

This is an English translation of summarized financial results prepared for reference purposes only. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

October 13, 2017

Financial Report for the Fiscal Period Ended August 31, 2017 (For the Reporting Period from March 1, 2017 to August 31, 2017)

Hulic Reit, Inc. (“Investment Corporation”)

Listing: Tokyo Stock Exchange
Securities code: 3295
URL: <http://www.hulic-reit.co.jp>
Representative: Eiichi Tokita, Executive Officer

Asset management company: Hulic Reit Management Co., Ltd.
Representative: Eiichi Tokita, Representative Director, President and CEO
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Scheduled date to file securities report: November 24, 2017
Scheduled date to commence payment of distributions: November 15, 2017
Preparation of supplementary material on financial report: Yes
Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen, except for the basic earnings per unit)

1. Summary of financial results for the fiscal period ended August 31, 2017 (March 1, 2017 - August 31, 2017)

(1) Operating results

(Percentages show changes from the previous fiscal period)

	Operating revenues		Operating profit		Ordinary profit		Profit	
Fiscal period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2017	7,098	6.2	4,021	3.2	3,530	2.2	3,529	2.2
February 28, 2017	6,685	14.8	3,896	15.2	3,453	14.8	3,452	14.8

	Basic earnings per unit	Return on equity	Ordinary profit on total assets	Ordinary profit on operating revenues
Fiscal period ended	Yen	%	%	%
August 31, 2017	3,377	2.6	1.4	49.7
February 28, 2017	3,355	2.7	1.5	51.7

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units outstanding during the period (fiscal period ended August 31, 2017: 1,045,000 units; fiscal period ended February 28, 2017: 1,028,908 units).

(2) Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
August 31, 2017	3,378	3,530	0	0	100.0	2.6
February 28, 2017	3,304	3,452	0	0	100.0	2.6

(Note) The payout ratio is calculated with the following formula and rounded down to nearest one decimal place.
Payout ratio = Total distributions (excluding distributions in excess of earnings) / Profit × 100

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2017	264,657	135,581	51.2	129,743
February 28, 2017	244,942	135,504	55.3	129,669

(4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2017	4,843	(18,174)	14,937	13,476
February 28, 2017	3,628	(30,017)	27,430	11,871

2. Forecasts of performance for the fiscal period ending February 28, 2018 (September 1, 2017 - February 28, 2018) and the fiscal period ending August 31, 2018 (March 1, 2018 - August 31, 2018)

(Percentages show changes from the previous fiscal period)

	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Fiscal period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
February 28, 2018	8,105	14.2	4,675	16.2	4,153	17.6	4,152	17.6	3,740	0
August 31, 2018	7,784	(4.0)	4,414	(5.6)	3,886	(6.4)	3,885	(6.4)	3,500	0

(Reference) Forecasted basic earnings per unit (Forecasted profit / Forecasted number of investment units at end of period)
For the fiscal period ending February 28, 2018: ¥3,740
For the fiscal period ending August 31, 2018: ¥3,500

*** Other**

(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- | | |
|---|------|
| a. Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| b. Changes in accounting policies due to reasons other than a. above: | None |
| c. Changes in accounting estimates: | None |
| d. Retrospective restatement: | None |

(2) Total number of investment units issued

- | | |
|---|-----------------|
| a. Total number of investment units issued at end of period (including treasury investment units) | |
| As of August 31, 2017 | 1,045,000 units |
| As of February 28, 2017 | 1,045,000 units |
| b. Number of treasury investment units at end of period | |
| As of August 31, 2017 | 0 units |
| As of February 28, 2017 | 0 units |

(Note) Please refer to “Notes on Per Unit Information” on pages 30 through 31 for the number of investment units used as the basis for calculating basic earnings per unit.

*** Status of audit procedures**

As of the time of disclosure of this financial results report, audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are not yet complete.

*** Remarks on appropriate use of forecasts of performance and other special notes**

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to the Investment Corporation and on certain assumptions the Investment Corporation deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The above-mentioned forecasts are based on “Assumptions for forecasts of performance for the fiscal period ending February 28, 2018 (from September 1, 2017 to February 28, 2018) and the fiscal period ending August 31, 2018 (from March 1, 2018 to August 31, 2018)” on pages 9 through 12 for calculation, and our judgment as of this date. Actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may vary according to changes in market conditions. These forecasts do not guarantee the distribution amount.

1. The Investment Corporation and Related Corporations

As there have been no significant changes from the “Management Structure of the Investment Corporation” described in the latest Securities Report (prepared in Japanese only) submitted on May 24, 2017, the disclosure is omitted.

2. Investment Policies and Status of Asset Management

(1) Investment Policies

As there have been no significant changes from policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the latest Securities Report (prepared in Japanese only) submitted on May 24, 2017, the disclosure is omitted.

(2) Status of Asset Management

Summary of results for the reporting period

i) Transition of the Investment Corporation

The Investment Corporation was established on November 7, 2013, with Hulic Reit Management Co., Ltd. (hereinafter referred to as the “Asset Manager”), which is entrusted with the management of the assets of the Investment Corporation, as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the “Investment Trust Act”). On November 25, 2013, the Investment Corporation was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 88). The Investment Corporation issued new investment units through a public offering with the payment date on February 6, 2014, which were listed on the Real Estate Investment Trust Securities (J-REIT) Market of Tokyo Stock Exchange, Inc. (Securities code: 3295) on February 7, 2014. New investment units were issued through a third-party allotment on March 7, 2014. The Investment Corporation recently carried out capital increases through its third public offering after its listing on October 3, 2016 and a third-party allotment on October 26, 2016. As a result, the number of investment units issued at the end of the reporting period was 1,045,000.

The Investment Corporation primarily invests in and manages office buildings and retail facilities.

ii) Performance for the reporting period

During the reporting period, the Investment Corporation acquired six properties, Hulic Shibuya 1-chome Building, Hulic Higashi Nihonbashi Building and Hulic Omori Building on March 31, 2017, Hulic Jimbocho Building on April 28, 2017, HULIC &New SHIBUYA and SOMPO Care La vie Re Kita-Kamakura on June 30, 2017 (total acquisition price: ¥18,390 million). As a result, the number of properties held by the Investment Corporation at the end of the reporting period was 43, and the total acquisition price was ¥249,715 million. The occupancy rate of the entire portfolio has remained at a high level to end the reporting period at 99.3%.

iii) Status of financing

During the reporting period, the Investment Corporation secured short-term loans of ¥12,000 million on March 31, 2017, ¥1,460 million on April 28, 2017, and ¥4,930 million on June 30, 2017, as funds for asset acquisitions. The Investment Corporation covered for the early repayment of the short-term loans by refinancing ¥18,390 million as long-term loans payable on August 31, 2017.

As a result, at the end of the reporting period, interest-bearing debt totaled ¥115,850 million (comprising ¥3,960 million in short-term loans payable, ¥106,890 million in long-term loans payable and ¥5,000 million in investment corporation bonds), resulting in a loan-to-value (LTV) ratio of 43.8%.

Issuer credit ratings of the Investment Corporation as of the end of the reporting period are as follows:

Credit rating agency	Contents of credit rating
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: AA-, Rating outlook: Stable

iv) Overview of financial results and distributions

As a result of the above asset management, operating revenues for the reporting period were ¥7,098 million (up 6.2% compared with the previous fiscal period), operating profit was ¥4,021 million (up 3.2% compared with the previous fiscal period), ordinary profit after deducting interest expenses for borrowings, etc. was ¥3,530 million (up 2.2% compared with the previous fiscal period), and profit was ¥3,529 million (up 2.2% compared with the previous fiscal period).

Furthermore, in accordance with the distribution policy set forth in the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to pay distributions for the reporting period in an amount roughly equal to unappropriated retained earnings, with the aim of including distributions of profits in tax deductible expenses pursuant to special measures for the taxation system for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Consequently, distributions per unit came to ¥3,378.

v) Comparison with previous forecasts (Operating results (earnings) forecasts announced on April 14, 2017)

Compared to our previous forecasts, HULIC & New SHIBUYA and SOMPO Care La vie Re Kita-Kamakura, which were acquired in June 2017, contributed to revenues, thus resulting in higher revenues and income.

	Previous forecasts (A) (Note)	Actual results (B)	Difference (amount) (B-A)	Difference (%)
Operating revenues	¥7,025 million	¥7,098 million	¥73 million	1.0%
Operating profit	¥3,925 million	¥4,021 million	¥95 million	2.4%
Ordinary profit	¥3,450 million	¥3,530 million	¥80 million	2.3%
Profit	¥3,449 million	¥3,529 million	¥80 million	2.3%
Distributions per unit	¥3,300	¥3,378	¥78	2.4%
Of the above, distributions in excess of earnings	¥0	¥0	—	—

(Note) The previous forecasts are those set forth in "Financial Report for the Fiscal Period Ended February 28, 2017" dated April 14, 2017.

Outlook for the fiscal period ending February 28, 2018

i) Outlook for overall operations

In terms of the outlook for the rental office market, continuing favorable conditions are expected, resulting from needs such as increased floor space in corporate offices. In the real estate selling market, the transaction prices for property are projected to continue at high levels amid the continuing favorable fund procurement conditions, etc., resulting from low interest rates.

Against this backdrop, the Investment Corporation will focus on Tokyo Commercial Properties (Note 1), aiming to maximize unitholder value over the medium to long term, and invest in Next-Generation Assets (Note 2), aiming to support stable earnings over the long term. As part of these efforts to maximize investor value over the medium to long term, the Investment Corporation will implement efforts combining the Asset Manager's own measures to drive external and internal growth while using the support of the Hulic Group. The Investment Corporation will maintain and grow profits over the medium to long term and increase the size and value of the asset portfolio.

In terms of financing strategy, the Investment Corporation will seek to maintain the LTV ratio at an appropriate level and shift to longer loan-terms with fixed interest rates and staggered repayment dates in order to maintain a stable and healthy financial position.

(Note 1) "Tokyo Commercial Properties" are office properties and retail properties under a concept specific to the Investment Corporation that comprehensively includes properties consistent with the basic philosophy of the Investment Corporation. Specifically, office properties are those in Tokyo's 23 wards that are in principle located within a five-minute walking distance from the nearest train station, in areas where the office properties are sufficiently competitive. Retail properties are those located in the Tokyo metropolitan area and major cities in the surrounding area that are in principle located within a five-minute walking distance from the nearest train station or in areas with a high concentration of retail activities. Such retail

properties are also highly visible in public and have the potential to generate demand from prospective tenants that offer products and services suitable for the characteristics of their respective retail areas.

(Note 2) “Next-Generation Assets” are properties specified for investment by the Investment Corporation based on its basic philosophy. Specifically, they are lease properties for which the Investment Corporation estimates there will be continuing firm demand going forward based on society’s growing needs and for which, in principle, a long-term lease agreement be concluded with a single business tenant. At present, the Investment Corporation classifies private nursing homes, network centers and hotels as Next-Generation Assets. The Investment Corporation may broaden or change the scope of its Next-Generation Assets if it judges that the societal needs will grow or that there will be firm demand in the future.

ii) Significant events after the reporting period

Issuance of new investment units

The Investment Corporation passed resolutions at a meeting of its Board of Directors held on October 13, 2017, to issue new investment units as follows for the purpose of using the proceeds to finance, among others, a portion of the purchase price for specified assets and repayment of borrowings. It plans to determine the issue price per unit and other matters at a future meeting of the Board of Directors.

(New investment unit issuance through public offering)

Number of new investment units to be issued: 61,800 units

Payment date: A date between October 31, 2017 and November 2, 2017

(New investment unit issuance through third-party allotment)

Number of new investment units to be issued: 3,200 units (maximum)

Payment date: November 20, 2017

Allottee: Mizuho Securities Co., Ltd.

If the entire number of new investment units to be issued in the third-party allotment, or a portion thereof, is not subscribed to, this may result in the final number of new investment units issued in the third-party allotment being reduced by such number of units or fewer due to forfeiture or the issuance itself not being carried out at all.

(Reference information)

(A) Acquisitions of properties

On October 13, 2017, the Investment Corporation concluded a purchase and sale agreement regarding the acquisition of the beneficiary rights of real estate in trust shown in the table of <Assets planned for acquisition> below (3 properties including the additional acquisition of 1 property; anticipated acquisition price: ¥15,250 million. Hereinafter referred to as the “Assets Planned for Acquisition”). The anticipated acquisition prices provided do not include expenses incurred on the acquisitions of such real estate, etc. (acquisition expenses, fixed asset tax, settlement portion of city planning tax, consumption taxes), and are equal to the acquisition prices stated on the trust beneficiary right sales agreements.

<Assets Planned for Acquisition>

Property name	Location	Scheduled date of acquisition	Anticipated acquisition price (Millions of yen)	Seller
Sotetsu Fresa Inn Ginza 7 Chome (Additional acquisition)	Chuo-ku, Tokyo	November 1, 2017	7,150	Hulic Co., Ltd.
HULIC & New SHINBASHI	Minato-ku, Tokyo	November 1, 2017	3,100	Hulic Co., Ltd.
Sotetsu Fresa Inn Tokyo-Roppongi	Minato-ku, Tokyo	November 1, 2017	5,000	Hulic Co., Ltd.
Total	—	—	15,250	—

(Note) The scheduled dates of acquisition for the Assets Planned for Acquisition may change as a result of a change in the payment date of the aforementioned issuance of new investment units through public offering.

(B) Transfer of properties

On October 13, 2017, the Investment Corporation concluded a purchase and sale agreement regarding the transfer of the beneficiary rights of real estate in trust shown in the table of <Assets planned for transfer> below (1 property; anticipated transfer price: ¥13,100 million. Hereinafter referred to as the “Assets Planned for Transfer”). The anticipated transfer prices provided do not include expenses incurred on the transfers of such real estate, etc. (transfer expenses, fixed asset tax, settlement portion of city planning tax, consumption taxes), and are equal to the acquisition price stated on the trust beneficiary right sales agreement.

<Assets Planned for Transfer>

Property name	Location	Scheduled date of transfer	Quasi co-ownership interest planned for transfer	Anticipated transfer price (Millions of yen)	Transferee
Leaf Minatomirai (Land)	Yokohama-shi, Kanagawa	December 15, 2017	55%	7,205	Hulic Co., Ltd.
		April 27, 2018	30%	3,930	
		September 27, 2018	15%	1,965	
Total	—	—	100%	13,100	—

iii) Operating results (earnings) forecasts

The Investment Corporation’s forecasts for the fiscal period ending February 28, 2018 (from September 1, 2017 to February 28, 2018) and the fiscal period ending August 31, 2018 (from March 1, 2018 to August 31, 2018) are as follows:

	Fiscal period ending February 28, 2018	Fiscal period ending August 31, 2018
Operating revenues	¥8,105 million	¥7,784 million
Operating profit	¥4,675 million	¥4,414 million
Ordinary profit	¥4,153 million	¥3,886 million
Profit	¥4,152 million	¥3,885 million
Distributions per unit	¥3,740	¥3,500
Of the above, distributions in excess of earnings	¥0	¥0

Information on current assumptions for the forecasts of operating results is as shown in “Assumptions for forecasts of performance for the fiscal period ending February 28, 2018 (from September 1, 2017

to February 28, 2018) and the fiscal period ending August 31, 2018 (from March 1, 2018 to August 31, 2018)” on pages 9 through 12.

(Note) The above-mentioned forecasts are based on certain calculation assumptions and our judgment based on information currently available to the Investment Corporation. Actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may vary in response to changes in conditions. These forecasts do not guarantee the distribution amount.

Assumptions for forecasts of performance for the fiscal period ending February 28, 2018 (from September 1, 2017 to February 28, 2018) and the fiscal period ending August 31, 2018 (from March 1, 2018 to August 31, 2018)

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending February 28, 2018: 181 days from September 1, 2017 to February 28, 2018 Fiscal period ending August 31, 2018: 184 days from March 1, 2018 to August 31, 2018
Portfolio	<ul style="list-style-type: none"> We have based our assumptions on a total of 45 properties consisting of 43 properties we hold as of the date of this report (hereinafter referred to as the “Assets Held” in this table of assumptions) in addition to the Assets Planned for Acquisition, and on consideration of quasi co-ownership interest to be transferred in the Assets Planned for Transfer. Concerning the Assets Planned for Transfer, we plan to transfer the quasi co-ownership interest of 55% in the fiscal period ending February 28, 2018 (the eighth fiscal period) (hereinafter referred to in this “Assumptions” column as the “Eighth Fiscal Period Transfer”), the quasi co-ownership interest of 30% in the fiscal period ending August 31, 2018 (the ninth fiscal period) and subsequently the quasi co-ownership interest of 15%. In our forecasts of performance, we have assumed that there will be no changes in the composition of our portfolio (no acquisitions of new properties and no transfers of Assets Held) excluding above until August 31, 2018 (the end of the ninth fiscal period). There may be changes in the portfolio, however, caused by buying or selling of properties.
Operating revenues	<ul style="list-style-type: none"> Real estate lease business revenues from Assets Held have been calculated in consideration of trends of the lease market and other factors on the basis of lease agreements effective as of the date of this report. Real estate lease business revenues from Assets Planned for Acquisition have been calculated in consideration of trends of the lease market and other factors on the basis of information provided primarily by the owner and lease agreements scheduled to be effective as of the scheduled date of acquisition for the Assets Planned for Acquisition, and the real estate lease business revenues from the Assets Planned for Transfer reflect the decreases of the quasi co-ownership interest on the assumption that the transfers of the quasi co-ownership interest are carried out as planned. Projected amount for a gain on transfer relating to the Assets Planned for Transfer (after deducting expenses relating to the transfer) is recognized for the fiscal period ending February 28, 2018 (the eighth fiscal period) and the fiscal period ending August 31, 2018 (the ninth fiscal period). Operating revenues assume no delinquencies or non-payment of rent by tenants.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> • Of the expenses related to rent business, the principal component of operating expenses, expenses other than depreciation and amortization expenses for the Assets Held (excluding the 6 properties of assets acquired in the seventh fiscal period (hereinafter referred to as “Acquired Assets for the Seventh Fiscal Period”)) have been calculated in such a way as to reflect variable factors in the expenses on the basis of past performance figures. In addition, such expenses for the Acquired Assets for the Seventh Fiscal Period and Assets Planned for Acquisition have been calculated in such a way as to reflect variable factors in the expenses based on information received from the transferors of the assets and others, and also based on past performance figures. • We have calculated depreciation and amortization expenses using the straight-line method, including ancillary expenses, and assumed that we will incur depreciation and amortization expenses of ¥793 million for the fiscal period ending February 28, 2018 (the eighth fiscal period) and ¥820 million for the fiscal period ending August 31, 2018 (the ninth fiscal period). • In general, fixed asset tax, city planning tax, etc. for the assets we acquire or transfer are settled at the time of acquisition or transfer between the transferor and the transferee based on their respective periods of ownership in relation to the relevant tax year. With respect to the acquired assets, any of these taxes allocated to the transferee are not recognized in expenses at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes in the Investment Corporation. For the Assets Planned for Acquisition to be acquired by the Investment Corporation during the fiscal period ending February 28, 2018 (the eighth fiscal period), fixed asset tax, city planning tax, etc. will be recognized as expenses from the fiscal period ending August 31, 2018 (the ninth fiscal period), and not yet in the fiscal period ending February 28, 2018 (the eighth fiscal period). Fixed asset tax, city planning tax, etc. are assumed at ¥532 million for the fiscal period ending February 28, 2018 (the eighth fiscal period) and ¥617 million for the fiscal period ending August 31, 2018 (the ninth fiscal period). • Repair expenses for buildings are recognized for each fiscal period in amounts assumed as necessary based on the repair plan formulated by the Asset Manager (Hulic Reit Management Co., Ltd.) for each property. However, actual repair expenses for each fiscal period may differ substantially from our forecasts, mainly for the following reasons: (i) we may incur expenses for urgent repairs to properties for reasons including damage to buildings resulting from factors that are difficult to foresee, (ii) generally, there is a substantial difference in such expenses incurred from one fiscal period to another, and (iii) such expenses are not incurred on a regular basis.
Non-operating expenses	<ul style="list-style-type: none"> • We expect to record interest expenses and other borrowing-related expenses of ¥492 million in the fiscal period ending February 28, 2018 (the eighth fiscal period) and ¥498 million in the fiscal period ending August 31, 2018 (the ninth fiscal period). • We expect to record amortization of investment corporation bond issuance costs (amortized by the straight-line method over period until redemption) and amortization of investment unit issuance costs (amortized by the straight-line method over a three-year period) relating to issuance of investment corporation bonds and new investment units, etc. of ¥29 million in the fiscal period ending February 28, 2018 (the eighth fiscal period) and ¥29 million in the fiscal period ending August 31, 2018 (the ninth fiscal period).

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> • The balance of interest-bearing debt of the Investment Corporation as of the date of this report is ¥115,850 million (comprising ¥3,960 million in short-term loans payable, ¥106,890 million in long-term loans payable and ¥5,000 million in investment corporation bonds). • Although a new loan of ¥5,000 million in short-term loans payable is scheduled to be made accompanying the acquisition of the Assets Planned for Acquisition, (hereinafter referred to as the “Bridge Loan”), the amount of the Bridge Loan may change depending on the final issue value of the new investment unit issuance through public offering resolved by the Investment Corporation’s Board of Directors meeting held on the date of this report (hereinafter referred to as the “Public Offering”). We plan to repay the Bridge Loan with the proceeds of the Eighth Fiscal Period Transfer of the Assets Planned for Transfer and the proceeds of the issuance of new investment units through third-party allotment resolved by the Investment Corporation’s Board of Directors meeting held on the date of this report (hereinafter referred to as the “Third-Party Allotment”). • For ¥3,960 million in short-term loans payable (excluding the Bridge Loan) for which repayment is due by August 31, 2018 (at the end of the ninth fiscal period) we assume the refinancing of the entire amounts at the time of the due date. • As a result of the above, we assume that the balance of interest-bearing debt as of each of February 28, 2018 (at the end of the eighth fiscal period), and August 31, 2018 (at the end of the ninth fiscal period), will be ¥115,850 million. • We have assumed LTV ratio of approximately 42.0% as of February 28, 2018 (at the end of the eighth fiscal period). • The LTV ratio was obtained by the following formula: $\text{LTV} = \frac{\text{Interest-bearing debt at end of period (projected amount)}}{\text{Total assets at end of period (projected amount)}} \times 100$ <p>Total assets at end of period (projected amount) =</p> <p>The amount is calculated by adding the total assets as shown on the balance sheet as of August 31, 2017 (at the end of the seventh fiscal period) (¥264,657 million) and total planned acquisition price of Assets Planned for Acquisition (¥15,250 million), and subtracting the transfer proceeds of the Eighth Fiscal Period Transfer (excluding the gain on transfer) (¥6,471 million), adding the gain on transfer related to the Eighth Fiscal Period Transfer, and adding the remaining amount (¥1,970 million) of the transfer proceeds of the Eighth Fiscal Period Transfer (excluding the gain on transfer) after deducting the portion of transfer proceeds of the Eighth Fiscal Period Transfer to be used to repay the Bridge Loan.</p>
Issuance of investment units	<ul style="list-style-type: none"> • We have assumed that in addition to the 1,045,000 total investment units issued as of the date of this report, the entire total of 65,000 units that are planned to be newly issued will be issued. This includes the Public Offering (61,800 units) and the Third Party Allotment (maximum of 3,200 units). • Other than the above, we have assumed there will be no issuance of additional investment units until the end of the fiscal period ending August 31, 2018 (the ninth fiscal period).
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> • We have calculated distributions per unit (excluding distributions in excess of earnings) in accordance with the cash distribution policy prescribed in the Investment Corporation’s Articles of Incorporation. • Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in the asset portfolio, fluctuations in rent revenues associated with changes in tenants, or unforeseen occurrence of repairs.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • We currently have no plans to pay cash distributions in excess of earnings (regarding distributions in excess of earnings per unit).

Item	Assumptions
Others	<ul style="list-style-type: none"> • We have assumed that no revisions that impact these forecasts will be made to law and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others. • We have assumed that no significant unforeseeable changes will occur in general economic trends or conditions in the real estate market.

3. Unaudited Financial Information

(1) Balance Sheet (unaudited)

	(Unit: thousands of yen)	
	Previous fiscal period (As of February 28, 2017)	Reporting period (As of August 31, 2017)
Assets		
Current assets		
Cash and deposits	6,514,047	7,606,126
Cash and deposits in trust	5,356,977	5,870,439
Operating accounts receivable	11,604	13,736
Prepaid expenses	27,471	33,992
Deferred tax assets	11	10
Consumption taxes receivable	228,750	—
Other	2,153	2,611
Total current assets	12,141,016	13,526,916
Noncurrent assets		
Property, plant and equipment		
Buildings in trust	44,472,954	49,191,455
Accumulated depreciation	(2,899,608)	(3,602,748)
Buildings in trust, net	41,573,345	45,588,706
Structures in trust	291,095	311,516
Accumulated depreciation	(56,893)	(68,385)
Structures in trust, net	234,202	243,130
Machinery and equipment in trust	252,208	252,208
Accumulated depreciation	(56,840)	(72,612)
Machinery and equipment in trust, net	195,367	179,595
Tools, furniture and fixtures in trust	22,632	24,074
Accumulated depreciation	(4,765)	(6,649)
Tools, furniture and fixtures in trust, net	17,866	17,424
Land in trust	181,504,937	195,707,562
Construction in progress in trust	894	3,473
Total property, plant and equipment	223,526,613	241,739,893
Intangible assets		
Leasehold rights in trust	8,471,289	8,471,289
Other	4,114	3,096
Total intangible assets	8,475,404	8,474,385
Investments and other assets		
Lease and guarantee deposits	20,000	20,576
Long-term prepaid expenses	661,973	799,289
Total investments and other assets	681,973	819,865
Total noncurrent assets	232,683,991	251,034,144
Deferred assets		
Investment unit issuance costs	77,171	59,894
Investment corporation bond issuance costs	40,642	36,816
Total deferred assets	117,813	96,711
Total assets	244,942,821	264,657,772

(Unit: thousands of yen)

	Previous fiscal period (As of February 28, 2017)	Reporting period (As of August 31, 2017)
Liabilities		
Current liabilities		
Operating accounts payable	160,158	519,583
Short-term loans payable	3,960,000	3,960,000
Accounts payable - other	727,854	797,806
Accrued expenses	41,228	44,554
Income taxes payable	830	815
Accrued consumption taxes	25,447	19,560
Advances received	1,110,564	1,272,420
Deposits received	188	199
Total current liabilities	6,026,272	6,614,941
Noncurrent liabilities		
Investment corporation bond	5,000,000	5,000,000
Long-term loans payable	88,500,000	106,890,000
Tenant leasehold and security deposits in trust	9,912,149	10,571,234
Total noncurrent liabilities	103,412,149	122,461,234
Total liabilities	109,438,422	129,076,175
Net assets		
Unitholders' equity		
Unitholders' capital	132,051,528	132,051,528
Surplus		
Unappropriated retained earnings	3,452,871	3,530,068
Total surplus	3,452,871	3,530,068
Total unitholders' equity	135,504,399	135,581,596
Total net assets	*2 135,504,399	*2 135,581,596
Total liabilities and net assets	244,942,821	264,657,772

(2) Statement of Income and Retained Earnings (unaudited)

(Unit: thousands of yen)

	Previous fiscal period (From September 1 to February 28, 2017)	Reporting period (From March 1, 2017 August 31, 2017)
Operating revenues		
Lease business revenue	*1, *2 6,394,084	*1, *2 6,774,278
Other lease business revenues	*1 291,571	*1 324,697
Total operating revenue	6,685,656	7,098,975
Operating expenses		
Expenses related to rent business	*1 2,024,619	*1 2,243,059
Asset management fee	609,750	670,062
Asset custody fee	11,517	12,473
Administrative service fees	37,228	39,659
Directors' compensations	6,000	6,000
Other operating expenses	100,369	105,899
Total operating expenses	2,789,485	3,077,153
Operating profit	3,896,170	4,021,821
Non-operating income		
Interest income	48	49
Interest on refund	—	675
Total non-operating income	48	725
Non-operating expenses		
Interest expenses	292,765	346,834
Interest expenses on investment corporation bonds	10,714	12,365
Borrowing related expenses	121,000	111,542
Amortization of investment unit issuance costs	16,124	17,276
Amortization of investment corporation bond issuance costs	2,184	3,825
Total non-operating expenses	442,789	491,845
Ordinary profit	3,453,430	3,530,701
Profit before income taxes	3,453,430	3,530,701
Income taxes - current	837	823
Income taxes - deferred	4	0
Total income taxes	842	824
Profit	3,452,588	3,529,877
Retained earnings brought forward	283	191
Unappropriated retained earnings	3,452,871	3,530,068

(3) Statement of Changes in Net Assets (unaudited)

Previous fiscal period (From September 1, 2016 to February 28, 2017)

(Unit: thousands of yen)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of the period	117,537,072	3,008,134	3,008,134	120,545,206	120,545,206
Changes of items during the period					
Issuance of new investment units	14,514,456	—	—	14,514,456	14,514,456
Distribution of surplus	—	(3,007,851)	(3,007,851)	(3,007,851)	(3,007,851)
Profit	—	3,452,588	3,452,588	3,452,588	3,452,588
Total changes of items during the period	14,514,456	444,737	444,737	14,959,193	14,959,193
Balance at the end of the period	*1 132,051,528	3,452,871	3,452,871	135,504,399	135,504,399

Reporting period (From March 1, 2017 to August 31, 2017)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of the period	132,051,528	3,452,871	3,452,871	135,504,399	135,504,399
Changes of items during the period					
Distribution of surplus	—	(3,452,680)	(3,452,680)	(3,452,680)	(3,452,680)
Profit	—	3,529,877	3,529,877	3,529,877	3,529,877
Total changes of items during the period	—	77,197	77,197	77,197	77,197
Balance at the end of the period	*1 132,051,528	3,530,068	3,530,068	135,581,596	135,581,596

(4) Statement of Cash Distributions (unaudited)

By period Item	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
I Unappropriated retained earnings	¥3,452,871,334	¥3,530,068,941
II Distribution amount (Distributions per unit)	¥3,452,680,000 (¥3,304)	¥3,530,010,000 (¥3,378)
III Retained earnings carried forward	¥191,334	¥58,941
Method of calculating distribution amount	<p>Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥3,452,680,000, which is the largest integral multiple of the total number of investment units issued and outstanding (1,045,000 units), and not in excess of unappropriated retained earnings.</p> <p>In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.</p>	<p>Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥3,530,010,000, which is the largest integral multiple of the total number of investment units issued and outstanding (1,045,000 units), and not in excess of unappropriated retained earnings.</p> <p>In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.</p>

(5) Statement of Cash Flows (unaudited)

(Unit: thousands of yen)

	Previous fiscal period (From September 1 to February 28, 2017)	Reporting period (From March 1, 2017 August 31, 2017)
Cash flows from operating activities		
Profit before income taxes	3,453,430	3,530,701
Depreciation and amortization	666,402	733,305
Amortization of investment unit issuance costs	16,124	17,276
Amortization of investment corporation bond issuance costs	2,184	3,825
Interest income	(48)	(49)
Interest expenses	303,479	359,200
Decrease (increase) in operating accounts receivable	(298)	(2,131)
Decrease (increase) in consumption taxes refund receivable	(228,750)	228,750
Decrease (increase) in prepaid expenses	9,463	(6,520)
Increase (decrease) in operating accounts payable	(205,463)	247,216
Increase (decrease) in accounts payable - other	126,886	69,920
Increase (decrease) in accrued consumption taxes	(113,184)	(5,887)
Increase (decrease) in advances received	80,060	161,856
Increase (decrease) in deposits received	(824)	10
Decrease (increase) in long-term prepaid expenses	(166,479)	(137,316)
Other, net	(2,981)	1,219
Subtotal	3,940,001	5,201,378
Interest income received	48	49
Interest expenses paid	(310,394)	(357,558)
Income taxes (paid) refund	(937)	(830)
Net cash provided by (used in) operating activities	3,628,718	4,843,039
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(31,101,093)	(18,833,357)
Payments for tenant leasehold and security deposits	—	(576)
Repayments of tenant leasehold and security deposits in trust	(55,950)	(151,248)
Proceeds from tenant leasehold and security deposits in trust	1,139,988	810,332
Net cash provided by (used in) investing activities	(30,017,055)	(18,174,849)
Cash flows from financing activities		
Proceeds from short-term loans payable	16,690,000	22,350,000
Repayments of short-term loans payable	(17,390,000)	(22,350,000)
Proceeds from long-term loans payable	22,180,000	18,390,000
Repayments of long-term loans payable	(8,490,000)	—
Proceeds from issuance of investment corporation bonds	2,975,128	—
Proceeds from issuance of investment units	14,472,976	—
Dividends paid	(3,007,236)	(3,452,648)
Net cash provided by (used in) financing activities	27,430,868	14,937,351
Net increase (decrease) in cash and cash equivalents	1,042,531	1,605,541
Cash and cash equivalents at beginning of period	10,828,493	11,871,024
Cash and cash equivalents at end of period	*1 11,871,024	*1 13,476,566

(6) Notes on Going Concern Assumption (unaudited)

Not applicable.

(7) Notes on Significant Accounting Policies (unaudited)

1. Method of depreciation and amortization of noncurrent assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The estimated useful lives of property, plant and equipment are listed below.</p> <table> <tr> <td>Buildings</td><td>3 to 64 years</td></tr> <tr> <td>Structures</td><td>4 to 20 years</td></tr> <tr> <td>Machinery and equipment</td><td>3 to 10 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>3 to 15 years</td></tr> </table> <p>(2) Intangible assets The straight-line method is used. Internal use software is amortized over the estimated useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	3 to 64 years	Structures	4 to 20 years	Machinery and equipment	3 to 10 years	Tools, furniture and fixtures	3 to 15 years
Buildings	3 to 64 years								
Structures	4 to 20 years								
Machinery and equipment	3 to 10 years								
Tools, furniture and fixtures	3 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment corporation bond issuance costs Amortized by the straight-line method over period until redemption.</p> <p>(2) Investment unit issuance costs Amortized by the straight-line method over a three-year period.</p>								
3. Recognition of revenue and expenses	<p>Fixed asset tax and related taxes For fixed asset tax, city planning tax, depreciable asset tax, etc. for real properties held, the amount of tax levied corresponding to the relevant accounting period is recorded as expenses related to rent business. The amount equivalent to fixed asset tax and related taxes for the fiscal year that includes the date on which we paid settlement money to the transferor for acquisition of real estate, etc. is not recorded as expenses related to rent business but included in the acquisition costs for the related properties. The amount equivalent to fixed asset tax included in acquisition costs for properties was ¥26,407 thousand for the previous fiscal period, and ¥40,847 thousand for the reporting period.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is used for interest rate swaps. For interest rate swaps that satisfy requirements for special treatments, however, special treatment is used.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings</p> <p>(3) Hedging policy The Investment Corporation conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of the Investment Corporation pursuant to the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.</p>								

5. Scope of cash and cash equivalents in the statement of cash flows	Cash and cash equivalents in the statement of cash flows are composed of cash on hand, cash in trust, demand deposits, deposits in trust, and short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within 3 months of the date of acquisition.
6. Other significant information for preparation of financial statements	<p>(1) Accounting method for trust beneficiary rights in real estate</p> <p>With regard to trust beneficiary rights in real estate, all assets and liabilities within assets in trust as well as all revenue and expense items associated with assets in trust are accounted for under the respective account items of the balance sheet and statement of income and retained earnings.</p> <p>Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet:</p> <ul style="list-style-type: none"> i) Cash and deposits in trust ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and construction in progress in trust iii) Leasehold rights in trust iv) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes</p> <p>Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for acquisition of assets are included in acquisition cost for each asset.</p>

(8) Notes to Financial Information (unaudited)

Notes to Balance Sheet (unaudited)

1. Commitment line contracts

The Investment Corporation has commitment line contracts with the banks with which it does business.

	Previous fiscal period (As of February 28, 2017)	Reporting period (As of August 31, 2017)
Total amount of commitment line contracts	¥10,000,000 thousand	¥10,000,000 thousand
Balance of borrowings outstanding	—	—
Difference	¥10,000,000 thousand	¥10,000,000 thousand

*2. Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	Previous fiscal period (As of February 28, 2017)	Reporting period (As of August 31, 2017)
	¥50,000 thousand	¥50,000 thousand

Notes to Statement of Income and Retained Earnings (unaudited)

*1. Components of income (loss) from real estate lease business

	(Unit: thousands of yen)	
	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
A. Real estate lease business revenues		
Lease business revenue		
Rent	5,200,052	5,543,317
Land rent	615,602	623,202
Common service fees	578,430	607,759
Total	6,394,084	6,774,278
Other lease business revenues		
Revenue from utilities charges	197,378	214,914
Other revenue	94,192	109,782
Total	291,571	324,697
Total real estate lease business revenues	6,685,656	7,098,975
B. Expenses related to real estate lease business		
Expenses related to rent business		
Property management fees	363,467	388,398
Utilities expenses	200,393	231,973
Taxes and public dues	443,319	531,630
Insurance expenses	7,495	7,432
Repair expenses	111,348	91,103
Depreciation and amortization	665,383	732,286
Other expenses related to rent business	233,210	260,233
Total expenses related to real estate lease business	2,024,619	2,243,059
C. Income (loss) from real estate lease business (A – B)	4,661,036	4,855,916

*2. Transactions with major corporate unitholders

	(Unit: thousands of yen)	
	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
From operating transactions		
Lease business revenue	1,146,533	1,279,261

Notes to Statement of Changes in Net Assets (unaudited)

*1. Total number of authorized investment units and total number of investment units issued

	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
Total number of authorized investment units at end of period	20,000,000 units	20,000,000 units
Total number of investment units issued at end of period	1,045,000 units	1,045,000 units

Notes to Statement of Cash Flows (unaudited)

*1. Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheet

(Unit: thousands of yen)

	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
Cash and deposits	6,514,047	7,606,126
Cash and deposits in trust	5,356,977	5,870,439
Total cash and cash equivalent	11,871,024	13,476,566

Notes on Financial Instruments (unaudited)

1. Matters regarding status of financial instruments

(1) Policy for handling financial instruments

The Investment Corporation procures funds for acquisition of assets, repairs and repayment of debt primarily through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units. In procuring interest-bearing debt, the Investment Corporation takes into account a balance between flexibility in procurement of funds and financial stability.

Furthermore, the Investment Corporation conducts derivative transactions only for the purpose of hedging fluctuation risk of interest rates for borrowings and does not conduct any speculative transactions.

(2) Description of financial instruments and associated risks, and risk management structure

Deposits are used for investment of our surplus funds. These deposits are exposed to credit risk such as bankruptcy of the depository financial institutions. Deposits are carried out with safety and redeemability taken into consideration and are limited to those with short-term deposit periods.

Borrowings and investment corporation bonds are mainly for the purpose of acquiring properties and refinancing of existing borrowings. Of these, borrowings with floating interest rates are exposed to interest rate fluctuation risk. To avoid this fluctuation risk, the Investment Corporation uses derivative transactions (interest rate swaps) as hedging instruments, which, in effect, converts fluctuating interest rates into fixed interest rates.

For the method of hedge accounting, hedging instruments and hedged items, hedging policy and the method of assessing hedge effectiveness, please refer to “4. Method of hedge accounting” in “(7) Notes on Significant Accounting Policies” above.

(3) Supplemental explanation on matters regarding fair values, etc. of financial instruments

The fair values of financial instruments are based on market prices, if available. If there is no available market price for certain financial instruments, such fair value is based on the value rationally measured. Since variables are factored into measurements of fair value, the value may vary if different assumptions are used. The contract amounts related to derivatives mentioned in “Notes on Derivative Transactions” below should not be considered indicative of the market risk associated with the derivative transactions.

2. Matters regarding fair value, etc. of financial instruments

Balance sheet carrying amount, fair value, and the difference between the two values as of February 28, 2017 are as shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	6,514,047	6,514,047	—
(2) Cash and deposits in trust	5,356,977	5,356,977	—
Total assets	11,871,024	11,871,024	—
(1) Short-term loans payable	3,960,000	3,960,000	—
(2) Investment corporation bonds	5,000,000	5,053,900	53,900
(3) Long-term loans payable	88,500,000	87,312,289	(1,187,710)
Total liabilities	97,460,000	96,326,189	(1,133,810)
Derivative transactions	—	—	—

Balance sheet carrying amount, fair value, and the difference between the two values as of August 31, 2017 are as shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	7,606,126	7,606,126	—
(2) Cash and deposits in trust	5,870,439	5,870,439	—
Total assets	13,476,566	13,476,566	—
(1) Short-term loans payable	3,960,000	3,960,000	—
(2) Investment corporation bonds	5,000,000	5,063,200	63,200
(3) Long-term loans payable	106,890,000	105,231,688	(1,658,311)
Total liabilities	115,850,000	114,254,888	(1,595,111)
Derivative transactions	—	—	—

(Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions

Assets

(1) Cash and deposits, and (2) Cash and deposits in trust

The book value is used as the fair value of these assets, given that the fair value is almost equivalent to the amount of the book value, as they are settled in a short time.

Liabilities

(1) Short-term loans payable

The book value is used as the fair value of these liabilities, given that the fair value is almost equivalent to the amount of the book value, as they are settled in a short time and carry floating interest rates.

(2) Investment corporation bonds

Fair value has been calculated on the basis of reference quotations of sales-purchase transactions and other such data, as provided by financial institutions and other such entities.

(3) Long-term loans payable

Since long-term loans payable that carry floating interest rates are reviewed on a short-term interval to reflect market interest rates, and the Investment Corporation's credit standing did not change significantly after the execution of loans, their fair value is considered approximate to the book value. Therefore, the book value is used as the fair value of these liabilities (however, for long-term loans payable with floating interest rates to which special treatment for interest rate swaps is applied (please refer to "Notes on Derivative Transactions" below), the fair value is calculated by discounting the sum of principal and interest, which are treated in combination with such interest rate swap, at a reasonable rate estimated for a similar new loan that is made corresponding to the remaining period).

The fair value of long-term loans payable carrying fixed interest rates is calculated by discounting the sum of principal and interest at a reasonable rate estimated for a similar new loan that is made corresponding to the remaining period.

Derivative transactions

Please refer to "Notes on Derivative Transactions" below.

(Note 2) Redemption of monetary claims scheduled to be due after the balance sheet date

Previous fiscal period (As of February 28, 2017)

(Unit: thousands of yen)						
	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	6,514,047	—	—	—	—	—
Cash and deposits in trust	5,356,977	—	—	—	—	—
Total	11,871,024	—	—	—	—	—

Reporting period (As of August 31, 2017)

(Unit: thousands of yen)						
	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	7,606,126	—	—	—	—	—
Cash and deposits in trust	5,870,439	—	—	—	—	—
Total	13,476,566	—	—	—	—	—

(Note 3) Redemption of investment corporation bonds, long-term loans payable and other interest-bearing debt scheduled to be due after the balance sheet date

Previous fiscal period (As of February 28, 2017)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	3,960,000	—	—	—	—	—
Investment corporation bonds	—	—	2,000,000	—	—	3,000,000
Long-term loans payable	—	8,550,000	10,320,000	12,109,000	14,680,000	42,841,000
Total	3,960,000	8,550,000	12,320,000	12,109,000	14,680,000	45,841,000

Reporting period (As of August 31, 2017)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	3,960,000	—	—	—	—	—
Investment corporation bonds	—	—	2,000,000	—	—	3,000,000
Long-term loans payable	—	13,130,000	9,299,000	15,680,000	17,610,000	51,171,000
Total	3,960,000	13,130,000	11,299,000	15,680,000	17,610,000	54,171,000

Notes on Derivative Transactions (unaudited)

1. Derivative transactions not applying hedge accounting

Previous fiscal period (As of February 28, 2017)

Not applicable.

Reporting period (As of August 31, 2017)

Not applicable.

2. Derivative transactions applying hedge accounting

Previous fiscal period (As of February 28, 2017)

The following table shows the contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	61,647,000	61,647,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term loans payable, a hedged item. Thus, their fair values are included in the fair value of long-term loans payable (please refer to the preceding “Notes on Financial Instruments, 2. Matters regarding fair value, etc. of financial instruments, (Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions, Liabilities (3) Long-term loans payable”).

Reporting period (As of August 31, 2017)

The following table shows the contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	61,647,000	61,647,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term loans payable, a hedged item. Thus, their fair values are included in the fair value of long-term loans payable (please refer to the preceding “Notes on Financial Instruments, 2. Matters regarding fair value, etc. of financial instruments, (Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions, Liabilities (3) Long-term loans payable”).

Notes on Tax Effect Accounting (unaudited)

1. Breakdown of significant components of deferred tax assets and deferred tax liabilities

(Unit: thousands of yen)

	Previous fiscal period (As of February 28, 2017)	Reporting period (As of August 31, 2017)
Deferred tax assets		
Accrued enterprise tax excluded from expenses	11	10
Total deferred tax assets	11	10
Net deferred tax assets	11	10

2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate

(Unit: %)

	Previous fiscal period (As of February 28, 2017)	Reporting period (As of August 31, 2017)
Statutory tax rate	31.74	31.74
(Adjustments)		
Distributions paid included in expenses	(31.73)	(31.73)
Others	0.01	0.01
Effective tax rate	0.02	0.02

Notes on Related Party Transactions (unaudited)

1. Parent company and major corporate unitholders

Previous fiscal period (From September 1, 2016 to February 28, 2017)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Nihonbashi Odenma-cho, Chuo-ku, Tokyo	62,708,701	Real estate business	Directly held by related party 11.49%	None	Leasing and management of real estate	Purchase of beneficiary right of real estate in trust	15,220,000	—	—
								Keeping of leasehold and security deposits	587,703	Tenant leasehold and security deposits in trust	7,783,479
								Repayment of leasehold and security deposits	103,331		
								Earning of rent revenue, etc.	1,146,533	Advances received	214,701

(Note 1) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 2) Transaction terms are determined based on current market prices.

Reporting period (From March 1, 2017 to August 31, 2017)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Nihonbashi Odenma-cho, Chuo-ku, Tokyo	62,718,573	Real estate business	Directly held by related party 11.49%	None	Leasing and management of real estate	Purchase of beneficiary right of real estate in trust	16,930,000	—	—
								Keeping of leasehold and security deposits	810,223	Tenant leasehold and security deposits in trust	8,442,454
								Repayment of leasehold and security deposits	151,248		
								Earning of rent revenue, etc.	1,279,261	Advances received	223,353

(Note 1) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 2) Transaction terms are determined based on current market prices.

2. Subsidiaries and affiliates

Previous fiscal period (From September 1, 2016 to February 28, 2017)

Not applicable.

Reporting period (From March 1, 2017 to August 31, 2017)

Not applicable.

3. Subsidiaries of parent company

Previous fiscal period (From September 1, 2016 to February 28, 2017)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatcho-bori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	–	One	Consignment of asset management	Payment of asset management fee (Note 1)	724,275	Operating accounts payable	658,530

(Note 1) Payment of asset management fee includes the portion of compensations associated with a property acquisition factored into the book value of the individual properties (¥114,525 thousand).

(Note 2) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 3) Transaction terms are determined based on current market prices.

Reporting period (From March 1, 2017 to August 31, 2017)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatcho-bori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	–	One	Consignment of asset management	Payment of asset management fee (Note 1)	719,687	Operating accounts payable	723,667

(Note 1) Payment of asset management fee includes the portion of compensations associated with a property acquisition factored into the book value of the individual properties (¥49,625 thousand).

(Note 2) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 3) Transaction terms are determined based on current market prices.

4. Officers and major individual unitholders

Previous fiscal period (From September 1, 2016 to February 28, 2017)

Transactions carried out by Eiji Tokita, Executive Officer of the Investment Corporation, as the Representative of a third party (Hulic Reit Management Co., Ltd.) are as shown above in transactions with Hulic Reit Management Co., Ltd. in “3. Subsidiaries of parent company.”

Reporting period (From March 1, 2017 to August 31, 2017)

Transactions carried out by Eiji Tokita, Executive Officer of the Investment Corporation, as the Representative of a third party (Hulic Reit Management Co., Ltd.) are as shown above in transactions with Hulic Reit Management Co., Ltd. in “3. Subsidiaries of parent company.”

Notes on Investment and Rental Properties (unaudited)

The Investment Corporation owns rental office buildings and other properties in Tokyo and other regions for rent revenue. The balance sheet carrying amounts, changes during the period, and fair values of these rental properties are as follows:

(Unit: thousands of yen)		
	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
Balance sheet carrying amount		
Balance at beginning of period	201,616,890	231,997,903
Changes during period	30,381,012	18,213,279
Balance at end of period	231,997,903	250,211,182
Fair value at end of period	263,893,000	285,563,000

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) The main reason for the increase in the investment and rental properties during the previous fiscal period is the acquisition of beneficiary rights of real estate in trust of 6 properties (¥30,839,724 thousand) and the decrease is mainly due to depreciation and amortization (¥665,383 thousand). The main reason for the increase during the reporting period is the acquisition of beneficiary rights of real estate in trust of 6 properties (¥18,648,512 thousand) and the decrease is mainly due to depreciation and amortization (¥732,286 thousand).

(Note 3) The fair value at end of period is the appraisal value provided by an independent real estate appraiser. The profit or loss concerning investment and rental properties is indicated under “Notes to Statement of Income and Retained Earnings” above.

Notes on Segment and Related Information (unaudited)

Segment information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the real estate lease business.

Related information

Previous fiscal period (From September 1, 2016 to February 28, 2017)

1. Information by product and service

Disclosure is omitted as operating revenues from external customers of products and services within a single segment are more than 90% of operating revenues on the statement of income and retained earnings.

2. Information by geographical area

(1) Operating revenues

Disclosure is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statement of income and retained earnings.

(2) Property, plant and equipment

Disclosure is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

3. Information by major customer

(Unit: thousands of yen)

Counterparty	Operating revenues	Related segment
Hulic Co., Ltd.	1,146,533	Real estate lease business

Reporting period (From March 1, 2017 to August 31, 2017)

1. Information by product and service

Disclosure is omitted as operating revenues from external customers of products and services within a single segment are more than 90% of operating revenues on the statement of income and retained earnings.

2. Information by geographical area

(1) Operating revenues

Disclosure is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statement of income and retained earnings.

(2) Property, plant and equipment

Disclosure is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

3. Information by major customer

(Unit: thousands of yen)

Counterparty	Operating revenues	Related segment
Hulic Co., Ltd.	1,279,261	Real estate lease business

Notes on Per Unit Information (unaudited)

	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
Net assets per unit	¥129,669	¥129,743
Basic earnings per unit	¥3,355	¥3,377

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period. Fully diluted earnings per unit is not presented, as there is no potential investment unit.

(Note 2) The basis for calculating basic earnings per unit is as follows:

	Previous fiscal period (From September 1, 2016 to February 28, 2017)	Reporting period (From March 1, 2017 to August 31, 2017)
Profit (Thousands of yen)	3,452,588	3,529,877
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	3,452,588	3,529,877
Average number of investment units for the period (Units)	1,028,908	1,045,000

Notes on Significant Subsequent Events (unaudited)

Issuance of new investment units

The Investment Corporation passed resolutions at a meeting of its Board of Directors held on October 13, 2017, to issue new investment units as follows for the purpose of using the proceeds to finance, among others, a portion of the purchase price for specified assets and repayment of borrowings. It plans to determine the issue price per unit and other matters at a future meeting of the Board of Directors.

(New investment unit issuance through public offering)

Number of new investment units to be issued: 61,800 units

Payment date: A date between October 31, 2017 and November 2, 2017

(New investment unit issuance through third-party allotment)

Number of new investment units to be issued: 3,200 units (maximum)

Payment date: November 20, 2017

Allottee: Mizuho Securities Co., Ltd.

If the entire number of new investment units to be issued in the third-party allotment, or a portion thereof, is not subscribed to, this may result in the final number of new investment units issued in the third-party allotment being reduced by such number of units or fewer due to forfeiture or the issuance itself not being carried out at all.

Omission of Disclosure

Disclosure is omitted for items for notes on securities, share of profit or loss of entities accounted for using the equity method, lease transactions, retirement benefits and asset retirement obligations, since necessity for their disclosure in the financial results report is not deemed to be significant.

(9) Changes in Total Number of Investment Units Issued

A summary of capital increase, etc. from the establishment of the Investment Corporation to the end of the reporting period is shown as below.

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
November 7, 2013	Incorporation through private placement	2,000	2,000	200	200	(Note 1)
February 6, 2014	Capital increase through public offering	617,500	619,500	64,355	64,555	(Note 2)
March 7, 2014	Capital increase through third-party allotment	32,500	652,000	3,387	67,943	(Note 3)
November 6, 2014	Capital increase through public offering	122,860	774,860	17,785	85,728	(Note 4)
November 21, 2014	Capital increase through third-party allotment	6,140	781,000	888	86,617	(Note 5)
March 29, 2016	Capital increase through public offering	167,600	948,600	29,444	116,061	(Note 6)
April 13, 2016	Capital increase through third-party allotment	8,400	957,000	1,475	117,537	(Note 7)
October 3, 2016	Capital increase through public offering	83,800	1,040,800	13,821	131,358	(Note 8)
October 26, 2016	Capital increase through third-party allotment	4,200	1,045,000	692	132,051	(Note 9)

(Note 1) At the incorporation of the Investment Corporation, investment units were issued with an issue value per unit of ¥100,000.

(Note 2) New investment units were issued through public offering with an issue price per unit of ¥108,000 (issue value: ¥104,220) in order to raise funds for the acquisition of new investment properties, etc.

(Note 3) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥104,220.

(Note 4) New investment units were issued through public offering with an issue price per unit of ¥150,150 (issue value: ¥144,760) in order to raise funds for the acquisition of new investment properties, etc.

(Note 5) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥144,760.

(Note 6) New investment units were issued through public offering with an issue price per unit of ¥181,837 (issue value: ¥175,682) in order to raise funds for the acquisition of new investment properties, etc.

(Note 7) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥175,682.

(Note 8) New investment units were issued through public offering with an issue price per unit of ¥170,625 (issue value: ¥164,937) in order to raise funds for the acquisition of new investment properties, etc.

(Note 9) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥164,937.

4. Changes in Officers

(1) Changes in Officers of the Investment Corporation

There have been no changes from the "Status of Officers" described in the latest Securities Report (prepared in Japanese only) submitted on May 24, 2017.

(2) Changes in Officers of Asset Manager

There have been no changes from the "Status of Officers" described in the latest Securities Report (prepared in Japanese only) submitted on May 24, 2017.

5. Reference Information

(1) Status of Investment

Type of assets	Category	Region (Note 1)	Previous fiscal period (As of February 28, 2017)		Reporting period (As of August 31, 2017)	
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Tokyo Commercial Properties	Six central wards of Tokyo	165,038	67.4	181,586	68.6
		Other wards of Tokyo	9,364	3.8	9,337	3.5
		Other	16,550	6.8	16,525	6.2
		Total	190,954	78.0	207,449	78.4
	Next-Generation Assets	Six central wards of Tokyo	7,505	3.1	7,487	2.8
		Other wards of Tokyo	20,235	8.3	20,155	7.6
		Other	13,302	5.4	15,119	5.7
		Total	41,043	16.8	42,761	16.2
	Total real estate in trust		231,997	94.7	250,211	94.5
	Deposits and other assets		12,944	5.3	14,446	5.5
Total assets		244,942	100.0	264,657	100.0	
		Amount (Millions of yen)	Percentage to total assets (%) (Note 3)	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)	
Total liabilities		109,438	44.7	129,076	48.8	
Total net assets		135,504	55.3	135,581	51.2	

(Note 1) *Six central wards of Tokyo* refer to Chiyoda ward (Chiyoda-ku), Chuo ward (Chuo-ku), Minato ward (Minato-ku), Shinjuku ward (Shinjuku-ku), Shibuya ward (Shibuya-ku) and Shinagawa ward (Shinagawa-ku).

(Note 2) *Total amount held* represents the balance sheet carrying amount (for real estate in trust, book value less depreciation expenses), rounded down to the nearest million yen.

(Note 3) *Percentage to total assets* represents the ratios of each asset held, total liabilities and total net assets to total assets, rounded to one decimal place.

(2) Investment Assets

i) Overview of investment assets

(As of August 31, 2017)

Category		Property name	Date of construction (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Total leased area (m ²) (Note 4)	Total leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building (Note 7)	April 1985	1,794	1,767	21,610.85	22,740.96	95.0
		Hulic Kudan Building (Land)	—	530	265	3,351.07	3,351.07	100.0
		Toranomon First Garden (Note 8)	August 2010	547	410	5,689.97	5,689.97	100.0
		Rapiros Roppongi (Note 9)	August 1997	550	495	6,730.52	6,730.52	100.0
		Hulic Takadanobaba Building	November 1993	312	194	5,369.71	5,369.71	100.0
		Hulic Kanda Building	September 2008	248	201	3,728.36	3,728.36	100.0
		Hulic Kandabashi Building	June 2001	161	130	2,566.95	2,566.95	100.0
		Hulic Kakigaracho Building	March 1993	188	124	2,858.48	2,858.48	100.0
		Ochanomizu Sola City (Note 10)	February 2013	(Note 16)	(Note 16)	13,923.42	13,923.42	100.0
		Hulic Higashi Ueno 1 Chome Building	July 1988	177	166	3,137.09	3,137.09	100.0
		Sasazuka South Building (Note 11)	December 1991	155	95	3,611.08	3,611.08	100.0
		Tokyo Nishi Ikebukuro Building (Note 12)	October 1990	65	191	736.06	1,429.74	51.5
		Gate City Ohsaki (Note 13)	January 1999 December 1998	286	(Note 3)	3,835.78	3,835.78	100.0
		Hulic Toranomon Building	May 2015	904	641	8,574.65	8,574.65	100.0
		Hulic Shibuya 1-chome Building	August 1993	213	146	2,817.65	2,817.65	100.0
		Hulic Higashi Nihonbashi Building	November 1996	190	125	3,681.20	3,681.20	100.0
		Hulic Jimbocho Building	September 1989	71	49	1,561.38	1,561.38	100.0
		Subtotal	—	—	—	93,784.22	95,608.01	98.1
	Retail properties	Oimachi Redevelopment Building (#2)	September 1989	624	656	14,485.66	14,485.66	100.0
		Oimachi Redevelopment Building (#1) (Note 14)	September 1989	438	529	10,612.67	10,612.67	100.0
		Dining Square Akihabara Building	June 1993	(Note 16)	(Note 16)	2,169.41	2,169.41	100.0
		Hulic Jingumae Building	September 2000	158	82	1,656.24	1,656.24	100.0
		Hulic Shinjuku 3 Chome Building	June 1983	291	175	1,351.15	1,351.15	100.0
		Yokohama Yamashitacho Building	July 1993	(Note 16)	(Note 16)	8,958.70	8,958.70	100.0
		Leaf Minatomirai (Land)	—	534	267	5,500.04	5,500.04	100.0
		Orchid Square	January 2009	164	88	1,334.88	1,334.88	100.0
		Hulic Todoroki Building	August 1990	91	78	1,593.58	1,593.58	100.0
		Hulic Omori Building	January 2017	192	144	2,666.52	2,666.52	100.0
		HULIC &New SHIBUYA (Note 15)	April 2017	127	119	898.62	898.62	100.0
		Subtotal	—	—	—	51,227.47	51,227.47	100.0
	Total		—	—	—	145,011.69	146,835.48	98.8
Next-Generation Assets	Private nursing homes	Aria Matsubara	September 2005	(Note 16)	(Note 16)	5,454.48	5,454.48	100.0
		Trust Garden Youganomori	September 2005	(Note 16)	(Note 16)	5,977.75	5,977.75	100.0
		Trust Garden Sakurashinmachi	August 2005	(Note 16)	(Note 16)	3,700.26	3,700.26	100.0
		Trust Garden Suginami Miyamae	April 2005	(Note 16)	(Note 16)	3,975.99	3,975.99	100.0
		Trust Garden Tokiwamatsu	January 2016	(Note 16)	(Note 16)	2,893.82	2,893.82	100.0
		SOMPO Care La vie Re Kita-Kamakura	March 2009	(Note 16)	(Note 16)	4,912.60	4,912.60	100.0
		Subtotal	—	—	—	26,914.90	26,914.90	100.0
	Network centers	Ikebukuro Network Center	January 2001	271	136	12,773.04	12,773.04	100.0
		Tabata Network Center	April 1998	90	45	3,832.73	3,832.73	100.0
		Hiroshima Network Center	October 2001	88	44	5,208.54	5,208.54	100.0
		Atsuta Network Center	May 1997	73	37	4,943.10	4,943.10	100.0
		Nagano Network Center	September 1994	35	18	2,211.24	2,211.24	100.0
		Chiba Network Center	June 1995	447	224	23,338.00	23,338.00	100.0
		Sapporo Network Center	January 2002	167	84	9,793.57	9,793.57	100.0
		Keihanna Network Center	May 2001	94	47	9,273.44	9,273.44	100.0
		Subtotal	—	1,267	633	71,373.66	71,373.66	100.0
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome (Land)	—	182	91	352.36	352.36	100.0
		Subtotal	—	182	91	352.36	352.36	100.0
		Total	—	—	—	98,640.92	98,640.92	100.0
Total of the portfolio			—	—	—	243,652.61	245,476.40	99.3

- (Note 1) *Date of construction* represents the date of construction as described in the property registry. Date of construction is omitted in case of holding of land only.
- (Note 2) *Total contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2017) for buildings as indicated in the relevant lease agreement of each asset held as of August 31, 2017 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. For properties for which we acquired only land, it is calculated by multiplying the monthly contracted rent (excluding consumption taxes) as indicated in the lease agreement for such land as of August 31, 2017 by 12 and rounding to the nearest million yen. For Sotetsu Fresa Inn Ginza 7 Chome (Land), the Investment Corporation entered into a co-ownership agreement regarding use of co-owned land for the granting of land use rights to the co-owner (hereinafter “Co-ownership Agreement”) with the co-owner of the property, Hulic Co., Ltd., which owns 50% co-ownership interest in the land and owns the building, and the amount (nontaxable) is calculated on an annual basis by multiplying the monthly land usage fee (excluding consumption taxes) for permission to use the land based on the Co-ownership Agreement by 12 and rounding to the nearest million yen. When a master lease agreement has been concluded for the asset held, the amounts provided are the amount for the portion corresponding to the pass-through master lease under which rents are directly received from end-tenants in principle (hereinafter referred to as the “Pass-through Master Lease Agreement”), calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12; and the amount for the portion corresponding to the fixed-type master lease under which a certain amount of rent is received regardless of fluctuations in rents for end-tenants (hereinafter referred to as the “Fixed-type Master Lease Agreement”), calculated on an annual basis by multiplying the monthly rent as indicated by the Fixed-type Master Lease Agreement corresponding to that portion by 12.
- (Note 3) *Leasehold/security deposits* indicates the aggregate of the recognized book values for the leasehold and/or security deposit(s) of each asset held as of August 31, 2017, rounded to the nearest million yen. For Sotetsu Fresa Inn Ginza 7 Chome (Land), the total amount of leasehold and similar deposits for the license to use land pursuant to the Co-ownership Agreement is rounded to the nearest million yen. For Gate City Ohsaki, leasehold/security deposit figures are not presented because such funds are not received by the Investment Corporation, but rather the master lease companies take custody of such funds as per contractual agreement with those companies.
- (Note 4) *Total leased area* is equivalent to total floor area of leased space set out in the relevant lease agreements of each asset held as of August 31, 2017. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided; and for the portion for which there is a Fixed-type Master Lease Agreement, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided (or, in the case of co-owned land, the area described in the property registry multiplied by the co-ownership interest share).
- (Note 5) *Total leasable area* is equivalent to gross leasable space, based on the lease agreements or floor plans of buildings of each asset held as of August 31, 2017. With respect to properties of which ownership is only for land, total leasable area is the leasable area of the land as described in the applicable land lease agreements or land plans (or, in the case of co-owned land, the leasable area as described in the property registry multiplied by the co-ownership interest share).
- (Note 6) *Occupancy rate* is calculated by dividing total leased area by total leasable area of each asset held as of August 31, 2017, and is rounded to the nearest tenth. Subtotals, totals and total of the portfolio show the proportion of the total leased area to the total of leasable area for the assets held, rounded to the nearest tenth.
- (Note 7) For Hulic Kamiyacho Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (70.0%).
- (Note 8) For Toranomon First Garden, total leasable area shows figures equivalent to the Investment Corporation’s partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.) On the other hand, a master lease is served on the whole building together with the exclusively owned portions owned by other unit owners, and as income and expenditure of the property is allocated according to the ratio of ownership interest of the partial ownership rights owned by each unit owner, the figure shown for occupancy rate is that of the entire building. Total leased area, total contracted rent and leasehold/security deposits show amounts equivalent to the proportional share of the partial ownership in the building held by the Investment Corporation (approximately 81.4%).
- (Note 9) For Rapiros Roppongi, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation’s partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.)
- (Note 10) For Ochanomizu Sola City, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (21.7%).
- (Note 11) For Sasazuka South Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation’s partial ownership in the building.
- (Note 12) For Tokyo Nishi Ikebukuro Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation’s partial ownership in the building (including some of co-ownership portion).

- (Note 13) For Gate City Ohsaki, total leased area, total leasable area and occupancy rate show figures equivalent to the Investment Corporation's partial ownership in the property (Office space on the 8th floor of the West Tower office and commercial building: approximately 83.0% co-ownership interest of 4,088.37 m²; retail space from the 1st basement floor to the 3rd floor of the office and commercial building: approximately 2.4% co-ownership interest of 5,609.05 m²; residential building: 6 residential units of 308.20 m²) under the lease agreements with master lease companies. Total contracted rent shows amounts calculated with the rent and common service fees received by the master lease company for the month of August 2017 (excluding consumption taxes) multiplied by 12, with the result rounded to the nearest million yen. Leasehold/security deposit figures are not presented because such funds are not received by the Investment Corporation, but rather the master lease companies take custody of such funds as per contractual agreement with those companies.
- (Note 14) For Oimachi Redevelopment Building (#1), total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building.
- (Note 15) For HULIC & New SHIBUYA, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 16) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 17) In the above table, *Total contracted rent*, *Leasehold/Security deposits*, *Total leased area* and *Occupancy rate* may include information related to lease agreements that have been subsequently terminated, lease agreements for which we have subsequently received a request for termination or lease agreements for which rent payment is delinquent, if the lease agreement was valid as of August 31, 2017.

ii) Overview of appraisal report

(As of August 31, 2017)

(As of August 31, 2017)												
Category	Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated price by using cost method (Millions of yen)	Return price (Millions of yen)					
							Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	D	36,750	36,985	42,400	34,500	43,500	3.5	41,900	3.3	3.7
		Hulic Kudan Building (Land)	N	11,100	11,191	12,500	(Note 5)	12,500	3.7	12,400	3.3	3.8
		Toranomon First Garden	C	8,623	8,407	11,000	13,000	10,900	3.5	11,000	3.2	3.6
		Rapiros Roppongi	N	6,210	6,701	8,070	9,970	8,170	3.7	7,970	3.4	3.9
		Hulic Takadanobaba Building	D	3,900	3,834	4,750	3,980	4,670	4.1	4,790	3.9	4.3
		Hulic Kanda Building	T	3,780	3,668	4,010	4,510	4,300	3.9	3,890	4.0	4.1
		Hulic Kandabashi Building	D	2,500	2,523	2,890	2,880	2,920	3.7	2,870	3.5	3.9
		Hulic Kakigaracho Building	T	2,210	2,195	2,850	2,790	2,820	4.2	2,860	4.3	4.4
		Ochanomizu Sola City	N	38,149	37,617	42,315	35,805	42,532	3.4	41,881	3.1	3.5
		Hulic Higashi Ueno 1 Chome Building	N	2,670	2,667	2,940	2,420	2,980	4.1	2,900	3.9	4.3
		Sasazuka South Building	N	2,100	2,159	2,170	1,920	2,180	4.7	2,160	4.4	4.9
		Tokyo Nishi Ikebukuro Building	N	1,580	1,625	1,890	1,330	1,930	4.3	1,850	4.1	4.5
		Gate City Ohsaki	N	4,370	4,515	4,490	4,780	4,510	3.7	4,470	3.3	3.8
		Hulic Toranomon Building	N	18,310	18,244	20,800	21,700	20,900	3.3	20,600	3.0	3.4
		Hulic Shibuya 1-chome Building	T	5,100	5,126	5,310	5,280	5,790	3.5	5,110	3.6	3.7
		Hulic Higashi Nihonbashi Building	T	3,480	3,501	3,590	3,500	3,700	4.2	3,540	4.3	4.4
		Hulic Jimbocho Building	N	1,460	1,506	1,480	1,200	1,500	4.1	1,450	3.9	4.3
		Subtotal	—	152,292	152,472	173,455	—	175,802	—	171,641	—	—
	Retail properties	Oimachi Redevelopment Building (#2)	T	9,456	9,432	12,200	11,600	12,400	4.1	12,100	4.2	4.3
		Oimachi Redevelopment Building (#1)	T	6,166	6,290	7,460	7,310	7,510	4.3	7,440	4.4	4.5
		Dining Square Akihabara Building	N	3,200	3,202	3,750	2,310	3,810	4.0	3,680	3.8	4.2
		Hulic Jingumae Building	T	2,660	2,654	3,500	3,460	3,560	3.4	3,470	3.5	3.6
		Hulic Shinjuku 3 Chome Building	N	5,550	5,561	6,180	6,140	6,340	3.6	6,020	3.2	3.8
		Yokohama Yamashitacho Building	N	4,850	4,759	5,560	3,280	5,630	4.5	5,480	4.3	4.7
		Leaf Minatomirai (Land)	D	11,700	11,765	13,100	(Note 5)	(Note 6)	(Note 6)	13,100	3.9	(Note 7)
		Orchid Square	D	3,502	3,507	3,920	3,250	4,010	3.6	3,880	3.4	3.8
		Hulic Todoroki Building	T	1,200	1,210	1,260	1,420	1,270	4.6	1,250	4.7	4.8
		Hulic Omori Building	C	3,420	3,429	3,530	2,460	3,510	4.5	3,530	4.3	4.6
		HULIC &New SHIBUYA	N	3,150	3,162	3,190	2,400	3,255	3.3	3,125	3.1	3.5
		Subtotal	—	54,854	54,976	63,650	—	—	—	63,075	—	—
		Total	—	207,146	207,449	237,105	—	—	—	234,716	—	—
Next-Generation Assets	Private nursing homes	Aria Matsubara	N	3,244	3,207	4,280	3,540	4,300	4.4	4,250	4.0	4.6
		Trust Garden Youganomori	N	5,390	5,365	6,790	5,050	6,830	4.7	6,750	4.3	4.9
		Trust Garden Sakurashinmachi	N	2,850	2,883	3,610	2,910	3,630	4.6	3,590	4.2	4.8
		Trust Garden Suginami Miyamae	N	2,760	2,788	3,490	2,650	3,510	4.6	3,470	4.2	4.8
		Trust Garden Tokiwamatsu	N	3,030	3,090	3,300	3,040	3,340	4.2	3,250	4.0	4.4
		SOMPO Care La vie Re Kita-Kamakura	N	1,780	1,872	1,800	1,260	1,810	5.4	1,780	5.2	5.6
		Subtotal	—	19,054	19,207	23,270	18,450	23,420	—	23,090	—	—

Category		Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated price by using cost method (Millions of yen)	Return price (Millions of yen)				
								Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
Next-Generation Assets	Network centers	Ikebukuro Network Center	N	4,570	4,541	5,240	4,670	5,300	4.4	5,180	4.2	4.6
		Tabata Network Center	N	1,355	1,368	1,560	1,530	1,570	4.9	1,540	4.7	5.1
		Hiroshima Network Center	N	1,080	1,059	1,220	1,110	1,220	5.7	1,210	5.5	5.9
		Atsuta Network Center	N	1,015	1,000	1,100	955	1,110	5.4	1,090	5.2	5.6
		Nagano Network Center	N	305	310	368	296	369	6.9	367	6.7	7.1
		Chiba Network Center	N	7,060	7,097	7,190	4,460	7,230	5.2	7,140	5.0	5.4
		Sapporo Network Center	N	2,510	2,559	2,600	2,620	2,620	5.2	2,580	5.0	5.4
		Keihanna Network Center	N	1,250	1,220	1,320	1,170	1,320	5.5	1,320	5.3	5.7
		Subtotal	—	19,145	19,156	20,598	16,811	20,739	—	20,427	—	—
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome (Land)	N	4,370	4,397	4,590	(Note 5)	4,620	3.6	4,550	3.1	3.8
		Subtotal	—	4,370	4,397	4,590	—	4,620	—	4,550	—	—
		Total	—	42,569	42,761	48,458	—	48,779	—	48,067	—	—
Total		—	249,715	250,211	285,563	—	—	—	282,783	—	—	

(Note 1) The letters in the *appraisal agency* column indicate appraisers as follows:

D: Daiwa Real Estate Appraisal Co., Ltd.

N: Japan Real Estate Institute

C: CBRE K.K.

T: The Tanizawa Sōgō Appraisal Co., Ltd.

(Note 2) *Acquisition price* represents trading value stipulated in each beneficiary right sales agreement in relation to the assets held, rounded to the nearest million yen. The trading value does not include consumption tax, local consumption tax and expenses incurred on acquisition.

(Note 3) *Book value at end of period* represents book value for each property less depreciation expenses as of August 31, 2017, rounded down to the nearest million yen.

(Note 4) *Appraisal value* represents the appraisal value as of the valuation date of August 31, 2017.

(Note 5) For Hulic Kudan Building (Land), Leaf Minatomirai (Land) and Sotetsu Fresa Inn Ginza 7 Chome (Land), this item was not provided due to the Investment Corporation only holding the land.

(Note 6) The direct capitalization method, which assumes there will be perpetual returns, has not been applied because the net cash flow based on income from rent has a definite period (it is assumed the land will be restored to a vacant lot after the land leasing period is over).

(Note 7) The terminal capitalization rate is not indicated because it is assumed to be restored to a vacant lot after the land leasing period is over.

iii) Capital expenditures for assets under management

(A) Schedule of capital expenditures

For each asset held by the Investment Corporation as of August 31, 2017, the main capital expenditures for renovation work, etc. scheduled as of August 31, 2017 (the end of the seventh fiscal period) are as below. Estimated capital expenditure for work mentioned below includes parts that are charged to expenses.

Property name	Location	Purpose	Scheduled period	Estimated capital expenditure for work (Millions of yen)
Rapiros Roppongi	Minato-ku, Tokyo	Renewal work for air-conditioning facility (phase 2)	From September 2017 to December 2017	78
Rapiros Roppongi	Minato-ku, Tokyo	Renewal work for air-conditioning facility (phase 3)	From March 2018 to June 2018	41
Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	Renewal work for substation facility and emergency generator facility	From July 2017 to March 2018	202
Sasazuka South Building	Shibuya-ku, Tokyo	Renovation work for external wall	From March 2018 to September 2018	50
Hulic Jimbocho Building	Chiyoda-ku, Tokyo	Renovation work for external wall	From May 2018 to July 2018	25

(B) Capital expenditures during the period

An overview of the construction work corresponding to capital expenditures during the reporting period is as below. Capital expenditures during the reporting period were ¥297,053 thousand and repair expenses were ¥91,103 thousand. In aggregate, construction work of ¥388,157 thousand was carried out during the period.

Property name	Location	Purpose	Period	Capital expenditure for work (Millions of yen)
Hulic Kamiyacho Building	Minato-ku, Tokyo	Renewal work for the 8th floor	From January 2017 to May 2017	82
Rapiros Roppongi	Minato-ku, Tokyo	Renewal work for air-conditioning facility (phase 1)	From March 2017 to June 2017	80
Other				134
Total				297

(3) Major Investment Assets

The following is an overview of the Assets Held by the Investment Corporation whose *Total contracted rent* makes up 10% or more of the total rental income for the entire portfolio as of August 31, 2017.

Property name	Total contracted rent (annual) (Note 3)	Total leased area (Note 4)	Total leasable area (Note 5)	Occupancy rate (Note 6)
Hulic Kamiyacho Building (Note 1)	¥1,794 million	21,610.85 m ²	22,740.96 m ²	95.0%
Ochanomizu Sola City (Note 2)	(Note 7)	13,923.42 m ²	13,923.42 m ²	100.0%

- (Note 1) *Total contracted rent (annual)*, *Total leased area*, *Total leasable area* and *Occupancy rate* of Hulic Kamiyacho Building show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (70.0%).
- (Note 2) *Total contracted rent (annual)*, *Total leased area*, *Total leasable area* and *Occupancy rate* of Ochanomizu Sola City show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (21.7%).
- (Note 3) *Total contracted rent (annual)* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2017) for buildings as indicated in the relevant lease agreement of each asset held as of August 31, 2017 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. When a master lease agreement has been concluded for the asset held, the amount provided is the amount for the portion corresponding to the Pass-through Master Lease Agreement, calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12.
- (Note 4) *Total leased area* shows the total floor area of leased space set out in the relevant lease agreement of the above-mentioned property held as of August 31, 2017. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided.
- (Note 5) *Total leasable area* shows the floor area considered leasable based on the lease agreements or floor plans of buildings of the above-mentioned property held as of August 31, 2017.
- (Note 6) *Occupancy rate* is calculated by dividing total leased area by total leasable area of the above-mentioned property held as of August 31, 2017, and is rounded to the nearest tenth.
- (Note 7) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of the property to disclose the relevant information.

(4) Overview of Major Tenants

Tenants for which leased area accounted for 10% or more of the total leased area as of August 31, 2017 are shown as below.

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
Hulic Co., Ltd.	Real estate lease business	Hulic Kamiyacho Building (Note 6)	21,610.85	1,794	1,767	February 6, 2019	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Kudan Building (Land)	3,351.07	530	265	February 6, 2063	—
		Toranomon First Garden (Note 7)	5,689.97	547	410	February 6, 2019	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Rapiros Roppongi (Note 8)	6,730.52	550	495		
		Hulic Takadanobaba Building	5,369.71	312	194		
		Hulic Kanda Building	3,728.36	248	201		
		Hulic Kandabashi Building	2,566.95	161	130		
		Hulic Kakigaracho Building	2,858.48	188	124		
		Hulic Higashi Ueno 1 Chome Building	3,137.09	177	166		
		Sasazuka South Building (Note 9)	3,611.08	155	95	March 8, 2018	
		Tokyo Nishi Ikebukuro Building (Note 10)	736.06	65	191	March 30, 2018	
		Hulic Toranomon Building	8,574.65	904	641	December 24, 2018	
		Hulic Shibuya 1-chome Building	2,817.65	213	146	March 30, 2020	
		Hulic Higashi Nihonbashi Building	3,681.20	190	125		
		Hulic Jimbocho Building	1,561.38	71	49	April 27, 2020	
		Oimachi Redevelopment Building (#2)	14,485.66	624	656	February 6, 2019	
		Oimachi Redevelopment Building (#1) (Note 11)	10,612.67	438	529	(Note 12)	Automatically renewed for a term agreed upon unless notified in writing at least 6 months before the expiry of the agreement
		Dining Square Akihabara Building	2,169.41	(Note 16)	(Note 16)	February 6, 2019	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Jingumae Building	1,656.24	158	82		
		Hulic Shinjuku 3 Chome Building	1,351.15	291	175	October 15, 2017	
		Yokohama Yamashitacho Building	8,958.70	(Note 16)	(Note 16)	March 29, 2046	—
		Leaf Minatomirai (Land) (Note 13)	5,500.04	534	267		
		Orchid Square	1,334.88	164	88	March 29, 2019	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Todoroki Building	1,593.58	91	78	December 27, 2019	
		Hulic Omori Building	2,666.52	192	144	March 30, 2022	
		HULIC &New SHIBUYA (Note 14)	898.62	127	119	June 29, 2020	

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
Hulic Co., Ltd.	Real estate lease business	Aria Matsubara	5,454.48	(Note 16)	(Note 16)	February 6, 2019	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Trust Garden Youganomori	5,977.75	(Note 16)	(Note 16)		
		Trust Garden Sakurashinmachi	3,700.26	(Note 16)	(Note 16)		
		Trust Garden Suginami Miyamae	3,975.99	(Note 16)	(Note 16)		
		Trust Garden Tokiwamatsu	2,893.82	(Note 16)	(Note 16)	August 31, 2019	
		SOMPO Care La vie Re Kita-Kamakura	4,912.60	(Note 16)	(Note 16)	June 29, 2020	
		Sotetsu Fresa Inn Ginza 7 Chome (Land) (Note 15)	352.36	182	91	September 15, 2046	–
		Total	154,519.75	10,608	8,442	–	–
SoftBank Corp.	Telecommuni- cations business	Ikebukuro Network Center	12,773.04	271	136	November 5, 2027	May be renewed if mutually agreed at least 5 years before the expiry of the agreement
		Tabata Network Center	3,832.73	90	45	November 5, 2022	
		Hiroshima Network Center	5,208.54	88	44	November 5, 2027	
		Atsuta Network Center	4,943.10	73	37	November 5, 2022	
		Nagano Network Center	2,211.24	35	18	November 5, 2017	
		Chiba Network Center	23,338.00	447	224	March 27, 2028	
		Sapporo Network Center	9,793.57	167	84	May 22, 2028	
		Keihanna Network Center	9,273.44	94	47	November 5, 2022	
		Total	71,373.66	1,267	633	–	–

(Note 1) *Leased area* is equivalent to total floor area of leased space set out in the relevant lease agreement of each property as of August 31, 2017. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided. For the portion for which there is a Fixed-type Master Lease Agreement, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided (or, in the case of co-owned land, the area described in the property registry multiplied by the co-ownership interest share).

(Note 2) *Total contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2017) for buildings as indicated in the relevant lease agreement of each property in effect as of August 31, 2017 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. For properties for which ownership is only for land, it is calculated by multiplying the monthly contracted rent (excluding consumption taxes) as indicated in the lease agreement for such land as of August 31, 2017 by 12 and rounding to the nearest million yen. For Sotetsu Fresa Inn Ginza 7 Chome (Land), the amount (nontaxable) is calculated by annualizing the monthly land usage fee based on the Co-ownership Agreement and rounding to the nearest million yen. The amounts provided are the amount for the portion of property corresponding to a Pass-through Master Lease Agreement for which the tenant is a sublessor as a master lease company, in accordance with the lease agreement with the end-tenant in effect as of August 31, 2017, calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12; and the amount for the portion of property corresponding to a Fixed-type Master Lease Agreement, calculated on an annual basis by multiplying the monthly rent as indicated in the master lease agreement corresponding to that portion.

(Note 3) *Leasehold/security deposits* indicates the aggregate of the recognized book values for the leasehold and/or security deposit(s) of each asset held as of August 31, 2017, rounded to the nearest million yen. For Sotetsu Fresa Inn Ginza 7 Chome (Land), the total amount of leasehold and similar deposits based on the Co-ownership Agreement is provided, rounded to the nearest million yen.

(Note 4) *Expiration date* is the date provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement. Also, for Sotetsu Fresa Inn Ginza 7 Chome (Land), expiration date of the Co-ownership Agreement shown in the Co-ownership Agreement is provided.

(Note 5) *Renewal of agreement, etc.* represents the content of renewal of agreement, etc. provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease

agreement. Also, for Sotetsu Fresa Inn Ginza 7 Chome (Land), the content of renewal of agreement, etc., shown in the Co-ownership Agreement is provided.

- (Note 6) For Hulic Kamiyacho Building, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (70.0%).
- (Note 7) For Toranomom First Garden, a master lease is served on the whole building together with the exclusively owned portions owned by other unit owners. Moreover, income and expenditure of the property is allocated according to the ratio of ownership interest of the partial ownership rights owned by each unit owner. Accordingly, leased area, total contracted rent and leasehold/security deposits show amounts equivalent to the proportional share of the partial ownership in the whole building held by the Investment Corporation (approximately 81.4%).
- (Note 8) For Rapiros Roppongi, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.)
- (Note 9) For Sasazuka South Building, leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building.
- (Note 10) For Tokyo Nishi Ikebukuro Building, leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of common space).
- (Note 11) For Oimachi Redevelopment Building (#1), leased area, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building.
- (Note 12) The existing lease agreement for Oimachi Redevelopment Building (#1) was renewed in September 27, 2017, and currently the lease agreement does not specify a term.
- (Note 13) The lessee of Leaf Minatomirai (Land) is indicated as Mizuho Trust & Banking Co., Ltd. on the relevant land lease agreement, but Hulic Co., Ltd. is the trust beneficiary having leasehold rights, under said land lease agreement, as entrusted assets.
- (Note 14) For HULIC & New SHIBUYA, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 15) For Sotetsu Fresa Inn Ginza 7 Chome (Land), the trustee concluded a Co-ownership Agreement with Hulic Co., Ltd., the co-owner of said property. Under the Co-ownership Agreement, Hulic Co., Ltd. has been permitted to exclusively use the property in exchange for fees. Accordingly, for Sotetsu Fresa Inn Ginza 7 Chome (Land), under the Co-ownership Agreement, Hulic Co., Ltd., the co-owner that uses said property, is listed as a tenant.
- (Note 16) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(5) Top End-Tenants in Terms of Leased Area

The following table shows the top ten end-tenants in terms of leased area in the entire portfolio as of August 31, 2017. The information stated for the portion for which there is a Fixed-type Master Lease Agreement, reflects the details on the Fixed-type Master Lease Agreement corresponding to that portion, while the information stated for the portion for which there is a Pass-through Master Lease Agreement, reflects the details on each lease agreement concluded with the end tenants.

End-tenant	Property name	Leased area (m ²) (Note 1)	Area ratio (%) (Note 2)	Expiration date	Form of agreement (Note 3)
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 (Nagano Network Center) March 27, 2028 (Chiba Network Center) May 22, 2028 (Sapporo Network Center)	Fixed-term building lease agreement
Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1) Leaf Minatomirai (Land) (Note 4) Sotetsu Fresa Inn Ginza 7 Chome (Land) (Note 5) Hulic Toranomom Building Hulic Omori Building	37,183.93	15.3	February 6, 2063 February 6, 2019 (Note 6) 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-ownership agreement Ordinary building lease agreement Ordinary building lease agreement
Trust Garden Co., Ltd.	Trust Garden Youganomori 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
Barneys Japan	Yokohama Yamashitacho Building	8,958.70	3.7	(Note 7)	(Note 7)
Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	2.2	September 30, 2030	Ordinary building lease agreement
Sompo Care Next Company Inc.	SOMPO Care La vie Re Kita-Kamakura	4,912.60	2.0	March 31, 2029	Ordinary building lease agreement
Nippon Paper	Ochanomizu Sola City	4,555.25	1.9	(Note 7)	Fixed-term

End-tenant	Property name	Leased area (m ²) (Note 1)	Area ratio (%) (Note 2)	Expiration date	Form of agreement (Note 3)
Industries Co., Ltd.					building lease agreement
Mizuho Securities Co., Ltd.	Ochanomizu Sola City	3,668.44	1.5	(Note 7)	Fixed-term building lease agreement
Mitsui Fudosan Co., Ltd.	Gate City Ohsaki	3,527.58	1.4	January 5, 2019	Ordinary building lease agreement (Note 8)
J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.3	November 30, 2018	Ordinary building lease agreement

(Note 1) *Leased area* is equivalent to total floor area of leased space set out in the lease agreements with end-tenants as of August 31, 2017. The pertinent items are as follows.

- The land area (or, in the case of co-owned land, the area described in the property registry multiplied by the co-ownership interest share) is provided for Hulic Kudan Building (Land), Leaf Minatomirai (Land), and Sotetsu Fresa Inn Ginza 7 Chome (Land).
- For the portion for which there is a Fixed-type Master Lease Agreement, the leasable area to end-tenants is provided.
- For Oimachi Redevelopment Building (#1), the figure equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building is shown.
- For Gate City Ohsaki, the figures are equivalent to the Investment Corporation's partial ownership in the property (Office space on the 8th floor of the West Tower office and commercial building: approximately 83.0% co-ownership interest of 4,088.37 m²; retail space from the 1st basement floor to the 3rd floor of the office and commercial building: approximately 2.4% co-ownership interest of 5,609.05 m²).
- For Toranomon First Garden, the figures are equivalent to the Investment Corporation's partial ownership in the building.
- For Ochanomizu Sola City, the figures are equivalent to the quasi-co-ownership interest of property held by the Investment Corporation (21.7%).

(Note 2) Figures are rounded to the nearest tenth.

(Note 3) *Form of agreement* is the form of agreement described in the lease agreement with the end-tenants as of August 31, 2017, excluding Sotetsu Fresa Inn Ginza 7 Chome (Land).

(Note 4) The lessee of Leaf Minatomirai (Land) is indicated as Mizuho Trust & Banking Co., Ltd. on the relevant land lease agreement. Hulic Co., Ltd. is the trust beneficiary having leasehold rights, under said land lease agreement, as entrusted assets.

(Note 5) For Sotetsu Fresa Inn Ginza 7 Chome (Land), the trustee concluded a Co-ownership Agreement with Hulic Co., Ltd., the co-owner of said property. Hulic Co., Ltd. has been permitted to exclusively use the property in exchange for fees. Accordingly, for Sotetsu Fresa Inn Ginza 7 Chome (Land), under the Co-ownership Agreement, Hulic Co., Ltd., the co-owner that uses said property, is listed as a tenant.

(Note 6) The existing lease agreement for Oimachi Redevelopment Building (#1) was renewed in September 27, 2017, and currently the lease agreement does not specify a term.

(Note 7) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(Note 8) Under a master lease agreement with Mitsui Fudosan Co., Ltd., the office and commercial building of Gate City Ohsaki is a part of the jointly managed area, and is sub-leased by Mitsui Fudosan Co., Ltd. to third parties.

(6) Overview and Income/Loss of Lease Businesses

Reporting Period (From March 1, 2017 to August 31, 2017)

(Unit: thousands of yen)

Property name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadano-baba Building	Hulic Kanda Building	Hulic Kandabashi Building
Days under management	184	184	184	184	184	184	184
Lease business revenues	930,617	265,002	296,843	291,911	176,859	135,125	88,168
Lease business revenue	862,881	265,002	271,499	273,005	151,858	124,225	80,957
Other lease business revenues	67,736	–	25,343	18,905	25,000	10,900	7,210
Expenses related to rent business	267,684	32,108	121,561	130,146	66,777	62,386	39,354
Taxes and public dues	49,781	30,237	32,336	38,106	12,816	4,169	8,944
Utilities expenses	43,690	–	12,813	18,711	10,654	7,389	5,515
Insurance expenses	621	40	200	759	178	89	74
Repair expenses	49,605	–	2,200	113	4,124	148	565
Property management fees	71,651	1,325	4,933	5,538	14,982	7,403	5,853
Other expenses related to rent business	4,517	506	26,017	54,882	4,517	23,642	1,190
Depreciation and amortization	47,815	–	43,060	12,036	19,503	19,544	17,210
Income (loss) from lease business	662,933	232,893	175,281	161,764	110,081	72,738	48,813
NOI	710,749	232,893	218,342	173,800	129,585	92,283	66,023

(Unit: thousands of yen)

Property name	Hulic Kakigaracho Building	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Sasazuka South Building	Tokyo Nishi Ikebukuro Building	Gate City Ohsaki	Hulic Toranomon Building
Days under management	184	184	184	184	184	184	184
Lease business revenues	103,859	(Note 1)	97,752	90,152	51,400	154,583	468,091
Lease business revenue	94,641	(Note 1)	87,307	77,565	50,680	144,886	452,064
Other lease business revenues	9,218	(Note 1)	10,445	12,586	720	9,696	16,026
Expenses related to rent business	37,269	(Note 1)	42,674	39,854	20,505	95,592	177,288
Taxes and public dues	9,150	(Note 1)	7,241	8,266	2,459	14,536	50,238
Utilities expenses	6,224	(Note 1)	6,148	10,083	–	9,613	16,390
Insurance expenses	85	(Note 1)	86	40	117	378	260
Repair expenses	108	(Note 1)	4,287	1,113	74	396	959
Property management fees	12,839	(Note 1)	13,683	1,303	9,611	600	41,177
Other expenses related to rent business	1,198	(Note 1)	3,280	11,983	3,522	55,883	15,113
Depreciation and amortization	7,664	(Note 1)	7,944	7,063	4,719	14,183	53,147
Income (loss) from lease business	66,590	(Note 1)	55,078	50,297	30,895	58,991	290,803
NOI	74,254	750,952	63,023	57,361	35,615	73,174	343,951

(Unit: thousands of yen)

Property name	Hulic Shibuya 1- chome Building	Hulic Higashi Nihonbashi Building	Hulic Jimbocho Building	Oimachi Redevelop- ment Building (#2)	Oimachi Redevelop- ment Building (#1)	Dining Square Akihabara Building	Hulic Jingumae Building
Days under management	154	154	126	184	184	184	184
Lease business revenues	65,810	88,877	27,723	312,000	218,931	(Note 1)	87,539
Lease business revenue	57,589	80,670	22,720	312,000	218,931	(Note 1)	79,592
Other lease business revenues	8,221	8,207	5,002	–	–	(Note 1)	7,947
Expenses related to rent business	28,199	23,235	7,270	61,532	68,157	(Note 1)	21,414
Taxes and public dues	–	–	–	30,030	32,965	(Note 1)	5,309
Utilities expenses	4,876	6,090	1,120	–	–	(Note 1)	5,150
Insurance expenses	79	80	28	254	1,624	(Note 1)	42
Repair expenses	5,245	363	939	–	5,305	(Note 1)	662
Property management fees	5,801	6,019	2,548	6,240	4,378	(Note 1)	3,172
Other expenses related to rent business	1,058	557	466	505	7,972	(Note 1)	1,064
Depreciation and amortization	11,137	10,124	2,167	24,502	15,909	(Note 1)	6,012
Income (loss) from lease business	37,611	65,641	20,452	250,467	150,774	(Note 1)	66,125
NOI	48,748	75,766	22,620	274,970	166,683	77,664	72,137

(Unit: thousands of yen)

Property name	Hulic Shinjuku 3 Chome Building	Yokohama Yamashita- cho Building	Leaf Minatomirai (Land)	Orchid Square	Hulic Todoroki Building	Hulic Omori Building	HULIC &New SHIBUYA
Days under management	184	184	184	184	184	154	63
Lease business revenues	153,998	(Note 1)	267,000	83,082	56,178	88,193	22,628
Lease business revenue	145,443	(Note 1)	267,000	71,319	52,461	80,226	20,775
Other lease business revenues	8,554	(Note 1)	–	11,763	3,716	7,966	1,853
Expenses related to rent business	35,596	(Note 1)	16,444	24,281	21,296	26,809	7,537
Taxes and public dues	671	(Note 1)	14,774	4,043	4,120	–	–
Utilities expenses	5,005	(Note 1)	–	8,250	4,116	8,662	2,161
Insurance expenses	41	(Note 1)	75	35	50	39	10
Repair expenses	276	(Note 1)	–	259	3,104	–	–
Property management fees	4,901	(Note 1)	1,335	3,120	5,055	4,782	796
Other expenses related to rent business	22,094	(Note 1)	259	2,902	933	1,958	282
Depreciation and amortization	2,605	(Note 1)	–	5,669	3,915	11,366	4,285
Income (loss) from lease business	118,402	(Note 1)	250,555	58,801	34,882	61,384	15,091
NOI	121,007	127,578	250,555	64,471	38,797	72,750	19,376

(Unit: thousands of yen)

Property name	Aria Matsubara	Trust Garden Youganomori	Trust Garden Sakurashinmachi	Trust Garden Suginami Miyamae	Trust Garden Tokiwamatsu	SOMPO Care La vie Re Kita-Kamakura	Ikebukuro Network Center
Days under management	184	184	184	184	184	63	184
Lease business revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	135,600
Lease business revenue	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	135,600
Other lease business revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	–
Expenses related to rent business	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	28,957
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	15,649
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	–
Insurance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	124
Repair expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	–
Property management fees	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	960
Other expenses related to rent business	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	505
Depreciation and amortization	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	11,717
Income (loss) from lease business	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	106,643
NOI	97,464	159,526	85,247	81,549	71,821	18,599	118,360

(Unit: thousands of yen)

Property name	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Days under management	184	184	184	184	184	184	184
Lease business revenues	45,088	43,845	36,743	17,587	223,645	83,706	47,047
Lease business revenue	45,088	43,845	36,743	17,587	223,633	83,706	47,047
Other lease business revenues	–	–	–	–	12	–	–
Expenses related to rent business	8,993	13,368	11,419	6,218	77,199	23,194	17,434
Taxes and public dues	4,725	5,588	4,863	2,418	30,533	12,662	8,510
Utilities expenses	–	–	–	–	–	–	–
Insurance expenses	39	65	46	31	216	82	87
Repair expenses	–	26	322	–	270	–	–
Property management fees	720	1,320	960	840	1,800	780	1,200
Other expenses related to rent business	505	505	505	505	505	505	505
Depreciation and amortization	3,003	5,862	4,721	2,422	43,872	9,163	7,130
Income (loss) from lease business	36,095	30,476	25,323	11,369	146,446	60,511	29,613
NOI	39,098	36,339	30,044	13,791	190,319	69,675	36,743

(Unit: thousands of yen)

Property name	Sotetsu Fresa Inn Ginza 7 Chome (Land)
Days under management	184
Lease business revenues	91,200
Lease business revenue	91,200
Other lease business revenues	—
Expenses related to rent business	6,718
Taxes and public dues	5,994
Utilities expenses	—
Insurance expenses	13
Repair expenses	—
Property management fees	456
Other expenses related to rent business	254
Depreciation and amortization	—
Income (loss) from lease business	84,481
NOI	84,481

(Note 1) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.