisal
RE-03 Dining Square Akihabara Building	3,700	3,750	50	4.1%	4.0%	Δ0.1%	Japan Real Estate Institute
RE-04 HULIC Jingu-Mae Building	3,430	3,500	70	3.5%	3.4%	Δ0.1%	The Tanizawa Sogo Appraisal
RE-05 HULIC Shinjuku 3 Chome Building	6,100	6,180	80	3.7%	3.6%	Δ0.1%	Japan Real Estate Institute
RE-06 Yokohama Yamashitacho Building	5,440	5,560	120	4.6%	4.5%	Δ0.1%	Japan Real Estate Institute
RE-07 Leaf Minatomirai (Land)*3	13,000	13,100	100				DAIWA REAL ESTATE APPRAISAL
RE-08 Orchid Square	3,770	3,920	150	3.6%	3.6%	0.0%	DAIWA REAL ESTATE APPRAISAL
RE-09 HULIC Todoroki Building	1,220	1,260	40	4.7%	4.6%	Δ0.1%	The Tanizawa Sogo Appraisal
RE-10 HULIC Omori Building*2	3,480	3,530	50	4.6%	4.5%	Δ0.1%	CBRE
RE-11 HULIC & New SHIBUYA*2	3,190	3,190	0	3.3%	3.3%	0.0%	Japan Real Estate Institute
Subtotal for Next Generation Assets (15 properties)	48,438	48,458	20				
Subtotal for private nursing homes (6 properties)	23,250	23,270	20	4.6%	4.6%	0.0%	
NH-01 Aria Matsubara	4,280	4,280	0	4.4%	4.4%	0.0%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,790	6,790	0	4.7%	4.7%	0.0%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,610	3,610	0	4.6%	4.6%	0.0%	Japan Real Estate Institute
NH-04 Trust Garden Suginami Miyamae	3,490	3,490	0	4.6%	4.6%	0.0%	Japan Real Estate Institute
NH-05 Trust Garden Tokiwamatsu	3,280	3,300	20	4.2%	4.2%	0.0%	Japan Real Estate Institute
NH-06 SOMPO Care La vie Re Kita-Kamakura*2	1,800	1,800	0	5.4%	5.4%	0.0%	Japan Real Estate Institute
Subtotal for network centers (8 properties)	20,598	20,598	0	5.1%	5.1%	0.0%	
NW-01 Ikebukuro Network Center	5,240	5,240	0	4.4%	4.4%	0.0%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,560	1,560	0	4.9%	4.9%	0.0%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,220	1,220	0	5.7%	5.7%	0.0%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,100	1,100	0	5.4%	5.4%	0.0%	Japan Real Estate Institute
NW-05 Nagano Network Center	368	368	0	6.9%	6.9%	0.0%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,190	7,190	0	5.2%	5.2%	0.0%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,600	2,600	0	5.2%	5.2%	0.0%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,320	1,320	0	5.5%	5.5%	0.0%	Japan Real Estate Institute
Subtotal for hotels (1 property)	4,590	4,590	0	3.6%	3.6%	0.0%	
HT-01 Sotetsu Fresa Inn Ginza 7 chome (Land)	4,590	4,590	0	3.6%	3.6%	0.0%	Japan Real Estate Institute
Total (43 properties)	282,523	285,563	3,040				

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

^{*2} Regarding assets acquired in the 7th fiscal period, figures noted under "as of Feb. 28, 2017" are for the time of acquisition, and these are used in various calculations.

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

Key financial indicators

	End of 2nd fiscal period (Feb. 28, 2015)	End of 3rd fiscal period (Aug. 31, 2015)	End of 4th fiscal period (Feb. 29, 2016)	End of 5th fiscal period (Aug. 31, 2016)	End of 6th fiscal period (Feb. 28, 2017)	End of 7th fiscal period (Aug. 31, 2017)
Total interest-bearing debt	¥60,700 million	¥68,470 million	¥80,770 million	¥81,470 million	¥97,460 million	¥115,850 million
Fixed-interest debt ratio ^{*1} (includes interest rates fixed by swap transaction)	93.5%	94.2%	95.1%	94.3%	95.9%	96.6%
Average interest rate ^{*1}	0.77%	0.77%	0.71%	0.71%	0.70%	0.69%
Average interest rate ^{*1} (including upfront fee)	0.91%	0.91%	0.85%	0.84%	0.84%	0.83%
Average period remaining to maturity ^{*1}	5.1 years	4.9 years	4.8 years	4.3 years	4.9 years	4.9 years

Investment corporation bonds issued

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

Status of commitment line

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

Lender information ^{*2}

Borrower	Balance (million yen)	Share ^{*3}
Mizuho Bank	32,439	29.3%
Sumitomo Mitsui Banking Corporation	23,901	21.6%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,418	12.1%
Mizuho Trust & Banking Co., Ltd.	10,583	9.5%
Development Bank of Japan Inc.	7,962	7.2%
Sumitomo Mitsui Trust Bank, Limited	7,962	7.2%
The Norinchukin Bank	7,962	7.2%
Resona Bank, Limited	2,400	2.2%
Shinkin Central Bank	921	0.8%
Aozora Bank, Ltd.	921	0.8%
Shinsei Bank, Limited	921	0.8%
Meiji Yasuda Life Insurance Company	730	0.7%
Nippon Life Insurance Company	730	0.7%

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

^{*2} Figures are as of the end of the 7th fiscal period (August 31, 2017).

^{*3} Ratios for the borrowings balance (total amount) are rounded to the 1st decimal place.

	Name of end-tenant	Property name	Leased area (m ²)*1	Area ratio (%)*1	Expiration date	Form of agreement
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	29.3	November 5, 2027 (Ikebukuro Network Center, Hiroshima Network Center) November 5, 2022 (Tabata Network Center, Atsuta Network Center, Keihanna Network Center) November 5, 2017*2 (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 Sotetsu Fresa Inn Ginza 7 Chome (Land) *4 Hulic Toranomon Building Hulic Omori Building	37,183.93	15.3	February 6, 2063 February 6, 2019 *3 March 29, 2046 September 15, 2046 February 28, 2018 March 30, 2022	Fixed-term business-use land lease agreement Ordinary building lease agreement Ordinary building lease agreement Fixed-term business-use land lease agreement with special provisions for building transfer Co-owner agreement Ordinary building lease agreement Ordinary building lease agreement
3	Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae Trust Garden Tokiwamatsu	16,547.82	6.8	January 24, 2028 January 24, 2028 January 24, 2028 February 29, 2036	Ordinary building lease agreement
4	Barneys Japan	Yokohama Yamashitacho Building	8,958.70	3.7	Note	Note
5	Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	2.2	September 30, 2030	Ordinary building lease agreement
6	Sompo Care Next Company Inc.	SOMPO Care La vie Re Kita-Kamakura	4,912.60	2.0	March 31, 2029	Ordinary building lease agreement
7	Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	4,555.25	1.9	Note	Fixed-term building lease agreement
8	Mizuho Securities Co., Ltd.	Ochanomizu Sola City	3,668.44	1.5	Note	Fixed-term building lease agreement
9	Mitsui Fudosan Co., Ltd.	Gate City Ohsaki	3,527.58	1.4	January 5, 2019	Ordinary building lease agreement
10	J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.3	November 30, 2018	Ordinary building lease agreement

Note: Not disclosed because approval not obtained from the end tenant or the persons concerned.

*1 For "leased area," the total lease area in lease agreements with end tenants (equivalent to ownership of Hulic Reit, etc.) is stated, and for "area ratio," ratios of total leased area are rounded to the 1st decimal place.

*2 A new lease agreement has been entered with tenants from August 31, 2017 for this property, and the expiration date in this lease agreement is November 5, 2024.

*3 The previous lease agreement related to Oimachi Redevelopment Building (#1) was renewed on September 27, 2017, and it is currently a lease agreement for an undetermined period of time.

*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.

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

	End of 6th Fiscal Period (Feb. 28, 2017)		End of 7th Fiscal Period (Aug. 31, 2017)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	51,750	5.0%	52,561	5.0%	811	0.0
Financial institutions	603,239	57.7%	599,850	57.4%	(3,389)	△ 0.3%
Major banks	0	0.0%	0	0.0%	0	0.0%
Regional banks	38,337	3.7%	46,048	4.4%	7,711	0.7%
Trust banks	533,459	51.0%	516,020	49.4%	(17,439)	△ 1.7%
Life insurers	9,249	0.9%	11,610	1.1%	2,361	0.2%
Non-life insurers	0	0.0%	0	0.0%	0	0.0%
Shinkin banks	16,260	1.6%	17,929	1.7%	1,669	0.2%
Others	5,934	0.6%	8,243	0.8%	2,309	0.2%
Other domestic corporations	140,471	13.4%	140,993	13.5%	522	0.1%
Foreign investors	236,340	22.6%	237,338	22.7%	998	0.1%
Securities companies	13,200	1.3%	14,258	1.4%	1,058	0.1%
Total	1,045,000	100.0%	1,045,000	100.0%	0	-

Number of unitholders by type*1 *2

	End of 6th Fiscal Period (Feb. 28, 2017)		End of 7th Fiscal Period (Aug. 31, 2017)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	6,787	93.2%	6,737	93.1%	(50)	△ 0.2%
Financial institutions	103	1.4%	109	1.5%	6	0.1%
Major banks	0	0.0%	0	0.0%	0	0.0%
Regional banks	27	0.4%	27	0.4%	0	0.0%
Trust banks	14	0.2%	15	0.2%	1	0.0%
Life insurers	5	0.1%	6	0.1%	1	0.0%
Non-life insurers	0	0.0%	0	0.0%	0	0.0%
Shinkin banks	35	0.5%	36	0.5%	1	0.0%
Others	22	0.3%	25	0.3%	3	0.0%
Other domestic corporations	197	2.7%	201	2.8%	4	0.1%
Foreign investors	175	2.4%	173	2.4%	(2)	0.0%
Securities companies	18	0.2%	18	0.2%	0	0.0%
Total	7,280	100.0%	7,238	100.0%	(42)	-

Top unitholders *2

	Name	Number of Units Held	Ratio of Total Units *3
1	Japan Trustee Services Bank, Ltd. (Trust account)	230,400	22.04%
2	Hulic Co., Ltd.	120,120	11.49%
3	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	116,863	11.18%
4	The Master Trust Bank of Japan, Ltd. (Trust account)	103,845	9.93%
5	NOMURA BANK(LUXEMBOURG)S.A.	63,006	6.02%
6	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	37,515	3.58%
7	STATE STREET BANK AND TRUST COMPANY 505012	19,585	1.87%
8	STATE STREET BANK AND TRUST COMPANY	11,391	1.09%
9	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	10,607	1.01%
10	THE BANK OF NEW YORK MELLON SA/NV 10	10,126	0.96%

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

*2 Data is based on the unitholder registry as of the end of the 6th fiscal period (February 28, 2017) and the end of the 7th fiscal period (August 31, 2017).

*3 Ratio are truncated after 2 decimal places.

Hulic Reit's basic missions

1. Maximizing unitholder value in the medium to long term

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

2. Sharing the corporate philosophy of our sponsor

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

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

Hulic Reit's portfolio composition policy

Tokyo Commercial Properties

Office

Retail property



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

Next-Generation Assets

Private nursing home

Network center

Hotel



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

Rigorous focus on location: superior nature of great location

TOKYO OFFICE PROPERTIES

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



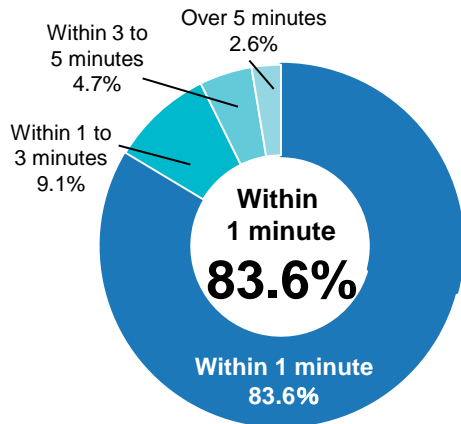
TOKYO RETAIL PROPERTIES

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

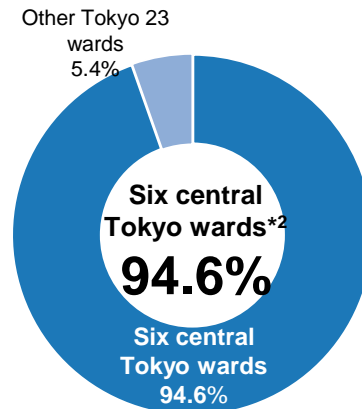


Portfolio (Office)

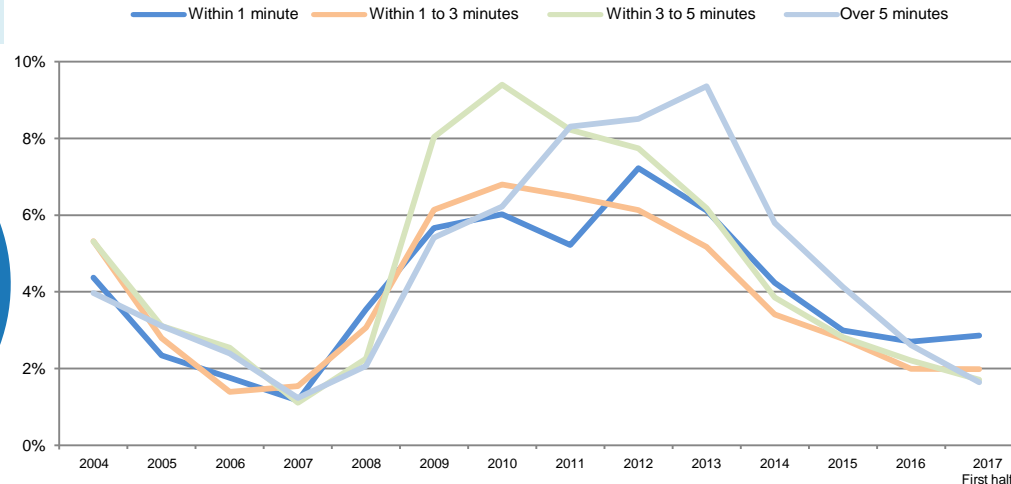
By walking distance from nearest train station*1



By area*1



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



*1 Ratio based on acquisition price in the scheduled portfolio as of end of the 7th fiscal period (August 31, 2017).

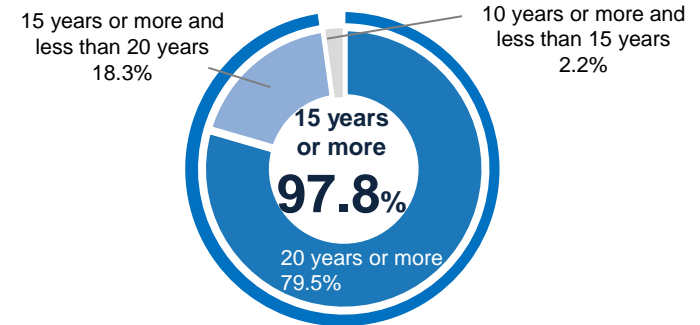
*2 Refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards.

*3 Source: "Base Market Survey Confirming Advantage of the Tokyo Office Market" conducted by CBRE, Inc. (survey conducted in September 2017)

Investments in Next-Generation Assets

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

By Term of Lease^{*1}

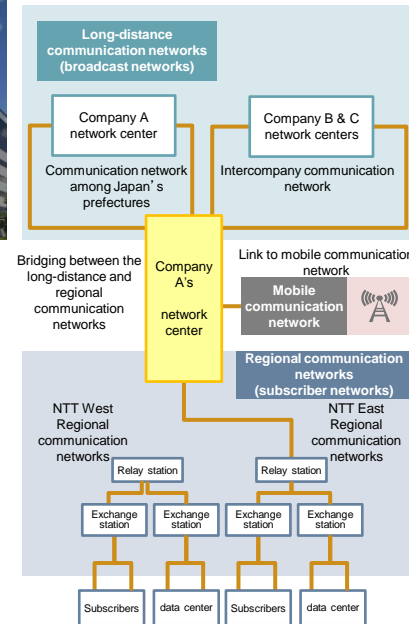


Private nursing homes



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

Network centers



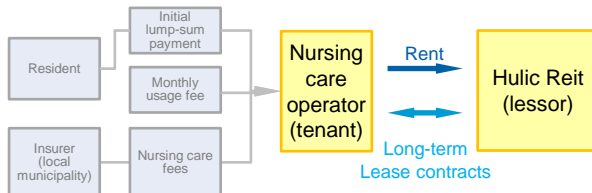
- Relay station connected to telecom network owned by tenant group
- A facility that acts as a node for the network centers of each telecom operator
- Leased by the SoftBank Group

Hotels



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

(Reference) Structure of Private Nursing Home Cash Flow



^{*1} Ratio based on acquisition price in the scheduled portfolio as of end of the 7th fiscal period (August 31, 2017).

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

^{*3} Refers to the monthly usage fee + the initial lump-sum payment divided by 60 months (assumed lease term). This is a simplified version of the burden the resident feels. In some cases, initial lump-sum payments do not exist.

Reconstruction/development*1 *2

Results

Principal use	Classification	Year of completion	Property name
Office	Reconstruction	2009	Hulic Hachioji Building
		2010	Hulic Ryogoku Building
			Toranomon First Garden Acquired
			Hulic Kojimachi Building
		2011	Hulic Ginza Sukiyaabashi Building
			Hulic Ogikubo Building
		2012	Hulic Komagome Building
			Hulic Head Office Building
		2014	Hulic Shinjuku Building
		2015	Hulic Asakusabashi Edo-dori
		2017	Hulic Kamata Building
	Development	2013	Hulic Asakusabashi Building
		2013	Ochanomizu Sola City Acquired
			Nagatacho Hokkaido Square
Retail properties	Reconstruction	2009	Sendai First Tower (commercial wing, atrium)
		2010	Kisarazu Home Center
		2012	Hulic Shibuya No.2 Building
		2015	Gracia Chofu
			Hulic Shimura-sakaue
	Development	2017	Hulic Omori Building Acquired
			HULIC &New SHIBUYA Acquired
			HULIC &New SHINBASHI Acquired
Hotels	Reconstruction	2012	Hulic Kaminarimon Building
	Development	2016	Sotetsu Fresa Inn Ginza 7 Chome Acquired
		2017	Sotetsu Fresa Inn Tokyo-Roppongi Acquired

Principal use	Classification	Year of completion	Property name
Pay nursing homes	Reconstruction	2005	Aria Matsubara Acquired
		2010	Iris Garden Kita Uawa
		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
		2017	Hulic Chofu
	Development	2016	Trust Garden Tokiwamatsu Acquired
Hospital	Development	2017	Hulic Fukasawa
		2015	Shin-Sapporo Houwa Hospital

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

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

Reconstruction/development^{*1 *2}

Plan

Principal use	Classification	Completion of construction scheduled	Property name
Office	Reconstruction	2018	New Fuchu Project
		2019	New Oji Project
	Development	2018	Nihonbashi 2 Chome Redevelopment Project (partial ownership)
		2019	Akihabara Development Site
Retail properties	Development	2017	Kyoto Shijo-dori Development Project (the Company's portion)
			Hulic Shibuya Koen-dori Building Plan
		2018	Kichijoji Minamicho 1 Chome Development Plan
		2019	Udagawacho 32 Development Plan
		2020	Tokyo Metro Roppongi 7 Chome Project Plan Shinjuku 3-17 Development Plan
Retail property, Hotel	Development	2018	Hulic Yurakucho 2 Chome Development Plan
		2020	Rissei Elementary School Former Site Development Project (PPP) Ryogoku River Center Development Project (PPP)
Retail property/ rental condominium	Reconstruction	2018	New Itabashi Project
			New Mejiro Project
			New Kandasurugadai Project
Hotels	Development	2018	Tsukiji 3 Chome Development Plan
Ryokan	Development	2018	Kawaguchiko Fufu Development Project
			Nara Fufu Development Project (PPP)
			Kyoto Nanzenji Project
			Nikko Fufu Development Project
			Hakone Gora Fufu Development Project
Pay nursing homes	Development	2018	Tamagawa Denenchohu Development Project
			Inamuragasaki Development Project
			Kamishakujii Development Project
			Yokohama Yamatecho Development Project
			Bunkyo Yayoi Development Project
		2019	Ogikubo Development Project
			Ichigo-in Development Project
Ossuary	Development	2018	Ichigo-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 the main use is only residential.

New investments^{*1 *2}

Achievements (since 2012)

Principal use	Year acquired	Property name
Office	2012	Hulic Ginza 7 Chome Building
	2013	Rapiros Roppongi Acquired
		Hulic Kamiyacho Building Acquired
	2015	Hulic Ginza 1 Chome Building
		3 office properties in Hatchobori area
		Hulic Ginza Wall Building
		Daiwa Yoyogi No.2 Building
		Primegate Iidabashi
		Vingt-sept Building
		Hulic Shibuya 1 Chome Building Acquired
		Toyosu Prime Square and other 8 properties
		Fuji Building 28
	2016	Yamato Haneda Building
		Hulic Shinkawasaki Building
		Hulic Ginza 3 Chome Building
		Hulic Shibuya Miyashitakoen Building
		Ginza a Building
	2017	Hulic Naka-Okachimachi Building
		Hulic Koishikawa Building
		Hulic Shiba 4 Chome Building
		Hulic Minami Aoyama Building
		Hulic Gobancho Building
		Kanda Misakicho Building
		Hulic Roppongi 2 Chome Building
		Hulic Shinsaibashi Building
		TOC Minatomirai (Land)
		Shinsaibashi Plaza Building (3 Buildings)
		Shinsaibashi Fuji Building
		Hulic Kyobashi East Building
		DSB Group Shiomi Building

Principal use	Year acquired	Property name
Retail properties	2013	Hulic Shinjuku 3 Chome Building Acquired
		Victoria Wardrobe Jimbocho
		Hulic Jingu-Mae Building Acquired
		Hulic Shibuya Udagawacho Building
	2014	Tsurumi Fuga 1
		Yokohama Yamashitacho Building Acquired
		Orchid Square Acquired
	2015	G10
		Tokyu Hands Ikebukuro
		Ikebukuro GIGO
		Udagawacho Sigma No. 5 Building
		WINS Asakusa Building
	2016	Asakusa Park Hall Building
		Hulic Asakusa 1 Chome
		Hulic Jingumae 5 Chome Building
	2017	Bleu Cinq Point (a portion)
		Hulic Ginza 1 Chome Gas Light Street
		Round One 9 properties

Principal use	Year acquired	Property name
Pay nursing homes	2012	Trust Garden Yoganomori Acquired
		Trust Garden Sakurashinmachi Acquired
		Trust Garden Suginami Miyamae Acquired
	2013	Esperal Joto
	2014	Toyosu Senior Residence
	2015	Charm Suite Nishinomiyahama
		Lien Reve Yakumo
	2016	Asakusa Carepark Soyokaze
		Life Commune Hayama
	2017	Medical Home Granda Okamoto
Network center	2012	Ikebukuro Network Center Acquired
		Tabata Network Center Acquired
		Hiroshima Network Center Acquired
		Atsuta Network Center Acquired
		Nagano Network Center Acquired
	2013	Chiba Network Center Acquired
		Sapporo Network Center Acquired
Hotels	2014	Keihanna Network Center Acquired
		Hulic Ginza 2 Chome Building
		Tokyo Bay Maihama Hotel Club Resort
	2015	Tokyo Bay Maihama Hotel
		Southern Beach Hotel & Resort Okinawa
	2016	Grand Nikko Tokyo Daiba (Land)
		Hayama SCAPES THE SUITE
Ryokan	2015	Hakone Suishoen
		Atami Fufu
Warehouse	2016	ATAMI KAIHOUROU
		Hulic Kazo Distribution Center

Main support received from sponsor - asset circulation model -

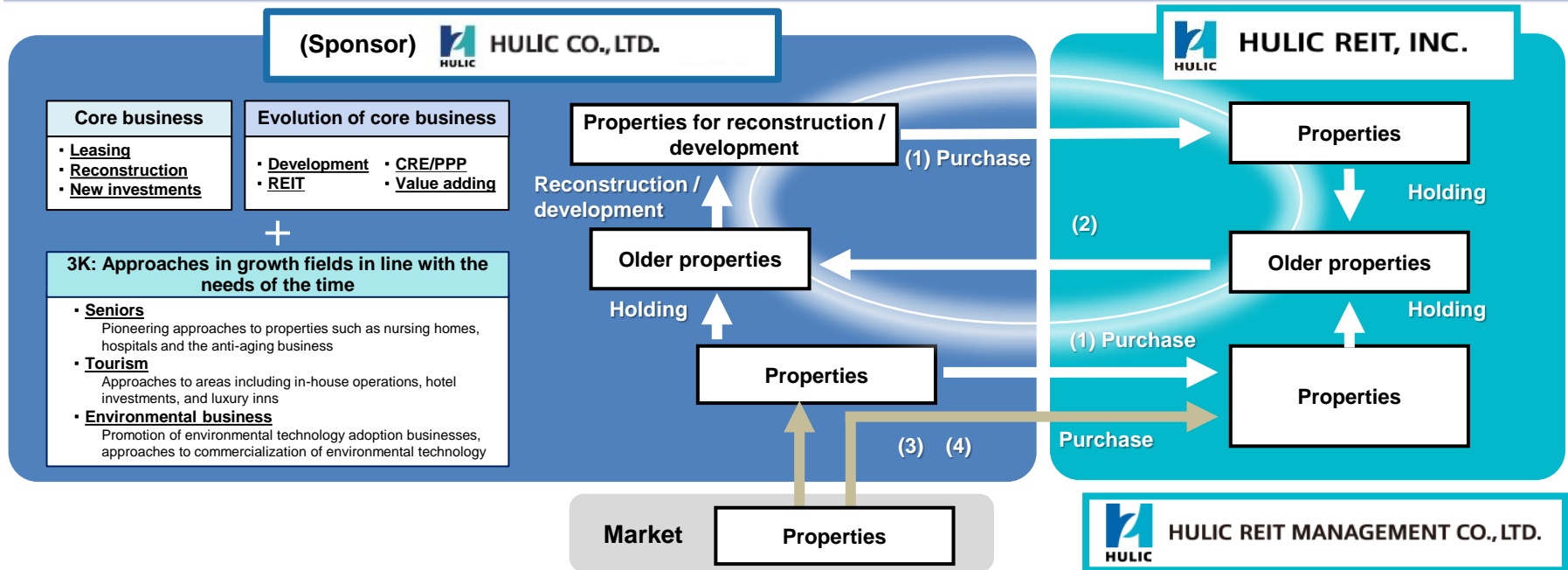


Diagram ①: Preferential negotiation rights

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

Diagram ② : Re-development support

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

Diagram ③ : Provision of warehousing function

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

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

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

Acquisition of Green Star in the GRESB Real Estate Assessment

In recognition of its strong efforts toward both management/policy and implementation/measurement in initiatives related to environmental considerations and sustainability, Hulic Reit received a Green Star in the GRESB Real Estate Assessment conducted in 2017, as well as 4 stars in the GRESB Rating, which is the second-highest level.



Inclusion in the MSCI Japan ESG Select Leaders Index

Hulic Reit's units were included in MSCI Japan ESG Select Leaders Index, provided by MSCI, in July 2017. This index is composed of companies selected from the MSCI Japan IMI Top 500 Index for having outstanding ESG performance. This index has been selected as the ESG index used by the Government Pension Investment Fund (GPIF) for its passive investments.



2017 Constituent
MSCI Japan ESG
Select Leaders Index

Environmental Initiatives ~DBJ Green Building certification~

Hulic Reit acquired certification for real estate that is environmentally and socially friendly (DBJ Green Building certification) for the following properties.

Ochanomizu
Sola City



2017 

Hulic
Toranomon
Building



2017 

Toranomon
First Garden



2016 

Oimachi
Redevelopment
Building (#1)



2016 

Oimachi
Redevelopment
Building (#2)

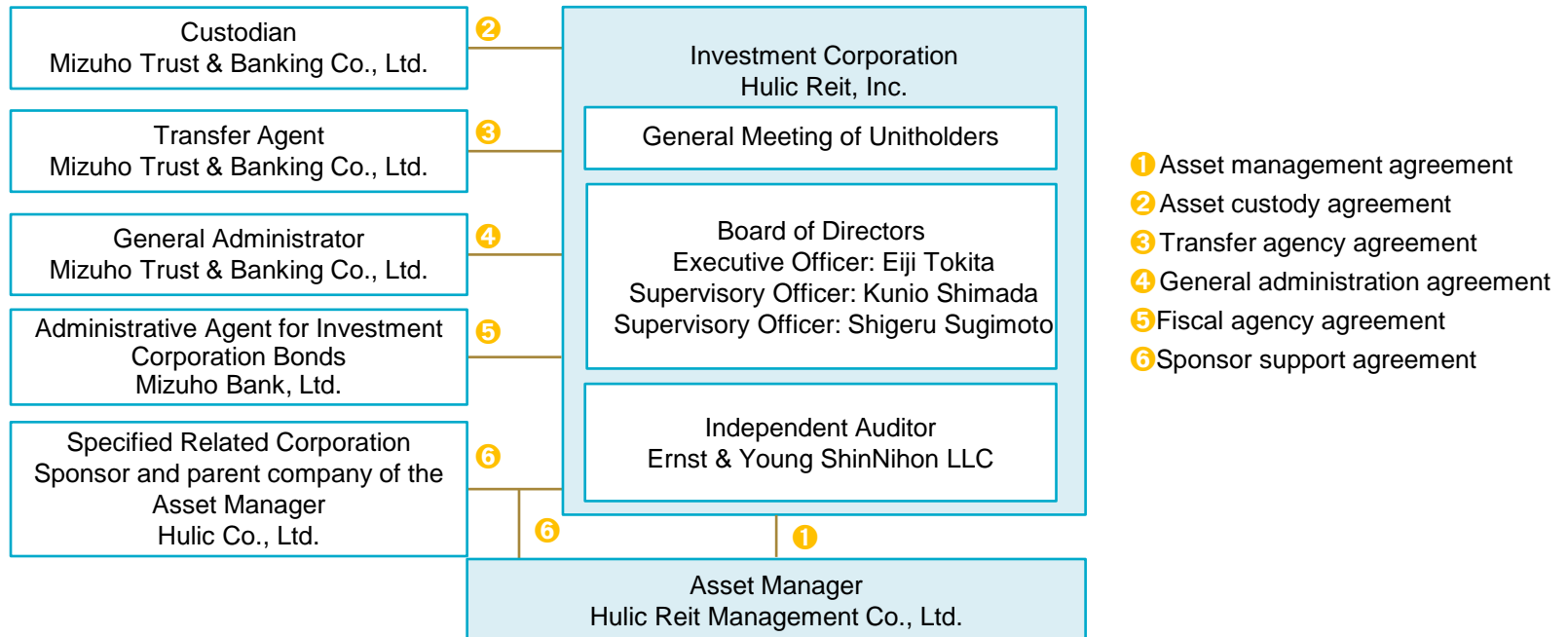


2016 



DBJ Green Building

Structure



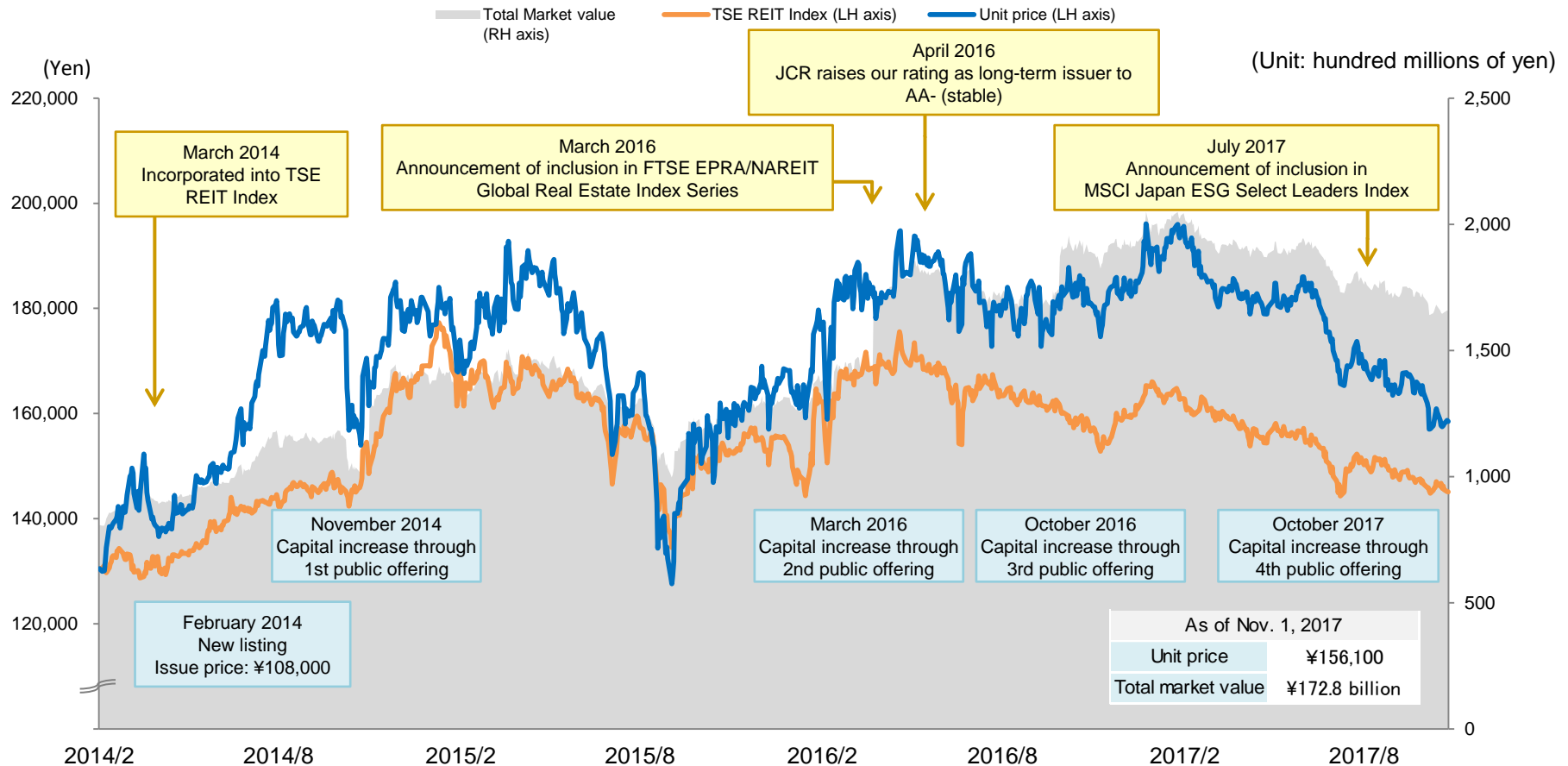
Overview of asset manager

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

Price since listing

- Implementation of past 4 public offerings (expansion of total market value)
- Expansion of investors through inclusion in global indices (improvement in liquidity)
- Improved creditability as credit rating was increased to AA-

We aim to further increase total market value and improve liquidity



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

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

Cautionary Statement

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

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