



April 27, 2021
 Company Name: Hulic Co., Ltd.
 (3003JP TSE 1st section)
 Real Estate
 President : Manabu Yoshidome
 Contact: itou.shin@hulic.co.jp

Financial Information of 1st Quarter FY2021 (January~March) [SUMMARY]

I . FY2021 1st Quarter performance result Summary

(Billion of Japanese Yen)

	FY2020 1Q	FY2021 1Q	FY2019 result	FY2020 result	FY2021 forecast
Operating Revenue	<u>78.0</u>	<u>91.4</u>	357.2	339.6	N.A.
Operating Income	<u>21.0</u>	<u>22.1</u>	88.3	100.5	110.0
Ordinary Income	<u>19.8</u>	<u>20.5</u>	84.6	95.6	100.0
Net Income	<u>13.1</u>	<u>12.5</u>	58.8	63.6	65.0
Annual Dividend	-	-	31.5 yen	36.0 yen	38.0 yen

[Summary]

- FY2020 Q1 OP result was slightly stronger than same period of last year even under the full influence of Covid-19.
 (There were little influence by Covid-19 in the Q1 of last year.)
- We sealed several Sales-and-Leasing back deals, such as acquisition of RECRUIT Co's H.O building in GINZA.

II . Major KPI

(Japanese Yen)

	2018/12	2019/12	2020/12	2021/3
NIKKEI Index	20,014	23,656	27,444	29,179
HULIC share price	985 yen	1,316 yen	1,133 yen	1,305 yen
Market Capitalization	653.1 Billion	886.9 Billion	763.5 Billion	879.5 Billion
EPS	75.18 yen	88.93 yen	97.31 yen	n.a
BPS	608.49 yen	687.01 yen	728.31 yen	740.03 yen
unrealized value of leasing asset	323.2 Billion	370.0 Billion	353.0 Billion	n.a

III . Future and Beyond (Covid-19 effect).

<Japan Macro Environment>

- The novel coronavirus positive patients have been rising sharply in April by mutant virus , but nation's death toll stay low.
 Both Osaka and Tokyo implemented Emergency Measures and discouraged intercity travel during long holiday weeks.
 This might affect negatively to Commercial and Hotel business in May.
- However, most company workers still come to office premises. Office leasing, particularly mid-sized, is surprisingly stable.
- Tokyo Olympic game is less than 100 days to go. Without foreign visitors and rising Coronavirus-positives, skepticism prevails although both officials and IOC insisted on proceeding events.
- Funding environment is easy on corporate real estate both in volume and cost. With CAP rate in Tokyo CBD still going lower, and global investment money is around, transaction market still remains busy in Tokyo.

<Hulic related>

- Our CBD office rent/sq has been flat among our strategic portfolio shift to more city center location.
 High street Ginza commercial tenants (top global brands) are all fixed rent and stable. Our vacancy rate keeps under 1%.
- Our operating hotels booked loss of Yen 2billion in Q1. Hotels in the big cities underperform but urban resorts are busy.
- With CAP rate decline in central Tokyo offices and heavy stock of inventory balance of our Sales Asset, HULIC has enough source of capital gains in coming quarters.
- Vaccine inoculation tends to be delayed in Japan. There are many uncertain macro factors to predict accurately of our future activities.
 To the best of our knowledge, we look for 10% around increase in OP and higher dividend payout ratio in FY2021. (37.8% in FY2020)
- We still keep up our 3-year mid-term business plan but stay selective stance for new investments and not particularly bind to use our investment budget. We, however, work on several sales-and lease back deals with good name companies. (END)