

Translation Purpose Only

May 18, 2022

To All Concerned Parties

Name of REIT Issuer:
Hulic Reit, Inc.
2-26-9 Hatchobori, Chuo-ku, Tokyo, Japan
Kazuaki Chokki, Executive Officer
(TSE Code: 3295)
Contact:
Asset Management Company
Hulic REIT Management Co., Ltd.
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Notice concerning Issuance of Investment Corporation Bonds (Green Bonds) and Early Repayment of Borrowings

TOKYO, May 18, 2022 – Hulic Reit, Inc. (“Hulic Reit”) announces today that it has decided to issue investment corporation bonds (green bonds) (the "Green Bonds") and to make an early repayment of certain existing borrowings (the "Early Repayment") as follows.

1. Overview of investment corporation bonds

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| (1) | Name of investment corporation bonds | : Hulic Reit Seventh Series Unsecured Investment Corporation Bond (with <i>pari passu</i> conditions among specified investment corporation bonds) |
| (2) | Total issue amount of investment corporation bonds | : ¥2.0 billion |
| (3) | Form of bond certificate | : The Green Bonds are subject to the Act on Book-Entry of Company Bonds, Shares, etc., under which investment corporation bond certificates will not be issued. |
| (4) | Amount to be paid in | : ¥100 per ¥100 of each Green Bond |
| (5) | Redemption amount | : ¥100 per ¥100 of each Green Bond |
| (6) | Interest rate | : 0.330% per annum |
| (7) | Amount of each investment corporation bond | : ¥100 million |
| (8) | Method of offering | : Public offering |
| (9) | Subscription period | : Wednesday, May 18, 2022 |
| (10) | Payment date | : Tuesday, May 24, 2022 |
| (11) | Security | : The Green Bonds are unsecured and unguaranteed with no specific assets reserved for the Green Bonds. |
| (12) | Redemption method and date | : The total amount of the Green Bonds will be redeemed on Monday, May 24, 2027.
The Green Bonds may be retired by purchase at any time on or after the date subsequent to the payment date, unless otherwise determined by the book-entry transfer institution, Japan Securities Depository Center, Incorporated. |
| (13) | Interest payment dates | : May 24 and November 24 of each year (If an interest payment date falls on a bank holiday, then the date of payment is to be moved forward to the prior bank business day.) |
| (14) | Financial covenants | : Negative pledge clause attached. |

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- (15) Credit rating received : AA (Japan Credit Rating Agency, Ltd.)
- (16) Fiscal, issuance and payment agent : Mizuho Bank, Ltd.
- (17) Underwriters : Mizuho Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for issuance

Hulic Reit has decided to issue the Green Bonds in order to strengthen its funding base by expanding the group of investors interested in ESG investment and financing, as well as to further promote initiatives for sustainability.

The Green Bonds will be issued as green bonds based on the sustainability finance framework (Note) of Hulic Reit, described in the “Notice concerning the Formulation of the Sustainability Finance Framework and the Borrowing of Funds (Green Loan, etc.)” released on February 22, 2022.

For eligibility of the Green Bonds, Hulic Reit has been assigned a final evaluation of “Green 1,” the highest evaluation grade in the JCR Green Bond Evaluation, by Japan Credit Rating Agency, Ltd.

Note: For further details concerning the sustainability finance framework, please refer to the “Notice concerning the Formulation of the Sustainability Finance Framework and the Borrowing of Funds (Green Loan, etc.)” released on February 22, 2022.

3. Amount, use and planned disbursement date

- (1) Amount of the proceeds (estimated net proceeds)
¥1,984 million

- (2) Specific use of the proceeds and planned disbursement date

Hulic Reit intends to apply all of the proceeds from the Green Bonds to make a partial repayment of borrowings outstanding to acquire “Hulic Kojimachi Building”, which is an eligible green asset in the sustainability finance framework, and plans to carry out the Early Repayment as follows on May 31, 2022.

4. Details of the Early Repayment

- (1) Amount of early repayment : ¥2.0 billion
- (2) Date of early repayment : May 31, 2022
- (3) Funds of early repayment : The Green Bonds and cash reserve

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5. Details of borrowings subject to the Early Repayment

Term	Lender	Borrowing amount	Drawdown date	Repayment date	Repayment method	Security
Short-term	Syndicate of lenders arranged by Mizuho Bank, Ltd. (Notes 1)	¥2.0 billion (Notes 2)	November 1, 2021	October 31, 2022	Lump-sum repayment	Unsecured and unguaranteed

Notes:

- 1 The syndicate of lenders consists of Mizuho Bank, Ltd.
- 2 For details on the borrowings, please see “Notice concerning the Borrowing of Funds” released on October 14, 2021.

6. Financing Status after issuance of the Green Bonds and the Early Repayment

(Millions of yen)

	Before issuance of the Green Bonds and the Early Repayment	After issuance of the Green Bonds and the Early Repayment	Change
Short-term borrowings (Note)	2,000	0	(2,000)
Long-term borrowings (Note)	161,616	161,616	0
Total borrowings	163,616	161,616	(2,000)
Investment corporation bonds	15,000	17,000	2,000
Total interest-bearing debt	178,616	178,616	0

Note: “Short-term borrowings” refer to borrowings with a maturity of one year or less from the drawdown date. “Long-term borrowings” refer to borrowings with a maturity of more than one year. At any point in time, even when the time until maturity of long-term borrowings is less than one year, the outstanding balance is still included in “Long-term borrowings.”

7. Future outlook

The impact of the execution of the Green Bonds and the Early Repayment is immaterial to the outlook concerning our financial results for the fiscal period ending August 31, 2022 (March 1, 2022 to August 31, 2022) and the fiscal period ending February 28, 2023 (September 1, 2022 to February 28, 2023), and therefore we make no revisions to such outlook.

8. Other necessary matters for investors to adequately understand and make an informed decision based on the above information

There are no changes to the content in “Chapter 2. Supplementary information, Part 2. Additional information for supplementary documents, 3. Investment Risks” of the shelf registration supplements submitted to the regulator on May 18, 2022, concerning risks pertaining to the issuance and redemption of the Green Bonds, and the Early Repayment.

* Hulic Reit’s website: <https://www.hulic-reit.co.jp/en/index.html>