

December 1, 2017

To All Parties Concerned,

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Notice regarding the Issuance of Subordinated Bonds through Public Offering

TOKYO, December 1, 2017 - Hulic Co., Ltd. (hereafter referred to as “Hulic”) has been considering financing through public offering of its subordinated bonds (hereafter referred to as “the Hybrid Bonds”) and obtaining subordinated loans (together with the Hybrid Bonds, hereafter collectively referred to as “the Hybrid Financing”). In connection with such financing, Hulic hereby announces that it has decided to issue the Hybrid Bonds as follows:

1. Purpose and Background of the Hybrid Financing

The Hulic group operates real estate leasing business as its core business, and is currently working toward achievement of its medium-term business plan (2016 - 2018) as early as possible, based on its management policy continuously seeking both “Growth” and “Stability” under the slogan of “Change and Speed.”

In this situation, in order to further accelerate its growth strategy, Hulic has been considering the Hybrid Financing as a fund raising measure that would strengthen the financial base while avoiding a decline in capital efficiency caused by dilution of the existing shares, of which Hulic has decided to issue the Hybrid Bonds.

2. Characteristics of the Hybrid Bonds

The Hybrid Bonds are positioned between debt and equity. While they are classified as a financial liability and will not result in dilution of the existing shares, they have characteristics similar to equity. For instance, their terms and conditions include super long maturity, an option to defer interest payments, and subordination in liquidation and bankruptcy proceedings. Hulic therefore expects that 50% of the funds raised by the Hybrid Bonds will be treated as equity by a rating agency (Japan Credit Rating Agency).

3. Schedule

Hulic today files the Amendment to the Shelf Registration Statement with the Director-General of the Kanto Local Finance Bureau for the issuance of the Hybrid Bonds. Hulic has appointed Mizuho Securities Co., Ltd. as a book-runner, and Nomura Securities Co., Ltd. and Daiwa Securities Co. Ltd., as co-lead managers for the Hybrid Bonds. Hulic will determine the issue amount and certain other terms in January 2018, subject to market conditions.

The total amount of the Hybrid Financing is currently targeted at a range of 100 billion yen to 150 billion yen. The final amount will be decided taking into account various factors such as market demand and interest rate trends.

Note: The purpose of this press release is to make a general public announcement concerning the issuance of the subordinated bonds by Hulic Co., Ltd. through public offering in Japan. It has not been prepared for the purpose of offer of, or solicitation of an offer to buy or subscribe for, securities of Hulic Co., Ltd. The above-mentioned securities will not be or have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements thereunder.