

# HULIC REIT, INC.

Translation Purpose Only

September 20, 2018

To All Concerned Parties

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**(Corrections) Notice Concerning Partial Corrections to “Financial Report  
for the Fiscal Period Ended February 28, 2018” and “Asset Management  
Report for the Fiscal Period Ended February 28, 2018”**

TOKYO, September 20, 2018 – Hulic Reit, Inc. (hereinafter referred to as “Hulic Reit”) has corrected part of the contents of its “Financial Report for the Fiscal Period Ended February 28, 2018” released on April 12, 2018 and “Asset Management Report for the Fiscal Period Ended February 28, 2018,” as follows. Please note that the places in the document where corrections were made are underlined.

- Partial corrections made to “Financial Report for the Fiscal Period Ended February 28, 2018”
- Reference Information, (2) Investment Assets, i) Overview of investment assets on page 33

[Before Corrections]

(As of February 28, 2018)

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 <sup>2</sup> ) (Note 4)	Total leasable area (m <sup>2</sup> ) (Note 5)	Occupancy rate (%) (Note 6)	
(Omitted)								
Next-Generation Assets	Private nursing homes	(Omitted)						
		SOMPO Care La vie Re Kita-Kamakura	March 2009	(Note 17)	(Note 17)	<u>4,912.60</u>	<u>4,912.60</u>	100.0
		Subtotal	-	-	-	<u>26,914.90</u>	<u>26,914.90</u>	100.0
	(Omitted)							
Total		-	-	-	<u>107,681.33</u>	<u>107,681.33</u>	100.0	
Total of the portfolio		-	-	-	<u>248,964.73</u>	<u>249,606.06</u>	99.7	

(Omitted)

(Note 18) 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 February 28, 2018.

# HULIC REIT, INC.

[After Corrections]

(As of February 28, 2018)

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 <sup>2</sup> ) (Note 4)	Total leasable area (m <sup>2</sup> ) (Note 5)	Occupancy rate (%) (Note 6)	
(Omitted)								
Next-Generation Assets	Private nursing homes	(Omitted)						
		SOMPO Care La vie Re Kita-Kamakura	March 2009	(Note 17)	(Note 17)	<u>4,912.57</u> (Note 18)	<u>4,912.57</u> (Note 18)	100.0
		Subtotal	-	-	-	<u>26,914.87</u>	<u>26,914.87</u>	100.0
	(Omitted)							
	Total		-	-	-	<u>107,681.30</u>	<u>107,681.30</u>	100.0
Total of the portfolio		-	-	-	<u>248,964.70</u>	<u>249,606.03</u>	99.7	

(Omitted)

(Note 18) On September 11, 2017, a document with SOMPO Care Next Inc. (currently Sompo Care Inc.) was signed which confirms that the correct legal floor area of the total leased area and the total leasable area of SOMPO Care La vie Re Kita-Kamakura is "4,912.57 m<sup>2</sup>" ("4,912.60 m<sup>2</sup>" was stated in the original agreement), and accordingly this value is stated here.

(Note 19) 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 February 28, 2018.

## 5. Reference Information, (4) Overview of Major Tenants on page 41

[Before Corrections]

Tenants for which leased area accounted for 10% or more of the total leased area as of February 28, 2018 are shown as below.

Tenant	Business type	Property name	Leased area (m <sup>2</sup> ) (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)
(Omitted)							
Hulic Co., Ltd.	Real estate lease business	SOMPO Care La vie Re Kita-Kamakura	<u>4,912.60</u>	(Note 16)	(Note 16)	June 29, 2020	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		(Omitted)					
		Total	<u>159,933.20</u>	10,991	8,895	-	-

(Omitted)

# HULIC REIT, INC.

[After Corrections]

Tenants for which leased area accounted for 10% or more of the total leased area as of February 28, 2018 are shown as below.

Tenant	Business type	Property name	Leased area (m <sup>2</sup> ) (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	(Omitted)					
		SOMPO Care La vie Re Kita-Kamakura	<u>4,912.57</u> (Note 17)	(Note 16)	(Note 16)	June 29, 2020	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		(Omitted)					
		Total	<u>159,933.17</u>	10,991	8,895	-	-

(Omitted)

(Note 17) On September 11, 2017, a document with SOMPO Care Next Inc. (currently Sompo Care Inc.) was signed which confirms that the correct legal floor area of the leased area of SOMPO Care La vie Re Kita-Kamakura is "4,912.57 m<sup>2</sup>" ("4,912.60 m<sup>2</sup>" was stated in the original agreement), and accordingly this value is stated here.

## 5. Reference Information, (5) Top End-Tenants in Terms of Leased Area on page 44

[Before Corrections]

The following table shows the top ten end-tenants in terms of leased area in the entire portfolio as of February 28, 2018. 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 <sup>2</sup> ) (Note 1)	Area ratio (%) (Note 2)	Expiration date	Form of agreement (Note 3)
(Omitted)					
Sompo Care Next Company Inc.	SOMPO Care La vie Re Kita-Kamakura	<u>4,912.60</u>	2.0	March 31, 2029	Ordinary building lease agreement
(Omitted)					

(Note 1) *Leased area* is equivalent to total floor area of leased space set out in the lease agreements with end-tenants as of February 28, 2018. The pertinent items are as follows.

- The land area is provided for Hulic Kudan Building (Land) and Leaf Minatomirai (Land). For Leaf Minatomirai (Land), the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (45.0%).
- 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 Sotetsu Fresa Inn Tokyo-Roppongi, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- For Ochanomizu Sola City, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (21.7%).
- 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 m<sup>2</sup>; 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 m<sup>2</sup>).

(Omitted)

# HULIC REIT, INC.

## [After Corrections]

The following table shows the top ten end-tenants in terms of leased area in the entire portfolio as of February 28, 2018. 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 <sup>2</sup> ) (Note 1)	Area ratio (%) (Note 2)	Expiration date	Form of agreement (Note 3)
(Omitted)					
Sompo Care Next Company Inc.	SOMPO Care La vie Re Kita-Kamakura	4,912.57	2.0	March 31, 2029	Ordinary building lease agreement
(Omitted)					

(Note 1) *Leased area* is equivalent to total floor area of leased space set out in the lease agreements with end-tenants as of February 28, 2018. The pertinent items are as follows.

- The land area is provided for Hulic Kudan Building (Land) and Leaf Minatomirai (Land). For Leaf Minatomirai (Land), the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (45.0%).
- 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 Sotetsu Fresa Inn Tokyo-Roppongi, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- On September 11, 2017, a document with SOMPO Care Next Inc. (currently Sompo Care Inc.) was signed which confirms that the correct legal floor area of SOMPO Care La vie Re Kita-Kamakura is "4,912.57 m<sup>2</sup>" ("4,912.60 m<sup>2</sup>" was stated in the original agreement), and accordingly this value is stated.
- For Ochanomizu Sola City, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (21.7%).
- 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 m<sup>2</sup>; 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 m<sup>2</sup>).

(Omitted)

## 2. Partial corrections made to "Asset Management Report for the Fiscal Period Ended February 28, 2018"

II. Asset Investment Report, 1. Summary of asset management, (1) Changes in investment performance, etc. of the Investment Corporation on page 3

## [Before Corrections]

Fiscal period	Unit	4th fiscal period (From September 1, 2015 to February 29, 2016)	5th fiscal period (From March 1, 2016 to August 31, 2016)	6th fiscal period (From September 1, 2016 to February 28, 2017)	7th fiscal period (From March 1, 2017 to August 31, 2017)	8th fiscal period (From September 1, 2017 to February 28, 2018)
(Omitted)						
[Other reference information]						
Number of properties	Properties	32	34	37	43	44
Total leasable area	m <sup>2</sup>	198,609.95	215,213.73	229,069.42	245,476.40	249,606.06
Occupancy rate at end of period	%	99.4	100.0	99.7	99.3	99.7

(Omitted)

# HULIC REIT, INC.

[After Corrections]

Fiscal period	Unit	4th fiscal period (From September 1, 2015 to February 29, 2016)	5th fiscal period (From March 1, 2016 to August 31, 2016)	6th fiscal period (From September 1, 2016 to February 28, 2017)	7th fiscal period (From March 1, 2017 to August 31, 2017)	8th fiscal period (From September 1, 2017 to February 28, 2018)
(Omitted)						
[Other reference information]						
Number of properties	Properties	32	34	37	43	44
Total leasable area	m <sup>2</sup>	198,609.95	215,213.73	229,069.42	245,476.40	<u>249,606.03</u> (Note 6)
Occupancy rate at end of period	%	99.4	100.0	99.7	99.3	99.7

(Omitted)

(Note 6) On September 11, 2017, a document with SOMPO Care Next Inc. (currently Sompo Care Inc.) was signed which confirms that the correct legal floor area of the total leasable area of SOMPO Care La vie Re Kita-Kamakura is “4.912.57 m<sup>2</sup>” (“4.912.60 m<sup>2</sup>” was stated in the original agreement), and accordingly “4.912.60 m<sup>2</sup>” is stated for the 7th fiscal period and “4.912.57 m<sup>2</sup>” is stated for the 8th fiscal period.

\*Hulic Reit’s website: <https://www.hulic-reit.co.jp/en/>