

# HULIC REIT, INC.

Translation Purposes Only

October 13, 2017

To All Concerned Parties

Name of REIT Issuer:

Hulic Reit, Inc.

2-26-9 Hatchobori, Chuo-ku, Tokyo, Japan

Eiji Tokita, Executive Officer

(TSE Code: 3295)

Contact:

Asset Management Company Hulic Reit  
Management Co., Ltd.

Eiji Tokita, President and CEO

Person to Contact:

Kazuaki Chokki, Director, General Manager of

Corporate Planning and Administration Department

Tel: +81-3-6222-7250

## **Notice concerning the Acquisition, Lease, and Transfer of Property**

TOKYO, October 13, 2017 – Hulic Reit, Inc. (hereinafter referred to as “Hulic Reit”) hereby announces that Hulic Reit Management Co., Ltd. (hereinafter referred to as “Hulic Reit Management”), which is entrusted with the management of the assets of Hulic Reit, has today made the decision to acquire, lease, and transfer the property listed below (hereinafter individually or collectively referred to as the “Property”).

Since the counterparty to the acquisition, lease, and transfer of the Property is an Interested Person, etc. (defined below) of Hulic Reit Management, and is an interested party according to Hulic Reit Management’s Regulations on Transactions with Interested Parties, the necessary procedures stipulated in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the “Act”) and Hulic Reit Management’s internal policies (including Regulations on Transactions with Interested Parties) have been completed concerning the acquisition, lease, and transfer.

### **1. Overview of the acquisition and transfer**

#### **(A) Assets planned for acquisition**

(1) Category	(2) Property name	(3) Location	(4) Assets planned for acquisition	(5) Anticipated acquisition price (Millions of yen) (Note 1)	(6) Seller
Tokyo Commercial Property					
Retail property	HULIC & New SHINBASHI	Minato-ku, Tokyo	Real estate trust beneficiary rights	3,100	Hulic Co., Ltd. (Note 2)
Next-Generation Assets					
Hotel	Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition)	Chuo-ku, Tokyo	Real estate trust beneficiary rights (Note 3)	7,150	Hulic Co., Ltd. (Note 2)
Hotel	Sotetsu Fresa Inn Tokyo-Roppongi	Minato-ku, Tokyo	Real estate trust beneficiary rights (Note 4)	5,000	Hulic Co., Ltd. (Note 2)
Subtotal		—	—	12,150	—
Total		—	—	15,250	—

(7) Date of purchase and sale agreement: October 13, 2017

(8) Anticipated acquisition date (Note 5): November 1, 2017

(9) Acquisition funds : Proceeds from the issuance of new investment units resolved on

**Disclaimer:** This press release is an announcement concerning acquisition, lease, and transfer of property of Hulic Reit and was not prepared for the purpose of soliciting investment. When investing, Hulic Reit advises investors to do so based on their own responsibility and discretion, after ensuring that they have read the prospectus on the issuance of new investment units and the secondary offering of investment units as well as any amendments prepared by Hulic Reit.

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at the Hulic Reit officers' meeting held on October 13, 2017  
(Note 6), borrowings (Note 7), and cash on hand

(10) Settlement method : Full payment upon delivery

Notes:

1. "Anticipated acquisition price" does not include consumption or local taxes or the costs and expenses related to the acquisition.
2. Hulic Co., Ltd. is an Interested Person, etc. (as defined in Article 201 of the Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended); the same shall apply hereinafter) of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
3. This is an additional acquisition of 50% of co-ownership interest for the land and the entire building. Note that Hulic Reit has already acquired 50% of co-ownership interest for the land as of September 16, 2016 (hereinafter referred to as "existing holdings" for this property), and with this additional acquisition, a single building and its entire premises will be owned (complete ownership).
4. Quasi-co-ownership of trust beneficiary rights with the single building and its entire premises as the trust assets comprise 50%.
5. "Anticipated acquisition date" is the anticipated date of acquisition stated in the relevant purchase and sale agreement. However, depending on changes in the payment due date related to the general public offering of newly issued investment units described in the "Notice Concerning the Issuance of New Investment Units and Offering of Investment Units" announced today (hereinafter referred to as "payment due date"), the anticipated acquisition date is subject to change (the same shall apply hereinafter).
6. For details, please refer to "Notice Concerning the Issuance of New Investment Units and Offering of Investment Units" announced today.
7. While financing through short-term borrowings is scheduled, the details have not been decided on as of today and will be announced once they are decided on.

(B) Assets planned for transfer

- |  |   |
|--|---|
| (1) Category                               | Tokyo Commercial Property (Retail property)   |
| (2) Property name                          | Leaf Minatomirai (Land)   |
| (3) Address                                | Yokohama-shi, Kanagawa prefecture   |
| (4) Assets planned for transfer            | Real estate trust beneficiary rights (Note 1)   |
| (5) Anticipated transfer date<br>(Note 2)  | (1) December 15, 2017 (quasi-co-ownership interest of 55%)<br>(2) April 27, 2018 (quasi-co-ownership interest of 30%)<br>(3) September 27, 2018 (quasi-co-ownership interest of 15%)  |
| (6) Anticipated transfer price<br>(Note 3) | Total of 13,100 million yen (The amounts corresponding to each anticipated transfer date noted in (5) above are listed below.)<br>(1) 7,205 million yen<br>(2) 3,930 million yen<br>(3) 1,965 million yen                       |
| (7) Book value                             | 11,765 million yen (Note 4)   |
| (8) Transfer difference<br>(Note 5)        | Total + 1,334 million yen (The amounts corresponding to each anticipated transfer date noted in (5) above are listed below.)<br>(1) +734 million yen<br>(2) +400 million yen<br>(3) +200 million yen                            |
| (9) Date of purchase and sales agreement   | October 13, 2017  |
| (10) Counterparty to the transfer          | Hulic Co., Ltd.   |
| (11) Transferred funds                     | Of the transferred funds, gains on the transfer will be divided among shareholders in the year's first three periods, and the remaining amount will be used as funds on hand with which to acquire property and/or repay loans. |
| (12) Settlement method                     | Split settlement in accordance with the quasi-co-ownership transferred on each anticipated transfer date stated in (5) above  |

Notes:

1. The entire ownership of Hulic Reit will be transferred.
2. A transfer in three parts is scheduled, and the anticipated transfer dates (and the quasi-co-ownership transferred on those dates) for each of the three parts are transfer dates stated in the sales agreement.
3. Anticipated transfer price does not include consumption or local taxes or the costs and expenses related to the acquisition.

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4. Prices as of August 31, 2017 are stated after rounding off units of less than one million yen.
5. Reference value calculated by multiplying the difference between the book value and anticipated transfer price by the ratio of quasi-co-ownership interest on each anticipated transfer date, stated after rounding units of less than one million yen.

## 2. Reason for acquisition, lease, and transfer

### (A) Assets planned for acquisition

#### (1) Reason for acquisition

In accordance with the basic policies of Hulic Reit, the purpose of acquiring the Property is to improve the portfolio. Hulic Reit Management has assessed each property based on the following factors.

#### • HULIC &New SHINBASHI

##### 1) Characteristics of the location

The property is located three minutes walk from Uchisaiwaicho Station on the Toei Mita Line, along a street that is one street to the east of Hibiya Street. In addition, due to factors that Shinbashi Station on the JR Yamanote Line and other lines is nearly the same distance as the nearest station, excellent access to the city center and the suburbs is secured, enhancing the transport convenience.

The area near the west exit of Shinbashi Station where the property is located is known as an extremely busy part of the Shinbashi area that has rows of various shop buildings including restaurants and retail stores and is visited by many people mainly consisting of office workers from areas such as Shinbashi, Uchisaiwaicho, and Shiodome. The Shinbashi western area near Shinbashi station redevelopment plans including the New Shinbashi Building in front of Shinbashi Station are proceeding, and the influx of even more people in the area surrounding the property can be expected due to factors such as the development of restaurant buildings and hotels that is underway.

##### 2) Characteristics of the property

The property is a newly built multipurpose building that was completed in April 2017. It has a total floor space of approximately 1,930 m<sup>2</sup> and 10 floors above ground and 1 below, with basement level 1 to floor 3 containing restaurants and floor 4 to floor 10 containing offices (service offices). For the restaurants, floor space on each floor is approximately 50 tsubo, which is a size appropriate for tenants wishing to expand into this area. In addition, service offices are equipped with working spaces divided into sections of approximately 5 to 14 m<sup>2</sup>, as well as lounges, meeting rooms, and relaxation rooms, etc. that can be used by tenants. A pioneering design taking greening into consideration has been used for the exterior, and strong advantages as a new building can be recognized in an area that has many older buildings.

Note that this property is the second building in the HULIC &New series of urban medium-sized compact retail properties developed in-house by Hulic Co., Ltd., which is the sponsor of Hulic Reit, and it has attracted tenants newly expanding into Shinbashi, new forms of popular stores, etc.

#### • Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition)

##### 1) Characteristics of the location

The property is located five minutes walk from Ginza Station on the Tokyo Metro Ginza Line and other lines, within a series of high-rise office buildings located between Chuo Street and Showa Street. In addition, it has excellent access convenience as Higashi-ginza Station on the Tokyo Metro Hibiya Line and Toei Asakusa Line and Shinbashi Station on the JR Yamanote Line and other lines are nearly the same distance as the nearest station.

The Ginza and Yurakucho area features a concentration of various retail properties including fashion

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brand stores, department stores, and restaurants, and it has developed as one of Japan's busiest commercial districts since long ago. This property is located to the south side of this area (near Shinbashi), in a block that also contains hotels and retail properties, mainly consisting of high-rise office buildings. As the neighborhood includes GINZA SIX that was completed on the former site of Matsuzakaya and other development projects that are underway, the area can be expected to become even busier.

## 2) Characteristics of the property

The property is an accommodation-focused hotel completed in August 2016 that is managed as a hotel under the SOTETSU FRESA INN brand. It has a total floor space of approximately 6,440 m<sup>2</sup> and 13 floors above ground, with the hotel entrance, retail stores, and the entrance to a multilevel car parking lot on floor 1, the front lobby, restaurants, etc. on floor 2, and hotel guest rooms (all 286 rooms) on floor 3 to floor 13. The guest rooms mainly consist of single rooms of approximately 11 m<sup>2</sup>, and include configurations that can support a wide range of use situations, ranging from double rooms of approximately 13 m<sup>2</sup> to twin rooms of approximately 24 m<sup>2</sup>. Furthermore, the property has specifications that sufficiently support the needs of guests in each of the facilities, including Wi-Fi support for the entire building and the use of highly secure IC key cards.

### • Sotetsu Fresa Inn Tokyo-Roppongi

#### 1) Characteristics of the location

The property is located one minute walk from Roppongi Station on the Tokyo Metro Hibiya Line and Toei Ōedo Line facing Roppongi Street, in a location near the Roppongi Crossing.

While the Roppongi area has developed as a busy commercial district with a concentration of restaurants, etc. in the past, it has also become an advanced business district in some aspects where many foreign companies and IT-related companies, etc. have set up offices since the completion of large-scale redevelopment projects such as Roppongi Hills and Tokyo Midtown. This area with its international atmosphere is located in the heart of an urban tourist hub and features an environment in which the property can be expected to capture not only business and leisure demand, but also tourism demand. In addition, the development of multiple large projects has advanced recently and the urban functions of this area will be steadily renewed as some of these projects become completed, etc.

#### 2) Characteristics of the property

The property is an accommodation-focused hotel completed in August 2017 that is managed as a hotel under the SOTETSU FRESA INN brand. It has a total floor space of approximately 4,760 m<sup>2</sup> and 11 floors above ground and 1 below, with the hotel entrance and restaurants facing Roppongi Street on floor 1, the front lobby, etc. on floor 2, and hotel guest rooms (all 201 rooms) on floor 3 to floor 11. The guest rooms mainly consist of double rooms of 10 to 12 m<sup>2</sup>, and include configurations that can support a wide range of use situations, including single rooms of a little over 10 m<sup>2</sup> to twin rooms of 13 to 15 m<sup>2</sup>.

Furthermore, the property has specifications that sufficiently support the needs of guests in each of the facilities, including Wi-Fi support for the entire building and the use of highly secure IC key cards.

## (2) Reason for leasing

Hulic Reit has judged that the lessee of the property complies with its tenant selection criteria as listed in the "Report on Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties" submitted on May 24, 2017.

## (B) Assets planned for transfer

Based on the basic policies of Hulic Reit, Hulic Reit Management is building a portfolio in accordance with comprehensive decisions in consideration of the competitiveness, etc. of each property along with the growth potential, profitability, and risk factors for the portfolio overall.

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A decision has been reached to transfer Leaf Minatomirai (Land) based on the factors outlined below.

- The decision was reached that it would be appropriate to transfer the building on this property at this point in time as a result of comprehensive consideration of factors including the market environment and possibilities regarding the future tenant composition as well as the continued holding of only the property consisting of land based on a fixed-term business-use land lease agreement with special provisions for building transfer.
- An agreement was reached with Hulic Co., Ltd. that is the effective owner of the building for a transfer for 13,100 million yen, exceeding the book value of 11,765 million yen.

### 3. Overview of the Properties

(A) Assets planned for acquisition

- HULIC & New SHINBASHI (Note 1)

Specified assets category		Real estate trust beneficiary rights
Anticipated acquisition price		3,100 million yen
Trustee		Sumitomo Mitsui Trust Bank, Limited
Date trust initiated		November 1, 2017
Expiration date of trust period		November 30, 2027
Nearest station		Three-minute walk from Uchisaiwaicho Station on the Toei Mita Line
Address (domicile)		2-11-10 Shinbashi, Minato-ku, Tokyo
Land	Lot number	2-9-2 Shinbashi, Minato-ku, Tokyo and others
	Building-to-land ratio	100% (Note 2)
	Floor-area ratio	700% (Note 3)
	Zoning	Commercial area
	Site area	309.87 m <sup>2</sup> (Note 4)
	Type of ownership	Proprietary ownership
Building	Completed	April 2017
	Structure	S / RC
	Number of floors	10F/B1
	Use	Offices and Shops
	Total floor space	1,927.55 m <sup>2</sup> (Note 5)
	Number of parking spaces	3
	Type of ownership	Proprietary ownership
Collateral		None
PM company		Hulic Co., Ltd. (Anticipated) (Note 6)
Master lease company		Hulic Co., Ltd. (Anticipated) (Note 6)
Appraisal value (As of)		3,150 million yen (September 1, 2017)
Appraisal company		Japan Real Estate Institute
PML value		6.78% (Note 7)
Details of Tenant (Note 8)		
	Total leased floor space	1,725.35 m <sup>2</sup>
	Total leasable floor space	1,725.35 m <sup>2</sup>
	Occupancy rate	100.0%
	Main tenant	Space Design, Inc.
	Total number of tenants	5
	Total lease income (annualized)	154 million yen (Note 9)
	Lease and guarantee deposits	136 million yen (Note 10)
Special remarks		None

Notes:

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- 1 Details are as of the anticipated acquisition date, confirmed as of October 13, 2017.
- 2 The designated building-to-land ratio of the land of the Property is 80%; however, since the building is a fire-resistant building within a fire prevention area, the applied building-to-land ratio is 100%.
- 3 The designated floor-area ratio of the land of the Property is 700%; however, the floor-area ratio standard applied based on the road width rules of the front road, etc. is 640%.
- 4 Based on the entry in the property registry. The actual status may differ in some cases.
- 5 Based on the entry in the property registry.
- 6 Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
- 7 The figure is based on the earthquake PML appraisal report by Sompo Risk Management & Health Care Inc.
- 8 As the trustee and the master lease company are scheduled to enter into a pass-through master lease agreement with no rent guarantee, total leased floor space, occupancy rate, main tenant, total number of tenants, total lease income, and lease and guarantee deposits of the end-tenants subleased by the master lease company are indicated in the "Details of Tenant."
- 9 The annualized amount is calculated by multiplying the total amount of monthly rent in each lease agreement with end-tenants (including common services fees; limited to rent for rooms that are occupied by tenants and excluding fees for using warehouses, signboards, and parking lots; also not taking free rent, etc. into consideration and excluding consumption taxes) by 12 and rounding to the nearest million yen.
- 10 Total lease and guarantee deposits in each lease agreement with end-tenants are rounded to the nearest million yen.

• Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition) (Note 1)

Specified assets category		Real estate trust beneficiary rights
Anticipated acquisition price		7,150 million yen
Trustee		Mizuho Trust & Banking Co., Ltd.
Date trust initiated		November 1, 2017
Expiration date of trust period		September 30 2026
Nearest station		Five-minute walk from Ginza Station on Tokyo Metro Ginza line and other lines
Address (domicile)		7-11-12 Ginza, Chuo-ku, Tokyo
Land	Lot number	7-5-3 Ginza, Chuo-ku, Tokyo
	Building-to-land ratio	100% (Note 2)
	Floor-area ratio	900% (Note 3)
	Zoning	Commercial area
	Site area	704.72 m <sup>2</sup> (Note 4)
	Type of ownership	Proprietary ownership (co-ownership interest of 50%) (Note 5)
Building	Completed	August 2016
	Structure	Steel structure
	Number of floors	13F
	Use	Hotel and Shops
	Total floor space	6,442.86 m <sup>2</sup> (Note 6)
	Number of parking spaces	26
	Type of ownership	Proprietary ownership (Note 5)
Collateral		None
PM company		Hulic Co., Ltd. (Anticipated) (Note 7)
Master lease company		Hulic Co., Ltd. (Anticipated) (Note 7)
Appraisal value (As of)		7,160 million yen (Note 8) (September 1, 2017)
Appraisal company		Japan Real Estate Institute
PML value		3.60% (Note 9)
Details of Tenant (Note 10)		
Total leased floor space		6,984.32 m <sup>2</sup>
Total leasable floor space		6,984.32 m <sup>2</sup>
Occupancy rate		100.0%
Main tenant		Sotetsu Hotel Development Co., Ltd.
Total number of tenants		1
Total lease income (annualized)		Not disclosed (Note 11)

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Lease and guarantee deposits	Not disclosed (Note 11)
Special remarks	Preferential negotiation rights for purchase are granted to end tenants.

Notes:

- Details are as of the anticipated acquisition date, confirmed as of October 13, 2017.
- The designated building-to-land ratio of the land of the property is 80%; however, since the building is a fire-resistant building within a fire prevention area, the applied building-to-land ratio is 100%.
- The designated floor-area ratio of the land of the property is 700%; however, the floor-area ratio has been eased to 900% since the property is in a designated multi-functional intensive utilization district (Ginza District A).
- Based on the entry in the property registry. The actual status may differ in some cases. Furthermore, total site area for the entire building is stated.
- Hulic Reit acquired 50% of co-ownership interest for the land at the property on September 16, 2016, and this additional acquisition will consist of the ownership of a single building and its entire premises (complete ownership). Please refer to "Notice Concerning the Acquisition and Leasing of Property" released on September 14, 2016 for details on the existing holdings.
- Based on the entry in the property registry. Note that an annex building of 52.17 m<sup>2</sup> is not included in total floor space.
- Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
- The price equivalent to 50% of co-ownership interest for the land and the entire building additionally acquired by Hulic Reit is stated.
- The figure is based on the earthquake PML appraisal report by Sompo Risk Management & Health Care Inc.
- As a pass-through master lease agreement with no rent guarantee is scheduled to be executed by the trustee and the master lease company, total floor area, occupancy rate, representative tenant, and total number of tenants to which the master lease company subleases space are indicated in the "Details of Tenant."
- Not disclosed because approval for disclosure is not acquired from the involved parties, etc. In the event that, in addition to the fixed rent, the annual sales of guest rooms exceeds a certain amount, a certain percentage of this excess shall be added to the rent received by the master lease company from the end tenant as a proportional rent.

• Sotetsu Fresa Inn Tokyo-Roppongi (Note 1)

Specified assets category		Real estate trust beneficiary rights
Anticipated acquisition price		5,000 million yen
Trustee		Mizuho Trust & Banking Co., Ltd.
Date trust initiated		November 1, 2017
Expiration date of trust period		November 30, 2027
Nearest station		One-minute walk from Roppongi Station on Tokyo Metro Hibiya line and Toei Ōedo Line
Address (domicile)		3-10-1 Roppongi, Minato-ku, Tokyo
Land	Lot number	3-211-3 Roppongi, Minato-ku, Tokyo and others
	Building-to-land ratio	100% (Note 2)
	Floor-area ratio	700%・500% (Note 3)
	Zoning	Commercial area
	Site area	616.21 m <sup>2</sup> (Note 4)
	Type of ownership	Proprietary ownership (quasi-co-ownership interest of 50%)
Building	Completed	August 2017
	Structure	SRC
	Number of floors	11F/B1
	Use	Hotel
	Total floor space	4,758.00 m <sup>2</sup> (Note 5)
	Number of parking spaces	15
	Type of ownership	Proprietary ownership (quasi-co-ownership interest of 50%)
Collateral		None
PM company		Hulic Co., Ltd. (anticipated) (Note 6)
Master lease company		Hulic Co., Ltd. (anticipated) (Note 6)
Appraisal value (As of)		5,050 million yen (Note 7) (September 1, 2017)
Appraisal company		Japan Real Estate Institute
PML value		5.55% (Note 8)

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Details of Tenant (Note 9)	-
Total leased floor space	2,408.45 m <sup>2</sup> (Note 10)
Total leasable floor space	2,408.45 m <sup>2</sup> (Note 10)
Occupancy rate	100.0%
Main tenant	Sotetsu Hotel Development Co., Ltd.
Total number of tenants	1
Total lease income (annualized)	Not disclosed (Note 11)
Lease and guarantee deposits	Not disclosed (Note 11)
Special remarks	Preferential negotiation rights for purchase of mutual co-ownership interests are granted to quasi-co-owners.

## Notes:

- Details are as of the anticipated acquisition date, confirmed as of October 13, 2017.
- The designated building-to-land ratio of the land of the property is 80%; however, since the building is a fire-resistant building within a fire prevention area, the applied building-to-land ratio is 100%.
- The designated floor-area ratio of the land of the property is 700% up to 30 m from the northwest side of the road boundary, and 500% over 30 m from the northwest side of the road boundary.
- Based on the entry in the property registry. The actual status may differ in some cases. Furthermore, total site area for the entire building is stated.
- Based on the entry in the property registry. Furthermore, total site area for the entire building is stated.
- Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
- The price equivalent to quasi-co-ownership interest acquired by Hulic Reit is stated.
- The figure is based on the earthquake PML appraisal report by Sompo Risk Management & Health Care Inc.
- As a pass-through master lease agreement with no rent guarantee is scheduled to be executed by the trustee and the master lease company, total floor area, occupancy rate, representative tenant, and total number of tenants to which the master lease company subleases space are indicated in the "Details of Tenant."
- The figures equivalent to quasi-co-ownership interest acquired by Hulic Reit are stated.
- Not disclosed because approval for disclosure is not acquired from the involved parties, etc. In the event that, in addition to the fixed rent, the annual sales of guest rooms exceeds a certain amount, a certain percentage of this excess shall be added to the rent received by the master lease company from the end tenant as a proportional rent.

## (B) Assets planned for transfer

### • Leaf Minatomirai (Land)

Specified assets category		Real estate trust beneficiary rights
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Date trust initiated		March 30, 2016
Expiration date of trust period		March 31, 2026
Nearest station		Three-minute walk from Minatomirai Station on the Minatomirai Line
Address (domicile)		4-6-5 Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa
Land	Lot number	4-6-1 Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa
	Building-to-land ratio	100% (Note 1)
	Floor-area ratio	600%
	Zoning	Commercial area
	Site area	5,500.04 m <sup>2</sup> (Note 2)
	Type of ownership	Proprietary ownership
Building	Completed	—
	Structure	—
	Number of floors	—
	Use	—
	Total floor space	—
	Number of parking spaces	—
	Type of ownership	—
Collateral		None
PM company		Hulic Co., Ltd. (Note 3)

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Master lease company	—
Acquisition date	March 30, 2016
Acquisition price	11,700 million yen
Anticipated transfer date (Note 4)	(1) December 15, 2017 (quasi-co-ownership interest of 55%) (2) April 27, 2018 (quasi-co-ownership interest of 30%) (3) September 27, 2018 (quasi-co-ownership interest of 15%)
Anticipated transfer price	Total of 13,100 million yen (The amounts corresponding to each anticipated transfer date in the above “anticipated transfer date” field are listed below.) (1) 7,205 million yen (2) 3,930 million yen (3) 1,965 million yen
Book value	11,765 million yen (Note 5)
Transfer difference (Note 6)	Total +1,334 million yen (The amounts corresponding to each anticipated transfer date in the above “anticipated transfer date” field are listed below.) (1) +734 million yen (quasi-co-ownership interest of 55%) (2) +400 million yen (quasi-co-ownership interest of 30%) (3) +200 million yen (quasi-co-ownership interest of 15%)
Appraisal value (Date of valuation)	13,100 million yen (August 31, 2017)
Appraisal company	Daiwa Real Estate Appraisal Co. Ltd.
Details of Tenant	
Total leased floor space	5,500.04 m <sup>2</sup>
Total leasable floor space	5,500.04 m <sup>2</sup> (Note 7)
Occupancy rate	100.0%
Main tenant	Mizuho Trust & Banking Co., Ltd. (Note 3) (Note 8)
Total number of tenants	1 (Note 9)
Total lease income (annualized)	534 million yen (Note 10)
Lease and guarantee deposits	267 million yen (Note 11)
Special remarks	None

Notes:

- 1 The designated building-to-land ratio of the land of the property is 80%; however, since the building is a fire-resistant building within a fire prevention area, the applied building-to-land ratio is 100%.
- 2 Based on the entry in the property registry. The actual status may differ in some cases.
- 3 Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management’s Regulations on Transactions with Interested Parties.
- 4 A transfer in three parts is scheduled, and the anticipated transfer dates (and the quasi-co-ownership transferred on those dates) for each of the three parts are transfer dates stated in the sales agreement.
- 5 Prices as of August 31, 2017 are stated after rounding off units of less than one million yen.
- 6 Reference value calculated by multiplying the difference between the book value and anticipated transfer price by the ratio of quasi-co-ownership interest on each anticipated transfer date, stated after rounding off units of less than one million yen.
- 7 The area of the land is stated.
- 8 The lease for the property is in the name of Mizuho Trust & Banking Co., Ltd., but the trust beneficiary of the trust, i.e., the leasing rights for the property that are the trust asset, is Hulic Co., Ltd.
- 9 The total number of land lessees is stated.
- 10 An annualized amount (not including consumption tax, etc.) calculated by multiplying the monthly rent for land presented in the lease agreement by 12 and rounding to the nearest million yen is stated.
- 11 The total book value recognized as leases and guarantee deposits for the property is stated after rounding to the nearest million yen.

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# HULIC REIT, INC.

## 4. Overview of Operator

### • Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition) and Sotetsu Fresa Inn Tokyo-Roppongi

Trade name	Sotetsu Hotel Management Co., Ltd.
Location	2-9-14 Kita-saiwai, Nishi-ku, Yokohama-shi, Kanagawa
Name and title of representative	Chief executive officer: Osamu Yoshida
Primary business lines	Management and franchising of accommodation-focused hotels
Business Overview	Fully owned subsidiary of Sotetsu Holdings, Inc. (listed on the First Section of the Tokyo Stock Exchange) that is engaged in businesses including transportation, logistics, real estate, and hotel services. The subsidiary is engaged in the deployment and facility management, etc. of accommodation-focused hotels under the brands of Sotetsu Fresa Inn and Sunroute.
Paid-in capital	100 million yen (as of October 1, 2017)
Date of establishment	July 14, 2017
Number of facilities operated	76 (as of October 1, 2017)
Number of tenant rooms operated	13,551 (as of October 1, 2017)
Net sales	29,164 million yen (FY ended March 31, 2017) (Note)
Ordinary income	2,848 million yen (FY ended March 31, 2017) (Note)
Relationship with Hulic Reit and Hulic Reit Management	
Capital relationship	There are no significant capital relationships among Hulic Reit, Hulic Reit Management, and Sotetsu Hotel Management Co., Ltd. There are no significant capital relationships between the related persons or affiliates of Hulic Reit and Hulic Reit Management, and Sotetsu Hotel Management Co., Ltd.
Personnel relationship	There are no significant personnel relationships among Hulic Reit, Hulic Reit Management, and Sotetsu Hotel Management Co., Ltd. There are no significant personnel relationships between the related persons or affiliates of Hulic Reit and Hulic Reit Management, and Sotetsu Hotel Management Co., Ltd.
Transactional relationship	It is the operator of the assets held by Hulic Reit, and has received a sublease from Sotetsu Hotel Development Co., Ltd. based on a building lease agreement between the master lease company (Hulic Co., Ltd.) and Sotetsu Hotel Development Co., Ltd.
Status as a related party	Sotetsu Hotel Management Co., Ltd. does not constitute a related party of Hulic Reit and Hulic Reit Management. In addition, parties or affiliates related to Sotetsu Hotel Management Co., Ltd. do not constitute related parties of Hulic Reit and Hulic Reit Management.

(Note) Resulting from a demerger (absorption-type) of Sotetsu Inn Co., Ltd. and Sunroute Co., Ltd. that are wholly owned subsidiaries of Sotetsu Holdings, Inc. as of October 1, 2017, because the operator has been taking over the hotel businesses of both companies, the total figures for net sales and ordinary income for both companies before the demerger have been stated.

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# HULIC REIT, INC.

## 5. Overview of the counterparty of the acquisition and transfer

Trade name	Hulic Co., Ltd.
Location	7-3 Nihonbashi Odenmacho, Chuo-ku, Tokyo
Name and title of representative	President, Representative Director Manabu Yoshidome
Primary business lines	Holding, lease, purchase, and sale of real estate and brokerage services
Paid-in capital	62,718 million yen (as of June 30, 2017)
Date of establishment	March 26, 1957
Net assets	358,984 million yen (as of June 30, 2017)
Total assets	1,327,841 million yen (as of June 30, 2017)
Major shareholders and shareholding ratios	Meiji Yasuda Life Insurance Company (7.18%), Sompo Japan Nipponkoa Insurance Inc. (6.83%), Tokyo Tatemono Co., Ltd. (6.31%) (as of June 30, 2017)
Relationship with Hulic Reit and Hulic Reit Management	
Capital relationship	As of October 13, 2017, Hulic Co., Ltd. holds 11.5% of the total number of investment units issued by Hulic Reit. Hulic Co., Ltd. is the parent company (100% investment ratio) of Hulic Reit Management, and is therefore an Interested Person, etc. of Hulic Reit Management.
Personnel relationship	Certain employees of Hulic Reit Management are on secondment from Hulic Co., Ltd.
Transactional relationship	Hulic Reit acquired five properties in the fiscal period ended February 28, 2017 (15,220 million yen) and five properties in the fiscal period ended August 31, 2017 (16,930 million yen) from Hulic Co., Ltd.
Status as a related party	Hulic Co., Ltd. is a related party of Hulic Reit and Hulic Reit Management. Moreover, as described above, Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management.

## 6. Status of the property acquirer

Property acquisition from a person that has special interests is as follows. In the table below, (i) the company name/name, (ii) the relationship with the person that has special interests, and (iii) the background/reason for the acquisition are indicated.

Property name Location	Previous owner/trust beneficiary	Owner/trust beneficiary prior to the previous owner/trust beneficiary
	(i), (ii), (iii) Acquisition price Acquisition date	(i), (ii), (iii) Acquisition price Acquisition date
HULIC & New SHINBASHI (2-11-10 Shinbashi, Minato-ku, Tokyo)	(i) Hulic Co., Ltd. (ii) Parent company of Hulic Reit Management (iii) Acquired with the intention of development	Those other than a person that has special interests
	—	—
	—	—
Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition) (7-11-12, Ginza, Chuo-ku, Tokyo)	(i) Hulic Co., Ltd. (ii) Parent company of Hulic Reit Management (iii) Acquired with the intention of development	Those other than a person that has special interests
	—	—
	—	—
Sotetsu Fresa Inn Tokyo-Roppongi (3-10-1 Roppongi, Minato-ku, Tokyo)	(i) Hulic Co., Ltd. (ii) Parent company of Hulic Reit Management (iii) Acquired with the intention of development	Those other than a person that has special interests
	—	—
	—	—

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# HULIC REIT, INC.

## 7. Overview of intermediary

Not applicable

## 8. Acquisition and transfer schedule

### (A) Assets planned for acquisition

Property name	Acquisition decision date	Date of purchase and sale agreement	Anticipated payment date	Anticipated acquisition date
HULIC & New SHINBASHI	October 13, 2017	October 13, 2017	November 1, 2017	November 1, 2017
Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition)				
Sotetsu Fresa Inn Tokyo-Roppongi				

(Note) The anticipated payment date and scheduled property delivery date are subject to change depending on the changes in the payment due date.

### (B) Assets planned for transfer

Property name	Transfer decision date	Date of purchase and sale agreement	Anticipated receipt date	Scheduled property delivery date
Leaf Minatomirai (Land)	October 13, 2017	October 13, 2017	December 15, 2017	December 15, 2017
			April 27, 2018	April 27, 2018
			September 27, 2018	September 27, 2018

## 9. Future outlook

For the operations forecast of Hulic Reit for the period ending February 2018 (September 1, 2017 to February 28, 2018) or the period ending August 2018 (March 1, 2018 to August 31, 2018) resulting from the acquisition and transfer of the property, refer to “Notice Concerning Revision to the Forecasts of Financial Results and Distributions for the Fiscal Period Ending February 28, 2018 and Announcement of Forecasts of Financial Results, etc. for the Fiscal Period Ending August 31, 2018” announced today.

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# HULIC REIT, INC.

## 10. Summary of Appraisal Report

### (A) Assets planned for acquisition

#### • HULIC & New SHINBASHI

Appraisal value	3,150 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Date of valuation	September 1, 2017

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2)	3,150	Estimated with appraisal value based on direct capitalization method and appraisal value based on DCF method handled equally
Appraisal value based on direct capitalization method	3,190	
(1) Operating revenue	151	
Potential gross income	156	Estimated based on evaluation of stable rent levels in the medium and long term
Losses from vacancy, etc.	5	Estimated based on evaluation of stable occupancy rate level in the medium and long term
(2) Operating expenses	30	
Maintenance and management fee/PM fee (Note 3)	13	Estimated based on consideration of the individual characteristics of the target real estate, in reference to expense levels for similar real estate, etc.
Utility expenses	2	Recorded based on expense levels for similar real estate
Repair expenses	1	Estimated in consideration of future management and operation plans, expense levels for similar real estate, and average annual repair and renewal expenses in engineering reports
Tenant recruitment/solicitation expenses, etc.	1	Estimated based on evaluation of the assumed turnover period for lessees
Taxes and public dues	13	Estimated based on materials related to taxes and public dues
Insurance premium	0	Estimated in reference to insurance premiums based on insurance contracts and the premium rate for similar real estate, etc.
Other expenses	0	
(3) Net operating income (NOI: (1) - (2))	122	
(4) Profit from security deposits	1	Estimated based on evaluation of lease deposit and investment return
(5) Capital expenditures	2	Estimated in consideration of capital expenditure levels for similar real estate, the age of the building, and average annual repair and renewal expenses in engineering reports
Net cash flow ((3) + (4) - (5))	121	
Cap rate	3.8%	Estimated by adding or subtracting the spread due to the individuality of the target real estate to the yield that is standard for the area
Appraisal value based on DCF method	3,100	
Discount rate	3.6%	Estimated in reference to the investment yield for similar real estate transactions, after taking into consideration the individual characteristics of the target real estate
Terminal cap rate	4.0%	Estimated in reference to the investment yields of similar real estate transactions, after taking into comprehensive consideration factors including general forecasts on the future rate of economic growth and trends in real estate prices and rents
Appraisal value based on cost method (Note 2)	3,150	
Ratio of land	74.0%	

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# HULIC REIT, INC.

Ratio of building	26.0%
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Other matters considered by appraiser in determination of appraisal value	None
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Notes:

1. Appraisal value based on income method that reflects the profitability and investment return of the property is used.
2. Appraisal value figures have been rounded to the nearest million yen. Note that these figures are not the revenue and expenses forecast by Hulic Reit or Hulic Reit Management.
3. The maintenance and management fee and PM fee stated above are combined, because individual disclosure of the maintenance and management fee and PM fee amount levels may affect the other transactions of each contractor with respect to building management and PM services, which could pose an obstacle to efficient performance of services by Hulic Reit and could harm unitholder interests.

• Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition)

Appraisal value	7,160 million yen (Note 1) (Note 2)
Appraiser	Japan Real Estate Institute
Date of valuation	September 1, 2017

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2) (Note 3)	7,160	Estimated with appraisal value based on direct capitalization method and appraisal value based on DCF method handled equally
Appraisal value based on direct capitalization method	7,280	
(1) Operating revenue (Note 4)	Not disclosed	
Potential gross income	Not disclosed	
Losses from vacancy, etc.	Not disclosed	
(2) Operating expenses (Note 4)	Not disclosed	
Maintenance and management fee/PM fee	Not disclosed	
Utility expenses	Not disclosed	
Repair expenses	Not disclosed	
Tenant recruitment/solicitation expenses, etc.	Not disclosed	
Taxes and public dues	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
(3) Net operating income (NOI: (1) - (2))	273	
(4) Profit from security deposits	5	Estimated based on evaluation of yields
(5) Capital expenditures	2	Estimated in consideration of capital expenditure levels for similar real estate, the age of the building, and average annual repair and renewal expenses in engineering reports
Net cash flow ((3) + (4) - (5))	277	
Cap rate	3.8%	Estimated by adding or subtracting the spread due to the individuality of the target real estate to the yield that is standard for the area
Appraisal value based on DCF method	7,040	
Discount rate	3.6%	Estimated in reference to the investment yield for similar real estate transactions, after taking into consideration the individual characteristics of the target real estate
Terminal cap rate	4.0%	Estimated in reference to the investment yields of similar real estate transactions, after taking into comprehensive consideration factors including general forecasts on the future

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# HULIC REIT, INC.

		rate of economic growth and trends in real estate prices and rents
Appraisal value based on cost method (Note 2) (Note 3)	8,470	
Ratio of land	77.1%	
Ratio of building	22.9%	

Other matters considered by appraiser in determination of appraisal value	None
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Notes:

1. Appraisal value based on income method that reflects the profitability and investment return of the Property is used.
2. The price equivalent to 50% of co-ownership interest for the land and the entire building additionally acquired by Hulic Reit is stated.
3. Appraisal value figures have been rounded to the nearest million yen. Note that these figures are not the revenue and expenses forecast by Hulic Reit or Hulic Reit Management.
4. Figures, and other information, for which the end tenant did not authorize disclosure, were used in this appraisal and are not disclosed as disclosure of this data could damage the relationship of trust with the end tenant and make it difficult to maintain lease agreements in the long term.

• Sotetsu Fresa Inn Tokyo-Roppongi

Appraisal value	5,050 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Date of valuation	September 1, 2017

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2)	10,100	Estimated with appraisal value based on direct capitalization method and appraisal value based on DCF method handled equally
Appraisal value based on direct capitalization method	10,300	
(1) Operating revenue (Note 3)	Not disclosed	
Potential gross income	Not disclosed	
Losses from vacancy, etc.	Not disclosed	
(2) Operating expenses (Note 3)	Not disclosed	
Maintenance and management fee/PM fee	Not disclosed	
Utility expenses	Not disclosed	
Repair expenses	Not disclosed	
Tenant recruitment/solicitation expenses, etc.	Not disclosed	
Taxes and public dues	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
(3) Net operating income (NOI: (1) - (2))	404	
(4) Profit from security deposits	1	Estimated based on evaluation of lease deposit and investment return
(5) Capital expenditures	2	Estimated in consideration of capital expenditure levels for similar real estate, the age of the building, and average annual repair and renewal expenses in engineering reports
Net cash flow ((3) + (4) - (5))	403	
Cap rate	3.9%	Estimated by adding or subtracting the spread due to the individuality of the target real estate to the yield that is standard for the area

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# HULIC REIT, INC.

	Appraisal value based on DCF method	9,960	
	Discount rate	3.7%	Estimated in reference to the investment yield for similar real estate transactions, after taking into consideration the individuality of the target real estate
	Terminal cap rate	4.1%	Estimated in reference to the investment yields of similar real estate transactions, after taking into comprehensive consideration factors including general forecasts on the future rate of economic growth and trends in real estate prices and rents
	Appraisal value based on cost method (Note 2)	9,130	
	Ratio of land	74.9%	
	Ratio of building	25.1%	
Other matters considered by appraiser in determination of appraisal value		None	

Notes:

1. The price equivalent to quasi-co-ownership interest acquired by Hulic Reit (50%) is stated.
2. The appraisal value for a single building and its entire premises (entire property) has been rounded to the nearest million yen (of which, the portion understood as being attributable to Hulic Reit is equivalent to 50% of quasi-co-ownership interest). Note that these figures are not the revenue and expenses forecast by Hulic Reit or Hulic Reit Management.
3. Figures, and other information, for which the end tenant did not authorize disclosure, were used in this appraisal and are not disclosed as disclosure of this data could damage the relationship of trust with the end tenant and make it difficult to maintain lease agreements in the long term.

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# HULIC REIT, INC.

## (B) Assets planned for transfer

### • Leaf Minatomirai (Land)

Appraisal value	13,100 million (Note 1)
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of valuation	August 31, 2017

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method	13,100	Appraisal value based on DCF method used.
Appraisal value based on DCF method	13,100	
(1) Operating revenue (Note 2)	534	
Potential gross income	534	Rent revenue is recorded.
Losses from bad debts	0	Not recorded as they are covered by guarantee deposits, etc.
(2) Operating expenses (Note 2)	32	
Taxes and public dues	30	Recorded based on the actual amount for FY2017.
Other expenses	3	PM fee, etc. are recorded.
(3) Net operating income (NOI: (1) - (2))	502	
(4) Profit from security deposits	3	Recorded based on evaluation of lease deposit and investment return
Net cash flow (NCF: (3) + (4))	504	
Discount rate	3.9%	Estimated in reference to interviews with investors, in conjunction with a method of comparison with similar real estate transactions and a method of considering the individual characteristics of real estate based on the yield for financial assets
Terminal cap rate	-	The terminal cap rate has not been used because vacant lot restoration is assumed after completion of the lease period

Other matters considered by appraiser in determination of appraisal value	None
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#### Notes:

1. Appraisal value based on income method that reflects the profitability and investment return of the property is used.
2. The figures for the initial fiscal year under the DCF method for appraisal have been rounded to the nearest million yen. Note that these figures are not the revenue and expenses forecast by Hulic Reit or Hulic Reit Management.

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# HULIC REIT, INC.

## 11. Overview of Building Inspection Report

Property name	Inspection company	Inspection performed on	Cost of urgent/short-term repairs (Millions of yen) (Note 1)	Cost of long-term repairs (Millions of yen) (Note 2)
HULIC &New SHINBASHI	Tokio Marine & Nichido Risk Consulting Co. Ltd.	September 2017	-	1
Sotetsu Fresa Inn Ginza 7 Chome (Additional Acquisition)	Tokyo Bldg-Tech Center Co., Ltd.	September 29, 2017	-	0
Sotetsu Fresa Inn Tokyo-Roppongi (Note 3)	Tokio Marine & Nichido Risk Consulting Co. Ltd.	September 2017	-	1

Notes:

1. “Cost of urgent/short-term repairs” includes the cost of updating and repair work and urgent repairs generally required within one year as shown on the Building Inspection Report.
2. “Cost of long-term repairs” includes the average annual amount rounded to the nearest million yen for the costs appearing on the Building Inspection Report as updating and repair work forecast over the next 12-year period.
3. The figures equivalent to quasi-co-ownership interest acquired by Hulic Reit are stated for “cost of urgent/short-term repairs” and “cost of long-term repairs.”

\* This press release was distributed to:

The Tokyo Stock Exchange Press Club (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), and the press club for construction publications of the MLIT

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

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# HULIC REIT, INC.

## Attachments

Reference Attachment 1

Reference Attachment 2

Map and Photo of the Property

Portfolio List after Acquiring the Property

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# HULIC REIT, INC.

## Reference Attachment 1 Map and Photo of the Property

### HULIC &New SHINBASHI



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# HULIC REIT, INC.

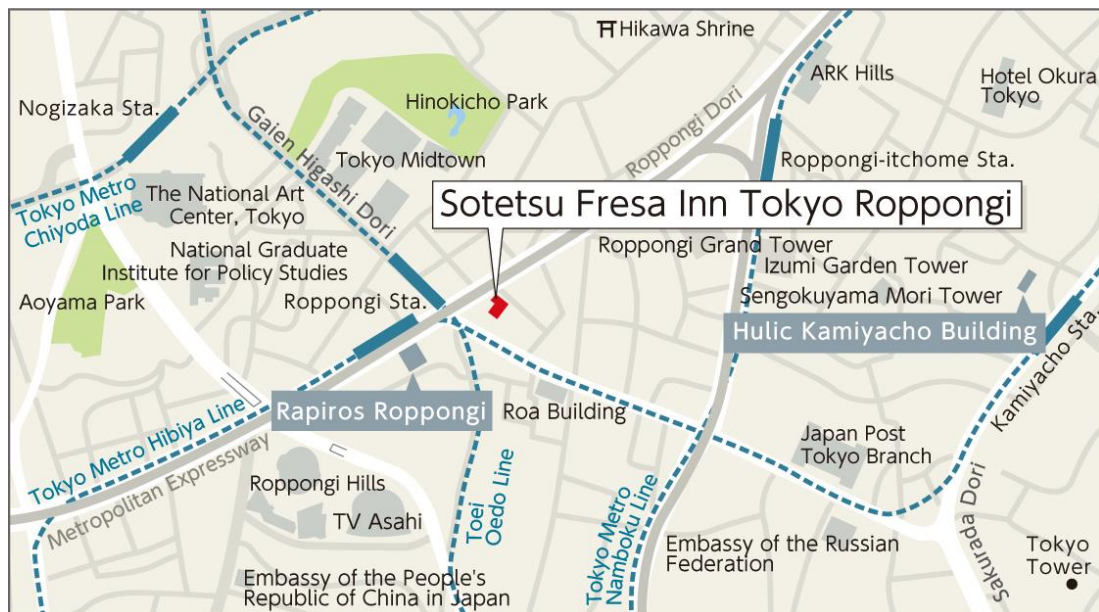
## Sotetsu Fresa Inn Ginza 7 Chome



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# HULIC REIT, INC.

## Sotetsu Fresa Inn Tokyo-Roppongi



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# HULIC REIT, INC.

Reference Attachment 2

Portfolio List after Acquiring the Property

Category	Property name	Location	(Anticipated) Acquisition price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	(Anticipated) Acquisition date (Note 3)
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	(20,100) (16,650) Total 36,750 (Note 4) (Note 5)	(7.8%) (6.4%) Total 14.2% (Note 5)	February 7, 2014 March 15, 2016
		Hulic Kudan Building (Land)	11,100	4.3%	February 7, 2014
		Toranomon First Garden	8,623 (Note 4)	3.3%	February 7, 2014
		Rapiros Roppongi	(5,160) (1,050) Total 6,210 (Note 4) (Note 5)	(2.0%) (0.4%) Total 2.4% (Note 5)	February 7, 2014 September 16, 2016
		Hulic Takadanobaba Building	3,900	1.5%	February 7, 2014
		Hulic Kanda Building	3,780	1.5%	February 7, 2014
		Hulic Kandabashi Building	2,500	1.0%	February 7, 2014
		Hulic Kakigaracho Building	2,210	0.9%	February 7, 2014
		Ochanomizu Sola City	(22,854) (15,295) Total 38,149 (Note 4) (Note 5)	(8.8%) (6.0%) Total 14.8% (Note 5)	November 7, 2014 October 4, 2016
		Hulic Higashi Ueno 1 Chome Building	2,670	1.0%	October 16, 2014
		Sasazuka South Building	2,100 (Note 4)	0.8%	March 9, 2015
		Tokyo Nishi Ikebukuro Building	1,580 (Note 4)	0.6%	March 31, 2015
		Gate City Ohsaki	4,370 (Note 4)	1.7%	April 16, 2015
		Hulic Toranomon Building	(12,740) (5,570) Total 18,310 (Note 4) (Note 5)	(4.9%) (2.2%) Total 7.1% (Note 5)	December 25, 2015 September 1, 2016
		Hulic Shibuya 1-chome Building	5,100	2.0%	March 31, 2017
		Hulic Higashi Nihonbashi Building	3,480	1.3%	March 31, 2017
		Hulic Jimbocho Building	1,460	0.6%	April 28, 2017
		Subtotal	-	58.9%	-
	Retail properties	Oimachi Redevelopment Building	9,456	3.7%	February 7, 2014
		Oimachi Redevelopment Building	6,166 (Note 4)	2.4%	February 7, 2014
		Dining Square Akihabara Building	3,200	1.2%	February 7, 2014

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	Hulic Jingumae Building	Shibuya-ku, Tokyo	2,660	1.0%	February 7, 2014
	Hulic Shinjuku 3 Chome Building	Shinjuku-ku, Tokyo	5,550	2.1%	October 16, 2014
	Yokohama Yamashitacho Building	Yokohama-shi, Kanagawa	4,850	1.9%	October 16, 2014
	Leaf Minatomirai (Land)	Yokohama-shi, Kanagawa	5,265 (Note 4) (Note 6)	2.0%	March 30, 2016
	Orchid Square	Chiyoda-ku, Tokyo	3,502	1.4%	March 30, 2016
	Hulic Todoroki Building	Setagaya-ku, Tokyo	1,200	0.5%	December 27, 2016
	Hulic Omori Building	Shinagawa-ku, Tokyo	3,420	1.3%	March 31, 2017
	HULIC &New SHIBUYA	Shibuya-ku, Tokyo	3,150 (Note 4)	1.2%	June 30, 2017
	HULIC &New SHINBASHI	Minato-ku, Tokyo	3,100	1.2%	November 1, 2017
	Subtotal	-	51,519	19.9%	-
	Intermediate total	-	203,811	78.8%	-

Next-Generation Assets	Private nursing homes	Aria Matsubara	Setagaya-ku, Tokyo	3,244	1.3%	February 7, 2014
		Trust Garden Youganomori	Setagaya-ku, Tokyo	5,390	2.1%	February 7, 2014
		Trust Garden Sakurashinmachi	Setagaya-ku, Tokyo	2,850	1.1%	February 7, 2014
		Trust Garden Suginami Miyamae	Suginami-ku, Tokyo	2,760	1.1%	February 7, 2014
		Trust Garden Tokiwamatsu	Shibuya-ku, Tokyo	3,030	1.2%	September 1, 2016
		Sompo Care La vie Re Kitakamakura	Yokohama-shi, Kanagawa	1,780	0.7%	June 30, 2017
		Subtotal	-	19,054	7.4%	-
	Network centers	Ikebukuro Network Center	Toshima-ku, Tokyo	4,570	1.8%	February 7, 2014
		Tabata Network Center	Kita-ku, Tokyo	1,355	0.5%	February 7, 2014
		Hiroshima Network Center	Hiroshima-shi, Hiroshima	1,080	0.4%	February 7, 2014
		Atsuta Network Center	Nagoya-shi, Aichi	1,015	0.4%	February 7, 2014
		Nagano Network Center	Nagano-shi, Nagano	305	0.1%	February 7, 2014
		Chiba Network Center	Inzai-shi, Chiba	7,060	2.7%	December 16, 2014
		Sapporo Network Center	Sapporo-shi, Hokkaido	2,510	1.0%	December 16, 2014
		Keihanna Network Center	Kizukawa-shi, Kyoto	1,250	0.5%	October 16, 2014
		Subtotal	-	19,145	7.4%	-
	Hotel	Sotetsu Fresa Inn Ginza 7 Chome	Chuo-ku, Tokyo	(4,370)	(1.7%)	September 16, 2016
				(7,150)	(2.8%)	November 1, 2017
				Total 11,520 (Note 4) (Note 5)	Total 4.5% (Note 5)	

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	Sotetsu Fresa Inn Tokyo-Roppongi	Minato-ku, Tokyo	5,000 (Note 4)	1.9%	November 1, 2017
	Subtotal	-	16,520	6.4%	-
	Intermediate total	-	54,719	21.2%	-
	Total of the portfolio	-	258,530	100.0%	-

Notes:

1. “(Anticipated) Acquisition price” lists the acquisition price listed in the relevant purchase and sale agreement for each asset held and the Property, rounded to the nearest million yen. The acquisition price does not include consumption or local taxes or the costs and expenses related to the acquisition.
2. “Investment ratio” represents the percentage of the (anticipated) acquisition price of each asset held and the Property to the total (anticipated) acquisition price, rounded to one decimal place.
3. “(Anticipated) Acquisition date” is the anticipated date of acquisition stated in the relevant purchase and sale agreement for each asset held and the Property.
4. The figure is based on the ratio of sectional ownership interest or quasi-co-ownership interest owned by Hulic Reit in the properties.
5. For additional acquisitions, the acquisition prices in respective acquisition dates and the investment ratios are indicated in parentheses respectively, and their total values at the bottom line.
6. The figure show equivalent to the quasi-co-ownership interest of property (45.0%) held by Hulic Reit anticipated at the end of the fiscal period ending February 28, 2018.

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