April 28, 2020

To All Parties Concerned,

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Notice regarding the Issuance of Subordinated Bonds through Public Offering

TOKYO, April 28, 2020 - Hulic Co., Ltd. ("Hulic" or the "Company") hereby announces that it has decided to issue its subordinated bonds (the "Hybrid Bonds") through a public offering as follows:

1. Purpose and Background of the Issuance of the Hybrid Bonds

The Hulic group which operates real estate leasing business as its core business, has formulated a new long-term management plan (2020 to 2029) targeted at achieving an "ordinary income of 180 billion yen" in 10 years (by 2029), pursuing strategies for further growth by focusing on "Reform" and "Speed" while ensuring an optimal balance of "PL Growth," "Profitability," "BS Soundness" and "Productivity (efficiency)." The group also launched a new medium-term management plan (2020 to 2022) as the first phase of such long-term plan.

Under such circumstance, Hulic has decided to issue the Hybrid Bonds as a means of fund raising that will reinforce its financial base as well as not result in a decline in capital efficiency caused by a dilution of equity, in order to further evolve its group's business model focusing on real estate leasing and achieve sustainable growth in corporate value.

2. Characteristics of the Hybrid Bonds

The Hybrid Bonds are positioned between debt and equity. While they are classified as a financial liability and will not result in dilution of the existing shares, they have characteristics similar to equity due to their terms and conditions including super-long maturity, an option to defer interest payments, and subordination in liquidation and bankruptcy proceedings. Hulic therefore expects that 50% of the funds raised by the Hybrid Bonds will be recognized as equity by a rating agency (Japan Credit Rating Agency).

3. Schedule

Hulic today has filed the Amendment to the Shelf Registration Statement with the Director-

General of the Kanto Local Finance Bureau for the issuance of the Hybrid Bonds. Hulic has appointed Mizuho Securities Co., Ltd. as a book-runner, and Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd. and SMBC Nikko Securities Inc. as co-lead managers for the Hybrid Bonds. Hulic will determine the issue amount, interest rate and certain other terms by comprehensively taking account of various factors such as the demand and the market conditions.

Note: The purpose of this press release is to make a general public announcement concerning the issuance of the subordinated bonds by Hulic Co., Ltd. through public offering in Japan. It has not been prepared for the purpose of offer of, or solicitation of an offer to buy or subscribe for, securities of Hulic Co., Ltd. The above-mentioned securities will not be or have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements thereunder.