



# TOKYO GROWTH & STABILITY

**Supplementary Material on Press Release  
Announced on September 24, 2025.**

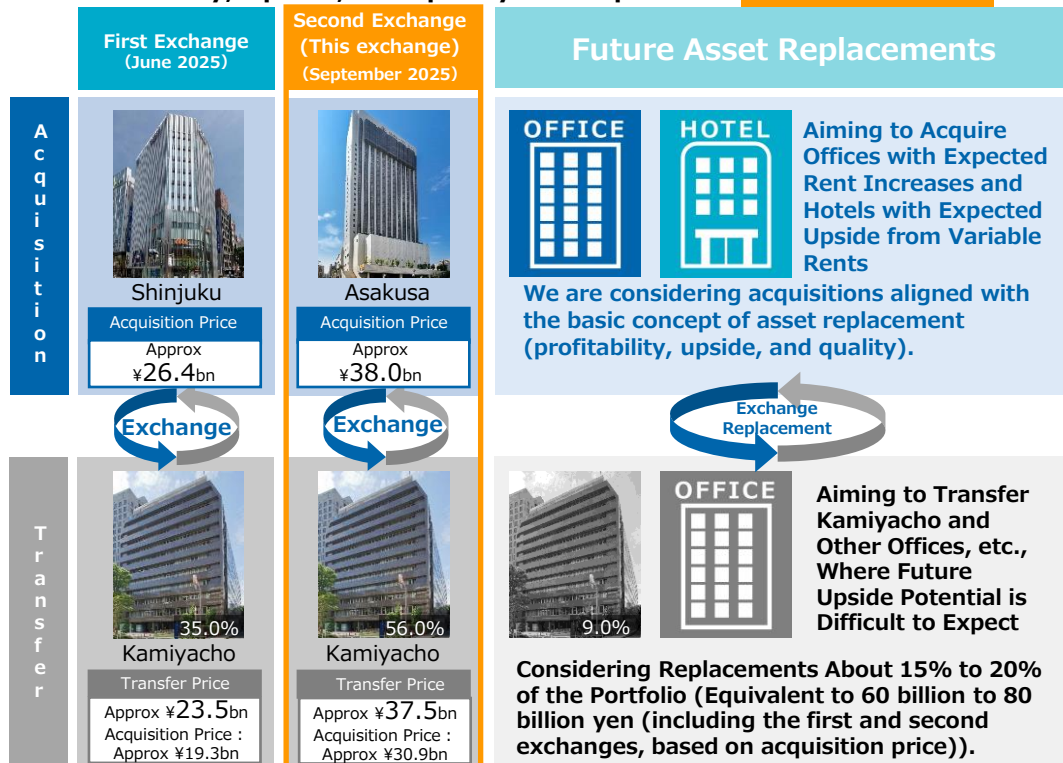
- Notice concerning the Acquisition and Transfer of Property by Exchanging, and the Lease

**September 24, 2025**  
**HULIC REIT, INC.**

**Securities Code 3295**

## Overview of Current Asset Replacement and Intended Effects

- Approx **50.3 billion yen** in assets (12.7% of the portfolio, based on acquisition price) were exchanged in the first and second exchanges, and the current asset replacement strategy (the target of 15% to 20% of the portfolio) is **progressing smoothly**.
- Profitability, upside, and quality of the portfolio **have all improved**.



### Intended Effects Through Asset Replacement Strategy<sup>(Note1)</sup> (Whole Portfolio)

#### Profitability

- NOI Yield (Portfolio Average)

Before the First	After the Second	Assumption after full sale of ownership interest in Kamiyacho
4.26%	4.33%	4.33%
	+7bp	

#### Upside

- Rent Gap (Whole Office Properties)<sup>\*2</sup>

Before the First	After the Second	Assumption after full sale of ownership interest in Kamiyacho
+2.4%	▲0.8%	▲1.1%
	▲3.2pt	▲0.3pt

- Investment ratio of Hotels

Before the First	After the Second	Assumption after full sale of ownership interest in Kamiyacho
15.4%	24.1%	24.4%
	+8.7pt	+0.3pt

#### Quality

- Average Age of Buildings (Whole Portfolio)<sup>\*3</sup>

Before the First	After the Second	Assumption after full sale of ownership interest in Kamiyacho
23.2years	21.9years	21.6years
	▲1.3 years	▲0.3 years

- Acquisition of an Office Building in a Highly Scarce Location Directly Connected to Shinjuku Station and a Hotel Located in Asakusa, One of Tokyo's Most Popular Tourist Destinations

### Maintain a DPU of at Least 4,000 yen

- Aiming to Record Gains on Sales of the Network Centers<sup>(Note2)</sup> in the 26th FP (Feb. 2027) and Beyond after the Completion of the Transfer, and to Maintain a DPU of at Least 4,000 yen



### Achieving the Adjusted EPU Target of 3,550 yen

- Aiming to Promote Asset Replacement and Internal Growth to Achieve the Adjusted EPU Target (3,550 yen in the 26th FP (Feb. 2027))

(Note1) The figures in "Assumption after full sale of ownership interest in Kamiyacho" are estimates of the impact of the first and second exchanges and the transfer of the remaining interest in Kamiyacho (9.0%). As for the remaining ownership interest (9.0%) in Kamiyacho, no decision has been made to sell it at this time. All figures are calculated excluding the seven network center properties (Ikebukuro, Nagano, Tabata, Hiroshima, Atsuta, Sapporo and Keihanna) (see Note2).

(Note2) We have signed a memorandum of understanding with HULIC Co., Ltd. concerning the transfer of the 5 Network Centers (Tabata, Hiroshima, Atsuta, Sapporo and Keihanna), and are negotiating the terms of the transfer. However, no decision has been made to sell these properties at present.

## Impact of the Exchange on Unrealized Gains

### Significance of the Exchange

The Exchange Reduces Declining Profitability Risk and Improves Profitability, Unrealized Gains, Portfolio Quality, and Upside Potential

### Hulic Kamiyacho Building

#### Issue Recognition of Hulic Kamiyacho Building

- Decrease Risk in Rent Levels Due to the Departure of Tenants Paying Above-Market Rent
- Increase in Costs Due to Age of Building (40.5 Years Old)

### After the Asset Replacement

#### Assumption

Considering Transfer or Exchange of the Remaining 9.0% Ownership Interest in Kamiyacho



Aiming to Further Enhance Profitability, Upside, and Quality through a Series of Asset Replacement Transactions

Unrealized Gains \*1 (billions of yen)

15

10

5

0

2014 2015 2016 2017 2018

2022 2023 2024

End of 22nd FP (Feb. 28, 2025)

Jun. 30, 2025

Sep. 30, 2025

Feb. 2014 Acquisition  
Quasi Co-Ownership Interest of 39.9%

Mar. 2016 Additional Acquisition  
Quasi Co-Ownership Interest Total 70.0%

Oct. 2018 Additional Acquisition  
Quasi Co-Ownership Interest Total 100.0%

Current Unrealized Gains Remain Flat

Total ¥11.11bn

9.0%

56.0%

Unrealized Gains ¥6.22bn

35.0%

Unrealized Gains ¥3.88bn

First (2025.6)  
Exchange with the Hulic Shinjuku Building (41.0%)

Second (2025.9)  
Exchange with Asakusa View Hotel(100.0%)

Shinjuku  
Unrealized Gains ¥5.95bn

Total ¥15.83bn

Asakusa  
Unrealized Gains ¥9.88bn

### Impact of 2 Exchanges

#### Profitability

NOI yield (After Depreciation)\*2

Kamiyacho	3.3%	+0.6pt	Shinjuku-Asakusa	3.9%
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#### Upside

Rent Gap\*3

Kamiyacho	+13.1%	+21.5pt	Shinjuku	+8.4%
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Greater Upside Potential due to Receipt of Variable Rent from Asakusa View Hotel

#### Quality

Average Age of Buildings\*2

Kamiyacho	40.5years	+12.3年	Shinjuku-Asakusa	28.2years
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## Overview of the Exchange

### Acquisition

#### Asakusa View Hotel



Location	3-17-1 Nishiasakusa, Taito-ku, Tokyo
Nearest Station	Directly connected to Asakusa Station on the Tsukuba Express Line
Acquisition Price (anticipated)	38,000million yen
Appraisal Value	41,800million yen
Unrealized Gains <sup>*1</sup>	9,880million yen
Appraisal NOI yield <sup>*2</sup> (Based on Anticipated Acquisition Price (After Reduction Entry)) (Note 1)	5.5%
Appraisal NOI yield (After Depreciation) <sup>*2</sup> (Based on Anticipated Acquisition Price (After Reduction Entry)) (Note 1)	5.0%

(Note 1) Each of Yields is calculated by dividing the NOI by the anticipated acquisition price (after reduction entry) and rounding to the first decimal place. No guarantee is made regarding the feasibility or accuracy of these figures. (Anticipated acquisition price (after reduction entry) = Anticipated acquisition price – anticipated reduction entry amount) (Anticipated acquisition price (after reduction entry) : 31,919million yen, Anticipated reduction entry amount : 6,080million yen)

### Transfer

#### Hulic Kamiyacho Building (Quasi Co-Ownership Interest of 56.0%)



Location	4-3-13 Toranomom, Minato-ku, Tokyo
Nearest Station	One minute from Kamiyacho Station on the Tokyo Metro Hibiya Line
Transfer Price (anticipated) (Quasi Co-Ownership Interest of 56.0%)	37,520million yen
Appraisal Value (Quasi Co-Ownership Interest of 56.0%)	37,128million yen
Unrealized Gains <sup>*1</sup>	6,223million yen
Anticipated NOI yield <sup>*3</sup> (Note 2)	3.6%
Anticipated NOI yield (After Depreciation) <sup>*3</sup> (Note 2)	3.3%

(Note 2) Each of Yields is calculated by dividing the NOI by the acquisition price (equivalent to 56.0% quasi co-ownership interest) and rounding to the first decimal place. No guarantee is made regarding the feasibility or accuracy of these figures.





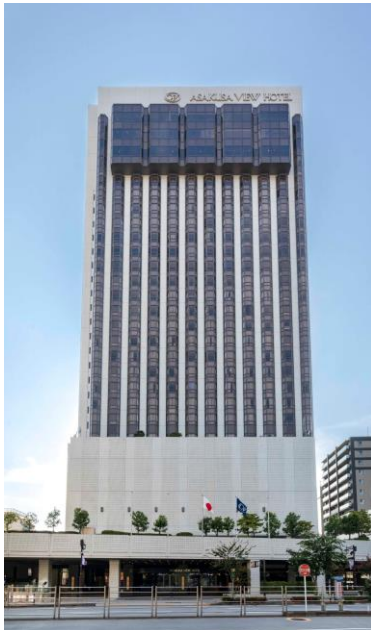
## Asakusa View Hotel

Hotels

Directly Connected  
to the Station

Sponsor-Owned

In Addition to Stable Income from Fixed Rents, Benefit from Upside Potential through Variable Rents Driven by Inbound Demand



Acquisition Price (anticipated)	¥38,000 million
Appraisal Value	¥41,800 million
Appraisal NOI yield *1	5.5%
Location	Taito-ku, Tokyo
Nearest Station	Directly Connected to Asakusa Station on the Tsukuba Express Line
Contract type	Fixed Rent and Variable Rent*2



**Location** Directly Connected to the Nearest Station and Close to Sensoji Temple, a Famous Tourist Attraction

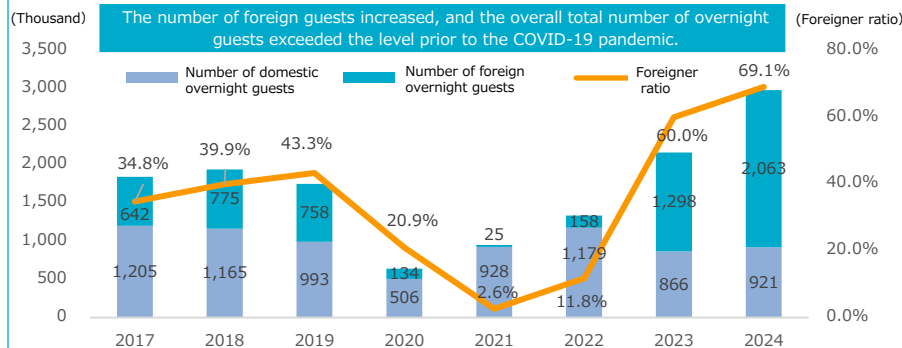
- The property is directly connected to Asakusa Station on the Tsukuba Express line and has excellent proximity to the nearest station as well as convenient access to transportation along Kokusai-dori Street. The property is also close to Sensoji Temple and shopping districts such as the Asakusa Rokku Broadway (with theaters, dining, and retail stores) and provides access throughout the bustling Asakusa area that is popular with many visitors including overseas tourists.
- Asakusa has thrived as a shopping district since the Edo period (1603-1867) and, today, it is a popular tourist destination that represents Tokyo with its friendly old town atmosphere.



**Property** City Hotel with 315 Guest Rooms, Banquet Hall, Swimming Pool, and Other Facilities

- A total of 315 guestrooms (planned number of rooms after refurbishment) comprise standard floors from the 7th to 20th floors and executive floors from the 21st to 24th floors.
- City hotel catering to various needs: the 1st to 5th floors are equipped with banquet rooms, lounges, and a 20-meter heated swimming pool with a retractable glass ceiling, while the 25th floor and above feature a sky dining venue, sky grill, sky chapel, and banquet rooms.
- The refurbishment of all guestrooms and the top floor-bar, scheduled for completion in the fall of 2026, are expected to create a more sophisticated environment and further enhance the hotel's appeal.

### Annual Changes in the Total Number of Overnight Guests in Taito Ward\*3



Asakusa Suite  
(Suite Room)



Junior Suite Room  
(Twin Type)



Deluxe Twin  
(Executive Floor)

## Basic Strategy to Enhance Unitholder Value

Basic  
Strategy

Management Improvement



Improvement of  
Capital Efficiency



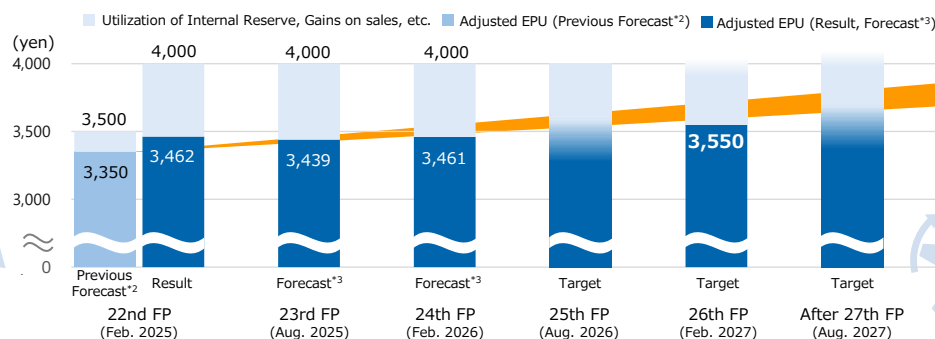
Improvement of  
Unit Holder Value

“The Both  
Wheels of  
Growth  
Strategy”



Two-year Plan to Strengthen Returns to Unitholders

“Three Basic Measures” to Continue Strengthening Returns to Unitholders



Increase in  
Investment  
Unit Price

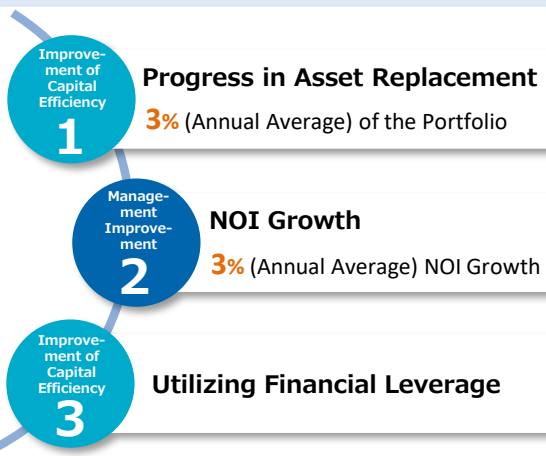
Improvement  
of DPU

Increase in  
Adjusted  
EPU

Aiming to  
Continue  
Strengthening  
Returns to  
Unitholders to  
DPU of at Least  
4,000 yen

## “Three Basic Measures” to Continue Strengthening Returns to Unitholders and Basic Concept of Asset Replacement

“ Three  
Basic  
Measures ”



### Basic Concept of Asset Replacement

**Profita  
bility**

Adjusted EPU  
Growth Through  
Higher  
NOI Yield

**Upside**

Build a Portfolio  
that can Aim for  
Stable  
Growth in an  
Inflationary  
Environment

**Quality**

Improve Portfolio  
Quality Through  
Improved  
Location and  
Younger Building  
Age, etc.



## P2

- \*1 For definitions of terms used in this document, unless otherwise stated, please refer to “Definitions of Terms” (pages 68-71) in the financial results briefing material for the 22nd FP (Feb. 28, 2025). The “rent gap” in this document is used synonymously with the “divergence rate with market rent” in the financial results briefing material for the 22nd FP (Feb. 28, 2025). In this document, “Hulic Kamiyacho Building” may be referred to as “Kamiyacho,” “Hulic Shinjuku Building” as “Shinjuku,” and “Asakusa View Hotel” as “Asakusa.” Also, “First exchange” refers to the acquisition of Shinjuku and transfer of Kamiyacho (35.0%) announced on June 26, 2025, and “Second exchange” and “This exchange” refer to the acquisition of Asakusa and transfer of Kamiyacho (56.0%) announced on September 24, 2025.
- \*2 The figures are based on the rent gap estimated by Hulic REIT Management Co., Ltd. using the rent assessed by CBRE K.K. (as of the time of acquisition for Shinjuku, and as of the end of the 22nd FP (Feb. 28, 2025) for existing properties).
- \*3 The figures are based on the average building age as of the end of 23rd FP (Aug. 31, 2025).

## P3

- \*1 Unrealized gains are shown excluding amounts less than 10 million yen. The unrealized gains from 2014 to 2024 are the average of unrealized gains based on appraisal values as of the end of February and August of each year.
- \*2 The NOI yield after depreciation and building age of Shinjuku and Asakusa are calculated by weighting the NOI yield after depreciation and building age of each property by the planned acquisition price (estimated after reduction entry).
- \*3 The rent gap is calculated based on the rent level (market rent level) estimated by the Asset Manager based on the estimated new rent assessed by CBRE K.K. for Kamiyacho (at the end of 22nd FP (Feb. 28, 2025)) and Shinjuku (at the time of acquisition).

## P4

- \*1 Unrealized gains are shown excluding amounts of less than 1 million yen. The unrealized gains of Asakusa View Hotel are calculated by subtracting the expected acquisition price (estimated after reduction entry) from the appraisal value as of September 1, 2025, and the unrealized gains of Hulic Kamiyacho Building (56%) are calculated by subtracting the book value (56%) (as of February 28, 2025) from the appraisal value (56%) as of February 28, 2025.
- \*2 “Appraised NOI” refers to the NOI based on the appraisal at the time of acquisition, and “Appraised NOI after depreciation” refers to the NOI after depreciation, estimated by the Asset Manager based on the Appraised NOI.\*
- \*3 NOI and depreciation in each assumed NOI yield are based on the figures in the earnings forecast announced on April 17, 2025.

## P5

- \*1 The Appraisal NOI yield is the NOI in the appraisal at the time of acquisition divided by the anticipated acquisition price (after compression). The figure is rounded to the first decimal place.  
(Anticipated acquisition price (after compression booking) = Anticipated acquisition price – anticipated compression amount)
- \*2 While rent received from tenants comprises both fixed and variable rents, disclosure is withheld as the consent of the tenants has not been obtained. Variable rent is linked to hotel operating profit, and no variable rent may be accrued, depending on hotel operating income.
- \*3 The figures are based on the “Overnight Travel Statistics Survey (Japan Tourism Agency)” and prepared by Hulic REIT Management Co., Ltd.

## P6

- \*1 Figures are based on forecasts released on Oct. 16, 2024. For details, please refer to Financial Report for the Fiscal Period Ended Aug. 31, 2024, which was released on Oct. 16, 2024.
- \*2 Figures are based on forecasts released on Apr. 17, 2025. For details, please refer to Financial Report for the Fiscal Period Ended Feb. 28, 2025, which was released on Apr. 17, 2025.

## Cautionary Statement

This supplementary material contains forward-looking statements including the forecasts, outlook, targets and plans of Hulic Reit, Inc. (hereinafter referred to as “HLC”). These forward-looking statements are the views and opinions of HLC and Hulic REIT Management Co., Ltd. (hereinafter referred to as “asset management company”) based on information available at the time this supplementary material was prepared and contain certain subjective assumptions, and they are subject to the impact of existing or unknown risks or uncertain factors that may influence future performance. Accordingly, these statements do not guarantee future performance and actual results may differ materially from those expressed or implied in such statements.

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