



Securities code: **3295**

Financial Results Briefing for the Fiscal Period Ended February 28, 2015 (2nd Fiscal Period)

April 15, 2015

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I. Financial Highlights



1 External Growth

- Assets under management increased from 21 properties valued at ¥101.4 billion to 31 properties valued at ¥156.2 billion*¹
 - In October 2014, Hulic Reit conducted its first public offering after the IPO and acquired an additional seven properties valued at ¥46.7 billion using the proceeds
 - At the start of the Third Fiscal Period, an additional three properties valued at ¥8.0 billion will be acquired

At IPO	Public offering	End of 2nd fiscal period	At time of financial results announcement* ¹
¥101.4 billion	+¥46.7 billion	¥148.2 billion	¥156.2 billion

Realize external growth that helps enhance the quality and profitability of our portfolio

2 Internal Growth

- The Hulic Higashi Ueno 1 Chome Building had a low occupancy rate, but we were able to quickly increase the building's occupancy rate to 100%, minimizing vacant time.
- Secured a 99.0% occupancy rate by working with the corporate group of our sponsor to re-lease space that was vacated by tenants.
- Lease renewals for the Second Fiscal Period included three lease increases and no reductions.

Accumulate steady results in internal growth

3 Financial Strategy

- Carefully controlled LTV with the goal of enhancing unitholder value (maintained at between 40% and 45%)

At IPO	Public offering	End of 2nd fiscal period	At time of financial results announcement* ²
34.3%	30.3%	38.5%	41.3%

Took out borrowings of ¥35.4 billion to fund the acquisition of properties

Continue stable and sound financial management

- Reduced average interest rate and extended debt maturities using fixed rates

4 Enhancing Unitholder Value

- Increased cash distribution per unit (DPU) and net asset value (NAV) (per unit)

	1st fiscal period results	2nd fiscal period estimate	2nd fiscal period results	3rd fiscal period initial estimate	3rd fiscal period estimate
Cash distribution per unit	¥2,383	¥2,800	¥2,926 (+¥126 vs. forecast)	¥2,705	¥2,830 (+¥125 compared to initial forecast)
	1st fiscal period results	2nd fiscal period results	Change vs. 1st fiscal period		
Net asset value (per unit)	¥115,107	¥123,939	+7.7%		

Enhance unitholder value through portfolio growth and financial management

5 Initiatives Aimed at Future Growth

- With external growth at the heart of our initiatives, we will seek to achieve stable growth of cash distributions while working to maintain a high occupancy rate and current lease levels
 - Increase assets under management by ¥50 to ¥70 billion per annum (reaching ¥300 billion in assets under management within three to five years of the IPO).
 - Maintain current yield in office properties by combining *³ properties with a prime location and properties located within Tokyo's 23 wards

*1. Includes the three properties that are planned to be acquired at the start of the Third Fiscal Period. *2. The combined total of interest-bearing debt for the Second Fiscal Period and the borrowings for the three properties acquired at the beginning of the Third Fiscal Period has been divided by the total acquisition cost of the three properties acquired at the start of the Third Fiscal Period and net asset value at the end of the Second Fiscal Period. *3. Please refer to page 20 of this presentation for definitions of these terms.

II. Asset Management Results for the Fiscal Period Ended February 28, 2015 (2nd Fiscal Period)



1 Realizing Steady and Consistent External Growth

- The value of assets under management increased to ¥156.2 billion as a result of properties acquired after the first public offering after the IPO and properties (planned) to be acquired at the start of the Third Fiscal Period*¹ (+¥54.7 billion vs. IPO; approx. increase of 1.5 times)

		End of 1st Fiscal Period	Assets acquired after public offering	End of 2nd Fiscal Period	Assets (planned to be) acquired at the start of the 3rd Fiscal Period	At time of financial results announcement for the 2nd Fiscal Period ¹
No. of properties	Overall	21 _{properties}	7 _{properties}	28 _{properties}	3 _{properties}	31 _{properties}
	Tokyo commercial properties	12 _{properties}	4 _{properties}	16 _{properties}	3 _{properties}	19 _{properties}
	Next generation assets	9 _{properties}	3 _{properties}	12 _{properties}		12 _{properties}
Average NOI yield		5.1%	4.5%	4.9%	4.8%	4.9%
Average NOI yield after depreciation		4.5%	3.6%	4.2%	4.2%	4.2%
Total assets	Overall	¥101.4 _{bn}	¥46.7 _{bn}	¥148.2 _{bn}	¥8.0 _{bn}	¥156.2 _{bn}
	Tokyo commercial properties	77.7%	76.9%	77.5%	100.0%	78.6%
	Next generation assets	22.3%	23.1%	22.5%		21.4%
			Acquired assets (Aug. 31, 2014)		At time of (planned) acquisition	Forecast for April 30, 2015
Occupancy rate		99.1%	98.0%	99.0%	100.0%	99.1%

*1. Includes the three properties (planned) to be acquired at the start of the Third Fiscal Period.

2 Further Strengthening of the Portfolio

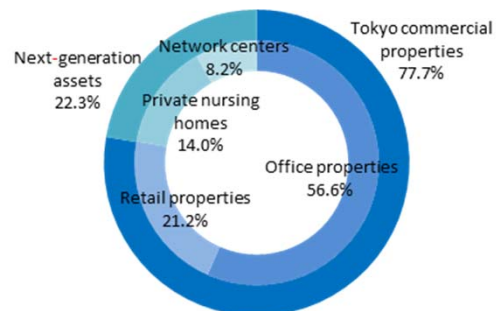
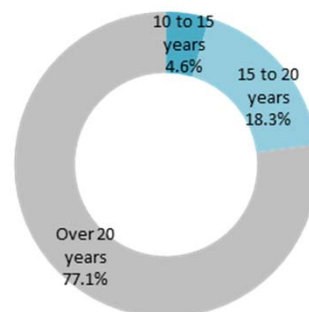
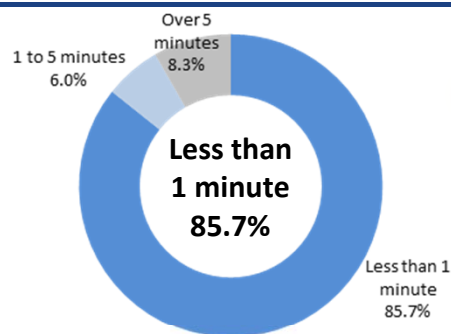
- Making progress with short distance to the nearest station, a strength of Tokyo commercial properties, and long-term lease periods, a strength of next generation assets

Tokyo commercial properties
(By number of minutes' walk from the nearest station)

Next generation assets
(By term of lease)

Overall
(By asset class)

End of First Fiscal Period

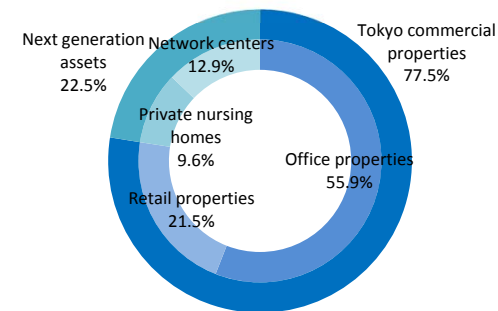
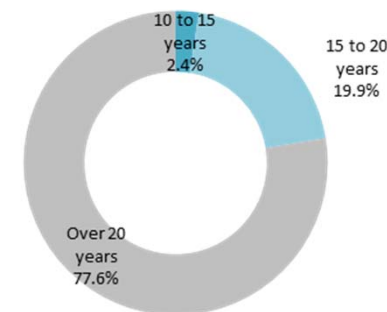
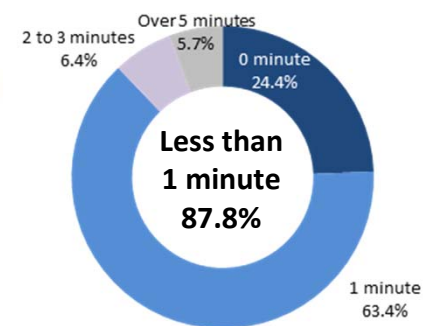


Less than one minute walk to station
+2.1%

15 to 20 years +1.6%
More than 20 years +0.5%

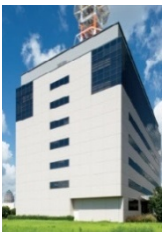
Maintain ratio of 80% Tokyo commercial properties and 20% next generation assets

End of Second Fiscal Period



1 Properties Acquired with the Proceeds of the Public Offering (Second Fiscal Period)

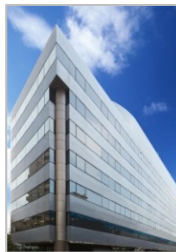
- Acquired Ochanomizu Sola City, a Class S building in which our sponsor was involved with the development
- Acquired the Hulic Higashi Ueno 1 Chome Building, sourced from our asset management company

	Tokyo commercial properties				Next generation assets		
	Office properties		Retail properties		Network centers		
Name	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Photograph of property							
Location	Chiyoda Ward, Tokyo	Taito Ward, Tokyo	Shinjuku Ward, Tokyo	Yokohama City, Kanagawa	Inzai City, Chiba	Sapporo City, Hokkaido	Kizugawa City, Kyoto
Walking distance from the nearest station	Shin-Ochanomizu Station on the Tokyo Metro Chiyoda Line, Tokyo Metro (0-minute walk)	Shin-okachimachi Station on the Toei Oedo Subway Line and the Tsukuba Express Line (2-minute walk)	Shinjuku-sanchome Station on the Tokyo Metro Marunouchi Line and Fukutoshin Line (1-minute walk)	Motomachi-Chukagai Station on the Yokohama Kosoku Tetsudo Minato Mirai Line (1-minute walk)	-	-	-
Acquisition date	November 7, 2014	October 16, 2014	October 16, 2014	October 16, 2014	December 16, 2014	December 16, 2014	October 16, 2014
Acquisition price	¥22,854 million	¥2,670 million	¥5,550 million	¥4,850 million	¥7,060 million	¥2,510 million	¥1,250 million
Appraisal value	¥23,010 million	¥2,740 million	¥5,600 million	¥4,860 million	¥7,090 million	¥2,530 million	¥1,260 million
Appraisal NOI yield	3.9%	4.9%	4.1%	5.3%	5.4%	5.5%	5.8%
Floors	B2/23F	8F	B1/7F	B2/7F	B2/8F	5F	3F
Total leasable area	8,341.22 m ² (equivalent to 13% of the ownership interest)	3,262.08 m ²	1,351.15 m ²	8,958.70 m ²	23,338.00 m ²	9,793.57 m ²	9,273.44 m ²
Occupancy rate ^{*1}	91.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*1. Occupancy rate as of March 31, 2015.

2 Properties Acquired After the Start of the Third Fiscal Period

- Acquired three office properties valued at ¥8.0 billion that will contribute to enhance the quality and profitability of our portfolio

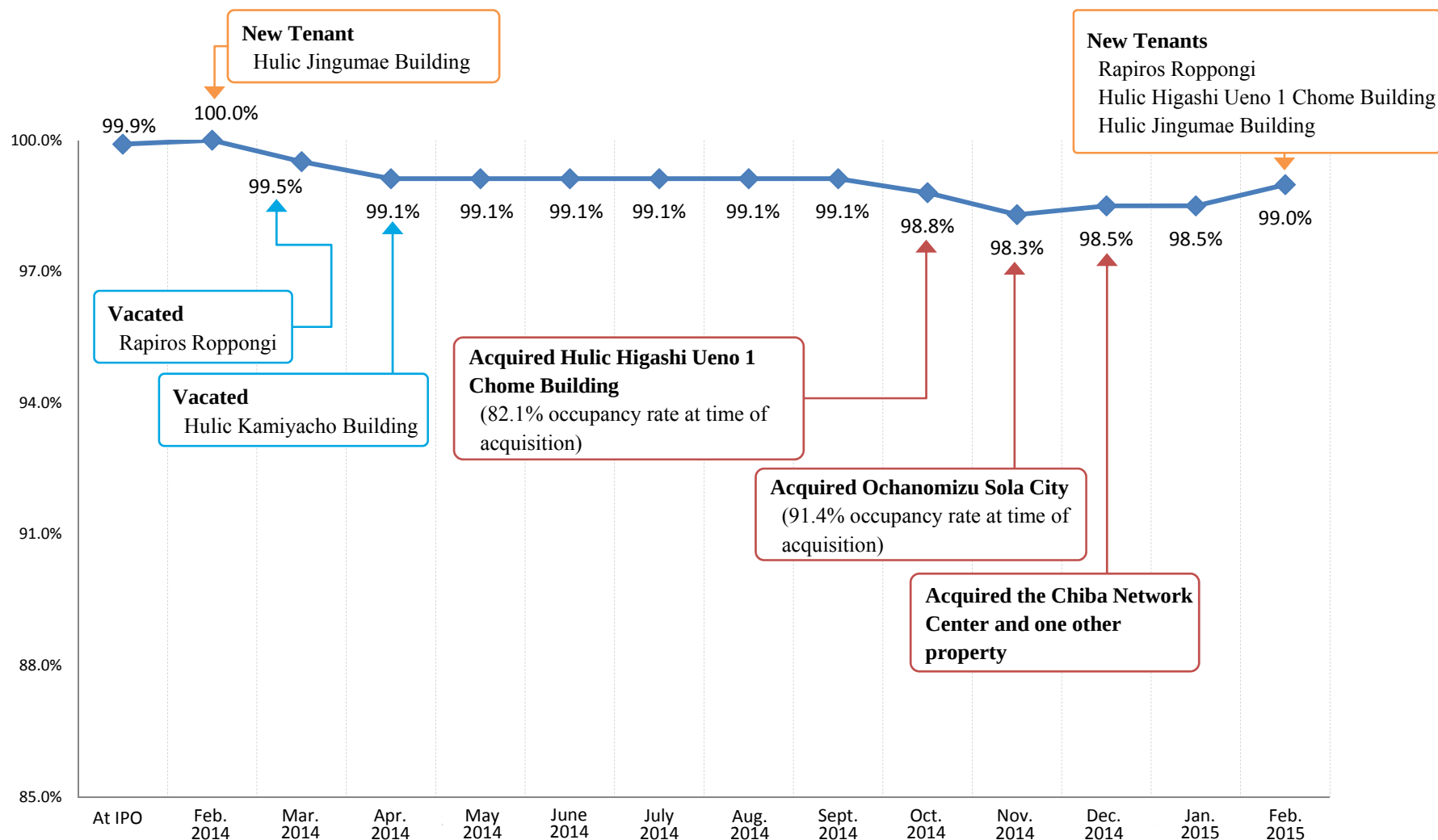
Acquired from	Sponsor	Third party (Sourced from asset management company)	
Name	Gate City Ohsaki (Plan to acquire on April 16, 2015)	Tokyo Nishi Ikebukuro Building (Acquired on March 31, 2015)	Sasazuka South Building (Acquired on March 9, 2015)
Photograph of property			
Location	Shinagawa Ward, Tokyo	Toshima Ward, Tokyo	Shibuya Ward, Tokyo
Walking distance from the nearest station	Osaki Station on the JR Line and the Rinkai Line (3-minute walk)	Ikebukuro Station on the JR Line, the Tokyo Metro Line, the Tobu Line and the Seibu Line (3-minute walk)	Daitabashi Station on the Keio Line (5-minute walk)
Acquisition date (planned)	April 16, 2015	March 31, 2015	March 9, 2015
Acquisition price (planned)	¥4,370 million	¥1,580 million	¥2,100 million
Appraisal value	¥4,500 million	¥1,700 million	¥2,110 million
Appraisal NOI yield	4.4%	5.2%	5.3%
Floors	(Office and commercial building) B4/24F (Residential building) B2/20F	B3/14F	B1/8F
Total leasable area*1	3,835.78 m ²	3,262.08 m ²	3,611.49 m ²
Occupancy rate*2	100.0%	100.0%	100.0%

*1. Total leasable area is the equivalent of Hulic Reit's ownership interest.

*2. Occupancy rate as of the date of acquisition (planned).

1 Maintaining a High Occupancy Rate Since the IPO

- Utilized support from the sponsor to quickly achieve a 100% occupancy rate for the Hulic Higashi Ueno 1 Chome Building



1 Results of Lease Renewals

- Lease amount renewals for the Second Fiscal Period include three increases and no reductions.

	Renewals	Lease amount increased	Rate of increase	Lease amount reductions
First Fiscal Period	22	3	8%	2
Second Fiscal Period	16	3	6%	0

2 Leasing Examples

- Hulic Higashi Ueno 1 Chome Building
(Achieved full occupancy soon after acquisition)



5F Approx. 133 tsubo

Successfully concluded a lease agreement with a listed company whose headquarters was located in northern Tokyo, because it wanted to divest its company-owned building and improve its location

7F Approx. 43.7 tsubo

Increase in floor space (Third Fiscal Period)

- Rapiros Roppongi



3F Approx. 176.5 tsubo

Successfully leased the entire building by expanding the pool of tenant candidates through partitioning off of leased floors based on a needs analysis

- Hulic Kanda Building (Third Fiscal Period)



8F Approx. 140 tsubo

Achieved commitments for full occupancy before the existing tenant vacated

3 Cost Reductions

- Made changes to the management specifications of individual properties and achieved annual cost savings of approx. ¥9.3 million

Property name	Details of change	Annual cost reduction
Hulic Kamiyacho Building	Achieved cost savings by switching building management companies	Approx. ¥8 million
Hulic Higashi Ueno 1 Chome Building	Revised building maintenance costs	Approx. ¥1 million
Hulic Shinjuku 3 Chome Building		Approx. ¥0.3 million

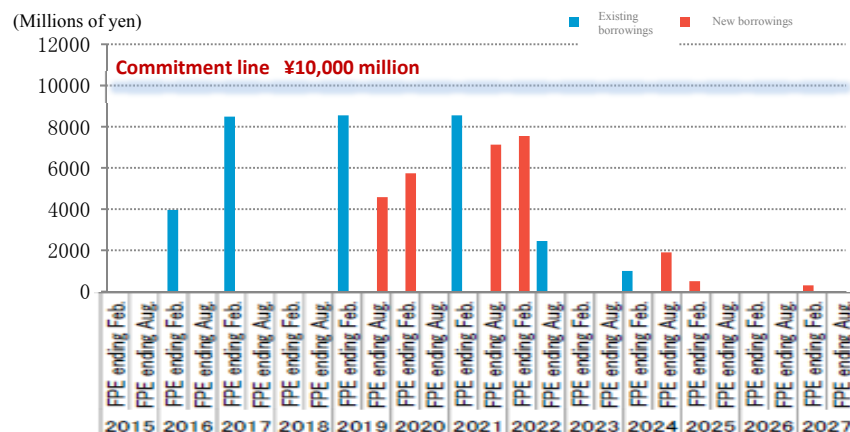
Total
Approx. ¥9.3 million

1 Maintaining Stable and Sound Financial Management

- Extended debt maturities and switched to fixed rates while lowering the average interest rate paid
- LTV will be maintained between 40% to 45% over the medium to long term

	End of First Fiscal Period	New borrowing during the Second Fiscal Period (borrowings following public offering)	End of Second Fiscal Period
Total interest-bearing debt	¥33,000 million	¥27,700 million	¥60,700 million
Long-term debt ratio	88.0%	100.0%	93.5%
Average interest rate	0.85%	0.68%	0.77% (Lowered 8 bps vs. end of the First Fiscal Period)
Average interest rate including upfront fee	0.97%	0.83%	0.91% (Lowered 6 bps vs. end of the First Fiscal Period)
Average remaining life of borrowings	4.4 years	6.3 years	5.1 years
LTV ratio	30.3%	—	38.5%
Commitment line	¥10,000 million (Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, and the Bank of Tokyo-Mitsubishi UFJ, Ltd.)		

2 Diversification of Repayment Dates ^{*1, 2}



3 Expansion of Lender Formation ^{*1}

Lender	Percentage
Mizuho Bank, Ltd	30.0%
Sumitomo Mitsui Banking Corporation	22.1%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12.3%
Mizuho Trust & Banking Co., Ltd.	9.5%
Development Bank of Japan Inc.	7.2%
Sumitomo Mitsui Trust Bank, Limited	7.2%
The Norinchukin Bank	7.2%
Resona Bank, Ltd.	2.2%
Shinkin Central Bank	0.8%
Aozora Bank, Ltd.	0.8%
Shinsei Bank, Limited	0.8%

*1. Situation as of the end of the Second Fiscal Period.

*2. This term loan includes the conditions of the refinancing executed on February 27, 2015.

**III. Summary of Financial
Results for the Fiscal
Period Ended
February 28, 2015
(2nd Fiscal Period)**



(Millions of yen rounded off)

1 Comparison with the First Fiscal Period and Initial Forecast of the Second Fiscal Period*1

	1st fiscal period results	2nd fiscal period results	Change	Main Factors	2nd fiscal period initial forecast	2nd fiscal period results	Change	Main Factors
Rent revenue	3,660	4,054	394	Number of operating days (397) PO properties +777	4,026	4,054	28	Lease income +6, Facility usage income +5 Parking income +7 and others
Total expenses related to rent business	763	943	180		1,002	943	-58	
<Breakdown>								
Taxes and public dues	0	0	0		0	0	0	
Depreciation	327	412	85	Number of operating days (45), Pos +130	415	412	-3	
Repair expenses	31	50	19	IPO properties +15, PO properties +4	78	50	-28	
Leasing related costs	1	11	10		28	11	-17	
Other leasing related costs	404	470	66		479	470	-9	
Income from real estate lease business	2,897	3,110	213		3,024	3,110	86	
Operating expenses (excluding leasing related costs)	416	453	37		440	453	13	
<Breakdown>								
Asset management fee	294	343	49		322	343	20	Increase in asset management fee due to increased profits
Other operating expenses	122	110	-12		117	110	-7	
Operating income	2,480	2,656	176		2,583	2,656	73	
Non-operating income	1	1	0		0	1	1	
Non-operating expenses	925	372	-553		395	372	-23	
<Breakdown>								
Interest expenses and borrowing related costs	502	225	-277	Financing related costs at time of IPO, Borrowings at time of PO	234	225	-9	Reduced interest from variable rate borrowings (5)
Investment unit issuance costs	340	146	-194		160	146	-14	Attorney fees for PO, etc.
Organization expenses	82	0	-82	Costs related to establishment of investment corporation	-	-	-	
Ordinary income	1,555	2,286	731		2,187	2,286	99	
Net income	1,553	2,285	732		2,186	2,285	99	
Cash distribution per unit (yen)	2,383	2,926	543		2,800	2,926	126	

*1. Forecast data announced on October 14, 2014.

*2 "IPO" indicates the time of the IPO. "PO" indicates the public offering announced on October 14, 2014.

(Millions of yen rounded off)

2 Comparison with the Forecast for the Third Fiscal Period^{*1}

	2nd fiscal period results	3rd fiscal period forecast	Change	Main Factors
Rent revenue	4,054	4,699	645	PO/IPO properties +395 Properties acquired in Third Fiscal Period +249
Total expenses related to rent business	943	1,640	697	
<Breakdown>				
Taxes and public dues	0	388	388	Fixed asset taxes for IPO/PO properties
Depreciation	412	512	100	PO properties +69, Properties acquired in the Third Fiscal Period +26
Repair expenses	50	96	46	
Leasing related costs	11	30	19	
Other leasing related costs	470	614	144	
Income from real estate lease business	3,110	3,058	-52	
Operating expenses (excluding leasing related costs)	453	519	66	
<Breakdown>				
Asset management fee	343	372	29	
Other operating expenses	110	147	37	Increase in unitholder meeting related costs, etc.
Operating income	2,656	2,538	-118	
Non-operating income	1	0	-1	
Non-operating expenses	372	326	-46	
<Breakdown>				
Interest expenses and borrowing related costs	225	326	101	Extension of maturity of borrowings at time of PO +85, Borrowing for properties acquired in Third Fiscal Period +20
Investment unit issuance costs	146	0	-146	
Ordinary income	2,286	2,211	-75	
Net income	2,285	2,210	-75	
Cash distribution per unit (yen)	2,926	2,830	-96	

*1. Forecast data announced on April 14, 2015.

*2 "IPO" indicates the time of the IPO. "PO" indicates the public offering announced on October 14, 2014.

2 Comparison of Period-End Results

■ Comparison of results at the end of the Second Fiscal Period and First Fiscal Period

	End of 1st fiscal period	End of 2nd fiscal period	Change
Assets			
Current assets	5,933	7,792	+1,859
Cash and deposits	5,266	6,770	+1,504
Other	666	1,022	+356
Noncurrent assets	102,861	149,991	+47,130
Property, plant and equipment	99,582	141,041	+41,459
Other	3,279	8,950	+5,671
Total assets	108,794	157,784	+48,990
	End of 1st fiscal period	End of 2nd fiscal period	Change
Liabilities			
Current liabilities	5,215	5,296	+81
Short-term loans payable	3,960	3,960	0
Other	1,255	1,336	+81
Noncurrent liabilities	34,082	63,585	+29,503
Long-term loans payable	29,040	56,740	+27,700
Tenant leasehold and security deposits in trust	5,042	6,845	+1,803
Total liabilities	39,297	68,882	+29,585
Net assets			
Unitholders' equity			
Unitholders' capital	67,943	86,617	+18,674
Surplus	3,107	4,570	+1,463
Total net assets	69,496	88,902	+19,406

• Increase in assets from the acquisition of properties using proceeds from the public offering (seven properties valued at ¥46,744 million)

• Increase in borrowings for the acquisition of properties following the public offering (¥27,700 million)

• Increase in unitholders' capital (¥144,760 issuance price per unit) from the public offering

(Millions of yen rounded off)

1 Overview of Appraisal Report

- Unrealized gain at the end of the Second Fiscal Period was ¥10,180 million
- Up ¥3,073 million versus the end of the First Fiscal Period
- Ratio of unrealized gains/losses at the end of the Second Fiscal Period was +6.8%

	End of 1st fiscal period					End of 2nd fiscal period				
	No. of properties	Appraisal value	Book value	Unrealized gains/losses	Cap rate*1 (%)	No. of properties	Appraisal value	Book value	Unrealized gains/losses	Cap rate*1 (%)
Office properties	8	61,020	58,071	2,948	4.2	10	88,130	83,487	4,643	4.0
Retail properties	4	23,940	21,692	2,247	4.7	6	35,180	32,092	3,088	4.5
Private nursing homes	4	15,680	14,451	1,228	5.4	4	16,280	14,836	1,444	5.2
Network centers	5	9,103	8,420	682	5.1	8	20,102	19,545	557	5.2
Total	21	109,743	102,635	7,107 (Ratio of unrealized gains/losses: +6.9%)		28	159,692	149,512	10,180 (Ratio of unrealized gains/losses: +6.8%)	

Increase in unrealized gains/losses of ¥3,073 million

*1. The cap rate is calculated using the weighted average of the cap rate from the appraisal report computed using the direct capitalization method.

IV. Future Strategy and Earnings Forecast



1 Basic Strategy

Distribution per Unit (DPU)-Focused Strategy

Aim to consistently increase DPU through internal growth and financial strategy, both underpinned by external growth strategy based on market conditions



駅と未来に近いビル。
不動産のヒューリック



External Growth Strategy

- Achieve asset size of ¥300 billion in three to five years
- Aim to increase asset size by ¥50 to ¥70 billion per year
- Acquire properties in prime locations and within Tokyo's 23 wards
- Fully utilize sponsor pipeline

Internal Growth Strategy

- Maintain high occupancy rate by leveraging attractive location of properties
- Negotiate with tenants where the lease gap is negative to raise lease rates to market price
- Management integrated with the Hulic Group

Financial Strategy

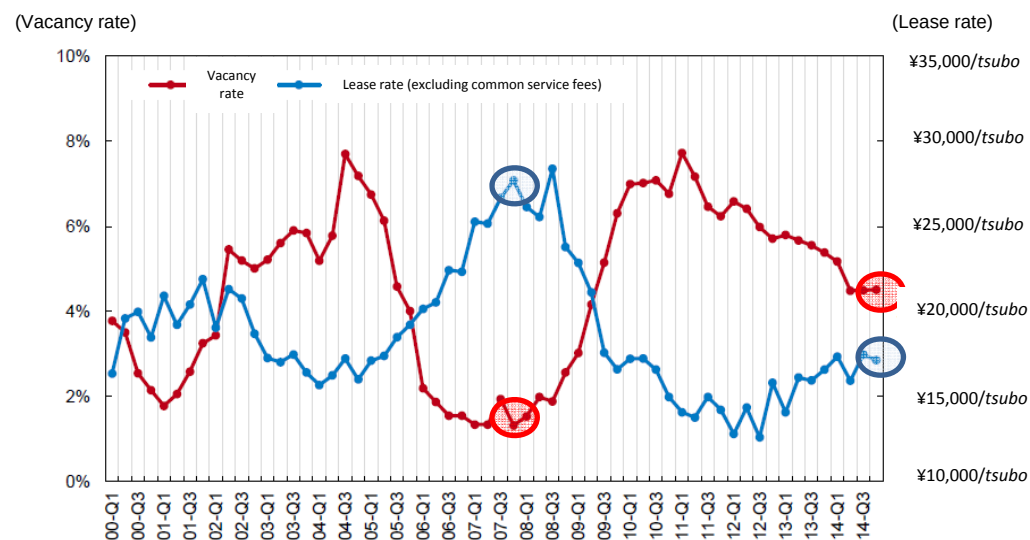
- Maintain stable and sound financial management
- Properly control LTV based on increase in assets
- Diversification of financing sources

1 Understanding of the Environment

- The real estate market has seen intense competition on the buy side in all asset classes, buoyed by improvements in the external environment (improving earnings, particularly for major corporations, and falling office vacancy rates, etc.) and favorable financing environment thanks to the the Bank of Japan's massive monetary easing program. In turn this has lowered the cap rate.

	2007 (Q4)	2014 (Q4)	Comparison
(1) Expected NOI yield*1	3.9%	3.9%	Same
(2) Lease rate*2	¥27,707 month/tsubo	¥17,132 month/tsubo	2007: Peak 2014: Expected to increase*3
(3) Vacancy rate*2	1.3%	4.5%	2007: Bottom 2014: Room to decline*3

Downtown Tokyo/Class B Buildings/Leases/Vacancy Rate



Continue with investments that carefully factor in tenant lease rates, leasing needs of the area, and advantages of individual properties

Source: Sanko Estate/NLI Research Institute's Office Trend Index 4Q (Oct. to Dec.); vacancy rate from Sanko Estate and lease rate from Sanko Estate/NLI Research Institute

*1. Expected NOI yield shows the average for office space in Tokyo's Otemachi for the 18th survey (January 2008) and 46th survey (January 2015) of the Japanese Real Estate Investor Survey conducted by CBRE.

*2. Shows the lease rate (excluding common service fees)/month, tsubo and vacancy rate for Class B buildings in downtown Tokyo for 4Q 2007 and 4Q 2014 based on the Office Trend Index published by Sanko Estate and NLI Research Institute.

*3. Outlook of the asset management company based on this document.

2 Investments in Office Properties

- Examine investing in properties to be reconstructed in the future while firmly maintaining the rule of investing only in properties in Tokyo's 23 wards within five-minute walk of a station
- Future reconstruction includes not only office to office but also conversions to other asset classes, such as office properties to retail properties and, depending on the area, private nursing homes

	Properties with prime location	Properties in Tokyo 23 wards
Location traits	Areas with high concentration of office space in the Tokyo's central 6 wards ^{*1}	Tokyo 23 wards (excluding prime locations)
Aim of investment	Improve quality of portfolio	Improve profitability of portfolio
	(Examples from current portfolio)	
Target properties	Developed by sponsor	Ochanomizu Sola City Toranomon First Garden
	Possible reconstruction by sponsor	Hulic Kudan Building (Land)
	Areas with high concentration of office space	Hulic Kamiyacho Building Rapiros Roppongi Hulic Kanda Building Hulic Kandabashi Building Gate City Ohsaki (plan to acquire)
	Comparatively higher yield expected because of stable lease demand	Hulic Takadanobaba Building Hulic Kakigaracho Building Hulic Higashi Ueno 1 Chome Building Tokyo Nishi Ikebukuro Building Sasazuka South Building
Ratio of current portfolio ^{*2}	Approx. 86%	Approx. 14%
Average appraised NOI yield of current portfolio ^{*3}	4.3%	5.2%
	4.4%	

By acquiring properties that are in prime locations within Tokyo's 23 wards,
we will seek to achieve stable growth of cash distributions per unit (DPU) and net asset value (NAV) per unit

^{*1} Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shibuya Ward and Shinagawa Ward.

^{*2} The ratio to total acquisition (planned) value of office buildings in Hulic Reit's portfolio (including Gate City Ohsaki planned for acquisition on April 16, 2015).

^{*3} NOI from the most recent appraisal report is calculated using acquisition (planned) price on a weighted average basis.

3 Investments in Retail Properties

- Investments are made based on our policy to invest in properties located in Tokyo or major cities surrounding Tokyo, with emphasis given to properties within a five-minute walk from the nearest railway station or located in busy downtown areas, based on careful consideration as to whether each property's commercial area and tenants fit with its location.

- (1) Properties where tenants are expected to increase their sales that can support future lease increases or properties located in busy downtown areas
 - Hulic Jingumae Building
 - Hulic Shinjuku 3 Chome Building
- (2) Properties that are expected to have stable lease income (properties that are expected to have stable lease income from key tenants)
 - Oimachi Redevelopment Building (#2) and Oimachi Redevelopment Building (#1)
 - Yokohama Yamashitacho Building

4 Investments in Next Generation Assets

- The focus of next generation assets will be private nursing homes owned by our sponsor, and investments will be timed carefully based on market conditions

- (1) Private nursing homes
 - The cap rate has fallen dramatically due to intense competition to acquire properties after the establishment of dedicated healthcare J-REITs
 - Acquisition of properties from our sponsor's robust pipeline will be examined once the overheated market cools down
- (2) Initiatives in new asset classes
 - Hulic's 3K businesses (*koreisha* = seniors; *kanko* = tourism; *kankyo* = environment)
 - Consideration will also be given to new asset classes from the perspective of CRE

Continue to examine while taking a closer look at Hulic's track record

5 Main Results of the Hulic Group

Reconstruction

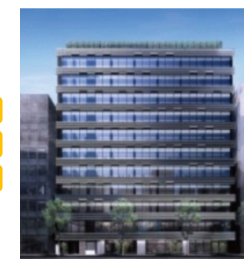
	Completion	Property name
Results	Feb. 2009	Hulic Hachioji Building
	Jan. 2010	Hulic Ryogoku Building
	Aug. 2010	Toranomon First Garden Acquired
	Aug. 2010	Hulic Kojimachi Building
	Oct. 2010	Hulic Ginza Sukiyabashi Building
	Mar. 2011	Hulic Ogikubo Building
	Nov. 2011	Hulic Komagome Building
	Jan. 2012	Hulic Head Office Building
	Oct. 2014	Hulic Shinjuku Building
	June 2009	Sendai First Tower (commercial wing, atrium)
	Mar. 2010	Kisarazu Home Center
	Dec. 2012	Hulic Shibuya No.2 Building
	Mar. 2015	Gracia Chofu
	July 2012	Hulic Kaminarimon Building
	Sept. 2005	Aria Matsubara Acquired
	Feb. 2011	Granda Omori Sannou
	May 2012	Aristage Kyodo
	May 2013	Sunny Life Funabashi
	May 2013	Granda Gakugeidaigaku
Plan	June 2013	Aria Yoyogiuehara
	Aug. 2013	Hospitalment Musashino
	July 2014	Charm Suite Shakujii-park
	Aug 2014	Sunny Life Tokyo Shinjuku
	Apr. 2012	Iris Garden Kita Urawa
	Aug. 2015 (planned)	Asakusabashi Edo Street Building (tentative name)
	Sept. 2015 (planned)	Shimura project (tentative name)
	July 2015 (planned)	Shin-Okubo project (tentative name)
	Jan. 2016 (planned)	Shimura project (tentative name)
	June 2018 (planned)	Nihonbashi 2-chome redevelopment project (tentative name)

New investments (since 2012)

	Completion	Property name
Office properties	Jan. 2012	Hulic Ginza 7 Chome Building
	Mar. 2013	Rapiros Roppongi Acquired
	May 2013	Hulic Kamiyacho Building Acquired
	Feb. 2015	Daiwa Ginza 1-Chome Building
	Feb. 2015	Daiwa Nihonbashi-Honcho Building
	Feb. 2015	Daiwa Kinshicho Building
	Jan. 2013	Hulic Shinjuku 3 Chome Building (former Shinjuku Gates Building) Acquired
Retail properties	June 2013	Victoria Wardrobe Jimbocho
	June 2013	Hulic Jingu-Mae Building Acquired
	Sept. 2013	Hulic Shibuya Udagawacho Building
	Mar. 2014	Tsurumi Fuga 1
	Sept. 2014	Yokohama Yamashitacho Building Acquired
	Mar. 2015	Tokyu Hands Ikebukuro
	Mar. 2015	Ikebukuro GIGO
	Apr. 2015 (planned)	Sigma No. 5 Building
	May 2015 (planned)	WINS Asakusa Building
	May 2015 (planned)	Asakusa Park Hall Building
Private nursing homes	Oct. 2012	Trust Garden Yoganomori Acquired
	Oct. 2012	Trust Garden Sakurashinmachi Acquired
	Oct. 2012	Trust Garden Suginami Miyamae Acquired
	July 2013	Esperal Joto
	Sept. 2014	Toyosu Senior Residence
Network centers	Dec. 2012	Ikebukuro Network Center, and other four properties Acquired
	Sept. 2013	Chiba Network Center Acquired
	Sept. 2013	Sapporo Network Center Acquired
	Jan. 2014	Keihanna Network Center Acquired
Hotels	Mar. 2014	Hulic Ginza 2-Chome Building
	July 2014	Tokyo Bay Maihama Hotel Club Resort

Development (excluding reconstruction)

	Completion	Property name
Office properties / Retail properties	Feb. 2013	Hulic Asakusabashi Building
	Mar. 2013	Ochanomizu Sola City Acquired
	Sept. 2013	Nagatacho Hokkaido Square
	Feb. 2015 (planned)	Shinagawa Season Terrace
	May 2015 (planned)	Toranomon Development Project
	Nov. 2016 (planned)	Hulic Shibuya Inokashira-dori Building
	Dec. 2016 (planned)	Commercial Development Project near Omori Station
	Mar. 2017 (planned)	Shinbashi 2 Chome Commercial Development Project
	Oct. 2017 (planned)	Former Parco Part 2 site
	July 2018 (planned)	New Tokyo Building Development Project
Hotels / Retail properties	Aug. 2016 (planned)	Sotetsu Hotel at Ginza 7 Chome
Hospitals	Mar. 2015	The new Towa Hospital in Sapporo
Private nursing homes	Mar. 2016 (planned)	Shibuya Higashi 4 Chome Development Project



Toranomon Development Project



New Tokyo Building Development Project



Granda Omori Sanno



Shibuya Higashi 4 Chome Development Project (Private nursing home)

*1: There are no properties listed that Hulic Reit has finalized plans on acquiring as of the date of this document, excluding those properties already acquired.

*2: The conceptual images of the Toranomon Development Project, New Tokyo Building Development Project and Shibuya Higashi 4 Chome Development Project upon completion may show design specifications that differ from the actual completed building.

Gate City Ohsaki

Office

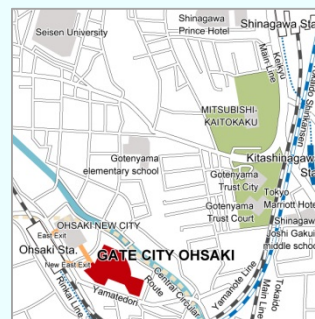
3-min walk from station

Acquisition planned for April 16, 2015



- This property is directly connected via a pedestrian overpass to the Shin-Higashi Exit of Osaki Station, which provides access to the JR Yamanote Line, Saikyo Line, Shonan Shinjuku Line, and Rinkai Line. It offers one of the most convenient accesses to public transportation in the Osaki area.
- In recent years, redevelopment projects have resulted in a number of large-scale office buildings around the Osaki Station area and the area is also located near Shinagawa Station, which is expected to see further development in the future. This is why the Osaki area has seen rising potential as a hub for office space.
- Gate City Ohsaki stands as an iconic landmark of the Osaki Station area. It is the product of a mixed use major redevelopment project that comprises two 24-story office towers (West Tower and East Tower), a low-rise commercial facility (Gate City Plaza) and cultural facility, and a 20-story residential tower (South Park Tower).

Location	Shinagawa ward, Tokyo
Acquisition price	¥4,370 million
Appraisal value	¥4,500 million
Appraisal NOI yield	4.4%
Nearest station	Osaki station on the JR Yamanote, Saikyo and Shonan Shinjuku lines and Rinkai Line
Walking distance from nearest station	3 minutes
Total leasable area*1	3,835.78 m ²
Occupancy rate	100.0%



Tokyo Nishi Ikebukuro Building

Office

3-min walk from station

Acquired March 31, 2015



Location	Toshima ward, Tokyo
Acquisition price	¥1,580 million
Appraisal value	¥1,700 million
Appraisal NOI yield	5.2%
Nearest station	Ikebukuro station on the JR Yamanote Line, etc.
Walking distance from nearest station	3 minutes
Total leasable area*1	3,262.08 m ²
Occupancy rate	100.0%



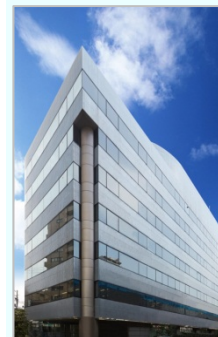
- The property is situated in close proximity to Ikebukuro Station, a terminal hub for North Tokyo that draws large amounts of people, resulting in demand for office space from various businesses and sectors. Demand is also expected for various in-store services and call center related businesses.
- On the third basement floor of the building is a community heating and air conditioning plant that supplies heat to the surrounding community, which is expected to be a stable and long-term business.

Sasazuka South Building

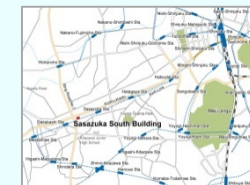
Office

5-min walk from station

Acquired March 9, 2015



Location	Shibuya ward, Tokyo
Acquisition price	¥2,100 million
Appraisal value	¥2,110 million
Appraisal NOI yield	5.3%
Nearest station	Daitabashi station on the Keio Line
Walking distance from nearest station	5 minutes
Total leasable area*1	3,611.49 m ²
Occupancy rate	100.0%

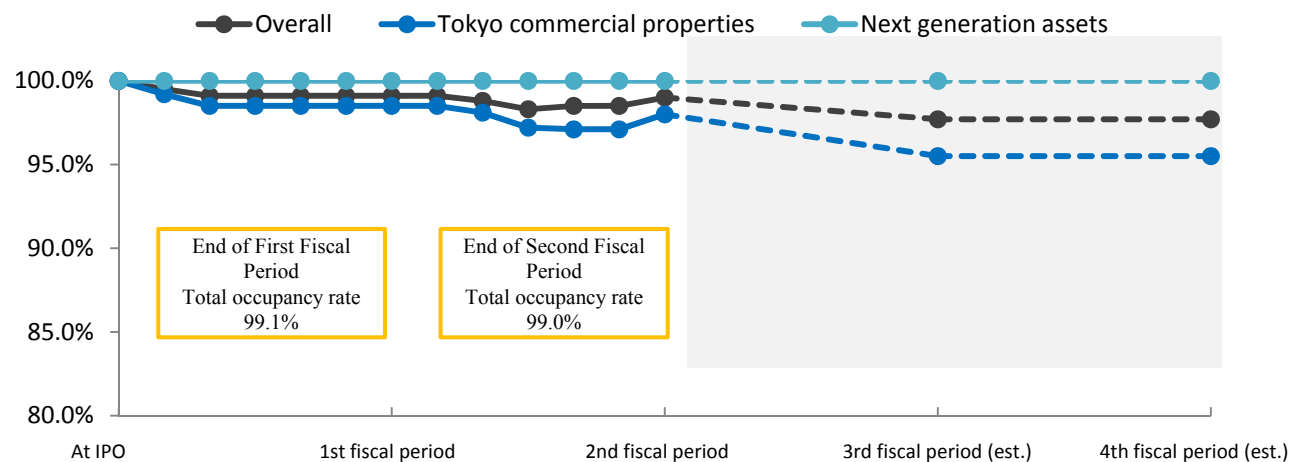


- Easily accessed from Tokyo's western residential suburbs, this property offers great potential as a hub among Tokyo's office areas because of its ease of access.
- Demand is expected for homebuilding related companies (contractors) and the branch offices of IT firms, as well as companies providing services to the surrounding residential areas.

*1. Total leasable area equivalent to the ratio of Hulic Reit's ownership.

1 Working Closely with the Hulic Group to Fill Planned Vacancies

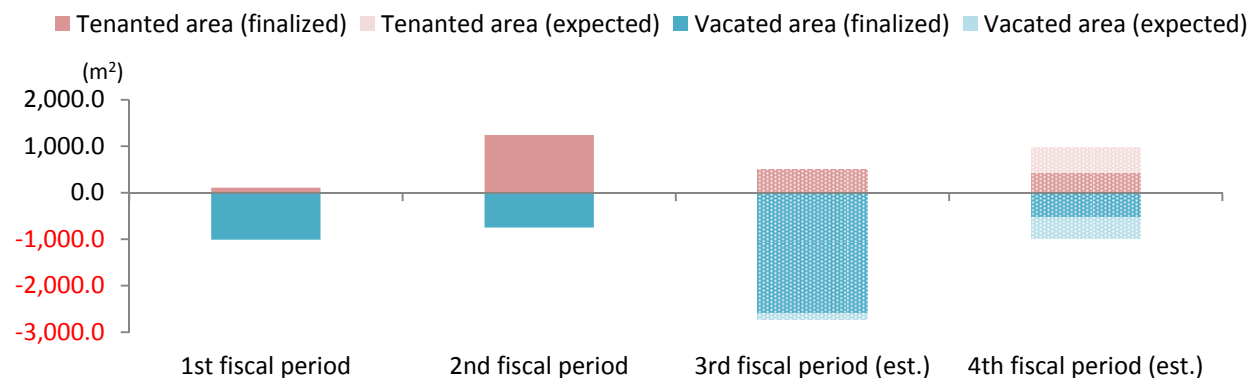
■ Portfolio occupancy rates and future estimates



The occupancy rate is forecast to decline as certain tenants are expected to vacate in the Third Fiscal Period and Fourth Fiscal Period

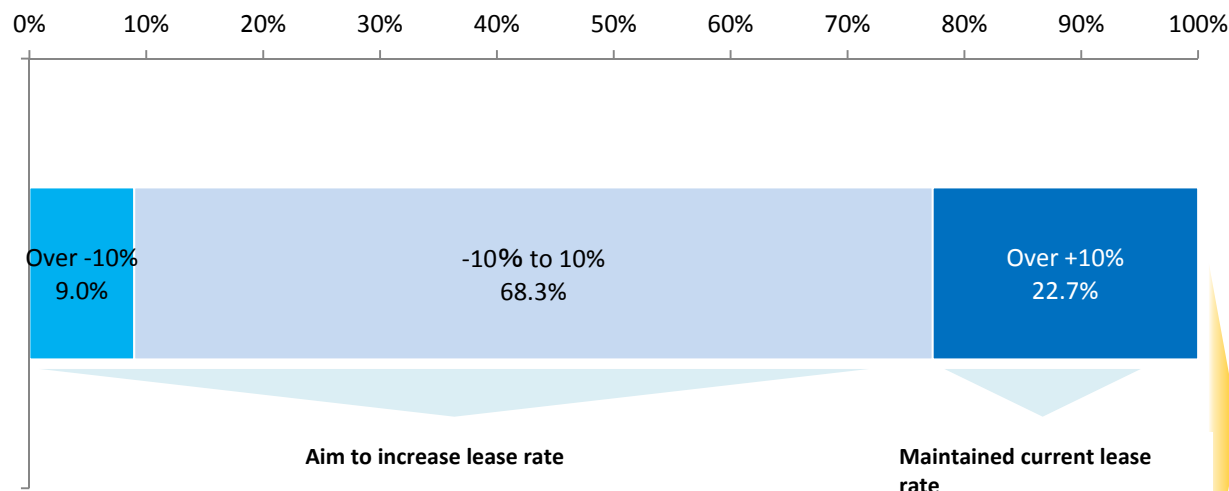
We will aim to increase the occupancy rate by quickly filling these vacated spaces

■ Area of tenanted and vacated space in the portfolio

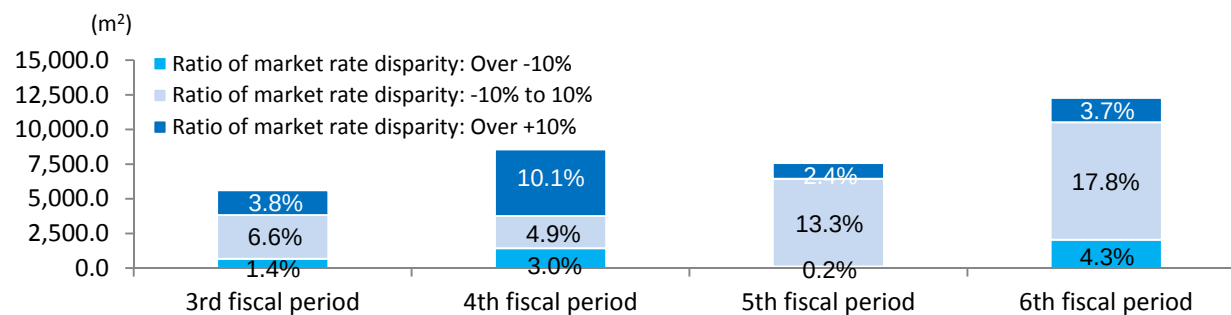


2 Negotiating Appropriate Lease Rates

Disparities in market rates for office space



Disparities in market rates for office space and lease renewal schedule



*1. The market rate is calculated by the asset management company and differs from the officially published market rate.

*2. Each ratio indicates the percentage of total leasable area in office properties within Hulic Reit's portfolio. This excludes store space on the first and basement floors and office buildings with residential space.

5. Earnings Forecast for the Period Ending August 2015 (Third Fiscal Period) and Beyond

(Millions of yen rounded off)

2 Comparison of Initial Forecast for Third Fiscal Period^{*1} and Forecast for the Fourth Fiscal Period

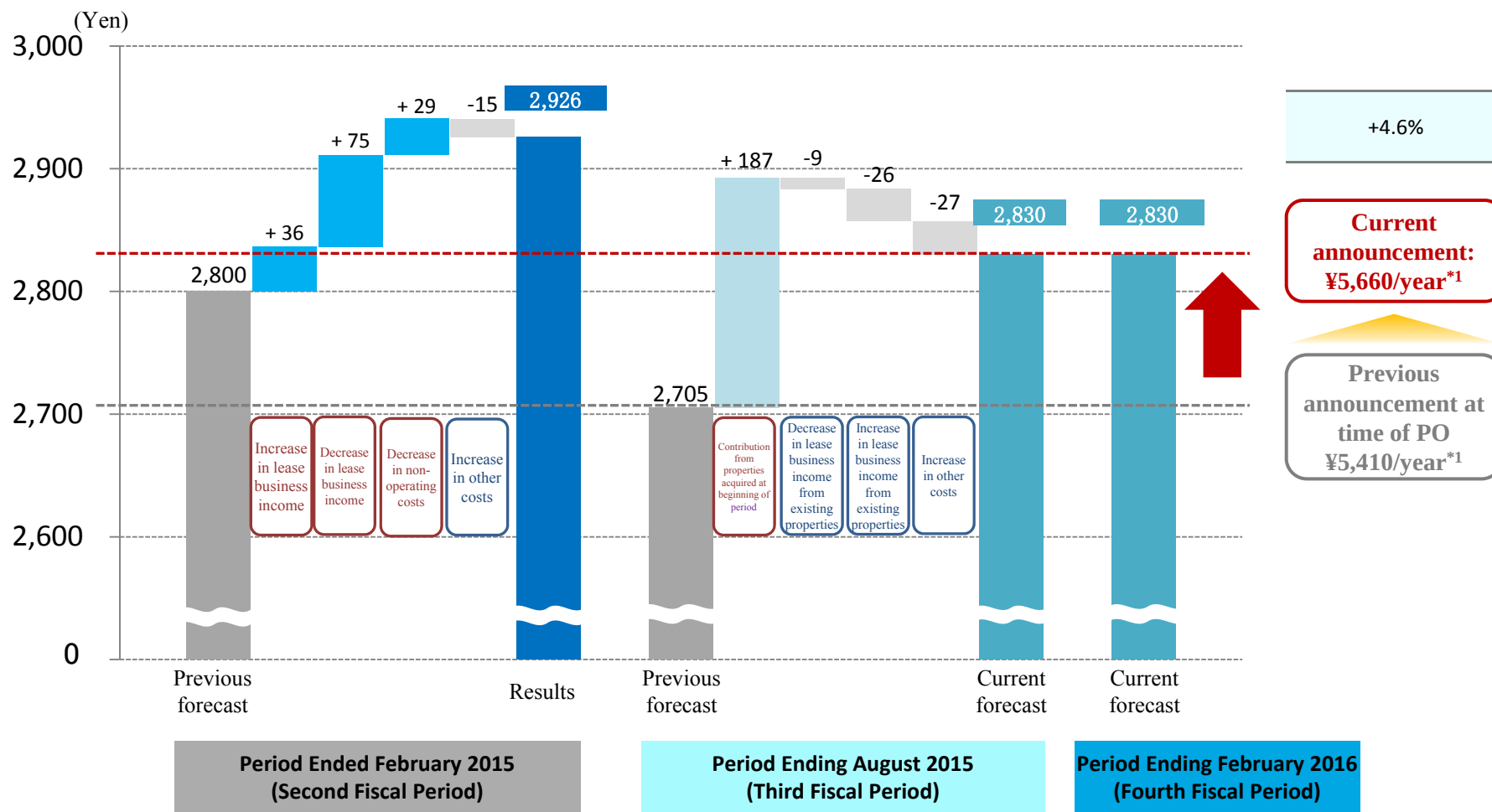
	Previous forecast for the 3rd fiscal period	New forecast for the 3rd fiscal period	Change	Main factors	New forecast for the 3rd fiscal period	Forecast for the 4th fiscal period	Change	Main factors
Rent revenue	4,457	4,699	242	PO/IPO properties (7) Properties acquired in the Third Fiscal Period +249	4,699	4,690	-9	PO/IPO properties (54) Properties acquired in the Third Fiscal Period +46
Total expenses related to rent business	1,517	1,640	123		1,640	1,650	10	
<Breakdown>								
Taxes and public dues	394	388	-6	Fixed asset tax for Ochanomizu Sola City (6)	388	388		
Depreciation	486	512	26		512	516	4	
Repair expenses	89	96	7		96	99	3	
Leasing related costs	14	30	16		30	19	-11	
Other leasing related costs	532	614	82		614	626	12	
Income from real estate lease business	2,939	3,058	119		3,058	3,040	-18	
Operating expenses (excluding leasing related costs)	492	519	27		519	508	-11	
<Breakdown>								
Asset management fee	355	372	17		372	378	6	
Other operating expenses	136	147	11		147	130	-17	
Operating income	2,447	2,538	91		2,538	2,532	-6	
Non-operating income	0	0			0	0		
Non-operating expenses	332	326	-6		326	320	-6	
<Breakdown>								
Interest expenses and borrowing related costs	332	326	-6	Reduced interest on borrowings at time of PO (42)	326	320	-6	Borrowings for acquisition in Third Fiscal Period +16
Investment unit issuance costs	0	0		Borrowings at time of acquisition in the Third Fiscal Period +17	0	0		
Ordinary income	2,114	2,211	97		2,211	2,211		
Net income	2,113	2,210	97		2,210	2,210		
Cash distribution per unit (yen)	2,705	2,830	125		2,830	2,830		

*1. Forecast data announced on October 14, 2014.

*2 "IPO" indicates the time of the IPO. "PO" indicates the public offering announced on October 14, 2014.

1 Results of the Second Fiscal Period and Forecasts for the Third and Fourth Fiscal Periods

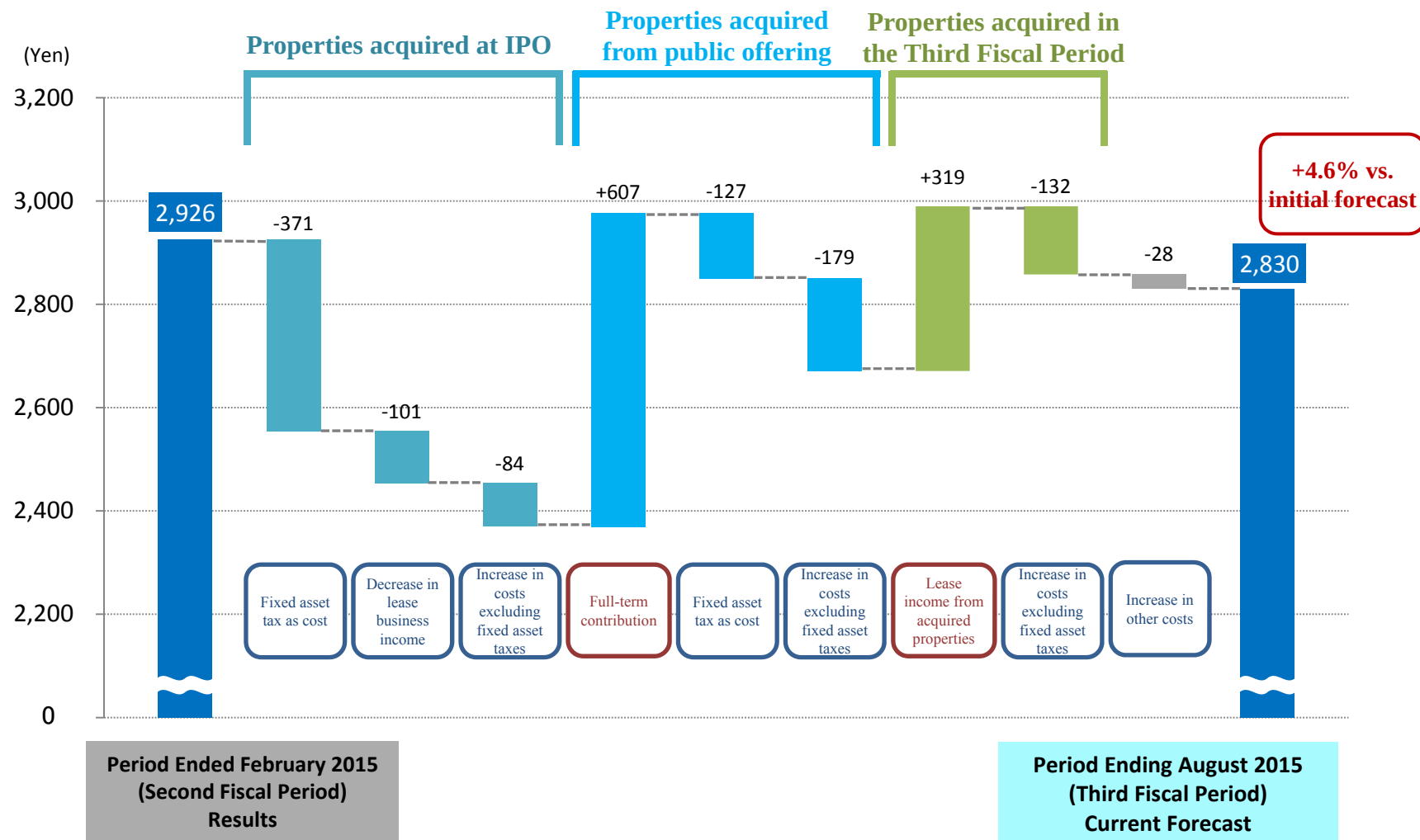
- The Second Fiscal Period's DPU exceeded expectations thanks to progress in asset management and financial strategies
- DPU is forecasted to increase 4.6% in the Third Fiscal Period following the acquisition of new properties



*1. The forecast for the Third Fiscal Period has been annualized (forecast amount for the Third Fiscal Period x 2).

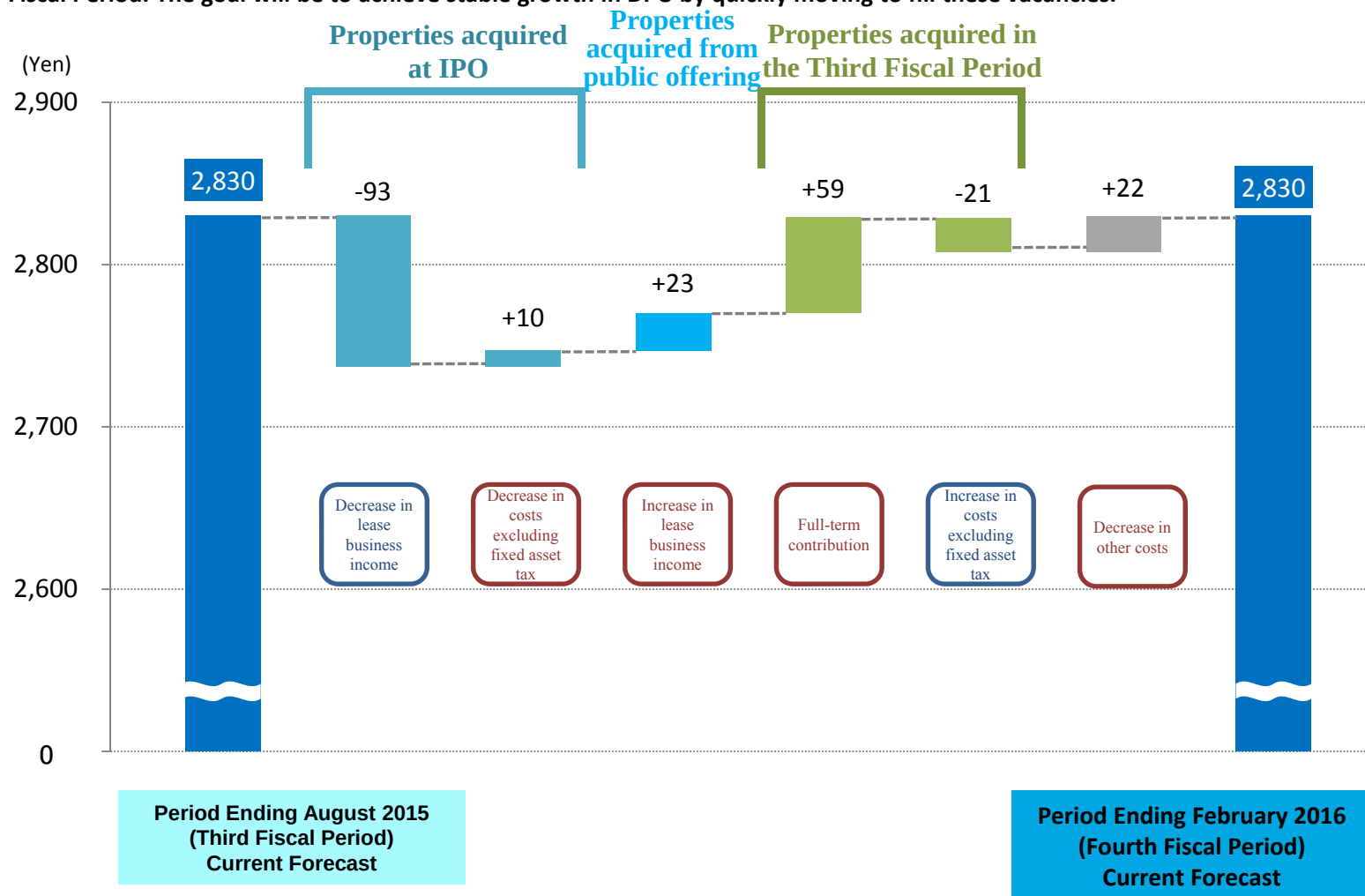
2 Comparison of Results for the Second Fiscal Period and Forecast for the Third Fiscal Period

- Although the occupancy rate is expected to decrease due to vacancies from certain tenants, external growth in the Third Fiscal Period is expected to contribute to earnings, leading to a forecasted increase in DPU of 4.6% over the initial forecast



3 Comparison of Forecast for the Third Fiscal Period and the Forecast for the Fourth Fiscal Period

- As with the Third Fiscal Period, although there are expected to be vacancies from certain tenants, DPU should be on par with the Third Fiscal Period. The goal will be to achieve stable growth in DPU by quickly moving to fill these vacancies.



V. Appendix



1. Statements of Income for the 1st and 2nd Fiscal Periods

	1st fiscal period	2nd fiscal period
Operating revenues		
Rent revenue	3,523,129	3,885,802
Other lease business revenues	137,517	168,867
Total operating revenue	3,660,646	4,054,670
Operating expenses		
Expenses related to rent business	763,149	943,792
Asset management fee	294,238	343,190
Asset custody fee	8,370	6,711
Administrative service fees	27,483	22,212
Directors' compensation	9,800	6,000
Other operating expenses	77,043	75,784
Total operating expenses	1,180,085	1,397,692
Operating income	2,480,561	2,656,978
Non-operating income		
Interest income	409	536
Interest on refund	—	1,137
Total non-operating income	409	1,673
Non-operating expenses		
Interest expenses	158,629	163,883
Borrowing-related expenses	343,990	61,670
Organization expenses	82,286	—
Investment unit issuance costs	340,790	146,891
Total non-operating expenses	925,697	372,444
Ordinary income	1,555,274	2,286,207
Income before income taxes	1,555,274	2,286,207
Income taxes – current	1,486	935
Income taxes – deferred	(27)	11
Income taxes	1,459	946
Net income	1,553,814	2,285,261
Retained earnings brought forward	—	98
Unappropriated retained earnings (undisposed loss)	1,553,814	2,285,360

(Thousands of yen rounded off)

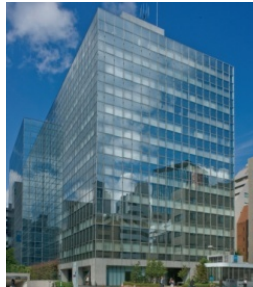
2. Balance Sheets for the 1st and 2nd Fiscal Periods

(Thousands of yen rounded off)

	1st fiscal period	2nd fiscal period
Assets		
Current assets		
Cash and deposits	3,263,862	3,297,438
Cash and deposits in trust	2,002,306	3,473,427
Operating accounts receivable	3,120	8,235
Prepaid expenses	18,324	25,064
Deferred tax assets	27	16
Consumption taxes receivable	645,501	959,201
Other	—	29,545
Total current assets	5,933,142	7,792,928
Non-current assets		
Property, plant and equipment		
Buildings in trust	19,003,601	32,624,054
Accumulated depreciation	(315,412)	(712,768)
Buildings in trust, net	18,688,188	31,911,285
Structures in trust	181,832	234,805
Accumulated depreciation	(8,319)	(16,668)
Structures in trust, net	173,512	218,136
Machinery and equipment in trust	39,723	126,816
Accumulated depreciation	(3,533)	(10,239)
Machinery and equipment in trust, net	36,189	116,577
Tools, furniture and fixtures in trust	4,295	8,514
Accumulated depreciation	(116)	(543)
Tools, furniture and fixtures in trust, net	4,179	7,971
Land in trust	80,680,217	108,787,109
Total property, plant and equipment	99,582,288	141,041,081
Intangible assets		
Leasehold rights in trust	3,053,575	8,471,289
Other	9,207	8,189
Total intangible assets	3,062,783	8,479,478
Investments and other assets		
Lease and guarantee deposits	10,000	20,000
Long-term prepaid expenses	206,356	451,422
Total investments and other assets	216,356	471,422
Total non-current assets	102,861,427	149,991,982
Total assets	108,794,570	157,784,910

	1st fiscal period	2nd fiscal period
Liabilities		
Current liabilities		
Operating accounts payable	275,939	94,633
Short-term loans payable	3,960,000	3,960,000
Accounts payable - other	372,135	459,545
Accrued expenses	49,394	46,983
Income taxes payable	1,403	826
Advances received	550,146	729,959
Deposits received	6,308	4,722
Total current liabilities	5,215,327	5,296,670
Non-current liabilities		
Long-term loans payable	29,040,000	56,740,000
Tenant leasehold and security deposits in trust	5,042,427	6,845,840
Total non-current liabilities	34,082,427	63,585,840
Total liabilities	39,297,755	68,882,510
Net assets		
Unitholders' equity		
Unitholders' capital	67,943,000	86,617,040
Surplus		
Unappropriated retained earnings (undisposed loss)	1,553,814	2,285,360
Total surplus	1,553,814	2,285,360
Total unitholders' equity	69,496,814	88,902,400
Total net assets	69,496,814	88,902,400
Total liabilities and net assets	108,794,570	157,784,910

3. Portfolio Properties (Office Properties) Acquired during the 2nd Fiscal Period

Name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi
				
Location	Toranomon, Minato Ward, Tokyo	Kudankita, Chiyoda Ward, Tokyo	Toranomon, Minato Ward, Tokyo	Roppongi, Minato Ward, Tokyo
Walking distance from the nearest station	One minute from Kamiyacho Station, Tokyo Metro Hibiya Line	One minute from Kudanshita Station, Tokyo Metro Tozai and Hanzomon Lines, and Toei Shinjuku Line	One minute from Toranomon Station, Tokyo Metro Ginza Line	Less than one minute from Roppongi Station, Tokyo Metro Hibiya Line
Acquisition price	¥20,100 million	¥11,100 million	¥8,623 million	¥5,160 million
NOI yield ^{*1}	4.4%	4.2%	4.3%	4.9%
Structure	S/SRC	—	SRC	RC/SRC
Floors	B2/11F	—	B2/12F	B2/10F
Total floor area	39,854.52 m ²	—	10,029.25 m ²	12,958.90 m ²
Occupancy rate ^{*2}	96.4%	100.0%	100.0%	100.0%
Property characteristics	Located just a one-minute walk from Kamiyacho Station on the Tokyo Metro Hibiya Line, this property is considered to have strong appeal because it is near the station. The building's typical floor space of 2,970 m ² , sets itself apart from other buildings in the vicinity, giving it an edge with larger tenants. Floors can also be partitioned for smaller lease spaces, making it possible to accommodate small and medium-sized tenants. The rental area is regularly shaped, facilitating the efficient use of space.	The nearest station, Kudanshita, is served by a number of lines—Tokyo Metro's Tozai and Hanzomon Lines and the Toei Shinjuku Line—and is well connected by transport links to Otemachi, Shinjuku, Shibuya, and other centers in downtown Tokyo. Large office buildings situated along Mejiro-dori attract solid levels of demand.	Located just a one-minute walk from Toranomon Station on the Tokyo Metro Ginza Line, this property is situated along Sakurada-dori Street and its proximity to the station provides an attractive location for prospective tenants. The building was reconstructed by Hulic Co., Ltd. and has a total floor space of 10,137.6 m ² , with a typical floor space of 610.5 m ² . It also has high-grade specifications, and is highly competitive in the marketplace due to its location, facilities and functionality. The building received an award from the Minister of the Environment Award in the Wall/Specialty Greening Technology category of the Wall and Special Greening Technology Contest (2012).	This property has excellent value in terms of its location in the Roppongi/Azabu district, because it is directly connected to Roppongi Station on the Tokyo Metro Hibiya Line and Toei Oedo Subway Line. The property is also one of the larger buildings in the Roppongi/Azabu district and offers facilities and functionality that can accommodate tenants with high-specification requirements.

*1: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

*2: Occupancy rate as of February 28, 2015.

3. Portfolio Properties (Office Properties) Acquired during the 2nd Fiscal Period

Name	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building
				
Location	Takada, Toshima Ward Tokyo	Kandasudacho, Chiyoda Ward, Tokyo	Kandanishikicho, Chiyoda Ward, Tokyo	Kakigaracho, Chuo Ward, Tokyo
Walking distance from nearest station	Six minutes from Takadanobaba Station, JR Yamanote Line and Tokyo Metro Tozai Line	One minute from Kanda Station, Tokyo Metro Ginza Line, four minutes from JR Kanda Station, and three minutes from Awajicho Station, Tokyo Metro Marunouchi Line	Three minutes from Otemachi Station, Tokyo Metro Chiyoda Line, six minutes from Ogawamachi Station, Toei Shinjuku Line, and eight minutes from Kanda Station, JR Yamanote Line	Two minutes from Suitengumae Station, Tokyo Metro Hanzomon Line, six minutes from Kayabacho Station, Tokyo Metro Tozai Line, six minutes from Ningyocho Station, Tokyo Metro Hibiya Line
Acquisition price	¥3,900 million	¥3,780 million	¥2,500 million	¥2,210 million
NOI yield ^{*1}	5.1%	4.8%	4.6%	5.7%
Structure	SRC	RC	SRC	SRC
Floors	B1/8F	9F	B1/10F	B1/9F
Total floor area	08,090.38 m ²	4,596.83 m ²	3,478.34 m ²	4,345.12 m ²
Occupancy rate ^{*2}	100.0%	100.0%	79.3%	100.0%
Property characteristics	This property is situated along Shin-Mejiro Dori a six-minute walk from Takadanobaba Station on JR lines, the Tokyo Metro Tozai Line and the Seibu Shinjuku Line. The building has a sufficiently sized parking lot, which appeals to sales offices that use vehicles. Because the Takadanobaba district contains little in the way of new supply, this property's facilities and functions make it competitive.	This property is located one minute's walk from Kanda Station on the Tokyo Metro Ginza Line, around four minutes' walk from Kanda JR Station, and three minutes' walk from Awajicho Station on the Tokyo Metro Marunouchi Line. It has a strong appeal for tenants because it is located in the station's immediate vicinity. The building is likely to be attractive as a relatively new property because it is only six years old, which compares well with the much older surrounding buildings that dominate the Uchikanda and Kandasudacho district.	This property is located a three-minute walk from Otemachi Station on the Tokyo Metro lines, providing a location suitable for not only demand in the Kanda Jimbocho/Kanda Ogawamachi district but also sub-offices of larger companies in the Otemachi district. The property was developed by Shoei Co., Ltd. (currently Hulic Co., Ltd.).	This property is located about two minutes' walk from Suitengumae Station on the Tokyo Metro Hanzomon Line, six minutes' walk from Kayabacho Station on the Tokyo Metro Tozai Line, and about six minutes' walk from Ningyocho Station on the Tokyo Metro Hibiya Line. It is valued highly because of its easy access to multiple subway lines. The facility was rebuilt by Fujigin Building Co., Ltd. (currently Hulic Co., Ltd.).

*1: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

*2. Occupancy rate as of February 28, 2015.

3. Portfolio Properties (Office Properties) Acquired during the 2nd Fiscal Period

Name	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building
		
Location	Kandasurugadai, Chiyoda Ward, Tokyo	Higashi-Ueno, Taito Ward, Tokyo
Walking distance from the nearest station	Less than one minute from Shin-Ochanomizu Station, Tokyo Metro Chiyoda Line	Two minutes from Shin-Okachimachi Station, Toei Oedo Line and Tsukuba Express Line
Acquisition price	¥22,854 million	¥2,670 million
NOI yield ^{*1}	3.9%	4.9%
Structure	S	SRC
Floors	B2/23F	8F
Total floor area	96,897.25 m ²	3,914.50 m ²
Occupancy rate ^{*2}	91.4%	95.6%
Property characteristics	A cutting-edge, large mixed-use building situated only a one-minute walk from JR and Tokyo Metro Ochanomizu Station and directly connected to Tokyo Metro Shin-Ochanomizu Station. The building has mega-floors featuring open designs free of structural support pillars with standard floor area of 907 <i>tsubo</i>. In terms of facilities, the building has a conference room and hall area called Sola City Conference Center located on the first and second floors, accommodating a variety of business needs.	This is a highly accessible and visible office building situated along Kasuga-dori close to nearby stations, including Shinokachimachi Station on the Toei Subway, which is about a two-minute walk away. The building has a floor area of 1,332 <i>tsubo</i> and a standard floor area of 156 <i>tsubo</i> on each level. The area has a large number of medium-sized office buildings and this particular property is believed to offer an advantage in this respect. The building was remodeled in 2008 involving mainly its common areas.

^{*1}: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

^{*2}: Occupancy rate as of February 28, 2015.

4. Portfolio Properties (Retail Properties) Acquired during the 2nd Fiscal Period

Name	Oimachi Redevelopment Building (#1)	Oimachi Redevelopment Building (#2)	Dining Square Akihabara Building	Hulic Jingu-Mae Building
				
Location	Higashi-Oi, Shinagawa Ward, Tokyo		Kandasakumacho, Chiyoda Ward, Tokyo	Jingumae, Shibuya Ward, Tokyo
Walking distance from the nearest station	One minute from Oimachi Station, JR Keihin-Tohoku and Tokaido Main Lines		One minute from Akihabara Station, JR Yamanote, Keihin-Tohoku, and, Sobu Lines	Seven minutes from Meiji Jingumae Station, Tokyo Metro Chiyoda and Fukutoshin Lines
Acquisition price	¥6,166 million	¥9,456 million	¥3,200 million	¥2,660 million
NOI yield *1	5.8%	5.9%	4.9%	4.7%
Structure	SRC	SRC	RC	RC/S
Floors	B3/10F	B2/8F	B2/9F	B2/6F
Total floor area	40,945.05 m ²	15,444.28 m ²	2,354.88 m ²	1,931.78 m ²
Occupancy rate *2	100.0%	100.0%	100.0%	100.0%
Property characteristics	This property is a major commercial property located southeast of Oimachi Station on the JR Keihin Tohoku Line, a hub station with large numbers of passengers who are boarding, alighting, and transferring, and it is directly accessible from the station via a raised walkway. The property comprises buildings No. 1 and 2, and the core tenant is one of Japan's largest electrical goods superstore chains. Other tenants include a supermarket, cafés, and fast-food outlets. This means that the building serves the daily needs of station users and local residents.		The property is located within one minute's walk of JR Akihabara Station, immediately south of the station's central gate. The property is leased in full to one of the Japan's largest firms in the karaoke industry. It has maintained its competitiveness due to the advantages of its location next to the station as well as the synergies gained from a combination of karaoke and catering. Because of its location, the building can easily be leased to alternative tenants such as those in the catering, entertainment, services and other industries.	The property is a multi-purpose facility located south of Omotesando on Cat Street, a thoroughfare whose many streetfront fashion stores are a powerful draw for customers. The first and second floors are devoted to retail stores, the third and fourth floors to housing, and the fifth to seventh floors to wedding-related facilities. The property enjoys a long frontage on Cat Street, which gives it an advantage in terms of location.

*1: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

*2. Occupancy rate as of February 28, 2015.

4. Portfolio Properties (Retail Properties) Acquired during the 2nd Fiscal Period

Name	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
		
Location	Shinjuku, Shinjuku Ward, Tokyo	Yamashita-cho, Naka Ward, Yokohama City, Kanagawa Prefecture
Walking distance from the nearest station	One minute from Shinjuku 3-Chome Station, Tokyo Metro Marunouchi and Fukutoshin Lines	One minute from Motomachi-Chukagai Station, Yokohama Minatomirai Railway Minatomirai Line
Acquisition price	¥5,550 million	¥4,850 million
NOI yield ^{*1}	4.1%	5.3%
Structure	SRC/RC	SRC
Floors	B1/7F	B2/7F
Total floor area	1,493.90 m ²	8,583.54 m ²
Occupancy rate ^{*2}	100.0%	100.0%
Property characteristics	This building is located along Shinjuku-dori Street, a busy downtown thoroughfare, making it a very unique mixed-use building with highly visible location. Tenants are mainly from the service industry, with a travel agency on floors B1F to 2F and hair salon, beauty salon and beauty school on floors 3F to 6F. The core travel agent tenant considers this property to be its flagship store.	This commercial buildings is leased entirely to Barneys Japan K.K., a subsidiary of premium boutique Barneys New York. The building is located close to tourist destinations such as Yamashita Park and Yokohama Chinatown, making it possible attract customers from a wide area. The neighborhood has a very positive reputation and has many bridal facilities because of its excellent views of Minato Mirai and other landmarks.

^{*1}: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

^{*2}: Occupancy rate as of February 28, 2015.

5. Portfolio Properties (Private Nursing Homes) Acquired during the 2nd Fiscal Period

Name	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinmachi	Trust Garden Sugunami Miyamae
				
Location	Matsubara, Setagaya Ward, Tokyo	Yoga, Setagaya Ward, Tokyo	Tsurumaki, Setagaya Ward, Tokyo	Miyamae, Sugunami Ward, Tokyo
Walking distance from the nearest station	10 minutes from Meidaimae Station, Keio Line	14 minutes from Yoga Station, Tokyu Den-en-toshi Line	13 minutes from Komazawa University Station, Tokyu Den-en-toshi Line	12 minutes from Fujimigaoka Station, Keio Inokashira Line
Acquisition price	¥3,244 million	¥5,390 million	¥2,850 million	¥2,760 million
NOI yield ^{*1}	5.9%	6.0%	5.9%	5.9%
Structure	RC	RC	RC	RC
Floors	4F	3F	3F	3F
Total floor area	5,323.56 m ²	5,977.75 m ²	3,700.26 m ²	3,975.99 m ²
Occupancy rate ^{*2}	100.0%	100.0%	100.0%	100.0%
Property characteristics	The property is located in a peaceful residential area of Setagaya Ward. The facility operator, Benesse Style Care Co., Ltd., is one of Japan's largest operators of private nursing homes, and Aria brand corresponds to the company's top price band and represents the top-priced range of private nursing home facilities in the area. The building was reconstructed by Hulic Co., Ltd.	This property is located in a peaceful residential area of Setagaya Ward, using. Utilizing its relatively large facilities for catering to nursing care residents. Belonging in the top price band for private nursing home facilities in the region, the property achieves a feeling of open spaciousness while providing a high-quality environment.	This property is located a 13-minute walk from Komazawa Daigaku Station on the Tokyu Denentoshi Line, in an area with many mid-rise apartment blocks. Belonging in the top price band for private nursing home facilities in the region, this property is characterized by an atmosphere like that of a comfortable family residence.	This property is located in an ideal residential area about a 12-minute walk from Fujimigaoka Station on the Keio Inokashira Line. Belonging in the top price band for private nursing home facilities in the region, this property features living quarters as well as a relaxing central courtyard.

*1: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

*2. Occupancy rate as of February 28, 2015.

6. Portfolio Properties (Network Centers) Acquired during the 2nd Fiscal Period

Name	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center
					
Location	Kami-Ikebukuro, Toshima Ward, Tokyo	Tabata, Kita Ward, Tokyo	Hikari-machi, Higashi-ku, Hiroshima-shi, Hiroshima Prefecture	Atsuta-ku, Nagoya-shi, Aichi Prefecture	Tsurugamidori-cho, Nagano-shi, Nagano Prefecture
Acquisition price	¥4,570 million	¥1,355 million	¥1,080 million	¥1,015 million	¥305 million
NOI yield ^{*1}	5.1%	5.7%	6.5%	5.8%	8.5%
Structure	S/SRC	RC	S/SRC	RC	S/SRC
Floors	B1/6F	B1/4F	7F	B1/3F	B1/6F
Total floor area	12,773.04 m ²	3,832.73 m ²	5,208.54 m ²	4,943.10 m ²	2,211.24 m ²
Occupancy rate ^{*2}	100.0%	100.0%	100.0%	100.0%	100.0%

^{*1}: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

^{*2}: Occupancy rate as of February 28, 2015.

6. Portfolio Properties (Network Centers) Acquired during the 2nd Fiscal Period

Name	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
			
Location	Inzai City, Chiba Prefecture	Sapporo City, Hokkaido Prefecture	Kizugawa City, Kyoto Prefecture
Acquisition price	¥7,060 million	¥2,510 million	¥1,250 million
NOI yield ^{*1}	5.4%	5.5%	5.8%
Structure	SRC	S	SRC/S
Floors	B2/8F	5F	3F
Total floor area	23,338.00 m ²	9,793.57 m ²	9,273.44 m ²
Occupancy rate ^{*2}	100.0%	100.0%	100.0%

^{*1}: NOI Yield = NOI / Acquisition Price. NOI uses the NOI from the appraisal report as of February 28, 2015.

^{*2}: Occupancy rate as of February 28, 2015.

7. Status of Appraisal Value by Property as of February 28, 2015 (2nd Fiscal Period)

Name			Appraisal value (Millions of yen)			Cap rate (%)		
			As of August 31, 2014 ([1]) *2	As of February 28, 2015 ([2]) *2	Change ([2]－[1])	As of August 31, 2014 ([1]) *2	As of February 28, 2015 ([2]) *2	Change ([2]－[1])
Tokyo commercial properties	Office properties	Hulic Kamiyacho Building	21,400	21,400	0	4.0	4.0	0.0
		Hulic Kudan Building (Land)	11,600	11,900	300	4.1	4.0	-0.1
		Toranomon First Garden	9,100	9,310	210	4.1	4.0	-0.1
		Rapiros Roppongi	5,740	5,910	170	4.1	4.0	-0.1
		Hulic Takadanobaba Building	4,050	4,090	40	4.7	4.6	-0.1
		Hulic Kanda Building	4,040	4,000	-40	4.5	4.4	-0.1
		Hulic Kandabashi Building	2,550	2,560	10	4.3	4.2	-0.1
		Hulic Kakigaracho Building	2,540	2,560	20	4.8	4.7	-0.1
		Ochanomizu Sola City	23,010	23,660	650	3.9	3.8	-0.1
		Hulic Higashi Ueno 1 Chome Building	2,740	2,740	0	4.6	4.5	-0.1
	Subtotal for Office Properties (10 properties)		86,770	88,130	1,360	-	-	-
	Retail properties	Oimachi Redevelopment Building (#2)	10,800	11,100	300	4.7	4.6	-0.1
		Oimachi Redevelopment Building (#1)	6,720	6,890	170	4.9	4.8	-0.1
		Dining Square Akihabara Building	3,370	3,440	70	4.6	4.5	-0.1
		Hulic Jingu-Mae Building	3,050	3,130	80	4.0	3.9	-0.1
		Hulic Shinjuku 3 Chome Building	5,600	5,750	150	4.0	3.9	-0.1
		Yokohama Yamashitacho Building	4,860	4,870	10	5.2	5.2	0.0
Subtotal for Retail Properties (6 properties)		34,400	35,180	780	-	-	-	
Total for Tokyo Commercial Properties (16 properties)		121,170	123,310	2,140	-	-	-	
Next generation assets	Private nursing homes	Aria Matsubara	3,690	3,840	150	5.2	5.0	-0.2
		Trust Garden Yoganomori	5,870	6,090	220	5.5	5.3	-0.2
		Trust Garden Sakurashinmachi	3,110	3,230	120	5.4	5.2	-0.2
		Trust Garden Suginami Miyamae	3,010	3,120	110	5.4	5.2	-0.2
		Subtotal for Private Nursing Homes (4 properties)		15,680	16,280	600	-	-
	Network centers	Ikebukuro Network Center	4,950	5,050	100	4.7	4.6	-0.1
		Tabata Network Center	1,510	1,530	20	5.1	5.0	-0.1
		Hiroshima Network Center	1,190	1,190	0	5.9	5.9	0.0
		Atsuta Network Center	1,090	1,080	-10	5.5	5.5	0.0
		Nagano Network Center	363	362	-1	7.0	7.0	0.0
		Chiba Network Center	7090	7,080	-10	5.3	5.3	0.0
		Sapporo Network Center	2530	2,530	0	5.4	5.4	0.0
		Keihanna Network Center	1260	1,280	20	5.7	5.7	0.0
		Subtotal for Network Centers (8 properties)		19,983	20,102	119	-	-
Total for Next Generation Assets (12 properties)		35,663	36,382	719	-	-	-	
28 properties total		156,833	159,692	2,859	-	-	-	

8. List of Appraisal Value by Property as of February 28, 2015 (2nd Fiscal Period)

		Name	Acquisition price	Appraisal firm	Appraisal value	Book value for settlement of the 2nd fiscal period	Unrealized gains/losses	Settlement for the fiscal period ended Feb. 28, 2015 (2nd fiscal period)				
								Value by direct capitalization method	Cap rate (%)	Price by DCF	Discount rate (%)	Final cap rate (%)
Tokyo commercial properties	Office properties	Hulic Kamiyacho Building	20,100	DAIWA REAL ESTATE APPRAISAL	21,400	20,161	1,239	21,900	4.0	21,200	3.8	4.2
		Hulic Kudan Building (Land)	11,100	Japan Real Estate Institute	11,900	11,191	709	11,900	4.0	11,800	3.6	4.1
		Toranomon First Garden	8,623	CBRE	9,310	8,622	688	9,230	4.0	9,310	3.6	4.1
		Rapiros Roppongi	5,160	Japan Real Estate Institute	5,910	5,562	348	5,980	4.0	5,840	3.7	4.2
		Hulic Takadanobaba Building	3,900	DAIWA REAL ESTATE APPRAISAL	4,090	3,914	176	3,980	4.6	4,130	4.4	4.8
		Hulic Kanda Building	3,780	The Tanizawa Sogo Appraisal	4,000	3,762	238	4,150	4.4	3,940	4.5	4.6
		Hulic Kandabashi Building	2,500	DAIWA REAL ESTATE APPRAISAL	2,560	2,505	55	2,600	4.2	2,540	4.0	4.4
		Hulic Kakigaracho Building	2,210	The Tanizawa Sogo Appraisal	2,560	2,227	333	2,550	4.7	2,570	4.8	4.9
		Ochanomizu Sola City	22,854	Japan Real Estate Institute	23,660	22,852	808	23,790	3.8	23,400	3.5	3.9
		Hulic Higashi Ueno 1 Chome Building	2,670	Japan Real Estate Institute	2,740	2,687	53	2,780	4.5	2,690	4.3	4.7
	Subtotal for Office Properties (10 properties)		82,897	—	88,130	83,487	4,643	88,860	—	87,420	—	—
	Retail properties	Oimachi Redevelopment Building (#2)	9,456	The Tanizawa Sogo Appraisal	11,100	9,513	1,587	11,300	4.6	11,000	4.7	4.8
		Oimachi Redevelopment Building (#1)	6,166	The Tanizawa Sogo Appraisal	6,890	6,257	633	6,950	4.8	6,860	4.9	5.0
		Dining Square Akihabara Building	3,200	Japan Real Estate Institute	3,440	3,221	219	3,490	4.5	3,390	4.3	4.7
		Hulic Jingu-Mae Building	2,660	The Tanizawa Sogo Appraisal	3,130	2,676	454	3,180	3.9	3,110	4.0	4.1
		Hulic Shinjuku 3 Chome Building	5,550	Japan Real Estate Institute	5,750	5,572	178	5,870	3.9	5,620	3.5	4.1
		Yokohama Yamashitacho Building	4,850	Japan Real Estate Institute	4,870	4,850	20	4,920	5.2	4,810	5.0	5.4
Subtotal for Retail Properties (6 properties)		31,882	—	35,180	32,092	3,088	35,710	—	34,790	—	—	
Total for Tokyo Commercial Properties (16 properties)		114,779	—	123,310	115,580	7,730	124,570	—	122,210	—	—	
Next generation assets	Private nursing homes	Aria Matsubara	3,244	Japan Real Estate Institute	3,840	3,271	569	3,850	5.0	3,820	4.6	5.2
		Trust Garden Yoganomori	5,390	Japan Real Estate Institute	6,090	5,440	650	6,110	5.3	6,060	4.9	5.5
		Trust Garden Sakurashinmachi	2,850	Japan Real Estate Institute	3,230	2,880	350	3,240	5.2	3,210	4.8	5.4
		Trust Garden Suginami Miyamae	2,760	Japan Real Estate Institute	3,120	2,794	326	3,130	5.2	3,110	4.8	5.4
		Subtotal for Private Nursing Homes (4 properties)		14,244	—	16,280	14,836	1,444	16,330	—	16,200	—
	Network centers	Ikebukuro Network Center	4,570	Japan Real Estate Institute	5,050	4,600	450	5,110	4.6	4,980	4.4	4.8
		Tabata Network Center	1,355	Japan Real Estate Institute	1,530	1,369	161	1,550	5.0	1,510	4.8	5.2
		Hiroshima Network Center	1,080	Japan Real Estate Institute	1,190	1,088	102	1,190	5.9	1,180	5.7	6.1
		Atsuta Network Center	1,015	Japan Real Estate Institute	1,080	1,024	56	1,090	5.5	1,070	5.3	5.7
		Nagano Network Center	305	Japan Real Estate Institute	362	311	51	363	7.0	361	6.8	7.2
		Chiba Network Center	7060	Japan Real Estate Institute	7,080	7,295	(215)	7,130	5.3	7020	5.1	5.5
		Sapporo Network Center	2510	Japan Real Estate Institute	2,530	2,601	(71)	2,550	5.4	2510	5.2	5.6
		Keihanna Network Center	1250	Japan Real Estate Institute	1,280	1,255	25	1,280	5.7	1270	5.5	5.9
		Subtotal for Network Centers (8 properties)		19,145	—	20,102	19,545	557	20,263	—	19,901	—
Total for Next Generation Assets (12 properties)		33,389	—	36,382	33,932	2,450	36,593	—	36,101	—	—	
28 properties total		148,168	—	159,692	149,512	10,180	161,163	—	158,311	—	—	

*1. Acquisition price, book value for the Second Fiscal Period and unrealized gains/losses rounded down to the nearest million.

9. Lease Business Income and Expenditures by Property for the Fiscal Period Ended February 28, 2015 (2nd Fiscal Period)

(Thousands of yen rounded off)

	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building	Hulic Kakigaracho Building
Lease business revenue	550,804	265,002	280,384	216,556	174,058	148,666	80,637	105,867
Rent revenue	509,863	265,002	264,286	195,315	154,070	138,797	72,518	94,552
Other revenue	40,941	-	16,098	21,240	19,988	9,869	8,119	11,315
Lease business expenses	113,093	1,950	90,583	87,929	53,036	61,776	29,458	31,819
Taxes and public dues	-	-	-	-	-	-	-	-
Utilities expenses	29,157	-	11,746	18,639	13,326	7,876	6,780	8,336
Insurance expenses	695	119	399	806	335	181	147	167
Repair expenses	9,774	-	4,500	1,346	4,532	820	1,866	1,658
Management consignment expenses	42,531	1,325	4,860	3,944	14,674	7,680	5,638	12,816
Other expenses related to rent business	3,211	506	26,016	52,876	1,590	25,851	1,101	1,374
Depreciation	27,722	-	43,060	10,316	18,576	19,366	13,923	7,464
Income (loss) from lease business	437,710	263,051	189,800	128,626	121,022	86,890	51,179	74,047
NOI	465,433	263,051	232,861	138,943	139,599	106,257	65,103	81,512

	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Oimachi Redevelopment Building (# 2)	Oimachi Redevelopment Building (# 1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building
Lease business revenue	- *1	64,180	312,000	218,931	- *1	86,906	114,434	- *1
Rent revenue	- *1	58,008	312,000	218,931	- *1	77,370	109,473	- *1
Other revenue	- *1	6,171	-	0	- *1	9,536	4,960	- *1
Lease business expenses	- *1	24,003	30,410	28,128	- *1	20,843	27,673	- *1
Taxes and public dues	- *1	-	-	-	- *1	-	-	- *1
Utilities expenses	- *1	4,395	-	-	- *1	6,149	3,484	- *1
Insurance expenses	- *1	110	649	1,688	- *1	94	50	- *1
Repair expenses	- *1	217	174	710	- *1	4,338	1,700	- *1
Management consignment expenses	- *1	9,908	6,242	4,378	- *1	3,178	3,713	- *1
Other expenses related to rent business	- *1	3,122	504	7,926	- *1	1,360	16,639	- *1
Depreciation	- *1	6,248	22,839	13,424	- *1	5,722	2,085	- *1
Income (loss) from lease business	- *1	40,177	281,589	190,802	- *1	66,063	86,760	- *1
NOI	256,285	46,426	304,428	204,226	85,584	71,785	88,846	103,032

*1: Not disclosed because approval not obtained from the end tenant

9. Lease Business Income and Expenditures by Property for the Fiscal Period Ended February 28, 2015 (2nd Fiscal Period)

(Thousands of yen rounded off)

	Aria Matsubara	Trust Garden Yoganomori	Trust Garden Sakurashinm achi	Trust Garden Suginami Miyamae
Lease business revenue	- *1	- *1	- *1	- *1
Rent revenue	- *1	- *1	- *1	- *1
Other revenue	- *1	- *1	- *1	- *1
Lease business expenses	- *1	- *1	- *1	- *1
Taxes and public dues	- *1	- *1	- *1	- *1
Utilities expenses	- *1	- *1	- *1	- *1
Insurance expenses	- *1	- *1	- *1	- *1
Repair expenses	- *1	- *1	- *1	- *1
Management consignment expenses	- *1	- *1	- *1	- *1
Other expenses related to rent business	- *1	- *1	- *1	- *1
Depreciation	- *1	- *1	- *1	- *1
Income (loss) from lease business	- *1	- *1	- *1	- *1
NOI	101,642	164,088	87,541	85,807

	Ikebukuro Network Center	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Lease business revenue	135,600	45,088	43,845	36,743	17,587	93,792	35,102	35,412
Rent revenue	135,600	45,088	43,845	36,743	17,587	93,781	35,102	35,412
Other revenue	0	0	0	0	0	10	0	0
Lease business expenses	13,432	4,157	8,490	6,377	3,663	22,998	5,095	7,422
Taxes and public dues	-	-	-	-	-	-	-	-
Utilities expenses	-	-	-	-	-	-	-	-
Insurance expenses	247	78	107	89	54	154	60	108
Repair expenses	-	-	700	80	-	-	-	108
Management consignment expenses	960	720	1,326	960	840	754	327	903
Other expenses related to rent business	506	506	505	505	505	221	206	373
Depreciation	11,717	2,852	5,850	4,740	2,262	21,868	4,501	5,928
Income (loss) from lease business	122,168	40,931	35,354	30,366	13,924	70,793	30,006	27,990
NOI	133,885	43,783	41,205	35,107	16,187	92,661	34,508	33,918

*1: Not disclosed because approval not obtained from the end tenant

10. Main Tenants as of February 28, 2015 (2nd Fiscal Period)

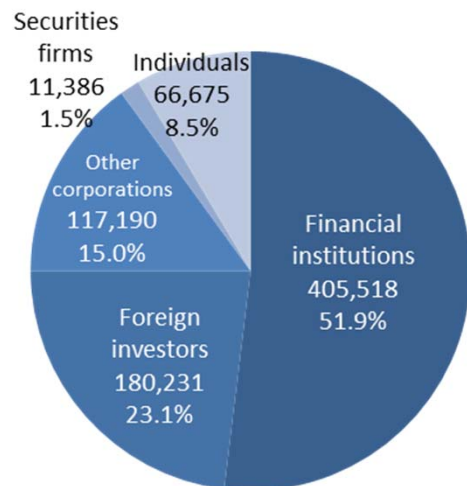
	End-tenant	Property name	Total leased area (m ²)	Ratio of total leased area (%)	Lease expiration	Lease structure
1	SoftBank Telecom Corp.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center Chiba Network Center Sapporo Network Center Keihanna Network Center	71,373.66	39.4	November 5, 2027 (Ikebukuro Network Center, Hiroshima Network Center) November 5, 2022 (Tabata Network Center, Atsuta Network Center, Keihanna Network Center) November 5, 2017 (Nagano Network Center) March 27, 2028 (Chiba Network Center) May 22, 2028 (Sapporo Network Center)	Fixed term lease agreement
2	Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1)	28,449.40	15.7	February 6, 2063 February 6, 2019 September 27, 2017	Fixed term tenant lease agreement for business General building lease agreement General building lease agreement
3	Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae	13,654.00	7.5	January 24, 2028	General building lease agreement
4	Barneys Japan Co., Ltd.	Yokohama Yamashitacho Building	8,958.70	4.9	— *2	— *2
5	Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	3.0	September 30, 2030	General building lease agreement
6	J Trust Co., Ltd.	Toranomon First Garden	3,052.05	1.7	November 30, 2016	General building lease agreement
7	Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	2,728.95	1.5	— *2	Fixed term lease agreement
8	Oki Electric Industry Co., Ltd.	Toranomon First Garden	2,441.64	1.3	February 28, 2017	General building lease agreement
9	Mizuho Securities Co., Ltd.	Ochanomizu Sola City	2,197.68	1.2	— *2	Fixed term lease agreement
10	— *2	Dining Square Akihabara Building	2,169.41	1.2	— *2	— *2

*1: Data as of February 28, 2015

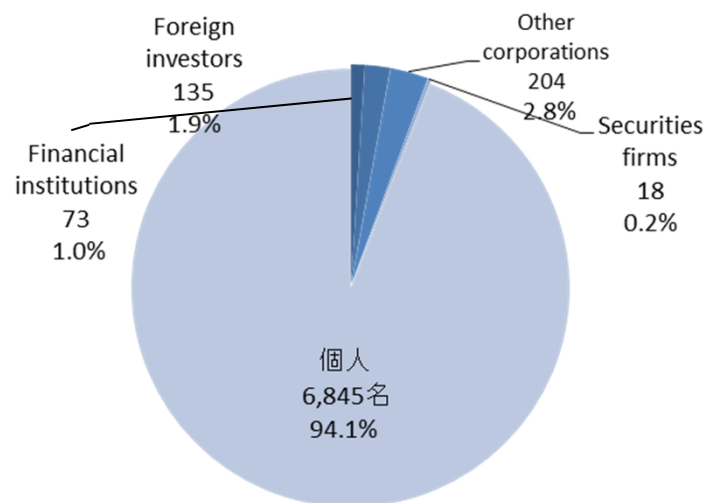
*2: Not disclosed because approval of the end-tenant was not obtained

11. Breakdown of Unitholders as of February 28, 2015 (2nd Fiscal Period)

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



2 Number of Uniholders by Type ^{*1}



3 10 Largest Unitholders ^{*2}

	Name	Number of units held	Ratio of total units ^{*3}
1	Japan Trustee Services Bank, Ltd. (Trust account)	146,917	18.81%
2	Hulic Co., Ltd.	93,720	12.00%
3	The Master Trust Bank of Japan, Ltd. (Trust account)	93,522	11.97%
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	79,157	10.14%
5	The Nomura Trust and Banking Co., Ltd. (Investment accounts)	32,219	4.13%
6	NOMURA BANK(LUXEMBOURG)S.A.	21,250	2.72%
7	STATE STREET BANK AND TRUST COMPANY	14,891	1.91%
8	STATE STREET BANK AND TRUST COMPANY 505001	14,842	1.90%
9	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/HENDERSON HHL SICAV	12,386	1.59%
10	STATE STREET BANK AND TRUST COMPANY 505223	10,322	1.32%

*1: Rounded off to the nearest whole number

*2: Data based on the unitholder registry as of February 28, 2015

*3: Percentages are rounded off to the second decimal point.

1 Basic Missions

(1) Maximizing Unitholder Value in the Medium to Long Term

Our aim at Hulic Reit, Inc. 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 the size and value of our managed assets.

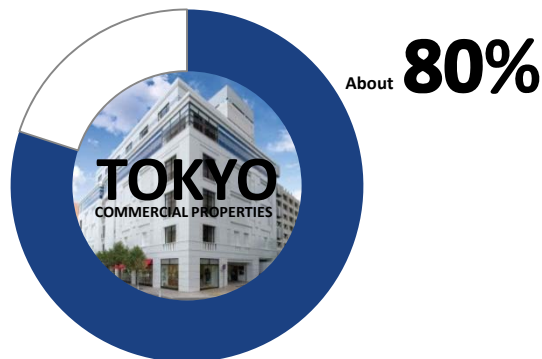
(2) Sharing the Corporate Philosophy of Our Sponsor

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

2 Portfolio Building Policy

TOKYO COMMERCIAL PROPERTIES

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



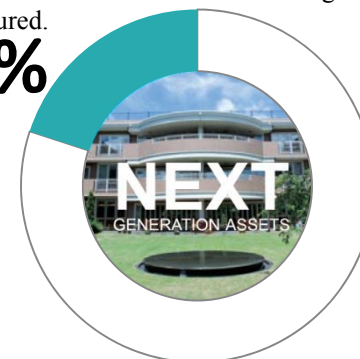
Office properties

Retail properties

NEXT GENERATION ASSETS

Initiatives designed to achieve high levels at amenity and security in the society of the future are expected to expand infrastructural demand. Drawing on the expertise built up by Hulic in tenant management and other relevant areas, we allocate about 20% of our investment portfolio to next generation assets, where we believe risk can be managed appropriately and attractive revenues secured.

About 20%



Private nursing homes

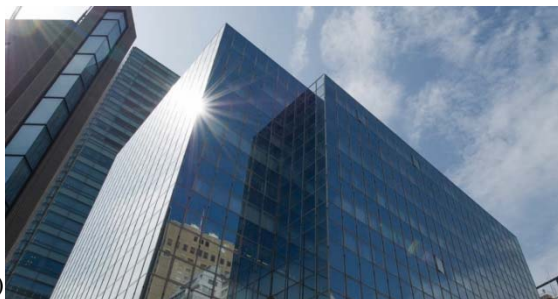
Network centers

1 Investment Policy

- Hulic Reit focuses on Tokyo Commercial Properties for which its sponsor Hulic offers extensive expertise and experience. 80% of its portfolio consists of this asset class.



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



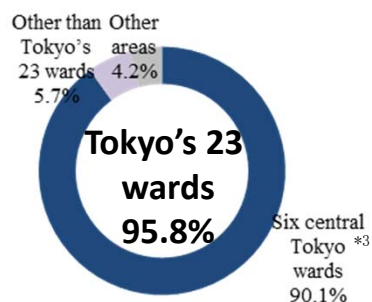
- Tokyo and suburbs
- Less than 5-minute walk from nearest station or located in area with high retail concentration



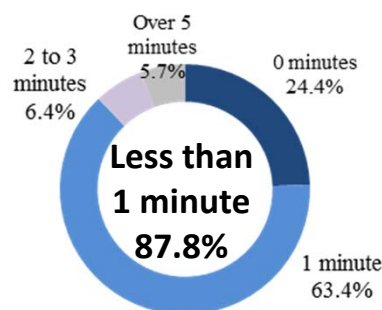
2 Rigorous Focus on Location: Superior Nature of Great Location

(1) Portfolio ^{*1}

By Area ^{*2}

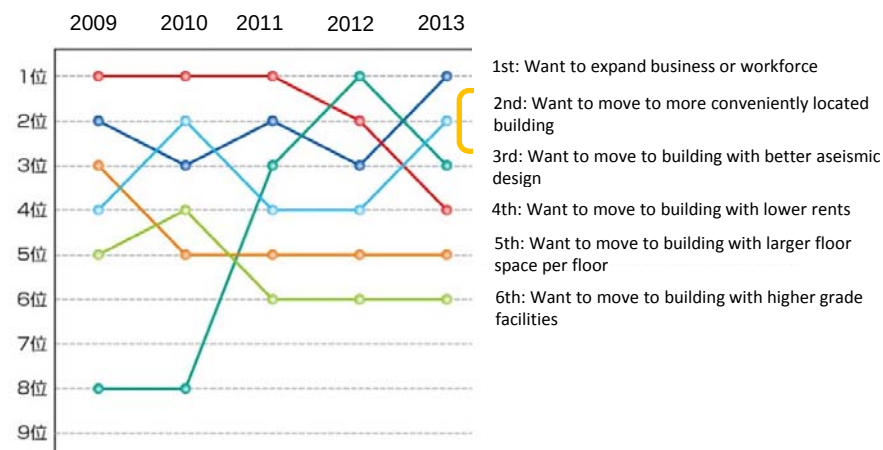


Walking Distance from Nearest Train Station ^{*2}



(2) Tenant Leasing Needs

- Office tenants tend to prefer buildings that are conveniently located.



Source: Mori Building "2013 Survey on Office Needs in Tokyo's 23 Wards"

*1. Portfolio as of the end of the Second Fiscal Period.

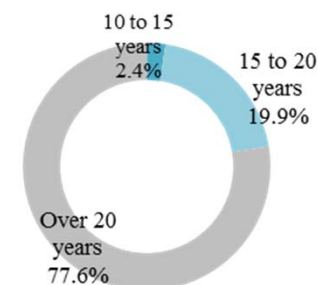
*2: Based on acquisition price

*3. Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shibuya Ward and Shinagawa Ward.

1 Investment Policy

- (1) Invest in assets for which strong future demand is expected given increasing needs in society
- (2) Only facilities with a single tenant on long-term lease agreement
- (3) Carefully evaluate operational capabilities of tenant, in addition to due diligence on the tenant's business and finances
- (4) Current asset classes are private nursing homes and network centers

By Term of Lease ^{*1}

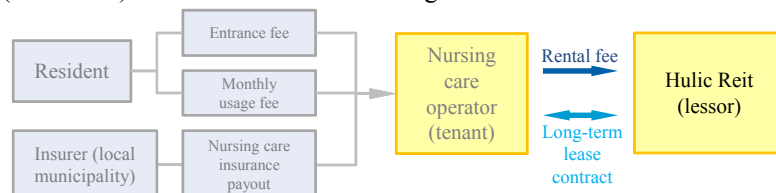


2 Private Nursing Homes



- (1) Private nursing homes with lease usage rights that provide services to seniors in need of nursing care
- (2) Initial lease term of at least 20 years per the guidelines of the MHLW
- (3) Acquired assets with high entrance fee and monthly usage fees at the time of the IPO in order to avoid risk of changes in nursing care insurance payout

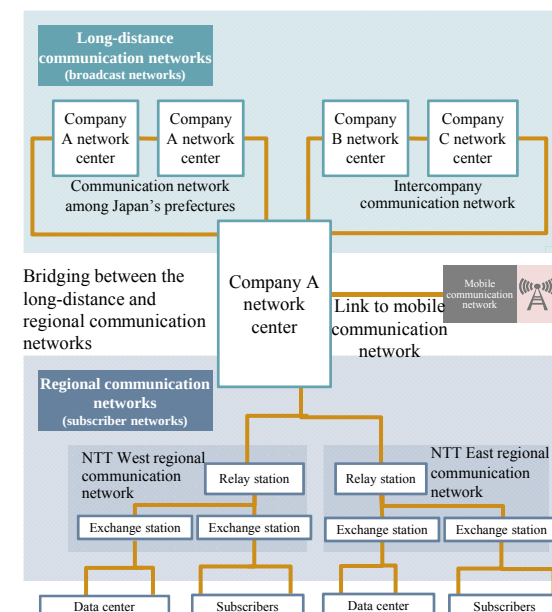
(Reference) Structure of Private Nursing Home Cash Flow



3 Network Centers



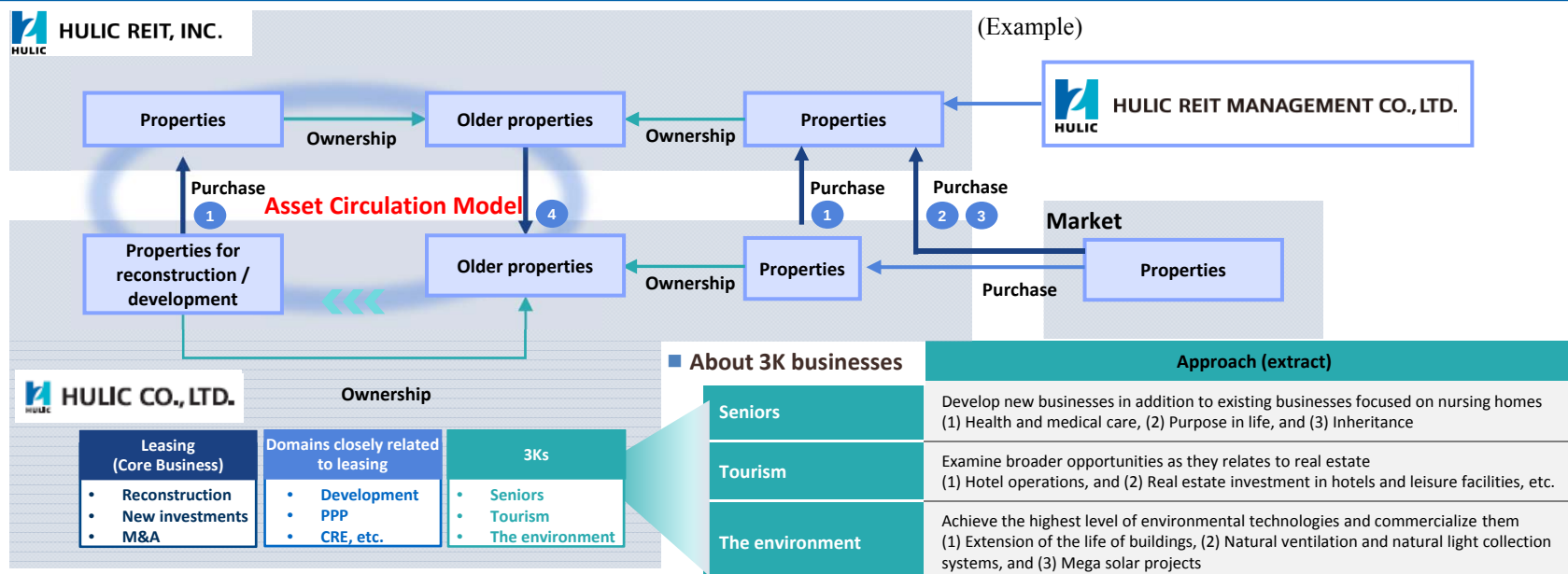
- (1) Relay station connected to telecom network of tenant
- (2) Connects network center of telecom provider
- (3) Leased by the SoftBank Group



*1. Based on leased space as of the end of the Second Fiscal Period.

*2. Ministry of Health, Labour and Welfare "Guidelines on the Establishment and Operation of Private nursing Homes"

1 Main Support Received from Sponsor (Asset Circulation Model)



(1) Re-development Support (Example ④)

- The Asset Manager requests review/proposals for re-development plan of Sponsor before requesting to third parties. If the Sponsor accepts the redevelopment project, the Asset Manager has preferential negotiation rights for the redeveloped property.

(2) Provision of warehousing function (Example ③)

- 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.

(3) Preferential negotiation rights (Example ①)

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

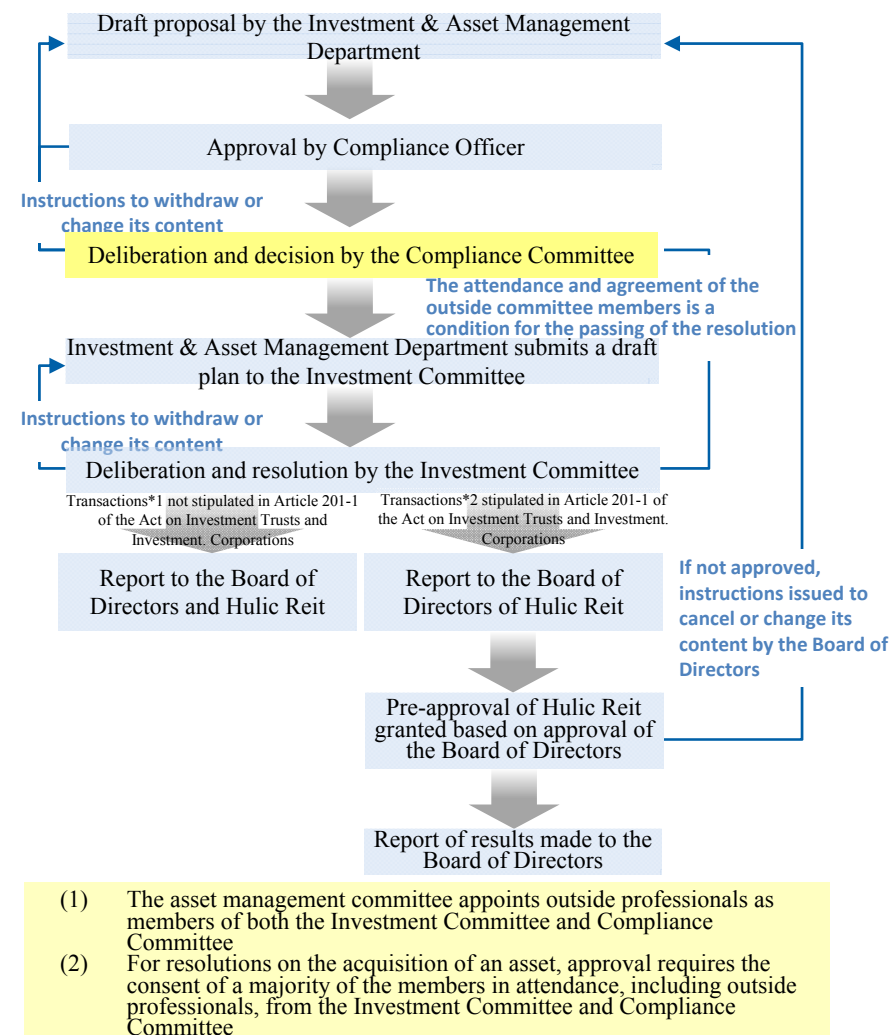
(4) Provision of sales information on properties owned by third parties (Example ②)

- The Sponsor can provide information immediately to the Asset Manager as long as prior approval is obtained from the owner and other stakeholders.

1 Align Investors' Interests with Those of Hulic Group

Same boat investment	(1) Hulic holds approximately 12.0% of Hulic Reit's issued units (2) Under its sponsor support agreement, Hulic made the following representations to Hulic Management Co., Ltd. in respect of investment units issued by Hulic Reit. •Hulic will consider in good faith acquiring part of any new investment units issued by Hulic Reit •Continual holding of Hulic Reit's investment units
Co-ownership of certain properties with sponsor	(1) It is Hulic Reit's policy to consider co-ownership with Hulic where necessary in view of the size and individual characteristics of the property. <Examples> - Ochanomizu Sola City (quasi-co-ownership interest of approx. 13.0%) - Hulic Kamiyacho Building (quasi-co-ownership interest of approx. 39.9%)
Management fee system of Asset Manager	(1) Management fee I: The total value of assets at end of the immediately previous fiscal period $\times$ 0.50% (maximum %) (2) Management fee II: Cash distribution per investment unit (DPU) prior to deduction of management fee II $\times$ operating income before deduction of management fee II $\times$ 0.004% (maximum %) (3) Acquisition fee: Acquisition price $\times$ 1.0% (maximum %) (4) Transfer fee: Transfer price $\times$ 1.0% (maximum %)
Remuneration system for employees and officers of the Asset Manager	(1) In its remuneration system for employees and officers, Hulic Management Co., Ltd. has introduced a system of incentive bonuses partially linked to DPU.

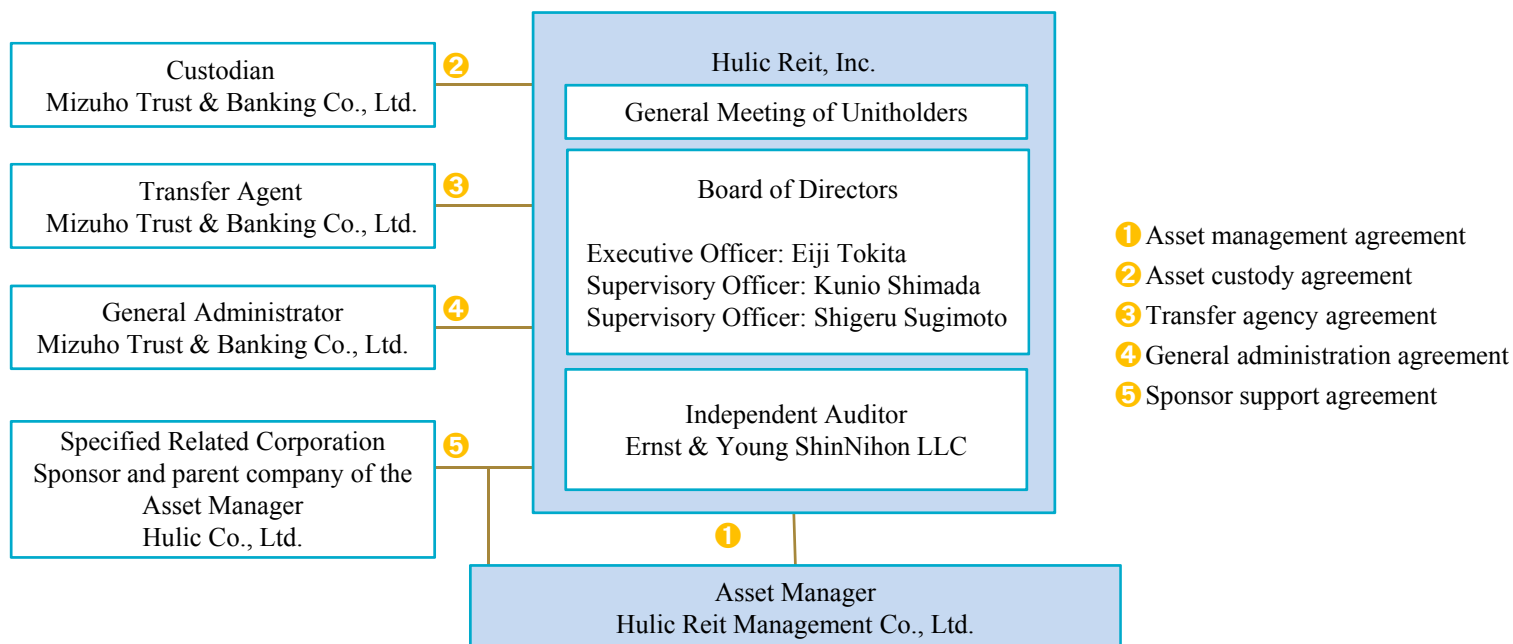
2 Decision Making Procedures of Asset Manager for Related-Party Transactions



*1. Includes minor transactions.

*2. Includes minor transactions.

1 Structure



2 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: Governor of Tokyo (1) Registration No. 95294 Trading Agency Etc. License: Minister of Land, Infrastructure and Transport License No. 76 Financial Instruments Business Registration Director of the Kanto Local Finance Bureau, No. 2734

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