

Translation Purpose Only

February 7, 2014

To All Concerned Parties

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Notice concerning the Borrowing of Funds, Establishment of Commitment Line and Execution of Interest Rate Swap

TOKYO, February 7, 2014 – Hulic Reit, Inc. (hereafter referred to as “Hulic Reit”) announced today the execution of a borrowing of funds (hereafter referred to as “borrowing of funds”) as well as the establishment of a commitment line and execution of an interest rate swap as follows.

I. Borrowing of funds

1. Details of this borrowing of funds

| Term | Lender | Borrowing amount (Millions of yen) | Interest rate (Notes 6 and 7) | Drawdown date | Borrowing method | Repayment Date (Note 9) | Repayment method (Note 10) | Security |
|------------|---|------------------------------------|---|------------------|---|-------------------------|----------------------------|---------------------------|
| Short-term | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 1) | 7,360 | Base rate of interest (JBA one-month Japanese yen TIBOR) +0.2% | February 7, 2014 | Borrowing in accordance with individual term loan agreements entered into on February 5, 2014 with the lenders shown left | February 7, 2015 | Bullet repayment | Unsecured 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) | 8,490 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.2% (Note 8) | | | February 7, 2017 | | |
| | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 3) | 8,550 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.4% (Note 8) | | | February 7, 2019 | | |

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| Term | Lender | Borrowing amount (Millions of yen) | Interest rate (Notes 6 and 7) | Drawdown date | Borrowing method | Repayment Date (Note 9) | Repayment method (Note 10) | Security |
|-----------|---|------------------------------------|---|------------------|---|-------------------------|----------------------------|---------------------------|
| Long-term | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 4) | 8,550 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.6% (Note 8) | February 7, 2014 | Borrowing in accordance with individual term loan agreement entered into on February 5, 2014 with the lenders at left | February 7, 2021 | Bullet repayment | Unsecured Unguaranteed |
| | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 5) | 2,450 | 1.61% | | | August 7, 2022 | | |
| | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 1) | 1,000 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.9% (Note 8) | | | February 7, 2024 | | |

Notes:

1. The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, and the Bank of Tokyo-Mitsubishi UFJ, Ltd.
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 Nourinchukin Bank, and Resona Bank, Ltd.
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., the Nourinchukin Bank, and Resona Bank, Ltd.
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., Sumitomo Mitsui Trust Bank, Limited, and Resona Bank, Ltd.
5. The syndicate of lenders consists of Development Bank of Japan Inc.
6. The loan fees and other charges paid to the lenders are not included.
7. The first interest payment date for the short-term borrowing will be March 7, 2014 and subsequently thereafter the interest payment date will fall on the seventh day of every month and the principal repayment date (the repayment date will be the next business day, if it falls on a non-business day). The first interest repayment date for the long-term borrowings will be June 30, 2014 and subsequently thereafter the interest payment date will fall on the last day of September, December, March and June 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 the next business day is in the next month). The base rate of interest applied to the calculation period for the interest payable on the interest payment date will be the one-month Japanese yen Tokyo Interbank Offered Rate (TIBOR) published by the Japanese Bankers Association (JBA) two business days prior to each interest payment date or the drawdown date for the short-term borrowing and the three-month Japanese yen TIBOR published by the JBA two business days prior to each interest payment date or drawdown date for the long-term borrowings. These base rates of interest will be revised on each interest payment date. However, if the calculation period is less than three months or if the interest calculation period is more than three months, the base rate of interest for the applicable period calculated based on the method stipulated in the loan agreement will be used. The base rate of interest for the first interest calculation period will be 0.14818% for the short-term borrowing and 0.28% for the long-term borrowings. Please refer to the JBA website (<http://www.zenginkyo.or.jp/en/tibor>) for the latest JBA Japanese yen TIBOR rates.

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8. The interest rate swap agreement fixes the amount of interest payable. Please refer to “III. Execution of interest rate swap” for further details.
9. The repayment date will be the next business day if it falls on a non-business day or the prior business day if the next business day is in the next month.
10. During the term of this borrowing of funds, Hulic Reit may repay the principal of this borrowing of funds in part or in its entirety prior to the repayment date as long as it meets certain requirements, such as prior written notice.

2. Reason for this borrowing of funds

Funds will be allocated for the acquisition of real estate trust beneficiary rights and certain related costs pertaining to the assets planned for acquisition noted in “Chapter 2. Fund Information, Part 1. Fund Status, 2. Investment Policy, (2) Investment Targets, (iii) Summary of Assets Planned for Acquisition” of the securities registration statement submitted to the regulator on January 6, 2014.

3. Amount, use and expenditure date of the proceeds

- (1) Amount of the proceeds
Total ¥36,400 million
- (2) Specific use of the proceeds
Funds were allocated for the assets to be acquired and certain related costs.
- (3) Expenditure date
October 10, 2013

4. Status after the drawdown of this borrowing of funds

(Millions of yen)

| | Before drawdown | After drawdown | Change |
|--|-----------------|----------------|--------|
| Short-term borrowings (Note) | — | 7,360 | 7,360 |
| Long-term borrowings (Note) | — | 29,040 | 29,040 |
| Total borrowings | — | 36,400 | 36,400 |
| Investment corporation bonds | — | — | — |
| Total of borrowings and investment corporation bonds | — | 36,400 | 36,400 |
| Other interest-bearing debt | — | — | — |
| Total interest-bearing debt | — | 36,400 | 36,400 |

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.

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II. Establishment of commitment line

1. Reason for establishment

Hulic Reit will establish a commitment line to meet its future financing needs.

2. Details of commitment line

- | | |
|------------------------------|---|
| (1) Maximum amount: | Total of ¥10 billion |
| (2) Contract counterparties: | Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (3) Contract date: | February 5, 2014 |
| (4) Term: | February 7, 2014 to February 7, 2015 |
| (5) Security: | Unsecured/Unguaranteed |

III. Execution of interest rate swap

1. Reason for execution

Hulic Reit will execute an interest rate swap in order to fix the interest rate payments for the borrowing of funds pursuant to the individual term loan agreements entered into on February 5, 2014 per “2. Details of interest rate swap” below and thus to hedge the risk of fluctuations in interest rates.

2. Details of the interest rate swap

Borrowings for which an interest rate swap agreement has been concluded.

| Term | Lender | Borrowing amount (Millions of yen) | Interest rate | Drawdown date | Borrowing method | Repayment Date | Repayment method | Security |
|-------------|--|------------------------------------|--|------------------|---|------------------|------------------|------------------------|
| Borrowing 1 | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 8,490 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.2% | February 7, 2014 | Borrowing in accordance with individual term loan agreements entered into on February 7, 2014 with the lenders shown left | February 7, 2017 | Bullet repayment | Unsecured Unguaranteed |
| Borrowing 2 | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 8,550 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.4% | | | February 7, 2019 | | |
| Borrowing 3 | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 8,550 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.6% | | | February 7, 2021 | | |

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| Term | Lender | Borrowing amount (Millions of yen) | Interest rate | Drawdown date | Borrowing method | Repayment Date | Repayment method | Security |
|-------------|--|------------------------------------|--|---------------|------------------|------------------|------------------|----------|
| Borrowing 4 | Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000 | Base rate of interest (JBA three-month Japanese yen TIBOR) +0.9% | | | February 7, 2024 | | |

(1) Interest rate swap agreement for “borrowing 1”

| | |
|-----------------------------|---|
| (i) Counterparty | Mizuho Bank, Ltd. |
| (ii) Notional principal | ¥8,490 million |
| (iii) Interest rate | Fixed interest rate: 0.29229% Floating interest rate: JBA 3-month Japanese yen TIBOR However, the base rate of interest for the first applicable period (February 7, 2014 to June 30, 2014) will be 0.28% and the base rate of interest for the final applicable period (December 31, 2016 to February 7, 2017) will be a linear proportional distribution based on the JBA Japanese yen TIBOR. |
| (iv) Start date | February 7, 2014 |
| (v) End date | February 7, 2017 |
| (vi) Interest payment dates | The first interest payment date will be June 30, 2014 and the subsequent principal and interest repayment dates will fall on the last day of September, December, March and June each year. (The repayment date will be the next business day if it falls on a non-business day or the prior business day if the next business day is in the next month.) |

Note: This interest rate swap agreement will effectively fix the interest rate for “borrowing 1” at 0.49229%.

(2) Interest rate swap agreement for “borrowing 2”

| | |
|-----------------------------|---|
| (i) Counterparty | Nomura Securities Co., Ltd. |
| (ii) Notional principal | ¥8,550 million |
| (iii) Interest rate | Fixed interest rate: 0.37382% Floating interest rate: JBA 3-month Japanese yen TIBOR However, the base rate of interest for the first applicable period (February 7, 2014 to June 30, 2014) will be 0.28% and the base rate of interest for the final applicable period (December 31, 2018 to February 7, 2019) will be a linear proportional distribution based on the JBA Japanese yen TIBOR. |
| (iv) Start date | February 7, 2014 |
| (v) End date | February 7, 2019 |
| (vi) Interest payment dates | The first interest payment date will be June 30, 2014 and the subsequent principal and interest repayment dates will fall on the last day of September, December, March and |

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| | |
|--|---|
| | June each year. (The repayment date will be the next business day if it falls on a non-business day or the prior business day if the next business day is in the next month.) |
|--|---|

Note: This interest rate swap agreement will effectively fix the interest rate for “borrowing 2” at 0.77382.

(3) Interest rate swap agreement for “borrowing 3”

| | |
|-----------------------------|---|
| (i) Counterparty | Sumitomo Mitsui Banking Corporation |
| (ii) Notional principal | ¥8,550 million |
| (iii) Interest rate | Fixed interest rate: 0.57125% Floating interest rate: JBA 3-month Japanese yen TIBOR However, the base rate of interest for the first applicable period (February 7, 2014 to June 30, 2014) will be 0.28% and the base rate of interest for the final applicable period (December 31, 2020 to February 7, 2021) will be a linear proportional distribution based on the JBA Japanese yen TIBOR. |
| (iv) Start date | February 7, 2014 |
| (v) End date | February 7, 2021 |
| (vi) Interest payment dates | The first interest payment date will be June 30, 2014 and the subsequent principal and interest repayment dates will fall on the last day of September, December, March and June each year. (The repayment date will be the next business day if it falls on a non-business day or the prior business day if the next business day is in the next month.) |

Note: This interest rate swap agreement will effectively fix the interest rate for “borrowing 3” at 1.17125.

(4) Interest rate swap agreement for “borrowing 4”

| | |
|-----------------------------|---|
| (i) Counterparty | Sumitomo Mitsui Banking Corporation |
| (ii) Notional principal | ¥1,000 million |
| (iii) Interest rate | Fixed interest rate: 0.91875% Floating interest rate: JBA 3-month Japanese yen TIBOR However, the base rate of interest for the first applicable period (February 7, 2014 to June 30, 2014) will be 0.28% and the base rate of interest for the final applicable period (December 31, 2023 to February 7, 2024) will be a linear proportional distribution based on the JBA Japanese yen TIBOR. |
| (iv) Start date | February 7, 2014 |
| (v) End date | February 7, 2024 |
| (vi) Interest payment dates | The first interest payment date will be June 30, 2014 and the subsequent principal and interest repayment dates will fall on the last day of September, December, March and June each year. (The repayment date will be the next business day if it falls on a non-business day or the prior business day if the next business day is in the next month.) |

Note: This interest rate swap agreement will effectively fix the interest rate for “borrowing 4” at 1.81875.

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IV. 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 2. Fund Information, Part . Fund Status, 3. Investment Risks” of the securities registration statement submitted to the regulator on January 6, 2014.

This press release distributed to:

The Tokyo Stock Exchange Press Club (Kabuto Club), Ministry of Land, Infrastructure, Transport and Tourism (MLIT) Press Club and MLIT Press Club for Construction Publications

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