

Translation Purpose Only

October 12, 2018

To All Concerned Parties

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(TSE Code: 3295)
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Notice concerning the Issuance of New Investment Units and Secondary Offering of Investment Units

TOKYO, October 12, 2018 – Hulic Reit, Inc. (hereinafter referred to as “Hulic Reit”) announced that it has passed a resolution at a meeting of its Board of Directors held on October 12, 2018, concerning the issuance of new investment units and the secondary offering of investment units as follows.

1. Issuance of new investment units through public offering (Primary Offering)

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| (1) | Number of investment units to be offered | 134,200 units |
| (2) | Amount to be paid in
(issue value) | To be determined
The amount to be paid in will be determined by a meeting of Hulic Reit’s Board of Directors to be held on a date between Tuesday, October 23, 2018 and Thursday, October 25, 2018 in accordance with the methods provided for in Article 25 of the Regulations Concerning Underwriting, etc. of Securities set forth by the Japan Securities Dealers Association (hereafter referred to as the “Pricing Date”). |
| (3) | Total amount to be paid in
(issue value) | To be determined |
| (4) | Issue price
(offer price) | To be determined
The issue price (offer price) will be determined in accordance with the methods provided for in Article 25 of the Regulations Concerning Underwriting, etc. of Securities set forth by the Japan Securities Dealers |

Disclaimer: This press release is an announcement concerning the issuance of new investment units and secondary offering of investment units of Hulic Reit and was not prepared for the purpose of soliciting investment either in Japan or overseas. When investing, Hulic Reit advises investors to do so based on their own responsibility and discretion, after ensuring that they have read the prospectus on the issuance of new investment units and the secondary offering of investment units as well as any amendments prepared by Hulic Reit. Furthermore, this press release should not be construed as a solicitation of the sales of securities in the US. Securities cannot be offered or sold in the US unless registration is conducted based on the US Securities Act of 1933 or the securities become excluded from the application of registration obligation. No offering of the securities in the US will be made in connection with the abovementioned transactions.

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Association and will be provisionally calculated by using, as a tentative price, a figure obtained by taking the closing price of its investment units for ordinary trading on the Tokyo Stock Exchange, Inc. on the Pricing Date (in the event no such price on the Pricing Date is available, then the closing price on the immediately preceding day) and multiplying a number between 0.90 and 1.00 (with any fractions of one yen rounded down to the nearest 1 yen), while taking into account demand and other factors.

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| (5) | Total amount of issue price (offer price) | To be determined |
| (6) | Method of public offering | The offering shall be a Primary Offering in which all investment units shall be purchased and underwritten by underwriters.
Note that some of the number of investment units to be offered above are being sold to overseas investors in overseas markets mainly consisting of Europe and Asia (excluding, however, the US and Canada). |
| (7) | Subscription unit | 1 unit or more, in multiples of 1 unit |
| (8) | Delivery date | A date between Wednesday, October 31, 2018 and Friday, November 2, 2018 which shall be six business days after the Pricing Date. |
| (9) | Final determination of amount to be paid in (issue value), issue price (offer price) and other matters necessary for the issuance of new investment units will be made at a future meetings of Hulic Reit's Board of Directors. | |
| (10) | Each of the above items shall be subject to the condition that the securities registration under the Financial Instruments and Exchange Act of Japan becomes effective. | |

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2. Secondary Offering of investment units (Secondary Offering through Over-allotment) (Please see <Reference> below: “1. Regarding Secondary Offering through Over-allotment and Related Matters.”)

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| (1) | Number of the secondary offering of investment units | 6,800 units
The number of secondary offering of investment units noted above is shown as the maximum number of investment units to be allocated for Secondary Offering through Over-allotment by one of the underwriters of the Primary Offering, taking into consideration demand and other factors in the Primary Offering. It is possible that this number may decrease or that the Secondary Offering through Over-allotment itself may not take place depending on demand and other factors in the Primary Offering. The number of investment units will be determined at a meeting of Hulic Reit’s Board of Directors to be held on the Pricing Date, taking into consideration demand and other factors in the Primary Offering. |
| (2) | Seller | One of the underwriters of the Primary Offering |
| (3) | Secondary offer price | To be determined
The secondary offer price will be determined on the Pricing Date. In addition, the secondary offer price shall be the same as the issue price (offer price) in the Primary Offering. |
| (4) | Total amount of secondary offer price | To be determined |
| (5) | Method of secondary offering | Taking into consideration demand and other factors in the Primary Offering, one of the underwriters of the Primary Offering will conduct a secondary offering of the investment units, which it will borrow from Hulic Co., Ltd. (hereafter “the Designated Party”) of up to maximum of 6,800 units. |
| (6) | Subscription unit | 1 unit or more, in multiples of 1 unit |
| (7) | Delivery date | The same as the Primary Offering delivery date |
| (8) | The secondary offer price and other necessary matters of the secondary offering of investment units | will be determined at future meetings of Hulic Reit’s Board of Directors. |
| (9) | Each of the items above shall be subject to the condition that the securities registration under the Financial Instruments and Exchange Act of Japan becomes effective. | |

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3. Issuance of new investment units through Third-party Allotment (Please see <Reference> below: “1. Regarding Secondary Offering through Over-allotment and Related Matters.”)

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|-----|---|--|
| (1) | Number of investment units to be offered | 6,800 units |
| (2) | Amount to be paid in
(issue value) | To be determined
The amount to be paid in will be determined at a meeting of Hulic Reit’s Board of Directors to be held on the Pricing Date. In addition, the amount to be paid in (issue value) shall be the same as the amount to be paid in (issue value) of the Primary Offering. |
| (3) | Total amount to be paid in
(issue value) | To be determined |
| (4) | Allottee and number of allotted units | One of the underwriters of the Primary Offering. 6,800 units |
| (5) | Subscription unit | 1 unit or more, in multiples of 1 unit |
| (6) | Payment date | Monday, November 19, 2018 |
| (7) | Investment units for which no subscription is made will not be issued. | |
| (8) | The amount to be paid in (issue value) and other matters necessary for the issuance of new investment units will be determined at future meetings of Hulic Reit’s Board of Directors. | |
| (9) | Each of the items above shall be subject to the condition that the securities registration under the Financial Instruments and Exchange Act of Japan becomes effective. | |

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<Reference>

1. Regarding Secondary Offering through Over-allotment and Related Matters

The Secondary Offering through Over-allotment is a secondary offering of investment units in which one of the underwriters in the Primary Offering will borrow from the Designated Party of up to maximum of 6,800 units, taking into consideration demand and other factors in the Primary Offering. The number of secondary offering of investment units allocated for the Secondary Offering through Over-allotment is planned to be 6,800 units. This is the maximum number of units allocated, and as such it is possible that this number may decrease or that the Secondary Offering through Over-allotment itself may not take place depending on demand and other factors.

In connection with the Secondary Offering through Over-allotment, Hulic Reit has passed a resolution at a meeting of its Board of Directors held on Friday, October 12, 2018, to issue 6,800 new investment units through third-party allotment to one of the underwriters in the Primary Offering (hereinafter referred to as “the Third-party Allotment”) with a payment date of Monday, November 19, 2018, in order for the underwriter to acquire the necessary investment units for return of the investment units (hereinafter referred to as “the Borrowed Investment Units”) borrowed from the Designated Party.

Whether or not the Secondary Offering through Over-allotment occurs, as well as the number of investment units to be issued if the Secondary Offering through Over-allotment occurs, will be decided on the Pricing Date. If the Secondary Offering through Over-allotment does not occur, the borrowing of investment units from the Designated Party by one of the underwriters in the Primary Offering will not take place. In such case, through forfeiture, one of the underwriters in the Primary Offering will not issue any new investment units, and not accept the Third-party Allotment, and subscriptions will not occur.

2. Change in total number of outstanding investment units after this issuance of new investment units

Present total number of outstanding units	1,110,000 units
Increase in the number of investment units associated with the issuance of new investment units in the Primary Offering	134,200 units
Total number of outstanding investment units after the issuance of new investment units in the Primary Offering	1,244,200 units
Increase in the number of investment units associated with the Third- party Allotment	6,800 units (Note)
Total number of outstanding investment units after the Third-party Allotment	1,251,000 units (Note)

Note:

The figures assume one of the underwriters in the Primary Offering subscribes for all of the investment units in the Third-party Allotment, and that all such investment units are issued.

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3. Purpose of and reason for the Issuance

The issuance of new investment units is for the purpose of expanding assets through the acquisition of new specified assets (within the meaning of Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan), diversifying properties in the portfolio and enhancing cash flow stability, and has been determined after careful consideration of Hulic Reit's LTV ratio, ratio of cash distribution per unit (DPU), net asset value per unit (NAV) and other factors.

4. Amount of proceeds, use and planned disbursement date

(1) Amount of proceeds (estimated net proceeds)

¥21.9 billion (maximum)

Note:

This is the sum total of an estimated net of ¥20.9 billion in proceeds from the Primary Offering and an estimated net of ¥1.0 billion in proceeds from the Third-party Allotment. In addition, the above figures reflect the closing price for ordinary trades of the investment units on the Tokyo Stock Exchange, Inc. as of September 28, 2018.

(2) Specific use of proceeds and planned disbursement period

The proceeds of ¥20.9 billion from the Primary Offering will be allotted in full or part to funds for the acquisition of Hulic Nihonbashi Honcho 1 Chome Building and Bancho House among specific assets that Hulic Reit plans to acquire (below, the "properties scheduled to be acquired") described in the "Notice concerning the Acquisition and Leasing of Property" released today. If there is any balance remaining, it will be allotted in full or part to the repayment of borrowings related to the acquisition of Hulic Kamiyacho Building (additional acquisition) described in the "Notice concerning the Borrowing of Funds" released today along with up to ¥1.0 billion in proceeds from the Third-party Allotment. If there is any more balance remaining, it will be used as cash on hand to fund the acquisition of specific assets in the future or the repayment of borrowings.

Property name	Anticipated acquisition price (Millions of yen) (Note 1)	Expected acquisition date (Note 2)
Hulic Nihonbashi Honcho 1 Chome Building	3,980	November 1, 2018
Bancho House	2,750	

Notes:

1. "Anticipated acquisition price" is as set forth in the relevant purchase agreement for the properties scheduled to be acquired, rounded to the nearest million yen.
2. "Expected acquisition date" is as set forth in the relevant purchase agreement for the properties scheduled to be acquired. However, the expected acquisition date is subject to any change in the Pricing Date.
3. Hulic Reit will place the proceeds with a financial institution until their disbursement.

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

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