July 30, 2019
Company Name: Hulic Co., Ltd.
(Stock Code: 3003JP TSE 1st section)
President : Manabu Yoshidome
Contact :itou.shin@hulic.co.jp
(GM: Corporate Communications & IR)

Financial Information of 2nd Quarter FY2019（January～June）【SUMMARY】

FY2019 2nd Quarter performance result Summary

(Billion of Japanese Yen)

	FY2017 2Q	FY2018 2Q	**FY2019 2Q**	% YOY	**FY2019 Forecast**
Operating Revenue	96.9	114.5	**171.1**	up 49.4 %	**N.A**
Operating Income	32.1	35.5	**38.9**	up 9.6 %	**85.0**
Ordinary Income	30.8	34.3	**36.7**	up 7.0 %	**80.0**
Net Income	20.8	23.6	**26.1**	up 10.4 %	**54.5**
Total annual Dividend	9 yen(*)	11.5 yen(*)	**14.0yen(*)**		**28.5 yen**

(*) mid-year dividend

[Summary]

・HULIC 2019 1st half results achieved record-high income level, 46% of annual OP guidance.
・Both rent income and capital gains increased YOY. Capital gains share downed below 40% of total income.
・Extra income came from expanded leasing space and cap-rate compression with Tokyo real estate.
・More capital gains will be expected in the second-half and FY2019 guidance cannot be changed.

[FY2019 and beyond]

・ National Tax Agency Tokyo Office announced their assessment of Tokyo real estate as of January 1, 2019.
The highest increase in NAV area was town of ASAKUSA, which advanced 35% YOY.
ASAKUSA has been Hulic's strategic focus zone as a most potential tourism related business expected.
On June 7th, we announced our wholly-owning agreement of the company of Nippon View Hotel Co., Ltd.
and their core hotel asset locates in the ASAKUSA central tourist district.
・ Most expensive 'Real Estate value per tsubo' was GINZA, according to the National Tax Agency report.
GINZA, one of the top commercial district in the world, has been our long-term favorite location.
HULIC has been one of the the largest land-owner in GINZA zone and we are still expanding the ownership.

1) In the first half of FY2019 only, we have made over 250 billions Japanese Yen investment for long-term holding purpose real estate. This was exceeded our original annual investment guidance. However, we will still look for attractive investment opportunities as funding environment remains good for the company. Our leasing profit, accordingly, will be expected to increase in the second half of the year.
2) Cap rate compression continues in central Tokyo due to BOJ's negative interest rate monetary policy. Policy of central bank will stay longer as national consumption tax hike in October is almost certain now.
3) We continue to expedite portfolio reshuffle under current good market to strengthen our core portfolio. Not only the mid-size office but Hotel and Nursing Home may remain as the most opportunistic asset class.

KPI

(Japanese Yen)

	2016/12	2017/12	2018/12	2019/6
NIKKEI Index	19,114	22,764	20,014	21,275
HULIC share price	1,039 yen	1,266 yen	985 yen	866 yen
Market Capitalization	688.7 Billion	839.4 Billion	653.1 Billion	574.2 Billion
EPS	53.00 yen	64.38 yen	75.18 yen	n.a
BPS	511.68 yen	570.02 yen	608.49 yen	633.77 yen
unrealized value of leasing asset	253.6 Billion	293.3 Billion	323.2 Billion	n.a

END