

HULIC REIT, INC.

Translation Purposes Only

September 9, 2019

To All Concerned Parties

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Notice concerning the Acquisition of Property

TOKYO, September 9, 2019 – Hulic Reit, Inc. (hereinafter referred to as “Hulic Reit”) hereby announces that Hulic Reit Management Co., Ltd. (hereinafter referred to as “Hulic Reit Management”), which is entrusted with the management of the assets of Hulic Reit, has today made the decision to acquire the properties (hereinafter referred to as the “Acquisition”) listed below (hereinafter individually or collectively referred to as the “Property”).

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

1. Overview of the acquisition

(1) Category	(2) Property name	(3) Location	(4) Assets scheduled to be acquired	(5) Anticipated acquisition price (Millions of yen) (Note 1)	(6) Seller	(7) Presence of intermediary
Tokyo Commercial Property						
Office	Hulic Ginza 7 Chome Building (20% additional acquisition)	Chuo-ku, Tokyo	Real estate trust beneficiary rights (Note 2)	4,480	Hulic Co., Ltd. (Note 3)	No
Next-Generation Assets Plus						
Private nursing homes	Charm Suite Shinjukutoyama	Shinjuku-ku, Tokyo	Real estate trust beneficiary rights	3,323	Hulic Co., Ltd. (Note 3)	No
Private nursing homes	Charm Suite Shakujiikoen	Nerima-ku, Tokyo	Real estate trust beneficiary rights	3,200	Hulic Co., Ltd. (Note 3)	No
Total		—	—	11,003	—	—

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HULIC REIT, INC.

- (8) Acquisition decision date : September 9, 2019
- (9) Date of purchase and sale agreement : September 9, 2019
- (10) Anticipated acquisition date (Note 4) : September 12, 2019 (“Charm Suite Shakujikoen”) and September 27, 2019 (“Hulic Ginza 7 Chome Building (20% additional acquisition)” and “Charm Suite Shinjukutoyama”)
- (11) Payment date (Note 4) : September 12, 2019 (“Charm Suite Shakujikoen”) and September 27, 2019 (“Hulic Ginza 7 Chome Building (20% additional acquisition)” and “Charm Suite Shinjukutoyama”)
- (12) Acquisition funds : Proceeds from the issuance of new investment units (Note 5) resolved at the Hulic Reit’s Board of Directors meetings on September 9, 2019, borrowings (Note 6) and cash on hand
- (13) Settlement method : Full payment upon delivery

Notes:

1. “Anticipated acquisition price” does not include consumption or local taxes or the costs and expenses related to the acquisition.
2. For the unit ownership rights for this property, quasi-co-ownership interest of 20.0% will be additionally acquired for one building and its premises as a single unit. When combined with the quasi-co-ownership interest of 75.0% that was acquired by Hulic Reit on March 29, 2018 and June 28, 2019 (hereafter, referred to as “Existing Ownership”), the total ownership (attributable to Hulic Reit) is 95.0%.
3. Hulic Co., Ltd. is an Interested Person, etc. (as defined in Article 201 of the Act and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, as amended); the same shall apply hereinafter) of Hulic Reit Management, and is an interested party according to Hulic Reit Management’s Regulations on Transactions with Interested Parties.
4. The anticipated acquisition date and payment date are the dates stated in the relevant purchase and sale agreement. However, for “Hulic Ginza 7 Chome Building (20% additional acquisition)” and “Charm Suite Shinjukutoyama” the anticipated acquisition date and payment date may change in accordance with any change of the payment date for the new investment units to be issued in the Primary Offering stated in the “Notice concerning the Issuance of New Investment Units and Secondary Offering of Investment Units” announced today. The same applies hereinafter.
5. For details, please refer to “Notice concerning the Issuance of New Investment Units and Secondary Offering of Investment Units” announced today.
6. For details, please refer to “Notice concerning the Borrowing of Funds” announced today.

2. Reason for acquisition

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

• Hulic Ginza 7 Chome Building (20% additional acquisition)

1) Characteristics of the location

The property is located facing Sotobori Dori within a four-minute walk from Ginza Station on the Tokyo Metro Ginza Line etc. in an area with side-by-side high-rise office buildings with shops. The location is highly convenient having Shimbashi Station on the JR Yamanote Line, etc. is about the same distance from the nearest train station, the location is highly convenient.

The Ginza area which is centered around Chuo Dori is one of Japan’s leading entertainment districts where many commercial facilities are concentrated. The area to the west of Chuo Dori, where the property is located, is characterized by buildings with shops on the lower floors that are vibrant with much circulation and offices on the mid-level and higher floors, and accordingly this area has strong characteristics as an attractive office district. Apparel and cosmetics companies that emphasize brand image, service companies that value the ability to attract customers and the media companies favor this area, and it has a high level of appeal for such

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companies.

2) Characteristics of the property

The property is an office building which includes stores and was completed in September 1962 which has 9 floors above ground and 5 basement levels. It has a total floor area of approximately 19,790 m², an electrical room, machine room, etc. on B4/5F, a parking lot on B2/3F, and shops, offices, etc. on B1 to 9F as a medium-sized building with a standard floor area of approximately 1,120 m² (approximately 340 tsubo). Since office buildings with a standard floor area of 1,000 m² (approximately 300 tsubo) or more in the surrounding area are limited, it is considerably competitive in terms of its size.

Although a number of years have passed since the property was completed, major facilities and equipment including air conditioning equipment have recently been renewed, and large-scale repair and earthquake-resistance reinforcement work was conducted in 2009, so the property maintains earthquake-resistance performance in accordance with the new earthquake-resistance standards. It is located at a three-street intersection with Sotobori Dori, its back-facing street and Kōjunsha Dori, and it has excellent visibility with a large entrance facing Sotobori Dori.

• Charm Suite Shinjukutoyama

1) Characteristics of the location

This property is located four-minute walk from Higashi Shinjuku station on the Tokyo Metro Fukutoshin Line and the Toei Subway Oedo Line, at the corner of a quiet residential area lined with medium-sized conventional homes and apartment buildings.

While the property is close to the busy central Tokyo area, it is located in a quiet residential neighborhood with lush greenery, such as Toyama Park. In addition, medical facilities such as Tokyo Women's Medical University Hospital and the National Center for Global Health and Medicine are also located in the surrounding area, which makes this area unique as a residential neighborhood with convenience and a good living environment.

Shinjuku Ward where this property is located, has a shortage of infrastructure such as nursing facilities compared to the Tokyo average and the national average. This means that there is a high demand for facilities for elderly people in this area. In particular, given that there are a limited number of competing facilities within a 3 km radius of this property and there are high-end residential areas located around the property including Shimo-Ochiai and Ichigaya we expect that demand for high-end private nursing home will be solid going forward.

2) Characteristics of the property

This property is a high-end private nursing home for elderly people completed in June 2015. The property has one basement floor and four above-ground floors. The entrance hall, office, visiting room, kitchen, mechanized bathroom, all-purpose room, café corner, clinic and parking lots are on the basement floor, and individual rooms, staff stations, bathrooms, dining hall with functional training rooms and laundry rooms are located on the first through fourth floors. The total floor area is 4,065.28 m² and there are 90 rooms, making this a relatively large-scale facility for its use.

A monotone design with dark grey tones has been used for the property's exterior, and its interior and individual rooms also have an integrated design, giving a feeling of luxury. The two-level vaulted ceiling in the café corner and the floor-length windows facing a wooden deck and other features make for a design with a sense of openness.

The facility has been designed with safety in mind, with security surveillance cameras installed at blind angles within the building. Each floor has two bathrooms for individual use, and while meeting the needs of

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HULIC REIT, INC.

residents with relatively minimal care needs, the two mechanized bathrooms enable the facility to care for residents requiring high-level nursing care. This design layout makes the facility very competitive. The facility also has a health clinic attached, which helps create peace of mind for its residents.

In consideration of the environment, the facility uses LED lighting and high-efficiency water heaters and has installed solar power plant to conserve energy and reduce CO₂ emissions.

• Charm Suite Shakujiko

1) Characteristics of the location

This property is located 11-minute walk from Shakujii Koen Station on the Seibu Ikebukuro Line and is located on the corner of a quiet residential area lined with medium-sized conventional homes and apartment buildings.

Shakujii Park, which is centered on Sanpoji Pond and Shakujii Pond, is located in the area around this property, and the surrounding environment is very lush with traces of nature in Musashino. In addition, the area has good access to transportation with just one station or nine minutes distance by rapid train of Seibu Ikebukuro Line from Shakujii Koen Station to Ikebukuro Station, a terminal station, which coupled with convenient daily life infrastructure, creates a mature residential neighborhood.

In addition, in Nerima Ward where the property is located, although there are a relatively large number of care facilities there are many elderly people who need day care facilities. In particular, there is a lack of long-term care health facilities and group homes that focus on rehabilitation and we surmise that fee-based nursing care facilities provide these functions. In addition, in Suginami Ward, which is a ward adjacent to Nerima Ward, there is an overall shortage of care facilities even compared to Tokyo average, and thus we can expect this location to attract demand from this area.

2) Characteristics of the property

This property is a high-end private nursing home for elderly people completed in June 2014. The property has three above-ground floors, with individual rooms on each floor. The common space includes the entrance hall, staff station, dining hall with functional training room, bathrooms, mechanized bathroom, laundry room, office, visiting room, kitchen, café corner, multi-purpose room and clinic, on the first floor, and the staff stations, dining hall with functional training rooms, bathrooms, and laundry rooms on the second and third floors. The total floor area is 4,141.46 m² (Note 1) and there are 105 individual rooms, making this a relatively large-scale facility for its purpose.

The exterior has a monotone façade, and art work is displayed in the entrance hall, where a two-level vaulted ceiling allows light to flow in and gives a sense of openness. The design layout has an upscale look. There is a courtyard measuring over 500 m² inside the building with walking paths laid out, and it is designed so that residents can feel the passing of the seasons close at hand. The facility also has a medical clinic attached, giving the residents peace of mind.

In consideration of the environment, a solar power equipment system and LED lights have been installed, and double-paned window glass is used in all rooms to help conserve energy and reduce CO₂ emissions.

Note:

1. The total floor area does not include the single-story concrete reinforced building for the deposit of garbage (17.62 m²).

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3. Overview of the Properties

• Hulic Ginza 7 Chome Building (20% additional acquisition) (Note 1)

Specified assets category	Real estate trust beneficiary rights	
Anticipated acquisition price	4,480 million yen	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Date trust initiated	March 29, 2018	
Expiration date of trust period	September 30, 2029	
Nearest station	Four-minute walk from Ginza Station on Tokyo Metro Ginza Line and other lines	
Address (domicile)	7-3-5 Ginza, Chuo-ku, Tokyo	
Land	Lot number	7-102-1 Ginza, Chuo-ku, Tokyo, and others
	Building-to-land ratio	100% (Note 2)
	Floor-area ratio	1,100% (Note 3)
	Zoning	Commercial area
	Site area	1,492.71 m ² (Note 4)
	Type of ownership	Proprietary ownership (quasi-co-ownership interest of 20.0%) (Note 5)
Building	Completed	September 1962 (Note 6)
	Structure	SRC (Note 6)
	Number of floors	9F/B5
	Use	Offices, stores, warehouses, electrical rooms, machine rooms, and work rooms
	Total floor space	19,790.85 m ² (Note 3) (Note 7)
	Number of parking spaces	36
	Type of ownership	Unit ownership (quasi-co-ownership interest of 20.0%) (Note 5) (Note 8)
Collateral	None	
PM company	Hulic Co., Ltd. (Note 9)	
Master lease company	Hulic Co., Ltd. (Note 9)	
Appraisal value (Date of valuation)	4,660 million yen (Note 10) (August 1, 2019)	
Appraisal company	Japan Real Estate Institute	
PML	10.00% (Note 11)	
Details of Tenant (Note 12)		
Total leased floor space	2,401.19 m ² (Note 13)	
Total leasable floor space	2,401.19 m ² (Note 13)	
Occupancy rate	100.0%	
Main tenant	Undisclosed (Note 14)	
Total number of tenants	4	
Total lease income (annualized)	215 million yen (Note 13) (Note 15)	
Lease and guarantee deposits	120 million yen (Note 13) (Note 16)	
Special remarks	<ul style="list-style-type: none"> • Preferential negotiation rights for purchase of mutual quasi-co-ownership interests are granted to quasi-co-owners. • Although the actual use floor-area ratio of the property is 1,217.39% and it was legal without any limitations on floor-area ratio at the time of construction, it is an existing nonconforming building that exceeds the standard floor-area ratio under current legislation. • Although it has been confirmed that some portions of this property use gunning material that contains scattering asbestos, in a dust concentration measurement conducted in April 2019, it was confirmed that asbestos fiber concentration was equivalent to or less than that in the general environment at any of the measurement points. • Because a parking lot that constitutes a city facility stipulated in Article 11 of the City Planning Act is located under Sotobori Dori to the southeast side of the property, and the staircase and passage from F1 to B1 installed in the property for the purpose of connecting with this parking lot also constitute city 	

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HULIC REIT, INC.

	facilities, it will be necessary to install passages, etc. equivalent to the current ones if reconstructing the building in the future.
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Notes:

1. Details are as of the anticipated acquisition date, confirmed as of September 9, 2019.
2. The designated building-to-land ratio of the land of the property is 80%; however, since the building is a fire-resistant building within a fire prevention area, the applied building-to-land ratio is 100%.
3. The designated floor-area ratio of the land of the property is 800%; however, the floor-area ratio has been eased to 1,100% since the property is in a designated multi-functional intensive utilization district (Ginza District A). Note that the actual use floor-area ratio of the property is 1,217.39%, and it is an existing nonconforming building that exceeds the standard floor-area ratio.
4. Based on the entry in the property registry. The actual status may differ in some cases.
5. Hulic Reit acquired 50% in quasi co-ownership interest in the trust beneficiary rights for the property on March 29, 2018, and acquired an additional 25.0% in quasi co-ownership interest in the trust beneficiary rights on June 28, 2019. With this additional acquisition, total ownership of trust beneficiary rights attributable to Hulic Reit is 95.0%. For details on the Existing Ownership, please refer to the “Notice Concerning the Acquisition of Property” released on March 27, 2018 (revised based on Notice concerning Partial Correction to “Notice Concerning the Acquisition of Property” released on March 28, 2018) and the “Notice Concerning the Acquisition of Property” released on June 25, 2019.
6. Earthquake-resistance reinforcement work was conducted in 2009, and the property has earthquake-resistance performance equivalent to the new earthquake-resistance standards.
7. Based on the entry in the property registry.
8. For the unit ownership rights for this property, quasi-co-ownership interest of 20.0% was acquired for one building and its premises as a single unit.
9. Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management’s Regulations on Transactions with Interested Parties.
10. The price equivalent to quasi-co-ownership interest acquired by Hulic Reit is stated.
11. The figure is based on the earthquake PML appraisal report by Sompo Risk Management Inc.
12. As the trustee and the master lease company enter into a pass-through master lease agreement with no rent guarantee, total leased floor space, occupancy rate, total number of tenants, total lease income, and lease and guarantee deposits of the end-tenants subleased by the master lease company are indicated in the “Details of Tenant.”
13. The figures equivalent to quasi-co-ownership interest acquired by Hulic Reit are stated.
14. Undisclosed because approval for disclosure is not acquired from the tenant.
15. The annualized amount is calculated by multiplying the total amount of monthly rent in each lease agreement with end-tenants effective as of June 30, 2019 (including common services fees; limited to rent for rooms that are occupied by tenants and excluding fees for using warehouses, signboards, and parking lots; also not taking free rent, etc. into consideration and excluding consumption taxes) by 12 and rounding to the nearest million yen.
16. The figure corresponds to the quasi co-ownership additionally acquired (20.0%), based on the total amount of book value recognized as lease and guarantee deposits of existing interest as of June 30, 2019, rounded to the nearest million yen.

• Charm Suite Shinjuku (Note 1)

Specified assets category	Real estate trust beneficiary rights	
Anticipated acquisition price	3,323 million yen	
Trustee	Mizuho Trust & Banking Co.,Ltd.	
Date trust initiated	September 27, 2019	
Expiration date of trust period	September 30, 2029	
Nearest station	Four-minute walk from Higashi-shinjuku Station on Tokyo Metro Fukutoshin Line and other lines	
Address (domicile)	7-26-48 Shinjuku, Shinjuku-ku, Tokyo	
Land	Lot number	7-350-4 Shinjuku, Shinjuku-ku, Tokyo
	Building-to-land ratio	70% (Note 2)
	Floor-area ratio	168.80%
	Zoning	Category 1 residential district
	Site area	2,287.59 m ² (Note 3)
	Type of ownership	Proprietary ownership
Building	Completed	June 2015

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HULIC REIT, INC.

	Structure	RC
	Number of floors	4F/B1
	Use	Private nursing home, clinic and parking lot
	Total floor space	4,065.28 m ² (Note 4)
	Number of parking spaces	4
	Type of ownership	Proprietary ownership
Collateral		None
PM company		Hulic Co., Ltd. (anticipated) (Note 5)
Master lease company		Hulic Co., Ltd. (anticipated) (Note 5)
Operator		Charm Care Corporation Co., Ltd. (Note 6)
Back-up operator		None
Appraisal value (Date of valuation)		3,520 million yen (August 1, 2019)
Appraisal company		Japan Real Estate Institute
PML		6.80% (Note 7)
Details of Tenant (Note 8)		
	Total leased floor space	4,065.62 m ²
	Total leasable floor space	4,065.62 m ²
	Occupancy rate	100.0%
	Main tenant	Charm Care Corporation Co., Ltd. (Note 9)
	Total number of tenants	1
	Total lease income (annualized)	Undisclosed (Note 10)
	Lease and guarantee deposits	Undisclosed (Note 10)
Special remarks		Preferential negotiating rights for purchase of the property were granted to the end tenant.

Notes:

- Details are as of the anticipated acquisition date, confirmed as of September 9, 2019.
- The designated building-to-land ratio of the land of the property is 60%; however, since the building is a fire-resistant building within a quasi-fire prevention area, the applied building-to-land ratio is 70%.
- Based on the entry in the property registry. The actual status may differ in some cases.
- Based on the entry in the property registry.
- Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
- A care service provider that operates a fee-based home for the aged is indicated.
- The figure is based on the earthquake PML appraisal report by Sompo Risk Management Inc.
- As the trustee and the master lease company enter into a pass-through master lease agreement with no rent guarantee, total leased floor space, occupancy rate, total number of tenants, total lease income, and lease and guarantee deposits of the end-tenants subleased by the master lease company are indicated in the "Details of Tenant."
- A summary of the lease agreements with end-tenants is set forth below.
 Form of agreement : Ordinary building lease agreement for the purpose of operating a private nursing home
 Period : August 1, 2015 to October 31, 2045
 Revision of rent : The rent will not be revised during the period of the aforementioned lease agreement. However, the lessor and the lessee may discuss revision of the rent in the event of substantial fluctuations in taxes and public dues, changes in the rent of similar buildings in the surrounding area, or other factors relating to economic conditions. However, the rent will not be affected by revisions to or new passage of laws and ordinances, such as the Long-Term Care Insurance Act.
 Renewal of agreement: The term of lease agreement can be renewed for a period of 3 years by 6 months before the expiration date of the current lease term, unless the lessor or lessee indicate that they will not renew the agreement. The terms of the rental agreement can be discussed at that point between the lessor and the lessee and can be renewed every subsequent 3 years in line with this example.
 Termination during the lease term: If the lessee or lessor wants to terminate the lease agreement during the lease term for its own reasons, the lessee or lessor must notify the other party in writing at least 12 months before the expiration date. In the event that the lessor terminates the agreement or the lessee requests termination during the lease term, the lessee will pay the lessor a settlement payment determined in a separate lease agreement.

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10. Undisclosed because approval for disclosure is not acquired from the tenant.

Status of Tenants and Overview of Facilities (Date of Statement of Material Matters: July 1, 2019)			
Facility type	With nursing care (general type)	Opening date	September 1, 2015
Tenant rights format	Usage rights	Number of rooms	90
Living space floor area (m ²)	18.00	Capacity (persons)	90
Tenancy requirements	Mixed type (excluding independence)	Number of tenants (persons)	89
Average tenant age	86.9	Occupancy rate (%)	99
Method of payment of fees	Lump-sum payment	Monthly payment	
	Occupancy lump-sum fee (yen)	7,350,000 to 14,700,000	—
	Monthly use fee (yen)	224,200 to 346,700	469,200
Personnel systems relating to nursing care	At least 2.5:1	Night time personnel system (Minimum number of workers)	Four caregivers

• Charm Suite Shakujii-koen (Note 1)

Specified assets category	Real estate trust beneficiary rights	
Anticipated acquisition price	3,200 million yen	
Trustee	Mizuho Trust & Banking Co.,Ltd.	
Date trust initiated	September 12, 2019	
Expiration date of trust period	September 30, 2029	
Nearest station	Eleven-minute walk from Shakujii-kōen Station on Seibu Ikebukuro Line	
Address (domicile)	5-13-7 Takanodai, Nerima-ku, Tokyo	
Land	Lot number	5-2207-1 Takanodai, Nerima-ku, Tokyo
	Building-to-land ratio	50%
	Floor-area ratio	100%
	Zoning	Type 1 low-rise exclusive residential district
	Site area	4,197.24 m ² (Note 2)
	Type of ownership	Proprietary ownership
Building	Completed	June 2014
	Structure	RC
	Number of floors	3F
	Use	Private nursing home
	Total floor space	4,141.46 m ² (Note 3)
	Number of parking spaces	12
	Type of ownership	Proprietary ownership
Collateral	None	
PM company	Hulic Co., Ltd. (anticipated) (Note 4)	
Master lease company	Hulic Co., Ltd. (anticipated) (Note 4)	
Operator	Charm Care Corporation Co., Ltd. (Note 5)	
Back-up operator	None	

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HULIC REIT, INC.

Appraisal value (Date of valuation)	3,270 million yen (August 1, 2019)
Appraisal company	Japan Real Estate Institute
PML	5.43% (Note 6)
Details of Tenant (Note 7)	
Total leased floor space	4,241.68 m ²
Total leasable floor space	4,241.68 m ²
Occupancy rate	100.0%
Main tenant	Charm Care Corporation Co., Ltd. (Note 8)
Total number of tenants	1
Total lease income (annualized)	Undisclosed (Note 9)
Lease and guarantee deposits	Undisclosed (Note 9)
Special remarks	Preferential negotiating rights for purchase of the property were granted to the end tenant.

Notes:

- Details are as of the anticipated acquisition date, confirmed as of September 9, 2019.
- Based on the entry in the property registry. The actual status may differ in some cases.
- Based on the entry in the property registry. The relevant floor area does not include the single-story concrete reinforced building for the deposit of garbage (17.62 m²).
- Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management, and is an interested party according to Hulic Reit Management's Regulations on Transactions with Interested Parties.
- A care service provider that operates a fee-based home for the aged is indicated.
- The figure is based on the earthquake PML appraisal report by Sompo Risk Management Inc.
- As the trustee and the master lease company enter into a pass-through master lease agreement with no rent guarantee, total leased floor space, occupancy rate, total number of tenants, total lease income, and lease and guarantee deposits of the end-tenants subleased by the master lease company are indicated in the "Details of Tenant."
- A summary of the lease agreements with end-tenants is set forth below.
 Form of agreement : Ordinary building lease agreement for the purpose of operating a private nursing home
 Period : August 1, 2014 to October 31, 2044
 Revision of rent : The rent will not be revised during the period of the aforementioned lease agreement. However, the lessor and the lessee may discuss revision of the rent in the event of substantial fluctuations in taxes and public dues, changes in the rent of similar buildings in the surrounding area, or other factors relating to economic conditions. However, the rent will not be affected by revisions to or new passage of laws and ordinances, such as the Long-Term Care Insurance Act.
 Renewal of agreement: The term of lease agreement can be renewed for a period of 3 years by 6 months before the expiration date of the current lease term, unless the lessor or lessee indicate that they will not renew the agreement. The terms of the rental agreement can be discussed at that point between the lessor and the lessee and can be renewed every subsequent 3 years in line with this example.
 Termination during the lease term: If the lessee or lessor wants to terminate the lease agreement during the lease term for its own reasons, the lessee or lessor must notify the other party in writing at least 12 months before the expiration date. In the event that the lessor terminates the agreement or the lessee requests termination during the lease term, the lessee will pay the lessor a settlement payment determined in a separate lease agreement
- Undisclosed because approval for disclosure is not acquired from the tenant.

Status of Tenants and Overview of Facilities (Date of Statement of Material Matters: July 1, 2019)			
Facility type	With nursing care (general type)	Opening date	September 1, 2014
Tenant rights format	Usage rights	Number of rooms	105
Living space floor area (m ²)	18.00-21.00	Capacity (persons)	105
Tenancy requirements	Mixed type (excluding independence)	Number of tenants (persons)	104
Average tenant age	88.6	Occupancy rate (%)	99

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HULIC REIT, INC.

Method of payment of fees	Lump-sum payment	Monthly payment	
Occupancy lump-sum fee (yen)	4,350,000 to 8,700,000	—	
Monthly use fee (yen)	214,200 to 286,700	359,200	
Personnel systems relating to nursing care	At least 2.5:1	Night time personnel system (Minimum number of workers)	Four caregivers

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4. Overview of Operator

• Charm Suite Shinjukutoyama and Charm Suite Shakujiko

Trade name	Charm Care Corporation Co., Ltd.
Location	19th floor, Daibiru-Honkan Building, 3-6-32 Nakanoshima, Kita-ku, Osaka
Name and title of representative	President, Representative Director Takahiko Shimomura
Primary business lines	Operation and other of fee-based homes for the elderly and homes for the elderly with services
Business Overview	Development and operation of fee-based nursing homes for the elderly under the brands “Charm,” “Charm Suite,” “Charm Premier,” and “Charm Premier Gran” located in the Tokyo metropolitan region and the Kinki region; listed in the first section of the TSE
Paid-in capital	684 million yen (as of June 30, 2019)
Date of establishment	August 22, 1984
Number of facilities operated	53 (as of August 1, 2019) (Note 1)
Number of tenant rooms operated	3,688 (as of August 1, 2019) (Note 1)
Net sales	16,560 million yen (as of June, 2019) (Note 1)
Ordinary income	1,385 million yen (as of June, 2019) (Note 1)
Relationship with Hulic Reit and Hulic Reit Management	
Capital relationship	There are no significant capital relationships among Hulic Reit, Hulic Reit Management, and Charm Care Corporation Co., Ltd. There are no significant capital relationships between the related persons or affiliates of Hulic Reit, Hulic Reit Management, and Charm Care Corporation Co., Ltd.
Personnel relationship	There are no significant personnel relationships among Hulic Reit, Hulic Reit Management, and Charm Care Corporation Co., Ltd. There are no significant personnel relationships between the related persons or affiliates of Hulic Reit, Hulic Reit Management, and Charm Care Corporation Co., Ltd.
Transactional relationship	An end-tenant and operator of assets owned by Hulic Reit; executed a lease agreement with the master lease company (Hulic Co., Ltd.).
Status as a related party	Charm Care Corporation Co., Ltd does not constitute a related party of Hulic Reit and Hulic Reit Management. In addition, parties or affiliates related to Charm Care Corporation Co., Ltd do not constitute related parties of Hulic Reit and Hulic Reit Management.

Note:

1. Charm Care Corporation’s number of facilities under management, number of rooms under management, sales, and ordinary income are the figures released by the company.

5. Overview of the counterparty of the acquisition

Trade name	Hulic Co., Ltd.
Location	7-3 Nihonbashi Odenmachi, Chuo-ku, Tokyo
Name and title of representative	President, Representative Director Manabu Yoshidome
Primary business lines	Holding, lease, purchase, and sale of real estate and brokerage services
Paid-in capital	62,718 million yen (as of June 30, 2019)
Date of establishment	March 26, 1957
Net assets	419,437 million yen (as of June 30, 2019)
Total assets	1,711,245 million yen (as of June 30, 2019)
Major shareholders and shareholding ratios	Meiji Yasuda Life Insurance Company (7.19%), Sompo Japan Nipponkoa Insurance Inc. (6.68%), Tokyo Tatemono Co., Ltd. (6.32%) (as of June 30, 2019)
Relationship with Hulic Reit and Hulic Reit Management	
Capital relationship	As of today, Hulic Co., Ltd. holds approximately 11.24% of the total number of investment units issued by Hulic Reit. Hulic Co., Ltd. is the parent company (100% investment ratio) of Hulic Reit Management, and is therefore an Interested Person, etc. of Hulic Reit Management.
Personnel relationship	As of today, certain employees of Hulic Reit Management are on secondment from Hulic Co., Ltd.
Transactional relationship	Hulic Reit acquired four properties (29,770 million yen) (including additional acquisitions) and transferred one property (1,965 million yen) (spin off) in the fiscal

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HULIC REIT, INC.

	period ended February 28, 2019, and acquired two properties (7,050 million yen) (including additional acquisitions) in the fiscal period ended August 31, 2019 from Hulic Co., Ltd.
Status as a related party	Hulic Co., Ltd. is a related party of Hulic Reit and Hulic Reit Management. Moreover, as described above, Hulic Co., Ltd. is an Interested Person, etc. of Hulic Reit Management.

6. Status of the property acquirer

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

Property name Location	Previous owner / Trust beneficiary	Owner / Trust beneficiary prior to the previous owner / trust beneficiary
	(i), (ii), (iii) Acquisition (transfer) price Acquisition (transfer) date	(i), (ii), (iii) Acquisition (transfer) price Acquisition (transfer) date
Hulic Ginza 7 Chome Building (20% Additional Acquisition) (7-3-5 Ginza, Chuo-ku, Tokyo)	(i) Hulic Co., Ltd. (ii) Parent company of Hulic Reit Management (iii) Acquired with the intention of investment Omitted as the current owner/trust beneficiary has owned the property for over a year January 2012	Those other than a person that has special interests — —
Charm Suite Shinjukutoyama (7-26-48 Shinjuku, Shinjuku-ku, Tokyo)	(i) Hulic Co., Ltd. (ii) Parent company of Hulic Reit Management (iii) Acquired with the intention of investment Omitted as the current owner/trust beneficiary has owned the property for over a year April 1999	Those other than a person that has special interests — —
Charm Suite Shakujiikoen (5-13-7 Takanodai, Nerima-ku, Tokyo)	(i) Hulic Co., Ltd. (ii) Parent company of Hulic Reit Management (iii) Acquired with the intention of investment Omitted as the current owner/trust beneficiary has owned the property for over a year April 1999	Those other than a person that has special interests — —

7. Future outlook

For the operations forecast of Hulic Reit for the period ending February 2020 (September 1, 2019 to February 29, 2020) or the period ending August 2020 (March 1, 2020 to August 31, 2020) resulting from the acquisition of the property, refer to “Notice concerning Revisions to the Forecasts of Financial Results, etc. for the Fiscal Period Ended August 31, 2019 and the Fiscal Period Ending February 29, 2020 and Announcement of Forecasts of Financial Results, etc. for the Fiscal Period Ending August 31, 2020” announced today.

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HULIC REIT, INC.

8. Summary of Appraisal Report

・Hulic Ginza 7 Chome Building (20% additional acquisition)

Appraisal value	4,660 million yen (Note 1) (Note 2)
Appraiser	Japan Real Estate Institute
Date of valuation	August 1, 2019

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 3)	23,300	Estimated with appraisal value based on direct capitalization method and appraisal value based on DCF method handled equally
Appraisal value based on direct capitalization method	23,800	
(1) Operating revenue	1,139	
Potential gross income	1,163	Estimated based on evaluation of rent levels deemed stable in the medium and long term
Losses from vacancy, etc.	24	Estimated based on evaluation of stable occupancy rate level in the medium and long term
(2) Operating expenses	341	
Maintenance and management fee/PM fee (Note 4)	87	Estimated in consideration of the individual characteristics of the target real estate, in reference to past results, expense levels for similar real estate, etc.
Utility expenses	72	Estimated based on past results, after giving consideration to the occupancy rate for rental units, etc.
Repair expenses	8	Estimated in reference to past results, and in consideration of future management and operation plans, expense levels for similar real estate, and average annual repair and renewal expenses in engineering reports
Tenant recruitment/solicitation expenses, etc.	8	Estimated based on evaluation of the assumed turnover period for lessees
Taxes and public dues	165	Estimated based on materials related to taxes and public dues and burden adjustment measures, etc.
Insurance premium	1	Estimated in reference to insurance premiums based on insurance contracts and the premium rate for similar real estate, etc.
Other expenses	0	
(3) Net operating income (NOI: (1) - (2))	798	
(4) Profit from security deposits	6	Estimated based on evaluation of lease deposit and investment return
(5) Capital expenditures	19	Estimated in consideration of capital expenditure levels for similar real estate, the age of the building, and average annual repair and renewal expenses, etc. in engineering reports
Net cash flow (NCF: (3) + (4) - (5))	784	
Cap rate	3.3%	Estimated by adding or subtracting the spread due to the individuality of the target real estate to the yield that is standard for the area
Appraisal value based on DCF method	22,800	
Discount rate	3.1%	Estimated in reference to the investment yield for similar real estate transactions, after taking into consideration the individuality of the target real estate
Terminal cap rate	3.4%	Estimated in reference to the investment yields of similar real estate transactions, after taking into comprehensive consideration factors including general forecasts and trends in real estate prices and rents
Appraisal value based on cost method (Note 3)	25,200	

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HULIC REIT, INC.

Ratio of land	97.2%	
Ratio of building	2.8%	

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

1. Appraisal value based on the income method that reflects the profitability and investment return of the Property is used.
2. An amount equivalent to the quasi-co-ownership interest acquired by Hulic Reit (20.0%) is indicated.
3. The appraisal value figures for the one building and its premises (single unit) have been rounded to the first decimal place for figures less than 1 million yen (of which, the portion understood as attributable to Hulic Reit is equivalent to 20.0% of quasi-co-ownership interest). Note that these figures are not the revenue and expenses forecast by Hulic Reit or Hulic Reit Management.
4. The maintenance and management fee and PM fee stated above are combined, because individual disclosure of the maintenance and management fee and PM fee amount levels may affect the other transactions of each contractor with respect to building management and PM services, which could pose an obstacle to efficient performance of services by Hulic Reit and could harm unitholder interests.

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HULIC REIT, INC.

• Charm Suite Shinjukutoyama

Appraisal value	3,520 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Date of valuation	August 1, 2019

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2)	3,520	Estimated with appraisal value based on direct capitalization method and appraisal value based on DCF method handled equally
Appraisal value based on direct capitalization method	3,570	
(1) Operating revenue	Undisclosed	
Potential gross income	Undisclosed	
Losses from vacancy, etc.	Undisclosed	
(2) Operating expenses	Undisclosed	
Maintenance and management fee / PM fee (Note 3)	Undisclosed	
Utility expenses	Undisclosed	
Repair expenses	Undisclosed	
Tenant recruitment/solicitation expenses, etc.	Undisclosed	
Taxes and public dues	Undisclosed	
Insurance premium	Undisclosed	
Other expenses	Undisclosed	
(3) Net operating income (NOI: (1) - (2))	148	
(4) Profit from security deposits	1	Estimated based on evaluation of investment returns on deposits based on current lease agreement
(5) Capital expenditures	3	Estimated in consideration of capital expenditure levels for similar real estate, the age of the building, and average annual repair and renewal expenses, etc. in engineering reports
Net cash flow (NCF: (3) + (4) - (5))	146	
Cap rate	4.1%	Estimated by adding or subtracting the spread due to the location characteristics, property characteristics, etc. of the target real estate to the yield for real estate viewed as having the lowest risk, and also taking into consideration future uncertainty and the investment yields and other of similar real estate transactions
Appraisal value based on DCF method	3,460	
Discount rate	3.9%	Estimated in reference to the investment yield for similar real estate transactions, after taking into comprehensive consideration the individuality and other features of the target real estate
Terminal cap rate	4.3%	Estimated in reference to the investment yields of similar real estate transactions, after taking into comprehensive consideration factors including general forecasts of economic growth rates in the future and trends in real estate prices and rents
Appraisal value based on cost method (Note 2)	3,530	
Ratio of land	80.4%	
Ratio of building	19.6%	

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

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

• Charm Suite Shakujiikoen

Appraisal value	3,270 million yen (Note 1)
Appraiser	Japan Real Estate Institute
Date of valuation	August 1, 2019

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method (Note 2)	3,270	Estimated with appraisal value based on direct capitalization method and appraisal value based on DCF method handled equally
Appraisal value based on direct capitalization method	3,310	
(1) Operating revenue	Undisclosed	
Potential gross income	Undisclosed	
Losses from vacancy, etc.	Undisclosed	
(2) Operating expenses	Undisclosed	
Maintenance and management fee / PM fee (Note 3)	Undisclosed	
Utility expenses	Undisclosed	
Repair expenses	Undisclosed	
Tenant recruitment/solicitation expenses, etc.	Undisclosed	
Taxes and public dues	Undisclosed	
Insurance premium	Undisclosed	
Other expenses	Undisclosed	
(3) Net operating income (NOI: (1) - (2))	148	
(4) Profit from security deposits	1	Estimated based on evaluation of investment returns on deposits based on current lease agreement
(5) Capital expenditures	3	Estimated in consideration of capital expenditure levels for similar real estate, the age of the building, and average annual repair and renewal expenses, etc. in engineering reports
Net cash flow (NCF: (3) + (4) - (5))	146	
Cap rate	4.4%	Estimated by adding or subtracting the spread due to the location characteristics, property characteristics, etc. of the target real estate to the yield for real estate viewed as having the lowest risk, and also taking into consideration future uncertainty and the investment yields and other of similar real estate transactions
Appraisal value based on DCF method	3,220	
Discount rate	4.2%	Estimated in reference to the investment yield for similar real estate transactions, after taking into comprehensive

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			consideration the individuality and other features of the target real estate
	Terminal cap rate	4.6%	Estimated in reference to the investment yields of similar real estate transactions, after taking into comprehensive consideration factors including general forecasts of economic growth rates and trends in real estate prices and rents
	Appraisal value based on cost method (Note 2)	3,170	
	Ratio of land	72.9%	
	Ratio of building	27.1%	

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

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

9. Overview of Building Inspection Report

Property Name	Inspection company	Inspection performed on	Cost of urgent / short-term repairs (Millions of yen) (Note 1)	Cost of long-term repairs (Millions of yen) (Note 2)
Hulic Ginza 7 Chome Building (20% additional acquisition) (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	June 2019	-	5
Charm Suite Shinjukutoyama	Tokyo Bldg-Tech Center Co., Ltd.	August 2019	-	4
Charm Suite Shakujiko	Tokyo Bldg-Tech Center Co., Ltd.	August 2019	-	5

Notes:

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

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

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Attachments

Reference Attachment 1

Reference Attachment 2

Map and Photo of the Property

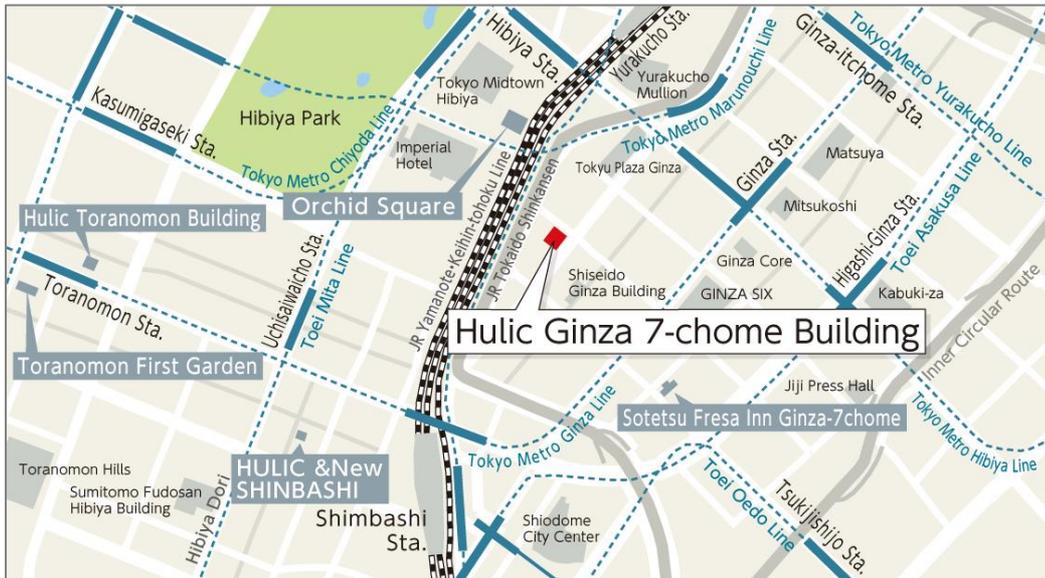
Portfolio List after Acquiring the Property

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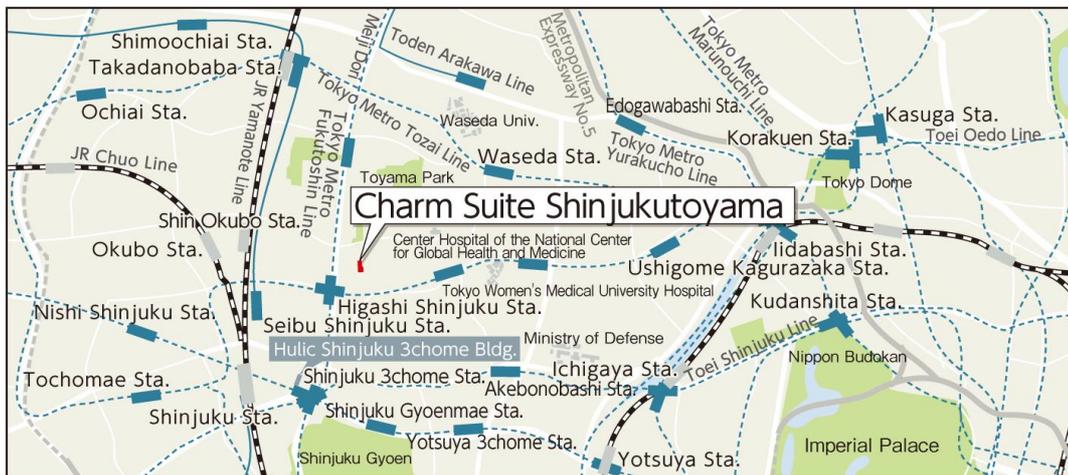
Reference Attachment 1 Map and Photo of the Property

• Hulic Ginza 7 Chome Building (20% Additional Acquisition)



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• Charm Suite Shinjukutoyama



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• Charm Suite Shakujiikoen



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Reference Attachment 2 Portfolio List after Acquiring the Property

Category	Property name	Location	(Anticipated) Acquisition price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	(Anticipated) Acquisition date (Note 3)	
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	Minato-ku, Tokyo	55,250	17.0%	February 7, 2014 March 15, 2016 October 16, 2018
		Hulic Kudan Building (Land)	Chiyoda-ku, Tokyo	11,100	3.4%	February 7, 2014
		Toranomon First Garden	Minato-ku, Tokyo	8,623 (Note 4)	2.7%	February 7, 2014
		Rapiros Roppongi	Minato-ku, Tokyo	6,210 (Note 4)	1.9%	February 7, 2014 September 16, 2016
		Hulic Takadanobaba Building	Toshima-ku, Tokyo	3,900	1.2%	February 7, 2014
		Hulic Kanda Building	Chiyoda-ku, Tokyo	3,780	1.2%	February 7, 2014
		Hulic Kandabashi Building	Chiyoda-ku, Tokyo	2,500	0.8%	February 7, 2014
		Hulic Kakigaracho Building	Chuo-ku, Tokyo	2,210	0.7%	February 7, 2014
		Ochanomizu Sola City	Chiyoda-ku, Tokyo	38,149 (Note 4)	11.7%	November 7, 2014 October 4, 2016
		Hulic Higashi Ueno 1 Chome Building	Taito-ku, Tokyo	2,678	0.8%	October 16, 2014 June 29, 2018
		Tokyo Nishi Ikebukuro Building	Toshima-ku, Tokyo	1,580 (Note 4)	0.5%	March 31, 2015
		Gate City Ohsaki	Shinagawa-ku, Tokyo	4,370 (Note 4)	1.3%	April 16, 2015
		Hulic Toranomon Building	Minato-ku, Tokyo	18,310	5.6%	December 25, 2015 September 1, 2016
		Hulic Shibuya 1 Chome Building	Shibuya-ku, Tokyo	5,100	1.6%	March 31, 2017
		Hulic Higashi Nihonbashi Building	Chuo-ku, Tokyo	3,480	1.1%	March 31, 2017
		Hulic Jimbocho Building	Chiyoda-ku, Tokyo	1,460	0.4%	April 28, 2017
		Hulic Ginza 7 Chome Building	Chuo-ku, Tokyo	21,080 (Note 4)	6.5%	March 29, 2018 June 28, 2019 September 27, 2019
		Shinagawa Season Terrace	Minato-ku, Tokyo	6,100 (Note 4)	1.9%	September 10, 2018
		Hulic Gotanda Yamate-dori Building	Shinagawa-ku, Tokyo	3,450	1.1%	October 1, 2018
		Hulic Nihonbashi Honcho 1 Chome Building	Chuo-ku, Tokyo	3,980 (Note 4)	1.2%	November 1, 2018
		Bancho House	Chiyoda-ku, Tokyo	2,750	0.8%	November 1, 2018
Ebisu Minami Building	Shibuya-ku, Tokyo	2,420	0.7%	December 27, 2018		
Hulic Iidabashi Building	Chiyoda-ku, Tokyo	1,450	0.4%	June 28, 2019		
	Subtotal	-	209,930	64.6%	-	

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Retail properties	Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	9,456	2.9%	February 7, 2014
	Oimachi Redevelopment Building (#1)	Shinagawa-ku, Tokyo	6,166 (Note 4)	1.9%	February 7, 2014
	Dining Square Akihabara Building	Chiyoda-ku, Tokyo	3,200	1.0%	February 7, 2014
	Hulic Jingumae Building	Shibuya-ku, Tokyo	2,660	0.8%	February 7, 2014
	Hulic Shinjuku 3 Chome Building	Shinjuku-ku, Tokyo	5,550	1.7%	October 16, 2014
	Yokohama Yamashitacho Building	Yokohama-shi, Kanagawa	4,850	1.5%	October 16, 2014
	Orchid Square	Chiyoda-ku, Tokyo	3,502	1.1%	March 30, 2016
	Hulic Todoroki Building	Setagaya-ku, Tokyo	1,200	0.4%	December 27, 2016
	Hulic Omori Building	Shinagawa-ku, Tokyo	3,420	1.1%	March 31, 2017
	HULIC &New SHIBUYA	Shibuya-ku, Tokyo	3,150 (Note 4)	1.0%	June 30, 2017
	HULIC &New SHINBASHI	Minato-ku, Tokyo	3,100	1.0%	November 1, 2017
	Hulic Shimura-sakaue	Itabashi-ku, Tokyo	7,556	2.3%	June 29, 2018
	Subtotal	-	53,810	16.6%	-
	Intermediate total	-	263,740	81.2%	-

Next-Generation Assets Plus	Private nursing homes	Aria Matsubara	Setagaya-ku, Tokyo	3,244	1.0%	February 7, 2014
		Trust Garden Youganomori	Setagaya-ku, Tokyo	5,390	1.7%	February 7, 2014
		Trust Garden Sakurashinmachi	Setagaya-ku, Tokyo	2,850	0.9%	February 7, 2014
		Trust Garden Suginami Miyamae	Suginami-ku, Tokyo	2,760	0.8%	February 7, 2014
		Trust Garden Tokiwamatsu	Shibuya-ku, Tokyo	3,030	0.9%	September 1, 2016
		Sompo Care La vie Re Kita-kamakura	Kamakura-shi, Kanagawa	1,780	0.5%	June 30, 2017
		Charm Suite Shinjukutoyama	Shinjuku-ku, Tokyo	3,323	1.0%	September 27, 2019
		Charm Suite Shakujiiikoen	Nerima-ku, Tokyo	3,200	1.0%	September 12, 2019
		Subtotal	-	25,577	7.9%	-
	Network centers	Ikebukuro Network Center	Toshima-ku, Tokyo	4,570	1.4%	February 7, 2014
		Tabata Network Center	Kita-ku, Tokyo	1,355	0.4%	February 7, 2014
		Hiroshima Network Center	Hiroshima-shi, Hiroshima	1,080	0.3%	February 7, 2014
		Atsuta Network Center	Nagoya-shi, Aichi	1,015	0.3%	February 7, 2014
		Nagano Network Center	Nagano-shi, Nagano	305	0.1%	February 7, 2014
		Chiba Network Center	Inzai-shi, Chiba	7,060	2.2%	December 16, 2014

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HULIC REIT, INC.

	Sapporo Network Center	Sapporo-shi, Hokkaido	2,510	0.8%	December 16, 2014
	Keihanna Network Center	Kizukawa-shi, Kyoto	1,250	0.4%	October 16, 2014
	Subtotal	-	19,145	5.9%	-
Hotels	Sotetsu Fresa Inn Ginza 7 Chome	Chuo-ku, Tokyo	11,520	3.5%	September 16, 2016 November 1, 2017
	Sotetsu Fresa Inn Tokyo-Roppongi	Minato-ku, Tokyo	5,000 (Note 4)	1.5%	November 1, 2017
	Subtotal	-	16,520	5.1%	-
	Intermediate total	-	61,242	18.8%	-
	Total of the portfolio	-	324,982	100.0%	-

Notes:

1. “(Anticipated) Acquisition price” is the purchase price noted in the purchase and sale agreement for each asset held and the Property (total value in the event that the acquisition takes place over multiple times), rounded to the nearest million yen. The acquisition price does not include consumption or local taxes or the costs and expenses related to the acquisition.
2. “Investment ratio” represents the percentage of the (anticipated) acquisition price for each asset held and the Property (total value in the event that the acquisition takes place over multiple times) to the total (anticipated) acquisition price, rounded to the first decimal place.
3. “(Anticipated) Acquisition date” is the anticipated date of acquisition stated in the relevant purchase and sale agreement for each asset held and the Property.
4. The figure is based on the ratio of sectional ownership interest or quasi-co-ownership interest owned by Hulic Reit in the properties.

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