

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

October 14, 2014

Financial Report for the Fiscal Period Ended August 31, 2014 (For the Reporting Period from November 7, 2013 to August 31, 2014)

Hulic Reit, Inc. (“Investment Corporation”)

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

Asset management company: Hulic Reit Management Co., Ltd.
 Representative: Eiji Tokita, Representative Director, President and CEO
 Contact: Kazuaki Chokki, Director, General Manager of Corporate Planning and Administration Department
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Scheduled date to file securities report: November 27, 2014
 Scheduled date to commence payment of distributions: November 20, 2014
 Preparation of supplementary material on financial report: Yes
 Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen, except for the net income per unit)

1. Summary of financial results for the fiscal period ended August 31, 2014 (November 7, 2013 - August 31, 2014)

(1) Operating results

(Percentages show changes from the previous period)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2014	3,660	–	2,480	–	1,555	–	1,553	–

Fiscal period ended	Net income per unit	Return on equity	Ordinary income on total assets	Ordinary income on operating revenues
	Yen	%	%	%
August 31, 2014	3,450	2.3	1.8	42.5

(Note 1) Although the accounting period for the Investment Corporation’s fiscal period ended August 31, 2014 includes 298 days from November 7, 2013 to August 31, 2014, its actual asset management period covers only 206 days from February 7, 2014 to August 31, 2014.

(Note 2) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units outstanding during the period (450,347 units). Net income per unit was ¥2,399, if calculated based on the day-weighted average number of investment units outstanding during the period assuming the beginning date of the fiscal period is February 7, 2014, the day that the asset management actually commenced (647,583 units).

(Note 3) Return on equity and ordinary income on total assets are calculated using the equity and total assets at the respective average of amounts as of February 7, 2014, the day that the asset management actually commenced, and as of the balance sheet date.

(Note 4) The purpose of the percentages of operating revenues, operating income, ordinary income and net income is to show changes from the previous period. However, no applicable figures are shown for the period under review, as the reporting period was the Investment Corporation’s first fiscal period.

(Note 5) In the period, the Investment Corporation recorded lump-sum combined costs of ¥423 million for investment unit issuance costs and organization expenses, resulting in ordinary income of ¥1,555 million and net income of ¥1,553 million.

(2) Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
August 31, 2014	2,383	1,553	0	0	99.9	2.3

(Note) Due to the issuance of new investment units, the payout ratio is calculated with the following formula and rounded down to nearest one decimal place.

$$\text{Payout ratio} = \text{Total distributions (excluding distributions in excess of earnings)} \div \text{Net income} \times 100$$

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2014	108,794	69,496	63.9	106,590

(4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2014	2,597	(97,933)	100,602	5,266

2. Forecasts of performance for the fiscal period ending February 28, 2015 (September 1, 2014 - February 28, 2015) and the fiscal period ending August 31, 2015 (March 1, 2015 - August 31, 2015)

(Percentages show changes from the previous period)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending										
February 28, 2015	4,026	10.0	2,583	4.1	2,187	40.6	2,186	40.7	2,800	0
August 31, 2015	4,457	10.7	2,447	(5.3)	2,114	(3.3)	2,113	(3.3)	2,705	0

(Reference) Forecasted net income per unit (Forecasted net income ÷ Forecasted number of investment units at end of period)

For the fiscal period ending February 28, 2015: ¥2,800

For the fiscal period ending August 31, 2015: ¥2,705

*** Other**

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

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

(2) Number of investment units issued

- | | |
|---|---------------|
| a. Number of investment units issued at end of period (including treasury investment units) | |
| As of August 31, 2014 | 652,000 units |
| b. Number of treasury investment units at end of period | |
| As of August 31, 2014 | 0 units |

(Note) Please refer to “Per Unit Information” on page 28 for the number of investment units used as the basis for calculating net income per unit.

*** Status of audit procedures**

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

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

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to the Investment Corporation and on certain assumptions the Investment Corporation deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The above-mentioned forecasts are based on “Assumptions for forecasts of performance for the fiscal period ending February 28, 2015 (from September 1, 2014 to February 28, 2015) and the fiscal period ending August 31, 2015 (from March 1, 2015 to August 31, 2015)” on pages 10 through 13 for calculation, and our judgment as of this date. Actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary according to changes in market conditions. These forecasts do not guarantee the distribution amount.

1. The Investment Corporation and Related Corporations

As there have been no significant changes from the “Management Structure of the Investment Corporation” described in the Investment Corporation’s Securities Registration Statement regarding the public offering of investment units (prepared in Japanese only) submitted on October 14, 2014, the date of this report, to the Tokyo Stock Exchange, the disclosure is omitted.

2. Investment Policies and Status of Asset Management

(1) Investment Policies

As there have been no significant changes from policies described in “Investment Policy,” “Investment Properties” and “Distribution Policy” in the Securities Registration Statement (prepared in Japanese only) submitted on October 14, 2014, the disclosure is omitted.

(2) Status of Asset Management

Summary of results for the fiscal period under review

i) Transition of the Investment Corporation

The Investment Corporation was established on November 7, 2013, with unitholders’ capital of ¥200 million (2,000 units) and with Hulic Reit Management Co., Ltd. (hereinafter referred to as the “Asset Manager”) as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the “Investment Trust Act”). On November 25, 2013, the Investment Corporation was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 88). The Investment Corporation issued new investment units (617,500 units) through a public offering with the payment date on February 6, 2014, which were listed on the Real Estate Investment Trust Securities (J-REIT) Market of Tokyo Stock Exchange, Inc. (the Tokyo Stock Exchange) (Securities code: 3295) on February 7, 2014. In addition, new investment units (32,500 units) were issued through a third-party allotment on March 7, 2014. As a result, the number of investment units issued at the end of the fiscal period was 652,000 units.

The Investment Corporation’s investment activities are focused on real estate-related assets, primarily investing in and managing office buildings and retail facilities.

ii) Performance for the fiscal period

On February 7, 2014, the Investment Corporation acquired 21 properties (with a total acquisition price of ¥101,424 million), which were listed as assets planned for acquisition in the Securities Registration Statement (prepared in Japanese only) submitted on January 6, 2014. Management of the properties started on the same date. The closing date for the fiscal period under review is August 31, 2014. As such, the fiscal period (from November 7, 2013 to August 31, 2014) includes an actual operating period of 206 days from February 7, 2014 to August 31, 2014.

iii) Status of financing

As of the end of the fiscal period (August 31, 2014), the Investment Corporation had total equity of ¥67,943 million after the initial public offering for its listing on the Tokyo Stock Exchange on February 7, 2014.

In addition, in procurement of interest-bearing debt, the Investment Corporation secured short-term loans of ¥7,360 million and long-term loans of ¥29,040 million on February 7, 2014 as additional funds for asset acquisitions. On March 7, 2014, the Investment Corporation made a partial early repayment of short-term loans payable of ¥3,400 million.

Long-term loans payable include ¥26,590 million in borrowings based on a variable interest rate. The Investment Corporation has used an interest rate swap to fix the interest rate for all such borrowings.

As a result, at the end of the fiscal period under review, interest-bearing debt totaled ¥33,000 million, comprising ¥3,960 million in short-term loans payable and ¥29,040 million in long-term loans payable, resulting in a loan-to-value (LTV) ratio of 30.3% at the end of the fiscal period.

iv) Overview of financial results and distributions

In the period of actual operations (206 days from February 7, 2014 to August 31, 2014), operating revenues were ¥3,660 million and operating income was ¥2,480 million. Ordinary income was ¥1,555 million and net income was ¥1,553 million for the period, reflecting recording of interest expenses for borrowings, borrowing related expenses and lump-sum combined costs of ¥423 million for investment unit issuance costs and organization expenses.

Furthermore, in accordance with the distribution policy set forth in the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to pay distributions for the period in an amount roughly equal to unappropriated retained earnings, with the aim of including distributions of profits in tax deductible expenses pursuant to special measures for the taxation system for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Consequently, distributions per unit came to ¥2,383.

Outlook for the fiscal period ending February 28, 2015

i) Outlook for overall operations

In the outlook for the rental office market, demand for offices is expected to remain firm mainly on the back of improvements in the employment situation and business results, while rent levels are expected to improve, and, in the near term the market is expected to recover moderately. In addition, the real estate selling market is expected to improve further due to prospects of a full-fledged recovery in the rental market and favorable fund procurement conditions.

Against this backdrop, the Investment Corporation will focus on commercial properties in the greater Tokyo area (Note 1), aiming to maximize unitholder value over the medium and long term, and invest in next-generation assets (Note 2), aiming to support stable earnings over the long-term. As part of these efforts to maximize investor value over the medium and long term, the Investment Corporation will implement efforts combining the Asset Manager's own measures to drive external and internal growth while using the support of the Hulic Group. The Investment Corporation will maintain and grow profits over the medium and long term and increase the size and value of the asset portfolio. In financing strategy, the Investment Corporation will maintain the LTV ratio at an appropriate level and shift to longer loan-terms with fixed interest rates and staggered repayment dates in order to maintain a stable and healthy financial position.

(Note 1) Commercial properties in the greater Tokyo Area ("Tokyo Commercial Properties") are office properties and retail properties under a concept specific to the Investment Corporation that comprehensively includes properties consistent with the basic philosophy of the Investment Corporation. Specifically, office properties are those in Tokyo's 23 wards that are in principle located within a five-minute walking distance from the nearest train station, in areas where the office properties are sufficiently competitive. Retail properties are those located in the Tokyo metropolitan area and major cities in the surrounding area that are in principle located within a five-minute walking distance from the nearest train station or in areas with a high concentration of retail activities. Such retail properties are also highly visible in public and have the potential to generate demand from prospective tenants that offer products and services suitable for the characteristics of their respective retail areas.

(Note 2) "Next-Generation Assets" are properties specified for investment by the Investment Corporation based on its basic philosophy. Specifically, they are lease properties for which the Investment Corporation estimates there will be continuing firm demand going forward based on society's growing needs and for which, in principle, a long-term lease agreement be concluded with a single business tenant. At present, the Investment Corporation classifies private nursing homes and network centers as Next-Generation Assets. The Investment Corporation may broaden or change the scope of its Next-Generation Assets if it judges that the societal needs will grow or that there will be firm demand in the future.

ii) Significant events after the reporting period

Issuance of new investment units

The Investment Corporation passed resolutions at a meeting of its Board of Directors held on October 14, 2014, to issue new investment units to partly fund the acquisition of specified assets. The issue price per unit and other matters are scheduled to be determined at a meeting of the Investment Corporation's Board of Directors to be held on the pricing date (to be held on a date between October 29, 2014 and November 5, 2014).

(New investment unit issuance through public offering)

Number of new investment units to be issued: 122,860 units
(including Japan and overseas)
Payment date: A date between November 6 and
November 12, 2014

(New investment unit issuance through third-party allotment)

Number of new investment units to be issued (maximum): 6,140 units
Payment date: November 21, 2014
Allottee: Mizuho Securities Co., Ltd.

If the entire number of investment units to be issued in the third-party allotment, or a portion thereof, is not subscribed to, this may result in the final number of investment units issued in the third-party allotment being reduced by such number of units or fewer due to forfeiture or the issuance itself not being carried out at all.

(Reference information)

(A) Acquisitions of properties

The Investment Corporation concluded purchase and sale agreements for the acquisition of the below-mentioned trust beneficiary rights (7 properties; total acquisition price: ¥46,744 million) on October 14, 2014.

The acquisition prices provided are amounts that do not include expenses incurred on the acquisitions of the said real estate, etc. (acquisition expenses, fixed asset tax, city planning tax, consumption taxes), and are equivalent to the acquisition prices stated on the trust beneficiary right sales agreements.

Property name	Location	Anticipated date of acquisition	Anticipated acquisition price (millions of yen)	Seller
Ochanomizu Sola City	Chiyoda-ku, Tokyo	November 7, 2014	22,854	Hulic Co., Ltd.
Higashi Ueno Building	Taito-ku, Tokyo	October 16, 2014	2,670	(Note)
Shinjuku Gates Building	Shinjuku-ku, Tokyo	October 16, 2014	5,550	SPC Sonic Investments 6
Yokohama Yamashitacho Building	Yokohama-shi, Kanagawa Prefecture	October 16, 2014	4,850	Hulic Co., Ltd.
Chiba Network Center	Inzai-shi, Chiba Prefecture	December 16, 2014	7,060	Godo Kaisha NC2 Funding
Sapporo Network Center	Sapporo-shi, Hokkaido	December 16, 2014	2,510	Godo Kaisha NC2 Funding
Keihanna Network Center	Kizugawa-shi, Kyoto Prefecture	October 16, 2014	1,250	Hulic Co., Ltd.
Total	–	–	46,744	–

(Note) Although the seller of Higashi Ueno Building is a general business company in Japan, the seller is not disclosed since the seller's consent regarding disclosure has not been obtained. The seller of the said property does not fall under the category of interested person, etc. for the Investment Corporation or the Asset Manager.

(B) Borrowing of funds

The Investment Corporation decided on October 14, 2014, to procure funds to partly fund the acquisition of assets planned for acquisition through the following bridge loans (hereinafter referred to as the “Bridge Loans”) from a syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.

In addition, after the funds have been procured through the Bridge Loans, in order to repay and refinance the Bridge Loans, the Investment Corporation plans to procure funds through the following term loans (hereinafter referred to as the “Term Loans”) from a syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Term Loans are conditional on matters such as the completion of final approval in the loan application examination procedures by each of the lenders.

<Bridge Loans> (Note 1)

Lender	Borrowing amount (a) (billions of yen) (Note 2)	Interest rate (Note 3)	Loan execution date (planned)	Borrowing method	Repayment date	Repayment method (Note 4)	Use	Remarks
Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥14.1	Base rate of interest + 0.15% (Note 5)	October 16, 2014	Borrowing in accordance with individual term loan agreements entered into on October 14, 2014 with the lenders shown left	March 16, 2015	Lump-sum repayment	Purchase of assets planned for acquisition and certain related costs	Unsecured and unguaranteed (Note 6)
	¥4.5	Base rate of interest + 0.15% (Note 5)	November 7, 2014					
	¥9.1	Base rate of interest + 0.15% (Note 5)	December 16, 2014					

<Term Loans>

Lender	Borrowing amount (planned) (Billions of yen) (Note 2)	Interest rate (Note 3)	Loan execution date (planned)	Repayment date	Repayment method (Note 4)	Use	Remarks
Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥4.58	Base rate of interest + 0.20% (Note 5)	February 27, 2015	Date 4 years and 6 months after loan execution date	Lump-sum repayment	Refinancing of the Bridge Loans	Unsecured and unguaranteed (Note 6)
	¥5.74	Base rate of interest + 0.23% (Note 5)		Date 5 years after loan execution date			
	¥7.13	Base rate of interest + 0.33% (Note 5)		Date 6 years and 6 months after loan execution date			
	¥7.55	Base rate of interest + 0.40% (Note 5)		Date 7 years after loan execution date			
	¥1.9	Base rate of interest + 0.60% (Note 5)		Date 9 years and 6 months after loan execution date			
	¥0.5	Base rate of interest + 0.80% (Note 5)		Date 10 years after loan execution date			
	¥0.3	Base rate of interest + 0.95% (Note 5)		Date 12 years after loan execution date			

(Note 1) The relevant borrowings are subject to the execution of loan agreements containing lending terms that are reasonably satisfactory to the lenders as well as the fulfillment of all lending conditions (to be separately determined).

(Note 2) The total borrowing amounts (planned) shown above may change subject to the proceeds from the Public Offering and the Third-Party Allotment, as defined on page 12, described in “Notice concerning the Issuance of New Investment Units and Secondary Public Offering,” issued on October 14, 2014,.

(Note 3) The loan fees and other charges to be paid to the lenders shown above are not included.

(Note 4) In cases where certain requirements, such as prior written notice of Hulic Reit, are met during the term of the borrowing of funds shown above, Hulic Reit may repay the principal of this borrowing of funds in part or in its entirety prior to the repayment date.

(Note 5) The base rate of interest will be the Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by the JBA (Japanese Bankers Association). For borrowings for which the repayment date is more than one year from the loan execution date, the Investment Corporation will consider fixing the interest rate in part or for the entirety of the borrowings using an interest rate swap, or similar means.

(Note 6) The Investment Corporation has entered into basic agreements regarding the borrowing of funds with the above-mentioned lenders as of October 14, 2014, and will conclude definitive loan agreements with the above-mentioned lenders based on such basic agreements. Although these loan agreements do not assume the provision of security at the time of the borrowings, they do assume the establishment of financial covenants such as maintenance of figures in certain financial indicators based on assets, liabilities and others.

iii) Operating results (earnings) forecasts

The Investment Corporation’s forecasts for the fiscal period ending February 28, 2015 (from September 1, 2014 to February 28, 2015) and the fiscal period ending August 31, 2015 (from March 1, 2015 to August 31, 2015) are as follows:

	Fiscal period ending February 28, 2015	Fiscal period ending August 31, 2015
Operating revenues	¥4,026 million	¥4,457 million
Operating income	¥2,583 million	¥2,447 million
Ordinary income	¥2,187 million	¥2,114 million
Net income	¥2,186 million	¥2,113 million
Distributions per unit	¥2,800	¥2,705
Of the above, distributions in excess of earnings	¥0	¥0

Please refer to “Assumptions for forecasts of performance for the fiscal period ending February 28, 2015 (from September 1, 2014 to February 28, 2015) and the fiscal period ending August 31, 2015 (from March 1, 2015 to August 31, 2015)” on pages 10 through 13 for information on current assumptions for the forecasts of operating results.

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

Assumptions for forecasts of performance for the fiscal period ending February 28, 2015 (from September 1, 2014 to February 28, 2015) and the fiscal period ending August 31, 2015 (from March 1, 2015 to August 31, 2015)

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> • Fiscal period ending February 28, 2015: 181 days from September 1, 2014 to February 28, 2015 • Fiscal period ending August 31, 2015: 184 days from March 1, 2015 to August 31, 2015
Portfolio	<ul style="list-style-type: none"> • In addition to the 21 properties we hold (hereinafter referred to as the “Properties Held”) as of the date of this report, we assume seven properties to be acquired: four properties on October 16, 2014 (hereinafter referred to as the “Properties to Be Acquired in October”), one property on November 7, 2014 (hereinafter referred to as the “Property to Be Acquired in November”), and two properties on December 16, 2014 (hereinafter referred to as the “Properties to Be Acquired in December”); together with the Properties to Be Acquired in October and the Property to Be Acquired in November, hereinafter collectively referred to as the “Assets Planned for Acquisition”), for an assumed total of 28 properties. For the details about the acquisition of the Assets Planned for Acquisition, please refer to “Notice Concerning the Acquisition and Leasing of Properties” announced as of the date of this report. • In our forecasts of performance, we have assumed that the Assets Planned for Acquisition will be acquired on the above dates and that there will be no changes in the composition of our portfolio (no acquisitions of new properties or sales of properties held) until August 31, 2015 (the end of the third fiscal period). • There may be changes in the portfolio, however, caused by buying or selling of properties.
Operating revenues	<ul style="list-style-type: none"> • Real estate lease business revenues from assets held have been calculated in consideration of lease agreements effective as of the date of this report, trends of the lease market and other factors. Real estate lease business revenues from the Assets Planned for Acquisition have been calculated in consideration of information received from the current owner of each property and others, lease agreements to be effective as of the date of the planned acquisition dates of the Assets Planned for Acquisition, trends of the lease market and other factors. • Operating revenues assume no delinquencies or non-payment of rent by tenants.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> • Of the expenses related to rent business, the principal component of operating expenses, for currently held assets, expenses other than depreciation expenses have been calculated in such a way as to reflect variable factors in the expenses on the basis of past performance figures. In addition, such expenses for the Assets Planned for Acquisition have been calculated in such a way as to reflect variable factors in the expenses on the basis of past performance figures, based on information received from the current owners of the assets and others. • We have calculated depreciation expenses using the straight-line method, including ancillary expenses, and assumed that we will incur depreciation expenses of ¥415 million for the fiscal period ending February 28, 2015 (the second fiscal period) and ¥486 million for the fiscal period ending August 31, 2015 (the third fiscal period). • In general, fixed asset tax, city planning tax, etc. for the assets we acquire are settled at the time of acquisition between the current owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not recognized in expenses at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. We assume that the total amounts of fixed asset tax and city planning tax, etc. treated as a part of the acquisition cost of the Assets Planned for Acquisition will be ¥92 million (¥11 million for the Properties to Be Acquired in October, equivalent to the amount for 77 days; ¥77 million for the Property to Be Acquired in November, equivalent to the amount for 55 days; and ¥3 million for the Properties to Be Acquired in December, equivalent to the amount for 16 days). For the Properties Held and Assets Planned for Acquisition, fixed asset tax, city planning tax, etc. for the tax year 2014 will be recognized as expenses from the fiscal period ending August 31, 2015 (the third fiscal period), and not yet in the fiscal period ending February 28, 2015 (the second fiscal period). The total amount of fixed asset tax and city planning tax, etc. for the fiscal period ending August 31, 2015 (the third fiscal period), is assumed at ¥394 million. • Repair expenses for buildings are recognized for each fiscal period in amounts assumed as necessary based on the repair plan formulated by the Asset Manager (Hulic Reit Management Co., Ltd.) for each property. However, actual repair expenses for each fiscal period may differ substantially from our forecasts, mainly for the following reasons: (i) we may incur expenses for urgent repairs to properties for reasons including damage to buildings resulting from factors that are difficult to foresee, (ii) generally, there is a substantial difference in such expenses incurred from one fiscal period to another, and (iii) such expenses are not incurred on a regular basis.
Non-operating expenses	<ul style="list-style-type: none"> • We expect to record interest expenses and other borrowing-related expenses of ¥234 million in the fiscal period ending February 28, 2015 (the second fiscal period) and ¥332 million in the fiscal period ending August 31, 2015 (the third fiscal period). • We expect to record costs related to the issuance of investment units as announced in “Notice Concerning the Issuance of New Investment Units and Secondary Public Offering” issued on the same date as this report, and other matters, at a total of ¥160 million, as one-time expenses in the fiscal period ending February 28, 2015 (the second fiscal period).

Item	Assumptions
Loans payable	<ul style="list-style-type: none"> • Although the balance of loans payable of the Investment Corporation as of the date of this report is ¥33,000 million, to fund part of the acquisition funds for the Assets Planned for Acquisition, we will enter into new borrowings of ¥14,100 million in short-term loans payable on October 16, 2014, ¥4,500 million in short-term loans payable on November 7, 2014, and ¥9,100 million in short-term loans payable on December 16, 2014 (hereinafter collectively referred to as the “Bridge Loans”; the repayment date of the Bridge Loans is March 16, 2015). Consequently, we assume that the balance of loans payable will be ¥60,700 million. • For loans payable (short-term loans payable of ¥3,960 million) for which repayment is due before February 28, 2015 (at the end of the second fiscal period), we assume that the total amount will be refinanced. In order to repay and refinance the total amount of the Bridge Loans, which is ¥27,700 million, we assume that we will procure funds through long-term loans payable in the same amount as the Bridge Loans on February 27, 2015 (hereinafter referred to as the “Term Loans”; together with the Bridge Loans, hereinafter collectively referred to as the “Loans”). However, the amounts of the above-mentioned Bridge Loans and Term Loans may change in accordance with the final numbers of investment units issued and paid-in amount per unit (issue value) for new investment units resulting from the issuance of new investment units through the public offering resolved at a meeting of the Board of Directors held on October 14, 2014 (hereinafter referred to as the “Public Offering”), and the new investment unit issuance through third-party allotment (hereinafter referred to as the “Third-Party Allotment”) (for details of the Public Offering and the Third-Party Allotment, please refer to “Notice concerning the Issuance of New Investment Units and Secondary Public Offering,” announced as of the same date as this report). • The LTV ratio after the Loans have been completed (hereinafter the “Post-Loans LTV”) is projected to be approximately 38.5%. • The Post-Loans LTV was obtained by the following formula: <ul style="list-style-type: none"> Post-Loans LTV = $\frac{\text{Projected post-loans total amount of interest-bearing debt}}{\text{Projected post-loans amount of total assets}} \times 100$ (Note 1) Projected post-loans total amount of interest-bearing debt = Total amount of interest-bearing debt on the balance sheet as of August 31, 2014 (¥33,000 million) + Projected amount of interest-bearing debt from the Loans (Note 2) (¥27,700 million) Projected post-loans amount of total assets = Amount of total assets on the balance sheet as of August 31, 2014 (¥108,794 million) + Total amount of issue value in the Public Offering (Note 3) (¥20,337 million) + Total amount of issue value in the Third-Party Allotment (Note 3) (¥1,016 million) + Projected amount of interest-bearing debt from the Loans (¥27,700 million) (Note 1) The Investment Corporation plans to acquire the Assets Planned for Acquisition with the proceeds from the procurement of funds via the Bridge Loans, and the proceeds from the Public Offering and the Third-Party Allotment, and to repay and refinance the Bridge Loans using the funds procured from the Term Loans. As a result, the Post-Loans LTV was calculated based on the figures after the Bridge Loans were repaid and refinanced via the Term Loans. (Note 2) The projected amount of the Bridge Loans may change up to the final execution of the loan after matters such as the proceeds from the Public Offering and the Third-Party Allotment are taken into consideration. Other details of the Loans will be announced once they have been determined.

Item	Assumptions
Loans payable	<p>(Note 3) The total amount of the issue value of the Public Offering and the total amount of the issue value of the Third-Party Allotment were calculated based on the closing price of the investment units of the Investment Corporation in regular trading on the Tokyo Stock Exchange as of September 30, 2014 (Tuesday), with the issue value assumed to be ¥165,533 per investment unit. In addition, in the Third-Party Allotment, we assume that Mizuho Securities Co., Ltd. will subscribe to the total number of new investment units to be issued through Third-Party Allotment and the entire amount to be paid in will be paid in by Mizuho Securities Co., Ltd. Consequently, if the actual issue values for the Public Offering or the Third-Party Allotment fall below the previously noted assumed amounts, or if the entire amount to be paid in for the Third-Party Allotment, or a portion thereof is not paid, the total amount of the issue value in the Public Offering and the total amount of the issue value of the Third-Party Allotment will be reduced to make them lower than the previously noted assumed amounts, and the actual Post-Loans LTV may become higher than the figure noted above. Conversely, if the actual issue values exceed the previously noted assumed amounts, the total amount of the issue value in the Public Offering and the total amount of the issue value of the Third-Party Allotment will be increased to make them higher than the previously noted assumed amounts, and the actual Post-Loans LTV may become lower than the figure noted above.</p>
Issuance of investment units	<ul style="list-style-type: none"> • In addition to 652,000 such units, which is the number of investment units issued as of the date of this report, we assume that the new investment units to be issued through the Public Offering (122,860 units) and the new investment units to be issued through the Third-Party Allotment (maximum 6,140 units), which were resolved at a meeting of the Board of Directors held on the date of this report, will all be issued, with a total planned new issuance of 129,000 units. For the details of these issuances of investment units, please refer to the press release issued on the same date as this report titled “Notice Concerning the Issuance of New Investment Units and Secondary Public Offering.” • Other than the above, we assume that there will be no issuance of additional investment units until the end of the fiscal period ending August 31, 2015 (the third fiscal period).
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> • We have calculated distributions per unit (excluding distributions in excess of earnings) in accordance with the cash distribution policy prescribed in the Investment Corporation’s Articles of Incorporation. • Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in the asset portfolio, fluctuations in rent revenues associated with changes in tenants, or unforeseen occurrence of repairs.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • We currently have no plans to pay cash distributions in excess of earnings (regarding distributions in excess of earnings per unit).
Others	<ul style="list-style-type: none"> • We have assumed that no revisions that impact these forecasts will be made to law and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others. • We have assumed that no significant unforeseeable changes will occur in general economic trends or conditions in the real estate market.

(3) Investment Risks

As there have been no significant changes from the “Investment risks” described in the Securities Registration Statement (submitted on October 14, 2014; prepared in Japanese only), the disclosure is omitted.

3. Unaudited Financial Information

(1) Balance Sheet (unaudited)

(Unit: thousands of yen)	
Reporting period	
(As of August 31, 2014)	
Assets	
Current assets	
Cash and deposits	3,263,862
Cash and deposits in trust	2,002,306
Operating accounts receivable	3,120
Prepaid expenses	18,324
Deferred tax assets	27
Consumption taxes receivable	645,501
Total current assets	5,933,142
Noncurrent assets	
Property, plant and equipment	
Buildings in trust	19,003,601
Accumulated depreciation	(315,412)
Buildings in trust, net	18,688,188
Structures in trust	181,832
Accumulated depreciation	(8,319)
Structures in trust, net	173,512
Machinery and equipment in trust	39,723
Accumulated depreciation	(3,533)
Machinery and equipment in trust, net	36,189
Tools, furniture and fixtures in trust	4,295
Accumulated depreciation	(116)
Tools, furniture and fixtures in trust, net	4,179
Land in trust	80,680,217
Total property, plant and equipment	99,582,288
Intangible assets	
Leasehold rights in trust	3,053,575
Other	9,207
Total intangible assets	3,062,783
Investments and other assets	
Lease and guarantee deposits	10,000
Long-term prepaid expenses	206,356
Total investments and other assets	216,356
Total noncurrent assets	102,861,427
Total assets	108,794,570

(Unit: thousands of yen)

Reporting period
(As of August 31, 2014)

Liabilities	
Current liabilities	
Operating accounts payable	275,939
Short-term loans payable	3,960,000
Accounts payable - other	372,135
Accrued expenses	49,394
Income taxes payable	1,403
Advances received	550,146
Deposits received	6,308
Total current liabilities	5,215,327
Noncurrent liabilities	
Long-term loans payable	29,040,000
Tenant leasehold and security deposits in trust	5,042,427
Total noncurrent liabilities	34,082,427
Total liabilities	39,297,755
Net assets	
Unitholders' equity	
Unitholders' capital	67,943,000
Surplus	
Unappropriated retained earnings	1,553,814
Total surplus	1,553,814
Total unitholders' equity	69,496,814
Total net assets	*2 69,496,814
Total liabilities and net assets	108,794,570

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

(Unit: thousands of yen)

	Reporting period (From November 7, 2013 to August 31, 2014)	
Operating revenues		
Rent revenue - real estate	*1, *2	3,523,129
Other lease business revenues	*1	137,517
Total operating revenues		3,660,646
Operating expenses		
Expenses related to rent business	*1	763,149
Asset management fee		294,238
Asset custody fee		8,370
Administrative service fees		27,483
Directors' compensations		9,800
Other operating expenses		77,043
Total operating expenses		1,180,085
Operating income		2,480,561
Non-operating income		
Interest income		409
Total non-operating income		409
Non-operating expenses		
Interest expenses		158,629
Borrowing related expenses		343,990
Organization expenses		82,286
Investment unit issuance costs		340,790
Total non-operating expenses		925,697
Ordinary income		1,555,274
Income before income taxes		1,555,274
Income taxes - current		1,486
Income taxes - deferred		(27)
Total income taxes		1,459
Net income		1,553,814
Unappropriated retained earnings		1,553,814

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

Reporting period (From November 7, 2013 to August 31, 2014)

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of current period	–	–	–	–	–
Changes of items during the period					
Issuance of new investment units	67,943,000	–	–	67,943,000	67,943,000
Net income	–	1,553,814	1,553,814	1,553,814	1,553,814
Total changes of items during the period	67,943,000	1,553,814	1,553,814	69,496,814	69,496,814
Balance at the end of current period	*1 67,943,000	1,553,814	1,553,814	69,496,814	69,496,814

(4) Statement of Cash Distributions (unaudited)

Item \ By period	Reporting period (From November 7, 2013 to August 31, 2014)
I Unappropriated retained earnings	¥1,553,814,966
II Distribution amount (Distributions per unit)	¥1,553,716,000 (¥2,383)
III Retained earnings carried forward	¥98,966
Method of calculating distribution amount	<p>Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥1,553,716,000, which is the largest integral multiple of the number of investment units issued and outstanding (652,000 units), and not in excess of unappropriated retained earnings.</p> <p>In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.</p>

(5) Statement of Cash Flows (unaudited)

(Unit: thousands of yen)

	Reporting period (From November 7, 2013 to August 31, 2014)	
Net cash provided by (used in) operating activities		
Income before income taxes		1,555,274
Depreciation and amortization		328,360
Investment unit issuance costs		340,790
Interest income		(409)
Interest expenses		158,629
Decrease (increase) in operating accounts receivable		(3,120)
Decrease (increase) in consumption taxes refund receivable		(645,501)
Decrease (increase) in prepaid expenses		(18,324)
Increase (decrease) in operating accounts payable		268,610
Increase (decrease) in accounts payable - other		372,135
Increase (decrease) in advances received		550,146
Increase (decrease) in deposits received		6,308
Decrease (increase) in long-term prepaid expenses		(206,356)
Other, net		2,505
Subtotal		2,709,049
Interest income received		409
Interest expenses paid		(111,823)
Net cash provided by (used in) operating activities		2,597,634
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment in trust		(99,902,341)
Purchase of intangible assets in trust		(3,053,575)
Purchase of intangible assets		(10,186)
Payments for lease and guarantee deposits		(10,000)
Repayments of tenant leasehold and security deposits in trust		(113,785)
Proceeds from tenant leasehold and security deposits in trust		5,156,212
Net cash provided by (used in) investing activities		(97,933,675)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable		7,360,000
Decrease in short-term loans payable		(3,400,000)
Proceeds from long-term loans payable		29,040,000
Proceeds from issuance of investment units		67,602,209
Net cash provided by (used in) financing activities		100,602,209
Net increase (decrease) in cash and cash equivalents		5,266,168
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at end of period	*1	5,266,168

(6) Notes on Going Concern Assumption (unaudited)

Not applicable.

(7) Notes on Significant Accounting Policies (unaudited)

1. Method of depreciation of noncurrent assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The estimated useful lives of property, plant and equipment are listed below.</p> <table border="0"><tr><td>Buildings</td><td>3 to 61 years</td></tr><tr><td>Structures</td><td>6 to 17 years</td></tr><tr><td>Machinery and equipment</td><td>3 to 10 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>6 years</td></tr></table> <p>(2) Intangible assets The straight-line method is used. Internal use software is amortized over the estimated useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	3 to 61 years	Structures	6 to 17 years	Machinery and equipment	3 to 10 years	Tools, furniture and fixtures	6 years
Buildings	3 to 61 years								
Structures	6 to 17 years								
Machinery and equipment	3 to 10 years								
Tools, furniture and fixtures	6 years								
2. Accounting method for deferred assets	<p>(1) Organization expenses The full amount is recorded as expenses at the time of expenditure.</p> <p>(2) Investment unit issuance costs The full amount is recorded as expenses at the time of expenditure.</p>								
3. Recognition of revenue and expenses	<p>Fixed asset tax and related taxes For fixed asset tax, city planning tax, depreciable asset tax, etc. for real properties held, the amount of tax levied corresponding to the relevant accounting period is recorded as expenses related to rent business. The amount equivalent to fixed asset tax and related taxes for the fiscal year that includes the date on which we paid settlement money to the transferor for acquisition of real estate, etc. is not recorded as expenses related to rent business but included in the acquisition costs for the related properties. The amount equivalent to fixed asset tax included in acquisition costs for properties for the reporting period was ¥514,892 thousand.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is used for interest rate swaps. For interest rate swaps that satisfy requirements for special treatments, however, special treatment is used.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings</p> <p>(3) Hedging policy The Investment Corporation conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of the Investment Corporation pursuant to the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.</p>								
5. Scope of cash and cash equivalents in the statement of cash flows	<p>Cash and cash equivalents in the statement of cash flows are composed of cash on hand, cash in trust, demand deposits, deposits in trust, and short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within 3 months of the date of acquisition.</p>								

6. Other significant information for preparation of financial statements	<p>(1) Accounting method for trust beneficiary rights in real estate</p> <p>With regard to trust beneficiary rights in real estate, all assets and liabilities within assets in trust as well as all revenue and expense items associated with assets in trust are accounted for under the respective account items of the balance sheet and statement of income and retained earnings.</p> <p>Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet:</p> <ul style="list-style-type: none"> i) Cash and deposits in trust ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust iii) Leasehold rights in trust iv) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes</p> <p>Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for acquisition of assets are included in acquisition cost for each asset.</p>
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(8) Notes to Financial Information (unaudited)

Notes to Balance Sheet (unaudited)

1. Commitment line contracts

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

	Reporting period (As of August 31, 2014)
Total amount of commitment line contracts	¥10,000,000 thousand
Balance of borrowings outstanding	-
Difference	¥10,000,000 thousand

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

Reporting period (As of August 31, 2014)
¥50,000 thousand

Notes to Statement of Income and Retained Earnings (unaudited)

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

(Unit: thousands of yen)

	Reporting period (From November 7, 2013 to August 31, 2014)
A. Real estate lease business revenues	
Rent revenue - real estate	
Rent	2,897,420
Land rent	299,704
Common service fees	326,003
Total	3,523,129
Other lease business revenues	
Revenue from utilities charges	93,601
Other revenue	43,916
Total	137,517
Total real estate lease business revenues	3,660,646
B. Expenses related to real estate lease business	
Expenses related to rent business	
Management consignment expenses	140,019
Utilities expenses	128,037
Insurance expenses	5,173
Repair expenses	23,944
Depreciation	327,382
Other expenses related to rent business	138,591
Total expenses related to real estate lease business	763,149
C. Income (loss) from real estate lease business (A – B)	2,897,497

*2. Transactions with major corporate unitholders

(Unit: thousands of yen)

Reporting period
(From November 7, 2013
to August 31, 2014)

From operating transactions	900,162
Rent revenue - real estate	

Notes to Statement of Changes in Net Assets (unaudited)

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

	Reporting period (From November 7, 2013 to August 31, 2014)
Total number of authorized investment units at end of reporting period	20,000,000 units
Number of investment units issued at end of reporting period	652,000 units

Notes to Statement of Cash Flows (unaudited)

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

(Unit: thousands of yen)

	Reporting period (From November 7, 2013 to August 31, 2014)
Cash and deposits	3,263,862
Cash and deposits in trust	2,002,306
Total cash and cash equivalent	5,266,168

Notes on Lease Transactions (unaudited)

Operating lease transactions (Lessor)

Future minimum lease payments under noncancelable operating lease transactions

(Unit: thousands of yen)

	Reporting period (As of August 31, 2014)
Due within 1 year	2,022,219
Due after 1 year	6,522,279
Total	8,544,499

Notes on Financial Instruments (unaudited)

1. Matters regarding status of financial instruments

(1) Policy for handling financial instruments

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

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

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

Deposits are used for investment of our surplus funds. These deposits are exposed to credit risk such as bankruptcy of the depository financial institutions. Deposits are carried out with safety and

redeemability taken into consideration and are limited to those with short-term deposit periods.

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

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

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

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

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

Balance sheet carrying amount, fair value, and the difference between the two values as of August 31, 2014 are as shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	3,263,862	3,263,862	—
(2) Cash and deposits in trust	2,002,306	2,002,306	—
Total assets	5,266,168	5,266,168	—
(1) Short-term loans payable	3,960,000	3,960,000	—
(2) Long-term loans payable	29,040,000	28,191,628	(848,372)
Total liabilities	33,000,000	32,151,628	(848,372)
Derivative transactions	—	—	—

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

Assets

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

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

Liabilities

(1) Short-term loans payable

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

(2) Long-term loans payable

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

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

Derivative transactions

Please refer to “Notes on Derivative Transactions” below.

(Note 2) Redemption of monetary claims scheduled to be due after the balance sheet date (as of August 31, 2014)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	3,263,862	–	–	–	–	–
Cash and deposits in trust	2,002,306	–	–	–	–	–
Total	5,266,168	–	–	–	–	–

(Note 3) Redemption of long-term loans payable and other interest-bearing debt scheduled to be due after the balance sheet date (as of August 31, 2014)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	3,960,000	–	–	–	–	–
Long-term loans payable	–	–	8,490,000	–	8,550,000	12,000,000
Total	3,960,000	–	8,490,000	–	8,550,000	12,000,000

Notes on Derivative Transactions (unaudited)

1. Derivative transactions not applying hedge accounting

Reporting period (as of August 31, 2014)

Not applicable.

2. Derivative transactions applying hedge accounting

Reporting period (as of August 31, 2014)

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

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate Receipt: floating interest rate	Long-term loans payable	26,590,000	26,590,000	*	–

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

Notes on Tax Effect Accounting (unaudited)

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

(Unit: thousands of yen)	
Reporting period	
(As of August 31, 2014)	
Deferred tax assets	
Accrued enterprise tax excluded from expenses	27
Total deferred tax assets	27
Net deferred tax assets	27

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

(Unit: %)	
Reporting period	
(As of August 31, 2014)	
Statutory tax rate	36.59
(Adjustments)	
Distributions paid included in expenses	(36.55)
Others	0.05
Effective tax rate	0.09

Notes on Related Party Transactions (unaudited)

1. Parent company and major corporate unitholders

Reporting period (From November 7, 2013 to August 31, 2014)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Odenmachi, Nihonbashi Chuo-ku, Tokyo	22,281,180	Real estate business	Directly held by related party 12.50%	None	Leasing and management of real estate	Receipt of investment in capital	200,000	-	-
								Purchase of beneficiary right of real estate in trust	83,733,000	-	-
								Keeping of leasehold and security deposits	4,877,347	Tenant leasehold and security deposits in trust	4,763,562
								Repayment of leasehold and security deposits	113,785		
								Earning of rent revenue, etc.	900,162	Advances received	139,734

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

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

2. Subsidiaries and affiliates

Reporting period (From November 7, 2013 to August 31, 2014)

Not applicable.

3. Subsidiaries of parent company

Reporting period (From November 7, 2013 to August 31, 2014)

Type	Name	Location	Capital stock or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatchobori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	-	One	Consignment of asset management	Payment of organizer compensations (Note 1)	50,000	-	-
								Payment of asset management fee (Note 2)	592,026	Operating accounts payable	316,894

(Note 1) Payment of organizer compensations is in accordance with terms prescribed in the Investment Corporation's Articles of Incorporation.

(Note 2) Payment of asset management fee includes the portion of compensations associated with a property acquisition factored into the book value of the individual properties (¥297,787 thousand).

(Note 3) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 4) Transaction terms are determined based on current market prices.

4. Officers and major individual unitholders

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

Notes on Investment and Rental Properties (unaudited)

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

(Unit: thousands of yen)

	Reporting period (From November 7, 2013 to August 31, 2014)
Balance sheet carrying amount	
Balance at beginning of period	-
Changes during period	102,635,863
Balance at end of reporting period	102,635,863
Fair value at end of reporting period	109,743,000

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

(Note 2) The main reason for the increase in the investment and rental properties during the period is the acquisition of beneficiary rights of real estate in trust of 21 properties (¥102,933,082 thousand). The decrease is mainly due to depreciation (¥327,382 thousand).

(Note 3) The fair value at end of period is the appraisal value provided by an independent real estate appraiser. The profit or loss for the period under review concerning investment and rental properties is indicated under "Notes to Statement of Income and Retained Earnings."

Notes on Segment and Related Information (unaudited)

Segment information

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

Related information

Reporting period (from November 7, 2013 to August 31, 2014)

1. Information by product and service

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

2. Information by geographical area

(1) Operating revenues

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

(2) Property, plant and equipment

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

3. Information by major customer

(Unit: thousands of yen)

Counterparty	Operating revenues	Related segment
Hulic Co., Ltd.	900,162	Real estate lease business
Trust Garden Co., Ltd.	(Note) –	Real estate lease business

(Note) This information is not shown because we have not obtained permission from the tenant to disclose the information such as rent.

Notes on Per Unit Information (unaudited)

	Reporting period (From November 7, 2013 to August 31, 2014)
Net assets per unit	¥106,590
Net income per unit	¥3,450

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

(Note 2) The basis for calculating net income per unit is as follows:

	Reporting period (From November 7, 2013 to August 31, 2014)
Net income (Thousands of yen)	1,553,814
Amount not attributable to common unitholders (Thousands of yen)	–
Net income attributable to common investment units (Thousands of yen)	1,553,814
Average number of investment units for the period (Units)	450,347

Notes on Significant Events after the Reporting Period (unaudited)

Issuance of new investment units

The Investment Corporation passed resolutions at a meeting of its Board of Directors held on October 14, 2014, to issue new investment units to partly fund the acquisition of specified assets. The issue price per unit and other matters are scheduled to be determined at a meeting of the Investment Corporation's Board of Directors to be held on the pricing date (to be held in the period from October 29, 2014 through November 5, 2014).

(New investment unit issuance through public offering)

Number of new investment units to be issued: 122,860 units
(including Japan and overseas)
Payment date: A date in the period from November 6 through November 12, 2014

(New investment unit issuance through third-party allotment)

Number of new investment units to be issued (maximum): 6,140 units
Payment date: November 21, 2014
Allottee: Mizuho Securities Co., Ltd.

If the entire number of investment units to be issued in the third-party allotment, or a portion thereof, is not subscribed to, this may result in the final number of investment units issued in the third-party allotment being reduced by that number of units or fewer due to forfeiture or the issuance itself not being carried out at all.

Omission of Disclosure

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

(9) Changes in Number of Investment Units Issued

The status of capital increase, etc. for the reporting period is shown as below.

Date	Event	Number of investment units issued (Units)		Total unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
November 7, 2013	Incorporation through private placement	2,000	2,000	200	200	(Note 1)
February 6, 2014	Capital increase through public offering	617,500	619,500	64,355	64,555	(Note 2)
March 7, 2014	Capital increase through third-party allotment	32,500	652,000	3,387	67,943	(Note 3)

(Note 1) At the incorporation of the Investment Corporation, investment units were issued with an issue value per unit of ¥100,000.

(Note 2) New investment units were issued through public offering with an issue price per unit of ¥108,000 (issue value: ¥104,220) in order to raise funds for the acquisition of new investment properties, etc.

(Note 3) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an offer price per unit of ¥104,220.

4. Changes in Officers

(1) Changes in Officers of the Investment Corporation

There have been no changes from the “Status of Officers” described in the Securities Registration Statement (prepared in Japanese only) submitted on October 14, 2014.

(2) Changes in Officers of Asset Manager

There have been no changes from the “Status of Officers” described in the Securities Registration Statement (prepared in Japanese only) submitted on October 14, 2014.

5. Reference Information

(1) Status of Investment

Type of assets	Category	Region (Note 1)	Reporting period (As of August 31, 2014)	
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Tokyo Commercial Properties	Six central wards of Tokyo	75,837	69.7
		Other wards of Tokyo	3,926	3.6
		Other	–	–
		Total	79,763	73.3
	Next Generation Assets	Six central wards of Tokyo	–	–
		Other wards of Tokyo	20,435	18.8
		Other	2,436	2.2
		Total	22,872	21.0
	Total real estate in trust		102,635	94.3
	Deposits and other assets		6,158	5.7
Total assets		108,794	100.0	

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	39,297	36.1
Total net assets	69,496	63.9

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

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

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

(2) Investment Assets

i) Overview of investment assets

(As of August 31, 2014)

Category	Property name	Date of construction (Note 1)	Annual contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Total leased area (m ²) (Note 4)	Total leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)	
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building (Note 7)	April 1985	1,028	1,049	12,519.56	12,991.85	96.4
		Hulic Kudan Building (Land)	–	530	265	3,351.07	3,351.07	100.0
		Toranomon First Garden (Note 8)	August 2010	529	403	5,689.97	5,689.97	100.0
		Rapiros Roppongi (Note 9)	August 1997	388	349	5,291.65	5,875.17	90.1
		Hulic Takadanobaba Building	November 1993	310	188	5,369.71	5,369.71	100.0
		Hulic Kanda Building	September 2008	278	192	3,728.36	3,728.36	100.0
		Hulic Kandabashi Building	June 2001	161	128	2,566.95	2,566.95	100.0
		Hulic Kakigaracho Building	March 1993	187	124	2,839.22	2,839.22	100.0
	Subtotal	–	3,411	2,696	41,356.49	42,412.30	97.5	
	Retail properties	Oimachi Redevelopment Building (#2)	September 1989	624	656	14,485.66	14,485.66	100.0
		Oimachi Redevelopment Building (#1) (Note 10)	September 1989	438	529	10,612.67	10,612.67	100.0
		Dining Square Akihabara Building	June 1993	– (Note 11)	– (Note 11)	2,169.41	2,169.41	100.0
		Hulic Jingumae Building	September 2000	156	81	1,656.24	1,656.24	100.0
		Subtotal	–	–	–	28,923.98	28,923.98	100.0
Total	–	–	–	70,280.47	71,336.28	98.5		
Next Generation Assets	Nursing homes	Aria Matsubara	September 2005	– (Note 11)	– (Note 11)	5,454.48 (Note 12)	5,454.48 (Note 12)	100.0
		Trust Garden Youganomori	September 2005	– (Note 11)	– (Note 11)	5,977.75	5,977.75	100.0
		Trust Garden Sakurashinmachi	August 2005	– (Note 11)	– (Note 11)	3,700.26	3,700.26	100.0
		Trust Garden Sugunami Miyamae	April 2005	– (Note 11)	– (Note 11)	3,975.99	3,975.99	100.0
		Subtotal	–	–	–	19,108.48	19,108.48	100.0
	Network centers	Ikebukuro Network Center	January 2001	271	136	12,773.04	12,773.04	100.0
		Tabata Network Center	April 1998	90	45	3,832.73	3,832.73	100.0
		Hiroshima Network Center	October 2001	88	44	5,208.54	5,208.54	100.0
		Atsuta Network Center	May 1997	73	37	4,943.10	4,943.10	100.0
		Nagano Network Center	September 1994	35	18	2,211.24	2,211.24	100.0
		Subtotal	–	558	279	28,968.65	28,968.65	100.0
	Total	–	–	–	48,077.13	48,077.13	100.0	
	Total of the portfolio	–	–	–	118,357.60	119,413.41	99.1	

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

(Note 2) *Annual contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for rooms which were occupied by tenants as of August 31, 2014, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2014; the same shall apply hereinafter) for buildings as indicated in the relevant lease agreement of each property as of August 31, 2014 by 12 (with respect to properties subject to multiple lease agreements, the aggregate monthly rent for all lease agreements; the same shall apply hereinafter) and rounding to the nearest million yen. For properties for which we acquired only land, it is calculated as the annual contracted rent (excluding consumption tax; the same shall apply hereinafter) as indicated in the lease agreement for such land as of August 31, 2014, rounding to the nearest million yen. When a master lease agreement has been concluded for the asset, the amount calculated by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants in the case of a pass-through master lease agreement, under which rents are directly received from end-tenants in principle, or the monthly rent as indicated in the master lease agreement in the fixed-type master lease agreement, under which a certain amount of rent is received regardless of fluctuations in rents for end-tenants, by 12 on an annual basis is provided.

(Note 3) *Leasehold/Security deposits* indicates the aggregate of the leasehold and/or security deposit(s) required under each lease agreement as of August 31, 2014, rounded to the nearest million yen. When a master lease agreement has been concluded for the asset, the aggregate of leasehold/security deposits as indicated in each sublease agreement entered into with end-tenants is provided, rounded to the nearest million yen.

(Note 4) *Total leased area* is equivalent to total floor area of leased space set out in the lease agreements of each property as of August 31, 2014. For buildings in properties for which the tenant is a master lease company and sublessor, the leasable area to end-tenants of leased area as indicated in the relevant master lease agreement entered into with a

master lease company as of August 31, 2014 is provided. For the property of which ownership is only for land, the area of the land is provided.

- (Note 5) *Total leasable area* is equivalent to gross leasable space, based on the lease agreements or floor plans of buildings of each property as of August 31, 2014. With respect to Hulic Kudan Building (Land), total leasable area is the leasable area of the land as described in the applicable land lease agreements or land plans.
- (Note 6) *Occupancy rate* is calculated by dividing total leased area by total leasable area of each property as of August 31, 2014, and is rounded to the nearest tenth. Subtotals, totals and total of the portfolio show the proportion of the total leased area to the total of leasable area for each asset held, rounded to the nearest tenth.
- (Note 7) For Hulic Kamiyacho Building, total leased area, total leasable area, occupancy rate and annual contracted rent and leasehold/security deposits show figures equivalent to the pro-rata portion of the ownership interest of property held by the Investment Corporation (approximately 39.9%).
- (Note 8) For Toranomom First Garden, total leased area, total leasable area and occupancy rate show figures equivalent to the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's ownership interest: partial ownership of 5,493.69 m² and approximately 71.1% co-ownership interest in partial ownership of 275.98 m²). Annual contracted rent and leasehold/security deposits show amounts equivalent to the proportional share held by the Investment Corporation (approximately 81.4%).
- (Note 9) For Rapiros Roppongi, total leased area, total leasable area, occupancy rate, annual contracted rent and leasehold/security deposits show figures equivalent to the pro-rata portion of the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's partial ownership of 5,578.56 m² and approximately 50.5% co-ownership interest in partial ownership of 586.37 m²).
- (Note 10) For Oimachi Redevelopment Building (#1), total leased area, total leasable area and occupancy rate show figures for the pro-rata portion of the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's ownership interest: approximately 82.6% co-ownership interest in partial ownership of 12,843.24 m²) under the lease agreements with end-tenants as of August 31, 2014. Annual contracted rent and leasehold/security deposits show amounts equivalent to the pro-rata portion of the stratified ownership interest in the building (approximately 82.6%).
- (Note 11) Items marked with a – (minus sign) indicate that the Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 12) For Aria Matsubara, the total leasable area and total leased area are based on the lease agreement entered into with the lessee before completion of the building and therefore differ from the actual total leasable area and total leased area after completion of the building.
- (Note 13) In the above table, *Annual contracted rent*, *Leasehold/Security deposits*, *Total leased area*, *Total leasable area* and *Occupancy rate* may include information related to lease agreements that have been subsequently terminated, lease agreements for which we have subsequently received a request for termination or lease agreements for which rent payment is delinquent, if the lease agreement was valid as of August 31, 2014.

ii) Overview of appraisal report

Category	Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated value by using cost method (Millions of yen)	Return price (Millions of yen)					
							Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	D	20,100	20,183	21,400	16,100	21,900	4.0	21,200	3.8	4.2
		Hulic Kudan Building (Land)	N	11,100	11,191	11,600	– (Note 5)	11,600	4.1	11,500	3.7	4.2
		Toranomon First Garden	C	8,623	8,665	9,100	9,040	9,010	4.1	9,100	3.7	4.2
		Rapiros Roppongi	N	5,160	5,571	5,740	6,820	5,800	4.1	5,670	3.8	4.3
		Hulic Takadanobaba Building	D	3,900	3,926	4,050	3,530	3,950	4.7	4,090	4.5	4.9
		Hulic Kanda Building	T	3,780	3,781	4,040	3,780	4,190	4.5	3,980	4.6	4.7
		Hulic Kandabashi Building	D	2,500	2,516	2,550	2,160	2,590	4.3	2,530	4.1	4.5
		Hulic Kakigaracho Building	T	2,210	2,234	2,540	1,950	2,550	4.8	2,540	4.9	5.0
		Subtotal	–	57,373	58,071	61,020	43,380	61,590	–	60,610	–	–
	Retail properties	Oimachi Redevelopment Building (#2)	T	9,456	9,520	10,800	6,920	11,000	4.7	10,700	4.8	4.9
		Oimachi Redevelopment Building (#1)	T	6,166	6,264	6,720	7,820	6,750	4.9	6,700	5.0	5.1
		Dining Square Akihabara Building	N	3,200	3,227	3,370	2,100	3,410	4.6	3,320	4.4	4.8
		Hulic Jingumae Building	T	2,660	2,680	3,050	2,380	3,100	4.0	3,030	4.1	4.2
		Subtotal	–	21,482	21,692	23,940	19,220	24,260	–	23,750	–	–
	Total	–	78,855	79,763	84,960	62,600	85,850	–	84,360	–	–	
Next Generation Assets	Nursing homes	Aria Matsubara	N	3,244	3,290	3,690	3,270	3,700	5.2	3,680	4.8	5.4
		Trust Garden Youganomori	N	5,390	5,461	5,870	4,830	5,890	5.5	5,850	5.1	5.7
		Trust Garden Sakurashinmachi	N	2,850	2,893	3,110	2,720	3,120	5.4	3,100	5.0	5.6
		Trust Garden Suginami Miyamae	N	2,760	2,806	3,010	2,540	3,020	5.4	3,000	5.0	5.6
		Subtotal	–	14,244	14,451	15,680	13,355	15,730	–	15,630	–	–
	Network centers	Ikebukuro Network Center	N	4,570	4,612	4,950	4,010	5,000	4.7	4,890	4.5	4.9
		Tabata Network Center	N	1,355	1,371	1,510	1,480	1,520	5.1	1,490	4.9	5.3
		Hiroshima Network Center	N	1,080	1,094	1,190	1,010	1,190	5.9	1,180	5.7	6.1
		Atsuta Network Center	N	1,015	1,028	1,090	942	1,090	5.5	1,080	5.3	5.7
		Nagano Network Center	N	305	313	363	315	363	7.0	362	6.8	7.2
		Subtotal	–	8,325	8,420	9,103	7,757	9,163	–	9,002	–	–
	Total	–	22,569	22,872	24,783	21,112	24,893	–	24,632	–	–	
Total	–	101,424	102,635	109,743	83,712	110,743	–	108,992	–	–		

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

D: Daiwa Real Estate Appraisal Co., Ltd.

N: Japan Real Estate Institute

C: CBRE K.K.

T: The Tanizawa Sōgō Appraisal Co., Ltd.

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

(Note 3) *Book value at end of period* represents book value for each property less depreciation expenses as of August 31, 2014, rounded down to the nearest million yen.

(Note 4) *Appraisal value* represents the appraisal value as of the valuation date of August 31, 2014.

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

iii) Capital expenditures for assets under management

(A) Schedule of capital expenditures

For properties held by the Investment Corporation or properties in trust for beneficiary right of real estate in trust, the main capital expenditures for renovation work, etc. currently scheduled are as below. In some cases, estimated capital expenditure for work may have parts that are charged to expenses.

Property name	Location	Purpose	Scheduled period	Estimated capital expenditure for work (Millions of yen)
Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	Renewal work for lighting equipment	From October 2014 to November 2014	12
Hulic Kamiyacho Building	Minato-ku, Tokyo	Renewal work for emergency power generator	From April 2015 to August 2015	12
Hulic Kamiyacho Building	Minato-ku, Tokyo	Renewal work for elevator	From December 2014 to June 2015	20

(B) Capital expenditures during the period

In the reporting period, capital expenditures in the entire portfolio amounted to ¥30,162 thousand, and repair expenses came to ¥23,944 thousand. In aggregate, construction work of ¥54,107 thousand was carried out during the period.

There are no single items of construction work carried out during the period for any of the properties held as of August 31, 2014, for which the capital expenditure was ¥10 million or more.

(3) Major Investment Assets

For the Investment Corporation's investment properties, each property from which revenue accounted for 10% or more of the total real estate rent revenue in the period under review is shown as below.

<Property name> Hulic Kamiyacho Building (Note 1)

Annual contracted rent (Note 2)	¥1,028 million
Total leased area (Note 3)	12,519.56 m ²
Total leasable area (Note 4)	12,991.85 m ²
Occupancy rate at end of period (Note 5)	96.4%

(Note 1) *Annual contracted rent*, *Total leased area*, *Total leasable area* and *Occupancy rate* show numerical values and amounts equivalent to the pro-rata portion of the trust co-ownership interest of the property (approximately 39.9%).

(Note 2) *Annual contracted rent* is calculated by multiplying the monthly contracted rent for the building (limited to rent for rooms, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of whether the free rent arrangement was in effect as of August 31, 2014; the same shall apply hereinafter) as indicated in the relevant lease agreement of the above-mentioned property held as of August 31, 2014 (limited to properties which were occupied by tenants as of August 31, 2014) by 12, and is rounded to the nearest million yen. When a master lease agreement has been concluded for the property held, the amount calculated by multiplying the monthly rent (limited to rent for rooms, including common service fee and excluding usage fee for warehouses, signboards and parking lots, regardless of whether the rent was free as of August 31, 2014; the same shall apply hereinafter) as indicated in each sublease agreement entered into with end-tenants in the case of a pass-through master lease agreement, under which rents are directly received from end-tenants in principle, by 12 on an annual basis is provided.

(Note 3) *Total leased area* shows the total floor area of leased space set out in the lease agreement of the above-mentioned property held as of August 31, 2014. When a master lease agreement has been concluded for the property held, the numerical value shown is the actual total area leased under each sublease agreement entered into with end-tenants in the case of a pass-through master lease agreement, under which rents are directly received from end-tenants in principle.

(Note 4) *Total leasable area* shows the floor area considered leasable based on the lease agreements or floor plans of buildings of the above-mentioned property held as of August 31, 2014.

(Note 5) *Occupancy rate at end of period* is calculated by dividing total leased area by total leasable area of the above-mentioned property held as of August 31, 2014, and is rounded to the nearest tenth.

(4) Overview of Major Tenants

Tenants for which leased area accounted for 10% or more of the total leased area as of August 31, 2014 are shown as below.

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Annual contracted rent (Millions of yen) (Note 2)	Leasehold/ security deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
Hulic Co., Ltd.	Real estate lease business	Hulic Kamiyacho Building (Note 6)	12,519.56	1,028	1,049	February 6, 2017	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Kudan Building (Land)	3,351.07	530	265	February 6, 2063	–
		Toranomon First Garden (Note 7)	5,689.97	529	403	February 6, 2017	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Rapiros Roppongi (Note 8)	5,291.65	388	349		
		Hulic Takadanobaba Building	5,369.71	310	188		
		Hulic Kanda Building	3,728.36	278	192		
		Hulic Kandabashi Building	2,566.95	161	128		
		Hulic Kakigaracho Building	2,839.22	187	124		
		Oimachi Redevelopment Building (#2)	14,485.66	624	656	February 6, 2019	Automatically renewed for a term agreed upon unless notified in writing at least 6 months before the expiry of the agreement
		Oimachi Redevelopment Building (#1) (Note 9)	10,612.67	438	529	September 27, 2017	
		Dining Square Akihabara Building	2,169.41	– (Note 10)	– (Note 10)	February 6, 2017	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Jingumae Building	1,656.24	156	81		
		Aria Matsubara	5,454.48	– (Note 10)	– (Note 10)		
		Trust Garden Youganomori	5,977.75	– (Note 10)	– (Note 10)		
		Trust Garden Sakurashinmachi	3,700.26	– (Note 10)	– (Note 10)		
		Trust Garden Suginami Miyamae	3,975.99	– (Note 10)	– (Note 10)		
Total	89,388.95	–	–	–	–		
SoftBank Telecom Corp.	Telecommunications business	Ikebukuro Network Center	12,773.04	271	136	November 5, 2027	May be renewed if mutually agreed at least 5 years before the expiry of the agreement
		Tabata Network Center	3,832.73	90	45	November 5, 2022	
		Hiroshima Network Center	5,208.54	88	44	November 5, 2027	
		Atsuta Network Center	4,943.10	73	37	November 5, 2022	
		Nagano Network Center	2,211.24	35	18	November 5, 2017	
		Total	28,968.65	558	279	–	

(Note 1) *Leased area* is equivalent to total floor area of leased space set out in the lease agreements of each property as of August 31, 2014. For buildings in properties for which the tenant is a master lease company and sublessor, the leasable

area to end-tenants of leased area as indicated in the relevant master lease agreement entered into with a master lease company as of August 31, 2014 is provided. For the property of which ownership is only for land, the area of the land is provided.

- (Note 2) *Annual contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2014; the same shall apply hereinafter) for buildings as indicated in the relevant lease agreement of each property as of August 31, 2014 (limited to properties which were occupied by tenants as of August 31, 2014) by 12 and rounding to the nearest million yen. For properties for which ownership is only for land, it is calculated as the annual contracted rent as indicated in the lease agreement for such land as of August 31, 2014, rounding to the nearest million yen. For properties for which the tenant is a sublessor as a master lease company, in accordance with the lease agreement with the end-tenant as of August 31, 2014 (only lease agreements under which the tenant already occupied the property as of the same date), the amount calculated by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants in the case of a pass-through master lease agreement, under which rents are directly received from end-tenants in principle, or the monthly rent as indicated in the master lease agreement in the fixed-type master lease agreement, under which a certain amount of rents is received regardless of fluctuations in rents for end-tenants, by 12 on an annual basis is provided.
- (Note 3) *Leasehold/security deposits* indicates the aggregate of the leasehold and/or security deposit(s) required under each lease agreement as of August 31, 2014, rounded to the nearest million yen. When a master lease agreement has been concluded for the assets acquired, the aggregate of leasehold/security deposits as indicated in each sublease agreement entered into with end-tenants is provided, rounded to the nearest million yen.
- (Note 4) *Expiration date* is the date provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.
- (Note 5) *Renewal of agreement, etc.* represents the content of renewal of agreement, etc. provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.
- (Note 6) For Hulic Kamiyacho Building, the leased area, annual contracted rent and leasehold/security deposits show figures equivalent to the pro-rata portion of the trust co-ownership interest of property held by the Investment Corporation (approximately 39.9%).
- (Note 7) For Toranomom First Garden, the leased area shows figures equivalent to the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's ownership interest: partial ownership of 5,493.69 m² and approximately 71.1% co-ownership interest in partial ownership of 275.98 m²). Annual contracted rent and leasehold/security deposits show amounts equivalent to the proportional share held by the Investment Corporation (approximately 81.4%).
- (Note 8) For Rapiros Roppongi, the leased area, annual contracted rent and leasehold/security deposits show figures equivalent to the pro-rata portion of the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's partial ownership of 5,578.56 m² and approximately 50.5% co-ownership interest in partial ownership of 586.37 m²).
- (Note 9) For Oimachi Redevelopment Building (#1), the leased area shows the figure for the pro-rata portion of the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's ownership interest: approximately 82.6% co-ownership interest in partial ownership of 12,843.24 m²) under the lease agreements with end-tenants as of August 31, 2014. Annual contracted rent and leasehold/security deposits show amounts equivalent to the pro-rata portion of the Investment Corporation's stratified ownership interest (approximately 82.6%).
- (Note 10) Items marked with a – (minus sign) indicate that the Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

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

The following table shows the top ten end-tenants in terms of leased area in the entire portfolio as of August 31, 2014.

End-tenant	Property name	Total leased area (m ²) (Note 1)	Area ratio (%) (Note 2)	Expiration date	Form of agreement (Note 3)
SoftBank Telecom Corp.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center	28,968.65	24.5	November 5, 2027 (Ikebukuro Network Center, Hiroshima Network Center) November 5, 2022 (Tabata Network Center, Atsuta Network Center) November 5, 2017 (Nagano Network Center)	Fixed-term building lease agreement
Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1)	28,449.40 (Note 5)	24.0	February 6, 2063 February 6, 2019 September 27, 2017	Fixed-term business-use land lease agreement Ordinary building lease agreement Ordinary building lease agreement
Trust Garden Co., Ltd.	Trust Garden Youganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae	13,654.00	11.5	January 24, 2028	Ordinary building lease agreement
Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	4.6	September 30, 2030	Ordinary building lease agreement
J Trust Co., Ltd.	Toranomon First Garden	3,052.05	2.6	November 30, 2014	Ordinary building lease agreement
Oki Electric Industry Co., Ltd.	Toranomon First Garden	2,441.64	2.1	February 28, 2015	Ordinary building lease agreement
– (Note 4)	Dining Square Akihabara Building	2,169.41	1.8	– (Note 4)	– (Note 4)
YAMAHA MUSIC MEDIA CORPORATION	Hulic Takadanobaba Building	1,870.66	1.6	January 31, 2016	Ordinary building lease agreement
WELFARE AND MEDICAL SERVICE AGENCY	Hulic Kamiyacho Building	1,543.15	1.3	March 31, 2016	Ordinary building lease agreement
ALIVEN Inc.	Rapiros Roppongi	1,455.47	1.2	December 31, 2016	Fixed-term building lease agreement

(Note 1) *Total leased area* is equivalent to total floor area of leased space set out in the lease agreements with end-tenants as of August 31, 2014. For buildings in properties for which the tenant is a master lease company and sublessor, the leasable area to end-tenants of leased area as indicated in the relevant master lease agreement entered into with a master lease company as of August 31, 2014 is provided. For Hulic Kamiyacho Building, the total leased area shows an amount equivalent to the pro-rata portion of the trust co-ownership interest of property held by the Investment Corporation (approximately 39.9%). For Oimachi Redevelopment Building (#1), the figure shows the pro-rata portion of the Investment Corporation's stratified ownership interest in the building (The Investment Corporation's ownership interest: approximately 82.6% co-ownership interest in partial ownership of 12,843.24 m²).

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

(Note 3) *Form of agreement* is the form of agreement described in the lease agreement with the end-tenants as of August 31, 2014.

(Note 4) Items marked with a – (minus sign) indicate that the Investment Corporation has not obtained permission from the end-tenant or the relevant party of these properties to disclose the relevant information.

(Note 5) For Hulic Kudan Building (Land), ownership is only for land, and the area of the land is provided.