Translation Purposes Only

June 27, 2017

To All Concerned Parties

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Notice concerning the Acquisition of Property

TOKYO, June 27, 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 the property listed below (hereinafter individually or collectively referred to as the "Property").

Since the counterparty to the acquisition 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 and lease.

1. Overview of the 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 SHIBUYA	Shibuya-ku, Tokyo	Real estate trust beneficiary rights (Note 2)	3,150	Hulic Co., Ltd. (Note 3)
Next-Generation Assets						
	Private nursing homes	SOMPO Care La vie Re Kita-Kamakura	Kamakura-shi, Kanagawa	Real estate trust beneficiary rights	1,780	Hulic Co., Ltd. (Note 3)
Total			–	–	4,930	–

(7) Date of purchase and sale agreement : June 27, 2017
(8) Anticipated acquisition date (Note 4) : June 30, 2017
(9) Acquisition funds : Borrowings (Note 5) 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. The quasi-co-ownership interest of the trust beneficiary rights comprising one building and its lot as the trust property is 50%.
3. Hulic Co., Ltd., the "Seller," 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)) of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
4. "Anticipated acquisition date" is the anticipated date of acquisition stated in the relevant purchase and sale agreement.
5. For details, please refer to "Notice concerning the Borrowing of Funds" announced today.

2. Reason for acquisition

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

・HULIC &New SHIBUYA

1) Characteristics of the location

The property is located on Inokashira-dori Street, just five minutes' walk from Shibuya Station, which is served by the JR Yamanote Line, Tokyo Metro Ginza and Hanzomon Lines, and other lines. Shibuya Station is one of Japan's busiest train terminals that has transfers for nine lines operated by four companies including JR, which ensures excellent access within Tokyo and the neighboring prefectures. Inokashira-dori Street along with Center Main Street, Koen-dori Street, and Bunkamura-dori Street forms a prosperous commercial district to the northwest of Shibuya Station (Shibuya Center Street). There are numerous shops of many types including fast fashion and restaurants that attract large numbers of people coming from the pedestrian scramble intersection in front of the station. The property is located somewhat to the interior of the area away from the station, but is at the corner of a side street that joins Inokashira-dori Street, Center Komichi (path), and Bunkamura-dori Street, and the ability to attract customers who are traveling between these streets is a strong point. A number of reconstruction projects are planned including the nearby former Parco site, and as construction on these projects is completed, customers heading to the area will increase, and even greater customer traffic flows can be expected.

2) Characteristics of the property

The structure is a new, 10-story commercial building with two basement levels, completed in April 2017. The total floor area is approximately 2,000 m², and each floor has an area of approximately 100 m² to 200 m². Thus, the floor area is appropriate for the demand segments of restaurants and service shops in the nearby areas. The highly innovative exterior features glass block piled in an alternating pattern, and the building is conspicuous in the area. Located on the corner, the building is highly visible and has become a local landmark.

The property is the first commercial facility independently developed by Hulic, which is Hulic Reit's sponsor. Under the concept of "adding the new," entitled "HULIC &New," it is attracting new tenants establishing businesses in Shibuya for the first time as well as popular shops developing new commercial formats.

・SOMPO Care La vie Re Kita-Kamakura

1) Characteristics of the location

The property is located at the top of a small hill adjacent to a single-family home district known as Takanodai, located approximately 1.3 km to the north of the Kita-Kamakura Station on the JR Yokosuka

Line. In addition to the nearest station, access is also good by bus from the Ofuna Station, which is a terminal for multiple train lines including the JR Tokaido Line.

There are numerous noted and ancient Buddhist temples near Kita-Kamakura Station, where the property is located in a northward direction, in a hilly, residential district with a quiet living environment. The area extends from Mt. Rokkokukenzan and has many scenic views, including a point selected as one of the 100 best views of Kamakura. The property is located on a small hill, placing it higher than adjacent buildings, providing a feeling of openness and broad views of Kamakura and Ofuna City.

2) Characteristics of the property

The property is a three-story home for the aged that was completed in March 2009. Each floor has tenant rooms and common facilities include a dining room and training area, kitchen, and offices on the first floor, a bathing area, a lounge, and hairdresser on the second floor, and a lounge on the third floor. Total floor area is 4,831.80 m² and there are 98 tenant rooms. It is a relatively large facility for this application.

The center of the building features an open-ceiling space, and the first-floor dining room has a high ceiling and skylights to provide natural lighting, creating a sense of openness and comfort. The property also accepts short-term tenants as an operating initiative, and one room has been secured for short-term care, providing support in cases where such care is needed.

3. Overview of the Properties

・HULIC &New SHIBUYA (Note 1)

Specified assets category		Real estate trust beneficiary rights
Anticipated acquisition price		3,150 million yen
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Date trust initiated		June 30, 2017
Expiration date of trust period		June 30, 2027
Nearest station		Five-minute walk from Shibuya Station on the JR Yamanote Line, Tokyo Metro Ginza and Hanzomon Lines, and other lines
Address (domicile)		31-1 Udagawa-cho, Shibuya-ku, Tokyo
Land	Lot number	83-4 Udagawa-cho, Shibuya-ku, Tokyo, etc
	Building-to-land ratio	100% (Note 2)
	Floor-area ratio	700% (Note 3)
	Zoning	Commercial area
	Site area	281.13 m^2 (Note 4)
	Type of ownership	Proprietary ownership (quasi-co-ownership interest of 50%)
Building	Completed	April 2017
	Structure	Steel structure
	Number of floors	10F/B2
	Use	Shops
	Total floor space	2,069.43 m^2 (Note 5)
	Number of parking spaces	One (Note 6)
	Type of ownership	Proprietary ownership (quasi-co-ownership interest of50%)
Collateral		None
PM company		Hulic Co., Ltd. (Anticipated) (Note 7)
Master lease company		Hulic Co., Ltd. (Anticipated) (Note 7)
Appraisal value (As of)		3,190 million yen (Note 8) (June 1, 2017)
Appraisal company		Japan Real Estate Institute
PML value		1.99% (Note 9)
Details of Tenant (Note 10)		
	Total leased floor space	898.60 m^2 (Note 11)
	Total leasable floor space	898.60^2 (Note 11)
	Occupancy rate	100%
	Main tenant	JINS Inc.
	Total number of tenants	11
	Total lease income (annualized)	127million yen (Note 11) (Note 12)
	Lease and guarantee deposits	119million yen (Note 11) (Note 13)
Special remarks		Other co-owners of the Property have been assigned preferential negotiation rights with regard to purchasing.

Notes:

1 Details are as of the anticipated acquisition date, confirmed as of June 27, 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 681%.

4 Based on the entry in the property registry. The actual status may differ in some cases. Moreover, the site area of the entire building is listed.

5 Based on the entry in the property registry. Moreover, the total floor space of the entire building is listed.

6 In addition to the parking lot within the premises, there is parking for two vehicles in an off-premise parking lot (rental) that fulfills the requirements of the Tokyo Metropolitan Parking Ordinance.

7 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.

8 The Value corresponds to the quasi-co-ownership interest to be acquired by Hulic Reit.

9 The figure is based on the earthquake PML appraisal report by Sompo Risk Management & Health Care Inc.

10 As the trustee and the master lease company 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."

11 The figure corresponds to the quasi-co-ownership interest to be acquired by Hulic Reit.

12 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.

13 Total lease and guarantee deposits in each lease agreement with end-tenants are rounded to the nearest million yen.

SOMPO Care La vie Re Kita-Kamakura (Note 1)

Specified assets category		Real estate trust beneficiary rights
Anticipated acquisition price		1,780 million yen
Trustee		Mizuho Trust & Banking Co., Ltd.
Date trust initiated		June 30, 2017
Expiration date of trust period		June 30, 2027
Nearest station		Kita-Kamakura Station on the JR Yokosuka Line (approximately 1.3 km)
Address (domicile)		District where lot numbers are not assigned
Land	Lot number	2731-2 Aza Takano, Ofuna, Kamakura-shi, Kanagawa
	Building-to-land ratio	40%
	Floor-area ratio	80%
	Zoning	Type 1 low-rise exclusive residential district (Note 2)
	Site area	7,291.61 m^2 (Note 2)
	Type of ownership	Proprietary ownership
Building	Completed	March 2009
	Structure	RC
	Number of floors	3F
	Use	Private nursing homes
	Total floor space	4,831.80 m^2 (Note 3)
	Number of parking spaces	12
	Type of ownership	Proprietary ownership
Collateral		None
PM company		Hulic Co., Ltd. (Anticipated) (Note 4)
Master lease company		Hulic Co., Ltd. (Anticipated) (Note 4)
Operator		Sompo Care Next Company Inc. (Note 5)
Back-up operator		None
Appraisal value (As of)		1,800 million yen (June 1, 2017)
Appraisal company		Japan Real Estate Institute
PML value		11.07% (Note 6)
Details of Tenant (Note 7)		
	Total leased floor space	4,912.60 m^2
	Total leasable floor space	4,912.60 m^2
	Occupancy rate	100.0%
	Main tenant	Sompo Care Next Company Inc. (Note 8)
	Total number of tenants	1
	Total lease income (annualized)	Not disclosed (Note 9)
	Lease and guarantee deposits	Not disclosed (Note 9)
Special remarks		Preferential negotiating rights for purchase of the property were granted to the end tenant.

Notes:

1 Details are as of the anticipated acquisition date, confirmed as of June 27, 2017.

2 Based on the entry in the property registry. The actual status may differ in some cases. Includes a detached estate (618 m^2, of which a portion is in an urbanization control area) and an unused portion (1,243 m^2, of which a portion surrounds land owned by others). Also, a portion of the site is adjacent to a road specified in Article 42, Paragraph 2 of

the Building Standards Act.

3 Based on the entry in the property registry.

4 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.

5 A care service provider that operates a fee-based home for the aged is indicated.

6 The figure is based on the earthquake PML appraisal report by Sompo Risk Management & Health Care Inc.

7 As a pass-through master lease agreement with no rent guarantee has been 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 the Tenant."

8 A summary of the lease agreements with end-tenants is set forth below.

Lease format: Standard lease agreement for a fee-based home for the aged

Lease term: From April 1, 2009 to the end of March 2029

Revision of rent: If the rent becomes unreasonable because of changes in the rents of nearby buildings of the same type or changes in fixed asset taxes and so on, lessor or lessee may request a prospective adjustment of the rent.

Lease renewal: If neither lessor nor lessee provides notice at least six months prior to expiration of the lease term, the lease will be renewed under the same terms and conditions as on the day of expiration of the lease term for five years from the day of expiration of the term specified above, with subsequent renewals to take effect in the same manner.

Cancellation: In principle, lessor and lessee cannot cancel the lease until expiration of the term specified above. However, in the case where lessee wishes to cancel the lease because of unavoidable circumstances, lessee can cancel the lease if lessee provides written notice to lessor at least 12 months in advance and introduces a replacement tenant to lessor, and lessor executes a lease agreement at least equivalent to the lease in terms of rent, security deposits, and other terms and conditions with that lessee.

9 Not disclosed because approval for disclosure is not acquired from the tenant.

Status of Tenants and Overview of Facilities (Date of Statement of Material Matters: April 1, 2017)			
Facility type	With nursing care (general type)	Opening date	April 1, 2009
Tenant rights format	Use rights	Number of rooms	98
Living space floor area (m^2)	19.50 to 36.89	Capacity (persons)	99
Tenancy requirements	Need for support or nursing care	Number of tenants (persons)	82
Average tenant age	85.9	Occupancy rate (%)	82.8
Method of payment of fees	Lump-sum payment	Monthly payment	
Occupancy lump-sum fee (yen)	7,800,000 to 14,800,000	—	
Monthly use fee (yen)	205,738 to 372,038	335,738 to 618,698	
Personnel systems relating to nursing care	At least 2.5:1	Nighttime personnel system (Minimum number of workers)	four caregivers

4. Overview of Operator

・SOMPO Care La vie Re Kita-Kamakura

Trade name		SOMPO Care Next Company Inc.
Location		SHINAGAWA SEASIDE East Tower 12F, 4-12-8, Higashi-Shinagawa, Shinagwa-ku, Tokyo
Name and title of representative		President and CEO Ken Endo
Primary business lines		Private nursing home business and others
Business Overview		A wholly owned subsidiary of SOMPO Holdings, Inc. (listed on the First Section of the Tokyo Stock Exchange), which primarily develops and operates homes for the aged with nursing care services under the SOMPO Care La vie Re brand.
Paid-in capital		5,095 million yen (as of March 31,2016)
Date of establishment		November 11, 1992
Number of facilities operated		117 (as of March 31,2016) (Note 1)
Number of tenant rooms operated		Approximately 8,700 (as of March 31,2016) (Note 1)
Net sales		35,535 Million yen (FY ended March ,2016) (Note 1)
Ordinary income		-1,659 Million yen (FY ended March ,2016) (Note 1)
Relationship with Hulic Reit and Hulic Reit Management		
	Capital relationship	There are no significant capital relationships among Hulic Reit, Hulic Reit Management, and SOMPO Care Next Company Inc. There are no significant capital relationships between the related persons or affiliates of Hulic Reit and Hulic Reit Management, and SOMPO Care Next Company Inc.
	Personnel relationship	There are no significant personnel relationships among Hulic Reit, Hulic Reit Management, and SOMPO Care Next Company Inc. There are no significant personnel relationships between the related persons or affiliates of Hulic Reit and Hulic Reit Management, and SOMPO Care Next Company Inc.
	Transactional relationship	An end-tenant and operator of assets owned by Hulic Reit; executed a lease agreement with the master lease company (Hulic Co., Ltd.).
	Status as a related party	SOMPO Care Next Company Inc. does not constitute a related party of Hulic Reit and Hulic Reit Management. In addition, parties or affiliates related to SOMPO Care Next Company Inc. do not constitute related parties of Hulic Reit and Hulic Reit Management.

Note

1 The number of facilities operated, number of tenant rooms operated, net sales, and ordinary income for SOMPO Care Next Company Inc. are based on information publicly released by the company and company interviews.

5. Overview of the counterparty of the acquisition

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		62,695 million yen (as of December 31, 2016)
Date of establishment		March 26, 1957
Net assets		341,087 million yen (as of December 31, 2016)
Total assets		1,133,994 million yen (as of December 31, 2016)
Major shareholders and shareholding ratios		Meiji Yasuda Life Insurance Company (7.18%), Sompo Japan Nipponkoa Insurance Inc. (7.17%), Tokyo Tatemono Co., Ltd. (6.31%) (as of December 31, 2016)
Relationship with Hulic Reit and Hulic Reit Management		
	Capital relationship	As of June 27, 2017, Hulic Co., Ltd. holds approximately 11.5% of the total number of investment units issued of 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 three properties in the fiscal period ended August 31, 2017 (12,000 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 SHIBUYA 31-1 Udagawa-cho, Shibuya-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
	—	—
	—	—
SOMPO Care La vie Re Kita-Kamakura (District where lot numbers are not assigned)	(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
	—	—
	—	—

7. Overview of intermediary

Not applicable

8. Acquisition schedule

Property name	Acquisition decision date	Date of purchase and sale agreement	Anticipated payment date	Anticipated acquisition date
HULIC &New SHIBUYA	June 27, 2017	June 27, 2017	June 30, 2017	June 30, 2017
SOMPO Care La vie Re Kita-Kamakura				

9. Future outlook

As the acquisition of the Property will not have a material impact on the outlook for the financial results for the fiscal period ended August 31, 2017 (March 1, 2017 to August 31, 2017) and the fiscal period ending February 28, 2018 (September 1, 2017 to February 28, 2018), there will be no change to the forecasts of these financial results.

10. Summary of Appraisal Report

・HULIC &New SHIBUYA

Appraisal value	3,190 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Date of valuation	June 1, 2017

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2)	6,380	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	6,510	
(1) Operating revenue	253	
Potential gross income	258	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	39	
Maintenance and management fee/PM fee (Note 3)	16	Estimated based on consideration of the individual characteristics of the target real estate, in reference to past results, expense levels for similar real estate, etc.
Utility expenses	3	Estimated based on consideration of common area expense levels for comparable properties and other factors
Repair expenses	0	Estimated in reference to past results, and 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.	2	Estimated based on evaluation of the assumed turnover period for lessees
Taxes and public dues	17	Estimated based on materials related to taxes and public dues
Insurance premium	0	Estimated in reference to current insurance premiums, the premium rate for similar real estate, etc.
Other expenses	1	
(3) Net operating income (NOI: (1) - (2))	214	
(4) Profit from security deposits	2	Estimated based on evaluation of lease deposit and investment return
(5) Capital expenditures	1	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))	215	
Cap rate	3.3%	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	6,240	
Discount rate	3.1%	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	3.5%	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, and considering future uncertainties and the investment yields of similar real estate transactions
Appraisal value based on cost method (Note 2)	4,650	
Ratio of land	80.2%	
Ratio of building	19.8%	

Other matters considered by appraiser in determination of appraisal value	None

Notes:

1. An amount equivalent to the quasi-co-ownership interest acquired by Hulic Reit (50%) is indicated.
2. Figures for the appraised value of individual buildings and their lot (overall) are rounded to the nearest million yen (the portion understood to be attributable to Hulic Reit is equal to 50% of the quasi-co-ownership interest). It is 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.

・SOMPO Care La vie Re Kita-Kamakura

Appraisal value	1,800 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Date of valuation	June 1, 2017

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2)	1,800	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	1,810	
(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))	102	
(4) Profit from security deposits	0	Estimated based on evaluation of lease deposit and investment return
(5) Capital expenditures	5	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))	98	
Cap rate	5.4%	Estimated based on standard yields with the spread adjusted up or down according to site conditions, building conditions, and other conditions and by making reference to returns on assessed values of nearby properties
Appraisal value based on DCF method	1,780	
Discount rate	5.2%	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	5.6%	Estimated based on the cap rate at the time of the valuation and by considering future uncertainties, liquidity, marketability, and other factors

Appraisal value based on cost method (Note 2)	1,260	
Ratio of land	43.8%	
Ratio of building	56.2%	

Other matters considered by appraiser in determination of appraisal value	None

Notes:

1. Appraisal value based on income method that reflects the profitability and investment return of the Property is used. Also, in addition to the unique characteristics of a home for the aged (inclusion of system correction risks and other business risks, difficulty of changing use based on the low level of general usability of the building and social needs, the reliance of rental income stability and continuity on the operator, and restrictions on market participants and the relative lack of fluidity), appraisal agencies appraise the real estate by taking into consideration the appropriateness of rent levels in light of the income and expenditures of the individual property, the operating capabilities of the lessee (operator), details of the lease agreement, and other factors.
2. Being an appraisal value, it is rounded to the nearest million yen and is not the revenue and expenses forecast by Hulic Reit or Hulic Reit Management.
3. The appraisal made reference to results figures for which approval to disclose could not be obtained from the end-tenant, and disclosure of such information would harm the relationship of trust with the end-tenant and may make long-term continuation of the lease agreement difficult, and therefore, the information is not disclosed.

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 SHIBUYA	ERI SOLUTION CO., LTD	June 16, 2017	-	1
SOMPO Care La vie Re Kita-Kamakura (Note 3)	Tokyo Bldg-Tech Center Co., Ltd.	March 17, 2017	-	6

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. “Cost of urgent/short-term repairs” and “Cost of long-term repairs” correspond to the quasi-co-ownership interest to be acquired by Hulic Reit.

* 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

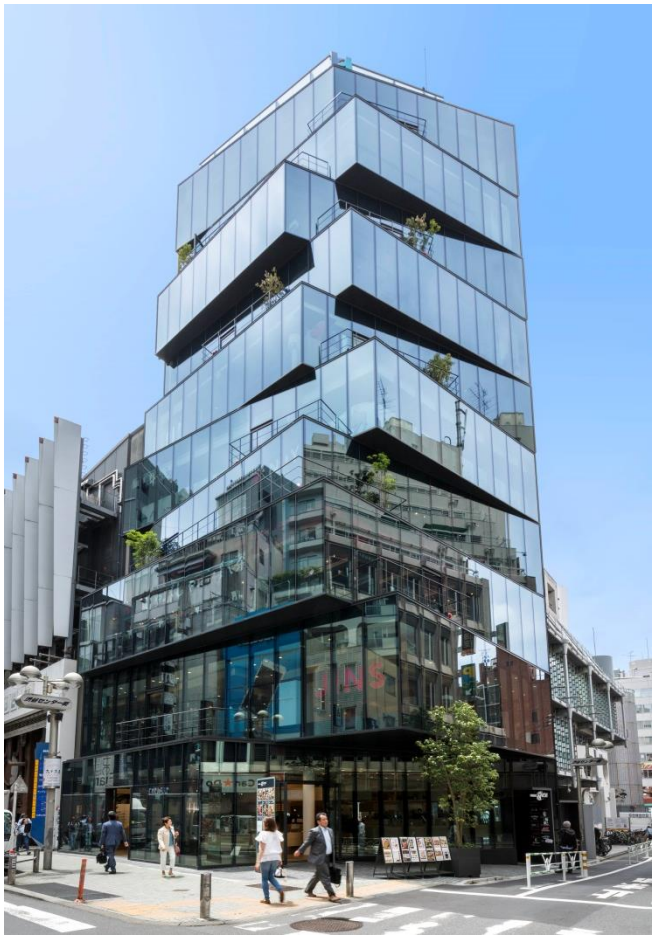
* Hulic Reit’s website: http://www.hulic-reit.co.jp/

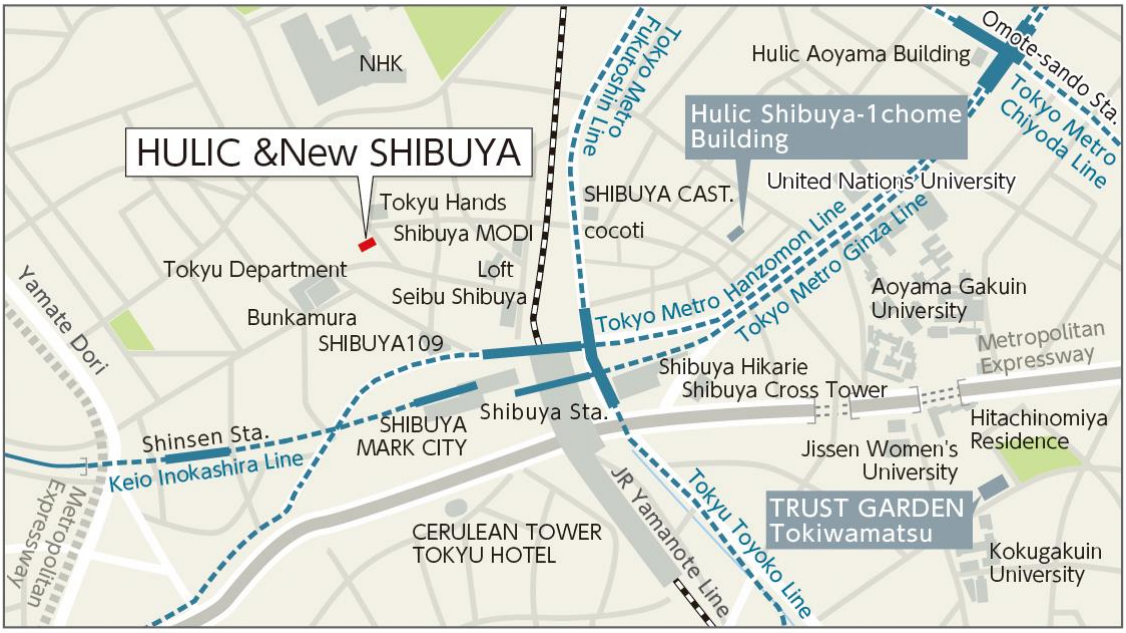
Attachments

Reference Attachment 1	Map and Photo of the Property
Reference Attachment 2	Portfolio List after Acquiring the Property

Reference Attachment 1 Map and Photo of the Property

HULIC &New SHIBUYA





Sompo Care La vie Re Kitakamakura

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	Minato-ku, Tokyo	(20,100) (16,650) Total 36,750 (Note 4) (Note 5)	(8.0%) (6.7%) Total 14.7% (Note 5)	February 7, 2014 March 15, 2016
		Hulic Kudan Building (Land)	Chiyoda-ku, Tokyo	11,100	4.4%	February 7, 2014
		Toranomon First Garden	Minato-ku, Tokyo	8,623 (Note 4)	3.5%	February 7, 2014
		Rapiros Roppongi	Minato-ku, Tokyo	(5,160) (1,050) Total 6,210 (Note 4) (Note 5)	(2.1%) (0.4%) Total 2.5% (Note 5)	February 7, 2014 September 16, 2016
		Hulic Takadanobaba Building	Toshima-ku, Tokyo	3,900	1.6%	February 7, 2014
		Hulic Kanda Building	Chiyoda-ku, Tokyo	3,780	1.5%	February 7, 2014
		Hulic Kandabashi Building	Chiyoda-ku, Tokyo	2,500	1.0%	February 7, 2014
		Hulic Kakigaracho Building	Chuo-ku, Tokyo	2,210	0.9%	February 7, 2014
		Ochanomizu Sola City	Chiyoda-ku, Tokyo	(22,854) (15,295) Total 38,149 (Note 4) (Note 5)	(9.2%) (6.1%) Total 15.3% (Note 5)	November 7, 2014 October 4, 2016
		Hulic Higashi Ueno 1 Chome Building	Taito-ku, Tokyo	2,670	1.1%	October 16, 2014
		Sasazuka South Building	Shibuya-ku, Tokyo	2,100 (Note 4)	0.8%	March 9, 2015
		Tokyo Nishi Ikebukuro Building	Toshima-ku, Tokyo	1,580 (Note 4)	0.6%	March 31, 2015
		Gate City Ohsaki	Shinagawa-ku, Tokyo	4,370 (Note 4)	1.7%	April 16, 2015
		Hulic Toranomon Building	Minato-ku, Tokyo	(12,740) (5,570) Total 18,310 (Note 4) (Note 5)	(5.1%) (2.2%) Total 7.3% (Note 5)	December 25, 2015 September 1, 2016
		Hulic Shibuya 1-chome Building	Shibuya-ku, Tokyo	5,100	2.0%	March 31, 2017
		Hulic Higashi Nihonbashi Building	Chuo-ku, Tokyo	3,480	1.4%	March 31, 2017
		Dai-36 Arai Building	Chiyoda-ku, Tokyo	1,460	0.6%	April 28, 2017
		Subtotal	-	152,292	61.0%	-
	Retail properties	Oimachi Redevelopment Building	Shinagawa-ku, Tokyo	9,456	3.8%	February 7, 2014
		Oimachi Redevelopment Building	Shinagawa-ku, Tokyo	6,166 (Note 4)	2.5%	February 7, 2014
		Dining Square Akihabara Building	Chiyoda-ku, Tokyo	3,200	1.3%	February 7, 2014

		Hulic Jingumae Building	Shibuya-ku, Tokyo	2,660	1.1%	February 7, 2014
		Hulic Shinjuku 3 Chome Building	Shinjuku-ku, Tokyo	5,550	2.2%	October 16, 2014
		Yokohama Yamashitacho Building	Yokohama-shi, Kanagawa	4,850	1.9%	October 16, 2014
		Leaf Minatomirai (Land)	Yokohama-shi, Kanagawa	11,700	4.7%	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	1.4%	March 31, 2017
		HULIC &New SHIBUYA	Shibuya-ku, Tokyo	3,150 (Note 4)	1.3%	June 30, 2017
		Subtotal	-	54,854	22.0%	-
	Intermediate total		-	207,146	83.0%	-

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	2.2%	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	7.6%	-
	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	2.8%	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	7.7%	-
	Hotel	Sotetsu Fresa Inn Ginza 7 Chome (Land)	Chuo-ku, Tokyo	4,370 (Note 4)	1.7%	September 16, 2016
		Subtotal	-	4,370	1.7%	-
	Intermediate total		-	42,569	17.0%	-
Total of the portfolio			-	249,715	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.