
Summary of Consolidated Financial Results

**For the First Quarter of FY 2025
(January 1, 2025 – March 31, 2025)**

**This document is an English summary translation of a statement written initially in Japanese.
The original Japanese should be considered the primary version.*

Disclaimer Regarding Forward-Looking Statements

The forward-looking statements, including forecasts of performance of Hulic and its Group companies, contained in these materials are based on information currently available to the Hulic management and on certain assumptions deemed to be reasonable. Actual business and other results may vary substantially due to various factors.



(TSE Code: 3003)

Outline of Consolidated Financial Results for the First Quarter of FY2025 <under Japanese GAAP>

April 25, 2025

Name of company listed: Hulic Co., Ltd.

Stock exchange listing: Tokyo (Prime Market)

Code number: 3003 URL: <https://www.hulic.co.jp/en/>

Representative: Takaya Maeda, President, Representative Director

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Planned dividends payment date: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: N/A

1. Consolidated Financial Results for the 1Q FY2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Financial Results (cumulative)

(Amounts indicated are displayed with amounts less than one million yen rounded off.)
(Percentages indicate the YoY increase / decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2025	156,644	45.5	31,816	34.0	28,010	31.8	17,175	8.3
1Q FY2024	107,593	(4.4)	23,728	(30.5)	21,241	(33.1)	15,858	(27.9)

Note: Comprehensive income: 1Q FY2025: ¥19,593 million [(27.0)%], 1Q FY2024: ¥26,870 million [22.6%]

	EPS (Net income per share)	Diluted EPS
	Yen	Yen
1Q FY2025	22.57	22.57
1Q FY2024	20.84	20.80

(2) Consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	BPS (Net assets per share)
	Million yen	Million yen	%	Yen
March 31, 2025	3,250,468	852,028	25.4	1,090.18
December 31, 2024	3,048,935	856,344	27.3	1,093.78

Reference: Equity: 1Q FY2025: ¥827,797 million, FY2024: ¥832,991 million

2. Dividends

	Annual dividends				
	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	—	26.00	—	28.00	54.00
FY2025	—				
FY2025 (Planned)		28.50	—	28.50	57.00

Note: Revision to the planned dividends announced recently: N/A

3. Forecasts of Consolidated Financial Results for FY2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate the YoY increase / decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		EPS (Net income per share)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	—	—	178,000	8.9	164,000	6.2	108,000	5.5	142.16

Note: Revision to the forecasts of financial results announced recently: N/A

The Company has a stable business structure centered on leasing operations, however, operating revenue (net sales) fluctuates substantially due to trends in the buying and selling of real estate for sale. Success or failure in this buying and selling of properties is affected significantly by economic conditions and the real estate market. As forecasting such trends is currently problematic, the Company has not provided a forecast of its operating revenue. The Company will disclose this information promptly once it becomes possible to make a forecast.

* Notes

(1) Significant Changes in the Scope of Consolidation during this Period: Yes

Newly included: —

Excluded: One: (company name) Ginza Rokuchome Property Godo Kaisha

(2) Application of Special Accounting for Preparing Quarterly Consolidated Financial Statements: N/A

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements

1. Changes in accounting policies due to revisions of accounting standards, etc.: N/A

2. Changes in accounting policies due to other reasons: N/A

3. Changes in accounting estimates: N/A

4. Restatement of prior period financial statements: N/A

(4) Number of Issued Shares (common shares)

	1Q FY2025	FY2024
1) Number of issued shares as of the end of each period (including treasury shares)	767,907,735	767,907,735 (as of December 31, 2024)
2) Number of treasury shares as of the end of each period	8,587,739	6,339,456 (as of December 31, 2024)
3) Average number of outstanding shares for each period (consolidated cumulative period)	760,703,346	760,941,645 (March 31, 2024)

* Reviews of the Japanese-language originals of the attached Quarterly Consolidated Financial Statements by certified accountants or auditors: N/A

* Disclaimer regarding forward-looking statements

This document contains forward-looking statements about the performance of Hulic and its Group companies, based on management's assumptions in light of current available information. In no way do these statements provide any assurance by Hulic of achieving such results. Actual results may differ substantially from these statements due to various factors.

Table of Contents

1.	Consolidated Business Results and Financial Position	2
	(1) Overview of the Quarterly Consolidated Business Results	2
	(2) Overview of the Quarterly Consolidated Financial Position	3
	(3) Notes Regarding Forward-looking Statements such as Forecasts of Consolidated Financial Results	3
2.	Consolidated Financial Statements (Unaudited)	4
	(1) Quarterly Consolidated Balance Sheets (Unaudited)	4
	(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (Unaudited)	6
	(3) Footnotes on the Quarterly Consolidated Financial Statements	8
	Segment Information	8

1. Consolidated Business Results and Financial Position

(1) Overview of the Quarterly Consolidated Business Results

In 1Q FY2025, leasing income from real estate was stable due to the completion and acquisition of properties in the previous fiscal year and in the current fiscal year. In addition, sales of real estate for sale steadily progressed during 1Q FY2025. As a result, operating revenue was ¥156,644 million (increased ¥49,050 million or 45.5% compared with the same period of the previous fiscal year, hereinafter “YoY”), operating profit was ¥31,816 million (increased ¥8,087 million or 34.0% YoY), ordinary profit was ¥28,010 million (increased ¥6,769 million or 31.8% YoY) and profit attributable to owners of parent was ¥17,175 million (increased ¥1,316 million or 8.3% YoY).

The business results for each segment were as follows.

(Operating revenue for each segment includes inter-segment operating revenue and the balance of book-entry transfers.)

<Real Estate>

The Group’s core business is a leasing business that utilizes approximately 250 buildings and properties (excluding real estate for sale), amounting to approximately 1,380,000 square meters of floor space, located mainly in Tokyo’s 23 wards. From the perspective of restructuring the portfolio to achieve “high profit growth” and “stable core profit increase”, we work to continuously reshuffle the portfolio to properties with competitive advantages that can adapt to environmental changes and promote carefully selected development projects. In addition, we work to acquire stable and continuous capital gains and asset management fees through diversifying exit strategies of properties to maximize the development margin as the completion of development projects starts in full swing.

New acquisitions (non-current assets) in 1Q FY2025 included Ario Nishiarai (partial) (Adachi-ku, Tokyo), and others.

In development and reconstruction business (non-current assets), (tentative name) Misato Logistics Development Project (Misato-shi, Saitama), (tentative name) Ginza Building Reconstruction Project (Chuo-ku, Tokyo), (tentative name) Sapporo Reconstruction Project II (Chuo-ku, Sapporo-shi), (tentative name) Shinsaibashi Project (Chuo-ku, Osaka), Jiyugaoka 1-29 Redevelopment Project (Meguro-ku, Tokyo), (tentative name) Ginza 8-chome 9-11, 12 Development Project (Chuo-ku, Tokyo), (tentative name) Aoyama Building Reconstruction Project (Minato-ku, Tokyo), (tentative name) Ginza 5-chome Development Project (Chuo-ku, Tokyo), and (tentative name) Shinjuku 318 Development Project (Shinjuku-ku, Tokyo), etc. were proceeded as planned.

In PPP (Public Private Partnership) business, projects including “Urban Renewal Step-Up Project (Shibuya Area) Shibuya 1-chome Area Joint Development Project” conducted by the Tokyo Metropolitan Government and the Shibuya City Government, etc. were proceeded as planned.

As for real estate for sale, properties including Hulic Hiroo Building (Minato-ku, Tokyo), and (tentative name) Ichigaya Development Project (Chiyoda-ku, Tokyo), etc. were sold.

As described above, the segment operations progressed as planned because leasing income from real estate was firm and stable due to completion of properties as well as acquisition of properties in the previous fiscal year and in the current fiscal year. In addition, sales of real estate for sale progressed steadily during 1Q FY2025. As a result, operating revenue in this business segment totaled ¥133,385 million (increased ¥38,883 million or 41.1% YoY) and operating profit was ¥33,381 million (increased ¥7,373 million or 28.3% YoY).

<Insurance Agency>

Hulic Insurance Service Co., Ltd., one of the Company’s consolidated subsidiaries, serves as an insurance agency for both Japanese and foreign insurance companies operating in Japan and sells various insurance products to both corporate and individual customers. Although a difficult business environment continues to surround the insurance business industry, Hulic Insurance Service Co., Ltd. is pursuing expansion of this business, concentrating on corporate transactions, with a strategy of acquiring the business rights of existing non-life insurance agents.

As a result, operating revenue in this business segment was ¥1,065 million (decreased ¥5 million or 0.5% YoY) and operating profit was ¥372 million (decreased ¥72 million or 16.2% YoY).

<Hotels / Ryokans>

In Hotels / Ryokans business, as the Company’s consolidated subsidiaries, Hulic Hotel Management Co., Ltd. manages “THE GATE HOTEL” brand hotel series and “View Hotel” brand hotel series, while HULIC FUFU Co., Ltd. manages “FUFU” ryokan series.

In 1Q FY2025, ADR (Average Daily Rates) increased due to robust inbound demand, and we steadily captured active demand.

As a result, operating revenue in this business segment was ¥14,839 million (increased ¥1,640 million or 12.4% YoY) and operating profit was ¥1,848 million (increased ¥1,004 million or 118.8% YoY).

<Others>

Hulic Build Co., Ltd., one of the Company's consolidated subsidiaries, regularly takes orders of repair constructions, constructions of refurbishment at the end of lease contracts and interior fit-outs at the beginning of lease contracts from the Company's existing properties. In addition, Riso Kyoiku Co., Ltd., one of the Company's consolidated subsidiaries, operates and manages children education services, etc.

As a result, operating revenue was ¥10,400 million (increased ¥8,889 million or 588.3% YoY) and operating profit was ¥743 million (increased ¥627 million or 541.8% YoY).

(2) Overview of the Quarterly Consolidated Financial Position

<Assets>

Total assets as of March 31, 2025 was ¥3,250,468 million, increased by ¥201,532 million from December 31, 2024. From the perspective of restructuring the portfolio to achieve "high profit growth" and "stable core profit increase", we work to continuously reshuffle the portfolio to properties with competitive advantages that can adapt to environmental changes and promote carefully selected development projects.

In addition, the Group strives to provide support and backup as a sponsor to maintain and improve the long-term earnings of Hulic Reit, Inc. & Hulic Private Reit, Inc. and realize steady growth of their assets under management.

Changes in amount of major items are as follows.

- | | |
|-------------------------|---|
| ● Cash and deposits: | Increased ¥105,798 million |
| ● Real estate for sale: | Decreased ¥32,736 million (Transfer from non-current assets, sales of properties, etc.) |
| ● Land | Increased ¥60,715 million (Acquisition of properties, transfer to real estate for sale, etc.) |

<Liabilities>

Total liabilities as of March 31, 2025 was ¥2,398,439 million, increased ¥205,848 million from December 31, 2024. This was mainly attributable to financing carried out for capital investment and the like.

The balance of borrowings was ¥1,445,192 million, which included ¥30,000 million non-recourse borrowings owed by a consolidated SPC. Financing from financial institutions was operated stably at low cost thanks to the credit strength on the back of the Group's high earnings level.

<Net Assets>

Total net assets as of March 31, 2025 was ¥852,028 million, decreased ¥4,316 million from December 31, 2024. Total shareholders' equity was ¥761,763 million, decreased ¥7,413 million from December 31, 2024, due mainly to an increase of retained earnings in profit attributable to owners of parent and a decrease of retained earnings in the cash dividend payment.

Total accumulated other comprehensive income was ¥66,034 million, increased ¥2,220 million from December 31, 2024.

(3) Notes Regarding Forward-looking Statements such as Forecasts of Consolidated Financial Results

As the Company's business performance for 1Q FY2025 broadly proceeded according to plans, it has not made any changes to the forecasts of consolidated financial results for FY2025.

2. Consolidated Financial Statements (Unaudited)

(1) Quarterly Consolidated Balance Sheets (Unaudited)

(Million yen)

Item	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and deposits	240,261	134,462
Notes and accounts receivable, and contract assets	16,072	14,194
Merchandise	225	225
Real estate for sale	322,224	354,961
Real estate for sale in process	61,113	49,425
Costs on construction contracts in progress	86	26
Supplies	589	472
Other	38,837	30,114
Allowance for doubtful accounts	(24)	(19)
Total current assets	679,386	583,864
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	251,811	243,489
Machinery, equipment and vehicles, net	17,513	17,848
Land	1,466,075	1,405,359
Construction in progress	56,336	45,782
Other, net	11,161	11,344
Total property, plant and equipment	1,802,898	1,723,825
Intangible assets		
Goodwill	115,519	117,160
Leasehold interests in land	80,099	70,843
Other	28,904	28,881
Total intangible assets	224,524	216,886
Investments and other assets		
Investment securities	431,133	420,487
Guarantee deposits	56,758	53,986
Deferred tax assets	3,857	3,867
Net defined benefit asset	201	197
Other	49,991	44,436
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	541,936	522,967
Total non-current assets	2,569,358	2,463,680
Deferred assets		
Total deferred assets	1,722	1,391
Total assets	3,250,468	3,048,935

(Million yen)

Item	March 31, 2025	December 31, 2024
LIABILITIES		
Current liabilities		
Short-term borrowings	380,525	359,719
Short-term bonds payable	139,672	29,909
Current portion of bonds payable	120,000	—
Accrued expenses	8,795	5,867
Income taxes payable	10,350	27,725
Advances received	10,700	10,464
Provision for bonuses	1,417	962
Provision for bonuses for directors (and other officers)	95	382
Other	23,119	27,721
Total current liabilities	694,675	462,754
Non-current liabilities		
Bonds payable	384,000	444,000
Long-term borrowings	1,064,666	1,037,369
Deferred tax liabilities	92,230	89,978
Provision for share awards	3,333	3,151
Net defined benefit liability	4,793	4,652
Long-term guarantee deposits	109,149	104,947
Other	45,590	45,737
Total non-current liabilities	1,703,764	1,729,837
Total liabilities	2,398,439	2,192,591
NET ASSETS		
Shareholders' equity		
Share capital	111,609	111,609
Capital surplus	137,737	137,738
Retained earnings	518,631	522,922
Treasury shares	(6,215)	(3,094)
Total shareholders' equity	761,763	769,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,275	65,506
Deferred gains or losses on hedges	(510)	(517)
Foreign currency translation adjustment	404	(1,063)
Remeasurements of defined benefit plans	(135)	(111)
Total accumulated other comprehensive income	66,034	63,814
New share acquisition rights	75	75
Non-controlling interests	24,155	23,278
Total net assets	852,028	856,344
Total liabilities and net assets	3,250,468	3,048,935

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

(Million yen)

Item	Three months ended March 31,	
	2025	2024
Operating revenue	156,644	107,593
Operating costs	102,071	68,300
Operating gross profit	54,572	39,292
Selling, general and administrative expenses	22,755	15,563
Operating profit	31,816	23,728
Non-operating income		
Interest income	149	15
Dividend income	266	234
Share of profit of entities accounted for using equity method	383	84
Termination of lease contracts	139	467
Foreign exchange gains	305	—
Other	184	231
Total non-operating income	1,428	1,033
Non-operating expenses		
Interest expenses	4,306	2,965
Other	927	554
Total non-operating expenses	5,233	3,520
Ordinary profit	28,010	21,241
Extraordinary income		
Gain on sale of investment securities	829	3,486
Other	176	24
Total extraordinary income	1,005	3,511
Extraordinary losses		
Loss on retirement of non-current assets	608	1,304
Loss on reconstructions of buildings	218	9
Impairment losses	415	—
Other	0	10
Total extraordinary losses	1,242	1,325
Profit before income taxes	27,774	23,427
Income taxes - current	9,672	7,954
Income taxes - deferred	717	(471)
Total income taxes	10,390	7,483
Net income before non-controlling interests	17,383	15,944
Profit attributable to non-controlling interests	208	85
Profit attributable to owners of parent	17,175	15,858

Quarterly Consolidated Statements of Comprehensive Income (Unaudited)

(Million yen)

Item	Three months ended March 31,	
	2025	2024
Net income before non-controlling interests	17,383	15,944
Other comprehensive income		
Valuation difference on available-for-sale securities	765	11,163
Deferred gains or losses on hedges	7	(120)
Foreign currency translation adjustment	1,468	—
Remeasurements of defined benefit plans, net of tax	(56)	(71)
Share of other comprehensive income of entities accounted for using equity method	24	(45)
Total other comprehensive income	2,209	10,926
Comprehensive income	19,593	26,870
Comprehensive income attributable to		
Owners of parent	19,395	26,785
Non-controlling interests	197	85

(3) Footnotes on the Quarterly Consolidated Financial Statements

(Footnotes on the Assumption of Going Concern)

N/A

(Footnotes on Shareholders' Equity in Case of Significant Changes)

N/A

(Footnotes on Quarterly Consolidated Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows of 1Q FY2025 are not prepared. Depreciation (includes amortization of intangible non-current assets excluding goodwill), and amortization of goodwill of 1Q FY2025 were as follows.

(Million yen)

	Three months ended March 31,	
	2025	2024
Depreciation	4,633	4,161
Amortization of goodwill	1,761	334

(Footnotes on Segment Information, etc.)

【Segment Information】

I. 1Q FY2025 (from January 1, 2025 to March 31, 2025)

1. Information on operating revenue, profit or loss by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Value recorded in the Quarterly Consolidated Statements of Income (Note 3)
	Real estate business	Insurance agency business (subsidiary)	Hotels / Ryokans (subsidiaries)	Sub-total				
Operating revenue								
Outside customers	131,249	1,065	14,749	147,064	9,579	156,644	—	156,644
Inter-segment	2,136	—	89	2,225	820	3,045	(3,045)	—
Total	133,385	1,065	14,839	149,289	10,400	159,689	(3,045)	156,644
Segment profit	33,381	372	1,848	35,602	743	36,345	(4,529)	31,816

Notes:

1. The category of “Others” included business segments that were not included in the reportable segments, such as general construction, design / construction management, and child education business, etc.
2. Adjustment of segment profit of negative ¥4,529 million included elimination of intersegment transactions of ¥302 million and corporate expenses of negative ¥4,831 million which were not distributed to reportable segments. Corporate expenses were expenses mainly related to general administrative departments that did not belong to reportable segments.
3. Segment profit was adjusted with operating profit reported in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill for each reportable segment:

The information was omitted because it was immaterial.

II. 1Q FY2024 (from January 1, 2024 to March 31, 2024)

1. Information on operating revenue, profit or loss by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Value recorded in the Quarterly Consolidated Statements of Income (Note 3)
	Real estate business	Insurance agency business (subsidiary)	Hotels / Ryokans (subsidiaries)	Sub-total				
Operating revenue								
Outside customers	92,339	1,070	13,129	106,539	1,053	107,593	—	107,593
Inter-segment	2,162	—	69	2,231	457	2,689	(2,689)	—
Total	94,502	1,070	13,198	108,771	1,510	110,282	(2,689)	107,593
Segment profit	26,007	444	844	27,296	115	27,412	(3,683)	23,728

Notes:

1. The category of “Others” included business segments that were not included in the reportable segments, such as general construction, design / construction management, etc.
2. Adjustment of segment profit of negative ¥3,683 million included elimination of intersegment transactions of ¥240 million and corporate expenses of negative ¥3,923 million, which were not distributed to reportable segments. Corporate expenses were expenses mainly related to general administrative departments that did not belong to reportable segments.
3. Segment profit was adjusted with operating profit reported in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on fixed assets and goodwill for each reportable segment: N/A