January 30, 2020
Company Name: Hulic Co., Ltd.
(3003JP TSE 1st section)
Real Estate
President : Manabu Yoshidome
Contact: itou.shin@hulic.co.jp

Financial Information of FY2019 (January～December)【SUMMARY】

Ⅰ. FY2019 performance result Summary

(**Billion** of Japanese Yen)

	FY2018	**FY2019 final**	UP from last year	% 2019/2018	FY2020 forecast
Operating Revenue	287.5	**357.2**	69.7	up 24.2 %	N.A.
Operating Income	75.5	**88.3**	12.7	up 16.9 %	100.0
Ordinary Income	72.5	**84.6**	12.1	up 16.7 %	92.0
Net Income	49.5	**58.8**	9.2	up 18.7 %	62.0
Annual Dividend	25.5 yen	**31.5 yen**	6.0 yen	up 23.5 %	34.5 yen

[Summary]
- Revenue and all Income numbers achieved **historical high.**
- We have come close to **achieve both 10 year long-term business plan Ordinary Income goal (ending FY2023),** and achieved **3 year Mid-term business plan in both OP and Net Income guidance (ending FY2020)**.
  Then, we decide to formulate the new mid/long-term plan (starting FY2020, ending FY2022 and FY2029 respectively).
- Today, we announced **another upward revision of dividend payment by 1.0 yen per share for 2019 shareholders.**
- Operating Revenue = Surged in the 4Q, due to property transfer to our sponsored REITs and 3rd party investors.
- Operating Income = Central Tokyo property attracted many potential buyers and capital gains were on the high side of expectation. As a result of stronger capital gains, % of leasing income share stayed around 57% of total OP.
- Ordinary Income, which is our preferred management target, **increased by 16%** from FY2018.

Ⅱ. Major KPI

FY2019 result has beaten all KPI guidances.

(Japanese Yen)

	FY2017	FY2018	FY2019	**Former guidance**
Ordinary Income	61.8 billion	72.5 billion	84.6 billion	83.0R←80.0
ROE	11.9%	12.7%	13.6 %	>=10.0%
Net D/E ratio	2.3 times	(*)1.9 times	(*)2.0 times	<=3.0
Payout ratio	32.6%	33.9%	35.4%	<>=33.3%
Annual Dividend	21.0 yen	25.5 yen	31.5 yen	30.5R←28.5

(*)50% of 150 billion hybrid finance balance was considered with Equity calculation.

Ⅲ. Share Price and Market Cap history.

- Real Estate shares in Japan made a recovery from mid-2019. HULIC share price turned up around 50% from bottom.
- Land prices of commercial districts in central Tokyo (GINZA, Shibuya etc.) and Osaka(Shinsaibashi, Umeda etc.) keep rising.
- Net Asset value (Book value + unrealized value) of leasing asset increased from previous year.

(Japanese Yen)

	2016/12	2017/12	2018/12	**2019/12**
Share Price (3003 JP)	1,039 yen	1,266 yen	985 yen	**1,316 yen**
Market Capitalization (yen)	688.7 Billion	839.4 Billion	653.1 Billion	**886.8 Billion**
EPS	53.00yen	64.38yen	75.18yen	**88.93 yen**
BPS	511.68yen	570.02yen	608.49yen	**687.01 yen**
unrealized value of leasing asset	253.6 Billion	293.3 Billion	323.2 Billion	**370.0 Billion**

Ⅳ. New Mid-term plan (FY2020-2022) Long-term plan (FY2020-2029)

- Hulic will accelerate large development and reconstruction projects for exsisting aged-buildings in the next 10 years.
- Due to the time-line of developing schedule, PL source will rely more on capital gains in the next few years but 2/3 of PL will be eventually produced from existing and newly developed leasing buildings and AM fees.

(Japanese Yen)

	FY2019	**FY2022 target**	**FY2029 target**
Operating Income	88.3 billion	**120.0 billion**	n.a
Ordinary Income	84.6 billion	**110.0 billion**	**180.0 billion**
Net Income	58.8 billion	**73.5 billion**	n.a
Debt/EBITDA	10.1	**<=12.0**	**<=12.0**
ROE	13.6	**>=10.0%**	**>=10.0%**
Net D/E ratio	2.0	**<=3.0**	**<=3.0**
Payout ratio	35.4 %	**<>=40%**	**n.a**

END