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To all concerned parties

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Announcement regarding Acquisition and Merger of Simplex Investment Advisors, and Disposition of Simplex Real Estate Management and Simplex REIT Partners

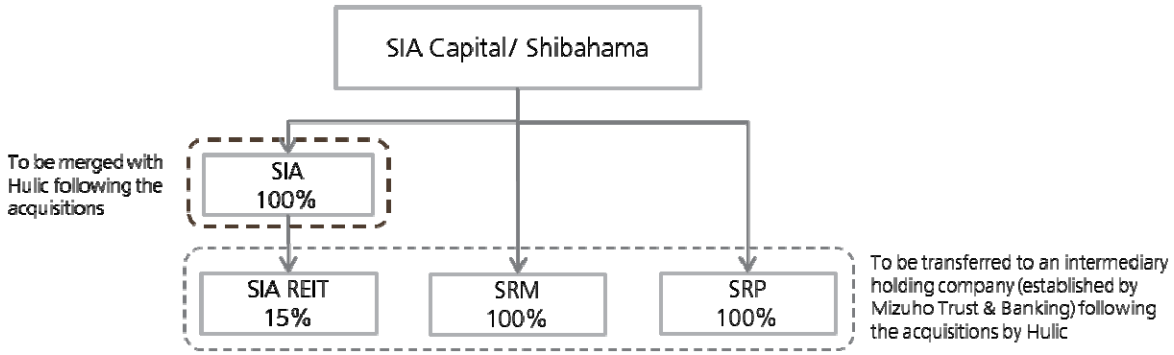
Hulic Co., Ltd. (the "Company") is pleased to announce that it has reached an agreement with AETOS Capital Real Estate, LP ("ACRE") to acquire all outstanding shares of Simplex Investment Advisors Inc. ("SIA"), Simplex Real Estate Management Inc. ("SRM") and Simplex REIT Partners Inc. ("SRP") from AETOS' controlled vehicles, Godo Kaisha SIA Capital ("SIA Capital") and Godo Kaisha Shibahama ("Shibahama") (the "Transaction" for the aggregate acquisitions). The sale and purchase agreements have been concluded today between the Company, SIA Capital and Shibahama, and the closing is expected on November 30, 2015.

As part of the Transaction, the Company has also concluded the stock purchase agreement with Mizuho Trust & Banking Co., Ltd. ("MHTB") to sell all outstanding shares of SRM, SRP and the investment units of SIA REIT that SIA owns (15% of outstanding units) to an intermediary holding company, which will be established by MHTB, on or around December 15, 2015 (the "Share Transaction" for the aggregate dispositions).

The Transaction and the Share Transaction constitute one scheme of arrangements that will essentially result in the Company's making SIA a wholly owned subsidiary. As such, the descriptions in section 2 ("Summary of share acquisitions as part of the Transaction") are focused on the acquisition of SIA shares. Additionally, although SRM and SRP will temporarily be the Company's subsidiaries before being transferred to MHTB, the details of the two companies are omitted because they are considered negligible in light of TSE timely disclosure rules for changes in subsidiaries of listed companies.

The Company has also made the decision to merge with SIA, as the Company being the surviving entity, on December 1, 2015 as the effective date (the "Merger"). Because the Merger will be conducted in the form of short form merger of a wholly owned subsidiary, certain information regarding the Merger may be omitted from disclosure requirements.

The Transaction Scheme



1. Backgrounds and rationales for the Transaction

In the fiscal year 2015, Hulic Group has set forth the new long-term business plan "Hulic a Decade Later (2014 to 2023)" and the medium-term management plan for 2014-2016 for the group's business growth.

In its long-term plan "Hulic a Decade Later", the group sets its vision for the next 10 years, and in the medium-term plan, which is essentially the first chapter of the long-term plan, the group seeks to continuously evolve its business model that is centered around real estate leasing by investing in properties in convenient and attractive locations and in properties that may generate stable earnings through opportunistic repositioning or refurbishment to better meet local characteristics, and by taking new businesses initiatives in J-REIT, CRE strategy, and 3K businesses (Koreisha (seniors), Kanko (tourism) and Kankyo (environment)).

On April 8, 2015, the Company decided to increase the target investment size for its core and new businesses for the fiscal periods between 2015 and 2018 from 700 billion yen to 800 billion yen and simultaneously announced the public offering of new equity shares to increase its capital base. The increase in equity capital will contribute to facilitating the Company's core real estate leasing business and development and renewal programs, and to promoting new businesses including CRE strategy and 3K businesses, which support the core business.

The Transaction is part of the aforementioned investment program and the acquisition of SIA, whose portfolio mainly consist of offices in Tokyo as well as a major hotel adjacent to Tokyo Disney Resort, is in line with the Company’s investment focus on Tokyo offices and commercial facilities as well as on properties related to growing tourism industry. The Company believes that the Transaction will contribute to expanding its core business and further its portfolio strategy of "selection and concentration".

Originally, ACRE has sought to dispose of the aggregate of their shares in SIA, SRM and SPR, though Hulic Group's interest has been on SIA and the strategic benefits that may be generated through the acquisitions of SIA's real estate portfolio. The Company has decided to sell SRM (private fund management company), SRP (management company for publicly-traded SIA REIT) and SIA REIT units that SIA owns to MHTB primarily because SRM's strategy may not necessarily match that of the Company and the Company is already engaged in J-REIT business through own-sponsored J-REIT.

Under the above circumstances, the Company has come to know of MHTB's aspirations in strengthening its real estate investment management operations and expanding the width of such

business, and of its interests in acquiring the shares in SRM and SRP. Consequently, the Company decided to work with MHTB on this opportunity and, as described above, plans to transfer the shares of SRM, SRP and 15% interests in SIA REIT that SIA owns immediately after the Transaction to an intermediary holding company that will be established by MHTB.

The Company plans to merge with SIA, effective on December 1, 2015, as the Company being the surviving entity and SIA the merged entity. The consolidation of the real estate assets through the Merger will create a stable portfolio with both scale and diversity that will also generate synergies through the optimized management and operations of these assets, which, the Company believes, will continuously contribute to securing stable revenue sources and growing Hulic Group's enterprise value.

Hulic Group operates real estate leasing as its core business and seeks to achieve both stability and growth by expanding its real estate portfolio through Tokyo-focused investment strategy. The group believes that the Transaction is a rare opportunity to capture a large portfolio of assets that meets the group's investment criteria, which will contribute to secure stable real estate earnings on a medium to long-term basis. (Note) CRE (Corporate Real Estate) is a business to provide real estate solutions to the companies that may not make the best use of their real estate assets.

2. Summary of share acquisitions as part of the Transaction

(1) Overview of the subsidiary to be transferred

(1)	Corporate name	Simplex Investment Advisors Inc.		
(2)	Address	3-2-2 Kasumigaseki, Chiyoda-ku, Tokyo		
(3)	Name / position of the representative	CEO Kiyohiko Tsukada		
(4)	Lines of business	Management of the group' s subsidiaries and leasing of properties on its own		
(5)	Capital stock	100 million yen (FYE March 2015)		
(6)	Establishment	June 6, 2002		
(7)	Largest shareholders and their shareholding ratios	Common shares: SIA Capital 100% Class D shares: SIA Capital 99.94%, Shibahama 0.06%		
(8)	Relation between Hulic and this company	No matters to report regarding the capital, personnel and business relationship between the Company and Simplex Investment Advisors. The Company sold a trust real estate asset to Godo Kaisha SIA Bridge No. 1, to which Simplex Investment Advisors has 15.1% Tokumei Kumiai investment. Other than the above relationship, no matters to report regarding the capital, personnel and business relationship between the related parties or affiliates of the Company and the related parties or affiliates of G.K. SIA Capital.		
(9)	The operating and financial performance for the past three years (JPY million)			
Fiscal year		FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015
	Net assets	12,882	4,797	7,005
	Total assets	89,433	72,168	70,484
	Net assets per share	1,314,531 yen	489,546 yen	714,840 yen
	Sales	5,515	8,176	5,415
	Operating profit	3,172	5,864	3,226
	Ordinary profit	2,112	4,492	4,417
	Net profit	347	(6,095)	4,668
	Net earnings per share	35,506 yen	(621,987) yen	476,369 yen
	Dividend per share	134,531 yen	202,841 yen	251,537 yen

(2) Overview of the sellers in the Transaction

(1)	Corporate name	G.K. SIA Capital
(2)	Address	3- 22-10-201 Toranomon, Minato-ku, Tokyo
(3)	Name / position of the representative	Representative partner: Manabu Inoue, Functional Manager of G.K. SIA Holdings
(4)	Lines of business	Acquisition and ownership of securities and other assets
(5)	Capital stock	1 million yen
(6)	Net assets	Not disclosed

(7)	Gross assets	Not disclosed
(8)	Establishment	July 23, 2007
(9)	Shareholders and their shareholding ratios	G.K. SIA Holdings 100%
(10)	Relationship between Hulic and this company	No matters to report regarding the capital, personnel and business relationship between the Company and G.K. SIA Capital. Also, no matters to report regarding the capital, personnel and transactional relationship between the related parties or affiliates of the Company and the related parties or affiliates of G.K. SIA Capital.

(1)	Corporate name	G.K. Shibahama
(2)	Address	3- 22-10-201 Toranomon, Minato-ku, Tokyo
(3)	Name / position of the representative	Representative partner: Manabu Inoue, Functional Manager of Cony Realty G.K.
(4)	Lines of business	Acquisition and ownership of securities and other assets
(5)	Capital stock	3 million yen
(6)	Net assets	Not disclosed
(7)	Gross assets	Not disclosed
(8)	Establishment	January 15, 2009
(9)	Shareholders and their shareholding ratios	Cony Realty G.K. 100%
(10)	Relationship between Hulic and this company	No matters to report regarding the capital, personal and business relationship between the Company and G.K. Shibahama Also, No matters to report regarding the capital, personal and business relationship between the related parties or affiliates of the Company and the related parties or affiliates of Shibahama.

(3) The number of shares to be acquired in the Transaction, the acquisition cost and changes in ownership ratios before and after the Transaction

(1)	The number of shares owned before the transfer	SIA Common shares: 0 share (number of voting rights 0, ownership ratio 0.0%) Class D shares: 0 share (number of voting rights 0, ownership ratio 0.0%) SRM Common shares: 0 share (number of voting rights 0, ownership ratio 0.0%) SRP Common shares: 0 share (number of voting rights 0, ownership ratio 0.0%)
(2)	The number of shares to be acquired	SIA Common shares: 9,800 shares Class D shares: 1,643 shares SRM Common shares: 2,000 shares SRP Common shares: 22,600 shares
(3)	Acquisition cost	SIA common shares + class D shares: 66.8 billion yen SRM common shares: 12.2 billion yen SRP common shares: 6.0 billion yen Total (estimate): 85.0 billion yen
(4)	The number of shares owned after the transfer	SIA Common shares: 9,800 shares (number of voting rights 9,800, ownership ratio 100%) Class D shares: 1,643 shares (number of voting rights 0, ownership ratio 100%) SRM Common shares: 0 share (voting rights 0, ownership ratio 0%) SRP Common shares: 0 share (voting rights 0, ownership ratio 0%)

(Note 1) The acquisition of shares will be funded by cash on hand and bank borrowings.

(Note 2) No gains or losses are expected from dispositions of SRM, SRP and 15% SIA REIT units to MHTB.

(Note 3) The acquisition cost of SIA shares is subject to adjustment as prescribed in the sale and purchase agreement.

(4) Timeline for the acquisition and transfer of shares

(1)	Board resolution date	October 28, 2015
(2)	Contract date (acquisition of shares)	October 28, 2015
(3)	Contract date (transfer of shares)	October 28, 2015
(4)	Execution of share acquisition	November 30, 2015 (planned)
(5)	Execution of share transfer	December 15, 2015 (target)

(Note) The acquisition of shares for the Transaction is subject to the absence of any factors that prevent the acquisition of shares, including a cease and desist order as a consequence of the examination by Japan Fair Trade Commission in relation to Article 10-2 of the Antimonopoly Act.

3. Summary of the Merger

(1) Timeline for the Merger

(1)	Board resolution date	October 28, 2015
(2)	Contract date	October 28, 2015
(3)	Resolution by SIA's general shareholders meeting and D class shareholders meeting	October 28, 2015 (planned)
(4)	Planned merger date (effective date)	December 1, 2015 (planned)

(2) Form of Merger

The Merger is conducted in a manner where the Company survives and SIA ceases to exist.

(3) Allocation of assets in relation to the Merger

No assets including shares will be allocated upon the Merger as SIA is a wholly-owned subsidiary as of December 1, 2015, the planned merger date (effective date).

(4) Treatment of stock acquisition rights / corporate bonds with stock acquisition rights

SIA has issued stock acquisition rights. However, the Company will have owned all of them on December 1, 2015 (the effective date), and hence, any assets including the stock subscription rights will not be allocated upon the Merger.

(5) Overview of the parties to be merged

		Surviving company	Merged company
(1)	Corporate name	Hulic Co., Ltd.	Simplex Investment Advisors Inc.
(2)	Address	7-3 Nihonbashi Odenmacho, Chuo-ku, Tokyo	3-3-2 Kasumigaseki, Chiyoda-ku, Tokyo
(3)	Name / position of the representative	President, Representative Director and CEO Saburo Nishiura	CEO Kiyohiko Tsukada
(4)	Lines of business	Holding, leasing, sale/purchase and brokerage of real estate properties, and related businesses	Management of the group's subsidiaries and leasing of properties on its own
(5)	Capital stock	62.6 billion yen (as of end of June 2015)	100 million yen (as of end of March 2015)
(6)	Establishment	March 26, 1957	June 6, 2002
(7)	Total shares outstanding	Common shares 662,498,871 shares	Common shares 9,800 shares Class D Shares 1,643 shares
(8)	Fiscal year end	December 31	March 31
(9)	Largest shareholders and their shareholdings	Meiji Yasuda Life Insurance Company: 7.18% Sompo Japan Nipponkoa Insurance Inc.: 7.18% Tokyo Tatemono Co., Ltd.: 6.31% Fuyo General Lease Co., Ltd. : 6.07% Yasuda Real Estate Co., Ltd.: 4.64% Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Oki Electric	Common shares: SIA Capital 100% Class D Shares: SIA Capital 99.94%, Shibahama 0.06%

	Industry Company Account Standby Trust Bank/Master Trust Bank: 4.47% YASUDA LOGISTICS CORPORATION: 4.39% Mizuho Capital Co., Ltd.: 3.85% Tokio Marine & Nichido Fire Insurance Co., Ltd.: 3.62% TAISEI CORPORATION: 2.71%	
(10) Operating and financial performance for the latest fiscal year (JPY million)		
Fiscal year	FYE Dec. 2014 (consolidated)	FYE Mar. 2015 (parent)
Net assets	205,421	7,005
Total assets	773,401	70,484
Net assets per share	341.40 yen	714,840 yen
Sales	212,791	5,415
Operating profit	36,032	3,226
Ordinary profit	34,314	4,417
Net profit	22,352	4,668
Net earnings per share	37.72 yen	476,369 yen
Dividend per share	10.5 yen	251,537 yen

(6) Any changes upon the Merger

There are changes to corporate name, address, name/position of the representative, lines of business, capital stock and fiscal year period upon the Merger.

4. Future outlook

We believe the effect of the share acquisition and transfer as part of the Transaction on the group's consolidated earnings for the period ending December 2015 is minimal. However, in the event the revision of earnings forecasts or the disclosure of any information is needed, we disclose the revision/information immediately.

(Reference) Forecasts of Consolidated Financial Results for FY2015 and Actual Results of FY2014

(JPY million)

	Revenue from Operations	Operating income	Ordinary income	Net income
Full fiscal year (FY2015)	215,000	42,000	39,000	26,000
Full fiscal year (FY2014)	212,791	36,032	34,314	22,352