July 30, 2018
Company Name: Hulic Co., Ltd.
(Stock Code: 3003JP TSE 1st section)
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(GM: Corporate Communications & IR)

Financial Information of 2nd Quarter FY2018 (January～June)【SUMMARY】

Ⅰ. FY2018 2nd Quarter performance result Summary

(Billion of Japanese Yen)

	FY2017 2Q	**FY2018 2Q**	18Q2-17Q2	% 18Q2/17Q2	FY2018 forecast
Operating Revenue	96.9	**114.5**	17.5	up 18.1 %	N.A.
Operating Income	32.1	**35.5**	3.4	up 10.5 %	72.0
Ordinary Income	30.8	**34.3**	3.4	up 11.2 %	68.5
Net Income	20.8	**23.6**	2.8	up 13.4 %	46.5
Dividend per share	9 yen	**11.5 yen**			23.5 yen

[Summary]

- **All 2Q income results beat the histroical 2Q record.**
- The Company enjoyed the good capital gains in both 1Q and 2Q under the upbeat Tokyo CBD market. Appraisal value in the Tokyo top 5 wards are still on the rise and our sales asset enjoyed more than expected profit.
- Leasing income also expanded due to the past acquisition, but current acquisition environment is competitive and Cap rate has been crunching.
- The Company will continue to expedite sales activity in coming quarters and promote to reshuffle the real estate portfolio into which Hulic ideal location and sizes through reinvesting.

- Operating Revenue = We do not target revenue as a management goal.
- Operating Income = 39% of Income came from capital gains and the other 61% from leasing and fees etc
- Ordinary Income, which is our preferred management target, increased 11.2% year on year and booked over 50% of annual budget.
- Mid-term dividend payout was approved at 11.5 yen per share, 2.5 yen higher than previous year.

[Environment]

- Tokyo CBD Office market has been improving continuously (record-low vacancy rate and improving average rent per㎡/Tsubo.)
- Supply concern of S/A class Tokyo Offices in 2018 is slowly evaporating up to this point.
- Real estate acquisition environment gets cutthroat in the Tokyo urban area and cap rate has been still down.
- Inbound tourism into Japan continues to expand. 1st half inbound tourist population increased by 15.6% on y-o-y
- Funding environment has not changed and relatively easy. The Company is enjoying the low borowing cost.

Ⅱ. Share Price and Market Cap history.

(Japanese Yen)

	2015/12	2016/12	2017/12	2018/6
Share Price	1,069 yen	1,039 yen	1,266 yen	1,183 yen
Market Capitalization (yen)	708.2 Billion	688.8 Billion	839.4 Billion	784.4 Billion
Annual Ordinary Income (yen)	42.5 Billion	51.4 Billion	61.8 Billion	n.a.
unrealized value of leasing asset	220.0 Billion	253.6 Billion	293.3 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 (FY2018～FY2020)

(Billion of Japanese Yen)

	FY2017A	FY2018F	FY2020 mid term target
Operating Revenue	289.6	N.A.(*)	N.A.
Operating Income	64.2	72.0	88.0
Ordinary Income	61.8	68.5	85.0
Net Income	42.4	46.5	55.0
Annual Dividend per share	21.0 yen	23.5 yen	

(*) Revenue forecast will be released before year-end.

END