

Translation Purpose Only

September 14, 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 Issuance of New Investment Units and Secondary Offering of Investment Units

TOKYO, September 14, 2016 – 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 today, September 14, 2016, 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 | 83,800 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 Monday, September 26, 2016 and Wednesday, September 28, 2016 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 Association and will be provisionally calculated by |

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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 Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd. and Daiwa Securities Co. Ltd. (hereinafter referred to as the “Joint Lead Managers”); and SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Okasan Securities Co., Ltd. (referred to collectively with the Joint Lead Managers as the “Underwriters”). |
| (7) | Details of underwriting agreement | The Underwriters shall pay to Hulic Reit the same amount as the total amount to be paid in (issue value) for the Primary Offering on the payment date stated below under (10) and the difference between such amount and the total amount of the issue price (offer price) shall be the proceeds of the Underwriters. Hulic Reit will not pay an underwriting fee to the Underwriters. |
| (8) | Subscription unit | 1 unit or more, in multiples of 1 unit |
| (9) | Subscription period | From the next business day extending through the second business day coming after the Pricing Date. |
| (10) | Payment date | A date between Monday, October 3, 2016 and Wednesday, October 5, 2016 which shall be five business days after the Pricing Date. |
| (11) | Delivery date | The next business day after the Payment Date set forth in (10) above. |
| (12) | 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. | |
| (13) | Each of the above items shall be subject to the condition that the securities registration under the Financial Instruments and Exchange Act of Japan become 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 | 4,200 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 Mizuho Securities Co., Ltd., one of the bookrunners 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 | Mizuho Securities Co., Ltd. |
| (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 (the 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, Mizuho Securities Co., Ltd., one of the bookrunners 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 4,200 units. |
| (6) | Subscription unit | 1 unit or more, in multiples of 1 unit |
| (7) | Subscription period | The same as the Primary Offering subscription period |
| (8) | Delivery date | The same as the Primary Offering delivery date |
| (9) | 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. | |
| (10) | Each of the items above shall be subject to the condition that the securities registration under the Financial Instruments and Exchange Act of Japan become 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 | 4,200 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 allotted units | Mizuho Securities Co., Ltd. 4,200 units |
| (5) | Subscription unit | 1 unit or more, in multiples of 1 unit |
| (6) | Subscription period (Subscription date) | Tuesday, October 25, 2016 |
| (7) | Payment date | Wednesday, October 26, 2016 |
| (8) | Investment units for which no subscription is made during the subscription period (subscription date) set forth in (6) above will not be issued. | |
| (9) | 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. | |
| (10) | Each of the items above shall be subject to the condition that the securities registration under the Financial Instruments and Exchange Act of Japan become 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 Mizuho Securities Co., Ltd. will borrow from the Designated Party of up to maximum of 4,200 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 will be 4,200 units. This is the maximum number of units allocated, and as such it is possible 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 Wednesday, September 14, 2016, to issue 4,200 new investment units through third-party allotment to Mizuho Securities Co., Ltd. (hereinafter referred to as “the Third-party Allotment”) with a payment date of Wednesday, October 26, 2016, 2016 in order for Mizuho Securities Co., Ltd. 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.

During the period from the date following the date on which the subscription period ends for the Primary Offering and the Secondary Offering through Over-allotment to Friday, October 21, 2016 (hereafter referred to as “the Syndicate Cover Transaction Period”), the Mizuho Securities Co., Ltd. may purchase investment units on the Tokyo Stock Exchange, Inc. in a quantity up to the number in the Secondary Offering through Over-allotment for the purpose of returning the Borrowed Investment Units. All of the investment units acquired by Mizuho Securities Co., Ltd. in the Syndicate Cover Transactions will be used to return the Borrowed Investment Units. Furthermore, during the Syndicate Cover Transaction Period, Mizuho Securities Co., Ltd. may based on its own judgment, not carry out the Syndicate Cover Transactions or terminate the Syndicate Cover Transactions at the number of units that is lower than the number of units issued in the Secondary Offering through Over-allotment.

In addition, Mizuho Securities Co., Ltd. may engage in stabilizing transactions in connection with the Primary Offering and the Secondary Offering through Over-allotment, and may use all or part of the investment units purchased through such stabilizing transactions to return the Borrowed Investment Units.

Mizuho Securities Co., Ltd. may acquire through the Third-party Allotment the number of investment units determined by subtracting the number of investment units purchased through the stabilizing transactions and the Syndicate Cover Transactions, to be used for returning the Borrowed Investment Units, from the number of investment units offered in the Secondary Offering through Over-allotment. Thus, it is possible that subscriptions will not be made for part or all of the investment units issued through the Third-party Allotment, and as a result the final maximum number of investment units in the Third-party Allotment may decrease or the Third-party Allotment may not be carried out at all due to the forfeiture of subscription rights.

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 Mizuho Securities Co., Ltd. will not take place. In such case, through forfeiture, Mizuho Securities Co., Ltd. will not issue any new investment units, and not

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accept the Third-party Allotment, and subscriptions will not occur. Furthermore, no Syndicate Cover Transactions will take place on the Tokyo Stock Exchange, Inc.

The above transactions will be carried out by Mizuho Securities Co., Ltd. in consultation with Nomura Securities Co., Ltd. and Daiwa Securities Co. Ltd.

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

Present total number of outstanding units	957,000 units
Increase in the number of investment units associated with the issuance of new investment units in the Primary Offering	83,800 units
Total number of outstanding investment units after the issuance of new investment units in the Primary Offering	1,040,800 units
Increase in the number of investment units associated with the Third-party Allotment	4,200 units (note)
Total number of outstanding investment units after the Third-party Allotment	1,045,000 units (note)

Note:

The figures assume that Mizuho Securities Co., Ltd. subscribes for all of the investment units in the Third-party Allotment, and that all such investment units are issued.

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) and net asset value per unit (NAV).

4. Amount, use and planned disbursement date

(1) Amount of proceeds (estimated net proceeds)

¥15,252,600,000 (maximum)

Note:

This is the sum total of an estimated net of ¥14,524,635,000 in proceeds from the Primary Offering and an estimated net of ¥727,965,000 in proceeds from the Secondary Offering through 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 2, 2016.

(2) Specific use of proceeds and planned disbursement date

Hulic Reit will allocate the proceeds from the Primary Offering for the acquisition funds for its specified asset Ochanomizu Sola City (Additional Acquisition) which is its planned acquisition and stated in "Notice concerning the Acquisition and Leasing of Property" announced today. In the

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event that there is remaining balance, Hulic Reit will allocate it together with a maximum of ¥727,965,000 of the proceeds from the Secondary Offering through Third-party Allotment for repayment funds of borrowings, or for cash reserve to be used in the future for acquisition funds of specified assets.

Property name	Expected acquisition price (Millions of yen) (note 1)	Expected acquisition date (note 2)
Ochanomizu Sola City (Additional Acquisition)	15,295	October 4, 2016

Notes:

1. The expected acquisition price is as set forth in the relevant purchase agreement, rounded to the nearest million yen.
2. The expected acquisition date of each property is as set forth in the relevant purchase agreement. 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.

5. Designation of party to receive allocation

The Underwriters will sell 8,800 units of the investment units in the Primary Offering to Hulic Co., Ltd., a purchaser designated by Hulic Reit, corporate unitholder of Hulic Reit and shareholder of Hulic Reit's Asset Manager.

6. Outlook

Please refer to the "Notice Concerning Revision to the Forecasts of Financial Results for the Fiscal Period Ended August 31, 2016 and the Fiscal Period Ending February 28, 2017 and Announcement of Forecasts of Financial Results for the Fiscal Period Ending August 31, 2017" announced today.

7. Financial Results and Status of Equity Finance of Last Three Fiscal Periods, etc.

(1) Financial results of last three fiscal periods (note 1)

	Fiscal period ended February 28, 2015	Fiscal period ended August 31, 2015	Fiscal period ended February 29, 2016
Net income per unit (note 2)	¥3,115	¥2,950	¥2,968
Distributions per unit	¥2,926	¥2,950	¥2,969
Payout ratio	99.9%	99.9%	100.0%
Net assets per unit	¥113,831	¥113,855	¥113,874

Note:

1. In regard to the "(1) Financial results of last three fiscal periods", the fiscal period ended February 28, 2015, the fiscal period ended August 31, 2015, and the fiscal period ended February 29, 2016, are presented as the last three fiscal periods.
2. Net income per unit is calculated by dividing net income by the day-weighted average number of investment units for the period. Amounts are rounded down to the nearest yen.

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(2) Recent Investment Unit Prices

1) Investment unit prices of last three fiscal periods

	Fiscal period ended August 31, 2015	Fiscal period ended February 29, 2016	Fiscal period ended August 31, 2016
Opening price	¥181,500	¥140,000	¥179,400
High	¥194,500	¥189,000	¥195,600
Low	¥133,300	¥127,500	¥170,500
Closing price	¥140,500	¥181,600	¥182,400

2) Investment unit prices of last six months

	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016
Opening price	¥182,800	¥187,600	¥189,400	¥186,400	¥181,200	¥181,500
High	¥195,600	¥194,800	¥192,300	¥191,400	¥185,000	¥185,700
Low	¥177,800	¥185,000	¥173,700	¥170,500	¥173,800	¥177,600
Closing price	¥186,100	¥189,800	¥187,800	¥181,200	¥182,400	¥184,000

Note:

The investment unit prices stated for September 2016 are current as of September 13, 2016.

3) Investment unit price of prior business day of issuance resolution date

	September 13, 2016
Opening price	¥181,500
High	¥184,500
Low	¥180,600
Closing price	¥184,000

(3) Status of Equity Finance of Last Three Fiscal Periods

1) Capital increase through public offering

Date of issuance	March 29, 2016
Amount of the proceeds	¥29,444,303,200
Amount to be paid in (issue value)	¥175,682
Total investment units issued as of offering	781,000 units
Total investment units issued by offering	167,600 units
Total investment units issued after offering	948,600 units
Initial use of funds as of issuance	Allocated to provide part of the acquisition funds for assets to be acquired and repay the short-term loans payable
Planned disbursement date as of issuance	March 2016 onward
Current status of allocation	The amount for the above-mentioned planned disbursement date has been allocated.

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2) Capital increase through third-party allotment

Date of issuance	April 13, 2016
Amount of the proceeds	¥1,475,728,800
Amount to be paid in (issue value)	¥175,682
Total investment units issued as of offering	948,600 units
Total investment units issued by offering	8,400 units
Total investment units issued after offering	957,000 units
Allottee	Mizuho Securities Co., Ltd.
Initial use of funds as of issuance	Allocated to provide part of the acquisition funds for assets to be acquired and repay the short-term loans payable
Planned disbursement date as of issuance	April 2016 onward
Current status of allocation	The amount for the above-mentioned planned disbursement date has been allocated.

8. Lock-up

- (1) In connection with the Primary Offering, Hulic Co., Ltd. is expected to agree with the Joint Lead Managers to the effect that no sale (with the exclusion of the lending of investment units in connection with the Secondary Offering through Over-allotment) shall be conducted during the period beginning with the Pricing Date and ending on the date that is 180 days after the Delivery Date of the units without prior written consent of Joint Lead Managers.
Joint Lead Managers are expected to have the authority to cancel such agreement, in whole or in part, at their discretion even during the 180-day lock-up-period described above.
- (2) In connection with the Primary Offering, Hulic Reit has entered into agreement with the Joint Lead Managers to the effect that no issuance of investment units (with the exclusion of the issuance of new investment units accompanying the Primary Offering, the Third-party Allotment, and splits of investment units) shall be conducted during the period beginning with the Pricing date and ending on the date that is 90 days after the Delivery Date of the units without prior written consent of the Joint Lead Managers.
Joint Lead Managers will have the authority to cancel such agreement, in whole or in part, at their discretion even during the 90-day lock-up period described above.

* 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

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