

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

April 12, 2019

Financial Report for the Fiscal Period Ended February 28, 2019 (For the Reporting Period from September 1, 2018 to February 28, 2019)

Hulic Reit, Inc. (“Investment Corporation”)

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

Asset management company: Hulic Reit Management Co., Ltd.
Representative: Eiji Tokita, Representative Director, President and CEO
Contact: Kazuaki Chokki, Executive Managing Director, CFO, General Manager of Planning and Administration Division
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Scheduled date to file securities report: May 24, 2019
Scheduled date to commence payment of distributions: May 15, 2019
Preparation of supplementary material on financial report: Yes
Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

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

1. Summary of financial results for the fiscal period ended February 28, 2019 (September 1, 2018 - February 28, 2019)

(1) Operating results

(Percentages show changes from the previous fiscal period)

	Operating revenues		Operating profit		Ordinary profit		Profit	
Fiscal period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2019	8,944	10.4	4,995	9.2	4,399	8.8	4,398	8.8
August 31, 2018	8,101	(1.0)	4,576	(3.3)	4,044	(4.1)	4,043	(4.1)

	Basic earnings per unit	Return on equity	Ordinary profit on total assets	Ordinary profit on operating revenues
Fiscal period ended	Yen	%	%	%
February 28, 2019	3,654	2.8	1.5	49.2
August 31, 2018	3,643	2.8	1.4	49.9

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units outstanding during the period (fiscal period ended February 28, 2019: 1,203,546 units; fiscal period ended August 31, 2018: 1,110,000 units).

(2) Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
February 28, 2019	3,516	4,398	0	0	99.9	2.7
August 31, 2018	3,643	4,043	0	0	99.9	2.8

(Note) The payout ratio is calculated with the following formula and rounded down to nearest one decimal place.

Payout ratio = Total distributions (excluding distributions in excess of earnings) / Profit × 100

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2019	322,661	167,202	51.8	133,655
August 31, 2018	283,817	145,761	51.4	131,316

(4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2019	6,657	(36,272)	33,093	15,305
August 31, 2018	8,902	(18,522)	3,291	11,827

2. Forecasts of performance for the fiscal period ending August 31, 2019 (March 1, 2019 - August 31, 2019) and the fiscal period ending February 29, 2020 (September 1, 2019 - February 29, 2020)

(Percentages show changes from the previous fiscal period)

	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Fiscal period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
August 31, 2019	9,019	0.8	4,874	(2.4)	4,267	(3.0)	4,266	(3.0)	3,410	0
February 29, 2020	8,969	(0.5)	4,862	(0.3)	4,267	0.0	4,266	0.0	3,410	0

(Reference) Forecasted basic earnings per unit (Forecasted profit / Forecasted number of investment units at end of period)

For the fiscal period ending August 31, 2019: ¥3,410

For the fiscal period ending February 29, 2020: ¥3,410

*** Other**

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

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

(2) Total number of investment units issued

- | | | |
|----|--|-----------------|
| a. | Total number of investment units issued at end of period (including treasury investment units) | |
| | As of February 28, 2019 | 1,251,000 units |
| | As of August 31, 2018 | 1,110,000 units |
| b. | Number of treasury investment units at end of period | |
| | As of February 28, 2019 | 0 units |
| | As of August 31, 2018 | 0 units |

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

*** Status of audit procedures**

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

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

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to the Investment Corporation and on certain assumptions the Investment Corporation deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The above-mentioned forecasts are based on “Assumptions for forecasts of performance for the fiscal period ending August 31, 2019 (from March 1, 2019 to August 31, 2019) and the fiscal period ending February 29, 2020 (from September 1, 2019 to February 29, 2020)” on pages 10 through 11 for calculation, and our judgment as of this date. Actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may vary according to changes in market conditions. These forecasts do not guarantee the distribution amount.

1. The Investment Corporation and Related Corporations

As there have been no significant changes from the “Management Structure of the Investment Corporation” described in the latest Securities Report (prepared in Japanese only) submitted on November 22, 2018, the disclosure is omitted.

2. Investment Policies and Status of Asset Management

(1) Investment Policies

As there have been no significant changes from policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the latest Securities Report (prepared in Japanese only) submitted on November 22, 2018, apart from the following changes made by Hulic Reit Management Co., Ltd. (hereinafter, the “Asset Manager”) to the Operational Guidelines, its internal rules, and to the Sponsor Support Agreement entered into with the Investment Corporation’s sponsor, Hulic Co., Ltd. (hereinafter, the “Sponsor”) on April 12, 2019, all other disclosures apart from that of these changes are omitted.

The main changes made by the Asset Manager to the Operational Guidelines and the Sponsor Support Agreement are as shown below. (Underlined parts denote those changed.)

<Operational Guidelines>

• Tokyo Commercial Properties (Note 1)

Item	Before changes	After changes
Investment ratio	• <u>Approximately 80 to 90%</u>	• <u>Approximately 80% (Note 2)</u>
Major investment areas	• Office properties: <u>In Tokyo’s 23 wards</u> • Retail properties: In Tokyo and major cities in the surrounding areas	• Office properties: <u>In Tokyo and government-ordinance-designated cities in the surrounding areas</u> • Retail properties: In Tokyo and major cities in the surrounding areas

• Next-Generation Assets

Item	Before changes	After changes
Name	• <u>Next-Generation Assets</u>	• <u>Next-Generation Assets Plus (Note 3)</u>
Investment ratio	• <u>Approximately 10 to 20%</u>	• <u>Approximately 20% (Note 2)</u>
Investment properties	• Private nursing homes (<u>high-end</u>) • Network centers • Hotels	• Private nursing homes (<u>mid-range and higher</u>) • Network centers • Hotels • <u>Others</u> <u>Office properties and retail properties that do not fall under the category of Tokyo Commercial Properties</u>
Investment overview	• <u>Lease properties for which Hulic Reit deems that its social need will rise in the future, and that firm demand can be anticipated even in the future</u> • <u>In principle, Hulic Reit stringently selects investment targets after performing due diligence on the businesses and finances of tenants who have entered into long-term lease contracts</u>	• <u>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</u> • <u>In principle, Hulic Reit stringently selects investment targets after carefully examining the individual properties’ profitability, characteristics of the location and competitiveness of the location</u>

• Others

Item	Before changes	After changes
Treasury investment units to be purchased and canceled	(Newly established)	• <u>Treasury investment units may be purchased and canceled with the aim of improving capital efficiency and returns to unitholders, from the perspective of raising unitholder value over the medium to long term</u> • <u>Decisions to purchase treasury investment units shall be taken after comprehensive consideration of such factors as the transaction price of investment units, various funding needs and economic and market conditions</u>

(Note 1) For the details of “Tokyo Commercial Properties,” please refer to “(2) Status of Asset Management / Outlook for the fiscal period ending August 31, 2019 / i) Outlook for overall operations” described below.

(Note 2) In cases such as those in which Hulic Reit acquires specific individual assets, the investment ratios may differ from these ratios by as much as 10 percentage points.

(Note 3) For the details of “Next-Generation Assets Plus,” please refer to “(2) Status of Asset Management / Outlook for the fiscal period ending August 31, 2019 / i) Outlook for overall operations” described below.

<Sponsor support agreements>

The Sponsor, Hulic Reit and Hulic Reit Management have entered into an agreement accompanying the above-mentioned partial changes to the Operational Guidelines with the aim of bringing about adjustments to competition in the acquisition opportunities for Hulic Reit and Hulic Private Reit, Inc. (hereinafter the “Private Reit”), to which the Sponsor provides sponsor support similarly received by Hulic Reit. Under this agreement, it is agreed that with respect to properties falling under the expanded scope of investment as defined by Hulic Reit’s investment targets effective upon the above-mentioned changes to the Operational Guidelines (note), the Preferential Negotiation Rights established in the Sponsor Support Agreement shall be as follows: first preference shall be given to the Private Reit and second preference shall be given to Hulic Reit.

Note: “Office properties” located in areas other than Tokyo’s 23 wards that are counted as Tokyo Commercial Properties, “private nursing homes” that fall under the Next-Generation Assets Plus category and are other than private nursing homes with anticipated monthly fees in the high end, and offices and retail properties that do not fall under the category of Tokyo Commercial Properties shall be included in this expanded target.

(2) Status of Asset Management

Summary of results for the reporting period

i) Transition of the Investment Corporation

The Investment Corporation was established on November 7, 2013, with the Asset Manager, which is entrusted with the management of the assets of the Investment Corporation, as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the “Investment Trust Act”). On November 25, 2013, the Investment Corporation was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 88). The Investment Corporation issued new investment units through a public offering with the payment date on February 6, 2014, which were listed on the Real Estate Investment Trust Securities (J-REIT) Market of Tokyo Stock Exchange, Inc. (Securities code: 3295) on February 7, 2014. New investment units were issued through a third-party allotment on March 7, 2014. The Investment Corporation recently carried out capital increases through its fifth public offering after its listing on October 31, 2018 and a third-party allotment on November 19, 2018. As a result, the number of investment units issued at the end of the reporting period was 1,251,000.

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

ii) Performance for the reporting period

During the reporting period, the Investment Corporation acquired six properties, Shinagawa Season Terrace in September 2018, KSS Gotanda Building and HULIC Kamiyacho Building (Additional acquisition) in October 2018, HULIC Nihonbashi Honcho 1 Chome Building and Bancho House in November 2018, and Ebisu Minami Building in December 2018 (total acquisition price: ¥37,200 million), and transferred the remaining quasi co-ownership interest of Leaf Minatomirai (Land) in September 2018. As a result, the number of properties held by the Investment Corporation at the end of the reporting period was 50, and the total acquisition price was ¥306,929 million (rounded to the nearest ¥1 million). The occupancy rate of the entire portfolio has remained at a high level to end the reporting period at 100.0% (rounded to the nearest tenth).

Based on the belief that consideration for the environment, society and governance leads to the maximization of medium- to long-term unitholder value, the Asset Manager formulated the “Sustainability Policy” in March 2016 and has implemented initiatives related to environmental consideration, improvement in tenants’ satisfaction and contribution to local communities.

The Investment Corporation has participated in the Real Estate Assessment of Global Real Estate Sustainability Benchmark (GRESB) (Note 1) from the fiscal period ended February 28, 2017. In the GRESB Real Estate Assessment conducted in 2018, the Investment Corporation was awarded a “Green Star” for the second consecutive year for its initiatives in environmental awareness and sustainability, having received strong recognition in both the areas of “Management & Policy” and “Implementation & Measurement.” At the same time, the Investment Corporation also received “4 Stars,” the 2nd-highest GRESB Rating for the second year in a row. In addition, the Investment Corporation has been working on acquisition of external certification relating to energy conservation and environmental performance of its owned properties, and as of the date of this report, it has acquired external certification for a total of 12 properties, as follows. Concerning DBJ Green Building Certification (Note 2), the Investment Corporation has acquired certification for 6 properties, with Ochanomizu Sola City and Shinagawa Season Terrace obtaining the highest ranking. As for BELS rating (Note 3), which is a public rating system that assesses the energy-conservation performance of non-residential buildings, the Investment Corporation acquired certification for 4 properties, with HULIC & New SHIBUYA obtaining the highest ranking. Finally, concerning the building evaluation certification CASBEE (Note 4), HULIC Kamiyacho Building and Gate City Ohsaki received the highest rating.

(Note 1) The “Global Real Estate Sustainability Benchmark (GRESB)” is an annual benchmark assessment used to evaluate ESG considerations in the global real estate sector. It was established in 2009 primarily by major European pension fund groups, which led the Principles for Responsible Investment.

(Note 2) 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.

(Note 3) 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).”

(Note 4) “CASBEE” (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating the environmental performance of buildings. CASBEE is a system that comprehensively evaluates the quality of buildings by giving consideration not only to the environment in regard to the use of materials that have good energy conservation and small environmental loads, but also to the comfort inside the buildings and to the landscapes.

iii) Status of financing

During the reporting period, the Investment Corporation procured ¥30,470 million in total on September 10, 2018, October 1, 2018, October 16, 2018, and December 27, 2018 as short-term loans payable to fund the acquisition of assets, etc. Also, the Investment Corporation used part of ¥20,068 million procured by a capital increase through public offering carried out on October 31, 2018 to fund the acquisition of assets, etc., and using the left-over balance, together with ¥1,016 million procured

by a capital increase through third-party allotment carried out on November 19, 2018 and cash reserves, the Investment Corporation repaid ¥14,360 million as a partial early repayment of short-term loans payable. Furthermore, On February 7, 2019, the Investment Corporation repaid ¥16,660 million as a full early repayment of short-term loans payable that was procured to fund the acquisition of assets, etc. and repaid ¥8,550 million in long-term loans payable that was due for repayment by refinancing ¥25,210 million as long-term loans payable.

As a result, at the end of the reporting period, interest-bearing debt totaled ¥139,510 million (comprising ¥3,960 million in short-term loans payable, ¥10,320 million in current portion of long-term loans payable, ¥113,230 million in long-term loans payable, ¥2,000 million in current portion of investment corporation bonds and ¥10,000 million in investment corporation bonds), resulting in a loan-to-value (LTV) ratio of 43.2%.

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

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

iv) Overview of financial results and distributions

As a result of the above asset management, operating revenues for the reporting period were ¥8,944 million (up 10.4% compared with the previous fiscal period), operating profit was ¥4,995 million (up 9.2% compared with the previous fiscal period), ordinary profit after deducting interest expenses for borrowings, etc. was ¥4,399 million (up 8.8% compared with the previous fiscal period), and profit was ¥4,398 million (up 8.8% compared with the previous fiscal period).

Furthermore, in accordance with the distribution policy set forth in the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to pay distributions for the reporting period in an amount roughly equal to unappropriated retained earnings, with the aim of including distributions of profits in tax deductible expenses pursuant to special measures for the taxation system for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Consequently, distributions per unit came to ¥3,516.

v) Comparison with previous forecasts (Operating results (earnings) forecasts announced on October 12, 2018)

Compared to our previous forecasts, Ebisu Minami Building, which was acquired in December 2018, contributed to revenues, thus resulting in higher revenues and income.

	Previous forecasts (A) (Note)	Actual results (B)	Difference (amount) (B-A)	Difference (%)
Operating revenues	¥8,840 million	¥8,944 million	¥103 million	1.2%
Operating profit	¥4,926 million	¥4,995 million	¥69 million	1.4%
Ordinary profit	¥4,317 million	¥4,399 million	¥82 million	1.9%
Profit	¥4,316 million	¥4,398 million	¥82 million	1.9%
Distributions per unit	¥3,450	¥3,516	¥66	1.9%
Of the above, distributions in excess of earnings	¥0	¥0	—	—

(Note) The previous forecasts are those set forth in "Financial Report for the Fiscal Period Ended August 31, 2018" dated October 12, 2018.

Outlook for the fiscal period ending August 31, 2019

i) Outlook for overall operations

In terms of the outlook for the rental office market, demands for increased floor space in corporate offices are expected to continue to be steady. In the real estate selling market, the transaction prices for property are projected to continue at high levels amid the continuing favorable fund procurement conditions, etc.

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

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

(Note 1) "Tokyo Commercial Properties" are office properties and retail properties under a concept specific to the Investment Corporation that comprehensively includes properties consistent with the basic philosophy of the Investment Corporation. Specifically, office properties are those in Tokyo and government-ordinance-designated cities in the surrounding areas that are in principle located within a five-minute walking distance from the nearest train station, in areas where the office properties are sufficiently competitive. Retail properties are those located in Tokyo and major cities in the surrounding areas that are in principle located within a five-minute walking distance from the nearest train station or in areas with a high concentration of retail activities. Such retail properties are also highly visible in public and have the potential to generate demand from prospective tenants that offer products and services suitable for the characteristics of their respective retail areas.

(Note 2) "Next-Generation Assets Plus" are properties specified for investment by the Investment Corporation based on its basic philosophy. Specifically, they are lease properties for which the Investment Corporation 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, and in principle, the Investment Corporation stringently selects investment targets after carefully examining the individual properties' profitability, characteristics of the location and competitiveness of the location. The Investment Corporation classifies private nursing homes, network centers and hotels, as well as office properties and retail properties that do not fall under the category of Tokyo Commercial Properties, as Next-Generation Assets Plus.

ii) Significant events after the reporting period

Not applicable.

iii) Operating results (earnings) forecasts

The Investment Corporation's forecasts for the fiscal period ending August 31, 2019 (from March 1, 2019 to August 31, 2019) and the fiscal period ending February 29, 2020 (from September 1, 2019 to February 29, 2020) are as follows:

	Fiscal period ending August 31, 2019	Fiscal period ending February 29, 2020
Operating revenues	¥9,019 million	¥8,969 million
Operating profit	¥4,874 million	¥4,862 million
Ordinary profit	¥4,267 million	¥4,267 million
Profit	¥4,266 million	¥4,266 million
Distributions per unit	¥3,410	¥3,410
Of the above, distributions in excess of earnings	¥0	¥0

Information on current assumptions for the forecasts of operating results is as shown in "Assumptions for forecasts of performance for the fiscal period ending August 31, 2019 (from March 1, 2019 to

August 31, 2019) and the fiscal period ending February 29, 2020 (from September 1, 2019 to February 29, 2020)” on pages 10 through 11.

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

**Assumptions for forecasts of performance for
the fiscal period ending August 31, 2019 (from March 1, 2019 to August 31, 2019) and
the fiscal period ending February 29, 2020 (from September 1, 2019 to February 29, 2020)**

Item	Assumptions
Accounting period	- Fiscal period ending August 31, 2019 184 days from March 1, 2019 to August 31, 2019 - Fiscal period ending February 29, 2020: 182 days from September 1, 2019 to February 29, 2020
Portfolio	- We have based our assumptions on 50 properties we held as of the end of the fiscal period ended February 28, 2019 (the tenth fiscal period) (hereinafter referred to as the “Assets Held” in this table of assumptions). - In our forecasts of performance, we have assumed that there will be no changes in the composition of our portfolio (no acquisitions of new properties, no transfers of Assets Held, etc.) until February 29, 2020 (the end of the 12th fiscal period). - There may be changes in the portfolio, however, caused by buying or selling of properties.
Operating revenues	- Real estate lease business revenues from Assets Held have been calculated in consideration of trends of the lease market and other factors on the basis of lease agreements effective as of the date of this report. - Operating revenues assume no delinquencies or non-payment of rent by tenants.
Operating expenses	- Of the expenses related to rent business, the principal component of operating expenses, expenses other than depreciation and amortization expenses for the Assets Held (excluding assets acquired in the fiscal period ended February 28, 2019 (the tenth fiscal period)) have been calculated in such a way as to reflect variable factors in the expenses on the basis of past performance figures. In addition, such expenses for the assets acquired in the fiscal period ended February 28, 2019 (the tenth fiscal period) have been calculated in such a way as to reflect variable factors in the expenses based on information received from the transferors of each asset and others, and also based on past performance figures. - We have calculated depreciation and amortization expenses using the straight-line method, including ancillary expenses, and assumed that we will incur depreciation and amortization expenses of ¥961 million for the fiscal period ending August 31, 2019 (the 11th fiscal period) and ¥967 million for the fiscal period ending February 29, 2020 (the 12th fiscal period). - In general, fixed asset tax, city planning tax, etc. for the assets we acquire or transfer are settled at the time of acquisition or transfer between the transferor and the transferee based on their respective periods of ownership in relation to the relevant tax year. With respect to the acquired assets, any of these taxes allocated to the transferee are not recognized in expenses at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes in the Investment Corporation. Fixed asset tax, city planning tax, etc. are assumed at ¥726 million for the fiscal period ending August 31, 2019 (the 11th fiscal period) and ¥726 million for the fiscal period ending February 29, 2020 (the 12th fiscal period). - Repair expenses for buildings are recognized for each fiscal period in amounts assumed as necessary based on the repair plan formulated by the Asset Manager for each property. However, actual repair expenses for each fiscal period may differ substantially from our forecasts, mainly for the following reasons: (i) we may incur expenses for urgent repairs to properties for reasons including damage to buildings resulting from factors that are difficult to foresee, (ii) generally, there is a substantial difference in such expenses incurred from one fiscal period to another, and (iii) such expenses are not incurred on a regular basis.

Item	Assumptions
Non-operating expenses	- We expect to record interest expenses and other borrowing-related expenses of ¥578 million in the fiscal period ending August 31, 2019 (the 11th fiscal period) and ¥573 million in the fiscal period ending February 29, 2020 (the 12th fiscal period). - We expect to record amortization of investment corporation bond issuance costs (amortized by the straight-line method over period until redemption) and amortization of investment unit issuance costs (amortized by the straight-line method over a three-year period) relating to issuance of investment corporation bonds and new investment units, etc. of ¥28 million in the fiscal period ending August 31, 2019 (the 11th fiscal period) and ¥22 million in the fiscal period ending February 29, 2020 (the 12th fiscal period).
Interest-bearing debt	- The balance of interest-bearing debt of the Investment Corporation as of the date of this report is ¥139,510 million (comprising ¥3,960 million in short-term loans payable, ¥10,320 million in current portion of long-term loans payable, ¥113,230 million in long-term loans payable, ¥2,000 million in current portion of investment corporation bonds and ¥10,000 million in investment corporation bonds). - For ¥3,960 million in short-term loans payable for which repayment is due by August 31, 2019 (the end of the 11th fiscal period) and ¥4,580 million in current portion of long-term loans payable, we assume the refinancing of the entire amounts at the time of the due date. - For ¥2,000 million in current portion of investment corporation bonds and ¥5,740 million in current portion of long-term loans payable, for which repayment is due by February 29, 2020 (the end of the 12th fiscal period), we assume the refinancing of the entire amounts at the time of the due date. - As a result of the above, we assume that the balance of interest-bearing debt as of each of August 31, 2019 (at the end of the 11th fiscal period), and February 29, 2020 (at the end of the 12th fiscal period), will be ¥139,510 million. - We have assumed LTV ratio (assumed) of approximately 43.2% as of August 31, 2019 (at the end of the 11th fiscal period) and February 29, 2020 (at the end of the 12th fiscal period). - The above LTV ratio (assumed) was obtained by the following formula: $\text{LTV (assumed)} = \frac{\text{Interest-bearing debt at end of period (assumed amount)}}{\text{Total assets at end of period (projected amount)}} \times 100$ Total assets at end of period (assumed): Total assets as stated on the balance sheet dated February 28, 2019 (at the end of the tenth fiscal period) (¥322,661 million)
Issuance of investment units	We have assumed 1,251,000 total investment units have been issued as of the date of this report, and that there will be no issuance of additional investment units until the end of the fiscal period ending February 29, 2020 (the 12th fiscal period).
Distributions per unit (excluding distributions in excess of earnings)	- We have calculated distributions per unit (excluding distributions in excess of earnings) in accordance with the cash distribution policy prescribed in the Investment Corporation's Articles of Incorporation. - Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in the asset portfolio, fluctuations in rent revenues associated with changes in tenants, or unforeseen occurrences of repairs.
Distributions in excess of earnings per unit	We currently have no plans to pay cash distributions in excess of earnings (regarding distributions in excess of earnings per unit).
Others	- We have assumed that no revisions that impact these forecasts will be made to law and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others. - We have assumed that no significant unforeseeable changes will occur in general economic trends or conditions in the real estate market.

3. Unaudited Financial Information

(1) Balance Sheets (unaudited)

	(Unit: thousands of yen)	
	Previous fiscal period (As of August 31, 2018)	Reporting period (As of February 28, 2019)
Assets		
Current assets		
Cash and deposits	5,514,254	8,150,550
Cash and deposits in trust	6,313,366	7,155,321
Operating accounts receivable	30,498	122,052
Prepaid expenses	28,891	46,012
Consumption taxes receivable	—	87,107
Other	3,769	20
Total current assets	11,890,780	15,561,065
Noncurrent assets		
Property, plant and equipment		
Buildings	—	665,351
Accumulated depreciation	—	(6,652)
Buildings, net	—	658,699
Land	—	589,293
Buildings in trust	56,489,791	60,329,107
Accumulated depreciation	(5,148,991)	(6,059,337)
Buildings in trust, net	51,340,799	54,269,770
Structures in trust	345,197	363,078
Accumulated depreciation	(92,946)	(106,171)
Structures in trust, net	252,250	256,906
Machinery and equipment in trust	281,614	283,547
Accumulated depreciation	(106,886)	(124,207)
Machinery and equipment in trust, net	174,727	159,339
Tools, furniture and fixtures in trust	38,487	43,848
Accumulated depreciation	(11,144)	(14,376)
Tools, furniture and fixtures in trust, net	27,342	29,472
Land in trust	210,875,873	235,498,952
Total property, plant and equipment	262,670,994	291,462,433
Intangible assets		
Leasehold right	—	2,343,025
Leasehold rights in trust	8,471,289	12,301,503
Other	1,058	140
Total intangible assets	8,472,348	14,644,670
Investments and other assets		
Lease and guarantee deposits	20,302	20,302
Long-term prepaid expenses	637,640	826,515
Deferred tax assets	13	21
Total investments and other assets	657,956	846,840
Total noncurrent assets	271,801,298	306,953,944
Deferred assets		
Investment unit issuance costs	51,485	78,249
Investment corporation bond issuance costs	73,836	67,861
Total deferred assets	125,321	146,111
Total assets	283,817,401	322,661,121

(Unit: thousands of yen)

	Previous fiscal period (As of August 31, 2018)	Reporting period (As of February 28, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	513,420	323,856
Short-term loans payable	4,510,000	3,960,000
Current portion of investment corporation bonds	–	2,000,000
Current portion of long-term loans payable	13,130,000	10,320,000
Accounts payable - other	958,047	981,893
Accrued expenses	45,422	31,783
Income taxes payable	882	1,038
Accrued consumption taxes	115,115	32,588
Advances received	1,362,839	1,489,731
Deposits received	26,596	2,554
Total current liabilities	20,662,322	19,143,447
Noncurrent liabilities		
Investment corporation bonds	12,000,000	10,000,000
Long-term loans payable	93,760,000	113,230,000
Tenant leasehold and security deposits	–	140,823
Tenant leasehold and security deposits in trust	11,633,323	12,944,264
Total noncurrent liabilities	117,393,323	136,315,088
Total liabilities	138,055,645	155,458,535
Net assets		
Unitholders' equity		
Unitholders' capital	141,717,678	162,803,382
Surplus		
Unappropriated retained earnings	4,044,077	4,399,204
Total surplus	4,044,077	4,399,204
Total unitholders' equity	145,761,755	167,202,586
Total net assets	*2 145,761,755	*2 167,202,586
Total liabilities and net assets	283,817,401	322,661,121

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

(Unit: thousands of yen)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
Operating revenues		
Lease business revenue	*1, *3 7,357,004	*1, *3 8,310,374
Other lease business revenues	*1 355,529	*1 439,729
Gain on sales of real estate properties	*2, *3 389,340	*2, *3 194,302
Total operating revenues	8,101,873	8,944,406
Operating expenses		
Expenses related to rent business	*1 2,519,504	*1 2,924,653
Asset management fee	812,586	836,463
Asset custody fee	13,260	13,470
Administrative service fees	42,467	42,715
Directors' compensations	6,000	6,000
Other operating expenses	131,359	125,202
Total operating expenses	3,525,179	3,948,504
Operating profit	4,576,694	4,995,901
Non-operating income		
Interest income	47	59
Gain on forfeiture of unclaimed dividends	594	294
Compensation income for damages	—	12,181
Total non-operating income	642	12,535
Non-operating expenses		
Interest expenses	395,093	409,237
Interest expenses on investment corporation bonds	12,521	39,275
Borrowing related expenses	97,685	122,386
Amortization of investment unit issuance costs	23,550	31,666
Amortization of investment corporation bond issuance costs	3,838	5,974
Total non-operating expenses	532,688	608,540
Ordinary profit	4,044,648	4,399,896
Profit before income taxes	4,044,648	4,399,896
Income taxes - current	889	1,047
Income taxes - deferred	6	(7)
Total income taxes	895	1,039
Profit	4,043,752	4,398,857
Retained earnings brought forward	324	347
Unappropriated retained earnings	4,044,077	4,399,204

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

Previous fiscal period (From March 1, 2018 to August 31, 2018)

(Unit: thousands of yen)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of the period	141,717,678	4,214,994	4,214,994	145,932,672	145,932,672
Changes of items during the period					
Dividends of surplus	—	(4,214,670)	(4,214,670)	(4,214,670)	(4,214,670)
Profit	—	4,043,752	4,043,752	4,043,752	4,043,752
Total changes of items during the period	—	(170,917)	(170,917)	(170,917)	(170,917)
Balance at the end of the period	*1 141,717,678	4,044,077	4,044,077	145,761,755	145,761,755

Reporting period (From September 1, 2018 to February 28, 2019)

(Unit: thousands of yen)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of the period	141,717,678	4,044,077	4,044,077	145,761,755	145,761,755
Changes of items during the period					
Issuance of new investment units	21,085,704	—	—	21,085,704	21,085,704
Dividends of surplus	—	(4,043,730)	(4,043,730)	(4,043,730)	(4,043,730)
Profit	—	4,398,857	4,398,857	4,398,857	4,398,857
Total changes of items during the period	21,085,704	355,127	355,127	21,440,831	21,440,831
Balance at the end of the period	*1 162,803,382	4,399,204	4,399,204	167,202,586	167,202,586

(4) Statements of Cash Distributions (unaudited)

Item \ By period	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting Period (From September 1, 2018 to February 28, 2019)
I Unappropriated retained earnings	¥4,044,077,027	¥4,399,204,085
II Distribution amount (Distributions per unit)	¥4,043,730,000 (¥3,643)	¥4,398,516,000 (¥3,516)
III Retained earnings carried forward	¥347,027	¥688,085
Method of calculating distribution amount	Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥4,043,730,000, which is the largest integral multiple of the total number of investment units issued and outstanding (1,110,000 units), and not in excess of unappropriated retained earnings. In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.	Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥4,398,516,000, which is the largest integral multiple of the total number of investment units issued and outstanding (1,251,000 units), and not in excess of unappropriated retained earnings. In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.

(5) Statements of Cash Flows (unaudited)

(Unit: thousands of yen)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
Cash flows from operating activities		
Profit before income taxes	4,044,648	4,399,896
Depreciation and amortization	855,758	951,693
Amortization of investment unit issuance costs	23,550	31,666
Amortization of investment corporation bond issuance costs	3,838	5,974
Interest income	(47)	(59)
Interest expenses	407,614	448,512
Decrease (increase) in operating accounts receivable	(20,281)	(91,554)
Decrease (increase) in consumption taxes refund receivable	–	(87,107)
Decrease (increase) in prepaid expenses	(2,019)	(17,121)
Increase (decrease) in operating accounts payable	280,908	(145,213)
Increase (decrease) in accounts payable - other	(40,431)	23,837
Increase (decrease) in accrued consumption taxes	5,554	(82,527)
Increase (decrease) in advances received	115,526	126,892
Increase (decrease) in deposits received	26,596	(24,042)
Decrease (increase) in long-term prepaid expenses	81,489	(188,875)
Decrease in property, plant and equipment in trust due to sales	3,529,799	1,764,899
Other, net	(2,645)	1,719
Subtotal	9,309,859	7,118,592
Interest income received	47	59
Interest expenses paid	(406,133)	(460,425)
Income taxes (paid) refund	(1,009)	(882)
Net cash provided by (used in) operating activities	8,902,764	6,657,344
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(1,254,385)
Purchase of property, plant and equipment in trust	(19,142,774)	(30,297,080)
Purchase of intangible assets	–	(2,343,025)
Purchase of intangible assets in trust	–	(3,830,214)
Proceeds from collection of lease and guarantee deposits	37	–
Repayments of tenant leasehold and security deposits	–	(410)
Proceeds from tenant leasehold and security deposits	–	141,233
Repayments of tenant leasehold and security deposits in trust	(178,279)	(109,457)
Proceeds from tenant leasehold and security deposits in trust	798,433	1,420,399
Net cash provided by (used in) investing activities	(18,522,582)	(36,272,940)
Cash flows from financing activities		
Proceeds from short-term loans payable	11,510,000	30,470,000
Repayments of short-term loans payable	(10,960,000)	(31,020,000)
Proceeds from long-term loans payable	–	25,210,000
Repayments of long-term loans payable	–	(8,550,000)
Proceeds from issuance of investment corporation bonds	6,955,379	–
Proceeds from issuance of investment units	–	21,027,273
Dividends paid	(4,213,953)	(4,043,427)
Net cash provided by (used in) financing activities	3,291,425	33,093,846
Net increase (decrease) in cash and cash equivalents	(6,328,392)	3,478,250
Cash and cash equivalents at beginning of period	18,156,013	11,827,621
Cash and cash equivalents at end of period	*1 11,827,621	*1 15,305,871

(6) Notes on Going Concern Assumption (unaudited)

Not applicable.

(7) Notes on Significant Accounting Policies (unaudited)

1. Method of depreciation and amortization of noncurrent assets	(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The estimated useful lives of property, plant and equipment are listed below. <table border="0"> <tr> <td>Buildings</td><td>3 to 64 years</td></tr> <tr> <td>Structures</td><td>4 to 20 years</td></tr> <tr> <td>Machinery and equipment</td><td>3 to 10 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>3 to 15 years</td></tr> </table> (2) Intangible assets The straight-line method is used. Internal use software is amortized over the estimated useful life (5 years). (3) Long-term prepaid expenses The straight-line method is used.	Buildings	3 to 64 years	Structures	4 to 20 years	Machinery and equipment	3 to 10 years	Tools, furniture and fixtures	3 to 15 years
Buildings	3 to 64 years								
Structures	4 to 20 years								
Machinery and equipment	3 to 10 years								
Tools, furniture and fixtures	3 to 15 years								
2. Accounting method for deferred assets	(1) Investment corporation bond issuance costs Amortized by the straight-line method over period until redemption. (2) Investment unit issuance costs Amortized by the straight-line method over a three-year period.								
3. Recognition of revenue and expenses	Fixed asset tax and related taxes For fixed asset tax, city planning tax, depreciable asset tax, etc. for real properties held, the amount of tax levied corresponding to the relevant accounting period is recorded as expenses related to rent business. The amount equivalent to fixed asset tax and related taxes for the fiscal year that includes the date on which we paid settlement money to the transferor for acquisition of real estate, etc. is not recorded as expenses related to rent business but included in the acquisition costs for the related properties. The amount equivalent to fixed asset tax included in acquisition costs for properties was ¥75,917 thousand for the previous fiscal period, and ¥20,489 thousand for the reporting period.								
4. Method of hedge accounting	(1) Method of hedge accounting Deferred hedge accounting is used for interest rate swaps. For interest rate swaps that satisfy requirements for special treatments, however, special treatment is used. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings (3) Hedging policy The Investment Corporation conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of the Investment Corporation pursuant to the basic policy of risk management. (4) Method of assessing hedge effectiveness The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.								

5. Scope of cash and cash equivalents in the statements of cash flows	Cash and cash equivalents in the statements of cash flows are composed of cash on hand, cash in trust, demand deposits, deposits in trust, and short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within 3 months of the date of acquisition.
6. Other significant information for preparation of financial statements	(1) Accounting method for trust beneficiary rights in real estate With regard to trust beneficiary rights in real estate, all assets and liabilities within assets in trust as well as all revenue and expense items associated with assets in trust are accounted for under the respective account items of the balance sheet and statements of income and retained earnings. Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet: i) Cash and deposits in trust ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust iii) Leasehold rights in trust iv) Tenant leasehold and security deposits in trust (2) Accounting method for consumption taxes Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for acquisition of assets are included in acquisition cost for each asset.

New accounting standards not yet applied

- “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued by the Accounting Standards Board of Japan on March 30, 2018)
- “Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, issued by the Accounting Standards Board of Japan on March 30, 2018)

(1) Overview

The International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB) jointly developed comprehensive revenue recognition standards and issued “Revenue from Contracts with Customers” in May 2014 (IASB’s IFRS 15 and FASB’s Topic 606). Considering that IFRS 15 shall apply to fiscal years beginning on or after January 1, 2018, and Topic 606 shall apply to fiscal years beginning after December 15, 2017, the ASBJ developed a comprehensive accounting standard on revenue recognition and thus issued the accounting standard together with the implementation guidance.

The ASBJ established the accounting standard on revenue recognition by following the basic policies in developing it. The basic policies were: firstly, incorporating the core principle of IFRS 15 as the starting point from the perspective of facilitating comparability among financial statements, which is one of the benefits of ensuring consistency with IFRS 15; secondly, adding alternative treatments, but to the extent not impairing comparability, where consideration should be given to the practice having been used in Japan.

(2) Scheduled date of application

These ASBJ statement and guidance will be applied at the beginning of the fiscal period ending February 28, 2022.

(3) Effects of application of the accounting standard, etc.

The impact of the application of the Accounting Standard for Revenue Recognition and its guidance on the financial statements is currently under evaluation.

(8) Notes on Changes in Presentation Method

Changes Due to Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”

The Investment Corporation has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the reporting period. Accordingly, deferred tax assets are presented under “investments and other assets” and deferred tax liabilities, if any, are presented under “noncurrent liabilities.”

As a result, ¥13 thousand of “deferred tax assets” under “current assets” is included in ¥13 thousand of “deferred tax assets” under “investments and other assets” on the balance sheet of the previous fiscal period.

(9) Notes to Financial Information (unaudited)

Notes to Balance Sheets (unaudited)

1. Commitment line contracts

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

	Previous fiscal period (As of August 31, 2018)	Reporting period (As of February 28, 2019)
Total amount of commitment line contracts	¥10,000,000 thousand	¥10,000,000 thousand
Balance of borrowings outstanding	—	—
Difference	¥10,000,000 thousand	¥10,000,000 thousand

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

	Previous fiscal period (As of August 31, 2018)	Reporting period (As of February 28, 2019)
	¥50,000 thousand	¥50,000 thousand

Notes to Statements of Income and Retained Earnings (unaudited)

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

		(Unit: thousands of yen)	
		Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
A.	Real estate lease business revenues		
	Lease business revenue		
	Rent	6,439,541	7,335,483
	Land rent	329,972	270,787
	Common service fees	587,490	704,103
	Total	7,357,004	8,310,374
	Other lease business revenues		
	Revenue from utilities charges	247,047	318,557
	Other revenue	108,482	121,171
	Total	355,529	439,729
	Total real estate lease business revenues	7,712,533	8,750,103
B.	Expenses related to real estate lease business		
	Expenses related to rent business		
	Property management fees	434,776	516,294
	Utilities expenses	271,492	322,354
	Taxes and public dues	603,159	597,517
	Insurance expenses	8,044	8,579
	Repair expenses	91,311	115,929
	Depreciation and amortization	854,739	950,775
	Other expenses related to rent business	255,981	413,201
	Total expenses related to real estate lease business	2,519,504	2,924,653
C.	Income (loss) from real estate lease business (A – B)	5,193,028	5,825,449

*2. Components of gain (loss) on sales of real estate properties

Previous fiscal period (From March 1, 2018 to August 31, 2018)

Leaf Minatomirai (Land) (quasi co-ownership interest: 30.0%)	(Unit: thousands of yen)
Proceeds from sales of real estate properties	3,930,000
Cost of sales of real estate properties	3,529,799
Other expenses for the sales	10,860
Gain on sales of real estate properties	389,340

Reporting period (From September 1, 2018 to February 28, 2019)

Leaf Minatomirai (Land) (quasi co-ownership interest: 15.0%)	(Unit: thousands of yen)
Proceeds from sales of real estate properties	1,965,000
Cost of sales of real estate properties	1,764,899
Other expenses for the sales	5,797
Gain on sales of real estate properties	194,302

*3. Transactions with major corporate unitholders

	(Unit: thousands of yen)	
	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
From operating transactions		
Lease business revenue	908,966	849,781
Gain on sales of real estate properties	389,340	194,302

Notes to Statements of Changes in Net Assets (unaudited)

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

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
Total number of authorized investment units at end of period	20,000,000 units	20,000,000 units
Total number of investment units issued at end of period	1,110,000 units	1,251,000 units

Notes to Statements of Cash Flows (unaudited)

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

(Unit: thousands of yen)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
Cash and deposits	5,514,254	8,150,550
Cash and deposits in trust	6,313,366	7,155,321
Total cash and cash equivalent	11,827,621	15,305,871

Notes on Financial Instruments (unaudited)

1. Matters regarding status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

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

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

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

Balance sheet carrying amount, fair value, and the difference between the two values as of August 31, 2018 are as shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	5,514,254	5,514,254	—
(2) Cash and deposits in trust	6,313,366	6,313,366	—
Total assets	11,827,621	11,827,621	—
(1) Short-term loans payable	4,510,000	4,510,000	—
(2) Current portion of investment corporation bonds	—	—	—
(3) Current portion of long-term loans payable	13,130,000	13,182,507	52,507
(4) Investment corporation bonds	12,000,000	12,019,500	19,500
(5) Long-term loans payable	93,760,000	92,746,758	(1,013,241)
Total liabilities	123,400,000	122,458,766	(941,233)
Derivative transactions	—	—	—

Balance sheet carrying amount, fair value, and the difference between the two values as of February 28, 2019 are as shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	8,150,550	8,150,550	—
(2) Cash and deposits in trust	7,155,321	7,155,321	—
Total assets	15,305,871	15,305,871	—
(1) Short-term loans payable	3,960,000	3,960,000	—
(2) Current portion of investment corporation bonds	2,000,000	1,996,800	(3,200)
(3) Current portion of long-term loans payable	10,320,000	10,342,436	22,436
(4) Investment corporation bonds	10,000,000	10,040,700	40,700
(5) Long-term loans payable	113,230,000	111,690,715	(1,539,284)
Total liabilities	139,510,000	138,030,652	(1,479,347)
Derivative transactions	—	—	—

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

Assets

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

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

Liabilities

(1) Short-term loans payable

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

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

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

(3) Current portion of long-term loans payable, and (5) Long-term loans payable

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

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

Derivative transactions

Please refer to "Notes on Derivative Transactions" below.

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

Previous fiscal period (As of August 31, 2018)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	5,514,254	—	—	—	—	—
Cash and deposits in trust	6,313,366	—	—	—	—	—
Total	11,827,621	—	—	—	—	—

Reporting period (As of February 28, 2019)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	8,150,550	—	—	—	—	—
Cash and deposits in trust	7,155,321	—	—	—	—	—
Total	15,305,871	—	—	—	—	—

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

Previous fiscal period (As of August 31, 2018)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	4,510,000	—	—	—	—	—
Investment corporation bonds	—	2,000,000	—	—	—	10,000,000
Long-term loans payable	13,130,000	9,299,000	15,680,000	17,610,000	18,615,000	32,556,000
Total	17,640,000	11,299,000	15,680,000	17,610,000	18,615,000	42,556,000

Reporting period (As of February 28, 2019)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	3,960,000	—	—	—	—	—
Investment corporation bonds	2,000,000	—	—	—	—	10,000,000
Long-term loans payable	10,320,000	12,109,000	15,680,000	18,705,000	19,213,000	47,523,000
Total	16,280,000	12,109,000	15,680,000	18,705,000	19,213,000	57,523,000

Notes on Derivative Transactions (unaudited)

1. Derivative transactions not applying hedge accounting

Previous fiscal period (As of August 31, 2018)

Not applicable.

Reporting period (As of February 28, 2019)

Not applicable.

2. Derivative transactions applying hedge accounting

Previous fiscal period (As of August 31, 2018)

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

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate / Receipt: floating interest rate	Long-term loans payable	61,647,000	48,517,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term loans payable, a hedged item. Thus, their fair values are included in the fair value of long-term loans payable (please refer to the preceding “Notes on Financial Instruments, 2. Matters regarding fair value, etc. of financial instruments, (Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions, Liabilities (3) Current portion of long-term loans payable, and (5) Long-term loans payable”).

Reporting period (As of February 28, 2019)

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

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate / Receipt: floating interest rate	Long-term loans payable	72,057,000	61,737,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term loans payable, a hedged item. Thus, their fair values are included in the fair value of long-term loans payable (please refer to the preceding “Notes on Financial Instruments, 2. Matters regarding fair value, etc. of financial instruments, (Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions, Liabilities (3) Current portion of long-term loans payable, and (5) Long-term loans payable”).

Notes on Tax Effect Accounting (unaudited)

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

(Unit: thousands of yen)

	Previous fiscal period (As of August 31, 2018)	Reporting period (As of February 28, 2019)
Deferred tax assets		
Accrued enterprise tax excluded from expenses	13	21
Total deferred tax assets	13	21
Net deferred tax assets	13	21

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

(Unit: %)

	Previous fiscal period (As of August 31, 2018)	Reporting period (As of February 28, 2019)
Statutory tax rate	31.74	31.51
(Adjustments)		
Distributions paid included in expenses	(31.73)	(31.50)
Others	0.01	0.01
Effective tax rate	0.02	0.02

Notes on Related Party Transactions (unaudited)

1. Parent company and major corporate unitholders

Previous fiscal period (From March 1, 2018 to August 31, 2018)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Nihonbashi Odenma-cho, Chuo-ku, Tokyo	62,718,573	Real estate business	Directly held by related party 11.40%	None	Leasing and management of real estate	Purchase of beneficiary right of real estate in trust	18,556,000	—	—
								Transfer of beneficiary right of real estate in trust	3,930,000	—	—
								Keeping of leasehold and security deposits	788,715	Tenant leasehold and security deposits in trust	9,505,096
								Repayment of leasehold and security deposits	178,279		
								Earning of rent revenue, etc.	908,966	Advances received	155,061

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

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

Reporting period (From September 1, 2018 to February 28, 2019)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Nihonbashi Odenma-cho, Chuo-ku, Tokyo	62,718,573	Real estate business	Directly held by related party 11.24%	None	Leasing and management of real estate	Purchase of beneficiary right of real estate in trust	29,770,000	—	—
								Transfer of beneficiary right of real estate in trust	1,965,000	—	—
								Keeping of leasehold and security deposits	1,200,374	Tenant leasehold and security deposits in trust	10,596,019
								Repayment of leasehold and security deposits	109,451		
								Earning of rent revenue, etc.	849,781	Advances received	148,386

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

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

2. Subsidiaries and affiliates

Previous fiscal period (From March 1, 2018 to August 31, 2018)

Not applicable.

Reporting period (From September 1, 2018 to February 28, 2019)

Not applicable.

3. Subsidiaries of parent company

Previous fiscal period (From March 1, 2018 to August 31, 2018)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatcho-bori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	–	One	Consignment of asset management	Payment of asset management fee (Note 1)	868,839	Accounts payable - other	877,593

(Note 1) Payment of asset management fee includes the portion of compensation associated with a property acquisition factored into the book value of the individual properties (¥46,427 thousand) and the portion of compensation associated with a property transfer deducted from gain on sales of real estate properties of the individual properties (¥9,825 thousand).

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

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

Reporting period (From September 1, 2018 to February 28, 2019)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatcho-bori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	–	One	Consignment of asset management	Payment of asset management fee (Note 1)	952,950	Accounts payable - other	903,380

(Note 1) Payment of asset management fee includes the portion of compensation associated with a property acquisition factored into the book value of the individual properties (¥111,575 thousand) and the portion of compensation associated with a property transfer deducted from gain on sales of real estate properties of the individual properties (¥4,912 thousand).

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

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

4. Officers and major individual unitholders

Previous fiscal period (From March 1, 2018 to August 31, 2018)

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

Reporting period (From September 1, 2018 to February 28, 2019)

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

Notes on Investment and Rental Properties (unaudited)

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

	(Unit: thousands of yen)	
	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting Period (From September 1, 2018 to February 28, 2019)
Balance sheet carrying amount		
Balance at beginning of period	256,385,407	271,142,283
Changes during period	14,756,875	34,964,680
Balance at end of period	271,142,283	306,106,963
Fair value at end of period	313,070,000	355,242,000

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

(Note 2) The main reason for the increase in the investment and rental properties during the previous fiscal period is the acquisition of real estate and beneficiary rights of real estate in trust of 3 properties (¥18,829,580 thousand) and the decrease is mainly due to transfer of beneficiary rights of real estate in trust of 1 property (¥3,529,799 thousand) and depreciation and amortization (¥854,739 thousand). The main reason for the increase during the reporting period is the acquisition of real estate and beneficiary rights of real estate in trust of 6 properties (¥37,503,839 thousand) and the decrease is mainly due to transfer of beneficiary rights of real estate in trust of 1 property (¥1,764,899 thousand) and depreciation and amortization (¥950,775 thousand).

(Note 3) The fair value at end of period is the appraisal value provided by an independent real estate appraiser. Concerning the fair value at end of the previous fiscal period, the fair value of Leaf Minatomirai (Land) therein is based on the transfer prices stated on the trust beneficiary right sales agreement entered into on October 13, 2017.

The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income and Retained Earnings” above.

Notes on Segment and Related Information (unaudited)

Segment information

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

Related information

Previous fiscal period (From March 1, 2018 to August 31, 2018)

1. Information by product and service

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

2. Information by geographical area

(1) Operating revenues

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

(2) Property, plant and equipment

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

3. Information by major customer

(Unit: thousands of yen)

Counterparty	Operating revenues	Related segment
Hulic Co., Ltd.	1,298,306	Real estate lease business

Reporting Period (From September 1, 2018 to February 28, 2019)

1. Information by product and service

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

2. Information by geographical area

(1) Operating revenues

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

(2) Property, plant and equipment

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

3. Information by major customer

(Unit: thousands of yen)

Counterparty	Operating revenues	Related segment
Hulic Co., Ltd.	1,044,084	Real estate lease business

Notes on Per Unit Information (unaudited)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting period (From September 1, 2018 to February 28, 2019)
Net assets per unit	¥131,316	¥133,655
Basic earnings per unit	¥3,643	¥3,654

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

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

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Reporting Period (From September 1, 2018 to February 28, 2019)
Profit (Thousands of yen)	4,043,752	4,398,857
Amount not attributable to common unitholders (Thousands of yen)	–	–
Profit attributable to common investment units (Thousands of yen)	4,043,752	4,398,857
Average number of investment units for the period (Units)	1,110,000	1,203,546

Notes on Significant Subsequent Events (unaudited)

Not applicable.

Omission of Disclosure

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

(10) Changes in Total Number of Investment Units Issued

A summary of capital increase, etc. over the most recent five years including the reporting period is shown as below.

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
February 6, 2014	Capital increase through public offering	617,500	619,500	64,355	64,555	(Note 1)
March 7, 2014	Capital increase through third-party allotment	32,500	652,000	3,387	67,943	(Note 2)
November 6, 2014	Capital increase through public offering	122,860	774,860	17,785	85,728	(Note 3)
November 21, 2014	Capital increase through third-party allotment	6,140	781,000	888	86,617	(Note 4)
March 29, 2016	Capital increase through public offering	167,600	948,600	29,444	116,061	(Note 5)
April 13, 2016	Capital increase through third-party allotment	8,400	957,000	1,475	117,537	(Note 6)
October 3, 2016	Capital increase through public offering	83,800	1,040,800	13,821	131,358	(Note 7)
October 26, 2016	Capital increase through third-party allotment	4,200	1,045,000	692	132,051	(Note 8)
October 31, 2017	Capital increase through public offering	61,800	1,106,800	9,190	141,241	(Note 9)
November 20, 2017	Capital increase through third-party allotment	3,200	1,110,000	475	141,717	(Note 10)
October 31, 2018	Capital increase through public offering	134,200	1,244,200	20,068	161,786	(Note 11)
November 19, 2018	Capital increase through third-party allotment	6,800	1,251,000	1,016	162,803	(Note 12)

(Note 1) New investment units were issued through public offering with an issue price per unit of ¥108,000 (issue value: ¥104,220) in order to raise funds for the acquisition of new investment properties, etc.

- (Note 2) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥104,220.
- (Note 3) New investment units were issued through public offering with an issue price per unit of ¥150,150 (issue value: ¥144,760) in order to raise funds for the acquisition of new investment properties, etc.
- (Note 4) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥144,760.
- (Note 5) New investment units were issued through public offering with an issue price per unit of ¥181,837 (issue value: ¥175,682) in order to raise funds for the acquisition of new investment properties, etc.
- (Note 6) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥175,682.
- (Note 7) New investment units were issued through public offering with an issue price per unit of ¥170,625 (issue value: ¥164,937) in order to raise funds for the acquisition of new investment properties, etc.
- (Note 8) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥164,937.
- (Note 9) New investment units were issued through public offering with an issue price per unit of ¥153,757 (issue value: ¥148,710) in order to raise funds for the acquisition of new investment properties, etc.
- (Note 10) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥148,710.
- (Note 11) New investment units were issued through public offering with an issue price per unit of ¥154,537 (issue value: ¥149,544) in order to raise funds for the acquisition of new investment properties, etc.
- (Note 12) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer value per unit of ¥149,544.

4. Changes in Officers

Timely disclosure of changes in officers of the Investment Corporation and the Asset Manager is made at the point in time that the details are finalized.

5. Reference Information

(1) Status of Investment

Type of assets	Category	Region (Note 1)	Previous fiscal period (As of August 31, 2018)		Reporting period (As of February 28, 2019)	
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate	Tokyo Commercial Properties	Six central wards of Tokyo	—	—	3,591	1.1
		Other wards of Tokyo	—	—	—	—
		Other	—	—	—	—
		Total	—	—	3,591	1.1
	Next-Generation Assets	Six central wards of Tokyo	—	—	—	—
		Other wards of Tokyo	—	—	—	—
		Other	—	—	—	—
		Total	—	—	—	—
	Total real estate		—	—	3,591	1.1
Real estate in trust	Tokyo Commercial Properties	Six central wards of Tokyo	193,093	68.0	226,489	70.2
		Other wards of Tokyo	16,991	6.0	17,002	5.3
		Other	6,484	2.3	4,692	1.5
		Total	216,568	76.3	248,184	76.9
	Next-Generation Assets	Six central wards of Tokyo	19,583	6.9	19,517	6.0
		Other wards of Tokyo	20,045	7.1	19,963	6.2
		Other	14,944	5.3	14,849	4.6
		Total	54,573	19.2	54,331	16.8
	Total real estate in trust		271,142	95.5	302,515	93.8
	Total real estate and real estate in trust		271,142	95.5	306,106	94.9
Deposits and other assets		12,675	4.5	16,554	5.1	
Total assets		283,817	100.0	322,661	100.0	

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	138,055	48.6	155,458	48.2
Total net assets	145,761	51.4	167,202	51.8

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

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

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

(2) Investment Assets

i) Overview of investment assets

(As of February 28, 2019)

(As of February 28, 2019)								
Category		Property name	Date of construction (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Total leased area (m ²) (Note 4)	Total leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	April 1985	2,714	2,657	32,487.06	32,487.06	100.0
		Hulic Kudan Building (Land)	—	530	265	3,351.07	3,351.07	100.0
		Toranomon First Garden (Note 7)	August 2010	564	412	5,689.97	5,689.97	100.0
		Rapiros Roppongi (Note 8)	August 1997	592	534	6,730.52	6,730.52	100.0
		Hulic Takadanobaba Building	November 1993	312	194	5,369.71	5,369.71	100.0
		Hulic Kanda Building	September 2008	252	211	3,728.36	3,728.36	100.0
		Hulic Kandabashi Building	June 2001	162	128	2,566.95	2,566.95	100.0
		Hulic Kakigaracho Building	March 1993	190	123	2,858.48	2,858.48	100.0
		Ochanomizu Sola City (Note 9)	February 2013	(Note 19)	(Note 19)	13,923.42	13,923.42	100.0
		Hulic Higashi Ueno 1 Chome Building	July 1988	177	150	3,137.09	3,137.09	100.0
		Tokyo Nishi Ikebukuro Building (Note 10)	October 1990	111	195	1,429.74	1,429.74	100.0
		Gate City Ohsaki (Note 11)	(Business/ Commercial Tower) January 1999 (Residential Tower) December 1998	285	(Note 3)	3,835.78	3,835.78	100.0
		Hulic Toranomon Building	May 2015	906	643	8,574.65	8,574.65	100.0
		Hulic Shibuya 1 chome Building	August 1993	238	181	2,817.65	2,817.65	100.0
		Hulic Higashi Nihonbashi Building	November 1996	190	125	3,681.20	3,681.20	100.0
		Hulic Jimbocho Building	September 1989	71	49	1,561.38	1,561.38	100.0
		Hulic Ginza 7 Chome Building (Note 12)	September 1962	499	301	6,002.99	6,002.99	100.0
		Shinagawa Season Terrace (Note 13)	January 2015	(Note 19)	(Note 19)	3,192.24	3,196.54	99.9
		KSS Gotanda Building	March 1996	192	141	3,296.01	3,296.01	100.0
		Hulic Nihonbashi Honcho 1 Chome Building (Note 14)	January 1964	190	141	3,702.25	3,702.25	100.0
		Bancho House	August 1989	(Note 19)	111	1,916.19	1,916.19	100.0
		Ebisu Minami Building	September 1992	(Note 19)	(Note 19)	1,629.09	1,629.09	100.0
		Subtotal	—	—	—	121,481.80	121,486.10	100.0
	Retail properties	Oimachi Redevelopment Building (#2)	September 1989	624	656	14,485.66	14,485.66	100.0
		Oimachi Redevelopment Building (#1) (Note 15)	September 1989	438	529	10,612.67	10,612.67	100.0
		Dining Square Akihabara Building	June 1993	(Note 19)	(Note 19)	2,169.41	2,169.41	100.0
		Hulic Jingu-Mae Building	September 2000	158	82	1,656.24	1,656.24	100.0
		Hulic Shinjuku 3 Chome Building	June 1983	344	208	1,351.15	1,351.15	100.0
		Yokohama Yamashitacho Building	July 1993	(Note 19)	(Note 19)	8,958.70	8,958.70	100.0
		Orchid Square	January 2009	165	88	1,334.88	1,334.88	100.0
		Hulic Todoroki Building	August 1990	93	69	1,676.02	1,676.02	100.0
		Hulic Omori Building	January 2017	192	144	2,666.52	2,666.52	100.0
		HULIC &New SHIBUYA (Note 16)	April 2017	128	123	898.62	898.62	100.0
		HULIC &New SHINBASHI	April 2017	154	136	1,725.35	1,725.35	100.0
		Hulic Shimura-sakaue	(Retail property block) November 2015 (Private nursing home block) February 2016	469	354	11,528.34	11,528.34	100.0
		Subtotal	—	—	—	59,063.56	59,063.56	100.0
		Total		—	—	—	180,545.36	180,549.66

Category		Property name	Date of construction (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Total leased area (m ²) (Note 4)	Total leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
Next-Generation Assets	Private nursing homes	Aria Matsubara	September 2005	(Note 19)	(Note 19)	5,454.48	5,454.48	100.0
		Trust Garden Yoganomori	September 2005	(Note 19)	(Note 19)	5,977.75	5,977.75	100.0
		Trust Garden Sakurashinmachi	August 2005	(Note 19)	(Note 19)	3,700.26	3,700.26	100.0
		Trust Garden Suginami Miyamae	April 2005	(Note 19)	(Note 19)	3,975.99	3,975.99	100.0
		Trust Garden Tokiwamatsu	January 2016	(Note 19)	(Note 19)	2,893.82	2,893.82	100.0
		SOMPO Care La vie Re Kita-Kamakura	March 2009	(Note 19)	(Note 19)	4,912.57	4,912.57	100.0
		Subtotal	—	—	—	26,914.87	26,914.87	100.0
	Network centers	Ikebukuro Network Center	January 2001	271	136	12,773.04	12,773.04	100.0
		Tabata Network Center	April 1998	90	45	3,832.73	3,832.73	100.0
		Hiroshima Network Center	October 2001	88	44	5,208.54	5,208.54	100.0
		Atsuta Network Center	May 1997	73	37	4,943.10	4,943.10	100.0
		Nagano Network Center	September 1994	33	17	2,211.24	2,211.24	100.0
		Chiba Network Center	June 1995	447	224	23,338.00	23,338.00	100.0
		Sapporo Network Center	January 2002	167	84	9,793.57	9,793.57	100.0
		Keihanna Network Center	May 2001	94	47	9,273.44	9,273.44	100.0
		Subtotal	—	1,265	632	71,373.66	71,373.66	100.0
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome (Note 17)	August 2016	480	480	6,984.32	6,984.32	100.0
		Sotetsu Fresa Inn Tokyo-Roppongi (Note 18)	August 2017	216	54	2,408.45	2,408.45	100.0
		Subtotal	—	696	534	9,392.77	9,392.77	100.0
		Total	—	—	—	107,681.30	107,681.30	100.0
	Total of the portfolio		—	—	—	288,226.66	288,230.96	100.0

(Note 1) *Date of construction* represents the date of construction as described in the property registry. Date of construction is omitted in case of holding of land only.

(Note 2) *Total contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of February 28, 2019) for buildings as indicated in the relevant lease agreement of each asset held as of February 28, 2019 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. For properties for which we acquired only land, it is calculated by multiplying the monthly contracted rent (excluding consumption taxes) as indicated in the lease agreement for such land as of February 28, 2019 by 12 and rounding to the nearest million yen. When a master lease agreement has been concluded for the asset held, the amounts provided are the amount for the portion corresponding to the pass-through master lease under which rents are directly received from end-tenants in principle (hereinafter referred to as the “Pass-through Master Lease Agreement”), calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12; and the amount for the portion corresponding to the fixed-type master lease under which a certain amount of rent is received regardless of fluctuations in rents for end-tenants (hereinafter referred to as the “Fixed-type Master Lease Agreement”), calculated on an annual basis by multiplying the monthly rent as indicated by the Fixed-type Master Lease Agreement corresponding to that portion by 12.

(Note 3) *Leasehold/security deposits* indicates the aggregate of the recognized book values for the leasehold and/or security deposit(s) of each asset held as of February 28, 2019, rounded to the nearest million yen. For Gate City Ohsaki, leasehold/security deposit figures are not presented because such funds are not received by the Investment Corporation, but rather the master lease companies take custody of such funds as per contractual agreement with those companies.

(Note 4) *Total leased area* is equivalent to total floor area or similar measurement of leased space set out in the relevant lease agreements or similar contracts of each asset held as of February 28, 2019. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided; and for the portion for which there is a Fixed-type Master Lease Agreement, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided.

(Note 5) *Total leasable area* is equivalent to the gross leasable area, based on the lease agreements or floor plans of buildings of each asset held as of February 28, 2019. With respect to properties of which ownership is only for land, total leasable area is the leasable area of the land as described in the applicable land lease agreements or land plans.

(Note 6) *Occupancy rate* is calculated by dividing total leased area by total leasable area of each asset held as of February 28, 2019, and is rounded to the nearest tenth. Subtotals, totals and total of the portfolio show the proportion of the total leased area to the total of leasable area for the assets held, rounded to the nearest tenth.

(Note 7) For Toranomon First Garden, total leasable area shows figures equivalent to the Investment Corporation’s partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.) On the other hand, a master lease is served on the whole building together with the exclusively owned portions owned by other unit owners, and as income and expenditure of the property is allocated according to the ratio of

ownership interest of the partial ownership owned by each unit owner, the figure shown for occupancy rate is that of the entire building. Total leased area, total contracted rent and leasehold/security deposits show amounts equivalent to the ratio of ownership interest of the partial ownership in the building held by the Investment Corporation (approximately 81.4%).

- (Note 8) For Rapiros Roppongi, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.)
- (Note 9) For Ochanomizu Sola City, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (21.7%).
- (Note 10) For Tokyo Nishi Ikebukuro Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion).
- (Note 11) For Gate City Ohsaki, total leased area, total leasable area and occupancy rate show figures equivalent to the Investment Corporation's partial ownership in the property (Office space on the 8th floor of West Tower, a business/commercial tower: approximately 83.0% co-ownership interest of 4,088.37 m²; retail space from the 1st basement floor to the 3rd floor of the business/commercial tower: approximately 2.4% co-ownership interest of 5,609.05 m²; residential tower: 6 residential units of 308.20 m²) under the lease agreements with master lease companies. Total contracted rent shows amounts calculated with the rent and common service fees received by the master lease company for the month of February 2019 (excluding consumption taxes) multiplied by 12, with the result rounded to the nearest million yen. Leasehold/security deposit figures are not presented because such funds are not received by the Investment Corporation, but rather the master lease companies take custody of such funds as per contractual agreement with those companies.
- (Note 12) For Hulic Ginza 7 Chome Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 13) For Shinagawa Season Terrace, the total leased area, total leasable area, and occupancy rate show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (25.0%) on account of NTT Urban Development Corporation receiving rent from each end-tenant for the entire building and distributing that income to the respective owners in proportion to the ratio of ownership.
- (Note 14) For Hulic Nihonbashi Honcho 1 Chome Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 15) For Oimachi Redevelopment Building (#1), total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building.
- (Note 16) For HULIC & New SHIBUYA, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 17) For Sotetsu Fresa Inn Ginza 7 Chome, the total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 18) For Sotetsu Fresa Inn Tokyo-Roppongi, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%). Total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 19) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 20) In the above table, *Total contracted rent*, *Leasehold/Security deposits*, *Total leased area* and *Occupancy rate* may include information related to lease agreements that have been subsequently terminated, lease agreements for which we have subsequently received a request for termination or lease agreements for which rent payment is delinquent, if the lease agreement was valid as of February 28, 2019.

ii) Overview of appraisal report

(As of February 28, 2019)

(As of February 26, 2019)												
Category	Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated price by using cost method (Millions of yen)	Return price (Millions of yen)					
							Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	D	55,250	55,495	62,600	54,900	64,300	3.4	61,800	3.2	3.6
		Hulic Kudan Building (Land)	N	11,100	11,191	13,200	(Note 5)	13,200	3.5	13,100	3.1	3.6
		Toranomon First Garden	C	8,623	8,278	11,900	14,700	12,000	3.3	11,900	3.0	3.4
		Rapiros Roppongi	N	6,210	6,771	9,650	11,600	9,810	3.5	9,490	3.2	3.7
		Hulic Takadanobaba Building	D	3,900	3,806	4,740	4,260	4,670	4.1	4,770	3.9	4.3
		Hulic Kanda Building	T	3,780	3,610	4,180	4,650	4,420	3.8	4,070	3.9	4.0
		Hulic Kandabashi Building	D	2,500	2,488	2,970	3,120	3,000	3.7	2,960	3.5	3.9
		Hulic Kakigaracho Building	T	2,210	2,173	2,920	3,100	2,890	4.1	2,930	4.2	4.3
		Ochanomizu Sola City	N	38,149	37,138	44,485	37,107	44,919	3.2	44,051	2.9	3.3
		Hulic Higashi Ueno 1 Chome Building	N	2,678	2,742	3,180	2,650	3,230	3.9	3,130	3.7	4.1
		Tokyo Nishi Ikebukuro Building	N	1,580	1,610	1,990	1,440	2,020	4.1	1,960	3.9	4.3
		Gate City Ohsaki	N	4,370	4,473	4,780	5,020	4,800	3.5	4,760	3.1	3.6
		Hulic Toranomon Building	N	18,310	18,085	21,700	23,400	21,900	3.1	21,500	2.8	3.2
		Hulic Shibuya 1 chome Building	T	5,100	5,113	5,670	5,610	5,940	3.4	5,550	3.5	3.6
		Hulic Higashi Nihonbashi Building	T	3,480	3,482	3,690	3,840	3,810	4.1	3,640	4.2	4.3
		Hulic Jimbocho Building	N	1,460	1,538	1,530	1,300	1,560	3.9	1,500	3.7	4.1
		Hulic Ginza 7 Chome Building	N	11,000	11,090	11,650	12,300	11,850	3.3	11,400	3.1	3.4
		Shinagawa Season Terrace	N	6,100	6,089	6,200	5,450	6,225	3.5	6,150	3.2	3.6
		KSS Gotanda Building	D	3,450	3,591	3,500	3,010	3,770	3.9	3,380	3.6	4.0
		Hulic Nihonbashi Honcho 1 Chome Building	D	3,980	4,007	4,140	4,340	4,280	4.1	4,080	3.9	4.3
		Bancho House	D	2,750	2,766	2,800	2,580	2,860	3.8	2,780	3.6	4.0
		Ebisu Minami Building (Note 6)	T	2,420	2,432	2,540	2,430	2,640	3.8	2,500	3.8	3.9
		Subtotal	—	198,400	197,977	230,015	—	234,094	—	227,401	—	—
	Retail properties	Oimachi Redevelopment Building (#2)	T	9,456	9,530	12,100	11,600	12,300	4.0	12,000	4.1	4.2
		Oimachi Redevelopment Building (#1)	T	6,166	6,244	7,360	6,760	7,430	4.2	7,330	4.3	4.4
		Dining Square Akihabara Building	N	3,200	3,182	3,930	2,580	4,000	3.8	3,860	3.6	4.0
		Hulic Jingu-Mae Building	T	2,660	2,641	3,600	3,570	3,680	3.3	3,560	3.4	3.5
		Hulic Shinjuku 3 Chome Building	N	5,550	5,556	7,760	7,100	7,970	3.5	7,540	3.0	3.6
		Yokohama Yamashitacho Building	N	4,850	4,692	5,780	3,390	5,870	4.3	5,690	4.1	4.5
		Orchid Square	D	3,502	3,490	3,820	3,530	3,900	3.7	3,790	3.5	3.9
		Hulic Todoroki Building	T	1,200	1,212	1,350	1,500	1,360	4.5	1,340	4.6	4.7
		Hulic Omori Building	C	3,420	3,395	3,720	2,660	3,720	4.3	3,720	4.1	4.4
		HULIC &New SHIBUYA	N	3,150	3,138	3,415	2,600	3,490	3.1	3,335	2.9	3.3
		HULIC &New SHINBASHI	N	3,100	3,082	3,360	3,210	3,410	3.7	3,300	3.5	3.9
		Hulic Shimura-sakaue	N	7,556	7,630	7,630	7,600	7,770	4.6	7,490	4.4	4.9
		Subtotal	—	53,810	53,798	63,825	56,100	64,900	—	62,955	—	—
		Total	—	252,210	251,775	293,840	—	298,994	—	290,356	—	—

Category		Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated price by using cost method (Millions of yen)	Return price (Millions of yen)				
								Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
Next-Generation Assets	Private nursing homes	Aria Matsubara	N	3,244	3,160	4,300	3,710	4,320	4.4	4,270	4.0	4.6
		Trust Garden Yoganomori	N	5,390	5,335	6,880	5,370	6,920	4.7	6,830	4.3	4.9
		Trust Garden Sakurashinmachi	N	2,850	2,848	3,670	3,010	3,690	4.6	3,640	4.2	4.8
		Trust Garden Suginami Miyamae	N	2,760	2,752	3,550	2,770	3,570	4.6	3,530	4.2	4.8
		Trust Garden Tokiwamatsu	N	3,030	3,035	3,300	3,150	3,350	4.2	3,250	4.0	4.4
		SOMPO Care La vie Re Kita-Kamakura	N	1,780	1,807	1,770	1,230	1,780	5.5	1,750	5.3	5.7
		Subtotal	—	19,054	18,939	23,470	19,240	23,630	—	23,270	—	—
	Network centers	Ikebukuro Network Center	N	4,570	4,508	5,280	4,890	5,330	4.4	5,220	4.1	4.5
		Tabata Network Center	N	1,355	1,359	1,550	1,540	1,560	4.9	1,530	4.6	5.0
		Hiroshima Network Center	N	1,080	1,041	1,220	1,180	1,230	5.7	1,210	5.4	5.8
		Atsuta Network Center	N	1,015	986	1,070	1,000	1,080	5.4	1,060	5.1	5.5
		Nagano Network Center	N	305	303	362	305	363	6.9	361	6.7	7.1
		Chiba Network Center	N	7,060	6,980	7,330	4,320	7,380	5.1	7,270	4.8	5.2
		Sapporo Network Center	N	2,510	2,531	2,600	2,610	2,620	5.2	2,580	4.9	5.3
		Keihanna Network Center	N	1,250	1,199	1,320	1,170	1,320	5.5	1,310	5.2	5.6
		Subtotal	—	19,145	18,909	20,732	17,015	20,883	—	20,541	—	—
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome	N	11,520	11,511	12,100	13,500	12,300	3.6	11,900	3.4	3.8
		Sotetsu Fresa Inn Tokyo-Roppongi	N	5,000	4,970	5,100	4,805	5,200	3.8	5,000	3.6	4.0
		Subtotal	—	16,520	16,482	17,200	18,305	17,500	—	16,900	—	—
		Total	—	54,719	54,331	61,402	54,560	62,013	—	60,711	—	—
Total		—	306,929	306,106	355,242	—	361,007	—	351,067	—	—	

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

D: Daiwa Real Estate Appraisal Co., Ltd.

N: Japan Real Estate Institute

C: CBRE K.K.

T: The Tanizawa Sōgō Appraisal Co., Ltd.

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

(Note 3) *Book value at end of period* represents book value for each property less depreciation expenses as of February 28, 2019, rounded down to the nearest million yen.

(Note 4) *Appraisal value* represents the appraisal value as of the valuation date of February 28, 2019.

(Note 5) For Hulic Kudan Building (Land), this item was not provided due to the Investment Corporation only holding the land.

(Note 6) *Discount rate* for Ebisu Minami Building was 3.6% for the 1st fiscal year to the 3rd fiscal year, 3.7% for the 4th fiscal year to the 9th fiscal year, and 3.8% for the 10th fiscal year to the 11th fiscal year. The table shows the 10th fiscal year to the 11th fiscal year (3.8%).

iii) Capital expenditures for assets under management

(A) Schedule of capital expenditures

For each asset held by the Investment Corporation as of February 28, 2019, the main capital expenditures for renovation work, etc. scheduled as of February 28, 2019 (the end of the tenth fiscal period) are as below. Estimated capital expenditure for work mentioned below includes parts that are charged to expenses.

Property name	Location	Purpose	Scheduled period	Estimated capital expenditure for work (Millions of yen)
Hulic Higashi Ueno 1 Chome Building	Taito-ku, Tokyo	Renovation work for elevator	From October 2019 to November 2019	40
Hulic Jimbocho Building	Chiyoda-ku, Tokyo	Renovation work for mechanical parking lot	From October 2019 to November 2019	28
Hulic Todoroki Building	Setagaya-ku, Tokyo	Work to replace energy meters	From January 2020 to February 2020	24
Chiba Network Center	Inzai-shi, Chiba	Work to renew receiver sensors	From September 2019 to February 2020	80

(B) Capital expenditures during the period

An overview of the construction work corresponding to capital expenditures during the reporting period is as below. Capital expenditures during the reporting period were ¥176,516 thousand and repair expenses were ¥115,929 thousand. In aggregate, construction work of ¥292,446 thousand was carried out during the period.

Property name	Location	Purpose	Period	Capital expenditure for work (Millions of yen)
Hulic Higashi Ueno 1 Chome Building	Taito-ku, Tokyo	Renewal work for air-conditioning facility	From September 2018 to January 2019	88
Hulic Jimbocho Building	Chiyoda-ku, Tokyo	Renovation work for external wall	From November 2018 to February 2019	30
Hulic Todoroki Building	Setagaya-ku, Tokyo	Work A for B2 floor to attract tenants	From August 2018 to November 2018	12
Other				45
Total				176

(3) Major Investment Assets

The following is an overview of the Assets Held by the Investment Corporation whose *Total contracted rent* makes up 10% or more of the *total rental income for the entire portfolio* as of February 28, 2019.

Property name	Total contracted rent (annual) (Note 1)	Total leased area (Note 2)	Total leasable area (Note 3)	Occupancy rate (Note 4)
Hulic Kamiyacho Building	¥2,714 million	32,487.06 m ²	32,487.06 m ²	100.0%

- (Note 1) *Total contracted rent (annual)* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of February 28, 2019) as indicated in the relevant lease agreement of the assets held as of February 28, 2019 by 12 (in cases where multiple lease agreements are concluded, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. When a master lease agreement has been concluded for the asset held, the amount provided is the amount for the portion corresponding to the Pass-through Master Lease Agreement, calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12.
- (Note 2) *Total leased area* shows the total floor area of leased space set out in the relevant lease agreement of the property held as of February 28, 2019. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided.
- (Note 3) *Total leasable area* shows the floor area considered leasable based on the lease agreements or floor plans of buildings of the property held as of February 28, 2019.
- (Note 4) *Occupancy rate* is calculated by dividing total leased area by total leasable area of the above-mentioned property held as of February 28, 2019, and is rounded to the nearest tenth.

(4) Overview of Major Tenants

Tenants for which leased area accounted for 10% or more of the total leased area as of February 28, 2019 are shown as below.

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
Hulic Co., Ltd.	Real estate lease business	Hulic Kamiyacho Building	32,487.06	2,714	2,657	February 6, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Kudan Building (Land)	3,351.07	530	265	February 6, 2063	—
		Toranomon First Garden (Note 6)	5,689.97	564	412	February 6, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Rapiros Roppongi (Note 7)	6,730.52	592	534		
		Hulic Takadanobaba Building	5,369.71	312	194		
		Hulic Kanda Building	3,728.36	252	211		
		Hulic Kandabashi Building	2,566.95	162	128		
		Hulic Kakigaracho Building	2,858.48	190	123		
		Hulic Higashi Ueno 1 Chome Building	3,137.09	177	150		
		Tokyo Nishi Ikebukuro Building (Note 8)	1,429.74	111	195	March 30, 2020	
		Hulic Toranomon Building	8,574.65	906	643	December 24, 2020	
		Hulic Shibuya 1 chome Building	2,817.65	238	181	March 30, 2020	
		Hulic Higashi Nihonbashi Building	3,681.20	190	125		
		Hulic Jimbocho Building	1,561.38	71	49	April 27, 2020	
		Hulic Ginza 7 Chome Building (Note 9)	6,002.99	499	301	March 28, 2021	
		KSS Gotanda Building	3,296.01	192	141	September 30, 2021	
		Hulic Nihonbashi Honcho 1 Chome Building (Note 10)	3,702.25	190	141	October 31, 2021	
		Bancho House	1,916.19	(Note 15)	111	October 31, 2021	
		Ebisu Minami Building	1,629.09	(Note 15)	(Note 15)	December 26, 2021	
		Oimachi Redevelopment Building (#2)	14,485.66	624	656	February 6, 2021	
		Oimachi Redevelopment Building (#1) (Note 11)	10,612.67	438	529	(Note 16)	Automatically renewed for a term agreed upon unless notified in writing at least 6 months before the expiry of the agreement
		Dining Square Akihabara Building	2,169.41	(Note 15)	(Note 15)	February 6, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Jingu-Mae Building	1,656.24	158	82	October 15, 2019	
		Hulic Shinjuku 3 Chome Building	1,351.15	344	208		
		Yokohama Yamashitacho Building	8,958.70	(Note 15)	(Note 15)	March 29, 2021	
		Orchid Square	1,334.88	165	88	March 29, 2021	
		Hulic Todoroki Building	1,676.02	93	69	December 26, 2019	
		Hulic Omori Building	2,666.52	192	144	March 30, 2022	

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
Hulic Co., Ltd.	Real estate lease business	HULIC &New SHIBUYA (Note 12)	898.62	128	123	June 29, 2020	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		HULIC &New SHINBASHI	1,725.35	154	136	October 31, 2020	
		Hulic Shimura-sakaue	11,528.34	469	354	June 28, 2021	
		Aria Matsubara	5,454.48	(Note 15)	(Note 15)	February 6, 2021	
		Trust Garden Yoganomori	5,977.75	(Note 15)	(Note 15)		
		Trust Garden Sakurashinmachi	3,700.26	(Note 15)	(Note 15)		
		Trust Garden Suginami Miyamae	3,975.99	(Note 15)	(Note 15)	August 31, 2019	
		Trust Garden Tokiwamatsu	2,893.82	(Note 15)	(Note 15)		
		SOMPO Care La vie Re Kita-Kamakura	4,912.57	(Note 15)	(Note 15)	June 29, 2020	
		Sotetsu Fresa Inn Ginza 7 Chome (Note 13)	6,984.32	480	480	October 31, 2020	
		Sotetsu Fresa Inn Tokyo- Roppongi (Note 14)	2,408.45	216	54	October 31, 2020	
		Total	195,901.56	13,293	10,737	—	
		SoftBank Corp.	Telecommuni- cations business	Ikebukuro Network Center	12,773.04	271	136
Tabata Network Center	3,832.73			90	45	September 30, 2030	
Hiroshima Network Center	5,208.54			88	44	September 30, 2030	
Atsuta Network Center	4,943.10			73	37	September 30, 2030	
Nagano Network Center	2,211.24			33	17	November 5, 2024	
Chiba Network Center	23,338.00			447	224	September 30, 2030	
Sapporo Network Center	9,793.57			167	84	September 30, 2030	
Keihanna Network Center	9,273.44			94	47	September 30, 2030	
Total	71,373.66			1,265	632	—	—

(Note 1) *Leased area* is equivalent to total floor area or similar measurement of leased space set out in the relevant lease agreement or similar contract of each property as of February 28, 2019. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided. For the portion for which there is a Fixed-type Master Lease Agreement, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided.

(Note 2) *Total contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of February 28, 2019) for buildings as indicated in the relevant lease agreement of each property in effect as of February 28, 2019 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. For properties for which ownership is only for land, it is calculated by multiplying the monthly contracted rent (excluding consumption taxes) as indicated in the lease agreement for such land as of February 28, 2019 by 12 and rounding to the nearest million yen. The amounts provided are the amount for the portion of property corresponding to a Pass-through Master Lease Agreement for which the tenant is a sublessor as a master lease company, in accordance with the lease agreement with the end-tenant in effect as of February 28, 2019, calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12; and the amount for the portion of property corresponding to a Fixed-type Master Lease Agreement, calculated on an annual basis by multiplying the monthly rent as indicated in the master lease agreement corresponding to that portion.

(Note 3) *Leasehold/security deposits* indicates the aggregate of the recognized book values for the leasehold and/or security deposit(s) of each asset held as of February 28, 2019, rounded to the nearest million yen.

- (Note 4) *Expiration date* is the date provided in the lease agreements for each asset in effect on February 28, 2019 where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.
- (Note 5) *Renewal of agreement, etc.* represents the content of renewal of agreement, etc. provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.
- (Note 6) For Toranomom First Garden, a master lease is served on the whole building together with the exclusively owned portions owned by other unit owners. Moreover, income and expenditure of the property is allocated according to the ratio of ownership interest of the partial ownership owned by each unit owner. Accordingly, leased area, total contracted rent and leasehold/security deposits show amounts equivalent to the ratio of ownership interest of the partial ownership in the whole building held by the Investment Corporation (approximately 81.4%).
- (Note 7) For Rapiros Roppongi, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.)
- (Note 8) For Tokyo Nishi Ikebukuro Building, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion).
- (Note 9) For Hulic Ginza 7 Chome Building, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 10) For Hulic Nihonbashi Honcho 1 Chome Building, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 11) For Oimachi Redevelopment Building (#1), the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building.
- (Note 12) For HULIC & New SHIBUYA, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 13) For Sotetsu Fresa Inn Ginza 7 Chome, the total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 14) For Sotetsu Fresa Inn Tokyo-Roppongi, the leased area, total contracted rent and leasehold/security deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%). Total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 15) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 16) The lease agreement for Oimachi Redevelopment Building (#1) was renewed as the lease agreement does not specify a term at the last renewal of the agreement.

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

The following table shows the top ten end-tenants in terms of leased area in the entire portfolio as of February 28, 2019. The information stated for the portion for which there is a Fixed-type Master Lease Agreement, reflects the details on the Fixed-type Master Lease Agreement corresponding to that portion, while the information stated for the portion for which there is a Pass-through Master Lease Agreement, reflects the details on each lease agreement concluded with the end tenants.

End-tenant	Property name	Leased area (m ²) (Note 1)	Area ratio (%) (Note 2)	Expiration date (Note 3)	Form of agreement (Note 4)
SoftBank Corp.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center Chiba Network Center Sapporo Network Center Keihanna Network Center	71,373.66	24.8	September 30, 2030 September 30, 2030 September 30, 2030 September 30, 2030 November 5, 2024 September 30, 2030 September 30, 2030 September 30, 2030	Fixed-term building lease agreement
Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1) Hulic Omori Building	29,600.73	10.3	February 6, 2063 February 6, 2021 (Note 6) March 30, 2022	Fixed-term business-use land lease agreement Ordinary building lease agreement Ordinary building lease agreement Ordinary building lease agreement
Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae Trust Garden Tokiwamatsu	16,547.82	5.7	January 24, 2028 January 24, 2028 January 24, 2028 February 29, 2036	Ordinary building lease agreement
Sotetsu Hotel Development Co., Ltd.	Sotetsu Fresa Inn Ginza 7 Chome (Note 5) Sotetsu Fresa Inn Tokyo- Roppongi (Note 5)	9,392.77	3.3	September 30, 2046 October 9, 2047	Fixed-term building lease agreement
Barneys Japan	Yokohama Yamashitacho Building	8,958.70	3.1	(Note 7)	(Note 7)
Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	1.9	September 30, 2030	Ordinary building lease agreement
Sompo Care Inc.	SOMPO Care La vie Re Kita- Kamakura	4,912.57	1.7	March 31, 2029	Ordinary building lease agreement
(Note 7)	Hulic Ginza 7 Chome Building	4,793.38	1.7	(Note 7)	(Note 7)
Nippon Paper Industries Co., Ltd.	Ochanomizu Sola City	4,555.25	1.6	(Note 7)	Fixed-term building lease agreement
Sakurajyuji Co., Ltd.	Hulic Shimura-sakaue	4,360.63	1.5	February 29, 2036	Ordinary building lease agreement

(Note 1) Leased area is equivalent to total floor area, or similar measurement of leased space set out in the lease agreements or similar contracts with end-tenants as of February 28, 2019. The pertinent items are as follows.

- The land area is provided for Hulic Kudan Building (Land).
- For the portion for which there is a Fixed-type Master Lease Agreement, the leasable area to end-tenants is provided.
- For Oimachi Redevelopment Building (#1), the figure equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building is shown.
- For Sotetsu Fresa Inn Tokyo-Roppongi, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- For Ochanomizu Sola City, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (21.7%).
- For Hulic Ginza 7 Chome Building, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).

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

(Note 3) Expiration date is the expiration date shown on the lease agreement with the end tenant as lessee that is in effect as of February 28, 2019.

(Note 4) Form of agreement is the form of agreement described in the lease agreement with the end-tenants as of February 28, 2019.

(Note 5) Sotetsu Fresa Inn Ginza 7 Chome and Sotetsu Fresa Inn Tokyo-Roppongi are sub-leased by Sotetsu Hotel Development Co., Ltd. to a hotel operator.

(Note 6) The lease agreement for Oimachi Redevelopment Building (#1) was renewed as the lease agreement does not specify a term at the last renewal of the agreement.

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

(6) Overview and Income/Loss of Lease Businesses

Reporting Period (From September 1, 2018 to February 28, 2019)

(Unit: thousands of yen)

Property name	Hulic Kamiyacho Building (Note 1)	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadano-baba Building	Hulic Kanda Building	Hulic Kandabashi Building
Days under management	181	181	181	181	181	181	181
Lease business revenues	1,306,910	265,002	305,773	317,644	172,520	136,512	87,494
Lease business revenue	1,226,652	265,002	278,027	297,181	156,234	126,088	80,957
Other lease business revenues	80,258	—	27,746	20,463	16,286	10,424	6,537
Expenses related to rent business	306,852	35,131	123,468	140,768	63,100	66,327	33,740
Taxes and public dues	51,742	33,260	34,151	40,532	13,083	4,142	9,442
Utilities expenses	60,510	—	13,409	18,246	9,413	6,205	4,545
Insurance expenses	801	38	193	692	173	85	70
Repair expenses	16,935	—	360	1,816	3,857	1,753	1,990
Property management fees	97,197	1,325	5,074	6,005	14,866	7,419	5,812
Other expenses related to rent business	16,202	507	27,218	54,998	1,529	27,276	1,046
Depreciation and amortization	63,462	—	43,060	18,477	20,176	19,443	10,831
Income (loss) from lease business	1,000,058	229,870	182,304	176,876	109,420	70,185	53,754
NOI	1,063,521	229,870	225,364	195,354	129,596	89,629	64,586

(Unit: thousands of yen)

Property name	Hulic Kakigaracho Building	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Tokyo Nishi Ikebukuro Building	Gate City Ohsaki	Hulic Toranomon Building	Hulic Shibuya 1 chome Building
Days under management	181	181	181	181	181	181	181
Lease business revenues	106,226	(Note 2)	100,906	56,750	165,232	472,511	131,680
Lease business revenue	95,720	(Note 2)	89,521	56,030	152,694	451,798	118,921
Other lease business revenues	10,505	(Note 2)	11,385	720	12,537	20,713	12,759
Expenses related to rent business	39,982	(Note 2)	44,021	20,597	100,595	170,711	42,050
Taxes and public dues	9,491	(Note 2)	7,518	2,450	15,155	53,654	9,513
Utilities expenses	6,654	(Note 2)	6,644	—	12,418	15,357	7,528
Insurance expenses	82	(Note 2)	83	115	347	252	96
Repair expenses	1,865	(Note 2)	7,104	—	796	4,855	3,922
Property management fees	12,833	(Note 2)	10,999	9,787	600	41,294	7,741
Other expenses related to rent business	1,358	(Note 2)	2,544	3,524	57,539	1,956	1,522
Depreciation and amortization	7,698	(Note 2)	9,127	4,719	13,739	53,340	11,726
Income (loss) from lease business	66,243	(Note 2)	56,884	36,153	64,636	301,800	89,629
NOI	73,941	721,548	66,012	40,872	78,375	355,141	101,355

(Unit: thousands of yen)

Property name	Hulic Higashi Nihonbashi Building	Hulic Jimbocho Building	Hulic Ginza 7 Chome Building	Shinagawa Season Terrace	KSS Gotanda Building	Hulic Nihonbashi Honcho 1 Chome Building	Bancho House
Days under management	181	181	181	172	151	120	120
Lease business revenues	108,016	44,121	274,013	(Note 2)	95,606	67,929	(Note 2)
Lease business revenue	96,251	35,260	257,085	(Note 2)	80,914	63,470	(Note 2)
Other lease business revenues	11,764	8,860	16,927	(Note 2)	14,692	4,459	(Note 2)
Expenses related to rent business	36,472	15,520	60,723	(Note 2)	41,175	9,289	(Note 2)
Taxes and public dues	8,659	3,269	–	(Note 2)	–	–	(Note 2)
Utilities expenses	7,982	2,512	18,614	(Note 2)	5,986	3,488	(Note 2)
Insurance expenses	92	41	308	(Note 2)	90	75	(Note 2)
Repair expenses	1,143	1,979	2,615	(Note 2)	2,289	–	(Note 2)
Property management fees	7,198	4,155	19,997	(Note 2)	4,909	2,837	(Note 2)
Other expenses related to rent business	696	693	4,878	(Note 2)	21,246	739	(Note 2)
Depreciation and amortization	10,699	2,867	14,309	(Note 2)	6,652	2,149	(Note 2)
Income (loss) from lease business	71,544	28,601	213,289	(Note 2)	54,430	58,640	(Note 2)
NOI	82,244	31,468	227,599	108,798	61,083	60,789	41,152

(Unit: thousands of yen)

Property name	Ebisu Minami Building	Oimachi Redevelopment Building (#2)	Oimachi Redevelopment Building (#1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashita-cho Building
Days under management	64	181	181	181	181	181	181
Lease business revenues	(Note 2)	312,000	218,931	(Note 2)	86,148	176,725	(Note 2)
Lease business revenue	(Note 2)	312,000	218,931	(Note 2)	79,592	169,255	(Note 2)
Other lease business revenues	(Note 2)	–	–	(Note 2)	6,555	7,470	(Note 2)
Expenses related to rent business	(Note 2)	69,626	77,824	(Note 2)	19,960	38,727	(Note 2)
Taxes and public dues	(Note 2)	31,190	34,443	(Note 2)	5,722	595	(Note 2)
Utilities expenses	(Note 2)	–	–	(Note 2)	5,548	4,827	(Note 2)
Insurance expenses	(Note 2)	248	1,599	(Note 2)	38	43	(Note 2)
Repair expenses	(Note 2)	–	12,477	(Note 2)	496	335	(Note 2)
Property management fees	(Note 2)	6,240	4,378	(Note 2)	3,172	5,431	(Note 2)
Other expenses related to rent business	(Note 2)	506	7,929	(Note 2)	600	24,792	(Note 2)
Depreciation and amortization	(Note 2)	31,441	16,995	(Note 2)	4,380	2,703	(Note 2)
Income (loss) from lease business	(Note 2)	242,373	141,106	(Note 2)	66,187	137,997	(Note 2)
NOI	17,307	273,815	158,102	78,660	70,568	140,701	128,242

(Unit: thousands of yen)

Property name	Leaf Minatomirai (Land) (Note 3)	Orchid Square	Hulic Todoroki Building	Hulic Omori Building	HULIC &New SHIBUYA	HULIC &New SHINBASHI	Hulic Shimura- sakaue
Days under management	26	181	181	181	181	181	181
Lease business revenues	5,785	93,615	54,650	109,294	74,117	84,718	258,166
Lease business revenue	5,785	82,619	46,872	95,752	63,776	76,772	234,522
Other lease business revenues	–	10,996	7,778	13,542	10,341	7,945	23,644
Expenses related to rent business	1,150	23,664	26,006	36,790	22,890	31,820	111,041
Taxes and public dues	1,095	4,286	4,179	5,333	3,859	5,159	–
Utilities expenses	–	8,869	4,973	10,900	5,925	5,821	23,331
Insurance expenses	17	32	49	46	33	62	227
Repair expenses	–	1,128	5,096	813	111	1,271	1,528
Property management fees	28	3,219	4,987	6,219	3,071	5,957	32,984
Other expenses related to rent business	9	449	2,103	2,110	1,256	627	1,162
Depreciation and amortization	–	5,679	4,616	11,366	8,633	12,921	51,806
Income (loss) from lease business	4,634	69,950	28,644	72,504	51,226	52,897	147,125
NOI	4,634	75,630	33,260	83,870	59,860	65,819	198,932

(Unit: thousands of yen)

Property name	Aria Matsubara	Trust Garden Yogano- mori	Trust Garden Sakura- shinmachi	Trust Garden Suginami Miyamae	Trust Garden Tokiwa- matsu	SOMPO Care La vie Re Kita- Kamakura	Ikebukuro Network Center
Days under management	181	181	181	181	181	181	181
Lease business revenues	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	130,176
Lease business revenue	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	130,176
Other lease business revenues	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	0
Expenses related to rent business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	28,656
Taxes and public dues	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	15,717
Utilities expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	–
Insurance expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	121
Repair expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	–
Property management fees	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	960
Other expenses related to rent business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	857
Depreciation and amortization	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	10,999
Income (loss) from lease business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	101,520
NOI	97,255	163,046	77,936	75,072	71,849	50,883	112,519

(Unit: thousands of yen)

Property name	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Days under management	181	181	181	181	181	181	181
Lease business revenues	43,285	42,091	35,273	16,708	214,687	80,358	45,166
Lease business revenue	43,285	42,091	35,273	16,708	214,687	80,358	45,166
Other lease business revenues	0	–	–	–	0	0	0
Expenses related to rent business	9,349	13,626	11,353	9,971	82,312	28,394	17,790
Taxes and public dues	4,779	5,596	4,770	2,352	30,516	12,813	8,506
Utilities expenses	–	–	–	–	–	–	–
Insurance expenses	38	62	45	30	211	80	85
Repair expenses	–	–	–	3,750	4,825	4,700	315
Property management fees	720	1,320	960	910	1,865	861	1,200
Other expenses related to rent business	857	856	856	505	856	856	856
Depreciation and amortization	2,954	5,791	4,721	2,422	44,038	9,083	6,827
Income (loss) from lease business	33,935	28,464	23,919	6,737	132,375	51,963	27,375
NOI	36,890	34,255	28,641	9,159	176,413	61,046	34,203

(Unit: thousands of yen)

Property name	Sotetsu Fresa Inn Ginza 7 Chome	Sotetsu Fresa Inn Tokyo-Roppongi
Days under management	181	181
Lease business revenues	240,000	108,000
Lease business revenue	240,000	108,000
Other lease business revenues	–	0
Expenses related to rent business	54,191	32,484
Taxes and public dues	23,220	10,839
Utilities expenses	–	–
Insurance expenses	173	75
Repair expenses	–	–
Property management fees	2,400	1,080
Other expenses related to rent business	606	263
Depreciation and amortization	27,790	20,226
Income (loss) from lease business	185,808	75,515
NOI	213,599	95,741

(Note 1) The Investment Corporation has acquired an additional quasi co-ownership interest of 30.0% of Hulic Kamiyacho Building on October 16, 2018, and the figures count the additionally acquired portion (136 operating days).

(Note 2) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(Note 3) The Investment Corporation has transferred the remaining quasi co-ownership interest of Leaf Minatomirai (Land) of 15.0% on September 27, 2018.