

HULIC REIT, INC.

Translation Purposes Only

February 26, 2024

To All Concerned Parties

Name of REIT Issuer:

Hulic Reit, Inc.

2-3-11 Kandasurugadai, Chiyoda-ku, Tokyo, Japan

Kazuaki Chokki, Executive Officer

(TSE Code: 3295)

Contact:

Asset Management Company

Hulic REIT Management Co., Ltd.

Kazuaki Chokki, President and CEO

Person to Contact:

Hiroshi Machiba, Director, CFO, Head of Planning and

Administration Division and General Manager of Finance

and Planning Department

Tel: +81-3-5244-5580

Notice Concerning the Borrowing of Funds (Green Loan)

TOKYO, February 26, 2024 – Hulic Reit, Inc. (“Hulic Reit”) announces today that it has decided to borrow funds (“Borrowing of Funds”) as follows.

I. Details of the Borrowing of Funds

1. Details of the Borrowing of Funds

Term	Lender	Borrowing amount	Interest rate (Notes 7)	Anticipated drawdown date	Borrowing method	Repayment date	Repayment method (Notes 12)	Security
Long-term	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 1)	¥2.438 billion	Base interest rate (JBA three -months Japanese Yen TIBOR) + 0.165% (Notes 8)	February 29, 2024	Borrowing in accordance with the individual term loan agreement to be entered into on February 27, 2024 with the lender shown on left	August 31, 2026	Lump-sum repayment	Unsecured and unguaranteed
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 2) (Green Loan) (Note 6)	¥1.0 billion	Base interest rate (JBA three -months Japanese Yen TIBOR) + 0.170% (Notes 8)			February 29, 2028		
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 3) (Green Loan) (Note 6)	¥1.0 billion	Base interest rate + 0.210% (Notes 8) (Notes 9)			February 28, 2029		

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Term	Lender	Borrowing amount	Interest rate (Notes 7)	Anticipated drawdown date	Borrowing method	Repayment date	Repayment method (Notes 12)	Security
Long-term	Nippon Life Insurance Company (Green Loan) (Note 6)	¥1.0 billion	Undetermined (Notes 10) (Notes 11)	February 29, 2024	Borrowing in accordance with the individual term loan agreement to be entered into on February 27, 2024 with the lender shown on left	February 28, 2030	Lump-sum repayment	Unsecured and unguaranteed
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 4)	¥2.477 billion	Base interest rate (JBA three -months Japanese Yen TIBOR) + 0.320% (Notes 8)			February 28, 2031		
	Syndicate of lenders arranged by Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 5)	¥2.328 billion	Undetermined (Notes 10) (Notes 11)			February 28, 2031		

Notes:

- The syndicate of lenders consists of Mizuho Bank, Ltd., The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited and Development Bank of Japan Inc.
- The syndicate of lenders consists of Mizuho Bank, Ltd.
- The syndicate of lenders consists of Resona Bank, Limited.
- The syndicate of lenders consists of Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation.
- The syndicate of lenders consists of MUFG Bank, Ltd. and Development Bank of Japan Inc.
- The borrowings will be procured through green loans based on the Sustainability Finance Framework (below, the “Framework”). For details of the Framework, see the webpage “Sustainability Finance” on Hulic Reit’s website available at the following link: <https://www.hulic-reit.co.jp/en/esg/greenfinance.html>.
- The loan fees and other charges to be paid to the lender(s) are not included.
- The first interest payment date will be May 31, 2024, and subsequently thereafter the interest payment date will fall on the last day of February, May, August, and November of each applicable year and on the principal repayment date (the repayment date will be the next business day if it falls on a non-business day or the prior business day if such next business day falls in the next month). The base interest rate applied to the calculation period for the interest payable on the interest payment date will be the three-months Japanese Yen Tokyo Interbank Offered Rate (TIBOR) published by the General Incorporated Association JBA TIBOR Administration (JBATA) two business days prior to each interest payment date. (For the first calculation period, the base interest rate shall be the two business days prior to the anticipated drawdown date.) These base interest rates will be revised on each interest payment date. Please refer to the JBATA website (<https://www.jbatibor.or.jp/rate/>) for the latest and historical JBA Japanese Yen TIBOR rates.
- If certain green eligibility certifications, among other requirements (below, the “conformance requirements”), are acquired and maintained for the underlying assets of this borrowing, the benchmark interest rate calculated based on the Bank of Japan's Basic Guidelines for Funds-Supplying Operations to Support Financing for Climate Change Responses (below, the “Climate Change Response Operations”) will be applied for each interest calculation period. However, if the conformance requirements are no longer met, the benchmark interest rate corresponding to that period will be determined based on the method stipulated in the contract. Please refer to “Funds-Supplying Operations to Support Financing for Climate Change Responses” on the Bank of Japan's website for the benchmark interest rate for the Climate Change Response Operations (https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_x/index.htm).

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- 10 The first interest payment date will be May 31, 2024, and subsequently thereafter the interest payment date will fall on the last day of February, May, August, and November of each applicable year and on the principal repayment date (the repayment date will be the next business day if it falls on a non-business day or the prior business day if such next business day falls in the next month).
- 11 Funds will be borrowed at a fixed interest rate, which will be announced once it has been determined.
- 12 In cases where certain requirements, such as prior written notice of Hulic Reit, are met during the term after the execution of the borrowing shown above until the repayment date, Hulic Reit may repay the principal of the borrowing in part or in its entirety prior to the repayment date.

2. Reason for the Borrowing of Funds

Hulic Reit intends to make an early repayment and refinancing listed in “3. Amount, use and planned disbursement date / (2) Specific use of the proceeds” below. In addition, the Borrowing of Funds will allow Hulic Reit to facilitate long-term borrowings and diversification of maturity dates, while maintaining strong and stable relationships with existing financial institutions.

3. Amount, use and planned disbursement date

(1) Total amount of proceeds: ¥10.243 billion

(2) Specific use of proceeds

Hulic Reit intends to allocate the part of the early repayment funds of ¥4.3 billion in short-term borrowings described in “Notice concerning Partial Early Repayment of Borrowings” on February 22, 2024 and the refinance funds of ¥1.309 billion in long-term borrowings due on February 29, 2024 described in “Notice concerning the Borrowing of Funds and Early Repayment of Borrowings” announced on February 19, 2016, ¥6.434 billion in long-term borrowings due on February 29, 2024 described in “Notice concerning the Refinancing of Funds and Extension of Commitment Line Contracts” announced on February 2, 2017 and ¥0.5 billion in long-term borrowings due on February 29, 2024 described in “Notice Concerning the Borrowing of Funds and Early Repayment of Borrowings” announced on January 29, 2019.

A portion of the above borrowing is for repaying loans (including borrowings replaced by refinancing) related to the acquisition of properties held by the investment company that meet the qualifying criteria based on the Framework.

(3) Planned disbursement date: February 29, 2024

4. Status of interest-bearing debt after the Borrowing of Funds

(Millions of yen)

	Prior to Borrowing of Funds	After Borrowing of Funds (Notes 1)	Change
Short-term borrowings (Notes 2)	8,000	6,000	▲2,000
Long-term borrowings (Notes 2)	163,116	165,116	2,000
Total borrowings	171,116	171,116	0
Investment corporation bonds	17,000	17,000	0
Total of borrowings and investment corporation bonds	188,116	188,116	0

Notes:

- 1 The outstanding balance after the Borrowing of Funds includes the contents described in the “Notice concerning Partial Early Repayment of Borrowings” announced on February 22, 2024.

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- 2 “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 longer than one year. At any point in time, even when time to maturity of a long-term borrowing is less than one year, such outstanding balance is still included in the line item “Long-term borrowings.”

II. 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 1. Fund Information, Part 1. Fund Status, 3. Investment Risks” of the securities report, submitted to the regulator on November 24, 2023, concerning risks pertaining to the repayment of the Borrowing of Funds and the Partial Early Repayment.

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