



TOKYO
COMMERCIAL PROPERTIES

NEXT⁺
GENERATION ASSETS PLUS



Securities Code
3295



HULIC REIT, INC.

Financial Results Briefing for the 13th Fiscal Period (Fiscal Period Ended Aug. 31, 2020)

Oct. 14, 2020 (Revised on Nov. 4, 2020)



I. Asset Management Highlights

1. Asset Management Highlights	4
From 12th FP Earnings Announcement	

II. Impact From COVID-19 and Forecasts

1. Distribution and NAV per unit	6
2. Impact From COVID-19	7
3. Key Characteristics of Tenants	10
4. Summary of Results for 13th FP	12
5. Summary of 14th FP and 15th FP Forecasts	13
6. Assumptions of Risks, etc. in 14th FP and 15th FP Forecasts	14

III. Asset Management Results

1. Portfolio Summary	16
2. Results of External Growth	18
3. Results of Internal Growth	21
4. Financial Condition	24
5. Status of Appraisal Value	25

IV. Future Strategy

1. Strategy Framework	27
2. Internal Growth Strategy	28

V. ESG Initiatives

1. ESG Initiatives	31
--------------------	----

VI. Summary of Financial Results and Earnings Forecast

1. Statements of Income	35
2. Balance Sheets	37

Appendix

1. Various Indicators	39
2. Portfolio Map	40
3. Photographs of Properties	41
4. List of Portfolio Properties (As of 13th FP Earnings Announcement)	45
5. Status of Appraisal Values by Property (End of 13th FP)	48
6. List of Appraisal Values by Property (Compared with 12th FP)	50
7. Financial Condition	52
8. Breakdown of Unitholders	53
9. Overview of Compensation and Fees	54
10. Hulic Reit's Basic Missions and Portfolio Composition Policy	55
11. Focused Investment in Tokyo Commercial Properties	56
12. Investments in Next-Generation Assets Plus	57
13. Overview of Private Nursing Homes	58
14. Market Data	59
15. About Hulic	62
16. Main Sponsor-developed and owned Projects	63
17. Collaboration with the Hulic Group	65
18. Structure of Hulic Reit	66
19. Overview of Asset Management Company	67
20. Unit Price and Total Market Value	68
21. Definitions of Terms	69



I Asset Management Highlights

COVID-19

Although We Offered Temporary Rent Reductions and Exemptions, Postponement of Rent Payments and Other Assistance, Primarily for Retail Properties, the Impact on the Portfolio Overall was Minimal
No Specific Action to be Taken for Next-Generation Asset Plus

- As of the end of Sep. 2020, we gave 9.3%*1 office tenants (incl. retail spaces) (of which, office area : 2.4%*1) and 10.3%*1 of retail property tenants (both based on number of cases) temporary rent reductions and exemptions, postponement of rent payments and other assistance.
- The majority of the tenants in offices who were given temporary rent reductions and exemptions, postponement of rent payments and other assistance were tenants occupying stores attached to office properties.
- The decrease in rental revenue in 13th FP (FP ended Aug. 2020) due to the temporary rent reduction is 26 million yen, and the percentage of total rental revenue of Tokyo Commercial Properties (results for 13th FP (FP ended Aug. 2020)) is 0.3%*2.

Condition of Temporary Rent Reduction

Number of Tenants who Made a Temporary Rent Reduction (Based on the Number of Cases) *1

25 cases

Percentage of Tokyo Commercial Properties*1

7.6%

Decrease in Rental Business Income due to Temporary Rent Reduction

¥26 million

Percentage of Tokyo Commercial Properties*2

0.3%

Replacing Assets

Continuously Transferred and Replaced Assets since 8th FP From the Perspective of Risk Management
From 14th FP Onward, We will Mainly Transfer Retail Properties, while Acquiring Bank Branch Properties with High Levels of Revenue Stability

- We transferred to our sponsor two retail properties for which we determined that a recovery in earnings would take time and, together with the sponsor, also transferred to a third-party one office property that realized internal growth after acquisition.
- We acquired two bank branch properties with high levels of revenue stability from the sponsor and improved the stability of our portfolio.
- One of the retail properties will be transferred in two parts, one in 14th FP (FP ending Feb. 2021) and the other in 15th FP (FP ending Aug. 2021), which will even out the distribution of gains on the transfer.

Investment Ratio Of Retail Properties

Before Replacing Assets After Replacing Assets*3



Financial Strategy

Pursued Stable and Sound Financial Management by Lowering the LTV and Withdrawal of the Shelf Registration Statement for the Issuance of Hulic Reit Investment Units

- Lowered the LTV from 46.6% to 46.2%*3 by using some of the transfer proceeds and partial early repayment of borrowings.
- Withdrawed the shelf registration statement for the issuance of Hulic Reit investment units filed in Mar. 2020, in light of the current J-REIT market and levels of prices for Hulic Reit investment units, among other factors.

Change in LTV

Before Replacing Assets After Replacing Assets*3

46.6%

46.2%

*1 The ratios calculated based on the number of tenants and the number of tenants shown on this page reflect the status of negotiations as of Sep. 30, 2020, based on the number of tenants as of the end of 13th FP (Aug. 31, 2020) (the same tenants in multiple properties are counted as one tenant per property) combined with the number of tenants who vacated after an approach for a temporary rent reduction, etc. For details, please refer to pages 7 to 8.

*2 The ratio is calculated by dividing the total decrease in rental revenue in 13th FP (FP ended Aug. 31, 2020) related to the tenants of Tokyo Commercial Properties that agreed to a temporary rent reduction by the total rental revenue of Tokyo Commercial Properties for 13th FP (FP ended Aug. 31, 2020).

*3 The investment ratio and LTV after asset replacement shown take into account the acquisition of properties during 14th FP (FP ending Feb. 28, 2021), transferring of properties during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021), and the repayment of borrowings associated with the asset replacement. The same shall apply hereinafter.

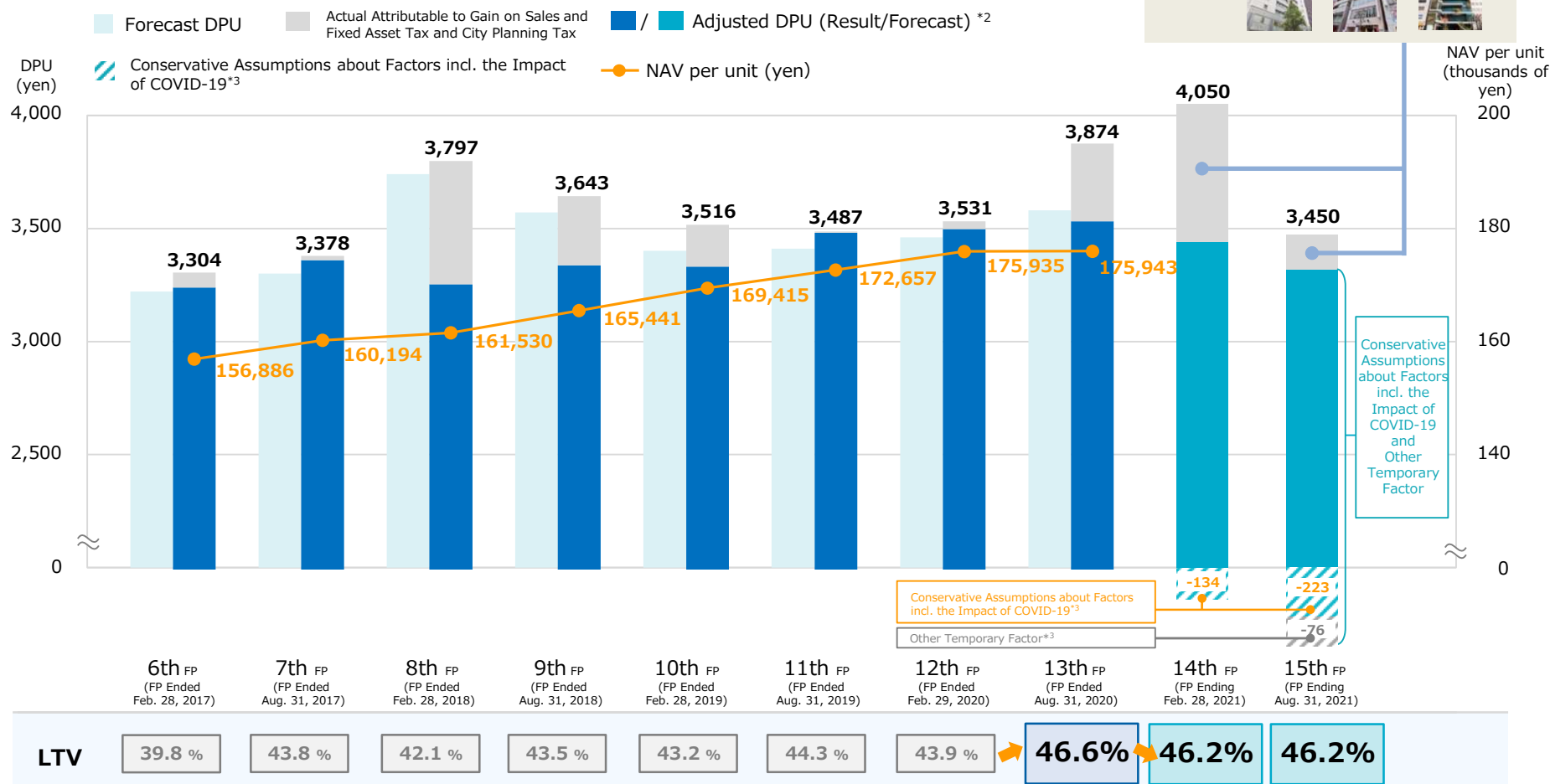


II Impact From COVID-19 and Forecasts

Steady Growth of Distribution (excl. Distribution in Excess of Earnings) and NAV per unit

- Gains from the transfers (some split-up and transfers) of three properties (Hulic Nihombashi-honcho 1 Chome Building, Orchid Square, and Hulic Omori Building) in 14th FP and 15th FP totaled approx. 1.2 billion yen

Gains from the transfer of three properties totaled approx. 1.2 billion yen in two FPs recorded in 14th FP and 15th FP



*1 The distributions per unit shown on this page do not include distributions in excess of earnings due to the recording of a provision for temporary differences and other adjustments.

*2 Distributions per unit refers to the amount after adjusting for the unrecognized amount of fixed asset tax and city planning tax after acquisition of the property, gain on transfer of the property and related type II management fee.

*3 Conservative assumptions about factors incl. the impact of COVID-19 have been estimated by Hulic REIT Management based on certain assumptions. For details, please refer to page 14.

Impact for Each Property Type and Future Outlook

	Current Impact	Short-term Outlook (Assumptions of Earnings Forecast)	Medium to Long-term Outlook
Office Properties	■ Minimal impact on office tenants ■ Received reduction requests, etc. from some tenants in certain types of businesses and retail spaces susceptible to COVID-19 Granted a temporary rent reduction or postponement of rent payment and other measures for 2.4% of tenants (excl. retail spaces)*	■ Monitor requests for additional reductions and departures as the performance of tenants deteriorates ■ Monitoring the risk of the impact of COVID-19 on the real economy reducing office demand Factors incl. temporary rent reductions and vacancy loss, etc. assumed in the earnings forecast (see page 14)	■ Monitor the impact of factors incl. the spread of telework on office demand ■ While diversification of office demand is expected, demand for a working environment coupled with convenience for employees will remain unchanged ■ Stable management expected for medium-sized office buildings in good locations with a favorable supply and demand environment
Retail Properties	■ Received requests for rent reductions, etc., mainly from restaurants ■ Some tenants vacated properties Granted a temporary rent reduction or postponement of rent payment and other measures for 10.3% of tenants*	■ Sales conditions are polarized by industry and other factors ■ Occurrence of tenant replacement, mainly in restaurants Factors incl. temporary rent reductions and vacancy loss, etc. assumed in the earnings forecast (see page 14)	■ Recovery in demand for restaurants ■ Recovery and growth in demand for experiential consumption and services ■ While we will monitor the impact of the spread of e-commerce on industries incl. merchandising, there will be continued demand for stores in busy, well-located areas
Private Nursing Homes	■ No impact on fixed rents, although tenancy rates are slightly lower due to factors incl. restrictions on facility entry	■ Improvement in tenancy rates due to the easing of restrictions on facility entry, etc.	■ Continuation of stable operations
Network Centers	■ No particular impact	■ Continuation of stable operations	■ Continuation of stable operations
Hotels	■ Decline in guest room occupancy rate and ADR ■ Loss of variable rents ■ No change in the receipt of fixed rents	■ Gradual recovery in domestic demand No variable rent is assumed in the earnings forecast	■ Recovery of inbound demand ■ Occurrence of variable rents

* Of the tenants who have made requests for temporary rent reduction or postponement of rent payments, the number of tenants who have temporarily reduced rent, deferred payments, or vacated out as a percentage of the total number of tenants for each property type is shown. For details, please refer to the next page.

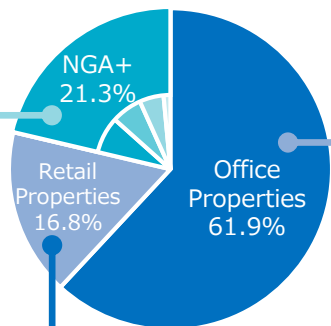
- Of the 327 tenants of Tokyo Commercial Properties, **76 tenants (23.2%)** were approached with a request for a temporary rent reduction or postponement of rent payment.
- The decrease in rental revenue in 13th FP (FP ended Aug. 31, 2020) due to the temporary rent reduction is **26 million yen**, and the percentage of total rental revenue of Tokyo Commercial Properties (results for 13th FP (FP ended Aug. 31, 2020)) is **0.3%**.

Next-Generation Assets Plus

- Number of tenants who were granted rent reduction or postponement of rent payment, etc.

0 companies

<Breakdown of Receipt of Rent>



Office Properties (incl. Retail Spaces) 269 companies (of which the office area 211 companies)

- Number of tenants who made a request for reduced rent or postponement of rent payment, etc. **44** companies **16%**
- Response after receiving the above requests (figures in parentheses are for office areas only) (of which the office area **16** companies)

Temporary Rent Reduction	Postponement of Rent Payment	Departure*2	Unchanged (Offsetting with Security Deposit)	Unchanged	Under Discussion
23 companies (4 companies)	1 companies (1 companies)	1 companies (0 companies)	0 companies (0 companies)	15 companies (10 companies)	4 companies (1 companies)

25 companies (9.3%) of 269 companies in office areas (incl. retail spaces) were granted a temporary rent reduction or postponement of rent payment and other measures*3
(5 companies (2.4%) of 211 companies in office areas were granted a temporary rent reduction or postponement of rent payment and other measures*3)

Retail Properties 58 companies (Food and Beverage 16 companies, Product Sales 13 companies, Service 23 companies, Others 6 companies)

Food and Beverage (16 companies)

- Number of tenants who made a request for reduced rent or postponement of rent payment, etc. **15** companies
- Response after receiving the above requests **94%**

Temporary Rent Reduction	2 companies
Postponement of Rent Payment	0 companies
Departure*2	3 companies
Unchanged (Offsetting with Security Deposit)	4 companies
Unchanged	2 companies
Under Discussion	4 companies

Product Sales (13 companies)

- Number of tenants who made a request for reduced rent or postponement of rent payment, etc. **9** companies
- Response after receiving the above requests **69%**

Temporary Rent Reduction	0 companies
Postponement of Rent Payment	0 companies
Departure*2	0 companies
Unchanged (Offsetting with Security Deposit)	0 companies
Unchanged	8 companies
Under Discussion	1 companies

Service (23 companies)

- Number of tenants who made a request for reduced rent or postponement of rent payment, etc. **8** companies
- Response after receiving the above requests **35%**

Temporary Rent Reduction	0 companies
Postponement of Rent Payment	1 companies
Departure*2	0 companies
Unchanged (Offsetting with Security Deposit)	2 companies
Unchanged	3 companies
Under Discussion	2 companies

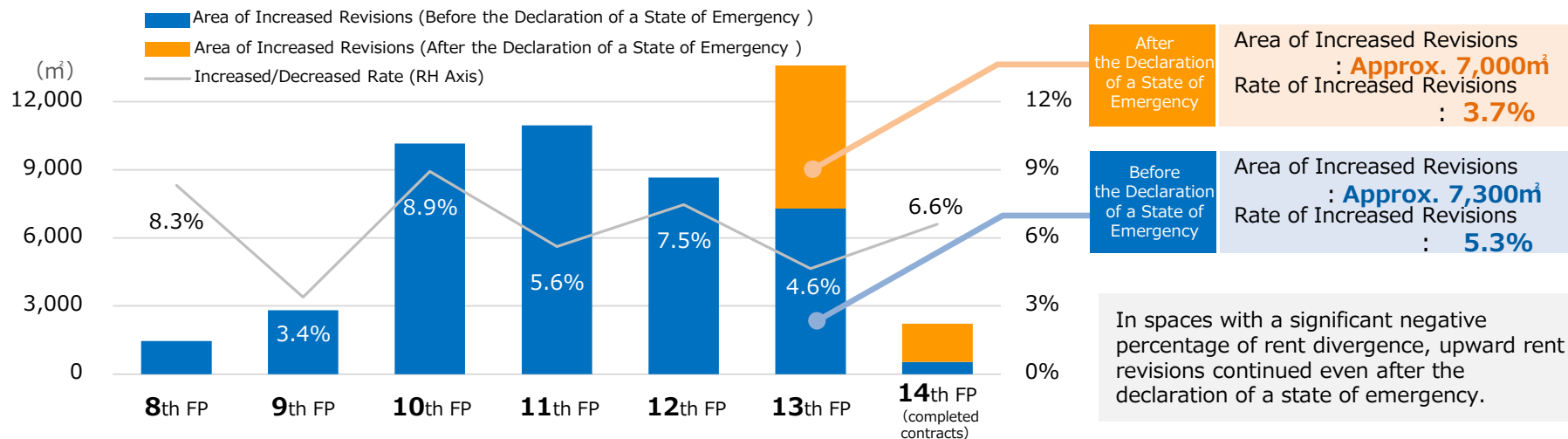
6 companies (10.3%) of 58 companies in retail properties were granted a temporary rent reduction or postponement of rent payment and other measures*3

*1 The ratios calculated based on the number of tenants and the number of tenants shown on this page reflect the status of negotiations as of Sep. 30, 2020, based on the number of tenants as of the end of 13th FP (Aug. 31, 2020) (the same tenants in multiple properties are counted as one tenant per property) combined with the number of tenants who vacated after an approach for a temporary rent reduction, etc.

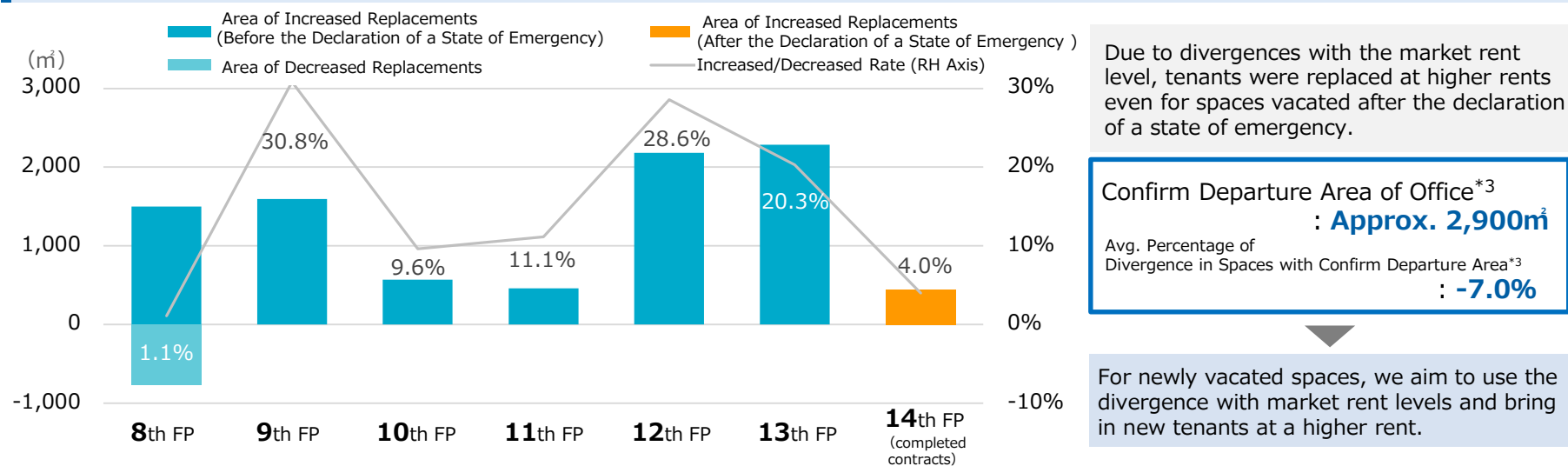
*2 The number and percentage of tenants who vacated on this page are calculated based on the number of tenants who vacated after making a request for rent reduction or postponement of rent payment, excluding tenants who vacated without a request for rent reduction or postponement of rent payment.

*3 Shows tenants who have temporarily reduced rent, deferred payments, or vacated out of tenants who have made requests for temporary rent reductions or postponement of rent payment and other measures.

Results of Rent Revisions (Office Area)



Results of Tenant Replacements (Office Area)

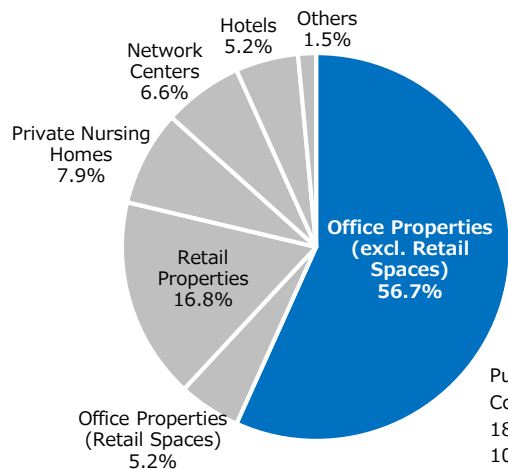


*1 The figures in each graph are calculated by excluding the temporary rent reductions given in response to requests for lease reductions/exemptions, postponement of rent payment and other assistance noted in the previous page.

*2 Figures for the period from 13th FP (FP ended Aug. 31, 2020) in each graph are calculated by separately classifying contracts signed before Apr. 7, when the declaration of a state of emergency was issued in Tokyo and other areas, as "before declaration of state of emergency" and classifying contracts signed after Apr. 7 as "after declaration of state of emergency," using the contract date for lease revisions and new occupancy due to tenant replacement as the base date.

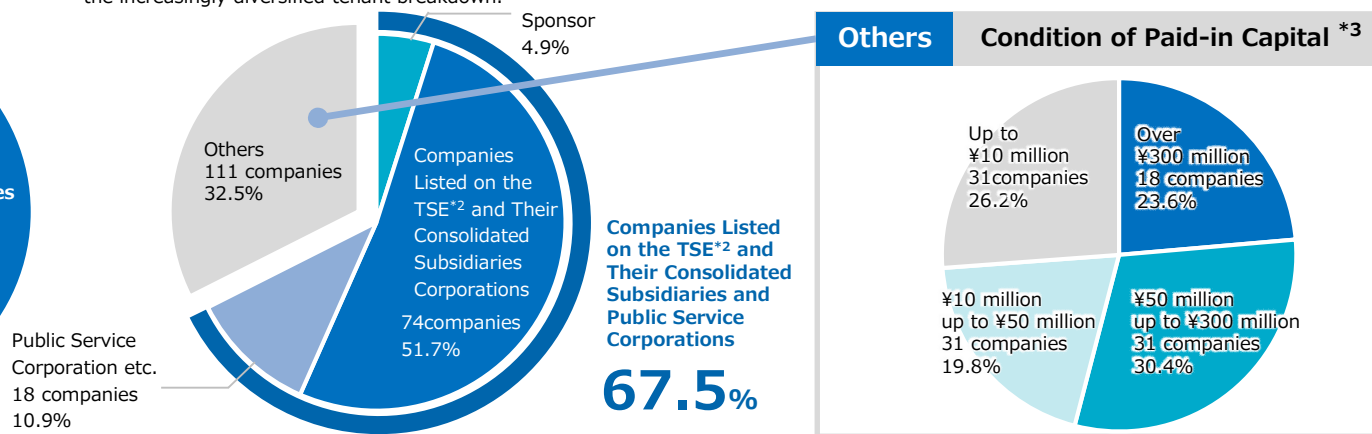
*3 The area of the office area (area where the move-out is confirmed) and the average rent divergence rate in the area where the move-out is confirmed due to the receipt of the cancellation notice are shown.

<Breakdown of Receipt of Rent>



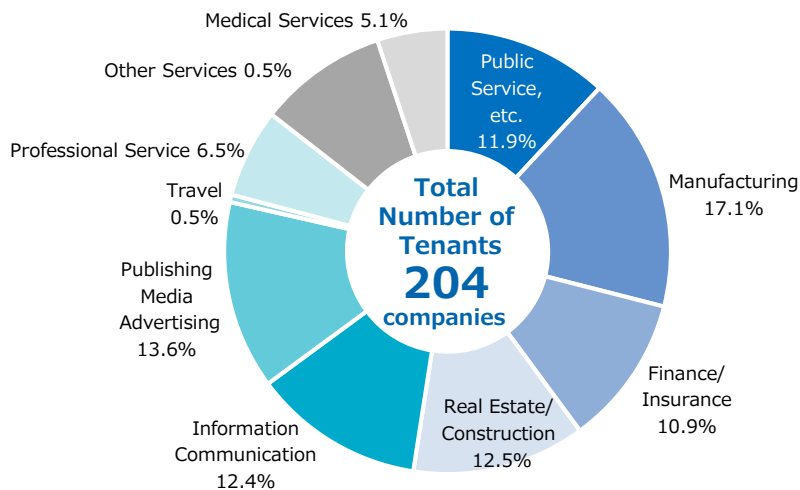
Status of Diversification of Industries

Companies listed on the TSE^{*2} and their consolidated subsidiaries and public service corporations account for 67.5%, and others refers to the increasingly diversified tenant breakdown.



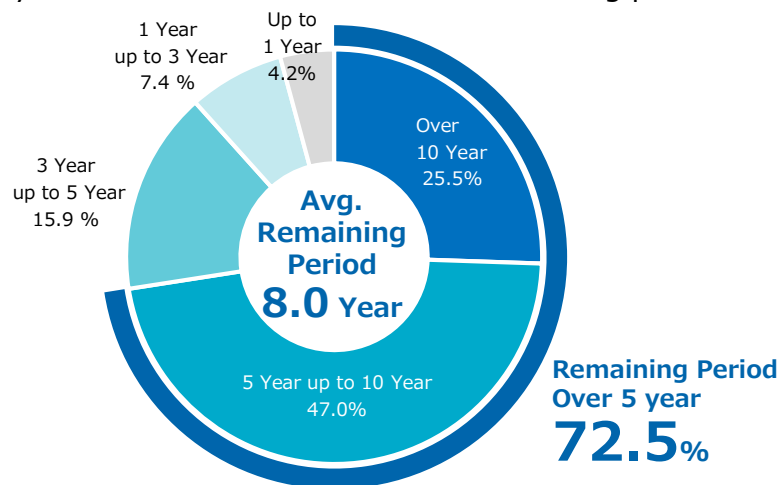
Status of Diversification of Industries

■ Tenant breakdown showing increasing diversification by industry



Status of Diversification of Remaining Period^{*4}

■ Many tenants remain in one location for a long period



^{*1} The percentages and tenant figures in each graph are calculated based on the monthly lease (incl. common area fees), based on tenant data for the tenants occupying property holdings as of Sep. 30, 2020 (excl. tenants occupying spaces used as stores) that reflects the acquisition of properties during 14th FP (FP ending Feb. 28, 2021) (excl. the acquisition of the HULIC Hachioji Building, which is included in Next-Generations Assets Plus) and transferring of properties during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).

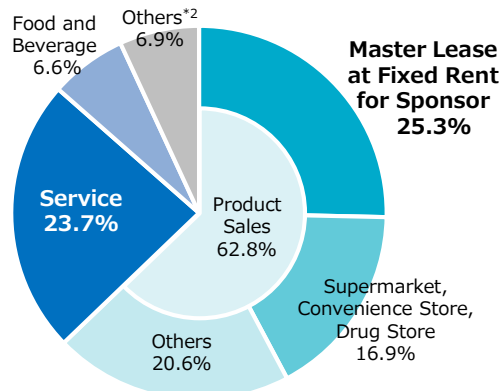
^{*2} It is listed on the First Section of the Tokyo Stock Exchange, the Second Section of the same market, Mothers, and JASDAQ. The same applies below.

^{*3} Tenants whose capital amounts are unclear are included in "10 million yen or less" in calculations.

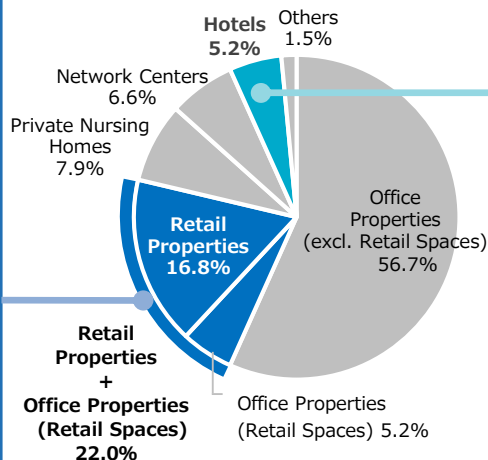
^{*4} The remaining period is calculated from the period from the start date of the original contract of each tenant to Sep. 30, 2020 as the occupancy period.

Retail Properties + Office Properties (Retail Spaces)

Breakdown of Tenant

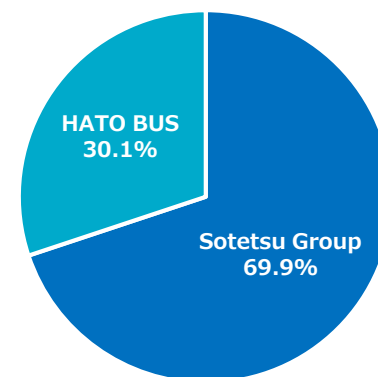


<Breakdown of Receipt of Rent>

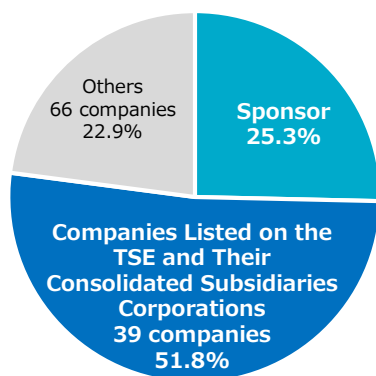


Hotels

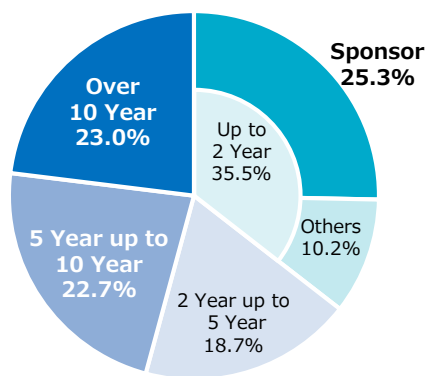
Breakdown of Operator



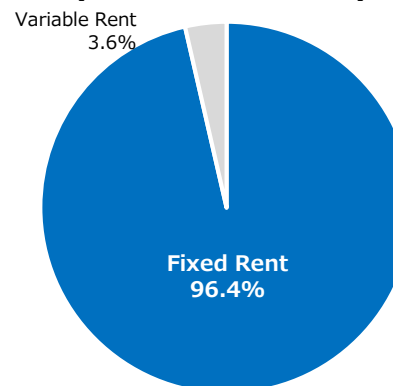
Tenant Type



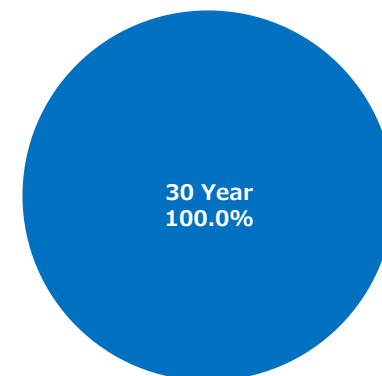
Breakdown of Lease Term



Breakdown of Rent (Before COVID-19)*3



Breakdown of Lease Term

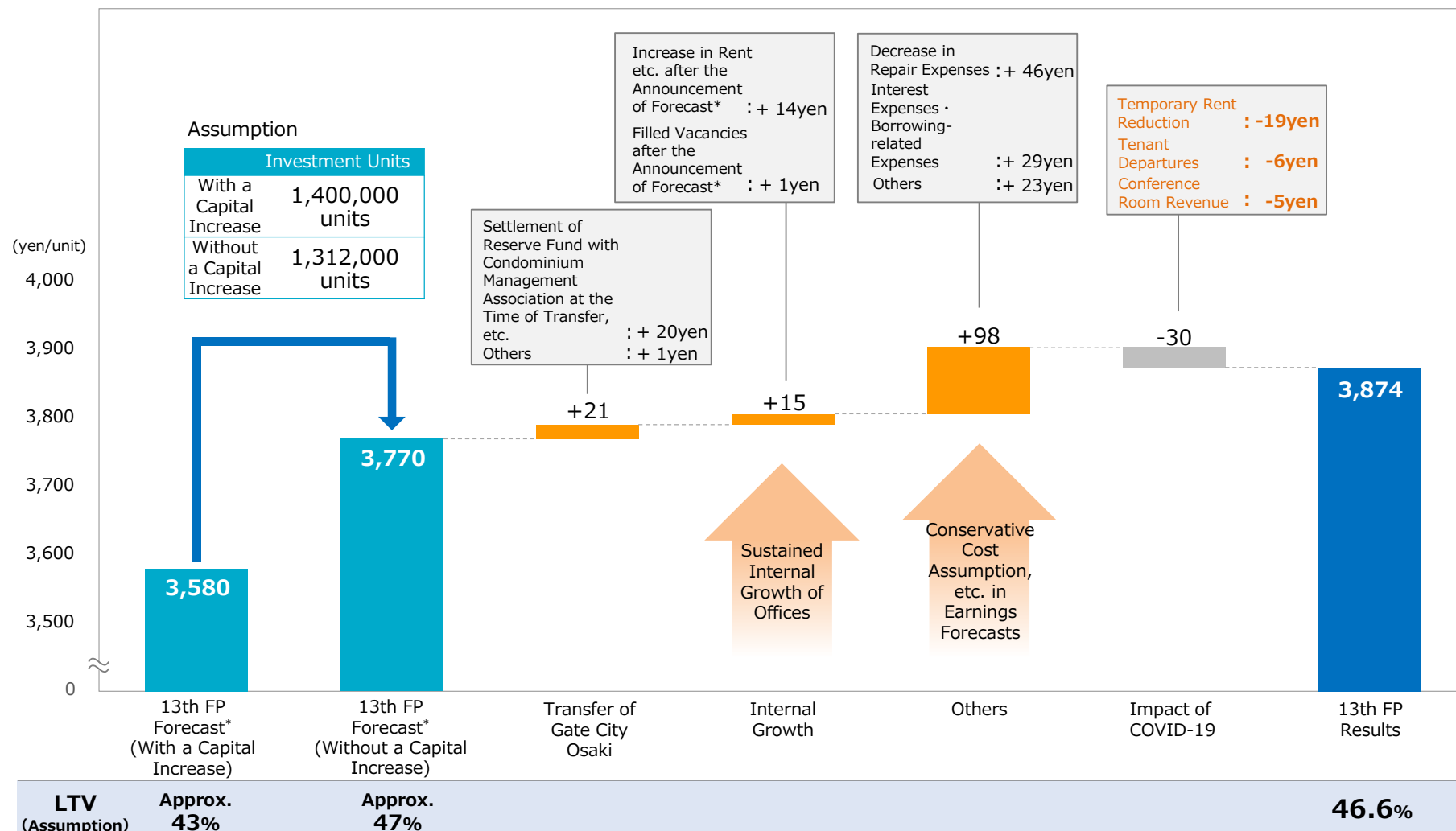


*1 The ratio and the number of tenants in each graph are for the tenants of the properties owned as of Sep. 30, 2020. Calculated based on monthly rent (incl. common service charges) based on tenants that reflect the acquisition of properties acquired during 14th FP (FP ending Feb. 28, 2021) and the transferring of properties during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).

*2 Of the properties classified as retail properties, those that are used for purposes other than commercial use, such as pay nursing home buildings and residential lots that accompany retail properties.

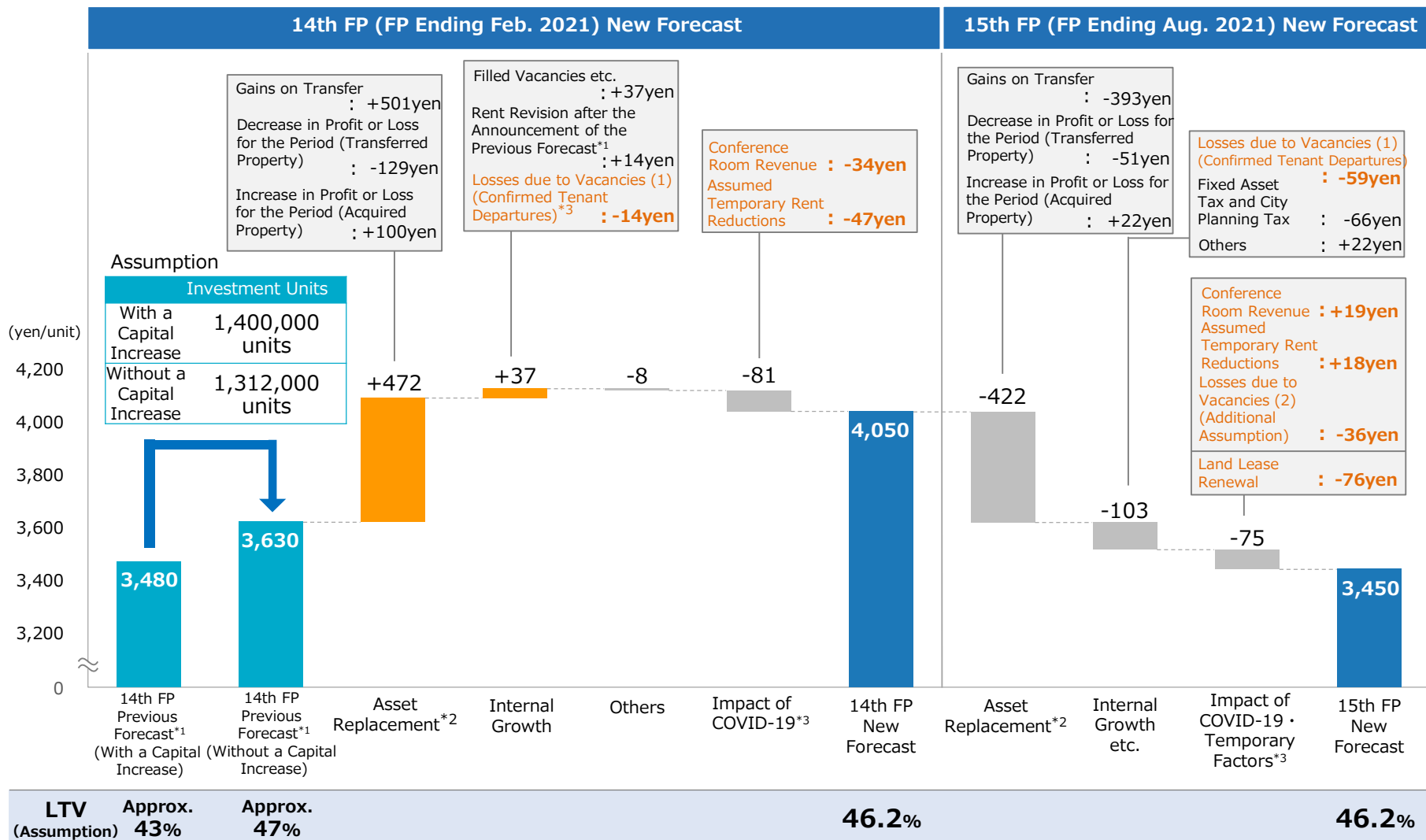
*3 It is calculated based on the rent received from Jan. 2019 to Dec. 2019 and the assumed rent for one year calculated based on the lease contract of "Hulic Tsukiji 3-chome Building".

Comparison of DPU (excl. Distributions in Excess of Earnings) (Compared to the Forecasts)



* Figures are based on forecasts released on Apr. 14, 2020. For details, please refer to Financial Report for the Fiscal Period Ended February 29, 2020, which was released on Apr. 14, 2020.

Trend of DPU (excl. Distributions in Excess of Earnings)



*1 Figures are based on forecasts released on Apr. 14, 2020. For details, please refer to Financial Report for the Fiscal Period Ended February 29, 2020, which was released on Apr. 14, 2020.

*2 Figures indicate impact of property acquisitions to be made during 14th FP (FP ending Feb. 28, 2021) and property transfers to be made during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).

*3 Please refer to the next page for details of preconditions, etc. for losses due to vacancies (1) (confirmed tenant departures), impact of COVID-19, and temporary factors.

6. Assumptions of Risks, etc. in 14th FP and 15th FP Forecasts

	Result of 13th FP (FP Ended Aug. 2020)	New Forecast of 14th FP (FP Ending Feb. 2021)	New Forecast of 15th FP (FP Ending Aug. 2021)	
Vacancy*1,2	Losses due to Vacancies (1) (Confirm Departure)			Due to Earnings Forecast Filling the Vacant Spaces (incl. Assumptions) is not Assumed
	At the End of FP Vacancy Area : approx. 690m² DPU : - 12 yen/unit	 Losses due to Vacancies (1) (Confirm Departure) : approx. 2,300m² DPU : - 34 yen/unit	 Losses due to Vacancies (1) (Confirm Departure) : approx. 3,400m² DPU : - 95 yen/unit Losses due to Vacancies (2) (Additional Assumption)  Losses due to Vacancies (2) (Additional Assumption) : approx. 1,400m² DPU : - 36 yen/unit	
Temporary Rent Reduction*3	Result of Temporary Reduction : ¥26 million DPU : - 19 yen/unit	 Add to Assumption of Temporary Reduction : ¥62 million DPU : - 47 yen/unit	 Add to Assumption of Temporary Reduction : ¥38 million DPU : - 29 yen/unit	Temporary Rent Reduction is Assumed in Each of 14th FP and 15th FP
Hotels*4	Result of Variable Rent : 0 yen (Compared to Before COVID-19 : -¥38million) DPU : - 29 yen/unit	 Assumption of Variable Rent : 0 yen (Compared to Before COVID-19 : -¥38 million) DPU : - 29 yen/unit	Assumption of Variable Rent : 0 yen (Compared to Before COVID-19 : -¥38 million) DPU : - 29 yen/unit	Hotel Variable Rent is not Expected
Conference Room*4	Compared to Before COVID-19 : -¥43 million DPU : - 33 yen/unit	 Compared to Before COVID-19 : -¥70 million DPU : - 53 yen/unit	 Revenue Decrease : -¥45 million DPU : - 34 yen/unit	Assuming a Decrease in Conference Room Profits in Each of 14th FP and 15th FP
Conservative Total Assumptions due to the Impact of COVID-19	-93 yen/unit	-134 yen/unit	-223 yen/unit	
Other Temporary Factor			 Renewal Leasehold Interests in Land : ¥100 million DPU : - 76 yen/unit	There is a Property with Renewal of Leasehold Interests in Land in 15th FP
Total of Impact on DPU	-93 yen/unit	-134 yen/unit	-299 yen/unit	

The figures shown on this page are figures calculated by the asset management company based on certain preconditions for the impact on business performance of each item, and are expected to increase revenue and distribution per unit, amount, and timing. We do not guarantee anything about such things. In addition, the figures on this page do not deduct costs such as asset management fees, and the amount of impact on distributions per unit is the estimated value of the amount of impact on each item at the end of 13th FP (Aug. 31, 2020) divided by the number of issued investment units (1,312,000 units) at the time, and is subject to change. The DPU may fluctuate due to factors other than the above.

*1 The figures for 14th FP and 15th FP of "Vacancy" are "Losses due to Vacancies (1)", which is the area where vacancy is assumed (rounded to the nearest 100m²) at the end of each period, "Losses due to Vacancies (2)" for which no notice of cancellation has been received.

*2 The figures in "DPU" for "Vacancy" are based on the current rent (incl. common service fee) of the move-out tenant incl. the assumption. It is calculated based on the estimated value of the decrease in rental business income expected due to the occurrence of vacancies during the period.

*3 The figures shown in 14th FP and 15th FP of "Temporary Rent Reduction" are for rent that are currently under discussion or are expected to be conservatively assumed by the asset management company other than the temporary reduction agreed with the tenant. It is calculated based on the estimated value of the decrease in business income.

*4 The standard values to be compared are the variable rent (38 million yen) for hotels recorded in 11th FP (FP ended Aug. 31, 2019), and the conference room for 2017-2019 (Before COVID-19). It is the average value of the actual revenue of the conference room in the same period (before the impact occurred).



III Asset Management Results

Trend of Total Assets and LTV since the Listing ^{*1,2}

Total Assets **57** Properties ¥**348.6** bn

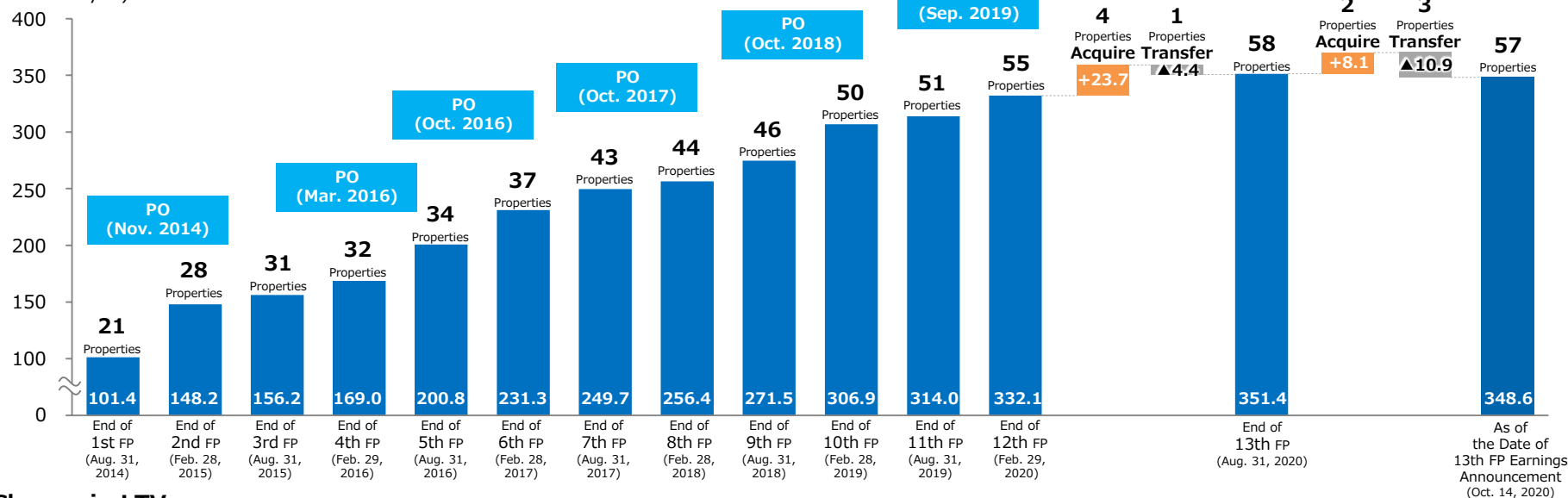
Avg. NOI Yield **4.4%** Occupancy Rate **99.9%**
Unrealized Gains/Losses ¥**57.1** bn

Tokyo Commercial Properties **37** Properties ¥**275.5** bn (79.0%)

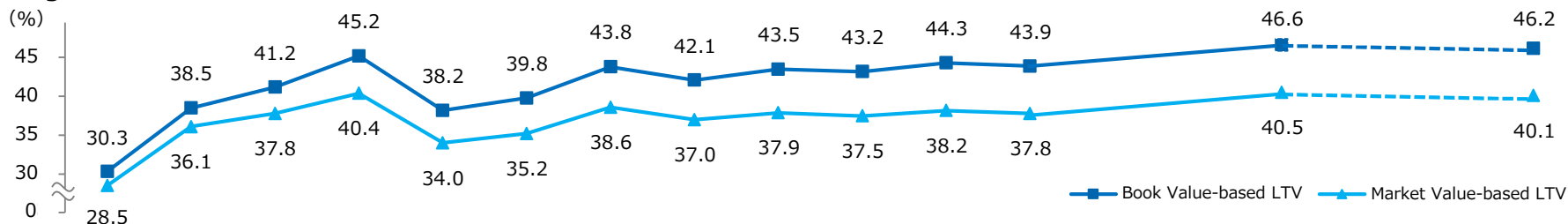
Next-Generation Assets Plus **20** Properties ¥**73.1** bn (21.0%)

Change in Total Assets

(billions of yen)



Change in LTV



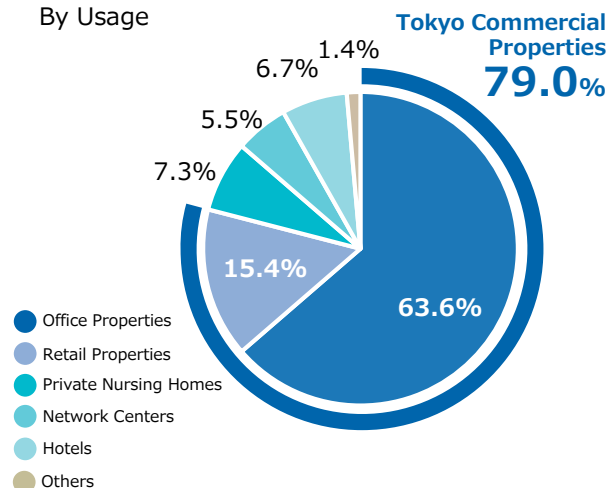
*1 The difference between the appraisal value and acquisition price at the time of acquisition for properties acquired during 14th FP (FP ending Feb. 28, 2021) is calculated as unrealized gains.

*2 The scale of assets and LTV at the time of 13th FP (FP ended Aug. 31, 2020) earnings announcement (Oct. 14, 2020) results shown take into account the acquisition of properties during 14th FP (FP ending Feb. 28, 2021), the transferring of properties during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021), and the repayment of borrowings associated with the asset replacement. For details, please refer to Financial Report for the Fiscal Period Ended August 31, 2020, which was released on Oct. 14, 2020. The same shall apply hereinafter.

Portfolio as of the Date of 13th FP (FP Ended Aug. 31, 2020) Earnings Announcement

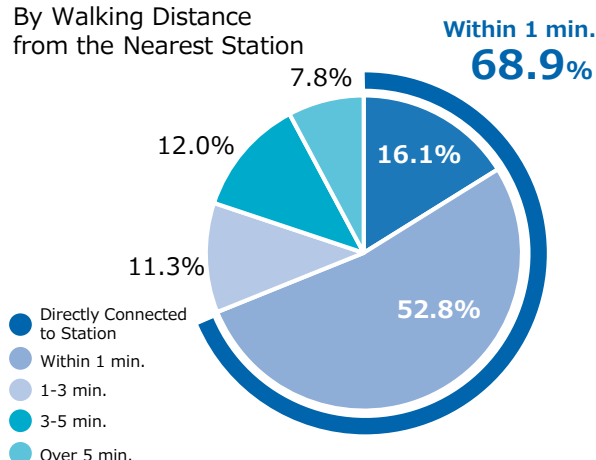
Portfolio Overall*1

By Usage



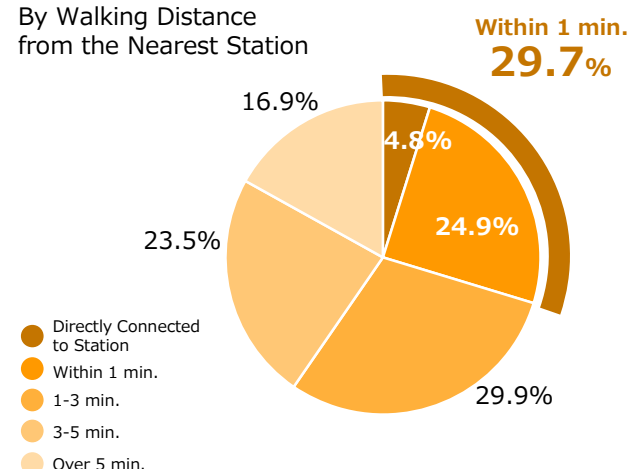
Tokyo Commercial Properties*1

By Walking Distance from the Nearest Station

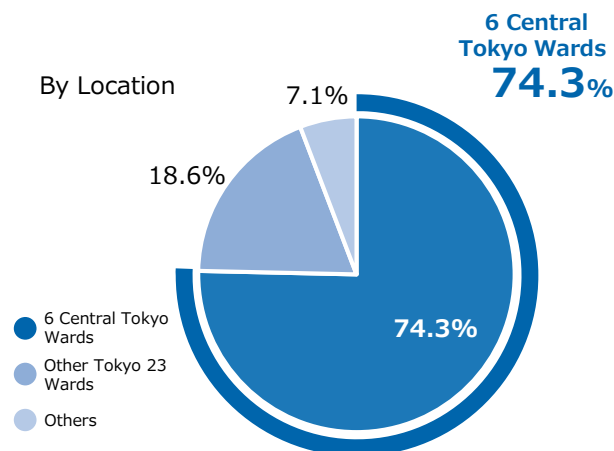


(Reference) J-REIT Overall (Office-use Only) *2

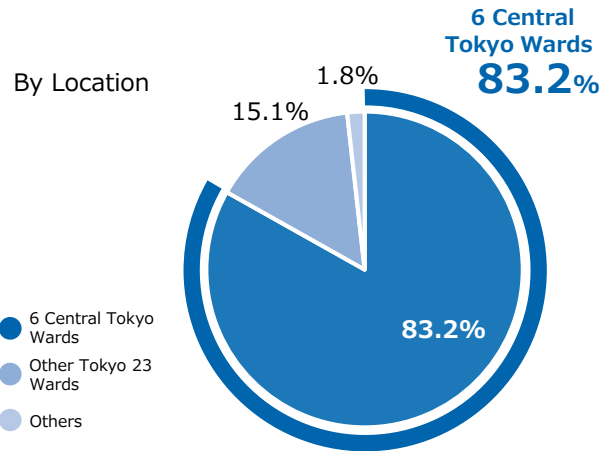
By Walking Distance from the Nearest Station



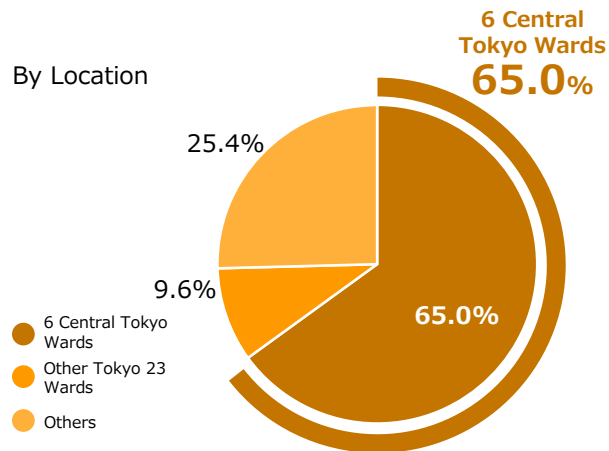
By Location



By Location



By Location



*1 Proportions shown in the respective graphs have been calculated based on acquisition prices of assets held by Hulic Reit as of 13th FP (FP ended Aug. 31, 2020) earnings announcement. (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).)

*2 Proportions shown in the respective graphs have been calculated based on acquisition prices of office-use assets held by the respective J-REITs as of Sep. 30, 2020 (prepared by the asset management company based on information from information vendors).

Improved Stability of Portfolio through Ongoing Replacement of Assets Using Sponsor Support^{*1}

- Transferred a total of 6 properties (incl. asset replacement) since 8th FP (FP ended Feb. 28, 2018) from the perspective of risk management and enhancing profitability

Property Transferred During 14th FP and 15th FP	Replaced Assets with Sponsor with Aim of Enhancing Revenue Stability		Transferred Together with Sponsor	
	Orchid Square 	Hulic Omori Building 	Hulic Nihombashi-honcho 1 Chome Building (50%) 	
	Retail Properties		Office	
	Book Value ^{*2}	¥3,470 million	¥3,357 million	
	Appraisal Value	¥3,870 million	¥3,700 million	
	Transfer Price	¥3,890 million	¥3,705 million	
	NOI Yield ^{*3}	4.0%	4.9%	
Property Acquired During 14th FP				
	Hulic Nakano Building 	Hulic Hachioji Building 	By transferring the property to a third party together with the sponsor that holds 50% share, we were able to transfer the property at a price at which we can enjoy the integrated incremental value	
	Office		Sponsor-developed (Bank Branch Properties)	
	Acquisition Price	¥3,200 million	¥4,900 million	
	Appraisal value	¥3,366 million	¥5,229 million	
	NOI Yield ^{*4}	4.3%	5.1%	

Effect of Asset Replacement		
1. Strengthened Stability of Portfolios in Cooperation with Sponsor		
- Transferred retail properties for which a recovery in revenue will likely take time to sponsor - Acquired highly stable bank branch property from sponsor		
Investment Ratio in Retail Properties	End of 13th FP 17.2%	After Asset Replacement 15.4%
2. Leveled Out Distributions with a Split Transfer to Sponsor		
We evened out the distribution of gains on the transfer by transferring Orchid Square in two parts, one in 14th FP (FP ending Feb. 28, 2021) and the other in 15th FP (FP ending Aug. 31, 2021).		
	14th FP	15th FP
Hulic Nihombashi-honcho 1 Chome Building Hulic Omori Building	¥793 million	-
Orchid Square	¥208 million	¥210 million
Total Gain on Transfer	¥1,002 million	¥210 million
3. Pursued Stable and Sound Financial Management by Lowering LTV		
Controlled the LTV by using some of the transfer proceeds and repaying borrowings early		
LTV (Book Value-based LTV)	End of 13th FP 46.6%	After Asset Replacement 46.2%
4. Improved Profitability of Portfolio		
NOI Yield	Property Transferred 4.4%	Property Acquisitions 4.8%

^{*1} This notes the properties acquired or transferred since the date of 12th FP (FP ended Feb. 29, 2020) earnings announcement (Apr. 14, 2020).

^{*2} The estimated book value at the time of transfer is rounded down to the nearest million yen.

^{*3} The NOI yield on the properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021), which is calculated by dividing annualized NOI for 13th FP (FP ended Aug. 31, 2020) by the transfer price and rounding to two decimal places, is noted here.

^{*4} The NOI yield on the properties acquired during 14th FP (FP ending Feb. 28, 2021), which is stated here is the NOI through the direct capitalization method indicated in the appraisal report at the time of acquisition after dividing by the acquisition price, rounded to two decimal places.

Hulic Nakano Building (90.0%)

Tokyo Commercial
Properties (Office)

1-min. Walk From
the Nearest Station

Sponsor-developed
(Reconstruction of Bank Branch)

Co-ownership
with the Sponsor

Co-ownership Structure with the Sponsor of an Office Building, Developed by the Sponsor^{*1} as Part of its Reconstruction Project, in which the Mizuho Bank Nakano Branch is Located



Acquisition Price	¥3,200 million
Appraisal Value	¥3,366 million
Appraisal NOI Yield	4.3%
Location	Nakano-ku, Tokyo
Nearest Station	1-min. Walk From Shin-Nakano Station on Tokyo Metro Marunouchi Line
Occupancy Rate	100.0%



Location Characteristics

Located on Ome Kaido, 1-min. Walk From the Nearest Station

- In addition to the convenience of being located close to Shin-Nakano station, the property has good visibility as it is located on a corner of the intersection of Ome Kaido Street and Nabeya Yokocho Street.
- The Tokyo Metro Marunouchi Line, which is well regarded as a business line, makes stops at hub stations incl. Shinjuku, Otemachi, and Tokyo, and the ease of transport is often relatively well-regarded.
- In addition to its current use, the property is expected to be highly desirable to service tenants (incl. financial institutions, schools, clinics, and residential real estate offices) targeting neighboring residents.

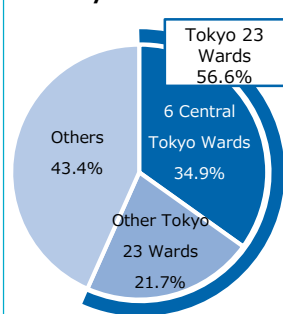
Property Characteristics

Office Buildings that can Meet a Wide Variety of Tenant Needs

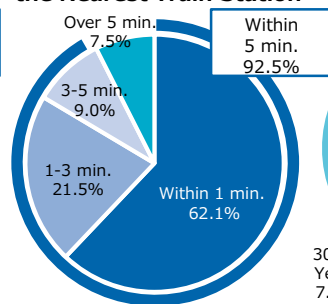
- The 1st to 4th floors are used as bank branches by Mizuho Bank. The 5th to 8th floors are designed with relatively efficient layout with no pillars.
- The Mizuho Bank Nakano branch located here was opened in 1943 by Yasuda Bank, one of the predecessors of Fuji Bank, and has had over 75 years of history here as a branch since then.
- It is a medium-sized office building with a standard floor area of approx. 346 m² (approx. 105 tsubo), which is the volume zone scale in the area.

Characteristics of Bank Branch Properties Held by Sponsor (As of Jun. 30, 2020)^{*2}

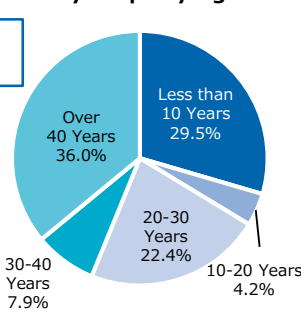
By Location



By Walking Distance From the Nearest Train Station



By Property Age



^{*1} Fujigin Building Co., Ltd. which developed this property changed trade name to Forward Building Co., Ltd., and then, it was consolidated with Nihonbashi Kogyo Co. Ltd. (currently Hulic Co., Ltd.) in Nov. 2000.

^{*2} The percentages in the respective graphs are based on the floor area for each bank branch property (properties occupied in part by Mizuho Bank as tenant) noted on the sponsor's web site (incl. bank branch properties in development) as of Jun. 30, 2020.

Hulic Hachioji Building (90.0%)

Next-Generation Assets
Plus (Other (Office))

Sponsor-developed
(Reconstruction of Bank Branch)

Co-ownership
with the Sponsor

Co-ownership Structure with the Sponsor of an Office Building, Developed by the Sponsor as Part of its Reconstruction Business, in which the Mizuho Group Companies Have Their Bases



Acquisition Price	¥4,900 million
Appraisal Value	¥5,229 million
Appraisal NOI Yield	5.1%
Location	Hachioji-shi, Tokyo
Nearest Station	8-min. Walk From Hachioji Station on JR Chuo Line and Other Lines
Occupancy Rate	100.0%



Location Characteristics

Located on Koshu Kaido Street, 8-min. Walk From the Nearest Station

- In addition to the nearest station, Keio Hachioji Station on the Keio Line is an 11-min. walk away, making a total of six lines available.
- The Hachioji area, where the property is located, is one of the hubs of Tokyo's suburbs and has been attracting a lot of office demand from service-related industries that mainly provide services to local residents incl. banks, life and non-life insurance companies, schools, nursing care operators, and temporary staffing.
- Because the property is located along Koshu Kaido Street, it has good visibility and easy access by car or other means.

Property Characteristics

High-spec Building that Takes into Consideration the Environment and BCP

- The 1st to 3rd floors are for use primarily as bank branches of Mizuho Bank, the 4th floor is for use as bank branches of Mizuho Trust Bank and walk-in sales offices of Mizuho Realty, the 5th floor is for use as walk-in sales offices of Mizuho Securities, and the 6th floor is for use as offices and other uses of Mizuho Group companies.
- The Mizuho Bank Hachioji Branch was opened by the 36th National Bank, one of the predecessors of Fuji Bank, and has had over 140 years of history here as a branch since then.
- In addition to the environment-friendly equipment, the building is more than 1.3 times resistant to earthquakes than the latest earthquake-proof standard and has dedicated space for emergency generators for tenants, making it appealing to office needs that are highly conscious of the environment and BCP.

Environmental Initiatives

- Panels with embedded solar power generation modules are installed on the south facade (front of the building), which can mostly supply the electricity for lighting in common areas
- Power generation in 2019 was approx. 6,000 kWh, equivalent to an annual reduction of approx. 2,800 kg* in CO2 emissions

Building-integrated Solar Power Generation Modules



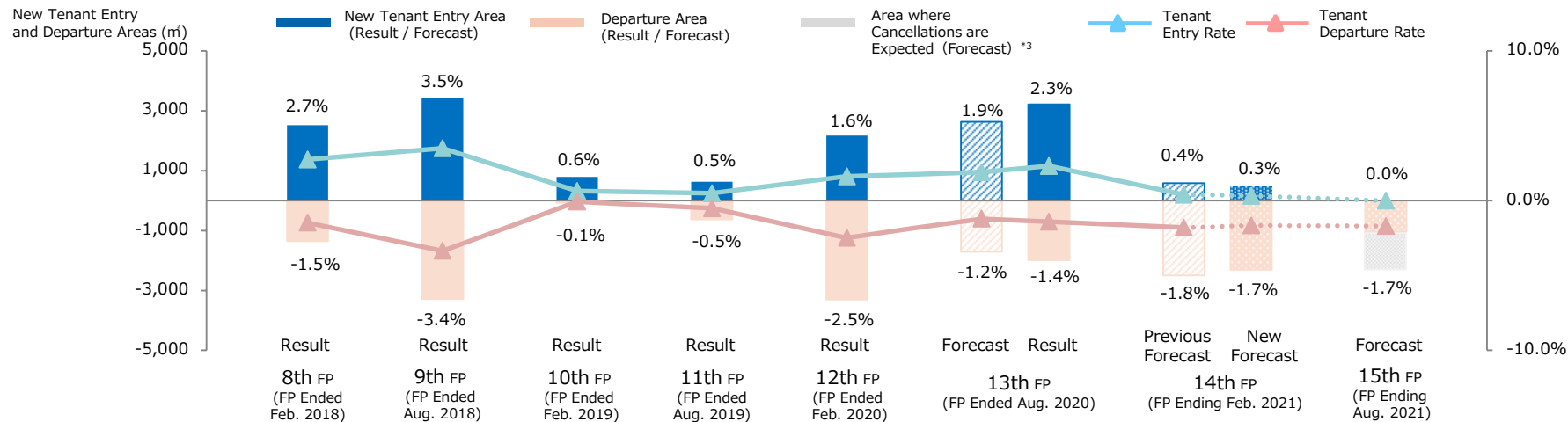
Solar Power Generation Indicator Device



* It is calculated by multiplying the power generation results of this property in 2019 by the factor in accordance with the Ministry of the Environment's "GHG Emissions Accounting, Reporting and Disclosure System."

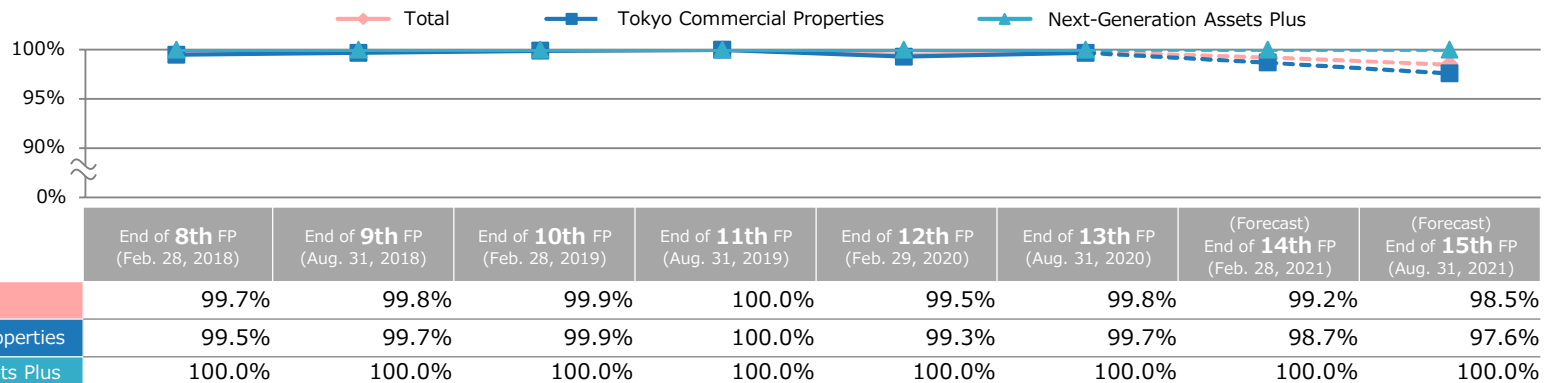
Forecasts and Results regarding New Tenant Entry and Departure (Office) ^{*1,2}

- We maintained consistent high and stable occupancy rates, having managed to swiftly fill vacant spaces upon tenant departure in 13th FP (FP ended Aug. 31, 2020).
- We aim to swiftly fill spaces scheduled to be vacant in 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).



Occupancy Rates at FP End ^{*4}

- Occupancy rate in our portfolio was 99.8% at the end of 13th FP (Aug. 31, 2020); maintained high rate consistently.



^{*1} The forecast of the area of entry and departure is the assets held at the time of 13th FP (FP ended Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021)).

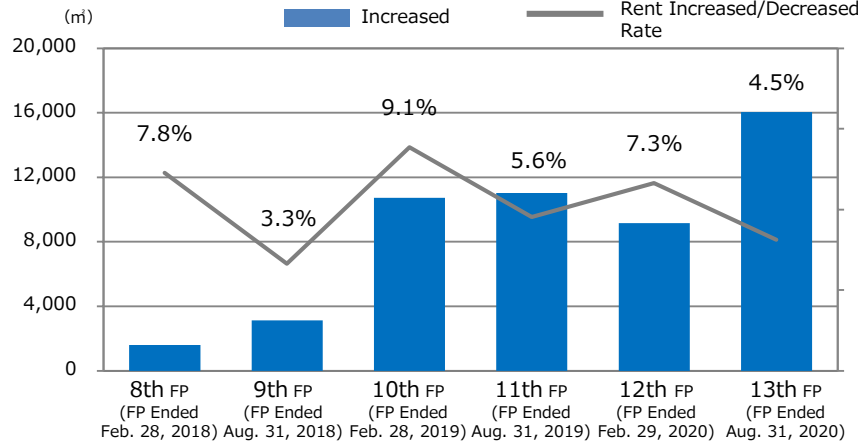
^{*2} Figures for departure area and tenant departure rate are negative values.

^{*3} This refers to spaces where cancellations are expected. For details, please refer to page 14.

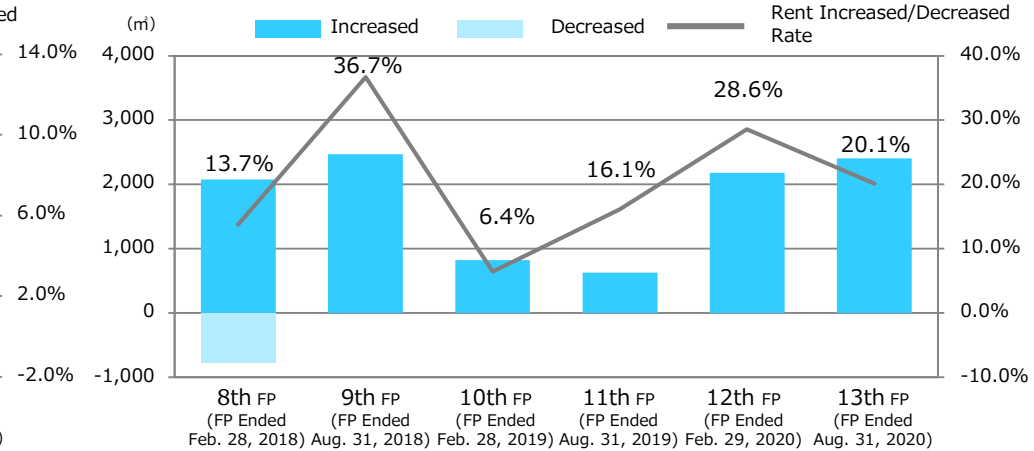
^{*4} It is calculated by dividing the leased area of the assets held at the end of each period by the leaseable area at the same time, and is rounded off to the first decimal place.

Rent Revisions and Tenant Replacements (Tokyo Commercial Properties)

Results of Rent Revisions

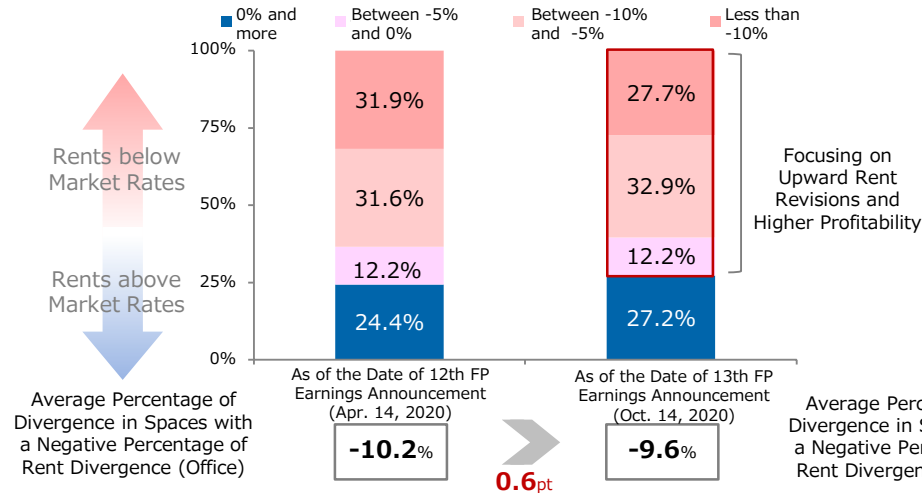


Results of Tenant Replacements

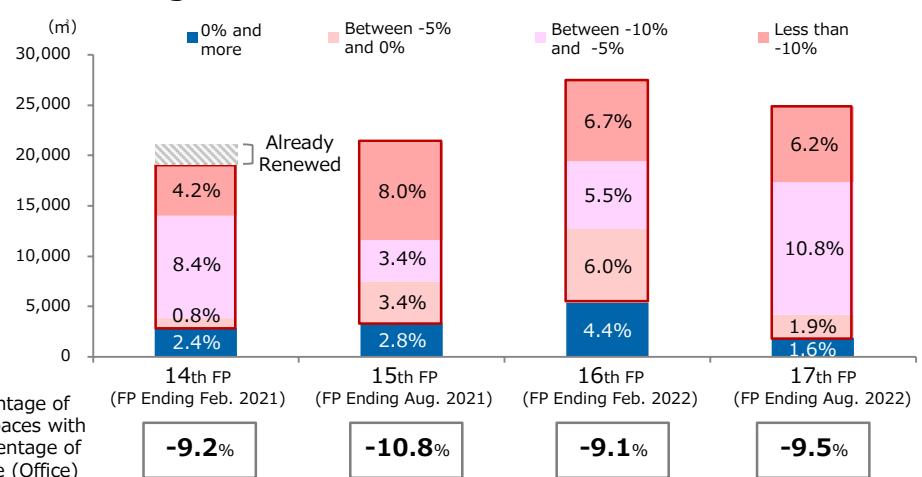


Negotiate Appropriate Rents (Offices)

Level of Divergence from Office Market Rent Levels*1



Lease Agreement Revisions Schedule*2



*1 The respective percentages shown are expressed as percentages relative to total leasable area of office properties owned by HULIC REIT at each point in time (includes properties acquired during 14th FP (FP ending Feb. 28, 2021) and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021)) (excl. land, retail spaces, and residential spaces, etc.; the same shall apply hereinafter).

*2 The respective percentages shown are expressed as percentages relative to total leasable area of office properties owned by HULIC REIT as of the date of 13th FP (FP ending Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021) and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021)), and lease agreements with a renewal date from 18th FP (FP ending Feb. 28, 2023) have been omitted.

Initiatives to Prevent From Spread of COVID-19

Disinfect and Sterilization

- Making Alcohol-based Disinfectant Available in Buildings
- Installation of an Alcohol-based Disinfectant Stand
- Thorough Daily Cleaning (incl. Sterilization of High Contact Areas)



Making Alcohol-based Disinfectant Available in Buildings



Thorough Daily Cleaning
(incl. Sterilization of High Contact Areas)

Indoor Air Conditioning Improvement and Droplet Prevention

- Encourage Tenants, etc. to Wash Their Hands and Improve Indoor Air Conditioning through Measures incl. Ventilation
- Distribution of Masks to Tenants, etc.
- Installation of Droplet Prevention Panels in Security Guard Rooms, etc.

Ensuring Social Distance

- Temporary Suspension of the Use of the Smoking Room
- Inviting Food Trucks for Tenants and Surrounding Office Workers



Temporary Suspension of
the Use of the Smoking Room

Initiatives to Reduce Costs

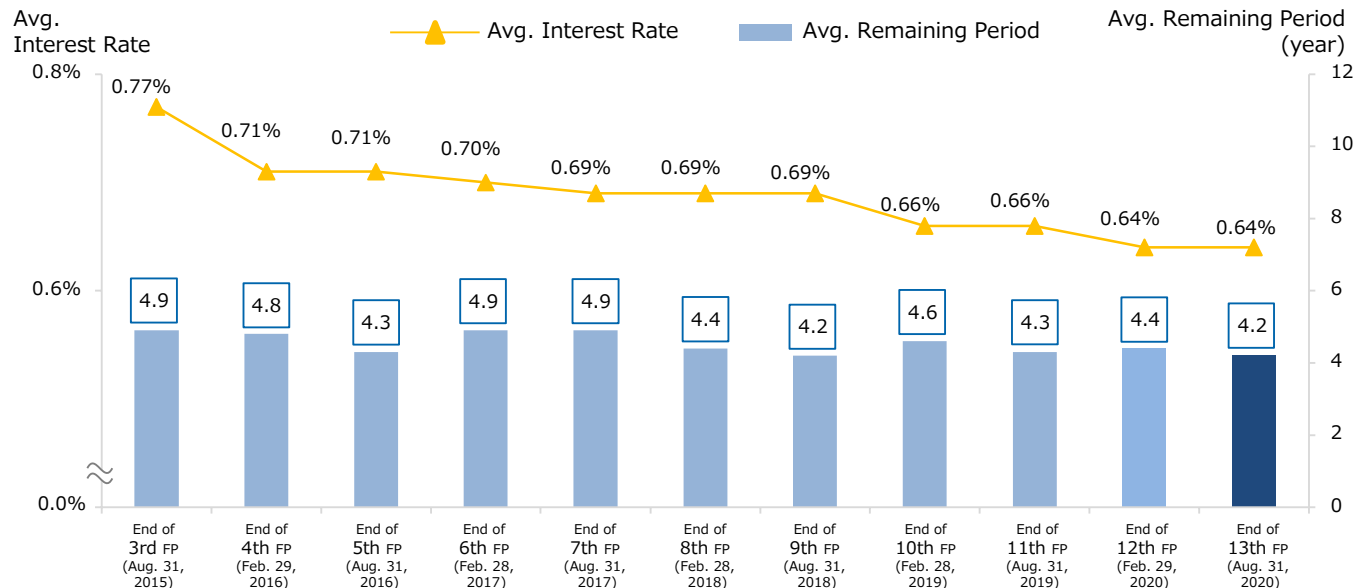
Switching Power Companies

- By the end of 13th FP (Aug. 31, 2020), we entered into electric power supply contracts with electric power retailers and switched to electric power companies for 10 office buildings, incl. Toranomon First Garden, and 6 retail properties, incl. HULIC & New SHIBUYA
- Electricity rates reduced by approx. 12.6%* as a result of the above

We will continue to work on cost reduction measures that contribute to maintaining and improving NOI

* For the 16 properties that have changed electricity suppliers, the rate of reduction was calculated based on an estimate of the amount of reduction according to the rate structure of the new electricity supplier, assuming the electricity usage for approximately a year before the change was used.

Avg. Interest Rate and Avg. Remaining Period of Interest-bearing Debt *1



Credit Rating

Japan Credit Rating Agency, Ltd.
(JCR) Rating
Credit Rating (Outlook)

AA- (Positive)

Status of Interest-bearing Debt

As of the End of 13th FP
(Aug. 31, 2020)

Total Interest-bearing Debt

¥172,776 million

Long-term Liability Ratio *1

97.5%

Fixed-Interest Rate Ratio *1,2

97.5%

Submission of Green Bond Correction Issuance Registration

Submission of Green Bond Correction Issuance Registration

Sixth Series Unsecured Investment Corporation Bonds

Proposal Date: Oct. 14, 2020

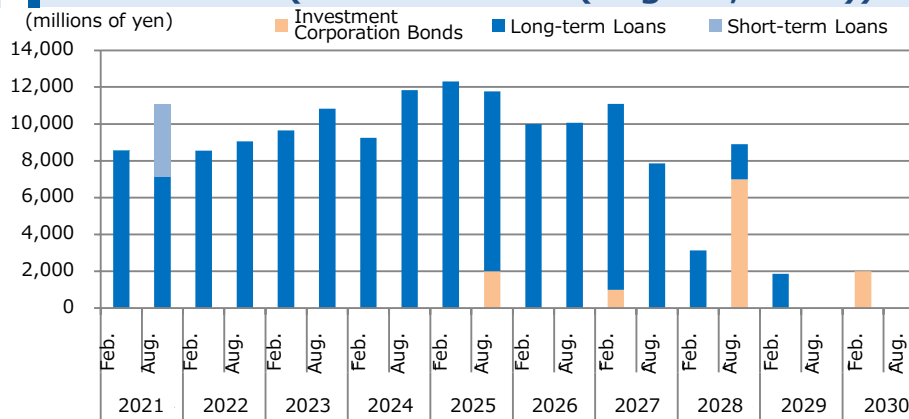
Issue Amount: Undecided

Obtained Preliminary Evaluation of JCR Green Bond

Green1

(Target Property: Hulic Asakusabashi Building)

Diversification of Interest-bearing Debt Maturities *1 (End of 13th FP (Aug. 31, 2020))



*1 The "Avg. Interest Rate," "Avg. Remaining Period," "Long-term Liability Ratio," "Fixed-interest Rate Ratio," and "Diversification of Interest-bearing Debt Maturities" at the end of 13th FP (Aug. 31, 2020) are calculated by excluding the bridge loans borrowed to acquire properties on Dec. 20, 2019 and Mar. 26, 2020.

*2 Fixed-rate loans include loans which rates have been fixed due to interest rate swap contracts.

Appraisal Values and Unrealized Gains/Losses at the End of FP

- Unrealized gains have increased steadily since the listing, amounting to ¥57.1 billion at the end of 13th FP (Aug. 31, 2020) ; +¥10 million in comparison with the end of 12th FP (Feb. 29, 2020).
- At the end of 13th FP (Aug. 31, 2020), the unrealized gains/losses ratio was +16.4%.

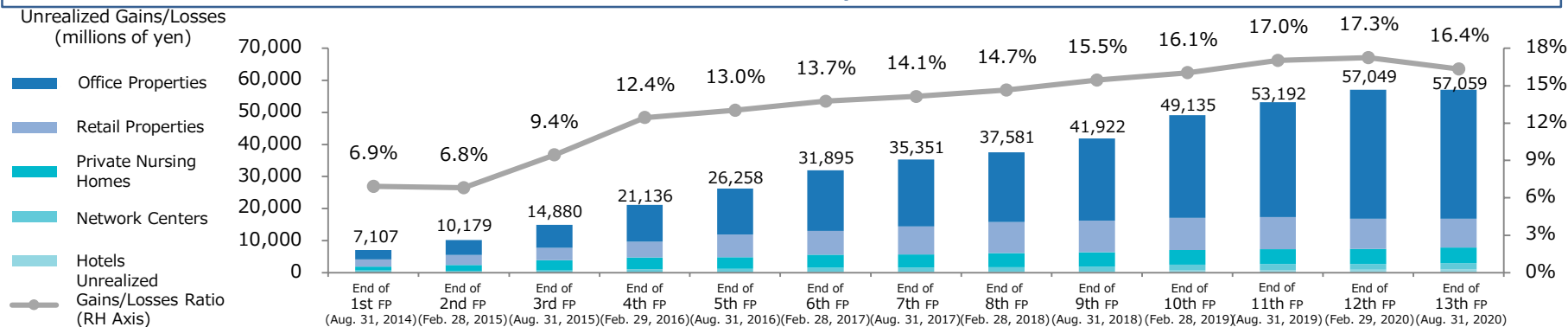
Summary of Appraisal Values

	End of 13th FP (Aug. 31, 2020)					Change from the End of 12th FP (Feb. 29, 2020)				
	No. of Properties	Appraisal Value	Unrealized Gain/Loss	Unrealized Gain/Loss Ratio	Avg. Direct Cap Rate	No. of Properties	Appraisal Value	Unrealized Gain/Loss	Unrealized Gain/Loss Ratio	Avg. Direct Cap Rate
Office Properties	26	261,594	40,272	18.2%	3.4%	+1	+6,339	+16	-0.5%	0.0%
Retail Properties	13	69,270	8,915	14.8%	3.9%	+1	+5,225	-416	-2.3%	0.0%
Private Nursing Homes	8	30,220	4,961	19.6%	4.5%	0	0	+135	+0.6%	0.0%
Network Centers	8	20,493	1,768	9.4%	5.0%	0	+10	+96	+0.5%	0.0%
Hotels	3	24,470	1,142	4.9%	3.6%	+1	+7,120	+178	-1.0%	0.0%
Total	58	406,047	57,059	16.4%	3.6%	+3	+18,694	+10	-1.0%	0.0%

Change in Direct Cap Rates*2

	Comparison with the End of 12th FP		
	Increase	Flat	Decrease
Office Properties	0	26	0
Retail Properties	0	13	0
Private Nursing Homes	0	8	0
Network Centers	0	8	0
Hotels	0	3	0
Total	0	58	0

Unrealized Gains/Losses



*1 Appraisal value is rounded to the nearest million yen. Unrealized gain/loss is rounded off units of less than one million yen.

*2 Results are presented relative to appraisal value at the time of acquisition with respect to properties acquired during 13th FP (FP ended Aug. 31, 2020).



IV Future Strategy

	External Growth Strategy	Internal Growth Strategy	Financial Strategy
Market Outlook	Prime Properties in Central Tokyo Continue to be High-priced - While competition to acquire urban properties remains intense, the impact of COVID-19 on real estate prices is being closely monitored - Real estate prices may enter an adjustment phase depending on the use and area	The Upward Trend in Rents for Medium-sized Office in Favorable Locations Continues - The upward trend in rents for medium-sized office buildings in favorable locations continues, although the pace of rent increases is slowing down - There are also cases of leasing taking time - It will be necessary to watch for corporate earnings deteriorating over the short term, and the possibility of structural changes in the office market due to factors incl. the spread of teleworking over the medium to long term	Relatively Low Unit Prices for Office-dominated REITs - Although J-REIT market is in a recovery trend to some extent, there has been a growing polarization between REITs that specialize in logistics properties and residential properties and other REITs, which include diversified REITs - Relatively low valuations for office-dominated REITs, incl. Hulic Reit
Futures and Situation of Hulic Reit	High Unrealized Gains and Losses Ratio through Focused Investment in Properties that are Highly Competitive in Terms of Location - Acquisition of highly competitive properties at reasonable prices through strong sponsor support - Tokyo Commercial Properties investment ratio is 79.0% - Portfolio unrealized gains and losses ratio was +16.4% as of the end of 13th FP (Aug. 31, 2020)	Portfolio of Properties in the City Center and Near Stations and Medium-sized Offices - Characteristics of Hulic Reit's office portfolio - Percentage in 6 central Tokyo wards : 87.8%^{*1} - Percentage within 1-min. walk from station : 71.3%^{*1} - Ratio of avg. rent per tsubo of less than 30,000 yen : 89.8%^{*2} - Avg. percentage of divergence in spaces with a negative percentage of rent divergence : -9.6%^{*3}	Withdrawal of the Shelf Registration Statement for the Issuance of Investment Units in Light of Factors incl. J-REIT Market Conditions Hulic Reit has withdrawn the shelf registration statement for the issuance of investment units in light of factors incl. J-REIT market conditions, the current level of unit prices for Hulic Reit, and current stock market conditions
Immediate Strategy	Continuation of Portfolio Strategy that Focuses on Location Building a Highly Stable Portfolio through Asset Replacement - The competitiveness of the property over the medium to long term and the period of time required to recover from the effects of COVID-19 will be considered when selecting the property to be transferred - Highly stable offices, incl. bank branches, and private nursing homes will be the main pipeline from sponsors for the time being	Initiatives to Increase Office Rents by Leveraging the Superiority of the Portfolio - Aim for stable operations while maintaining a high occupancy rate, and work to increase rents against a backdrop of a negative percentage of rent divergence - Continue to monitor corporate earnings going forward and maintain close communication with tenants - Ongoing efforts to reduce costs in an aim to maintain and improve NOI Maintaining Relationships with Retail Tenants, even After the COVID-19 Pandemic is Resolved	LTV Control with an Emphasis on Asset Replacement - While aiming for an LTV of 40% to 45%, mainly consider controlling LTV through asset replacement, taking into account future trends in the J-REIT market Promote a Financial Strategy that Considers Unitholder Value - Carefully consider equity finance while taking into consideration unitholder value - Considering option of acquisition of treasury investment units while taking into consideration the J-REIT market, unit prices for Hulic Reit, and the LTV level

Aim to maintain and increase unitholder value over the medium to long term by pursuing growth opportunities while maintaining stability with an eye on changes in the market environment

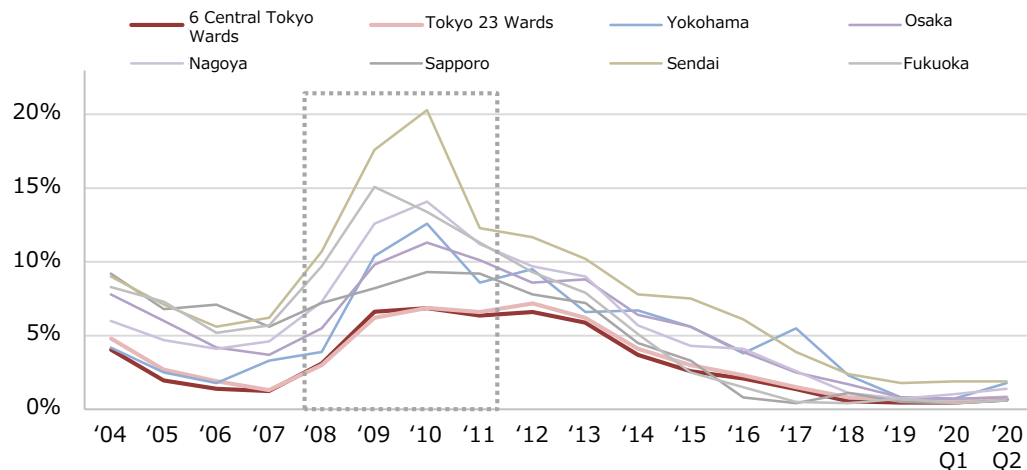
^{*1} Calculated based on the acquisition price of offices classified as Tokyo Commercial Properties as of 13th FP (FP ended Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 2021) and excludes properties transferred during 14th FP (FP ending Feb. 2021)).

^{*2} The average rent for each office property as of the end of 13th FP (Aug. 31, 2020) as a proportion of offices overall, based on the leasable area, is calculated.

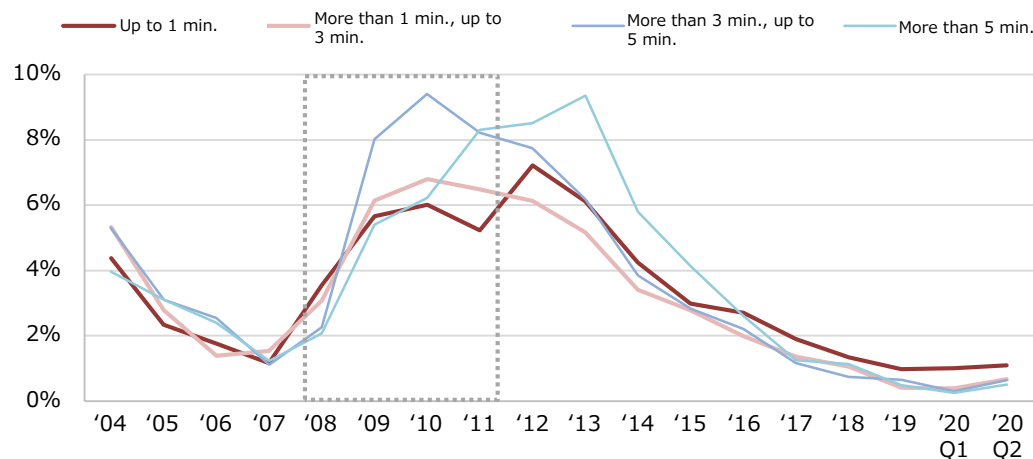
^{*3} The figure is as the office properties held by Hulic Reit as of 13th FP (FP ended Aug. 31, 2020) earnings announcement. (includes properties acquired during 14th FP (FP ending Feb. 28, 2021) and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021).)

Status of Office Market

Vacancy Rates in Tokyo 23 Wards and Other Major Cities

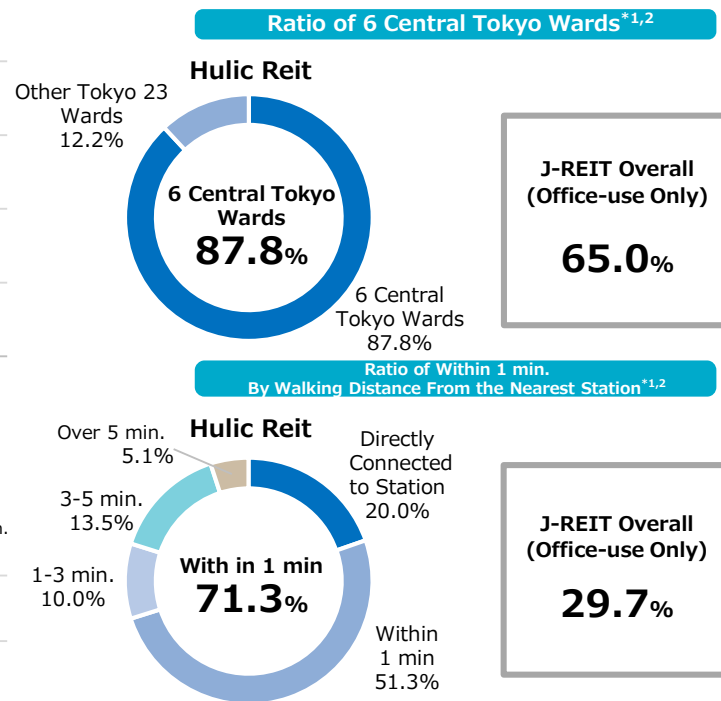


Vacancy Rates by Walking Distance from Train Station (Tokyo 23 Wards)



Key Characteristics of Hulic Reit's Office Portfolio and Strategies

Key Indicators of Office in Tokyo Commercial Properties (Based on Acquisition Price)



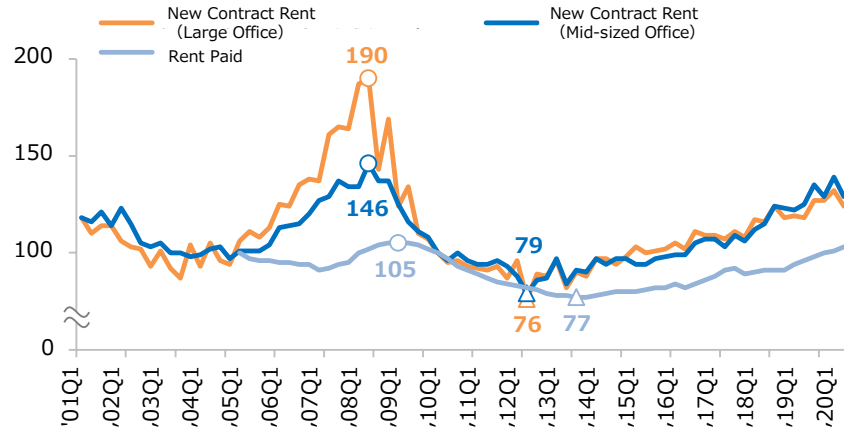
- We will strive to **increase rents due to the negative percentage of rent divergence**, while utilizing **the competitive advantages** of properties located in central Tokyo and near train stations and aspiring to manage the portfolio **with consistently high occupancy rates**.
- When tenants leave, we will identify the potential **need for concentration of offices and moves from surrounding areas** and strive to promptly bring in new tenants and **increase rent**.

*1 Calculated based on the acquisition price of offices classified as Tokyo commercial properties as of 13th FP (FP ended Aug. 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021) and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021)).

*2 Proportions shown in the respective graphs have been calculated based on acquisition prices of office-use assets held by the respective J-REITs as of Sep. 30, 2020 (prepared by the asset management company based on information from information vendors).

Status of Office Market

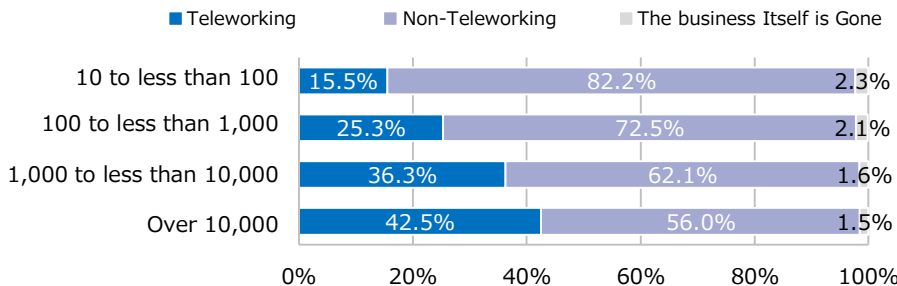
Trends in New Contract Rent Index and Paid Rent Index*1



	Highest Price (1)	Lowest Price (2)	Difference (1-2)
New Contract Rent (Large Office)	190 ('08Q2)	76 ('12Q2)	114 (60%)
New Contract Rent (Mid-sized Office)	146 ('08Q2)	79 ('12Q2)	67 (46%)
Rent Paid	105 ('09Q1-2)	77 ('13Q3-4)	28 (27%)

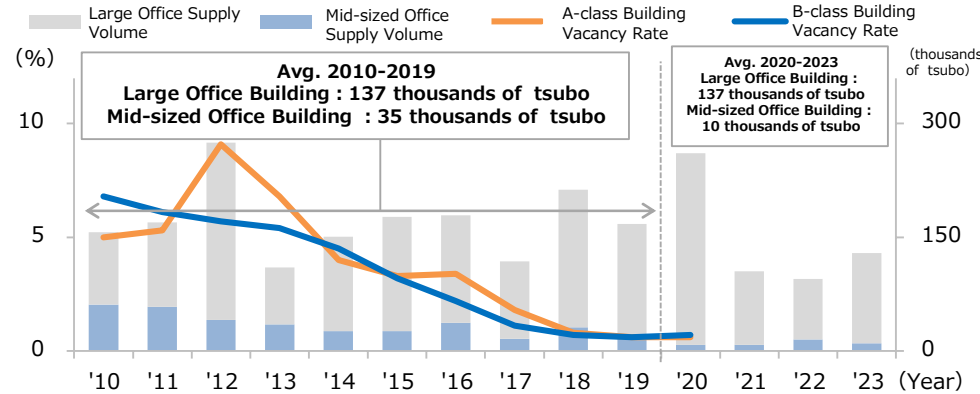
Source : This data has been prepared by the asset management company using "Office Market Report Tokyo Q2 2020" from Xymax Real Estate Institute Corporation.

Teleworking Implementation Rate by Company Size (by Number of Employees)



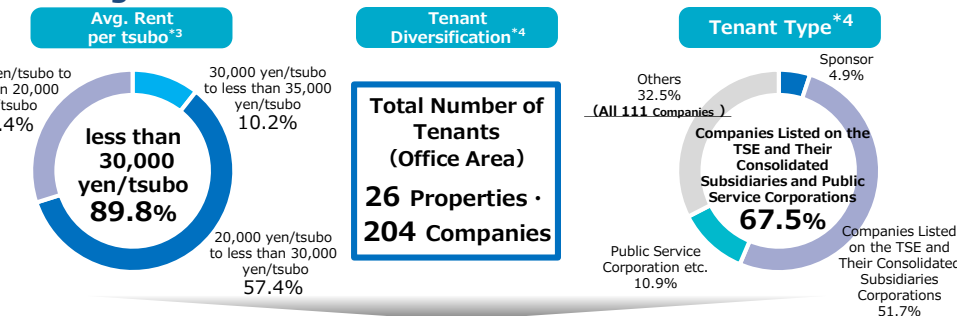
Source : Prepared by the asset management company using "Report: Third Emergency Survey on Impact of Coronavirus Measures on Telework" from PERSOL RESEARCH AND CONSULTING CO., LTD.

Trend in Office Supply Volume and Vacancy Rates*2



Note : The vacancy rate for 2020 is the one for Q2 2020.
Source : (New supply) This data has been prepared by the asset management company using "New Office Supply Volume 2020" from Xymax Real Estate Institute Corporation.
(Vacancy rates) Vacancy rates have been prepared by the asset management company on the basis of vacancy rates in central Tokyo in the office rent index of Sanko Estate Co., Ltd.

Key Characteristics of Hulic Reit's Office Portfolio and Strategies



- The "Mid-sized Offices" mainly owned by Hulic Reit have relatively low rent volatility, and new supply is limited.
- Continuing rents tend to lag behind market rents
- Although it is necessary to pay close attention to future corporate performance and structural changes in the market, we will appropriately seize opportunities for rent increases while aiming for stable management that takes advantage of the characteristics of the portfolio of Hulic Reit, which has diversified tenants.

*1 The new contracted rent index classifies offices with a total floor area of 5,000 tsubo or more as large offices and offices with a total floor area of less than 5,000 tsubo as medium-sized offices.

*2 In terms of supply, offices with a total floor area of 10,000 tsubo or more are classified as large offices, and offices with a total floor area of 3,000 tsubo or more and less than 10,000 tsubo are classified as medium-sized offices.

*3 The ratio of the average rent for each office property as of the end of 13th FP (Aug. 31, 2020) to the entire office is calculated based on the leaseable area.

*4 The number of tenants is based on the tenants of the offices (excl. the tenants of the store space attached to the office property) as of Sep. 30, 2020 (includes properties acquired during 14th FP (FP ending Feb. 28, 2021) (excludes "Hulic Hachioji Building" included in Next Generation Asset Plus.) and excludes properties transferred during 14th FP (FP ending Feb. 28, 2020). The type graph is calculated based on the monthly rent (incl. common service charges) of the tenant.



V ESG Initiatives

Evaluation by External Organizations

Successive Selection in MSCI Japan ESG Select Leaders Index

~8 J-REITs selected among 63 J-REITs (as at end of Jun. 2020)~

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

Hulic Reit was selected for “MSCI Japan ESG Select Leaders Index” provided by MSCI in Jul. 2017, and has been continuously included in the index even after the rebalancing in Jun. 2020. This index is one of the ESG indices that the Japanese Government Pension Investment Fund (GPIF) selected for their passive investment strategy.

Acquisition of “Green Star” in the GRESB Real Estate Assessment



Hulic Reit received a “Green Star” rating in the GRESB Real Estate Assessment in 2019 for a third consecutive year. We earned outstanding evaluations in terms of “Management & Policy” and “Implementation & Measurement”—two operational dimensions subject to assessment in light of efforts aimed at addressing environmental concerns and sustainability issues. We received a “4-Star” rating, the second highest evaluation of “GRESB Rating,” for a third consecutive year. Hulic Reit’s information disclosure on its environmental consideration and sustainability initiatives was assessed as particularly impressive, and was given a rating of “A,” the highest of five possible scores, in the GRESB Public Disclosure, introduced from fiscal 2017.

Topics From 13th FP (FP Ended Aug. 31, 2020)

Specification of Materials and Setting Targets (KPIs)

In Oct. 2020, Hulic REIT and Hulic REIT Management identified issues that should be considered as a real estate investment corporation based on the concept of the Sustainable Development Goals (SDGs) among the broad range of ESG issues, and among these issues, specified issues that should be particularly focused on as materials. Basic policies and targets (KPIs) are being set and various measures are being implemented in accordance with Hulic REIT Management’s sustainability policy and the materials specified.

(Please refer to the following pages for details on the materials and targets (KPI) of the Hulic REIT and Hulic REIT Management.)



Publication of the ESG Report

In Oct. 2020, Hulic Reit published its first ESG Report for the purpose of reporting to stakeholders on the ESG approach and the details of ESG initiatives of Hulic Reit and Hulic REIT Management, as well as enhancing ESG-related disclosures.



Environment

Materials of Hulic Reit and Hulic REIT Management

Promotion of Energy Conservation and Measures for Prevention of Global Warming

Circular Economy Practices
(Effective Utilization of Water Resources, Waste Reduction, Etc.)



Note : Please refer to page 73 for details of each icon of SDGs. The same applies hereinafter.

Setting Targets (KPI)

- Energy Consumption
- GHG Emissions
- The Percentage of Properties*¹ that will Have Acquired Green Building Certification*²

Energy Consumption

Targets (KPI)

The target (KPI) is reduction of energy consumption intensity for the entire portfolio by 25% relative to the actual figures for 2018 by the end of 2030.

GHG Emissions

Targets (KPI)

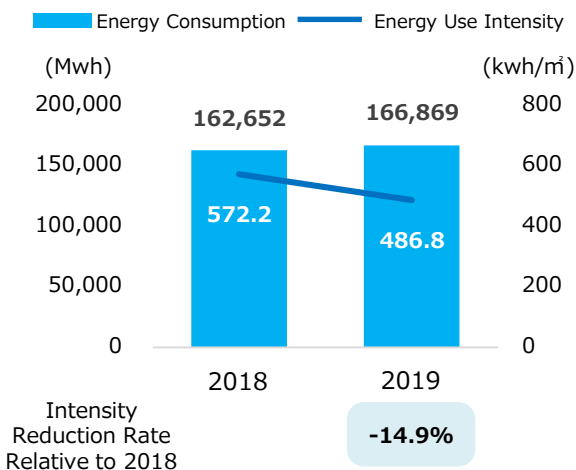
The target (KPI) is reduction of GHG emissions intensity for the entire portfolio by 30% relative to the actual figures for 2018 by the end of 2030.

Green Building Certification Acquisition Rate

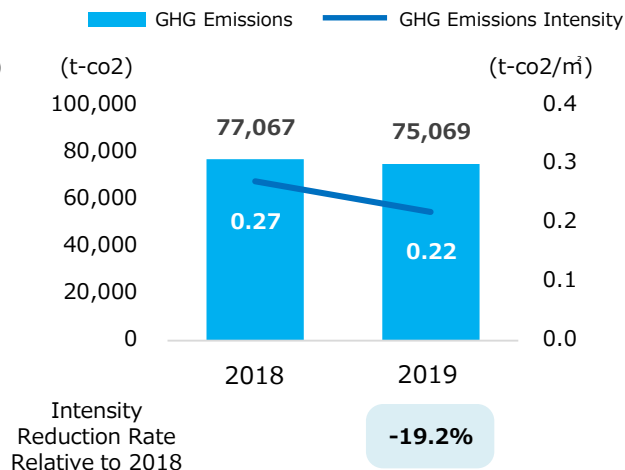
Targets (KPI)

- Of Entire Portfolio : 50% or more
- Of Tokyo Commercial Properties : 60% or more
- Target Year :
By End of 2025 (Based on Number of Properties)

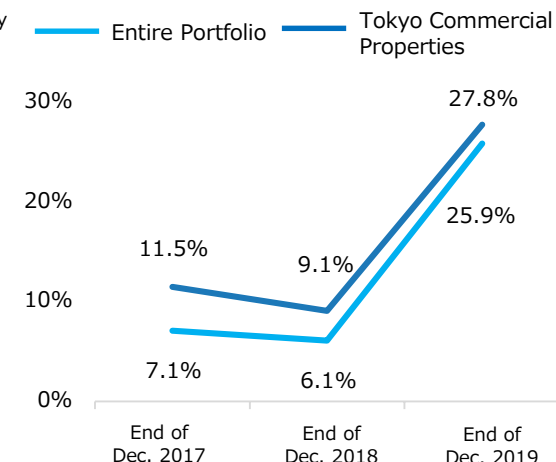
Actual Figures (Entire Portfolio) *³



Actual Figures (Entire Portfolio) *³



Performance



*¹ In the calculation of the percentage of properties that will have acquired green building certification, the properties subject to calculation do not include properties for which ownership is of the land interest only. Even if a single property will have acquired several green building certifications, it is counted as 1 property. The same applies hereinafter.

*² Refers to certification by a third-party certification body, such as DBJ Green Building Certification, CASBEE, BELS, and JHEP Certification. The same applies hereinafter.

*³ The following is the scope of subject properties for each year in the calculation of actual figures.

(1) Subject properties are those held throughout the year (limited to properties for which data is available). (2) For the properties that Hulic Reit holds under co-ownership, calculations are based on the figures equivalent to the co-ownership interest held by Hulic Reit at the beginning of each year.

Society

Materials of

Hulic Reit and Hulic REIT Management

Enhancement of Customer
(Tenant/User) Satisfaction

Disclosure of Information to and
Dialogue with Stakeholders

Motivating Work Environment
(Nurturing of Human Resources, Diversity,
Etc.)

Contribution to Local Communities



Implementation of Tenant Satisfaction Surveys

Hulic Reit and Hulic REIT Management conduct tenant satisfaction surveys to ensure tenants' comfortable use of buildings, utilizing the results to identify potential needs and improve building management.

Tenant satisfaction surveys of approx. 200 tenant companies occupying properties held by Hulic Reit have continued to be conducted since 2017, receiving ratings that tenants are satisfied overall from the majority of responses.

Initiatives for Prevention of the Spread of COVID-19

Hulic REIT Management implements the following various initiatives for employees as part of measures to prevent the spread of COVID-19.

[Examples of Measures to Prevent the Spread of COVID-19]

- Introduction of Teleworking Program
- Installation of Panels for Preventing Respiratory Droplet Transmission Inside the Office
- Utilization of Staggered Shifts
- Thorough Hand Hygiene and Wearing of Face Masks Inside and Outside the Office

Diversity

Hulic REIT Management seeks diversity in the workforce by enriching the lineup of personnel programs to match each and every employee's life stages and careers.

[As at End of Aug. 2020]

- Breakdown of Officers and Employees Male: 73.3%; Female: 26.7%
- Breakdown of Managers Male: 85.0%; Female: 15.0%

Governance

Materials of

Hulic Reit and Hulic REIT Management

Strengthening Governance



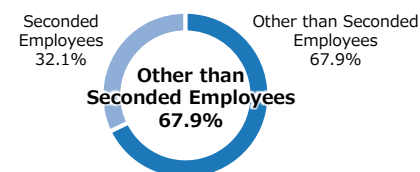
Breakdown of Full-Time Board Members and Employees at Hulic REIT Management

As at the end of Aug. 2020, the three full-time board members at Hulic REIT Management are not employees of the sponsor who have been seconded to Hulic REIT Management; only nine employees (32.1% of the total number of employees*) are employees seconded by the sponsor.

Full-Time Board Members



Employees



Remuneration for Officers of Hulic REIT Management: Introduction of Performance-Linked Compensation

A compensation system linked with the performance of Hulic Reit's investment unit price relative to the TSE REIT Index has been introduced for the main officers of Hulic REIT Management for the purpose of unifying their interests with unitholders and further strengthening governance, etc. The portion equivalent to approx. 50% of the total amount of remuneration for the main officers is linked with the relative performance of Hulic Reit's investment unit price.

Introduction of Investment Unit Ownership Program for Officers and Employees incl. Sponsor

For the purposes of raising awareness of earnings improvements and continuous growth, raising unitholder value for the medium and long term, etc. of Hulic Reit, an investment unit ownership program has been adopted for the officers and employees of Hulic REIT Management and Hulic, and a tender offer has been practiced for this program.

Asset Management Fee System and Director and Employee Remuneration System Linked to DPU

The asset management fee system consists of asset management fees linked to the total assets of Hulic REIT and management fees linked to distributions per unit, while incentive bonuses that are partially linked to distributions per unit have been introduced for the director and employee remuneration system.

* The total number of employees includes one director who also serves as an employee.



VI Summary of Financial Results and Earnings Forecast

Results of 13th FP (FP Ended Aug. 31, 2020)

(unit: millions of yen)					
	12th FP (FP Ended Feb. 29, 2020) Result (A)	13th FP (FP Ended Aug. 31, 2020)		Change (C-A)	Difference (C-B)
		Forecast*2 (B)	Result (C)		
Operating Revenues					
Real Estate Lease Business Revenues	9,642	10,113	10,060	+ 418	-52
Gain on Sales of Real Estate Properties	0	504	530	+ 530	+ 26
Total Operating Revenues	9,642	10,618	10,591	+ 949	-26
Operating Expenses					
Expenses Related to Rent Business (Of which)	-3,278	-3,631	-3,515	-237	+ 115
Taxes and Public Dues	-726	-793	-791	-64	+ 2
Depreciation and Amortization	-1,057	-1,218	-1,216	-158	+ 2
Repair Expenses	-121	-282	-222	-100	+ 59
Leasing-related Costs	-26	-13	-17	+ 9	-4
Other Expenses Related to Rent Business	-1,345	-1,324	-1,268	+ 77	+ 55
Asset Management Fee	-915	-1,111	-1,083	-168	+ 27
Other Operating Expenses	-179	-143	-209	-29	-66
Total Operating Expenses	-4,373	-4,885	-4,809	-435	+ 76
Operating Profit	5,268	5,732	5,782	+ 513	+ 49
Non-operating Income	0	0	1	+ 0	+ 1
Non-operating Expenses					
Interest Expenses • Borrowing-related Expenses	-606	-692	-674	-67	+ 17
Amortization of Investment Unit Issuance Costs	-22	-22	-21	+ 1	+ 1
Amortization of Investment Corporation Bond Issuance Costs	-5	-4	-4	+ 0	-0
Total Non-operating Expenses	-634	-719	-700	-66	+ 18
Ordinary Profit	4,634	5,013	5,083	+ 448	+ 70
Profit	4,633	5,012	5,082	+ 449	+ 69
Cash Distributions per unit (yen) (excl. Distributions in Excess of Earnings)	3,531	3,580	3,874	+ 343	+ 294
Cash Distributions per unit (yen) (incl. Distributions in Excess of Earnings)	3,532	3,582	3,876	+ 344	+ 294

*1 Figures less than ¥1 million are truncated.

*2 Figures are based on forecasts released on Apr. 14, 2020. For details, please refer to Financial Report for the Fiscal Period Ended February 29, 2020, which was released on Apr. 14, 2020.

*3 Hulic Shinjuku 3 Chome Building (additional acquisition of part of the land) is excluded from properties acquired during 12th FP (FP ended Feb. 29, 2020) and 13th FP (FP ended Aug. 31, 2020).

*4 "Existing property" includes properties owned by Hulic REIT as of the end of 13th FP (Aug. 31, 2020), excluding properties acquired during 12th FP (FP ended Feb. 29, 2020) and 13th FP (FP ended Aug. 31, 2020).

Forecast of 14th FP (FP Ending Feb. 28, 2021) and 15th FP (FP Ending Aug. 31, 2021)

								(unit: millions of yen)	
	13th FP (FP Ended Aug. 31, 2020) Result (A)	14th FP Forecast (FP Ending Feb. 28, 2021)		Change (B-A)	Main Factors (B-A)			The 15th FP Forecast (C)	Change (C-B)
		Previous*2	New (B)						
Operating Revenues									
Real Estate Lease Business Revenues	10,060	10,205	10,083	+ 23	■ Real Estate Lease Business Revenues (+23) • Revenue contributions from properties acquired during 13th FP (FP ended Aug. 2020) and 14h FP (FP ending Feb. 2021) : +263			9,923	-160
Gain on Sales of Real Estate Properties	530	0	933	+ 402	• Decrease in Revenue for FP from property transferred during 13th FP (FP ended Aug. 2020) and 14h FP (FP ending Feb. 2021) : -221			199	-734
Total Operating Revenues	10,591	10,205	11,017	+ 425	• Increase of rent income to upward rent revisions in spaces, etc. : +17			10,123	-894
Operating Expenses					• Temporary rent reduction (COVID-19 related and additional assumptions*) : -36				
Expenses Related to Rent Business	-3,515	-3,486	-3,519	-3	• Decrease in conference room revenue etc. (Ochanomizu Sola City and Hulic Asakusabashi Building) : -38			-3,684	-165
(Of which)					• Increase in Revenue Related to Rent Business due to Increase in Utilities Expense Revenue etc. for existing property holdings*4 (+43) : +38			-876	-97
Taxes and Public Dues	-791	-793	-778	+ 12	■ Gain on Sales of Real Estate Properties (+402) • Absence of gain on transfer related to Gate City Osaka : -530			-1,246	-9
Depreciation and Amortization	-1,216	-1,229	-1,237	-21	• Gain on Sales from property transferred during 14th FP (FP ending Feb. 2021) : +933			-124	+ 58
Repair Expenses	-222	-111	-183	+ 38				-30	-9
Leasing-related Costs	-17	-22	-21	-4	■ Expenses Related to Rent Business (-3) • Increase in Expenses Related to Rent Business for property acquired during 13th FP (FP ended Aug. 2020) and 14th FP (FP ending Feb. 2021) : -64			-1,406	-108
Other Expenses Related to Rent Business	-1,268	-1,330	-1,297	-29	• Decrease in Expenses Related to Rent Business due to Repair Expenses for existing property holdings*4 : +34			-946	+ 243
Asset Management Fee	-1,083	-1,076	-1,190	-106	• Increased in Expense Related to Rent Business due to Increase in Utilities Expense etc. for existing property holdings*4 (-32) : -36			-225	+ 35
Other Operating Expenses	-209	-94	-261	-51				-4,856	+ 114
Total Operating Expenses	-4,809	-4,657	-4,970	-161				5,266	-780
Operating Profit	5,782	5,548	6,047	+ 264				0	0
Non-operating Income	1	0	0	-1					
Non-operating Expenses									
Interest Expenses · Borrowing-related Expenses	-674	-647	-710	-36				-718	-7
Amortization of Investment Unit Issuance Costs	-21	-23	-16	+ 5				-15	+ 1
Amortization of Investment Corporation Bond Issuance Costs	-4	-4	-4	+ 0				-4	-0
Total Non-operating Expenses	-700	-675	-731	-30				-738	-6
Ordinary Profit	5,083	4,873	5,315	+ 232				4,528	-787
Profit	5,082	4,872	5,314	+ 232				4,527	-787
Cash Distributions per unit (yen) (excl. Distributions in Excess of Earnings)	3,874	3,480	4,050	+ 176				3,450	-600
Cash Distributions per unit (yen) (incl. Distributions in Excess of Earnings)	3,876	3,482	4,052	+ 176				3,452	-600

*1 Figures less than ¥1 million are truncated.

*2 Figures are based on forecasts released on Apr. 14, 2020. For details, please refer to Financial Report for the Fiscal Period Ended February 29, 2020, which was released on Apr. 14, 2020.

*3 Differences between the actual temporary reduction for 13th FP (FP ended Aug. 31, 2020) (-25 million yen) and the assumed additional temporary reduction for 14th FP (FP ending Feb. 28, 2021) (-62 million yen) are shown, and no consideration has been given to the previously agreed upon temporary reductions and increases resulting from the temporary reductions for 14th FP (FP ending Feb. 28, 2021).

*4 "Existing property" includes properties owned by Hulic REIT as of the end of 13th FP (Aug. 31, 2020), excluding properties acquired during 13th FP and properties transferred during 13th FP (FP ended Aug. 31, 2020) and 14th FP (FP ending Feb. 28, 2021).

(unit: millions of yen)			
	12th FP (Feb. 29, 2020) (A)	13th FP (Aug. 31, 2020) (B)	Change (B-A)
Assets			
Current Assets			
Cash and Deposits	10,149	12,245	+2,096
Cash and Deposits in Trust	7,331	7,701	+370
Operating Accounts Receivable	218	171	-47
Prepaid Expenses	39	43	+4
Consumption Taxes Receivable	328	0	-328
Other	1	0	-1
Total Current Assets	18,068	20,161	+2,093
Noncurrent Assets			
Property, Plant and Equipment			
Buildings, net	647	639	-8
Land	1,811	1,831	+20
Buildings in Trust, net	59,387	64,120	+4,732
Structures in Trust, net	258	261	+3
Machinery and Equipment in Trust, net	163	184	+20
Tools, Furniture and Fixtures in Trust, net	56	62	+6
Land in Trust	256,846	270,737	+13,891
Construction in Progress in Trust	0	22	+22
Total Property, Plant and Equipment	319,170	337,859	+18,688
Intangible Assets			
Leasehold Interests in Land	2,343	2,343	0
Land Leasehold Interests in Trust	8,790	8,784	-5
Other	0	0	0
Total Intangible Assets	11,133	11,128	-5
Investments and Other Assets			
Leasehold and Guarantee Deposits	360	360	0
Long-term Prepaid Expenses	859	864	+4
Deferred Tax Assets	0	0	-0
Total Investments and Other Assets	1,220	1,224	+4
Total Noncurrent Assets	331,524	350,211	+18,687
Deferred Assets			
Investment Unit Issuance Costs	65	43	-21
Investment Corporation Bond Issuance Costs	75	70	-4
Total Deferred Assets	140	113	-26
Total Assets	349,732	370,487	+20,755

(unit: millions of yen)			
	12th FP (Feb. 29, 2020) (A)	13th FP (Aug. 31, 2020) (B)	Change (B-A)
Liabilities			
Current Liabilities			
Operating Accounts Payable	518	686	+167
Short-term Borrowings	6,960	18,960	+12,000
Current Portion of Long-term Borrowings	12,109	15,680	+3,571
Accounts Payable - Other	1,095	1,287	+191
Accrued Expenses	36	37	+1
Income Taxes Payable	1	1	-0
Accrued Consumption Taxes	74	228	+153
Advances Received	1,641	1,713	+71
Deposits Received	0	0	+0
Total Current Liabilities	22,437	38,594	+16,157
Noncurrent Liabilities			
Investment Corporation Bonds	12,000	12,000	0
Long-term Loans Payable	122,516	126,136	+3,620
Tenant Leasehold and Security Deposits in Trust	14,085	14,613	+528
Asset Retirement Obligations	282	282	+0
Total Noncurrent Liabilities	148,883	153,032	+4,149
Total liabilities	171,320	191,627	+20,306
Net Assets			
Unitholders' Equity			
Unitholders' Capital	173,778	173,778	0
Deduction From Unitholders' Capital Allowance for Temporary Difference Adjustments	0	-1	-1
Total Deduction From Unitholders' Capital	0	-1	-1
Unitholders' Capital, Net	173,778	173,777	-1
Surplus			
Unappropriated Retained Earnings	4,633	5,082	+449
Total Surplus	4,633	5,082	+449
Total Unitholders' Equity	178,412	178,860	+448
Total Net Assets	178,412	178,860	+448
Total Liabilities and Net Assets	349,732	370,487	+20,755

13th FP Developments

- Assets Acquired during 13th FP (Total Acquisition Price : 23,672)
 - Hulic Ryogoku Building (quasi-co-ownership interest of 90%) (Acquisition Price : 5,610)
 - Hulic Asakusabashi Edo-dori (quasi-co-ownership interest of 90%) (Acquisition Price : 5,420)
 - Hulic Mejiro (Acquisition Price : 5,670) • Hulic Tsukiji 3 Chome Building (Acquisition Price : 6,972)
- Assets transferred during 13th FP (Total Transfer Price : 4,800)
 - Gate City Ohsaki (Transfer Price : 4,800)

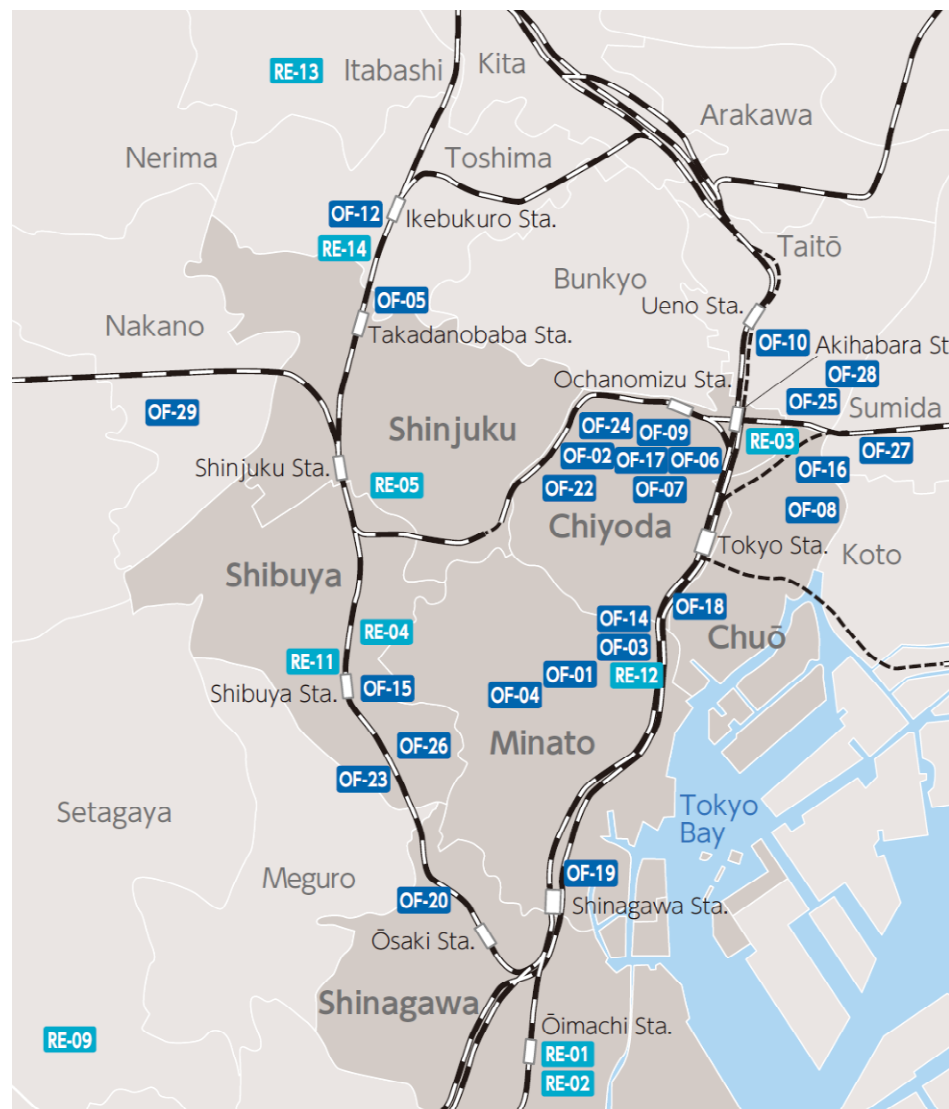
LTV at the End of 12th FP : 43.9% → LTV at the End of 13th FP : 46.6%



Appendix

		End of 3rd FP (Aug. 31, 2015)	End of 4th FP (Feb. 29, 2016)	End of 5th FP (Aug. 31, 2016)	End of 6th FP (Feb. 28, 2017)	End of 7th FP (Aug. 31, 2017)	End of 8th FP (Feb. 28, 2018)	End of 9th FP (Aug. 31, 2018)	End of 10th FP (Feb. 28, 2019)	End of 11th FP (Aug. 31, 2019)	End of 12th FP (Feb. 29, 2020)	End of 13th FP (Aug. 31, 2020)
No. of Properties	Portfolio Overall	31	32	34	37	43	44	46	50	51	55	58
	Tokyo Commercial Properties	19	20	22	23	28	28	30	34	35	37	39
	Next-Generation Assets Plus	12	12	12	14	15	16	16	16	16	18	19
Total Assets	Portfolio Overall	¥156.2bn	¥169.0bn	¥200.8bn	¥231.3bn	¥249.7bn	¥256.4bn	¥271.5bn	¥306.9bn	¥314.0bn	¥332.1bn	¥351.4bn
	Tokyo Commercial Properties	¥122.8bn	¥135.6bn	¥167.4bn	¥190.5bn	¥207.1bn	¥201.7bn	¥216.8bn	¥252.2bn	¥259.3bn	¥270.9bn	¥283.2bn
	Next-Generation Assets Plus	¥33.4bn	¥33.4bn	¥33.4bn	¥40.8bn	¥42.6bn	¥54.7bn	¥54.7bn	¥54.7bn	¥54.7bn	¥61.2bn	¥68.2bn
Unrealized Gains/Losses	Portfolio Overall	¥14.9bn	¥21.1bn	¥26.3bn	¥31.9bn	¥35.4bn	¥37.6bn	¥41.9bn	¥49.1bn	¥53.2bn	¥57.0bn	¥57.1bn
	Tokyo Commercial Properties	¥11.0bn	¥16.4bn	¥21.4bn	¥26.3bn	¥29.7bn	¥31.5bn	¥35.6bn	¥42.0bn	¥45.9bn	¥49.6bn	¥49.2bn
	Next-Generation Assets Plus	¥3.9bn	¥4.7bn	¥4.9bn	¥5.6bn	¥5.7bn	¥6.1bn	¥6.3bn	¥7.0bn	¥7.3bn	¥7.5bn	¥7.9bn
Average NOI Yield		4.9%	4.8%	4.7%	4.6%	4.6%	4.6%	4.5%	4.5%	4.5%	4.4%	4.4%
Average NOI Yield after Depreciation		4.2%	4.2%	4.2%	4.1%	4.0%	3.9%	3.9%	3.9%	3.8%	3.7%	3.7%
Appraisal Direct Cap Rate		4.3%	4.1%	4.0%	3.9%	3.9%	3.8%	3.8%	3.7%	3.7%	3.6%	3.6%
NAV per unit		¥129,958	¥137,968	¥150,256	¥156,886	¥160,194	¥161,530	¥165,441	¥169,415	¥172,657	¥175,935	¥175,943
Average Age of Buildings		17.3 years	16.5 years	18.1 years	16.9 years	17.1 years	16.2 years	17.9 years	19.8 years	21.1 years	21.3 years	20.9 years
Occupancy Rate		98.2%	99.4%	99.9%	99.7%	99.3%	99.7%	99.8%	99.9%	100.0%	99.5%	99.8%
PML		3.17	2.99	3.04	2.88	2.99	2.95	4.34	4.20	4.84	5.14	4.98

No.	Property Name
OF-01	Hulic Kamiyacho Building
OF-02	Hulic Kudan Building (Land)
OF-03	Toranomon First Garden
OF-04	Rapiros Roppongi
OF-05	Hulic Takadanobaba Building
OF-06	Hulic Kanda Building
OF-07	Hulic Kandabashi Building
OF-08	Hulic Kakigaracho Building
OF-09	Ochanomizu Sola City
OF-10	Hulic Higashi Ueno 1 Chome Building
OF-12	Tokyo Nishi Ikebukuro Building
OF-14	Hulic Toranomon Building
OF-15	Hulic Shibuya 1 Chome Building
OF-16	Hulic Higashi Nihombashi Building
OF-17	Hulic Jimbocho Building
OF-18	Hulic Ginza 7 Chome Building
OF-19	Shinagawa Season Terrace
OF-20	Hulic Gotanda Yamate-dori Building
OF-22	Bancho House
OF-23	Ebisu Minami Building
OF-24	Hulic Iidabashi Building
OF-25	Hulic Asakusabashi Building
OF-26	Hulic Ebisu Building
OF-27	Hulic Ryogoku Building
OF-28	Hulic Asakusabashi Edo-dori
OF-29	Hulic Nakano Building
RE-01	Oimachi Redevelopment Building (#2)
RE-02	Oimachi Redevelopment Building (#1)
RE-03	Dining Square Akihabara Building
RE-04	Hulic Jingu-Mae Building
RE-05	Hulic Shinjuku 3 Chome Building
RE-09	Hulic Todoroki Building
RE-11	HULIC &New SHIBUYA
RE-12	HULIC &New SHINBASHI
RE-13	Hulic Shimura-sakaue
RE-14	Hulic Mejiro



*The map shown above plots Tokyo Commercial Properties, from among the properties held as of the date of 13th FP (FP ended Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).). Note that Yokohama Yamashitacho Building is also held in addition to the properties above.



OF-01 Office 1-min. walk from station

Hulic Kamiyacho Building



OF-02 Office 1-min. walk from station

Hulic Kudan Building (land)



OF-03 Office 1-min. walk from station

Toranomom First Garden



OF-04 Office Directly connected to station

Rapiros Roppongi



OF-05 Office 6-min. walk from station

Hulic Takadanobaba Building



OF-06 Office 1-min. walk from station

Hulic Kanda Building



OF-07 Office 3-min. walk from station

Hulic Kandabashi Building



OF-08 Office 2-min. walk from station

Hulic Kakigaracho Building



OF-09 Office Directly connected to station

Ochanomizu Sola City



OF-10 Office 2-min. walk from station

Hulic Higashi Ueno 1 Chome Building



OF-12 Office 3-min. walk from station

Tokyo Nishi Ikebukuro Building



OF-14 Office 1-min. walk from station

Hulic Toranomom Building



OF-15 Office 5-min. walk from station

Hulic Shibuya 1 Chome Building



OF-16 Office 2-min. walk from station

Hulic Higashi Nihombashi Building



OF-17 Office 2-min. walk from station

Hulic Jimbocho Building



OF-18 Office 4-min. walk from station

Hulic Ginza 7 Chome Building



OF-19 Office 6-min. walk from station

Shinagawa Season Terrace



OF-20 Office 1-min. walk from station

Hulic Gotanda Yamate-dori Building

* This refers to properties owned as of the date of 13th FP (FP ended Aug. 31, 2020) earnings announcement. (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021)).



OF-22 Office 3-min. walk from station

Bancho House



OF-23 Office 4-min. walk from station

Ebisu Minami Building



OF-24 Office 4-min. walk from station

Hulic Iidabashi Building



OF-25 Office 1-min. walk from station

Hulic Asakusabahi Building



OF-26 Office 6-min. walk from station

Hulic Ebisu Building



OF-27 Office 2-min. walk from station

Hulic Ryogoku Building



OF-28 Office 1-min. walk from station



OF-29 Office 1-min. walk from station

Hulic Asakusabashi Edo-dori **Hulic Nakano Building**



RE-01 RE-02 Retail Properties 1-min. walk from station

Oimachi Redevelopment Building (#2, #1)



RE-03 Retail Properties 1-min. walk from station

Dining Square Akihabara Building



RE-04 Retail Properties 7-min. walk from station

Hulic Jingu-Mae Building



RE-05 Retail Properties 1-min. walk from station

Hulic Shinjuku 3 Chome Building



RE-06 Retail Properties 1-min. walk from station

Yokohama Yamashitacho Building



RE-09 Retail Properties 1-min. walk from station

Hulic Todoroki Building



RE-11 Retail Properties 5-min. walk from station

HULIC & New SHIBUYA



RE-12 Retail Properties 3-min. walk from station

HULIC & New SHINBASHI



RE-13 Retail Properties 12-min. walk from station

Hulic Shimura-sakaue



RE-14 Retail Properties 2-min. walk from station

Hulic Mejiro



NH-01 Private Nursing Home

Aria Matsubara



NH-02 Private Nursing Home

Trust Garden Yoganomori



NH-03 Private Nursing Home

**Trust Garden
Sakurashinmachi**



NH-04 Private Nursing Home

**Trust Garden
Suginami Miyamae**



NH-05 Private Nursing Home

**Trust Garden
Tokiwamatsu**



NH-06 Private Nursing Home

**SOMPO Care La vie Re
Kita-Kamakura**



NH-07 Private Nursing Home

**Charm Suite
Shinjukutoyama**



NH-08 Private Nursing Home

**Charm Suite
Shakujiikoen**



NW-01 Network Center

Ikebukuro Network Center



NW-02 Network Center

Tabata Network Center



NW-03 Network Center

Hiroshima Network Center



NW-04 Network Center

Atsuta Network Center



NW-05 Network Center

Nagano Network Center



NW-06 Network Center

Chiba Network Center



NW-07 Network Center

Sapporo Network Center



NW-08 Network Center

Keihanna Network Center



HT-01 Hotel

Sotetsu Fresa Inn
Ginza 7 Chome



HT-02 Hotel

Sotetsu Fresa Inn
Tokyo-Roppongi



HT-03 Hotel

Hulic Tsukiji
3 Chome Building



OT-01 Others

Hulic Hachioji
Building

4. List of Portfolio Properties (As of 13th FP Earnings Announcement)

Property No.	Property Name	Area	Location	Acquisition Price (millions of yen)	Share (%)	Completion of Construction	Total Leasable Area (m)	NOI Yield (%)	Occupancy Rate (%)
OF-01	Hulic Kamiyacho Building	6 central Tokyo wards	Minato Ward, Tokyo	55,250	15.8	Apr.1985	32,487.06	4.1	100.0
OF-02	Hulic Kudan Building (Land)	6 central Tokyo wards	Chiyoda Ward, Tokyo	11,100	3.2	-	3,351.07	4.0	100.0
OF-03	Toranomon First Garden	6 central Tokyo wards	Minato Ward, Tokyo	8,623	2.5	Aug.2010	5,689.97	4.7	100.0
OF-04	Rapiros Roppongi	6 central Tokyo wards	Minato Ward, Tokyo	6,210	1.8	Aug.1997	6,730.52	6.4	100.0
OF-05	Hulic Takadanobaba Building	Other Tokyo 23 wards	Toshima Ward, Tokyo	3,900	1.1	Nov.1993	5,369.71	5.5	100.0
OF-06	Hulic Kanda Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,780	1.1	Sep.2008	3,728.36	4.8	100.0
OF-07	Hulic Kandabashi Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	2,500	0.7	Jun.2001	2,566.95	4.6	100.0
OF-08	Hulic Kakigaracho Building	6 central Tokyo wards	Chuo Ward, Tokyo	2,210	0.6	Mar.1993	2,858.48	6.0	100.0
OF-09	Ochanomizu Sola City	6 central Tokyo wards	Chiyoda Ward, Tokyo	38,149	10.9	Feb.2013	13,923.42	3.7	100.0
OF-10	Hulic Higashi Ueno 1 Chome Building	Other Tokyo 23 wards	Taito Ward, Tokyo	2,678	0.8	Jul.1988	3,137.09	4.9	100.0
OF-12	Tokyo Nishi Ikebukuro Building	Other Tokyo 23 wards	Toshima Ward, Tokyo	1,580	0.5	Oct.1990	1,429.74	5.3	100.0
OF-14	Hulic Toranomon Building	6 central Tokyo wards	Minato Ward, Tokyo	18,310	5.3	May, 2015	8,574.65	3.6	100.0
OF-15	Hulic Shibuya 1 Chome Building	6 central Tokyo wards	Shibuya Ward, Tokyo	5,100	1.5	Aug.1993	2,817.65	4.1	100.0
OF-16	Hulic Higashi Nihombashi Building	6 central Tokyo wards	Chuo Ward, Tokyo	3,480	1.0	Nov.1996	3,681.20	4.8	93.9
OF-17	Hulic Jimbocho Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	1,460	0.4	Sep.1989	1,561.38	4.6	100.0
OF-18	Hulic Ginza 7 Chome Building	6 central Tokyo wards	Chuo Ward, Tokyo	21,080	6.0	Sep.1962	11,405.68	3.3	100.0
OF-19	Shinagawa Season Terrace	6 central Tokyo wards	Minato Ward, Tokyo	6,100	1.7	Jan.2015	3,196.54	3.6	100.0
OF-20	Hulic Gotanda Yamate-dori Building	6 central Tokyo wards	Shinagawa Ward, Tokyo	3,450	1.0	Mar.1996	3,296.01	4.3	100.0
OF-22	Bancho House	6 central Tokyo wards	Chiyoda Ward, Tokyo	2,750	0.8	Aug.1989	1,949.01	4.6	100.0
OF-23	Ebisu Minami Building	6 central Tokyo wards	Shibuya Ward, Tokyo	2,420	0.7	Sep.1992	1,629.09	4.3	100.0
OF-24	Hulic Iiabashi Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	1,450	0.4	Feb.1991	1,431.94	4.4	100.0
OF-25	Hulic Asakusabashi Building	Other Tokyo 23 wards	Taito Ward, Tokyo	4,750	1.4	Feb.2013	5,280.72	6.1	100.0
OF-26	Hulic Ebisu Building	6 central Tokyo wards	Shibuya Ward, Tokyo	1,275	0.4	Feb.1992	1,059.22	4.7	100.0
OF-27	Hulic Ryogoku Building	Other Tokyo 23 wards	Sumida Ward, Tokyo	5,610	1.6	Jan.2010	4,569.34	4.1	100.0
OF-28	Hulic Asakusabashi Edo-dori	Other Tokyo 23 wards	Taito Ward, Tokyo	5,420	1.6	Sep.2015	3,956.73	4.2	100.0
OF-29	Hulic Nakano Building New	Other Tokyo 23 wards	Nakano Ward, Tokyo	3,200	0.9	Oct. 1994	2,616.83	4.3	100.0
Subtotal for Office Properties (26 Properties)				221,835	63.6	-	138,298.36	4.1	99.8

*1 This refers to properties owned as of the date of 13th FP (FP ended Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021)).

*2 The total leasable areas and the occupancy rates are as of the end of 13th FP (FP ended Aug. 31, 2020). Note that the total leasable areas and the occupancy rates of properties acquired during 14th FP (FP ending Feb. 28, 2021) are the figures at the time of acquisition.

4. List of Portfolio Properties (As of 13th FP Earnings Announcement)

Property No.	Property Name	Area	Location	Acquisition Price (millions of yen)	Share (%)	Completion of Construction	Total Leasable Area (m)	NOI Yield (%)	Occupancy Rate (%)
RE-01	Oimachi Redevelopment Building (#2)	6 central Tokyo wards	Shinagawa Ward, Tokyo	9,456	2.7	Sep.1989	14,485.66	5.8	100.0
RE-02	Oimachi Redevelopment Building (#1)	6 central Tokyo wards	Shinagawa Ward, Tokyo	6,166	1.8	Sep.1989	10,612.67	5.8	100.0
RE-03	Dining Square Akihabara Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,200	0.9	Jun.1993	2,169.41	4.7	100.0
RE-04	Hulic Jingu-Mae Building	6 central Tokyo wards	Shibuya Ward, Tokyo	2,660	0.8	Sep.2000	1,656.24	4.7	100.0
RE-05	Hulic Shinjuku 3 Chome Building	6 central Tokyo wards	Shinjuku Ward, Tokyo	6,690	1.9	Jun.1983	1,351.15	4.1	100.0
RE-06	Yokohama Yamashitacho Building	Others	Yokohama City, Kanagawa	4,850	1.4	Jul.1993	8,958.70	4.9	100.0
RE-09	Hulic Todoroki Building	Other Tokyo 23 wards	Setagaya Ward, Tokyo	1,200	0.3	Aug.1990	1,676.02	5.8	100.0
RE-11	HULIC &New SHIBUYA	6 central Tokyo wards	Shibuya Ward, Tokyo	3,150	0.9	Apr.2017	898.62	3.3	100.0
RE-12	HULIC &New SHINBASHI	6 central Tokyo wards	Minato Ward, Tokyo	3,100	0.9	Apr.2017	1,725.35	4.0	100.0
RE-13	Hulic Simura-sakaue	Other Tokyo 23 wards	Itabashi Ward, Tokyo	7,556	2.2	(Retail Property Block) Nov.2015 (Private Nursing Home Block) Feb.2016	11,528.34	4.7	100.0
RE-14	Hulic Mejiro	Other Tokyo 23 wards	Toshima Ward, Tokyo	5,670	1.6	Oct.2018	3,805.72	4.0	100.0
Subtotal for Retail Properties (11 Properties)				53,698	15.4	-	58,867.88	4.8	100.0
Subtotal for Tokyo Commercial Properties (37 Properties)				275,533	79.0	-	197,166.24	4.3	99.9

*1 This refers to properties owned as of the date of 13th FP (FP ended Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).).

*2 The total leasable areas and the occupancy rates are as of the end of 13th FP (FP ended Aug. 31, 2020). Note that the total leasable areas and the occupancy rates of properties acquired during 14th FP (FP ending Feb. 28, 2021) are the figures at the time of acquisition.

4. List of Portfolio Properties (As of 13th FP Earnings Announcement)

Property No.	Property Name	Area	Location	Acquisition Price (millions of yen)	Share (%)	Completion of Construction	Total Leasable Area (m)	NOI Yield (%)	Occupancy Rate (%)
NH-01	Aria Matsubara	Other Tokyo 23 wards	Setagaya Ward, Tokyo	3,244	0.9	Sep.2005	5,454.48	5.9	100.0
NH-02	Trust Garden Yoganomori	Other Tokyo 23 wards	Setagaya Ward, Tokyo	5,390	1.5	Sep.2005	5,977.75	6.0	100.0
NH-03	Trust Garden Sakurashinmachi	Other Tokyo 23 wards	Setagaya Ward, Tokyo	2,850	0.8	Aug.2005	3,700.26	6.0	100.0
NH-04	Trust Garden Suginami Miyamae	Other Tokyo 23 wards	Suginami Ward, Tokyo	2,760	0.8	Apr.2005	3,975.99	6.0	100.0
NH-05	Trust Garden Tokiwamatsu	6 central Tokyo wards	Shibuya Ward, Tokyo	3,030	0.9	Jan.2016	2,893.82	4.7	100.0
NH-06	SOMPO Care La vie Re Kita-Kamakura	Others	Kamakura City, Kanagawa	1,780	0.5	Mar.2009	4,912.57	5.7	100.0
NH-07	Charm Suite Shinjukutoyama	6 central Tokyo wards	Shinjuku Ward, Tokyo	3,323	1.0	Jun.2015	4,065.62	4.4	100.0
NH-08	Charm Suite Shakujikoen	Other Tokyo 23 wards	Nerima Ward, Tokyo	3,200	0.9	Jun.2014	4,241.68	4.6	100.0
Subtotal for Private Nursing Homes (8 Properties)				25,577	7.3	-	35,222.17	5.4	100.0
NW-01	Ikebukuro Network Center	Other Tokyo 23 wards	Toshima Ward, Tokyo	4,570	1.3	Jan.2001	12,773.04	5.1	100.0
NW-02	Tabata Network Center	Other Tokyo 23 wards	Kita Ward, Tokyo	1,355	0.4	Apr.1998	3,832.73	5.7	100.0
NW-03	Hiroshima Network Center	Others	Hiroshima City, Hiroshima	1,080	0.3	Oct.2001	5,208.54	6.6	100.0
NW-04	Atsuta Network Center	Others	Nagoya City, Aichi	1,015	0.3	May, 1997	4,943.10	6.0	100.0
NW-05	Nagano Network Center	Others	Nagano City, Nagano	305	0.1	Sep.1994	2,211.24	8.6	100.0
NW-06	Chiba Network Center	Others	Inzai City, Chiba	7,060	2.0	Jun.1995	23,338.00	5.4	100.0
NW-07	Sapporo Network Center	Others	Sapporo City, Hokkaido	2,510	0.7	Jan.2002	9,793.57	5.4	100.0
NW-08	Keihanna Network Center	Others	Kizugawa City, Kyoto	1,250	0.4	May, 2001	9,273.44	5.9	100.0
Subtotal for Network Centers (8 Properties)				19,145	5.5	-	71,373.66	5.5	100.0
HT-01	Sotetsu Fresa Inn Ginza 7 Chome	6 central Tokyo wards	Chuo Ward, Tokyo	11,520	3.3	Aug.2016	6,984.32	3.7	100.0
HT-02	Sotetsu Fresa Inn Tokyo-Roppongi	6 central Tokyo wards	Minato Ward, Tokyo	5,000	1.4	Aug.2017	2,408.45	3.8	100.0
HT-03	Hulic Tsukiji 3 Chome Building	6 central Tokyo wards	Chuo Ward, Tokyo	6,972	2.0	Nov.2018	4,740.31	3.9	100.0
Subtotal for Hotels (3 Properties)				23,492	6.7	-	14,133.08	3.8	100.0
OT-01	Hulic Hachioji Building New	Others	Hachioji City, Tokyo	4,900	1.4	Feb.2009	3,768.00	5.1	100.0
Subtotal for Others (1 Properties)				4,900	1.4	-	3,768.00	5.1	100.0
Subtotal for Next Generation Assets Plus (20 Properties)				73,114	21.0	-	124,496.91	4.9	100.0
Total (57 Properties)				348,647	100.0	-	321,663.15	4.4	99.9

*1 This refers to properties owned as of the date of 13th FP (FP ended Aug. 31, 2020) earnings announcement (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes properties transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021)).

*2 The total leasable areas and the occupancy rates are as of the end of 13th FP (FP ended Aug. 31, 2020). Note that the total leasable areas and the occupancy rates of properties acquired during 14th FP (FP ending Feb. 28, 2021) are the figures at the time of acquisition.

5. Status of Appraisal Values by Property (End of 13th FP)

(unit : millions of yen)

Property Name	①	②	③						④	
	Acquisition Price	Book Value (As of Aug. 31, 2020)	Appraisal Value (Aug. 31, 2020)						Unrealized Gains / Losses	
	(*1)	(*1)	Profit Price (Direct Capitalization Method)	Cap Rate (*2)	Profit Price (DCF)	Discount Rate (*2)	Terminal Cap Rate (*2)	Appraisal Firm	③ - ②	
OF-01 Hulic Kamiyacho Building	55,250	55,584	66,100	67,800	3.2%	65,300	3.0%	3.4% DAIWA REAL ESTATE APPRAISAL	10,515	
OF-02 Hulic Kudan Building (Land)	11,100	11,191	13,100	13,100	3.4%	13,000	3.0%	3.5% Japan Real Estate Institute	1,908	
OF-03 Toranomom First Garden	8,623	8,149	12,400	12,400	3.2%	12,400	2.9%	3.3% CBRE	4,250	
OF-04 Rapiros Roppongi	6,210	6,720	10,400	10,500	3.4%	10,200	3.1%	3.6% Japan Real Estate Institute	3,679	
OF-05 Hulic Takadanobaba Building	3,900	3,750	5,120	5,070	3.9%	5,140	3.7%	4.1% DAIWA REAL ESTATE APPRAISAL	1,369	
OF-06 Hulic Kanda Building	3,780	3,557	4,380	4,750	3.8%	4,220	3.9%	4.0% The Tanizawa Sogo Appraisal	822	
OF-07 Hulic Kandabashi Building	2,500	2,465	3,060	3,090	3.6%	3,040	3.4%	3.8% DAIWA REAL ESTATE APPRAISAL	595	
OF-08 Hulic Kakigaracho Building	2,210	2,162	3,030	3,060	4.1%	3,020	4.2%	4.3% The Tanizawa Sogo Appraisal	868	
OF-09 Ochanomizu Sola City	38,149	36,659	45,353	45,787	3.1%	44,919	2.8%	3.2% Japan Real Estate Institute	8,694	
OF-10 Hulic Higashi Ueno 1 Chome Building	2,678	2,750	3,200	3,240	3.8%	3,150	3.6%	4.0% Japan Real Estate Institute	450	
OF-12 Tokyo Nishi Ikebukuro Building	1,580	1,597	2,020	2,050	4.0%	1,990	3.8%	4.2% Japan Real Estate Institute	423	
OF-14 Hulic Toranomom Building	18,310	17,929	22,000	22,200	3.0%	21,800	2.7%	3.1% Japan Real Estate Institute	4,071	
OF-15 Hulic Shibuya 1 Chome Building	5,100	5,084	5,700	5,960	3.4%	5,590	3.5%	3.6% The Tanizawa Sogo Appraisal	615	
OF-16 Hulic Higashi Nihombashi Building	3,480	3,457	3,760	3,960	4.1%	3,680	4.2%	4.3% The Tanizawa Sogo Appraisal	303	
OF-17 Hulic Jimbocho Building	1,460	1,553	1,710	1,740	3.8%	1,680	3.6%	4.0% Japan Real Estate Institute	157	
OF-18 Hulic Ginza 7 Chome Building	21,080	21,191	21,280	21,565	3.2%	20,995	3.0%	3.3% Japan Real Estate Institute	88	
OF-19 Shinagawa Season Terrace	6,100	5,969	6,225	6,275	3.5%	6,150	3.2%	3.6% Japan Real Estate Institute	255	
OF-20 Hulic Gotanda Yamate-dori Building	3,450	3,572	3,530	3,780	3.7%	3,420	3.4%	3.8% DAIWA REAL ESTATE APPRAISAL	△41	
OF-21 Hulic Nihonbashi-honcho 1 Chome Building	3,980	4,005	4,310	4,390	3.9%	4,280	3.7%	4.1% DAIWA REAL ESTATE APPRAISAL	305	
OF-22 Bancho House	2,750	2,760	3,180	3,220	3.7%	3,160	3.5%	3.9% DAIWA REAL ESTATE APPRAISAL	420	
OF-23 Ebisu Minami Building (*3)	2,420	2,424	2,550	2,660	3.8%	2,500	3.8%	3.9% The Tanizawa Sogo Appraisal	126	
OF-24 Hulic Iidabashi Building	1,450	1,461	1,490	1,560	3.9%	1,460	4.0%	4.1% The Tanizawa Sogo Appraisal	29	
OF-25 Hulic Asakusabashi Building(*4)	4,750	4,931	4,970	4,900	4.9%	5,000	4.9%	- The Tanizawa Sogo Appraisal	38	
OF-26 Hulic Ebisu Building	1,275	1,284	1,350	1,400	3.8%	1,350	3.6%	3.9% CBRE	65	
OF-27 Hulic Ryogoku Building	5,610	5,616	5,778	5,877	3.8%	5,679	3.6%	4.0% Japan Real Estate Institute	161	
OF-28 Hulic Asakusabashi Edo-dori	5,420	5,502	5,598	5,715	3.9%	5,472	3.6%	4.0% Japan Real Estate Institute	96	
Subtotal for Office Properties (26 Properties)	222,615	221,322	261,594	266,049	3.4%	258,595	3.3%	3.5%	40,272	
RE-01 Oimachi Redevelopment Building (#2)	9,456	9,451	11,900	12,200	4.0%	11,700	4.1%	4.2% The Tanizawa Sogo Appraisal	2,448	
RE-02 Oimachi Redevelopment Building (#1)	6,166	6,248	7,230	7,420	4.2%	7,150	4.3%	4.4% The Tanizawa Sogo Appraisal	982	
RE-03 Dining Square Akihabara Building	3,200	3,169	3,990	4,060	3.7%	3,920	3.5%	3.9% Japan Real Estate Institute	820	
RE-04 Hulic Jingu-Mae Building	2,660	2,646	3,600	3,730	3.3%	3,550	3.4%	3.5% The Tanizawa Sogo Appraisal	953	
RE-05 Hulic Shinjuku 3 Chome Building	6,690	6,792	8,040	8,240	3.3%	7,830	3.0%	3.5% Japan Real Estate Institute	1,248	
RE-06 Yokohama Yamashitacho Building	4,850	4,615	5,160	5,230	4.3%	5,090	4.1%	4.5% Japan Real Estate Institute	544	
RE-08 Orchid Square	3,502	3,474	3,870	3,950	3.5%	3,830	3.3%	3.7% DAIWA REAL ESTATE APPRAISAL	395	
RE-09 Hulic Todoroki Building	1,200	1,228	1,380	1,410	4.5%	1,370	4.6%	4.7% The Tanizawa Sogo Appraisal	152	
RE-10 Hulic Omori Building	3,420	3,362	3,700	3,700	4.2%	3,700	4.0%	4.3% CBRE	338	
RE-11 HULIC &New SHIBUYA	3,150	3,113	3,410	3,495	3.0%	3,320	2.8%	3.2% Japan Real Estate Institute	296	
RE-12 HULIC &New SHINBASHI	3,100	3,044	3,390	3,440	3.6%	3,330	3.4%	3.8% Japan Real Estate Institute	345	
RE-13 Hulic Simura-sakaue	7,556	7,475	7,770	7,910	4.5%	7,630	4.3%	4.8% Japan Real Estate Institute	295	
RE-14 Hulic Mejiro	5,670	5,738	5,830	5,920	3.8%	5,740	3.6%	4.0% Japan Real Estate Institute	92	
Subtotal for Retail Properties (13 Properties)	60,620	60,355	69,270	70,705	3.9%	68,160	4.1%	4.1%	8,915	
Subtotal for Tokyo Commercial Properties(39 Properties)	283,235	281,677	330,864	336,754	3.5%	326,755	3.2%	3.5%	49,187	

*1 Acquisition prices are rounded to the nearest million yen. Book values are rounded off units of less than one million yen.

*2 Subtotals of respective yields are stated as the weighted averages of yields of each property based on appraisal values.

*3 Although the OF-23 discount rate was 3.6% from the first FY to the 2nd FY, 3.7% from the 3rd FY to the 8th FY, and 3.8% from the 9th FY to the 11th FY, the figures for the 9th FY to the 11th FY (3.8%) are stated in the table.

*4 For OF-25, a calculation method based on the capitalization method over a definite term (modified Inwood method) has been adopted in view of the fact that the land lease right acquired is a fixed-term land sublease right for business use, and therefore the capitalization rate is the discount rate for a capitalization method over a definite term (modified Inwood method). In addition, because the final capitalization rate does not apply for the DCF method, it is not stated. For the sake of comparison, the discount rate for the DCF method has been substituted for the subtotal, the intermediate total, and the total of the final capitalization rate for the DCF method.

5. Status of Appraisal Values by Property (End of 13th FP)

(unit : millions of yen)

Property Name		①	②	③						④		
		Acquisition Price (*1)	Book Value (As of Aug. 31, 2020) (*1)	Appraisal Value (Aug. 31, 2020)						Unrealized Gains / Losses ③ − ②		
					Profit Price (Direct Capitalization Method)	Cap Rate (*2)	Profit Price (DCF)	Discount Rate (*2)	Terminal Cap Rate (*2)		Appraisal Firm	
	NH-01 Aria Matsubara	3,244	3,125	4,280	4,310	4.4%	4,250	4.0%	4.6%	Japan Real Estate Institute	1,154	
	NH-02 Trust Garden Yoganomori	5,390	5,270	6,850	6,890	4.7%	6,810	4.3%	4.9%	Japan Real Estate Institute	1,580	
	NH-03 Trust Garden Sakurashinmachi	2,850	2,808	3,660	3,680	4.6%	3,630	4.2%	4.8%	Japan Real Estate Institute	852	
	NH-04 Trust Garden Suginami Miyamae	2,760	2,707	3,550	3,570	4.6%	3,530	4.2%	4.8%	Japan Real Estate Institute	842	
	NH-05 Trust Garden Tokiwamatsu	3,030	2,981	3,300	3,340	4.2%	3,250	4.0%	4.4%	Japan Real Estate Institute	318	
	NH-06 SOMPO Care La vie Re Kita-Kamakura	1,780	1,744	1,770	1,780	5.5%	1,750	5.3%	5.7%	Japan Real Estate Institute	26	
	NH-07 Charm Suite Shinjukutoyama	3,323	3,370	3,530	3,580	4.1%	3,470	3.9%	4.3%	Japan Real Estate Institute	159	
	NH-08 Charm Suite Shakujiikoen	3,200	3,254	3,280	3,320	4.4%	3,230	4.2%	4.6%	Japan Real Estate Institute	25	
	Subtotal for Private Nursing Homes (8 Properties)		25,577	25,259	30,220	30,470	4.5%	29,920	4.2%	4.7%		4,961
	NW-01 Ikebukuro Network Center	4,570	4,476	5,220	5,260	4.4%	5,180	4.1%	4.5%	Japan Real Estate Institute	744	
	NW-02 Tabata Network Center	1,355	1,351	1,520	1,530	4.9%	1,510	4.6%	5.0%	Japan Real Estate Institute	169	
	NW-03 Hiroshima Network Center	1,080	1,025	1,210	1,210	5.7%	1,200	5.4%	5.8%	Japan Real Estate Institute	184	
	NW-04 Atsuta Network Center	1,015	972	1,070	1,080	5.4%	1,060	5.1%	5.5%	Japan Real Estate Institute	97	
	NW-05 Nagano Network Center	305	296	363	363	6.9%	362	6.7%	7.1%	Japan Real Estate Institute	66	
	NW-06 Chiba Network Center	7,060	6,914	7,270	7,310	5.1%	7,230	4.8%	5.2%	Japan Real Estate Institute	356	
	NW-07 Sapporo Network Center	2,510	2,512	2,540	2,550	5.2%	2,530	4.9%	5.3%	Japan Real Estate Institute	28	
	NW-08 Keihanna Network Center	1,250	1,179	1,300	1,300	5.5%	1,300	5.2%	5.6%	Japan Real Estate Institute	121	
	Subtotal for Network Centers (8 Properties)		19,145	18,724	20,493	20,603	5.0%	20,372	4.7%	5.1%		1,768
	HT-01 Sotetsu Fresa Inn Ginza 7 Chome	11,520	11,428	12,200	12,400	3.5%	11,900	3.3%	3.7%	Japan Real Estate Institute	772	
	HT-02 Sotetsu Fresa Inn Tokyo-Roppongi	5,000	4,910	5,000	5,100	3.7%	4,920	3.5%	3.9%	Japan Real Estate Institute	89	
	HT-03 Hulic Tsukiji 3 Chome Building	6,972	6,990	7,270	7,400	3.6%	7,140	3.4%	3.8%	Japan Real Estate Institute	280	
	Subtotal for Hotels (3 Properties)		23,492	23,328	24,470	24,900	3.6%	23,960	3.4%	3.8%		1,142
	Subtotal for Next Generation Assets Plus (19 Properties)		68,214	67,311	75,183	75,973	4.4%	74,252	4.1%	4.5%		7,872
	Total (58 Properties)		351,449	348,987	406,047	412,727	3.6%	401,007	3.3%	3.7%		57,059

*1 Acquisition prices are rounded to the nearest million yen. Book values are rounded off units of less than one million yen.

*2 Subtotals of respective yields are stated as the weighted averages of yields of each property based on appraisal values.

6. Status of Appraisal Values by Property (Compared with 12th FP)

(unit : millions of yen)

Property Name			Appraisal Value			Cap Rate (Direct Capitalization Method)			Appraisal Firm
			①	②	③	④	⑤	⑥	
			End of 12th FP Feb. 29, 2020	End of 13th FP Aug. 31, 2020	Difference ② - ①	End of 12th FP Feb. 29, 2020	End of 13th FP Aug. 31, 2020	Difference ⑤ - ④	
OF-01	Hulic Kamiyacho Building		65,800	66,100	+300	3.2%	3.2%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-02	Hulic Kudan Building (Land)		13,100	13,100	0	3.4%	3.4%	0.0%	Japan Real Estate Institute
OF-03	Toranomon First Garden		12,700	12,400	-300	3.2%	3.2%	0.0%	CBRE
OF-04	Rapiros Roppongi		10,300	10,400	+100	3.4%	3.4%	0.0%	Japan Real Estate Institute
OF-05	Hulic Takadanobaba Building		5,120	5,120	0	3.9%	3.9%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-06	Hulic Kanda Building		4,370	4,380	+10	3.8%	3.8%	0.0%	The Tanizawa Sogo Appraisal
OF-07	Hulic Kandabashi Building		3,060	3,060	0	3.6%	3.6%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-08	Hulic Kakigaracho Building		2,950	3,030	+80	4.1%	4.1%	0.0%	The Tanizawa Sogo Appraisal
OF-09	Ochanomizu Sola City		45,570	45,353	-217	3.1%	3.1%	0.0%	Japan Real Estate Institute
OF-10	Hulic Higashi Ueno 1 Chome Building		3,200	3,200	0	3.8%	3.8%	0.0%	Japan Real Estate Institute
OF-12	Tokyo Nishi Ikebukuro Building		2,020	2,020	0	4.0%	4.0%	0.0%	Japan Real Estate Institute
OF-14	Hulic Toranomon Building		22,000	22,000	0	3.0%	3.0%	0.0%	Japan Real Estate Institute
OF-15	Hulic Shibuya 1 Chome Building		5,700	5,700	0	3.4%	3.4%	0.0%	The Tanizawa Sogo Appraisal
OF-16	Hulic Higashi Nihombashi Building		3,750	3,760	+10	4.1%	4.1%	0.0%	The Tanizawa Sogo Appraisal
OF-17	Hulic Jimbocho Building		1,700	1,710	+10	3.8%	3.8%	0.0%	Japan Real Estate Institute
OF-18	Hulic Ginza 7 Chome Building		21,470	21,280	-190	3.2%	3.2%	0.0%	Japan Real Estate Institute
OF-19	Shinagawa Season Terrace		6,225	6,225	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
OF-20	Hulic Gotanda Yamate-dori Building		3,540	3,530	-10	3.7%	3.7%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-21	Hulic Nihonbashi-honcho 1 Chome Building		4,310	4,310	0	3.9%	3.9%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-22	Bancho House		3,170	3,180	+10	3.7%	3.7%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-23	Ebisu Minami Building		2,550	2,550	0	3.8%	3.8%	0.0%	The Tanizawa Sogo Appraisal
OF-24	Hulic Iidabashi Building		1,500	1,490	-10	3.9%	3.9%	0.0%	The Tanizawa Sogo Appraisal
OF-25	Hulic Asakusabashi Building(*2)		5,020	4,970	-50	4.9%	4.9%	0.0%	The Tanizawa Sogo Appraisal
OF-26	Hulic Ebisu Building		1,350	1,350	0	3.8%	3.8%	0.0%	CBRE
OF-27	Hulic Ryogoku Building(*3)		5,742	5,778	+36	3.8%	3.8%	0.0%	Japan Real Estate Institute
OF-28	Hulic Asakusabashi Edo-dori(*3)		5,544	5,598	+54	3.9%	3.9%	0.0%	Japan Real Estate Institute
Subtotal for Office Properties (26 Properties)			261,761	261,594	-167	3.4%	3.4%	0.0%	
RE-01	Oimachi Redevelopment Building (#2)		11,900	11,900	0	4.0%	4.0%	0.0%	The Tanizawa Sogo Appraisal
RE-02	Oimachi Redevelopment Building (#1)		7,230	7,230	0	4.2%	4.2%	0.0%	The Tanizawa Sogo Appraisal
RE-03	Dining Square Akihabara Building		3,990	3,990	0	3.7%	3.7%	0.0%	Japan Real Estate Institute
RE-04	Hulic Jingu-Mae Building		3,600	3,600	0	3.3%	3.3%	0.0%	The Tanizawa Sogo Appraisal
RE-05	Hulic Shinjuku 3 Chome Building		8,040	8,040	0	3.3%	3.3%	0.0%	Japan Real Estate Institute
RE-06	Yokohama Yamashitacho Building		5,550	5,160	-390	4.3%	4.3%	0.0%	Japan Real Estate Institute
RE-08	Orchid Square		3,970	3,870	-100	3.5%	3.5%	0.0%	DAIWA REAL ESTATE APPRAISAL
RE-09	Hulic Todoroki Building		1,370	1,380	+10	4.5%	4.5%	0.0%	The Tanizawa Sogo Appraisal
RE-10	Hulic Omori Building		3,740	3,700	-40	4.2%	4.2%	0.0%	CBRE
RE-11	HULIC &New SHIBUYA		3,495	3,410	-85	3.0%	3.0%	0.0%	Japan Real Estate Institute
RE-12	HULIC &New SHINBASHI		3,390	3,390	0	3.6%	3.6%	0.0%	Japan Real Estate Institute
RE-13	Hulic Simura-sakaue		7,770	7,770	0	4.5%	4.5%	0.0%	Japan Real Estate Institute
RE-13	Hulic Mejiro(*3)		5,810	5,830	+20	3.8%	3.8%	0.0%	Japan Real Estate Institute
Subtotal for Retail Properties (13 Properties)			69,855	69,270	-585	3.9%	3.9%	0.0%	
Subtotal for Tokyo Commercial Properties(39 Properties)			331,616	330,864	-752	3.5%	3.5%	0.0%	

*1 Subtotals of respective yields are stated as the weighted averages of yields of each property based on appraisal values.

*2 For OF-25, a calculation method based on the capitalization method over a definite term (modified Inwood method) has been adopted in view of the fact that the land lease right acquired is a fixed-term land sublease right for business use, and therefore the capitalization rate is the discount rate for a capitalization method over a definite term (modified Inwood method). In addition, because the final capitalization rate does not apply for the DCF method, it is not stated. For the sake of comparison, the discount rate for the DCF method has been substituted for the subtotal, the intermediate total, and the total of the final capitalization rate for the DCF method.

*3 Regarding properties acquired during 13th FP (FP ended Aug. 31, 2020), the figures noted under "12th FP (FP ended Feb. 29, 2020)" are for the time of acquisition, and these are used in various calculations.

6. Status of Appraisal Values by Property (Compared with 12th FP)

(unit : millions of yen)

Property Name	Appraisal Value			Cap Rate (Direct Capitalization Method)			Appraisal Firm
	① End of 12th FP Feb. 29, 2020	② End of 13th FP Aug. 31, 2020	③ Difference ②－①	④ End of 12th FP Feb. 29, 2020	⑤ End of 13th FP Aug. 31, 2020	⑥ Difference ⑤－④	
NH-01 Aria Matsubara	4,290	4,280	-10	4.4%	4.4%	0.0%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,850	6,850	0	4.7%	4.7%	0.0%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,660	3,660	0	4.6%	4.6%	0.0%	Japan Real Estate Institute
NH-04 Trust Garden Sugunami Miyamae	3,550	3,550	0	4.6%	4.6%	0.0%	Japan Real Estate Institute
NH-05 Trust Garden Tokiwamatsu	3,300	3,300	0	4.2%	4.2%	0.0%	Japan Real Estate Institute
NH-06 SOMPO Care La vie Re Kita-Kamakura	1,770	1,770	0	5.5%	5.5%	0.0%	Japan Real Estate Institute
NH-07 Charm Suite Shinjukutoyama	3,520	3,530	+10	4.1%	4.1%	0.0%	Japan Real Estate Institute
NH-08 Charm Suite Shakujiko	3,280	3,280	0	4.4%	4.4%	0.0%	Japan Real Estate Institute
Subtotal for Private Nursing Homes (8 Properties)	30,220	30,220	0	4.5%	4.5%	0.0%	
NW-01 Ikebukuro Network Center	5,220	5,220	0	4.4%	4.4%	0.0%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,520	1,520	0	4.9%	4.9%	0.0%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,200	1,210	+10	5.7%	5.7%	0.0%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,070	1,070	0	5.4%	5.4%	0.0%	Japan Real Estate Institute
NW-05 Nagano Network Center	363	363	0	6.9%	6.9%	0.0%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,270	7,270	0	5.1%	5.1%	0.0%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,540	2,540	0	5.2%	5.2%	0.0%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,300	1,300	0	5.5%	5.5%	0.0%	Japan Real Estate Institute
Subtotal for Network Centers (8 Properties)	20,483	20,493	+10	5.0%	5.0%	0.0%	
HT-01 Sotetsu Fresa Inn Ginza 7 Chome	12,200	12,200	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
HT-02 Sotetsu Fresa Inn Tokyo-Roppongi	5,150	5,000	-150	3.7%	3.7%	0.0%	Japan Real Estate Institute
HT-03 HULIC Tsukiji 3 Chome Building(*2)	7,250	7,270	+20	3.6%	3.6%	0.0%	Japan Real Estate Institute
Subtotal for Hotels (3 Properties)	24,600	24,470	-130	3.6%	3.6%	0.0%	
Subtotal for Next Generation Assets Plus (19 Properties)	75,303	75,183	-120	4.4%	4.4%	0.0%	
Total (58 Properties)	406,919	406,047	-872	3.6%	3.6%	0.0%	

*1 Subtotals and totals of respective yields are stated as the weighted averages of yields of each property based on appraisal values.

*2 Regarding properties acquired during 13th FP (FP ended Aug. 31, 2020), the figures noted under "12th FP (FP ended Feb. 29, 2020)" are for the time of acquisition, and these are used in various calculations.

Key Financial Indicators

	End of 11th FP (Aug. 31, 2019)	End of 12th FP (Feb. 29, 2020)	End of 13th FP (Aug. 31, 2020)
Total Interest-bearing Debt ^{*1}	¥146.5 billion	¥153.5 billion	¥172.7 billion
Fixed-interest Debt Ratio ^{*2} (incl. Interest Rates Fixed by Swap Transaction)	97.2%	97.4%	97.5%
Avg. Interest Rate ^{*2}	0.66%	0.64%	0.64%
Avg. Interest Rate ^{*2} (incl. Upfront Fee)	0.80%	0.78%	0.78%

Investment Corporation Bonds Issued

	1st Unsecured Investment Corporation Bonds	3rd Unsecured Investment Corporation Bonds	4th Unsecured Investment Corporation Bonds	5th Unsecured Investment Corporation Bonds
Issue Amount	¥2 billion	¥1 billion	¥7 billion	¥2 billion
Date of Issue	Aug. 31, 2015	Dec. 13, 2016	Aug. 30, 2018	Dec. 11, 2019
Issued Period	10 years	10 years	10 years	10 years
Interest Rate	0.95%	0.49%	0.77%	0.57%

Status of Commitment Line

Financial Institution	Set Amount	Term
Mizuho Bank, Ltd.	¥12 billion	Feb. 5, 2021
Sumitomo Mitsui Banking Corporation		
MUFG Bank, Ltd.		
Mizuho Trust & Banking Co., Ltd.		
SHINSEI BANK, LTD.,		

Lender Information

Lender	Loan balance ^{*3} (unit: millions of yen)	Share ^{*4}
Mizuho Bank, Ltd.	54,084	33.6%
Sumitomo Mitsui Banking Corporation	29,541	18.4%
MUFG Bank, Ltd.	15,908	9.9%
Mizuho Trust & Banking Co., Ltd.	12,943	8.1%
The Norinchukin Bank	11,053	6.9%
Development Bank of Japan Inc.	10,162	6.3%
Sumitomo Mitsui Trust Bank, Limited	10,162	6.3%
Resona Bank, Limited.	3,700	2.3%
SHINSEI BANK, LTD.,	3,121	1.9%
Shinkin Central Bank	2,921	1.8%
Aozora Bank, Ltd.	2,221	1.4%
Mitsui Sumitomo Insurance Company, Limited	1,500	0.9%
Nippon Life Insurance Company	1,230	0.8%
Meiji Yasuda Life Insurance Company	730	0.5%
The 77 Bank, Ltd.	500	0.3%
Sompo Japan Insurance Inc.	500	0.3%
THE NISHI-NIPPON CITY BANK, LTD.	500	0.3%

*1 All figures have been rounded down to the nearest hundred million yen.

*2 The figure is calculated by excluding the bridge loan borrowed to acquire the properties on Dec. 20, 2019 and Mar. 26, 2020. The fixed-interest debt ratio is rounded to the 1st decimal place and the average interest rates are rounded to the 2nd decimal place.

*3 All figures have been rounded down to the nearest million yen.

*4 This is the ratio relative to the total balance of loans (excluding investment corporation bonds) as of the end of 13th FP (Aug. 31, 2020), and has been rounded to the 1st decimal place.

Number of Investment Units Held by Unitholder Type*1,2

	End of 12th FP (Feb. 29, 2020)		End of 13th FP (Aug. 31, 2020)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	48,564	3.7	63,148	4.8	+14,584	+1.1
Financial Institutions	789,642	60.2	790,207	60.2	+565	+0.0
Major Banks	0	0.0	0	0.0	0	0.0
Regional Banks	97,690	7.4	71,138	5.4	-26,552	-2.0
Trust Banks	615,731	46.9	624,199	47.6	+8,468	+0.6
Life Insurers	17,738	1.4	28,723	2.2	+10,985	+0.8
Non-life Insurers	2,086	0.2	845	0.1	-1,241	-0.1
Shinkin Banks	25,242	1.9	32,079	2.4	+6,837	+0.5
Others	31,155	2.4	33,223	2.5	+2,068	+0.2
Other Domestic Corporations	163,456	12.5	165,924	12.6	+2,468	+0.2
Foreign Investors	253,186	19.3	233,515	17.8	-19,671	-1.5
Securities Companies	57,152	4.4	59,206	4.5	+2,054	+0.2
Total	1,312,000	100.0	1,312,000	100.0	0	-

Number of Unitholder by Type*1,2

	End of 12th FP (Feb. 29, 2020)		End of 13th FP (Aug. 31, 2020)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	6,639	91.9	7,829	92.7	+1,190	+0.9
Financial Institutions	164	2.3	146	1.7	-18	-0.5
Major Banks	0	0.0	0	0.0	0	0.0
Regional Banks	37	0.5	27	0.3	-10	-0.2
Trust Banks	14	0.2	13	0.2	-1	-0.0
Life Insurers	7	0.1	7	0.1	0	-0.0
Non-life Insurers	2	0.0	1	0.0	-1	-0.0
Shinkin Banks	51	0.7	48	0.6	-3	-0.1
Others	53	0.7	50	0.6	-3	-0.1
Other Domestic Corporations	187	2.6	218	2.6	+31	-0.0
Foreign Investors	219	3.0	227	2.7	+8	-0.3
Securities Companies	19	0.3	23	0.3	+4	+0.0
Total	7,228	100.0	8,443	100.0	+1,215	-

Top 10 Unitholders as of the End of 13th FP (Aug. 31, 2020)

	Name	Units Held (No. of Units)	Total Units*3 (%)
1	Custody Bank of Japan, Ltd. (Trust account)	314,155	23.94
2	The Master Trust Bank of Japan, Ltd. (Trust account)	192,711	14.68
3	Hulic Co., Ltd.	143,770	10.95
4	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	59,531	4.53
5	Custody Bank of Japan, Ltd. (Securities Investment Trust account)	30,572	2.33
6	NOMURA BANK(LUXEMBOURG)S.A.	24,432	1.86
7	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	22,983	1.75
8	SSBTC CLIENT OMNIBUS ACCOUNT	21,455	1.63
9	STATE STREET BANK WEST CLIENT - TREATY 505234	17,100	1.30
10	Mizuho Securities Co., Ltd.	11,227	0.85
	Total	837,936	63.86

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

*2 The data is shown based on the unitholder registry as of the end of each FP.

*3 Ratio are truncated after 3 decimal places.

Asset Management Fee (Maximums)

Type 1 Management Fee

Total Assets × 0.5 of 100th (Annual Rate)

Type 2 Management Fee

Cash Distributions per Investment Unit (DPU) before Deduction of Management Fee II × Operating Income before Deduction of Management Fee II × 0.004 of 100th

Acquisition Fees

Acquisition Price × 1.0 of 100th (0.5 of 100th in the Case of Acquisition from an Interested Party or Similar)

Disposition Fees (Occur Only when Gain on Transfer Occurs)

Disposition Price × 1.0 of 100th (0.5 of 100th in the Case of Transfer to an Interested Party or Similar)

Merger Fee

The Total Valuation Amount of the Real-estate-related Assets of Counterparty to the Merger × 1.0 of 100th

Fiscal Agency Administrative Services Fee (1st and 3rd to 5th Investment Corporation Bonds)

For Payment of Principal

0.075 of 10,000th of the Principal Paid

For Payment of Interest

0.075 of 10,000th of Unpaid Principal

Fees for Asset Custody Services and Administrative Services (Maximums)

- Total assets multiplied by the following rates (fixed monetary amount for assets of up to ¥20.0 billion).

Total Assets	Asset Custody Services Rate (6 months)	Administrative Services Rate (6 months)
Portion up to ¥20.0 billion	1,500,000 yen	4,500,000 yen
Portion over ¥20.0 billion up to ¥100.0 billion	0.007500%	0.022500%
Portion over ¥100.0 billion up to ¥150.0 billion	0.006300%	0.018900%
Portion over ¥150.0 billion up to ¥200.0 billion	0.005400%	0.016200%
Portion over ¥200.0 billion up to ¥250.0 billion	0.003600%	0.010800%
Portion over ¥250.0 billion up to ¥300.0 billion	0.003000%	0.009000%
Portion over ¥300.0 billion up to ¥400.0 billion	0.002850%	0.008550%
Portion over ¥400.0 billion up to ¥500.0 billion	0.002700%	0.008100%
Portion over ¥500.0 billion	0.002550%	0.007650%

Investment Unit Administrative Service Fees (Maximums)

- Number of unitholders multiplied by the following monetary amounts.

Number of Unitholders	Basic Fee (Per Unitholder) (6 months)	Distribution Payment Handling Fee (Per Unitholder)
Up to 5,000 Unitholders	480 yen	120 yen
5,001 to 10,000 Unitholders	420 yen	110 yen
10,001 to 30,000 Unitholders	360 yen	100 yen
30,001 to 50,000 Unitholders	300 yen	80 yen
50,001 to 100,000 Unitholders	260 yen	60 yen
Over 100,000 Unitholders	225 yen	50 yen

*1 This provides limited information on overall pricing structures with respect to the various forms of compensation and fees. As such, certain details in that regard are not included. For further details, refer to the section on such fees provided in the Annual Securities Report for 12th FP (FP ended Feb. 29, 2020) (in Japanese).

*2 With the exception of the fiscal agency administrative services fees, payment of the compensation and fees is made as separately agreed upon between Hulic Reit and providers of services, with maximum amounts set on the basis of the stated formulas.

Hulic Reit's Basic Missions

Basic Mission

1

Maximizing Unitholder Value in the Medium to Long Term

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

Basic Mission

2

Sharing the Corporate Philosophy of Our Sponsor

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

Hulic Reit's Portfolio Composition Policy

Tokyo Commercial Properties

Approximately 80% of the Portfolio*¹

Office

- In Tokyo and government-ordinance-designated cities in the surrounding areas
- In principle, located within a five-minute walking distance from the nearest train station

Retail Property

- In Tokyo and government-ordinance-designated cities in the surrounding areas
- In principle, located within a five-minute walking distance from the nearest train station or in areas with a high concentration of retail activities



Next-Generation Assets Plus

Approximately 20% of the Portfolio*¹

- Lease properties for which Hulic Reit deems that firm demand can be anticipated even in the future and stable long-term earnings can be obtained, or that it will contribute to the maximization of unitholder value over the medium to long term
- Hulic Reit stringently selects investment targets after carefully examining the individual properties' profitability, characteristics of the location and competitiveness of the location
- Investment properties consist of Private Nursing Homes (mid-range and higher), Network centers and Hotels, Investment in other Next-Generation Assets Plus investment target assets*²



*¹ Based on the acquisition price. Note that the investment ratio can differ from these ratios (fluctuation range of up to approximately 10 points) depending on the individual specific assets acquired, etc.

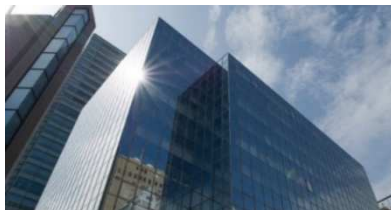
*² Other Next-Generation Assets Plus investment target assets refers to offices and commercial properties that are not Tokyo Commercial Properties.

Rigorous Focus on Competitive Location

Office Properties

Investment Target (Office)

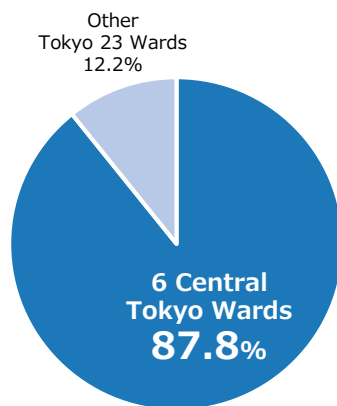
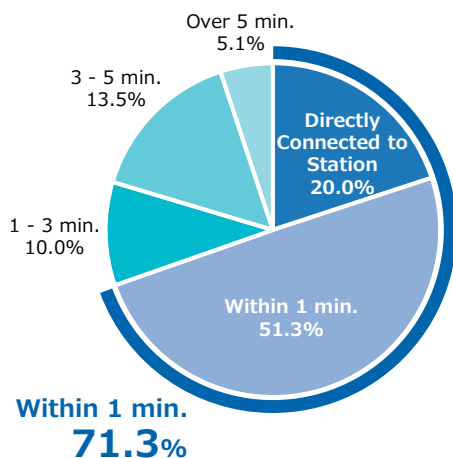
- (1) In Tokyo and Government-ordinance-designated Cities in the Surrounding Areas
- (2) Less than 5-min. Walk from the Nearest Station (In Principle)



Overview of Portfolio (Office)

<By Walking Distance from the Nearest Station*1>

<By Location*1>



Retail Properties

Investment Target (Retail)

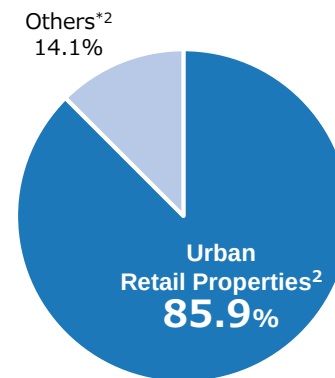
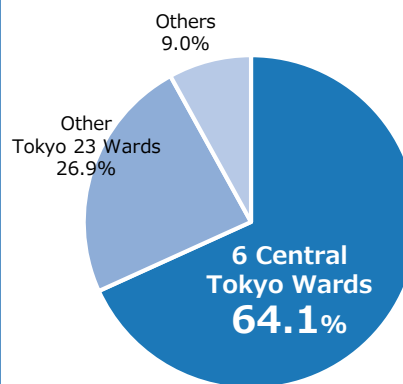
- (1) Tokyo and Major Cities in Tokyo's Suburbs
- (2) Less than 5-min. Walk from the Nearest Station or Located in Area with High Retail Concentration (In Principle)



Overview of Portfolio (Retail)

<By Location*1>

<By Property Type*1>

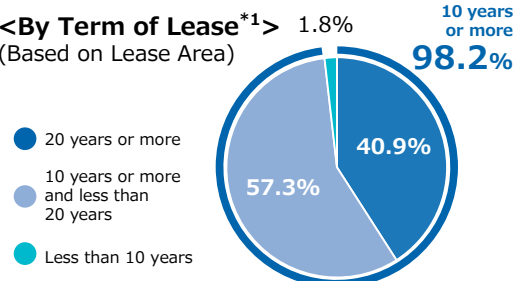


*1 Proportions shown in the respective graphs have been calculated based on acquisition prices of assets held as of 13th FP (FP Ended Aug. 31, 2020) earnings announcement by Hulic Reit. (includes properties acquired during 14th FP (FP ending Feb. 28, 2021), and excludes assets transferred during 14th FP (FP ending Feb. 28, 2021) and 15th FP (FP ending Aug. 31, 2021).)

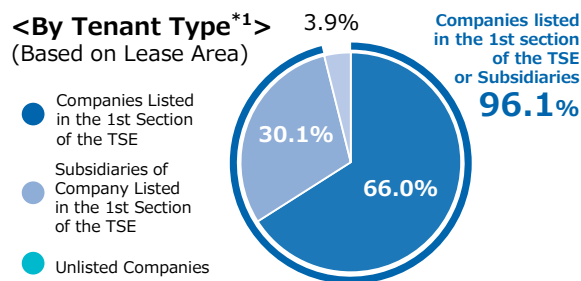
*2 "Urban Retail Properties" refers to commercial properties located in very busy urban areas with broad market areas, and "Other" refers to commercial properties other than urban retail properties.

- Invest in lease properties for which Hulic Reit deems that firm demand can be anticipated even in the future and stable long-term earnings can be obtained, or that it will contribute to the maximization of unitholder value over the medium to long term.
- Hulic Reit stringently selects investment targets after carefully examining the individual properties' profitability, characteristics of the location and competitiveness of the location.
- Investment properties are private nursing homes, network centers, hotels, and other Next-Generation Assets Plus investment target assets.

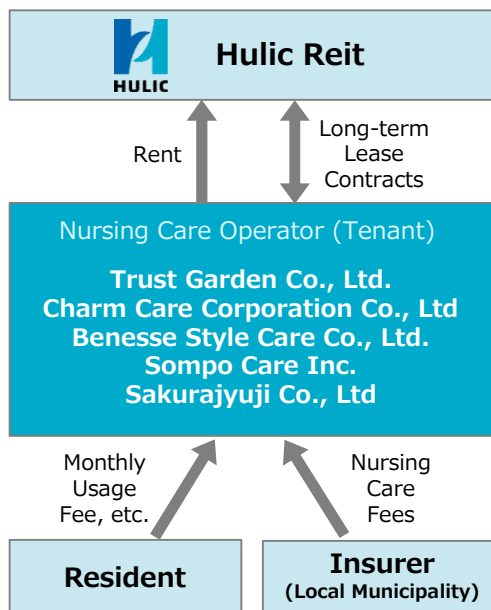
<By Term of Lease*1>
(Based on Lease Area)



<By Tenant Type*1>
(Based on Lease Area)

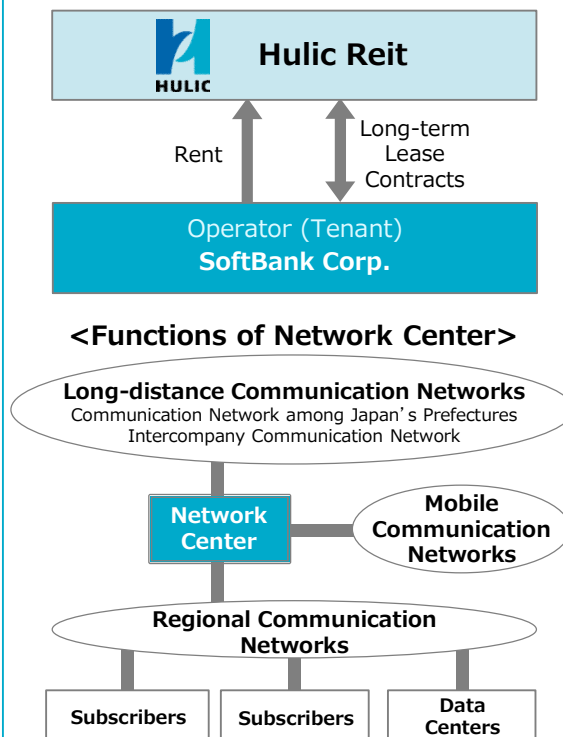


Private Nursing Homes

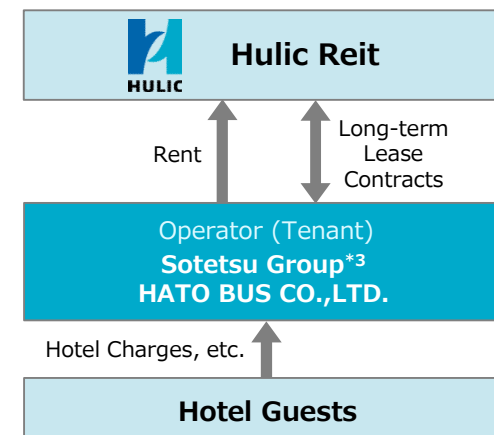


- Invest in assets with **mid-range and higher** assumed monthly usage fee*2 to reduce risk of change in nursing care insurance payout.

Network Centers



Hotels



<Operators for Properties Held by Hulic Reit>

Property Name	Location	Operator
Sotetsu Fresa Inn Ginza 7 Chome	Ginza, Chuo-ku, Tokyo	Sotetsu Group*3
Sotetsu Fresa Inn Tokyo-Roppongi	Roppongi, Minato-ku, Tokyo	
Hulic Tsukiji 3 Chome Building	Tsukiji, Chuo-ku, Tokyo	HATO BUS CO., LTD.

- 96.4% of the our hotel rent is fixed** (Before Covid-19 Pandemic)*4

*1 Refers to Next-Generation Asset Plus properties classified as private nursing homes, network centers, and hotels, and does not include the Hulic Hachioji Building, which is classified as other, and the private nursing home block Hulic Shimura-sakaue, which is classified as Tokyo commercial property.

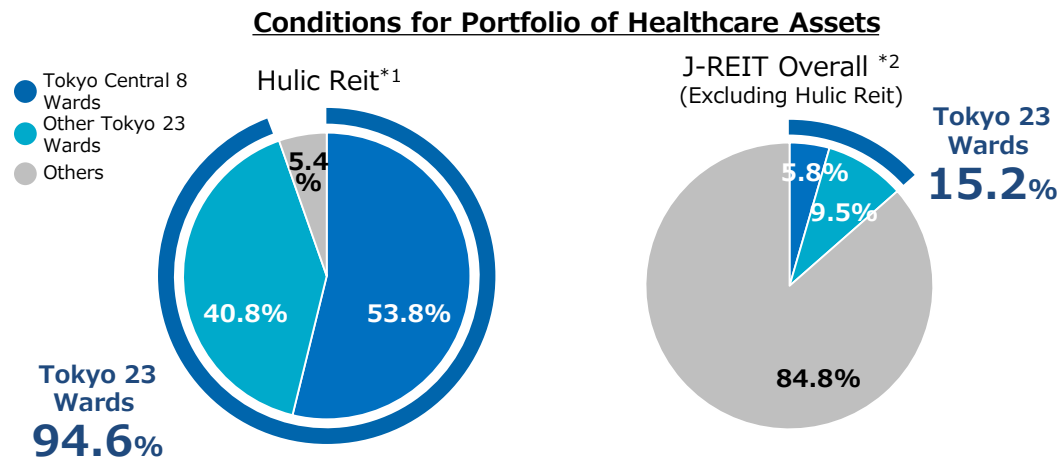
*2 Refers to the monthly usage fee + the initial lump-sum payment divided by 60 months (assumed lease term). This is a simplified version of the burden the resident feels.

*3 Hotels form lease agreements with Sotetsu Hotel Development Co., Ltd. and Sotetsu Hotel Management CO., LTD., an operator, administers the hotels.

*4 Figures for properties categorized as "Hotels" are based on the rent received from Jan. 2019 to Dec. 2019 (in the case of the Hulic Tsukiji 3 Chome Building, the annual rent calculated based on the rental agreement).

Portfolio Focused on Locations Centered in the Tokyo Metropolitan Region

- With regard to private nursing homes, one of the targets for “Next-Generation Asset Plus” investments, Hulic Reit will build a portfolio with high-value assets that have competitive locations centered in Tokyo 23 wards
- 94.6% of the private nursing homes owned by Hulic Reit are located in Tokyo 23 wards (SOMPO Care La vie Re Kita-Kamakura located in Kamakura, Kanagawa corresponds to “Others”)
- The ratio of J-REIT overall (excl. Hulic Reit) in Tokyo 23 wards is 15.2%, which is limited compared to Hulic Reit.



Long-term Fixed Contracts with Carefully Chosen, Excellent Operators

- In addition to the “location,” rental agreements have been concluded with prime operators able to run high-end private nursing homes.
- Hulic Reit will ensure stable profitability by forming long-term fixed contracts.

Operators for Properties Held by Hulic Reit

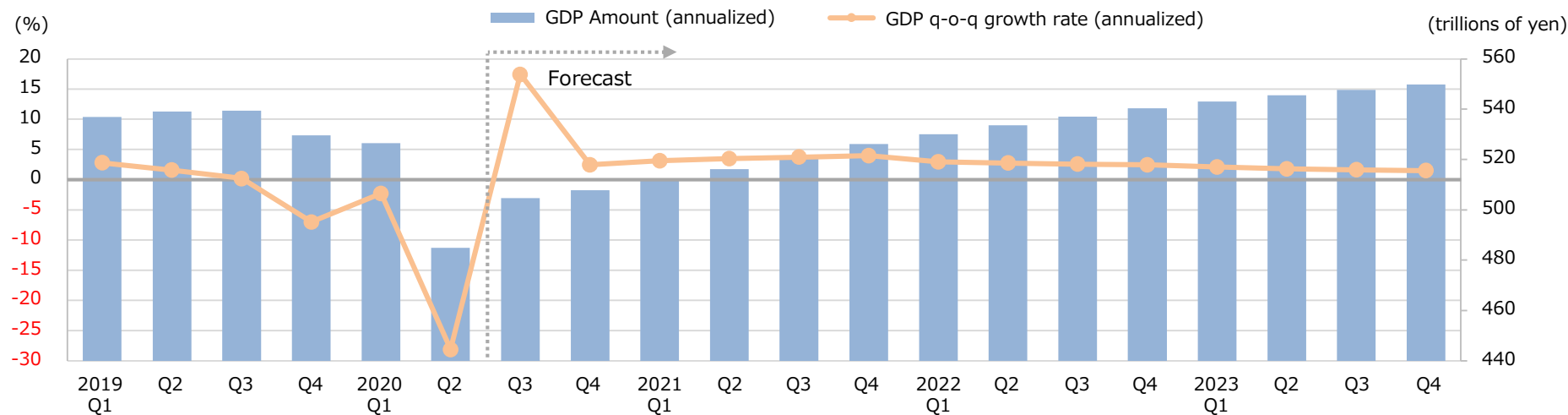
Names of Operators	Overview	Initial Lease Agreement Period	Properties Held by Hulic Reit	Assumed Monthly Usage Fee* ³
Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, a company listed in the first section of TSE	25 years	Aria Matsubara	¥780,000
Trust Garden Co., Ltd.	Consolidated subsidiary of Resort Trust, a company listed in the first section of TSE	20 years	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae Trust Garden Tokiwamatsu	¥697,000 ¥671,000 ¥671,000 ¥837,000
SOMPO Care Inc.	Consolidated subsidiary of SOMPO Holdings, a company listed in the first section of TSE	20 years	SOMPO Care La vie Re Kita-Kamakura	¥355,000
Sakurajyuji Co., Ltd	Member of Sakarajyuji Group, centered on its healthcare companies	20 years	Hulic Shimura-sakaue	¥333,000
Charm Care Corporation Co., Ltd.	Company listed in the first section of TSE	30 years	Charm Suite Shinjukutoyama Charm Suite Shakujiikoen	¥471,000 ¥361,000

*¹ Based on acquisition price for private nursing homes held by Hulic Reit as of the date of 13th FP (FP ended Aug. 31, 2020) earnings announcement (figure for Hulic Shimura-sakaue is based on overall acquisition price of the property, which includes the commercial property building).

*² Based on the acquisition price for assets used for senior assets held by J-REITs as of Aug. 31, 2020 (prepared by asset management company using information from information vendors).

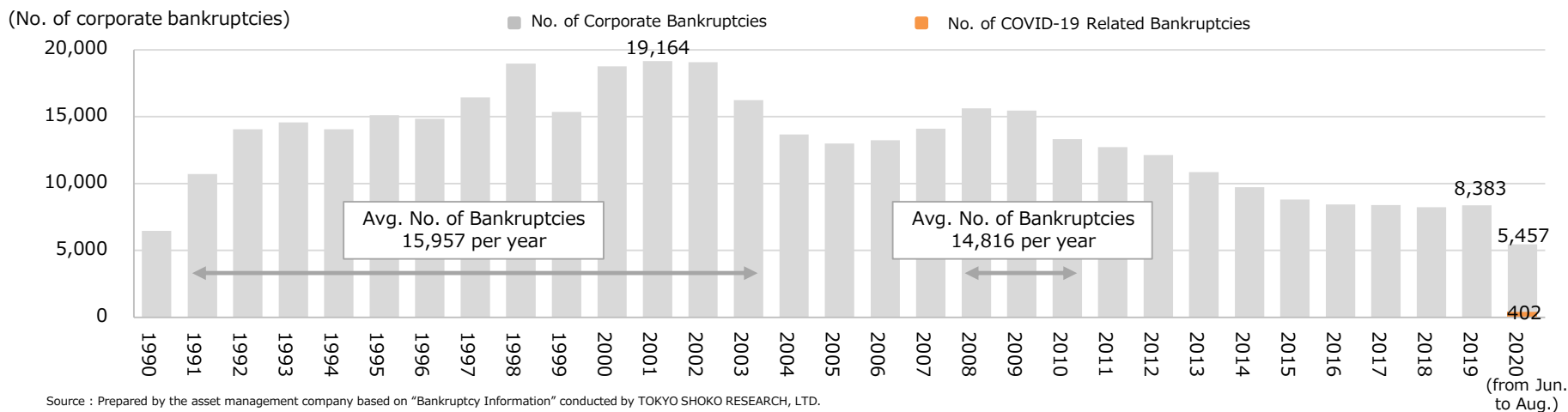
*³ The initial lump-sum payment listed in the important information released by the respective operators is divided by 60 months (the period of time tenants are expected to be in residence) and the monthly usage fees for the general plan are added to this figure, arriving at a simplified estimate of the amount that the resident will bear. The figures have been rounded down to the nearest thousand yen.

GDP Forecast



Source : Prepared by the asset management company based on "JAPAN MARKET OVERVIEW -IN THE COVID-19 ERA-" conducted by CBRE, Inc.

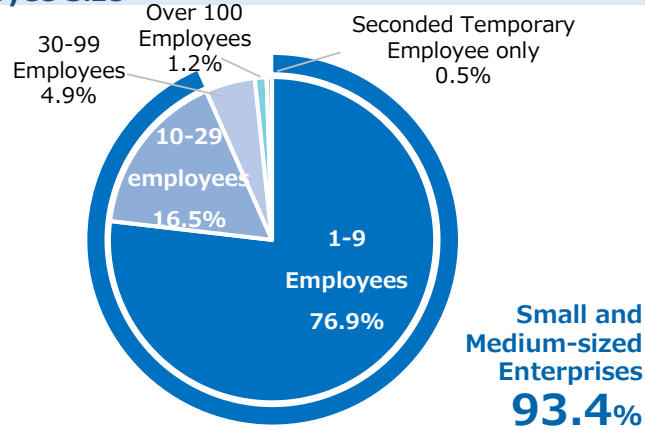
Changes in the Number of Corporate Bankruptcies*



Source : Prepared by the asset management company based on "Bankruptcy Information" conducted by TOKYO SHOKO RESEARCH, LTD.

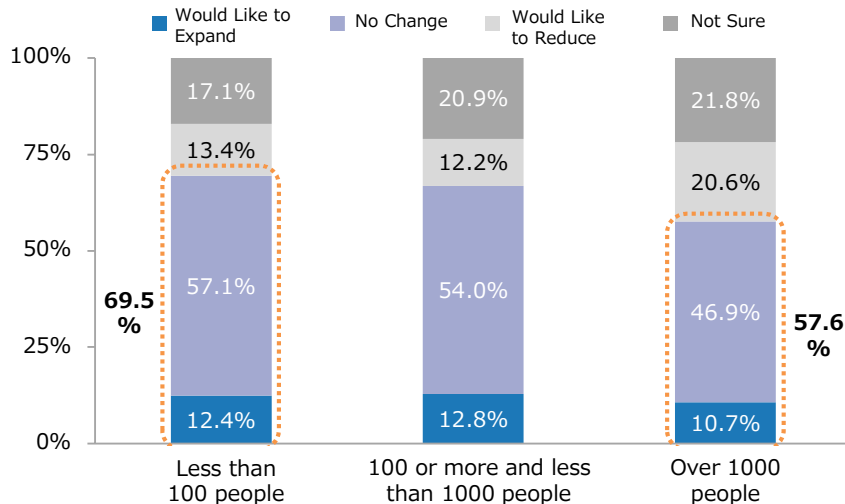
* The number of bankruptcies in 2020 is the total number of bankruptcies minus the number of COVID-19 related bankruptcies.

Composition of the Number of Business Establishments by Employee Size



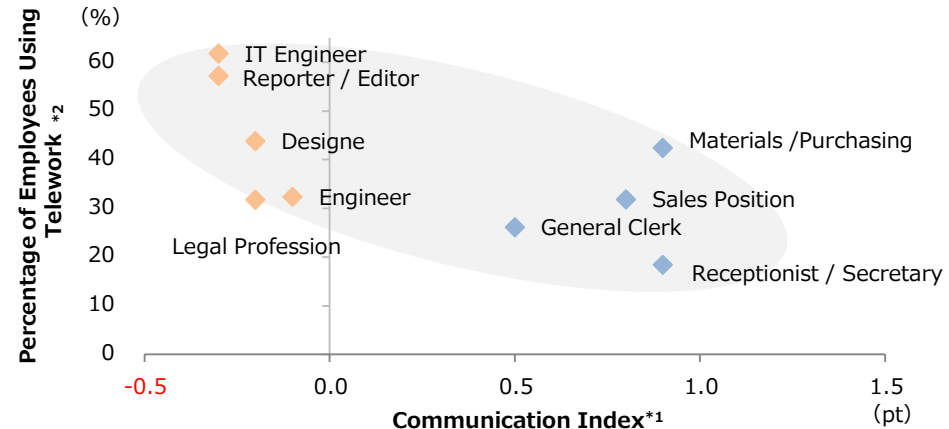
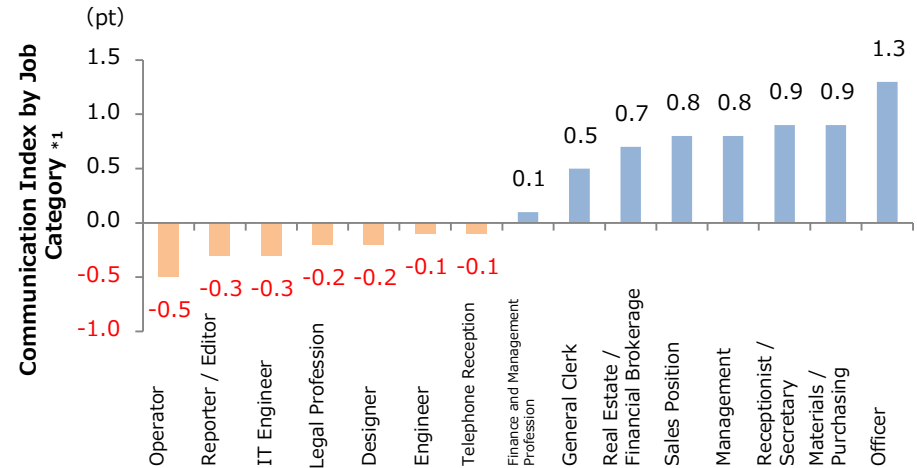
Source: Created by the Asset Management Company based on the Ministry of Industry "2016 Economic Census-Activity Survey"

By Company Size; Trends in Office Area Going Forward



Source: Xymax Real Estate Research Institute Co., Ltd. Created by the Asset Management Company based on "Metropolitan Area Office Demand Survey Spring 2020 (June)"

Communication Index by Job Category and Percentage of Employees Using Telework

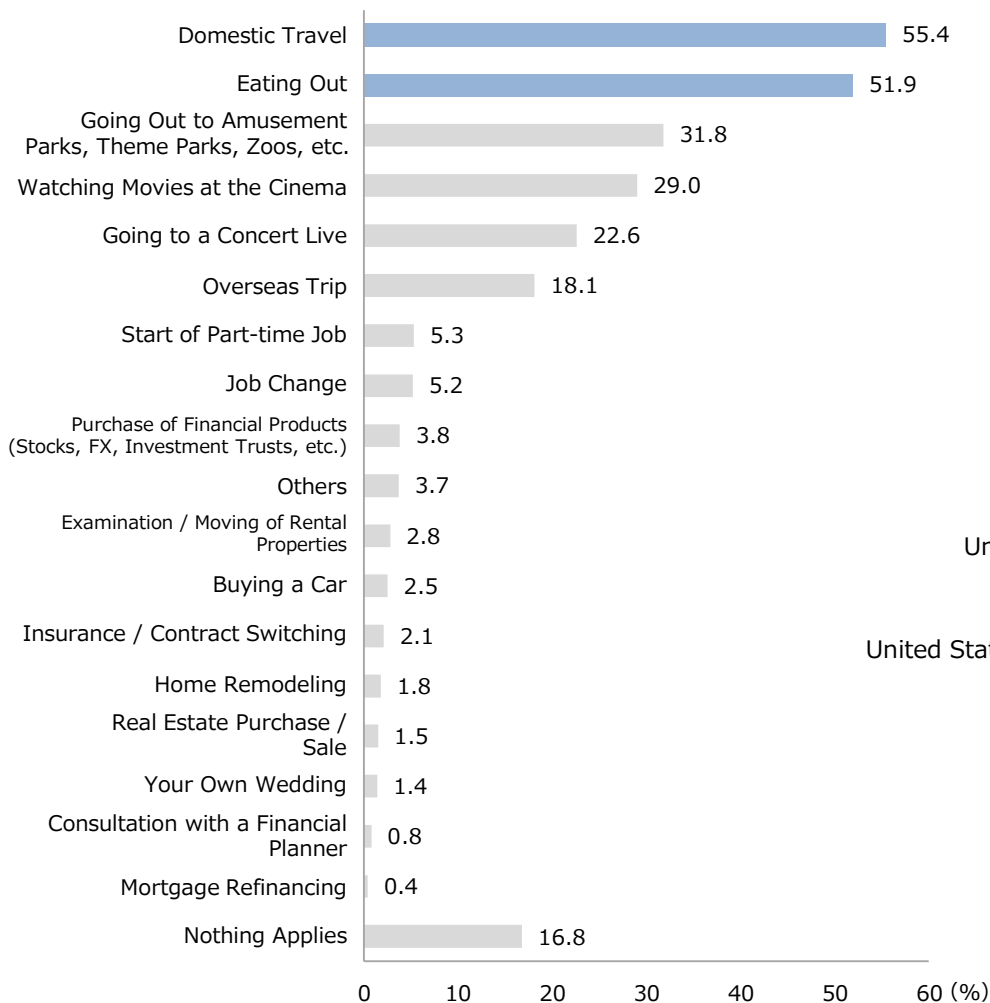


Source: (Upper row) Prepared by the asset management company using US Department of Labor's O*NET Online. (Lower row) Prepared by the asset management company using "Report: Third Emergency Survey on Impact of Coronavirus Measures on Telework" from PERSOL RESEARCH AND CONSULTING CO., LTD.

*1 The Communication index is the average of figures for 1) contact with others, 2) coordinate or lead others, 3) deal with external customers, 4) face-to-face discussions and 5) work with work group or team.

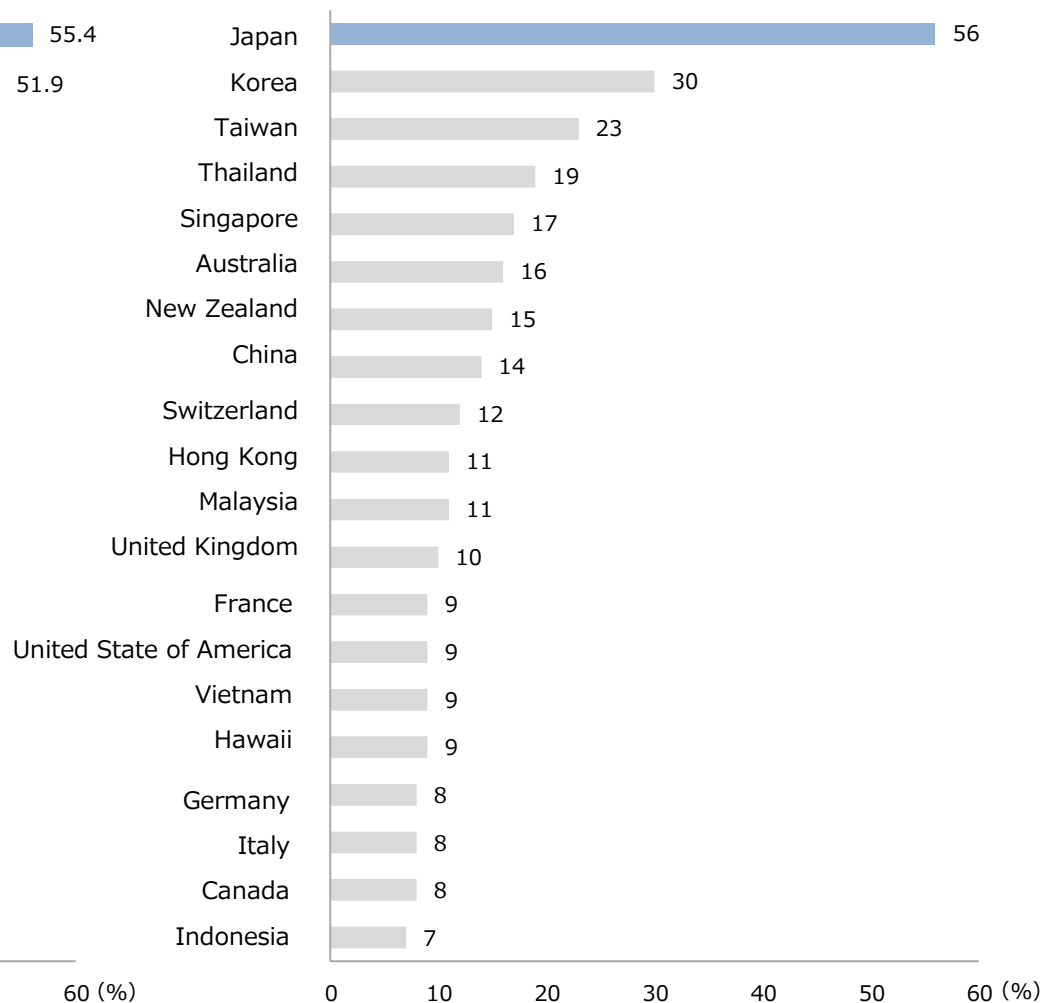
*2 The figures for the teleworking implementation rate of employees in the figure below are for "IT engineers" in "IT engineers" in the "3rd Urgent Survey on the Impact of New Corona Virus Countermeasures on Telework" by Parsol Research Institute Co., Ltd., "Reporter / Editor" is the same "Public Relations / Advertisement / Editing", "Sales Position" is the same "Sales Position (Sales for Individuals)", "Designer" is the same "Creative Position (Design Director, etc.)", "Engineer" is the same "architecture / civil engineering technical position (construction management / design system)", "legal professional" is the same "finance / accounting / accounting / legal affairs", and "general affairs" is the same "office work / assistant" Numerical values are used.

What You'd Like to Do After the Impact of COVID-19



Source: Prepared by the asset management company based on "Survey on Consumer Trends Under Influence of Coronavirus and Hopes for Post-Coronavirus Life" from VALUES, Inc.

Countries and Regions You Want to Travel to After the COVID-19 (Asian Residents)



Source: Prepared by the asset management company based on the "DBJ/JTBF Survey of Foreign Travelers from Asia, Europe, the United States and Australia Traveling in Japan (Fiscal 2020 Special Survey on Impact of Coronavirus)" from the Development Bank of Japan Inc. and the Japan Travel Bureau Foundation.

- Hulic originally started its business in 1957 in the ownership and management of bank branches and employee housing facilities for The Fuji Bank, Limited (currently Mizuho Bank), and expanded into the reconstruction business in response to the aging of bank branches and employee housing facilities since their construction.
- Hulic has leveraged its reconstruction business expertise to also expand into the development business, and it is now engaged in the development of well positioned and high quality properties with a focus on the 6 central Tokyo wards.

Corporate Name	HULIC CO., LTD.
Business Outline	Real Estate Holding, Leasing, Sales and Brokerage
Established	March 1957
Listing	Tokyo Stock Exchange (First Section) (Securities Code 3003)
Paid-in Capital	¥62.718 billion (As of June 30, 2020)



Hulic Head Office Building


Hulic Head Office Building
Rooftop Natural Ventilation System

Mar. 1957
Established as Nihonbashi Kogyo Co., Ltd.
Started off in the bank branches and employee housing facilities management business for The Fuji Bank, Limited (currently Mizuho Bank, Ltd.). Acquired bank branches and employee housing facilities, etc. from the bank.

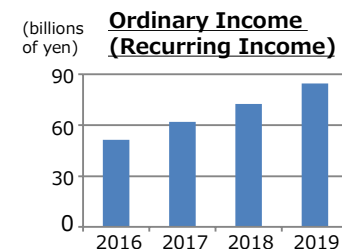
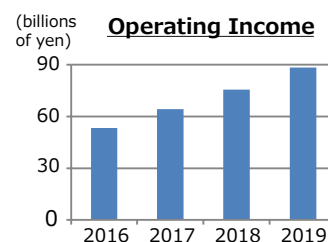
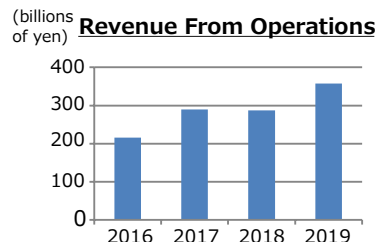
Jan. 2007
Changed name from Nihonbashi Kogyo to Hulic Co., Ltd

Nov. 2008
Listed on the 1st section of the Tokyo Stock Exchange

Feb. 2014
J-REIT Business:Hulic Reit listed on the Tokyo Stock Exchange

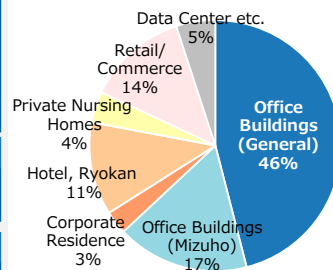
Jan. 2018
Using REIT as a new growth foundation, Hulic will expand into business domains, including three growth industries (seniors, tourism, and environment), and aim for further growth.

Consolidated Financial Position

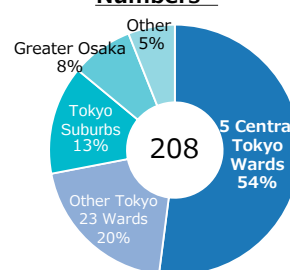


Main Indicators

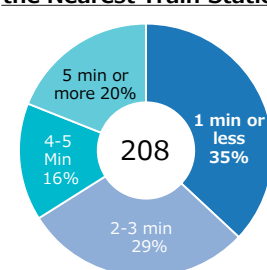
Sources of Rent Revenue*1



Area Distribution by Numbers*2



Walking Distance from the Nearest Train Stations*2



Main Properties

Office


Hulic Ginza
Sukiya-bashi Building

Office


Hulic Shinjuku
Building

Office



Hulic Aoyama Building

THE GATE HOTEL


Hulic Kaminarimon
Building

HULIC SQUARE
TOKYO

Private Nursing Homes



Charm Premier Yamatecho

*1 The figures are noted based on "Investor Presentation: Financial Results for 2nd Quarter (January-June) FY 2020" released by Hulic, and ratios by asset type are calculated based on rental revenue.

*2 The ratio by area and the ratio by the length of the walk from the nearest train station are calculated based on the number of relevant properties out of the number of properties (208), excluding nursing homes and homes.
Note that the 5 central Tokyo wards are Chiyoda, Chuo, Minato, Shinjuku, and Shibuya wards.

Asset Size Growth through Steady Acquisitions of Sponsor-developed Properties

Total Assets

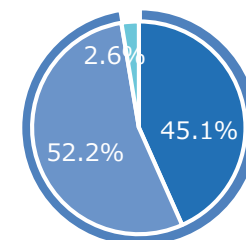
(As of 13th FP
Earnings Announcement)

57 Properties **¥348.6** billion

Sponsor-developed Properties 23 Properties **¥157.3** billion

Sponsor-owned/supported Properties 30 Properties **¥182.2** billion

Independent-route 4 Properties **¥92** billion

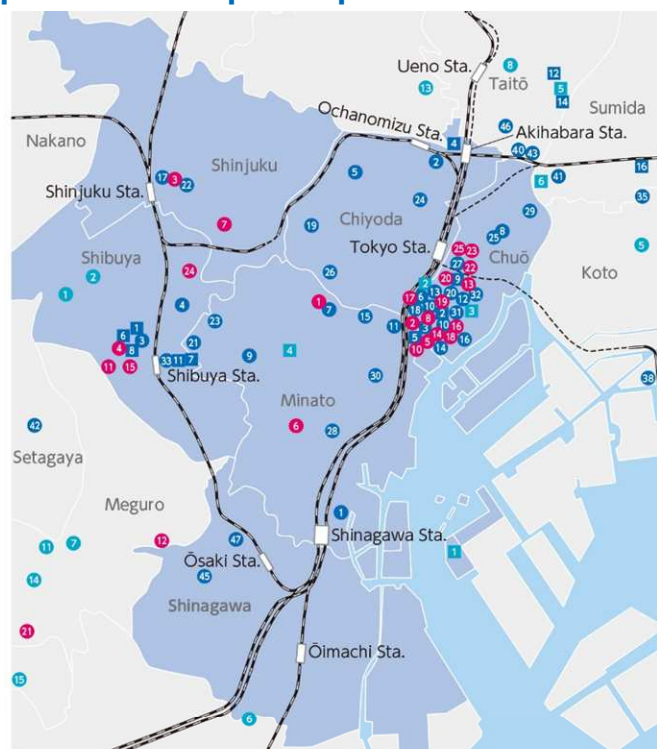


Sponsor
Group,
etc.
97.4%

Sponsor-
developed
45.1%

Main Sponsor-developed and owned Projects

Sponsor-developed · Sponsor-owned



Office



Completed in October 2019
3 Shibuya Parco · HULIC Building



11 HULIC Shinbashi Building



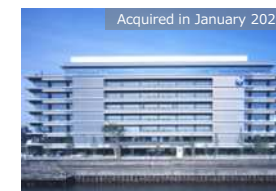
20 HULIC Ginza Building



21 HULIC Aoyama Building



Acquired in March 2020
22 Kiraboshi Bank Shinjuku Headquarter



Acquired in January 2020
35 Hewlett Packard Japan Headquarter

- 1 Shinagawa Season Terrace
- 2 Ochanomizu Sola City
- 3 Shibuya Parco · HULIC Building
- 4 Jingumae Tower Building
- 5 HULIC Kudan Building
- 6 HULIC Ginza 7 Chome Building
- 7 Akasaka Stargate Plaza
- 8 HULIC Kobunacho Building
- 9 Takagicho Center Building
- 10 HULIC Ginza Wall Building
- 11 HULIC Shinbashi Building
- 12 Ginza First Building
- 13 HULIC Ginza Sukiyabashi Building
- 14 Marutaka Building Part 2
- 15 Toranomom First Garden
- 16 Marutaka Building

- 17 HULIC Shinjuku Building
- 18 HULIC Ginza 7-chome Showa-dori Building
- 19 HULIC Kojimachi Building
- 20 HULIC Ginza Building
- 21 HULIC Aoyama Building
- 22 Kiraboshi Bank Shinjuku Headquarter
- 23 HULIC Minami Aoyama Building
- 24 Higashi Ote Building
- 25 Kobunacho Kinenkaikan Building
- 26 Nagatacho Hokkaido Square
- 27 HULIC Kyobashi Building
- 28 HULIC Mita Building
- 29 Nihonbashi Hamacho Park Building
- 30 HULIC Shibakouen Daimon-dori Building
- 31 HULIC Ginza 3-chome Building
- 32 HULIC Ginza 1 Chome Building

- 33 HULIC Shibuya Building
- 34 Technoport Kamata Center Building
- 35 Hewlett Packard Japan Headquarter
- 36 HULIC Kasai Rinkai Building (BEC Building)
- 37 Yamato Haneda Building
- 38 DSB Group Shiomi Building
- 39 Nishi Kasai Center Building
- 40 HULIC Asakusabashi Building
- 41 HULIC Ryogoku Building
- 42 HULIC Setagaya
- 43 HULIC Asakusabashi Edo-dori
- 44 HULIC Itabashi
- 45 HULIC Ebara
- 46 HULIC Torigoe Building
- 47 HULIC Gotanda Building
- 48 HULIC Hachioji Building

*1 The main buildings developed and held and development projects that have been disclosed by HULIC as of Aug. 3, 2020, are noted here.

*2 HULIC REIT has not decided to acquire the aforementioned properties and development projects, with the exception of assets held, as of this report's date.

Retail Properties



1 Hulic Shibuya Udagawacho Building



2 Hulic Ginza World Town Building



3 Ginza Tenkuni Building



5 G10

- 1 Hulic Shibuya Udagawacho Building
- 2 Hulic Ginza World Town Building
- 3 Ginza Tenkuni Building
- 4 Hulic Akihabara Chuo-dori Building
- 5 G10
- 6 HULIC & New SHIBUYA
- 7 CR-VITE
- 8 HULIC Shibuya Center-Gai
- 9 Hulic Ginza 1 Chome Gasutou-dori Building
- 10 Max Mara Building
- 11 Hulic Shibuya#2 Building

- 12 WINS Asakusa Building
- 13 Ikebukuro Tokyu Hands
- 14 Ichigo Pagoda Asakusa
- 15 Pal Nishidai
- 16 Hulic Kinshicho Ekimae Building

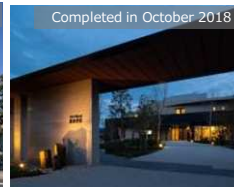
Private Nursing Homes



10 Trustgarden Ogikubo



24 Charm Premier Yamatecho



25 Kamakura Aoi Tei

- 1 Aria Yoyogiuehara
- 2 Charm Premier Yoyogi Hatsudai
- 3 Aristage Kyodo
- 4 Charm Premier Fukasawa (Hulic Fukasawa)
- 5 Fukagawa Yasuraginono
- 6 Granda Omori Sannou
- 7 Granda Gakugeidaigaku
- 8 Asakusa Care Park Soyokaze
- 9 Charmpremier Eifuku
- 10 Trustgarden Ogikubo
- 11 Charmpremier Meguro Kakinokizaka
- 12 Sonare Shakujii

- 13 Hospitalment Bunkyo Yayoi
- 14 Lianrev Yagumo
- 15 Charm Premier Den-en-Chofu
- 16 Asheim Oizumi Gakuen
- 17 Good Time Home Tamagawa
- 18 Hulic Chofu
- 19 Life Commune Tsutsujigaoka
- 20 Good Care Nishi Tokyo
- 21 Sompno ie Komae
- 22 Nichi Home Moto Sumiyoshi
- 23 Life Commune Hayama
- 24 Charm Premier Yamatecho
- 25 Kamakura Aoi Tei
- 26 Iris Garden Kita Urawa

Hotels



1 Grand Nikko Tokyo Daiba



5 Hulic Kaminarimon Building

- 1 Grand Nikko Tokyo Daiba
- 2 THE GATE HOTEL TOKYO by HULIC (HULIC SQUARE TOKYO)
- 3 Mercure Tokyo Ginza (Hulic Ginza 2 Chome Building)
- 4 Sotetsu Fresa Inn Tokyo-Roppongi (Hulic Roppongi 3-chome Building)
- 5 THE GATE HOTEL Kaminarimon by HULIC (Hulic Kaminarimon Building)
- 6 THE GATE HOTEL Ryogoku by HULIC (Hulic Ryogoku River Center)
- 7 Grand Nikko Tokyo Bay Maihama
- 8 Tokyo Bay Maihama Hotel
- 9 Porte Kanazawa
- 10 HOTEL JALCITY KANNAI YOKOHAMA
- 11 Star Hotel Yokohama
- 12 Rissei Garden Hulic Kyoto
- 13 MIMARU Kyoto Horikawa Rokkaku

Development Projects



1 Akasaka 2-chome Development Project

Office
Akasaka 2-chome Development Project
2min. walk from Tameike-sanno Sta.
Date (planned) :2020
floor area: approx 7,900m²



3 Shinjuku 3-17 Development Project

Retail Properties
Shinjuku 3-17 Development Project
1min. walk from Shinjuku Sta.
Date (planned) :2021
floor area: approx 3,600m²



4 Tokyo Udagawacho 32 Development Project

Retail Properties
Tokyo Udagawacho 32 Development Project
4min. walk from Shibuya Sta.
Date (planned) :2021
floor area: approx 3,300m²



5 Ginza 8-chome Development Project

Retail Properties
Ginza 8-chome Development Project
4min. walk from Shinbashi Sta.
Date (planned) :2021
floor area: approx 2,500m²



6 Minami Azabu Development Project

Private Nursing Homes
Minami Azabu Development Project
10min. walk from Hiroo Sta.
Date (planned) :2021
floor area: approx 1,700m²

- 2020 planned to be completed**
Office • Retail Properties
- 1 Akasaka 2-chome Development Project
 - 2 Ginza 6-chome Development Project

- 2021 planned to be completed**
Office • Retail Properties
- 3 Shinjuku 3-17 development Project
 - 4 Udagawacho 32 development Project
 - 5 Ginza 8 chome development Project
 - 6 Minami Azabu Project
 - 7 Yotsuya Daikyo cho Project

- 2022 planned to be completed**
Office • Retail Properties
- 8 Ginza 6 chome Namiki dori
 - 9 Hulic Sapporo NORTH33 Building Reconstruction Project
 - 10 Shiodome Project
 - 11 Shibuya 4 chome Project
 - 12 Shimo Meguro 5 chome development

- 2023 planned to be completed**
Office • Retail Properties
- 13 Hulic Ginza 1 chome Building
 - 14 Ginza 5 chome Miyuki dori Project
 - 15 Shibuya Project
 - 16 Marutaka Building
 - 17 Hulic Ginza 7 chome showa dori Building
 - 18 Marutaka Building #2

- 19 Kinkitatemono Ginza Building
- 20 Hulic Nishi ginza Building
- 21 Jiyugaoka Project
- 22 Yaesu 2 chome Naka redevelopment project
- 23 Yaesu 1 chome development Project
- 24 Sendagaya Center Building

- 25 Yaesu 1 chome Higashi Redevelopment
- 26 Osaka Iseikai hospital development Project
- 27 Hulic Fukuoka Building
- 28 Hulic Sapporo Building

*1 The main buildings developed and held and development projects that have been disclosed by Hulic as of Aug. 3, 2020, are noted here.

*2 Hulic Reit has not decided to acquire the aforementioned properties and development projects, with the exception of assets held, as of this report's date.

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

Main Support Received From Sponsor - Asset Circulation Model -

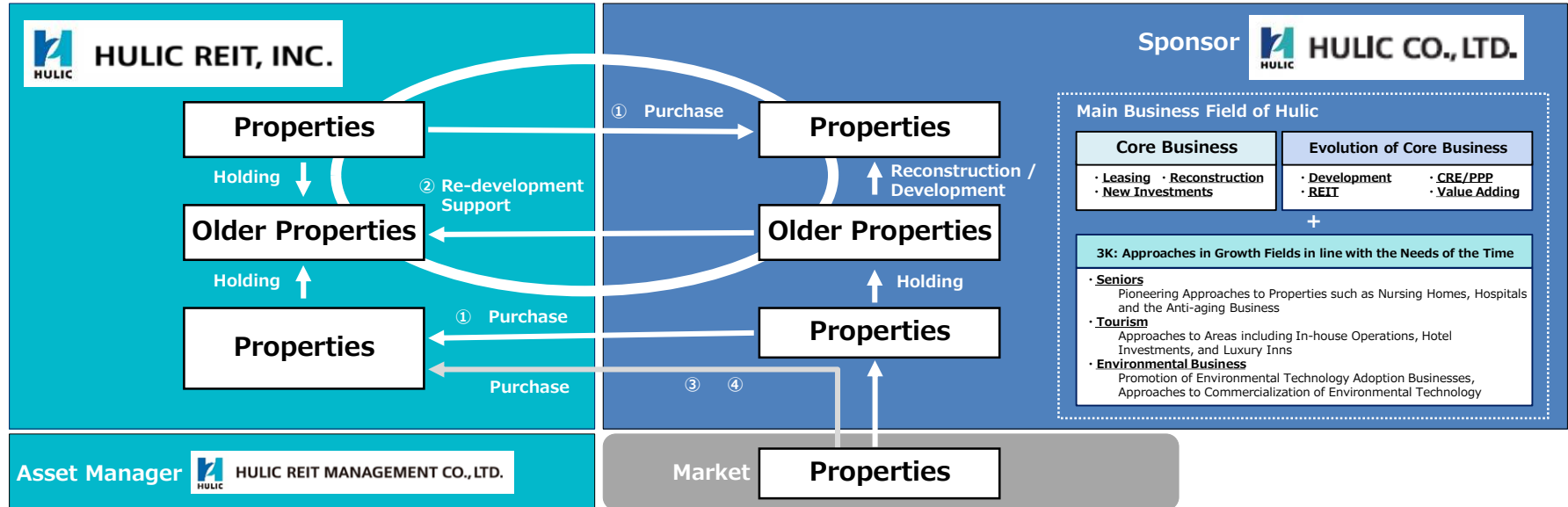


Diagram ① : Preferential Negotiation Rights

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

Diagram ② : Re-development Support

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

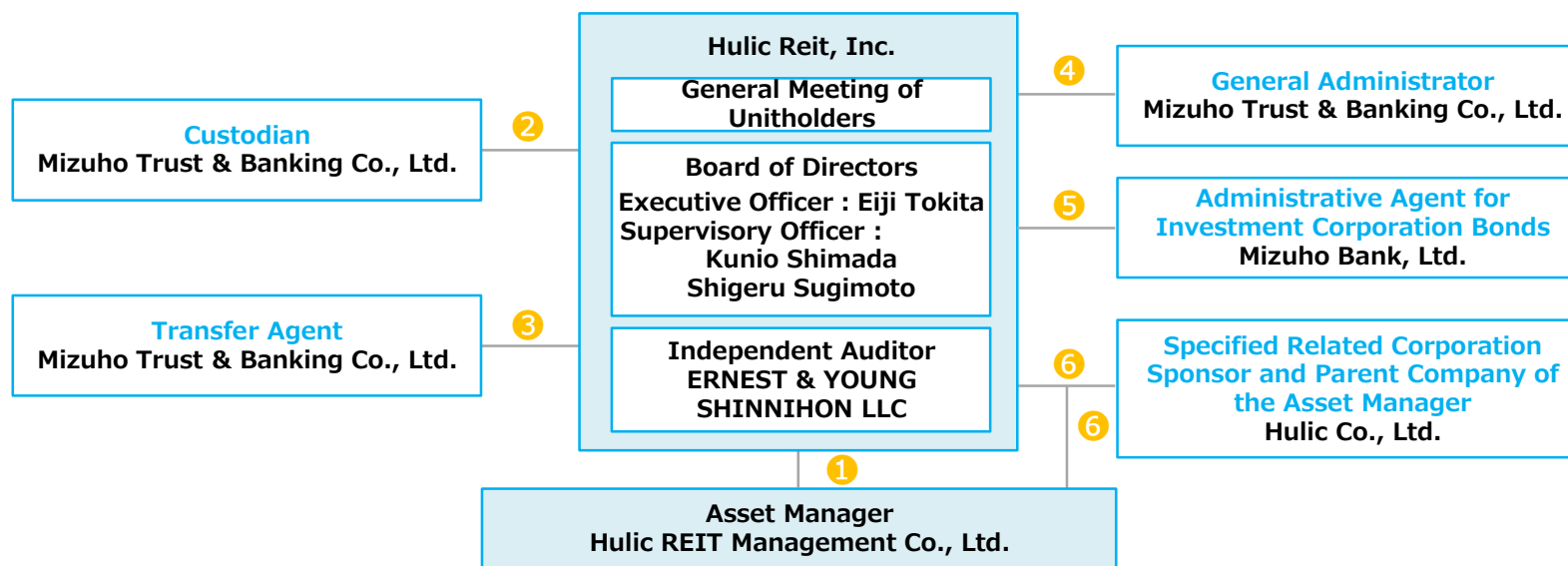
Diagram ③ : Provision of Warehousing Function

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

Diagram ④ : Provision of Sales Information on Properties Owned by Third Parties

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

Structure



Each Agreement and Fee

Names of Agreement	Fees in 13th FP (FP Ended Aug. 31, 2020) *1
1 Asset Management Agreement	¥1,081,861 thousand*2
2 Asset Custody Agreement	¥15,056 thousand
3 Investment Unit Administrative Service Agreement	¥47,342 thousand*3
4 Administrative Service	

Names of Agreement	Fees in 13th FP (FP Ended Aug. 31, 2020) *1
5 Fiscal Agency Agreement	¥90 thousand
6 Sponsor Support Agreement	-

*1 Figures less than ¥1 thousand are truncated.

*2 In addition to the amount stated, the asset management fees also include fees associated with property acquisition factored into the book values of the individual properties (¥59,180 thousand) and fees associated with property transfer in relation to the occurrence of gains on sales of real estate properties with respect to the individual properties (¥24,000 thousand).

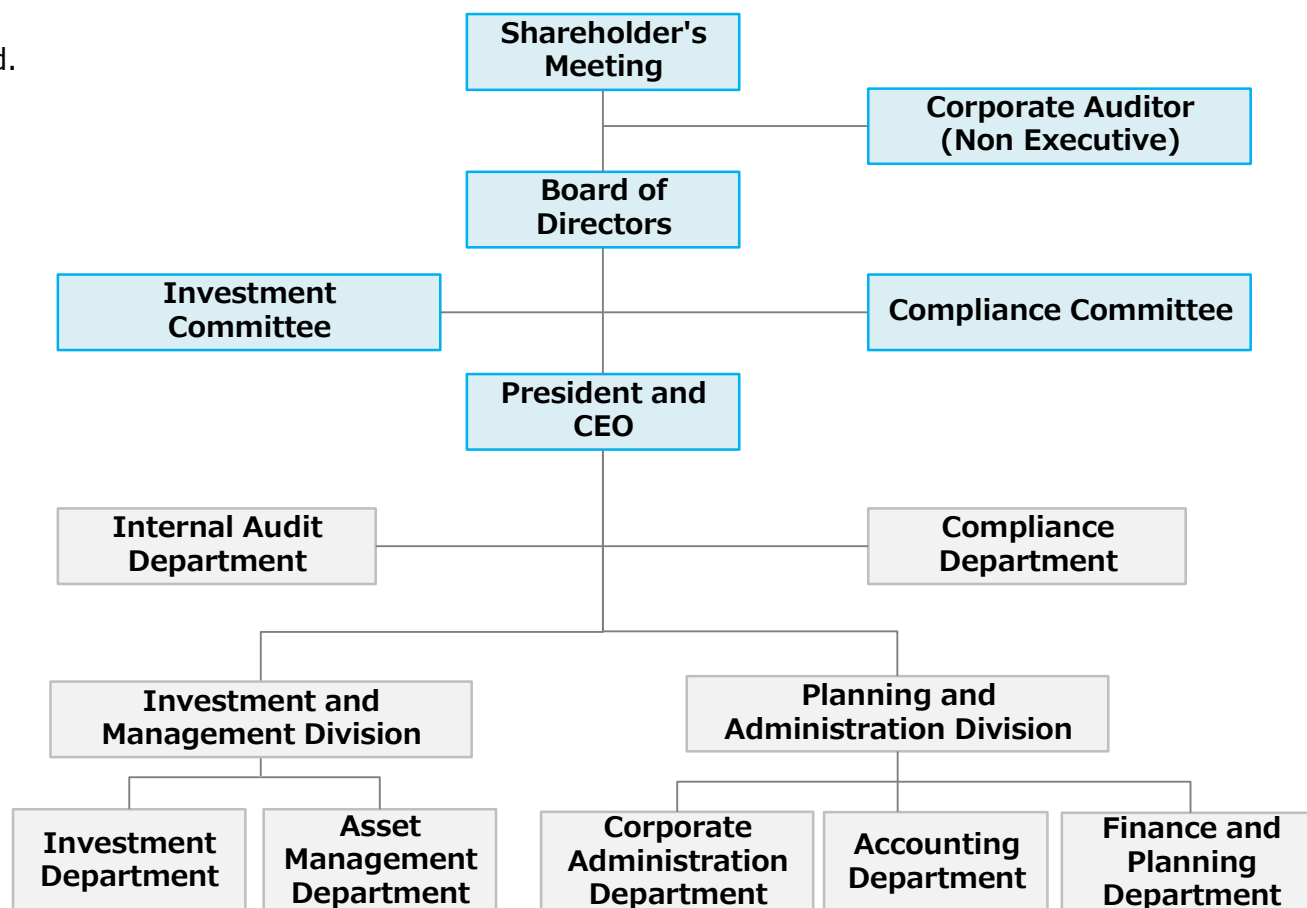
*3 The figure stated is the sum total of fees incurred on the basis of transfer agency agreements and fees incurred on the basis of general administration agreements relating to institutional operations.

- In response to the increasing size of assets under the management, certain functions were transferred from the Investment and Management Department to each of the Investment Department and the Asset Management Department, and the Investment and Management Division will be newly set up as a supervisory division, with the aim of enhancing external growth as well as strengthening the efficiency and expertise of the asset management operations in July 2020.

Overview of Asset Management Company

Organization of Asset Management Company

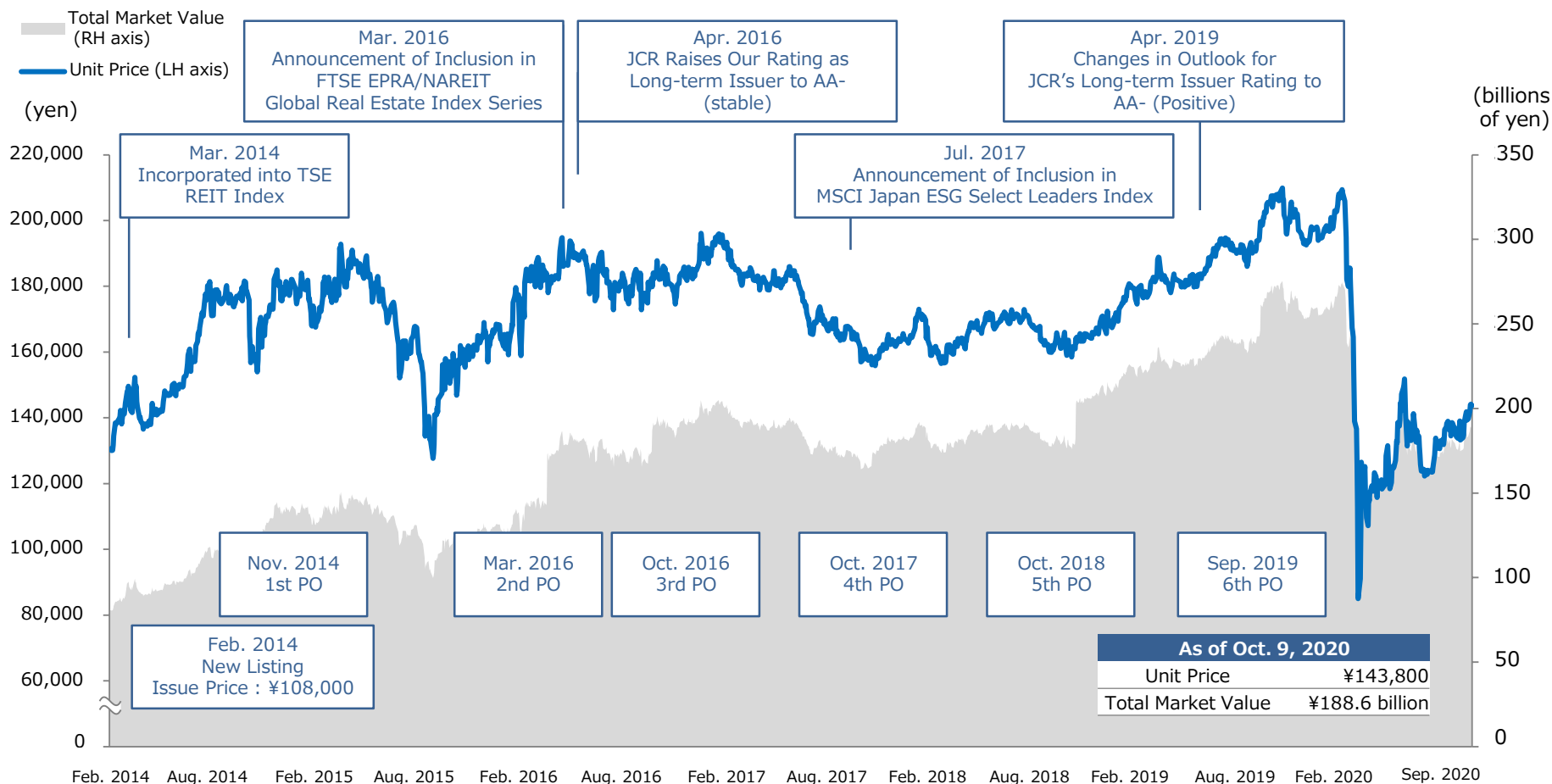
- Name**
Hulic REIT Management Co., Ltd.
- Address**
2-26-9 Hatchobori, Chuo-ku,
Tokyo
- President and CEO**
Eiji Tokita
- Established**
April 1, 2013
- Capital**
¥200 million
- Shareholder**
Hulic Co., Ltd. (100%)
- Business Operations**
Investment Management



Price since Listing

- Implementation of Past 6 Public Offerings (Expansion of Total Market Value)
- Extending Investor Class with Continued Inclusion in Global Indices (Improving Liquidity)
- Changes in Outlook to “AA- (Positive)” (April 2019)

**We Aim to Further Increase
Total Market Value and
Improve Liquidity**



Terms	Definitions
Tokyo Commercial Properties (TCP)	The Tokyo Commercial Properties are office properties and retail properties under a concept specific to the Hulic Reit that comprehensively includes properties consistent with the Hulic Reit's basic missions. For details, please refer to page 56.
Next Generation Assets Plus (NGA+)	The Next Generation Assets Plus (NGA+) are assets for which continuing strong demand and long-term stable earnings are expected going forward that will contribute to the maximization of investor value over the medium to long term. We invest in private nursing homes, network center, hotels, and other next generation assets plus as investment target assets. For details, please refer to page 57.
6 Central Tokyo Wards	The 6 central Tokyo wards are Chiyoda, Chuo, Minato, Shinjuku, Shibuya, and Shinagawa wards.
Tokyo Central 8 Wards	The Tokyo central 8 wards are Chiyoda, Chuo, Minato, Shinjuku, Shibuya, Shinagawa, Meguro and Setagaya wards.
Properties Acquired during 12th FP	The properties acquired during 12th FP (FP ended February 29, 2020) are Hulic Ginza 7 Chome Building (20%), Charm Suite Shinjukutoyama, Charm Suite Shakujiko, Hulic Asakusabashi Building, Hulic Ebisu Building and Hulic Shinjuku 3 Chome Building (part of the land).
Properties Acquired during 13th FP	The properties acquired during 13th FP (FP ended August 31, 2020) are Hulic Ryogoku Building, Hulic Akusabashi Edo-dori, Hulic Mejiro and Hulic Tsukiji 3 Chome Building.
Property Transferred during 13th FP	The property transferred during 13th FP (FP ended August 31, 2020) is Gate City Ohsaki.
Properties Acquired during 14th FP	The properties acquired during 14th FP (FP ending February 28, 2021) are Hulic Nakano Building and Hulic Hachioji Building.
Properties Transferred during 14th FP	The properties transferred during 14th FP (FP ending February 28, 2021) are Hulic Nihombashi-honcho 1 Chome Building, Orchid Square (50%) and Hulic Omori Building.
Property Transferred during 15th FP	The property transferred during 15th FP (FP ending August 31, 2021) is Orchid Square (50%).
Sponsor-developed Properties	The sponsor-developed properties are properties that were developed and owned by the sponsor. Furthermore, as a response to the elapse of years since construction, the sponsor carries out reconstruction projects to promote reconstruction suitable for location characteristics, and in this Financial Results Briefing, sponsor-developed projects include reconstruction projects.
Sponsor-owned Properties	The sponsor-owned properties are properties that the sponsor acquired from an external party and owned.
Sponsor-supported Properties	The sponsor-supported properties are acquired from mainly the sponsor group, etc. and that do not include sponsor-developed properties and sponsor-owned properties. Sponsor group, etc. means the sponsor group and special purpose companies that are funded by the sponsor group.
Bank Branch Properties	The bank branch properties is properties occupied in part by Mizuho Bank as tenant.
Asset Size	The asset size is the total acquisition price of assets held by Hulic Reit in the subject FP.
Unrealized Gains/Losses	The unrealized gains/losses was obtained by the following formula: $A - B \text{ (A: Appraisal value of the assets held at the end of each FP; B: Book value of the assets held at the end of each FP)}$
NAV per Unit	The NAV per unit was obtained by the following formula: $(A + B) \div C \text{ (A: Net assets excluding surplus at the end of each FP; B: Unrealized gains/losses at the end of each FP; C: Number of outstanding units at the end of each FP (figures below ¥1 are truncated.))}$
(Book Value-based) LTV	The (book value-based) LTV ratio was obtained by the following formula: $A \div B \times 100\% \text{ (A: Total interest-bearing debt at the end of each FP; B: Total assets at the end of each FP)}$
Market Value-based LTV	The market value-based LTV ratio was obtained by the following formula: $A \div (B + C) \times 100\% \text{ (A: Total interest-bearing debt at the end of each FP; B: Total assets at the end of each FP; C: Unrealized gains/losses at the end of each FP)}$

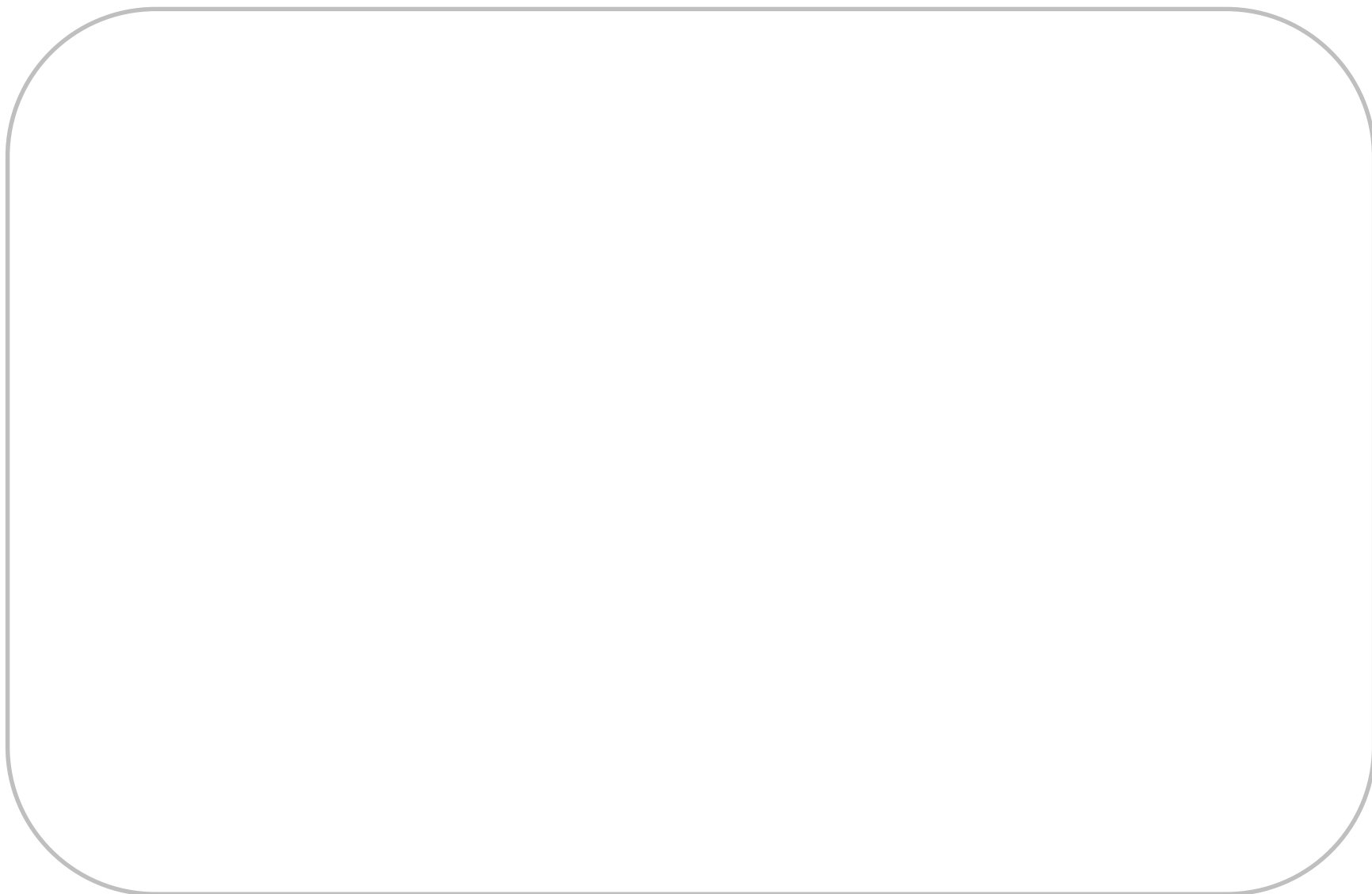
Terms	Definitions
(Book Value-based) LTV as of 13th FP Earnings Announcement	This figure is an estimate in which the LTV as of the end of 13th FP (August 31, 2020) takes into account the acquisition of properties during 14th FP (FP ending February 28, 2021), the transfer of properties during 14th FP (FP ending February 28, 2021) and 15th FP (FP ending August 31, 2021) and the repayment of borrowings associated with the asset replacement.
Market Value-based LTV as of 13th FP Earnings Announcement	This figure is an estimate that takes into account total unrealized losses/gains on asset held (with unrealized losses/gains calculated as the difference between the appraisal value and the acquisition price for properties acquired during 14th FP (FP ending February 28, 2021), assuming the estimate of LTV on a book-value basis as of 13th FP (FP ended Aug. 31, 2020) Earnings Announcement.
Previous Forecasts	The previous forecasts are stated on the basis of forecasts released on April 14, 2010. For details, please refer to Financial Report for the Fiscal Period Ended February 29, 2020, which was released on April 14, 2020.
New Forecasts	The new forecasts are stated on the basis of forecasts released on October 14, 2020. For details, please refer to Financial Report for the Fiscal Period Ended August 31, 2020, which was released on October 14, 2020.
Gains on Transfer	This figure, which deducts the book-value price from the transfer price for the transferred assets, is for reference and differs from the actual gains on transfer.
Amount Attributable to Gain on Sales and Fixed Asset Tax and City Planning Tax	Refers to the amount of cash distribution per unit (DPU) after adjustments for unexpensed fixed asset tax and city planning tax after property acquisition, gains on transfer at the time of property transfer, and the related type II management fee.
Adjusted DPU	The adjusted DPU are the amount of cash distribution per unit (DPU) after taking into consideration factors behind gains on fixed asset tax and city planning tax and transfer.
NOI Yield	The NOI yield was obtained by the following formula: $A \div B \times 100\%$ (A: NOI (direct capitalization method) indicated in the appraisal report at the end of each FP; B: Acquisition price)
Cap rate (Based on Direct Capitalization Method)	The cap rate (based on direct capitalization method) means the direct capitalization rate indicated in the appraisal report at the end of the FP. If multiple properties are included, the capitalization rate is calculated as a weighted average based on appraisal value.
Average Age of Buildings	The average age of buildings stated for age of buildings are weighted averages of the ages of properties excl. land, based on the acquisition prices.
Total Leasable Area	The total leasable area for individual properties indicate leasable areas according to building leasing agreements or building plans at the end of the FP. (Figures for co-owned properties correspond to the owned portion.)
Leased Area and Vacancy Area	The leased area and vacancy area states the area actually leased and the area vacant based on lease agreements or plans of buildings related to assets owned at the time of acquisition at the end of each FP (for co-owned properties, figures correspond to the owned portion).
Total Floor Area	The total floor area states the area of the entire building based on the descriptions in the registration.
Average Rent per tsubo	The average rent per tsubo was obtained by the following formula: $A \div B$ (A: Total amount of the monthly rents (incl. common service fees) indicated in the effective lease agreements at the end of the FP; B: Total leased area converted to tsubo at the end of the FP)
Rate of New Tenant Entry and Departure	The percentage of new tenant entry and departure was obtained by the following formula: $A \div B \times 100\%$ (A: Area of new tenant entry and departure for office properties in the applicable FP; B: Total leasable area of office properties at the end of each FP) Please note that departure area and departure rate are indicated by negative numbers.
Percentage Change in Rent Due to Revisions or Tenant Replacement	The percentage change in rent due to revisions or tenant replacement was obtained by the following formula: $(A - B) \div B \times 100\%$ (In each FP, for each space with either a rent revision or a tenant replacement, A: Total amount monthly rents after revisions or tenant replacements (incl. common service fees); B: Total amount of monthly rents before revisions or replacements (incl. common service fees))
Increased/Decreased Area (Revision)	The increased/decreased area (revision) is the total area leased in each lease agreement for which a revision was made with either an increase or decrease in rent in each FP. For properties for which Hulic Reit holds co-ownership or quasi-co-ownership of trust beneficiary rights, this area is calculated based on the area corresponding to the percentage of ownership held by Hulic Reit at the end of the FP.
Increased/Decreased Area (Replacement)	The increased/decreased area (replacement) is the total area leased in each lease agreement for which, at the time of a tenant replacement in each FP, the tenant replacement occurred with either an increase or a decrease in rent. (The applicable tenants are those starting to lease in the same periods that there were replacements.) If the leased area differs before and after the tenant replacement, then the area is calculated based on the leased area of the tenant before replacement.

Terms	Definitions
Market Rent Levels (Office)	The market rent levels (office) are rent levels that the asset management company calculated based on assumed new rents assessed by CBRE Inc. for the Hulic Reit's office properties (excl. land, retail spaces, and residential spaces, etc.). As a rule, Hulic Reit calculates market rent levels as of the last day of February and August of every year.
Rent Divergence	The percentage of divergence with office market rent levels was obtained by the following formula: $(A-B) \div B \times 100\%$ (A: Current rents for office properties (excl. land, retail spaces, and residential spaces, etc.), B: Market rent levels (office properties))
Percentage of Negative-rent-divergence Spaces that Had Upward Rent Revisions (Office)	The percentage of negative-rent-divergence spaces that had upward rent revisions (office) was obtained by the following formula: $B \div A \times 100\%$ (A: For all the office properties (excl. land, retail spaces, and residential spaces, etc.), among all the spaces whose lease-agreement renewal date arrived during the applicable FP, the total floor area of the spaces (excl. spaces vacated by tenants) that, in the Financial Results Briefing material for 13th FP, had a divergence from the market rent level that was zero or less (market rent level greater than current rent paid); B: All of the area defined by A that, in the applicable FP, had a space whose rent increased because of a rent renewal)
Spaces whose Leases are Expected to be Cancelled	This refers to spaces whose tenants have not submitted cancellation notices, but who predicted that they would vacate the space in their earnings forecasts released on October 14, 2020.
Losses on Estimated Vacancies (1)	This refers to the decrease in dividends per unit attributable to the vacancy of spaces whose leases are to be cancelled (planned) in the earnings forecasts released on October 14, 2020.
Losses on Estimated Vacancies (2)	This refers to the decrease in dividends per unit attributable to the vacancy of spaces whose leases are expected to be cancelled in the earnings forecasts released on October 14, 2020.
Temporary (Rent) Reduction	Temporary (rent) reduction refers to a reduction or exemption of rent for a certain period of time, or recovery of an amount equivalent to a temporary rent reduction after a certain period of time has elapsed, with that amount added to the rent.
Postponement of (Rent) Payments	Postponement of (rent) payments refers to the postponement of rent payments for a certain period of time, and then collecting an amount equivalent to the postponed rent added to the rent after a certain period of time has elapsed.
Unchanged (Offsetting with Security Deposit)	Unchanged (offsetting with security deposit) is the allocation of funds from the security deposit to part or all of the rent for a certain period of time.
Average Interest Rate	The interest rate for each interest-bearing debt as of the end of each FP is calculated as a weighted average of the interest rates for each interest-bearing debt balance as of the relevant FP. For borrowings for which we carried out interest rate swaps to avoid interest-rate risk, we use interest rates that take into account the effects of the interest rate swaps.
Average Remaining Period	The remaining years for each interest-bearing debt as of the end of each FP is calculated as a weighted average of the remaining years for each interest-bearing debt balance as of the relevant FP.
MSCI Japan ESG Select Leaders Index	The MSCI Japan ESG Select Leaders Index, offered by MSCI Inc., was selected by Government Pension Investment Fund (GPIF) as an ESG index for carrying out passive investment.
GRESB (Global Real Estate Sustainability Benchmark)	The GRESB (Global Real Estate Sustainability Benchmark), established in 2009 by mainly a group of leading public pension funds that helped lead the effort to create the United Nations' Principles for Responsible Investment, is a yearly benchmark evaluation that measures consideration given to environment, society and governance (ESG) by companies in the real estate sector.
DBJ Green Building Certification	The DBJ Green Building Certification is a certification system created by Development Bank of Japan Inc. in April 2011 to support real estate properties with environmental and social awareness (Green Building). The certification system is said to evaluate and certify real estate properties in terms of their desirability for society and the economy based on a comprehensive evaluation, which includes not only environmental performance, but also responsiveness to various stakeholder needs such as consideration for emergency preparedness and the community, and to support these efforts.
BELS	The BELS is a building energy-efficiency labeling system that was started with the aim of having third-party institutions implement accurate evaluation and labeling of energy-conservation performance in non-residential buildings in accordance with the guidelines set forth in October 2013 by the Ministry of Land, Infrastructure, Transport and Tourism in Evaluation Guidelines for Energy-efficiency Labeling for Non-residential Buildings (2013).

Terms	Definitions
CASBEE (Comprehensive Assessment System for Built Environment Efficiency)	CASBEE is a method for evaluating and rating the environmental performance of buildings as a system for comprehensively evaluating the quality of buildings in terms of environmental-friendliness (such as energy conservation and using energy-saving materials with a low environmental footprint), levels of comfort within the building, and consideration given to the scenery.
JHEP Certification	JHEP Certification is a system developed by the US Department of the Interior in the 1970s to 1980s in which the Ecosystem Conservation Society-Japan quantitatively assesses and certifies the environment in terms of habitats.

SUSTAINABLE DEVELOPMENT GOALS



A large, empty rectangular area with rounded corners, outlined in a thin gray border, intended for writing a memo.

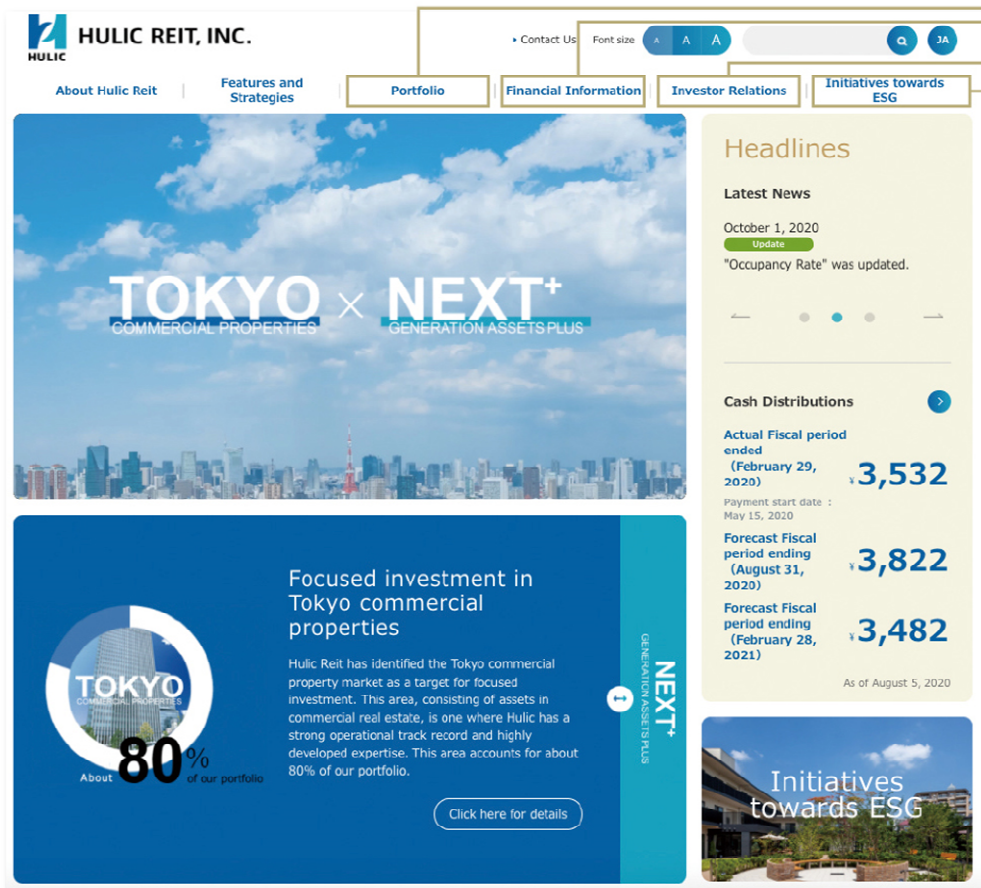
Cautionary Statement

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

Careful attention was paid in the preparation of this presentation, but HLC has not performed a detailed verification of the information appearing within this presentation, including quotes from public disclosures, and as such, HLC cannot guarantee the accuracy, completeness, appropriateness or validity of the information in this presentation, regardless of whether it is information prepared by HLC and its asset management company or information from a third party. In addition, the information appearing in this presentation has not necessarily been updated to the latest available information, and HLC carries no obligation to do such. The information in this presentation is subject to change without notice.

This presentation is intended for the provision of information only and is not intended to offer or solicit investments or to recommend purchases or sales involving securities, financial products, or other transactions. Please inquire with a securities company for the purchase of investment units or investment corporation bonds. Decisions on investments are to be made using your own discretion and accountability. Note that it is prohibited to reproduce, appropriate, etc., the contents stated in this presentation without approval in advance.

We renewed our website in October 2020.
As you can get more information such as IR information, please access it.



HULIC REIT, INC.

About Hulic Reit | Features and Strategies | **Portfolio** | Financial Information | Investor Relations | Initiatives towards ESG

TOKYO COMMERCIAL PROPERTIES × **NEXT+** GENERATION ASSETS PLUS

Headlines

Latest News

October 1, 2020
Update
"Occupancy Rate" was updated.

Cash Distributions

Period	Amount (¥)
Actual Fiscal period ended (February 29, 2020)	3,532
Forecast Fiscal period ending (August 31, 2020)	3,822
Forecast Fiscal period ending (February 28, 2021)	3,482

As of August 5, 2020

Initiatives towards ESG

Focused investment in Tokyo commercial properties

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

80% of our portfolio

[Click here for details](#)

Portfolio

Information about our portfolio properties is posted.



Financial Information

You can see our financial information such as the status of borrowings and interest-bearing debt.



Investor Relations

You can see our latest financial information, information for unitholders, etc.



Initiatives towards ESG

Our policy and status of ESG initiatives are posted.

