

(3) Motivating Work Environment (Nurturing of Human Resources, Diversity, Etc.)

1. Basic Approach to Recruiting and Training Personnel

Since Hulic Reit is prohibited from hiring employees based on the provisions of the Act on Investment Trusts and Investment Corporations (“the Investment Trust Act”), it has no employees and mandates its asset management tasks to Hulic REIT Management. With the purpose of providing high-quality asset management services as Hulic Reit’s asset management company, Hulic REIT Management aims to hire suitable personnel based on the business environment, operational status, and other factors, and it views improving employees’ expertise as an essential issue.

Moreover, Hulic REIT Management has established initiatives for employees and officers as a key issue in its Sustainability Policy and materiality.

To achieve these goals, Hulic REIT Management has created a framework for developing specialized personnel, including training programs and a system to support obtaining qualifications, and it promotes diversity and initiatives that enhance the well-being, safety, and comfort of employees in order to develop a rewarding work environment.

Along with recruiting highly specialized personnel from outside the company, Hulic REIT Management also receives seconded employees with a high level of expertise in areas required to operate Hulic Reit, such as property acquisition, property management, finance, and IR, on temporary assignment from its sponsor Hulic. For more information about Hulic’s employee-related initiatives, consult the following webpage:

<https://www.hulic.co.jp/en/sustainability/social/employee/>

2. Specific Initiatives

Human Resources Development

■ Training Programs

Hulic REIT Management supports individual efforts by employees to improve their expertise with the establishment of a training support system, such as full subsidization of the cost of participating in outside training by employees.

- **Theme-specific training:**

Hulic REIT Management conducts sustainability training and compliance training for all employees (not limited to permanent employees, but including also contract employees, etc. ^(Note)) several times throughout the year.

- **Training for managers:**

The Hulic Group conducts training for not only current managers but also potential manager candidates to support them in gaining the management skills required in the future (Training course names: Management Position Training, Assistant Manager Training, etc.).

- **Training by external educational institutions:**

Since Hulic REIT Management is a member of the Association for Real Estate Securitization (ARES), all employees of the company (not limited to permanent employees, but including also contract employees, etc. ^(Note)) may attend training workshops, seminars, lectures, and open seminars combining PR and education for workers offered by ARES.

(Note) Trainings are for all employees, including also contract employees, etc., but no contract employees, etc. were in employment in fiscal 2020.

[Training Hours and Costs at Hulic REIT Management ^(Note 1)]

Item	FY2017	FY2018	FY2019	FY2020
Proportion of employees who participated in training ^(Note 2)	100%	100%	100%	100%
Annual training hours per employee ^(Note 3)	Approx. 9.6 hours	Approx. 7.0 hours	Approx. 8.5 hours	Approx. 6.8 hours
Annual training costs ^(Note 4)	272,000 yen	441,000 yen	387,000 yen	493,000 yen

(Note 1) The values indicated in this table were calculated for all employees, including contract employees, etc. (including officers who have concurrent duties as employees and seconded employees from the sponsor). The values for fiscal 2017 include 1 contract employee, etc., on the books at the end of that year. In fiscal 2018, 2019, and 2020, no contract employees, etc., were employed.

(Note 2) This is calculated as follows: no. of employees among the employees on the books at the end of each fiscal year who participated in training that year ÷ no. of employees on the books at the end of that fiscal year.

(Note 3) This is calculated as follows: total no. of training hours in each fiscal year calculated for all employees on the books at the end of that year (including the time spent taking tests, etc., to verify the results of training) ÷ no. of employees on the books at the end of that fiscal year (the values are rounded off to the first decimal place).

(Note 4) This indicates the total amount of expenses recorded as training expenses, etc., by Hulic REIT Management in each fiscal year (rounded down to the nearest thousand).

■ Support for Obtaining Qualifications

Hulic REIT Management supports employees in obtaining professional qualifications, such as the Association for Real Estate Securitization (ARES) Certified Master (an educational program for systematic learning of practical specialized knowledge in the real estate and finance fields). A system in which the company bears the costs associated with taking training and examinations for obtaining various qualifications, retaining the qualifications, taking various seminars and other efforts to maintain and improve skill-sets is made available to all employees. The system is being utilized as an opportunity to advance careers, and keep gaining and improving specialized knowledge. The following is the number of persons who have obtained professional qualifications or have passed the examinations (including employees seconded by the sponsor).

- ARES Certified Master: 15
- Real Estate Notary: 19
- Real Estate Appraiser: 2
- Certificate-holder Member of SAAJ: 2
- Certified Building Administrator: 7

*As at June 30, 2021

■ Periodic Career Interviewing

For all employees (not limited to permanent employees, but including also contract employees, etc. ^(Note)), Hulic REIT Management has a structure in place for well-communicated and transparent goal setting and evaluation feedback by conducting interviews (feedback on evaluation results) at the end of the period between employees and their managers, and creating other opportunities to talk for employees to receive consultation on their career development, receive feedback on their performance, voice requests of the company and other matters.

Fiscal year	Percentage interviewed
Fiscal 2018 results	100.0%
Fiscal 2019 results	100.0%
Fiscal 2020 results	100.0%

(Note) "Career interviewing" is for all employees, including contract employees, etc., but no contract employees, etc., were employed in fiscal 2018, 2019, and 2020.

Work-Life Balance

■ Employee Satisfaction Survey (President Questionnaire)

As part of initiatives to build mutually good relationships between employees and the company, Hulic REIT Management conducts the President Questionnaire as a form of employee satisfaction survey of all employees (not limited to permanent employees, but including also contract employees, etc. ^(Note)) every year (fiscal 2020: response rate of 100%). Along with pursuing realization of an employee-friendly environment, dialogue between each and every employee and top management is pursued on a regular basis.

(Note) The President Questionnaire is for all employees, including also contract employees, etc., but no contract employees, etc. were in employment in fiscal 2020.

■ Employee Benefits

Hulic REIT Management and the Hulic Group have set up the following range of employee benefit programs for all employees as part of initiatives for creating a work environment in which employees can continue to work healthily and with peace of mind.

[\[Examples of employee benefits\]](#)

- Leave, absence and flexible work hour arrangements for childcare
- Leave, absence and flexible work hour arrangements for nursing care
- Collaboration with welfare service providers
- Providing medical checkups that exceed legal requirements
- Investment unit ownership program for officers and employees ^(Note)
- Holding Hulic Group social gathering (stand-up party) (once a year)
- Staggered shifts

(Note) For details regarding the investment unit ownership program for officers and employees, refer to "2. Hulic REIT Management's Corporate Governance/Introduction of Investment Unit Ownership Program for Officers and Employees" in Section 1, "Corporate Governance," of the "Governance" chapter in this report.

■ Office Environment Improvements

Hulic REIT Management have installed coffeemakers (for complimentary use) and set up cafeteria space to create office space that considers for the comfort of employees.

■ Enhancement of Productivity

Hulic REIT Management promotes reduction of overtime work with focus on enhancing productivity per hour while keeping corrective measures to change long working hour culture in mind. Hulic REIT Management is also simultaneously pursuing corporate infrastructure and IT-related developments, office environment improvements, etc.

■ Initiatives for Prevention of the Spread of the Coronavirus

Hulic REIT Management implements the following various initiatives for employees as part of measures to prevent the spread of the coronavirus.

[\[Examples of measures to prevent the spread of the coronavirus\]](#)

- Introduction of teleworking program
- Utilization of staggered shifts
- Installation of panels for preventing respiratory droplet transmission inside the office
- Thorough hand hygiene and wearing of face masks inside and outside the office

■ Points of Contact for Employees

For details regarding “Points of Contact for Employees,” refer to “2. Compliance Structure/Compliance Hotline (anonymous reporting and consultation are possible)” in Section 2, “Compliance,” of the “Governance” chapter in this report.

Diversity

■ Breakdown of Employees of Hulic REIT Management

Hulic REIT Management seeks diversity in the workforce by enriching the lineup of personnel programs to match each and every employee's life stages and careers. The lineup of personnel programs for employees to work with more peace of mind (childcare leave, etc.) has also been enriched from early on.

[\[Personnel Data for Hulic REIT Management ^{\(Note 1\)}\]](#)

	FY2018	FY2019	FY2020
Average length of service ^(Note 2)	2 years 7 months	2 years 11 months	3 years 7 months
Female	3 years 1 month	3 years 9 months	4 years 3 months
Male	2 years 5 months	2 years 8 months	3 years 4 months
No. of departing employees	1 employee	0 employees	0 employees
Turnover rate ^(Note 3)	4.2%	0.0%	0.0%
No. of female employees ^(Note 4)	8 employees	7 employees	7 employees
Proportion of employees who are female ^(Note 5)	33.3%	26.9%	25.9%
No. of female employees in management positions ^(Note 6)	0 employees	3 employees	2 employees
Proportion of management positions occupied by female employees ^(Note 7)	0.0%	11.5%	7.4%
No. of new hires	6 employees	3 employees	1 employee
Female hires	1 employee	0 employees	0 employees
Proportion of employees who are female new hires ^(Note 8)	4.2%	0.0%	0.0%
No. of dismissals	0	0	0
No. of M&As	0	0	0

(Note 1) The values indicated in this table were calculated for employees on the books at the end of each fiscal year (including officers who have concurrent duties as employees and seconded employees from the sponsor). In fiscal 2018, 2019, and 2020, no contract employees, etc., were employed.

(Note 2) This is calculated using the simple average length of service at the end of each fiscal year for the various employees (rounded down to the nearest month).

(Note 3) This is calculated as follows: no. of employees who left the company in each fiscal year ÷ no. of employees on the books at the end of that year (rounded off to one decimal place).

(Note 4) The number of female employees on the books at the end of each fiscal year is indicated.

(Note 5) This is calculated as follows: no. of female employees on the books at the end of a given fiscal year ÷ no. of employees on the books at the end of that year (rounded off to one decimal place).

(Note 6) The number of female employees in management positions at the end of each fiscal year is indicated.

(Note 7) This is calculated as follows: no. of female employees in management positions at the end of each fiscal year ÷ no. of management positions on the books at the end of that year (rounded off to one decimal place).

(Note 8) This is calculated as follows: no. of female new hires in each fiscal year ÷ no. of employees on the books at the end of that year (rounded off to one decimal place).