



# Sustainability Book 2025

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## [Cover Photos]

Upper left: THE GATE HOTEL FUKUOKA by HULIC (Effective utilization of renewable energy and wood material)

Upper right: Battery Owners Chiba, Narita City Komaino (Investment in grid-scale batteries)

Lower left: Kamogawa Small Hydroelectric Plant (Development of renewable energy facilities)

Lower right: Hulic Logistics Noda II (ZEB compliance of the building)

**HULIC CO., LTD.**



**Saburo Nishiura**  
Chairman,  
Representative Director

**Takaya Maeda**  
President, Representative Director

## Message from the Management

**The Starting Point of Hulic's Sustainable Management is "For the realization of a society full of safety, peace of mind and trust, and for the continuous improvement of corporate value".**

For more than half a century, Hulic has been operating a real estate leasing business focusing on a portfolio of office buildings in central Tokyo. Our strength of having a solid business foundation, based on the prime locations of properties, has allowed us to maintain continued growth of profits and dividends since our listing in 2008, without being affected by market conditions even in the face of adversity, including difficulties associated with the Financial Crisis, the Great East Japan Earthquake and the spread of COVID-19. Hulic's sustainable growth is supported by sustainability-conscious business operations and value creation to solve social issues and pursue initiatives that combine social value creation with corporate growth. In our corporate philosophy, we uphold the following values: "For the realization of a society full of safety, peace of mind and trust, and for the continuous improvement of corporate value". As part of our management strategy, we consider that taking initiatives to address social issues will create business opportunities. We will further increase Hulic's purpose by implementing management that emphasizes sustainability.

### Medium- and Long-Term Management Plan (2020 to 2029) and Sustainability

In the Medium- and Long-Term Management Plan (2020 -2029), which began in FY2020, we aim to implement management that emphasizes sustainable co-creation and co-existence with society as one of the basic strategies. With "driving innovation" and "accelerating progress" as our motto, we are focusing on executing sustainability-conscious business operations and value creation to help resolve social issues and to pursue initiatives that synchronize social value creation with corporate growth by evolving flexibly in response to changes in the macro environment.

### Materiality in Sustainability and Progress

We identified and selected issues of especially high materiality in terms of their importance to Hulic and to our stakeholders. We will continue to review the materiality issues we have identified and implement effective initiatives and counteractions as well as assess opportunities and risks. To steadily implement these initiatives, we also set quantitative KPIs and other targets so that we can review their status every year.

### To All Stakeholders

We fulfill the tasks and responsibilities demanded of us through corporate activities in the real estate business, aspiring to further grow as we create value to share with society, customers, business partners, employees, local communities, shareholders, investors, and all other stakeholders.

We look forward to the growth and evolution of Hulic, which has continued to change with the keywords "driving innovation" and "accelerating progress", and we sincerely ask for your continued support.

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### Editorial Policy

The "Sustainability Book 2025" was created with the aim of informing stakeholders about our various sustainability initiatives that link the creation of social value and corporate growth, and creating new opportunities for dialogue.

#### Reporting Boundary

Hulic Co., Ltd. and its Group companies

#### Time of Issuance

October 2025

#### Reference Guidelines

- International Integrated Reporting Framework (IFRS Foundation)
- "Guidance for Collaborative Value Creation 2.0 (Ministry of Economy, Trade and Industry)"
- "The GRI Sustainability Reporting Standards"
- "The Environmental Reporting Guidelines (2018)"

# Hulic's approach on Sustainability

Corporate Philosophy and Basic Stance

Corporate Philosophy

For the realization of a society full of safety,  
peace of mind and trust,  
and for the continuous improvement of corporate value

Basic Stance

Ideal Company	We aim to be a company that grows each day by utilizing stable corporate infrastructures.
Corporate Culture	We always conduct business from a new viewpoint in an effort to increase our corporate value.
Stance to Customers	We are committed to providing optimal products and services to customers, placing customer satisfaction as our top priority.
Ideal Employees	Each of Hulic's employees strives to provide high quality value as a professional.

Basic Principles of Corporate Conduct

The Basic Principles of Corporate Conduct, which concretely describes our Basic Stance in an easy-to-understand manner from a company viewpoint, underlies our decision-making in business.

1. Awareness of Corporate Social Responsibility

Contribute to domestic and overseas economies and stable development of society by devoting ourselves to sound business based on self-responsibility and fulfilling our social missions.

2. Practice of Customer-first Policy

Treat customers faithfully and kindly, listen to their requests with sincerity and provide sophisticated, efficient and high-quality services.

3. Faithful and Fair Conducts

Always act with sincerity and fairness in compliance with laws and regulations, their spirits, as well as social norms. Decisively confront anti-social forces threatening the order and stability of a civil society.

4. Contribution to and Harmony with the Society

Contribute to social development and improvement through the appropriate use of our fundamental functions. While being aware of responsibilities as good corporate citizens, commit ourselves to corporate conducts in accordance with the social common sense and expectations through close communication with society.

5. Respect for Humanity

Build an organizational culture full of respect for humanity and that values comfort and well-being, such that people can work with high motivation and an open-heart.

Our Code of Conduct

Our Code of Conduct, which concretely describes our Basic Stance in an easy-to-understand manner from the viewpoint of each employee, underlies actions our directors and employees should take.

1. Respect human rights and prohibit discrimination and harassment

2. Comply with laws and rules

3. Conduct business in a faithful and fair manner

4. Manage information appropriately

5. Adhere to insider trading regulations

6. Avoid involvement with anti-social forces

7. Be considerate of environmental conservation

8. Maintain and encourage the best communication possible

9. Respect intellectual property rights

10. Prohibit bribery, and rules concerning gifts and entertainments

11. Ensure transparency and reasonableness of transactions

Sustainability Vision

We aim to pursue realization of a sustainable society and continued growth of Hulic by putting our Corporate Philosophy into practice. We commit to take a faithful approach to all of stakeholders.  
To this end, we pursue initiatives based on a three-point Vision.

We create shared value with our society by actively engaging with the environmental issues through our corporate activities.

We lay the foundation for the future by providing peace of mind to our customers through offering our high value-added products and services.

We take compliance seriously, respect human rights and strive to perform transparent corporate activities based on our high ethical standards.

Relationships between the Philosophical Framework and Medium- and Long-term Management Plan

Our corporate philosophy “For the realization of a society full of safety, peace of mind and trust,” means the purpose we exist is to create shared value with society through our corporate activities. Accordingly, our corporate philosophy and our sustainability vision are on both aspects of social relationships. Based on our corporate philosophy and sustainability vision, we formulated our corporate strategies as well as the Medium- and Long-term Management Plans.

Corporate Philosophy  
Clarifying what we value and why we exist as a company

Basic Stance  
Showing who we need to be to realize our corporate philosophy

Basic Principles of Corporate Conduct  
Ethical standards to realize our corporate philosophy and basic stance

Our Code of Conduct  
A code of conduct for all to adhere

Sustainability Vision  
Creating shared value with society through practicing our corporate philosophy

Management Foundation

Applicable Laws and Regulations

Company Rules

Corporate Strategies

Medium-and Long-term Management Plan (2020-2029)

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Hulic's approach on Sustainability

Hulic Group's Value Creation Strategy

Environmental Initiatives

Social Initiatives

Initiatives on Corporate Governance

ESG

Sustainability Data

Sustainability

Outline of Medium- and Long-term Management Plan (2020-2029)



Recent Results of Initiatives Related Our Sustainability

Environment: To realize a “carbon-free and recycling-oriented society”

- Invest in renewable energy sources to achieve 100% energy use from renewables in all company-owned buildings\* by 2029
  - Invest in JPY100 billion in grid-scale storage batteries by 2034
  - Achieved “RE100” in May 2023 and continuously achieved in 2024
  - Disclose information in line with TCFD and TNFD recommendations
  - Formulated greenhouse gas emissions reduction targets in conformance with Science Based Target initiative (SBTi). Our near-term (by 2030) emissions reduction targets were approved by SBTi
  - Implement the reduction of waste disposal by applying longer-life designs as standard specifications
- \* Excludes properties for which we do not have energy management authority including master lease properties, residential properties and non-managerial co-ownership properties, and real estate for sale, etc.

Society: Providing value to the stakeholders

- Promote initiatives to secure the strength to withstand in the event of an earthquake with a seismic intensity of 7 level in all Company-owned buildings by 2029
- Revise human rights policy and conduct Human Rights Due Diligence. Continue to promote initiatives to respect human rights
- Strengthen relationships with local communities and other stakeholders
- Implement a wide range of social contribution activities (managing Shogi championships for women (Hulic Cup Hakurei Championships and women's rank-deciding competition), supporting Japan Para-Badminton Federation, supporting single-parent households, donating of emergency food stockpiles, etc.)

Corporate governance: Promotion of balanced management

- Maintain sound corporate governance based on our Corporate Governance Guidelines
- The Board of Directors comprises 4 executive directors and 6 independent directors and majority of members are independent external directors. (As of April 1, 2025)
- The chairperson of the Board of Directors is an external director (non-executive)
- Ensure diversity and inclusion in the Board of Directors and Audit & Supervisory Board by increasing the ratio of female directors and Audit & Supervisory Board members to 33.3%, and the ratio of female directors to 30.0% (As of April 1, 2025)
- Strengthened the Nominating Committee's and the Remuneration Committee's functions by appointing all four committee members are independent outside directors
- Disclosed directors skill matrix
- Share-based compensation system is introduced (a clawback mechanism is in place)

Participation in Initiatives

Hulic takes part in a range of global and domestic initiatives aimed at creating a sustainable society as well as increasing our purpose as a real estate company.

Sustainable Development Goals (SDGs)

In September 2015, the United Nations Summit unanimously adopted the SDGs as goals to be achieved by 2030. The SDGs consist of 17 goals in such areas as sustainable energy, the creation of a robust infrastructure, climate change countermeasures, and high-quality education.



Through our corporate activities, we address social issues and seek to find solutions. In concrete terms, we identify issues of great importance to us and our stakeholders as materiality issues, then implement measures to navigate relevant opportunities and risks.



Materiality Assessment  
[https://www.hulic.co.jp/en/sustainability/about/process/material\\_issues.html#anc1](https://www.hulic.co.jp/en/sustainability/about/process/material_issues.html#anc1)



Opportunities and Risks related to Materiality and Our Actions  
<https://www.hulic.co.jp/en/sustainability/about/process/initiative.html>

Paris Agreement and SBT

We intend to reduce greenhouse gas emissions in line with the 2015 Paris Agreement adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21). To achieve this goal, we work to introduce environmentally-friendly equipment to buildings, to convert to 100% renewable sources for electricity consumption at all company-owned buildings\*1 by owned renewable energy equipment, and to reduce greenhouse gas emissions throughout the supply chain.



Hulic has had its near-term (by 2030) greenhouse gas emissions reduction targets approved by SBTi (the Science Based Target initiative\*2) as consistent with levels required to meet the goals of the Paris Agreement.

\*1 Excludes single-tenant lease properties, residential properties, unmanaged shared properties for which we do not manage energy, and real estate for sale, etc.

\*2 An international initiative that promotes companies to develop greenhouse gas emission reduction targets in line with Paris Agreement goals (limiting the global temperature rise above pre-industrial levels to well below 2°C and limiting below 1.5°C).

Task Force on Climate-related Financial Disclosures (TCFD\*)

Mindful of the importance of disclosing climate-related financial information, we announced our support for the information disclosure framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD\*) in 2020 and started disclosing information in line with the recommendations after completing analysis and responses on the recommended framework. In 2024, we conducted an analysis in line with the 1.5°C scenario instead of previous 2°C scenario, and updated the content of our disclosures.

We will continue providing to our stakeholders information regarding our initiatives on creating a sustainable society in an easy-to-understand way and will work to further improve information disclosure.



Information Disclosure based on TCFD Recommendations  
<https://www.hulic.co.jp/en/sustainability/ecology/tcfcd/>

\* TCFD (Task Force on Climate-related Financial Disclosures) was established by the Financial Stability Board (FSB), an international organization that includes the central banks of major countries as well as financial regulators. The TCFD proposes a framework for disclosing climate-related information to investors.

RE100

In 2019, we participated in RE100, an international initiative for member companies to aim using 100% renewable energy for the electric power required for business activities. We have developed our own solar power generation facilities that don't apply the feed-in tariff (FIT\*) system (contribute to a decarbonized society through “additionality\*2”), and have supplied all of them from our own PPS. We achieved in May, 2023 and continuously achieved in 2024.



\*1 A feed-in tariff (FIT) system for electricity that requires utility companies to purchase electricity generated using renewable sources for a certain period of time at a price specified by the national government.  
FIT electricity is not considered renewable energy as a portion of the cost of the electricity purchased by a utility company is added to the consumer's bill so the tax payer must bear some of the costs. Therefore, achieving the 100% goal with FIT electricity is not considered RE100 by definition.

\*2 Additionality is the promotion of the reduction of GHG emissions by installing new renewable energy facilities to replace existing thermal power generation.

Participation in TNFD Forum • Disclosure of Information based on TNFD

Hulic participates in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. The TNFD is an international initiative to create a framework for the effective assessment and disclosure of risks and opportunities related to natural capital and biodiversity. The TNFD Forum was established to support these discussions and help with creating a framework for the guidelines. In addition, we have begun to disclose information based on TNFD since 2025.



Information Disclosure based on TNFD Recommendations  
<https://www.hulic.co.jp/en/sustainability/ecology/tnfd/>

Challenge Zero

Challenge Zero (Challenge Net Zero Carbon Innovation), originated by the Japan Business Federation, is an initiative that views the creation of a decarbonized society as an important management issue. Companies participate if they are looking to develop innovative technologies early on and to implement them in society. The goal is to realize a net zero greenhouse gas emission society as soon as possible, in line with the Paris Agreement. In cooperation with partner companies, Hulic plans developing power generation and heat supply systems that use food waste from commercial facilities and hotels. The system will be used in Company-owned properties to convert waste to energy, to achieve zero emissions, and to increase efficiency of operations.



Keidanren Biodiversity Declaration Initiative

Biodiversity conservation, along with efforts to address climate change and realize a recycling-oriented society, constitute the main pillar of Hulic environmental materiality issue. With the United Nations Decade on Biodiversity ended in 2020, Keidanren (Japan Business Federation) made a proposal to continue this initiative in the Japanese business community with the Keidanren Biodiversity Declaration (revised edition) announced in June 2020. Hulic endorses and participates in this Keidanren initiative, and as a member of the international community, we will collaborate and cooperate with various stakeholders to resolve social issues.



Support of the Japan Business Federation's One Percent Club Initiative

Hulic supports the One Percent Club initiative, a move advocated by Keidanren (Japan Business Federation). The Club, as a suborganization of Keidanren's Committee on Responsible Business Conduct & SDGs Promotion, provides information on social contribution activities to companies and coordinates networking with NPOs and other organizations with the aim of enabling more effective social responsibility activities.

Keidanren's Challenge Initiatives for 30% of Executives to Be Women by 2030

Keidanren (Japan Business Federation) hosts the initiatives to aim for increasing the female executives ratio to 30% by 2030. In 2021, Hulic endorses the Challenge Initiatives for 30% of Executives to Be Women by 2030 from Keidanren (Japan Business Federation). And we have already achieved the challenge by increasing the female ratio in directors and Audit & Supervisory Board members to 33.3% and female directors ratio to 30.0% (as of April 1, 2025). Hulic actively manages diversity and believes in the importance of providing equal opportunities regardless of gender. We will continue to create an organizational environment where women and diverse individuals can thrive.



GX League

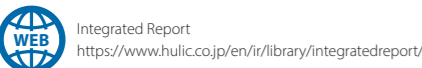
Green Transformation (GX) is intended to bring about a shift from an industrial structure centered on fossil fuels to one centered on clean energy, ushering in a comprehensive restructuring of economic and social systems. The GX League is a platform of like-minded companies that discusses GX and launches initiatives to create new markets in cooperation with industry, government, academia, and finance. Hulic supports the basic concept of this movement and is working together with others to discuss, promote, and practice GX.

Registration of Partnership Building Declaration

Hulic has registered a Declaration of Partnership Building as promoted by the Ministry of Economy, Trade and Industry, seeking coexistence and co-prosperity throughout the supply chain.

Issuance of Integrated Report and the Sustainability Book

We have been issuing the Integrated Report since 2020. In the Integrated Report, we describe how our strengths have been used to create value for customers, society, and the Company. We also present financial information and outline the sustainability initiatives which support our corporate growth in an easy-to-understand way for our stakeholders. The aim of the Integrated Report is to create the opportunity for a new dialogue. The Integrated Report is reviewed by the Board of Directors prior to being issued. Further, Hulic compiles sustainability initiatives aimed at realizing a society full of safety, peace of mind and trust, and for the continuous improvement of corporate value in the Sustainability Book as well as on the Hulic website.



Organizational Structure

Establishment of the Sustainability Committee

We have established "Sustainability Committee" (the Committee). The Committee will discuss and coordinate material management matters relating to strengthening of our long-term competitiveness and risk management reflecting discussions and developments associated with ESG and SDGs in Japan and around the world.

The President chairs the Committee as commitment of top management is of utmost importance in successful medium and long-term engagements. Other members of the Committee include Vice Presidents, General Managers of Corporate Sustainability Department, General Managers of Business Planning and Management Department, General Managers of the Real Estate Planning Department, and Group company executives.

Further, based on TCFD recommendations, we established a governance mechanism under which the Sustainability Committee deliberates and coordinates matters related to climate change. The Committee evaluates the impact of climate change on business at least once a year, formulates policies and strategies for mitigating identified risks and seizing opportunities, and discusses how to adapt to climate change, including reflecting its impact in plans, budgets and targets. The Committee also sets KPIs related to sustainability, including climate change, water consumption and waste disposal, etc. and evaluates progress by reviewing and overseeing performance. The Sustainability Committee submits reports on the deliberation of matters related to climate change and other sustainability matters (water consumption and waste disposal, etc.) at least once a year to the Board of Directors, which oversees the committee.

Organizational Structure



Activities of Sustainability Supporters

Approximately 30 employees are appointed from Hulic Group companies as sustainability supporters. During a one-year term as sustainability supporters, they play a central role in social contribution activities that include hosting a summer festival, conducting satoyama conservation activities, considering where to donate employee matching gift program and sorting used stamps. Additionally, sustainability supporters assist the Corporate Sustainability Department in the promulgation and inculcation of the Hulic Sustainability Vision into the entire Group. At sustainability supporter meetings, opinions are proactively exchanged and proposals submitted that contribute to sustainability initiatives and the formulation of action plans.



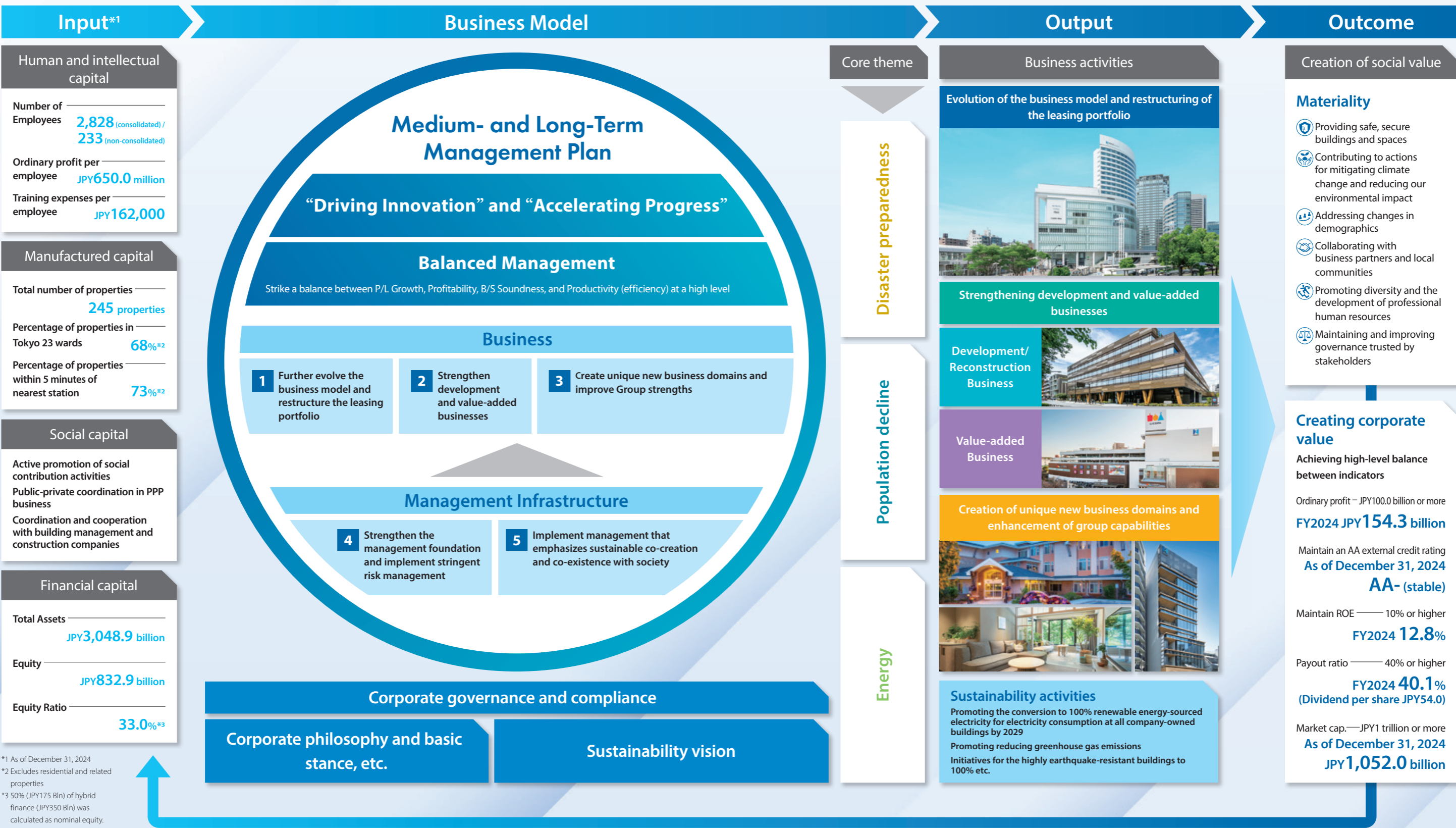
Sorting used stamps



# Hulic Group's Value Creation Process

For the realization of a society full of safety, peace of mind and trust, and for the continuous improvement of corporate value

For the realization of a society full of safety,  
peace of mind and trust,  
and for the continuous improvement of corporate value



# Hulic's Story of Sustainability

Here, we look at three themes that we recognize as important social issues for the realization of a society full of safety, peace of mind and trust, when identifying materiality that we should focus on as well as related initiatives.

1  
Disaster preparedness

2  
Population decline

3  
Energy



## 1 Disaster preparedness



Materiality

Providing safe, secure buildings and spaces

### ◆ Related KPIs

- 100% highly earthquake-resistant buildings\*1 by 2029 (target to be achieved by the end of 2025, excluding those subjects for reconstruction, sale, etc.)
- Percentage of properties meeting Hulic's earthquake resistance standards\*2: 100% each year



### Analysis of the Business Environment

Japan is one of the countries where earthquakes hit most frequently, and experts believe there is a 70 to 80%\*3 probability of major earthquakes, such as earthquakes directly under metropolitan Tokyo and in the Nankai Trough, within the next 30 years. The Great East Japan Earthquake in 2011 caused a staggering 6.5 trillion yen\*4 in damages. In addition to earthquakes, Japan is also at risk of other disasters, such as an eruption of Mt. Fuji and flooding. As a real estate company that provides buildings, we recognize disaster countermeasures for buildings as one of our most significant issues and intend to ensure that our tenants can be active with peace of mind.

### Hulic's Major Initiatives and Actions

- **Earthquake countermeasures: ensuring all company-owned buildings (excluding those for sale, etc.) can withstand a seismic intensity of level 7 by 2029**

Hulic has established inhouse earthquake resistance standards that are stricter than the Building Standards Act and then applies these standards to all buildings that we develop or reconstruction. In addition, earthquake-absorbing and earthquake-damping structures are effective for ensuring high earthquake resistance, and we actively employ them in our buildings (see pp. 74-75). We also assess earthquake resistance when acquiring properties. We are working to ensure that all company-owned buildings (excluding those for sale, etc.) can withstand an earthquake with a seismic intensity of level 7 on the Japanese scale by 2029.

At the same time, to accurately assess the safety of buildings in the event of a major earthquake, we will gradually introduce a system for determining the degree of damage in disaster situations.



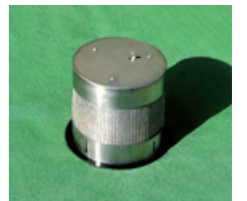
An example of reinforcement work

- **Measures against ashfall from possible Mt. Fuji eruption**

If Mt. Fuji were to erupt, there is concern that rain mixed with volcanic ash could get into building drainage systems, block drain pipes, and cause water leakage, leading to failures of building structures and equipment. We have jointly developed a product called a roof drain cap that prevents volcanic ash from entering building equipment, are promoting its installation in our owned buildings, and plan to release it widely in the future (patent pending).

As well, we have established a system to swiftly restore the functions of buildings by equipping each building with necessary supplies for ash removal and collaborating with building management companies, enabling operations to immediately resume once no more ash is being released from the eruption and the public infrastructure can be restored.

We have also introduced operational measures at some of the *ryokans* (luxury Japanese inns) that we own near Mt. Fuji, such as obtaining insurance to compensate for economic losses due to temporary closures caused by ashfall.



Roof drain cap

### Topics

#### Holding Seminars on Mitigating Damage Caused by Disasters

We have been holding seminars for employees on how to mitigate the damage caused by disasters since 2022 (with lecturers from the Japanese Red Cross Society). The employees learn about the expected damage and methods to protect themselves in the event of a large-scale earthquake, such as one directly under metropolitan Tokyo. In the practical training, they learn, among other items, how to perform first aid using readily available plastic bags, as well as CPR and how to use an AED (defibrillator).

Seminars on mitigating damage caused by disasters



\*1 Highly earthquake resistant buildings are those that can safeguard human life and enable continued use of the building with post-earthquake repairs when an earthquake hits with a seismic intensity of level 7, excluding those subjects for sale, etc.

\*2 Hulic's earthquake resistance standards are where building performance can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of level 7.

\*3 2020 white paper by the Ministry of Land, Infrastructure, Transport and Tourism

\*4 According to the Natural Disaster Damages section of 70th Japan Statistical Yearbook 2021 by the Statistics Bureau of Japan

## 2 Population decline



Materiality

Addressing changes in demographics



### Analysis of the Business Environment

Japan's falling population, the increased aging of society, and the low birth rate will accelerate in the future. Japan's population is predicted to decline from 126.15 million in 2020 to 87 million in 2070. At the same time, the percentage of the population aged 65 and over is predicted to rise steadily from 28.6% in 2020 to 38.7% in 2070. Simultaneously, the average life expectancy is expected to rise and immigration is set to increase.\*

Population decline is an issue that affects all industries, but we believe the impact on the real estate market will be especially significant. For this reason, we are building a real estate portfolio that addresses demographic changes, including promoting businesses related to the elderly and inbound tourism, in light of the rising number of overseas tourists coming to Japan.

In addition, while Japan's birth rate has been trending downward over the long term, the number of dual-income households is rising and the government is considering improving programs for child-rearing support. Anticipating the growing demand for tutoring academies and extracurricular activities for children, we have ventured into children education as one of our new business initiatives.

\* Source: Summary of Future Population Projections (2023) published by the Ministry of Health, Labour and Welfare

### Hulic's Major Initiatives and Actions

● **Building a real estate portfolio that addresses demographic change**

**Target: Office share of 50% or less by 2027**

Keep the office share down in anticipation of an expected decline in demand due to the decrease in the working population and changes in the way people work.

**Target: 50% of properties in focus areas by 2027**

Promote acquisition and development in focus areas (Ginza, Shinjuku East, Shibuya/Aoyama, Asakusa) in anticipation of the population being concentrated in urban areas.



Hulic Ginza  
Sukiyabashi Building

● **Promoting senior citizen-related business**

Own and lease senior living, operate lounges for active seniors, and promote new nursing care businesses using IoT in anticipation of the growing social demand for nursing and medical care as people age.



Hulic Premium Club Nihonbashi

● **Promoting tourism-related business**

Operate branded hotels and *ryokans* (luxury Japanese inns) to capture tourism demand, expected to rise due to the increasing number of overseas tourists coming to Japan.



Guest room baths at FUFU Hakone

● **Promoting child education business**

We provide education-related services for children, including “Kodomo Depart” facilities specialized in child education, centered around our consolidated subsidiary, Riso Kyoiku Co., Ltd., in response to the increase in dual-income households and the government implementation of child-rearing support initiatives.

● **Promoting international business**

We established an International Business Department, specializing in international business investments that target overseas countries and regions experiencing economic growth and population increases, while controlling risks.

### Topics

**Operating Hulic Scholarship Program for Training Welfare Caretakers**

We established the Hulic Scholarship Program for Training of Welfare Caretakers in 2017 in order to support students aiming to be welfare caretakers, and develop human resources engaging in nursing care for the elderly and thus contribute to resolving social issues related to the aging of society. This is a non-repayable scholarship that aims for an improvement of the labor shortage in nursing care.



Practical training

## 3 Energy



Materiality

Contributing to actions for mitigating climate change and reducing our environmental impact

◆ **Related KPIs**

- Greenhouse gas emission reduction targets
- Number of renewable energy systems installed in development/reconstruction projects: 3 or more every year
- Number of times climate change risks are monitored by the Sustainability Committee and reported to the Board of Directors



### Analysis of the Business Environment

2030 interim targets have been set for reducing greenhouse gas (GHG) emissions, a worldwide issue, and a consensus has been reached on the goal of achieving carbon neutrality by 2050. These initiatives are meant to address the pressing concern of shifting to renewable energy. There are also energy supply concerns as many of the country's nuclear reactors remain idle. We believe that we, as a company, must do our best to address energy issues not only to secure energy for the Hulic Group but to help our customers' businesses run smoothly as well.

### Hulic's Major Initiatives and Actions

● **Converting to 100% renewable energy sourced electricity for electricity consumption at all company-owned buildings by 2029**

Focusing on the “additionality” of renewable energy, the Hulic Group actively promotes initiatives to develop and own solar and small hydroelectric plants for renewable energy, rather than buying it from power companies.

Also, against the backdrop of rising energy prices, generating our own power is an advantage for securing stable energy sources.



Solar power generation facility in Kumagaya City, Saitama Prefecture



Kamogawa Small Hydroelectric Plant

### Topics

**Initiated Development of Grid Storage Batteries**

As the adoption of renewable energy expands, securing the “adjustment capability” to manage fluctuations in power supply has become a social issue. In addition to developing solar power generation systems equipped with storage batteries, we began the development of grid storage batteries in 2025 to help stabilize the power supply for both our own energy business and society at large. We plan to invest JPY100 billion in grid storage batteries over a period of about 10 years through 2034.

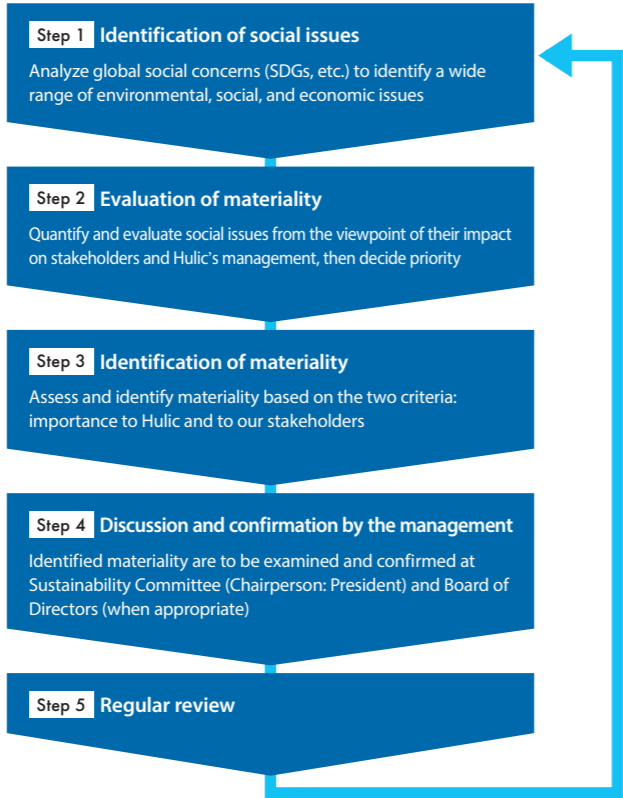


Grid storage batteries (conceptual image)

# Materiality Assessment

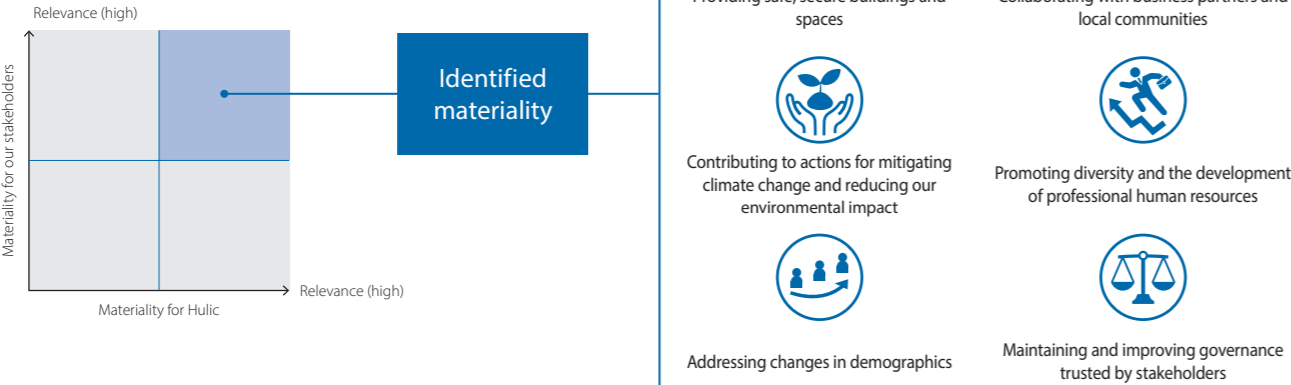
Hulic has been providing properties with excellent safety, environmental features, and convenience that match the needs of the times and society. As social issues and stakeholders' interests diversify, we will continue to focus on key issues that must be prioritized, while addressing issues in society by assessing opportunities and risks in our businesses to achieve sustainable growth.

## Materiality Identification Process


















## Materiality Identified

We identified and selected issues of especially high materiality in terms of their importance to Hulic and to our stakeholders.














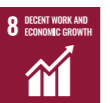













## Our Major Stakeholders and Related Materiality

We are committed to realizing a sustainable society by delivering environmental, social and economic value through interactive communication with all stakeholders. Stakeholders who are particularly important for our sustainable growth and relevant materiality issues are indicated below.

Classification	Key stakeholders	Major engagements (frequency in parentheses)	Materiality of high relevance	
 Customers	<ul style="list-style-type: none"><li>• Tenants</li><li>• Facility users</li></ul>	<ul style="list-style-type: none"><li>• Customer satisfaction survey (annually)</li><li>• Disclosure of information in our Integrated Report and on our website (when appropriate)</li><li>• Establishment of a contact point for inquiries (permanent)</li></ul>	 	<p>Providing safe, secure buildings and spaces</p> <p>Addressing changes in demographics</p>
 Business Partners	<ul style="list-style-type: none"><li>• Building management companies</li><li>• Construction companies</li><li>• Building maintenance contractors</li><li>• Real estate agents</li><li>• Financial institutions</li></ul>	<ul style="list-style-type: none"><li>• Regular meetings and business interaction (when appropriate)</li><li>• Disclosure of information in our Integrated Report and on our website (when appropriate)</li></ul>		<p>Collaborating with business partners and local communities</p>
 Employees	<ul style="list-style-type: none"><li>• Employees of the Hulic Group</li></ul>	<ul style="list-style-type: none"><li>• President's message (monthly)</li><li>• President's survey (twice a year)</li><li>• Seminars by the president* (about twice a month)</li><li>• Career development interviews (twice a year or more)</li><li>• Interviews by Human Resources Department</li><li>• Disclosure of information through the Company intranet (when appropriate)</li></ul>		<p>Promoting diversity and the development of professional human resources</p>
 Local Communities	<ul style="list-style-type: none"><li>• Local communities</li><li>• NPOs and NGOs</li></ul>	<ul style="list-style-type: none"><li>• Social contribution activities and volunteer activities (when appropriate)</li><li>• Participation in neighborhood associations (when appropriate)</li><li>• Engagement with communities in the vicinity of our projects (when appropriate)</li><li>• Engagement with NPOs and NGOs (when appropriate)</li></ul>		<p>Collaborating with business partners and local communities</p>
 Administrative Organizations	<ul style="list-style-type: none"><li>• National and local public government</li></ul>	<ul style="list-style-type: none"><li>• Promoting PPP business (when appropriate)</li><li>• Initiatives for various awards and evaluations (when appropriate)</li><li>• Payment of appropriate taxes (when appropriate)</li></ul>	 	<p>Collaborating with business partners and local communities</p> <p>Promoting diversity and the development of professional human resources</p>
 Shareholders, Investors	<ul style="list-style-type: none"><li>• Individual investors</li><li>• Institutional investors</li></ul>	<ul style="list-style-type: none"><li>• Briefings for individual investors and for analysts and institutional investors (including overseas) (when appropriate)</li><li>• Timely disclosure of information on our website (when appropriate)</li><li>• Establishment of a contact point for inquiries (permanent)</li><li>• Issuing a shareholder newsletter (twice a year)</li></ul>		<p>Maintaining and improving governance trusted by stakeholders</p>
Materiality relevant to all stakeholders				
 Contributing to actions for mitigating climate change and reducing our environmental impact				

\* Social gathering with the president and young/mid-career employees

Opportunities and Risks Related to Materiality and Our Actions

Materiality	SDGs contributed to	Opportunities	Risks	Main initiatives
<div><p>Providing safe, secure buildings and spaces</p></div>	<div></div>	<ul style="list-style-type: none"><li>● Heightened need for properties that are safe and secure from natural disasters including earthquakes and flood damage</li><li>● Addressing workstyle and other changes among property users</li></ul>	<ul style="list-style-type: none"><li>● Rise of vacancy rate and decline of real estate value due to delayed actions on earthquake resistance techniques and BCP preparedness</li><li>● Decrease in the competitive advantage and increase in vacancy rates of properties due to delays in addressing changes in the needs of property users</li></ul>	<ul style="list-style-type: none"><li>● Achievement of 100% highly earthquake-resistant buildings*1 by 2029 (excluding those subjects for sale, etc.)</li><li>● Addressing Mt. Fuji eruption risk and exhaustive confirmation of other natural disaster risks</li><li>● Prevention of flooding by installing tide boards</li><li>● Assessing tenant needs through customer satisfaction surveys</li></ul>
<div><p>Contributing to actions for mitigating climate change and reducing our environmental impact</p></div>	<div></div>	<ul style="list-style-type: none"><li>● Heightened need for buildings and properties equipped with higher energy efficiency and renewable energy</li><li>● Heightened need for technologies for the reuse and effective use of resources</li><li>● Heightened need for real estate development that is mindful of conserving local ecosystems</li><li>● Growth of markets and demand through the increase in business domains, including environmental response</li></ul>	<ul style="list-style-type: none"><li>● Need for additional compliance with environmental measures and regulations as well as increased costs</li><li>● Soaring prices of construction materials</li><li>● Deteriorating residential environment and reputational decline in the event of ecosystem destruction near a property</li><li>● Risk of delayed action on environmental issues due to lack of environmental management system</li></ul>	<ul style="list-style-type: none"><li>● Converting to 100% renewable energy sourced electricity for electricity consumption at all company-owned buildings*2 by 2029</li><li>● Achieved RE100 in 2023</li><li>● Promoting Scope3 emission reductions through collaborations in the supply chain</li><li>● Development of grid-scale batteries</li><li>● Enhancement of energy efficiency in buildings through such initiatives as green lease agreements</li><li>● Waste reduction through longer life building design</li><li>● Installing water-saving equipment</li><li>● Actively adopting environmentally conscious technologies</li><li>● Promotion of greening in development projects</li><li>● Reduced greenhouse gas emissions and promoting forest circulation through the development of fireproof wooden buildings</li><li>● Disclosing information in line with TNFD recommendations</li><li>● Promotion of environmental initiatives through collaboration with relevant government agencies, industry associations, NPOs, and other companies</li><li>● Promotion of ZEB certification acquisition in development projects</li><li>● Promotion of environmental certification acquisition and disclosure of energy efficiency labels</li></ul>
<div><p>Addressing changes in demographics</p></div>	<div></div>	<ul style="list-style-type: none"><li>● Heightened need for senior living and hospitals with the aging of society and increase in the number of healthier senior citizens</li><li>● Potential for growth of new markets and demand due to more dual-income households and the government's enhanced childcare support</li><li>● Expansion and using needs related to IoT demand</li></ul>	<ul style="list-style-type: none"><li>● Hiring-related costs may rise and shortage of care workers may materialize as the population of young generation declines</li><li>● Declining demand for office buildings and existing businesses due to declining working population</li><li>● Changes in existing business model due to accelerated digitalization</li></ul>	<ul style="list-style-type: none"><li>● Expansion of senior citizen-related businesses, including ownership and leasing of senior living and investment in caregiving technologies</li><li>● Entry into the children education business</li><li>● Expansion of “Kodomo Depart”</li><li>● Management of corporate venture capital and investment in startup businesses</li></ul>
<div><p>Collaborating with business partners and local communities</p></div>	<div></div>	<ul style="list-style-type: none"><li>● Better results are expected through synergies brought about by aiming for mutual sustainable growth with our business partners and local communities</li></ul>	<ul style="list-style-type: none"><li>● Reputational damage due to human rights and other issues in the supply chain</li><li>● Reputational damage due to lack of communication with local communities</li></ul>	<ul style="list-style-type: none"><li>● Close communication with tenants, building management companies and construction companies</li><li>● Human rights due diligence including supply chain</li><li>● Various contributions to society</li></ul>
<div><p>Promoting diversity and the development of professional human resources</p></div>	<div></div>	<ul style="list-style-type: none"><li>● Diversification of human resources by promoting diversity</li><li>● Improved employee motivation and brand value in talent acquisition by enhancing workplace wellness features and enriching talent development program</li><li>● Improved productivity through more use of digital and DX-related technologies</li></ul>	<ul style="list-style-type: none"><li>● Loss of human resource acquisition and business opportunities</li><li>● Potential for increased turnover due to inadequate working environment</li><li>● Productivity loss due to delays introducing digital and DX-related technologies</li></ul>	<ul style="list-style-type: none"><li>● Establishing a personnel system that recognizes diverse workstyles</li><li>● Securing occupational health and safety, promoting health and productivity management and the expansion of fringe benefits</li><li>● Initiatives to create a highly productive organization</li></ul>
<div><p>Maintaining and improving governance trusted by stakeholders</p></div>	<div></div>	<ul style="list-style-type: none"><li>● The effectiveness of operations is ensured and confidence in management improves when internal controls and corporate governance work</li></ul>	<ul style="list-style-type: none"><li>● Social sanctions and the deterioration of public confidence due to noncompliance issues from inadequate compliance system</li></ul>	<ul style="list-style-type: none"><li>● Strengthening the supervisory function of the Board of Directors and Audit &amp; Supervisory Board</li><li>● Establishing a Nominating Committee and a Remuneration Committee</li><li>● Establishing a corporate governance mechanism for climate change risk</li><li>● Compliance training for employees and setting up a hotline</li><li>● Formulating a BCP and conducting drills</li></ul>

\*1 Highly earthquake resistant buildings are those that can safeguard human life and enable continued use of the building with post-earthquake repairs when an earthquake hits with a seismic intensity of level 7.  
\*2 Excludes properties for which we do not have energy management authority including master lease properties, residential properties and non-managerial co-ownership properties, and real estate for sale, etc.

# Non-financial Highlights

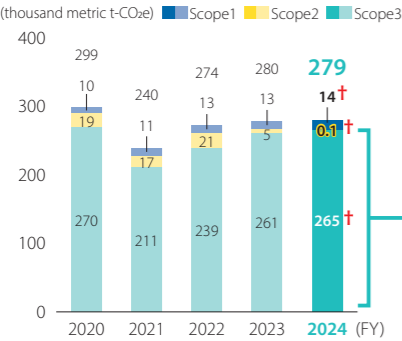
Note: Figures marked with “↑” have been assured by an independent assurance provider.

## Major Non-Financial Information

**E** Environment   **S** Social   **G** Governance

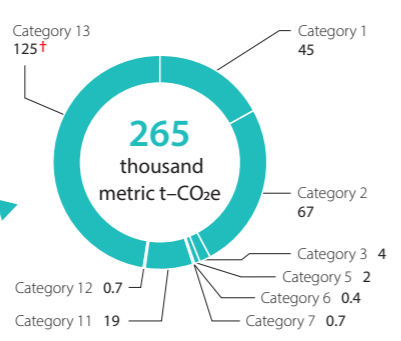
### **E** Greenhouse Gas Emissions\*1

279 thousand metric t-CO<sub>2</sub>e



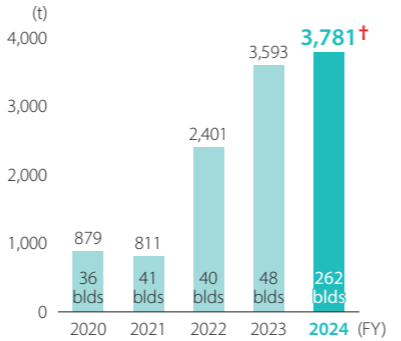
### **E** Greenhouse Gas Emissions Scope3

265 thousand metric t-CO<sub>2</sub>e



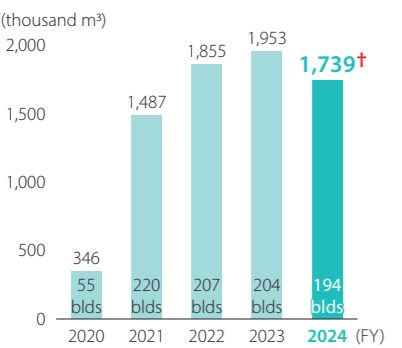
### **E** Waste Disposal\*2

3,781 t



### **E** Water Intake (Water Consumption)\*3

1,739 thousand m<sup>3</sup>



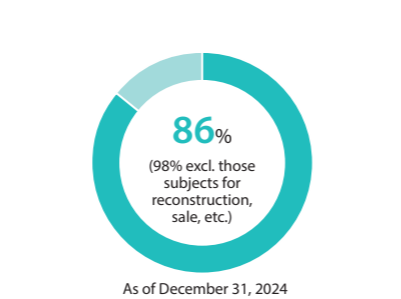
### **S** % Properties Meeting Hulic's Earthquake-resistance Standards\*4

100%



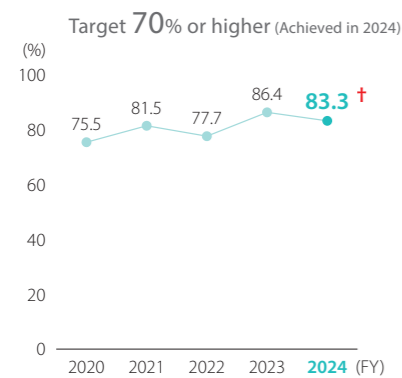
### **S** Ratio of Highly Earthquake-resistant Buildings\*5

86%



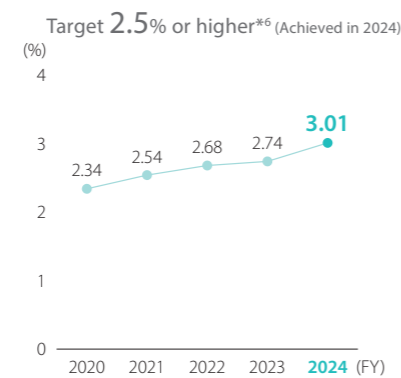
### **S** Usage Rate of Paid Leave

83.3%



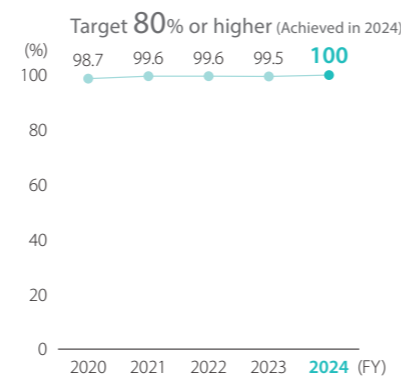
### **S** Employment Ratio of Persons with Disabilities

3.01%



### **G** Participation Rate of Directors in Board of Directors Meetings

100%



\*1 We are calculating greenhouse gas emissions based on the GHG Protocol. Calculations for Scope1 and 2 are based on the properties where the Hulic Group occupies or manages business operations (36 properties in FY2020, 41 properties in FY2021, 40 properties in FY2022, 48 properties in FY2023, and 262 properties in FY2024). In addition, properties held at the end of term are subject to the calculation (Properties acquired during the reporting year for the period from the acquisition date to the end of the term are included). In FY 2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period. The unit calorific values and the emission factors are based on values in the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. Until FY2020, greenhouse gas emissions from one hotel operated by a subsidiary were calculated based on our ownership ratio in that property, but starting in FY2021, emissions are calculated based on operational control. The boundary and calculation method for Scope3 are disclosed on our website: <https://www.hulic.co.jp/en/sustainability/ecology/warming/pdf/scope3.pdf> GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

\*2 Calculations for waste disposal are based on the properties where the Hulic Group occupies or manages business operations (36 properties in FY2020, 41 properties in FY2021, 40 properties in FY2022, 48 properties in FY2023, and 262 properties in FY2024). In FY 2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period. Beginning in FY2020, we are calculating total waste disposal at specific properties within the boundary by using weight conversion factors based on actual measurements. The waste disposal of certain properties are estimated using the total floor area based on the emissions intensity of buildings with similar functions.

\*3 Beginning in FY2021, Hulic's fixed assets are covered, excluding properties under development and land for lease (220 properties in FY2021, 207 properties in FY2022, 204 properties in FY2023, and 194 properties in FY2024). Note that the amount of hot spring water used at hot spring ryokans (luxury Japanese inns) is not included.

\*4 Hulic's earthquake-resistance standards are where building performance can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of level 7.

\*5 Highly earthquake resistant buildings are those that can safeguard human life and enable continued use of the building with post-earthquake repairs when an earthquake hits with a seismic intensity of level 7, excluding those subjects for sale, etc.






\*6 Our target for the employment ratio of persons with disabilities is to be at the statutory employment ratio or higher: 2.2% or higher till FY2020, 2.3% or higher from FY2021 to FY2023, and 2.5% or higher for FY2024.

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The Key Performance Indicators (KPIs) /Targets and Results start from the next page.

# Key Performance Indicators (KPIs)/Targets and Results for Non-financial Information

We aim to increase our corporate value and solve social issues simultaneously. Therefore, with respect to key performance indicators (KPIs)/targets, we are addressing to achieve both financial and non-financial aspects with the same amount of importance. Major Non-Financial Information, Non-financial information KPIs/targets and results are shown below.

Figures marked with “**†**” have been assured by an independent assurance provider for the items included in our Integrated Report.  
For FY2024 results, we received assurances from an independent assurance provider concerning the following items: greenhouse gas emissions Scope 1, greenhouse gas emissions Scope 2, greenhouse gas emissions Scope 3 (total, Category 13); waste disposal; water intake (water consumption); percentage of employees who received medical checkups; and usage rate of paid leave. We will continue to disclose information on the progress of our sustainability initiatives to our stakeholders while striving to improve disclosure quality using a PDCA cycle. Results for KPIs in the years before KPIs were set are indicated with a — (dash).

Hulic’s Materiality	KPIs / Short-Term Targets, Medium- to Long-Term Targets	Coverage	2020 results		2021 results		2022 results		2023 results		2024 results		Unit	Assessment*14
 Providing safe, secure buildings and spaces	Percentage of properties meeting Hulic’s earthquake-resistance standards*1: 100% each year	All completed properties each year	100% (8 properties in boundary)		100% (8 properties in boundary)		100% (4 properties in boundary)		100% (10 properties in boundary)		100% (8 properties in boundary)		%	◎
	Progress toward a 100% highly earthquake resistant buildings*2 by 2029	Hulic-owned fixed assets	—		81%		82%		86%		86%		%	○
 Contributing to actions for mitigating climate change and reducing our environmental impact	Greenhouse gas emission reduction targets*3 (base year: 2019) By 2030 Scope1+2 70%, Scope3 30% By 2050 Scope1+2, Scope3 substantially zero (Base year 2019: Scope1 14,931, Scope2 25,067, Scope1+2 39,997, Scope3 229,006)	Scope1,2 Properties where the Hulic Group occupies or manages business operations*3 Scope3 Indirect emissions other than Scope1 and 2 related to Hulic Group’s business activities*3	Scope1 Scope2 Scope1+2 Scope3	10,490 18,529 29,019 270,066	Scope1 Scope2 Scope1+2 Scope3	11,369 17,473 28,842 210,703	Scope1 Scope2 Scope1+2 Scope3	13,151 20,966 34,118 239,397	Scope1 Scope2 Scope1+2 Scope3	13,259 5,105 18,364 261,152	Scope1 Scope2 Scope1+2 Scope3	13,869† 148† 14,017 264,530†	metric t-CO <sub>2</sub> e	○
	Number of renewable energy systems installed in development/reconstruction projects: 3 or more every year	All completed properties each year	3		8		3		3		5		property	◎
	Waste emission reduction target: Each year less than 11 kg/m <sup>2</sup> in terms of basic unit	Hulic Head Office Building and Hulic Annex	—		—		—		9.6		10.0		kg/m <sup>2</sup>	◎
	Waste disposal: No numerical target (follow-up item)	Properties where the Hulic Group occupies or manages business operations*4	879		811		2,401		3,593		3,781†		metric tonnes	—
	Percentage of technical measures (such as longer life design, etc.)*5 applied to reduce construction waste: 100% each year	All completed fixed assets each year	100% (8 properties in boundary)		100% (8 properties in boundary)		100% (4 properties in boundary)		100% (10 properties in boundary)		100% (8 properties in boundary)		%	◎
	Water intake (water consumption): No numerical target (follow-up item)	Hulic-owned fixed assets*6	346		1,487		1,855		1,953		1,739†		thousand m <sup>3</sup>	—
	Water intake (water consumption): Water-saving fixture installation rate: 100% each year	All completed fixed assets each year (excluding residential)	—		—		—		100% (9 properties in boundary)		100% (8 properties in boundary)		%	◎
	Number of greening projects*7: 1 or more each year	All completed properties each year	5		6		3		2		6		property	◎
	Number of times climate change risks are monitored by the Sustainability Committee: 1 or more each year Number of times reports are submitted to the Board of Directors: 1 or more each year	Hulic Co., Ltd.	1/—		1/2		1/3		1/3		2/2		time	◎
 Collaborating with business partners and local communities	Number of customer satisfaction surveys: 1 or more each year	Hulic Group	1		1		1		1		1		time	◎
 Promoting diversity and the development of professional human resources	Percentage of employees who received medical checkups*8: 100% each year	Hulic Co., Ltd.	100%		100%		100%		100%		100%†		%	◎
	Usage rate of childcare leave*9: female/male employees 100% each year	Hulic Co., Ltd.	100%/—		100%/—		100%/—		100%/125%		100%/88.9%		%	○
	Ratio of employees returning to work after childcare leave: 100% each year	Hulic Co., Ltd.	100%		100%		100%		100%		100%		%	◎
	Usage rate of paid leave*10: 70% or higher each year	Hulic Co., Ltd.	75.5%		81.5%		77.7%		86.4%		83.3%†		%	◎
	Percentage of career development interviews conducted: 100% every year (conducted twice a year)	Hulic Co., Ltd.	—		100%		100%		100%		100%		%	◎
	Ratio of female managers: 30% by 2029	Hulic Co., Ltd.	23.9%		22.4%		21.5%		18.3%		20.2%		%	○
	Number of seminars provided by the Diversity Promotion Project Team: once each year	Hulic Co., Ltd.	1*11		1		1		1		1		time	◎
	Employment percentages of persons with disabilities: Maintaining the statutory employment ratio or higher (2.2% or higher till FY2020, 2.3% or higher from FY2021 to FY2023, and 2.5% or higher for FY2024.)	Hulic Group*12	2.34%		2.54%		2.68%		2.74%		3.01%		%	◎
 Maintaining and improving governance trusted by stakeholders	Participation rate in Board of Directors meetings: 80% or higher each year	Hulic Co., Ltd.	98.7%		99.6%		99.6%		99.5%		100%		%	◎
	Number of effectiveness assessment of the Board of Directors: once each year	Hulic Co., Ltd.	1		1		1		1		1		time	◎
	Number of compliance training conducted: 5 times each year (4 times for employees and once for officers)	Hulic Co., Ltd.	5 (4 employees, 1 officer)		5 (4 employees, 1 officer)		5 (4 employees, 1 officer)		5 (4 employees, 1 officer)		7 (5 employees, 2 officer)		time	◎
	Number of Risk Management Committee and Fund and ALM Committee meetings: 4 times or more each year, respectively	Hulic Co., Ltd.	4/22		4/16		4/17		4/16		4/16		time	◎
	Number of BCP drills, inspections of stockpiled food and suppliers: 1 or more each year	Hulic Group	1		3/4/1*13		3/4/1		2/4/4		3/4/4		time	◎

\*1 Hulic’s earthquake-resistance standards are where building performance can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of level 7.  
\*2 Highly earthquake resistant buildings are those that can safeguard human life and enable continued use of the building with post-earthquake repairs when an earthquake hits with a seismic intensity of level 7, excluding those subjects for sale, etc.  
\*3 We are calculating greenhouse gas emissions based on the GHG Protocol. See p.18 for the boundary for Scope1 and Scope2. The boundary and calculation method for Scope3 are disclosed on our website: <https://www.hulic.co.jp/en/sustainability/ecology/warming/pdf/scope3.pdf>  
\*4 Calculations for waste disposal are based on the properties where the Hulic Group occupies or manages business operations (36 properties in FY2020, 41 properties in FY2021, 40 properties in FY2022, 48 properties in FY2023, and 262 properties in FY2024). In FY 2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period. Beginning in FY2020, we are calculating total waste disposal at specific properties within the boundary by using weight conversion factors based on actual measurements. The waste disposal of certain properties are estimated using the total floor area based on the emissions intensity of buildings with similar functions.  
\*5 The percentage of properties completed in the given year that used technologies and measures that contributed to a reduction in waste as well as raw materials and other resources based on the Hulic Guidelines for Longer Life.  
\*6 Beginning in FY2021, Hulic’s fixed assets are covered, excluding properties under development and land for lease (220 properties in FY2021, 207 properties in FY2022, 204 properties in FY2023, and 194 properties in FY2024). Note that the amount of hot spring water used at hot spring *ryokans* (luxury Japanese inns) is not included.

\*7 The number of completed non-current assets in each year among those buildings and facilities with a greening obligation.  
\*8 The executive officers, employees (including seconded staff) and full-time contract staff who were with the Company at the time of application of medical checkup and as of December 31, were counted (excluding personnel who were on leave).  
\*9 Females calculated by dividing the number of employees who took maternity leave in the fiscal year by the number of employees who entered the period covered by maternity leave in the fiscal year and males calculated by dividing the number of employees who took paternity leave in the fiscal year by the number of employees whose spouses gave birth in the fiscal year.  
\*10 The usage rate of paid leave is calculated by dividing the number of days of paid leave used in the year by the number of days of paid leave granted in the year. The number of days carried over in the year are excluded.  
\*11 In FY2020, a video training session was held in lieu of an in-person seminar session to prevent the spread of COVID-19.  
\*12 Limited to Hulic Co., Ltd. and subsidiary companies that have been certified as special subsidiary companies under the Act on Employment Promotion, etc. of Persons with Disabilities. The employment ratio for persons with disabilities is as of June 1 of each year.  
\*13 Beginning in FY2021, the number of BCP drills, inspections of stockpiled food and suppliers are disclosed, respectively.  
\*14 ◎: achieved, ○: progressed, △: not progressed, —: not subject to assessment

# Environmental Initiatives

## Basic Policy for Environment

Fundamental Approach

Hulic will implement environmentally friendly management based on the Hulic Environmental Policy and work to resolve issues associated with conservation of the global environment.

### Hulic Environmental Policy

Hulic has formulated the Environmental Policy embodied in our Sustainability Vision, with approval from the Board of Directors, and is executing environmentally friendly management to work towards solving various issues in the global environment. The following items are clearly stated in our Environmental Policy.

- 1

**Environmental Compliance**  
We strive to create a sustainable society while adhering to environmental laws and regulations.
- 2

**Environmental Management System**  
We contribute to the conservation of global environment by setting environmental targets and making continuous efforts for improving them.
- 3

**Environmental Performance**  
We reduce as much of our environmental footprint as possible by introducing eco-friendly designs from the planning stage of development in order to increase environmental efficiency.
- 4

**Recycling-oriented Society**  
We contribute to the creation of a recycling-oriented, zero waste society, by executing the 3Rs, reduce, reuse, recycle, throughout the life cycle of buildings.
- 5

**Environmental Awareness and Education for Employees**  
We provide environmental education and awareness raising activities to employees so that everyone can proactively work toward the improvement of environmental performance.
- 6

**Environmental Communication**  
We extensively disclose information on environmental contribution activities, and communicate with stakeholders including local communities to expand the circle of global environmental conservation.

### Consideration for Sustainability in Real Estate Development and Investment

Hulic is committed not only to sustainable real estate investment in accordance with the Corporate Philosophy and Sustainability Vision, but has also formulated regulations on managing real estate purchases and development. When conducting an investigation of the acquisition of real estate, Hulic always carries out statutory investigations and conduct studies on natural environment, specified hazardous substances, and the presence of underground obstacles. In negotiations with communities, we provide explanations to those who live nearby after conducting sufficient investigations and simulations on the impact on the surrounding living environment so that we can gain their understanding.

When outsourcing design and project management or ordering construction work, we generally hire companies with the solid technologies, credibility, and track records. In addition, when developing

and reconstructing real estate, we issue instructions on environmentally friendly designs and check whether environmentally friendly designs are adopted at the basic designing stage, implemental designing stage, and completion stage.

Furthermore, approximately 70% of our portfolio is concentrated in Tokyo prime location and we do not generally engage in redevelopment of former industrial or contaminated areas. However, we are progressing with a community development project focused on research facilities in the (tentative name) Minami-watarida North Side of the Northern District (Kawasaki City, Kanagawa Prefecture). This project is an advanced development in a large-scale land use conversion “being considered on land in Kawasaki City owned by the JFE HD Group”, aiming for sustainable regional development while ensuring environmental conservation.

### Collaboration with External Organizations

Hulic implements environmental initiatives focused on climate change while actively collaborating with relevant government agencies and industry groups and engaging in partnerships with NPOs and other companies.

There are no discrepancies or conflicts between each industry group and policies or the direction of our environmental efforts. If there is a slight difference between the views of those industry associations and our company in the future, we will consult each other and respond appropriately.



Group Name	Activity Details
The Real Estate Companies Association of Japan	The Real Estate Companies Association of Japan (RECAJ) is an organization comprising companies engaged in urban development and the creation of appealing cityscapes. RECAJ contributes to the SDGs and is engaged in environmental initiatives for the real estate industry. As a member of the RECAJ Environmental Committee, Hulic regularly participates in initiatives related to eliminating environmental degradation.
Fuyo Kondankai Environmental Business Council	The Fuyo Kondankai Business Council holds regular meetings to introduce environmental technologies, presents lectures by experts and engages in other efforts aimed at creating and expanding environmental business opportunities.
Wood Change Council	Hulic engages in ongoing lumber promotion activities through participation in Wood Change Council, a networking gathering sponsored by Japan’s Forestry Agency to promote the use of lumber in residential and other construction projects.
Japan Economic Research Institute	This private research institute publishes data and makes recommendations based on proprietary research into economics and management issues. Hulic participates in the Carbon Neutral Committee, where we engaged in pragmatic discussions regarding private-sector support for the realization of carbon neutrality in 2050 and requests for the government.
Japan Climate Leaders’ Partnership (JCLP)	Viewing preparations for the transition to a carbon-free society as an opportunity for corporate development, this organization shares information on the latest trends in Japan and overseas while recommending government policy proposals and disseminating information throughout society from a corporate perspective. As a member of JCLP, we are involved in government policy proposals, and strives to stay updated on the latest information on climate change trends and developments in Japan and overseas. We then reflect this information in our initiatives.
Japan Climate Initiative (JCI)	The Japan Climate Initiative (JCI) is a network of many entities, such as companies, local governments, and NGOs, who are working on climate change countermeasures. As a member of this initiative, Hulic strives to stay updated on the latest information on climate change trends and developments in Japan and overseas. We then reflect this information in our initiatives.
GX League	Green Transformation (GX) is intended to bring about a shift from an industrial structure centered on fossil fuels to one centered on clean energy, ushering in a comprehensive restructuring of economic and social systems. The GX League is a platform of like-minded companies that discusses GX and launches initiatives to create new markets in cooperation with industry, government, academia, and finance. Hulic supports the basic concept of this movement and is working together with others to discuss, promote, and practice GX.
TCFD Consortium	Hulic announced support for the TCFD recommendations and began disclosing information in line with them. We also participate in the TCFD Consortium to promote the unified efforts of companies, financial institutions and other organizations that endorse the TCFD recommendations.
TNFD Forum	We participate in the Task Force on Nature-related Financial Disclosures (TNFD) Forum and started disclosing information in line with TNFD recommendations from 2025. The TNFD is an international initiative to establish a framework for the appropriate assessment and disclosure of risks and opportunities related to natural capital and biodiversity. The TNFD Forum is an organization that aims to support the discussion and the construction of the framework.
Keidanren Biodiversity Declaration Initiative	Biodiversity conservation, along with efforts to address climate change and realize a recycling-oriented society, constitute the main pillar of Hulic environmental materiality issue. With the United Nations Decade on Biodiversity ended in 2020, Keidanren (Japan Business Federation) made a proposal to continue this initiative in the Japanese business community with the Keidanren Biodiversity Declaration (revised edition) announced in June 2020. Hulic endorses and participates in this Keidanren initiative, and as a member of the international community.
Supporting Environmental Studies at Kyoto University	We support studies that have an environmental theme. Currently, we are supporting research at Kyoto University related to the use of wood in construction. This research is closely related to our efforts to build fireproof wooden structures. Furthermore, we are promoting discussions on more ways to use wood through opinion exchanges with the laboratory.

Long-term Vision for the Environment

Hulic has formulated the Environmental Policy embodied in our Sustainability Vision and is executing environmentally friendly management. We aim to continue sustainable growth through business activities, with analyzing and evaluating climate change mitigation and adaptation, and we are also implementing initiatives to realize a carbon-free, recycling-oriented society envisioned in Hulic's Long-term Vision

for the Environment with targets for 2050.  
We have decided to set the long-term vision for environment at the center of our environment related initiatives considering the time frame referred to in the Paris Agreement which was adopted in 2015 at COP21 (The 21st Session of the Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change).

Long-term Vision for the Environment

Hulic executes environmentally friendly management to realize an ideal society of carbon-free and recycling-oriented society in 2050.

Commitment: As a real estate developer, we believe that Hulic can offer value to society by putting our environmental effort into mitigating impact on climate change by reducing greenhouse gas emissions, using resources efficiently, and reducing waste.

Roadmap

	2020-2022	2023	2024	2025	-2029	2030	-2050
General	Adoption of environmentally friendly technologies to properties owned						
	Started disclosing information in line with TCFD recommendations				Started disclosing information in line with TNFD recommendations		
	Disclosed SBT-approved GHG emissions reduction targets (near-term targets)						
Decarbonization	<div>Converting to 100% renewable energy sourced electricity for electricity consumption at all company-owned buildings*<sup>1</sup></div> <div><div>RE100</div><div>Achieved in 2023</div><div>Achieved 2 years ahead</div><div>Achieve by 2029</div><div>One year ahead of ongoing plan</div></div>						
	Development and operating solar power plants (non-FIT)				Started investing in grid-scale battery systems		
	Development and operating small hydroelectric plants						
Circular economy	Technical measures to reduce waste and resource inputs (develop longer life buildings etc).						
	Introducing wooden technology						
Greenhouse gas emission reduction targets* <sup>2</sup>	Scope1+2					○ Reduce by 70%* <sup>3</sup>	○ Substantially zero emissions
	Scope3					○ Reduce by 30%* <sup>3</sup>	○ Substantially zero emissions

\*1 Excludes properties for which we do not have energy management authority including master lease properties, residential properties and non-managerial co-ownership properties, and real estate for sale,etc.  
\*2 Base year: 2019  
\*3 SBT-approved near-term targets. Combined Scope1 and Scope2 target is consistent with reductions required to keep the global warming to 1.5°C, the most ambitious goal of the Paris Agreement.  
Scope3 target meets the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice.

Example of Specific Initiatives

● **Converting to 100% renewable energy for electricity consumption at all Company-owned Buildings and achieving RE100** : We have been promoting the in-house development of renewable energy power generation equipment (solar and small hydroelectric equipment) and invests in wind power facilities. In addition, we are developing storage battery attached solar power plant and investing in grid-scale battery to contribute to stable electricity supply.



The solar photovoltaic equipment that does not use the FIT system (Saitama Prefecture)



Wind power facilities (Akita Prefecture)

- **Longer life design buildings** : We are reducing waste by making our longer life design of buildings that can accommodate tenant needs flexibly and can be used safely over a 100 years as standard specifications in all developments and reconstructions.
- **Fireproof hybrid wooden buildings** : We have been developing and spreading fireproof wooden buildings using timber that requires less energy for manufacturing and processing as the construction material than steel and concrete as well as contributes in fixing carbon.
- **Reduction of embodied carbon** : We are actively adopting environmentally-friendly building materials in development projects to reduce embodied carbon, which is the greenhouse gas emissions emitted from the procurement of building materials, construction, renovation and demolition (disposal) during the construction of buildings.
- **Development of ZEB (Net Zero Energy Building)** : ZEB is a building that reduces the annual primary energy consumption of the building to net zero while providing a comfortable indoor environment. We are working to develop ZEB in development projects.
- **Environmentally friendly technologies** : We have developed unique natural ventilation and natural lighting systems (louvers) in collaboration with the Massachusetts Institute of Technology. We have also obtained patents for and are commercializing photovoltaic panels, which were jointly developed with another company, and a thin-layered wall greening system, natural lighting films, etc.



Development of ZEB (HULIC Logistics KASHIWA)



Natural ventilation (HULIC Head Office Building)



Natural lighting louvers and LED lighting (HULIC Head Office Building)

Environmental Compliance

With the aim of thoroughly complying with laws and regulations related to the environment, including waste and soil pollution, the Hulic Group try to disseminate information to all employees about our sustainability policies and initiatives, such as environment-related laws and the latest trends in environmental laws, by disclosing information through intranet and website.

There were no violations of environmental laws and regulations in the last nine years (2016 ~ 2024).



Compliance training

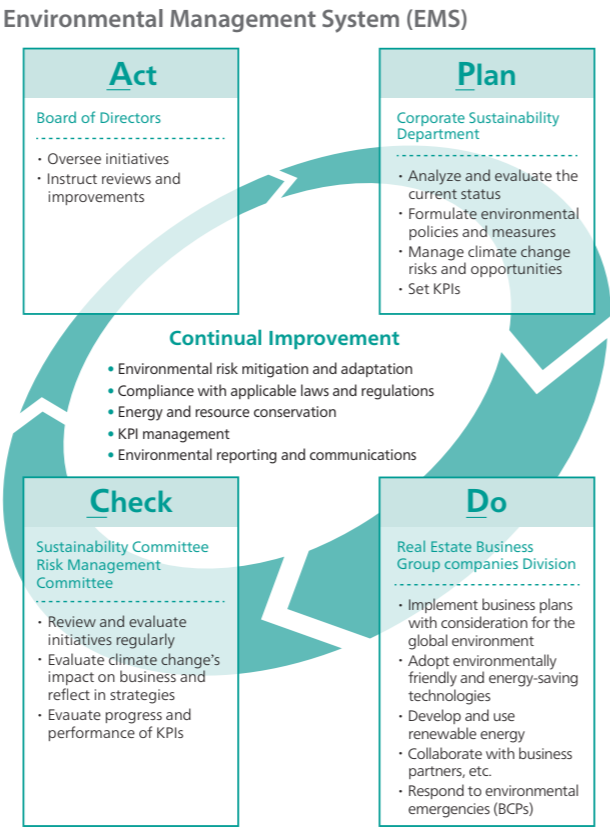
Major Environmental Laws and Regulations

- Basic Environment Act
- Act on Promotion of Global Warming Countermeasures
- Act on the Rational Use of Energy and the Act on the Conversion of Non-Fossil Energy (Energy Conservation Act)
- Air Pollution Control Act
- Noise Regulation Act
- Vibration Regulation Act
- Soil Contamination Countermeasures Act
- Waste Management and Public Cleaning Act (Waste Disposal Law)
- Act on the Promotion of Effective Utilization of Resources
- Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging (Containers/Packaging Recycling Act)
- Construction Waste Recycling Act
- Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof
- Basic Law for Establishing the Recycling-based Society
- Industrial Safety and Health Act
- Act on Special Measures concerning the Proper Treatment of Polychlorinated Biphenyl Waste (special measures law for PCBs), etc.

Environmental Management System (EMS)

The Group has established a unique environmental management system (EMS)\* based on the Hulic Environmental Policy and is constantly improving it through a PDCA cycle. We have strengthened our governance mechanism centered on Board of Director oversight and the Sustainability Committee with regard to climate change based on TCFD recommendations.

\* There is no office that has obtained certification for an environmental management system such as ISO 14001 or EMAS in the Group.



PLAN: Planning and Promotion of Environmental Issues

We will formulate response policies and measures based on our recognition of current environmental conditions, including the impact of climate change on Hulic’s businesses. Further, we will set KPIs including but not limited to greenhouse gas emissions reduction targets and manage the results.

DO: Operations

Execute business plans in line with CSR Procurement Policy in collaboration with the Group companies, business partners, etc.

Energy Conservation Promotion Activities for Our Leased Buildings


Activities to Promote Energy-saving Cooperation with Building Management Companies

Hulic has created an energy management standard, which it shares with property management companies in charge of its properties, in order to rigorously manage the progress of energy conservation activities. The energy management standard was created to promote more efficient energy saving activities at buildings, and it serves as a guideline for management, measurement, recording, maintenance, and inspections related to the rationalization of energy use based on building type and size. This standard applies to all forms of energy, including electricity, gas, and water usage.

Adoption of Energy-saving Technologies

Hulic has actively worked on the promotion of energy savings, use of renewable or unused energies, and greening promotion, etc. as part of measures for climate change in engaging in new development and managing existing buildings owned by Hulic. In addition, we will proactively introduce new energy-saving technologies and improvements of existing performance. In addition, Hulic will conduct its own research and development on energy-saving technologies.



 Initiatives for Energy Conservation  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/efficiency.html>

Effective Use of Unused Energies  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/unused.html>

Measures to Enhance the Effectiveness of Energy Conservation Promotion Activities

Introduction of Energy-saving Measures in Cooperation with Tenants

In order to consider measures to reduce energy consumption both for customers and the entire building, we introduce green lease clauses and coordinate with customers based on the annual electricity usage

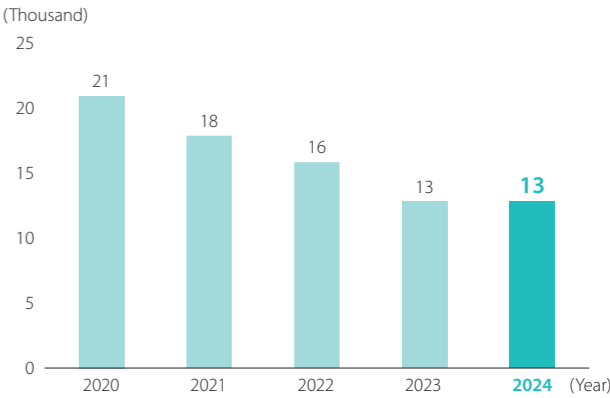
of the building. Then, we propose cost savings through energy-efficient equipment settings and operation and carry out small-scale retrofit as needed.

Efforts to Reduce the Amount of Paper Use in Offices

To reduce paper consumption at the Company, we are calling on employees through the company intranet to reduce paper consumption, promoting both-side printing and intensive printing, and implementing the electronic circulation of documents and an electronic approval system as required.


Additionally, we are promoting digitalization to improve work efficiency, while transitioning to a paperless business flows in all operations and meetings.

Paper consumption per person (Hulic non-consolidated)



CHECK: Confirmation and Inspection

Confirmation and inspection of initiatives through monitoring and assessment in order for constant improvement of EMS.

 Sustainability Committee  
<https://www.hulic.co.jp/en/sustainability/about/philosophy.html#anc10>  
Risk Management Committee  
[https://www.hulic.co.jp/en/sustainability/governance/risk\\_management.html#anc1](https://www.hulic.co.jp/en/sustainability/governance/risk_management.html#anc1)

ACTION: Review and Improve

Continual improvements and oversight by the Board of Directors on environmental initiatives reflecting the results of confirmation and inspection.

Environmental Awareness and Education for Employees

We work on environmental education and awareness activities in order to enable each employee to voluntarily act toward the improvement of environmental performance.

Environmental Education

Satoyama Conservation Activities

The Hulic Group participates every year in the Tokyo Green Ship Action, organized by the Bureau of Environment of the Tokyo Metropolitan Government, to raise environmental awareness, and engages in volunteer activities such as rice planting, rice harvesting and trimming

weeds and shrubs at the foots of mountains. These activities, with participation by many employees every year, provide them good opportunities to learn about biodiversity.



Satoyama Conservation Activities: rice planting, nature observation

New Hire Training

Training for newly hired recently graduated employees upon joining the company includes detailed explanations regarding the development of renewable energy equipment, the introduction of longer life designs and eco-friendly technologies into building development and

environmental efforts such as fireproof wooden construction initiatives, all in an effort to inculcate awareness of the environment as soon as new employees are hired.

Afforestation Training

Hulic’s policy is to plant trees used for fireproof wooden buildings as an initiative promoting forest regeneration to realize a recycling-oriented society and reductions in greenhouse gas emissions targeting a carbon-free society. To this end, Hulic conducts afforestation training for our employees so that employees understand the forest lifecycle. This activity provides opportunities to think about environmental protection and communicate across the entire Company.



Tree-planting activities

Initiatives for Climate Change

Fundamental Approach

We are combatting climate change through environmental initiatives, including achieving RE100 in 2023 and converting to 100% renewable sources for electricity consumed at all Company-owned buildings by 2029.

Greenhouse Gas Emissions Reduction Targets

In November 2021, Hulic formulated greenhouse gas emissions reduction targets in order to contribute to promote carbon-free society in accordance with the Paris Agreement.

GHG Emissions Reduction Targets (Absolute contraction targets, Base Year: 2019)

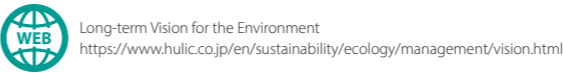
	2030	2050
Scope1 and 2*1	Reduce by 70%	Sustainially zero
Scope3*2	Reduce by 30%	Sustainially zero

\*1 Emissions from energy consumptions by the reporting company.  
Scope1: emissions from operations that are owned or controlled by the reporting company.  
Scope2: emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.  
\*2 All indirect emissions (not included in scope2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.  
Target was set for Categories 11 and 13, which covered approximately 80% of Scope3.

Hulic has had its near-term (by 2030) emissions reduction targets approved by the Science Based Target initiative\*3 (SBTi) as consistent with levels required to meet the goals of the Paris Agreement in 2022. The targets covering greenhouse gas emissions from the Company’s operations (Scope1 and 2) are consistent with reductions required to keep the global warming to 1.5°C, the most ambitious goal of the Paris Agreement. In addition, the Company’s target for the emissions from its value chain (Scope3) meets the SBTi’s criteria for ambitious value chain goals, meaning they are in line with current best practice.



\*3: Science Based Targets initiative (SBTi)  
A collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), and is an international initiative that promote private sector to develop GHG emissions reduction targets in line with Paris Agreement (long-term temperature goal is to keep the rise in mean global temperature to well below 2°C and limiting below 1.5°C above pre-industrial levels), then validate and approve targets submitted to them. For approval, GHG emissions need to comply with GHG Protocol accounting and reporting standards, and near-term reduction targets in line with Paris Agreement need to be set between 5 and 15 years from the date of target submission to SBTi.



Hulic’s Actions for Achieving the Targets

We agree with the Japan government’s 2050 carbon neutrality target and are promoting the following initiatives to achieve the greenhouse gas emissions reduction target.

GHG Emissions Reduction Progress

	Base Year (2019) Result	2024 Result	
	Emission (t-CO <sub>2</sub> e)	Emission (t-CO <sub>2</sub> e)	Change from base year (2019)
Scope1+2	39,997	14,017	(65)%
Scope3 (Categories 11&13)	180,209	144,443	(20)%

- Scope2 reduction: Replace 100% of the electricity required for business activities of Hulic Group with renewable energy and achieved RE100\*4 in 2023 and continuously achieved in 2024.
- Scope2 and Scope3 reductions: By 2029, we will invest a total of approximately 66 billion yen in the development of renewable energy power plants. These will generate approximately 330 GWh electricity, equivalent to the annual electricity consumption of all of our buildings\*5, and supplying renewable electricity to our buildings. In addition to solar power plants, we have developed small hydroelectric power plants to ensure the resilience of renewable energy sources\*6. Additionally, approximately 100 billion yen will be invested in grid-scale storage battery by 2034 to ensure stable supply of renewable energy.
- Other: Implementing value chain (Scope3) engagements:
  - ✓ Upstream activities of the supply chain
    - Using environmentally friendly construction materials
    - Promoting timber construction and use of wood materials
    - Using renewable energy at construction sites
    - Incorporating environmental considerations into internal standards, etc.
  - ✓ Downstream activities of the supply chain
    - Switching building electricity to renewable energy
    - Introducing environmentally friendly technologies in buildings
    - Energy-efficient design/renovation
    - Reducing energy consumption in collaboration with customers

(concluding of green lease agreements\*7 • introducing of green lease clauses)


✓ To achieve the goals of 30% reduction in GHG emissions by 2030 (SBT Certification Targets) and virtually zero GHG emissions by 2050, we aim to achieve these goals through measures such as reduction of GHG emissions during building operation through active adoption of new technologies and materials, and long-term results expected from investments in venture companies and joint research with the academic world in addition to 100% renewable energy for electricity used at all company-owned buildings.

\*4 RE100 (Renewable Electricity 100%)  
An international initiative in which member companies aim to use 100% renewable sources for the energy required for their business activities.

\*5 All Company-owned properties  
Excludes single-tenant lease properties, residential properties and unmanaged shared properties for which the Company does not manage energy, and real estate for sale, etc.

\*6 Secure resilience of renewable energy sources  
Supply electricity stably by using multiple energy sources.

\*7 Green lease agreements  
Building owners and tenants collaborate to reach voluntary agreements with regards to energy saving and mitigating other environmental burdens of real estate as well as improvements of indoor environments through contracts, etc., and implement actions agreed.



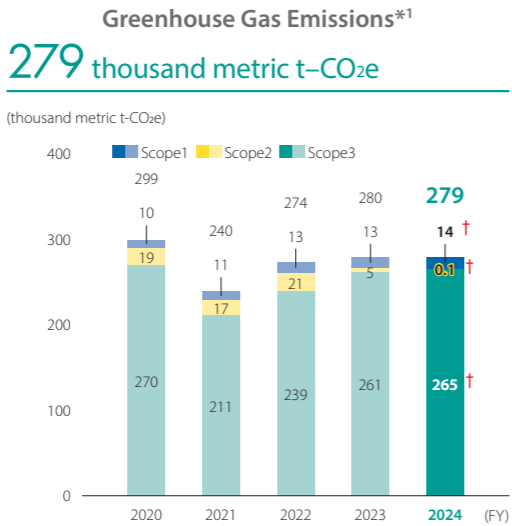
Effective Use of Renewable Energy  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/energy.html>

Initiatives for Energy Conservation  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/efficiency.html>

Effective Use of Unused Energies  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/unused.html>

Status of Greenhouse Gas Emissions

Greenhouse Gas Emissions



\*1 Figures marked with "↑" have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

\*2 We are calculating greenhouse gas emissions based on the GHG Protocol. Calculations for Scope 1 and 2 are based on the properties where the Hulic Group occupies or manages business operations (36 properties in FY 2020, 41 properties in FY2021, 40 properties in FY2022, 48 properties in FY2023, and 262 properties in FY2024). In addition, properties held at the end of term are subject to the calculation (Properties acquired during the reporting year for the period from the acquisition date to the end of the term are included). In FY2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period. The unit calorific values and the emission factors are based on values in the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. Until FY2020, greenhouse gas emissions from one hotel operated by a subsidiary were calculated based on our ownership ratio in that property, but starting in FY2021, emissions are calculated based on operational control. The boundary and calculation method for Scope3 are disclosed on the next page. GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Greenhouse Gas Emissions

	Greenhouse Gas Emissions (t-co <sub>2</sub> e)					
	2019 (Base year)	2020	2021	2022	2023	2024
Scope1 Direct Emissions	14,931	10,490	11,369	13,151	13,259	13,869↑
Scope2 Indirect Emissions (market based)	25,067	18,529	17,473	20,966	5,105	148↑
Subtotal Scope1 and Scope2	39,997	29,019	28,842	34,118	18,364	14,017
Scope3 Indirect Emissions						
1. Purchased goods and services	18,303	24,723	24,497	33,122	34,218	45,182
2. Capital goods	20,730	39,142	19,638	30,727	62,327	67,300
3. Fuel and energy related activities	6,597	5,132	5,238	6,112	3,939	3,728
4. Upstream transportation and distribution	—	—	—	—	—	—
5. Waste generated in operations	2,276	2,296	1,419	3,016	4,497	2,101
6. Business travel	244	251	194	176	177	369
7. Employee commuting	455	430	283	307	338	695
8. Upstream leased assets	—	—	—	—	—	—
9. Downstream transportation and distribution	—	—	—	—	—	—
10. Processing of sold products	—	—	—	—	—	—
11. Use of sold products	36,984	88,280	43,315	33,033	32,417	19,471
12. End-of-life treatment of sold products	193	484	1,005	712	474	713
13. Downstream leased assets	143,225	109,328	115,114	132,191	122,765	124,973↑
14. Franchises	—	—	—	—	—	—
15. Investments	—	—	—	—	—	—
Scope3 Categories 11 and 13*5	180,209	197,608	158,429	165,224	155,182	144,443
Subtotal Scope3	229,006	270,066	210,703	239,397	261,152	264,530↑
Total	269,004	299,085	239,545	273,514	279,516	278,547

—: Not applicable.


\*1 Figures marked with "↑" have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

\*2 Hulic manages the amount of permissible leaks as an administrator based on the Act on Rational Use and Proper Management of Fluorocarbons and they are included in the calculations of greenhouse gas emissions. Note that we do not report or disclose this data as the amount of leaks is below the reporting standards.

\*3 Our calculation of Greenhouse Gas Emissions adopts the criterion of operational control.

\*4 Scope2 (Location based) FY2024 Result : 24,638 t-CO<sub>2</sub>e

\*5 Scope3 Target (approved by SBTi) is set for Categories 11 and 13.



Calculations of Greenhouse Gas Scope3 Emissions  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/pdf/scope3.pdf>

Total Energy Consumption

2020	2021	2022	2023	2024
599,718,983	603,949,285	694,169,900	727,418,203	791,948,993

\* The boundary is the properties where the Hulic Group occupies or manages business operations (36 properties in FY2020, 41 properties in FY2021, 40 properties in FY2022, 48 properties in FY2023 and 262 properties in FY2024). In addition, properties held at the end of term are subject to the calculation (Properties acquired during the reporting year for the period from the acquisition date to the end of the term are included). In FY2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period.

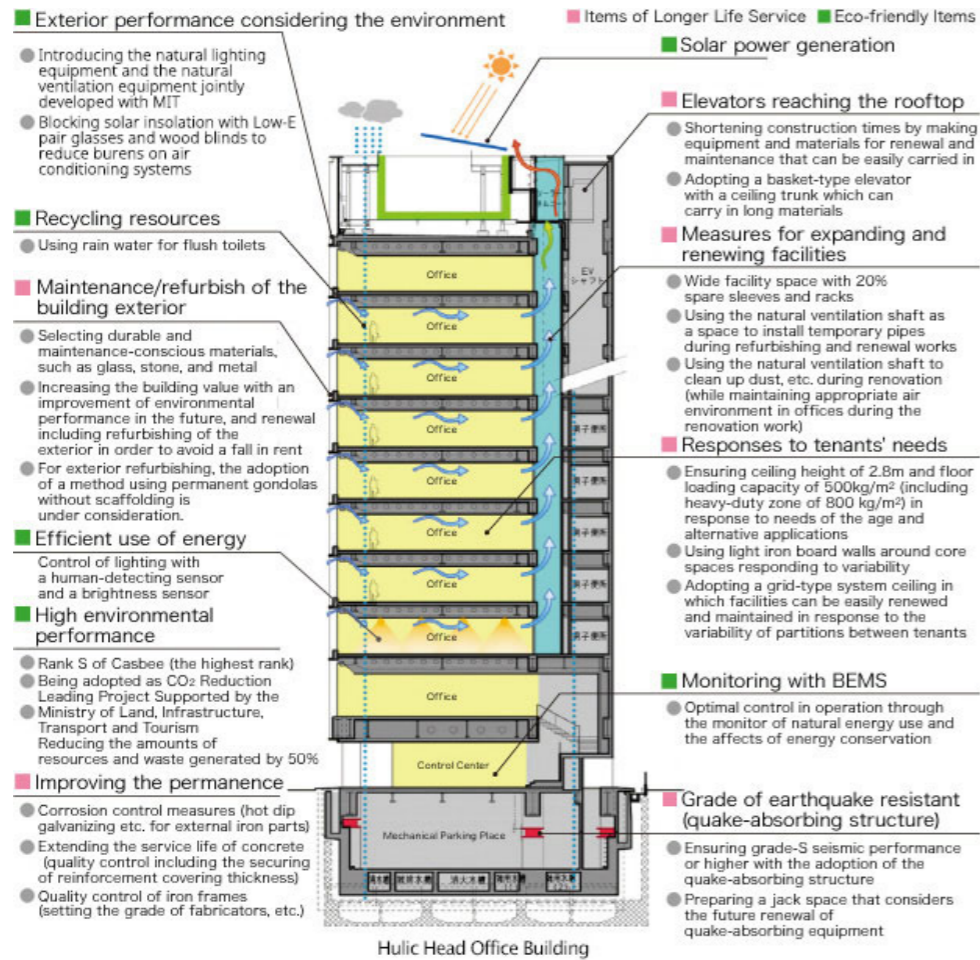
Green Procurement Initiatives

- Hulic is working to reduce environmental impacts throughout all of our operations, and we also ask our business partners to agree to the following green procurement policy and work together with them.
1. To engage in energy-saving activities and reduce GHG emissions;
  2. To reduce the amount of water consumption as much as possible;
  3. To carry out a biodiversity-friendly business;
  4. To fully prevent environmental pollution; and
  5. To make efforts to save resources and reduce the amount of waste.

Initiatives for Environmentally Friendly Technologies

Introducing CO<sub>2</sub> Reduction Technologies at the Hulic Head Office Building

Photovoltaic power generation panels are installed on the rooftop, and rainwater is used for flush toilets. LED lighting systems are adopted in the entire building including office rooms. Brightness is adjusted with motion and brightness sensors. To improve heat insulation performance of exterior walls, Low-E pair glasses and wood blinds are used.

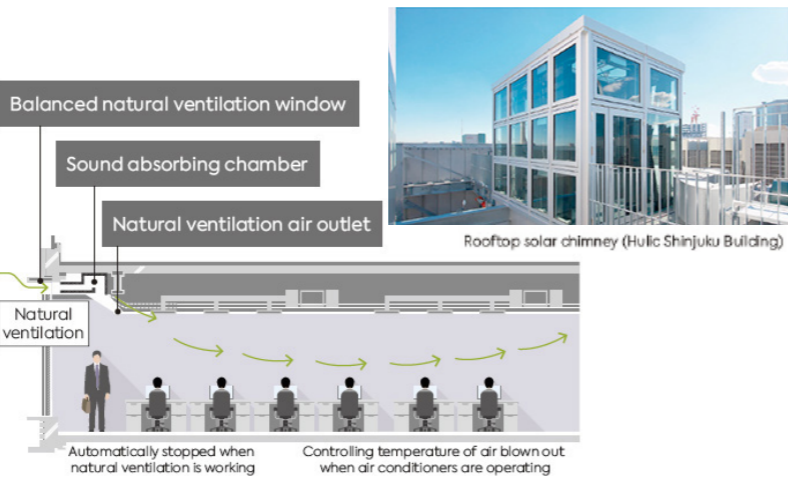


Natural Ventilation and Natural Lighting System Developed through Joint Research with the Massachusetts Institute of Technology (MIT)

Natural Ventilation System

Hulic Head Office building introduced an unique natural ventilation system, jointly researched and developed with MIT in which air flows and other factors in the office area were meticulously simulated. This system automatically take in comfortable cooler air from outside during seasonable intervals so that favorable conditions of office can be maintained even if the air conditioning is shut. In addition, annual energy consumption of the Head Office building is reduced by the introduction of this system. Furthermore, in order to realize the use of a natural ventilation system in a dense urban area, a silencer chamber is attached in the intake opening to minimize outside noise affecting inside work space.

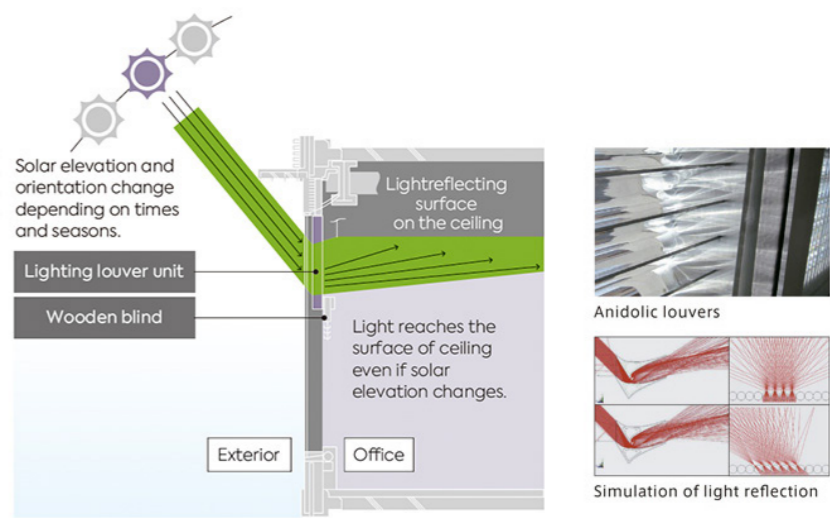
Cross-Sectional View of Natural Ventilation



Natural Lighting System

Our natural lighting system uses specially shaped natural lighting anidolic louvers co-developed with MIT to capture constantly changing sunlight on the ceiling of rooms during changing seasons and times (elevation and orientation) without the use of power. Highly reflective metal panels are used for interior ceilings, which supply a consistent amount of pleasant natural light to the top of office desks. This system has been installed at the Hulic Head Office Building, Hulic Annex and some of development properties.

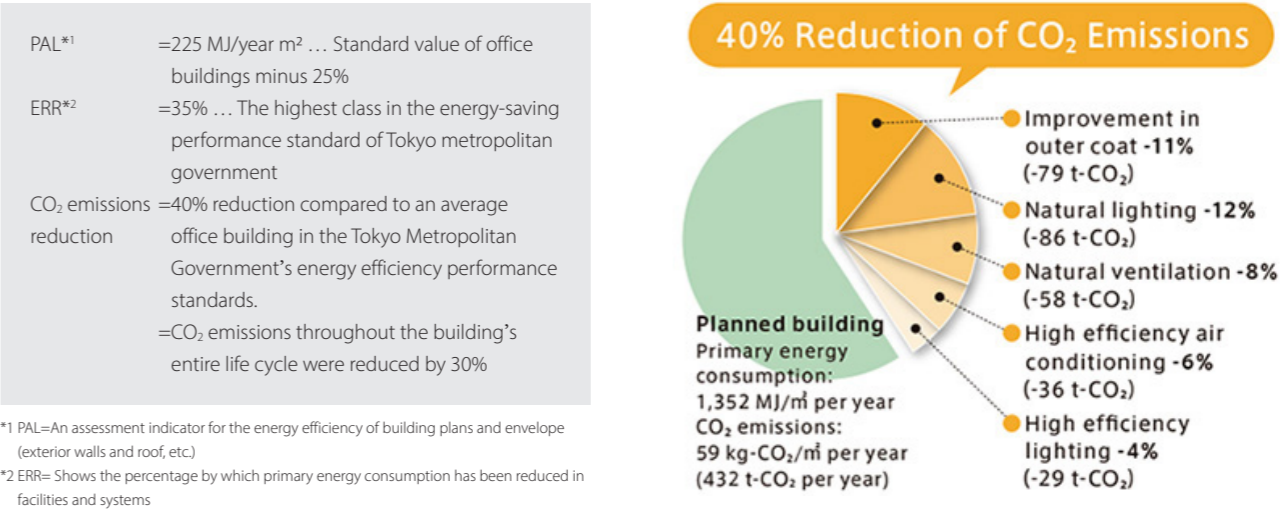
Image of natural lighting



Effects of CO<sub>2</sub> Reduction

Calculations at the Hulic Head Office Building

CO<sub>2</sub> can be effectively reduced by introducing such top-level environmental technologies. In CASBEE (Comprehensive Assessment System for Built Environment Efficiency), BEE scored 3.3, corresponding to rank S.



Commercialization of Environmental Technologies

Natural Lighting System (patent awarded)

The natural lighting system was developed as a result of a three-year research/development project that Hulic engaged in with the Massachusetts Institute of Technology. With a specially designed natural lighting louver (anidolic louvers), it can take in a certain amount of sunlight to the ceiling surface of a room without using electricity in accordance with different seasons and times of day. The greatest features of this system are that it realizes a comfortable level of illuminance with natural light, which was previously unattainable, and also that it has a simple, maintenance-free structure even though it comes with a fixed type.

[Summary of patent]

Name of invention: Lighting louver unit  
Registration No.: 6021103  
Registration date: October 14, 2016

Photovoltaic Panels (patent awarded)

The special feature of Hulic’s photovoltaic panels co-developed with Taiyo Kogyo Corporation and Gifu Plastic Industry Co., Ltd. is that they are lightweight, freely designable, and easy to install. We realized a lightweight photovoltaic panel with high strength by using aluminum board and plastic-based honeycomb-panel material. Its weight is about half that of a conventional solar panel. The panel can be freely designed through customization and can be made in various shapes. Equipped with a sliding mechanism using a special metal fitting, it can be relatively easily installed. Thus, it can be installed even in a building with strict loading conditions such as in repairing works.

[Summary of patent]

Name of invention: Photovoltaic generation system and assembly method

Registration No.: 6018856

Registration date: October 7, 2016



Photovoltaic panels (patent awarded)

Commercialization of Thin-layer Wall Greening System (patent awarded)

As a part of environmental business, Hulic jointly has developed with TOHO LEO CO., Ltd. and Daito Techno Green CO., Ltd. a wall greening system (thin-layer wall greening system) that can be easily installed in existing buildings. We completed development of the product and obtained a joint patent for it with three companies.

[Summary of patent]

Name of invention: Greening device and its method

Registration No.: 6460942

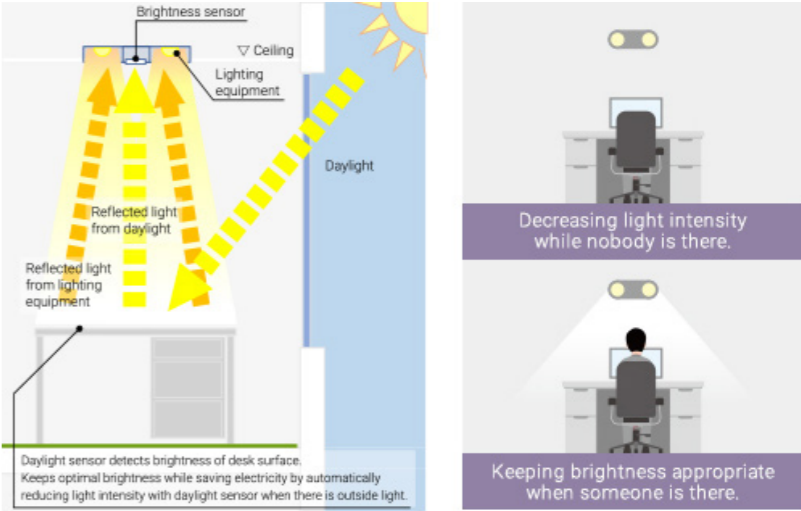
Registration date: January 11, 2019



Commercialization of thin-layer wall greening system

Introduction of LED Lighting System

Hulic has realized a lighting conditions preferable for customer work style as well as a significant level of greenhouse gas emissions reduction through energy saving by adjusting the level of LED lighting automatically with daylight and motion sensors.



Mechanism of daylight sensor control

Operating principle of human-detecting sensor

Introducing Low Energy Consumption Facilities to Nursing Homes

We have an environmentally friendly plan for aiming to help realize a sustainable society including but not limited to LED lighting, highly efficient water heater, equipping with solar panels on their rooftops to provide electric power to the common areas and others. Additionally, we are keen on using of wood in materials, adopting roof greening, keeping natural lighting, natural ventilation system and installing panel heating and cooling system, to name a few.



Atrium which installed natural ventilation system (Hospitalment Musashino)



Solar panels on the rooftop (Charm Suite YOTSUYA)

Initiative for Green Lease Contract and Introduction of Green Lease Clauses

We promote a initiative for green lease contract with our customers and have concluded a green lease agreement with our tenant, Ito-Yokado Co., Ltd. at the Ito-Yokado Kawasaki store. This is a green lease contract with retrofits, where we as the property owner side implement energy-saving retrofits and the tenant returns a part of the benefits of the reduced electricity cost to us when those benefits belong to the tenant.

This initiative are beneficial both for the tenant and us. In addition, we introduce green lease clauses in contracts of some owned properties and will make efforts to mitigate environmental burden with our customers. We will make efforts to mitigate environmental burden with our customers.

Customer Outreach

We believe that customer engagement is important in responding to climate change, and our initiatives for decarbonization, we conducted explanatory sessions with our customers—focusing on office tenants—

to discuss our commitment to the environment as building owners. Going forward, we will continue outreach to customers and work toward more energy efficiency.

Initiatives for Energy Conservation

Fundamental Approach

We work to mitigate our impact on climate change by promoting energy-saving initiatives.

Introduction of LED Lighting

Use of LED lighting, which is brighter than incandescent lamps and fluorescents and uses less electricity, helps to significantly reduce power consumption and greenhouse gas emissions. Furthermore, as LED lighting is long lasting, it is possible to not only save the trouble of maintenance such as changing bulbs, but also reduce waste and effectively use resources. In principle, all Hulic’s development projects use LED lighting. We are also sequentially switching over to high-efficiency lighting and LED lighting at our existing buildings as part of energy efficiency renovation work.




LED lighting (THE GATE HOTEL YOKOHAMA by HULIC)

Effective Use of Renewable Energy


Hulic promotes the use of renewable energy power generation equipment through development and ownership, as an alternative main power source for reducing greenhouse gas emissions.

Additionally, we are installing various renewable energy systems at our properties, and have set a KPI (non-financial target) for the number of capital investments in development and reconstruction projects on

renewable energy related-systems more than three investments per year. Results in FY2024 were 5.



Long-term Vision for the Environment  
<https://www.hulic.co.jp/en/sustainability/ecology/management/vision.html>



Greenhouse Gas Emissions Reduction Targets  
<https://www.hulic.co.jp/en/sustainability/ecology/warming/roadmap.html>

Converting to 100% Renewable Energy Sourced Electricity for Electricity Consumption at All Company-owned Buildings

In accordance with Hulic’s Long-term Vision for the Environment, we established the climate change goals of achieving RE100\*<sup>1</sup> by 2024 and converting to 100% renewable energy (following: this initiative) for electricity consumption at all Company-owned buildings\*<sup>2</sup> by 2030. We have achieved RE100 in 2023. In addition, we have moved forward one year to 2029 to convert to 100% renewable energy for electricity

consumption at all Company-owned buildings.

To achieve these goals, we plan to invest approximately JPY66 billion and develop new renewable energy power plants including solar power plants and so on. Furthermore, we will invest approximately 100 billion yen in grid-scale storage battery business until 2034, aiming for a stable supply of renewable energy.

**Progress of the Initiative (As of the end of December, 2024)**

- Progress Rate\*<sup>3</sup> of the Target concerning Converting to 100% Renewable Energy Sourced Electricity for Electricity Consumption at All-Company Owned Buildings: **58%**
- Development Progress: **81** solar power plants, **104.5Gwh** / **3** small hydroelectric plants, **2.5Gwh**



Solar photovoltaic equipment that do not use the FIT system



Grid-scale battery (image)

\*1 An abbreviation of “Renewable Electricity 100%”, or sourcing 100% of electricity needed for business activities from renewable energy sources

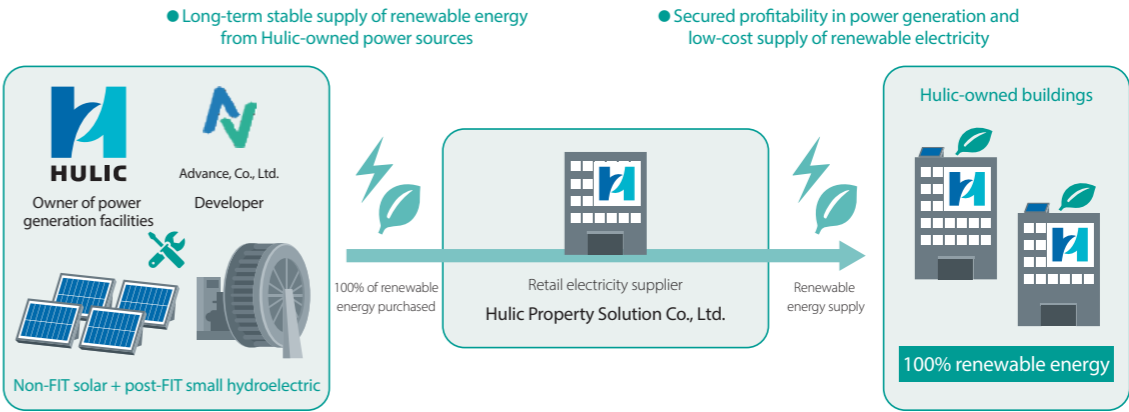
\*2 Excludes properties for which we do not have energy management authority including master lease properties, residential properties and non-managerial coownership properties, and real estate for sale, etc.

\*3 The ratio of renewable energy to electricity consumption for the targeted properties of FY2024.

Fully Internal Group Corporate PPA Model

Hulic Property Solutions, a Group company, acts as a retail electricity supplier (PPS), purchasing electricity derived from Company-owned renewable energy sources and selling it to Company-owned properties.

This will ensure stable sourcing of renewable energy-derived electricity over the long-term.

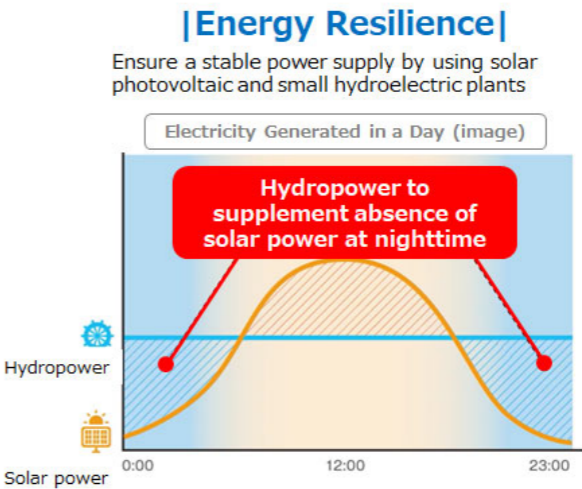


Small Hydroelectric Plants

As solar power does not generate electricity at night and the amount of power generated fluctuates depending on the weather, we are developing and operating our own small hydroelectric plants\* that can

generate electricity both day and night regardless of the weather from long-term perspective with the goal of developing energy resilience (a stable power supply from varied power sources).

Mechanism Facilitating Stable Energy Supplies Utilizing Multiple Power Sources (image)



In May 2021, Hulic’s first small hydroelectric was completed and began operations in Kawabamura, Tone-gun, Gunma Prefecture. Mindful of the location and conditions, a range of autonomous, electrification, and remote technologies were introduced. These initiatives have resulted in a state-of-the-art power plant expected to operate at higher operating

rates than conventional small hydroelectric power plants.

And its second small hydroelectric began operations in Takashima-city, Shiga Prefecture in May 2023.

From the perspective of the energy mix, Hulic plans to continue developing and using small hydroelectric power generators.

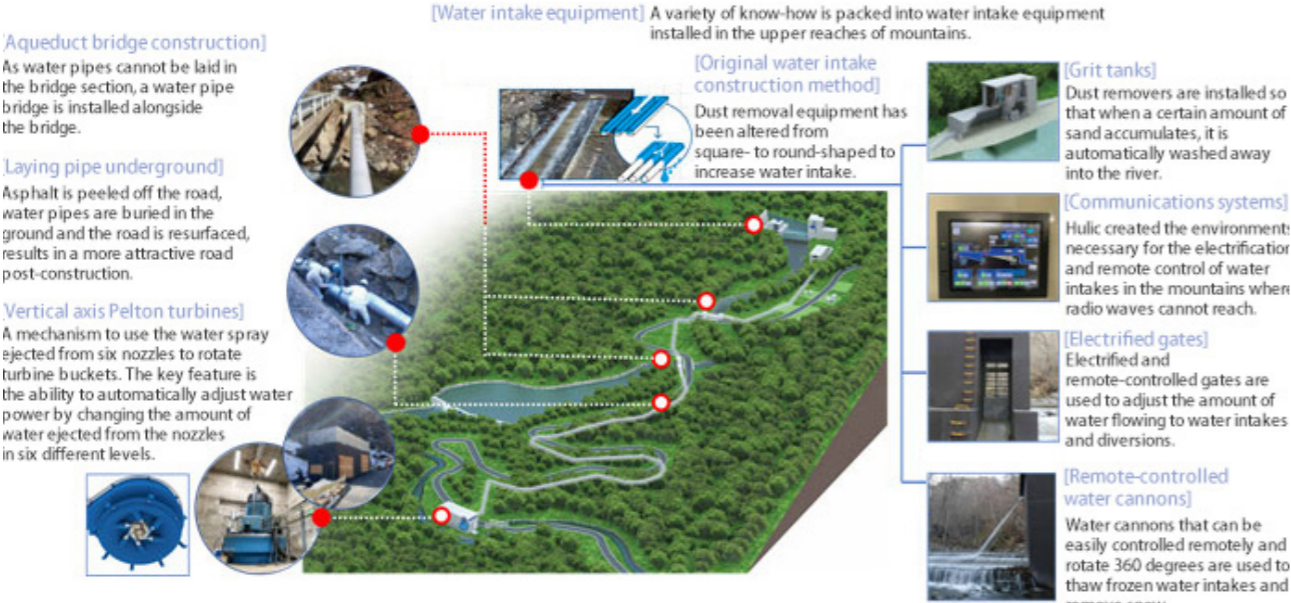
\* Small-scale hydroelectric power generation with an output of 1,000 kW or less. As it generates electricity stably day and night, it is considered to be a stable power supply with relatively high operating rates among renewable energy facilities.



Kamogawa (Shiga Prefecture) small hydroelectric plant water intake

- Kamogawa small hydroelectric plant overview**
- Water source: Kamogawa, Shiga Prefecture
  - Overall length: 1.4 km
  - Height difference: Approximately 91 m
  - Power generation scale: 199 kW
  - Estimated annual power generation: Approximately 1.1 GWh
  - Hulic plans to supply electricity to its owned properties after the FIT period has ended (20 years hence)

Small Hydroelectric Plant Construction (Image)



Investment in Grid-scale Storage Battery

As the expansion of renewable energy continues, it is necessary to ensure “adjustment capability” to cope with the fluctuating power supply and demand of renewable energy sourced solar power generation, which is an unstable power source. By introducing grid-scale storage battery, it is possible to balance supply and demand and provide stable electricity by adjusting the surplus power from renewable energy sources as well as discharging during periods of supply constraint.

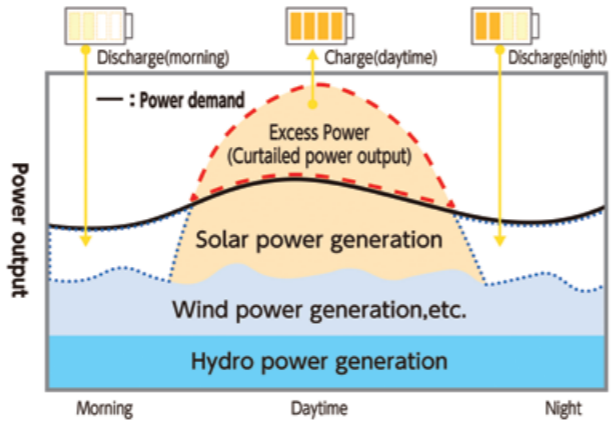


Image of storage battery system operation

Installing Solar Photovoltaic Panels on the Rooftop for Onsite Consumption

We have been making effort to reduce greenhouse gas emissions by installing photovoltaic cell modules on the rooftop of buildings and use solar power as a supplemental energy source. Many of the properties at the logistics facilities “Hulic Logistics Series” have large-scale solar photovoltaic panels and obtained ZEB certification.



Hulic Logistics Kashiwa

Installation of Solar Heat Panels

Hulic’s hotels, multi-unit apartments and buildings that require large amounts of hot water adopt a solar water heating system, which uses solar panels to collect the sun’s heat. Hot water created using this system is supplied to residential units, dormitories and kitchens, among other facilities inside a building.

At HULIC SQUARE TOKYO, the solar heat collection panels are located on the rooftop as a supplemental heating source for hot water system of THE GATE HOTEL TOKYO by HULIC and has been contributing in decreasing GHG emissions.



Solar heat collection panels (HULIC SQUARE TOKYO)

Installation of Photovoltaic Panels on an Exterior Wall

HULIC SQUARE SAPPORO I installs solar panels on vertical surfaces that was less affected by snow and produce energy from low altitude sunlight and snow glare. We expect to generate approximately 5,400 kWh per year with the 12.6 kW system.



HULIC SQUARE SAPPORO I

Effective Use of Unused Energies

Effective Use of Unused Energies

Unused energies are generic term of energies that have not been used in the past despite the fact that they could be used effectively which include heat disposed from buildings and factories, and difference in temperature of river water, ground water, or sewage water. As a way to

efficiently utilize energy for the reduction of environmental load, we are working on the advanced utilization of unused energy according to location conditions, asset type, and the characteristics of development projects.

Case Study1

Use of Exhaust Heat of Hot Springs at FUFU Kawaguchiko

At FUFU Kawaguchiko, our *ryokan* (a Japanese style luxury inn), the exhaust heat of flowing hot spring water which had been disposed in the past is collected by highly efficient heat pump and introduced as a hot spring exhaust heat utilization system which is used as a supplemental heating source for the water heater of *ryokan*. The effect of introducing this system resulted in an approximately 30% decline in water heating energy consumption. The system received subsidy from the Ministry of Economy, Trade and Industry as the FY2017 and FY2018 subsidy on business that promote local production for local consumption by making use of local features.



FUFU Kawaguchiko

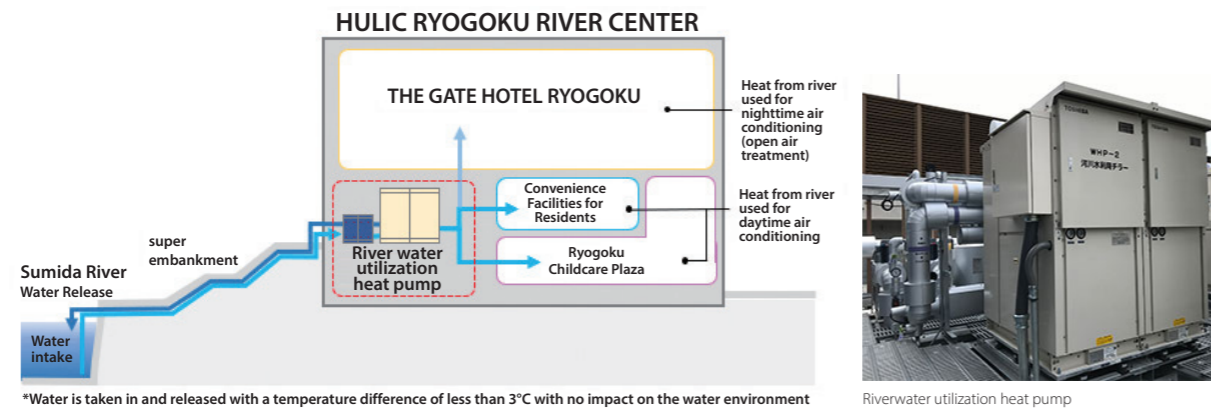
Case Study 2

An Air-conditioning System that Utilizes Energy from the Difference in Temperature with the River Water in the HULIC RYOGOKU RIVER CENTER

In the HULIC RYOGOKU RIVER CENTER (a PPP project), which was completed in 2020, we focused on the Sumida River adjacent to the site of the property and installed an air-conditioning system that utilizes energy from the difference in temperature with the river water. Praised for its advanced nature, the project was selected by Cool Net Tokyo (Tokyo Metropolitan Center for Climate Change Actions) as a “project to expand the introduction of renewable energy on a local production for local consumption basis.” The River Water Temperature Difference Energy Utilization Equipment uses a purpose-built heat pump to provide air conditioning in the facility

by extracting heat from or releasing heat to the river water, within a range that does not affect the environment, as the temperature of the river water is cooler than the outside air in summer and warmer in winter. Compared with air-source heat pumps that transfer heat absorbed from the outside air to an indoor space, such as household air conditioners, this enables facilities to be air conditioned with less energy consumption. It is estimated that this project will reduce the annual energy consumption for air conditioning in the target area by approximately 12%.

Air conditioning system making use of river water (image)



Building a Recycling-oriented Society

Realization of a Recycling-oriented Society

Fundamental Approach

We formulated our Long-term Vision for the Environment which states that we execute environmentally friendly management to realize an ideal society of carbon-free and recycling-oriented society in 2050. As a real estate developer, we believe that Hulic can offer value to society by putting our environmental effort into reducing greenhouse gas emissions, using resources efficiently, and reducing waste. We are actively working to reduce waste disposal and water consumption in cooperation with our customers (tenants) and business partners for realization of recycling society. When developing and reconstructing buildings, we endeavor to reduce environmental impacts by promoting the 3R (reduce, reuse, and recycle) through the adoption of Longer Life Building designs that enable to reduce waste significantly and use resources effectively.

- 《Results in FY2024》
- KPI: Percentage of technical measures (such as longer life design, etc.)\* applied to reduce construction waste 100% each year: Result 100%
  - KPI: Amount of waste disposal Intensity less than 11 kg/m<sup>2</sup>/each year (Hulic Head Office Building, Hulic Annex Building) / Result 10.0kg/m<sup>2</sup>
  - KPI: Water Intake (Water Consumption) Installation rate of water-saving devices Yearly 100% (the boundary is for completed fixed assets in each year)/ Result: 100%

\*The percentage of properties completed in the given year that used technologies and measures that contributed to a reduction in waste as well as raw materials and other resources based on the Hulic Guidelines for Longer Life.

Long-term Vision for the Environment  
<https://www.hulic.co.jp/en/sustainability/ecology/management/vision.html#anc1>

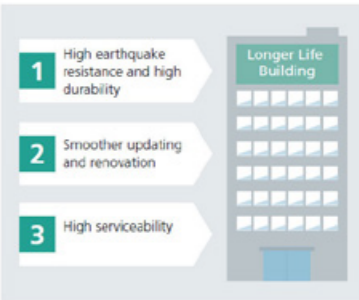
Longer Life Buildings

Standardization of 100 Year Buildings

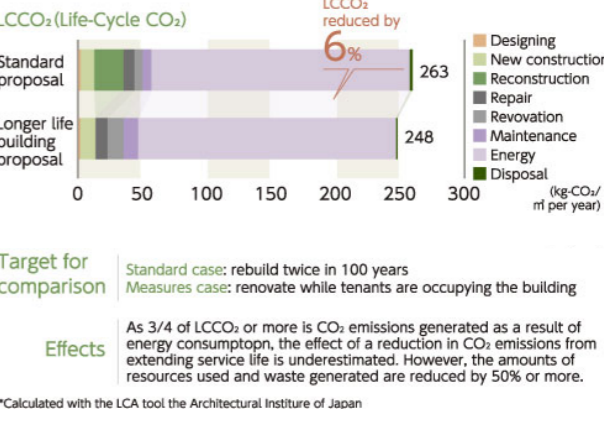
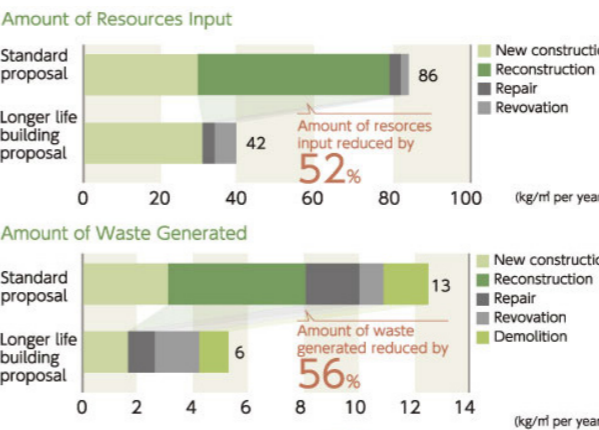
The Company formulated the Hulic Guidelines for Longer Life Building (the Guidelines) in 2011 to standardize specifications for development and reconstruction projects. The Guidelines are composed of three ideas, 1) high earthquake resistance and high durability; 2) smoother updating and renewal; and 3) high serviceability. We use only high-grade building frames that ensure the buildings are durable and used safely for over 100 years as well as make it possible to modify layout or change of intended use to fit with diversifying work styles in the future and reform building exteriors. Furthermore, longer life buildings reduce waste generation and resources used for reconstruction by 50% or more, and reduce life cycle CO<sub>2</sub> by 6% compared to the cases where

buildings are conventionally reconstructed every 40 years (standard plans).

We have introduced longer life designs as standard specifications in all development and reconstruction completed or under development since formulating the Guidelines in 2011.



Environmental Advantages of Longer Life Buildings



Hulic Guidelines for Longer Life Building

1 High Earthquake-resistance and High Durability

Structural frames shall be strong and solid so they can be safely used over 100 years.

- We apply our internal earthquake-resistance standards where building performance can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of 7 level to all asset types of properties we develop or construct.
- Thoroughly control the quality of works by designating details of design conditions for concrete and construction materials.

2 Smoother Updating and Renewal

We adopt a design capable of responding flexibly to future needs, and establish plans of updating and renewal without the need to make tenants move out.

- Flexibly respond to future changes in use purposes and layout, with spare ceiling height room and floor loading capacity, as well as a flexible partition wall and a system ceiling.
- Ensure the space to install spare pipes and equipment, etc. so as to continue business even during the period of works for updating and renewal.
- In commercial buildings, adopt the interchangeable facade system capable to meet the needs of the time, in order to avoid the building exterior to become obsolete, if the conditions are met.

3 Ease of Maintenance

We formulate plans enabling timely and meticulous maintenance in order to keep sophisticated building specifications and optimal building functions constantly

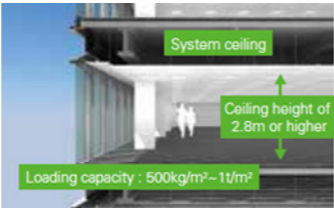
- Use gondola for maintenance, including inspections of the building exterior.
- Install an elevator reaching the rooftop to carry in materials there.

POINT1

Responding to future changes in purpose of use and layout

From a viewpoint of a long-term use for 100 years, it can be expected that the use of building will largely change, for example, from an office building to a store or from a store to a restaurant. By providing spare ceiling height room and floor loading capacity in advance, it is possible to respond easily to future changes in use purposes and layout, as well as for renewal.

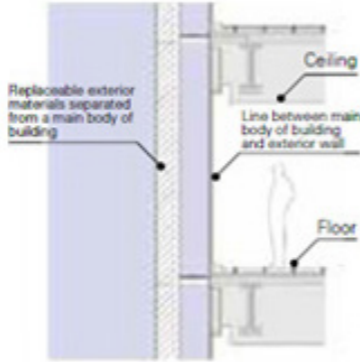
Ceiling height:	2.8m or higher
Loading capacity:	500kg/m <sup>2</sup> in general, 800kg/m <sup>2</sup> ~1t/m <sup>2</sup> in heavy duty zone
System ceiling:	A system ceiling responding to needs for smoother maintenance, updating of facilities, and changeability of partitions between tenants.



POINT2

Replaceable facade systems

For commercial buildings, the exterior appearance is important. This is because a stylish appearance at the forefront of the age would attract customers. Therefore, if site conditions and other factors are met, we adopt a system where the facade (front exterior of the building) can be separated from the main structure, without any legal constraints, to update the exterior design.

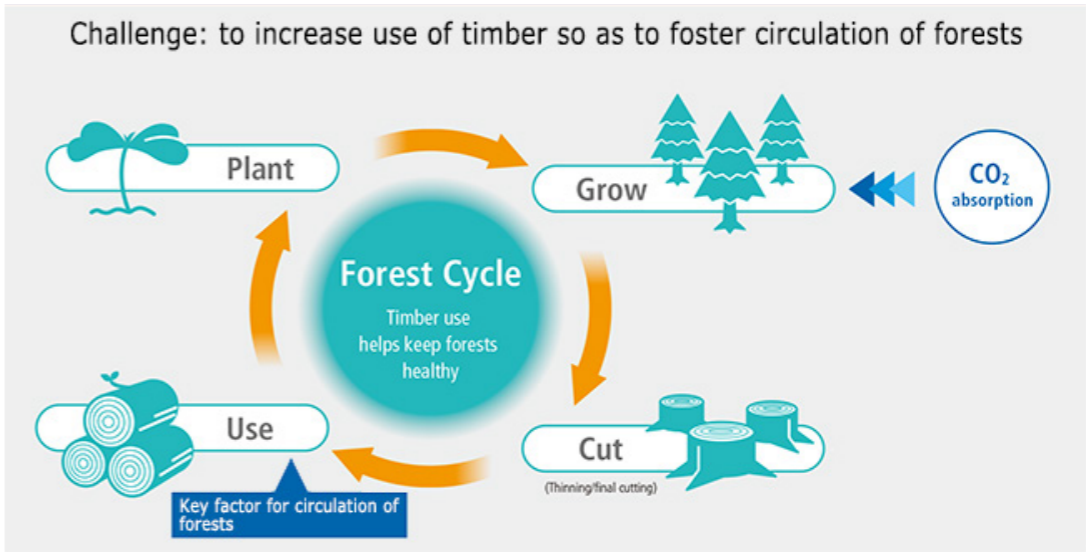


Wooden Construction and Conversion Initiatives

We have been developing fireproof wooden buildings using timber that requires less energy for manufacturing and processing with lower CO<sub>2</sub> emissions.

We are also planting trees based on the idea of planting to replace what we use. Trees absorb CO<sub>2</sub> in the air and provide a carbon dioxide fixing solution as they grow, so an abundance of trees in the nation's land can help cut down CO<sub>2</sub> levels. Furthermore, trees that are ready

to be cut for timber have a reduced ability to absorb CO<sub>2</sub>, so while we cut down trees as building materials, we also plant new trees to replace them. In this way, we are contributing to maintaining the proportion of young trees that absorb CO<sub>2</sub> well at a certain level. Through this initiative for fireproof wooden buildings, we are promoting forest circulation by using, planting, growing, and cutting down trees, which in turn reduces CO<sub>2</sub> emissions and leads to efforts to conserve biodiversity.



Basic Policy for Promoting Wooden Buildings

To Spread	<b>Participate in the Wood Change Council</b> We are a member of the Wood Change Council, a networking gathering sponsored by the Forestry Agency which aims to promote the use of timber in the private sector buildings.
To Use	<b>Completion of HULIC &amp;New GINZA 8</b> Construction of HULIC &New Ginza 8 was completed in October 2021, Japan's first 12-story fireproof wooden (hybrid construction combining wood and steel) commercial building.
To Plant	<b>Execution of environmental afforestation</b> We execute planting trees in addition to use them in building construction so that we can promote circulation of forests.

Example of Use 1: HULIC &New GINZA 8 (Fireproof Commercial Building)

We developed Japan’s first 12-story wooden fireproof commercial building (hybrid construction combining wooden and steel structures) in Ginza, one of our focus areas, in October 2021.

Development and Design Concept

With the objectives of contributing to both the growth of the forest industry and regional revitalization, Hulic used domestic timber for the structure—mostly sugi (cedar) from Fukushima Prefecture—based on the design concept of creating a “forest” in the middle of Ginza. While building with steel and concrete was used in places, we replaced to wood in all sections of the structure where this was possible to create a building with a highly economic and coherent structure.

This 12-story wooden building was created with columns and beams made from timber with a fireproof coating. The hybrid structure

combining wooden and steel frame construction takes advantage of several wood-related technologies, such as cross laminated timber (CLT), and vibration-damping walls and pillars made from glued laminated wood. The project which also used wood for exteriors shows the future of cities and structures, with Ginza serving as the model. Inside the building, the fireproofed wooden pillars and beams, as well as the ceiling using CLT, are exposed effectively to carry the feeling of warmth that wood brings to the interior which is also aesthetically pleasing.

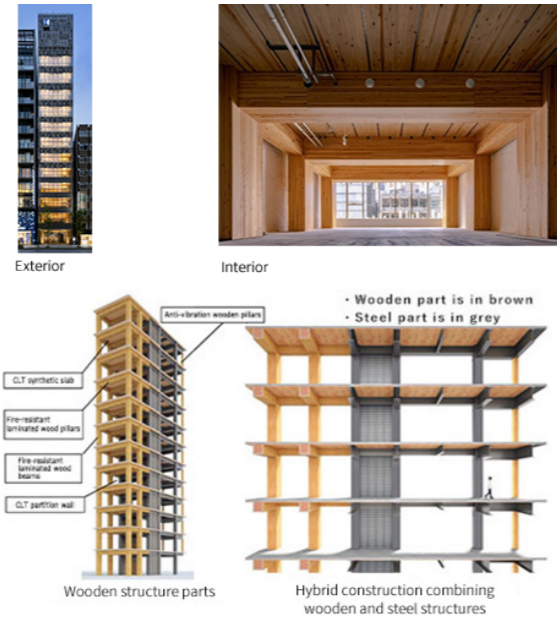
Special Features

New technologies

- Japan’s first 12-story wooden fireproof commercial building. The tallest among leasing buildings, as of the time of completion of this property.

Environmental benefits

- Promotes fixation of CO<sub>2</sub>  
Reduces CO<sub>2</sub> by increasing the amount of wood used, leading to forest regeneration (forest health)  
Approximately 310 m<sup>3</sup> of wood was used in the construction of HULIC &New GINZA 8, with the amount of carbon stored in the lumber (CO<sub>2</sub> equivalent) totaling 217 t-CO<sub>2</sub>.\*  
\* Calculated based on the Forestry Agency’s “Guidelines for calculating carbon stored in wood used in buildings” (October 1, 2021) (for all wooden parts)
- Reinvigorates forestry (regional revitalization)
- Reduces CO<sub>2</sub> emissions from construction  
Eliminates CO<sub>2</sub> emissions during structural material manufacturing process (eliminates CO<sub>2</sub> that would have been emitted during iron manufacturing, iron processing, concrete manufacturing and other processes)
- Facilitates simplified foundations  
Lightweight superstructure (above-ground frame section) compared to steel structures and reinforced concrete structures simplifies the foundation structure of the building.



TOPICS

**HULIC &New GINZA 8 has received these awards:**  
**the Grand Prize (Minister of Land, Infrastructure, Transport and Tourism Award) at the 25th Wood Utilization Competition (sponsored by Japan Association of Timber Youth Groups);**  
**the Minister of the Environment Award in the Outstanding Facilities Category in the FY2022 Contest Recognizing Outstanding Facilities for Timber Utilization (sponsored by the Japan Council for Advancement of Timber Utilization);**  
**and the Grand Prize (Minister of Land, Infrastructure, Transport and Tourism Award) at the Wood Design Award (sponsored by the Japan Wood Design Association).**

**Awarded the Grand Prize at the 25th Wood Utilization Competition (Minister of Land, Infrastructure, Transport and Tourism Award)**

[Comment from judges]

The HULIC &New GINZA 8 project has been highly rated for tackling the challenge of using wood in high-rise buildings in urban areas. The use of timber from all over Japan for a high-rise structure in Ginza, one of the country’s premier commercial districts, will likely contribute significantly

to more use of timber in buildings in the future.

[Wood Utilization Competition]

Started in 1997, this year marked the 25th occasion for the Wood Utilization Competition. The goal is to contribute to the revitalization of the forest industry by exploring new uses for wood and its expanded use. Many wooden buildings have been constructed in Japan in the 10

years since the enactment of the Act for Promotion of Use of Wood in Public Buildings, etc. aimed at bolstering the use of wood. Recently, we have seen the development of many new wooden materials as well as technology and construction methods, while the laws related to wooden structures have been relaxed. More wooden construction is expected. Given this background, the competition recognizes excellent works that broadly convey the benefits of wood and contributes to more use of wood.

**Won Minister of the Environment Award in the Contest Recognizing Outstanding Facilities for Timber Utilization**

[Comment from judges]

The main structural components of this building use cedarwood sourced from Shirakawa City, Fukushima Prefecture, establishing collaboration between the Tokyo-based real estate company and local forestry. Materials sourced from the Tama area of Tokyo are also used, contributing to the promotion of local forestry through urban construction and enabling local production for consumption in the metropolis. This project is an advanced example of accelerating the trend toward urban wooden construction by achieving Japan’s first 12-story high-rise wooden hybrid construction with a wooden frame, in this way providing the option of building with wood when designing high-rise buildings.

[Contest Recognizing Outstanding Facilities for Timber Utilization]

The Japan Council for Advancement of Timber Utilization works with local councils in each prefecture and was established in 1984 with the aim of promoting use and increasing the demand for wood. Since 1993, this award has recognized and acknowledged the excellence of the owners,

designers, and builders of structures that contribute to the growth of wood use and the unique application of wood.

**Received the Grand Prize (Minister of Land, Infrastructure, Transport and Tourism Award) at the Wood Design Award**

[Comment from judges]

This building is located in an urban area where symbolic wooden architecture is highly visible, making it a fitting place to showcase its value and appeal. The diverse range of wooden techniques employed is expected to contribute to the growth of wooden construction and this project was rated highly as a model for promoting carbon fixation through wood use in urban settings. This project effectively targets a socially and environmentally conscious customer base unique to the area, offering a comfortable and inviting space that harnesses the soothing qualities of wood. The project successfully maximizes the benefits of using wood and conveys wood’s exceptional properties, such as insulation and moisture absorbcency, as well as the sensory appeal of its warmth and softness.

[Wood Design Award]

Japan Wood Design Association, established to conduct research and development, create business, and raise awareness in all fields related to wood design, has defined their initiatives as aimed at helping to resolve social challenges through the use of wood. The Wood Design Award, introduced in 2015, recognizes projects and structures that enrich living and society through wood, showcasing these achievements to Japan and the world.

Example of Use 2: Promoting Conversion to Wood

Along with the development of fireproof wooden buildings, Hulic is actively promoting the use of wood for exteriors and interiors depending on the application and location of the developed property.



Entrance Hall  
(Charm Suite Yotsuya)



Development plan under consideration of “use of wood”  
(Ginza Building Reconstruction Project)

Example of Spread: Participate in the Wood Change Council

The Wood Change Council (the Council) is a networking gathering sponsored by the Forestry Agency which aims to promote the use of timber in the private sector buildings. The Council discusses and considers matters related to spreading timber use including identification of issues, direction of solutions and popularization, and aims to create an environment that timber is more easily used as well as to create a platform of spreading the use of timber movement throughout Japan. We participate in the Council with an intent to continuously promote the use of timber.



Example of Planting 1: Planting the Same Amount of Trees Used

Hulic outsources logging, planting, and weeding activities to forestry cooperatives in an effort to plant the same amount of trees as the standing trees used as building materials for fireproof wooden construction. In May 2021, approximately 310m³ of lumber was used in the construction of HULIC &New GINZA 8, a 12 story fireproof wooden (hybrid structure combining wooden and steel frame construction)

commercial building completed in October 2021. At the same time, approximately 12,000 cedar saplings were planted (new plantings) across an area of about 4.3 hectares. For five years from 2021, we will continue cutting undergrowth so that the planted cedar saplings will grow healthy.



Cedar sapling newly planted and a mountain (Fukushima Prefecture)

Example of Planting 2: Conclusion of Forest Resource Utilization Project Agreement (Kawaba Village : Gunma Prefecture)

We have concluded a trilateral agreement with Kawaba Village, Gunma Prefecture and Advance Co., Ltd. on forest resource utilization project through the corporate version of the hometown tax payment system. We will continue to collaborate and work towards Nature-Positive initiatives.



Our Group-wide Initiatives

Fundamental Approach

We are proactively working to reduce waste and water intake (water consumption) in cooperation with tenants and building management companies toward realization of recycling society. For developing and reconstructing buildings, we endeavor to reduce environmental impacts by promoting the 3R (reduce, reuse, and recycle) through the adoption of Longer Life Building designs that enable to reduce waste significantly and use resources effectively.

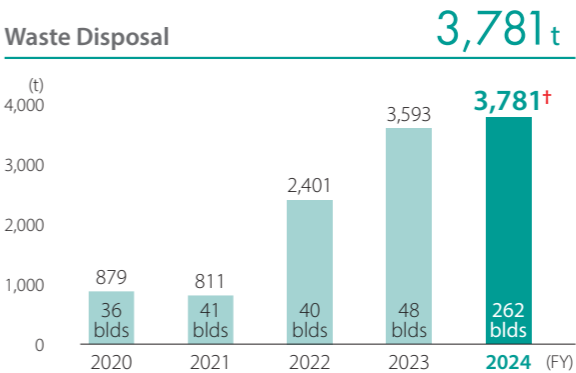
Resource-saving and Reduction of Waste in Buildings Owned by Hulic and Reconstruction of Buildings

Hulic Group has worked on reduction in the amount of waste disposal and water intake (water consumption) in cooperation with tenants and building management companies. We install toilets that use rainwater

and various water conservation systems. Water saving toilets and wash basins are standardized.

Amount of Waste Disposal at Hulic Group

We calculate the amount of waste disposal to reduce waste disposal in order to realize a recycling-oriented society by 2050.



\* Figures marked with “†” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

Waste that Can and Cannot Be Recycled

		2020	2021	2022	2023	2024
Number of target		36 blds	41 blds	40 blds	48 blds	262 blds
Waste that can be recycled	Paper	33	33	475	614	760
	Bottles, cans, plastic bottles	60	54	193	393	369
	Total	92	88	668	1,007	1,130
Waste that cannot be recycled	Other general waste	711	638	1,463	2,085	2,123
	Industrial waste	76	85	270	501	528
	Total	787	723	1,733	2,586	2,651
Total of waste that can be recycled and waste that cannot be recycled		879	811	2,401	3,593	3,781 <sup>†</sup>

\* Figures marked with “†” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.  
\* Calculations for waste disposal are based on the properties where the Hulic Group occupies or manages business operations (36 properties in FY2020, 41 properties in FY 2021, 40 properties in FY2022, 48 properties in FY2023, and 262 properties in FY2024). In FY2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period. Beginning in FY2020, we are calculating total waste disposal at specific properties within the boundary by using weight conversion factors based on actual measurements. The waste disposal of certain properties are estimated using the total floor area based on the emissions intensity of buildings with similar functions.

Raw Materials Purchase Volume

	2020	2021	2022	2023	2024
Number of properties	7	9	6	12	7
Steel materials purchase volume (t)	5,507	5,112	9,669	13,079	27,298
Concrete purchase volume (t)	—	38,269	40,711	63,734	127,180
Batten cleats purchase volume (m³)	106	261	163	234	284
Plywood purchase volume (m³)	204	552	415	508	511
Lumber purchase volume (m³)	335	375	174	230	184

\* Figures are for developed and constructed buildings for which data were collected in each year.  
\* We have started collecting purchase volume data for concrete from 2021.

Promotion of the 3R

Efforts to Reduce

Reduction of plastic waste at head office building

In consideration of the seriousness of marine pollution caused by disposable plastic waste, the in-house canteen at the Hulic head office building has stopped use of disposable plastic beverage containers,

straws, spoons and shopping bags. We are also actively encouraging employees to bring their own cups.

Efforts to Reuse

Recycling parts of underground building frames during reconstruction

In reconstruction works, we make various efforts for reducing wastes generated in demolition works including concrete debris. For example, underground building frames of existing buildings are used as retaining walls for the new building with new underground building frames installed inside. We make sure that adequate inspections are conducted to confirm the strength when building frames of existing buildings are

recycled.

After considering impacts on neighboring areas of property, we introduced the PC method in some development projects.



Hulic Guidelines for Longer Life Building  
[https://www.hulic.co.jp/en/sustainability/ecology/waste/initiatives/long\\_life.html#anc2](https://www.hulic.co.jp/en/sustainability/ecology/waste/initiatives/long_life.html#anc2)

Efforts to Recycle

As recycling efforts through daily business activities, we started to recycle used paper and printer toner cartridges. We will continue to work on those efforts to support achieving a recycling society.

Amount of paper recycled \*

(Unit: kg)

Fiscal year	FY2020	FY2021	FY2022	FY2023	FY2024
Recycled amount	15,600	13,880	13,000	11,895	11,765

\* The scope is Hulic Head Office Building.

PET Bottle Horizontal Recycling Initiative

(Hulic Hotel Management Co., Ltd. & Suntory Group)

We are implementing “Bottle to Bottle” Horizontal Recycling System program, an initiative to recycle used PET bottles collected at The Gate Hotel Kyoto and The Gate Hotel Ryogoku of our group hotel, into Suntory beverage PET bottles through recycling as resources with

technologies such as “Bottle to Bottle”.

Through this initiative, we will contribute to the realization of a recycling-oriented society.

Prevention of Pollution

In order to realize a recycling-oriented society by 2050, we aim to reduce the emission of pollutants. For that, our company considers that the minimization of environmental pollution due to business activities is indispensable to realize a recycling society. When planning buildings, we adopt construction methods to reduce pollutant emissions to the

extent possible in cooperation with design and construction companies. In addition, we aggregate data on SOx, NOx, VOC, and hazardous waste generated in the development business to monitor the amounts generated, and we disclose the actual results .

Amount of emission of SOx, NOx and VOC from hazardous wastes

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of properties	7	9	6	12	7
SOx emissions (kg)	142	826	770	2,557	1,532
NOx emissions (kg)	1,649	6,778	5,132	394	9,623
VOC emissions (kg)	0	0	0	84	228

\* Figures are for developed and constructed buildings for which data were collected in each year.

Initiatives for Water

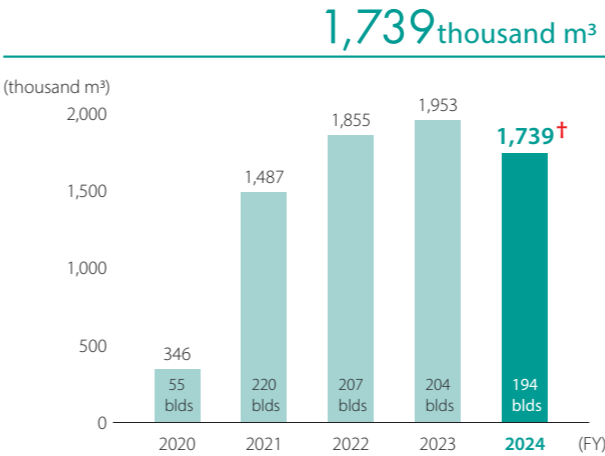
Initiatives to Reduce Water Intake (Water Consumption)

Almost all water intaken and consumed in the Group are from the buildings owned or the buildings that we have offices, and the water flow starts from tap water and discharge it into sewers. To reduce the amount of water intake (water consumption) in buildings owned by the Company, we have taken the initiative of introducing water-saving devices on water taps installed in the plumbing of existing buildings (saves water by approximately 40% per tap) to preserve water resource.

In addition, to reduce water consumption at all our properties,

we have installed water-saving devices in all newly built properties, we are gradually upgrading the toilets in the buildings we own to ensure better plumbing while also changing to water-saving flush toilets and hand washers. The Company is also working to ensure the effective use of water resources by using rainwater to water the greenery and flush toilets for certain buildings. Note that Hulic does not operate business activities in high water stress area where demand for water is tight.

Water Intake (Water Consumption)



Rainwater filtration equipment

\* Figures marked with “↑” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

\* Beginning in FY2021, Hulic’s fixed assets are covered, excluding properties under development and land for lease (220 properties in FY2021, 207 properties in FY2022, 204 properties in FY2023, and 194 properties in FY2024). Note that the amount of hot spring water used at hot spring *ryokans* (luxury Japanese inns) is not included. The boundary of FY2020 is properties with a total floor area of 3,000m² or more, excluding buildings where bank branch is the sole tenant, as well as sectional and shared ownership properties and real estate for sale.

Use of Paper Substitute Materials

From 2022 we began using LIMEX, a paper substitute made primarily from limestone, for the production of this integrated report as well as our business cards. When making LIMEX, which uses almost no forest or

water resources, the amount of water used in manufacturing was reduced by approximately 1.43 million liters, compared with the same amount of ordinary paper.



100 pieces of LIMEX business cards save 10 liters of water.



Investment in WOTA Inc.

The Hulic Group regards the efficient use of water resources as an important topic, the Hulic Startup Co. Ltd. has invested in WOTA Co., Ltd., which develops water circulation treatment control systems.

Construction

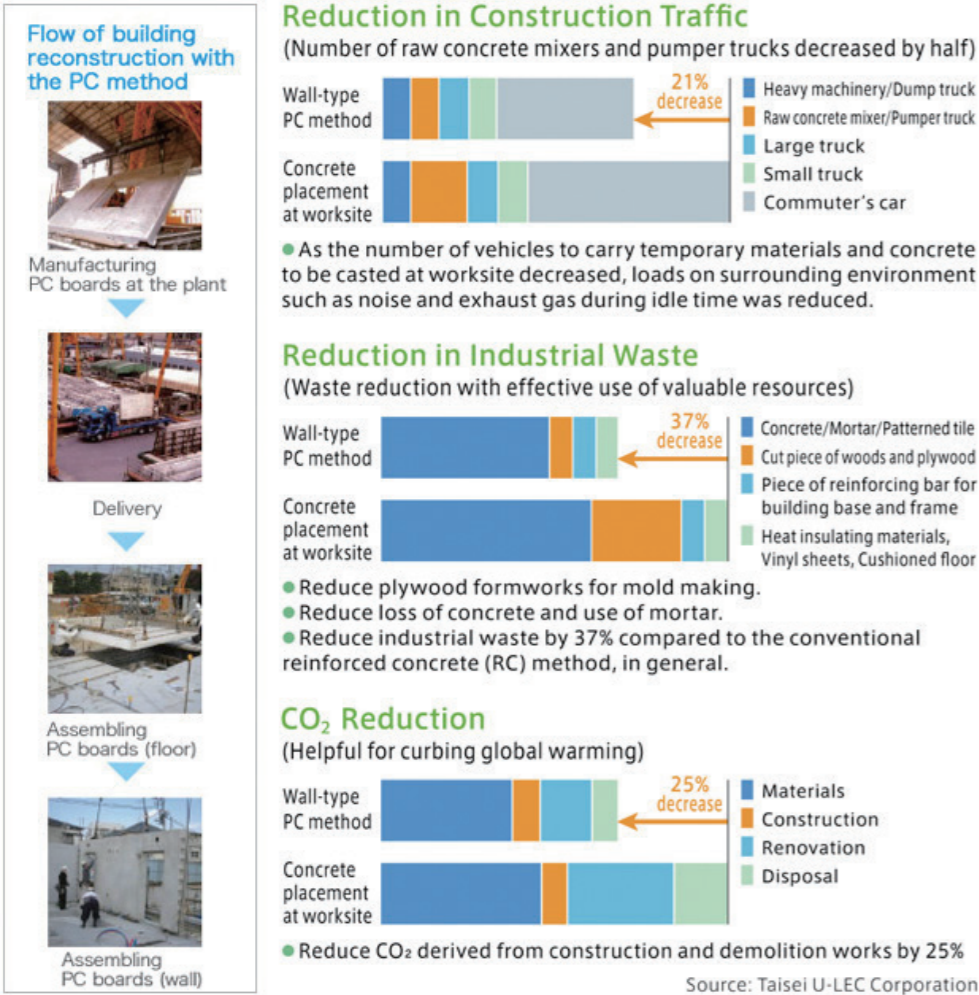
Adoption of the PC Method

From the standpoint of a business owner, we proactively adopt the PC method\*, which can significantly reduce the amount of waste generated during construction. This method, which can shorten a construction period and minimize impacts on surrounding environments during

construction, is highly rated in terms of longer life service of buildings.

\* PC (Precast Concrete) method: Precast panels produced at a plant under consistent quality control are carried to a worksite and assembled.

Effect of the PC Method



Benefits of Hybrid Fireproof Wooden Construction\*

(Reducing environmental burdens)

- Reduced-weight materials
  - Rationalization of vehicles and heavy machinery in transportation and construction operations
  - Reduction of GHG emissions from transportation
- Factory production reduces the amount of onsite work and eliminates onsite waste materials
- Adoption of floor CLT eliminates need for scaffolding

(Benefits within construction activities)

- Highly accurate pre-cut processing (machining) contributes to smooth assembly work
- Convenience when fixing to other building materials with screws
- Since structure is finished material, interior finishing costs are reduced

\* Hybrid structure combining wooden and steel framework

Example of Use 1: HULIC & New GINZA 8 (fireproof commercial building)  
[https://www.hulic.co.jp/en/sustainability/ecology/waste/initiatives/special\\_feature.html#anc4](https://www.hulic.co.jp/en/sustainability/ecology/waste/initiatives/special_feature.html#anc4)

Initiatives for Biodiversity

Fundamental Approach

Hulic is carrying out initiatives that increase biodiversity in order to create urban spaces that are in harmony with nature.

《Results in FY2024》 Number of greening properties: 6 (Coverage: all completed properties each year)

Biodiversity Guideline

Hulic recognizes the importance of biodiversity's impact for the living environment, and in order to contribute to biodiversity, we have created the Declaration of Biodiversity Conservation (Hulic's Biodiversity Guidelines) which has been well communicated throughout our Group. Furthermore, we have been cautiously executing our businesses that our business should not create any negative impacts on biodiversity and endangered species.



Disclosure based on TNFD Recommendations

Recognizing the importance of conserving nature, Hulic joined the TNFD Forum in August 2023 and endorses the TNFD (Taskforce on Nature-related Financial Disclosures). We begin disclosing information

since 2025 in the TNFD framework, "Corporate Governance", "Strategy", "Risk and Impact Management" and "Metrics and Targets".

Information Disclosure based on TNFD Recommendations  
<https://www.hulic.co.jp/en/sustainability/ecology/tnfd/>

Approaches to JHEP Certification

We are also working to ensure that we consider ways to conserve and restore local vegetation during development/reconstruction of properties from the standpoint of preserving biodiversity. We are using the JHEP certification system issued by Ecosystem Conservation

Society-Japan to quantitatively evaluate and promote biodiversity conservation initiatives. As of December 31, 2024, a total 10 properties (Hulic Group) have been certified.



Greening Initiatives

As a part of our measures against global warming, we have put emphasis on greening of surrounds, rooftops, and walls which can effectively ease the heat-island phenomenon as well as making buildings more energy efficient.

Promotion of Greening of Surrounds, Rooftops and Walls

Our greening projects aim to create lush green urban spaces as well as to harmonize with nature with much consideration to biodiversity. When greening surrounds, we primarily select plants that are easy to care and resistant to strong winds so as to improve the scenery and appropriate for location. Roof greening reduces the air conditioning loads on the top floor and saves energy in buildings by blocking sunlight and preventing heat accumulation in concrete. Covering the exterior walls of a building with plants serves as a countermeasure against the heat island effect as well as comforting for passersby. Hulic has jointly developed with other companies a thin-layered wall greening system that is easy to introduce to existing buildings.



Greening of Walls

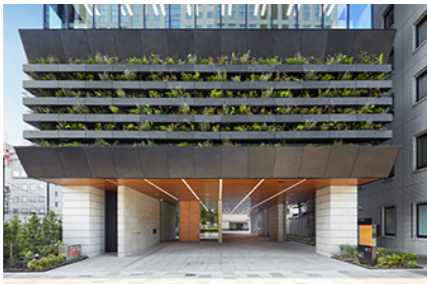
Hulic JP Akasaka Building (completed in November 2020)

This property is a medium-sized office building facing Sotobori-dori, jointly developed by the Company and Japan Post Real Estate Co., Ltd. It is located in the middle of a lush area comprising the Imperial Palace, Akasaka Imperial Palace and Hibiya Park, all of which are home to living creatures in the center of Tokyo. By greening the rooftop and walls, Hulic JP Akasaka Building will serve as a relay point for living creatures to move between habitats, contributing to the formation of an ecological

\* Comprehensive Assessment System for Built Environment Efficiency (CASBEE) assesses the specifications, performance, and initiatives of buildings that support the health and comfort of building users, factors that contribute to intellectual productivity improvement, and the performance of safety and security.

network in the city and the promotion of biodiversity in the heart of Tokyo.

This building received highest rank of “S” in CASBEE-Wellness Office\* certification (issued by Institute for Built Environment and Carbon Neutral for SDGs). Greening the rooftop and walls will enable office workers to sense the four seasons even while in the center of the city.



Green walls and wooden conversion of entrance



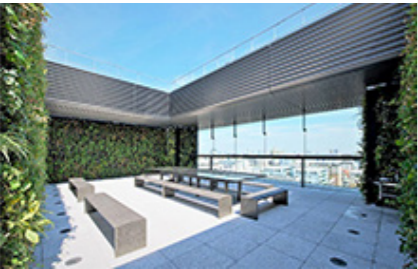
Rooftop garden

Initiatives at the Hulic Head Office Building

On the rooftop garden of Hulic Head Office Building, seven kinds of plants including Canarian ivy and evergold are used to cover the wall surface, surrounding terrace benches for approximately 20 people, and provide a transpiration effect to ease the heat-island effect. With this green wall over approximately 106m<sup>2</sup>, the rooftop garden is a space where employees can relax and rest, and feeling nature while working

in Tokyo.

Various trees such as European privet, Japanese boxwood, agapanthus, furiyaburan, and gazania have been planted on the rooftop of the expanded building of the Hulic Head Office. In addition, we have placed recycled woods and grown a lawn on the surface.



Rooftop garden



Wall greening



Rooftop greening

Information Disclosure based on TCFD Recommendations

Hulic Initiatives (Summary)

Information Disclosure based on TCFD Recommendations

Hulic has formulated Hulic Environmental Policy which embodied our Sustainability Vision and is executing environmentally friendly management. Aiming to continue sustainable growth while mitigating and adapting to climate change through our business activities, we announced our long-term vision for the environment, with 2050 as the target achievement year and are proceeding with efforts toward the realization of a carbon-free and a recycling-oriented society. Recognizing



the importance of climate-related financial information disclosure, we expressed our support for the TCFD\* recommendations in 2020 and started disclosing information in line with the recommendations after completing analysis and responses on the recommended framework.

\* TCFD is an abbreviation for “Task Force on Climate-related Financial Disclosures”, which was established by the Financial Stability Board and has proposed a framework for disclosing climate-related information to investors.



Long-term Vision for the Environment and Roadmap of Initiatives for Achieving the Vision  
<https://www.hulic.co.jp/en/sustainability/ecology/management/vision.html>

TCFD Disclosure Recommendations and Hulic Initiatives (Summary)

TCFD Disclosure Recommendations	Hulic Initiatives (Summary)									
Corporate Governance										
a) Board of Directors oversight of climate-related risks and opportunities	<ul style="list-style-type: none"><li>● Establish Board of Directors oversight and monitoring structure</li><li>● Matters related to climate change are deliberated by the Sustainability Committee, which is chaired by the President and Representative Director, who is responsible for climate change</li></ul>									
b) Management’s role in assessing and managing climate-related risks and opportunities										
Strategy										
a) Short, medium, and long term climate-related risks and opportunities identified by the organization	<ul style="list-style-type: none"><li>● Analyze and evaluate climate change mitigation and adaptations relating to climate change risks and opportunities, based on a 1.5°C scenario and a business as usual scenario</li><li>● Examine validity of current strategies based on evaluation results</li></ul>									
b) The impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning										
c) Describe the resilience of the organization’s strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario										
Risk Management										
a) Organizational process for identifying and assessing climate-related risks	<ul style="list-style-type: none"><li>● The Sustainability Committee centrally deliberates climate change matters including risk management and reports to the Board of Directors</li><li>● The Risk Management Committee evaluates and deliberates climate change risks from a Group-wide risk management perspective and reports to the Board of Directors</li><li>● The Board of Directors receives reports from the Sustainability and Risk Management Committees and oversees climate change risks</li></ul>									
b) Organizational process for managing climate-related risks										
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management										
Metrics and Targets										
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"><li>● Set climate change KPIs (non-financial key performance indicators) and related indicators, disclose progress toward achieving targets on Hulic website, etc.</li><li>● Reductions in greenhouse gas emissions*<sup>1</sup> (compared to 2019 base year)</li></ul> <table><tr><th></th><th>2030</th><th>2050</th></tr><tr><td>Scope1+2*<sup>2</sup></td><td>Reduce by 70%</td><td>Substantially zero emissions</td></tr><tr><td>Scope3*<sup>3</sup></td><td>Reduce by 30%</td><td>Substantially zero emissions</td></tr></table>		2030	2050	Scope1+2* <sup>2</sup>	Reduce by 70%	Substantially zero emissions	Scope3* <sup>3</sup>	Reduce by 30%	Substantially zero emissions
	2030	2050								
Scope1+2* <sup>2</sup>	Reduce by 70%	Substantially zero emissions								
Scope3* <sup>3</sup>	Reduce by 30%	Substantially zero emissions								
b) Disclose Scope1, Scope2, and, if appropriate, Scope3 greenhouse gas (GHG) emissions, and the related risks										
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<ul style="list-style-type: none"><li>● Achieved RE100 in 2023</li><li>● Number of times the Sustainability Committee engaged in climate change monitoring</li><li>● Number of times climate change risks are monitored by the Sustainability Committee and reported to the Board of Directors</li></ul>									

\*1 Absolute contraction targets, Base year: 2019. Hulic has had its near-term (by 2030) emissions reduction targets approved by the Science Based Target initiative as consistent with levels required to meet the goals of the Paris Agreement.  
\*2 Greenhouse gas emissions from directly owned or controlled sources plus indirect purchased energy for business activities.  
Scope1: Direct emissions (e.g., emissions from natural gas and other fuel combustion)  
Scope2: Indirect emissions (e.g., emissions from the use of purchased electricity, heat and steam)  
\*3 Greenhouse gas emissions from external companies affiliated with internal business activities (in the supply chain). Targets were set for Categories 11 and 13 of Scope3.

Corporate Governance

Recognizing Hulic’s climate change response as an important management issue, we have established a corporate governance mechanism centered on Board of Director oversight and the Sustainability Committee. This governance mechanism is stipulated in the Basic Regulations on Climate Change.

Examples of Discussions and Decisions Made Under our Climate Change-related Governance Structure:


- Supporting RE100 initiative and achieving by 2025 (Achieved in 2023, two years ahead of schedule)
- Developing Japan’s first fireproof wooden 12-story commercial facility (Completed in October 2021)
- Supporting TCFD recommendations and disclosing information in line with the recommendations
- Achieving converting to 100% renewable energy for electricity consumption at all Company-owned Buildings\*
- Formulating greenhouse gas (“GHG”) emissions reduction targets in conformance with SBTi (Science Based Targets initiative) criteria
- Development of renewable energy power generation equipments (solar and small hydropower), investment in wind power generation facilities and grid-scale batteries
- Reducing greenhouse gas emissions in the supply chain
- Analyzing financial impact of climate change and disclosure of the results

\* Excludes properties for which we do not have energy management authority including master lease properties, residential properties and non-managerial coownership properties, and real estate for sale, etc.

Board of Directors Oversight

The Board of Directors receives reports on climate change risks and opportunities from the Sustainability Committee at least once a year, and monitors and oversees the resolution of issues and setting of

targets. In addition, important matters such as management strategies, management plans, annual budgets and profit targets are decided after consideration of climate change risks and opportunities when needed.



Directors’ Skills Matrix  
<https://www.hulic.co.jp/en/sustainability/governance/governance/officer.html#anc2>

Sustainability Committee

Matters concerning climate change are deliberated and coordinated by the Sustainability Committee.

The Sustainability Committee, which is chaired by the President and Representative Director, who is responsible for climate change, is composed of the Vice Presidents, GM of Corporate Sustainability Department, GM of the Business Planning and Management Department, GM of the Real Estate Planning Department and Group company executives. The Committee evaluates the impact of climate change on business at least once a year, formulates policies and strategies for mitigating identified risks and seizing opportunities, and discusses how to adapt to climate change, including reflecting its impact in plans, budgets and targets. The Committee also sets KPIs

related to sustainability, including climate change, and evaluates progress by reviewing performance.

**Members**  
President, Vice Presidents, GM of Corporate Sustainability Department, GM of Business Planning and Management Department, GM of Real Estate Planning Department

**Observers**  
Group company executives, Full-time Audit & Supervisory Board members

**Secretariat**  
Corporate Sustainability Department

Management Responsible for Climate Change

The President and Representative Director is responsible for the matters related to climate change. The President and Representative Director serves as the Chairman of the Sustainability Committee, and is ultimately responsible for assessments of the impact of climate change on Hulic

business and manages appropriate responses. The Basic Regulations on Climate Change, which stipulate items related to climate change, are a matter for approval by the President.

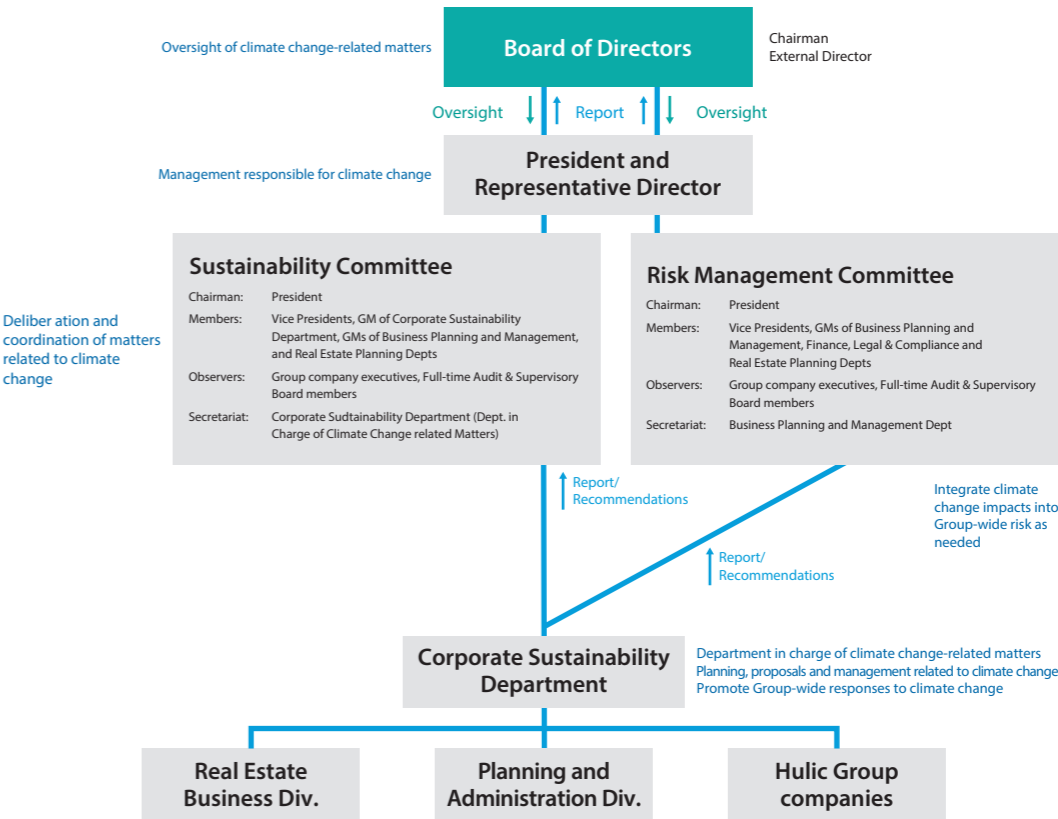
Department in Charge of Climate Change-related Matters

Corporate Sustainability Department is in charge of climate change-related matters and is responsible for the planning, proposal and management of climate change-related items as well as the promotion of climate change responses throughout the Group. Specific items include:

- Leading the monitoring of climate change impacts in conjunction with related departments within Hulic and Group companies, understanding status and submitting reports and recommendations on appropriate measures to the Sustainability Committee at least once a year.

- Designing processes to identify and assess the impact of climate change, managing identified impacts and integrating them into risk management across the organization.
- Developing indicators used to measure and manage the impact of climate change, and set goals, tracking performance and reporting progress to the Sustainability Committee at least once a year.
- Submitting reports and recommendations as needed to the Risk Management Committee regarding identified climate change impacts, and integrating them into Group-wide risk management.

Climate Change-related Corporate Governance Diagram



Strategy

Hulic aims to maintain sustainable growth, while mitigating and adapting to climate change, through business activities, and we recognize that our climate change response is an important management issue. The effects of climate change are expected to become more apparent over time, so we analyzed the impact of risks and opportunities on our strategy using multiple climate change scenarios and examined resilience of our current strategies including the need to change management plans and basic strategies.

At Hulic, we have been taking actions on strengthening earthquake resistance and disaster prevention measures of our properties, as well as implementing environmental initiatives including decarbonization. As a result, we have found no potential financial impacts that were deemed large related to both transition and physical risks in the scenarios we

examined, and have found that our business is sustainable and our strategy is suitably resilient.

Based on our motto of “driving innovation” and “accelerating progress”, we are going ahead with a business model that is able to flexibly respond to changes in external environment. Going forward, we will work for further improvement of our resilience to the social transformation toward decarbonization. We concluded that we will be able to continue improving our corporate value by building a competitive advantage in the leasing and development businesses as valuations increase for environmentally friendly technologies adopted in our properties and seizing opportunities in providing environment-conscious new products and services.

Time Horizon for the Short, Medium, and Long-term

While the real estate industry makes business plans looking 10 years into the future, the effects of climate change will likely become apparent over a far longer period. We have established short-, medium- and long-term time horizons when analyzing the climate change effects

in conformity with timeline of our long-term vision for the environment, as well as the target years set by the Paris Agreement and Japanese government.

Hulic’s Climate Change Time Horizon: Confirming with Hulic Long-term Vision for the Environment and Greenhouse gas Emissions Reduction Targets

Climate Change	Short-term	Medium-term	Long-term
	2025	2030	2050
Long-term Vision for the Environment			2050

GHG Emissions Reduction Targets\*1

	2030	2050
Scope1 and 2*2	Reduce by 70%	Substantially zero emissions
Scope3*3	Reduce by 30%	Substantially zero emissions

\*1: Absolute contraction targets, Base Year: 2019. Hulic has had its near-term (by 2030) emissions reduction targets approved by the Science Based Target initiative (SBTi) as consistent with levels required to meet the goals of the Paris Agreement.

\*2: Greenhouse gas emissions from directly owned or controlled sources plus indirect purchased energy for business activities.  
Scope1: direct emissions (e.g., emissions from natural gas and other fuel combustion).  
Scope2: indirect emissions (e.g., emissions from the use of purchased electricity, heat and steam).

\*3: Greenhouse gas emissions from external companies affiliated with internal business activities (in the supply chain). Targets were set for Categories 11 and 13 of Scope3.

Financial Impact of Climate Change

In assessing the financial impact of climate change, we used consolidated ordinary profit among other earning indicators including net sales, operating profit, ordinary profit, and profit attributable to owners of parent as it is especially important key earning indicator for us. We have set the following criteria based on the results of consolidated ordinary profit: JPY 137.4 billion in FY2023 and a forecasted

JPY 144.0 billion in FY2024. For classifying impact, we referenced criteria for revising earnings forecasts, a 30% increase or decrease in the consolidated ordinary profit forecast among the “important matters” of the timely disclosure standards of financial instruments exchanges and set such impact as “large”.

Financial impact matrix

Impact Classification	Ratio to Consolidated Ordinary Profit	Amount / Year
Large	30% or higher	JPY 40 billion or more
Medium	15% or higher, less than 30%	JPY 20 billion or more, less than JPY 40 billion
Small	5% or higher, less than 15%	JPY 7 billion or more, less than JPY 20 billion
Minimal	Less than 5%	Less than JPY 7 billion

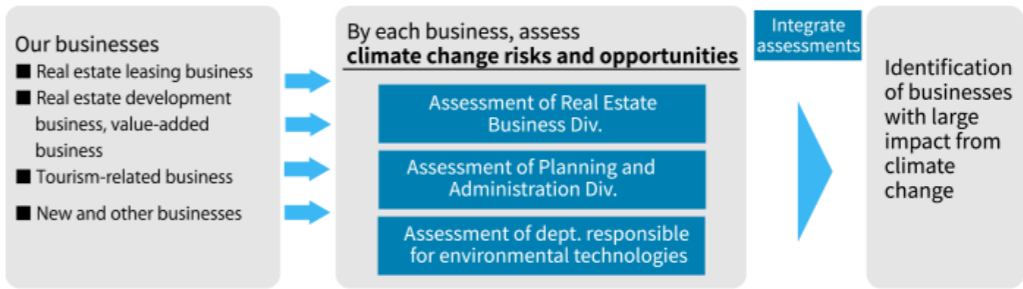
Businesses Largely Impacted by Climate Change

For each Hulic business, we assessed the impact of climate change according to the type of climate change risks and opportunities as outlined by TCFD. Regarding risks, departments within the Real Estate Business Division, the Planning and Administration Division, and the department responsible for environmental technologies first evaluate the inherent risks for each risk type based on the likelihood of event and the degree of impact. The residual risk was then determined by considering the control effectiveness. Opportunities were also evaluated

based on the likelihood of event. By integrating the results of these assessments, we selected businesses that could have a large impact from climate change. As a result, real estate business was deemed to have large impacts from climate change, we selected these businesses for a scenario analysis. We may consider to add other businesses to the climate change scenario analysis when these become significantly impacted by climate change and important.

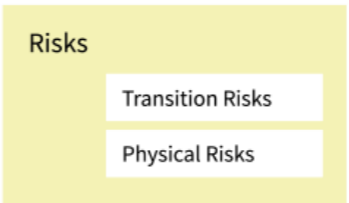
Businesses subjected to climate change scenario analysis	Businesses excluded from scenario analysis
• Real estate leasing business • Real estate development business, Value-added business	• Tourism-related business • New and other businesses

Process for Identifying Businesses with Large Impact from Climate Change



Assessment of climate change risks and opportunities

Climate change risk: determined by Residual Risk which is a function of Inherent Risk (likelihood of event x degree of impact) – Controls



Climate change opportunities: determined by the likelihood of event



Evaluation of Climate Change-related Risks and Opportunities

1. Identifying Key Drivers of Material Risks and Opportunities

As a pre-process for selecting a group of climate change scenarios, for each type of climate change risk and opportunity according to TCFD, we identified the key drivers of risks and opportunities that could be important to our business and our major stakeholders (factors that could have a significant impact on our business). At the same time, we excluded risks and opportunities that were deemed less impactful and relevant. Identified key drivers of risks and opportunities were as below:

Key Drivers of Identified Risk

Key driver: Factors that are likely to have a large impact on Hulic business and as such parameters were collected when creating scenarios

Type according to TCFD		Drivers	Identified Key Drivers
Risk Category	Risk Type		
Transition Risks	Policy and Legal	<ul style="list-style-type: none"><li>Strengthened Greenhouse Gas emission regulations</li><li>Increased Greenhouse Gas emission pricing</li><li>Strengthened energy saving standards</li><li>Increased subsidies to promote zero Greenhouse Gas emissions from buildings</li></ul>	<ul style="list-style-type: none"><li>Primary energy reductions</li><li>Carbon pricing</li><li>Negative emission policies</li><li>Greenhouse Gas emission control regulations on buildings</li><li>Disclosure of energy-saving performance</li><li>ZEB/renewable energy subsidies</li></ul>
	Technology	<ul style="list-style-type: none"><li>Advances in building equipment technologies</li><li>Advances in clean energy supply technologies</li></ul>	<ul style="list-style-type: none"><li>Advances in fireproof wooden construction technologies and cost fluctuations</li><li>Advances in ZEB technologies and cost fluctuations</li><li>Advances in renewable energy and cost fluctuations</li><li>Advances in storage battery technologies and cost fluctuations</li><li>Decarbonization of building materials</li><li>Initiatives for embodied carbon</li></ul>
	Society (Market, Reputation)	<ul style="list-style-type: none"><li>Increased awareness of environmental issues</li></ul>	<ul style="list-style-type: none"><li>Changes in company or tenant behavior</li></ul>
Physical Risks	Acute	<ul style="list-style-type: none"><li>Increase in natural disasters</li></ul>	<ul style="list-style-type: none"><li>Increase in typhoons</li><li>Increase in flooding / storm surge</li></ul>
	Chronic	<ul style="list-style-type: none"><li>Chronic climate change</li></ul>	<ul style="list-style-type: none"><li>Increase in average temperature</li><li>Rise of sea level</li></ul>

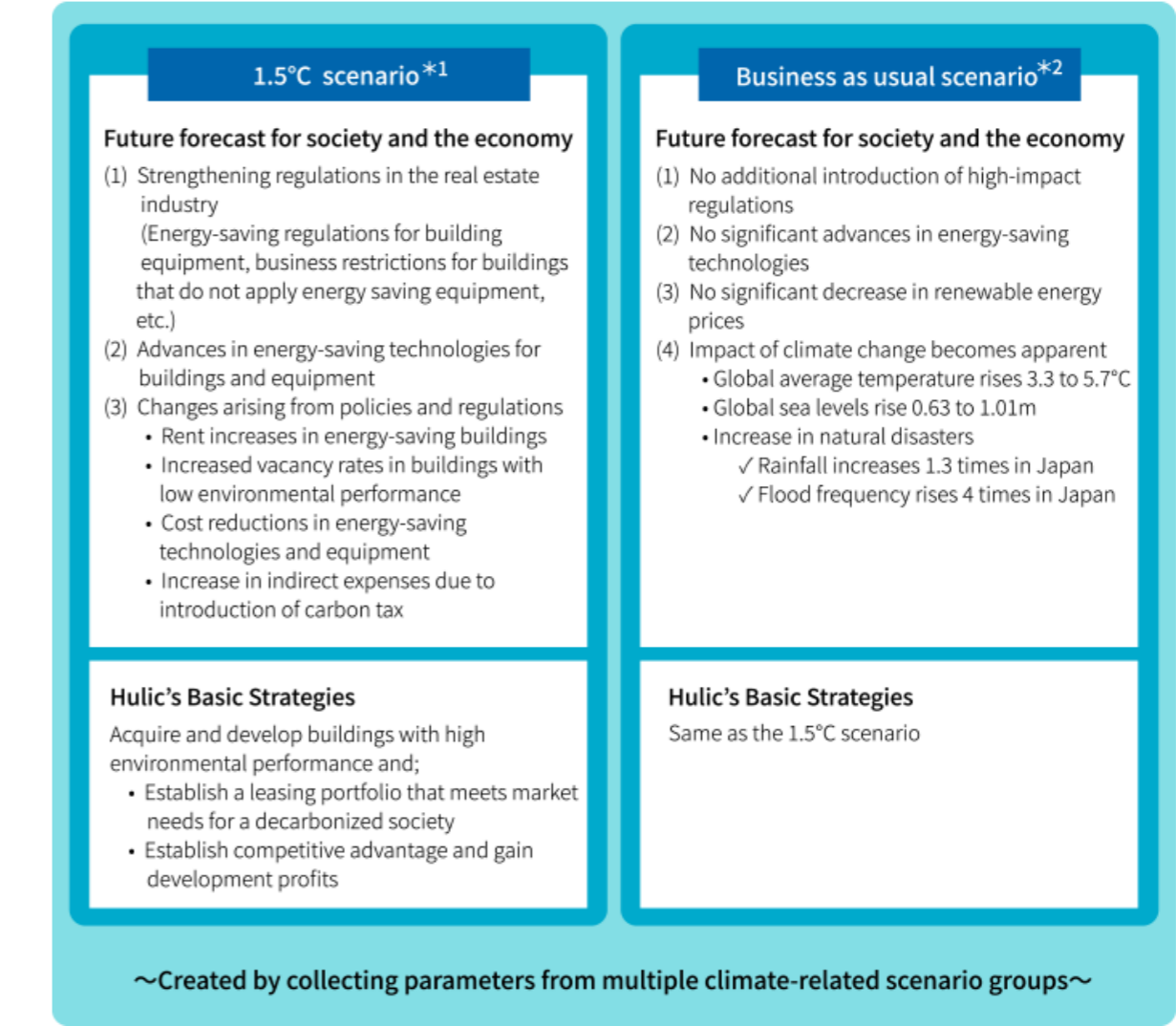
Key Drivers of Identified Opportunities

Type according to TCFD	Drivers	Identified Key Drivers
Opportunity Type		
Resource Efficiency	<ul style="list-style-type: none"><li>Advances in clean energy supply technologies</li><li>Reduced Greenhouse Gas emissions</li><li>Advances in building equipment technologies</li></ul>	<ul style="list-style-type: none"><li>Advances in renewable energy and cost fluctuations</li><li>Adapting to the possibility of increase in expense due to the introduction of carbon taxes</li><li>Advances in fireproof wooden construction technologies and cost fluctuations</li><li>Advances in ZEB technologies and cost fluctuations</li><li>Advances in storage battery technologies and cost fluctuations</li></ul>
Energy Source	<ul style="list-style-type: none"><li>Development and use of renewable energy</li></ul>	<ul style="list-style-type: none"><li>Advances in renewable energy and cost fluctuations</li></ul>
Products and Services	<ul style="list-style-type: none"><li>Increasing demand for products and services that support disaster prevention and energy conservation</li><li>Growing need for renewable energy and increasing revenue opportunities from selling electricity</li></ul>	<ul style="list-style-type: none"><li>Rise in asset value and rents of environmentally friendly buildings</li><li>Advances in ZEB technologies and cost fluctuations</li><li>Energy conservation and renewable energy cost fluctuations</li></ul>
Markets	<ul style="list-style-type: none"><li>Creation of new markets that contribute to the resolution of climate change</li><li>Increased opportunities for collaborative projects with governments, municipalities, and private organizations to realize a carbon-free society</li></ul>	<ul style="list-style-type: none"><li>Improved competitive advantage of environmentally friendly buildings</li><li>Increased profits from new market entry</li><li>Profit opportunities through collaborative projects</li></ul>

2. Formulation of Climate Change Scenarios

TCFD recommendations propose explaining the resilience of our company strategies in light of an analysis based on different climate-related scenarios including a 2°C or lower scenario. We formulated a 1.5°C scenario and a business as usual scenario by referring multiple climate change scenarios that include key drivers for the material risks and opportunities that were identified.

Overview of Two Scenarios



\*1 For scenarios where the global average temperature rise is limited to around 1.5°C by the end of 21 century compared with pre-industrial revolution. TCFD recommended it is imperative that one of the climate change scenarios be a 2°C or lower scenario

\*2 Compared with pre-industrial revolution, temperature rises from 3.3 to 5.7°C by the end of 21 century in scenarios without additional measures/responses for climate change mitigation and adaptation

The following is a group of climate change scenarios for which parameters for the identified key drivers were collected when formulating climate change scenarios. We also used estimated values when the parameters for the exact length of time were not found in a scenario group.

Referenced Major Climate Change Scenarios

[Transition risks] Policy and legal, technology, market, society and reputation

Organization Name	Document Name	Business As Usual Scenario	1.5°C Scenario
IEA	World Energy Outlook 2023	STEPS (Stated Policies Scenario)	NZE (Net Zero Emissions by 2050 Scenario)
IEA	Net Zero Roadmap A Global Pathway to Keep the 1.5°C Goal in Reach (2023)	STEPS (Stated Policies Scenario)	NZE (Net Zero Emissions by 2050 Scenario)

[Physical risks] Temperature rise, sea level rise, natural disasters (typhoons, floods, wind damage)

Organization Name	Document Name	Business As Usual Scenario	1.5°C Scenario
IPCC	Sixth Assessment Report (2021)	SSP5-8.5	SSP1-1.9
National Institute for Environmental Studies	Climate Change Adaptation Information Platform (A-PLAT)	SSP5-8.5	SSP1-1.9
WRI	Aqueduct Floods	“Pessimistic” scenario RCP 8.5, SSP 3	“Optimistic” scenario RCP 4.5, SSP 2
Ministry of Land, Infrastructure, Transport and Tourism, Technical Study Group on Hydraulic Control Plans Based on Climate Change	Recommendations from hydraulic control plan based on climate change (2019)	RCP 8.5	RCP 2.6

3. Risk and Opportunity Assessment

To examine the impact of climate change risks and opportunities on Hulic’s strategy, we evaluated transition risks and opportunities in the 1.5°C scenario and physical risks and opportunities in the business as usual scenario.

Scope of risk and opportunity assessment		
	1.5°C scenario	Business as usual scenario
Transition Risks	Larger than the business as usual scenario	Smaller than 1.5°C scenario
Physical Risks	Smaller than the business as usual scenario	Larger than the 1.5°C scenario

Analysis Result of Financial Impact

		[Medium -term] 2030	[Long -term] 2050
[Risks]	Increasing construction costs for compliance with ZEB regulations	—	—
	Carbon pricing	—	None
	Expanding disclosure of the performance for energy efficiency of buildings	—	—
	Investing in storage batteries	—	—
	Decarbonizing construction materials	—	—
	Responding to embodied carbon	—	—
[Opportunities]	Increase of leasing income due to growing demand for ZEB	+	+++
	Receipt of ZEB subsidies	+	+
Financial impacts in the 1.5°C scenario*1			
Total		—	+
Financial impacts in the business as usual (BAU) scenario*3	Flooding*2	Impact on real estate value	—
		Impact on profit	—
	Storm surge*2	Impact on real estate value	None
		Impact on profit	—
	Typhoons (wind damage only)		—
	Rising temperatures		—
Total		—	—

[Legend] Minimal: —/+, Small: —/++, Medium: —/+++, Large: —/++++

\*1 The financial impacts from changes in policies, laws, technologies, and markets due to the transition to a low-carbon society aimed at mitigating climate change.

\*2 The impact on all portfolio was estimated based on the results of an analysis of the building portfolio (50 properties), which account for approximately 80% of operating revenue (leasing).

\*3 The financial impacts caused by physical risks, such as the occurrence of natural disasters associated with climate change.

1.5°C Scenario Transition Risks and Opportunities

The financial impact of climate change risk and opportunity were assessed greatest in the “long-term” on the time horizon with the degree of impact at that time was assessed “medium.” Total of financial impact of risk and opportunity was assessed “minimal (positive)”. Under the 1.5°C scenario, we concluded that we will be able to continue improving our corporate value through risk mitigation by flexibly evolving our business model based on current Medium-and Long-term Management Plan

against social transformation towards decarbonization by leveraging our motto of “driving innovation” and “accelerating progress”. In addition, as valuations increase for environmental initiatives on our properties, we will build a competitive advantage in the leasing and development businesses. Furthermore, we will seize opportunities in providing environment-conscious new products and services.

1.5°C Scenario Transition Risks and Opportunities

Continue on the basic strategies of current Medium-and Long-term Management Plan (further develop and evolve our business model based on the real estate leasing business)

**[Risk]**

- Increase in costs of responding to a wide range of policies and regulations introduced to address climate change

**[Opportunity]**

- Increase in valuation of the environmental performance on our properties due to social changes leading to higher sales
- Opportunities to entering new markets that help mitigate climate change will be created

Hulic’s Basic Strategies

	Short-term (by 2025)	Medium-term (by 2030)	Long-term (by 2050)
Common item			
Policy/regulation compliance	(Regulations not effected) Target BEI values have been set for each asset class	Promote energy-saving renovations and ZEB conversions in developing properties	• Continue renovations and development for the initiative of converting to 100% renewable energy sourced electricity at all company-owned building to establish a competitive position in the strengthened new standards of building market
Development and renovation costs for buildings with high environmental performance	High	High	• Stage I:* Begins to decline, Stage II:* Remains at a low level • Lower development costs provide an opportunity to increase profits as we proceed with environmental measures
Strategy by business			
Real estate leasing business: Strengthening leasing portfolio	Achieved RE100 in 2023 two years ahead of the initial plan	Same as Medium- and Long-term Management Plan	• Invest primarily in priority areas and strategic assets • Continue renovations and development for the initiative of converting to 100% renewable energy sourced electricity at all company-owned building to build a leasing portfolio with high environmental performance
Real estate leasing business: Competitive advantage of buildings with high environmental performance	(Regulations not effected) Differentiation by high environmental performance is difficult	Differentiation has not progressed	• Stage I:* Gain competitive advantage as demand for buildings with high environmental performance increase. Polarization will advance as demand for buildings with low environmental performance falls • Stage II :* Accelerating differentiation of buildings with high environmental performance • Stage III:* The competitive advantage will be subsided with ZEB becoming the standard.
Real estate development business, Value-added business	Achieved RE100 in 2023 two years ahead of the initial plan	Same as Medium- and Long-term Management Plan	• Propelled by the tailwind of growing environmental awareness, Hulic will develop buildings with high environmental performance by promoting the initiative of converting to 100% renewable energy sourced electricity at all company-owned building establishing competitive advantage and gaining development profits
Response to environment: Energy costs	Renewable energy is costly compared to thermal power	With the introduction of carbon pricing, renewable energy costs will become cheaper compared with that of thermal power generation	• Renewable energy costs are falling, while costs from thermal power sources are increasing • Opportunity to increase profits by promoting the development and use of renewable energy equipment to convert to 100% renewable energy sourced electricity at all company-owned building

\* Stages I, II, and III: displays progress in stages.

- Following the basic strategies of the current Medium- and Long-Term Management Plan, we are flexibly responding by deepening our business model and addressing risks. We confirmed that there are no climate change risks that would have a “large” impact on us since we are implementing initiatives for the earthquake resistance, disaster prevention, environmental response, and decarbonization of our properties.
- As valuations increase for environmental initiatives for our properties, we will build a competitive advantage in the leasing and development businesses. Also, we will capitalize on opportunities to provide new environment-conscious products and services as well as improve our corporate value.
- The total financial impact of climate change risks and opportunities has been assessed as “minimal” over the medium-term and “minimal (positive)” over the long-term.

【Opportunities】	Short-term (by 2025)	Medium-term (by 2030)	Long-term (by 2050)
Evaluation on financial impact of climate change	None	Minimal	Medium
<ul style="list-style-type: none"> <li>Strengthening real estate portfolio</li> <li>Energy cost</li> <li>Competitive advantage of environmentally friendly buildings</li> <li>Response to environment</li> </ul>	<ul style="list-style-type: none"> <li>Achieved RE100 in 2023 two years ahead of the initial plan (no additional policies or regulations applied)</li> </ul>	<ul style="list-style-type: none"> <li>Same as Medium- and Long-term Management Plan</li> <li>Improved business potential for the development and use of renewable energy power generation equipment</li> </ul>	<ul style="list-style-type: none"> <li>Propelled by the tailwind of growing environmental awareness, social transformation progresses</li> <li>Establish competitive advantage of buildings with high environmental performance and increase profit opportunities</li> <li>Increase social evaluation and investor preference for HULC as we work toward decarbonization by leveraging the progress of technological innovations and reduced renewable energy costs</li> </ul>

## Financial impact matrix

Impact Classification	Ratio to Consolidated Ordinary Profit	Amount / Year
Large	30% or higher	JPY 40 billion or more
Medium	15% or higher, less than 30%	JPY 20 billion or more, less than JPY 40 billion
Small	5% or higher, less than 15%	JPY 7 billion or more, less than JPY 20 billion
Minimal	Less than 5%	Less than JPY 7 billion

Physical risks become apparent as greenhouse gas emissions continue to climb and climate change remains unmitigated. However, the financial impact of climate change has been estimated as “small” on the back of a detailed examination of natural disaster risks conducted when properties are developed or acquired, as well as the mitigation

of physical risks through design standards and disaster prevention measures in Hultic properties. Looking at our opportunities, we believe that there will be no financial impact as we do not expect any additional opportunities from climate change.

■ Maintain current priority area, location policy and portfolio composition by use as described in the current Medium-and Long-term Management Plan

Risks	Opportunities
<ul style="list-style-type: none"> <li>Physical risks, such as natural disasters due to climate change, will become apparent and response costs increase</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities up to 2030 have already been incorporated into the Medium-and Long-term Management Plan</li> <li>No additional opportunities pertaining to climate change after 2030 and therefore no financial impact</li> </ul>

- Sea level rise: The assumption that average global sea levels will rise 0.63 to 1.01m (2100 forecast : base year 1995-2014) is out of scope of the analysis at this time.
- Physical risks become apparent as climate change remains unmitigated. The financial impact of climate change has been estimated as “small” over both the medium- and long-term because of a detailed examination of natural disaster risks done when properties are developed or acquired. Another reason for the “small” financial impact is the mitigation of physical risks through design standards and disaster prevention measures in Hulić properties. To further reduce the financial impact of climate change, we will promote a flexible response based on the basic strategies of the Medium- and Long-Term Management Plan.
- The financial impact of climate change opportunities has been estimated to be “none” because the creation of additional opportunities related to climate change is not expected.

Types of Risk	Risk Event	Risk Scenario	Occurrence	Evaluation on Financial Impact of Climate Change	Basis for Financial Impact Assessment
Acute Risk	Floods	Frequency of flooding quadruples (2100)	Flood damage	Impact on Real estate value : Small Impact on profit: Minimal	Implementing countermeasures for flood damage
	Storm surge	High tides with a recurrence period of 100 years occurs every year (2050–2070)	Flood damage	Impact on real estate value: Minimal Impact on profit: Minimal	Implementing countermeasures for flood damage
	Typhoons	Number of typhoons approaching Japan decreases or pattern changes	Wind damage	Impact on real estate value: Minimal Impact on profit: Minimal	Damage caused by past typhoons: Minimal
		There is a strong possibility that the frequency of severe typhoons (category 4 or higher, maximum wind speed 59 m/s or higher) will increase over the southern seas of Japan			
Chronic Risk	Sea level rise	Average global sea levels rise 0.63 to 1.01m (projection for 2100 based on 1995-2014)	Flooded/ submerged	Out of scope of analysis	Not applicable to the time horizon (up to 2050)
	Temperature rise	Average temperatures in Tokyo rise 2.0-2.2°C (projections for 2031-2050 based on 1981-2000)	-Increased cost of air-conditioning equipment expansion -Increased energy costs	Minimal	<ul style="list-style-type: none"> <li>• Increase in costs related to air-conditioning equipment expansion: Minimal</li> <li>• Energy cost increases: Minimal</li> </ul>

Risk Management

Matters related to climate change, including risk management, are centrally deliberated and coordinated by the Sustainability Committee, which is chaired by the President and Representative Director, under the oversight of the Board of Directors.

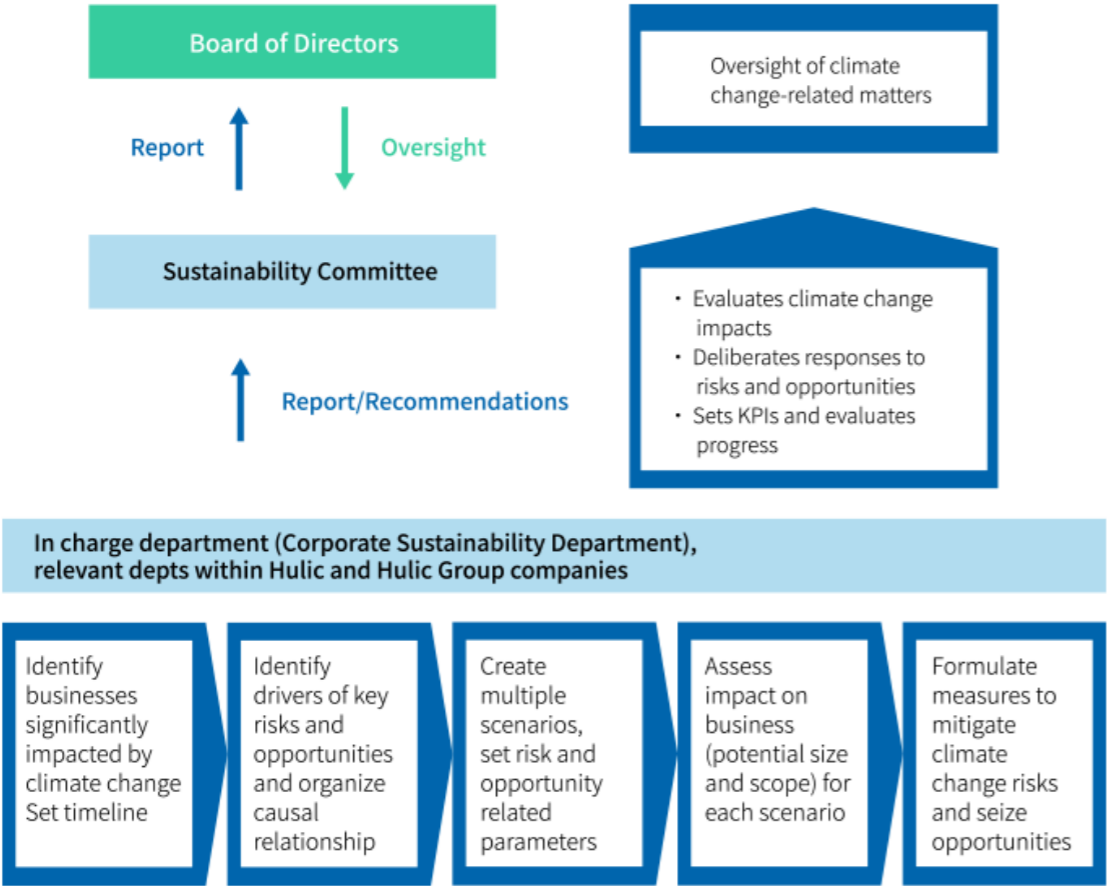
Mechanism for Identifying and Assessing Climate Change Risks and Opportunities

Corporate Sustainability Department, which is in charge of matters related to climate change, leads the identification of risks and opportunities and monitors the effects of climate change in conjunction with related departments within Hulic and Group companies. In addition, appropriate measures are considered and reports and recommendations are submitted to the Sustainability Committee at least once a year.

The Sustainability Committee deliberates and evaluates the

reported impacts of and recommended responses to climate change. Risk assessments are reported at least once a year or as needed to the Board of Directors, along with other climate change matters deliberated and coordinated by the Sustainability Committee.

The Board of Directors receives reports from the Sustainability Committee on climate change matters, including the risk management status and response, and oversees the efforts to address issues and the targets set.



Mechanism for Managing Climate Change Risks

Corporate Sustainability Department, which is in charge of matters related to climate change, engages in planning, proposals and management related to climate change, including the process of identifying and assessing the impact of climate change, the mechanism for managing identified impacts and the mechanism for their integration into Group-wide risk management. The Department also submits reports and recommendations to the Sustainability Committee and promotes Group-wide responses to climate change. It also plays a role in integrating the impact of climate change into Group-wide risks by submitting reports and recommendations when necessary to the Risk Management Committee regarding the identified impacts of climate change.

The Sustainability Committee deliberates and evaluates the reported impacts of and recommended responses to climate change. In addition, deliberations and coordination are made to adapt to climate change, including the formulation of policies and strategies for

minimizing the identified risks and reflecting them in planning, budgets and targets. The status and response to risk management deliberated and coordinated by the Sustainability Committee is reported, along with other agenda items, at least once a year or as needed to the Board of Directors.

The Risk Management Committee meets regularly to evaluate reports and recommendations from each risk management department, discuss Group-wide risks and take appropriate measures, and reports to the Board of Directors. When there are reports or recommendations regarding the impact of climate change, the Risk Management Committee will determine appropriate measures from the perspective of Group-wide risk management.

The Board of Directors receives reports on climate change risk management and responses from the Sustainability and Risk Management Committees, and oversees such risk management and responses.

Organization/Department	Function
Board of Directors	• Receives reports on climate change risk management and responses from Sustainability and Risk Management Committees, and oversees such risk management and responses
Sustainability Committee	• Deliberates and evaluates the reported impacts of and recommended responses to climate change • Deliberates and coordinates in order to adapt to climate change, including the formulation of policies and strategies for minimizing the identified risks and reflecting them in planning, budgets and targets • The status and response to risk management deliberated and coordinated by the Sustainability Committee is reported regularly and as needed to the Board of Directors
Risk Management Committee	• Determines appropriate measures from the perspective of Group-wide risk management and reports to the Board of Directors
Corporate Sustainability Department (Department in charge of climate change-related matters)	• Engages in planning, proposals and management related to climate change, including the process of identifying and assessing the impact of climate change, the mechanism for managing identified impacts and the mechanism for their integration into Group-wide risk management • Promotes Group-wide responses to climate change • Submits reports and recommendations to the Sustainability Committee and Risk Management Committee

Metrics and Targets

Key Performance Indicators (KPIs)

Hulic identifies materiality and the Sustainability Committee sets key performance indicators (KPIs) for each materiality and evaluates progress by reviewing results.

Climate change KPIs, results and progress assessments are as follows.

KPIs (non-financial key performance indicators)	Specific Targets	Coverage	2024	Assessment	Major related SDGs
				⦿: achieved ○: progressed	
Greenhouse gas emissions reduction targets*1	Scope1+2*2 2030 reduce by 70%; 2050 substantially zero (base year: 2019)	Scope1 and 2: Properties where the Hulic Group occupies or manages business operations	(65)%	○	<div><div>7AFFORDABLE AND CLEAN ENERGY</div><div>9INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div><div>17PARTNERSHIPS FOR THE GOALS</div></div>
	Scope3*3 2030 reduce by 30%; 2050 substantially zero (base year: 2019)	Scope3: Indirect emissions other than Scope1 and 2 related to Hulic Group's business activities	(20)%	○	
The RE100 progress rate**4	10% in 2021 30% in 2022 65% in 2023 100% in 2024	Electricity used in Hulic Group business activities	100% (Continued achievement from 2023)	⦿	
Number of times the Sustainability Committee engaged in climate change monitoring	One or more times annually	Hulic Co., Ltd.	2 times	⦿	

The following are managed as other related indicators.

Related Indicators	Related KPI・Target	Specific Numerical Values and Targets	Result		Assessment
			2023	2024	⦿: achieved ○: progressed
Annual generation of renewable energy	Converting to 100% Renewable Energy Sourced Electricity for Electricity Consumption at All Company-owned**4	Approximately 330Gwh by 2029	69GWh	104.5GWh	⦿
Amount of investment in solar photo-voltaic equipment that does not use the FIT system (cumulative total)	Greenhouse gas emissions reduction targets*1	Approximately JPY 66 billion (cumulative amount by 2030)*5	JPY 18.8 billion	JPY 20.1 billion	○

\*1: Absolute contraction targets, Base year: 2019. Hulic has had its near-term (by 2030) emissions reduction targets approved by the Science Based Target initiative as consistent with levels required to meet the goals of the Paris Agreement.

\*2: Greenhouse gas emissions from directly owned or controlled sources plus indirect purchased energy for business activities.  
Scope1: direct emissions (e.g., emissions from natural gas and other fuel combustion).  
Scope2: indirect emissions (e.g., emissions from the use of purchased electricity, heat and steam).

\*3: Greenhouse gas emissions from external companies affiliated with internal business activities (in the supply chain). Targets were set for Categories 11 and 13 of Scope3.

\*4: Targets are set according to the amount of power generated by Company-owned non-FIT solar photovoltaic equipment during the target year divided by the total amount of electricity used at the Hulic head office building and on the floors occupied by Group companies in one year.

\*5: Initial target term. It was then moved forward by one year to 2029.

Rationale for each KPI・Target

Converting to 100% Renewable Energy Sourced Electricity for Electricity Consumption at All Company-owned Buildings / Greenhouse Gas Emissions Reduction Targets

In accordance with Hulic’s long-term vision for the environment, we established medium- to long-term targets for climate change to reduce greenhouse gas emissions. We aim to achieve these targets by converting electricity consumption of all Company-owned buildings\* to renewable energy electricity by 2029. In addition, we place importance on the “additionality” of renewable energy, and are actively

engaged in the in-house development of renewable energy power generation facilities, such as solar power equipments and small hydroelectric power generation facilities, in order to achieve our goals. Hulic believes that it is important to take actions to combat climate change by reducing greenhouse gas emissions in Scope1 and 2 as well as throughout the value chain (Scope3).

\*Excludes single-tenant lease properties, residential properties, unmanaged shared properties for which we do not manage energy, and real estate for sale, etc.

RE100 Progress Rate

RE100 stands for “Renewable Electricity 100%,” an international initiative aimed at using only renewable energy as the source of electricity used in business activities. We achieved RE100 in 2023, two years ahead of the initial plan and continued achievement in 2024. Our GHG emission including the group companies from consumption of electricity became nil.

Hulic joined RE100 in 2019, and in 2020, started to develop solar power equipment that does not use the FIT system (non-FIT). Electricity derived from non-FIT renewable energy generated by Hulic-owned power sources will be supplied by Group company retail electricity supplier (PPS), Hulic Property Solutions, to buildings occupied by Group companies.

Number of Times the Sustainability Committee Engaged in Climate Change Monitoring

We have set the above as KPIs with the aim of confirming the operational status of corporate governance related to climate change.

Organization	Confirmation of Operational Status
Sustainability Committee	<ul style="list-style-type: none"><li>Evaluates the impacts of climate change on business, and takes steps to mitigate identified risks and generate opportunities</li><li>Sets KPIs for sustainability, including climate change, reviews performance and manages progress</li></ul>

Disclosure based on TNFD Recommendations

Hulic Initiatives (Summary)



Disclosure based on TNFD Recommendations

Recognizing the importance of conserving nature\*, Hulic joined the TNFD Forum in August 2023 and endorsed the recommendations of Taskforce on Nature-related Financial Disclosures (TNFD). We now begin disclosing information on the four key areas outlined in TNFD framework—Corporate Governance, Strategy, Risk and Impact Management, and Metrics and Targets—in line with TNFD recommendations. For this disclosure, we have followed the LEAP Approach\*\*2 outlined in TNFD recommendations to assess our dependence and impact on nature and to identify risks and opportunities.

\*1 Nature: The four realms (domains) of Land, Ocean, Freshwater, and Atmosphere, including biodiversity, water use, forests, etc. (Source: Recommendations of Taskforce on Nature-related Financial Disclosures, September 2023 edition)  
\*2 LEAP Approach: A framework for companies to identify nature-related dependencies, impacts, risks, and opportunities, consisting of Locate (identifying points of contact with nature), Evaluate (diagnosing dependencies and impacts), Assess (assessing risks and opportunities), and Prepare (preparing for reporting).

General Requirements and Hulic Disclosure Items

Our disclosure items with respect to the general requirements of TNFD are as follows.

1. Application of Materiality
At Hulic, we have identified materiality related sustainability with the goal of contributing to a sustainable society. This identification process is based on an analysis of global social issues and the identification of those issues with particularly high material relevance to both Hulic and our stakeholders. Our nature-related materiality is “Contributing to actions for mitigating climate change and reducing our environmental impact.”  Opportunities and Risks Related to Materiality and Our Actions <a href="https://www.hulic.co.jp/en/sustainability/about/process/initiative.html">https://www.hulic.co.jp/en/sustainability/about/process/initiative.html</a>
2. Scope of Disclosure
<ul style="list-style-type: none"><li>● Direct Operations: Real estate leasing, real estate development, and value-added businesses, which constitute the Company’s core businesses</li><li>● Value Chain Upstream: Building construction business</li></ul>
3. Areas with Recognized Nature Issues
Recognizing that nature-related issues vary by region, we have designated Tokyo 23 wards, which account for approximately 70% of our real estate portfolio, as a priority area for this disclosure.
4. Relevance to Other Sustainability Disclosures
We disclose information on climate change risks in line with the recommendations of Task Force on Climate-related Financial Disclosures (TCFD). This TNFD-aligned disclosure includes, in part, matters related to climate change and analyzes the relevance of nature-related issues to our business. We also disclose information on biodiversity conservation initiatives through our Integrated Report, website, and Sustainability Book.
5. Time Horizons
Our time horizons for addressing environmental issues align with our Long-term Vision for the Environment and greenhouse gas emission reduction targets.  Information Disclosure Based on TCFD Recommendations: Strategy (Time Horizon for the Short, Medium, and Long Term) <a href="https://www.hulic.co.jp/en/sustainability/ecology/tcfid/strategy.html">https://www.hulic.co.jp/en/sustainability/ecology/tcfid/strategy.html</a>
6. Engagement with Local Communities and Stakeholders
Through the formulation of our CSR Procurement Policy, green procurement initiatives, and other efforts, we collaborate with stakeholders to address social issues and build long-term, value-enhancing relationships.

Corporate Governance

Governance Mechanism

Matters related to the environment (including nature-related issues) are deliberated by the Sustainability Committee, which is chaired by the President and Representative Director. The committee, which is held at least once a year, sets non-financial KPIs and evaluates progress by reviewing performance and other factors. The committee also regularly assesses the dependencies, impacts, risks, and opportunities between our business and nature, and when a particularly high-risk event is identified, it is reported to the Board of Directors, ensuring oversight within our governance framework.



Stakeholder Engagement

We have established our CSR Procurement Policy and Green Procurement Policy to guide procurement and purchasing decisions, and we are working closely with our suppliers to promote sustainable procurement and address environmental issues throughout the value chain. As part of our initiatives for conserving the natural environment, we actively engage in social contribution activities, such as conserving *satoyama* areas (hilly wooded areas near villages), planting trees, urban greening in our development projects and promoting the use of wood in building construction and materials. Going forward, we will continue to work with local communities and stakeholders to advance diverse nature conservation initiatives and proactively share relevant information.

CSR Procurement Policy

1. We will comply with laws, regulations and social norms, and undertake business activities based on a set of corporate ethics.	⑥ <b>Reduction of excessive working hours</b> In addition to ensuring compliance with labor-management agreements, including the 36 Agreement and laws and regulations of relevant countries and regions, we adopt basic policies to reduce overtime work and limit excessive work.
2. We will respect the fundamental human rights of all people.	⑦ <b>Securing of health and safety of workers</b> In accordance with laws and regulations of relevant countries and regions, including the Labor Standards Act, we endeavor to offer a workplace where workers can work healthily and safely.
① <b>Prohibition of discrimination</b> We prohibit any discrimination against any person on the ground of his or her belief, religion, age, sex, sexual orientation, race, nationality, origin, physical or mental disability, etc.	⑧ <b>Payment of wages over minimum wage</b> We pay wages over minimum wages prescribed in various local laws and regulations as well as the Minimum Wage Act.
② <b>Prohibition of harassment</b> We prohibit any act, including sexual harassment or abuse of authority, to inflict emotional distress on any person by language or behavior that damages his or her character or dignity.	3. We will take consideration of environmental conservation and will strive to promote green procurement. We will endeavor to conduct procurement in accordance with the Hulic Green Procurement Policy in order to realize a sustainable society.
③ <b>Prohibition of child labor</b> We prohibit any child labor.	4. We will build an information management system and manage information appropriately.
④ <b>Prohibition of forced labor</b> We prohibit any forced labor carried out through violent acts or intimidation.	5. We will carry out fair and equitable business transactions and build trusting relationships with business partners.
⑤ <b>Respect for the right of freedom of association and right of collective bargaining</b> In line with international labor standards, we respect the right of freedom of association and right of collective bargaining.	6. We will strive to provide safety, peace of mind and high quality.

Green Procurement Initiatives

- 1. To engage in energy-saving activities and reduce GHG emissions;
- 2. To reduce the amount of water consumption as much as possible;
- 3. To carry out a biodiversity-friendly business;
- 4. To fully prevent environmental pollution; and
- 5. To make efforts to save resources and reduce the amount of waste.

Strategy

In line with the LEAP Approach outlined in TNFD recommendations, we have identified our business’s dependence, impacts, risks and opportunities regarding nature across the short-, medium-, and long-term time horizons\*1.

Process for Identifying, Assessing, and Prioritizing Dependencies, Impacts, Risks and Opportunities regarding Nature

The Hulic Group’s business segments consist of Real Estate, Insurance Agency, Hotels/*Ryokans*, and Others. This TNFD disclosure focuses on the Real Estate segment, which constitutes the Group’s core businesses and is considered to have a significant impact on nature. This segment includes the real estate leasing, real estate development, and value-added businesses. For the real estate development and value-added businesses, we also included the building construction upstream in the value chain within the scope of this assessment of dependencies and impacts on nature. As a result of the analysis, we identified the risks and opportunities based on dependencies and impacts that were rated as “Very high/Very large” or “High/Large.” From these, we identified and prioritized the risks and opportunities that are particularly high priority based on their relevance to our business.

Dependence Heat Map

Using the ENCORE\*2 analysis tool, we created a heat map to visualize our dependence on each natural service.

- Real estate development/value-added businesses: Highly dependent on “soil erosion control,” and moderately dependent on “climate regulation” and “Disaster mitigation (flood and storm mitigation),” among other factors.
- Real estate leasing business: Very highly dependent on cultural services (provision of sensory comfort).

Ecosystem Services		Real Estate Development and Value-added Businesses (Direct Operations / Upstream)	Real Estate Leasing Business (Direct Operations)
Provisioning Services*3	Water resources		
	Climate regulation		
Regulating and Maintenance Services*4	Rainfall pattern regulation		
	Air filtration		
	Soil erosion control		
	Water purification		
	Water flow regulation		
	Flood mitigation		
	Storm mitigation		
	Noise attenuation		
Cultural Services*5	Provision of sensory comfort*6		

Degree of dependence on each ecosystem service

Very high
High
Medium
Low / Very low

\*1 Time horizons: Our time horizons for addressing environmental issues are linked to our Long-term Vision for the Environment and greenhouse gas emission reduction targets. If we expand our analysis of nature-related matters in the future, we will consider revising the time horizons.



Information Disclosure Based on TCFD Recommendations: Strategy  
https://www.hulic.co.jp/en/sustainability/ecology/tcfid/strategy.html

\*2 ENCORE: A tool developed by The Natural Capital Finance Alliance that assesses dependencies and impacts on nature by industry.

\*3 Provisioning services: Ecosystem functions that provide food, water, and other resources to humankind.

\*4 Regulating and maintenance services: Ecosystem functions that support environmental stability, such as climate regulation and disaster mitigation.

\*5 Cultural services: Ecosystem functions that provide psychological and recreational benefits through human interaction with nature.

\*6 Provision of sensory comfort: Building users’ enjoyment of sensory comfort provided by the natural environment.

Impact Heat Map

Using the ENCORE\* analysis tool, we created a heat map showing which elements of nature are impacted by our business.

- Real estate development/value-added businesses: Our business has a very large impact on “Noise, light, etc.” and a large impact on “Soil and water pollution,” and there is a risk of adverse effects if business is not conducted in an environmentally responsible manner.
- Real estate leasing/development/value-added businesses (shared): In the “greenhouse gas (GHG) emissions” category, our business has large impact on nature.

Impact Driver	Real Estate Development and Value-added Businesses (Direct Operations / Upstream)	Real Estate Leasing Business (Direct Operations)
GHG emissions		
Non-GHG air pollution		
Solid waste		
Land use (agricultural land, factory land)		
Soil / water pollution		
Water use		
Noise, light, etc.		

Degree of impact on nature

Very large
Large
Medium
Small / Very small

\* In addition to the ENCORE analysis results, we have also created a heatmap illustrating our real estate business’s impact on each of the identified impact drivers.

Identifying and Prioritizing Risks and Opportunities

Based on the above analysis of dependencies and impacts, we identified risks and opportunities associated with dependencies and impacts rated as “Very high/Very large” or “High/Large.” TNFD recommendations categorize nature-related risks and opportunities into physical risks (acute and chronic), transition risks (policy, markets, technology, and reputational/liability), and opportunities (markets, capital flow and financing, resource efficiency, products and services, reputational capital, sustainable use of natural capital, and ecosystem protection, restoration, and regeneration). Following this categorization, we have identified priority risks and opportunities based on their significance to our business, as outlined below.

Identified Risks

Major Category	Risk Type	Risk Description
Physical Risks	Acute Risk	Increase in risk of natural disasters such as landslides and earthquakes
	Chronic Risk	Decline in asset value due to deterioration of the natural environment and landscape in the area surrounding the company’s development facilities
Transition Risks	Policy	Need for further action to comply with regulations to reduce greenhouse gas emissions and strengthen nature conservation
	Markets	Decrease in investor confidence due to delays in responding to natural environmental issues
	Technology	Increase in costs due to introduction of environmentally friendly technologies
	Reputational / liability	Damage to reputation and the risk of liability in the event of ecological destruction of areas around properties

Identified Opportunities

Category	Opportunity Description
Markets	Growth in demand for environmentally friendly buildings and increased use of wooden construction that supports sustainable forest cycles
Capital flow and financing	Expansion of financing instruments and subsidies for environmental initiatives
Resource efficiency	Advancements in building environmental performance and waste reduction technologies
Products and services	Growth in awareness of nature conservation among building users, leading to greater recognition and high valuation of environmentally certified buildings
Reputational capital	Increase in corporate value through sustainable management
Sustainable use of natural capital	Advancements in the sustainable procurement of building materials
Ecosystem protection, restoration, and regeneration	Contributions to the conservation of ecosystems through greening and tree-planting activities at developed properties

Identification and Evaluation of Priority Areas

Hulic owns 245 properties (as of December 31, 2024), approximately 70% of which are concentrated in **Tokyo 23 wards**, which we have designated as our priority area. We used IBAT\*1 to assess the status of nature conservation areas in Tokyo’s southwestern, northwestern, and eastern\*2 wards. This analysis identified some nature conservation areas including nationally designated areas\*3 and KBAs\*4. Since no significant differences were observed in the distribution of nature conservation areas across these three areas, **we designated the entire Tokyo 23 wards as the priority area rather than selecting specific subregions**. In addition, the majority of our properties in the priority area are not located near nationally designated areas or KBAs, but are in existing developed areas where buildings have already been constructed and are in operation. Furthermore, to assess environmental risks, we analyzed water-related risks using Aqueduct\*5, which confirmed that our operating areas, including the priority area, do not fall within high water stress\*6 areas. Based on these findings, we concluded that the impact of our business on nature in the priority area is extremely small. Looking ahead, we will continue our commitment to operate in a way that is mindful of the natural environment through enhancing green spacing in our development projects, utilizing the JHEP certification system\*7, and actively implementing other environmentally friendly technologies.

Nature Conservation Areas in Tokyo 23 Wards

Using IBAT, we assessed nature conservation areas\*8 across Tokyo’s southwestern, northwestern, and eastern wards, and obtained the following results.

Nature Conservation Area Types					
	Nationally designated areas	KBAs	UNESCO MAB*9 areas	Area present	
Southwestern Tokyo wards			—	Area not present	—
Northwestern Tokyo wards			—		
Eastern Tokyo wards			—		

\*1 IBAT: A tool developed by four organizations, including the International Union for Conservation of Nature (IUCN), that allows users to assess nature-related information around a target site.

\*2 Southwestern wards: Minato, Shibuya, Setagaya, Chiyoda, Ota, Chuo, Shinagawa, and Meguro

Northwestern wards: Shinjuku, Suginami, Nakano, Itabashi, Bunkyo, Toshima, Kita, and Nerima

Eastern wards: Katsushika, Edogawa, Koto, Arakawa, Adachi, Taito, and Sumida

\*3 Nationally designated area: A protected area, such as a national park, where certain activities, such as development and hunting are legally restricted.

\*4 KBA (Key Biodiversity Area): An area of critical importance for the biodiversity conservation. More than 200 locations across Japan are registered as KBAs.

\*5 Aqueduct: A tool provided by the World Resources Institute that assesses water-related risks by area.

\*6 Water stress: The degree to which water resources in an area are under stress due to demand.

\*7 JHEP certification: A certification system operated by the Ecosystem Conservation Society-Japan that quantitatively evaluates efforts to conserve and restore biodiversity.

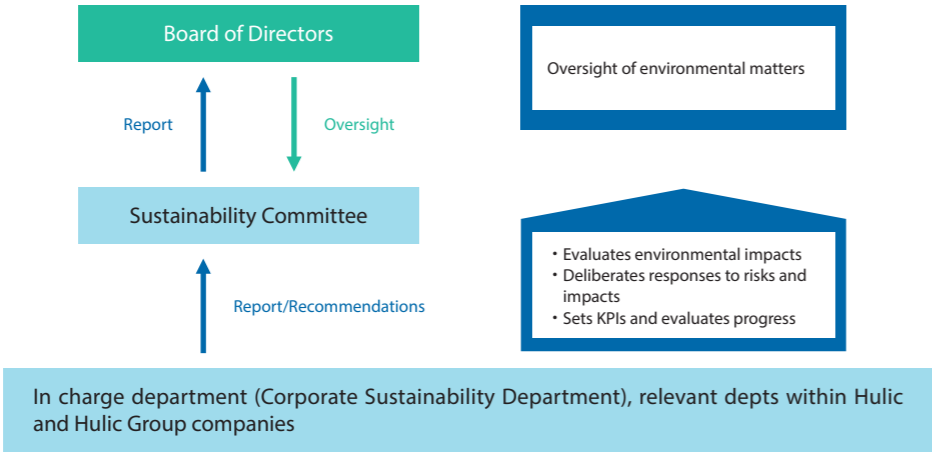
\*8 Nature conservation area distribution was assessed through sampling of properties in each area.

\*9 Model area: A region with a rich ecosystem where sustainable economic activities are integrated with the use of natural resources.

Risk and Impact Management

Mechanism for Identifying and Assessing Risks and Impacts

The Corporate Sustainability Department, oversees environmental matters (including nature-related issues), takes the lead in identifying risks, assessing impacts, and reporting findings and making recommendations to the Sustainability Committee, in cooperation with related internal departments and Group companies. The Sustainability Committee deliberates and evaluates the reported risks and recommendations. If a high-risk event is identified, it is reported to the Board of Directors as necessary. The Board of Directors receives updates from the Sustainability Committee on the status of environmental risks (including nature-related issues) and oversees efforts to address these risks and set targets.



Risk Management Mechanism and the Role of Each Organization

In our environmental risk management framework, each organization has the following responsibilities.


Organization/Department	Function
Board of Directors	<ul style="list-style-type: none"><li>● Receives reports on environmental risk management and responses from Sustainability and Risk Management Committees, and oversees such risk management and responses</li></ul>
Sustainability Committee	<ul style="list-style-type: none"><li>● Deliberates and evaluates the reported impacts of and recommended responses to environment</li><li>● Deliberates and coordinates in order to adapt to environment, including the formulation of policies and strategies for minimizing the identified risks and reflecting them in planning, budgets and targets</li><li>● The status and response to risk management deliberated and coordinated by the Sustainability Committee is reported regularly and as needed to the Board of Directors</li></ul>
Risk Management Committee	<ul style="list-style-type: none"><li>● Determines appropriate measures from the perspective of Group-wide risk management and reports to the Board of Directors</li></ul>
Corporate Sustainability Department (Department in charge of environmental matters)	<ul style="list-style-type: none"><li>● Engages in planning, proposals and management related to environment, including the process of identifying and assessing the impact of environment, the mechanism for managing identified impacts and the mechanism for their integration into Group-wide risk management</li><li>● Promotes Group-wide responses to environment</li><li>● Submits reports and recommendations to the Sustainability Committee and Risk Management Committee</li></ul>

Metrics and Targets\*1


In line with TNFD guidance on disclosure metrics, we have established the following metrics and targets related to nature.

Metrics	Targets	FY2024 Result
Greenhouse Gas Emissions Reductions Targets*2	FY2030   Scope1+2   (70%) Scope3   (30%)	Scope1+2   (65%) Scope3   (20%)
Water Intake*3	Follow-up item	1,739 thousand m <sup>3</sup>

Related Page: For details on the scope of coverage, past performance trends, and other data, please see Key Performance Indicators (KPIs)/Targets and Results.

 Key Performance Indicators (KPIs)/Targets and Results  
<https://www.hulic.co.jp/en/sustainability/about/process/results.html>

\*1 Targets were selected based on TNFD’s core global metrics. While emissions of non-GHG air pollutants are included among the core global indicators, we do not use as a metric and target in this disclosure. However, some results for hazardous waste items (Sox, Nox, Voc) are disclosed on our Environmental Data page.

 Environmental Data  
<https://www.hulic.co.jp/en/sustainability/data/environment/>

\*2 Base year is in FY2019. Targets of Scope3 were set for Categories 11 and 13.

\*3 The scope of water intake is limited to fixed assets owned by Hulic Co., Ltd. in Japan, and there is no water intake in areas classified as having high water stress.

Initiatives for Customers

Fundamental Approach

We are constantly working to generate new added value by offering properties that are superior in terms of safety, environmental performance, and convenience. In addition, we have established various emergency and disaster scenarios, for which we have created measures to improve the structural performance of our buildings, as well as operational and management aspects of buildings.

《Results in FY2024》 100% Properties Meeting Hulic’s Earthquake-resistance Standards  
Customer satisfaction: Approximately 90%

Thorough Implementation of an Earthquake Resistance Diagnosis and Seismic Reinforcement

Hulic considers earthquake countermeasures as one of the top priorities for a real estate developer in Japan as it is one of the countries where earthquakes most frequently occur. We believe it is our responsibility to provide earthquake-resistant building safety in order for the tenants to conduct social activities with peace of mind. We have therefore established our own earthquake resistance standards\*1 that are stricter than the Building Standards Act, and we apply these standards to all the buildings that we develop or reconstruct, and we conduct a seismic assessment at the time of acquisition. We are working to ensure

that by 2029 all of our buildings\*2 (excluding for sale, etc.) can withstand earthquakes with a seismic intensity of level 7 (buildings excluding scheduled for reconstruction and sales will be completed by the end of 2025).

\*1 Earthquake-resistance standards as specified by Hulic are where building performance can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of level 7.  
\*2 Excludes properties for which we do not have energy management authority including master lease properties, residential properties and non-managerial co-ownership properties, and real estate for sale, etc.

Earthquake-Resistance Diagnosis, Reinforcement Works and Confirmation of Validity of Structural Calculation

We diagnosed the earthquake resistance of all Company-owned buildings\* that were built before the new earthquake resistance standards were set out in the Building Standards Act (revised in 1981). All buildings that did not meet the standard are undergoing seismic reinforcement.

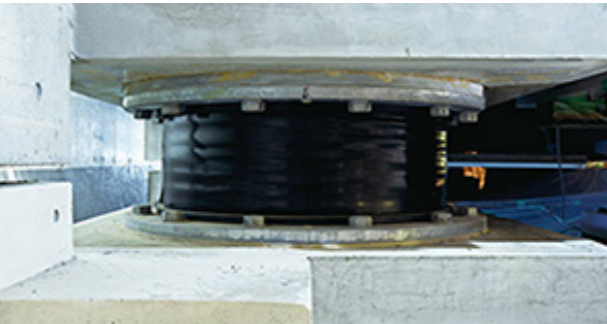
\* Excludes buildings with box frame type reinforced concrete construction and buildings that will be demolished for reconstruction.



Seismic reinforcement using steel brace (LICOPA Tsurumi)

Proactive Adoption of Earthquake-absorbing and Earthquake-damping Structures

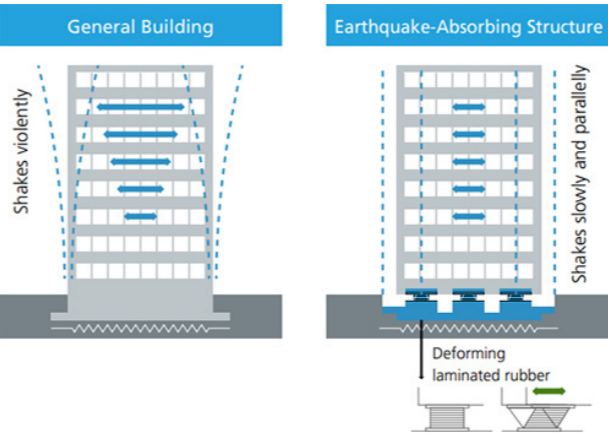
To protect human life and facility functions from large-scale earthquakes, we have applied high seismic capacity on newly constructed buildings. With the aim of protecting customers’ lives and contributing to business continuity, we have actively adopted an earthquake-absorbing or earthquake-damping structure which is effective at ensuring a high seismic capacity, in addition to other methods to improve the seismic resistance.



Earthquake-absorbing equipment

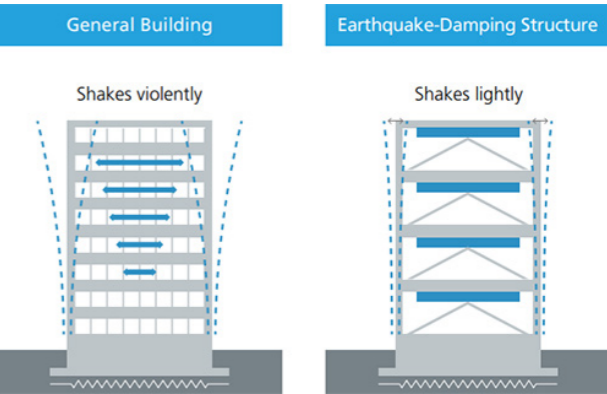
Earthquake-absorbing Structures

By separating the building from the ground with a mechanism called an isolator, seismic energy is absorbed to reduce the intensity of shaking to 10%-50% compared to other general earthquake-resistant structures as a general building structure.



Earthquake-damping Structures

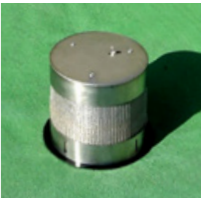
With earthquake-damping materials installed inside the building, internal seismic energy is absorbed to reduce the intensity of shaking from one-half to one-third compared with other general earthquake-resistant structures.



Measures Against Mt. Fuji Eruption and Ashfall

If Mt. Fuji erupted, the transportation infrastructure could be shut down and electricity and other utilities could be disrupted. Consequently, we are taking tangible action by developing equipment (roof drain caps) that prevents volcanic ash from entering pipes in storm drains and by installing this equipment in company-owned buildings. In a less tangible way, we encourage tenants to return home early and organize

a system and install the necessary equipment for quick recovery after an ashfall.



Roof drain cap

Liquefaction Countermeasures

After the Great East Japan Earthquake, extensive regions including coastal areas in Tokyo suffered from liquefaction, which caused damage such as buildings leaning over and sinking. According to the liquefaction map issued by the government, three buildings owned by the

Company were on ground with possible liquefaction. However, we concluded that these buildings will not be significantly affected by liquefaction because the foundations for these buildings were carefully planned and constructed.

Measures against Water Damage

When electric facilities are damaged by floodwater, the supply of power, which is essential for the use of a building, can stop for an extended period. We investigate the status of buildings with power receiving and transforming equipment and private power generators that are installed

in floors expected to be submerged in a flood, and examine application of flood control measures, in preparation for localized heavy rains caused by climate change and tsunamis caused by earthquakes.

Efforts toward the Improvement of Customer Satisfaction

As office buildings, shops, and residences owned by Hulic serve as the infrastructure for customer’s social activities, we working to constantly improve their quality under the philosophy of providing customers safety, peace of mind and convenience.

In order to satisfy all customers using buildings including tenants and visitors to the buildings, we thoroughly undertake to meticulous quality control, careful maintenance and security to protect assets.

Customer Satisfaction Survey

We conduct an annual customer satisfaction survey for tenants of Hulic’s properties. Survey items include matters concerning building hardware and software and things customers have noticed while using our buildings on a daily basis. We carefully go over the customer responses, and then take steps to identify customer needs and make improvements accordingly. In the survey conducted in 2024, we

continued to receive high ratings with a satisfaction level of approximately 90%. We believe the results have mainly reflected our planned facility reinforcement and quick response to the matters requested by customers. Furthermore, the persons in charge responded or replied to customers’ requests and opinions after the survey.

Initiatives for Providing Healthy and Comfortable Spaces

Hulic is undertaking the following initiatives to provide healthy and comfortable properties to our stakeholders.

- Verification of specifications of facilities introduced and interior materials, etc. for existing properties and properties being developed (Use of interior finishing materials and fittings that do not contain toxic substances)
- Greening of building surroundings, introduction of natural ventilation and lighting systems
- Introduction of an indoor air quality improvement system using composite ceramic functional materials
- Acquisition of CASBEE Wellness Office certification for developed office buildings as verifications for buildings that support the maintenance and improvement of the health and comfort of the people in the buildings
- Measurement of indoor environments at and periodic measurements after completion
- Active upgrading to energy-saving equipment and other advanced equipment
- Conducting preventive maintenance before issues arise in building or equipment
- At all owned buildings, we take the access to the public transportation into account and disclose the access information on our website and building information book.
- Many of our owned properties are near stations, providing easy access to transportation
- At all developed building, we conduct the assessments of access from person with disabilities (barrier-free restroom, wheelchair access, etc.).

Risk Assessment of Business Operation related Health and Safety

- Existing Operation  
We regularly inspect the facilities and conditions, etc. of owned buildings to ensure the provision of safe, secure, and comfortable buildings.
- New Project  
We conduct on-site inspections in advance at all our development project. We cooperate with construction companies, etc. in order to implement measures to ensure the health and safety of employees and the surrounding environment involved in the projects.

Collaborating and Cooperating with Business Partners during and after Disasters

In the event of a disaster, we have introduced an Internet- based safety confirmation system for swift confirmation of the state and to share information with building management companies.

We also concluded contingency agreements with the construction company of building concerning restoration and recovery, enabling collaboration and cooperation in the event of a disaster.

Introduction of an Indoor Air Quality Improvement System using Composite Ceramic Functional Materials

Hulic is working to improve indoor air environments and to promote the adoption of technologies from Shinshu Ceramics Co., Ltd., a company with unique technologies. HEPA filters incorporating Shinshu Ceramics’ proprietary earthplus™ material adsorb 99.9% of and decompose bacteria and virus particles floating in indoor air. To prevent the spread of infectious diseases in facilities for seniors, we have combined HEPA filter units using earthplus™ material with humidifiers that optimally maintain indoor humidity when using indoor heating. We developed a new indoor air improvement system that can be installed in ceilings,

which we have introduced in nursing homes we construct.

In addition, we jointly developed a small air purifier called earthmirage2 with a manufacturer that incorporates a HEPA filter using earthplus™ material and started sales in 2021. As a measure against infectious diseases during face-to-face meetings, Hulic has installed this small air purifier in conference rooms at the Hulic Headquarters and the Hulic Annex to ensure the safety and security of our customers.

Holding Regular Management Status Reporting Meetings with Property Management Companies

Hulic regularly holds property management status reporting meetings with property management companies to check the implementation status of management work, including complying with laws and regulations, and receive reports on various problems related to buildings, including the results of measures to fix defects that have occurred in buildings. In this way, we are promoting the maintenance and improvement of quality, as well as unifying the quality of overall property management and operation services.



Management status reporting meeting with property management companies

Quality Evaluation for Management Companies

Each year, Hulic evaluates the implementation status of management work and provides property management companies with feedback to improve and standardize the quality of their work. We use the results of evaluations as information to decide whether to continue to entrust management work with the current property management companies in accordance with the rules for real estate outsourcing management.

- <Major evaluation items>
- Confirm to check if maintenance work for buildings and facilities, including complying with legal requirements applicable to buildings, has been performed systematically and thoroughly without omissions as stipulated in the contract.
  - Confirm the status of legal compliance, including the status of renewing the verification due date of measuring instruments, etc. and submission of mandatory inspection results reports to the relevant regulatory authorities.
  - Confirm that defects occurring unexpectedly, including those pointed out during the legal inspection, have been fixed without delay.

Initiatives for Energy Savings in Existing Buildings

In 2022, as part of our initiatives for decarbonization across the entire value chain, we conducted explanatory sessions with our customers—focusing on office tenants—to discuss our commitment to the

environment as building owners. Going forward, we will continue outreach to customers and work toward more energy efficiency.

Responsible Marketing

Hulic has set out the principle of “treating clients faithfully and kindly, listening to their requests with sincerity and providing sophisticated, efficient, and high-quality services” in the Basic Principles of Corporate Conduct and endeavors to build positive relationships with clients. In addition, we obtain the necessary permits and licenses for conducting business operations and comply with matters stipulated by various business laws and regulations.

With regard to important company information, we aim to disclose

information with accuracy based on the facts, and in a way that is easy to understand in accordance with the rules for disclosure control. Furthermore, we disseminate information through various media by creating a company website, publishing press releases in a timely manner, and setting up signboards at train stations, with the aim of fostering a feeling of familiarity with our company widely among the public.

Collaboration with Business Partners

Fundamental Approach

We aim for close mutual communication with our business partners, and build relationships that mutually enhance the corporate value of both parties. Additionally, Hulic strives to create shared value with stakeholders by resolving various social issues through PPP business.

《Results in FY2024》 Evaluated the status of work implementation of outsourced property management companies

Fair Trades with Outsourced Contractors

Considering long-term business relationships with outsourced contractors, we work to ensure fair trade with them as a partner on an equal footing. Regarding outsourcing by the real estate business division, we ensure fair trade based on the rules for real estate

outsourcing management, respecting related laws and regulations as well as guidances from administrative organizations. We select an outsourcing contractor that is most appropriate for each project by checking track record and abilities to execute operations.

Cooperation with Building Management Companies

Hulic Building Management Co., Ltd. inspects and evaluates management conditions once a year based on the rules for real estate outsourcing management and makes a round to provides guidance to each company based on the assessment results.



Initiatives for Providing Healthy and Comfortable Spaces  
[https://www.hulic.co.jp/en/sustainability/social/customers\\_dealings/customers/#anc2](https://www.hulic.co.jp/en/sustainability/social/customers_dealings/customers/#anc2)

Educational Activities through Compliance Training

Our compliance manual (the code of conduct) specifies business entertainment/gift and prohibition of bribery. We implement internal compliance training in a timely manner to raise awareness among our employees of rules such as prohibiting giving donations, offering business entertainment, and giving gifts to public servants or other interested parties. Furthermore, twice a year, our Legal & Compliance Department monitors whether each department properly manages the entertainment of interested parties and the acceptance or offering of gifts or other articles. All employees are reminded through these efforts

that providing business entertainment or gifts for business partners in an improper manner may impair appropriate business relationships and the soundness of business, and that such conducts violate our internal rules and regulations and the compliance manual. Our employees are encouraged to report directly to the compliance hotline when they notice any problematic doings including violation of laws or code of conduct.

Framework for Collaboration and Cooperation with Business Partners

**[Framework for Collaboration and Cooperation with Building Management Companies]**

- The emergency contact network for emergencies during night time or on holidays has been established between Hulic and building management companies. With this network, we maintain a framework for responding promptly to emergencies.
- We have introduced a safety confirmation system with real estate management companies through the Internet for swiftly sharing information and verifying the extent of damage.

**[Framework for Collaboration and Cooperation with Construction Companies]**

We have concluded contingency agreements with major construction companies under which they agree to cooperate to assess destruction status and damages of Hulic’s buildings immediately following a large-scale disaster, and offer full cooperation for the restoration and recovery of our buildings while putting the highest priority on ensuring safety.

[Cooperative Structure with Business Partners]

▶ Quick confirmation of the extent of the damage  
(introduction of a system to confirm safety and damage using the Internet)



▶ Response Aimed at Recovery of Operations Contingency Agreements



CSR Procurement Policy

We have formulated a policy on procurement and purchasing to further develop our sustainability initiatives. In addition, we promote sustainability activities and respond to social issues across the entire value chain including constructing companies, etc., by applying this policy to business partners as well. As a concrete application process to

constructing companies, etc., we disseminate this policy regularly. In addition, we conduct a survey to contractors and others in order to confirm their environmental initiative, respect for human rights, the condition of protecting the health and safety for workers every year.

1. We will comply with laws, regulations and social norms, and undertake business activities based on a set of corporate ethics.

2. We will respect the fundamental human rights of all people.

① Prohibition of discrimination  
We prohibit any discrimination against any person on the ground of his or her belief, religion, age, sex, sexual orientation, race, nationality, origin, physical or mental disability, etc.

② Prohibition of harassment  
We prohibit any act, including sexual harassment or abuse of authority, to inflict emotional distress on any person by language or behavior that damages his or her character or dignity.

③ Prohibition of child labor  
We prohibit any child labor.

④ Prohibition of forced labor  
We prohibit any forced labor carried out through violent acts or intimidation.

⑤ Respect for the right of freedom of association and right of collective bargaining  
In line with international labor standards, we respect the right of freedom of association and right of collective bargaining.
- ⑥ Reduction of excessive working hours  
In addition to ensuring compliance with labor-management agreements, including the 36 Agreement and laws and regulations of relevant countries and regions, we adopt basic policies to reduce overtime work and limit excessive work.

⑦ Securing of health and safety of workers  
In accordance with laws and regulations of relevant countries and regions, including the Labor Standards Act, we endeavor to offer a workplace where workers can work healthily and safely.

⑧ Payment of wages over minimum wage  
We pay wages over minimum wages prescribed in various local laws and regulations as well as the Minimum Wage Act.

3. We will take consideration of environmental conservation and will strive to promote green procurement.  
We will endeavor to conduct procurement in accordance with the Hulic Green Procurement Policy in order to realize a sustainable society.

4. We will build an information management system and manage information appropriately.

5. We will carry out fair and equitable business transactions and build trusting relationships with business partners.

6. We will strive to provide safety, peace of mind and high quality.

Initiatives for PPP project

Hulic promotes the creation of social and economic values through Public Private Partnership (PPP) projects from the viewpoint of not only real the estate business but also addressing social needs and challenges.

PPP projects intend to efficiently utilize and operate real estate owned by national or local governments (public real estate) through collaboration and cooperation between the public and private sectors. We are actively engaged in PPP projects by utilizing abundant

development track record and a stable business base as one of the leading companies of PPP projects. Taking into account challenges and needs of administrative agencies and communities through exchanges of information with them, we aim to contribute to the regional economy by realizing business to improve the value of public real estate through collaboration between the public and private sectors by settling the issues of the communities.



Initiatives for Human Capital Management

Respect for Human Rights

Fundamental Approach

We respect human rights and strive to perform transparent corporate activities based on our high ethical standards.

《Results in FY2024》 We conducted an assessment of human rights risks with internal and external stakeholders, and the status was judged to be “appropriate”.

Respect for Human Rights

The Company has established the Hulic Human Rights Policy, by applying “Guiding Principles on Business and Human Rights (UNGPs)” of the United Nation, which proclaims respect for human rights so that all employees can maximize their abilities and contribute to the realization of a society full of peace of mind and trust. In our Human Rights Policy, we declare that we prohibit any acts of discrimination and harassment, as well as any discrimination against any person on the ground of his or her beliefs, religion, age, sex, sexual orientation, race, nationality, origin, physical or mental disorder, etc. We also prohibit any act, including sexual harassment or abuse of authority, to inflict emotional distress

on any person through language or behavior that damages his or her character or dignity. Respect for human rights encompasses all fundamental human rights found in the Constitution, Labor Standards Act, and Universal Declaration of Human Rights, as well as human rights related to equal employment, prohibition of forced labor and child labor, freedom of association, and collective bargaining stipulated in the ILO’s international labor standards.

We regularly post the information on the theme of human rights to all Group Companies, using our intranet. In FY2024, we posted a notice on the theme of “The Company and Human Rights”.

### The Hulic Human Rights Policy

Based on the United Nations’ Guiding Principles on Business and Human Rights, we have established the Hulic Human Rights Policy (hereafter “the Policy”) so that all employees can maximize their abilities and contribute to the realization of a society full of safety, peace of mind and trust.

1. Adherence to International Human Rights Standards

We uphold and respect international standards related to human rights. These include the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.

2. Scope of Application

The Policy applies to our all officers and employees, and we strive to raise their awareness through training and other means. In addition, we expect our customers and business partners to support the Policy and cooperate with us in promoting efforts to respect human rights through compliance with the Policy.

Priority Themes Related to Human Rights

1. Prohibition of discrimination

We prohibit any discrimination against any person on the ground of his or her belief, religion, age, sex, sexual orientation, race, nationality, origin, physical or mental disability, etc.

2. Prohibition of harassment

We prohibit any act, including sexual harassment or abuse of power, to inflict emotional distress on any person by language or behavior that damages his or her character or dignity.

3. Implementation of Human Rights Due Diligence

Through dialogue with stakeholders and other means, we assess in advance any negative impacts on human rights and take both preventive and improvement measures. In addition, we evaluate the performance and effectiveness of these measures and disclose relevant information.

4. Corrections and remedies

If it becomes clear that we have had a negative impact on human rights due to its business activities, or that it has been complicit in such impact, we work to correct and remedy the situation using appropriate procedures. In addition, we maintain a system for reporting and consulting about any acts that have a negative impact on human rights.

5. Review of Priority Themes Related to Human Rights

Priority themes related to human rights are listed below. As these priority themes may change in response to evolving business and social conditions, we revise them as needed.

3. Prohibition of child labor

We prohibit any child labor.

4. Prohibition of forced labor

We prohibit any forced labor carried out through violent acts or intimidation.

5. Respect for the right of freedom of association and right of collective bargaining

In line with international labor standards, we respect the right of freedom of association and right of collective bargaining.

6. Reduction of excessive working hours

In addition to ensuring compliance with labor-management agreements, including the 36 Agreement and laws and regulations of relevant countries and regions, we adopt basic policies to reduce overtime work and limit excessive work.

7. Securing of health and safety of workers

In accordance with laws and regulations of relevant countries and regions, including the Labor Standards Act, we endeavor to offer a workplace where workers can work healthily and safely.

8. Payment of wages over minimum wage

We pay wages over minimum wages prescribed in various local laws and regulations as well as the Minimum Wage Act.

Revised April 2023

Takaya Maeda

President, Representative Director

Hulic Co., Ltd.

Communicating the Hulic Human Rights Policy and Labor Standards to All Employees

We communicate the Hulic Human Rights Policy and labor standards, including employment regulations and labor contracts, to all employees\* through in-house intranet, maintenance of the list of regulations, compliance training and in other ways to ensure understanding and full assimilation.

\* All employees are engaged in business in Japan.

Implementation of Human Rights Due Diligence

Based on the Hulic Human Rights Policy, Hulic engages in human rights due diligence to prevent negative impacts on human rights through our business activities.

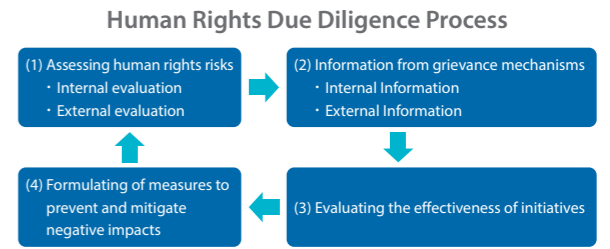
The Company conducts dialogue with internal and external parties through human rights risk assessment questionnaires and feedback. In 2023 and 2024, the Company conducted external human rights risk assessments with multiple construction companies.

Regarding grievance mechanisms, the Company has established contact points where both internal and external parties can report and consult on human rights-related issues.

Based on information from human rights risk assessments and grievance mechanisms, the Company evaluates the effectiveness of initiatives, review priority issues, and evaluate the effectiveness of prevention and mitigation measures that have been formulated to date.

In 2024, the status of efforts to address human rights risks was concluded to be appropriate.

If it is determined that negative impacts on human rights is being caused, the Company will formulate preventive and mitigation measures, as well as disclose necessary information and conduct follow-up investigations.



Management of Risks regarding Labor and Human Rights Issues

Based on “The Hulic Human Rights Policy,” we thoroughly manage risks related to labor and human rights issues. We have a policy that prohibits any form of human rights violation such as child labor and forced labor. We conduct regular employment management audits to ensure compliance with laws, as well as provide compliance training for employees. In addition, the department in charge of the matter assesses the situation for risk management, reports and makes recommendations through the Risk Management Committee, and the Board of Directors regularly review the risk management. Through these efforts, the situations threatening freedom of association, collective bargaining rights, child labor, forced labor, security practices, and the rights of indigenous peoples are not occurred.

Furthermore, in the human rights due diligence process, we recognize labor issues are recognized as a critical human rights issue. Specifically, the following actions are implemented:

- Risk Assessment for New Businesses

When investing in new projects, we conduct due diligence on the management structure of the companies targeted for M&A, etc. The due diligence includes human resources management and internal regulations,

to identify and assess human rights risks including labor issues.

- Risk Assessment for Existing Businesses

We regularly evaluate the status of human resources and labor affairs to continuously monitor the operation of existing businesses and manage labor-related risks associated with human rights.

- Supply Chain Risk Management

We send human rights due diligence questionnaires to some suppliers to confirm the working conditions and occupational health and safety situations of their employees and manage risks across the entire supply chain.

- Education and Awareness Activities

To manage human rights and labor issues appropriately, we focus on internal education and information dissemination. Training sessions on preventing power harassment, etc. are conducted by external instructors for executives and general managers to enhance their awareness of human rights issues. In addition, we utilize the company intranet to promote “The Hulic Human Rights Policy” and display messages related to “Harassment” for all group companies, and promote awareness activities among all employees.

Hulic Group Basic Policy on Customer Harassment

The Hulic Group is committed to sincerely and respectfully addressing the opinions and requests of our customers. At the same time, we take a firm stance to protect our employees against acts that constitute abuse by customers (what is called “Customer Harassment” in Japan), and will respond to such acts in an organized manner, including consulting with law enforcement and legal professionals.

(1) Definition of Customer Harassment

Based on materials such as the Corporate Manual on Measures against Customer Harassment published by Japan’s Ministry of Health, Labour and Welfare in February 2022, we define Customer Harassment as complaints or statements made by customers, facility users, or other stakeholders, where the means or manner of pursuing a request is inappropriate in light of the nature of the request, and where such conduct harms the employee’s working environment. Examples of such harassment are listed below. Note that this list is not exhaustive.

- Examples of Customer Harassment:
- Physical attacks such as assault and battery
  - Psychological attacks such as threats, slander, defamation, insults, or abusive language
  - Demands for excessive apologies, including kneeling to apologize
  - Intimidating behavior such as shouting threats or using abusive language
  - Persistent or relentless behavior
  - Unreasonable or excessive demands, including those unrelated to products or services
  - Demands for financial compensation, apologies, or other requests without reasonable cause
  - Occupying an employee’s time for extended periods, such as by refusing to leave or making repeated phone calls
  - Attacking, making demands of, or stalking an individual employee
  - Discriminatory behavior

- Sexually inappropriate behavior
- Posting content that damages the reputation of the company or its employees, or discloses personal information about employees, including on social media

(2) Response to Customer Harassment

- We strive to build better relationships through calm and constructive dialogue aimed at reaching a reasonable solution.
- If we determine that a customer’s behavior constitutes Customer Harassment, we will take firm action to protect our employees and may, if necessary, refuse to provide products or services.
- If a case is deemed particularly malicious, we will respond firmly and appropriately, including by consulting law enforcement or external professionals such as lawyers.

(3) Initiatives by the Hulic Group

- We provide training on how to recognize and respond to Customer Harassment.
- We have established a dedicated consultation point for issues relating to Customer Harassment.
- We have established a system to respond to incidents of Customer Harassment.
- We are committed to supporting employees affected by such Customer Harassment and working to prevent its recurrence.
- To ensure an appropriate response, we work in cooperation with law enforcement and external professionals such as lawyers.

(4) A Request to Our Customers

At the Hulic Group, we aim to build strong, trusting relationships with our customers by listening to their needs and continuously improving our services. However, if a customer engages in behavior that constitutes Customer Harassment, we will respond firmly in accordance with this policy. We kindly ask for your understanding and cooperation in this matter. Going forward, we will continue our efforts to foster even better relationships with our customers.

Talent Development and Management

Fundamental Approach

Hulic aims to create a vibrant and highly productive organization by drawing up the right human resource strategies, such as securing and developing human resources and improving the organizational framework.

- 《Results in FY2024》
- Ordinary profit per employee (Track record of hight productivity): Approximately /JPY 650 million\*
  - Training expense per employee: JPY 162 thousand
  - Training hours per employee · Total training hours: 9.9 hours · 2,302.6 hours
  - Average annual salary result: JPY 20.35 million
  - Number of additionally obtained qualifications by employees in total: 30

\* Ordinary profit (non-consolidated) /number of employees (non-consolidated)

Human Capital Strategy

To achieve sustainable growth in Japan, where the working population is declining we believe that it is important to achieve high performance with a limited number of employees. Our goal is for every one of us to strive to provide high quality value as a professional. For the creation of

a highly productive organization, we are focusing on hiring and talent development while creating systems and developing environments that enable employees with diverse backgrounds and skills to thrive.

Initiatives to Create a Small Group of Elite Professionals

Recruitment and Talent Development Strategy

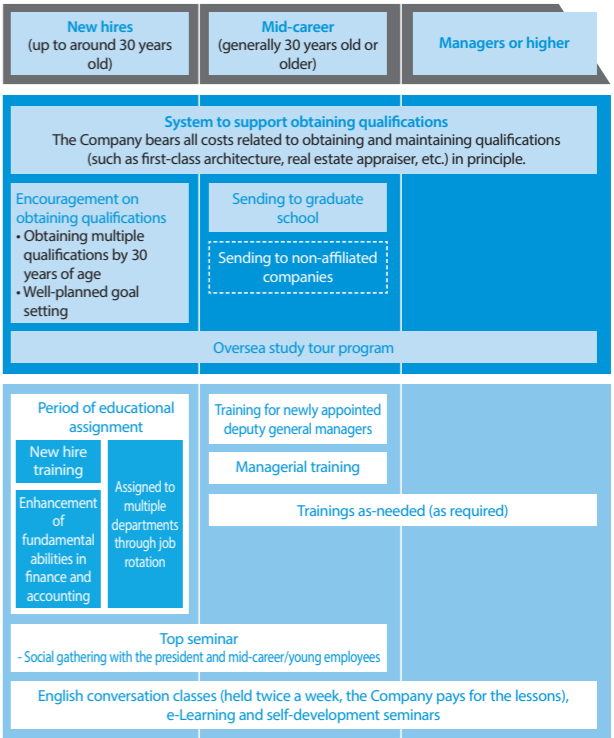
To create an organization that can flexibly respond to environment change, we employ a diverse workforce. We target hiring 50% of new graduates who are female. We provide opportunities for employees to proactively develop their career visions through periodic meetings (twice a year or more) with their supervisors and meetings (once a year or more) with the Human Resources Department.

In terms of training, in addition to mandatory training for first to third year employees or according to the position of employees, we offer elective training and e-Learning based on everyone’s career path, as well as a system for sending employees to graduate schools and outside companies through a nomination system. We have been encouraging employees to obtain qualifications, and our professional staff includes first-class architects, real estate appraisers, lawyers, certified accountant and others.

Providing High Level of Fringe Benefits

We believe that it is important to give back to stakeholders, including employees, as the Company grows. Providing fringe benefits are important for employees to keep physical and mental health and be

Overview of Talent Development Programs



motivated for self-improvement. This leads to further growth for the Company in what we see as a positive cycle.

Improving Employee Engagement : President Survey

We conduct a survey twice a year that enables all employees to share their thoughts directly with the president and compile the suggestions and feedback for the management and workplace environment. The issues identified through this survey are discussed within the relevant

departments for the consideration of new measures and system reviews. Feedback on the future policy is communicated from the president to all employees.

Promoting Internal Communication / Sharing Corporate Philosophy

Hulic has a small workforce, which enables a distinctively close distance between each employee, as well as between top management and

employees, making it easy to communicate within the Company.

Specific methods for communication include:

- President’s Message  
The president communicates company-wide situation in a message sent out to all employees every month. This allows us to understand company philosophy and developments throughout the Company.
- Top Seminar  
Social gatherings with the president are held twice a month for approx. 8 employees under the age of 40.
- Career Development Interviews  
Supervisors regularly conduct interviews with employees to confirm their goals and expected roles, and to evaluate performance.
- Target Management System  
To support employee’s growth and ensure fair and satisfactory treatment,

- all employees set their own targets and review their performance every six months, based on advice from their supervisors. The degree of achievement of the target is reflected in the bonus evaluation. The management of targets contributes to increasing motivation through a solid sense of growth and to improving work efficiency through the coordination of organizational and individual targets.
- Interviews with the Human Resources Department:  
A member of the Human Resources Department conducts interviews so that both the employee and the Company can gain a deeper understanding of individual career paths, among others. From these interviews, a framework is developed that allows every employee to work independently on their own career development.
- Information is provided on the Company intranet, as needed.

Provision of Educational Programs in Collaboration with External Educational Institutions

Some of the new employee training and assistant manager training, etc. are implemented in cooperation with companies that specialize in human resource development and education and training. In

addition, in order to strengthen the expertise of our employees, we have a dispatch system for MBA courses for workers, including Waseda University Graduate School and others.

Survey of Participant Satisfaction with Internal Training Programs

We are conducting a survey of participants of training programs to improve the content of our training. At the end of each training session, participants are asked to rate the content of the training and instructor satisfaction on a five-point scale and to provide feedback

on suggestions for improvement. We are also working to improve the content of the training based on the opinions of the participants gathered.

Initiative for Supporting Students’ Career Development

We provide a workshop program for undergraduate and graduate students at the Head Office Building intended for understanding of the real estate industry and our job. We offer a program where the

participants can learn about the real estate business and our identity through acquiring knowledge of real estate developer’s affairs and verifying projects. 183 students participated in FY2024.

Work-life Balance

Fundamental Approach

In order for employees to be healthy and fully exercise their abilities, we encourage them to strike a work-life balance. We take measures to facilitate environment where employees can easily take paid time-offs and to avoid long working hours.

《Results in FY2024》 Usage rate of paid leave: 83.3%†

\* Figures marked with “†” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

Support Raising Next-Generation Children Initiatives

Establishment of Hulic’s Onsite Childcare Nursery Facility

In 2014, we opened the Odenma Fureai Childcare Nursery inside the Hulic Head Office Building to promote a more employee-friendly work environment in which our employees can raise children while working. To make this childcare nursery more accessible, employees using this service are allowed to drive their cars to work and park them in the Head Office Building’s parking lot free of charge. In addition, this childcare nursery is not only available for the employees but also for certain children\* of neighboring residents, with the intention of contributing

to reducing the number of children on nursery waiting lists in the local community.

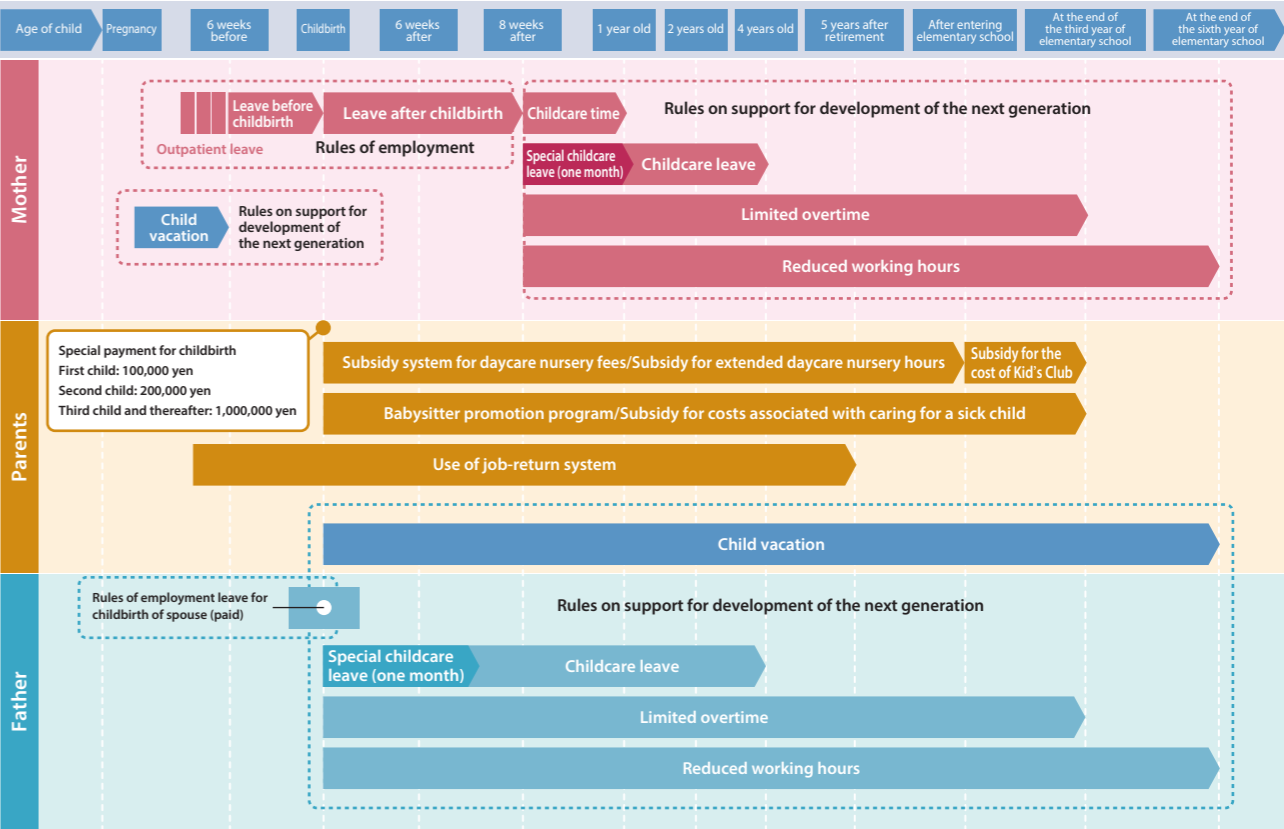


\* Conditions for use applied to neighboring children differ from those applied to employees.



Odenma Fureai Childcare Nursery website (in Japanese only)  
<https://www.hulic.co.jp/sustainability/social/employee/nursery/>

Diagram of Hulic’s Next Generation Nurturing Support Program



Details of Next Generation Nurturing Support Program

System	Details
Special childcare leave/ Childcare leave	<ul style="list-style-type: none"><li>• Possible to take leave until a child becomes 4 years old.</li><li>• In case of taking a short-term childcare leave, it is possible to use the first month as a “paid special childcare leave”.</li></ul>
Reduced working hours/Limits on overtime work	<ul style="list-style-type: none"><li>• Employees who have reared a child in or younger than the sixth grade of elementary school can reduce work hours not exceeding two hours per day in units of 30 minutes, if they wish.</li></ul>
Exemption of overtime work	<ul style="list-style-type: none"><li>• Employees who have reared a child in or younger than the third grade of elementary school can be exempt from overtime work, if they wish.</li></ul>
Staggered work hours	<ul style="list-style-type: none"><li>• Employees can ask to change the time that they start work (standard working hour starts at 9 am) to either 8 am or 10 am.</li></ul>
Job-return system	<ul style="list-style-type: none"><li>• An employee who retired due to marriage, childbirth, childrearing, and nursing care, etc. can return to work under the same working conditions as at the time of retirement.</li></ul>
Celebration money on auspicious occasions (marriage, childbirth)	<ul style="list-style-type: none"><li>• A special payment for marriage of 100,000 yen is given to employees regardless of their service years.</li><li>• A special payment for childbirth is given to employees: 100,000 yen for the first child, 200,000 yen for the second child, and 1,000,000 yen for the third child and thereafter.</li></ul>
Childcare Center Subsidy System	<ul style="list-style-type: none"><li>• Subsidize part of the childcare center fee until a child enters elementary school. A monthly payment is up to 30,000 yen for one child. (This amount applies not only to the first child, but also the second child and thereafter.)</li><li>• Subsidy for extended daycare nursery hours.</li></ul>
Subsidy for costs associated with caring for a sick child	<ul style="list-style-type: none"><li>• Up to 5,000 yen is paid per day per child, for a maximum of 5 days per month, until the child reaches the end of the third year of elementary school.</li></ul>
Company daycare nursery inside the Hulic head office building	<ul style="list-style-type: none"><li>• Hulic has established nursery facilities at its Head Office for employees. Both monthly and temporary childcare services are available at the facilities.</li><li>• Employees using these services may drive to work and park their cars at the Head Office Building.</li></ul>
Babysitter Program	<ul style="list-style-type: none"><li>• When an employee use services of a babysitting business operator which has a corporate contract with Hulic Group, discount tickets and coupons are provided. In addition, employee can also use the coupons issued by Children and Families Agency.</li></ul>
Subsidy for the cost of Kids’ Club	<ul style="list-style-type: none"><li>• Up to 50,000 yen is paid per month for a child until the end of his/her third year of elementary school.</li></ul>
Childcare leave (Previous nursing care leave was incorporated in childcare leave.)	<ul style="list-style-type: none"><li>• It is applicable during the period from when a female employee found out her pregnancy to when she takes maternity leave in the case it is difficult to work due to pregnancy complications, etc.</li><li>• It is applicable when it is necessary for an employee (regardless of gender) to nurse a sick child younger than sixth graders or to participate in the events of nursery school or elementary school.</li><li>• Childcare leave is available for up to 10 days (in case of one child) or up to 15 days (in case of two children or more) a year and can be taken in one-hour increments.</li></ul>
Work from home system	<ul style="list-style-type: none"><li>• Possible to work from home for the purpose of childrearing or nursing care and this system can be used in full days or half days.</li></ul>
Leave for childbirth of spouse	<ul style="list-style-type: none"><li>• Possible to take three days off in the case of childbirth of spouse (paid).</li></ul>
Next-Generation Support (Infertility Treatment)	<ul style="list-style-type: none"><li>• 50% subsidy for out-of-pocket expenses for medical treatment (after insurance coverage).</li><li>• 10-day special leave (paid) can be taken for treatment in addition to paid leave in one-hour increments.</li></ul>
Childcare mentor program	<ul style="list-style-type: none"><li>• With this program, support from human resources and other mentoring staff is available (regardless of gender) following pregnancy and childcare leave for one year after returning to work.</li></ul>

TOPICS

**Platinum Kurumin Certification**

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, we have received Platinum Kurumin certification in 2020 from the Minister of Health, Labour and Welfare as a Company that supports employees in raising the next

generation at a distinctive level. We also received Kurumin certification for the third time (in 2010, 2017 and 2020).



**Diverse Work Styles**

- Work from home (eligible for employees providing childcare and nursing care)
- Introduction of staggered workdays  
Employees (including managers) can start work one hour earlier or later if they want to.
- Improving the Efficiency of Business Processes and Internal Promotion  
In addition to time management using computer logs, etc., we work to reduce long working hours and promote the systematic use of paid leave by monitoring working hours, etc. through the

Risk Management Committee and internal promotion according to guidance and advice through the Health Committee. We are also actively working on improving operational efficiency through DX promotion and other initiatives.  
As a result of various initiatives, the usage rate of paid leave remained high.

- Promoting the Use of Plus-one Paid Leave and Consecutive Paid Leave  
Promoting the use of paid leave before and/or after Saturdays, Sundays, or holidays, and the use of 3 day holiday and one-week holiday once a year respectively.

Efforts to Support the Security of Employees and their Families

There is nothing better than for all employees to be healthy every day. However, If something unexpected happens to one of our employees, we will support the employee and his/her family through the systems

listed below. We wish that such preparations for this possibility will lead to the creation of a secure and comfortable company for employees.

System	Details
Support for the bereaved, etc.	<ul style="list-style-type: none"><li>• When an employee who died while in office or retired due to disability has children, and his/her unemployed spouse who rears the children wants to work at Hulic Co., Ltd. or its group companies, the job opportunity is offered.</li><li>• When an employee who died while in office or retired due to a disability has children younger than 22 years old, a scholarship of 150,000 yen a month is paid per child. (According to the application for extension, it is possible to pay for up to one year.)</li></ul>
Condolence money	<ul style="list-style-type: none"><li>• When an employee dies or becomes disabled while in office, condolence money or a special solatium is paid to the bereaved family or the employee.</li><li>• In the case of a death, condolence money up to 10 million yen is paid.</li><li>• In the case of a disability, a special solatium equal to the amount of condolence money is paid. This payment is different from condolence money according to the contents of the “accident compensation rules”.</li></ul>
Congratulatory or condolence payments	<ul style="list-style-type: none"><li>• If, while in office, an employee or his/her spouse, child, or parents dies, 20,000 yen - 200,000 yen is paid.</li><li>• If, while in office, a house in which an employee lives is damaged by natural or accidental disasters, 100,000 yen - 1 million yen is paid to an employee who owns his/her house, and 50,000 yen - 500,000 yen to an employee who does not have his/her own house, depending on the scale of damage.</li></ul>

Hulic Head Office Tour for Families

Every year since 2013, we have held the Hulic head office tour for our employees and their families. The purpose of the tour is to have employees’ families understand the Company by providing them an opportunity to visit the workplace. We also aim to promote creating comfortable workplaces which values families by having the entire company

rediscover that each employee has a cherished family. In the tour conducted in 2024, employees served as a tour conductor to the onsite workplace, also explaining environmental technologies installed in the Hulic Head Office Building. After the tour, participants had be divided and had lunch at THE GATE HOTEL TOKYO by HULIC and THE GATE HOTEL KAMINARIMON by HULIC.



Participants exchange children's name cards

At our Head Office Reception

Supporting Employees in Striking Balance between Nursing Care and Work

We provide various types of support for our employees to allow them to manage both work and nursing care when a family member of the employee is in need of care\*. The time required for nursing care and the degree of seriousness vary depending on individual cases. Therefore, we believe that improving environment of the whole workplace is indispensable. Based on this notion, we raise awareness in the workplace

so that support from the co-workers is easily available to employees managing both work and nursing care. Furthermore, we have established the Regulations for Supporting the Combination of Nursing Care and Work.  
As part of these initiatives, the nursing care paid leave was changed in 2021 to enable paid time off in one-hour increments from the beginning of work hour and throughout the day until the end of work hour.

Summary of Program to Support Employees in Striking Balance between Nursing Care and Work

System	Summary	Non-Eligible Employees	Allowable Days and Frequency
Family care leave	Employees are allowed to take days off for nursing care. (Employees are paid 100 percent of their regular salaries for the first month of leave, and 50 percent of their regular salaries for up to a total of two years.)	Employees whose predefined weekly working days are two days or less per week.	For a family member who is currently in need of care, employees may take family care leave three times over the period of two years (Family-care leave can be taken two times or more up to a total of two years.)
Days off for family care	Can be taken on daily or hourly for nursing care and other care of the target family (paid leave)	—	10 days can be taken regardless of the number of target family members (10 days can be taken in one-hour units)
Reduced working hours	For nursing care, employees are allowed to reduce their daily regular working hours by up to two hours with a unit of 30 minutes.	Those who have less than two working days per week, etc.	No restrictions on number of times of use or time of use.
Reduced working hours of family care	Employees may set days-off up to two days a week.	Those who have less than two working days per week, etc.	—
Restriction of work in excess of statutory working hours	Overtime hours of more than 24 hours in a month and 150 hours in a year are exempted.	—	The frequency of applying for this system is not restricted.

\* A family member who is in need of care is defined as a spouse, father/mother, child, spouse's father/mother, grandfather/grandmother, brother/sister, or grandchild who requires constant nursing care for over two weeks due to a reason such as injury, disease, or physical or mental disorder.

Health and Productivity Management

Fundamental Approach

Based on the philosophy that employees’ good health is essential for improving the productivity and growth of the company, Hulic is promoting the creation of employee-friendly work environments in which employees can continue to work with enthusiasm and energy in good health.

《Results in FY2024》 ●Percentage of employees who received medical checkups: 100%†

\* Figures marked with “ † ” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

Promoting Health and Productivity

Hulic formulated the Hulic Health Management Declaration described below to implement comprehensive health management.

Hulic Health Management Declaration

Hulic is creating a workplace environment that enables all employees to stay healthy and make the most of their abilities, and aims to achieve sustainable growth by encouraging each employee to deliver high quality and value with professional competence. Based on this philosophy, Hulic regards maintaining and promoting the health of employees as a management issue, and implements health management to remain “a highly productive organization,” while furthering measures it has taken for promoting employees’ health.

Takaya Maeda  
President, Representative Director  
Hulic Co., Ltd.

TOPICS

2025 Certified Health & Productivity Management Outstanding Organization (Small and Medium-sized Enterprises Category)

Hulic was certified as a Health & Productivity Management Outstanding Organization in 2025 for the seventh consecutive year from 2019 in recognition of our health and productivity management initiatives. The award has been promoted by the Ministry of Economy, Trade and Industry in conjunction with the Nippon Kenko Kaigi to advance health and productivity.



The followings are Hulic’s major measures for maintaining and promoting employees’ health.

Management System of Health Productivity · Supervision of Safety

Management System of Health Productivity · Supervision of Safety

- Health Committee
- Health and Productivity Management Follow-up Meeting

President is a chief executive in charge of health management, HR manager and general manager of each department are designated as a leader in health promoted activity.

The Health Committee and The Health and Productivity Management Follow-up Meeting, which consist of the HR manager and the members elected from among employees every year, hold monthly meetings in principle to promote employees’ health and safety. Our

industrial doctor attends all Committee meetings to provide advice and guidance on healthcare. The Health Committee and The Health and Productivity Management Follow-up Meeting members discuss the status of use of paid leave and overtime work of employees, and the matters discussed by the Committee are reported to the board members. The matters are utilized for improving internal systems and goal setting. Also, important matters reported to the Health Committee such as the status of use of paid leave, overtime work of employee and status of taking medical checkups are reported to the Risk Management Committee which is headed by the president and the Risk Management Committee will discuss the matters.

The Risk Management Committee reports to the Board of Directors appropriately, and is supervised by the Board of Directors.

Conducting Health Checkups that Exceed Legal Requirements

- We implement an annual health checkup that is fully paid by the company and equivalent to a comprehensive medical examination, with a wide lineup of optional examinations such as neck ultrasonography, colonoscopies, and gynecological checkups. The time required for each health checkup is regarded as working hours.
- 100% medical checkup rate is our target, which is continuously achieved. From 2018, we aim for 100% medical re-checkup rate and participation rate of specific health guidance were added. Message from management to recommend the participation of such checkup and follow-up by HR member in charge of health management were delivered.
- In order to promote health management of employees, occupational health physician looks through the results of all employees, interview and provide health guidance for specific employees. In addition, consultation system about health issues is established.
- As infection control measure, employees can take flu vaccination before epidemic, antibody test and vaccination of rubella.

Mental Healthcare

We implement mental health care in cooperation with medical institutions. We help employees, who are diagnosed as requiring special medical examinations and treatment, find specialists or specialized medical institution partners. In 2016, we started to perform stress check tests on all employees to prevent them from suffering from mental disorders.

Percentage of employees who took stress check tests

2020	2021	2022	2023	2024
94.7%	94.0%	95.3%	86.0%	90.2%

Health Promotion Program

To improve health awareness, we installed both blood pressure and body composition monitors in common areas, and we are promoting employee health by providing partial subsidies for sports clubs and company-approved club activities and so on.

Non-smoking Initiative

For health promotion and stopping passive smoking of employees, we implement enlightenment activities including complete separation of smoking area from non-smoking rooms, delivering message from health insurance association and post a notice about no smoking. From 2019, we started to bear full cost of smoking cessation clinics for employees who try to quit smoking and introducing the non-smoking hours in the office. Furthermore, in 2020, the range of no-smoking hour settings has been expanded.

Complimentary Breakfast, Lunch and Beverages (Health-oriented Diet)

In order to publicize the importance of regular dietary intake, we support healthy food habits at cafeteria (providing healthy lunch and calorie display of food & drink menu) .

Occupational Safety and Health

In promoting the creation of comfortable workplaces, we give first priority to the securing of safety and health and endeavor to secure employees’ health and safety by engaging in various efforts. While we have not obtained certifications such as OHSAS 18001, we secure occupational safety under our own system by regularly conducting risk assessment and improving issues.

Our target is to keep the number of accidents resulting in lost



Risk Assessment of Business Operation related Health and Safety  
[https://www.hulic.co.jp/en/sustainability/social/customers\\_dealings/customers/index.html#anc2-1](https://www.hulic.co.jp/en/sustainability/social/customers_dealings/customers/index.html#anc2-1)

workdays (disclosed on our website) to zero/each year, no fatal accidents have occurred in the past six years (from 2019 to 2024) among contractors or at other companies involved in our real estate development. No employees are engaged in work with a high risk for illness and no legal proceedings have been brought against us in this regard.

We keep to implement our ongoing efforts to improve occupational health and safety standards in the workplace.

Occupational Safety · Health and Productivity Management Training

Hulic provides ongoing occupational safety and healthcare promotion training to raise awareness of safety and health among all employees. The event summary is as follows.

- Attendance: All employees including managers
- Number of participants: 224 (FY2024), 218 (FY2023)

Embracing Diversity & Inclusion

Fundamental Approach

We proactively take advantage of diversity in our business. We aim to foster a workplace in which all employees can make the best use of their abilities.

- 《Results in FY2024》
- Ratio of female managers: 20.2%
  - Number of seminars provided by the Diversity Promotion Project Team: 1 time
  - Employment ratio of persons with disabilities: 7.42% (Hulic), 3.01% (Hulic and its Group companies)

Diversity: Message from the President

Ever since being listed on the Tokyo Stock Exchange, Hulic has consistently recorded all-time high profits. Now that a decline in the working population is unavoidable, we believe it is essential for diverse human assets to reach their full potential in order for Hulic to continue plotting and achieving its story of steady growth into the future.

To this end, based on a commitment to diversity and inclusion, our only job grades are career-track positions to enable our employees to work without any gender distinctions, and our new graduate recruitment is now almost half male and half female. Nevertheless, sometimes employees need to leave their jobs for a certain period of time due to life events and sometimes they struggle to balance work and home life when they return to their jobs. Hulic has focused efforts on improving the systems such as establishing nursery facilities located at headquarter and childcare leave so that this struggle does not form a barrier.

We also make active efforts aimed at career development for women and we have been enhancing the training and follow up required to achieve the new target of increasing the ratio of female managers to 30% or higher by 2029 every year.

We also put efforts into employment for persons with severe disabilities, who have limited employment opportunities. We have established the Hulic Suginami Office, a dedicated work space at Hulic Ogikubo Building, where persons with disabilities carry out operations as our employees.

With an emphasis on supporting independence, activities include working steadily from 9:15 – 16:15, learning how to use PCs in work breaks, etc. I myself also visit Suginami Office each year to exchange opinions with everyone in the office.

We believe that it is essential for management to disseminate information actively so that Hulic employees work together to promote these initiatives. We communicate the importance of diversity management through the dissemination of the Message from the President once a month, the implementation of the President’s Questionnaire Survey every six months, and periodic dinner meetings.

Our employees will work together to achieve diversity and inclusion, without any complacency about efforts to date.



Takaya Maeda  
President, Representative Director

Execution of Diversity Management

Hulic’s basic approach is for employees to be aligned with their skill-sets, aptitudes, and personalities that enable individuals to perform at a maximum level and as a result of that the Company operates a high value-added business with a smaller team of skilled talent. To achieve this, we believe that it is essential to raise awareness on diversity &

inclusion and enhance related frameworks. We continue to review systems for the improvement of work-life balance and hold internal seminars focused on career development, etc. In 2024, we placed an emphasis on utilizing of welfare benefits systems and conducted seminars to introduce various systems.

Promoting Female Empowerment

Hulic promotes diversity management because we believe diversity is essential for providing opportunities regardless of gender, and to this end, we are strengthening efforts to develop careers for women. In 2016, we received the highest certification as an “Eruboshi” company under the Act on Promotion of Women’s Participation and Advancement in the Workplace.

Hulic has set target ratios of female managers with the aim of

becoming a company in which women take on active roles. We provide follow-up trainings to all employees to raise awareness of our approach. In FY2024, the ratio of female managers was 20.2%. Further, female ratio of board members is at a high level (the ratio of female directors: 30.0% and the ratio of female directors and Audit & Supervisory Board members: 33.3%, as of April 1, 2025).

Employment of Diverse Human Resources

Participating in the joint declaration on the charter of corporate ethics concerning employment issued by Keidanren (Japan Business Federation), we proactively employ new graduates in accordance with the purpose of the charter. When performing pre-employment screening, we respect the basic human rights of applicants and make

efforts to secure diverse human resources based on their aptitudes and abilities, regardless of backgrounds such as race, religion, or nationality, and regardless of gender. The number of employees hired in 2024 (the total number of new graduates and mid-career talent acquisitions) was 20 (males: 12; females: 8); the proportion of women was 40%.

Establishing Good Labor-Management Relations

Our Code of Conduct and Hulic Human Rights Policy stipulate respect for human rights in association with equal employment opportunities, freedom of association, and collective bargaining. we conduct interviews between employees and their supervisors when necessary and carry out the President Questionnaire Survey, through which employees can share their views and opinions directly with the

President, in an effort to establish good labor management relations. A range of opinions and requests were received from employees in response to the President’s questionnaire survey and we are working on ways to provide a more comfortable workplace, including installing a bicycle parking lot at the head office.

Efforts Regarding Compensation

The Hulic Human Rights Policy prescribes that we pay wages over minimum wage prescribed in various applicable laws and regulations as well as the Minimum Wage Act.

The average annual salary of Hulic in 2024 was JPY20.35 million (including bonuses and nonstandard wages). This was significantly higher than the average annual salary of JPY6.51 million\* at about 3,800

listed companies for the fiscal year ended April 2023 - March 2024 and the same of JPY7.03 million\* in the real estate industry for the same period. In this way, we provide employees with compensation that exceeds their living wages, which is competitive when compared with the domestic and industry labor markets.

\* Source: Teikoku Databank, Ltd.

Efforts Regarding Equal Pay for Equal Work

We establish a system that ensures equal and fair treatment regardless of gender or employment status in accordance with the Part-Time and

Fixed-Term Employment Law, the Worker Dispatching Law, etc.

Introducing the Program of Employee Stock Ownership

The Company introduces the programs of employee stock ownership as one of the fringe benefits for strengthening the sense of solidarity between the Company and employees. The target is for all employees

at Hulic and Hulic Group companies. In addition, the Company adds encouragement pay to the contribution.

Promoting Employment of Persons with Disabilities

Hulic employs some people with severe disabilities and has established the Hulic Suginami Office, a dedicated workplace, mainly for sending out direct mail, together with experienced supervisors. As of June 2024, the employment ratio of persons with disabilities was 3.01% on a Group basis (7.42% on a non-consolidated basis).\*

\* The Data covers Hulic Co., Ltd. and subsidiary companies that have been certified as special subsidiary companies under the Act on Employment Promotion, etc. of Persons with Disabilities.



The Hulic Suginami Office

Employment System for Seniors

We have introduced a reemployment program for seniors in accordance with the Act on Stabilization of Employment of Elderly Persons. Under this program, we continue employing anyone who has reached the retirement age but who wishes to continue working until the age of 65. We offer staggered commuting and half-day leave for these employees and create a work environment comparable to active employees with leave and absence systems.

We expect abundant knowledge and expertise that the senior rehires possess to be inherited through communication and interchange with younger employees. We also introduced a specified employment contract system for senior employees in 2021 that extends the period of continuous employment until the age of 70 so that we have motivated and capable employees between the ages of 65 and 70.

Job Return System

Hulic has instituted a job return system that allows employees who left the Company due to marriage, giving birth, childcare, caring for a family member, or other unavoidable reasons, to return to their same job within a five year period with the same compensation and benefits as before. The purpose of this system is to support a balance

between work and childcare as advocated in the Act on Advancement of Measures to Support Raising the Next Generation and to secure human resources that have wide-ranging experience and a depth of professional knowledge.

Contribution to Local Communities and Society

Social Contribution as a Company

Fundamental Approach

We value environmental aspects such as environmental consideration and social aspects such as building good relationships with our stakeholders in addition to the economic aspects of earning profits and growing as a company. To fulfill our social responsibilities, we work to resolve social challenges and make contribution to the sustainable development of society through communication with local community.

Policy for Social Contribution Activities

Basic Philosophy

Hulic actively and broadly engages in various social contribution activities including but not limited to our business fields as a good corporate citizen. Through these activities we wish to contribute to the sustainable development of the entire society.

Policy for Activities

- Actively engage in activities with particular emphasis on the three major fields of “global environment protection”, “sharing value with local communities”, “and responding to social needs”.
- Strongly support social contribution activities of employees.
- Place an emphasis on securing transparency in implementing activities and facilitate communications and cooperation with the society.

In line with this Basic Philosophy and Policy for Activities, we make social contributions that provide support in areas that are compatible with our businesses.

List of Major Social Contribution Activities

Global Environment Protection

- Afforestation Activities
- Donated to Keidanren Nature Conservation Fund
- Donated to the General Incorporated Association Yoyogi National Gymnasium Steering Committee for World Heritage Nomination

Social Welfare

- Managing Hulic Scholarship Program for Training of Welfare Caretakers
- Supported Orphans of Cancer and Childhood Cancer Patients and Their Families
- Matching Gift Program
- Supported Single-parent Households
- Donated to Japanese Red Cross Society
- Donated Used Postal Stamps
- Supported Japan Service Dog Association
- Donated Emergency Food Stockpiles
- Sponsorship of Kodomono Tame no Charity Concert for Children

Support of Culture and the Arts

- Sponsorship of the Hulic Cup Hakurei Championships and Women’s Rank-deciding Shogi Competition
- Supported Kishikai Shogi Festival (Great East Japan earthquake Reconstruction Support Event)
- Special Sponsorship of the Hulic Cup Kisei Championships
- Supported Kishikai Christmas Festival
- Special Sponsorship of Minister of Education, Culture, Sports, Science and Technology Cup Elementary and Junior High School Shogi Team Competition
- Relocation of Shogi Hall
- Supported New National Theatre Tokyo
- Supported Naruto Sumo Stable

Health, Medicine and Sports

- Support for Japan Para-Badminton Federation
- Support for All Japan Private High School Volleyball Federation
- Support for the Japan Professional Tennis Association

Connection with the Local Communities

- Opened Onsite Childcare Nursery Facilities to Local Community Members
- Hosting Summer Festivals/Donated a Portable Shrine
- Donating Books to a Nearby Elementary School

Education and Social Education

- Established Collaborative Social Courses with the University of Tokyo
- Supported Nezu Foundation

Academic and Research Support

- Organized an Idea Competition for Students
- Supporting Environmental Studies at Kyoto University

Others

- Sponsorship to Support Fukushima Relief Efforts
- Subsidized the Cost of Employees’ Disaster Recovery Activities

Contributions and Community Investments in Registered NPOs

Hulic makes contributions to authorized NPOs. In FY2024, we made the following contributions.

Result of Social Donation Activities in FY2024

Organization name	Amount (JPY)
Single Mothers Forum (SMF, NPO)	10,000,000
The Japanese Red Cross Society (a specified juridical person)	6,000,000
Japan Service Dog Association, a social welfare organization	3,000,000
Keidanren Nature Conservation Fund (a public trust)	1,000,000
Ishikawa Food Bank Network (Certified NPO)	2,200,000

Afforestation Activities

Hulic outsources logging, planting, and weeding activities to forestry cooperatives in an effort to plant the same amount of trees as the standing trees used as building materials for construction. Approximately 310 m<sup>3</sup> of lumber is used in the construction of a fireproof wooden construction (hybrid structure combining wooden and steel frame construction) commercial facility (HULIC &New GINZA 8) which completed in October 2021. In May 2021 approximately 12,000 cedar saplings were planted (new plantings) across an area of about 4.3 hectares. Over the next five years from 2021, we will continue cutting undergrowth so that the planted cedar saplings will grow healthy.



Cedar sapling newly planted and a mountain where they were planted (Fukushima Prefecture)

Donated to the Keidanren Nature Conservation Fund

Hulic values activities that seek to conserve nature and biodiversity. We have been donating to the Keidanren Nature Conservation Fund every year since 2012. The funds we donate are used for projects by private non-profit organizations, including some overseas. These projects work to conserve the natural environment in developing regions, mainly in the Asia-Pacific area, as well as preserving Japan's natural environment and projects related to sustainability.



Managing Hulic Scholarship Program for Training of Welfare Caretakers

We established the Hulic Scholarship Program for Training of Welfare Caretakers in 2017 in order to support students aiming to be welfare caretakers, and develop human resources engaging in nursing care for

the elderly and thus contributing to resolution of social issues related to the advancing aging society. This is a nonrepayable scholarship that aims for an improvement of labor shortage in nursing care.



Practical training



Scholarship granting ceremony

Donation to the Tokyo Branch of Japanese Red Cross Society

We make donations to the Japanese Red Cross Society, an organization that responds to disasters through a wide range of activities in Japan. In 2024, JPY6 million was donated. In addition to donations from

the Company, those employees and executive officers electing to participate also donate a fixed amount every month.

Donation of Used Postal Stamps for Support Activities in Developing Countries

The Hulic Group generates a large number of used postage stamps and has set up stamp collection boxes at Group company locations. We donate these stamps every year. In April 2025, we donated used stamps that we collected during the year to the Japan Committee, Vaccines for the World's Children (JCV), a certified NPO. Every year, we

collect a large volume of used stamps, and we sort them with the cooperation of our sustainability supporters. The money exchanged from the stamps is used to support vaccines for children in supporting countries, mainly in Southeast Asia.

Support for Japan Service Dog Association

Since 2022, Hulic has been supporting a social welfare organization, the Japan Service Dog Association, to increase support for people with disabilities, one of the focuses of our social contribution activities. One aim of the Japan Service Dog Association is to help build a society that is kind and enjoyable for both people and animals. Based on this philosophy, the organization (1) raises top-quality service dogs; (2) develops trainers; (3) collaborates with local rehabilitation centers and organizations for disabled people, and provides consultations and information on using service dogs; and (4) raises awareness of service dogs to encourage independence and social participation of disabled people. A service dog is a type of assistance dog (specifically for the physically disabled) just like guide dogs and hearing dogs. A major issue, however, is that there are very few working service dogs in Japan, while awareness of their existence is extremely low, even among

disabled people. Due to the significant costs and time involved in connecting a user with a service dog, Hulic hopes to make a difference by our support.



Donation of Emergency Food Stockpiles

In the course of inspecting and replacing the emergency food stockpile at our headquarters building, we donated food approaching its expiration date, previously disposed of as waste, to Second Harvest Japan, an authorized nonprofit organization. We will continue to donate our emergency food stockpiles in the future.



Emergency food stockpile (partial) at Hulic headquarters building

Support for Orphans of Cancer and Childhood Cancer Patients and Their Families

Hulic Insurance Service is a member of the Aflac National Association of Agencies, which is a network of medical and life insurance agencies. We donate to the Aflac Scholarship Fund for Childhood Cancer Survivors and Children of Cancer Victims and Aflac Parents Houses initiatives promoted by the association. In addition, we have donated to the Gold Ribbon Network, an NPO that supports children with cancer.

Aflac Scholarship Fund for Childhood Cancer Survivors and Children of Cancer Victims

This scholarship program is for high school students whose opportunities for pursuing a higher education have narrowed due to losing their household's main provider due to cancer. Up to now, more than 3,600 students have received scholarships, and the total amount awarded exceeds JPY2.1 billion (as of June 30, 2024/including number to be awarded).

Aflac Parents Houses

These general support centers help reduce the economic and emotional burden of pediatric patients and their families as they take on childhood cancer and other serious diseases with long-term hospitalization or outpatient care at specialist hospitals in urban areas.

Gold Ribbon Network

Gold Ribbon Network is a non-profit organization dedicated to three key areas: supporting children with cancer to raise their quality of life; supporting research and development to increase the survival rate of children with cancer; and providing information and promoting understanding of childhood cancer.

Support for Single-parent Households

To support single-parent households, we have been making donations since 2020 to the Single Mothers Forum, a nonprofit organization. We donate JPY10 million yen per year for their food support activities.



Sponsorship of the Hulic Cup Hakurei Championships and Women's Rank-deciding Shogi Competition

In 2020, Hulic together with the Japan Shogi Association established a new rank-deciding Shogi competition for women, the Hulic Cup Hakurei Championships, with the aim of expanding opportunities for female professional Shogi players. Beyond supporting the arts and culture, we are supporting professional female Shogi players from the perspective of empowering women. The 4th Hulic Cup Hakurei Championship, a contest consisting of seven-matches, was held from August to October 2024. Ms. Tomoka Nishiyama, who holds three

women's titles, successfully defending her Hakurei title with four wins and two losses, marking her third consecutive victory.



Inauguration ceremony of the 4th Hulic Cup Hakurei Championships

Special Sponsorship of the Hulic Cup Kisei Championships

Since April 2018, Hulic has been a special sponsor of the Kisei Championships (organized by the Japan Shogi Association and Sankei Shimbun Co., Ltd.) The Kisei Championship, established in 1962, is an official championship with history. Players compete for the title of "Kisei."

In the 95th Hulic Cup Kisei Championship, Mr. Sota Fujii successfully defended his title and won his fifth consecutive victory.



Special Sponsorship of Minister of Education, Culture, Sports, Science and Technology Cup Elementary and Junior High School Shogi Team Competition

Since 2017, Hulic has been a special sponsor of the Minister of Education, Culture, Sports, Science and Technology Cup Elementary and Junior High School Shogi Team Competition (organized by the Japan Shogi Association and Sankei Shimbun Co., Ltd.). This competition is for teams of three students belonging to the same elementary or junior high school, and the trophy and letter of commendation presented to the winning team by the Minister of Education, Culture, Sports, Science and Technology give the competition significant prestige.



Support for Kishikai Shogi Festival (Great East Japan Earthquake Reconstruction Support Event)

We sponsor the Kishikai Shogi Festival as part of our support for reconstruction efforts related to the Great East Japan Earthquake and

Shogi culture. In 2024, we sponsored the Kishikai Shogi Festival in Hachinohe.

Relocation of Tokyo Shogi Hall

In 2021, we concluded a basic agreement with the Japan Shogi Association to relocate the Tokyo Shogi Hall to the first floor of Hulic's Sendagaya Center Building, as part of the reconstruction project. In 2024, the year of 100th anniversary of the Japan Shogi Association, the Hulic Shogi-Kaikan Sendagaya Building completed and the New Shogi Hall has been moved into the building. We will continue to collaborate closely with the Japan Shogi Association and Shibuya Ward to contribute to the urban development of Shibuya's Sendagaya district, known as Shogi Town.



Supported Naruto Sumo Stable

As part of our commitment to supporting sumo, Hulic sponsors the Naruto Stable Supporters' Association. From the May 2024 Grand Sumo Tournament, we displayed a sponsorship banner for matches involving

Oshoma, the first makuuchi-ranked wrestler from the Naruto Stable since its founding.



Support for Japan Para-Badminton Federation

We concluded an Official Gold Partner Agreement with the Japan Para-Badminton Federation and have provided support for para-badminton since 2016. For the purpose of supporting the stable operations of the federation, since 2017, we have been offering our Nishi Kasai Center Building gym (Hulic Nishikasai Gym) to the federation at no charge as a practice gym dedicated for players from the Japan Para-Badminton Federation. In October 2024, we supported as a special sponsors for the “Hulic Daihatsu Japan Para Badminton International Tournament 2024” held at the First Gymnasium of Yoyogi National Stadium.



Established Collaborative Social Courses with the University of Tokyo

In April 2023, Hulic, together with the University of Tokyo, initiated a course themed “Creating a Truly Inclusive Nature Experience Learning System.” By harnessing information and communication technologies, this course aims to enable children to experience and learn nature with a sense of independence, even remotely, regardless of their environmental or personal circumstances. In July 2024, a nature-based learning session “School for Everyone Learning from Nature” with

participation of approximately 100 elementary and junior high school students was held in Minamiaizu town, Minamiaizu gun, Fukushima Prefecture. This event, held for the second time, featured online participants watching the activities in the Metaverse space, joining a quiz contest, and using a body-sharing device to remotely hold and observe stones.



A body-sharing device



Collecting insects

Holding the 12th Hulic Student Idea Competition on the Theme of GINZA LIFE in the future

We planned this competition as a real estate company with the aim of providing students with opportunities to propose urban development and construction ideas. We received 121 entries for the 12th Hulic Student Idea Competition in 2024. At the second public review, students enthusiastically presented their ideas, followed by a question and answer session with judges. After consultations among the judges,

one winner of the grand prize, three winners of the excellence award, and six winners of the honorable mention award were selected.



Supporting Environmental Studies at Kyoto University

Hulic supports studies that have an environmental theme. Currently, we are supporting research at Kyoto University related to the use of wood in construction. This research is closely related to our efforts to build fireproof and other wooden structures.

Furthermore, we are promoting discussions on more ways to use wood through opinion exchanges between the laboratory and our department in charge of environmental technology.

Policy for the Community Activities

In addition to our own initiatives, we focus on the engagement with local communities in order to solve social issues in the area. Specifically, we are working on the following initiatives.

Making the Company’s Nursery Facilities Available to Local Community

Hulic has set up a daycare center inside the headquarter, which is also available to some local children, help reduce the number of children waiting to get into daycare centers. For details, please see the following

linked page.



Establishment of Hulic’s Onsite Childcare Nursery Facility  
<https://www.hulic.co.jp/en/sustainability/social/balance/#anc2>

Hosting Summer Festivals and Donating of a Portable Shrine

In October 2012, the head office of Hulic was moved to Nihonbashi, Odenma-cho. As part of our efforts to introduce ourselves to the community, we held the Hulic Odenma Summer Festival at our head office building in July 2013. The event was very well-received, so we have continued to hold it every summer since then. The Odenma-cho Ninobu Neighborhood Association is cooperating with us on the day of the event, and many people come to the event. We hope that

activities such as this will lead to deeper bonds between local residents. Moreover, as part of our community contribution activities, we donated a portable shrine, etc. to the Odenma-cho Ninobu Neighborhood Association to which we belong in 2017. We hope that carrying this portable shrine at the festival will lead to further revitalization and prosperity in the area.



Donating Books to a Nearby Elementary School

We are active in contributing to the local community. While considering more ways to further deepen our connection with the local community, we learned that classroom libraries were worn out at Nihonbashi Elementary School, which is near our head office building, and in need of replacement. As such, we donated approximately 1,000 new books. We asked the school to choose books that include content related to SDGs and environmental issues to encourage children to give attention and thoughts to building a sustainable society.



Book donation ceremony

Supporting Employees to Participate in Social Contribution Activities

Fundamental Approach

We work to resolve social challenges and make contribution to the sustainable development of society. Further, we strongly support each employee to participate in social contribution activities.

Social Contribution by Employees

- Matching Gift Program
- Satoyama Conservation Activities
- Donation to the Tokyo Branch of Japanese Red Cross Society
- Support Activities in Disaster-struck Areas
- Monthly Community Cleanup Activities

Matching Gift Program

Launching the matching gift program in June 2008, we established the Hulic Fureai Fund, which deducts 100 yen every month from the salary of employees who want to take part in the program (300 yen for executive officers). The money collected is then donated to organizations selected by majority vote of all employees that are involved in activities related to local environment protection, coexistence with local communities, and responses to social needs. These are the main fields under Hulic’s policy

for social contribution. The Company matches donations with an equal amount. At present, ten Hulic Group companies are working together on this activity. We will continue the donation activities, providing opportunities of social contribution to employees who cannot make the first step despite being interested in it.

The 16th (2024) Ishikawa Food Bank Net (Certified NPO)

In 2024, we donated 2.2 million yen to the Ishikawa Food Bank Net. This organization aims to spread the system of food bank and food drives in collaboration with food bank organizations, children’s cafeterias, various groups, local governments and citizens interested in these activities in Ishikawa Prefecture.




Past Donations

Time	Year	Name of Organization	Amount (JPY)
1st	2009	WWF Japan	800,000
2nd	2010	Aladdin Caregiver Support Network Center	620,000
3rd	2011	NGO Doctors of the World Japan (MEDECINS DU MONDE JAPON)	620,000
4th	2012	NGO Kokkyo naki Kodomotachi (KnK)	800,000
5th	2013	NPO Florence	1,000,000
6th	2014	NPO Kid’s Door	1,200,000
7th	2015	Civic Force, public interest incorporated association	1,300,000
8th	2016	NPO After School	1,200,000
9th	2017	NPO Second Harvest Japan	1,300,000
10th	2018	OISCA, nonprofit incorporated association	1,400,000
11th	2019	NPO Japan Committee, Vaccines for the World’s Children	1,500,000
12th	2020	Musubie (an NPO who supports providing meals to children)	1,400,000
13rd	2021	NPO Kiko Network	1,800,000
14th	2022	Chance for children, public interest incorporated association	2,000,000
15th	2023	Japan Carers Federation (general incorporated association)	2,000,000

Paid Leave for Employees Involved in Volunteer Activities

The Hulic Group has established paid leave for employees involved in volunteer activities, in order to support and nurture their efforts to give back to the community and help to foster an attitude of wanting to address issues facing society. The volunteer paid leave program is designed to support employees who participate in social contribution activities. Employees are eligible to take up to 20 consecutive days of special paid leave (employees who take part in volunteer activities in disaster-hit areas can take paid leave more than once within 20 days) under the volunteer paid leave program to take part in philanthropic activities that give back to society. To encourage employees to use the volunteer paid leave program, we provide not only information on social contribution activities, but also raise awareness about such activities among employees by disseminating the volunteer experiences of employees with the entire Company through our intranet system. In 2025 we continued satoyama conservation activities, which we have conducted annually since 2009 as a participatory volunteer activity involving our employees, and a total of 26 employees and their family members from Hulic, Hulic Insurance Service, Hulic Building Management, Hulic Reit Management and Hulic Proserve have participated in this activity.

 Satoyama Conservation Activities by its Employees  
<https://www.hulic.co.jp/en/sustainability/ecology/management/education.html>



Summary of Satoyama Conservation Activities

Objective	As Hulic holds many properties in Tokyo, we came up with the idea to protect the precious natural environment left in Tokyo and participated in the Satoyama Conservation Activities.
Summary	The company participates in the Tokyo Greenship Action hosted by the Bureau of Environment, Tokyo Metropolitan Government, every year, and engages in various volunteering activities in Yokosawairi in Akiruno City such as the rice planting experience and nature observation activities to deepen understanding of satoyama conservation activities under the supervision of the NPO called “Yokozawairi tanbo no kai.”
Date	May 21, 2025
Number of participants	26

Stipend Program for Disaster Recovery Volunteers

The Hulic Group has established a framework for subsidizing up to 60,000 yen of the cost of employees’ volunteer activities to support reconstruction in disaster-stricken areas following the Great East Japan Earthquake. We hope that this system will be a catalyst for greater understanding of conditions in the disaster zone and will increase

interest in the area. Going forward, we will continue to promote to all employees through our intranet information on volunteer activities. This information includes the results of volunteer activities as well as the thoughts of the participants, the situation on the ground, and information on reconstruction support tours.

Community Cleanup Activities

We participate in the Machikado (street corner) Clean Day project run by Chuo Ward, where our headquarters is located. Once a month, we clean up around our head office with the aim of creating a clean

and comfortable environment. Through this activity, we are also promoting communication between local people and employees.



# Initiatives for Corporate Governance

## Corporate Governance

Fundamental Approach


Hulic Group recognizes that it is an important business issue to build a corporate governance system with fully functioning internal control, risk management, compliance, and disclosure control. We intend to sincerely execute business, fulfilling accountability to stakeholders.

- 《Results in FY2024》
- Participation rate in the Board of Directors’ Meeting: 100%
  - Number of effectiveness assessment of the Board of Directors: 1 time
  - Number of compliance training sessions: 7 times (5 times for employees and twice for officers)
  - Number of Risk Management Committee meetings: 4 times
  - Number of Fund and ALM Committee meetings: 16 times (12 regular meetings and 4 special meetings)
  - Number of BCP drills: 3 times
  - Number of inspections of stockpiled food: 4 times
  - Number of inspections of stockpiled goods: 4 times

### Corporate Governance Guidelines

We adopted “Corporate Governance Guidelines” as principles to promote the effective functioning of our corporate governance system. We disclose all information required by the Corporate Governance

Code.



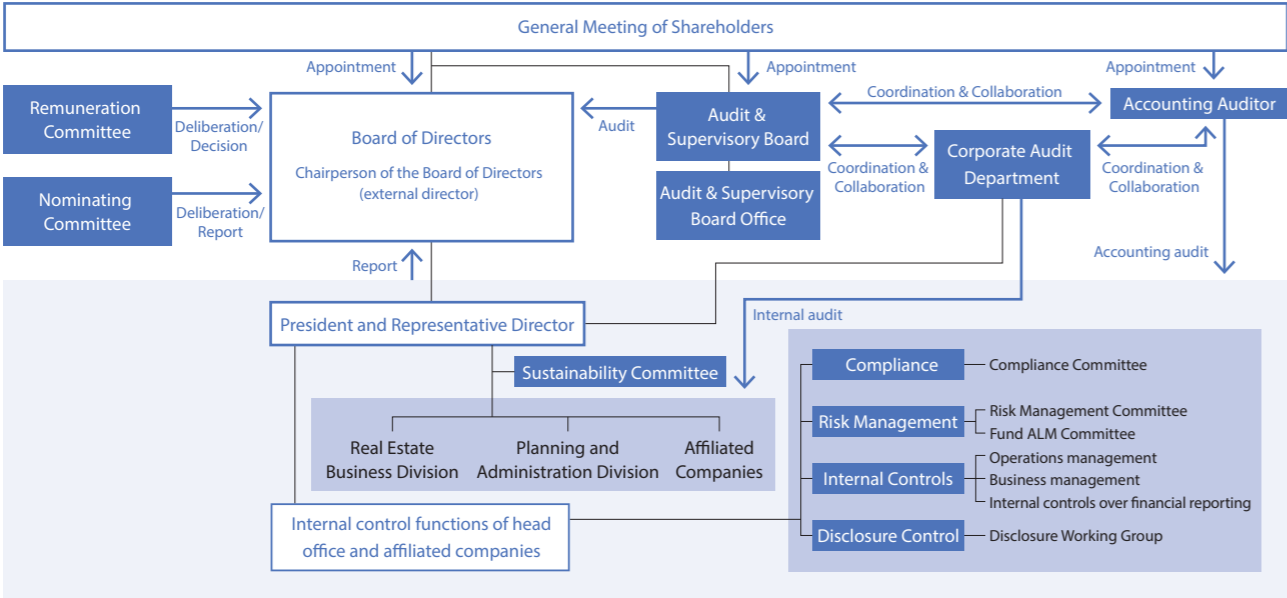
Corporate Governance Guidelines  
<https://www.hulic.co.jp/en/sustainability/governance/governance/pdf/cgg.pdf>

### Corporate Governance Mechanism

#### Overview of Corporate Governance System and Reason for Adopting Current System

The corporate governance structure of the Company includes bodies such as the Board of Directors, Audit & Supervisory Board, Nominating Committee, Remuneration Committee, Accounting Auditor, and the internal control system. The Company believes that adopting the managing officer system, appointing external officers, and establishing various committees have enabled us to build a corporate governance system that is sound and highly efficient, as well as one that has an optimal structure for us.

Diagram of Hulic’s Corporate Governance (as of April 1, 2025)



### The Company Organization

Board of Directors	The Board of Directors resolves issues specified in laws and the Articles of Incorporation as well as important matters related to business execution based on the Board of Directors Rules. The Board also oversees the overall execution of duties of managing officers appointed by the Board. The Board of Directors comprises 10 directors (six are external directors). More than half are external directors and all of these are independent external officers. In addition, an external director serve as the chairperson of the Board of Directors (as of April 1, 2025). The Board holds regular meetings (once a month, in principle), and special meetings of the Board of Directors are held when necessary. The Company is strengthening the oversight role of the Board on overall business execution by directors and managing officers to ensure sound management, such as by adopting the managing officer system. The managing officers are responsible for business execution. In addition, the Company believes effective corporate governance is ensured by reinforcing the structure of the internal audit function and by improving the internal control system. The Company’s Articles of Incorporation stipulate that the Board should consist of no more than 12 members in order to facilitate its functioning.
Audit & Supervisory Board	Hulic is a company with an Audit & Supervisory Board, which includes five Audit & Supervisory Board members (two are full-time auditors and three are External Auditors, following the Companies Act and Ordinance for Enforcement of the Companies Act). In audit conducted by the Audit & Supervisory Board members, auditors monitor the operations of the internal control system and the status of its implementation through audit of the execution of duties by directors, managing officers, etc. in accordance with the audit basic policy and the audit basic plan formulated by the Audit & Supervisory Board. These audits include attending the Board of Directors meetings as well as other meetings and committees when required, interviews on the execution of duties by directors and managing officers, and reviewing important documents, approval documents and accounting records, etc. The Audit & Supervisory Board Office has been established to support the duties of the Auditor & Supervisory Board members.
Nominating Committee	The Nominating Committee, consists solely of independent external directors, deliberated and submit a report on the appointment of candidates for director and the Audit & Supervisory Board membership.
Remuneration Committee	Specific amounts for the remuneration of directors are deliberated on and determined by the Remuneration Committee, which consists solely of independent external directors, within the limits of the amounts approved at the General Meeting of Shareholders.
Accounting Auditor	The Company has an audit contract with Ernst & Young ShinNihon LLC to conduct audits.

### Managing Officer System

We separate oversight of management by the Board of Directors and business execution by introducing the managing officer system to ensure soundness and efficiency of business management.

### Committees

We established four committees to ensure cross-departmental deliberation and coordination on company-wide matters.

Committee Name	Purpose, Matters Deliberated and Coordinated
Compliance Committee	• Formulation and revision of compliance program. • Matters related to information security management.
Risk Management Committee	• Timely manage and respond to overall risk in accordance with the Basic Rules of Risk Management. • Respond to facts occurred.
Fund ALM Committee	• The basic matters related to ALM. • Procurement and investment of funds. • Sale, purchase and investment of securities. • Matters pertaining to the market risk management and liquidity risk, etc.
Sustainability Committee	• Initiatives on sustainability and implementation of related activities. • Formulation and revision of materiality and related KPIs.

Nominating Committee and Remuneration Committee

We have established “discretionary committees” following the enactment of the Corporate Governance Code, effected on

Nominating Committee

The Committee deliberates and reports on the nomination of candidates for Directors and Audit & Supervisory Board Members.

Status of activities in FY2024 and specific details to be considered

- Number of events: 1 time
- Details of consideration: Consideration of promotion of directors with titles, examination of the appropriateness of executive directors, consideration of succession plan

Assessment of the Effectiveness of the Board of Directors

The Board of Directors implements an annual self-assessment to continuously ensure its effectiveness, implementing pertinent revisions

Assessment Details

As a result of the analysis and evaluation of the effectiveness of the Board of Directors in FY2024, we judged that governance is functioning effectively because an external director serve as the chairman of the board, the majority of the total members are external directors with diverse expertise, in addition, the percentage of women has exceeded 30%, a culture has been fostered in which each officer can easily express his or her opinions, and appropriate risk-taking and risk management are being carried out.

June 1, 2015. All members of each committee are independent external directors from 2019.

Remuneration Committee

When determining the specific remuneration of directors, deliberations and decisions will be made within the range of the amount resolved at the General Meeting of Shareholders.

Status of activities in FY2024 and specific details to be considered

- Number of events: 2 times
- Details of the study: Examination and determination of basic remuneration for each director, examination and determination of performance-linked remuneration for each executive director, consideration and partial revision of the compensation system for executive directors.

to Board management based on these evaluations.

However, we confirmed that we will recognize and address the following points as ongoing issues for the Board of Directors.

- We will continue to deepen deliberations and discussions on important agenda such as medium- to long-term management policies.
- Present a wide range of risks related to our business and further deepen appropriate risk judgment through the classification and organization of risks.

Feedback from external directors, “Boards management including sharing the explanation materials in advance is efficient and well balanced,” and “From the perspective of diversity, advanced initiatives

are promoted and further strengthening of governance is pursued.” “Various opinions are accepted and opinions are exchanged from various perspectives.”

The Board of Directors, Audit & Supervisory Board, and Committees

Attendance Rate at Board of Directors’ Meetings, Audit & Supervisory Board Meetings, and Discretionary Committee Meetings

The Company’s Board of Directors, Audit & Supervisory Board, Nominating Committee and Remuneration Committee include the following members:

As of April 1, 2025, the Board of Directors and Audit & Supervisory Board included 10 male and 5 female members. (the ratio of female directors: 30.0% and the ratio of female directors and Audit & Supervisory Board members: 33.3%)

Title	Name	Board of Directors	Audit & Supervisory Board	Nominating Committee	Remuneration Committee
Chairman, Representative Director	Saburo Nishiura	○	—	—	—
President, Representative Director	Takaya Maeda	○	—	—	—
Vice President, Director	Tadashi Nakajima	○	—	—	—
Vice President, Director	Hiroshi Hara	○	—	—	—
External Director, Chairperson of the Board of Directors	Tsukasa Miyajima	◎	—	◎	○
External Director	Hideo Yamada	○	—	○	◎
External Director	Atsuko Fukushima	○	—	○	○
External Director	Shinji Tsuji	○	—	○	○
External Director	Kiyomi Akita	○	—	—	—
External Director	Yuko Takahashi	○	—	—	—
Full-Time Audit & Supervisory Board Member	Masahiro Okamoto	—	◎	—	—
Full-Time Audit & Supervisory Board Member	Mie Tanaka	—	○	—	—
External Auditor	Nobuyuki Kobayashi	—	○	—	—
External Auditor	Noriko Koike	—	○	—	—
External Auditor	Masao Aratani	—	○	—	—

\*The chairpersons are indicated with ◎.



Expertise of External Directors and External Audit & Supervisory Board Members  
<https://www.hulic.co.jp/en/sustainability/governance/officer.html#anc2-1>

Attendance number (rate) at Board of Directors’ meetings, Audit & Supervisory Board meetings, and discretionary committee meetings in FY2024\*1

Title	Name	Board of Directors	Audit & Supervisory Board	Nominating Committee	Remuneration Committee
Chairman, Representative Director	Saburo Nishiura	17/17(100%)	—	—	—
President, Representative Director	Takaya Maeda	17/17(100%)	—	—	—
Vice President, Representative Director	Hidehiro Shiga *2	3/3(100%)	—	—	—
Vice President, Director	Hajime Kobayashi *3	9/9(100%)	—	—	—
Vice President, Director	Tadashi Nakajima	17/17(100%)	—	—	—
Vice President, Director	Hiroshi Hara *4	14/14(100%)	—	—	—
Chairperson of the Board of Directors, Director (non-executive)	Manabu Yoshidome *2	3/3(100%)	—	—	—
External Director, Chairperson of the Board of Directors	Tsukasa Miyajima	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Hideo Yamada	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Atsuko Fukushima	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Shinji Tsuji	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Kiyomi Akita	17/17(100%)	—	—	—
External Director	Yuko Takahashi	17/17(100%)	—	—	—
Full-Time Audit & Supervisory Board Member	Masahiro Okamoto	17/17(100%)	15/15(100%)	—	—
Full-Time Audit & Supervisory Board Member	Mie Tanaka	17/17(100%)	15/15(100%)	—	—
External Auditor	Nobuyuki Kobayashi	17/17(100%)	15/15(100%)	—	—
External Auditor	Kenichi Sekiguchi *2	3/3(100%)	5/5(100%)	—	—
External Auditor	Noriko Koike	17/17(100%)	15/15(100%)	—	—
External Auditor	Masao Aratani *4	14/14(100%)	10/10(100%)	—	—

\*1 Attendance number is calculated based on the meetings held in January to December 2024.

\*2 Attendance number in FY2024 is calculated until retired on March 26, 2024. Their titles at that time of resignation are also noted.

\*3 Attendance number in FY2024 is calculated until retired on June 25, 2024. The title at that time of resignation is noted.

\*4 Attendance number in FY2024 is calculated since appointed on March 26, 2024.

Director Skill Matrix

To achieve our Medium- and Long-Term Management Plan, we have defined the skills we consider necessary for directors as those related to (1) corporate management, (2) sustainability and ESG, (3) finance and accounting, (4) legal affairs and compliance, (5) risk management, (6)

personnel and labor affairs and human resources development, and (7) the real estate business.  
We appoint directors with the right skills in accordance with these requirements, and their skills are shown in the table below.

Name	Title	Corporate management	Sustainability and ESG	Finance and accounting	Legal affairs and compliance	Risk management	Personnel and labor affairs and human resources development	Real estate business
Saburo Nishiura	Chairman, Representative Director	◎	○	○		○	○	○
Takaya Maeda	President, Representative Director	◎	○			○	○	◎
Tadashi Nakajima	Vice President, Director	○	○			○	○	◎
Hiroshi Hara	Vice President, Director	○		○		◎	○	○
Tsukasa Miyajima	External Director, Chairperson of the Board directors		○		◎	○		
Hideo Yamada	External Director				◎	○	○	
Atsuko Fukushima	External Director		◎				○	
Shinji Tsuji	External Director	◎				○		
Kiyomi Akita	External Director		○				◎	
Yuko Takahashi	External Director	○		◎				

\* A ◎ in a director's skill matrix means the director in question has particularly outstanding skills in that particular area.  
\* The above list is not intended to be an exhaustive list of the knowledge and experience possessed by each director.

Liability of Directors and Others

Outline of Limited Liability Agreements

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each Director (excluding Directors with executive authority over operations, etc.) and each Audit

& Supervisory Board Member, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the maximum amount stipulated by law.

Outline of the Insurance Policy that Covers Director and Officer Liability for Damages

The Company has concluded an insurance policy with an insurance agency that covers Director and Officer liability for damages (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The details of the policy are as follows.  
i Scope of insured persons  
The Company and some of our subsidiaries' Directors and Audit & Supervisory Board Members under the Companies Act.  
ii Percentage of premiums paid by Directors and Officers  
The Company pays all our annual premiums and our subsidiaries pay all their annual premiums for the D&O insurance policy concluded by the Company.  
iii Outline of the insurance policy  
The coverage area is worldwide, and the insurance period is from February 1, 2025 to February 1, 2026.  
The following is an outline of the events insured by the policy.  
• The policy covers damages (legal damages and litigation expenses) incurred by a Director or an Officer, in the event of a claim by a shareholder or third party during the insurance period, arising from

an act (including an omission) conducted in the course of his or her duties as a Director or Officer of the Company.  
• In addition, the policy also covers any costs incurred by the insured Directors or Officers that may be required to respond to a potential claim for damages, even if no such claim was being made.  
As a measure to ensure that the appropriateness of the execution of duties by the Directors and Officers is not compromised, the D&O insurance adopted by the Company exempts from liability the following acts that are offensive to public order and morals.  
— Claims for damages arising due to a Director or Officer having illegally obtained personal benefits or favors  
— Criminal acts committed by Directors or Officers, or acts committed by Directors or Officers while aware of their illegality  
— Claims for damages arising from the illegal payment of remuneration or bonuses, etc. to Directors or Officers  
— Claims for damages arising from insider trading by Directors or Officers  
— Claims for damages arising from the provision of illegal benefits

Decision-making Body for Exemptions by Directors and Others

Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company stipulates in its Articles of Incorporation that Directors (including former Directors), Audit & Supervisory Board Members (including former Audit & Supervisory Board Members), and Accounting Auditors (including former Accounting Auditors) may be exempted from liability for

damages to the Company to the extent permitted by law, by resolution of the Board of Directors. The purpose of this provision is to ensure that Directors, Audit & Supervisory Board Members, and Accounting Auditors fully fulfill their expected roles.

Executive Officer Nominations

The Company's Articles of Incorporation stipulate that resolutions of the General Meeting of Shareholders concerning the election of Directors and Audit & Supervisory Board Members shall be adopted by a majority of the voting rights of the shareholders present at the meeting, at which shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present. The purpose of this provision is to ensure the smooth operation of the General Meeting of Shareholders, by relaxing the quorum for the

election of Directors and Audit & Supervisory Board Members at the General Meeting of Shareholders. The Articles of Incorporation also stipulate that resolutions for the election of the Board of Directors shall not be made by cumulative voting.  
While Directors and Audit & Supervisory Board Members are elected at the General Meeting of Shareholders, the following policies and procedures have been established for their nomination.

Policy on Nominating Board of Director and Audit & Supervisory Board Member Candidates

When nominating candidates for the Board of Directors or the Audit & Supervisory Board, in addition to having excellent character and insight and appropriately fulfilling the duty of care, candidates are selected based on their professional experience and expertise as well

as the contribution they are expected to make on improvements to the corporate value from an unbiased perspective. Efforts are made with regard to Audit & Supervisory Board candidates in particular, to appoint at least one candidate with extensive accounting knowledge.

Procedures for Nominating Board of Director and Audit & Supervisory Board Member Candidates

When nominating candidates for the Board of Directors or the Audit & Supervisory Board, reports are submitted to the Board of Directors after deliberation by the Nominating Committee, which is comprised entirely

of independent external directors. The reasons for nominating each candidate are included in Reference Documents for General Meeting of Shareholder notices.

Executive Officer Remuneration, etc.

Matters Pertaining to Policies for Determining the Amount and Means of Calculating Executive Officer Compensation, etc.

Policy for Determining Executive Officer Compensation, etc.

The compensation for directors (excluding external directors) consists of basic fixed compensation, based on their position within the Hulic Group and the weight of their responsibilities, as well as performance-based compensation, which is linked to earnings performance of the Company and their contribution to those earnings. In accordance with a resolution at the 86th General Meeting of Shareholders, a portion of performance-based compensation is allocated to a share-based payment plan designed to give incentives for performing duties,

in order to achieve the sustainable growth of the Company and to enhance corporate value from the shareholders’ standpoint and perspective.

Furthermore, compensation for external directors and Audit & Supervisory Board members consists solely of basic compensation in light of their roles and responsibilities. Moreover, a resolution pertaining to the method for determining executive officer compensation was passed at a Board of Directors meeting held on February 18, 2021.

General Meeting of Shareholders Resolution Details and Determination of specific remuneration, etc. Related to Executive Officer Compensation, etc.

At the 92nd General Meeting of Shareholders, it was resolved that the annual amount for Board of Director monetary compensation is up to JPY1,000 million. (Of this amount, up to JPY120 million can be paid to external directors.) Additionally, a resolution at the 85th General Meeting of Shareholders stipulates an annual amount of up to JPY150 million for Audit & Supervisory Board member monetary compensation.

A resolution at the 94th General Meeting of Shareholders stipulates a change in Board Benefit Trust (BBT) to a maximum of 400,000 points per fiscal year with regard to share-based payments for directors (excluding external directors).

When determining the amount of remuneration for individual directors, the Remuneration Committee, which consists entirely of independent external directors authorized by the Board of Directors, deliberates and makes decisions within the scope of compensation determined by the General Meeting of Shareholders. Further, Audit & Supervisory Board member compensation is determined as a separate system from director compensation within the scope of compensation determined by the General Meeting of Shareholders, in consultation with the Audit & Supervisory Board.

Persons Authorized to Determine the Amount of Remuneration, etc. for Each Individual Executive Officer and Their Authority, and the Procedures of Voluntary Committees

The Company has established a Remuneration Committee, which consists solely of independent external directors (four members). The decision on the amount of remuneration, etc. for each individual Director is entrusted to the Remuneration Committee, within the amount resolved at the General Meeting of Shareholders. This is to ensure that the evaluation and determination of Directors’ remuneration, etc. is conducted from an objective perspective.

The Remuneration Committee is composed of independent external directors Tsukasa Miyajima (Chairman of the Board), Hideo Yamada, Atsuko Fukushima and Shinji Tsuji. The Committee determines the details of remuneration, etc. for each individual director for the fiscal

2024 under review, after a multifaceted review, including consistency with the policy for determining the details of remuneration, etc. for each individual Director. The Board of Directors believes that the process of such review, and the details of the determination are reasonable, and judges that the details are in line with such determination policy. In addition, retirement benefits for Directors have been abolished.

Remuneration for Audit & Supervisory Board Members is structured separately from that for Directors, and is determined by discussion among the Audit & Supervisory Board Members, within the amount resolved at the General Meeting of Shareholders.

Performance-based Compensation

Director compensation (excluding external directors) includes performance-based compensation, which consists of bonus payments and stock compensation, and basic compensation, which is in addition to performance-linked compensation. Performance-linked compensation accounts for 40 to 50% and basic compensation accounts for 50 to 60% of total director remuneration. Hulic uses the percentage of change in preceding fiscal year consolidated ordinary profit as an indicator for performance-based compensation. Our business performance is concisely represented by consolidated ordinary profit as it takes into account interest expenses and other nonoperating income, thus we decided to use the percentage of change in consolidated ordinary profit as it is considered to represent a medium-to long-term sustainable increase in shareholder value.

Moreover, the total amount of performance-based compensation

for directors will not change if the percentage change in the preceding fiscal year’s consolidated ordinary profit falls below a certain level. The ratio of performance-based compensation in the form of bonuses (monetary portion) to share-based compensation (BBT) is 1:1.

With regard to the actual results of the indicators related to performance-based compensation, actual consolidated ordinary profit was JPY154,329 million (up 12.2% year-on-year), compared to the consolidated earnings forecast of ordinary profit at JPY150,000 million for FY2024, as announced in the Notice of Revisions to Annual Performance and Dividend Forecast released on October 28, 2024. As a result, the Company’s performance progressed steady because we achieved the profit target of the medium-term management plan (end year is FY2025 in initial plan), one year ahead of schedule, and we can start new medium-term management plan (2025-2027) and so on.

Clawback clause

A clawback mechanism is in place that will revoke share-based compensation granted in the past of any misconduct occurs.

Directors/Auditors’ Compensation

Post	Total amount of compensation (JPY million)	Total amount by type of compensation (JPY million)				Number of directors/ auditors
		Fixed compensation	Performance-linked variable compensation (in stock)	Performance-linked variable compensation (bonus)	Of these amounts, non-monetary compensation	
Directors (excluding External Directors)	1,013	446	283	283	283	7
Auditors (excluding External Auditors)	72	72	—	—	—	2
External Directors /Auditors	166	166	—	—	—	10

\*1 The amount of stock compensation is provision to reserves for stock benefits posted as the portion for the current fiscal year, for performance-linked variable compensation system.  
\*2 The total non-monetary compensation to directors (excluding external directors) consists of JPY283 million in performance-linked variable compensation (in stock).

Corporate Governance Report

Corporate Governance Report

The Company prepares and submits the Corporate Governance Report outlining the status of corporate governance to the Tokyo Stock Exchange as part of timely disclosure based on the regulations of the Tokyo Stock Exchange.

Directors, Auditors and Managing Officers (as of April 1, 2025)

Board of Directors



Representative Director,  
Chairman  
**Saburo Nishiura**

April	1971	Joined The Fuji Bank, Limited
August	2000	The Fuji Bank, Limited, Managing Executive Officer, Head of Corporate Group and General Manager of Corporate Development Division
April	2002	Mizuho Bank Ltd., Managing Executive Officer
April	2004	Mizuho Bank, Ltd., Deputy President
March	2006	Joined Hulic Co., Ltd., Representative Director, President
March	2016	Hulic Co., Ltd., Representative Director, Chairman (to date)
May	2022	Riso Kyoiku Co., Ltd., Director (Non-executive) (to date)



Director, Vice President  
**Tadashi Nakajima**

April	1980	Joined Nomura Real Estate Development Co., Ltd.
April	2012	Nomura Real Estate Development Co., Ltd., Director, Managing Executive Officer
May	2012	Nomura Real Estate Holdings, Inc., Executive Officer
April	2013	Nomura Real Estate Development Co., Ltd., Director, Senior Managing Executive Officer, General Manager of Commercial Property Development & Management Division
April	2014	Nomura Real Estate Development Co., Ltd., Representative Director, Senior Managing Executive Officer, General Manager of Commercial Property Development & Management Division
April	2016	Nomura Real Estate Development Co., Ltd., Advisor
August	2016	Joined Hulic Co., Ltd., Executive Managing Officer, General Manager of Real Estate Development Department 3
April	2017	Hulic Co., Ltd., Executive Managing Officer, General Manager of Value-add Business Department, General Manager of Development Solution Department
January	2019	Hulic Co., Ltd., Executive Managing Officer
March	2020	Hulic Co., Ltd., Director, Executive Managing Officer
April	2021	Hulic Co., Ltd., Director, Senior Executive Managing Officer
March	2024	Hulic Co., Ltd., Director, Vice President (to date)



External Director,  
Chairperson of the  
Board of Directors  
**Tsukasa Miyajima**

April	1990	Keio University Faculty of Law, Professor and Doctor of Law
April	2003	Registered as a lawyer
April	2004	General Insurance Rating Organization of Japan, Director
June	2007	Meiji Yasuda Life Insurance Company, Councilor
March	2009	Hulic Co., Ltd., External Director (to date)
October	2010	Japan Association of Private Law, Director
October	2013	Japan Railway Construction, Transport and Technology Agency, Asset Disposal Committee Chairman
June	2014	Dai Nippon Printing Co., Ltd., External Director (to date)
June	2015	MIKUNI CORPORATION, External Auditor (to date)
June	2015	Mitsui Sumitomo Insurance Company, Limited, External Director
October	2015	Den-en Chofu Gakuen, Councilor
April	2016	Keio University, Emeritus Professor (to date)
April		Asahi University, Professor of School of Law/Graduate School of Law (to date)
June	2018	Daifuku Co., Ltd., External Auditor (to date)
July	2021	Japan Cooperative Insurance Association Incorporated, Committee Member of Examination Committee (to date)
March	2024	Hulic Co., Ltd., External Director, Chairperson of the Board of Directors (to date)



External Director  
**Atsuko Fukushima**

April	1985	Joined CHUBU-NIPPON BROADCASTING CO., LTD.
April	1988	NHK contract presenter
October	1993	TBS contract presenter
April	2005	TV Tokyo economics program regular presenter
April	2006	Shimane University, Management Council Member
December	2006	Panasonic Corporation (currently Panasonic Holdings Corporation), Management Advisor
March	2012	Hulic Co., Ltd., External Director (to date)
June	2015	Nagoya Railroad Co., Ltd., External Director (to date)
June		Calbee, Inc., External Director (to date)
October	2017	The Resona Foundation for Future, Director (to date)
March	2020	Councilor of Forestry Policy Council, Ministry of Agriculture, Forestry and Fisheries
February	2022	Kewpie Corporation, External Director (to date)
April	2025	Selection Committee for Tokyo Honorary Citizens (to date)



Representative Director,  
President  
**Takaya Maeda**

April	1984	Joined Taisei Corporation
October	2007	Joined Hulic Co., Ltd., Deputy General Manager of Real Estate Development Department 2
June	2008	Hulic Co., Ltd., General Manager of Real Estate Development Department 2
March	2009	Hulic Co., Ltd., Director, Managing Officer, General Manager of Real Estate Development Department 2
October	2010	Hulic Co., Ltd., Director, Managing Officer, General Manager of Business Planning Department
April	2013	Hulic Co., Ltd., Director, Managing Officer, General Manager of Real Estate Planning Department
April	2014	Hulic Co., Ltd., Director, Executive Managing Officer, General Manager of Real Estate Planning Department
January	2015	Hulic Co., Ltd., Director, Executive Managing Officer, General Manager of Real Estate Development Department 1
April	2020	Hulic Co., Ltd., Director, Senior Executive Managing Officer
April	2021	Hulic Co., Ltd., Representative Director, Vice President
March	2022	Hulic Co., Ltd., Representative Director, President (to date)



Director, Vice President  
**Hiroshi Hara**

April	1988	Joined The Fuji Bank, Limited
April	2012	Mizuho Bank, Ltd., General Manager of Ueno Branch and General Manager of Ueno Branch Division 1
May	2015	Hulic Co., Ltd., Deputy General Manager of Real Estate Planning Department
August	2017	Hulic Co., Ltd., General Manager of Real Estate Planning Department
April	2019	Hulic Co., Ltd., Managing Officer, General Manager of Real Estate Planning Department
April	2021	Hulic Co., Ltd., Executive Managing Officer, General Manager of Real Estate Planning Department
January	2023	Hulic Co., Ltd., Executive Managing Officer, General Manager of Business Planning and Management Department, General Manager of Human Resources Department
March	2024	Hulic Co., Ltd., Director, Senior Executive Managing Officer, General Manager of Business Planning and Management Department, General Manager of Human Resources Department
April	2024	Hulic Co., Ltd., Director, Senior Executive Managing Officer, General Manager of Business Planning and Management Department
July	2024	Hulic Co., Ltd., Director, Senior Executive Managing Officer
April	2025	Hulic Co., Ltd., Director, Vice President (to date)



External Director  
**Hideo Yamada**

April	1984	Registered as a lawyer
May	1998	TAIYO CHEMICAL INDUSTRY CO., LTD., External Auditor (to date)
June	2004	SATO CORPORATION, External Director
March	2006	Lion Corporation, External Director
June	2007	Ishii Food Co., Ltd., External Auditor
June		MIKUNI CORPORATION, External Auditor
March	2009	Hulic Co., Ltd., External Director (to date)
March	2011	Seibu Lions, Inc., External Auditor
March	2011	Seibu Lions, Inc., External Auditor
April	2014	Daini Tokyo Bar Association, President
April		Japan Federation of Bar Associations, Vice President
June	2015	SATO HOLDINGS CORPORATION, External Director (to date)
June		Akiko Tachibana Memorial Foundation, Chairman of the Board of Directors (to date)
June	2016	MIKUNI CORPORATION, External Director (to date)
June	2023	YOSHIMOTO KOGYO HOLDINGS CO., LTD., External Director (to date)



External Director  
**Shinji Tsuji**

April	1979	Joined The Yasuda Fire & Marine Insurance Co., Ltd.
April	2009	Sompo Japan Insurance Inc., Managing Executive Officer
June	2011	NKSJ Holdings, Inc. (currently Sompo Holdings, Inc.), Director, Managing Executive Officer
April	2014	NKSJ Holdings, Inc. (currently Sompo Holdings, Inc.), Representative Director, Deputy President and Senior Managing Executive Officer
April	2017	Sompo Holdings, Inc., Group CFO, Representative Director, Deputy President and Senior Executive Officer
June	2019	Sompo Holdings, Inc., Group COO, Director, Deputy President and Representative Executive Officer
March	2022	Hulic Co., Ltd., External Director (to date)
April	2022	Sompo Holdings, Inc., Director
June	2022	Sompo Holdings, Inc., Advisor (to date)



External Director  
**Kiyomi Akita**

April	1980	Joined The Fuji Bank, Limited
April	2004	The University of Tokyo Graduate School of Education, Professor
April	2005	The Open University of Japan, Visiting Professor
July	2015	The University of Tokyo Graduate School of Education, Founding President of The Center for Early Childhood Development, Education, and Policy Research
April	2018	The University of Tokyo, Dean of Graduate School of Education and Faculty of Education
April	2021	Gakushuin University, Professor of Department of Education in Faculty of Letters (to date)
June	2021	The University of Tokyo, Professor Emeritus (to date)
March	2023	Hulic Co., Ltd., External Director (to date)
April	2023	Children and Families Agency, Chairperson of Child and Families Council (to date)
		Ministry of Education, Culture, Sports, Science and Technology, Central Council for Education, Chairperson of Teacher Training Committee (to date)
October	2023	Ministry of Education, Culture, Sports, Science and Technology, Central Council for Education, Vice Chairperson of Education Curriculum Committee (to date)

Audit & Supervisory Board Members



Senior Corporate  
Auditor, Full-Time Audit &  
Supervisory Board Member  
**Masahiro Okamoto**

April	1985	Joined The Fuji Bank, Limited
April	2008	Mizuho Bank, Ltd., General Manager of Iwaki Branch
October	2013	Mizuho Financial Group, Inc., General Manager of Legal Division, Mizuho Bank, Ltd., General Manager of Legal Division
July	2016	Nippon View Hotel Co., Ltd., Full-time Statutory External Auditor
March	2021	Hulic Co., Ltd., Senior Corporate Auditor, Full-Time Audit & Supervisory Board Member (to date)
		Nippon View Hotel Co., Ltd., Auditor
		TOKYO SOIR CO., LTD., External Director and Audit and Supervisory Committee member (to date)



External Auditor, Audit &  
Supervisory Board Member  
**Nobuyuki Kobayashi**

March	1991	Registered as a certified public accountant
December	1995	Established the Kobayashi Certified Public Accountants Office
March	2005	Registered as a tax accountant
April	2007	National Institute for Environmental Studies, Japan, Auditor
March	2009	Hulic Co., Ltd., External Auditor, Audit & Supervisory Board Member (to date)
April	2010	Nagoya University of Commerce & Business (graduate school), Professor (to date)
October	2011	Japan Arts Council, Auditor
July	2017	The Japan Institute for Labour Policy and Training, Auditor
October	2017	Tokyo District Court, Adviser (to date)
June	2019	The Japanese Institute of Certified Public Accountants Tokyo Chapter, Deputy Chairman (to date)
July	2022	The Japanese Institute of Certified Public Accountants, Director (to date)
April	2023	Shinshu University, Faculty of Economics and Law, Part-Time Lecturer



External Auditor, Audit &  
Supervisory Board Member  
**Masao Aratani**

April	1983	Joined Meiji Life Insurance Limited Company
April	2015	Meiji Yasuda Life Insurance Company, Managing Executive Officer
April	2017	Meiji Yasuda Life Insurance Company, Senior Managing Executive Officer
June	2019	The Yamaguchi Bank, Ltd., Outside Director, Audit and Supervisory Committee Member
July	2019	Meiji Yasuda Life Insurance Company, Director, Deputy President, Executive Officer, Chief Executive of Investment Division
April	2021	Meiji Yasuda Life Insurance Company, Director, Deputy President, Executive Officer, Executive Officer in charge of Investment Division
April	2022	Meiji Yasuda Life Insurance Company, Director, Deputy President, Representative Executive Officer, Executive Officer in charge of Investment Division
March	2024	Hulic Co., Ltd., External Auditor, Audit & Supervisory Board Member (to date)
April	2024	Meiji Yasuda Life Insurance Company, Director (Audit Committee) (to date)



External Director  
**Yuko Takahashi**

October	1992	Joined Century Audit Corporation (currently KPMG AZSA LLC)
April	1996	Registered as a certified public accountant
February	2001	Joined Dentsu Inc.
April	2010	Dentsu Inc., General Manager of Business Administration Department of Global Business Management Division
August	2014	Dentsu Inc., General Manager of Global Finance Department of Corporate Strategy Division
January	2017	Dentsu Inc., Managing Director of Finance & Accounting Office Division
January	2020	Dentsu Group Inc., Executive Officer
July	2021	Established Yuko Takahashi Certified Public Accountants Office
January	2022	17LIVE Inc., External Auditor (to date)
March	2022	Dentsu Group Inc., Director (Non-executive)
March	2023	Hulic Co., Ltd., External Director (to date)
June	2023	Microwave Chemical Co., Ltd., External Director (Audit and Supervisory Committee Member) (to date)
June	2024	LY Corporation, External Director (Audit and Supervisory Committee Member) (to date)



Senior Corporate  
Auditor, Full-Time Audit &  
Supervisory Board Member  
**Mie Tanaka**

December	2010	Registered as a lawyer
January	2011	Joined Akamatsu & Yonezu Law Office
September	2011	Joined Tamuracho Sogo Law Office
December	2011	Registered as a tax accountant
December	2015	Joined Tairaka Law Offices
October	2016	Joined Hulic Co., Ltd.
October	2017	Hulic Co., Ltd., Assistant Manager of Corporate Planning Department
July	2018	Hulic Co., Ltd., Deputy General Manager of Corporate Planning Department
April	2020	Hulic Co., Ltd., Deputy General Manager of Legal & Compliance Department Planning and Management Department
November	2020	Hulic Co., Ltd., Deputy General Manager of Business Planning and Management Department
March	2023	Hulic Co., Ltd., Senior Corporate Auditor, Full-Time Audit & Supervisory Board Member (to date)



External Auditor, Audit &  
Supervisory Board Member  
**Noriko Koike**

October	1989	Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)
April	1993	Registered as a certified public accountant
September	1994	Joined Yamada & Partners Accounting Office (currently Yamada & Partners Tax Co.)
January	1997	Established Koike Certified Public Accountants Office
June	2015	The Higashi-Nippon Bank, Limited, External Auditor
June	2020	Matsumotokiyo Holdings Co., Ltd. (currently MatsukiyoCocokara & Co.), Outside Auditor (to date)
March	2023	Hulic Co., Ltd., External Auditor, Audit & Supervisory Board Member (to date)
June	2024	OTEC CORPORATION, External Director (Audit and Supervisory Committee Member) (to date)

Managing Officers

**Vice President**

**Yasuki Yakabi**

**Senior Executive Managing Officer**

**Miki Kurobe**

**Executive Managing Officer**

**Kazuhiro Noguchi**

**Yoshihiko Nagatsuka**

**Yasushi Umeda**

**Yoshito Nishikawa**

**Mikio Morikawa**

**Managing Officer**

**Ken Ohta**

**Mayumi Naruse**

**Takafumi Asakawa**

**Yuuji Mutagamihashi**

**Keiko Yoshinaga**

**Kiyokazu Shibuya**

**Hiroyuki Iijima**

**Yasuhiro Kinoshita**

External Directors and External Auditors

Hulic has six external directors and three external Audit & Supervisory Board members. External directors and Audit & Supervisory Board members provide comments at Board of Directors from a position independent from the execution of business and fulfill management oversight and check functions.

Independent External Directors and Independent External Auditors Nominations

External Directors and External Audit & Supervisory Board members meet the criteria in the guidelines on the independence of independent executive officer(s) set out in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and the “Criteria for assessing the independence of independent external directors” in Hulic’s Corporate Governance Guidelines.

We appoint suitable independent external directors and auditors with excellent backgrounds, experience, and knowledge that fulfill our corporate governance requirements, using the criteria shown below.

(1) Achieving the sustainable growth of the Company and improving corporate value over the medium- and long-term

(2) Strengthening management oversight

(3) Overseeing any conflict of interest among the Company, management, and shareholders

(4) Effectively relaying, from an independent position, the opinions of shareholders, including minority shareholders, to the Board of Directors

Please visit the Company’s Corporate Governance Guidelines on our website for our criteria for assessing the objectivity of independent external directors/auditors.

· The Company pays donations to the Akiko Tachibana Memorial Foundation, where External Director Hideo Yamada serves as the chairperson of the foundation, for the purpose of promoting and disseminating the arts. However, in light of the nature and scale of the transactions, the Company believes that there is no risk of influencing the judgment of shareholders or investors.

· External Director Shinji Tsuji served as a Director of Sampo Holdings, Inc.’s subsidiary, Sampo Japan Insurance Inc., until June 2022. Sampo Japan Insurance lends business funds to Hulic and engages in real estate business transactions with Hulic. These transactions are also undertaken with Hulic’s subsidiaries. Such relationship is permitted in the criteria established by the Company for determining the independence of independent external officers.

· External Audit & Supervisory Board member Masao Aratani serves as the representative executive vice president until March 2024 of Meiji Yasuda Life Insurance Company. Meiji Yasuda Life Insurance Company is a shareholder of Hulic that lends business funds to Hulic and engages in real estate business transactions with Hulic. Such relationship is permitted in the criteria established by the Company for determining the independence of independent external officers.

\* Hulic has designated and registered directors Tsukasa Miyajima, Hideo Yamada, Atsuko Fukushima, Shinji Tsuji, Kiyomi Akita, Yuko Takahashi and Audit & Supervisory Board members Nobuyuki Kobayashi, Noriko Koike and Masao Aratani as independent external officers with the Tokyo Stock Exchange based on the Tokyo Stock Exchange’s rules and regulations. More than half of all directors and auditors are independent external members.

Expertise of External Directors and External Audit & Supervisory Board Members

The expertise and reasons for selection of the External Directors and External Audit & Supervisory Board Members are as follows.

External Directors

Name	Attendance at Board of Directors meetings in FY 2024	Occupation/affiliation, etc.	Reason for appointment	Independent Director
Tsukasa Miyajima	17/17 (100%)	Professor Emeritus of Keio University, Lawyer, Professor of Law and Graduate, School of Law of Asahi University	Mr. Miyajima has extensive experience and insight as a person of academic standing and the Company believes that he leverages this expertise in the management of the Group.	○
Hideo Yamada	17/17 (100%)	President of Yamada Ozaki Law Office	Mr. Yamada has been active as lawyer for many years, has refined views as a legal expert as well as experience as president of the bar association and led the organization, and the Company believes that he leverages this expertise in the management of the Group.	○
Atsuko Fukushima	17/17 (100%)	Journalist, Director of the Resona Foundation for Future	Ms. Fukushima has been active in the media industry for years and has extensive experience, so the Company believes she leverages her wide range of perspectives in areas including socio-economics, environment, culture and diversity in the management of the Group.	○
Shinji Tsuji	17/17 (100%)	Advisor, Sampo Holdings, Inc.	Mr. Tsuji has extensive experience and broad insight as the top management of a major non-life insurance company, and the Company believes that he leverages this expertise in the management of the Group.	○
Kiyomi Akita	17/17 (100%)	Professor Emeritus of the University of Tokyo, Professor of Gakushuin University	Ms. Akita has a high level of expertise in pedagogy (teaching), having served as a university professor and as an officer of a public interest incorporated foundation, and the Company believes that she leverages this expertise for the management of the Group.	○
Yuko Takahashi	17/17 (100%)	Yuko Takahashi Certified Public Accountants Office	Ms. Takahashi has expertise in corporate accounting and a wealth of experience as a member of management at a major advertising agency, and the Company believes she leverages this expertise in the management of the Group.	○

External Auditor and Audit & Supervisory Board members

Name	Attendance at meetings in FY2024		Occupation/affiliation, etc.	Reason for appointment	Independent Director
	Board of Directors	Audit & Supervisory Board			
Nobuyuki Kobayashi	17/17 (100%)	15/15 (100%)	Director of Kobayashi Certified Public Accountants Office	Mr. Kobayashi has specialized knowledge in accounting and taxation as a certified public accountant and tax accountant, so the Company expects him to be able to audit management objectively and from a neutral position as an External Auditor and Audit & Supervisory Board member.	○
Noriko Koike	17/17 (100%)	15/15 (100%)	Koike Certified Public Accountants Office	Ms. Koike has extensive experience and specialized knowledge in accounting, so the Company expects that she will be able to audit management objectively and from a neutral position as an External Auditor and Audit & Supervisory Board member.	○
Masao Aratani*	14/14 (100%)	10/10 (100%)	Director, Meiji Yasuda Life Insurance Company (Fulltime Audit & Supervisory Committee Member)	Mr. Aratani has extensive experience and broad insight as executives of a leading life insurance company, so the Company expects that he will be able to audit management objectively and from a neutral position.	○

\* Attendance number in FY2024 is calculated since appointed as en external auditor on March 26, 2024

Relationship between Supervision and Audits by External Directors or External Audit & Supervisory Board Members and Internal Audits, Mutual Cooperation between Audit & Supervisory Board Member Audits and Accounting Audits and Relationship with the Internal Control Department

External directors receive reports on internal audits, Audit & Supervisory Board audits, accounting audits and internal controls at meetings of the Board of Directors. In addition, external Audit & Supervisory Board members regularly receive reports on audits from the accounting auditor and the corporate audit department, attend meetings of the Board of Directors and express opinions as necessary.

Auditing Mechanism

Auditing Mechanism

The Company enhances the effectiveness and efficiency of audits through mutual cooperation and regular exchange of information among the Audit & Supervisory Board members, the Accounting Auditor, and the Corporate Audit Department.

Status of Audits by the Audit & Supervisory Board Members

Organization, Personnel and Procedures

Hulic is a company with an Audit & Supervisory Board, which comprises five Audit & Supervisory Board members (two are full-time auditors and three are external auditors). Procedures and roles of Audit are based on the audit basic policy and role division formulated at the beginning of the period. Full-time auditors audit overall matters on a daily basis, make efforts to gather necessary information and maintain the audit environment. They report the result to Audit & Supervisory Board meeting and share information with external auditors. External auditors

receive reports on the audit status from full-time auditors and attend the Board of directors and the Audit & Supervisory Board meeting and exchange questions and opinions from the objective perspectives.  
Note that External Audit & Supervisory Board member Nobuyuki Kobayashi and Noriko Koike are registered as a certified public accountant. Both members have considerable knowledge of finance and accounting.

Status of Activities by Audit & Supervisory Board Members and the Audit & Supervisory Board

Frequency and Contents of Audit & Supervisory Board Meeting

The Audit & Supervisory Board is held every month, on the same day as the Board of Directors meeting and as necessary. The resolutions, reports, and discussions below were held during FY2024.  
Resolutions: Consent to the appointment of Audit & Supervisory Board members, audit reports, reappointment of the accounting auditor, consent to the remuneration of the accounting auditor, audit plans, selection of the chairperson of the Audit & Supervisory Board, selection of full-time and specific Audit & Supervisory Board members, etc.  
Report : Status of audits (monthly), evaluation of the effectiveness of the Audit & Supervisory Board, results of quarterly reviews, etc.

Priority Audit Items of FY2024

- Achievement of priority issues at each department of the Medium-Term Management Plan (2023 - 2025)
- Risk management system for diversifying revenue sources and group governance
- Verification of the effectiveness of the internal control system at the Hulic Group
- Reasonableness of the accounting audit

Major Activities of Audit & Supervisory Board Members

In addition to attending important meetings, such as the Audit & Supervisory Board and the Board of Directors as well as auditing the proceedings and content of resolutions, and expressing opinions as necessary, the Audit & Supervisory Board members collect information that contributes to improving internal controls by reviewing important approval documents and checking the status of business execution with department managers. The board members then apply the information to their day-to-day auditing work.

Attendance at Important Meetings by Audit & Supervisory Board Members

	Masahiro Okamoto	Mie Tanaka*1	Nobuyuki Kobayashi	Kenichi Sekiguchi	Noriko Koike	Masao Aratani*2
Audit & Supervisory Board (Ordinary/Extraordinary)	15/15(100%)	15/15(100%)	15/15(100%)	5/5(100%)	15/15(100%)	10/10(100%)
Board of Directors (Ordinary/Extraordinary)	17/17(100%)	17/17(100%)	17/17(100%)	3/3(100%)	17/17(100%)	14/14(100%)
Attendance at Important Other Meetings*3						
Compliance Committee	4/4(100%)	4/4(100%)	—	—	—	—
Risk Management Committee	4/4(100%)	4/4(100%)	—	—	—	—
Sustainability Committee	3/3(100%)	3/3(100%)	—	—	—	—
Fund ALM Committee	16/16(100%)	16/16(100%)	—	—	—	—
Group Audit & Supervisory Board Liaison Committee*4	○	○	—	—	—	—
Three-Way Audit Coordination & Collaboration	○	○	○	—	○	○
Exchange of opinions with representative directors, etc.*5	○	○	○	○	○	○
Exchange of opinions with external directors*6	○	○	○	—	○	○

\*1 Attendance number in FY 2024 is calculated until retired on March, 26, 2024.  
\*2 Attendance number in FY 2024 is calculated since appointed on March 26, 2024.  
\*3 Attended as an observer without voting rights and expressed opinions.  
\*4 This meeting, held quarterly to share information about risk management and issues at each company, includes Audit & Supervisory Board members of affiliated companies that have full-time Audit & Supervisory Board members. In addition, our full-time Audit & Supervisory Board members also serve as Audit & Supervisory Board members at major affiliated companies. By working to ensure effective audits throughout the fiscal year, we verify the efficiency of the internal control system within the Hulic Group.  
\*5 Participants exchange opinions on important matters learned during everyday auditing work and make recommendations, as necessary, to improve the effectiveness of corporate governance.  
\*6 Participants exchange information on recent audits and other topics every six months.

Coordination and Collaboration with Audit & Supervisory Board Members and the Accounting Auditor

The accounting auditor provides detailed explanations throughout the year, including each quarter, on the Hulic Group’s consolidated financial statements and accounting audits. In particular, these discussions have been deepened by having the accounting auditor provide reports, review the content of the reports and exchange questions, opinions, etc., on items identified as key audit matters (KAM) for FY2024.

Coordination and collaboration	Description	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Explanation of audit plan	Explanation of audit plan and exchange of opinions				■							■	
Quarterly review report	Explanation of status of financial audits, etc.					■		■ Interim report	■			■	
Audit report (Companies Act and Financial Instruments and Exchange Act)	Results of Companies Act and Financial Instruments and Exchange Act audits	■ Interim report	■ Companies Act	■ Financial Instruments and Exchange Act									■ Summary report
Three-Way Audit Coordination & Collaboration	Sharing of audit plan and exchange of opinions				■								■
Information and opinion exchange	KAM, support for preparing financial statements, etc.	■		■	■	■		■				■	■

Evaluation of the Effectiveness of the Audit & Supervisory Board

In FY2024, we conducted a self-evaluation using the survey form on the effectiveness of the Audit & Supervisory Board to review auditing methods and reflect them in the next fiscal year’s audit plan. After each Audit & Supervisory Board member provided their own evaluations. The Audit & Supervisory Board discussed the results and concluded that the audits for FY2024 were “effective.”

Status of Accounting Audit

Name of Accounting Auditor

Ernst & Young ShinNihon LLC

The Company enters into an agreement with the Accounting Auditor that limits liability for damages resulting from the neglect of duties based on Article 427, Paragraph 1 of the Companies Act and Article 41,

Paragraph 2 of the Company’s Articles of Incorporation. The maximum amount of liability under the agreement is the higher of an amount predetermined by the Company and the amount stipulated by law.

Continuous Audit Period

From 2003 onwards

Due to significant research difficulties prior to 2002, the period of continuous audits may exceed such period.

The certified public accountants engage in Hulic accounting

operations changes regularly based on the Certified Public Accountants Act, and auditors are engaged to conduct audits for no more than seven consecutive years.

Policy and Reason for Selecting the Accounting Auditor

When it is necessary to select a certified public accountant to perform audits, the Audit & Supervisory Board examines and confirms the following items through interviews and questions with the certified public accountant and an exchange of opinions with business execution divisions.

- Status of quality control
- Independence
- Expertise
- Appropriate member configuration
- Audit plan considering risk
- Appropriateness of audit fees

The Accounting Auditor will be dismissed based on agreement among all Audit & Supervisory Board members when they have judged that there is a reason for dismissal as provided for in Article 340, Paragraph 1 of the Companies Act. The Audit & Supervisory Board determines the proposal for dismissal or non-reappointment of the current Accounting Auditor when it concluded that they are not appropriate due to such reasons as violation of the Certified Public Accountants Act, etc., and based on that decision, the Board of Directors will submit the proposal at the general meeting of shareholders.

Evaluation of the Accounting Auditor by the Audit & Supervisory Board and Its Members

The Audit & Supervisory Board performed an evaluation of the Accounting Auditor from the perspectives of quality control, independence of the audit team, exercise of professional distance, appropriateness of audit fees, effectiveness of communication with management and the Audit & Supervisory Board, and handling of

Group audits and fraud risk, after receiving a report on the status of the audit quality from Ernst & Young ShinNihon LLC. As a result, it was determined appropriate to reappoint Ernst & Young ShinNihon LLC as the Accounting Auditor as a certified public accountant, etc. at the 96th period.

Details of Audit Fees, etc.

Compensation for Audit by a Certified Public Accountant, etc.

(JPY million)

Category	FY2023		FY2024	
	Compensation based on audit and attestation services	Compensation based on non-audit services	Compensation based on audit and attestation services	Compensation based on non-audit services
Hulic	65	3	72	6
Consolidated subsidiaries	45	—	90	—
Total	110	3	163	6

(FY2023)

Non-audit services provided to the Company include tasks such as drafting comfort letters related to corporate bonds issuances.

(FY2024)

Non-audit services provided to the Company include tasks such as drafting comfort letters related to corporate bonds and offering of shares.

Compensation for Ernst & Young Member Firms

(JPY million)

Category	FY2023		FY2024	
	Compensation based on audit and attestation services	Compensation based on non-audit services	Compensation based on audit and attestation services	Compensation based on non-audit services
Hulic	—	—	—	12
Consolidated subsidiaries	—	2	—	—
Total	—	2	—	12

(FY2023)

Non-audit services at consolidated subsidiaries involved tax-related outsourcing and others.

(FY2024)

Non-audit service at the Company involved tax-related outsourcing and others.

Compensation for Other Important Audit Attestation Services

None.

Policy for Determining Audit Fees

Audit fees for the certified public accountant are determined with the consent of the Audit & Supervisory Board in accordance with laws and regulations and in consideration of such factors as the size and characteristics of the Company and the number of days spent for the audit.

Reasons the Audit & Supervisory Board Gave Consent to Compensation of the Accounting Auditor

The Audit & Supervisory Board performs necessary checks regarding the details of the audit plan of the Accounting Auditor, the performance status of accounting audit duties and the basis for calculating compensation estimates, and has given consent for the compensation paid to the Accounting Auditor.

Status of Internal Audit

Regarding the internal audits, the Corporate Audit Department, which is independent from other business execution lines conducts internal audits of the Company and its group companies. Specifically, the Corporate Audit Department conducts internal audits in accordance with the “Basic Plan for Internal Audits” systematically, and give them

some advice, guidance and corrective recommendations to solve the problems. Also, the results of internal audits of the Company and group companies conducted by the Corporate Audit Department are reported to the Board of Directors on a quarterly basis.

Internal Control System

System to Ensure the Appropriateness of the Company’s Operations and Operational Status of the System

The Board resolves below items, based on the Companies Act and the Ordinance for Enforcement of the Companies Act, as a system to ensure appropriate business operations of the Company, and promoting sound management and business operations by enhancing internal controls.

System to Ensure the Appropriateness of the Company’s Operations

- ① System for ensuring that the directors, managing officers, and employees of our company and subsidiaries execute their duties while they comply with laws and regulations, and the Articles of Incorporation
- ② System for storing and managing the information related to the execution of duties of our directors
- ③ System for the rules, etc. that are related to the management of the risk of losses of our company and subsidiaries
- ④ System for ensuring that the directors of our company and subsidiaries effectively execute their duties
- ⑤ System for reporting to our company about the execution of duties of the directors, etc. of subsidiaries
- ⑥ System for relating to the employees who are asked to support auditors’ duties by the auditors
- ⑦ Matters relating to the guarantee of the independence of the above-mentioned employees from the directors and of the effectiveness of the orders given by the auditors
- ⑧ System for having the directors, managing officers, as well as employees of our company, and the directors, auditors, managing officers, as well as employees of subsidiaries, or the persons receiving a report from any of the above-mentioned persons report to our Audit & Supervisory Board and its members and other systems for reporting to auditors
- ⑨ Matters relating to payment for auditors for executing their duties and other systems for ensuring that audits are effectively carried out by the auditors

Operational Status of the System to Ensure the Appropriateness of the Company’s Operations

Compliance Initiatives

The Company established an annual compliance program (“the program”) and confirms the status of progress through the Compliance Committee, which convenes four times a year. In the program, regular compliance training for employees and the distribution of compliance-related news ensure thorough compliance, including severing any ties with anti-social forces. Compliance training is also separately provided for officers.

In addition, the internal reporting system or Compliance Hotline ensures prompt detection and resolution of issues as well as to protect the whistleblower. Reports are regularly made to the Board of Directors concerning the status of operations and reporting. Moreover, since FY2018, we added an independent outside contact, as well as one female manager as an internal contact, with the aim of improving the effectiveness of the internal reporting system.

In FY2024, we conducted trainings on “money laundering”and “copyright” for all employees.

Efforts to Manage the Risk of Losses

The Company’s Risk Management Committee convenes every quarter and conducts appropriate risk management in response to fluctuations in risk by assessing the predetermined monitoring items. We also conducted three times Business Continuity Plan (BCP) drills in FY2024 as part of our BCP preparedness. In order to establish a system enabling more effective response procedures within our BCP, members of the emergency response headquarters as well as some of their substitutes took part in the training.

Initiatives for Ensuring Appropriate and Efficient Business Execution

In addition to regular Board of Directors meetings held each month, the Company also holds extraordinary Board of Directors meetings as required to ensure effective decision-making and the oversight of business execution. We are also striving to ensure efficiency, for example by consolidating common operations in the Group to a shared service company.

Initiatives to Ensure Appropriate Group Operations

The Company’s subsidiaries apply for approval and make reports on important issues based on the Regulations for Business Management of Affiliated Companies. Furthermore, the Corporate Audit Department conducts audits with appropriate intervals and Business Planning and Management Department regularly provides guidance to the subsidiaries.

Companies that have recently become subsidiaries receive individual guidance on areas including risk management based on the Company regulations.

Initiatives to Ensure the Effectiveness of Audits by the Audit & Supervisory Board Members

The Company has an Audit & Supervisory Board, which meets more than once a month in principle, to make decisions on, make reports, and discuss important issues related to auditing. In addition, the Audit & Supervisory Board members ensure the effectiveness of audits by attending various meetings and reviewing the minutes of meetings.

The Audit & Supervisory Board Office was established to create a system for promptly responding to requests from Audit & Supervisory Board members.

Risk Management

Fundamental Approach

Pursuant to the Basic Rules of Risk Management, we manage various risks related to the Hulic Group’s businesses, which include operational, market, liquidity, and credit risk, among others.

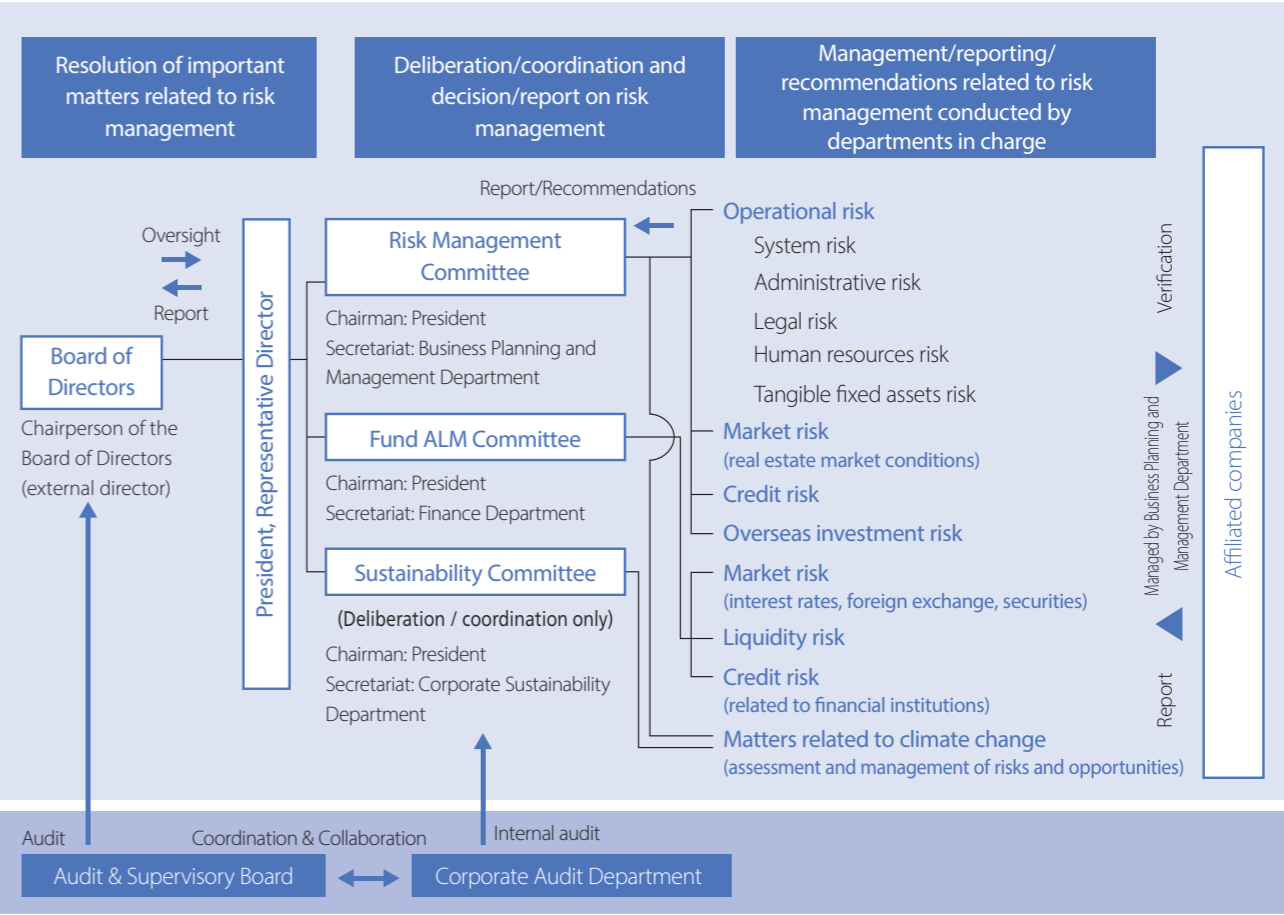
- 《Results in FY2024》
- Number of Risk Management Committee meetings: 4 times
  - Number of Fund ALM Committee meetings: 16 meetings (12 regular meetings, 4 special meetings)
  - Number of BCP drills: 3 times
  - Number of inspections of stockpiled food: 4 times
  - Number of inspections of stockpiled goods: 4 time

Risk Management Structure

Hulic recognizes that appropriately managing risks of the Company and its affiliates is one of its most important management challenges, and has set up a structure with the Board of Directors at the top while working to make improvements. The department responsible for a particular risk stripe formulates risk management method, then appropriately monitor and control risk. The status of risk management is reported to the Risk Management Committee and Fund ALM Committee regularly and as required by the department in charge with its recommendations. The Board of Directors resolves important matters related to risk management upon receiving reports from the

Committees.  
Corporate audit department implements internal audit and confirms the appropriateness of risk management and reports the result to the Board of Directors. Then, the Board of Directors conduct review accordingly. In addition, risk items are reviewed and added as required.  
In 2024, the Fund ALM Committee held 4 special meetings in addition to regular monthly meetings in order to closely monitor interest rates, securities and other market risks, in an effort to flexibly respond to each risk scenario.

Risk Management Structure Chart As of December 31, 2024



Business Continuity Initiatives for Disasters

Business Continuity Approach for Disasters

Hulic is a real estate company that engages in development, reconstruction, and operation of office buildings etc. primarily in Tokyo 23 wards. We are constantly working to generate new added value by offering properties that are superior in terms of safety, environmental

performance, and convenience. We have established various emergency and disaster scenarios for which we have created measures to improve the structural performance of our buildings as well as operational and management aspects.

Establishment of the Basic Plan for Business Continuity

Our Basic Plan for Business Continuity defines the framework and method for continuing important business functions while minimizing damage to business assets in the event of an emergency, such as a metropolitan epicentral earthquake. We have also created the BCP Manual outlining specific execution plans and have thoroughly communicated the contents of the manual to officers and employees.

In addition, a disaster response training drill is held at least once a year. These drills test setting up an emergency response headquarters, verify the operation of the safety confirmation system, and provide training on communication and information gathering, among other things. The drills reaffirm the importance of business continuity for

executives and employees as well as the standards of behavior related to disaster countermeasures. Further, we analyze and evaluate the issues identified in the drills and work to build a more practical BCP (business continuity plan) system by reflecting these issues in a revised BCP manual.

As a real estate company that develops and owns numerous properties, Hulic needs to prepare for possible disasters. In addition to measures for “hardware” (structural), such as a building’s structure, we are taking various steps on the “software,” (operational and managerial) as well, which are reviewed when necessary.

Review and Improvement of the Basic Plan for Business Continuity

Hulic reconfirms basic responses against disaster through annual BCP drill based on the Basic Plan for Business Continuity. The drill tests processes of establishing an emergency response headquarters, verifies operation of the safety confirmation system, and provides training on communication and information gathering among other things. This serves to reaffirm the importance of business continuity for executives and employees as well as standards of behavior related to disaster countermeasures. Furthermore, we analyze and evaluate the issues identified in the drill, and work to build a more practical BCP system by reflecting these issues in a revised BCP manual.

We also established a cross-sectional cooperation with external organizations including design companies, construction companies, management companies as well as elevator companies to ensure continuity of real estate business.



BCP drill



Disaster preparedness seminar

Facilities and Stockpiles for Sustaining Business Operations

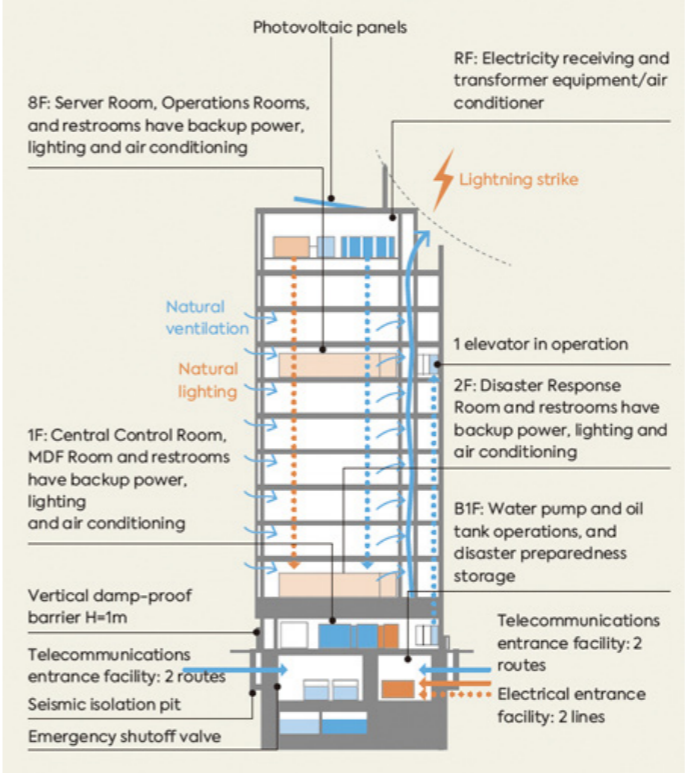
We are proactively carrying out measures to strengthen the business continuity capabilities of our head office functions during an emergency. The following measures have been taken at the Hulic Head Office Building.

- 1. Adopts earthquake-absorbing structures that enable building functions to operate even during an earthquake with a seismic intensity of 7 level
- 2. Features emergency generators that can operate continuously for up to six days
- 3. Secures food and drinking water to last more than seven days



Emergency generator

Maintaining Functions during a Disaster  
(Hulic Head Office Building)



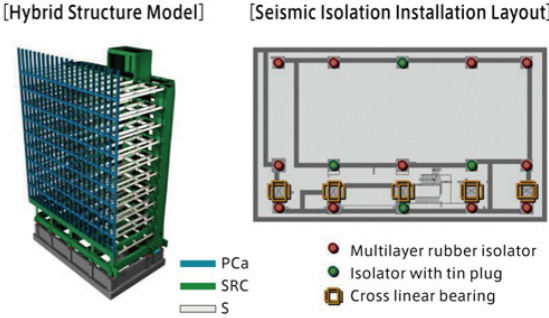
Earthquake Resistance Performance of Buildings

As an earthquake-resistant initiative, Hulic is working on development, reconstruction, new acquisition and seismic reinforcement of buildings which aim to build a leasing portfolio of 100% highly earthquake-resistant buildings. Our earthquake resistance standards, stricter than those in the Building Standards Act, are adopted for all the buildings we develop and reconstruct, including offices, commercial facilities, hotels, Japanese-style inns, residential homes, and others. Our standards ensure building performance that can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of 7 level. In addition, we ensure that its new office buildings meet the highest



Framework for Collaboration and Cooperation with Related Parties and Business Partners  
[https://www.hulic.co.jp/en/sustainability/social/customers\\_dealings/dealings/#anc4](https://www.hulic.co.jp/en/sustainability/social/customers_dealings/dealings/#anc4)

Diagram of Hybrid Structure Model



earthquake resistance standards by equipping them with the most suitable structure type we adopted for the various conditions of the development building from earthquake-absorbing, earthquake-damping and earthquake-resistant structures. Additionally, we also stockpile water, set up a drainage system, and install emergency back-up generators that can generate power continuously for three days in our buildings. On the other hand, we also conduct the necessary seismic reinforcement and screening to maintain the earthquake resistance of its buildings other than we develop and reconstruct to a level that can withstand earthquakes of seismic intensity 7 level.

Compliance

Fundamental Approach

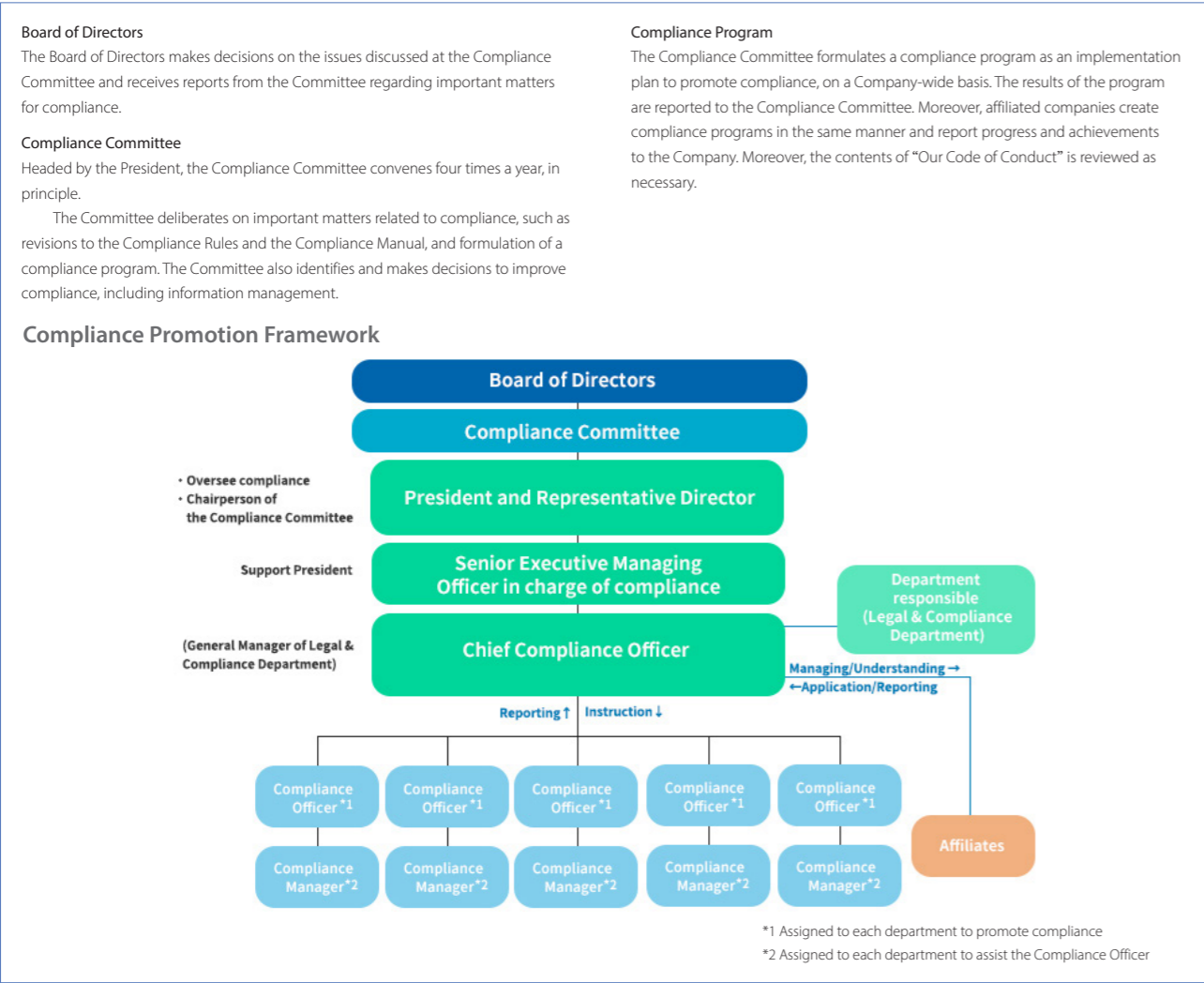
Hulic has established Basic Stance outlining its approach for achieving Corporate Philosophy and the Basic Principles of Corporate Conduct, which clarifies the Basic Stance. Additionally, the Compliance Manual, which reflects changes in business environment and social trends, stipulates actions that must be followed commonly in the Hulic Group in everyday business execution. As the basis for promoting compliance, we are inculcating Compliance Manual to all employees. Each and every employee will strive to fulfill the trust of every stakeholder and fulfill Hulic’s social responsibilities by complying with applicable laws and regulations, and company rules as well as engaging in business activities based on a high standard of ethics.

- 《Results in FY2024》
- Compliance trainings for all officers and employees
  - Number of trainings conducted: 7 times
  - Number of dissemination of compliance news: 12 times

Compliance Promotion Mechanism

In accordance with the Compliance Rules, we have built a Company-wide system composed of the Board of Directors at the top, the Compliance Committee, the senior executive managing officer in charge of compliance, and compliance officers of each department. In addition, affiliated companies under management by the Company are monitored and managed in a centralized way to build an effective

compliance system that matches the Compliance Rules set by each company. Hulic receives applications and reports on a regular basis and, as required, on the status of compliance at each company, which improves our understanding of the situation and enables an appropriate response, when necessary.



Compliance Manual

Pursuant to Basic Principles of Corporate Conduct and Our Code of Conduct, the Compliance Manual stipulates the following items as rules for promoting compliance by all officers and employees of the Group.

In addition, we make sure that everyone understands the Compliance Manual and actively puts the principles into practice by providing compliance training and disseminating compliance-related information.

1. Respect human rights and prohibit discrimination and harassment
2. Comply with laws and rules
3. Conduct business in a faithful and fair manner
4. Manage information appropriately
5. Adhere to insider trading regulations
6. Avoid involvement with anti-social forces
7. Be considerate of environmental conservation
8. Maintain and encourage the best communication possible
9. Respect intellectual property rights
10. Prohibit bribery, and rules concerning gifts and entertainments
11. Ensure transparency and reasonableness of transactions

Increasing Compliance Awareness Through Training

We regularly provide compliance training on themes that correspond with the Compliance Manual, etc., including prohibiting bribery and handling gifts and entertainment, preventing corruption such as ensuring transparency and rationality in transactions, intellectual property rights, insider trading, and severing all relations with anti-social forces, to raise awareness of compliance among all employees, including temporary staffs. In addition to training on themes in the Compliance Manual, we also provide real estate industry-specific training on important themes and hold discussions, as needed. We also provide compliance-related news and Q&As once a month on

our intranet to supplement the training. Other related training include training for new hires and mid-career employees as well as Group-wide training for newly appointed executive officers.

**Compliance Training Sessions in FY2024**

**Frequency:** Conducted 7 sessions (five times for all employees, twice for officers), dissemination of compliance-related news 12 times

**Number of participants:** All employees (including temporary staffs)

Treatment of Compliance Violations

When a compliance issue (or suspected) is detected, such as violation of applicable laws and regulations or Hulic’s code of conduct, the issue is immediately reported to a compliance officer or to the department in charge of compliance and the senior executive managing officer in charge of compliance by a compliance manager. The facts are investigated as necessary and necessary measures are taken to determine the causes and prevent recurrence. Hulic Group companies also implement the similar measures and report to the Company.

- Compliance violations regarding Hulic businesses and services and means of transaction (FY2024): 0 incidents
- ・Number of violations of laws and regulations and payment of fines: 0 incidents
- ・Number of violations or suspected violations of Hulic Company rules: 0 incidents

Compliance Hotline

Our employees can report your matter directly anonymously to our company or an external Compliance Hotline, if they consider that appropriate corrective actions will not be made after consultation to compliance officer of the department, or if they are reluctant to consult itself, due to the nature of the issues involved.

In addition to the matters of the Company’s officers and

employees, the Compliance Hotline also covers cases involving retirees and employees of the Company’s business partners. It is possible to report a wide range of matters such as harassment, etc. When we receive a report, we will investigate the facts and respond promptly while giving utmost consideration to the protection of whistleblowers.

Scope

Officers and employees (including temporary and/or part-time staffs, etc.) and retirees who have retired within one year and employees of business partners.

Matters in scope

In the event that violations of compliance, including cases covered by the Whistleblower Protection Act, human rights violations, bribery or other forms of corruption, non-compliance with labor issues, violations

of applicable laws and regulations related to the various types of harassment and violations of the Company code of conduct, are suspected.

Whistleblower protection

Reports can be made anonymously. The whistleblower’s privacy is respected, and they will not be treated unfavorably because of the report.

Response when a report is made

When a report is made, we investigate the facts and respond promptly while giving due consideration to the privacy of the reporter.

When a report is made in writing or by e-mail, the Hotline will promptly notify the reporter that the report has been received. Subsequently, the whistleblower’s point of contact will consider the necessity of an investigation in fairness and sincerity, and in principle, notifies the whistleblower of future measures.

Reports received by the Hotline internal contacts will trigger a fact-finding investigation and provide feedback to the whistleblower about the process details and related matters. Reports received by the external contacts (designated lawyers) will be handled by the lawyer-in-charge, who informs the internal contacts of the whistleblower’s report, with the in-house contact conducting any necessary fact-finding investigations, the results of which are reported to the lawyer-in-charge. Based on the findings of this investigation, the lawyer-in-charge will provide the whistleblower with feedback. In the case covered by the Whistleblower Protection Act, the matter is responded appropriately in accordance with spirit of the law.

**Internal contacts:**  
General Manager of Human Resources Department, Deputy Manager of Human Resources Department, General Manager of Legal & Compliance Department (Chief Compliance Officer); a female manager contact is installed

**External contacts:**  
Attorney’s offices; legal firm is installed aside from our legal counsel  
All Group companies have established report reception systems similar to the Company.

Compliance through Outsourcing Contractors

As for outsourcing by the real estate business division, we have made fair trades based on “rules for real estate outsourcing management,” respecting relevant laws and regulations as well as instructions by administrative organizations.

When selecting an outsourcing contractor, we make a comprehensive decision by carefully checking their past performance and their ability to execute operations, the effectiveness of their business execution system and the clarity of the procedures, the appropriateness of the operation management system, possible relationships with anti-social forces, and other items.

Severing Ties with Anti-Social Forces

The Compliance Manual states that no anti-social activities will be tolerated and that all relationships with anti-social forces must be severed. As a concrete measure to promote severing any transactions with anti-social forces, we established Rules for Counteracting Anti-social Forces, which we are now practicing.

In addition, the Legal & Compliance Department promotes implementation at the organizational level, and a range of measures have been introduced to severing any ties with anti-social forces, including creating inhouse procedures, effective ways to ensure employee safety, and coordination with specialist external organizations.

Initiatives for Anti-corruption

Fundamental Approach

Hulic prohibits any act or all suspicious act that leads to corruption with business partners, including public agencies such as the government and local government. These prohibited practices related corruption include bribery and human rights violations, etc.

- 《FY2024 Results》
- Political contributions: none
  - Expenses for corruption related fines, penalties or legal settlements: none
  - Number of employee reprimands or dismissals due to actual or suspected corruption: none

Comprehensive Assessment of Corruption Risks

Before starting new business or projects, we conduct comprehensive investigations on the corruption risks related to new business partners.

The investigation includes items such as associations with anti-social forces, insider trading, and human rights violations.

Efforts for Anti-Corruption (Partial)

We promote comprehensive preventive measures against action leading to or suspected of corruption. Specifically, we implement the following initiatives:

- Measures Related Anti-Corruption (Partial)
- Implementation of compliance training for all employees
  - In the compliance manual, specific prohibitions related to bribery, such as “prohibition of giving gifts to public officials” and “prohibition of excessive entertainment or gifts,” are clearly stated and thoroughly communicated to all employees
- Operation of a system where anyone can report to the “Compliance Hotline” in case of doubts, ensuring prompt and appropriate responses upon receiving a report.

Similar initiatives are implemented for insider trading regulations and cutting ties with anti- social forces.

Policy for High-Risk Areas

In areas considered high risk, including the prohibition of bribery (including prohibitions on giving gifts to public officials and excessive entertainment or gifts), exclusion of anti-social forces, prevention of money laundering, and prohibition of insider trading and so on,

we conduct additional investigations as necessary to confirm more detailed information and manage risk rigorously based on the result of risk analysis.

Examples of correspondence (partial)

Prohibition of bribery (including prohibitions on giving gifts to public officials and excessive entertainment or gifts): Twice a year, each department is required to submit check lists containing entertainment expenses and receiving and giving business entertainment and gifts.

The company checks whether it is handled appropriately and evaluates risks. Additionally, in case of doubt, anyone can report it to the Compliance Hotline, and if a report is made, an appropriate response will be taken promptly.

Initiatives for Fair Competition

Fundamental Approach

We are thoroughly committed to our initiatives to ensure the transparency and rationality of transactions to make sure they are appropriate and fair so that no transaction harms the interests of the Company or shareholders, or provokes any concern.

The Hulic Compliance Manual stipulates the following specific matters regarding the establishment of a fair competitive order.

- Compliance with all applicable laws and regulations and internal rules
  - Compliance with antitrust laws and related regulations
  - Prohibition of bribery, and excessive entertainment and gifts
  - Prohibition of conflicts of interest
- Compliance to the arm’s length transaction principles
  - Prohibition of the provisions of benefits to shareholders
  - Respect for intellectual property rights
  - Appropriate information management

Registration of Partnership Building Declaration

We registered with the Declaration of Partnership promoted by the Ministry of Economy, Trade and Industry. We are engaged in fair and free competition, appropriate transactions, and responsible procurement.

Tax Transparency

Fundamental Approach

Hulic considers compliance to be one of its most important management matters. Hulic ensures transparency, complies with applicable laws and the spirit of the law, and pays taxes appropriately and fairly in all countries where we do business.

Tax Payment Policy

Hulic considers compliance to be one of its most important management matters, complies with applicable laws and regulations and the spirit of the law, and engages in sincere and fair corporate activities that do not go against social norms. In line with our Compliance Manual based on the “Basic Principles of Corporate Conduct” and “Our Code of Conduct,” Hulic ensures the transparency

of transactions, including tax affairs, and in accordance with the spirit of law, pays taxes appropriately and fairly in all countries where we do business. The president, representative director is responsible for the policy on the tax payments. Further, we will build relationships of trust with tax authorities in each country by increasing tax transparency without using tax planning or tax havens intended to avoid taxes.

Board of Director Oversight

Financial reports such as the Company’s consolidated financial statements are submitted to the Board of Directors for approval in accordance with laws and regulations and the Company’s Articles of Incorporation after they have been audited by an external accounting

auditor. Additionally, Audit & Supervisory Board members receive reports and the Board of Directors responds promptly when the accounting auditor discovers fraud, or points out inadequacies or issues including our tax affair.

Audit

Ernst & Young ShinNihon LLC conducts audits of the financial statements and internal controls as an Independent Accounting Auditor.

Tax Payments by Country

Currently, our business and investment activities in countries other than Japan are extremely limited, thus tax payments by Hulic Co., Ltd. (non-consolidated), by country in FY2024 was 100% in Japan and the

United States. The Group’s business bases are located only in Japan. The amount of taxes paid by country was as follows.

Hulic Co., Ltd. (non-consolidated)				(JPY million)
	FY2022	FY2023	FY2024	
Japan	24,417	28,172	35,824	
The U.S.	3	2	91	
Total	24,420	28,173	35,916	

\* Total current income taxes and deferred income taxes were counted.

Information Security Management

Fundamental Approach

We recognize that it is our social responsibility to effectively protect our information assets. To protect these assets from various threats, we have established an information security management system, and are ensuring that we operate and manage information assets carefully based on information management rules that include rules on handling information. Specifically, considering the expansion of cloud use, comprehensive measures including connection control of devices and network, and monitoring of use logs are promoted at both inside and outside of the company.

- Hulic categorizes information assets according to their importance and usage, managing them appropriately to ensure confidentiality, integrity and availability.

Specifically:

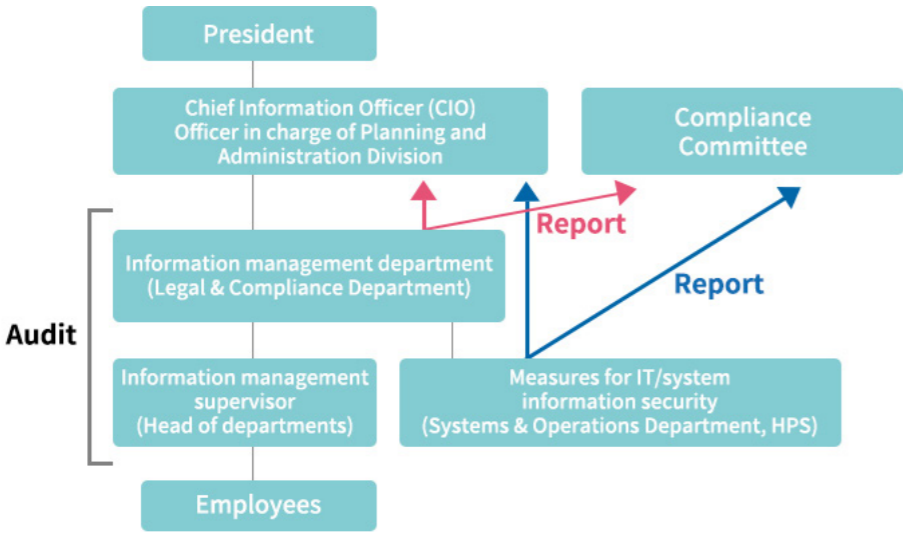
  - Organizational security control measures to appropriately implement and promote information management
  - Human security control measures such as education and training for employees, regular inspections and audits, etc.
  - Physical security control measures such as appropriate access control
- Technical security control measures to ensure the appropriate management of information assets

**Confidentiality:** Ensures only authorized persons can access information assets

**Integrity:** Protects the accuracy and completeness of information and processing methods

**Availability:** Ensures authorized users have access to information assets when needed

Information Security Management System



Privacy Policy

In full respect of the importance of protecting personal information, we appropriately handle personal information in compliance with the Personal Information Protection Law (the “Privacy Law”) and other relevant laws and guidelines, and take appropriate measures to ensure that personal information is secure. We make efforts to conduct training and education for our employees so that personal information is appropriately handled. We immediately respond to any

claims or concerns regarding the handling of personal information, and review and improve, as necessary, our provisions for the handling and safeguarding of personal information.

We did not identify any substantiated complaints concerning breaches of customer privacy and there were no significant incidents or cases regarding leakage of personal data in FY2024.


 Privacy Policy  
<https://www.hulic.co.jp/en/siteinfo/privacy.html>

Disclosure Controls

We strive to disclose material corporate information that may affect investors’ investment decisions in a timely, accurate, and fair manner, in accordance with the Timely Disclosure Rules stipulated by the Tokyo Stock Exchange, as well as related laws and regulations. In this regard, to promote an accurate understanding and evaluation of the Company by all stakeholders, including shareholders and investors, we have established Rules for Disclosure Control, as well as Rules for Insider Trading Management and Information Disclosure Management. In addition, while operating in a manner that clarifies where responsibility lies, the Company’s officer in charge of disclosure centrally manages material information regarding internal controls and financial information, to ensure the comprehensiveness of information, as well as the timeliness and the appropriateness of disclosure.

Specifically, in the case of determined facts, material corporate information pertaining to resolutions of the Board of Directors and subsidiaries’ material information is consolidated by the Business Planning and Management Department, which makes a judgment as to whether the relevant information is subject to timely disclosure. In such cases, the Legal & Compliance Department, as the department in charge of management, strictly manages the information until disclosure. The Business Planning and Management Department serves as the secretariat for the Board of Directors and as the department in charge of affiliate company management and works with Group departments to gather information. If such information is determined to be material, the Corporate Communications & Investor Relations Department promptly handles the procedures for disclosure following approval from the Board of Directors.

In the case of emerging facts, procedures for disclosure are initiated swiftly.

 Disclosure Policy  
<https://www.hulic.co.jp/en/ir/strategy/disclosure.html>

Initiatives for Shareholders and Investors

Fundamental Approach

We strive to ensure appropriate and timely disclosure of information, and actively conduct briefing sessions on financial results as well as meeting with domestic and foreign Institutional investors. These represent our efforts to achieve diverse forms of mutual communication.

Information Disclosure Policy

In accordance with the Disclosure Policy, we are aiming at fair, timely and accurate information disclosure for shareholders and investors in order for them to make investment decisions.

Not only to comply with relevant laws and regulations, we actively disclose management strategies and financial information, etc. so that investors are able to understand more of our business activities. We also promptly disclose information which we believe to be helpful for the investors to make investment decisions on the Company’s website, although they are not applicable to the timely disclosure rules and relevant laws, etc.

WEB

Disclosure Policy  
<https://www.hulic.co.jp/en/ir/strategy/disclosure.html>

Shareholders Return

We consider appropriately returning to our shareholders as a management matter. Our basic policy is to provide stable dividends payment based on our business performance trend. We are targeting

a dividend payout ratio 40% or higher during the New Medium-Term Management Plan (2025-2027).

WEB

Dividend Payments and Payout Ratio  
<https://www.hulic.co.jp/en/ir/stock/dividend.html>

Shareholder Incentives

To show our appreciation to shareholders for their continued support, we annually present a gourmet catalog gift worth 6,000 yen to shareholders who have held 300 shares or more continuously for two years or longer.



Enhancement of Various IR Tools

In addition to correspondences to shareholders issued annually, we post the latest topics through the Investor Relations site of our website in a timely manner. E-mails are also sent to allow investors to receive information in more timely manner. Every time news about the Company is released, we send registrants by E-mail. (Only in Japanese)

In the financial results briefing session, we make efforts to provide easy-to-understand presentations by using PowerPoint visual materials. These briefing materials, Q&A (in Japanese and English) and video are available on our website.



WEB

Financial Highlights  
<https://www.hulic.co.jp/en/ir/finance/>

Integrated Report  
<https://www.hulic.co.jp/en/ir/library/annual/>

Financial Results and Presentations  
<https://www.hulic.co.jp/en/ir/library/tanshin/>

IR Library  
<https://www.hulic.co.jp/en/ir/library/>

Approaches at General Shareholders’ Meetings

The 95th ordinary general meeting of shareholders was held at Hulic Head Office on March 26, 2025 with attendance of a lot of shareholders. In an effort to enliven the general meeting of shareholders, invitations to the meeting were sent out early, and we set up an electromagnetic voting method. In this meeting, we tried to explain about our business activities in an easy-to-understand way, using image materials, etc. We will strive to have shareholders more understand Hulic through communication with them.

Briefing Sessions for Institutional Investors and Analysts

Briefing sessions on financial results (at the end of the 2nd quarter and fiscal year) are held semiannually by Hulic’s top management mainly for institutional investors. We also conduct many one-on-one meetings. We are actively rolled out IR activities, such as many one-on-one meetings with institutional investors in Japan and overseas.

Briefing Session for Private Investors

We are proactively working on IR activities to make ourselves better understood by individual investors. We participate in seminars and fairs, etc. for individual investors to create opportunities for more individual investors to learn about us. We will promote IR activities that provide us with opportunities to communicate directly with individual investors.

Selected as Indices on ESG Efforts

Hulic has continuously been selected in six indices as a company who took excellent initiatives on environment, social and governance (ESG).

WEB

External Evaluations  
<https://www.hulic.co.jp/en/sustainability/assessment/evaluation.html>

External Evaluation of IR Activities

Hulic’s website discloses timely and detailed information on our various activities. In 2024, our website was selected as the “excellent website in all markets ranking” in Nikko Investor Relations Co., Ltd.’s All Japanese Listed Company Website Ranking 2024. In addition, our website won the silver prize in Gómez IR Site Ranking.



External Evaluation

Third-party Assurance

Taking proactive actions against sustainability- related risks such as environmental issues including climate change, working environment and human rights and contributing to SDGs are one of Hulic’s material management matters. We believe it is important to provide reliable information concerning our sustainability-related activities. Figures marked with “

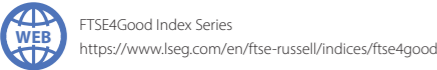
Co., Ltd. an independent assurance provider for the values included in our Integrated Report.  
We will continue to disclose information on the progress of our sustainability-related activities to the stakeholders while strive to improve quality of disclosure using PDCA cycle.

External Evaluations

Included in Several Index Series

Included in FTSE4Good Index Series

Hulic has been a constituent company in the FTSE4Good Index Series. “FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Hulic Co., Ltd. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index

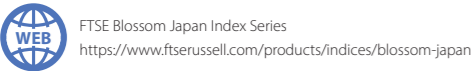


Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.”



Included in FTSE Blossom Japan Index Series

Hulic has been a constituent company in two indexes of the FTSE Blossom Japan Index Series.  
• FTSE Blossom Japan Index  
“FTSE Russell confirms that Hulic Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.”

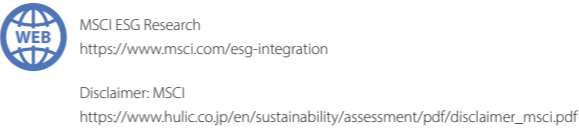


• FTSE Blossom Japan Sector Relative Index  
“FTSE Russell confirms that Hulic Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.”



Included in MSCI Nihonkabu ESG Select Leaders Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN) and MSCI Japan Empowering Women Index (Select)

Hulic has been selected for a constituent of the MSCI Nihonkabu ESG Select Leaders Index, MSCI Japan ESG Select Leaders Index, the MSCI Japan Empowering Women Index (WIN) and MSCI Japan Empowering Women Index (Select) by MSCI Inc.



Included in S&P/JPX Carbon Efficient Index

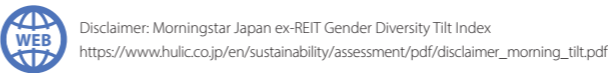
Hulic has been selected as a constituent of the S&P/JPX Carbon Efficient Index, which was jointly developed by S&P Dow Jones Indices and Japan Exchange Group (JPG). The S&P/JPX Carbon Efficient Index is designed to measure the performance of companies in the Tokyo Stock Price Index (TOPIX), while overweighting or underweighting those

companies that have lower or higher levels of carbon emissions to the revenue and actively disclose information of carbon emissions.



Included in Morningstar Japan ex-REIT Gender Diversity Tilt Index

Hulic has been selected as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J). GenDi J is designed to emphasize the stocks of companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal



opportunities to employees, irrespective of their gender.



Accordingly, Hulic has been continuously included in all six indices selected by the Government Pension Investment Fund (GPIF) for ESG investment indices: FTSE Blossom Japan Index, FTSE Blossom Japan

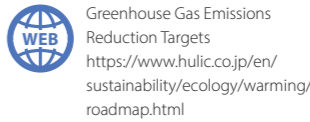
Sector Relative Index, MSCI Nihonkabu ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN), S&P/JPX Carbon Efficient Index and Morningstar Japan ex-REIT Gender Diversity Tilt Index.

Utilization of Environmental Assessment and Certification Systems

Approved by The SBT Initiative

Hulic has had its near-term (by 2030) greenhouse gas emissions reduction targets approved by SBTi (the Science Based Target initiative)\* as consistent with levels required to meet the goals of the Paris Agreement.

\* Science Based Targets initiative (SBTi)  
A collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), and is an international initiative that promote private sector to develop GHG emissions reduction targets in line with Paris Agreement (long-term temperature goal is to keep the rise in mean global temperature to well below 2°C and limiting below 1.5°C above pre-industrial levels), then validate and approve targets submitted to them. For approval, GHG emissions need to comply with GHG Protocol accounting and reporting standards, and near-term reduction targets need to be set between 5 and 15 years from the date of target submission to SBTi.



Recognized as an “A”List Company in the CDP Climate Change Assessment

Hulic has been recognized as an “A”List in the Climate Change 2024 Questionnaire conducted by CDP, a not-for-profit organization that evaluates environmental disclosure. The company which is recognized as “A”List company actively and effectively works to mitigate the risks caused by climate change. In the climate change assessment,

companies’ voluntary responses to the CDP Climate Change Questionnaire are assessed and scored, at four levels: disclosure, awareness, management, and leadership.



Initiatives for Biodiversity: Utilization of the JHEP Certification System

JHEP is a program to evaluate and certify activities that contribute to conservation and restoration of biodiversity, which was established and is operated by Ecosystem Conservation Society-Japan. Hulic carries out efforts to conserve and restore local vegetation as part of its development and reconstruction projects for Company-owned

properties from the standpoint of safeguarding biodiversity. As a result of our approach to biodiversity, a total 10 properties (Hulic Group) have been certified (as of December 31, 2024).



Acquisition of Environmental Certification

With regard to environmental certifications (CASBEE, BELS, etc.) for buildings, we aim to obtain the 30% level acquisition rate in our property portfolio.

Acquisition of CASBEE Certification

Comprehensive Assessment System for Built Environment Efficiency (CASBEE) is a method—researched and developed by the Japan Sustainable Building Consortium—for extensively evaluating and rating the environmental performance of buildings, districts, and cities, etc.

from diverse perspectives. A certification (rating) is provided based on the results of these evaluations.  
We have obtained CASBEE evaluations for a total of 27 cases (as of June 30, 2025, total number).

Acquired BELS/ZEB Certification

BELS certification is a third-party certification system that evaluates buildings which comply with the effort obligation to display energy-saving performance. It is evaluated by figures of the BEI (Building Energy Index), which is calculated from the primary energy consumption based on the building energy consumption performance standards set by the government.

5 ZEB certifications\*1 and 2 ZEB ready certifications\*2) (as of June 30, 2025, total number).



Hulic Logistics Hashimoto

A total of 34 properties have obtained BELS certification (including  
\*1 Certification given to the buildings with net zero or negative annual primary energy consumption based on the Building Energy Efficiency Labeling System (BELS) of the Ministry of Land, Infrastructure, Transport and Tourism.  
\*2 Certification given to the buildings that have reduced their primary energy consumption more than 50% from the standard numbers, excluding renewable energy, based on the Building Energy Efficiency Labeling System (BELS) of the Ministry of Land, Infrastructure, Transport and Tourism.

Other External Evaluations Related to Sustainability

Received a 4.5★ Rating in the Nikkei SDGs Management Survey

The Nikkei SDGs Management Survey, a survey that has been conducted annually by the Nikkei, is designed to rate companies that are aligning the Sustainable Development Goals of the United Nations to management of the companies and pursuing corporate value increase by solving environmental, economic and social issues through business activities. We have participated in the survey conducted in 2024 with the rest of approx. 890 listed and non-listed Japanese companies and have received a 4.5★ rating (deviation value of 65 to 70). The Nikkei SDGs Management Survey replaced their Environmental

Management Survey in which we had been ranked 1st in the real estate/warehouse industry for nine consecutive years until 2019. The survey addresses from four themes, i.e., SDGs strategy/economic value, social value, environmental value and governance and gather information by sending questionnaires to the participant companies and from publicly available data sources.



Received “Platinum Kurumin” and “Kurumin” Certifications

In regard to the support for raising the next generation, Hulic aims at a higher level than the legal requirements and has established various in-house measures. We are working to develop a work environment in which employees can take childcare leave more easily in addition to providing economic support to employees who take the leave. In recognition of our efforts, Hulic has received a certification of “Platinum Kurumin” from the Minister of Health, Labour and Welfare as

the Company supports employees in raising the next generation at a distinctive level. We also received “Kurumin” certification (in 2010, 2017 and 2020).



Certified as Health & Productivity Management Outstanding Organization (Small and Medium-sized Enterprises Category)

Hulic was certified as a Health & Productivity Management Outstanding Organization for the seventh consecutive year from 2019 in recognition of our health and productivity management initiatives. The award has been promoted by the Ministry of Economy, Trade and Industry in

conjunction with the Nippon Kenko Kaigi to advance health and productivity.



Corporate Certification for Eruboshi Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace Obtained

As a result of the formulation of the Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, Hulic attained the highest rank in the “Eruboshi” certification presented by the Minister of Health, Labor and Welfare in 2016, in recognition of the Company as an outstanding company in the implementation of initiatives to promote female empowerment at the workplace. We have put effort into creating an environment where diverse human resources can perform (diversity management), especially into establishing a top-class system for nurturing the next generations (a childcare support system/ onsite childcare and nursery facilities), with the aim of ensuring

that female employees will be able to continue playing an active role in the company after childbirth and while parenting.  
Since we have been facilitating in creating a corporate culture where employees respect the diversity among them and can perform best, we were able to meet the criteria for the certification established by the Ministry of Health, Labour and Welfare and obtain the highest rank certification.



Environmental Data

We will appropriately manage environment-related data and disclose information while executing environmentally friendly management. We believe it is important to provide reliable information concerning our sustainability-related activities. Figures marked with “**†**” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

Greenhouse Gas Emissions

(t-CO<sub>2</sub>e)

	2019 (base year)	2020	2021	2022	2023	2024
Scope1	14,931	10,490	11,369	13,151	13,259	13,869†
Scope2 (Market based)	25,067	18,529	17,473	20,966	5,105	148†
Subtotal Scope1 and Scope2	39,997	29,019	28,842	34,118	18,364	14,017
Scope3						
1 Purshased goods and services	18,303	24,723	24,497	33,122	34,218	45,182
2 Capital goods	20,730	39,142	19,638	30,727	62,327	67,300
3 Fuel and energy related activities	6,597	5,132	5,238	6,112	3,939	3,728
4 Transportation and delivery (upstream)	—	—	—	—	—	—
5 Waste generated in operations	2,276	2,296	1,419	3,016	4,497	2,101
6 Business travel	244	251	194	176	177	369
7 Employee commuting	455	430	283	307	338	695
8 Upstream leased assets	—	—	—	—	—	—
9 Downstream transportation and distribution	—	—	—	—	—	—
10 Processing of sold products	—	—	—	—	—	—
11 Use of sold products	36,984	88,280	43,315	33,033	32,417	19,471
12 End-of-life treatment of sold products	193	484	1,005	712	474	713
13 Downstream leased assets	143,225	109,328	115,114	132,191	122,765	124,973†
14 Franchises	—	—	—	—	—	—
15 Investments	—	—	—	—	—	—
Subtotal Scope3	229,006	270,066	210,703	239,397	261,152	264,530†
Total Scope1, 2 and 3	269,004	299,085	239,545	273,514	279,516	278,547

—: Not applicable.  
\*1 Hulic manages the amount of permissible leaks as an administrator based on the Act on Rational Use and Proper Management of Fluorocarbons and they are included in the calculations of greenhouse gas emissions. Note that we do not report or disclose this data as the amount of leaks is below the reporting standards.  
\*2 Our calculation of Greenhouse Gas Emissions adopts the criterion of operational control.  
\*3 Scope2 (Location based) FY2024 Result: 24,638 t-co<sub>2</sub>e

Total Energy Consumption

(MJ)

	2020	2021	2022	2023	2024
Total	599,718,983	603,949,285	694,169,900	727,418,203	791,948,993

RE100 Progress Rate

(%)

2020	2021	2022	2023	2024
0.5	13.5	47.0	100.0	100.0

\* The RE100 progress rate is calculated by dividing the total amount of power generated by Hulic-owned renewable energy equipment in the year by the total amount of electricity used (included some estimates) at the Hulic head office building and on the floors occupied by Group companies.

Water Intake (Water Consumption)

	Unit	2020	2021	2022	2023	2024
Number of properties (Owned facilities)	property	55	220	207	204	194
Water Intake (Water Consumption)*	thousand m³	346	1,487	1,855	1,953	1,739†
Details	Clean Water	thousand m³	—	1,427	1,767	1,890
	Well Water	thousand m³	—	42	74	46
	Industrial Water	thousand m³	—	18	14	17
Water Intake (Water Consumption) intensity	m³/m²	0.61	0.86	1.00	1.06	0.94

\* Beginning in FY2021, Hulic’s fixed assets are covered, excluding properties under development and land for for lease (220 properties in FY2021, 207 properties in FY2022, 204 properties in FY2023, and 194 properties in FY2024). Note that the amount of hot spring water used at hot spring *ryokans* (luxury Japanese inns) is not included.  
The boundary of FY2020 is properties with a total floor area of 3,000 m² or more, excluding buildings where bank branch is the sole tenant, as well as sectional and shared ownership properties and real estate for sale.

Waste Disposal

(t)

		2020	2021	2022	2023	2024
Number of properties (property)		36	41	40	48	262
Waste that Can be Recycled	Paper	33	33	475	614	760
	Bottles, cans, plastic bottles	60	54	193	393	369
	Total	92	88	668	1,007	1,130
Waste that Cannot be Recycled	Other general waste	711	638	1,463	2,085	2,123
	Industrial waste	76	85	270	501	528
	Total	787	723	1,733	2,586	2,651
Total of waste that can be recycled and waste that cannot be recycled		879	811	2,401	3,593	3,781↑
Waste disposal intensity (kg/m²)		2.84	2.89	7.80	10.86	7.90

\* Calculations for waste disposal are based on the properties where the Hulic Group occupies or manages business operations (36 properties in FY2020, 41 properties in FY2021, 40 properties in FY2022, 48 properties in FY2023, and 262 properties in FY2024). In FY 2024, the number of properties increased compared to the previous year due to the implementation of M&A during the period. Beginning in FY2020, we are calculating total waste disposal at specific properties within the boundary by using weight conversion factors based on actual measurements. The waste disposal of certain properties are estimated using the total floor area based on the emissions intensity of buildings with similar functions.

Technical Measures (such as longer life design, etc.) Applied to Reduce Construction waste

(property)

	2020	2021	2022	2023	2024
Number of properties	8	8	4	10	8
Implementation rate	100%	100%	100%	100%	100%

\* The percentage of properties completed in the given year that used technologies and measures that contributed to a reduction in waste as well as raw materials and other resources based on the Hulic Guidelines for Longer Life.

Integrated Environmental Certification

(As of the end of June 30, 2025)

	Number of properties	Area of acquired environmental certification	Acquisiiton Ratio (coverage rate, area basis)
CASBEE	27	288,321m²	15%
BELS	34	418,067m²	22%
DBJ Green Building	3	100,151m²	5%
Total (cumulative total number of properties)	64	806,539m²	43%

Number of Greening Properties

(property)

	2020	2021	2022	2023	2024
Number of greening properties	5	6	3	2	6

\* The number of completed properties in each year among those imposed with greening obligation (excludes real estate for sale).

Number of Renewable Energy Systems Installed in Development and Reconstruction projects

(property)

	2020	2021	2022	2023	2024
Number of renewable energy systems installed in development and reconstruction projects	3	8	3	3	5

\* The number of propaties installed renewable energy facilities completed each year.

Amount of Emission of SOx, NOx and VOC from Hazardous Wastes

	Unit	2020	2021	2022	2023	2024
Number of properties	property	7	9	6	12	7
SOx emissions	kg	142	826	770	2,557	1,532
NOx emissions	kg	1,649	6,778	5,132	394	9,623
VOC emissions	kg	0	0	0	84	228

\*Figures are for developed and constructed buildings for which data were collected in each year.

Raw Material Purchase Amount

	Unit	2020	2021	2022	2023	2024
Number of properties	property	7	9	6	12	7
Steel purchased amount	t	5,507	5,112	9,669	13,079	27,298
Concrete purchased amount	t	—	38,269	40,711	63,734	127,180
Pier purchase amount	m <sup>3</sup>	106	261	163	234	284
Plywood purchase amount	m <sup>3</sup>	204	552	415	508	511
Timber purchase amount	m <sup>3</sup>	335	375	174	230	184

\* Figures are for developed and constructed buildings for which data were collected in each year. We monitor concrete purchased amount from FY2021.

Paper Consumption

	Unit	2020	2021	2022	2023	2024
Amount of paper recycled	kg	15,600	13,880	13,000	11,895	11,765
Paper consumption per person (Hulic Head Office)	thousand	21	18	16	13	13

\* The scope is Hulic Head Office Building.

The Operational Status of Corporate Governance Related to Climate Change

(times)

	2020	2021	2022	2023	2024
Number of times the Sustainability Committee engaged in climate change monitoring	1	1	1	1	2
Number of reported times by the Sustainability Committee to the Board of Directors	—	2	3	3	2

\* In 2020, we announced our support for the TCFD recommendations and have strengthened our governance mechanism related to climate change.

Violations of Environmental Laws and Regulations-Payment of Fines

(unit)

	2020	2021	2022	2023	2024
Violations of environmental laws and regulations · payment of fines	n.a.	n.a.	n.a.	n.a.	n.a.

Social Data

We appropriately manage social-related data and disclose information. With the aim of enhancing the credibility of our disclosure, figures marked with “**†**” have been guaranteed by an independent assurance provider for the values included in our Integrated Report.

Human Capital-related Data

		2020	2021	2022	2023	2024
Number of employees (person)(non-consolidated)	Male/Female	122/62	128/61	140/62	159/63	165/68
	Total	184	189	202	222	233
Number of employees (person)(consolidated)		1,934	1,496	1,347	1,357	2,828
Average annual salary (JPY million)		1,708	1,803	1,904	1,908	2,035
Average service period	Male/Female	5.8/6.3	5.9/6.7	6.2/7.2	6.0/7.4	6.6/7.6
	Average	—	6.2	6.6	6.4	6.1
Average age (years. months)	Male/Female	—	41.5/35.5	41.3/35.11	39.11/35.7	40.1/36.1
	years. months	—	39.6	39.8	38.8	38.1
Average overtime (hours/per month)* <sup>1</sup>		—	—	—	29.3	30.9
New graduates hired (people)	Male/Female	4/4	8/4	4/3	7/5	6/3
Mid-career personnel hired (people)	Male/Female	9/2	10/1	13/3	19/3	6/5
Retention rate around 10 years after hiring (%)	Male/Female	—	71.4/75.0	71.4/80.0	81.8/71.4* <sup>2</sup>	83.3/83.3
Retention rate new employees (%)* <sup>3</sup>	Male/Female	100/100	100/100	100/91	100/100	100/91
Number of voluntarily resigned employees (person)		3	10	9	9	8
Ratio of voluntarily resigned employees (%)		1.6	5.3	4.4	4.0	3.4
Number of employees in managerial positions (person) (excluding executive officers)	Male/Female	70/22	76/22	84/23	89/20	91/23
Percentage of female directors and Audit & Supervisory Board members (%)		7	7	7	29.4	33.3
Percentage of female managers (%)		23.9	22.4	21.5	18.3	20.2
Employment ratio of persons with disabilities (%) (non-consolidated)		6.71	7.38	7.36	7.05	7.42
Employment ratio of persons with disabilities (%) (Hulic and Group companies)* <sup>4</sup>		2.34	2.54	2.68	2.74	3.01
Training expenses per employee (thousand yen)		—	149	171	145	162
Total training hours/Average training hours, training days per employee		—	—	—	2,134.5/9.6	2,302.3/9.9, 0.4
Number of participants for training sessions that included health and occupational safety (number)* <sup>5</sup>		—	124	139	218	224
Percentage of career development interviews conducted (%)		—	100	100	100	100
Number of seminars provided by the Diversity Promotion Project Team		1* <sup>6</sup>	1	1	1	1
Frequency rate of accidents resulting in lost workdays (Industry average)	(%/Number of occurrences)	0%/0	0%/0 (1.39)	0%/0 (1.47)	0%/0 (1.67)	0%/0 (1.91)
Percentage of employees who received medical checkup (%)		100	100	100	100	100 <sup>†</sup>
Usage rate of paid leave (%)		75.5	81.5	77.7	86.4	83.3 <sup>†</sup>
Number of employees who took childbirth leave (person)		4	2	4	7	2
Number of employees who took childcare leave (person)* <sup>7</sup>	Male/Female	2/4	5/2	8/5	10/7	8/2
Rate of male employees who took childcare leave (%)* <sup>8</sup>		50.0	83.3	80.0	125.0	88.9
Rate of female employees who took childcare leave (%) –Not adjusted for leaves carried over to the next fiscal year–* <sup>9</sup>		100	100	125	100	100

	2020	2021	2022	2023	2024
Rate of female employees who took childcare leave (%) –Adjusted for leaves carried over to the next fiscal year–*10	100	100	100	100	100
Ratio of employees returning to work after childcare leaves (%)	100	100	100	100	100
Number of employees with shorter working hours (person)	5	9	9	5	7
Number of employees who took day off for family care (person)*11	7	11	17	26	58
Number of employees who took family care leave (person)	0	0	1	1	2
Number of employees who took leave to take part in volunteer activities (person)*11	0*12	0*12	2	18	12
Number of stress checks conducted (people) / Percentage of employees who received stress checks (%)	177/94.7	171/94.0	181/95.3	166/86.0	176/90.2
Number of additionally obtained qualifications by employees in total	29	38	25	24	30

(note) Data covers Hulic Co., Ltd. only (excluding the number of employees (consolidated) and the employment ratio of persons with disabilities (Hulic and Group companies)).  
(note) Figures exclude transfers between Group companies. Seconded staff are included in figures for the number of employees with shorter working hours, and the number of employees who took leave to take part in volunteer activities.  
\*1 The data from FY2023 is hours of exceeding a statutory working.  
\*2 The data is number of new graduate recruitment for April 2013 to April 2015.  
\*3 The retention rate of new employees are actual results for the most recent three years.  
\*4 The data covers Hulic Co., Ltd. and subsidiary companies that have been certified as affiliated subsidiary companies under the Act on Employment Promotion, etc. of Persons with Disabilities.  
\*5 Number of participants for training sessions in health and productivity management.  
\*6 In FY2020, a video training session was held in lieu of an in-person seminar session to prevent the spread of COVID-19.  
\*7 Number of employees who took childcare leave; Male: Number of employees who began taking childcare leave, etc. during the fiscal year (From 2023, multiple leave acquisitions for the same child are counted as one time.); Female: Number of employees who began taking childcare leave during the fiscal year. If the acquisition period crosses fiscal years, include the figures for the fiscal year in which the acquisition start date occurs. Seconded employees are excluded from FY2023.  
\*8 Rate of employees who took childcare leave: (Number of employees who began taking childcare leave, etc. during the fiscal year) ÷ (Number of employees whose spouses gave birth during the fiscal year) ×100. Seconded employees are excluded from FY2023.  
\*9 Rate of employees who took childcare leave-Not adjusted for leaves carried over to the next fiscal year-: (Number of employees who began taking childcare leave during the fiscal year) ÷ (Number of employees (or their spouses) who gave birth during the fiscal year) ×100. Seconded employees are excluded from FY2023.  
\*10 Rate of employees who took childcare leave-Adjusted for leaves carried over to the next fiscal year-: (Number of employees who began taking childcare leave during the fiscal year) ÷ (Number of employees who entered the period for childcare leave during the fiscal year) ×100. Seconded employees are excluded from FY2023.  
\*11 Per month totals are given for the number of employees who took days off for nursing care and employees who took leave to take part in volunteer activities.  
\*12 The number of employees who took leave to take part in volunteer activities was nil during FY2020・2021, as participation in volunteer activities was halted to prevent the spread of COVID-19.

Other Data

	2020	2021	2022	2023	2024
Percentage of properties meeting Hulic’s earthquake-resistance standards*1(%)	100 (8 properties in boundary)	100 (8 properties in boundary)	100 (4 properties in boundary)	100 (10 properties in boundary)	100 (8 properties in boundary)
Progress toward a 100% highly earthquake resistant buildings*2 in 2029 (%)	—	81	82	86	86
Number of customer satisfaction surveys	1	1	1	1	1

\*1 Hulic’s earthquake-resistance standards are where building performance can safeguard human life and enable continued use of the building with post-earthquake repair in the event of an earthquake with a seismic intensity of level 7. Data covers the all completed properties each year.  
\*2 Highly earthquake resistant buildings are those that can safeguard human life and enable continued use of the building with post-earthquake repairs when an earthquake occurs with a seismic intensity of level 7, excluding those subjects for sale, etc. Data covers Hulic’s fixed assets.

Corporate Governance Data

We manage corporate governance-related data appropriately and disclose information.

Corporate Governance  
Members of Board of Directors’ Meetings, Audit & Supervisory Board Meetings, and Discretionary Committee Meetings

The Company’s Board of Directors, Audit & Supervisory Board, Nominating Committee and Remuneration Committee include the following members:  
As of April 1, 2025, the Board of Directors and Audit & Supervisory Board included 10 male and 5 female members. (the ratio of female directors: 30.0% and the ratio of female directors and Audit & Supervisory Board members: 33.3%)

Title	Name	Board of Directors	Audit & Supervisory Board	Nominating Committee	Remuneration Committee
Chairman, Representative Director	Saburo Nishiura	○	—	—	—
President, Representative Director	Takaya Maeda	○	—	—	—
Vice President, Director	Tadashi Nakajima	○	—	—	—
Vice President, Director	Hiroshi Hara	○	—	—	—
External Director, Chairperson of the Board of Directors	Tsukasa Miyajima	◎	—	◎	○
External Director	Hideo Yamada	○	—	○	◎
External Director	Atsuko Fukushima	○	—	○	○
External Director	Shinji Tsuji	○	—	○	○
External Director	Kiyomi Akita	○	—	—	—
External Director	Yuko Takahashi	○	—	—	—
Full-Time Audit & Supervisory Board Member	Masahiro Okamoto	—	◎	—	—
Full-Time Audit & Supervisory Board Member	Mie Tanaka	—	○	—	—
External Auditor	Nobuyuki Kobayashi	—	○	—	—
External Auditor	Noriko Koike	—	○	—	—
External Auditor	Masao Aratani	—	○	—	—

\*The chairpersons are indicated with ◎.

Attendance number (rate) at Board of Directors’ meetings, Audit & Supervisory Board meetings, and discretionary committee meetings in FY2024\*1

Title	Name	Board of Directors	Audit & Supervisory Board	Nominating Committee	Remuneration Committee
Chairman, Representative Director	Saburo Nishiura	17/17(100%)	—	—	—
President, Representative Director	Takaya Maeda	17/17(100%)	—	—	—
Vice President, Representative Director	Hidehiro Shiga *2	3/3(100%)	—	—	—
Vice President, Director	Hajime Kobayashi *3	9/9(100%)	—	—	—
Vice President, Director	Tadashi Nakajima	17/17(100%)	—	—	—
Vice President,Director	Hiroshi Hara *4	14/14(100%)	—	—	—
Chairperson of the Board of Directors, Director (non-executive)	Manabu Yoshidome *2	3/3(100%)	—	—	—
External Director, Chairperson of the Board of Directors	Tsukasa Miyajima	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Hideo Yamada	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Atsuko Fukushima	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Shinji Tsuji	17/17(100%)	—	1/1(100%)	2/2(100%)
External Director	Kiyomi Akita	17/17(100%)	—	—	—
External Director	Yuko Takahashi	17/17(100%)	—	—	—
Full-Time Audit & Supervisory Board Member	Masahiro Okamoto	17/17(100%)	15/15(100%)	—	—
Full-Time Audit & Supervisory Board Member	Mie Tanaka	17/17(100%)	15/15(100%)	—	—
External Auditor	Nobuyuki Kobayashi	17/17(100%)	15/15(100%)	—	—
External Auditor	Kenichi Sekiguchi *2	3/3(100%)	5/5(100%)	—	—
External Auditor	Noriko Koike	17/17(100%)	15/15(100%)	—	—
External Auditor	Masao Aratani *4	14/14(100%)	10/10(100%)	—	—

\*1 Attendance number is calculated based on the meetings held in January to December 2024.  
\*2 Attendance number in FY2024 is calculated until retired on March 26, 2024. Their titles at that time of resignation are also noted.  
\*3 Attendance number in FY2024 is calculated until retired on June 25, 2024. The title at that time of resignation is noted.  
\*4 Attendance number in FY2024 is calculated since appointed on March 26, 2024.

Director Skill Matrix

To achieve our Medium- and Long-Term Management Plan, we have defined the skills we consider necessary for directors as those related to (1) corporate management, (2) sustainability and ESG, (3) finance and accounting, (4) legal affairs and compliance, (5) risk management, (6) personnel and labor affairs and human resources development, and (7) the real estate business.

We appoint directors with the right skills in accordance with these requirements, and their skills are shown in the table below.

Name	Title	Corporate management	Sustainability and ESG	Finance and accounting	Legal affairs and compliance	Risk management	Personnel and labor affairs and human resources development	Real estate business
Saburo Nishiura	Chairman, Representative Director	◎	○	○		○	○	○
Takaya Maeda	President, Representative Director	◎	○			○	○	◎
Tadashi Nakajima	Vice President, Director	○	○			○	○	◎
Hiroshi Hara	Vice President, Director	○		○		◎	○	○
Tsukasa Miyajima	External Director, Chairperson of the Board directors		○		◎	○		
Hideo Yamada	External Director				◎	○	○	
Atsuko Fukushima	External Director		◎				○	
Shinji Tsuji	External Director	◎				○		
Kiyomi Akita	External Director		○				◎	
Yuko Takahashi	External Director	○		◎				

\* A ◎ in a director's skill matrix means the director in question has particularly outstanding skills in that particular area.  
\* The above list is not intended to be an exhaustive list of the knowledge and experience possessed by each director.

Directors/Auditors' Compensation

(FY2024)

Post	Total amount of compensation (JPY million)	Total amount by type of compensation (JPY million)				Number of directors/ auditors
		Fixed compensation	Performance-linked variable compensation (in stock)	Performance-linked variable compensation (bonus)	Of these amounts, non-monetary compensation	
Directors (excluding External Directors)	1,013	446	283	283	283	7
Auditors (excluding External Auditors)	72	72	—	—	—	2
External Directors /Auditors	166	166	—	—	—	10

\*1 The amount of stock compensation is provision to reserves for stock benefits posted as the portion for the current fiscal year, for performance-linked variable compensation system.  
\*2 The total non-monetary compensation to directors (excluding external directors) consists of JPY283 million in performance-linked variable compensation (in stock).

External Directors

Name	Occupation/affiliation, etc.	Reason for appointment	Independent Director
Tsukasa Miyajima	Professor Emeritus of Keio University, Lawyer, Professor of Law and Graduate, School of Law of Asahi University	Mr. Miyajima has extensive experience and insight as a person of academic standing and the Company believes that he leverages this expertise in the management of the Group.	○
Hideo Yamada	President of Yamada Ozaki Law Office	Mr. Yamada has been active as lawyer for many years, has refined views as a legal expert as well as experience as president of the bar association and led the organization, and the Company believes that he leverages this expertise in the management of the Group.	○
Atsuko Fukushima	Journalist, Director of the Resona Foundation for Future	Ms. Fukushima has been active in the media industry for years and has extensive experience, so the Company believes she reflects her wide range of perspectives in areas including socio-economics, environment, culture and diversity in the management of the Group.	○
Shinji Tsuji	Advisor, Sompo Holdings, Inc.	Mr. Tsuji has extensive experience and broad insight as the top management of a major non-life insurance company, and the Company believes that he leverages this expertise in the management of the Group.	○
Kiyomi Akita	Professor Emeritus of the University of Tokyo, Professor of Gakushuin University	Ms. Akita has a high level of expertise in pedagogy (teaching), having served as a university professor and as an officer of a public interest incorporated foundation, and the Company believes that she leverages this expertise for the management of the Group.	○
Yuko Takahashi	Yuko Takahashi Certified Public Accountants Office	Ms. Takahashi has expertise in corporate accounting and a wealth of experience as a member of management at a major advertising agency, and the Company believes she leverages this expertise in the management of the Group.	○

External Auditor and Audit & Supervisory Board members\*

Name	Occupation/affiliation, etc.	Reason for appointment	Independent Director
Nobuyuki Kobayashi	Director of Kobayashi Certified Public Accountants Office	Mr. Kobayashi has specialized knowledge in accounting and taxation as a certified public accountant and tax accountant, so the Company believes that he audits management objectively and from a neutral position as an External Auditor and Audit & Supervisory Board member.	○
Noriko Koike	Koike Certified Public Accountants Office	Ms. Koike has extensive experience and specialized knowledge in accounting, so the Company believes that she audits management objectively and from a neutral position as an External Auditor and Audit & Supervisory Board member.	○
Masao Aratani	Director, Meiji Yasuda Life Insurance Company (Fulltime Audit & Supervisory Committee Member)	Mr. Aratani has extensive experience and broad insight as executives of a leading life insurance company, so the Company believes that he audits management objectively and from a neutral position.	○

\* as of April 1, 2025

Other Data

	FY2020	FY2021	FY2022	FY2023	FY2024
Participation rate in Board of Directors meetings (%)	98.7	99.6	99.6	99.5	100
Number of effectiveness assessment of the Board of Directors (time)	1	1	1	1	1

Compensation for Audit by a Certified Public Accountant, etc.

(JPY million)

Category	FY2023		FY2024	
	Compensation based on audit and attestation services	Compensation based on non-audit services	Compensation based on audit and attestation services	Compensation based on non-audit services
Hulic	65	3	72	6
Consolidated subsidiaries	45	—	90	—
Total	110	3	163	6

(FY2023)

Non-audit services provided to the Company include tasks such as drafting comfort letters related to corporate bonds issuances.

(FY2024)

Non-audit services provided to the Company include tasks such as drafting comfort letters related to corporate bonds and offering of shares.

Compensation for Ernst & Young Member Firms (excluding remuneration for the above mentioned audited certificated public accountants, etc.)

(JPY million)

Category	FY2023		FY2024	
	Compensation based on audit and attestation services	Compensation based on non-audit services	Compensation based on audit and attestation services	Compensation based on non-audit services
Hulic	—	—	—	12
Consolidated subsidiaries	—	2	—	—
Total	—	2	—	12

(FY2023)

The content of non-audit work at consolidated subsidiaries is tax-related outsourcing.

(FY2024)

Non-audit service at the Company involved tax-related outsourcing and others.

Compliance

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of compliance training conducted (time)	5 (4 employees, 1 officer)	5 (4 employees, 1 officer)	5 (4 employees, 1 officer)	5 (4 employees, 1 officer)	7 (5 employees, 2 officer)
Political contributions	none	none	none	none	none
Expenses for corruption related fines, penalties or legal settlements	none	none	none	none	none
Number of employee reprimands or dismissals due to actual or suspected corruption (time)	0	0	0	0	0
Compliance violations regarding Hulic businesses and services and means of transaction (time)	0	0	0	0	0

Responses and BCP to fluctuations in the financial and real estate markets

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of Risk Management Committee and Fund and ALM Committee meetings (time)	4/22	4/16	4/17	4/16	4/16
Number of BCP drills, inspections of stockpiled food and suppliers (time)	1	3/4/1*	3/4/1	2/4/4	3/4/4

\*Beginning in FY2021, the number of BCP drills, inspections of stockpiled food and suppliers are disclosed, respectively.

Tax Payments by Country

Hulic Co., Ltd. (non-consolidated)

(JPY million)

	FY2020	FY2021	FY2022	FY2023	FY2024
Japan	31,271	23,956	24,417	28,171	35,824
The U.S.	3	7	3	2	91
Total	31,274	23,963	24,420	28,173	35,916

\* Total current income taxes and deferred income taxes were counted.