July 28, 2017
Company Name: Hulic Co., Ltd.
(Stock Code: 3003JP TSE 1st section)
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(GM: Corporate Communications & IR)

Financial Information of 2nd Quarter FY2017（January～June）【SUMMARY】

Ⅰ. FY2017 2nd Quarter performance result Summary

(Billion of Japanese Yen)

	FY2016 2Q	**FY2017 2Q**	17Q2-16Q2	% 17Q2/16Q2	FY2017 forecast
Operating Revenue	96.9	**96.9**	0.0	down 0.0 %	N.A.
Operating Income	25.9	**32.1**	6.1	up 23.8 %	60.0
Ordinary Income	25.2	**30.8**	5.6	up 22.5 %	57.0
Net Income	17.6	**20.8**	3.1	up 17.7 %	38.0
Dividend	8 yen	**9 yen**			18 yen (F)

[Summary]

- **All 2Q income results have beaten street forecast.**
- The biggest reason of the surge in 2Q came from 'The Ginza Six' asset sales. (8th floor: office block)
  Appraisal value in the Ginza central published by the Public office increased rapidly in the last few years.
  It has exceeded the early 1990s', bubble-era historical high.
- We will still expect more asset transfer to both our sponsored J-REIT(3295 JP) and newly establishing Private REIT in 4Q.
- Leasing business also gets better in our territory. We started new commercial-retail midsize brand 'HULIC &New' series in Shibuya and Shinbashi district, followed by other Tokyo commercial district in coming years.

- Operating Revenue = We do not target revenue as a management goal as we forcus more leasing activities than sales.
- Operating Income = In addition to the asset sales in GINZA and to our J-REIT, Fixed Asset acquisition in the former yea pushed up net leasing space by 6%, with a small rent rise, contributed to leasing income increase.
- Ordinary Income, which is our preferred management target, increased 22.5% year on year.
- Mid-term dividend payout was approved at 9 yen per share, 1 yen higher than previous year.

[Environment]

- 'Value-add business' under the current 3 year management plan, will accerelate the transaction volume by newly established subsidiaries 'Hulic Property Solution Co.Ltd.'
- Inbound tourism into Japan continues to expand in 2017. 1st half inbound tourist population increased by 17.5% on y-o-y and total consumption amount up by 8.6%. Hotel ADR is rebounding.
- BOJ monetary policy likely to hold at the current level after they decided to postpone the inflation target period. Investment money will be expected to flow into the urban area real estate continuously.

Ⅱ. Share Price and Market Cap history.

(Japanese Yen)

	2014/12	2015/12	2016/12	2017/6
Share Price	1,211 yen	1,069 yen	1,039 yen	1,147 yen
Market Capitalization (yen)	**722.1 Billion**	**708.2 Billion**	**688.8 Billion**	**760.5 Billion**
Annual Ordinary Income (yen)	34.3 Billion	42.5 Billion	51.4 Billion	n.a.
unrealized value of leasing asset	149.4 Billion	220.0 Billion	253.6 Billion	n.a.(*)

(*) We publish this figure once a year when annual financial result comes out.

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

(Billion of Japanese Yen)

	FY2017F	FY2018 mid term target	FY2023 goal
Operating Revenue	N.A.	N.A.	N.A.
Operating Income	60.0	**67.0～70.0**	N.A.
Ordinary Income	57.0	**61.0～64.0**	**85.0**
Net Income	38.0	**39.0～41.0**	N.A.
Annual Dividend	18.0 yen F	**30%+**	-

END