

Translation Purpose Only

October 23, 2020

To All Concerned Parties

Name of REIT Issuer:  
Hulic Reit, Inc.  
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Eiji Tokita, 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, October 23, 2020 – Hulic Reit, Inc. (hereinafter referred to as “Hulic Reit”) announces today that it has decided to issue investment corporation bonds (green bonds) (hereinafter, the "Green Bonds") and to make an early repayment of certain existing borrowings (hereinafter referred to as the "Early Repayment") as follows.

### **1. Overview of investment corporation bonds**

- |      |  |   |
|------|--|---|
| (1)  | Name of investment corporation bonds               | : Hulic Reit Sixth Series Unsecured Investment Corporation Bond (with <i>pari passu</i> conditions among specified investment corporation bonds)  |
| (2)  | Total issue amount of investment corporation bonds | : ¥3.0 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                                      | : 0.270% per annum  |
| (7)  | Amount of each investment corporation bond         | : ¥100 million  |
| (8)  | Method of offering                                 | : Public offering   |
| (9)  | Subscription period                                | : Friday, October 23, 2020  |
| (10) | Payment date                                       | : Thursday, October 29, 2020  |
| (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 Wednesday, October 29, 2025.<br>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                             | : April 29 and October 29 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.)   |

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- (14) Financial covenants : Negative pledge clause attached.
- (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.  
SMBC Nikko Securities Inc.  
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 green finance framework (Note) of Hulic Reit, described in the “Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Green Bonds” released on October 14, 2020.

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 green finance framework, please refer to the “Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Green Bonds” released on October 14, 2020.

## 3. Amount, use and planned disbursement date

- (1) Amount of the proceeds (estimated net proceeds)  
¥2,978 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 Asakusabashi Building”, which is an eligible green asset in the green finance framework, and plans to carry out the Early Repayment as follows on October 30, 2020.

## 4. Details of the Early Repayment

- (1) Amount of early repayment : ¥3.0 billion
- (2) Date of early repayment : October 30, 2020
- (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., Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Notes 1) | ¥3.0 billion (Notes 2) | December 20, 2019 | December 18, 2020 | Lump-sum repayment | Unsecured and unguaranteed |

Notes:

- 1 The syndicate of lenders consists of Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, and MUFG Bank, Ltd.
- 2 The borrowing amount corresponds to the outstanding balance after making the early repayment of borrowings, as described in “Notice concerning Early Repayment of Borrowings” released on February 21, 2020. Note that the borrowings will be fully repaid after the Early Repayment.

## 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) | 17,960   | 14,960  | (3,000) |
| Long-term borrowings (Note)  | 141,816  | 141,816   | 0       |
| Total borrowings             | 159,776  | 156,776   | (3,000) |
| Investment corporation bonds | 12,000   | 15,000  | 3,000   |
| Total interest-bearing debt  | 171,776  | 171,776   | 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 February 28, 2021 (September 1, 2020 to February 28, 2021) and the fiscal period ending August 31, 2021 (March 1, 2021 to August 31, 2021), 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 1. Fund Information, Part 1. Fund Status, 3. Investment Risks” of the securities report submitted to the regulator on May 22, 2020, 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/>