January 28, 2021
Company Name: Hulic Co., Ltd.
(3003JP TSE 1st section)
Real Estate
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Financial Information of FY2020 (January～December)【SUMMARY】

Ⅰ. FY2020 performance result Summary

(**Billion** of Japanese Yen)

	FY2019	FY2020 final	UP from last year	% 2020/2019	FY2021 forecast
Operating Revenue	**357.2**	**339.6**	-17.6	down 4.9 %	N.A.
Operating Income	**88.3**	**100.5**	12.2	up 13.8 %	110.0
Ordinary Income	**84.6**	**95.6**	10.9	up 12.9 %	100.0
Net Income	**58.8**	**63.6**	4.8	up 8.1 %	65.0
Annual Dividend	**31.5 yen**	**36.0 yen(F)**	4.5 yen	up 14.2 %	38.0 yen

[Summary]
・Final results surpassed all the Income guideline, which was published on Jan29, 2020 - before Covid-19 was publicly recognized.
・Our corporate management target, Ordinary Income, has made 13% increase Y-O-Y.
・**Annual Dividend per share will be revised up again to** 36 yen, due to higher Net Income and hike of payout ratio target.
・Our management team committed to the original FY2020 guidance, the loss from Hotel operation was covered by capital gains.
・We also made a hefty investment such as Tokyo offices, nursing homes and future development site of Data Center or Logistics.
・Because we cannot see the exit timing of Covid-19, we place modest income guidance numbers for FY2021 at this time.

Ⅱ. Major KPI

FY2020 result has beaten all KPI guidances.

(Japanese Yen)

	FY2018	FY2019	FY2020	**Former guidance**
Ordinary Income	72.5 billion	84.6 billion	95.6 billion	92.0 billion
ROE	12.7%	13.6 %	13.4 %	>=10.0%
Net D/E ratio	(*)1.9 times	(*)2.0 times	(*)1.7 times	<=3.0
Payout ratio	33.9%	35.4%	37.8%	40% in FY2022
Annual Dividend	25.5 yen	31.5 yen	36.0 yen	34.5 yen

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

[Transaction market]= Activated in 4Q
・Abundant investment money flew into Tokyo Office market. Market has reactivated in the 4Q.
・We have doubled buy/sell activities in the 4Q, promoted the portfolio reshuffle efficiently and booked capital gains.

[Tokyo Office market]= 'Work from home' style do not spread among mainstream companies. Commuter trains are fairly crowded.
・Tokyo central office vacancy rose slightly in 2020 due to new supply against slow demand. New supply will be limited in 2021.
Office Rent has been almost flat, we applied same cap rate to appraise offices.

[Hotel Business]= Tough time will continue. Limited business travel and no inbounds tourists, no gatherings damaged urban area hotels.
・Short trips have boomed between September and December due to the 'Go-To-Campaign' (Government subsidy program)
Our 'Fu-Fu' brand, high-end Hotel(Ryokan), reached full capacity in 4Q, but campaign ended on 14th of December.
・In 2021, Hotel PL is difficult to estimate because so many uncertain factors are around. (Tokyo Olympics, vaccine timing and effect.etc)
We curently estimate losses from Hotel operation in FY2021, but loss figures may come down from FY2020.
・HULIC won't terminate the mid-term development plan of new Hotels completing after 2023, post-Corona year.

[Commercial/Retail property]= underperforming
・In January 2021, State of Emergency declared. More dining tenants are expected to vacate space if this continues longer.
・In case of aged buildings, Developers often get benefit to vacate the space without paying the compensation,
being encouraged to expedite the redeveloping schedule of old buildings.
・GINZA still wins over SHIBUYA and AOYAMA in central Tokyo. Top brands keep Ginza signature shops by sacrificing others.

[Other assets]
・Both Logistics and Data Center are the best perfomer and we are planning of several redevelopment projetcs - to be followed.