

# HULIC REIT, INC.

Translation Purpose Only

February 19, 2016

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, February 19, 2016 – 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 7 and 8)	Anticipated drawdown date	Borrowing method	Repayment date	Repayment method (Note 11)	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)	¥1.559 billion	Base rate of interest (JBA three-month Japanese Yen TIBOR) + 0.20% (Note 9)	February 29, 2016	Borrowing in accordance with individual term loan agreements to be entered into on February 25, 2016 with lenders shown on left	August 31, 2020	Lump-sum repayment	Unsecured and unguaranteed
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	¥4.555 billion	Base rate of interest (JBA three-month Japanese Yen TIBOR) + 0.35% (Note 9)			February 28, 2023		
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 3)	¥3.877 billion	Base rate of interest (JBA three-month Japanese Yen TIBOR) + 0.40% (Note 9)			August 31, 2023		

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Term	Lender	Borrowing amount	Interest rate (Notes 7 and 8)	Anticipated drawdown date	Borrowing method	Repayment date	Repayment method (Note 11)	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)	¥1.309 billion	To be determined (Note 10)	February 29, 2016	Borrowing in accordance with individual term loan agreements to be entered into on February 25, 2016 with lenders shown on left	February 29, 2024	Lump-sum repayment	Unsecured and unguaranteed
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 5)	¥0.50 billion	To be determined (Note 10)			August 30, 2024		
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 6)	¥0.50 billion	Base rate of interest (JBA three-month Japanese Yen TIBOR) + 0.55% (Note 9)			February 28, 2025		

Notes:

- The syndicate of lenders consists of Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and The Norinchukin Bank.
- 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 and Aozora Bank, Ltd.
- 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 Shinsei Bank, Limited.
- The syndicate of lenders consists of Development Bank of Japan Inc. and Nippon Life Insurance Company.
- The syndicate of lenders consists of Meiji Yasuda Life Insurance Company.
- The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- The loan fees and other charges to be paid to the lenders are not included.
- The first interest payment date will be May 31, 2016 and subsequently thereafter the interest payment date will fall on the last day of August, November, February and May 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). The base rate of interest applied to the calculation period for the interest payable on the interest payment date will be the three-month Japanese Yen Tokyo Interbank Offered Rate (TIBOR) published by the General Incorporated Association JBA TIBOR Administration (JBATA) two business days prior to each interest payment date. 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 is expected to be determined two business days prior to the anticipated drawdown date. Please refer to the JBATA website (<http://www.jbatibor.or.jp/rate/>) for the latest and historical JBA Japanese Yen TIBOR rates.
- An interest rate swap agreement will be executed in order to effectively fix the interest rate for the borrowing. There will be an announcement regarding the interest rate fixed on the basis of the interest rate swap agreement to be arranged, once such details have been determined.
- Funds will be borrowed at a fixed interest rate, which will be announced once it has been determined.
- 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.

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## 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 December 22, 2015 using the term loan from the syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. The term loan will facilitate long-term fixed borrowings and diversification of maturity dates. In addition, the term loan will allow Hulic Reit to diversify the lenders, while maintaining strong and stable relationships with the existing financial institutions.

## 3. Amount, use and planned disbursement date

(1) Total amount of the proceeds

¥12.3 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

February 29, 2016

## 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	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note)	¥12.3 billion	December 25, 2015	December 22, 2016	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 February 19, 2016)	After the borrowing of funds (as of February 29, 2016)	Change
Short-term borrowings (Note)	16,260	3,960	(12,300)
Long-term borrowings (Note)	62,510	74,810	12,300
Total borrowings	78,770	78,770	0
Investment corporation bonds	2,000	2,000	0
Total of borrowings and investment corporation bonds	80,770	80,770	0
Other interest-bearing debt	–	–	–
Total interest-bearing debt	80,770	80,770	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.”

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## **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 November 30, 2015.

\*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