

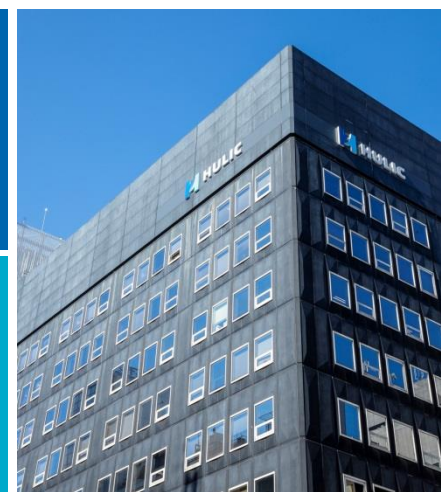


Securities Code
3295



TOKYO
COMMERCIAL PROPERTIES

NEXT+
GENERATION ASSETS



HULIC REIT, INC.

October 16, 2019

Financial Results Briefing
for the 11th Fiscal Period
(Fiscal Period Ended August 31, 2019)

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I Financial Highlights

Hulic Ginza 7 Chome Building

External Growth

■ Continuation of Stringently Selected Investments Focused on Location

- Due to the capital increase through the 6th PO and loans, a total of 4 properties (2 office buildings in 3 central Tokyo wards and 2 private nursing homes developed by the sponsor) were acquired for ¥18.1 billion (in Jun. and Sep. 2019) and **asset size reached ¥325 billion**.

Change in Total Assets

	End of the 10th FP	After the 6th PO
Total Assets	¥306.9 billion	¥325.0 billion

Key Indicators of Tokyo Commercial Properties

Percentage in 6 Central Tokyo Wards	91.7%
Percentage within 5-minute Walk from Station	92.3%

■ Increase in Unrealized Gain/Loss Ratio Contributing to NAV Growth

- Unrealized gain/loss ratio expanded steadily to +16.6%** due to stringently selected investments in central Tokyo area properties located near stations.

Change in Unrealized Gain/Loss Ratio

	End of the 10th FP	After the 6th PO
Unrealized Gain/Loss Ratio	16.1%	16.6% ^{*1}

Internal Growth

■ Maintain High Occupancy Rate

- The occupancy rate for portfolio was 100% at the end of the 11th FP (Aug. 31, 2019).
- Although several tenants are expected to vacate in the near future, we aim to lease these spaces quickly.

Change in Occupancy Ratio

	End of the 10th FP	End of the 11th FP
Occupancy Rate for Portfolio	99.9%	100.0%

■ Ongoing Increase in Rent

- Rent increased about 53% (based on floor area) in the 11th FP (the FP ended Aug. 31, 2019)** due to upward rent revisions in spaces with a negative percentage of rent divergence (offices).
- The average percentage of divergence in spaces with a negative percentage of rent divergence for offices was -9.2%^{*2}**, and we aim for ongoing increases in rent.

Result of Rent Increases in the 11th FP (Tokyo Commercial Properties)

Rate of Rent Increase due to Rent Revisions	5.6%
Rate of Rent Increase due to Replacements	16.1%

Financial Strategy

■ Implementation of Stable and Sound Financial Management

- JCR^{*3} rating is **AA- (Positive)**
- Acquisition capacity up to an LTV of 45% generated approx. ¥11.9 billion^{*4}** due to LTV control through the 6th PO.

JCR's Credit Rating

Credit Rating (Outlook)	AA- (Positive)
-------------------------	----------------

Change in LTV

	End of the 11th FP	After the 6th PO
LTV	44.3%	43.1% ^{*4}

ESG

■ Evaluation by External Organizations for Continuous Initiatives

- Successive selection in MSCI Japan ESG Select Leaders Index (9 J-REITs are selected among 63 J-REITs)
- In the 2019 GRESB Real Estate Survey, we earned for three straight years Green Star and 4-Stars GRESB rating.

Ongoing Growth in Unitholder Value

Change in Distribution per unit

The 11th FP (FP Ended Aug. 31, 2019)		The 12th FP (FP Ending Feb. 29, 2020)		The 13th FP (FP Ending Aug. 31, 2020)
(Previous Forecast)	(Result)	(Previous Forecast)	(New Forecast)	(Forecast)
¥3,410 per unit	¥ 3,481 per unit	¥3,410 per unit	¥ 3,460 per unit	¥ 3,460 per unit

Change in NAV per unit

The 10th FP (FP Ended Feb. 28, 2019)	After the 6th PO (Assumption)
¥169,415 per unit	Approx. ¥ 173,300 per unit

^{*1} The difference between the appraisal value and acquisition price at the time of acquisition for assets acquired during the 12th FP (FP ending Feb. 29, 2020) is calculated as unrealized gains after the 6th PO.

^{*2} Figure is as of the end of the 11th FP (Aug. 31, 2019).

^{*3} JCR stands for Japan Credit Rating Agency, Ltd. The same shall apply hereinafter.

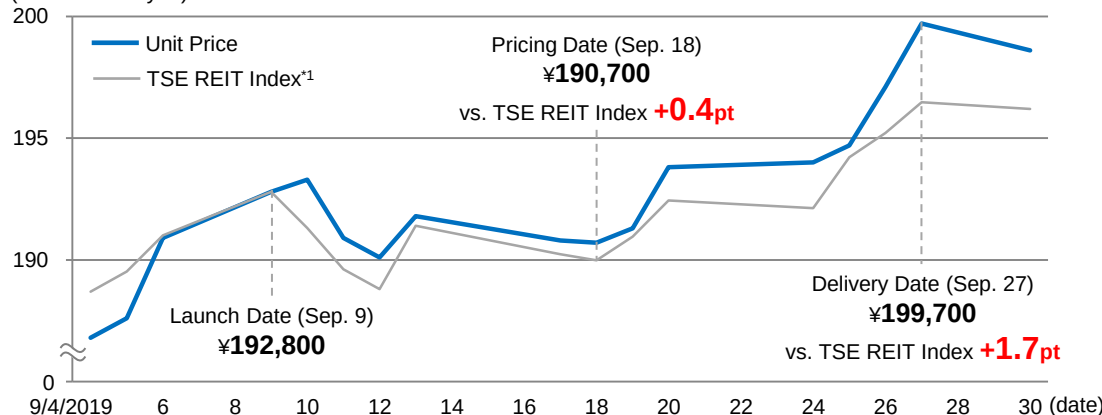
^{*4} Figures are stated in the securities registration statements submitted on Sep. 9, 2019, is noted here. For details, please refer to the securities registration statements submitted on Sep. 9, 2019.

Outline of the 6th PO

Offering Format	Public Offering (Domestic)
Payment Amount (incl. Third-party Allotment)	¥10,975 million
Units Offered (incl. OA)	61,000 units
Number of Investment Units Outstanding after the 6th PO	1,312,000 units
Issue Price (Offer Price)	¥185,932 per unit
Issue Value (Amount to be paid)	¥179,924 per unit
Demand Multiple	19.6 times

Unit Price

(thousands of yen)



Change in Indicators

Asset Size

End of the 10th FP (Feb. 28, 2019)	End of the 11th FP (Aug. 31, 2019)	After the 6th PO
¥306.9 billion	¥314.0 billion	¥325.0 billion

NAV per unit

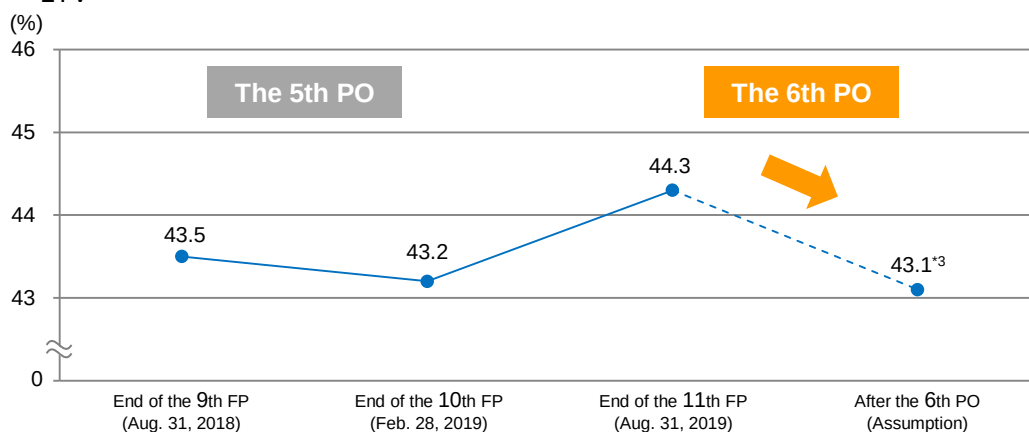
End of the 10th FP (Feb. 28, 2019)	End of the 11th FP (Aug. 31, 2020)	After the 6th PO
¥169,415	¥172,657	Approx. ¥173,300

Adjusted DPU ^{*2}

The 10th FP Result (FP Ended Feb. 28, 2019) (Result before the PO)	The 12th FP Forecast (FP Ending Feb. 29, 2020)	The 13th FP Forecast (FP Ending Aug. 31, 2020)
¥3,330 per unit	¥3,431 per unit	¥3,460 per unit

+3.9%

LTV



Expected Acquisition Capacity after the 6th PO ^{*3}

Up to LTV 45% Approx. ¥11.9 billion Up to LTV 50% Approx. 47.1 billion

^{*1} Index is based on the assumption that HULIC REIT's unit price closing value is the same as its closing value on Sep. 9, 2019, the launch date of the 6th PO.

^{*2} Refers to the amount of cash distributions per unit after adjustments for unexpensed fixed asset tax and city planning tax after property acquisitions, and gain on sales by dispositions of properties as well as at the time of related type II management fee. For details, please refer to page 9.

^{*3} Figures are stated in the securities registration statements submitted on Sep. 9, 2019, is noted here. For details, please refer to the securities registration statements submitted on Sep. 9, 2019.

- At the beginning of the 12th FP (FP ending Feb. 29, 2020), Hulic Reit acquired the properties by carrying out its 6th PO and borrowing funds, which increased its scale of assets to ¥325.0 billion.

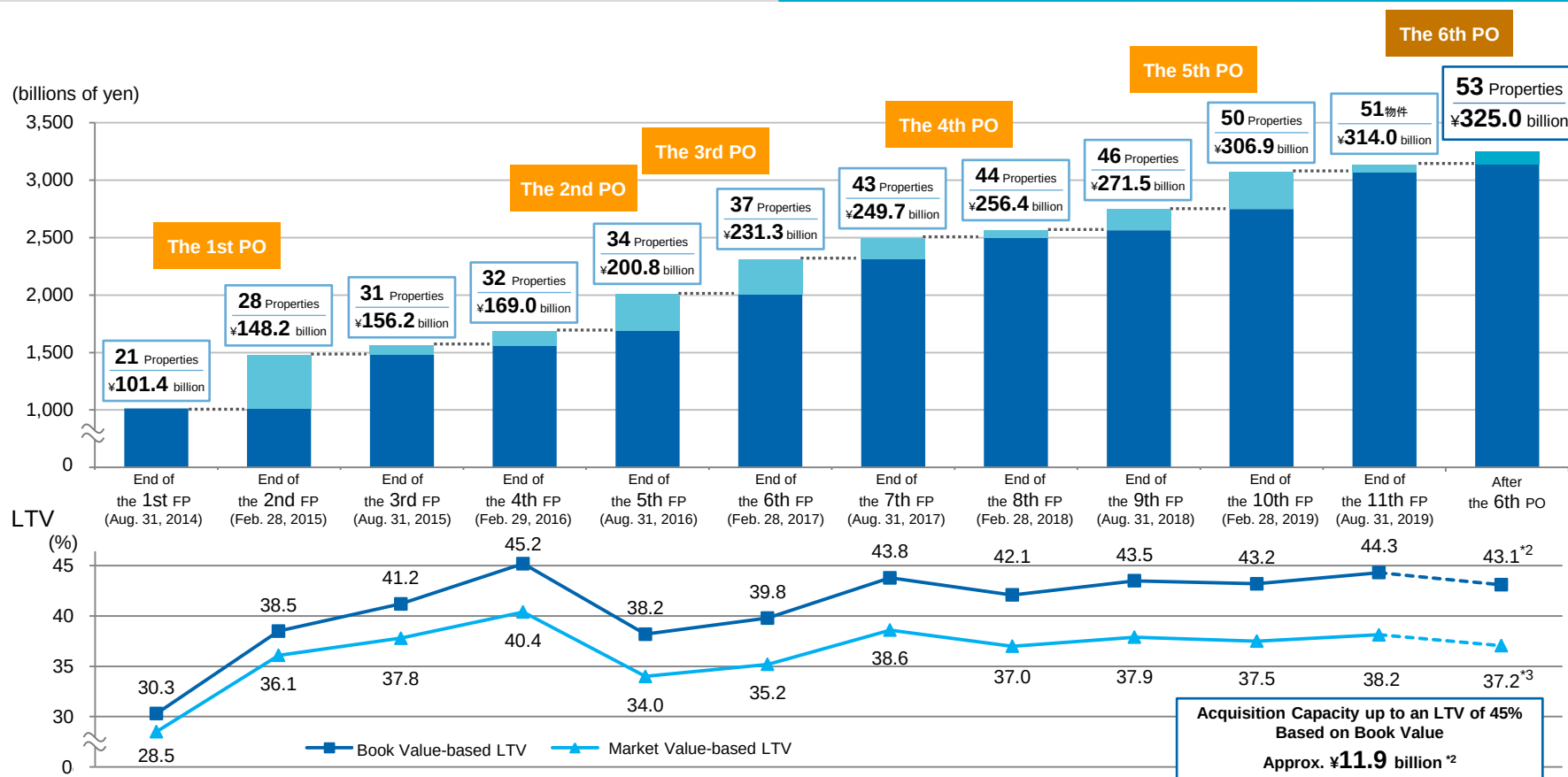
Trend of Total Assets and LTV since the Listing

Total Assets **53** Properties **¥325.0** billion

Avg. NOI Yield **4.5%** Occupancy Rate **100.0%**
Unrealized Gains/Losses **53.6 billion**^{*1}

Tokyo Commercial Properties **35** Properties **¥263.7** billion (81.2%)

Next-Generation Assets Plus **18** Properties **¥61.2** billion (18.8%)



^{*1} The difference between the appraisal value and acquisition price at the time of acquisition for assets acquired during the 12th FP (FP ending Feb. 29, 2020) is calculated as unrealized gains.

^{*2} Figures are stated in the securities registration statements submitted on Sep. 9, 2019, is noted here. For details, please refer to the securities registration statements submitted on Sep. 9, 2019.

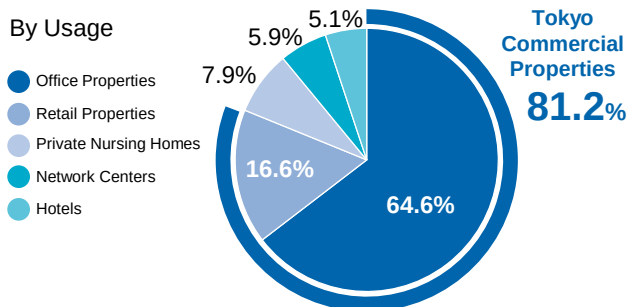
^{*3} This is an estimated figure that is based on the estimated book value-based LTV after the 6th PO and which takes into account the total unrealized gains/losses on the assets held after the 6th PO.

(For the assets acquired in the 12th FP, we have calculated the unrealized gains/losses as the differences between the appraisal values and the acquisition prices of the assets.)

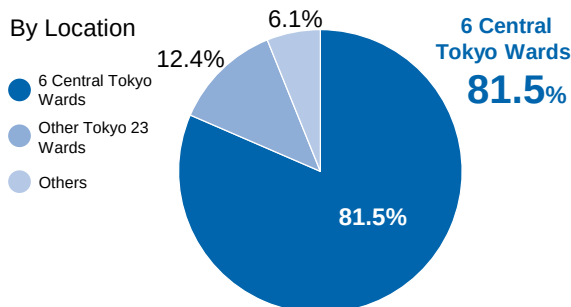
Portfolio after the 6th PO

Portfolio Overall *1

By Usage

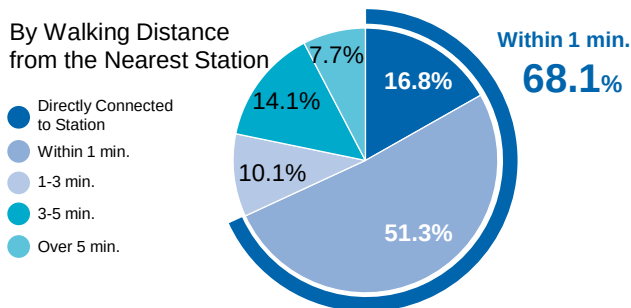


By Location

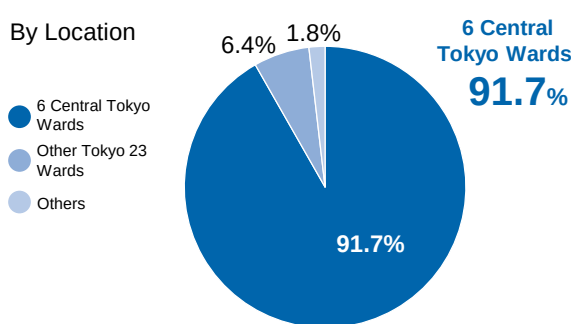


Tokyo Commercial Properties *1

By Walking Distance from the Nearest Station

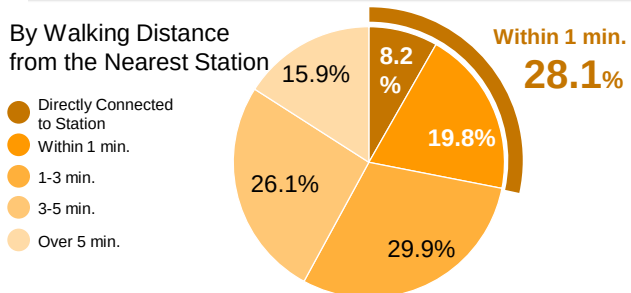


By Location

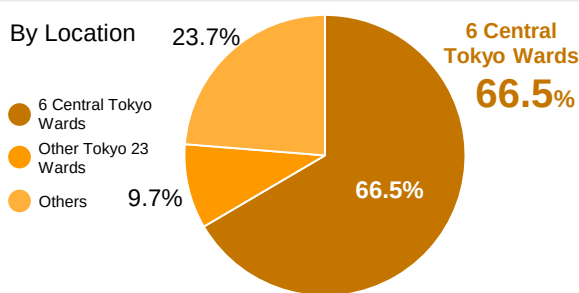


(Reference) J-REIT Overall (Office-use Only) *2

By Walking Distance from the Nearest Station



By Location



Characteristics of Tokyo Commercial Properties

By Location

Ratio of 6 Central Tokyo Wards
91.7%

By Walking Distance from the Nearest Station

Ratio within 5-minute Walking Distance
92.3%

By Acquisition Route

Ratio of Acquisition from Sponsor Group, etc.
97.2%

Stringently selected investment using sponsor support in central Tokyo area properties located near train stations for which growth can be expected after acquisition

*1 Proportions shown in the respective graphs have been calculated based on acquisition prices of assets held by HULIC REIT as of the date of the after the 6th PO.

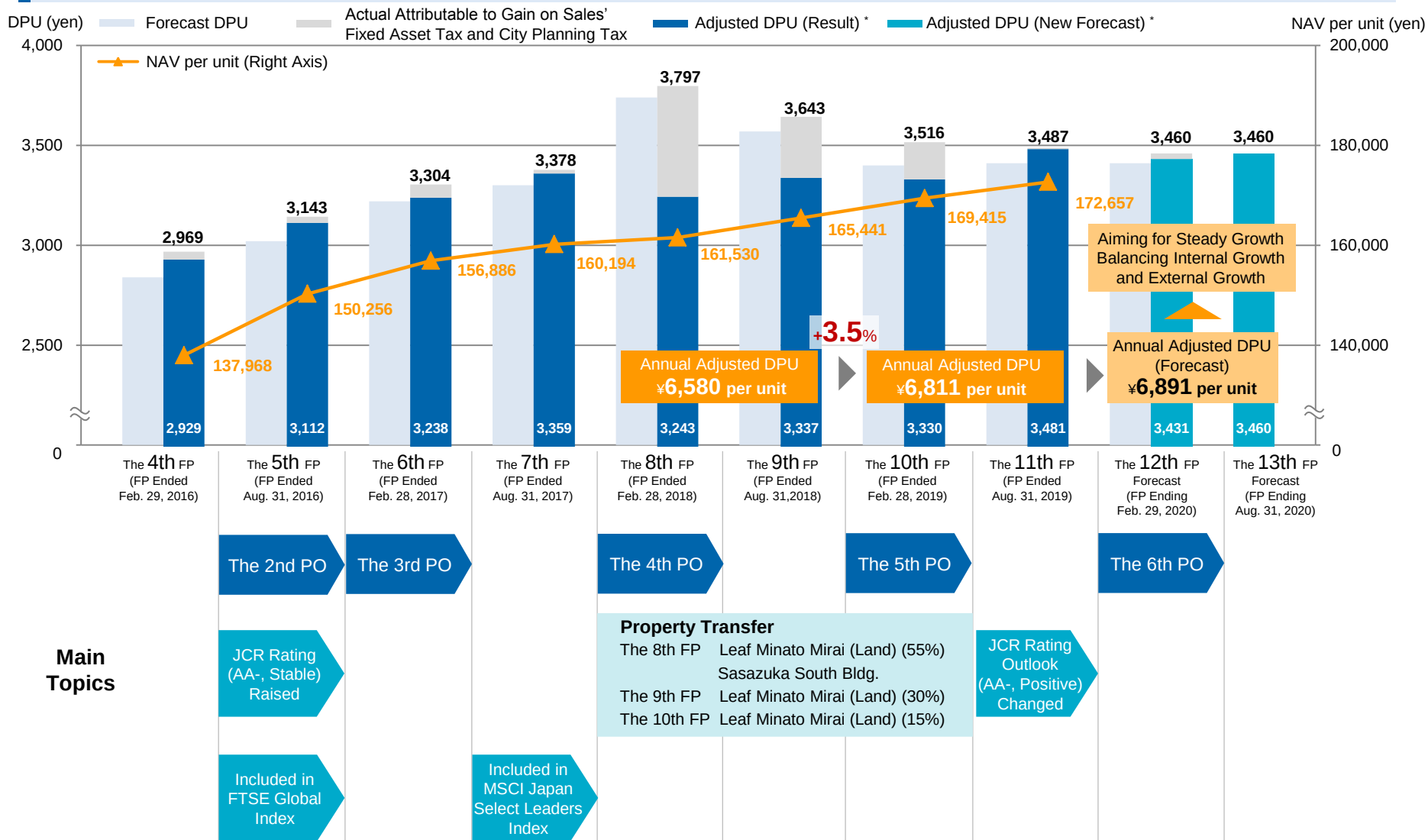
*2 Proportions shown in the respective graphs have been calculated based on acquisition prices of office-use assets held by the respective J-REITs as of Aug. 31, 2018 (prepared by the asset management company based on information from information vendors).



Ⅱ Asset Management Results

Charm Suite Shinjukutoyama

Steady Growth of Distribution and NAV per unit

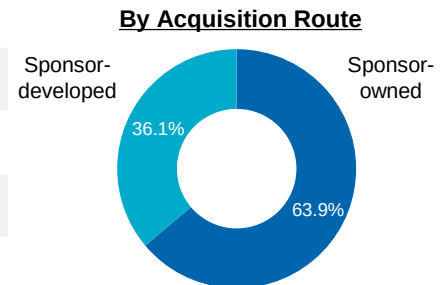
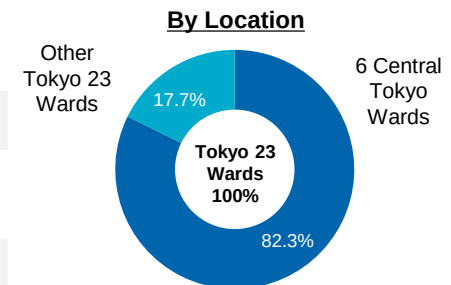
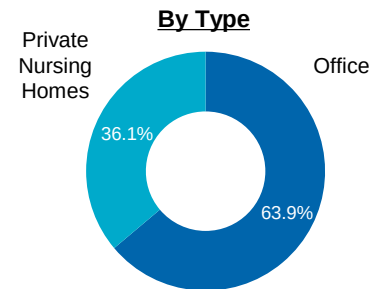


* Refers to the amount of cash distributions per investments unit after adjustments for unexpensed fixed asset tax and city planning tax after property acquisitions, and gain on sales by dispositions of properties as well as at the time of related type II management fee.

Rigorous Selection and Investment in Offices and Private Nursing Homes with a Focus on Location

No. of Properties	Total Acquisition Price	Total Appraisal Value	Occupancy Rate	Avg. NOI Yield
4	¥18,053 million	¥18,775 million	100.0 %	4.0 %

Category	Tokyo Commercial Properties			Next-Generation Assets Plus	
Property Type	Office			Private Nursing Homes	
Property Name	Hulic Iidabashi Building	Hulic Ginza 7 Chome Building ^{*2}		Charm Suite Shinjuku Toyama	Charm Suite Shakujiikoen
		(25% Additional Acquisition)	(20% Additional Acquisition)		
Photo					
Location	Chiyoda-ku, Tokyo	Chuo-ku, Tokyo		Shinjuku-ku, Tokyo	Nerima-ku, Tokyo
Walking Distance from the Nearest Station	4-min. from Iidabashi Station	4-min. from Ginza Station		4-min. from Higashishinjuku Station	11-min. from Shakujiikoen Station
Acquisition Price	¥1,450 million	¥5,600 million	¥4,480 million	¥3,323 million	¥3,200 million
Appraisal Value	¥1,500 million	¥5,825 million	¥4,660 million	¥3,520 million	¥3,270 million
NOI Yield ^{*3}	4.4%	3.6%	3.6%	4.4%	4.6%
Seller	Hulic Co., Ltd.				
Acquisition Date	Jun. 28, 2019	Jun. 28, 2019	Sep. 27, 2019	Sep. 27, 2019	Sep. 12, 2019
Occupancy Rate	100.0%	100.0%		100.0%	100.0%



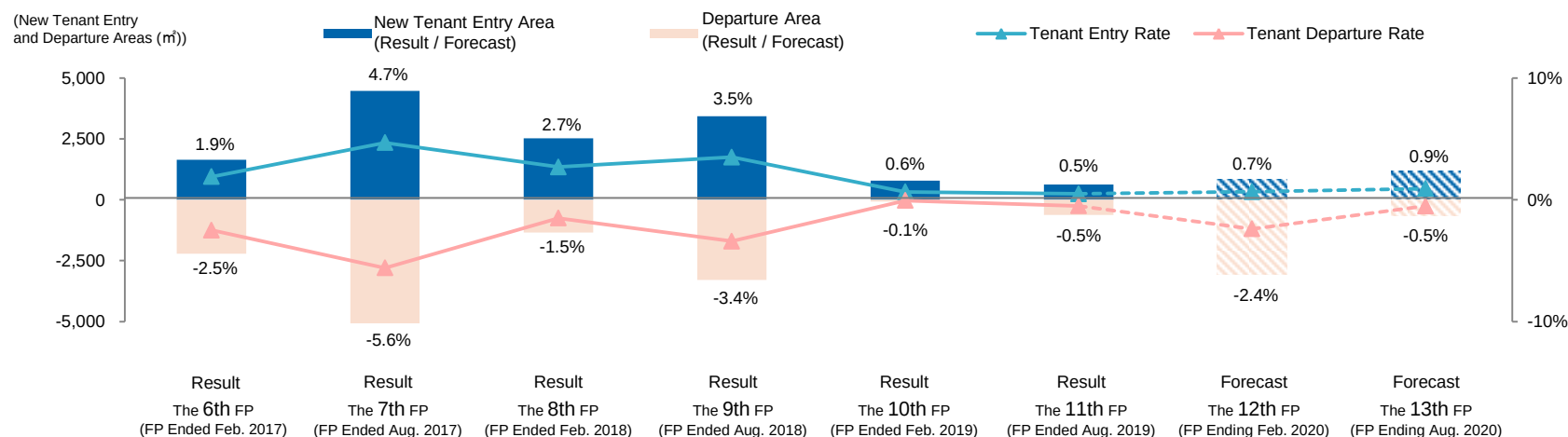
^{*1} This refers to assets that have been acquired during the 11th FP (FP ended Aug. 31, 2019) and the 12th FP (FP ending Feb. 29, 2020).

^{*2} Hulic Reit acquired quasi-co-ownership interest of 25.0% on Jun. 28, 2019 and acquired quasi-co-ownership interest of 20.0% on Sep. 27, 2019.

^{*3} For the NOI yield, the NOI through the direct capitalization method indicated in the appraisal report at the time of acquisition after dividing by the acquisition price is stated, rounded to the 1st decimal place.

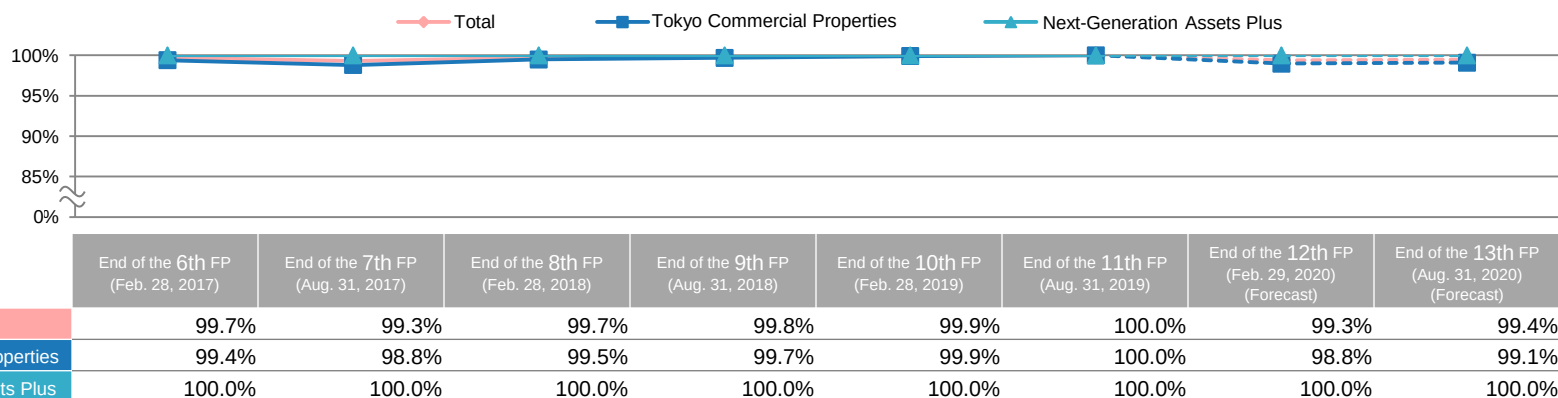
Forecasts and Results regarding New Tenant Entry and Departure (Office) ^{*1,2}

- We maintained consistent occupancy rates, having managed to swiftly fill vacant spaces upon tenant departure.
- We aim to swiftly fill spaces scheduled to be vacant in the 12th FP (FP ending Feb. 29, 2020) and the 13th FP (FP ending Aug. 31, 2020).



Occupancy Rates at FP End

- Occupancy rate in our portfolio was 100.0% at the end of the 11th FP (Aug. 31, 2019); maintained high rate consistently.

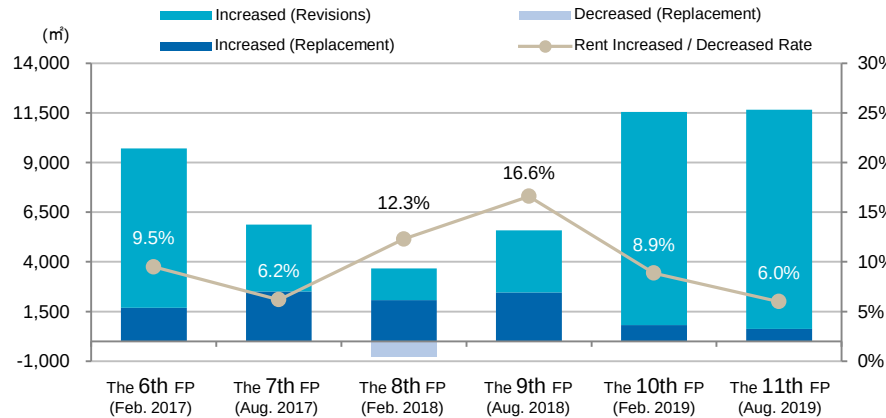


*1 The forecast are based on the properties subsequent to the capital increase through the 6th PO.

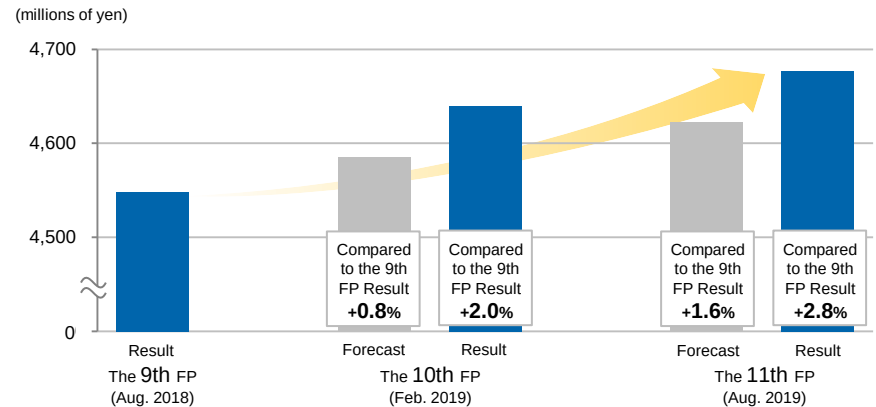
*2 Figures for departure area and tenant departure rate are negative values.

Rent Revisions and Tenant Replacements · NOI (Tokyo Commercial Properties)

Rent Revisions and Tenant Replacements

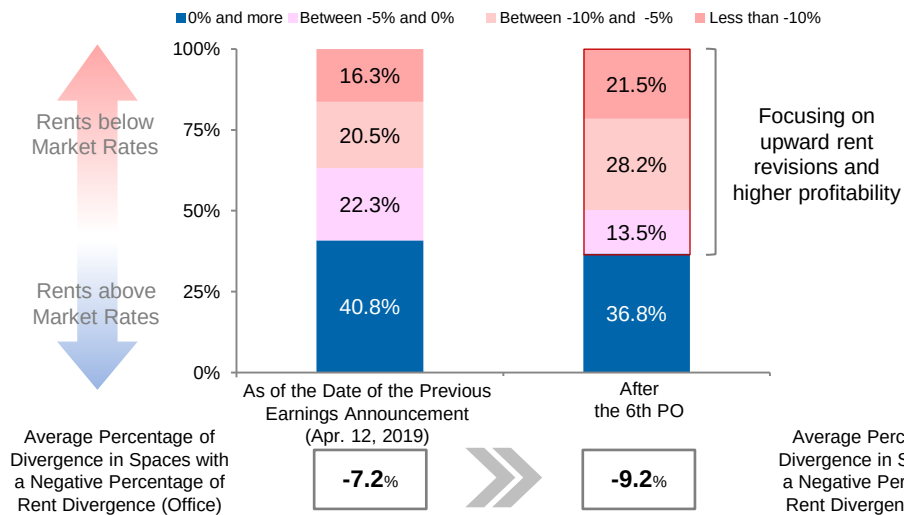


NOI *1

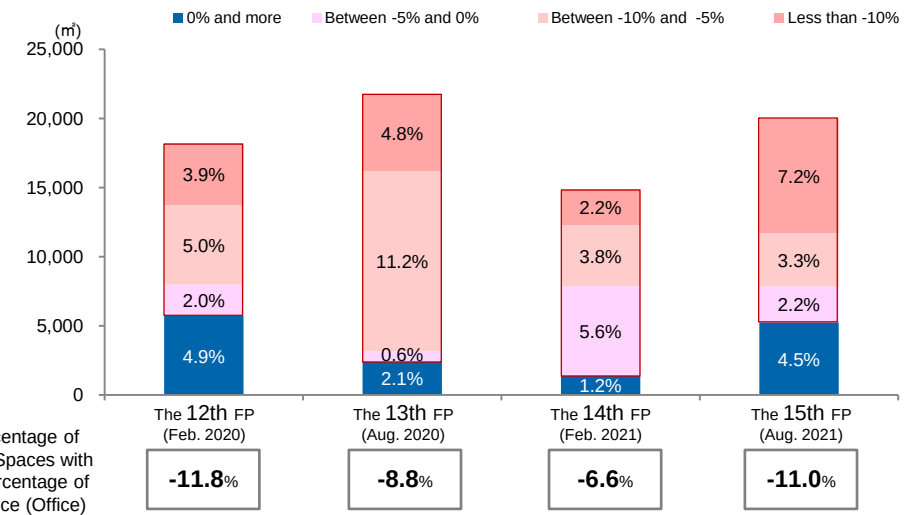


Negotiate Appropriate Rents (Offices)

Level of Divergence from Office Market Rent Levels *2



Lease Agreement Revisions Schedule *3



*1 The NOI in each FP is compared for property (excluding Leaf Minato Mirai (land)) owned by HULIC REIT at the beginning of the 9th FP (Mar. 1, 2018) and HULIC Ginza 7 Chome Building (excluding the additional acquisition). Because the 9th FP results for HULIC Ginza 7 Chome Building are distributed proportionately over the number of days and fixed asset tax and city planning tax has not been expensed for the 9th FP and 10th FP, it is compared after adjustment.

*2 The respective percentages shown are expressed as percentages relative to total leasable area of office properties owned by HULIC REIT at the end of each FP (excluding land, retail spaces, and residential spaces, etc.; the same shall apply hereinafter).

*3 The respective percentages shown are expressed as percentages relative to total leasable area of office properties owned by HULIC REIT after the 6th PO, and lease agreements with a renewal date from the 16th FP (Feb. 2022) have been omitted.

Initiatives Aimed at Raising Portfolio's Earning Capacity and Their Results

Hulic Kanda Building

1-min. Walk
from Station


**Rate of Increase in
Average Rent per tsubo***

+6.8%

Compared to End of the 10th FP
(Feb. 28, 2019)

- Although several tenants moved out, we quickly found replacement tenants, took the relevant initiatives, and negotiated higher rents with existing tenants. As a result, the average rent per tsubo for the building overall rose 6.8%.

Toranomon First Garden

1-min. Walk
from Station


**Rate of Increase in
Average Rent per tsubo***

+4.9%

Compared to End of the 8th FP
(Feb. 28, 2018)

- We negotiated higher rents due to the gap between the current rent for existing tenants and the market rent levels, which increased the average rent per tsubo for the building overall by 4.9%.

Efforts to Increase Rent for the Assets Acquired through the 5th PO and Their Result

Hulic Gotanda Yamate-dori Building

1-min. Walk
from Station


**Rate of Increase in
Average Rent per tsubo***

+8.4%

Compared to Acquisition Date
(Oct. 1, 2018)

- The sellers were encouraged to begin negotiations with existing tenants to raise rents before the acquisition, and through these efforts and tenant replacements, the average rent per tsubo for the building overall increased by 8.4%.

Hulic Nihonbashi Honcho Chome Building

5-min. Walk
from Station


**Rate of Increase in
Average Rent per tsubo***

+5.6%

Compared to Acquisition Date
(Nov. 1, 2018)

- Hulic Reit actively negotiated higher rents with existing tenants whose lease agreements with fixed term were ending, and the average rent per tsubo for the building overall increased by 5.6%.

* The comparison with the total average rent per tsubo (monthly rent for each lease agreement in effect at each point (including common service fees)) as of Sep. 30, 2019 (However, in the case of lease agreements for new tenants and lease agreements with revised rents as of Sep. 30, 2019, the figures are calculated based on the rent after the particular lease agreement has gone into effect or has been revised.)

Efforts to Improve Profits

Installation for Rooftop Antennas



An agreement was concluded to install rooftop antennas on 3 new properties^{*1} in the 11th FP (FP ended Aug. 31, 2019), in addition to the existing rooftop antennas already installed on 6 office buildings and 2 commercial facilities.

Applicable Properties

: Hulic Takadanobaba Building
Hulic Kanda Building
Hulic Todoroki Building

Increase in Revenue from the Installation Fees for Rooftop Antennas are Expected

Approach Mobile Communications Carriers with the Aim of Further Increasing Installation Fees for Rooftop Antennas

- Provide information on property holdings to mobile communications carriers
- Publish building information on mapping sites exclusively for mobile communications carriers



Initiatives to Reduce Costs

Electricity Rates Reduced by Changing the Power Supply Company

Changed Power Supply Company for 10 Office Buildings and 6 Commercial Properties

This is expected to reduce electricity fees by about 30 million yen (Approx. 12.8%) annually compared to usage fees in FY 2017 (Apr. 1, 2017 to Mar. 31, 2018).^{*2}

Reduction in Water Supply Use by Installing Water-saving Equipment

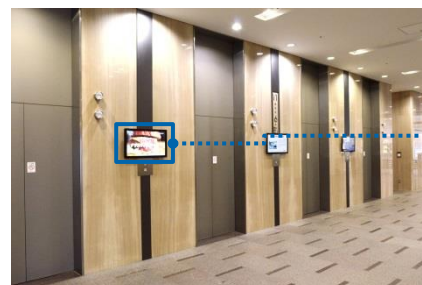
Water-saving Equipment Installed in Toilets in 4 Office Buildings

Reductions in Water Supply Use Expected

Initiatives to Improve Tenant Satisfaction and BCP Initiatives

Installation of Television Monitors in Elevator Halls

Installation of Television Monitors in Elevator Halls in “Hulic Kamiyacho Building”

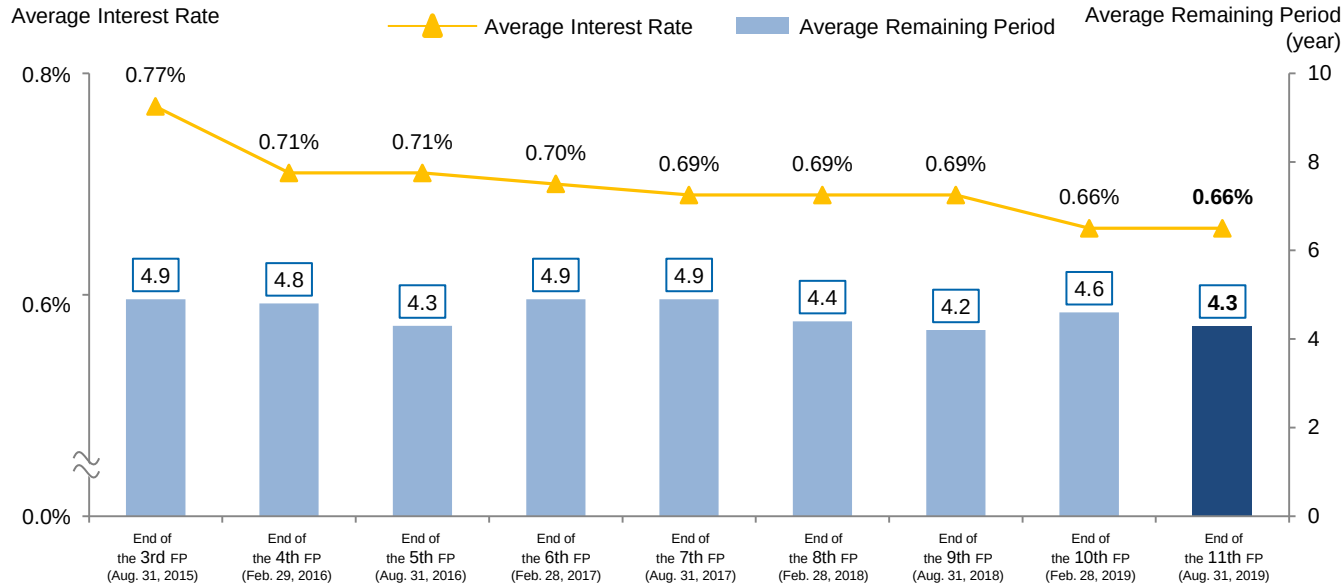


Television Monitors Show Disaster Evacuation Maps

^{*1} This includes cases in which contracts are newly concluded with other mobile communication carriers.

^{*2} Estimated reductions to electricity costs are the estimate based on the fee system of the new electric supply company, assuming that the 10 office buildings and 6 commercial properties that changed their electric supply company use the same amount of electricity in the subsequent year as in FY 2017 (Apr. 1, 2017 to Mar. 31, 2018). There is no guarantee that electricity costs will necessarily be reduced in the future.

Average Interest Rate and Average Remaining Period of Interest-bearing Debt ^{*1}



Credit Rating

JCR Rating
Credit Rating (Outlook)

AA- (Positive)

Status of Interest-bearing Debt

As of the End of the 11th FP
(Aug. 31, 2019)

Total Interest-bearing Debt

¥146,560 million

Long-term Liability Ratio ^{*1}

97.2%

Fixed-Interest Rate Ratio ^{*1,2}

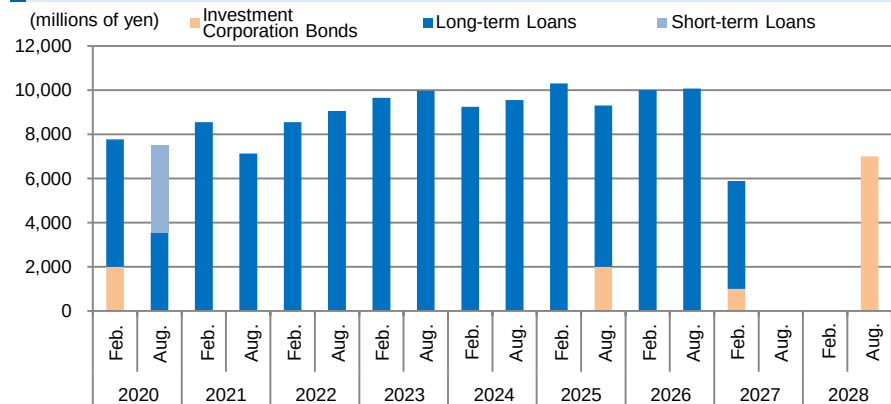
97.2%

Succeeded in Extending Loan Duration in a Low-yield Environment

	Before Refinancing	After Refinancing
Borrowing Amount	¥4.58 billion	¥4.58 billion
Interest Rate ^{*3}	0.4350%	0.4225%
Borrowing Period	4.5 year	7.5 year

 -0.01 pt
 +3.0 year

Diversification of Interest-bearing Debt Maturities (End of the 11th FP (Aug. 31, 2019)) ^{*1}



^{*1} The "Average Interest Rate," "Averaging Remaining Period," "Long-term Liability Ratio," "Fixed-interest Rate Ratio," and "Diversification of Interest-bearing Debt Maturities" at the end of the 11th FP (Aug. 31, 2019) are calculated by excluding the bridge loans borrowed to acquire properties on Jun. 28, 2019.

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

^{*3} This is the rate after it has been fixed due to interest rate swap contracts (does not include financing fees).

Ⅲ Summary of Financial Results and Earnings Forecast



Charm Suite Shakujiikoen

Statements of Income (Comparison of the Forecasts)

	(unit: millions of yen)		Difference (B-A)
	The 11th FP (Aug. 31, 2019) Forecast (A) ^{*2}	Result (B)	
Operating Revenues	9,019	9,137	+118
Operating Expenses			
Expenses Related to Rent Business	-3,099	-3,099	+0
Asset Management Fee	-843	-869	-26
Other Operating Expenses	-201	-185	+16
Total Operating Expenses	-4,144	-4,153	-9
Operating Profit	4,874	4,983	+108
Non-operating Income	0	0	0
Non-operating Expenses			
Interest Expenses・Borrowing-related Expenses	-578	-592	-13
Amortization of Investment Unit Issuance Costs	-22	-22	0
Amortization of Investment Corporation Bond Issuance Costs	-5	-6	0
Total Non-operating Expenses	-607	-621	-13
Ordinary Profit	4,267	4,362	+95
Profit	4,266	4,361	+95
Units Outstanding at the End of FP (units)	1,251,000	1,251,000	0
Cash Distributions per unit (yen)	3,410	3,487	+77

■ Difference between the 11th FP Forecasts and Results

(unit: millions of yen)

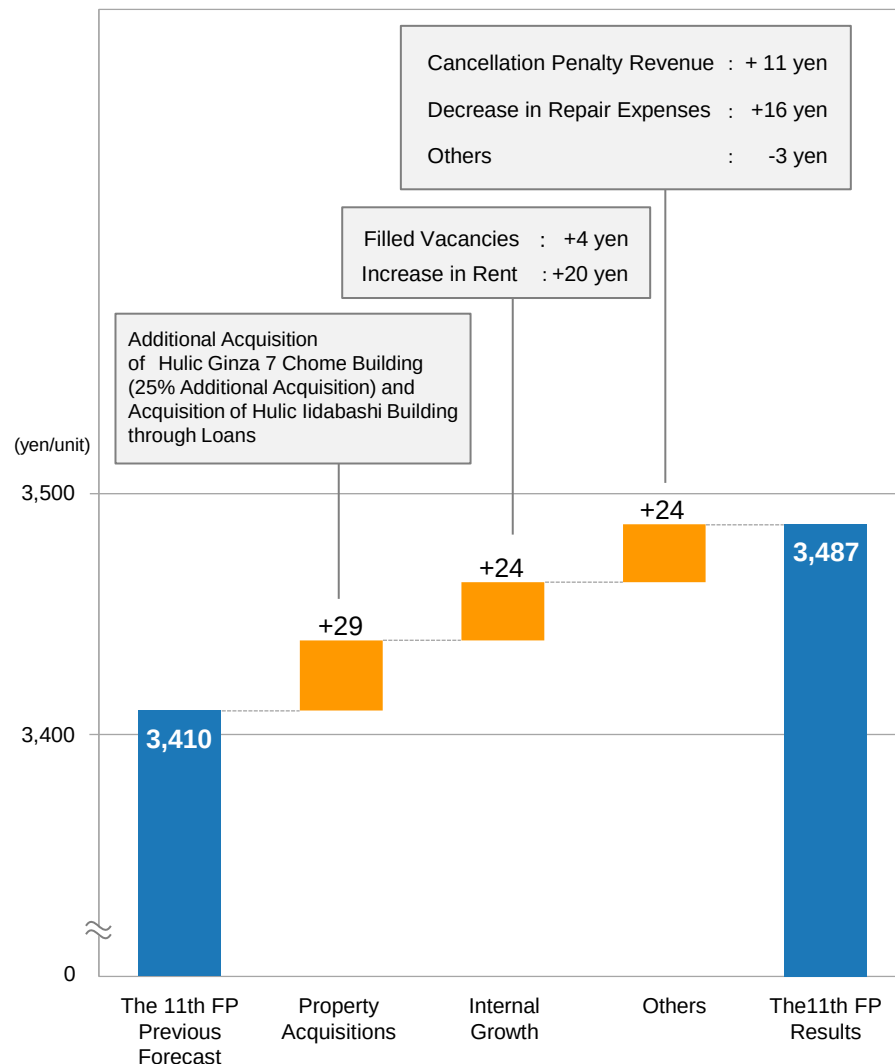
➤ Operating Revenues (+118)

- Acquisition of Hulic Ginza 7 Chome Building (25%) and Hulic Iidabashi Building : +65
- Compensation for Losses due to Vacancies in Forecasts^{*3} : +4
- Increase in Rent Revenue due to Renewals at Higher Rates^{*3} : +24
- Increased in Real Estate Lease Business Revenues^{*3} due to Cancellation Penalty Revenue (+14) : +23

➤ Expenses Related to Rent Business (+0)

- Costs Related to Hulic Ginza 7 Chome Building (25%) and Hulic Iidabashi Building : -14
- Reduction in Expenses Related to Rent Business due to a Reduction in Repair Expenses (+20) : +14

Trend of DPU (Compared to the Previous Forecasts)



*1 Figures less than ¥1 million are truncated in the statements of income.

*2 Figures are based on forecasts released on Apr. 12, 2019. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2019, which was released on Apr. 12, 2019.

*3 These figures do not include Hulic Ginza 7 Chome Building (additional acquisition of 25%) and Hulic Iidabashi Building.

Statements of Income (Comparison of the Previous Forecasts)

(unit: millions of yen)			
	The 12th FP Forecast (Feb. 29, 2020)		Difference (B-A)
	Previous (A) *2	New (B)	
Operating Revenues	8,969	9,453	+483
Operating Expenses			
Expenses Related to Rent Business	-3,097	-3,205	-108
Asset Management Fee	-838	-890	-51
Other Operating Expenses	-171	-182	-10
Total Operating Expenses	-4,107	-4,277	-170
Operating Profit	4,862	5,175	+313
Non-operating Income	0	0	0
Non-operating Expenses			
Interest Expenses・Borrowing-related Expenses	-573	-606	-33
Amortization of Investment Unit Issuance Costs	-17	-23	-5
Amortization of Investment Corporation Bond Issuance Costs	-4	-4	0
Total Non-operating Expenses	-595	-634	-38
Ordinary Profit	4,267	4,541	+274
Profit	4,266	4,540	+274
Units Outstanding at the End of FP (units)	1,251,000	1,312,000	+61,000
Cash Distributions per unit (yen)	3,410	3,460	+50

■ Difference between the 12th Previous Forecasts and New Forecasts

(unit: millions of yen)

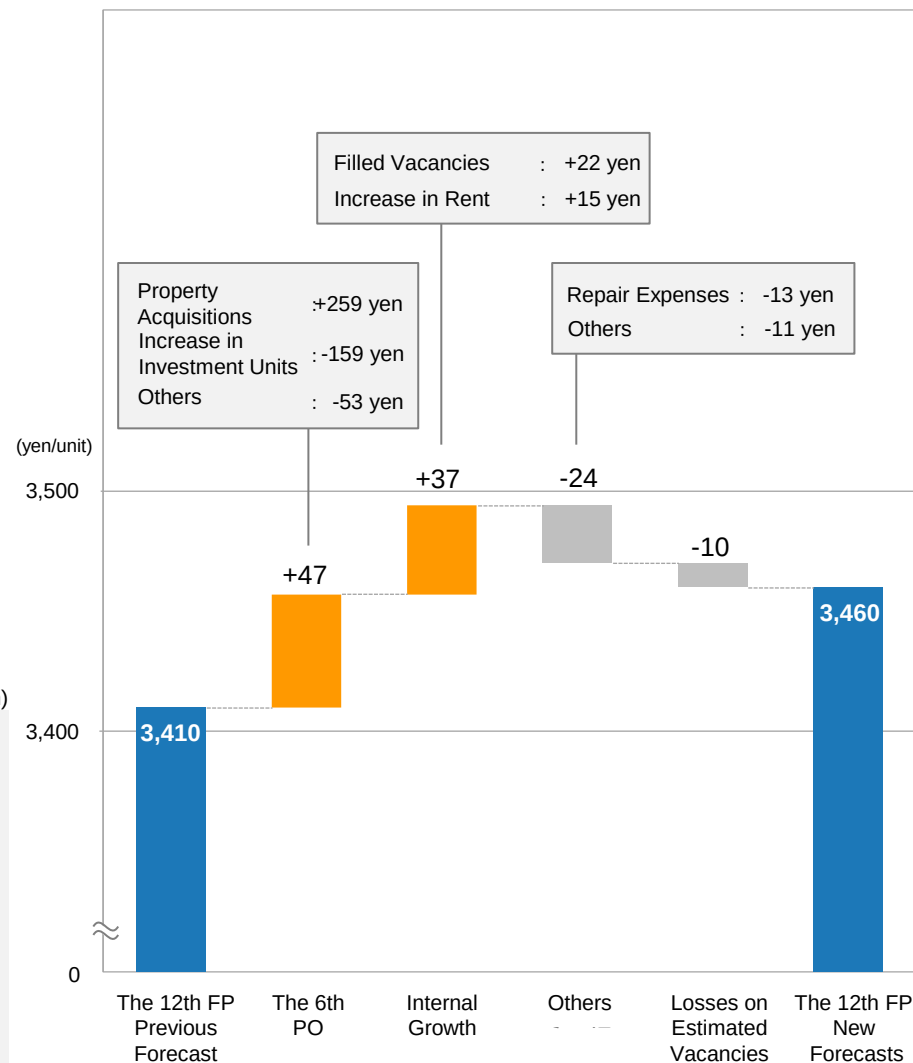
➤ Operating Revenues (+483)

- Revenue Contributions from Property Acquisitions*3 from the 11th FP (Aug. 2019) : +436
- Compensation for Losses on Vacancies in Previous Forecasts*4 : +28
- Losses on Vacancies in New Forecasts*4 : -12
- Increased in Rent Revenue due to Renewals at Higher Rates*4 : +19
- Increased in Real Estate Lease Business Revenues due to Increase in Utilities Expense Revenue (+5)*4 : +11

➤ Expenses Related to Rent Business (-108)

- Costs Related to Properties Acquired from the 11th FP : -97
- Increased in Real Estate Lease Business Costs due to Increase in Repair Costs (-6) and Other*4 : -10

Trend of DPU (Compared to the Previous Forecasts)



*1 Figures less than ¥1 million are truncated in the statements of income.

*2 Figures are based on forecasts released on Apr. 12, 2019. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2019, which was released on Apr. 12, 2019.

*3 This refers to the HULIC Ginza 7 Chome Building (additional acquisition of 25% and 20%), HULIC Iidabashi Building, Charm Suite Shinjuku Toyama and Charm Suite Shakuji Koen.

*4 Figures noted here do not include properties acquired from the 11th FP (Aug. 2019).

Statements of Income (Comparison of the 12th FP New Forecasts)

(unit: millions of yen)

	The 12th FP (Feb.29, 2020) New Forecasts (A)	The 13th FP (Aug. 31, 2020) New Forecasts (B)	Change (B-A)
Operating Revenues	9,453	9,504	+51
Operating Expenses			
Expenses Related to Rent Business	-3,205	-3,246	-41
Asset Management Fee	-890	-905	-15
Other Operating Expenses	-182	-180	+1
Total Operating Expenses	-4,277	-4,332	-54
Operating Profit	5,175	5,172	-3
Non-operating Income	0	0	0
Non-operating Expenses			
Interest Expenses・Borrowing-related Expenses	-606	-605	+0
Amortization of Investment Unit Issuance Costs	-23	-22	+1
Amortization of Investment Corporation Bond Issuance Costs	-4	-3	+1
Total Non-operating Expenses	-634	-631	+3
Ordinary Profit	4,541	4,541	0
Profit	4,540	4,540	0
Units Outstanding at the End of FP (units)	1,312,000	1,312,000	0
Cash Distributions per unit (yen)	3,460	3,460	0

■ Difference between the 12th FP Forecast and the 13th FP Forecasts (unit: millions of yen)

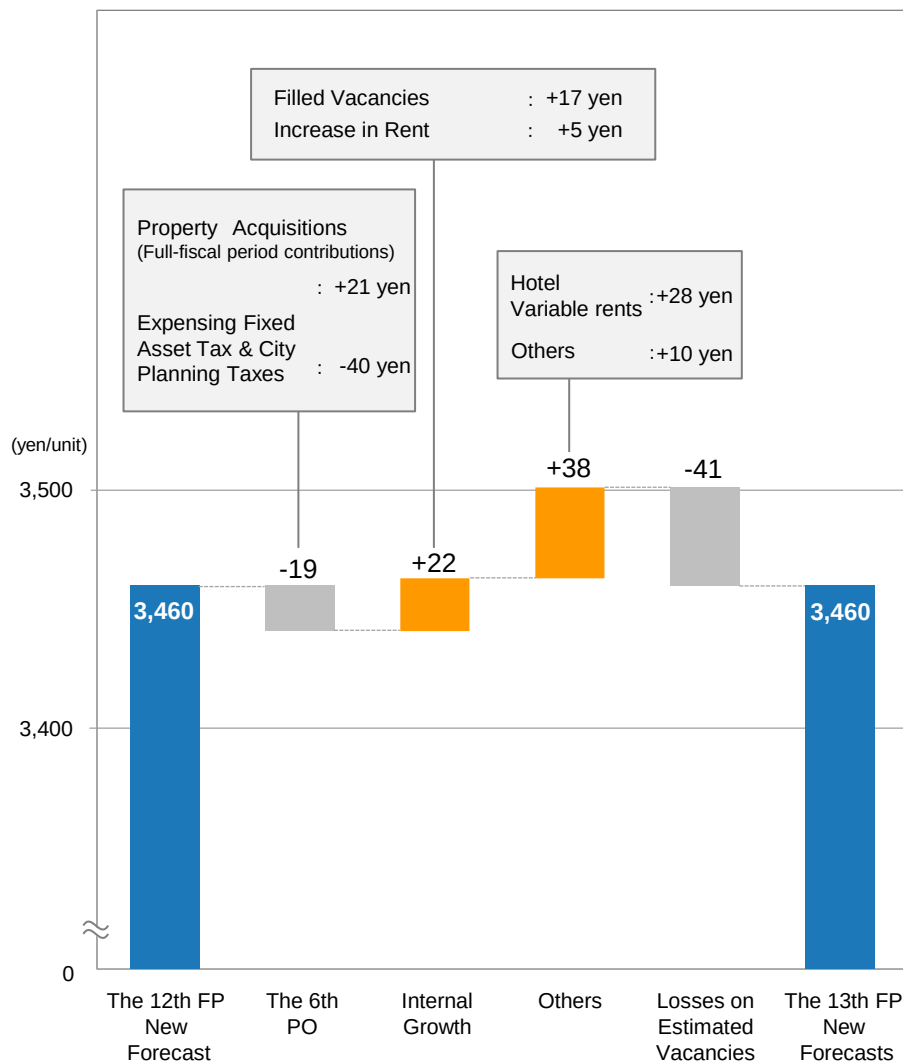
➤ Operating Revenues (+51)

- Revenue Contributions from Property Acquisitions*2 from the 11th FP (Aug. 2019), etc : +32
- Compensation for Losses on Vacancies in the 12 FP Forecasts*3 : +22
- Losses on Vacancies in the 13th FP Forecasts*3 : -54
- Increased in Rent Revenue due to Renewals at Higher Rates*3 : +6
- Increase in Revenue from Other Real Estate Lease Business due to Hotel Variable Rent (Odd-numbered FP : +37) and Other*3 : +43

➤ Expenses Related to Rent Business (-41)

- Costs Related to Property Acquisitions from the 11th FP (Aug. 2019) : -57
(Expensing Fixed Asset Tax & City Planning Taxes : -51)
- Decrease in Expenses Related to Rent Business due to Decrease in Repair Expenses (+37) and Increase in Fixed Asset Tax & City Planning Tax (-13) and Other*3 : +16

Trend of DPU (Compared to the 12th FP New Forecasts)



*1 Figures less than ¥1 million are truncated in the statements of income.

*2 This refers to the HULIC Ginza 7 Chome Building (additional acquisition of 25% and 20%), HULIC Iidabashi Building, Charm Suite Shinjuku-toyama and Charm Suite Shakuji-koen.

*3 Figures noted here do not include properties acquired from the 11th FP (Aug. 2019).

End of the 11th FP (Aug. 31, 2019) Results (Comparison of End of the 10th FP (Feb. 28, 2019))

- Total assets increased to about ¥330.7 billion (increase approx. ¥8.0 billion since the end of the 10th FP) due to the acquisition of properties of approx. ¥70.0 billion.
- We expect LTV to fall from 44.3% at the end of the 11th FP (Aug. 31, 2019) to 43.1% in the 12th FP (FP ending Feb. 29, 2020) due to the 6th PO.

(unit: millions of yen)

	The 10th FP (Feb. 28, 2019) (B)	The 11th FP (Aug. 31, 2019) (A)	Change (B-A)	The 11th FP Developments
Assets				
Current Assets	15,561	17,453	+1,892	■ Assets Acquired in the 11th FP (Total Acquisition Price: 7,050) •Hulic Ginza 7 Chome Building (25% Additional Acquisition) (Acquisition Price: 5,600) •Hulic Iidabashi Building (Acquisition Price: 1,450)
Cash and Deposits, Cash and Deposits in Trust	15,305	17,291	+1,985	
Other	255	162	-92	
Noncurrent Assets	306,953	313,139	+6,185	
Property, Plant and Equipment	291,462	297,690	+6,228	
Other	15,491	15,448	-42	
Deferred Assets	146	117	-28	
Total Assets	322,661	330,710	+8,049	
Liabilities				
Current Liabilities	19,143	25,973	+6,829	LTV at the End of the 10th FP: 43.2% ↓ LTV at the End of the 11th FP: 44.3% (After the 6th PO: 43.1%)
Short-term Loans Payable	3,960	3,960	0	
Current Portion of Investment Corporation Bonds	2,000	2,000	0	
Current Portion of Long-term Loans Payable	10,320	16,349	+6,029	
Other	2,863	3,664	+800	
Noncurrent Liabilities	136,315	137,571	+1,256	
Investment Corporation Bond	10,000	10,000	0	
Long-term Loans Payable	113,230	114,251	+1,021	
Tenant Leasehold and Security Deposits in Trust	13,085	13,320	+235	
Total Liabilities	155,458	163,544	+8,086	
Net Assets				
Unitholders' Equity	167,202	167,165	-36	
Unitholders' Capital	162,803	162,803	0	
Surplus	4,399	4,362	-36	
Total Net Assets	167,202	167,165	-36	
Total Liabilities and Net Assets	322,661	330,710	+8,049	

* Figures less than ¥1 million are truncated

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

- Unrealized gains have increased steadily since the listing, amounting to ¥53.2 billion at the end of the 11th FP (Aug. 31, 2019) ; + ¥4.1 billion in comparison with the end of the 10th FP (Feb. 28, 2019).
- At the end of the 11th FP (Aug. 31, 2019), the unrealized gain ratio was +17.0%.
- Although the appraisal value for the 6 properties declined compared to the end of the 10th FP, this was due to revisions to costs and others in the appraisal resulting from changes to the Engineering Reports.

Summary of Appraisal Values

(unit : millions of yen)

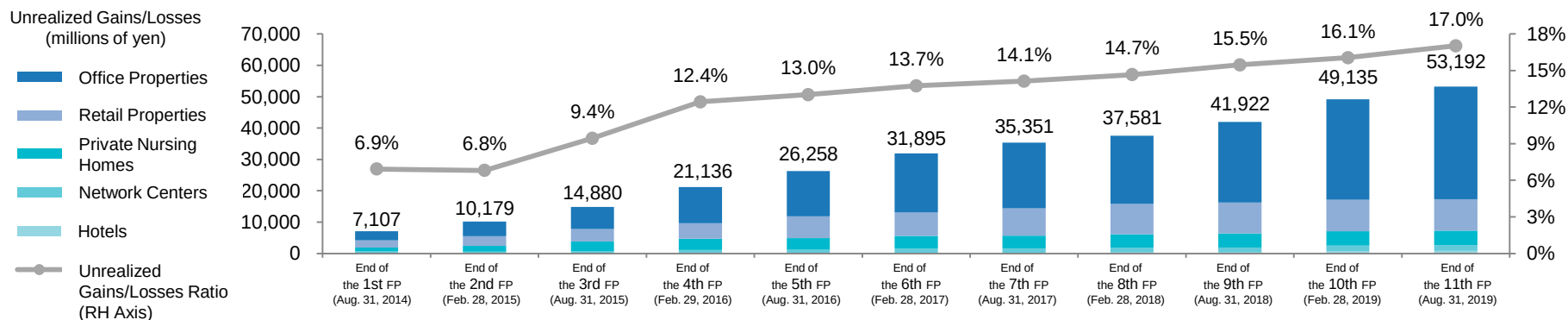
	End of the 11th FP (Aug. 31, 2019)					Change from the End of 10th FP (Feb. 29, 2019)				
	No. of Properties	Appraisal Value	Unrealized Gain/Loss	Unrealized Gain/Loss Ratio	Avg. Direct Cap Rate	No. of Properties	Appraisal Value	Unrealized Gain/Loss	Unrealized Gain/Loss Ratio	Avg. Direct Cap Rate
Office Properties	23	240,460	35,866	17.5%	3.4%	+1	+10,445	+3,829	+1.3%	-0.0%
Retail Properties	12	63,675	10,022	18.7%	3.9%	0	-150	-4	+0.0%	-0.0%
Private Nursing Homes	6	23,460	4,629	24.6%	4.6%	0	-10	+99	+0.7%	+0.0%
Network Centers	8	20,632	1,808	9.6%	5.0%	0	-100	-14	-0.0%	-0.0%
Hotels	2	17,300	866	5.3%	3.7%	0	+100	+149	+0.9%	-0.0%
Total	51	365,527	53,192	17.0%	3.7%	+1	+10,285	+4,057	+1.0%	-0.0%

Change in Direct Cap Rates

(unit : numbers of properties)

	Comparison with the End of the 10th FP		
	Increase	Flat	Decrease
Office Properties	0	18	5
Retail Properties	0	10	2
Private Nursing Homes	0	6	0
Network Centers	0	8	0
Hotels	0	2	0
Total	0	44	7

Unrealized Gains/Losses



*1 Book value and unrealized gain/loss are rounded to the nearest million yen.

*2 Results are presented relative to appraisal value at the time of acquisition with respect to properties acquired during the 11th FP (FP ended Aug. 31, 2019).

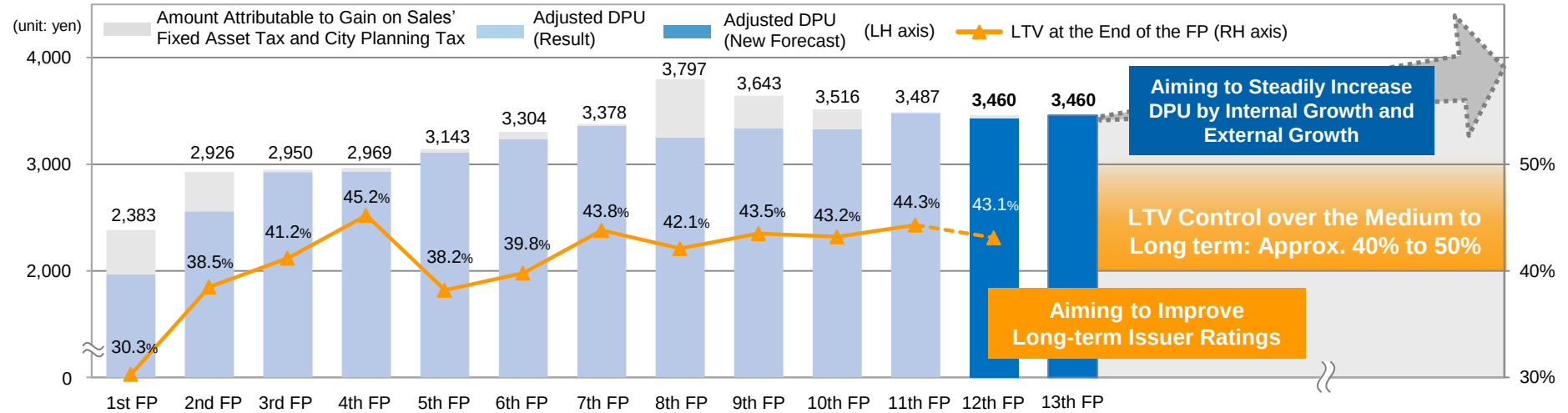
A large, empty rectangular area with rounded corners, outlined in a thin gray border, intended for handwritten notes or a diagram.

IV Future Strategy

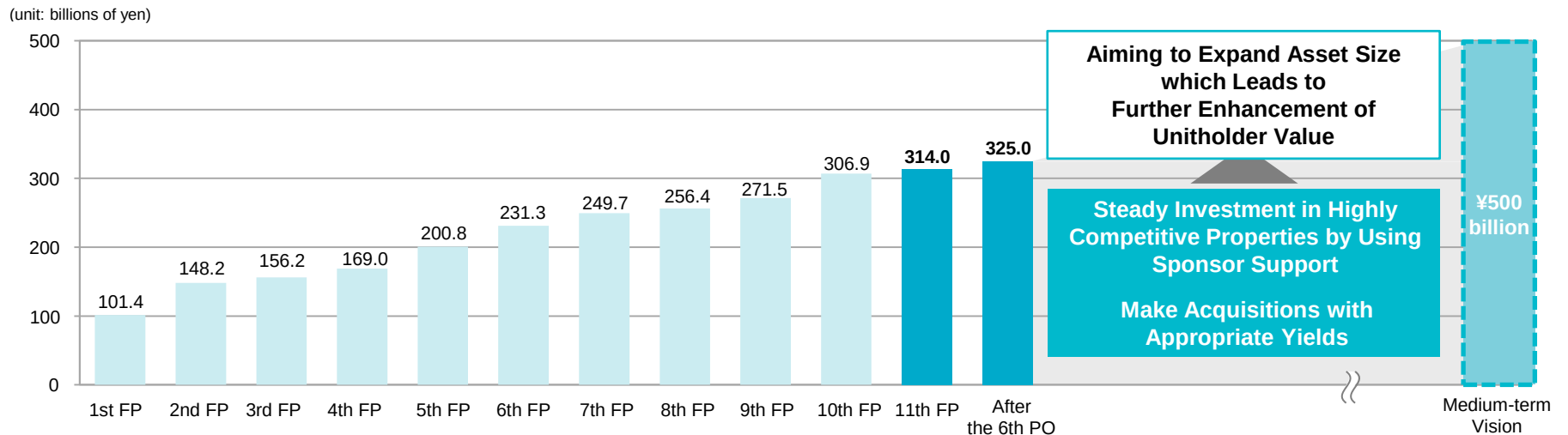


Hulic Ginza 7 Chome Building

DPU and LTV



Asset Size



Preconditions for Earnings Forecasts (Real Estate Lease Business Revenues)

Tenant Vacancies

- Vacancies are expected from tenants who submitted notices of cancellation.
- Vacancies are expected even if notices of cancellation have not been received in the case of tenants with a high probability of cancellation.

Tenant Entry

- Tenants with completed contracts are expected to move in.
- Move-ins are expected even if contracts have not yet been completed if an application has been received and entry is deemed highly likely.

Rent Revisions

- Rent revisions are expected for tenants with completed contracts.
- Rent revisions are expected, even before a contract is completed, if an agreement has been made and rent revisions are deemed highly likely.

Pursuit of Upside Relative to Earnings Forecasts

Filling Vacant Spaces

- Expected Vacancy Area at the End of Each FP in Earnings Forecasts

End of the 12th FP (Feb. 29, 2020)	End of the 13th FP (Aug. 31, 2020)
Approx. 2,200 m ² (Approx. 670 tsubo)	Approx. 1,700 m ² (Approx. 510 tsubo)

Upside Revisions to Rents

- Area of Locations Due for Renewal in Each FP (Offices) ^{*1}

	The 12th FP (FP Ending Feb. 29, 2020)	The 13th FP (FP Ending Aug. 31, 2020)
Spaces which Lease Agreement is up for Renewal	Approx. 18,200 m ² (Approx. 5,510 tsubo)	Approx. 21,700 m ² (Approx. 6,560 tsubo)
Of the Above, Spaces with Negative Rent Divergence	Approx. 12,500 m ² (Approx. 3,780 tsubo)	Approx. 19,300 m ² (Approx. 5,840 tsubo)

Growth Image of DPU (per Fiscal Period)

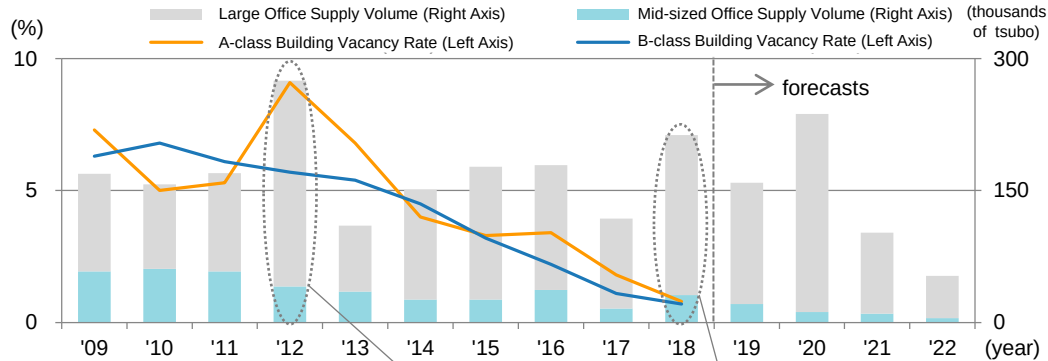
Growth Strategy		Forecasted Increase in DPU per FP ^{*2}	Overview
Internal Growth	Compensating for Losses on Vacancies	Approx. 55 yen (+1.6%)	Increase in DPU per fiscal period achieved by compensating for assumed vacancy areas (about 1,700 m ²) at the end of the 13th FP (FP ending Aug. 31, 2020) at market leases for each property and an anticipated increase in lease rental revenue, assuming full-fiscal period contributions (costs such as management fees are not deducted)
	Upside Revisions to Rents (Offices)	Approx. 55 yen (+1.6%)	Increase in DPU per fiscal period due to expectations of upward rent revisions, based on past increases, when renewing spaces with a negative percentage of rent divergence for offices in the 12th FP (FP ending Feb. 29, 2020) and the 13th FP (FP ending Aug. 31, 2020), as well as an anticipated increase in lease revenue, assuming full-fiscal period contributions (costs such as management fees are not deducted)
External Growth	Property Acquisitions through Use of Acquisition Capacity	Approx. 90 yen (+2.6%)	Increase in DPU per fiscal period due to an anticipated increase in investment revenue (excluding management fees, interest on loans and other), in the event that acquisition capacity up to an LTV of 45% (11.9 billion yen) is utilized and properties with a 3.5% NOI yield after depreciation are acquired and assuming full-fiscal period contributions

^{*1} The area of spaces which renewal date has arrived in each FP (figures are rounded to the nearest 100m² and nearest 10 tsubo) is noted, and includes the area of spaces which renewal has been completed as of the date of this report.

^{*2} These figures are estimates of the impact that these measures would have on earnings, calculated by the asset management company based on certain preconditions, and indicate the estimated increase in DPU. These estimates are not a guarantee of probability, amount, or timing.

^{*3} The image showing the amount of increase in DPU displays values calculated by dividing the estimated amount of impact per FP based on various assumptions by the total number of outstanding units since the capital increase through the 6th PO; such values are subject to change. In addition, the actual DPU may also change due to causes other than those described above. The ratio in parenthesis is obtained by dividing the amount of increase in dividends per FP by the 13th forecast dividend.

Trend in Office Supply Volume and Vacancy Rates ^{*1}

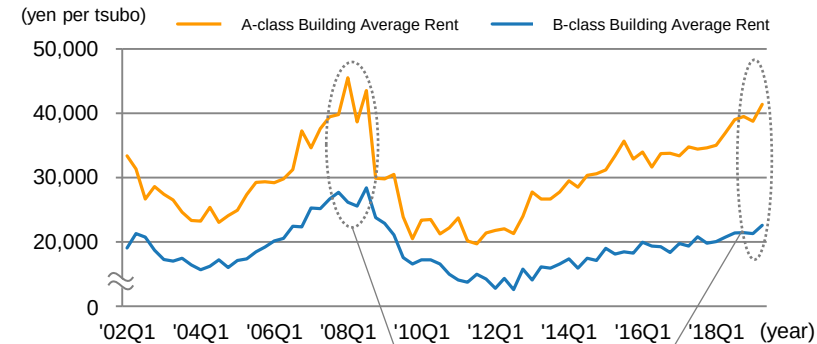


	2012(①)	2018(②)	Difference(②-①)
Large Office Supply Volume	234,000 tsubo	182,000 tsubo	-52,000 tsubo
Mid-sized Office Supply Volume	41,000 tsubo	31,000 tsubo	-10,000 tsubo
A-class Building Vacancy Rate	9.1%	0.8%	-8.3%
B-class Building Vacancy Rate	5.7%	0.7%	-5.0%

< Trend in Office Supply Volume (Amount of Large and Mid-sized Office Supply Volume) >

2009~2018 Average Supply Amount (Actual)	172,000 tsubo/year	2019~2022 Average Supply Amount (Forecast)	138,000 tsubo/year
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Trends in Average Office Rents ^{*2}



	2007-2008 Peak	Q2 2019
A-class Building Average Rent	45,513 yen/tsubo ('08Q1) ①	41,392 yen/tsubo ②
B-class building Average rent	27,707 yen/tsubo ('07Q4) ③	22,609 yen/tsubo ④

< Comparison of Average Rent in Q2 2019 to 2007-2008 Peak >

A-class Building ② - ①	-4,121 yen per tsubo (-9.1 %)	B-class Building ④ - ③	-5,098 yen per tsubo (-18.4 %)
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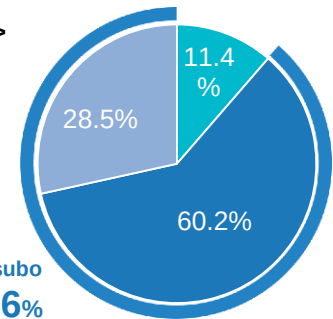
Present Situation and Internal Growth Strategy

- Although it is necessary to keep a close watch on the impact of anticipated large supply offices in 2020, an upward trend in office rents is expected to persist for the time being for our mid-sized office properties located in competitive areas.
- We aim to actively improve rent levels at the time of replacement of tenants and rent renewals in spaces where tenants are paying rents below the standard market rates compared to the current rent levels.
- Focus on leasing (forecasted) vacant spaces soon to the next tenant at the market rent level.

< Ratio of Average Rent per tsubo ^{*3} >

- 30,000 yen/tsubo to less than 35,000 yen/tsubo
- 20,000 yen/tsubo to less than 30,000 yen/tsubo
- 10,000 yen/tsubo to less than 20,000 yen/tsubo

to less than 30,000 yen/tsubo
88.6%



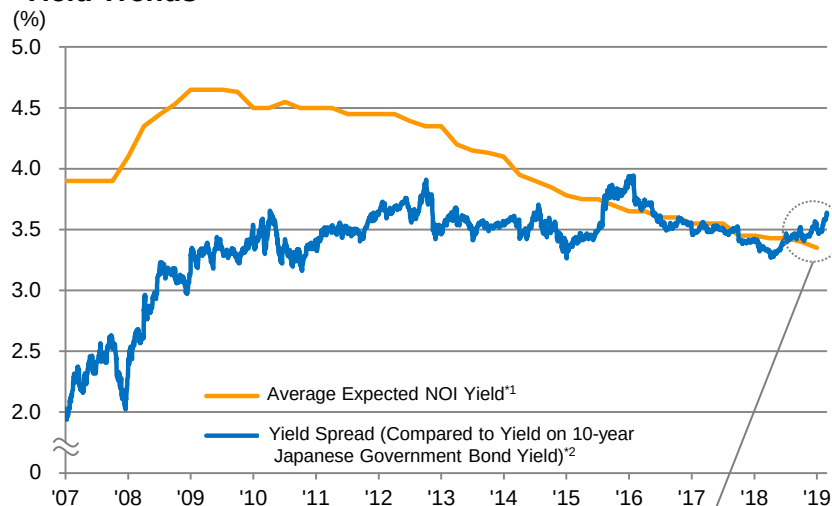
^{*1} Office building supply volume was prepared by the asset management company on the basis of the leased area newly supplied in the "Tokyo 23 Wards New Office Supply Volume 2019" from Xymax Real Estate Institute Corporation, with offices that have a floor area of 10,000 tsubo or more as large offices and offices that have a floor area of 3,000 to 9,999 tsubo as mid-sized offices, and vacancy rates were 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.

^{*2} Prepared by the asset management company on the basis of average rent in central Tokyo in the office rent index of Sanko Estate Co., Ltd.

^{*3} The average rent for each office property as of the end of the 11th FP (Aug. 31, 2019) as a proportion of offices overall, based on the leasable area, is calculated.

Asset

<Yield Trends>



- Expected yield has decreased by 0.08 percentage points in comparison with the previous FY (as of Jan. 2019).
- Prudent investment decisions are needed because the yield is even lower for properties at favorable locations.
- Property acquisition accompanying the replacement of owned properties will also be considered.

<Status of Owned Property>

Direct Cap Rates
(Office Average)

3.4 %

Average NOI Yield
(Office Average)

4.2 %

Debt

- As a result of the low interest rates in the funding market, the average funding interest rate for new borrowings in the 11th FP(FP ended Aug. 31, 2019) was 0.4225%*3.

- Also consider external growth by using acquisition capacity.

LTV
(End of the 11th FP)

44.3 %

LTV*4
(After the 6th PO)

43.1 %

Acquisition Capacity *4 (After the 6th PO)

Approx.
Up to an LTV of 45%

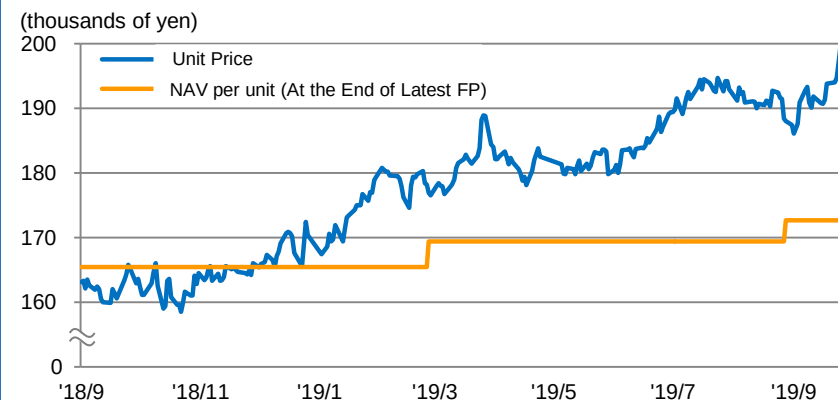
¥11.9 billion

Approx.
Up to an LTV of 50%

¥47.1 billion

Equity

< Trend of Unit Price (Sep.2018-) >



Implied Cap Rate
(End of Sep. 2019)

3.4 %

P / NAV Ratio
(End of Sep. 2019)

1.15

*1 The average expected NOI yield on Tokyo (Otemachi) offices is based on the Real Estate Investor Survey conducted by CBRE, Inc.

*2 Figures are stated after subtracting the yield on 10-year Japanese government bond yield from the expected NOI yield. Prepared by the asset management company based on information from information vendors.

*3 This refers to the fixed interest rate in an interest rate swap transactions (not including financing fees and other)

*4 This is the estimate noted in the securities registrations statements submitted on Sep. 9, 2019. Please refer to the securities registrations statements submitted on Sep. 9, 2019, for details.

Asset Size Growth through Steady Acquisitions of Sponsor-developed Properties

Total Assets

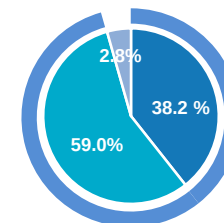
(After the 6th PO)

53 Properties **¥325.0** billion

Sponsor-developed Properties 17 Properties ¥124.2 billion

Sponsor-owned/supported Properties 32 Properties ¥191.6 billion

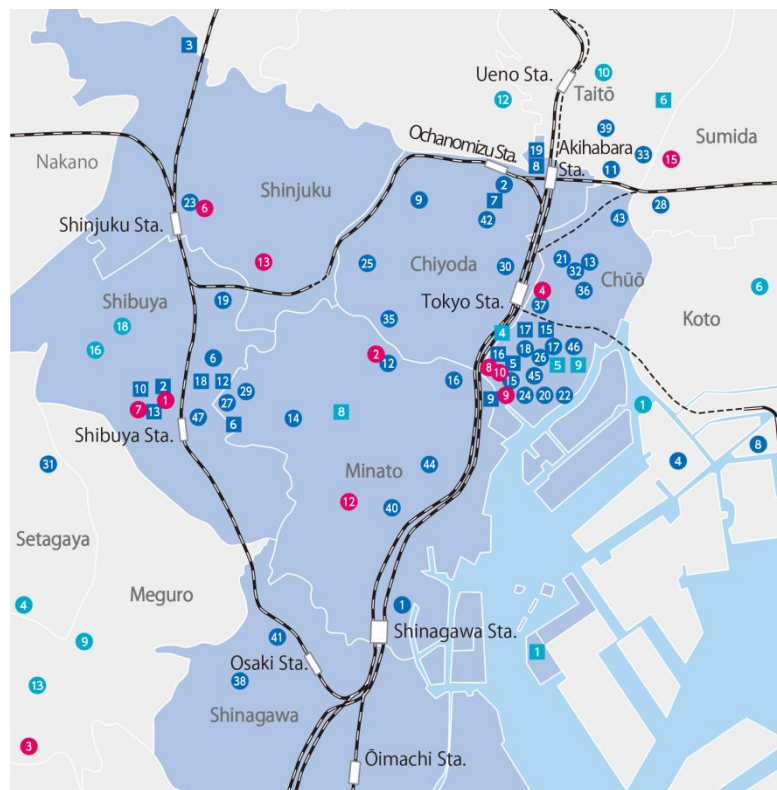
Independent-route 4 Properties ¥9.2 billion



Sponsor Group, etc.
97.2%

Sponsor-developed
38.2%

Main Sponsor-developed and owned Projects



Office



6 Jingumae Tower Building



13 HULIC Kobunacho Building



16 HULIC Shinbashi Building



18 HULIC Ginza Sukiya-bashi Building



23 HULIC Shinjuku Building



27 HULIC Aoyama Building



29 HULIC Minami Aoyama Building

- 1 Shinagawa Season Terrace
- 2 Ochanomizu Sola City
- 3 Technoport Kamata Center Building
- 4 HULIC Toyosu Prime Square
- 5 HULIC Kasai Rinkai Building
- 6 Jingumae Tower Building
- 7 Yamato Haneda Building
- 8 DSB Group Shiomi Building
- 9 HULIC Kudan Building
- 10 Nishi Kasai Center Building
- 11 HULIC Asakusabashi Building
- 12 Akasaka Stargate Plaza
- 13 HULIC Kobunacho Building
- 14 Takagicho Center Building
- 15 HULIC Ginza Wall Building
- 16 HULIC Shinbashi Building

- 17 Ginza First Building
- 18 HULIC Ginza Sukiya-bashi Building
- 19 Sendagaya Center Building
- 20 Marutaka Building Part 2
- 21 HULIC Nihonbashi Honcho 1 Chome Building
- 22 Marutaka Building
- 23 HULIC Shinjuku Building
- 24 Sampo Japan Nipponkoa Ginza Building
- 25 HULIC Kojimachi Building
- 26 HULIC Ginza Building
- 27 HULIC Aoyama Building
- 28 HULIC Ryogoku Building
- 29 HULIC Minami Aoyama Building
- 30 Higashi Ote Building
- 31 HULIC Setagaya
- 32 Kobunacho Kinenkaikan Building

- 33 HULIC Asakusabashi Edo-dori
- 34 HULIC Itabashi
- 35 Nagatacho Hokkaido Square
- 36 HULIC Kabutocho Building
- 37 HULIC Kyobashi Building
- 38 HULIC Ebara
- 39 HULIC Torigoe Building
- 40 HULIC Mita Building
- 41 HULIC Gotanda Building
- 42 HULIC Nishikicho Building
- 43 Nihonbashi Hamacho Park Building
- 44 HULIC Shibakouen Daimon-dori Building
- 45 HULIC Ginza 3-chome Building
- 46 HULIC Ginza 1 Chome Building
- 47 HULIC Shibuya Building

*1 The main buildings developed and held and development projects that have been disclosed by HULIC as of Aug. 2, 2019, 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



2 HULIC Shibuya Udagawacho Building

5 HULIC Ginza World Town Building



6 Bleu Cinq Point

- 1 Ikebukuro Tokyu Hands
- 2 HULIC Shibuya Udagawacho Building
- 3 HULIC Mejiro
- 4 Ikebukuro GIGO
- 5 HULIC Ginza World Town Building
- 6 Bleu Cinq Point
- 7 Victoria Wardrobe Jinbocho
- 8 HULIC Akihabara Chuo-dori Building
- 9 G10
- 10 HULIC & New SHIBUYA
- 11 Pal Nishidai

- 12 CR-VITE
- 13 Bi:r Building
- 14 HULIC Kinshicho Ekimae Building
- 15 HULIC Ginza 1 Chome Gasutou-dori Building
- 16 MaxMaraBuilding
- 17 HULIC Ginza2-chome Namiki st
- 18 HULIC Shibuya#2 Building
- 19 HULIC & New AKIHABARA

Private Nursing Homes



4 Charm Premier Fukasawa (HULIC Fukasawa)



12 Hospitalment Bunkyo Yayoi

- 1 Toyosu Senior Residence
- 2 Aristage Kyodo
- 3 Hospitalment Musashino
- 4 Charm Premier Fukasawa (HULIC Fukasawa)
- 5 HULIC Chofu
- 6 Fukagawa Yasuraginonso
- 7 Life Commune Tsutsujigaoka
- 8 Granda Omori Sannou
- 9 Granda Gakugeidaigaku
- 10 Asakusa Care Park Soyokaze
- 11 Sonare Shakujii
- 12 Hospitalment Bunkyo Yayoi
- 13 Lianrev Yagumo
- 14 Charm Premier Den-en-Chofu
- 15 Asheim Oizumi Gakuen
- 16 Aria Yoyogiuehara
- 17 Good Time Home Tamagawa
- 18 Charm Premier Yoyogi Hatsudai
- 19 Sompno ie Komae
- 20 Iris Garden Kita Urawa
- 21 Life Commune Hayama
- 22 Granda Inamuragasaki Kamakura Aoitei
- 23 Trustgarden Ogikubo

Hotels



3 Tokyo Bay Maihama Hotel



4 HULIC SQUARE TOKYO



6 HULIC Kaminarimon Building

- 1 Grand Nikko Tokyo Daiba
- 2 Tokyo Bay Maihama Hotel Club Resort
- 3 Tokyo Bay Maihama Hotel
- 4 HULIC SQUARE TOKYO
- 5 HULIC Ginza 2 Chome Building
- 6 HULIC Kaminarimon Building
- 7 Star Hotel Yokohama
- 8 HULIC Roppongi 3-chome Building
- 9 HULIC Tsukiji 3-chome Building
- 10 MIMARU Kyoto Horikawa Rokkaku
- 11 HOTEL JALCITY KANNAI YOKOHAMA

Development Projects



Office

6minute walk from Shinjuku Station
10/2019 planned to be completed
Total floor area: Approx 63,930m²

1 Shibuya PARCO Redevelopment Project (office block)



Office

Within walking distance from Akasaka station
2020 planned to be completed
Total floor area: Approx 7,800m²

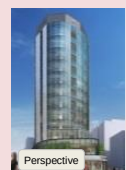
2 Akasaka 2-chome Development Project



Retail Properties

1minute walk from Shinjuku Station
2021planned to be completed
Total floor area: Approx 3,400m²

6 Shinjuku3-17 Development Project



Retail Properties

4minute walk from Shibuya Station
2021planned to be completed
Total floor area: Approx 3,500m²

7 Tokyo Udagawacho 32 Development Project



Private Nursing Homes

10minute walk from Hiroo Station
2021planned to be completed
Total floor area: Approx 1,700m²

12 Minami Azabu Development Project Tokyo



Hotels

3minute walk from Ryogoku Station
2021planned to be completed
Total floor area: Approx 8,000m²

15 Ryogoku River Center Development Project Tokyo (PPP)

- 1 Shibuya PARCO Redevelopment Project (Office Block)
- 2 Akasaka 2-chome Development Project
- 3 Jiyugaoka Redevelopment Project
- 4 Yaesu 2-chome Naka Area Redevelopment Project

- 5 HULIC & New KICHIOJI
- 6 Shinjuku 3-17 Development Project
- 7 Tokyo Udagawacho 32 Development Project

- 8 Ginza 6-chome Development Project
- 9 Ginza 8-chome Development Project
- 10 Ginza 6-chome Namiki-dori Development Project

- 11 Yokohama Yamatecho Development Project
- 12 Minami Azabu Development Project Tokyo
- 13 Yotsuya Daikyocho Development Project

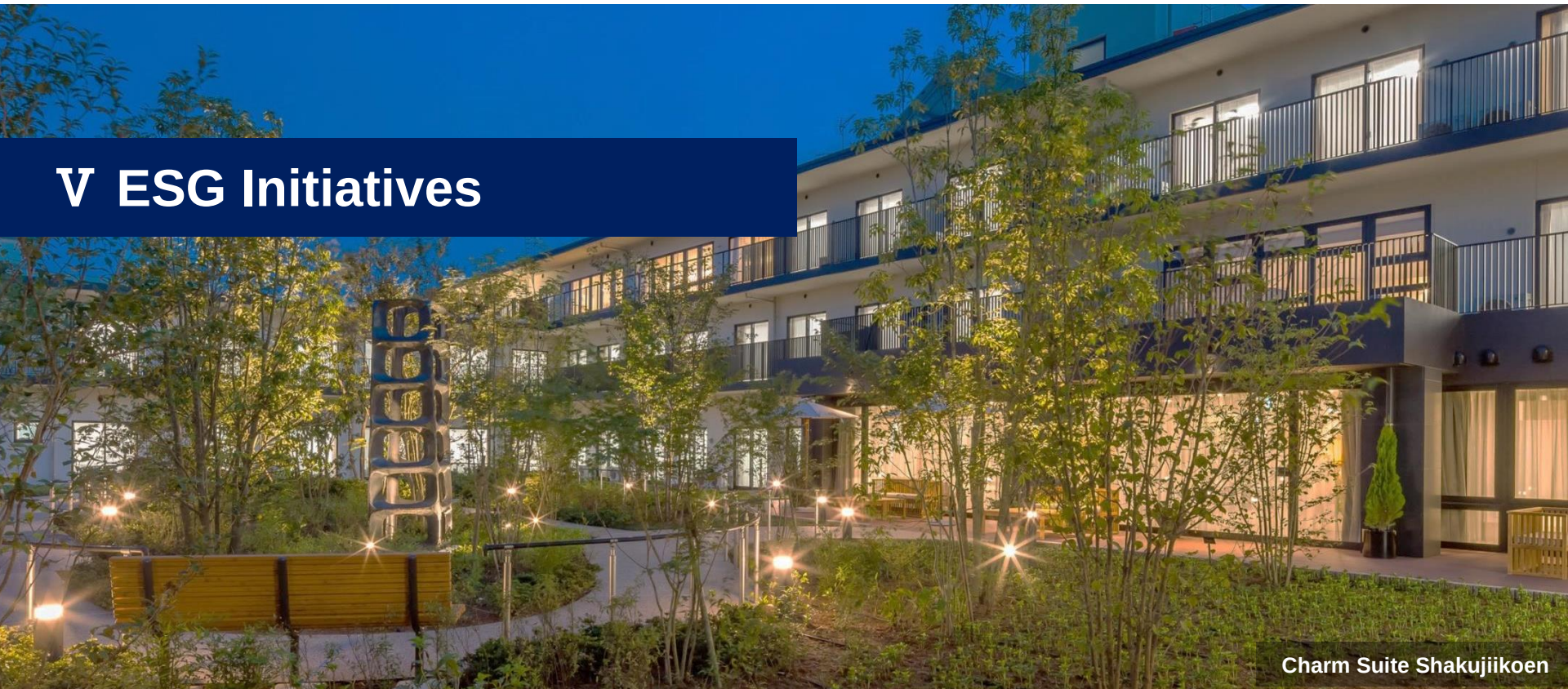
- 14 The former Rissei Elementary School in Kyoto City Project (PPP)
- 15 Ryogoku River Center Development Project Tokyo (PPP)

*1 The main buildings developed and held and development projects that have been disclosed by HULIC as of Aug. 2, 2019, 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.

V ESG Initiatives



Charm Suite Shakujiikoen

- Hulic REIT Management shares Hulic's corporate philosophy and believes that consideration for ESG will help maximize medium and long-term value for Hulic Reit. Accordingly, Hulic REIT Management has established sustainability policies and put them into practice.

Sustainability Policy

1. Compliance and Risk Management

- We give consideration to sustainability in our asset management operations. This involves complying with the laws and regulations, and other rules related to ESG, while taking appropriate measures to evaluate risks such as those related to the natural environment and hazardous substances.

2. Prevention of Global Warming

- We contribute to the prevention of global warming by striving to improve our energy efficiency through energy-saving initiatives involving renovations or building management and promoting CO2 emission reduction.

3. Recycling-Oriented Society

- We contribute to the formation of a recycling-oriented society by promoting water-saving measures and the 3R's of "Reduce, Reuse, Recycle".

4. Environmental Management System

- We set targets relating to energy-saving and CO2 emission reduction and aim for their continuous improvement.

5. Environmental Awareness and Education for Employees and Officers, and Employee-Friendly Work Environment

- We carry out activities to promote ESG-related awareness and education for employees and officers.
- We value work-life balance, diversity, and equal opportunities for employees and officers and aim to realize an employee-friendly work environment.

6. Collaboration with Stakeholders

- We encourage interactive communication with all our stakeholders. Through such communication, we promote collaboration with business partners, improve customer satisfaction, and contribute to the sustainable development of local communities.

7. Disclosure of Information to Stakeholders

- We work to broadly disclose information on our initiatives related to ESG to all stakeholders, including our unitholders.

Evaluation by External Organizations

Successive Selection in MSCI Japan ESG Select Leaders Index "9 J-REITs are selected among 63 J-REITs (as of Aug. 31, 2019)"



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. 2019.

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 Survey



Hulic Reit received a "Green Star" rating in the GRESB Real Estate Survey 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 evaluation of disclosure, introduced from fiscal 2017.

Environment

Environment-friendly Buildings



DBJ Green Building Certification

6 of our properties were awarded the DBJ Green Building Certification, which certifies real estate properties with high environmental and social awareness.



Shinagawa
Season Terrace
2018 〇〇〇〇〇〇



Ochanomizu
Sola City
2017 〇〇〇〇〇〇



Hulic Toranomon
Building
2017 〇〇〇〇〇〇



Toranomon
First Garden
2018 〇〇〇〇〇〇



Oimachi Redevelopment Building (#1)
Oimachi Redevelopment Building (#2)
2018 〇〇〇〇〇〇
2018 〇〇



BELS Evaluation

The BELS rating, which is a public system that evaluates the energy conservation performance of non-residential buildings, was acquired for a total of 4 properties.



Hulic Toranomon
Building



HULIC & New
SHIBUYA



Sotetsu Fresa Inn
Tokyo-Roppongi



Trust Garden
Tokiwamatsu

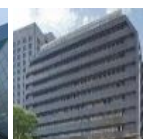


CASBEE

The highest "S Rank" and "A Rank" ranking under the CASBEE certification system promoted by the Ministry of land, Infrastructure, Transport and Tourism was acquired for a total of 3 properties.



Gate City Osaka



Hulic Kamiyacho
Building



Hulic Takadanobaba
Building



JHEP Certification

2 of our properties were awarded the JHEP certification, which certifies quantitative assessment of initiatives contributing to the preservation and restoration of biodiversity.



Charm Suite Shinjukuotayama



Charm Suite Shakujiko

Energy Efficiency Improvement

Updates to the Heating and Cooling System and Shift to LED

We are switching air-conditioning systems to improve energy efficiency.

Aiso, we have replaced the lightings in the common areas, etc. to LED, for Approx. 83% of our portfolio.



Hulic Kandabashi Building
Replacement of
Air-conditioning System



Hulic Takadanobaba Building
Introduction of
LED in the Common Area

Use of Subway Water Discharge

At Ochanomizu Sola City, subway water discharge is used, and unused energy is utilized as the air conditioning heat source.

Adoption of a Natural Ventilation System

At Hulic Toranomon Building, a natural ventilation system, with natural lighting equipment, and Low-E multi-paned glass, has been adopted as part of our efforts to reduce CO₂ by skillfully utilizing natural resources such as wind and sunlight.

Roof and Wall Greening Programs

Roof Greening Programs

We are working to reduce energy consumption by cutting the air-conditioning load, using roof greening to impede sunlight and prevent heat buildup in the concrete.



Hulic Toranomon Building



Toranomon First Garden

Wall Greening Programs

We are taking measures to prevent heat islands through transpiration mechanisms by covering the building's exterior with greenery.



HULIC & New
SHINBASHI



Hulic Omori Building

Social

Measures with Tenants

Tenant Satisfaction Survey

We conduct tenant satisfaction surveys to ensure comfortable use of buildings, utilizing the results to identify potential needs and improve building management.

Renovation Work Aimed at Achieving Comfort

Hulic Reit carries out renovation work aimed at raising the comfort of tenants at several properties it holds.

Hulic Kamiyacho Building



Green Lease Contracts

Hulic Reit includes Green Lease provisions in its forms for new lease agreements requiring that tenants cooperate with energy conservation and environmental measures in the space they lease. This is an effort to ensure that the entire building is “Green,” not just common rooms and facilities.

Initiatives for the Local Community

Facilities that Link Community Information and People

The Ocha Navigate facility inside Ochanomizu Sola City functions as a hub for cultural information on Ochanomizu and the surrounding area, and also holds waling tours and events on cultural and social themes.



History Gallery



Ocha Navi Walking Tour

Participation in Community Cleanups

Hulic REIT Management participates in Street Corner Clean Day, held by Tokyo's Chuo Ward, to clean up the community. These activities beautify the neighborhood and encourage communication between local residents and employees.



Initiatives for the Employees

Human Resources Development

Training Program : Hulic REIT Management established training programs to enhance employees' professional skills. For example, costs for obtaining qualifications (exam expenses, school fees, etc.) are fully covered by Hulic REIT Management.

Theme-specific Training : Hulic REIT Management holds sustainability training and compliance training for all employees several times a year.

Training for Managers : Hulic REIT Management holds manager training that is not only for existing managers, but also for future manager candidates. This gives them a chance to acquire the necessary management skills.

Work-life Balance

Hulic Group opened a childcare nursery inside the Hulic Head Office Building to promote an employee-friendly work environment, where all employees of Hulic Group can make full use of their abilities to work at their best.

Employee Satisfaction Survey

Hulic REIT Management carries out an employee satisfaction survey with the aim of creating an environment that is conducive to employees' performance, and also holds regular dialogue between individual employees and managers.

Hulic Group's Social Contribution Activities

Support for Japan Para-Badminton Federation

Hulic Group sponsors tournaments and encourages employees to join cheering the team. Also, the Group lends its gym to the federation at no charge for practice. The Group intends to further expand support for handicapped persons and support the success of para-badminton players.

Support of the Japan Shogi Association

Beginning in Apr. 2018, as part of its social contribution activities, Hulic became a special co-sponsor of the Shogi Kisei Tournament (the main sponsors are the Japan Shogi Association and Sankei Shimbun Co., Ltd.) to provide artistic and cultural support.

Holding a Summer Festival

Hulic Group holds a summer festival at the Hulic Head Office Building to deepen the relationship with people in the community.

Hulic Scholarship Program for Training of Welfare Caretakers

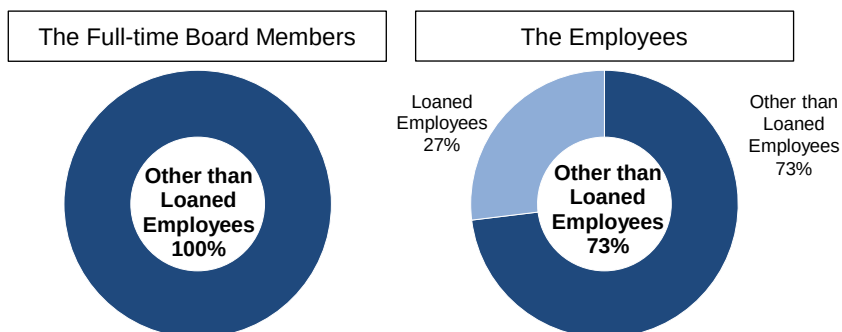
Hulic Group established the Hulic Scholarship Program for the Training of Welfare Caretakers to support students aiming to become care workers, foster people involved in the nursing field, and help resolve the social issues confronted as society ages.

Governance

Conflict of Interest Measures

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

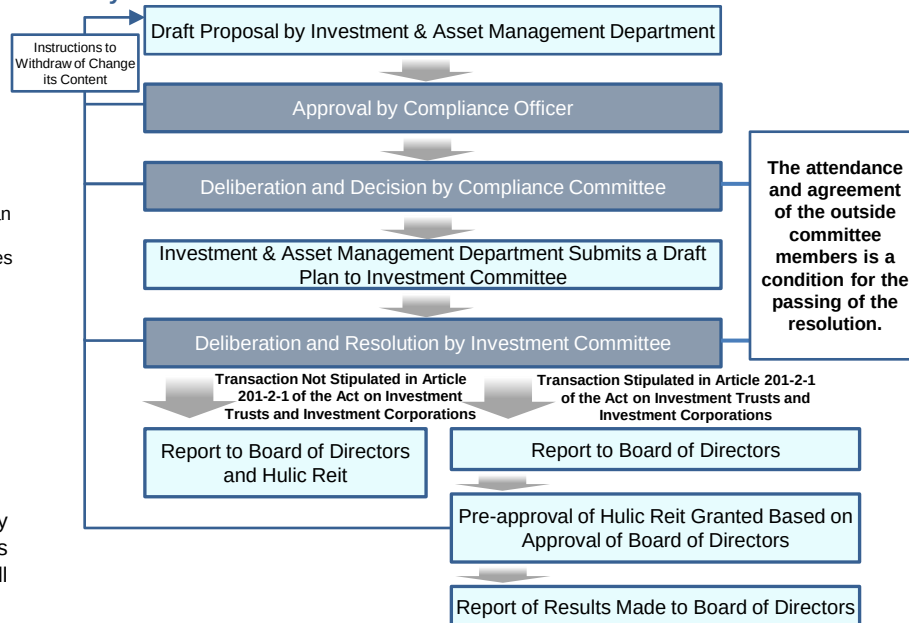
The 3 full-time board members at Hulic REIT Management are not employees of a sponsor that have been loaned to Hulic REIT Management; only 7 employees are employees loaned by sponsors as of Aug. 31, 2019.



Internal Rules to Avoid Conflicts of Interest

We adopt an internal set of rules to property acquisition, property disposal, property leasing, property management and building maintenance, real estate brokerage services such as trading and leasing properties, placing construction orders that apply to all related-party transactions that aim to minimize conflicts of interests.

Hulic REIT Management's Decision-making Procedure for Interested Party Transactions



Same-boat as Unitholders

Compensation System: Introduction of Performance-linked Compensation

A compensation system linked with the performance of our unit price relative to the TSE REIT Index has been introduced for the main directors of HULIC REIT Management for the purpose of unifying their interests with unitholders and further strengthening governance, etc.

Introduce Investment Unit Ownership Program for Directors and Employees

For the purposes of raising awareness of earnings improvements and continuous growth, and raising shareholder value for the medium and long term, 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 started for this program.

Asset Manager Incentivized Fee Structure

In addition to Asset Management Fee linked to total assets, HULIC REIT Management introduced asset management fees that partly depend on our DPU.

Asset Manager Incentivized Compensation Structure

The compensation structure for certain directors and employees of HULIC REIT Management incorporates an incentive bonus that partly linked to our DPU.

* Compliance officer is full-time board member who does not have experience working for HULIC as of Aug. 31, 2019.

Appendix



Charm Suite Shinjukutoyama

Results of the 11th FP (FP Ended Aug. 31, 2019)

(unit: millions of yen)

	The 10th FP Result (A)	The 11th FP (Aug. 2019)		Change (C-A)	Main Factors (C-A)	Difference (C-B)
		Previous Forecast ^{*2} (B)	Result (C)			
Operating Revenues						
Real Estate Lease Business Revenues	8,750	9,019	9,137	+387	■ Real Estate Lease Business Revenues (+387)	+118
Gain on Sales of Real Estate Properties	194	0	0	-194	• Revenue Contributions from Property Acquisitions ^{*3} from the 10th FP (Feb. 2019) : +258	0
Total Operating Revenues	8,944	9,019	9,137	+192	• Hulic Ginza 7 Chome Building (Additional Acquisition of 25%), Acquisition of Hulic Iidabashi Building : +65 • Swiftly Fill Spaces of Vacancy Area : +11	+118
Operating Expenses						
Expenses Related to Rent Business (Of which)	-2,924	-3,099	-3,099	-174	• Increased of Rent Income to Upward Rent Revisions in Spaces, etc. : +27	+0
Taxes and Public Dues	-597	-726	-725	-127	• Variable Rents of Hotel (+37), etc. and Other Increased of Real Estate Lease Business Revenues : +24	+0
Depreciation and Amortization	-950	-961	-965	-14	■ Gains on Sales (-194)	-3
Repair Expenses	-115	-115	-95	+20	• Leaf Minato Mirai (Land) : -194	+19
Leasing-related Costs	-22	-17	-11	+11	■ Taxes and Public Dues (-127)	+5
Other Expenses Related to Rent Business	-1,237	-1,278	-1,300	-63	• Expensed Fixed Asset Tax and City Planning Tax after the 9th and the 10th FP ^{*4} Property Acquisitions : -111	-22
Asset Management Fee	-836	-843	-869	-32	• Increased of Asset Tax and City Planning Tax, etc. : -16	-26
Other Operating Expenses	-187	-201	-185	+2		+16
Total Operating Expenses	-3,948	-4,144	-4,153	-205		-9
Operating Profit	4,995	4,874	4,983	-12		+108
Non-operating Income	12	0	0	-11		+0
Non-operating Expenses						
Interest Expenses • Borrowing-related Expenses	-570	-578	-592	-21		-13
Amortization of Investment Unit Issuance Costs	-31	-22	-22	+8		+0
Amortization of Investment Corporation Bond Issuance Costs	-5	-5	-6	0		-0
Total Non-operating Expenses	-608	-607	-621	-12		-13
Ordinary Profit	4,399	4,267	4,362	-37		+95
Profit	4,398	4,266	4,361	-37		+95
Cash Distributions per unit (yen)	3,516	3,410	3,487	-29		+77

*1 Figures less than ¥1 million are truncated.

*2 Figures are based on forecasts released on Apr. 12, 2019. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2019, which was released on Apr. 12, 2019.

*3 This refers to Shinagawa Season Terrace, Hulic Gotanda Yamate-dori Building, Hulic Kamiyacho Building (additional acquisition of 30%), Hulic Nihonbashi Honcho 1 Chome Building, Bancho House, Ebisu Minami Building.

*4 This refers to the Hulic Ginza 7 Chome Building (additional acquisition of 50%), Hulic Shimura-sakaue and properties acquired during the 10th FP.

Forecast of the 12th FP (FP Ending Feb. 29, 2020) and the 13th FP (FP Ending Aug. 31, 2020)

(unit: millions of yen)						
	The 11th FP	The 12th FP Forecast		Change	Main Factors	
	Result (A)	Previous* ² (B)	New (C)	(B-A)	(B-A)	
Operating Revenues						
Real Estate Lease Business Revenues	9,137	8,969	9,453	+316	Real Estate Lease Business Revenues (+316) • Contribution from Revenue from the Properties Acquired after the results for the 11th FP : +371 • Increased of Rent Income to Upward Rent Revisions in Spaces, etc. : +18 • Losses on Estimated Vacancies : -30 • Other Non-acceptance Period Variable Rents of Hotel, etc. (-37) and Decreased of Rent Income to Upward Rent Revisions in Spaces : -42	9,504
Gain on Sales of Real Estate Properties	0	0	0	0		0
Total Operating Revenues	9,137	8,969	9,453	+316		9,504
Operating Expenses						
Expenses Related to Rent Business	-3,099	-3,097	-3,205	-106		-3,246
(Of which)						
Taxes and Public Dues	-725	-726	-726	-0		-792
Depreciation and Amortization	-965	-967	-1,009	-43		-1,017
Repair Expenses	-95	-119	-141	-46		-106
Leasing-related Costs	-11	-17	-27	-15		-21
Other Expenses Related to Rent Business	-1,300	-1,266	-1,301	0		-1,308
Asset Management Fee	-869	-838	-890	-20		-905
Other Operating Expenses	-185	-171	-182	+3		-180
Total Operating Expenses	-4,153	-4,107	-4,277	-123		-4,332
Operating Profit	4,983	4,862	5,175	+192		5,172
Non-operating Income	0	0	0	0		0
Non-operating Expenses						
Interest Expenses•Borrowing-related Expenses	-592	-573	-606	-13		-605
Amortization of Investment Unit Issuance Costs	-22	-17	-23	0		-22
Amortization of Investment Corporation Bond Issuance Costs	-6	-4	-4	+1		-3
Total Non-operating Expenses	-621	-595	-634	-13		-631
Ordinary Profit	4,362	4,267	4,541	+178		4,541
Profit	4,361	4,266	4,540	+178		4,540
Cash Distributions per unit (yen)	3,487	3,410	3,460	-27		3,460

*1 Figures less than ¥1 million are truncated.

*2 Figures are based on forecasts released on Apr. 12, 2019. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2019, which was released on Apr. 12, 2019.

*3 This refers to the Hulic Ginza 7 Chome Building (additional acquisition of 25% and 20%), Hulic Iidabashi Building, Charm Suite Shinjuku Toyama, Charm Suite Shakujiikoen.

	(unit: millions of yen)		
	The 10th FP (Feb. 28, 2019) (A)	The 11th FP (Aug. 31, 2019) (B)	Change (B-A)
Assets			
Current Assets			
Cash and Deposits	8,150	10,034	+1,884
Cash and Deposits in Trust	7,155	7,256	+101
Operating Accounts Receivable	122	111	-10
Prepaid Expenses	46	50	+4
Deferred Tax Assets	0	0	0
Consumption Taxes Receivable	87	0	-87
Other	0	0	+0
Total Current Assets	15,561	17,453	+1,892
Noncurrent Assets			
Property, Plant and Equipment			
Buildings, net	658	655	-2
Land	589	589	0
Buildings in Trust, net	54,269	53,773	-496
Structures in Trust, net	256	246	-10
Machinery and Equipment in Trust, net	159	142	-16
Tools, Furniture and Fixtures in Trust	29	30	+0
Land in Trust	235,498	242,253	+6,754
Construction in Progress in Trust	0	0	0
Total Property, Plant and Equipment	291,462	297,690	+6,228
Intangible Assets			
Leasehold Interests in Land	2,343	2,343	0
Land Leasehold Interests in Trust	12,301	12,301	0
Other	0	0	0
Total Intangible Assets	14,644	14,644	0
Investments and Other Assets			
Leasehold and Guarantee Deposits	20	20	0
Long-term Prepaid Expenses	826	784	-42
Deferred Tax Assets	0	0	0
Total Investments and Other Assets	846	804	-42
Total Noncurrent Assets	306,953	313,139	+6,185
Deferred Assets			
Investment Unit Issuance Costs	78	55	-22
Investment Corporation Bond Issuance Costs	67	61	-6
Total Deferred Assets	146	117	-28
Total Assets	322,661	330,710	+8,049

	(unit: millions of yen)		
	The 10th FP (Feb. 28, 2019) (A)	The 11th FP (Aug. 31, 2019) (B)	Change (B-A)
Liabilities			
Current Liabilities			
Current Liabilities	323	632	+308
Short-term Borrowings	3,960	3,960	0
Current Portion of Investment Corporation Bonds	2,000	2,000	0
Current Portion of Long-term Borrowings	10,320	16,349	+6,029
Accounts Payable - Other	981	1,034	+52
Accrued Expenses	31	36	+4
Income Taxes Payable	1	0	0
Accrued Consumption Taxes	32	398	+365
Advances Received	1,489	1,552	+62
Deposits Received	2	9	+6
Total Current Liabilities	19,143	25,973	+6,829
Noncurrent Liabilities			
Investment Corporation Bonds	10,000	10,000	0
Leasehold and Guarantee Deposits Received	113,230	114,251	+1,021
Leasehold and Guarantee Deposits Received	13,085	13,320	+235
Leasehold and Guarantee Deposits Received in Trust	136,315	137,571	+1,256
Total noncurrent liabilities	155,458	163,544	+8,086
Net Assets			
Unitholders' Equity			
Unitholders' Capital	162,803	162,803	0
Surplus			
Unappropriated Retained Earnings	4,399	4,362	-36
Total Surplus	4,399	4,362	-36
Total Unitholders' Equity	167,202	167,165	-36
Total Net Assets	167,202	167,165	-36
Total Liabilities and Net Assets	322,661	330,710	+8,049

*1 Figures less than ¥1 million are truncated.

		End of the 1st FP (Aug. 31, 2014)	End of the 2nd FP (Feb. 28, 2015)	End of the 3rd FP (Aug. 31, 2015)	End of the 4th FP (Feb. 29, 2016)	End of the 5th FP (Aug. 31, 2016)	End of the 6th FP (Feb. 28, 2017)	End of the 7th FP (Aug. 31, 2017)	End of the 8th FP (Feb. 28, 2018)	End of the 9th FP (Aug. 31, 2018)	End of the 10th FP (Feb. 28, 2019)	End of the 11th FP (Aug. 31, 2019)
No. of Properties	Portfolio Overall	21	28	31	32	34	37	43	44	46	50	51
	Tokyo Commercial Properties	12	16	19	20	22	23	28	28	30	34	35
	Next-Generation Assets Plus	9	12	12	12	12	14	15	16	16	16	16
Total Assets	Portfolio Overall	¥101.4 billion	¥148.2 billion	¥156.2 billion	¥169.0 billion	¥200.8 billion	¥231.3 billion	¥249.7 billion	¥256.4 billion	¥271.5 billion	¥306.9 billion	¥314.0 billion
	Tokyo Commercial Properties	¥78.9 billion	¥114.8 billion	¥122.8 billion	¥135.6 billion	¥167.4 billion	¥190.5 billion	¥207.1 billion	¥201.7 billion	¥216.8 billion	¥252.2 billion	¥259.3 billion
	Next-Generation Assets Plus	¥22.6 billion	¥33.4 billion	¥33.4 billion	¥33.4 billion	¥33.4 billion	¥40.8 billion	¥42.6 billion	¥54.7 billion	¥54.7 billion	¥54.7 billion	¥54.7 billion
Unrealized Gains/ Losses	Portfolio Overall	¥7.1 billion	¥10.2 billion	¥14.9 billion	¥21.1 billion	¥26.3 billion	¥31.9 billion	¥35.4 billion	¥37.6 billion	¥41.9 billion	¥49.1 billion	¥53.2 billion
	Tokyo Commercial Properties	¥5.2 billion	¥7.7 billion	¥11.0 billion	¥16.4 billion	¥21.4 billion	¥26.3 billion	¥29.7 billion	¥31.5 billion	¥35.6 billion	¥42.0 billion	¥45.9 billion
	Next-Generation Assets Plus	¥1.9 billion	¥2.4 billion	¥3.9 billion	¥4.7 billion	¥4.9 billion	¥5.6 billion	¥5.7 billion	¥6.1 billion	¥6.3 billion	¥7.0 billion	¥7.3 billion
Average NOI Yield		5.1%	4.9%	4.9%	4.8%	4.7%	4.6%	4.6%	4.6%	4.5%	4.5%	4.5%
Average NOI Yield after Depreciation		4.5%	4.2%	4.2%	4.2%	4.2%	4.1%	4.0%	3.9%	3.9%	3.9%	3.8%
Appraisal Direct Cap Rate		4.5%	4.4%	4.3%	4.1%	4.0%	3.9%	3.9%	3.8%	3.8%	3.9%	3.7%
NAV per unit		115,107 yen	123,939 yen	129,958 yen	137,968 yen	150,256 yen	156,886 yen	160,194 yen	161,530 yen	165,441 yen	169,415 yen	172,657 yen
Average Age of Buildings		18.2 years	16.7 years	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
Occupancy Rate		99.1%	99.0%	98.2%	99.4%	99.9%	99.7%	99.3%	99.7%	99.8%	99.9%	100.0%
PML		5.95	3.34	3.17	2.99	3.04	2.88	2.99	2.95	4.34	4.20	4.84

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 to 4th 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 the 10th Fiscal Period Ended February 28, 2019 (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.

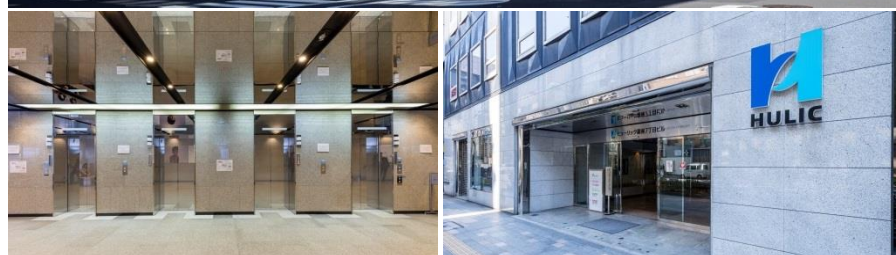
Hulic Ginza 7 Chome Building (Additional Acquisition)

Office

4-min. Walk from the
Nearest Station

Sponsor-owned

Office along Ginza and Sotobori Dori with Unusually High Visibility



Quasi-co-ownership Interest	25%	20%
Acquisition Price	¥5,600 million	¥4,480 million
Appraisal Value	¥5,830 million	¥4,660 million
Appraisal NOI Yield	3.6%	3.6%
Location	Chuo Ward, Tokyo	
Nearest Station	4-minute Walk from Ginza Station on Tokyo Metro Ginza Line and Other Lines	
Occupancy Rate	100.0%	

Hulic Focuses on Ginza-Yurakucho Area*



- Hulic Ginza Building
- Hulic Ginza-west #2
- Hulic Ginza-west #1
- Hulic Ginza 1 Chome Gas Lump Building
- Hulic Ginza 1 Chome Building
- Hulic Ginza 2 Chome Building (Mercure Tokyo Ginza)
- Hulic Ginza Sukiyabashi Building
- HULIC SQUARE TOKYO (The Gate Hotel Tokyo by HULIC)
- Hulic Ginza World Town Building
- Hulic Ginza Wall Building
- Hulic Ginza 7 Chome Building
- Sotetsu Fresa Inn Ginza 7 Chome
- G10
- Hulic Ginza 3 Chome Building
- Orchid Square
- Ginza 6 Chome Development Project
- Shin-nihon Jitsugyo Ginza 6 Chome Building
- Ginza 8 Chome Development Project
- Hulic Ginza 2 Chome Namiki St.
- Marutaka Building
- Sompo Japan Nihon Koa Ginza Building
- Marutaka #2 Building
- MaxMara Building
- Ginza First Building

Additional Acquisition of Office Building in Favorable Central Tokyo Locations from the Sponsor

- Office building with retail space offering very convenient transportation access within a 4-minute walk from Ginza Station, Tokyo Metro Ginza Line, etc., and nearly the same distance from Shinbashi Station on the JR Yamanote Line.
- Hulic Reit acquired an additional quasi-co-ownership interest of 25.0% and 20.0% in this highly visible office building, located on a three-street intersection in the Ginza-Yurakucho area that the sponsor focuses on. Hulic Reit held a total of 95.0% (jointly with the sponsor).

Location Characteristics

Located in a Retail and Office District along Sotobori Dori in the Ginza Area

- Situated in a corner location of a district that is home to high-rise office buildings with retail space in the Ginza area, which is a lively district quintessential of Japan
- The location offers good visibility given its frontage on three streets, including expansive frontage facing Sotobori Dori in addition to frontage adjacent to both a back street and Kojunsha Dori

Property Characteristics

Property Affords Certain Competitive Strengths, Offering Approx. 1,120m² (Approx. 340 tsubo) of Standard Floor Area

- The building affords certain competitive strengths in terms of size given that there is a limited number of office buildings in the vicinity that can provide more than 1,000m² (approx. 300 tsubo) of office space on a typical floor.
- In the past the building has been upgraded with respect to air conditioning facilities and other major equipment. More recently it has undergone large-scale repairs and seismic reinforcement work in 2009. Its structural capacity to withstand seismic events is on par with the latest earthquake resistance standards.

* 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.

Hulic Iidabashi Building

Office

4-min. Walk from the
Nearest Station

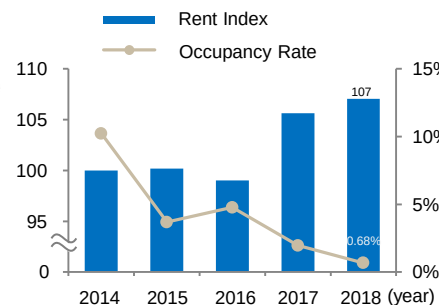
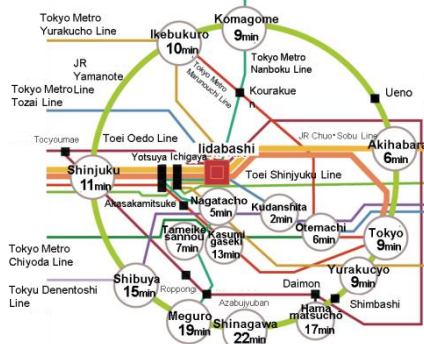
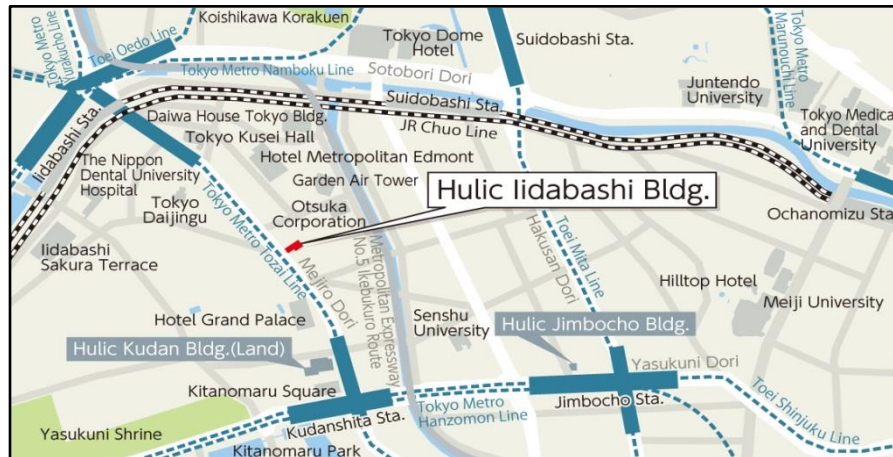
Sponsor-owned

Office Building with Excellent Access to Locations All over the City



Acquisition Price	¥1,450 million
Appraisal Value	¥1,500 million
NOI Yield	4.4%
Location	Chiyoda Ward, Tokyo
Nearest Station	4-minute Walk from Iidabashi Station on Tokyo Metro Tozai Line
Occupancy Rate	100.0%

High Accessibility
to Key Locations in the City

Suidobashi, Iidabashi and Kudan Areas, where supply and demand conditions for small- and medium-sized buildings are solid^{1,2}

Source : Miki Shoji Co., Ltd
"MIKI OFFICE REPORT TOKYO 2019"


Office Building Near Three Train Stations with Seven Train Lines

- The office building is a four-minute walk from Iidabashi Station on the Tokyo Metro Tozai Line, a five-minute walk from Kudanshita Station on the Tokyo Metro Hanzomon Line, and a seven-minute walk from Iidabashi Station on the JR Chuo Main Line, among others. It has very convenient transportation options, with access to seven train lines at three stations.

Location Characteristics

Located in an Area in which Small- and Medium-sized Buildings are Concentrated with Excellent Access to Areas All over the City

- In addition to small- and medium-sized buildings lining Meiji Dori, small-scale buildings are concentrated in the area behind the building, and the area is recognized for the dense concentration of businesses located here.
- The impressive access to locations around the city means that we can expect solid demand for offices from small- and medium-sized companies.

Property Characteristics

Office Building with Stores Attached with High visibility for the Volume Zone

- An office building with stores attached with one basement story and nine above-ground stories; located on the corner of Meiji Dori, the building has good visibility.
- While the area is a volume zone, the building has high visibility, is well-proportioned, and has a highly efficient layout.

*1 This is based on a survey carried out by Miki Shoji of the key rental office buildings with a standard floor area of 100 tsubo or more (not including buildings with special circumstances, such as buildings that have been rented out en bloc) in the areas that Miki Shoji designated itself out of those regions listed in the table above.

*2 The Suidobashi, Iidabashi, and Kudan areas are areas designated by the Miki Shoji, and refer to regions within walking distance of Suidobashi Station, Iidabashi Station, and Kudanshita Station.

Charm Suite Shinjukutoyama

Private Nursing
Homes

Sponsor-
developed

High-end Private Nursing Home on a Quiet Residential Street that is both Convenient and Located in a Residential Environment



Acquisition Price	¥3,323 million	Nearest Station	4-minute Walk from Shinjuku Station on Tokyo Metro Fukutoshin Line and Other Lines
Appraisal Value	¥3,520 million	Occupancy Rate	100.0%
NOI Yield	4.4%	Occupancy Lump-sum fee	¥7,350,000 -14,700,000
Location	Shinjuku Ward, Tokyo	Monthly Use Fee	Approx. ¥224,200 - 346,700 ^{*2}

Location Characteristics

While the Property is Close to the Busy Central Tokyo Area, It is Located in a Quiet Residential Neighborhood with Lush Greenery

- Very convenient location with the nearest train station a four-minute walk away and large medical facilities concentrated in the surrounding area.
- There are a limited number of competing facilities within a 3 km radius of this property, but there are high-end residential areas located around the property, such as Shimo-Ochiai and Ichigaya, so demand for high-end private nursing homes is solid.

Property Characteristics

Competitive Specifications with a Grade Befitting a High-class Facility

- Building was designed with competitive specifications, represented by a monotone design as well as common space such as a vaulted ceiling that gives the café corner a sense of openness.
- The facility also has a health clinic attached, which helps create peace of mind for its residents.
- The facility uses LED lighting and high-efficiency water heaters and has installed solar power plant to conserve energy and reduce CO2 emissions.
- Hulic planted species indigenous to the region in the portions facing the street to help improve biodiversity, and obtained an A rank under the JHEP certification system.



Property Developed by a Sponsor for which a Long-term Agreement with a Major Operator has been Signed

- Private nursing homes for the elderly developed by a sponsor in 2015 and rented out in bloc by Charm Care Corporation, the operator.
- A thirty-year rental agreement was finalized, ensuring long-term stable revenue.

About Charm Care Corporation Co., Ltd



- Listed on the first section of the Tokyo Stock Exchange; operates 53 homes with 3,688 rooms in the Tokyo metropolitan region and the Kinki region (private nursing homes and homes for elderly people with services)^{*1}.
- Primarily administers the Charm, Charm Suite, Charm Premier, and Charm Premier Gran brands, and is accelerating the development of high-end private nursing homes in the Tokyo metropolitan region.

^{*1} Charm Care Corporation's number of facilities under management and number of rooms under management are the figures released by the company.

^{*2} Monthly use fees noted here assume that a one-off payment (advance payment) system is used.

Charm Suite Shakujiikoen

Private Nursing
Homes

Sponsor-
developed

High-end Private Nursing Home Located in a Mature, Quiet Residential Neighborhood in Musashino



Property Developed by a Sponsor for which a Long-term Agreement with a Major Operator has been Signed

- Fee-based home for the elderly developed by a sponsor in 2014 and rented out in bloc by Charm Care Corporation, the operator.
- A thirty-year rental agreement was finalized, ensuring long-term stable revenue.

About JHEP



- The Ecosystem Conservation System-Japan refined the Habitat Evaluation Procedures (HEP) developed by the US federal government so that it could be applied in Japan, creating JHEP. This is Japan's only certification system that quantitatively evaluates and certifies efforts to improve the value of biodiversity before business operations begin.
- In order to protect biodiversity, Hulic has declared that it will protect biodiversity and in rebuilding buildings that it owns, carries out initiatives that help protect and restore plants indigenous to the region for the sake of biodiversity.



Acquisition Price	¥3,200 million	Nearest Station	11-minute Walk from Shakujiikoen Station on Seibu Ikebukuro Line
Appraisal Value	¥3,270 million	Occupancy Rate	100.0%
NOI Yield	4.6%	Occupancy Lump-sum fee	¥4,350,000 - 8,700,000
Location	Nerima Ward, Tokyo	Monthly Use Fee	Approx. ¥214,200 – 286,700*

Location Characteristics

Residential Neighborhood in Musashino with a Surrounding Environment that is Vividly Green in which Nature Still Remains

- This property is located on the corner of a quiet residential area lined with medium-sized conventional homes and apartment buildings.
- Although the number of nursing care facilities in Nerima ward is relatively high, the number of elderly people who need such facilities is also high in this area, and we can also expect overflow demand from neighboring Suginami ward.

Property Characteristics

Competitive Specifications with a Grade Befitting a High-class Facility

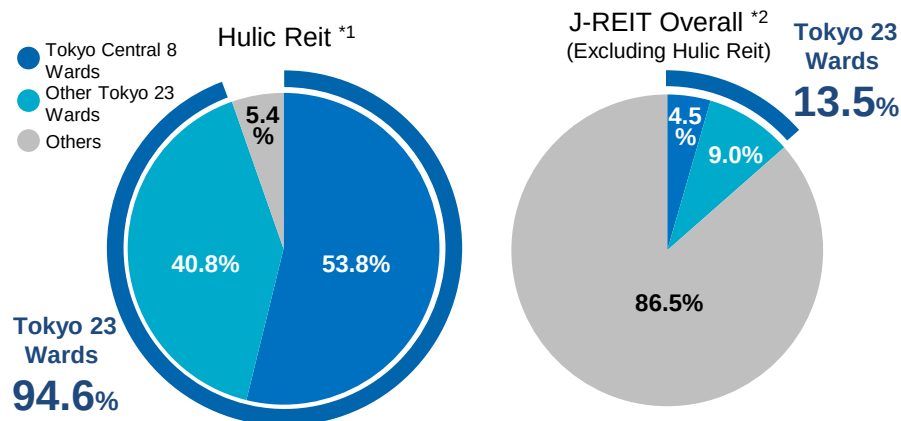
- The façade was designed with a monotone color scheme, and a courtyard more than 500 m² in size with walking paths laid out ensures that residents can feel the passing of the seasons close at hand.
- The facility also has a health clinic attached, which helps create peace of mind for its residents.
- A solar power equipment system and LED lights have been installed, and double-paned window glass is used in all rooms to help conserve energy and reduce CO2 emissions.
- Plants native to the Musashino Plateau were planted in the area outside of the building and in the courtyard, earning the building an A rank under the JHEP certification system.

* Monthly use fees noted here assume that a one-off payment (advance payment) system is used.

- 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, and also ensure stable profitability by forming long-term fixed contracts with prime operators that can operate the high-end private nursing homes.

Portfolio Focused on Locations Centered in the Tokyo Metropolitan Region

< Conditions for Portfolio of Healthcare Assets >



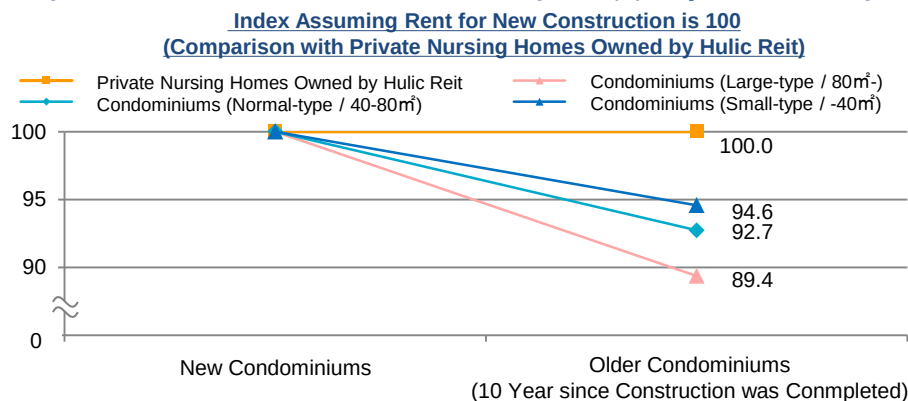
Long-term Fixed Contracts with Carefully Chosen, Excellent Operators

< Operators for Properties Held by Hulic Reit >

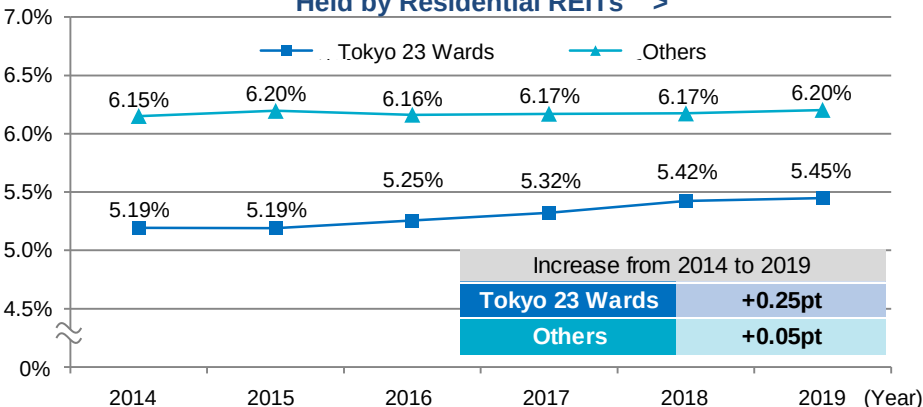
Names of Operators	Overview	Property Name	Initial Lease Agreement Period
Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, a company listed in the first section of TSE	Aria Matsubara	25 years
Trust Garden Co., Ltd.	Consolidated subsidiary of Resort Trust, a company listed in the first section of TSE	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Sugunami Miyamae Trust Garden Tokiwamatsu	20 years
SOMPO Care Inc.	Consolidated subsidiary of SOMPO Holdings, a company listed in the first section of TSE	SOMPO Care La vie Re Kita-Kamakura	20 years
Sakurajyuji Co., Ltd.	Member of Sakurajyuji Group, centered on its healthcare companies	Hulic Shimura-sakaue	20 years
Charm Care Corporation Co., Ltd.	Company listed in the first section of TSE	Charm Suite Shinjukutoyama Charm Suite Shakujiikoen	30 years

(References) Fluctuations in Rents and NOI for Residential Properties

< Trends in Condominium Rents for New and Older Condominiums (10 Years since Construction was Completed) (Tokyo's 23 Wards) *3 >



< Fluctuations in NOI Yields on Residential Properties Held by Residential REITs *4 >



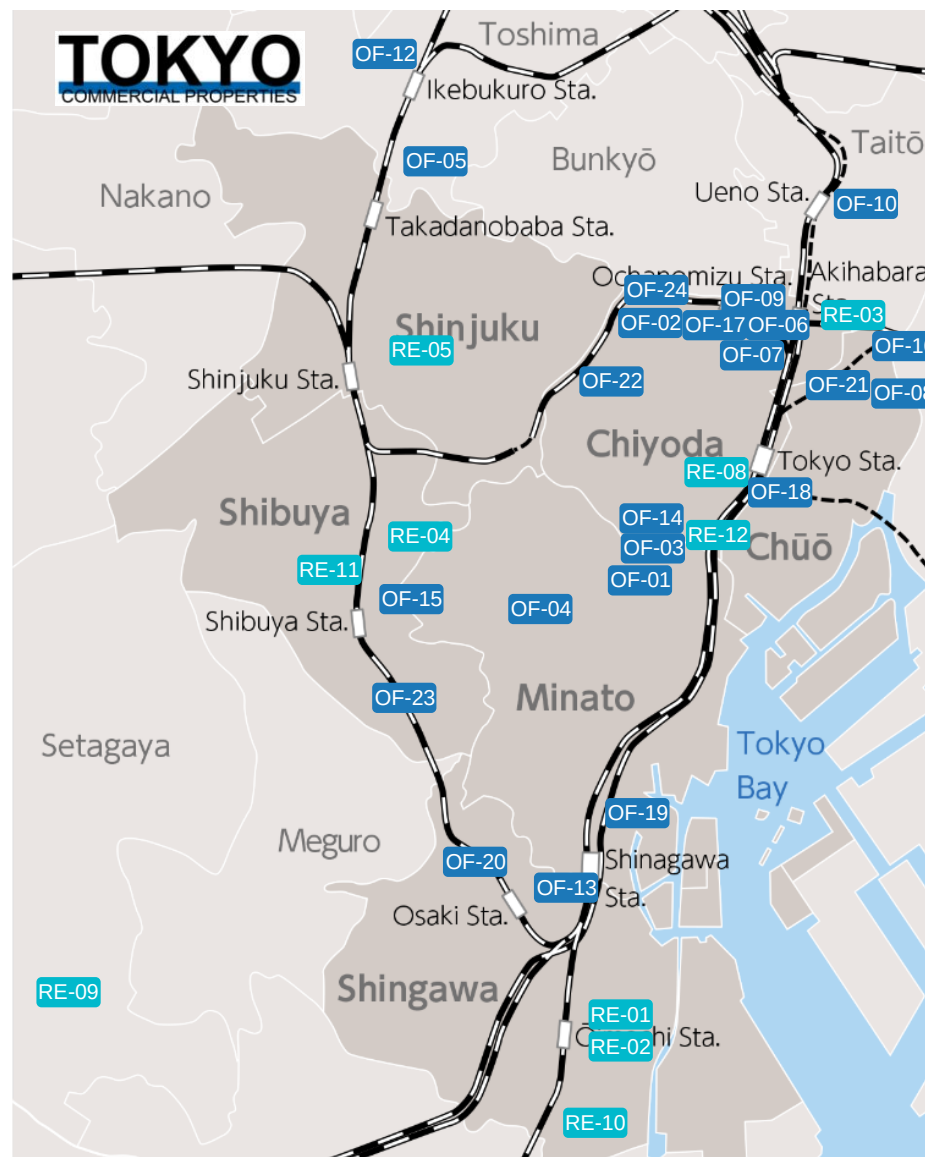
*1 Based on acquisition price for private nursing homes held by Hulic Reit after the 6th PO (figure for Hulic Shimura-sakaue is based on overall acquisition price of the property, which includes the commercial property building).

*2 Based on the acquisition price for assets used for senior assets held by J-REITs as of August 31, 2019 (prepared by HULIC REIT Management using information from information vendors).

*3 The figure excluding private nursing homes is calculated by HULIC REIT Management based on the Housing Market Index for 2019 H1 by Japan Real Estate Institute, At Home Co., Ltd. and Ken Corporation Ltd.

*4 The figures provided here are calculated by dividing the total NOI, adjusted for the number of days in each year, by the total acquisition price for assets held by residential REITs from 2014 to 2019 (prepared by asset management company using information from information vendors).

Type	No.	Property Name
Office	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-13	Gate City Ohsaki
	OF-14	Hulic Toranomon Building
	OF-15	Hulic Shibuya 1 Chome Building
	OF-16	Hulic Higashi Nihonbashi Building
	OF-17	Hulic Jimbocho Building
	OF-18	Hulic Ginza 7 Chome Building New
	OF-19	Shinagawa Season Terrace
	OF-20	Hulic Gotanda Yamate-dori Building
	OF-21	Hulic Nihonbashi-honcho 1 Chome Building
	OF-22	Bancho House
	OF-23	Ebisu Minami Building
	OF-24	Hulic Iidabashi Building New
Retail	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-08	Orchid Square
	RE-09	Hulic Todoroki Building
	RE-10	Hulic Omori Building
	RE-11	HULIC &New SHIBUYA
	RE-12	HULIC &New SHINBASHI



* The map shown above plots Tokyo Commercial Properties, from among the properties held after the 6th PO. Hulic Shimura-sakaue and Yokohama Yamashitacho Building are 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-13 Office 1-min. walk from station

Gate City Ohsaki



OF-14 Office 1-min. walk from station

Hulic Toranomon Building



OF-15 Office 5-min. walk from station

Hulic Shibuya 1 Chome Building



OF-16 Office 2-min. walk from station

Hulic Higashi Nihonbashi 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

* This refers to properties owned after the 6th PO.



OF-20 Office 1-min. walk from station
Hulic Gotanda Yamate-dori Building



OF-21 Office 5-min. walk from station
Hulic Nihonbashi-honcho 1 Chome Building



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



RE-01 Retail Properties 1-min. walk from station
RE-02
Oimachi Redevelopment Building (#2, #1)



RE-03 Retail Properties 1-min. walk from station
Dining Square Akihabara Building



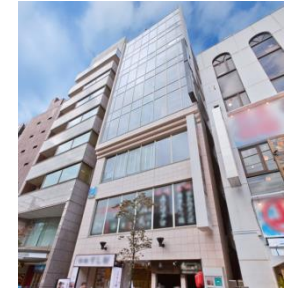
RE-04 Retail Properties 7-min. walk from station
Hulic Jingu-Mae Building



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-08 Retail Properties 3-min. walk from station
Orchid Square



RE-09 Retail Properties 1-min. walk from station
Hulic Todoroki Building



RE-10 Retail Properties 2-min. walk from station
Hulic Omori 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

* This refers to properties owned after the 6th PO.



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**

* This refers to properties owned after the 6th PO.

9. List of Portfolio Properties (After the 6th PO)

Property No.	Property Name	Area	Location	Acquisition Price (millions of yen)	Share (%)	Completion of Construction	Total Leasable Area (㎡)	NOI Yield (%)	Occupancy Rate* (%)
OF-01	Hulic Kamiyacho Building	6 central Tokyo wards	Minato Ward, Tokyo	55,250	17.0	April, 1985	32,487.06	4.1	100.0
OF-02	Hulic Kudan Building (Land)	6 central Tokyo wards	Chiyoda Ward, Tokyo	11,100	3.4	-	3,351.07	4.1	100.0
OF-03	Toranomon First Garden	6 central Tokyo wards	Minato Ward, Tokyo	8,623	2.7	August, 2010	5,689.97	4.8	100.0
OF-04	Rapiros Roppongi	6 central Tokyo wards	Minato Ward, Tokyo	6,210	1.9	August, 1997	6,730.52	6.2	100.0
OF-05	Hulic Takadanobaba Building	Other Tokyo 23 wards	Toshima Ward, Tokyo	3,900	1.2	November, 1993	5,369.71	5.3	100.0
OF-06	Hulic Kanda Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,780	1.2	September, 2008	3,728.36	4.6	100.0
OF-07	Hulic Kandabashi Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	2,500	0.8	June, 2001	2,566.95	4.7	100.0
OF-08	Hulic Kakigaracho Building	6 central Tokyo wards	Chuo Ward, Tokyo	2,210	0.7	March, 1993	2,858.48	5.8	100.0
OF-09	Ochanomizu Sola City	6 central Tokyo wards	Chiyoda Ward, Tokyo	38,149	11.7	February, 2013	13,923.42	3.8	100.0
OF-10	Hulic Higashi Ueno 1 Chome Building	Other Tokyo 23 wards	Taito Ward, Tokyo	2,678	0.8	July, 1988	3,137.09	5.0	100.0
OF-12	Tokyo Nishi Ikebukuro Building	Other Tokyo 23 wards	Toshima Ward, Tokyo	1,580	0.5	October, 1990	1,429.74	5.4	100.0
OF-13	Gate City Ohsaki	6 central Tokyo wards	Shinagawa Ward, Tokyo	4,370	1.3	(Office and Commercial Building) January, 1999 (Residential Building) December, 1998	3,835.78	4.5	100.0
OF-14	Hulic Toranomon Building	6 central Tokyo wards	Minato Ward, Tokyo	18,310	5.6	May, 2015	8,574.65	3.7	100.0
OF-15	Hulic Shibuya 1 Chome Building	6 central Tokyo wards	Shibuya Ward, Tokyo	5,100	1.6	August, 1993	2,817.65	4.1	100.0
OF-16	Hulic Higashi Nihonbashi Building	6 central Tokyo wards	Chuo Ward, Tokyo	3,480	1.1	November, 1996	3,681.20	4.6	100.0
OF-17	Hulic Jimbocho Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	1,460	0.4	September, 1989	1,561.38	4.3	100.0
OF-18	Hulic Ginza 7 Chome Building	6 central Tokyo wards	Chuo Ward, Tokyo	21,080	6.5	September, 1962	11,405.68	3.6	100.0
OF-19	Shinagawa Season Terrace	6 central Tokyo wards	Minato Ward, Tokyo	6,100	1.9	January, 2015	3,196.54	3.6	100.0
OF-20	Hulic Gotanda Yamate-dori Building	6 central Tokyo wards	Shinagawa Ward, Tokyo	3,450	1.1	March, 1996	3,296.01	4.3	100.0
OF-21	Hulic Nihonbashi-honcho 1 Chome Building	6 central Tokyo wards	Chuo Ward, Tokyo	3,980	1.2	January, 1964	3,702.25	4.4	100.0
OF-22	Bancho House	6 central Tokyo wards	Chiyoda Ward, Tokyo	2,750	0.8	August, 1989	1,916.19	4.2	100.0
OF-23	Ebisu Minami Building	6 central Tokyo wards	Shibuya Ward, Tokyo	2,420	0.7	September, 1992	1,629.09	4.3	100.0
OF-24	Hulic Iidabashi Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	1,450	0.4	February, 1991	1,431.94	4.3	100.0
Subtotal for Office Properties (23 Properties)				209,930	64.6		128,320.73	4.2	100.0

* Figures are as of the end of the 11th FP (Aug. 31, 2019).

9. List of Portfolio Properties (After the 6th PO)

Property No.	Property Name	Area	Location	Acquisition Price (millions of yen)	Share (%)	Completion of Construction	Total Leasable Area (㎡)	NOI Yield (%)	Occupancy Rate* (%)
RE-01	Oimachi Redevelopment Building (#2)	6 central Tokyo wards	Shinagawa Ward, Tokyo	9,456	2.9	September, 1989	14,485.66	5.8	100.0
RE-02	Oimachi Redevelopment Building (#1)	6 central Tokyo wards	Shinagawa Ward, Tokyo	6,166	1.9	September, 1989	10,612.67	5.8	100.0
RE-03	Dining Square Akihabara Building	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,200	1.0	June, 1993	2,169.41	4.8	100.0
RE-04	Hulic Jingu-Mae Building	6 central Tokyo wards	Shibuya Ward, Tokyo	2,660	0.8	September, 2000	1,656.24	4.6	100.0
RE-05	Hulic Shinjuku 3 Chome Building	6 central Tokyo wards	Shinjuku Ward, Tokyo	5,550	1.7	June, 1983	1,351.15	5.0	100.0
RE-06	Yokohama Yamashitacho Building	Others	Yokohama City, Kanagawa	4,850	1.5	July, 1993	8,958.70	5.2	100.0
RE-08	Orchid Square	6 central Tokyo wards	Chiyoda Ward, Tokyo	3,502	1.1	January, 2009	1,334.88	4.2	100.0
RE-09	Hulic Todoroki Building	Other Tokyo 23 wards	Setagaya Ward, Tokyo	1,200	0.4	August, 1990	1,676.02	5.7	100.0
RE-10	Hulic Omori Building	6 central Tokyo wards	Shinagawa Ward, Tokyo	3,420	1.1	January, 2017	2,666.52	4.6	100.0
RE-11	HULIC &New SHIBUYA	6 central Tokyo wards	Shibuya Ward, Tokyo	3,150	1.0	April, 2017	898.62	3.4	100.0
RE-12	HULIC &New SHINBASHI	6 central Tokyo wards	Minato Ward, Tokyo	3,100	1.0	April, 2017	1,725.35	4.1	100.0
RE-13	Hulic Simura-sakaue	Other Tokyo 23 wards	Itabashi Ward, Tokyo	7,556	2.3	(Retail Property Block) November, 2015 (Private Nursing Home Block) February, 2016	11,528.34	4.7	100.0
Subtotal for Retail Properties (12 Properties)				53,810	16.6		59,063.56	5.0	100.0
Subtotal for Tokyo Commercial Properties (35 Properties)				263,740	81.2		187,384.29	4.3	100.0

* Figures are as of the end of the 11th FP (Aug. 31, 2019).

9. List of Portfolio Properties (After the 6th PO)

Property No.	Property Name	Area	Location	Acquisition Price (millions of yen)	Share (%)	Completion of Construction	Total Leasable Area (㎡)	NOI Yield (%)	Occupancy Rate* (%)
NH-01	Aria Matsubara	Other Tokyo 23 wards	Setagaya Ward, Tokyo	3,244	1.0	September, 2005	5,454.48	6.0	100.0
NH-02	Trust Garden Yoganomori	Other Tokyo 23 wards	Setagaya Ward, Tokyo	5,390	1.7	September, 2005	5,977.75	6.1	100.0
NH-03	Trust Garden Sakurashinmachi	Other Tokyo 23 wards	Setagaya Ward, Tokyo	2,850	0.9	August, 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	April, 2005	3,975.99	6.0	100.0
NH-05	Trust Garden Tokiwamatsu	6 central Tokyo wards	Shibuya Ward, Tokyo	3,030	0.9	January, 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	March, 2009	4,912.57	5.7	100.0
NH-07	Charm Suite Shinjukuotayama	6 central Tokyo wards	Shinjuku Ward, Tokyo	3,323	1.0	June, 2015	4,065.62	4.4	100.0
NH-08	Charm Suite Shakujikocho	Other Tokyo 23 wards	Nerima Ward, Tokyo	3,200	1.0	June, 2014	4,241.68	4.6	100.0
Subtotal for Private Nursing Homes (8 Properties)				25,577	7.9		35,222.17	5.5	100.0
NW-01	Ikebukuro Network Center	Other Tokyo 23 wards	Toshima Ward, Tokyo	4,570	1.4	January, 2001	12,773.04	5.2	100.0
NW-02	Tabata Network Center	Other Tokyo 23 wards	Kita Ward, Tokyo	1,355	0.4	April, 1998	3,832.73	5.8	100.0
NW-03	Hiroshima Network Center	Others	Hiroshima City, Hiroshima	1,080	0.3	October, 2001	5,208.54	6.7	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	September, 1994	2,211.24	8.6	100.0
NW-06	Chiba Network Center	Others	Inzai City, Chiba	7,060	2.2	June, 1995	23,338.00	5.4	100.0
NW-07	Sapporo Network Center	Others	Sapporo City, Hokkaido	2,510	0.8	January, 2002	9,793.57	5.5	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	5.9		71,373.66	5.6	100.0
HT-01	Sotetsu Fresa Inn Ginza 7 Chome	6 central Tokyo wards	Chuo Ward, Tokyo	11,520	3.5	August, 2016	6,984.32	3.8	100.0
HT-02	Sotetsu Fresa Inn Tokyo-Roppongi	6 central Tokyo wards	Minato Ward, Tokyo	5,000	1.5	August, 2017	2,408.45	4.0	100.0
Subtotal for Hotels (2 Properties)				16,520	5.1		9,392.77	3.9	100.0
Subtotal for Next generation Assets Plus (18 Properties)				61,242	18.8		115,988.60	5.1	100.0
Total (53 Properties)				324,982	100.0		303,372.89	4.5	100.0

* Figures are as of the end of the 11th FP (Aug. 31, 2019). Note that the occupancy rates of Charm Suite Shinjukuotayama and Charm Suite Shakujikocho acquired during the 12th FP (FP ending Feb. 29, 2020) are the figures at the time of acquisition.

10. Status of Appraisal Values by Property (End of the 11th FP)

(unit : millions of yen)

Property Name			①	②	③						④	
			Acquisition Price	Book Value (As of Aug. 31, 2019)	Appraisal Value (Aug. 31, 2019)						Unrealized Gains / Losses	
						Profit Price (Direct Capitalization Method)	Cap Rate	Profit Price (DCF)	Discount Rate	Final Cap Rate		Appraisal Firm
Office Properties (23 Properties)	OF-01	Hulic Kamiyacho Building	55,250	55,440	64,700	66,500	3.3%	63,900	3.1%	3.5%	DAIWA REAL ESTATE APPRAISAL	9,260
	OF-02	Hulic Kudan Building (Land)	11,100	11,191	13,200	13,200	3.5%	13,100	3.1%	3.6%	Japan Real Estate Institute	2,009
	OF-03	Toranomon First Garden	8,623	8,235	12,300	12,300	3.3%	12,300	3.0%	3.4%	CBRE	4,065
	OF-04	Rapiros Roppongi	6,210	6,753	9,680	9,840	3.5%	9,520	3.2%	3.7%	Japan Real Estate Institute	2,927
	OF-05	Hulic Takadanobaba Building	3,900	3,787	4,820	4,750	4.0%	4,850	3.8%	4.2%	DAIWA REAL ESTATE APPRAISAL	1,033
	OF-06	Hulic Kanda Building	3,780	3,591	4,320	4,520	3.8%	4,230	3.9%	4.0%	The Tanizawa Sogo Appraisal	729
	OF-07	Hulic Kandabashi Building	2,500	2,479	3,060	3,100	3.7%	3,040	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL	581
	OF-08	Hulic Kakigaracho Building	2,210	2,166	2,950	2,930	4.1%	2,960	4.2%	4.3%	The Tanizawa Sogo Appraisal	784
	OF-09	Ochanomizu Sola City	38,149	36,978	44,485	44,919	3.2%	44,051	2.9%	3.3%	Japan Real Estate Institute	7,507
	OF-10	Hulic Higashi Ueno 1 Chome Building	2,678	2,736	3,180	3,230	3.9%	3,130	3.7%	4.1%	Japan Real Estate Institute	444
	OF-12	Tokyo Nishi Ikebukuro Building	1,580	1,606	1,990	2,020	4.1%	1,950	3.9%	4.3%	Japan Real Estate Institute	384
	OF-13	Gate City Ohsaki	4,370	4,460	4,780	4,800	3.5%	4,760	3.1%	3.6%	Japan Real Estate Institute	320
	OF-14	Hulic Toranomon Building	18,310	18,032	21,700	21,900	3.1%	21,500	2.8%	3.2%	Japan Real Estate Institute	3,668
	OF-15	Hulic Shibuya 1 Chome Building	5,100	5,109	5,670	5,950	3.4%	5,550	3.5%	3.6%	The Tanizawa Sogo Appraisal	561
	OF-16	Hulic Higashi Nihonbashi Building	3,480	3,472	3,690	3,820	4.1%	3,640	4.2%	4.3%	The Tanizawa Sogo Appraisal	218
	OF-17	Hulic Jimbocho Building	1,460	1,540	1,560	1,580	3.9%	1,530	3.7%	4.1%	Japan Real Estate Institute	20
	OF-18	Hulic Ginza 7 Chome Building	16,600	16,719	17,475	17,850	3.3%	17,100	3.1%	3.4%	Japan Real Estate Institute	756
	OF-19	Shinagawa Season Terrace	6,100	6,049	6,200	6,250	3.5%	6,125	3.2%	3.6%	Japan Real Estate Institute	151
	OF-20	Hulic Gotanda Yamate-dori Building	3,450	3,588	3,530	3,760	3.8%	3,430	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL	-58
	OF-21	Hulic Nihonbashi-honcho 1 Chome Building	3,980	4,006	4,240	4,340	4.0%	4,190	3.8%	4.2%	DAIWA REAL ESTATE APPRAISAL	234
	OF-22	Bancho House	2,750	2,762	2,880	2,940	3.7%	2,850	3.5%	3.9%	DAIWA REAL ESTATE APPRAISAL	118
	OF-23	Ebisu Minami Building (*3)	2,420	2,430	2,550	2,650	3.8%	2,510	3.8%	3.9%	The Tanizawa Sogo Appraisal	120
	OF-24	Hulic Iidabashi Building	1,450	1,465	1,500	1,550	3.9%	1,480	4.0%	4.1%	The Tanizawa Sogo Appraisal	35
	Subtotal for Office Properties (23 Properties)			205,450	204,594	240,460	244,699	3.4%	237,696	3.2%	3.5%	
Retail Properties (12 Properties)	RE-01	Oimachi Redevelopment Building (#2)	9,456	9,499	12,000	12,200	4.0%	11,900	4.1%	4.2%	The Tanizawa Sogo Appraisal	2,501
	RE-02	Oimachi Redevelopment Building (#1)	6,166	6,255	7,360	7,430	4.2%	7,330	4.3%	4.4%	The Tanizawa Sogo Appraisal	1,105
	RE-03	Dining Square Akihabara Building	3,200	3,176	3,930	4,000	3.8%	3,860	3.6%	4.0%	Japan Real Estate Institute	754
	RE-04	Hulic Jingu-Mae Building	2,660	2,639	3,600	3,680	3.3%	3,560	3.4%	3.5%	The Tanizawa Sogo Appraisal	961
	RE-05	Hulic Shinjuku 3 Chome Building	5,550	5,554	7,760	7,970	3.5%	7,540	3.0%	3.6%	Japan Real Estate Institute	2,206
	RE-06	Yokohama Yamashitacho Building	4,850	4,666	5,560	5,640	4.3%	5,480	4.1%	4.5%	Japan Real Estate Institute	894
	RE-08	Orchid Square	3,502	3,485	3,920	4,010	3.6%	3,880	3.4%	3.8%	DAIWA REAL ESTATE APPRAISAL	435
	RE-09	Hulic Todoroki Building	1,200	1,216	1,370	1,380	4.5%	1,360	4.6%	4.7%	The Tanizawa Sogo Appraisal	154
	RE-10	Hulic Omori Building	3,420	3,384	3,740	3,740	4.2%	3,740	4.0%	4.3%	CBRE	356
	RE-11	HULIC &New SHIBUYA	3,150	3,130	3,425	3,505	3.1%	3,345	2.9%	3.3%	Japan Real Estate Institute	295
	RE-12	HULIC &New SHINBASHI	3,100	3,070	3,360	3,410	3.7%	3,310	3.5%	3.9%	Japan Real Estate Institute	290
	RE-13	Hulic Simura-sakaue	7,556	7,578	7,650	7,790	4.6%	7,510	4.4%	4.9%	Japan Real Estate Institute	72
	Subtotal for Retail Properties (12 Properties)			53,810	53,653	63,675	64,755	3.9%	62,815	3.8%	4.1%	
Subtotal for Tokyo Commercial Properties (35 Properties)			259,260	258,247	304,135	309,454	3.5%	300,511	3.3%	3.7%		45,888

*1 Acquisition prices and book values are rounded to the nearest 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 fiscal year to the 3rd fiscal year, 3.7% from the 4th fiscal year to the 9th fiscal year, and 3.8% from the 10th fiscal year to the 11th fiscal year, the figures for the 10th fiscal year to the 11th fiscal year (3.8%) are stated in the table.

10. Status of Appraisal Values by Property (End of the 11th FP)

(unit : millions of yen)

Property Name	①	②	③						④
	Acquisition Price	Book Value	Appraisal Value (Aug. 31, 2019)						Unrealized Gains / Losses
	(*1)	(As of Aug. 31, 2019) (*1)	Profit Price (Direct Capitalization Method)	Cap Rate (*2)	Profit Price (DCF)	Discount Rate (*2)	Final Cap Rate (*2)	Appraisal Firm	③—②
NH-01 Aria Matsubara	3,244	3,141	4,290	4.320	4.4%	4.260	4.0%	4.6% Japan Real Estate Institute	1,149
NH-02 Trust Garden Yoganomori	5,390	5,312	6,880	6,920	4.7%	6,830	4.3%	4.9% Japan Real Estate Institute	1,568
NH-03 Trust Garden Sakurashinmachi	2,850	2,836	3,670	3,690	4.6%	3,640	4.2%	4.8% Japan Real Estate Institute	834
NH-04 Trust Garden Suginami Miyamae	2,760	2,737	3,550	3,570	4.6%	3,530	4.2%	4.8% Japan Real Estate Institute	813
NH-05 Trust Garden Tokiwamatsu	3,030	3,017	3,300	3,350	4.2%	3,250	4.0%	4.4% Japan Real Estate Institute	283
NH-06 SOMPO Care La vie Re Kita-Kamakura	1,780	1,787	1,770	1,780	5.5%	1,750	5.3%	5.7% Japan Real Estate Institute	-17
Subtotal for Private Nursing Homes (6 Properties)	19,054	18,831	23,460	23,630	4.6%	23,260	4.2%	4.8%	4,629
NW-01 Ikebukuro Network Center	4,570	4,497	5,280	5,330	4.4%	5,230	4.1%	4.5% Japan Real Estate Institute	783
NW-02 Tabata Network Center	1,355	1,356	1,550	1,560	4.9%	1,530	4.6%	5.0% Japan Real Estate Institute	194
NW-03 Hiroshima Network Center	1,080	1,036	1,220	1,230	5.7%	1,210	5.4%	5.8% Japan Real Estate Institute	184
NW-04 Atsuta Network Center	1,015	981	1,070	1,080	5.4%	1,060	5.1%	5.5% Japan Real Estate Institute	89
NW-05 Nagano Network Center	305	301	362	363	6.9%	361	6.7%	7.1% Japan Real Estate Institute	61
NW-06 Chiba Network Center	7,060	6,936	7,260	7,310	5.1%	7,200	4.8%	5.2% Japan Real Estate Institute	324
NW-07 Sapporo Network Center	2,510	2,523	2,590	2,610	5.2%	2,570	4.9%	5.3% Japan Real Estate Institute	67
NW-08 Keihanna Network Center	1,250	1,192	1,300	1,300	5.5%	1,290	5.2%	5.6% Japan Real Estate Institute	108
Subtotal for Network Centers (8 Properties)	19,145	18,824	20,632	20,783	5.0%	20,451	4.7%	5.1%	1,808
HT-01 Sotetsu Fresa Inn Ginza 7 Chome	11,520	11,483	12,200	12,400	3.6%	11,900	3.4%	3.8% Japan Real Estate Institute	717
HT-02 Sotetsu Fresa Inn Tokyo-Roppongi	5,000	4,951	5,100	5,200	3.8%	5,000	3.6%	4.0% Japan Real Estate Institute	149
Subtotal for Hotels (2 Properties)	16,520	16,434	17,300	17,600	3.7%	16,900	3.5%	3.9%	866
Subtotal for Next generation Assets Plus (16 Properties)	54,719	54,088	61,392	62,013	4.5%	60,611	4.2%	4.6%	7,304
Total (51 Properties)	313,979	312,335	365,527	371,467	3.7%	361,122	3.5%	3.8%	53,192

*1 Acquisition prices and book values are rounded to the nearest million yen.

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

11. List of Appraisal Values by Property (Compared with the 10th FP)

(unit : millions of yen)

Property Name	Appraisal Value			Cap Rate (Direct Capitalization Method)			Appraisal Firm
	①	②	③	④	⑤	⑥	
	End of the 10th FP Feb. 28, 2019	End of the 11th FP Aug. 31, 2019	Difference ②-①	End of the 10th FP Feb. 28, 2019	End of the 11th FP Aug. 31, 2019	Difference ②-①	
OF-01 Hulic Kamiyacho Building	62,600	64,700	+2,100	3.4%	3.3%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-02 Hulic Kudan Building (Land)	13,200	13,200	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
OF-03 Toranomon First Garden	11,900	12,300	+400	3.3%	3.3%	0.0%	CBRE
OF-04 Rapiros Roppongi	9,650	9,680	+30	3.5%	3.5%	0.0%	Japan Real Estate Institute
OF-05 Hulic Takadanobaba Building	4,740	4,820	+80	4.1%	4.0%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-06 Hulic Kanda Building	4,180	4,320	+140	3.8%	3.8%	0.0%	The Tanizawa Sogo Appraisal
OF-07 Hulic Kandabashi Building	2,970	3,060	+90	3.7%	3.7%	0.0%	DAIWA REAL ESTATE APPRAISAL
OF-08 Hulic Kakigaracho Building	2,920	2,950	+30	4.1%	4.1%	0.0%	The Tanizawa Sogo Appraisal
OF-09 Ochanomizu Sola City	44,485	44,485	0	3.2%	3.2%	0.0%	Japan Real Estate Institute
OF-10 Hulic Higashi Ueno 1 Chome Building	3,180	3,180	0	3.9%	3.9%	0.0%	Japan Real Estate Institute
OF-12 Tokyo Nishi Ikebukuro Building	1,990	1,990	0	4.1%	4.1%	0.0%	Japan Real Estate Institute
OF-13 Gate City Ohsaki	4,780	4,780	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
OF-14 Hulic Toranomon Building	21,700	21,700	0	3.1%	3.1%	0.0%	Japan Real Estate Institute
OF-15 Hulic Shibuya 1 Chome Building	5,670	5,670	0	3.4%	3.4%	0.0%	The Tanizawa Sogo Appraisal
OF-16 Hulic Higashi Nihonbashi Building	3,690	3,690	0	4.1%	4.1%	0.0%	The Tanizawa Sogo Appraisal
OF-17 Hulic Jimbocho Building	1,530	1,560	+30	3.9%	3.9%	0.0%	Japan Real Estate Institute
OF-18 Hulic Ginza 7 Chome Building (*2)	17,475	17,475	0	3.3%	3.3%	0.0%	Japan Real Estate Institute
OF-19 Shinagawa Season Terrace	6,200	6,200	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
OF-20 Hulic Gotanda Yamate-dori Building	3,500	3,530	+30	3.9%	3.8%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-21 Hulic Nihonbashi-honcho 1 Chome Building	4,140	4,240	+100	4.1%	4.0%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-22 Bancho House	2,800	2,880	+80	3.8%	3.7%	-0.1%	DAIWA REAL ESTATE APPRAISAL
OF-23 Ebisu Minami Building (*3)	2,540	2,550	+10	3.8%	3.8%	0.0%	The Tanizawa Sogo Appraisal
OF-24 Hulic Iidabashi Building (*2)	1,500	1,500	0	3.9%	3.9%	0.0%	The Tanizawa Sogo Appraisal
Subtotal for Office Properties (23 Properties)	237,340	240,460	+3,120	3.4%	3.4%	-0.0%	
RE-01 Oimachi Redevelopment Building (#2)	12,100	12,000	-100	4.0%	4.0%	0.0%	The Tanizawa Sogo Appraisal
RE-02 Oimachi Redevelopment Building (#1)	7,360	7,360	0	4.2%	4.2%	0.0%	The Tanizawa Sogo Appraisal
RE-03 Dining Square Akihabara Building	3,930	3,930	0	3.8%	3.8%	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	7,760	7,760	0	3.5%	3.5%	0.0%	Japan Real Estate Institute
RE-06 Yokohama Yamashitacho Building	5,780	5,560	-220	4.3%	4.3%	0.0%	Japan Real Estate Institute
RE-08 Orchid Square	3,820	3,920	+100	3.7%	3.6%	-0.1%	DAIWA REAL ESTATE APPRAISAL
RE-09 Hulic Todoroki Building	1,350	1,370	+20	4.5%	4.5%	0.0%	The Tanizawa Sogo Appraisal
RE-10 Hulic Omori Building	3,720	3,740	+20	4.3%	4.2%	-0.1%	CBRE
RE-11 HULIC &New SHIBUYA	3,415	3,425	+10	3.1%	3.1%	0.0%	Japan Real Estate Institute
RE-12 HULIC &New SHINBASHI	3,360	3,360	0	3.7%	3.7%	0.0%	Japan Real Estate Institute
RE-13 Hulic Simura-sakaue	7,630	7,650	+20	4.6%	4.6%	0.0%	Japan Real Estate Institute
Subtotal for Retail Properties (12 Properties)	63,825	63,675	-150	4.0%	3.9%	-0.0%	
Subtotal for Tokyo Commercial Properties (35 Properties)	301,165	304,135	+2,970	3.5%	3.5%	-0.0%	

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

*2 Regarding assets acquired during the 11th FP (FP ended Aug. 31, 2019), the figures noted under "10th FP (FP ended Feb. 28, 2019)" are for the time of acquisition, and these are used in various calculations. Note that under OF-18 "10th FP (FP ended Feb. 28, 2019)", the figures are the total or weighted-average of the figures of the already-owned positions (quasi-co-ownership interest of 50%) as of the 10th FP (as of Feb. 28, 2019) and the figures of the additional acquisition (quasi-co-ownership interest of 25%) at the time of acquisition.

*3 Although the OF-23 discount rate was 3.6% from the first fiscal year to the 3rd fiscal year, 3.7% from the 4th fiscal year to the 9th fiscal year, and 3.8% from the 10th fiscal year to the 11th fiscal year, the figures for the 10th fiscal year to the 11th fiscal year (3.8%) are stated in the table.

11. List of Appraisal Values by Property (Compared with the 10th FP)

(unit : millions of yen)

Property Name	Appraisal Value			Cap Rate (Direct Capitalization Method)			Appraisal Firm
	①	②	③	④	⑤	⑥	
	End of the 10th FP Feb. 28, 2019	End of the 11th FP Aug. 31, 2019	Difference ②－①	End of the 10th FP Feb. 28, 2019	End of the 11th FP Aug. 31, 2019	Difference ②－①	
NH-01 Aria Matsubara	4,300	4,290	-10	4.4%	4.4%	0.0%	Japan Real Estate Institute
NH-02 Trust Garden Yoganomori	6,880	6,880	0	4.7%	4.7%	0.0%	Japan Real Estate Institute
NH-03 Trust Garden Sakurashinmachi	3,670	3,670	0	4.6%	4.6%	0.0%	Japan Real Estate Institute
NH-04 Trust Garden Suginami 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
Subtotal for Private Nursing Homes (6 Properties)	23,470	23,460	-10	4.6%	4.6%	+0.0%	
NW-01 Ikebukuro Network Center	5,280	5,280	0	4.4%	4.4%	0.0%	Japan Real Estate Institute
NW-02 Tabata Network Center	1,550	1,550	0	4.9%	4.9%	0.0%	Japan Real Estate Institute
NW-03 Hiroshima Network Center	1,220	1,220	0	5.7%	5.7%	0.0%	Japan Real Estate Institute
NW-04 Atsuta Network Center	1,070	1,070	0	5.4%	5.4%	0.0%	Japan Real Estate Institute
NW-05 Nagano Network Center	362	362	0	6.9%	6.9%	0.0%	Japan Real Estate Institute
NW-06 Chiba Network Center	7,330	7,260	-70	5.1%	5.1%	0.0%	Japan Real Estate Institute
NW-07 Sapporo Network Center	2,600	2,590	-10	5.2%	5.2%	0.0%	Japan Real Estate Institute
NW-08 Keihanna Network Center	1,320	1,300	-20	5.5%	5.5%	0.0%	Japan Real Estate Institute
Subtotal for Network Centers (8 Properties)	20,732	20,632	-100	5.0%	5.0%	-0.0%	
HT-01 Sotetsu Fresa Inn Ginza 7 Chome	12,100	12,200	+100	3.6%	3.6%	0.0%	Japan Real Estate Institute
HT-02 Sotetsu Fresa Inn Tokyo-Roppongi	5,100	5,100	0	3.8%	3.8%	0.0%	Japan Real Estate Institute
Subtotal for Hotels (2 Properties)	17,200	17,300	+100	3.7%	3.7%	-0.0%	
Subtotal for Next generation Assets Plus (16 Properties)	61,402	61,392	-10	4.5%	4.5%	-0.0%	
Total (51 Properties)	362,567	365,527	+2,960	3.7%	3.7%	-0.0%	

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

Key Financial Indicators

	End of the 9th FP (Aug. 31, 2018)	End of the 10th FP (Feb. 28, 2019)	End of the 11th FP (Aug. 31, 2019)
Total Interest-bearing Debt ^{*1}	¥123.4billion	¥139.5billion	¥146.5billion
Fixed-interest Debt Ratio ^{*2} (including Interest Rates Fixed by Swap Transaction)	96.3%	97.2%	97.2%
Average Interest Rate ^{*2}	0.69%	0.66%	0.66%
Average Interest Rate ^{*2} (including Upfront Fee)	0.83%	0.80%	0.80%

Status of Commitment Line

Financial Institution	Set Amount	Term
Mizuho Bank, Ltd.	¥10 billion	February 7, 2020
Sumitomo Mitsui Banking Corporation		
MUFG Bank, Ltd.		

Investment Corporation Bonds Issued

	1st Unsecured Investment Corporation Bonds	2nd Unsecured Investment Corporation Bonds	3rd Unsecured Investment Corporation Bonds	4th Unsecured Investment Corporation Bonds
Issue Amount	¥2 billion	¥2 billion	¥1 billion	¥7 billion
Date of Issue	Aug. 31, 2015	Dec. 13, 2016	Dec. 13, 2016	Aug. 30, 2018
Issued Period	10 years	3 years	10 years	10 years
Interest Rate	0.95%	0.04%	0.49%	0.77%

Lender Information

Lender	Loan balance ^{*3} (unit: millions of yen)	Share ^{*4}
Mizuho Bank, Ltd.	41,441	30.8%
Sumitomo Mitsui Banking Corporation	27,801	20.7%
MUFG Bank Ltd.	15,825	11.8%
Mizuho Trust & Banking Co., Ltd.	11,883	8.8%
The Norinchukin Bank	9,262	6.9%
Development Bank of Japan Inc.	9,162	6.8%
Sumitomo Mitsui Trust Bank, Limited	9,162	6.8%
Resona Bank, Limited.	3,200	2.4%
SHINSEI BANK, LTD.,	1,621	1.2%
Aozora Bank, Ltd.	1,321	1.0%
Nippon Life Insurance Company	1,230	0.9%
Shinkin Central Bank	921	0.7%
Meiji Yasuda Life Insurance Company	730	0.5%
Sompo Japan Nipponkoa Insurance Inc.	500	0.4%
Mitsui Sumitomo Insurance Company, Limited	500	0.4%

^{*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 June 28, 2019. 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 the 11th FP (Aug. 31, 2019), and has been rounded to the 1st decimal place.

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

	End of the 10th FP (Feb. 28, 2019)		End of the 11th FP (Aug. 31, 2019)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	56,452	4.5	51,271	4.1	-5,181	-0.4
Financial institutions	725,797	58.0	750,655	60.0	+24,858	+2.0
Major banks	0	0.0	0	0.0	0	0.0
Regional banks	85,775	6.9	91,196	7.3	+5,421	+0.4
Trust banks	578,011	46.2	572,798	45.8	-5,213	-0.4
Life insurers	14,158	1.1	16,352	1.3	+2,194	+0.2
Non-life insurers	0	0.0	17,841	1.4	+17,841	+1.4
Shinkin banks	29,236	2.3	24,104	1.9	-5,132	-0.4
Others	18,617	1.5	28,364	2.3	+9,747	+0.8
Other domestic corporations	161,596	12.9	160,171	12.8	-1,425	-0.1
Foreign investors	269,802	21.6	243,429	19.5	-26,373	-2.1
Securities companies	37,353	3.0	45,474	3.6	+8,121	+0.6
Total	1,251,000	100.0	1,251,000	100.0	0	-

Number of Unitholder by Type^{*1,2}

	End of the 10th FP (Feb. 28, 2019)		End of the 11th FP (Aug. 31, 2019)		Change	
	No. of Units	Ratio (%)	No. of Units	Ratio (%)	No. of Units	Ratio (%)
Individuals	7,609	93.1	6,858	92.5	-751	-0.6
Financial institutions	139	1.7	140	1.9	+1	+0.2
Major banks	0	0.0	0	0.0	0	0.0
Regional banks	35	0.4	37	0.5	+2	+0.1
Trust banks	14	0.2	14	0.2	0	+0.0
Life insurers	6	0.1	7	0.1	+1	+0.0
Non-life insurers	0	0.0	1	0.0	+1	+0.0
Shinkin banks	47	0.6	46	0.6	-1	+0.0
Others	37	0.5	35	0.5	-2	+0.0
Other domestic corporations	208	2.5	189	2.5	-19	+0.0
Foreign investors	202	2.5	211	2.8	+9	+0.4
Securities companies	16	0.2	18	0.2	+2	+0.0
Total	8,174	100.0	7,416	100.0	-758	-

Top 10 Unitholders as of the End of the 11th FP (Aug 31, 2019)

	Name	Units Held (No. of Units)	Total Units ^{*3} (%)
1	Japan Trustee Services Bank, Ltd. (Trust account)	270,356	21.61
2	The Master Trust Bank of Japan, Ltd. (Trust account)	182,195	14.56
3	Hulic Co., Ltd.	140,720	11.24
4	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	44,545	3.56
5	Trust & Custody Services Bank, Ltd. (Securities investment trust account)	41,809	3.34
6	NOMURA BANK(LUXEMBOURG)S.A.	34,970	2.79
7	Rakuten General Insurance Co., Ltd.	17,841	1.42
8	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	17,755	1.41
9	STATE STREET BANK WEST CLIENT - TREATY 505234	14,962	1.19
10	THE CHUKYO BANK, Ltd.	11,895	0.95
Total		777,048	62.11

*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.

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.

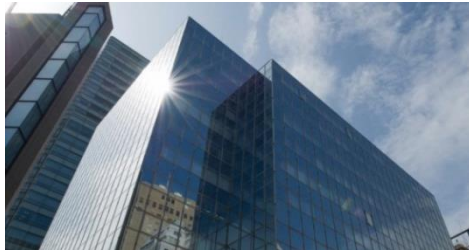
^{*2} Other Next-Generation Assets Plus investment target assets refers to offices and commercial properties that are not Tokyo Commercial Properties.

Rigorous Focus on Competitive Location

Office Properties

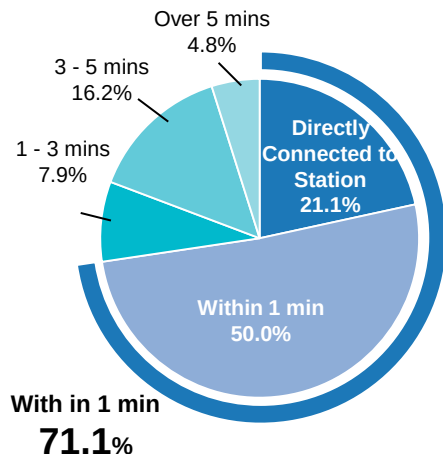
Investment Target (Office)

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

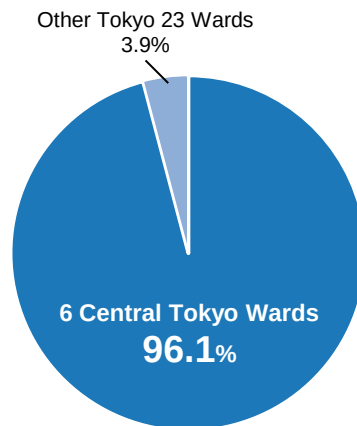


Portfolio (Office)

< By Walking Distance from the Nearest Train Station ^{*1}>



< By Location ^{*1}>



Retail Properties

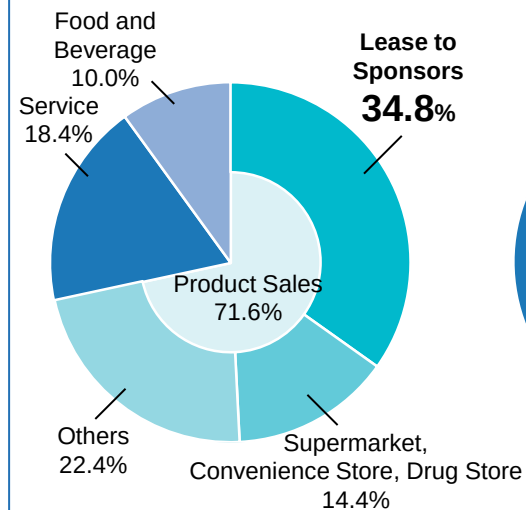
Investment Target (Retail)

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

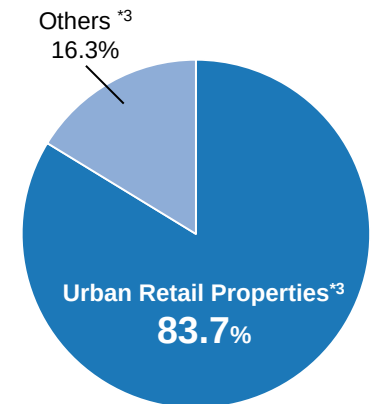


Portfolio (Retail)

< By Tenant Type ^{*2}>



< By Property Type ^{*1}>



^{*1} Proportions shown in the respective graphs have been calculated based on acquisition prices of assets held after the 6th PO by HULIC REIT.

^{*2} Figures for commercial properties held by HULIC REIT are based on monthly rent as of the end of the 11th FP (Aug. 31, 2019) for tenants in commercial spaces.

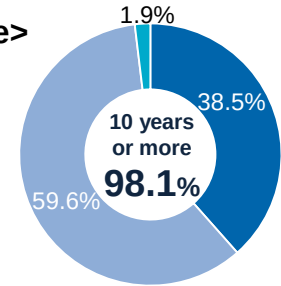
^{*3} "Urban Retail Properties" refers to commercial properties located in very busy urban areas with broad market areas, and "Other" refers to commercial properties other than urban retail properties.

- 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.

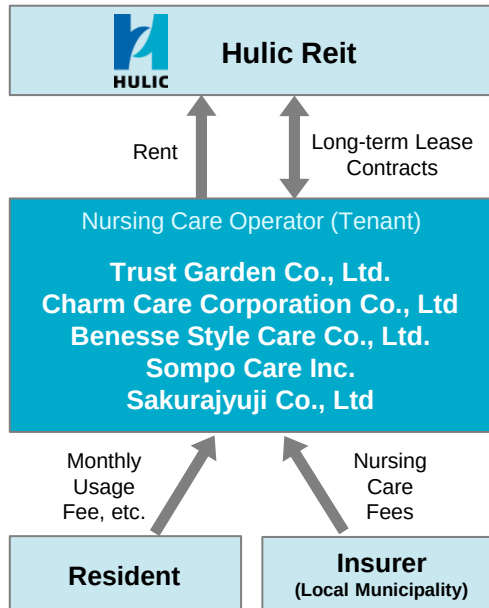
<By Term of Lease>

(After the 6th PO)
(Based on Lease Area)

- 20 years or more
- 10 years or more and less than 20 years
- Less than 10 years

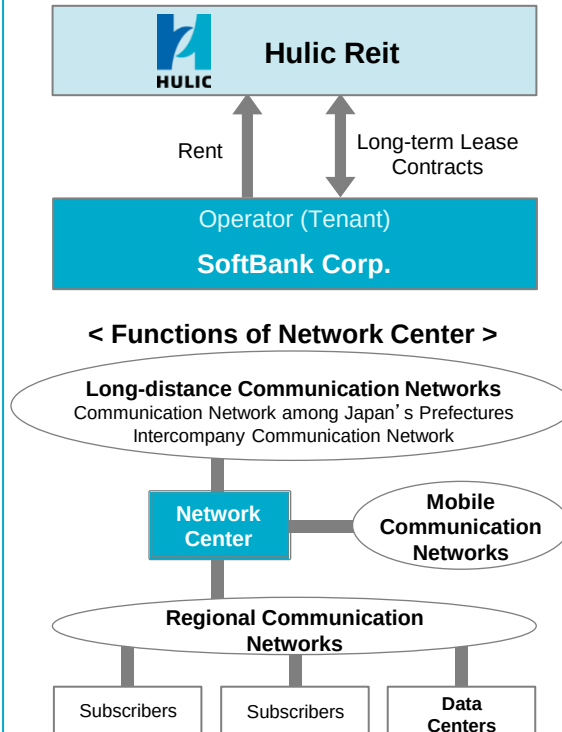


Private Nursing Homes

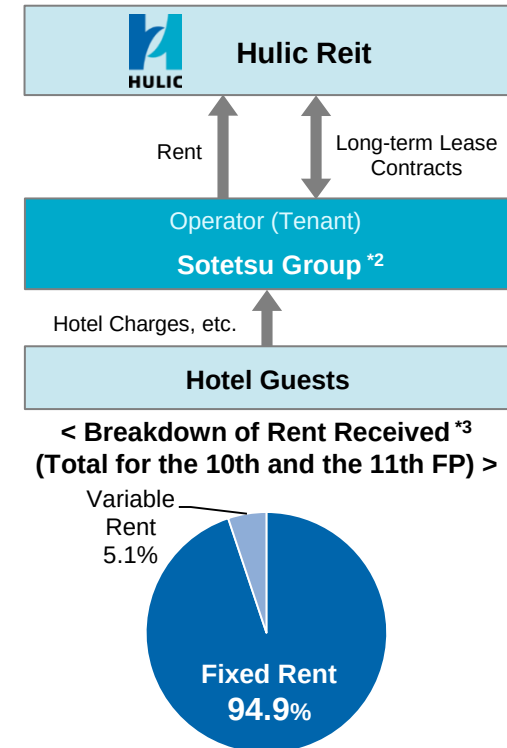


- Invest in assets with **mid-range and higher** assumed monthly usage fee*¹ to reduce risk of change in nursing care insurance payout.

Network Centers



Hotels



*¹ 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.

*² Hotels form lease agreements with Sotetsu Hotel Development Co., Ltd. and Sotetsu Hotel Management CO., LTD., an operator, administers the hotels.

*³ The breakdown of rent received is noted here for hotels owned by Hulic Reit (Sotetsu Fresa Inn Ginza 7 Chome and Sotetsu Fresa Inn Tokyo-Roppongi).

- 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*1



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.

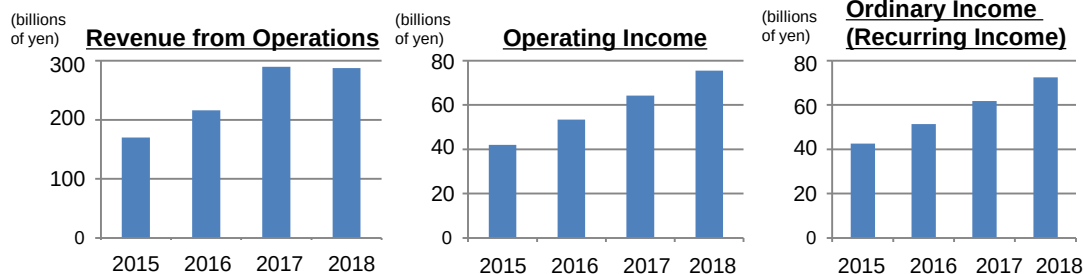
Jan. 2007
Changed name from Nihonbashi Kogyo to Hulic Co., Ltd.

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

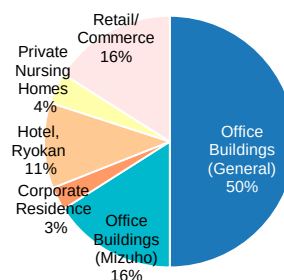
Jan. 2018
Using REIT as a new growth foundation, Hulic will expand into business domains, including three growth industries (seniors, tourism, and environment), and aim for further growth.

Consolidated Financial Position

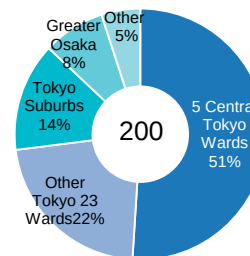


Main Indicators

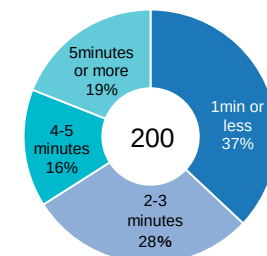
Sources of Rent Revenue *2



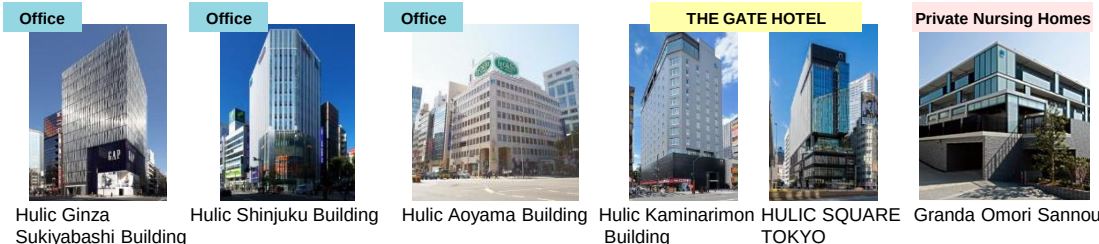
Area Distribution by Numbers*3



Walking Distance from the Nearest Train Stations *3



Main Properties



*1 As of the end of Jun. 2019.

*2 Ratios by asset type are calculated based on lease revenue.

*3 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 (200), excluding nursing homes and homes. The 5 central Tokyo wards are Chiyoda, Chuoh, Minato, Shinjuku, and Shibuya wards.

Reconstruction/Development ^{*1,2}

Results

Principal Use	Classification	Year of Completion	Property Name	Principal Use	Classification	Year of Completion	Property Name
Office	Reconstruction	2009	Hulic Hachioji Building	Retail Properties	Development	2017	Hulic Shibuya Koen-dori Building
		2010	Hulic Ryogoku Building			2018	HULIC SQUARE TOKYO
			Toranomon First Garden Acquired			2019	HULIC &New AKIHABARA
			Hulic Kojimachi Building	Hotels	Reconstruction		HULIC &New KICHIJOJI (Value-added)
			Hulic Ebara			2012	Hulic Kaminarimon Building
		2011	Hulic Ginza Sukiyabashi Building		Development	2016	Sotetsu Fresa Inn Ginza 7 Chome Acquired
			Hulic Ogikubo Building			2017	Sotetsu Fresa Inn Tokyo-Roppongi Acquired
		2012	Hulic Komagome Building			2018	THE GATE HOTEL TOKYO(HULIC SQUARE TOKYO)
			Hulic Head Office Building				Hulic Tsukiji 3-chome Building
		2014	Hulic Shinjuku Building	Ryokan	Reconstruction	2018	Fufu Kawaguchiko
			Hulic Setagaya				
	Development	2015	Hulic Asakusabashi Edo-dori	Private Nursing Homes	Reconstruction	2005	Aria Matsubara Acquired
		2017	Hulic Kamata Building			2010	Iris Garden Kita Urawa
		2018	Hulic Itabashi			2011	Granda Omori Sannou
			Hulic Fuchu Building			2012	Aristage Kyodo
			Nihombashi Takashimaya Mitsui Building (partial ownership)			2013	Sunny Life Funabashi
		2013	Hulic Asakusabashi Building				Granda Gakugeidaigaku
			Ochanomizu Sola City Acquired				Aria Yoyogiuehara
			Nagatacho Hokkaido Square				Hospitalment Musashino
		2015	Shinagawa Season Terrace Acquired			2014	Charm Suite Shakujii-park Acquired
			Hulic Toranomon Building Acquired				Sunny Life Tokyo Shinjuku
Retail Properties	Reconstruction	2009	Sendai First Tower (commercial wing, atrium)			2015	Charm Suite Shinjuku Toyama Acquired
		2010	Kisarazu Home Center			2016	Hospitalment Itabashi Tokiwadai Acquired
		2012	Hulic Shibuya No.2 Building			2017	Hulic Chofu
		2015	Gracia Chofu		Development	2009	SOMPO Care La vie Re Kita-Kamakura Acquired
			Hulic Shimura-sakaue Acquired			2016	Trust Garden Tokiwamatsu Acquired
	Development	2018	Hulic Mejiro			2017	Hulic Fukasawa
			HULIC Residence Shin-Ochanomizu			2018	Charm Premier Den-en-Chofu
		2017	Hulic Omori Building Acquired				Granda Inamuragasaki Kamakura Aoitei
			HULIC &New SHIBUYA Acquired				Sonare Shakujii
			HULIC &New SHINBASHI Acquired			2019	Hospitalment Bunkyo Yayoi
			Kyoto Shijo Takakura Central Building (co – ownership)				Trustgarden Ogikubo
Other	Development	2018					Ichigyoin Sennichidani Kaido

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

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

Reconstruction/Development ^{*1,2}

Plan

Principal Use	Classification	Completion of Construction Scheduled	Property name
Office	Reconstruction	2020	Oji Project
	Development	2019	Shibuya PARCO Redevelopment Project (office block)
		2020	Akasaka 2 Chome Development Project
		2025	Yaesu 2-chome Naka area Redevelopment Project
Retail Property	Development	2020	Tokyo Metro Roppongi 7 Chome Project Project
			Ginza 6 Chome Development Project
	2021	Shinjuku 3-17 Development Project	
		Udagawacho 32 Development Project	
	2022	Ginza 8-chome development Project Tokyo	
		Ginza 6-chome Namiki-dori development Project	
	2024	Shinsaibashi Project	
Jiyugaoka Redevelopment Project			
Retail Property / Hotel	Development	2020	The former Rissei Elementary School in Kyoto City Project (PPP)
			Ryogoku River center Development Project Tokyo (PPP)
	Reconstruction	2023	Hulic Sapporo/ Sapporo North 33 Building
2024		Hulic Fukuoka Building	
Retail Property / Rental Condominium	Reconstruction	2020	Narimasu Project
Ryokan	Development	2020	Fufu Nara development Project (PPP)
			Kyoto Nanzenji Kusakawacho 41 Project
			Fufu Nikko Development Project
		2021	Fufu Hakone Gora town Development Project

Principal Use	Classification	Completion of Construction Scheduled	Property Name
Private Nursing Homes	Development	2019	Yokohama Yamatecho Development Project
		2021	Minami Azabu Development Project Tokyo
			Yotsuya Daikyocho Development Project
Other	Development	2022	Ogimachi-Iseikai Hospital Development Project Tokyo (PPP)

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

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

New Investments ^{*1,2}

Achievements (since 2012)

Principal Use	Year Acquired	Property Name
Office	2012	Hulic Ginza 7 Chome Building Acquired
	2013	Rapiros Roppongi Acquired
		Hulic Kamiyacho Building Acquired
	2015	Hulic Ginza 1 Chome Building
		3 office properties in Hatchobori area
		Hulic Ginza Wall Building
		Daiwa Yoyogi No.2 Building
		Vingt-sept Building
		Hulic Shibuya 1 Chome Building Acquired
		Hulic Toyosu Prime Square and other 8 properties
	2016	Yamato Haneda Building
		Hulic Shinkawasaki Building
		Hulic Ginza 3 Chome Building
		Hulic Shibuya Miyashitakoen Building
		Hulic Naka-Okachimachi Building
	2017	Hulic Koishikawa Building
		Hulic Shiba 4 Chome Building
		Hulic Minami Aoyama Building
		Hulic Gobancho Building
		Kanda Misakicho Building
		Hulic Roppongi 2 Chome Building
		Hulic Shinsaibashi Building
		Hulic Minatomirai (Land)
		Shinsaibashi Plaza Building (3 Buildings)
		Shinsaibashi Fuji Building
		Hulic Kyobashi East Building
		DSB Group Shiomi Building
	2018	Shin Nihon Jitsugyo Ginza 6 Chome Building
		WeWork Shimbashi
		Hulic Shibuya 2-chome Building
		Akasaka Stargate plaza
		Hulic Kandasudacho Building

Principal Use	Year Acquired	Property Name
Office	2019	Hulic Shiba park Daimon St Building
		Technoport Kamata Center Building
		Sompo Japan Nipponkoa Ginza Building
		Morinda Build
		Jingumae Tower Building
		Ginza First Building
		J Tower
		Marutaka Building part 2
Retail Properties	2013	Hulic Shinjuku 3 Chome Building Acquired
		Victoria Wardrobe Jimbocho
		Hulic Jingu-Mae Building Acquired
		Hulic Shibuya Udagawacho Building
	2014	Yokohama Yamashitacho Building Acquired
		Orchid Square Acquired
	2015	G10
		Tokyu Hands Ikebukuro
		Ikebukuro GIGO
		Udagawacho Sigma No. 5 Building
		WINS Asakusa Building
		Asakusa Park Hall Building
		Hulic Asakusa 1 Chome
	2016	Bleu Cinq Point (Partial Ownership)
	2017	Hulic Ginza 1 Chome Gas Light Street
		Round One 9 properties
	2018	Shinjuku Musashino Building (quasi-co-ownership interest)
		CR-VITE
		Ito Yokado @Kawasaki (supermarket)
		Round One @Kichijoji(Bowling & amusement center)
		Ito Yokado @Tsurumi (supermarket)
	2019	Max Mara Building
		Bi:r Building

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

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

New Investments ^{*1,2}

Achievements (since 2012)

Principal Use	Year Acquired	Property Name
Logistics Warehouse	2016	Hulic Kazo Distribution Center
	2018	Hulic Kasai Rinkai Building(old name:BEC Building)
Private Nursing Homes	2012	Trust Garden Yoganomori Acquired
		Trust Garden Sakurashinmachi Acquired
		Trust Garden Suginami Miyamae Acquired
	2013	Esperal Joto
	2014	Toyosu Senior Residence
	2015	Charm Suite Nishinomiya
		Lien Reve Yakumo
	2016	Asakusa Carepark Soyokaze
		Life Commune Hayama
	2017	Medical Home Granda Okamoto
	2018	Asheim Oizumi Gakuen
		Sompo no ie Komae
		Good Time Home Tamagawa
	2019	Fukagawa Yasuraginosono
		Charm Premier Yoyogi Hatsudai
Network Center etc	2012	Ikebukuro Network Center Acquired
		Tabata Network Center Acquired
		Hiroshima Network Center Acquired
		Atsuta Network Center Acquired
		Nagano Network Center Acquired
	2013	Chiba Network Center Acquired
		Sapporo Network Center Acquired
	2014	Keihanna Network Center Acquired
	2018	Sumitomo Shoji Senri Building

Principal Use	Year Acquired	Property Name
Hotels	2014	Hulic Ginza 2 Chome Building
		Tokyo Bay Maihama Hotel Club Resort
	2015	Tokyo Bay Maihama Hotel
		Southern Beach Hotel & Resort Okinawa
	2016	Grand Nikko Tokyo Daiba (Land)
		Hayama SCAPES THE SUITE
	2018	Mimaru Kyoto Horikawa Rokkaku
		Porte Kanazawa (Hotel Nikko Kanazawa)
Ryokan	2019	Grand Nikko Tokyo Daiba (Building)
		Hotel JAL City Kannai Yokohama
	2015	Hakone Suishoen
		Atami Fufu
	2016	ATAMI KAIHOURU

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

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

Main Support Received from Sponsor - Asset Circulation Model -

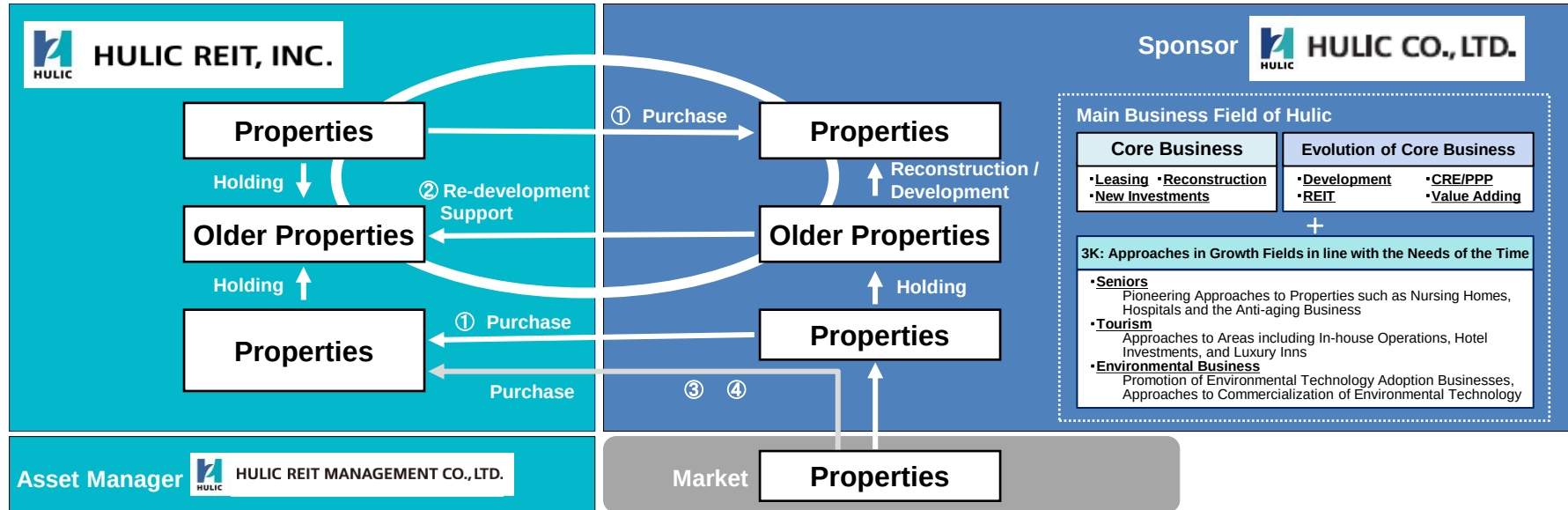


Diagram ①: Preferential Negotiation Rights

... 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.

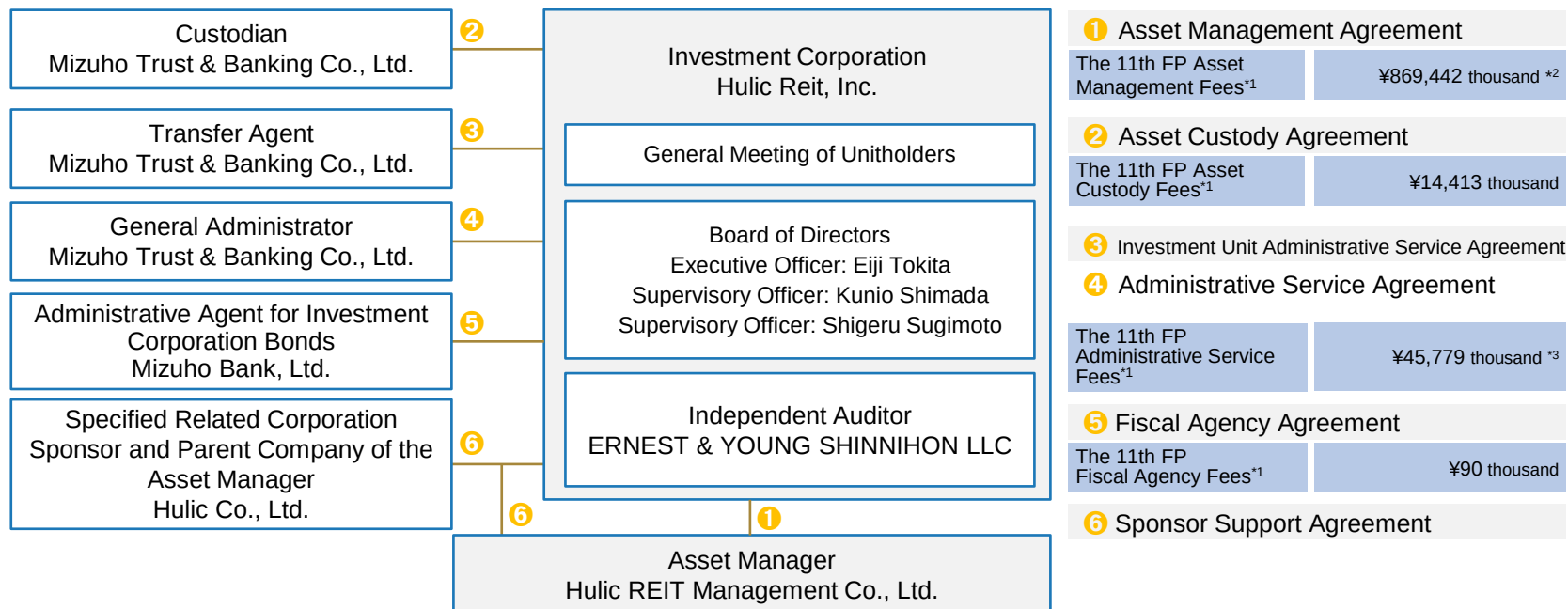
Diagram ③ : Provision of Warehousing Function

... 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



Overview of Asset Manager

Name	Hulic REIT Management Co., Ltd.
Capital	¥200 million
Shareholder	Hulic Co., Ltd. (100%)
President and CEO	Eiji Tokita
Registrations, Licenses, etc.	Real Estate Brokerage Business License: Governor of Tokyo (2) Registration No. 95294 Trading Agency Etc. License: Minister of Land, Infrastructure and Transport License No. 76 Financial Instruments Business Registration: Director of the Kanto Local Finance Bureau, No. 2734

^{*1} 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 (¥17,625 thousand).

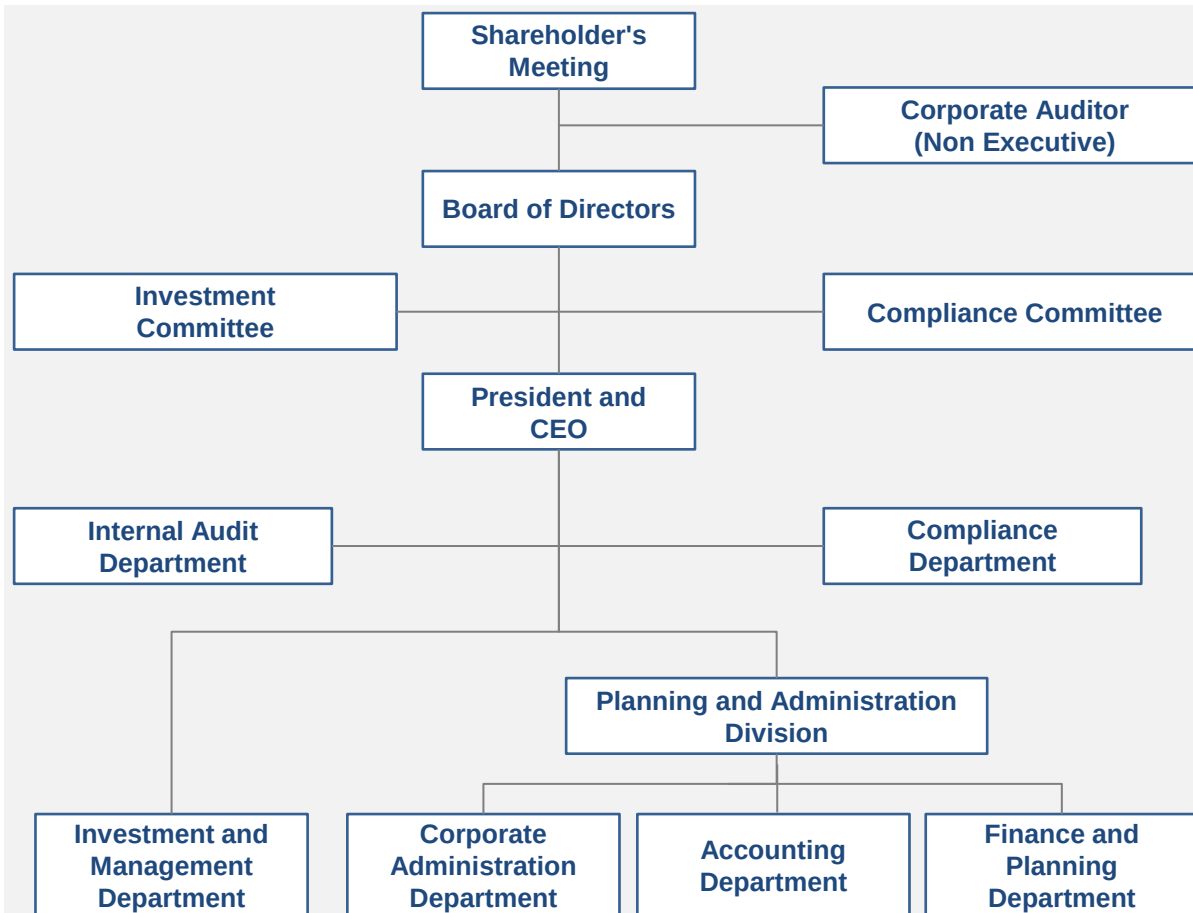
^{*3} The figure stated is the sum total of fees incurred on the basis of transfer agency agreements and fees incurred on the basis of general administration agreements relating to institutional operations.

- With the objective of reinforcing the internal operating system to reflect the increase in the scale of assets under management, operations have been transferred from the Finance and Accounting Department and the Corporate Planning and Administration Department to the Corporate Administration Department, the Accounting Department and Finance and Planning Department, and a new Planning and Administration Division will be set up as the supervising division.

Overview 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

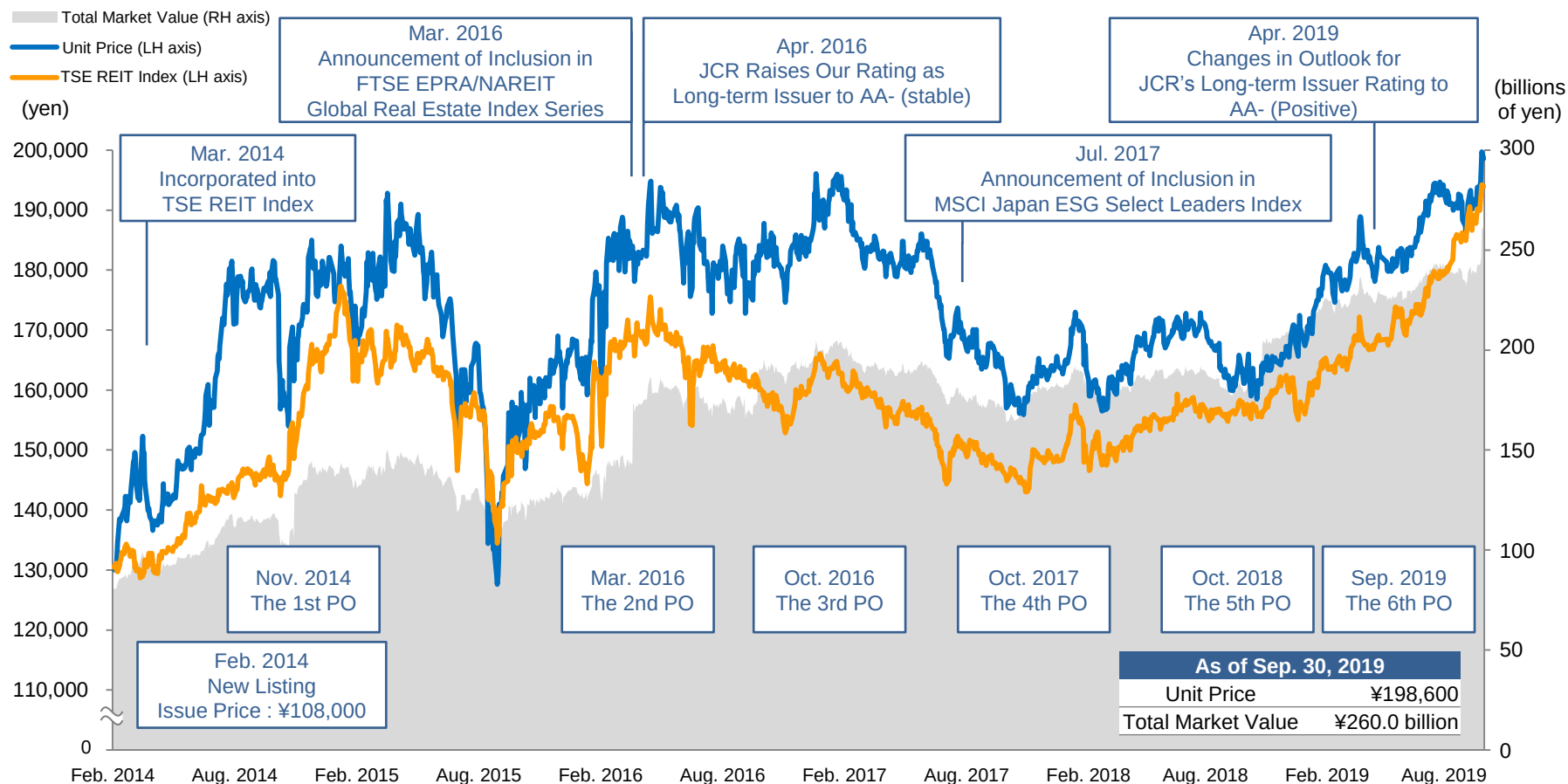
Organization of Asset Management Company



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



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

*2 Index is based on the assumption that Hulic Reit's unit Price closing value is the same as its closing value on Feb. 7, 2014, the day that Hulic Reit was listed in the Tokyo Stock Exchange.

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 60.
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 61.
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 the 9th Fiscal Period	The Properties Acquired during the 9th Fiscal Period are Hulic Ginza 7 Chome Building (50%) and Hulic Shimura-sakaue.
Properties Acquired during the 10th Fiscal Period	The Properties Acquired during the 10th Fiscal Period are Shinagawa Season Terrace, Hulic Gotanda Yamate-dori Building, Hulic Kamiyacho Building (30% additional acquisition), Hulic Nihonbashi-honcho 1 Chome Building, Bancho House and Ebisu Minami Building.
Properties Acquired from the 11th Fiscal Period	The Properties Acquired from the 11th Fiscal Period are Hulic Ginza 7 Chome Building (25% and 20% additional acquisition), Hulic Iidabashi Building, Charm Suite Shinjukutoyama and Charm Suite Shakujiko.
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.
Asset Size	The Asset Size is the total acquisition price of assets held by Hulic Reit in the subject fiscal period.
Unrealized Gains/Losses	The Unrealized Gains/Losses was obtained by the following formula: A-B (A: Appraisal value of the assets held at the end of each fiscal period; B: Book value of the assets held at the end of each fiscal period)
NAV per unit	The NAV per unit was obtained by the following formula: (A+B) ÷ C (A: Net assets excluding surplus at the end of each fiscal period; B: Unrealized gains/losses at the end of each fiscal period; C: Number of outstanding units at the end of each fiscal period (figures below ¥1 are truncated.))

Terms	Definitions
NAV per unit (Assumption after the 6th Public Offering)	The NAV per unit (Assumption after the 6th Public Offering) was obtained by the following formula: $(A+B+C-D) \div E$ (A: Net assets excluding retained earnings as of the end of the 11th fiscal period; B: Unrealized gains/losses at the end of the 11th fiscal period; C: Appraisal value at the time of acquisition for the assets acquired during the 12th fiscal period (Hulic Ginza 7 Chome Building (additional acquisition of 20%), Charm Suite Shinjukutoyama, and Charm Suite Shakujikoen); D: Acquisition price for assets acquired during the 12th fiscal period; E: Number of outstanding investment units after the 6th public offering (rounded to the nearest 100 yen))
(Book Value-based) LTV	The (Book value-based) LTV Ratio was obtained by the following formula: $A \div B \times 100\%$ (A: Total interest-bearing debt at the end of each fiscal period; B: Total assets at the end of each fiscal period)
Market Value-based LTV	The Market value-based LTV Ratio was obtained by the following formula: $A \div (B+C) \times 100\%$ (A: Total interest-bearing debt at the end of each fiscal period; B: Total assets at the end of each fiscal period; C: Unrealized gains/losses at the end of each fiscal period)
LTV (Assumption after the 6th Public Offering)	The LTV (Assumption after the 6th Public Offering), we indicate the expected LTV after the 6th public offering (the capital increase through public offering with the payment date of September 26, 2019, and the capital increase through third-party allotment with the payment date of October 11, 2019) indicated in the securities registration statements submitted on September 9, 2019. For details, please refer to the securities registration statements submitted on September 9, 2019.
Previous Forecasts	The Previous Forecasts are stated on the basis of forecasts released on April 12, 2019. For details, please refer to Financial Report for the Fiscal Period Ended February 28, 2019, which was released on April 12, 2019.
New Forecasts	The New Forecasts are stated on the basis of forecasts released on October 15, 2019. For details, please refer to Financial Report for the Fiscal Period Ended August 31, 2019, which was released on October 15, 2019.
Amount Attributable to Gain on Sales' Fixed Asset Tax and City Planning Tax	Refers to the amount of cash distribution per unit (DPU) after adjustments for unexpensed fixed asset tax & 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 & city planning tax and transfer.
Acquisition Capacity	The Acquisition Capacity is capital-raising capacity (amount increasable) for interest-bearing debt associated with property acquisition. Calculated based on book value-based LTV.
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 fiscal period; B: Acquisition price)
NOI Yield after Depreciation	The NOI Yield after Depreciation was obtained by the following formula: $(A-B) \div C \times 100\%$ (A: NOI (direct capitalization method) indicated in the appraisal report at the end of each fiscal period; B: Annualized depreciation and amortization in the subject fiscal period; C: 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 fiscal period. 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 excluding land, based on the acquisition prices.

Terms	Definitions
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 fiscal period. (Figures for co-owned properties correspond to the owned portion.)
Leased Area and Vacancy Area	The Leased Area and Vacancy Area indicate the area for the space that has actually been leased and the area of vacant space (figures for co-owned properties correspond to the owned portion) according to building leasing agreements or building plans as of the end of each fiscal period are noted here.
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 (including common service fees) indicated in the effective lease agreements at the end of the fiscal period; B: Total leased area converted to tsubo at the end of the fiscal period)
Percentage 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 fiscal period; B: Total leasable area of office properties at the end of each fiscal period) 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 fiscal period, for each space with either a rent revision or a tenant replacement, A: Total amount monthly rents after revisions or tenant replacements (including common service fees); B: Total amount of monthly rents before revisions or replacements (including 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 fiscal period. 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 fiscal period.
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 fiscal period, 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.
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 K.K. for the Hulic Reit's office properties (excluding 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 (excluding 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 (excluding land, retail spaces, and residential spaces, etc.), among all the spaces whose lease-agreement renewal date arrived during the applicable fiscal period, the total floor area of the spaces (excluding spaces vacated by tenants) that, in the Financial Results Briefing material for the 11th fiscal period, 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 fiscal period, had a space whose rent increased because of a rent renewal)

Terms	Definitions
Assumed Vacancy Area	Assumed Vacancy Area indicates the assumed vacancy area (rounded to the nearest 100 m ² and 10 tsubo) at the end of each fiscal period, assuming the earnings forecasts released on October 15, 2019, is noted here.
Average Interest Rate	The Average Interest Rate for funding purposes was obtained by calculating the interest rate for each interest-bearing debt at the end of each fiscal period and then taking a weighted average according to the total balance of interest-bearing debt at the same point of time. 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 Average Remaining Period was obtained by calculating the number of years to maturity for each interest-bearing debt at the end of each fiscal period and then taking a weighted average according to the total balance of interest-bearing debt at the same point of time.
FTSE EPRA/NAREIT Global Real Estate Index Series	The FTSE EPRA/NAREIT Global Real Estate Index Series is a set of international real estate investment indexes developed by FTSE Group through cooperation with European Public Real Estate Association (EPRA) and National Association of Real Estate Investment Trusts (NAREIT). It is used by many institutional investors and others around the world as a benchmark for international real estate investment.
MSCI Japan ESG Select Leaders Index	The MSCI Japan ESG Select Leaders Index, offered by MSCI Inc., was selected by the 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 Rating	The BELS rating 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).
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.

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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.

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