July 28, 2016
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(Stock Code: 3003JP TSE 1st section)
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Financial Information of 2nd Quarter FY2016 (January～June)【SUMMARY】

Ⅰ. FY2016 2nd Quarter performance result Summary

(**Billion** of Japanese Yen)

	FY2015 2Q	**FY2016 2Q**	UP from last year	% 2016/2015	FY2016 forecast
Operating Revenue	84.9	**96.9**	12.0	up 14.2 %	N.A.
Operating Income	21.7	**25.9**	4.2	up 19.1 %	50.0
Ordinary Income	21.2	**25.2**	4.0	up 18.7 %	47.0
Net Income	14.5	**17.6**	3.1	up 21.2 %	30.5
Annual Dividend	15.5 yen				16.0 yen

[Summary]
・**HULIC Co.,Ltd. outpaced the original income estimation after the 2Q result**.
・Both income from rent (leasing business) and capital gains increased from a year ago.
・Operating Revenue = We do not target revenue as a management goal as we forcus more leasing activities than sales.
・Operating Income = Fixed Asset acquisition in the former year pushed up leasing income since the beginning of FY2016.
In addition, capital gains from Sales Asset (one of former SIMPLEX asset) made a good contribution in 2Q.
・Ordinary Income, which is our preferred management target, increased 18.7% from 2Q FY2015.
Negative interest-rate policy applied by Bank of Japan enabled us to get cheaper funding even the duration got longer.
・Net Income, which we originally discounted the former year's special factor to make estimation in 2016, booked good numbers at the end of 1st half. We may update to accurate estimation if necessary in the 2nd half.
・'Value-add business' under the new 3 year management plan, in which we try to exit our value-added properties after acquisition from secondary market, has made small progress and expected to increase more in 3Q and 4Q.
・New rent term with Mizuho Financial Group should resume as of April 1st but negotiation has not finalized yet.
We will be back-dating the difference once the contract gets effective.

[Environment]
・Inbound tourism into Japan does not show any sign of detrioration in 2016. Overall Inbound population increased by 23.9% from previous 1st half by JNTO statistics, and monthly Chinese visitors continue to break a new record each month.
Hotel and Tokyo core commercial properties keep outperforming.

Ⅱ. Share Price and Market Cap history.

Positive reaction of share prices against BOJ'S negative interest-rate policy announcement was limited, but Japanese real estate sector has been stabilizing.

(Japanese Yen)

	2013/12	2014/12	2015/12	2016/6
Share Price	1,555 yen	1,211 yen	1,069 yen	1,072 yen
Market Capitalization (yen)	**926.3 Billion**	**722.1 Billion**	**708.2 Billion**	**710.4 Billion**
Ordinary Income (yen)	25.9 Billion	34.3 Billion	42.5 Billion	n.a.
unrealized value of leasing asset	75.5 Billion	149.4 Billion	220.0 Billion	n.a.

Ⅲ. The New 3 year Mid-term Business Plan (FY2016～FY2018)

After achieving previous 3-year mid-term plan one year early, a new plan has launched.

(Billion of Japanese Yen)

	FY2015	FY2016F	FY2018 mid term target	FY2023 goal
Operating Revenue	169.9	N.A.	N.A.	N.A.
Operating Income	42.0	50.0	**67.0～70.0**	N.A.
Ordinary Income	42.5	47.0	**61.0～64.0**	**85.0**
Net Income	33.6	30.5	**39.0～41.0**	N.A.
Annual Dividend	15.5 yen	16.0 yen F	**ratio target 30%+**	-

(*) Ordinary Income target in FY2023 has not been changed.

END