

To All Concerned Parties

Name of REIT Issuer:
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Contact:
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Notice concerning the Transfer of Property

TOKYO, February 26, 2024 – Hulic Reit, Inc. (“Hulic Reit”) announces today that Hulic REIT Management Co., Ltd. (“Hulic REIT Management”), which is entrusted with the management of the assets of Hulic Reit, has today made the decision to transfer the property listed below (“Property”).

1. Overview of the transfer

(1) Category	Tokyo Commercial Properties (Office properties)
(2) Property name	Hulic Higashi Nihombashi Building
(3) Location	Chuo-ku, Tokyo
(4) Assets planned for transfer	Real estate trust beneficiary rights
(5) Anticipated transfer price (Note 1)	4,080 million yen
(6) Estimated book value (Note 2)	3,495 million yen
(7) Transfer difference (Note 3)	+585 million yen
(8) Transfer decision date	February 26, 2024
(9) Date of purchase and sale agreement	February 26, 2024
(10) Anticipated transfer date (Note 4)	March 27, 2024
(11) Date payment received (Note 4)	March 27, 2024
(12) Counterparty to the transfer (Note 5)	Not disclosed
(13) Presence of intermediary	Yes
(14) Settlement method	Full payment upon delivery

Notes:

1. The anticipated transfer price does not include consumption or local taxes or the costs and expenses related to the transfer.
2. Estimated book value as of scheduled transfer date is stated after rounding off units of less than one million yen.
3. The difference between the anticipated transfer price and estimated book value is stated after rounding off units of less than one million yen.
4. The anticipated transfer date and payment date is the date stated in the purchase and sale agreement.

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5. The counterparty to the transfer is a general business company in Japan, but the information is not disclosed because approval for disclosure is not acquired from said counterparty to the transfer.

2. Reason for transfer

In accordance with the basic policies of Hulic Reit, Hulic REIT Management is building a portfolio comprehensively taking into consideration such factors as competitiveness of each property, growth potential, profitability, and risk factors for the portfolio overall.

The decision to transfer the Property was made after considering the expected increase in capital expenditure necessary to maintain competitiveness, the potential for reduced profitability in the event of tenant move-outs, as well as the trends in the trading market and the future outlook of such factors.

3. Overview of the Property

For information on this Property, please refer to the individual property table on the Hulic Higashi Nihombashi Building in “Chapter 1. Fund Information, Part 1. Fund status, 5. Status of operation, (2) Invested assets, (3) Other primary invested assets, I. Overview of Property, etc.” in the securities report submitted on November 24, 2023.

4. Overview of the counterparty to the transfer

The counterparty to the transfer of the Property is a general business company in Japan, but as this counterparty to the transfer has not authorized the disclosure of its name and other information, the identity of the counterparty is not disclosed.

As of today, there is no notable capital relationship or personal relationship between Hulic Reit, Hulic REIT Management, and the counterparty to the transfer, and the counterparty to the transfer is not a related party of the Hulic Reit or Hulic REIT Management, but the counterparty to the transfer is an end tenant of the assets held by Hulic Reit.

5. Overview of the intermediary

(1) Intermediary

The intermediary has not authorized the disclosure of its name and other information.

The intermediary is not a specific interested person related to Hulic Reit and Hulic REIT Management, or a related party of Hulic Reit and Hulic REIT Management.

(2) Amount and Details of Commission

The intermediary has not authorized the disclosure of the amount and details of commission.

6. Future outlook

The transfer of the Property will not have a material impact on the outlook for the financial results for the fiscal period ending August 31, 2024 (March 1, 2024 to August 31, 2024), so there will be no change to the forecasts of financial results.

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7. Summary of Appraisal Report

Appraisal value	3,630 million yen (Note 1)
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Date of valuation	August 31, 2023

(Millions of yen)

Item	Breakdown	Remarks
Appraisal value based on income method	3,630	Estimated using the appraisal value based on DCF method as a standard while also verifying the appraisal value based on direct capitalization method
Appraisal value based on direct capitalization method	3,760	
(1) Operating revenue	222	
Potential gross income	234	Estimated based on evaluation of rent income that can be gained on a recurring basis
Losses from vacancy, etc.	12	Estimated based on projections for occurrence of vacancy and turn over period, etc.
(2) Operating expenses	65	
Maintenance and management fee/PM fee (Note 2)	14	Estimated based on income and expenditure results, etc.
Utility expenses	21	Estimated based on income and expenditure results, etc.
Repair expenses	5	Estimated based on engineering reports, similar cases, etc.
Tenant recruitment/solicitation expenses, etc.	2	Recorded based on turnover rate estimate
Taxes and public dues	20	Estimated based on the latest results
Insurance premium	0	Recorded based on similar cases, etc.
Other expenses	1	Estimated based on income and expenditure results, etc.
(3) Net operating income (NOI: (1) - (2))	157	
(4) Profit from security deposits	1	Estimated based on evaluation of security deposit and investment return
(5) Capital expenditures	12	Estimated based on engineering reports and figures for similar properties
Net cash flow (NCF: (3) + (4) - (5))	147	
Cap rate	3.9%	Estimated based on comparative examination of multiple investment yields in neighboring regions or similar regions in the same market area, and in consideration of the relationship with the discount rate
Appraisal value based on DCF method	3,570	
Discount rate	4.0%	Estimated by adding the base yield to the individual risks for the target real estate
Terminal cap rate	4.1%	Estimated based on the cap rate while taking into consideration future forecast uncertainty
Appraisal value based on cost method	3,770	
Ratio of land	82.5%	
Ratio of building	17.5%	

Other matters considered by appraiser in determination of appraisal value	None
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Notes:

1. Appraisal value based on income method that reflects the profitability and investment return of the property is used.
2. The maintenance and management fee and PM fee stated above are combined, because individual disclosure of the maintenance and management fee and PM fee amount levels may affect the other transactions of each contractor with

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respect to building management and PM services, which could pose an obstacle to efficient performance of services by Hulic Reit and could harm unitholder interests.

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

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Reference Attachment

Portfolio List after Transfer of Property

Category		Property name	Location	Acquisition price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Acquisition date (Note 3)
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	Minato-ku, Tokyo	55,250	14.2%	February 7, 2014 March 15, 2016 October 16, 2018
		Hulic Kudan Building (Land)	Chiyoda-ku, Tokyo	11,100	2.8%	February 7, 2014
		Toranomon First Garden	Minato-ku, Tokyo	8,623 (Note 4)	2.2%	February 7, 2014
		Rapiros Roppongi	Minato-ku, Tokyo	6,210 (Note 4)	1.6%	February 7, 2014 September 16, 2016
		Hulic Takadanobaba Building	Toshima-ku, Tokyo	3,900	1.0%	February 7, 2014
		Hulic Kanda Building	Chiyoda-ku, Tokyo	3,780	1.0%	February 7, 2014
		Hulic Kandabashi Building	Chiyoda-ku, Tokyo	2,500	0.6%	February 7, 2014
		Hulic Kakigaracho Building	Chuo-ku, Tokyo	2,210	0.6%	February 7, 2014
		Ochanomizu Sola City	Chiyoda-ku, Tokyo	38,149 (Note 4)	9.8%	November 7, 2014 October 4, 2016
		Hulic Higashi Ueno 1 Chome Building	Taito-ku, Tokyo	2,678	0.7%	October 16, 2014 June 29, 2018
		Tokyo Nishi Ikebukuro Building	Toshima-ku, Tokyo	1,580 (Note 4)	0.4%	March 31, 2015
		Hulic Toranomon Building	Minato-ku, Tokyo	18,310	4.7%	December 25, 2015 September 1, 2016
		Hulic Shibuya 1 Chome Building	Shibuya-ku, Tokyo	5,100	1.3%	March 31, 2017
		Hulic Jimbocho Building	Chiyoda-ku, Tokyo	1,460	0.4%	April 28, 2017
		Hulic Gotanda Yamate-dori Building	Shinagawa-ku, Tokyo	3,450	0.9%	October 1, 2018
		Bancho House	Chiyoda-ku, Tokyo	2,750	0.7%	November 1, 2018
		Ebisu Minami Building	Shibuya-ku, Tokyo	2,420	0.6%	December 27, 2018
		Hulic Iidabashi Building	Chiyoda-ku, Tokyo	1,450	0.4%	June 28, 2019
		Hulic Asakusabashi Building	Taito-ku, Tokyo	4,750 (Note 4)	1.2%	December 20, 2019
		Hulic Ebisu Building	Shibuya-ku, Tokyo	1,275	0.3%	December 20, 2019
		Hulic Ryogoku Building	Sumida-ku, Tokyo	5,610 (Note 4)	1.4%	March 26, 2020
		Hulic Asakusabashi Edodori	Taito-ku, Tokyo	5,420 (Note 4)	1.4%	March 26, 2020
		Hulic Nakano Building	Nakano-ku, Tokyo	3,200 (Note 4)	0.8%	October 16, 2020
		Hulic Ueno Building	Taito-ku, Tokyo	4,100 (Note 4)	1.1%	March 31, 2021
		Hulic Kojimachi Building	Chiyoda-ku, Tokyo	12,600 (Note 4)	3.2%	November 1, 2021
		Kichijoji Fuji Building	Musashino-shi, Tokyo	5,150 (Note 4)	1.3%	November 1, 2021
		Hulic Hachioji Building	Hachioji-shi, Tokyo	4,900 (Note 4)	1.3%	October 16, 2020
		Hulic Kobe Building	Kobe-shi, Hyogo	6,710 (Note 4)	1.7%	November 1, 2021
		Hulic Gotanda Building	Shinagawa-ku, Tokyo	6,162 (Note 4)	1.6%	October 28, 2022
		Hulic Oji Building	Kita-ku, Tokyo	5,300 (Note 4)	1.4%	March 1, 2023
		Hulic Kobunacho Building	Chuo-ku, Tokyo	10,970 (Note 4)	2.8%	July 3, 2023

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		Hulic Komagome Building	Bunkyo-ku, Tokyo	1,930 (Note 4)	0.5%	December 1, 2023
		Subtotal	-	248,997	63.9%	-
Tokyo Commercial Properties	Retail properties	Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	9,456	2.4%	February 7, 2014
		Oimachi Redevelopment Building (#1)	Shinagawa-ku, Tokyo	6,166 (Note 4)	1.6%	February 7, 2014
		Dining Square Akihabara Building	Chiyoda-ku, Tokyo	3,200	0.8%	February 7, 2014
		Hulic Jingu-mae Building	Shibuya-ku, Tokyo	2,660	0.7%	February 7, 2014
		Hulic Todoroki Building	Setagaya-ku, Tokyo	1,200	0.3%	December 27, 2016
		HULIC &New SHIBUYA	Shibuya-ku, Tokyo	3,150 (Note 4)	0.8%	June 30, 2017
		HULIC &New SHINBASHI	Minato-ku, Tokyo	3,100	0.8%	November 1, 2017
		Hulic Shimura-sakaue	Itabashi-ku, Tokyo	7,556	1.9%	June 29, 2018
		Hulic Mejiro	Toshima-ku, Tokyo	5,670	1.5%	March 26, 2020
		Subtotal	-	42,158	10.8%	-
		Intermediate total	-	291,155	74.7%	
Next-Generation Assets Plus	Private nursing homes	Aria Matsubara	Setagaya-ku, Tokyo	3,244	0.8%	February 7, 2014
		Trust Garden Youganomori	Setagaya-ku, Tokyo	5,390	1.4%	February 7, 2014
		Trust Garden Sakurashinmachi	Setagaya-ku, Tokyo	2,850	0.7%	February 7, 2014
		Trust Garden Suginami Miyamae	Suginami-ku, Tokyo	2,760	0.7%	February 7, 2014
		Trust Garden Tokiwamatsu	Shibuya-ku, Tokyo	3,030	0.8%	September 1, 2016
		Sompo Care La vie Re Kita-kamakura	Kamakura-shi, Kanagawa	1,780	0.5%	June 30, 2017
		Charm Suite Shinjuku Toyama	Shinjuku-ku, Tokyo	3,323	0.9%	September 27, 2019
		Charm Suite Shakujii-koen	Nerima-ku, Tokyo	3,200	0.8%	September 12, 2019
		Hulic Chofu	Chofu-shi, Tokyo	3,340	0.9%	March 31, 2021
		Aristage Kyodo	Setagaya-ku, Tokyo	9,000 (Note 4)	2.3%	November 1, 2021
		Granda Gakugeidaigaku	Meguro-ku, Tokyo	2,200	0.6%	March 31, 2022
		Charm Premier Den-en-Chofu	Setagaya-ku, Tokyo	2,550	0.7%	March 30, 2023
		Sonare Shakujii	Nerima-ku, Tokyo	2,400	0.6%	March 30, 2023
		Subtotal	-	45,067	11.6%	-
	Network centers	Ikebukuro Network Center	Toshima-ku, Tokyo	4,570	1.2%	February 7, 2014
		Tabata Network Center	Kita-ku, Tokyo	1,355	0.3%	February 7, 2014
		Hiroshima Network Center	Hiroshima-shi, Hiroshima	1,080	0.3%	February 7, 2014
		Atsuta Network Center	Nagoya-shi, Aichi	1,015	0.3%	February 7, 2014
		Nagano Network Center	Nagano-shi, Nagano	305	0.1%	February 7, 2014
		Chiba Network Center	Inzai-shi, Chiba	7,060	1.8%	December 16, 2014
		Sapporo Network Center	Sapporo-shi, Hokkaido	2,510	0.6%	December 16, 2014
		Keihanna Network Center	Kizukawa-shi, Kyoto	1,250	0.3%	October 16, 2014

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		Subtotal	-	19,145	4.9%	-
Next-Generation Assets Plus	Hotels	Sotetsu Fresa Inn Ginza 7 Chome	Chuo-ku, Tokyo	11,520	3.0%	September 16, 2016 November 1, 2017
		Sotetsu Fresa Inn Tokyo-Roppongi	Minato-ku, Tokyo	9,950	2.6%	November 1, 2017 December 1, 2023
		Hulic Tsukiji 3 Chome Building	Chuo-ku, Tokyo	6,972	1.8%	March 26, 2020
		Hulic Kaminarimon Building	Taito-ku, Tokyo	5,900	1.5%	December 22, 2023
		Subtotal	-	34,342	8.8%	-
	Intermediate total		-	98,554	25.3%	
Total of the portfolio			-	389,709	100.0%	-

Notes:

1. “Acquisition price” is the purchase price noted in the purchase and sale agreement for each asset held and the Property (total value in the event that the acquisition takes place over multiple times), rounded to the nearest million yen. The acquisition price does not include consumption or local taxes or the costs and expenses related to the acquisition.
2. “Investment ratio” represents the percentage of the acquisition price for each asset held and the Property (total value in the event that the acquisition takes place over multiple times) to the total acquisition price, rounded to the first decimal place.
3. “Acquisition date” is the anticipated date of acquisition stated in the relevant purchase and sale agreement for each asset held and the Property.
4. The figure is based on the ratio of sectional ownership interest or quasi-co-ownership interest owned by Hulic Reit in the properties.