

HULIC REIT, INC.

Translation Purpose Only

August 25, 2017

To All Concerned Parties

Name of REIT Issuer:

Hulic Reit, Inc.
2-26-9 Hatchobori, Chuo-ku, Tokyo, Japan
Eiji Tokita, Executive Officer
(TSE Code: 3295)

Contact:

Asset Management Company
Hulic Reit Management Co., Ltd.
Eiji Tokita, President and CEO

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Notice Concerning the Borrowing of Funds and Early Repayment of Borrowings

TOKYO, August 25, 2017 – Hulic Reit, Inc. (hereinafter referred to as “Hulic Reit”) announced today that it has decided to borrow funds (hereinafter referred to as the “borrowing of funds”) and make an early repayment of certain existing borrowings (hereinafter referred to as the “early repayment”) as follows.

I. Details of the borrowing of funds and early repayment of borrowings

1. Details of the borrowing of funds

Term	Lender	Borrowing amount	Interest rate (Notes 5 and 6)	Anticipated drawdown date	Borrowing method	Repayment date	Repayment method (Note 9)	Security
Long-term	Syndicate of lenders arranged by Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 1)	¥1.0 billion	Undetermined (Notes 7 and 8)	August 31, 2017	Borrowing in accordance with the individual term loan agreement to be entered into on August 29, 2017 with the lender shown on left	February 28, 2022	Lump-sum repayment	Unsecured and unguaranteed
Long-term	Syndicate of lenders arranged by Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	¥5.4 billion	Undetermined (Notes 7 and 8)			August 30, 2024		
Long-term	Syndicate of lenders arranged by Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 3)	¥6.99 billion	Undetermined (Notes 7 and 8)			February 28, 2025		
Long-term	Syndicate of lenders arranged by Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 4)	¥5.0 billion	Undetermined (Notes 7 and 8)			August 29, 2025		

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Notes:

- 1 The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited, The Norinchukin Bank.
- 2 The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited, The Norinchukin Bank, Resona Bank, Limited, Shinkin Central Bank, Shinsei Bank, Limited.
- 3 The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Trust & Banking Co., Ltd., Development bank of Japan Inc., Sumitomo Mitsui Trust Bank, Limited, The Norinchukin Bank, Resona Bank, Limited, Shinkin Central Bank, Shinsei Bank, Limited.
- 4 The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Trust & Banking Co., Ltd., Development bank of Japan Inc., Aozora Bank, Ltd., Meiji Yasuda Life Insurance Company, Nippon Life Insurance Company.
- 5 The loan fees and other charges to be paid to the lender are not included.
- 6 The first interest payment date will be November 30, 2017 and subsequently thereafter the interest payment date will fall on the last day of February, May, August, and November of each year and on the principal repayment date (the repayment date will be the next business day if it falls on a non-business day, or the prior business day if this next business day falls in the next month).
- 7 Funds will be borrowed at a fixed interest rate, which will be announced once it has been determined.
- 8 The weighted average of the lenders will be stated for the interest rate.
- 9 In cases where certain requirements, such as prior written notice of Hulic Reit, are met during the term after the execution of the borrowing shown above until the repayment date, Hulic Reit may repay the principal of the borrowing in part or in its entirety prior to the repayment date.

2. Reason for the borrowing of funds

Hulic Reit intends to make an early repayment and refinancing of the borrowings (hereafter referred to as the “bridge loan”) described in “Notice concerning the Borrowing of Funds” announced on March 29, 2017, April 25, 2017, and June 27, 2017.

In addition, the term loan will allow Hulic Reit to facilitate long-term fixed borrowings and diversification of maturity dates, while maintaining strong and stable relationships with the existing financial institutions.

3. Amount, use and planned disbursement date

(1) Total amount of the proceeds

¥18.39 billion

(2) Specific use of the proceeds

Funds will be allocated to the early repayment and refinancing of the bridge loan.

(3) Planned disbursement date

August 31, 2017

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4. Details of borrowings subject to the early repayment (details of the bridge loan)

Term	Lender	Borrowing amount	Drawdown date	Repayment date	Repayment method	Security
Short-term	Mizuho Bank, Ltd.	¥12 billion	March 31, 2017	October 31, 2017	Lump-sum repayment	Unsecured and unguaranteed
Short-term	Sumitomo Mitsui Trust Bank, Limited.	¥1.46 billion	April 28, 2017	April, 27 2018	Lump-sum repayment	Unsecured and unguaranteed
Short-term	Syndicate of lenders arranged by Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note)	¥4.93 billion	June 30, 2017	October 31, 2017	Lump-sum repayment	Unsecured and unguaranteed

Note: The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, and The Bank of Tokyo-Mitsubishi UFJ, Ltd

5. Status of interest-bearing debt after the borrowing of funds

(Millions of yen)

	Before the borrowing of funds (as of August 25, 2017)	After the borrowing of funds (as of August 31, 2017)	Change
Short-term borrowings (Note)	22,350	3,960	(18,390)
Long-term borrowings (Note)	88,500	106,890	18,390
Total borrowings	110,850	110,850	0
Investment corporation bonds	5,000	5,000	0
Total of borrowings and investment corporation bonds	115,850	115,850	0
Other interest-bearing debt	-	-	-
Total interest-bearing debt	115,850	115,850	0

Note: “Short-term borrowings” refer to borrowings with a maturity of one year or less from the drawdown date.

“Long-term borrowings” refer to borrowings with a maturity of more than one year. At any point in time, even when the time until maturity of long-term borrowings is less than one year, the outstanding balance is still included in “Long-term borrowings.”

6. Future outlook

The execution of this early repayment and refinancing will not have a material impact on the operations outlook for the period ended August 31, 2017 (March 1, 2017 to August 31, 2017) or the period ended February 28, 2018 (September 1, 2017 to February 28, 2018), and there is no change in projections for operations.

II. Other necessary matters for investors to adequately understand and make an informed decision based on the above information

There are no changes to the risks pertaining to the repayment of the borrowing of funds listed in “Chapter 1. Fund Information, Part 1. Fund Status, 3. Investment Risks” of the securities report submitted to the regulator on May 24, 2017.

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*This press release was distributed to:

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

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